

AMATHOLE DISTRICT **MUNICIPALITY**



2012 - 2017

INTEGRATED DEVELOPMENT PLAN

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MAPS

THE EXECUTIVE MAYOR'S FOREWORD



The local government elections of 2011 have afforded all municipalities in our country an opportunity to develop new Integrated Development Plans for a period of five years. This is to enable the new councils to mould and present their own perspective of the development trajectory they want to nurture. The development of the Integrated Development Plan empowers the councils to build on the strengths of the municipality and develop strategies to mitigate against the weaknesses and risks exposed through the process.

The road we have traversed has thus far encouraged us that the path we have chosen through our strategic planning session and the various resolutions taken by both the Mayoral Committee and the council will lead us to realize the objectives of our Constitution in particular those geared towards a better quality of life for all. These include the firm determination to develop our economy, the critical role that ASPIRE, our development Agency plays in the development of our towns and communities, our tabling of annual report to account and entrench a culture of good governance.

The role played by the cluster heads at both political and administrative levels towards achieving this strategic document is greatly appreciated. Two important events have had a major impact in our plans and those being the COP 17 on Climate change, the fact that Buffalo City is now a Metropolitan Municipality and the scarcity of resources to implement our plans (the recession). Be that as it may this Integrated Development Plan We have ensured right through the process plan that there is always live consultations between the Amathole District Municipality and its constituent local municipality. We have to yet master the ability to plan with our neighbour the Metro seeing that economy knows no juridical boundaries but works on geographical boundaries.

Above all what will make the Amathole District Municipality deliver on its mandate is conscious inculcating of mutual respect, good governance and culture of performance amongst all of us. This Integrated Development Plan will only be of value if it assists us to achieve all of the above.

The last financial year has given us a challenge that we shall have to learn to live by. That is to maintain the great heights attained by this district with regards to financial management and other record of good governance.

I would like to take this opportunity to make a call to all of us to ensure that good planning should be supplemented by a good culture of performance.


NOMASISI KONZA
EXECUTIVE MAYOR

MUNICIPAL MANAGER'S MESSAGE



The Integrated Development Plan for the period 2012/2013 to 2016/2017 takes place having taken into account the existence of the National Planning Commission Report released in November 2011. The report prioritises job creation, efficiencies in the supply and demand for water and sanitation services, balance between urban and rural development, weathering the storms of climate change and economic recession and fight against corruption amongst others. Amathole District Municipality has developed a number of sector plans and strategies that will ensure that the municipality is strategically placed to make a significant impact to the achievements of the National Development Plan.

This IDP and Budget constitutes a five year plan for the term of the new Council ushered in by the 2011 municipal elections. Issues to be finalised include the transfer of land and buildings, land restitution projects, municipal health functions and water resources. While the new Councillors have settled well into their roles and responsibilities, they are faced with a challenge of the end of term for top managers of ADM.

On 18 May 2011, Buffalo City Municipality became a metropolitan city, thus ceasing to be one of ADM's local municipalities. The Department of Local Government and Traditional Affairs has been approached to facilitate the continuity of the Transitional Facilitation Committee beyond the 2011 municipal elections.

ADM is recovering from a drought situation which saw water resources diminishing in most of the district area. A significant portion of the budget was spent on carting water to the drought stricken areas. In order to intervene on a sustainable basis, Council adopted a clear drought mitigation strategy by approving a Drought Business Plan in September 2010, which made provision for a collection of innovative strategies with potential long term positive impact for Council – these initiatives include such as water conservation and water demand management, exploration of underground water potential on a large scale throughout the district, desalination along our coastal areas and water reuse in all centres where we have bulk wastewater treatment works. For this purpose Council provided R78.55 million from its own reserve funds to be rolled out in a multi-year programme to mitigate the effects of any future droughts and to make ADM less rainfall dependent. It would also produce as end product a "basket of resources" which would enhance the sustainability of Council and minimize the risk of running out of water again during periods of drought.

On 1 July 2006, ADM took over the water and sanitation functions from local municipalities. ADM has invested some R50 million to date to refurbish its bulk water infrastructure and another R1.5 billion in eradicating water and sanitation backlogs in the district. Council was nicely on target to eradicate all bucket systems in 2007/8 but had to abandon the programme when the drought caused water outages [the flush toilets would have exacerbated the situation]. Currently the programme is well underway again and all buckets should be eradicated in Bedford and Fort Beaufort [Bhofolo/Newtown] by August 2012 and in Adelaide by January/February 2013. Council is busy doing a verification of the remaining water and sanitation backlog numbers in the 2011/12 major Water Services Development Plan [WSDP] review process to accurately set eradication targets for the next few years.

I would like to thank our key stakeholders who took it upon themselves as individuals and organised bodies to contribute to this plan and budget. The political leadership of ADM and local municipalities in the district have played an important role in not only taking the baton from their predecessors but also to take it running. Management and Staff of ADM have taken it upon themselves to provide their technical inputs without reservations despite the transitional period of the planning and budgeting cycle. I am sure we are all up to the

challenge. Working together, we can do more!" This is the pattern that we all have to recognise and build our democratic state.



CHRIS MAGWANGQANA
MUNICIPAL MANAGER

THE EXECUTIVE SUMMARY

BACKGROUND TO THIS DOCUMENT

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

In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act 32 of 2000 also requires that:

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

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

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

THE IDP PROCESS

On 26 August 2011, the Amathole District Municipality adopted an IDP Framework Plan together with the IDP/Budget Process Plan. These plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for the development of the IDP and the Budget. The District IDP Framework served as a guide to all local municipalities falling within the Amathole area of jurisdiction, and for purposes of alignment in the preparation of their respective Process Plans. In brief, the District Framework Plan outlines the time frames of scheduled events/activities, structures involved and their respective roles and responsibilities. The IDP/Budget Process Plan outlines in detail, the way in which the ADM embarked on its IDP and Budget processes from its commencement in July 2011 to its completion in June 2012. Both these plans are attached to this document as annexure.

Organizational arrangements were put in place as per the IDP/Budget Process Plan and all legislative prescripts were adhered to. Of particular note, have been the operations of structures, such as IDP/PMS/Budget Representative Forum, IDP Steering Committee, Budget Steering Committee, Intergovernmental Relations (IGR), District Mayor's Forum (DIMAFO), and Cluster Teams. These have executed their mandates in terms of the adopted IDP/Budget Process Plan and ensured the achievements of key milestones and deliverables. Also, the establishment of the District Planning Coordinating Forum, which is a technical team that ensured district-wide IDP and Performance Management System (PMS) co-ordination and integration. The Forum is comprised of the District and Local Municipalities IDP and PMS Managers, Local Municipalities Technical Cluster Champs, IDP and PMS officials from the Eastern Cape Department of Local Government & Traditional Affairs, representatives from the Office of the Premier and Provincial Treasury. Further, as part of the Operations Management Strategy, the establishment of the Operations Management Strategy Management Team which is a technical team that constitutes representatives from the departments within ADM. This is the team that is responsible for integrating IDP, budget and PMS information between departments and the office of the Strategic Manager as well as alignment of departmental activities into the IDP, PMS and budget processes.

In the process of developing the IDP and the Budget, a strategic planning session was held on 29 – 31 January 2012. The session was intended to facilitate provision of a framework that will guide the municipality's five (5) year strategic direction. Furthermore, as part of the IDP process, an analysis was conducted in respect of various sector plans attached to the ADM's IDP. Some were found to be still relevant and required minor update done in-house, others required a major review, whilst new sector plans were developed.

The draft IDP and Budget for 2012-2017 was tabled and approved by Council on 23 March 2012. These documents were widely publicised for comments before being tabled before Council for adoption on 25 May 2012.

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

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

ADM ACTION PLAN PARTICIPATION STRUCTURES & MEETING DATES	
PRE-PLANNING (July – August)	
Councillor workshop on the IDP review process	12 August 2011
IDP Steering Committee workshop to outline the review process	05 August 2011
IGR Forum meeting to outline the review process	22 August 2011
Budget Steering Committee to discuss the new budget legislation and membership	26 August 2011
IDP/PMS/Budget Representative Forum [district-wide launch]	23 September 2011
ANALYSIS (September– November)	
IDP Steering Committee to review implementation progress and discuss analysis	01 September 2011
District Mayors' Forum (DIMAFO)	15 September 2011
District Planning Co-ordinating Forum to discuss situational analysis and local priorities	22 September 2011
IDP Steering Committee- clusters to present draft situational analysis	06 October 2011
IGR Forum to give feedback on the situational analysis	02 November 2011
IDP Steering Committee to present final situational analysis	03 November 2011
IDP/PMS/Budget Representative Forum [district-wide development priorities]	21 November 2011
District Mayors' Forum (DIMAFO)	17 November 2011
District Planning Co-ordinating Forum to discuss District-wide IDP Engagement	23 November 2011
OBJECTIVES; STRATEGIES and PROGRAMMES(December – March)	
IDP Steering Committee to prepare reports for Strategic Plan	12 January 2012
Strategic Planning session (mid-year term review and strategic goals)	29 – 31 January 2012
IDP Steering Committee (refine objectives, strategies and draft projects)	09 February 2011
Budget Steering Committee to approve draft budget allocation (IDP/Budget link)	01 – 02 March 2012
IGR Forum to discuss the draft IDP and Budget	05 March 2012
IDP Representative Forum (present draft IDP, Budget and SDBIP)	22 March 2012
IDP Steering Committee to check alignment and sector specific guidelines	08 March 2012
Council workshop on draft IDP & Budget	13 – 14 March 2012
Council approval of the draft IDP & Budget and Annual Report	23 March 2012
District Mayors' Forum (DIMAFO)	16 March 2012
APPROVAL (April – June)	
IDP/ Budget road shows (public presentation hearings at LMs)	12 April – 11 May 2012
Council Open Day (present final draft)	11 May 2012
IGR Forum meeting	04 May 2012
DIMAFO	15 May 2012
Council Meeting (IDP and Budget final adoption)	25 May 2012

COMMUNITY INVOLVEMENT

The following is an outline of the public participation process with specific reference to transparency and community involvement during the IDP process.

EVENT	VENUE	DATE
Water forum meeting	Fort Beaufort	13/07/2011
Retrofitting on Mandela day	Fort Beaufort	18/07/2011
MRM visit to Mbhashe	Dutywa/Willowvale	25/07/2011
MRM visit to Great Kei	Komga	27/07/2011
Wild Coast Jikeleza festival	Great Kei (Mpongo Park)	30/07/2011
Handover of sewing machines in Ngqushwa	Ncumisa Kondlo Hall	16/08/2011
School visit	Willowvale SSS (Willowvale)	17/08/2011
Water forum meeting	Peddie	18/08/2011
ADM Women's month	Christian Centre (EL)	02/09/2011
Water forum meeting	Dutywa	06/09/2011
Tiyo Soga Memorial Lecture	Butterworth	08/09/2011
Water forum at Cathcart	Cathcart	11/09/2011
Water forum meeting	Komga	13/09/2011
Mayor's Challenge	Nkonkobe	14-17/09/2011
School visit	Mboya JSS (Willowvale)	15/09/2011
School visit	Luvundu JSS (Dutywa)	15/09/2011
ADM Heritage Day	Alice	18/09/2011
Launch of VIP Toilets	Khothana village	28/09/2011
Sod turning ceremony	Willowvale	29/09/2011
SEK Mqhayi Memorial	Berlin	29/09/2011
School visit	Mtyana (G-Kei)	13/10/2011
School visit	Kei Road	14/10/2011
Visit by National Parliament	Calgary (EL)	11-15/10/2011
Toilet Day	Khothana	16/11/2011
Water Forum	Alice	18/10/2011
Water Forum	Butterworth	20/10/2011
School visit	Matthew Goniwe (Amahlathi)	31/10/2011
ADM Aids Day	Bedford	31/10/2011
Toilet Day	Khothana	16/11/2011
Mayoral Imbizo	Hlobo village	24/11/2011
Graduation ceremony	Amajingqi (Willowvale)	25/11/2011
District Communicators Forum	Osner Hotel (EL)	29/11/2011
Amahlathi water forum	Stutterheim	30/11/2011
Cooperatives Indaba	EL	5-7/12/2011
Back To School campaign.	All LM's	06/02/2012
Mayor's school visits	All Lm's	07/02/2012
Launch of Mayor's Cup	Ngqushwa	08/02/2012

EVENT	VENUE	DATE
Mayor's school visits	Elethu Primary	10/02/2012
MPAC campaign	ALL LM's	14/02/2012
Water Harvesting	Nqancule	17/02/2012
Tourism Imbizo	EL	8-10/03/2012
Launch of safe water reservoirs	Mbhashe	30/04/2012
Human Rights Day	Mbhashe	30/04/2012
Investor Conference Business Breakfast and launch of website	EL	25/04/2012
IDP Roadshows	All Lms	12/04-11/05/2012
Investor Conference	Ngqushwa	25-26/04/2012
Hosting Deputy Minister from DWA	Mnquma	10/05/2012
SODA	EL	25/05/2012
Launch of sanitation facilities(350 toilets)	Amahlathi	30/05/2012
Pass- out parade for ABET learners	EL	31/05/2012
Reburial of skeletons	Mbhashe	01/06/2012
Official Opening of Disaster Management Centre	EL	06/06/2012
Environmental week	Ngqushwa	07-08/06/2012
Climate Change awareness	Nxuba	15/06/2012

RELEVANT DOCUMENTS

The following documentation should be read with the IDP:

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

ALIGNMENT WITH NATIONAL AND PROVINCIAL PROGRAMS

The following National programs informed the IDP process:

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

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

Key Performance Areas	10 National Priorities	8 Provincial Priorities	12 Outcomes
Good Governance and Public Participation	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all
	Build cohesive, caring and sustainable communities	Building cohesive and sustainable communities	9. Responsive, accountable, effective and efficient Local Government system
	Pursuing African advancement and enhanced international co-operation		12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship
	Building a developmental state including improvement of public services and strengthening democratic institutions		11. Create a better South Africa, better Africa and a better world
Municipal Financial Viability and Management	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	9. Responsive, accountable, effective and efficient Local Government system
Municipal Transformation and Institutional Development	Strengthen skills and human resource base	Strengthen education, skills and human resource base	1. Quality basic education
	Pursuing African advancement and enhanced international co-operation		5. Skilled and capable workforce to support an inclusive growth path
	Building a developmental state including improvement of public services and strengthening democratic institutions		3. All people in SA are and feel safe
			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
Basic Service Delivery and Infrastructure Investment	Improve health profile of the nation	Improve the health profile of the province	6. An efficient, competitive and responsive economic infrastructure network
	Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	2. A long and healthy life for all South Africans
	Massive programme to build economic and social infrastructure	Massive programme to build social and economic and infrastructure	8. Sustainable human settlements and improved quality of household life
	Sustainable resource management and use	Building a developmental state	10. Protect and enhance our environmental assets and natural resources

Key Performance Areas	10 National Priorities	8 Provincial Priorities	12 Outcomes
Local Economic Development	Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods	Speeding up growth & transforming the economy to create decent work and sustainable livelihoods	4. Decent employment through inclusive economic growth
	Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	6. An efficient, competitive and responsive economic infrastructure network
		Massive programme to build social and economic and infrastructure	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all
		Building cohesive and sustainable communities	8. Sustainable human settlements and improved quality of household life
		Building a developmental state	10. Protect and enhance our environmental assets and natural resources

ACHIEVEMENTS OVER THE PAST 10 YEARS

Following are the highlights of achievements as reflected in the State of the District Address in April 2011.

- Institutionalizing Municipal Support after the withdrawal of funding support for PIMSS Centres.
- Establishment of a Job Evaluation Unit and becoming the first job evaluation region in South Africa to complete the Final Outcomes Report for all 9 municipalities.
- Transfer of Primary Health Care to the Provincial Department of Health with effect from 1 October 2010 was completed successfully.
- Restructuring of departments with the establishment of the new Land, Human Settlements and Economic Development Department and also a merger of two departments namely, Human Resources and Administration to form the Corporate Services Department.
- Establishment of Customer Care & Service Centres at each local municipality to bring services closer to our communities.
- In 2007 – the ADM was awarded the First runner up to “Best Skills Development Facilitator” in the Eastern Cape.
- In 2008 – The ADM was awarded the “Best Performing Workplace” in the Eastern Cape (for the development and implementation of workplace training).
- In 2009 –ADM was the only Municipality to be nominated in the Eastern Cape to compete Nationally for “Best Performing Workplace” in terms of training.
- In 2010 – the ADM received the award for “Training Committee of the year”.
- In 2010 – Entrepreneurship training was offered to 12 “People with Disabilities
- Established relations with our international partners in Kampala, Uganda and also in India.
- A total of 270,6 million hectares was accessed for the benefit of communities who previously did not have access to land ownership.
- R33 million was spent on buying the land and developing infrastructure and constructing services on the acquired land in mostly rural areas within the district.
- A total of 1,184 individual title deeds were issued to various beneficiaries thus ensuring security of tenure for residents in Kaisers Beach, Ducats, Chintsa East, Morgans Bay and Isidenge.
- Settlement upgrading of 52 village areas was achieved for 53, 133 households in seven local municipalities at a cost of R11,79 million.
- ADM became an implementing agent for land restitution areas of Cata, Dwesa-Cwebe and Macleantown.
- A total of R8,5 million was spent on the development of Chata.
- A total amount of R12,1 million was spent for the development of Dwesa Cwebe.
- In the past 5 years, 4,325 beneficiaries realised their socio-economic right of access to adequate housing in: Chintsa East, Morgan’s Bay, Isidenge, Kaysers Beach, Prudhoe, Dongwe, Needs Camp, Lillyvale, Teko Springs, Ndlovini, Kubusi and Ducats.
- In support of social development in our district, the ADM has implemented various community facility projects at a total cost of R12,7 million, providing services for 14,863 beneficiaries and employment for 123 people.
- In the 2009/10 financial year, ADM took the bold step to tap into its own funding reserves to provide R28 million for crucial refurbishment work on its Water Treatment as well as Wastewater Treatment Works throughout the district.

- The successful partnership the ADM has enjoyed with Amatola Water is also epitomised by the 2 Blue Drop Awards for water quality received from the Department of Water Affairs in May 2009 as well as the 2 Blue Drop awards in 2010.
- In September 2005, the Amathole Economic Development Agency, which was later named Aspire, was established with the purpose of focusing on interventions to unlock the economy of the district.
- In March 2007, the ADM held its Growth and Development Summit and subsequently unveiled the Amathole Regional Economic Development Strategy or AREDS.
- ADM invested over R3,4 million to support and promote annual festivals within the district, and which have as a result grown to be tremendously popular.
- As part of the heritage initiative project, 9 Visitor Information Centres (VICs) were developed at various local municipalities.
- With the assistance of DEDEA, DLGTA and the ADM's internal funds, the Tourism Unit has developed feasibility studies and business plans for the Mthontsi Lodge and Conference Centre, Bawa Falls, the Nxuba Chalets and Highlands Resort projects.
- ADM assisted more than 50 enterprises with market access in attending various trade shows and national festivals, providing start up equipment for their businesses, providing assistance with business registration, and in the ADM hosting conferences to provide expertise and information to SMMEs and Cooperatives.
- ADM assisted in registering more than 100 Cooperatives within the district and since 2008 has successfully hosted its third Cooperative Indaba which has proven to be very beneficial to the participants and is rapidly growing in popularity.
- A Business Advisory Forum was also established in March 2010 made up of well respected members of the business fraternity to advise the Mayor on key issues pertaining to businesses within the district.
- The Environmental Management Unit utilised R1 million from the Extended Public Works Programme (EPWP) incentive grant fund for job creation in the areas of recycling, alien vegetation eradication and the *Pelargonium* projects in the Mbhashe, Mnquma and Nkonkobe municipalities respectively.
- Four heritage routes were established in 2004 within the district named after Xhosa kings and heroes, namely Sandile, Maqoma, Phalo and Makana. These routes were later linked to the Liberation Routes of the Eastern Cape.
- Over the past years the Agricultural Unit has been involved in various mechanisation projects to promote food security.
- Over the past ten years, the ADM has awarded 2,696 projects, provided employment to some 10,201 people and issued contracts to the value of nearly R2,2 billion. Of the 10,201 people employed, 2,154 were women, 3,940 were youth, 4,045 were males and 62 were disabled people. Of the nearly R2,2 billion contracts awarded, R1,6 billion was awarded to HDI companies and R240,4 million awarded to female owned companies.

New Council's 100 Days Achievements

The current council came into office after the local government elections held in 2011 and within 100 days in office the following soft and concrete milestones were achieved:

- Unveiling of the new heritage site at Fort Malan
- Environmental day celebrations at Mbhashe
- Retrofitting (fixing leaking taps) to celebrate Mandela Day at Fort Beaufort
- Hogback Christmas in July

- Unveiling of Centane fire station
- Wild Coast Jikeleza (Nkwenkwezi game Reserve)
- Launch of Hlobo Water Supply
- Visit by the Executive Mayor to Elethu Primary School
- Handover of sewing machines to elderly project
- Launch of Indigent registration campaign
- Memorial lecture on Tiyo Soga
- Mayor's challenge
- Heritage/Tourism Day Celebrations
- Official opening of Cintsa fire station
- Launch of VIP toilets at Kotana
- Sod turning ceremony, for launch of VIP toilets at Willow vale
- SEK Mqhayi Language conference
- Official launch of disaster management centre in Whelan workshop

PERCEPTION SURVEY

During 2010/2011 financial year, ADM conducted a stakeholder perception survey to assess the social and economic impact of development interventions at community level. The existing Community Development Workers (CDWs) and Community Liaison Officers (CLOs) were utilized as fieldworkers as they are well positioned to undertake the research due to their local knowledge of the communities they serve. ADM's aim is to improve the credibility of the information within the IDP by gaining a better understanding of:

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

The results of the survey showed that:

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

Recommendations:

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

REPORT OUTLINE

The structure of the 2012 – 2017 IDP is as follows:

CHAPTER 1: THE VISION

Chapter one of the IDP provides a concise summary of the municipal vision, mission and values together with the district priorities for the next 5 years.

CHAPTER 2: DEMOGRAPHIC PROFILE OF THE DISTRICT

This chapter provides a detailed profile of the Amathole District.

CHAPTER 3: STATUS QUO ASSESSMENT

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

CHAPTER 4: DEVELOPMENT OBJECTIVES, STRATEGIES, PROGRAMMES AND PROJECTS

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

CHAPTER 5: SECTOR PLANS

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

CHAPTER 6: FINANCIAL PLAN

Chapter six provides the District Municipality's financial strategies, medium term expenditure, proposed budget for the 2012/13 financial year as well as the 3 Year Capital Plan.

CHAPTER 7: PERFORMANCE MANAGEMENT SYSTEM

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

CHAPTER 1: THE VISION

Vision

“Amathole District Municipality:

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

Mission

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

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

Core Values

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

ADM LIST OF PRIORITIES PER KEY PERFORMANCE AREA

PRIORITY AREA	KEY PRIORITY ISSUE	POSSIBLE INTERVENTION	OPERATIONAL	STRATEGIC
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT				
Municipal Health Services	Lack of an effective and integrated Information Management System for MHS	Development of an effective and integrated information management system containing information and database on municipal health services		√
	Limited coverage by ADM in relation to Disaster Management	Improve coverage of ADM - Decentralisation of MHS staff to LMs for effective utilisation		√
		Sector Plan Review		√
		Disaster Risk Awareness and training of staff, volunteers and stakeholders.		√
		Establishment of legislated committees within ADM		√
		Continuous Training of Fire Services Staff and training of volunteers to meet employable standards		√
		Review of sector plans		√
Human resources	Lack of pro-active approach in the management of labour relations issues	To develop a labour relations strategy that will encompass a pro-active approach in labour relation issues		√
	Low skills base in the District	Implementation of the ADM HRD strategy		√
Human Resources	Lack of Human Resource Development Strategy in the local municipalities	LM Strategy to talk to the District Strategy		√
	Poor reporting system and co-ordination in the management of satellite offices	Develop a Human resource strategy and Plan		√
		Creation of an ideal satellite model and reporting lines		√
	High Staff Turnover	Implementation of the Retention Strategy		√
		Review the approach of contract employees e.g. MSU		√
	Poor working conditions in the Water and treatment plants thus resulting in non-compliance with OHS Act	Development of an EAP and OHS strategy for the next 5 years		√
Ensure compliance to the occupational health and safety act(by refurbishing water & sanitation plants-Engineering department)			√	

	Low project spending	Prioritize training of staff on project management (to enhance project spending)		√
	Poor measures for information dissemination on staff benefits and compensation and marketing of such e.g. Medical Aid, Pension Fund	Develop a Departmental Communication Plan for staff benefits and compensation		√
	Poor management and administration of leave	Creation of a synergy between the personnel and records office in terms of proper keeping of municipal records including the utilization of Documentum		√
Job Evaluation	ADM and BCMM are currently operating on an old agreement, there is a need to review since BCM is a Metro and also consider rendering the service in house	Engage and finalise Job Evaluation operational agreement between ADM and BCMM (if agreed or consider rendering the service in-house)		√
	Low staff morale Need to be periodically evaluated for maintenance purposes and the lack of a National/Local agreement is delaying the process.	Finalise National/Local agreement on Job grading		√
Records management	Lack of a Records Management Strategy/Procedure Manual to enhance the Records Management System	Develop Records Management Strategy/Procedure Manual (Implementation of Compliance for Records Management) i.e. disposal, additional space, scanning, files, contracts etc.		√
	Poor implementation of the Documented Management System	Development of an Implementation Plan/Policy for Documented Management System		√
Auxilliary services	Poor management and coordination of Auxilliary Support Services	Development of an Implementation Plan for Management of Auxilliary Support Services (Hospitality, Telephone, Office Space etc)		√
Geographic Information Systems	Poor implementation, coordination and management of GIS in the District	Embark on cadastral Land Audit in LMs		√
		ADM GIS Systems Integration with LMs		√
		Water Infrastructure Consolidation from EDAMs into Corporate GIS system		√
Information Communication and Technology	Lack of alignment of business strategy to IT strategy	Development of ADM Business Continuity plan		√
		Implementation of identified projects (from Master Plan)	√	

		Implementation of ADM IT/ GIS Shared services project)		√
		Implementation of IT Disaster Recovery plan		√
Capacity Building	Lack of a fully fledged unit for Integrated Planning, Monitoring and Evaluation	Building capacity of the Unit - Staffing		√
	Need to ensure the new Council is capacitated to perform its functions and exercise its power	Ensure and support implementation of Councillor Capacity building		√
	Capturing of inaccurate information for billing water	Training of meter readers and billing clerks		√
Legal services	Lack of full implementation of fraud risk management within the institution	<ul style="list-style-type: none"> Engagement of suitable qualified and experienced individual to roll out fraud risk management within the institution A suitable qualified and experienced individual to run the by-Law Policing Compliance and Records Centre soon to be established within legal services 		√
	Lack of a dedicated unit to manage the By-law Policing Compliance and Records centre			
Budget Support	Weakness of the current structure to eliminate misallocations of revenue and expenditure	Review of account structure for revenue and expenditure as well as enforcement of compliance to eliminate misallocation		√
		Develop Legislative Compliance Monitoring Tool for ADM		√
	Poor safe keeping of payment vouchers and journals	Document Management in respect of payment vouchers and journals		√
Human Settlements Spatial Planning Human Settlements	Lack of clear housing needs in the district	Review of the Housing Development Strategy		√
	Lack of mechanisms in ensuring alignment with local municipalities	Alignment of the District Spatial development framework and Local Spatial development frameworks through the review of the SDFs.		√
	Lack of clear housing needs in the district	Review of the Housing Development Strategy		√
Spatial Planning Human Settlements	Lack of mechanisms in ensuring alignment with local municipalities Lack of clear housing needs in the district	Alignment of the District Spatial development framework and Local Spatial development		√

		frameworks through the review of the SDFs.		
		Review of the Housing Development Strategy		√
	Location of the spatial development framework function within ADM	Restructuring to align functions to structure		
Land Reform and Settlement Plan	Ineffective and inefficient Land Administrative systems and lack of existing integrated land reform initiatives between the three spheres of government	Review of the Land Reform settlement plan		√
	Lack of Institutional framework to clarify the roles of traditional leaders as custodian of land	Development of an institutional framework to clarify the roles of traditional leaders as custodian of land		√
Accounting and Reporting	<ul style="list-style-type: none"> The owners of the land through which ADM infrastructure passes has a tendency to restrict our access to that infrastructure. No registered servitudes exist over those lands 			√
Assets and Inventory	ADM is an agent for other institutions in respect of housing projects yet is accountable for the housing inventory.	Low cost housing		√

GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
Disaster Management	Lack of cooperation of Local Municipalities in relation to disaster s and forums/stakeholder participation	Encourage Local Municipalities to prioritize Disaster Management function – political intervention		√
Fire Management services	Lack of knowledge and understanding of Fire Prevention and management in the district	Provision for Awareness programs and awareness materials		√
		Implementation of District Fire Management Plan: Stakeholders to provide, be assisted to provide risk information for the FRMP		√
Community Safety	Poor attendance at Consultative Forums and lack of LM liaison/ coordinators for community safety	Encourage LMs to provide dedicated Fire Coordinators		√
	Limited key stakeholder participation in Community safety initiatives : Sector departments	Continued Awareness programs / Initiatives in collaboration with key stakeholders, including ad hoc projects		√

		Training of communities and stakeholders in issues relating to / contributing to crime prevention.		√
Performance Management	Ineffective implementation of cascading PMS to levels below Section 57	Simplify the AAs and PPs by reviewing the ADM Performance Management Framework		√
ADM Satellite offices	Podor communication and functioning of satellite offices	Streamlining the functioning of ADM satellite offices (ideal satellite office model)		√
Integrated Planning, Monitoring and Evaluation	IDP Credibility -Non linkages between situational analysis, strategies and projects phases -Non alignment of plans between Province – District – Local -Identification of backlogs as per key national indicators -Limited discussions within ADM Clusters on IDP Process planning issues	Alignment of the IDP, PMS and SDBIP Coordination of planning and performance information Strengthening of IGR Coordination to improve district planning Standardise agenda items for ADM Clusters		√
Risk Management	Insufficient knowledge and understand of Risk Management within ADM.	Institutionalization of Risk Management		√
Governance	Strengthening the capacity of Councillors Lack of understanding of the role of Councillors	Functional Municipal Public Accounts Committee		√
		Development and implementation of civic education and empowerment program		
		Monitor compliance of councillors with the code of conduct.		
Community Outreach	Lack of institutional structures to drive MRM and SPU Function	Functional MRM in the District		√
		Functional Women Forum		
Municipal Support	Lack of human and financial capacity of LMs to receive necessary support and perform their roles	Political Collaboration and Support to LMs Broaden scope of MSU to cover other areas of support <ul style="list-style-type: none"> • Shared services (IT/IA/SCM) • Communications • Municipal Health • Community Safety • Local Economic Development Clarification of Powers and Functions <ol style="list-style-type: none"> a. Roles of District & Roles of LMs 		√

IDP/PMS support	Insufficient performance of oversight role and monitoring in LMs	Strengthening of monitoring role of Municipal Managers and oversight role of Councillors		√
	Ineffective Communication and reporting of Municipal Programs by ADM to LMs	Strengthening MSU coordination role of support to local municipalities		√
Public Participation	Location of Public Participation <ul style="list-style-type: none"> ○ Collaboration between Mayor's & Speaker's Offices 	Centralisation of Public Participation Departments to feed content		√
International Relations	Lack of framework to guide International Relations and Protocols in ADM	Development of a policy or guiding document		√
Supply chain Management	Decentralised procurements but centralised reporting leading to some deviations not being captured during reporting.	Centralise procurement for improved monitoring of deviations and evaluation of tenders		√
	Decentralised procurement leads to quality assessment not being a requirement as an evaluation criterion in the documents.			√
Budget Support	The Venus system is not keeping up with changes in Acts and Regulations	Review of account structure for revenue and expenditure as well as enforcement of compliance to eliminate misallocations		√
	There is no specific allocation of this function institutionally for Acts as well as Regulations.	Develop Legislative Compliance Monitoring Tool for ADM		√
	<ul style="list-style-type: none"> • Commitments Register is managed as a year-end activity. • Lack of definition of a project. • Review of SCM functions and processes (conflicting silos of information residing in different departments). 	Establishment and maintenance of commitment register and monthly reporting thereof		√
	<ul style="list-style-type: none"> • Deviations and breaches not specific on those constituting unauthorized and irregular expenditure. • No procedure in place to identify, prevent and deal with fruitless expenditure in the event of it occurring. • Poor institutional communication around the issue of fruitless and wasteful 	Monitoring incidents of fruitless and wasteful expenditure, and unauthorized expenditure		√
Legal services	Lack of funding to support the fraud risk assessments	Budget allocation for the conducting of fraud risk assessments by qualified consultants	√	
Support to LMs	SCM not complying with MFMA and regulations in local municipalities	Assists the local municipalities with the review of SCM policy and procedures ensure with alignment with MFMA and its regulations.	√	

LOCAL ECONOMIC DEVELOPMENT				
Municipal Health Services	Lack of coordination and integration of Food Hygiene in the district	Upgrading of the data base of food premises		√
		Capacity building of the caterers, spas a shops and street vendors.	√	
		Integrate LM business licensing to MHS	√	
		Monitoring of dairy farms trading with unpasteurised milk	√	
Supply Chain Managem	Inability to report on EPWP projects	Restricting and centralisation of EPWP function		√
Enterprise development	Inadequate targeting of SMME's and Cooperatives	Review the SCM policy and align to the SMME's and Cooperatives strategies	√	
Tourism Development and Marketing	Inadequate marketing and promotion of tourism products in the district	Review of the tourism master sector plan to guide tourism development and marketing within the ADM.		√
Film Industry Developm	Limited promotion of film Industry development	Review of the film development plan/ strategy Creation of strategic partnership with potential investors for the enhancement of Local Economic Development		√
Agricultural Developm	Agrarian Reform within ADM	<ul style="list-style-type: none"> • High-impact investment programmes such as high value crops • Facilitate land rehabilitation • Service delivery through livelihood development programmes such as Agricultural Relief & Food Security 		√
Enterprise development	Uncoordinated development of cooperatives, SMME's & informal sector	Development and Marketing of Cooperatives, SMME's and Informal Sector		√
Heritage Resources Management	Inadequate conservation measures to manage heritage resources in the district	Comprehensive review of the Heritage management plan to enhance the conservation measures regarding identified heritage resources within in the district		√

	Enhancement of heritage route development	Implementation of heritage route development plan		√
Promotion of regional economic development	Enhancement of the LED Research function to grow the economy of the district	Development of an LED research strategy with clear institutional and implementation plans		√
	Lack of economic infrastructure development	Creation of strategic partners to enhance infrastructure that supports Economic development		√
EPWP	Inadequate implementation of EPWP guidelines across sectors within ADM.	Mainstreaming and centralization of EPWP		√
Rural Development	Insufficient promotion of Rural Development within ADM.	Promote comprehensive and sustainable rural development through the ADM Rural Development strategy		√
Climate change	Insufficient recognition of the climate change strategy	Continuous implementation of the ADM climate change strategy Identify alternative sources to mitigate factors contributing to climate change		√
Environmental Management	Continued degradation of natural resources (Bio sphere reserves)	Analysis of natural resources including mapping Proper management of biodiversity		√
	Lack of management and monitoring of Air Quality issues	Monitor implementation of the Air Quality management plan		√
Heritage Resources Management	Lack of sufficient funding to develop and maintain heritage sites for economic spin offs	Investment in infrastructure development for economic development resource		√

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				
Support to LMs	Adverse & Disclaimer audit opinions in local municipalities	Assist with the development and implementation of audit plans	√	
	GRAP compliant Asset Register	Assist with provision of funding for compilation of asset registers to comply GRAP standards	√	
	Inability of local municipalities to collect revenue for services rendered due to lack of enforcement of financial related policies as well as by-laws	Assist with the development, review and enforcement of financial related policies as well as by-laws		√
Budget Support	The allocation from National departments is not equivalent to the cost of providing the service and revenue collection	Costing of ADM service delivery functions to determine relevant tariffs and measure adequacy of DORA allocations		√
Expenditure	<ul style="list-style-type: none"> - No proper monitoring of requisitions to ensure alignment to SCM policy by line departments - Delays in orders reaching appointed service providers 	Centralisation of Payment Requisition processing to SCM		√
	Poor monitoring and reporting of commitments register	Daily maintenance of commitment register and monthly reporting thereof	√	
	Lack of monitoring incidents of fruitless and wasteful expenditure, and unauthorised expenditure	Enforcement of MFMA and SCM policy	√	
	Poor administration of Value Added Tax (VAT)	Allocate dedicated personnel and training		
Supply Chain Management	Under-spending on Projects	Quality assessments of tender proposals		√
		Financing instruments for emerging suppliers		√
		Monitoring of projects expenditure/spending quarterly to assess progress	√	
Revenue	Inaccurate meter reading information	<ul style="list-style-type: none"> - Strengthen monitoring of meters readers and readings - Prioritise the meter installation, repair and maintenance 		√
	Inability to collect monies owed to the institution	Strengthen credit control and debt management measures, policies and by-laws		√
	Non compliance with GRAP standards (line departments)	Preparation of Annual Financial Statements according to GRAP standards	√	
Cross-sectoral	Limited funding for implementation of projects	Increase budget allocations to line departments	√	

SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT				
Project Management	Long processes to approve transfer of funds between projects of Engineering – linked to current under-spending	Adopt plans proposed by DES to fast track decision with approval at the level of MM.		√
Water Service Authority	Insufficient funding to eradicate backlogs within national time frames (2014)	Engage the national sphere to suggest revised timescales on the available funding		√
	Insufficient water sources within the ADM jurisdiction	Rolling out of drought intervention plan and solicit more funding to expedite implementation – Water re-use Adelaide and Butterworth and Desalination at Chintsa East		√
		Investigating Water Storage and Rainwater harvesting		√
	Non performance of contractors within the Accelerated Sanitation Programme –linked to SCM supplier performance	Appoint contractors and service providers based on past performance and eliminate non performers		√
	Lack of accountability in the Water function possibly due to spread of staff in various departments	Implement the outcomes of the WSA/WSP study		√
	Backlog verification as an ongoing target	Annual review to ensure credible numbers		√
Operation and Maintenance	limited Refurbishment funds for water infrastructure	Solicit funds from National Treasury and DWA		√
	Limited water in times of drought	Implement and apply dam operating rules as developed in 11/12		√
	On going backlog eradication increases operational and maintenance demand on current staff in WSP unit.	Annually review the capacity of the WSP unit to perform all its functions		√
	EDAMS not fully utilized to its potential due to insufficient capacity and skills level.	Ongoing training needed and review staff structure. Improve operational efficiency of network (system very slow)		√
	Benchmarking of Water Services, lack of adequate monitoring and reporting	ADM must actively participate in national SALGA/WRC/DWA benchmarking initiative which was re-launched in 11/12		√
	OHS issues at workplace, satellite offices, WTW and WWTW, poor and dangerous working conditions and demoralized staff.	Budget application will be submitted for the 12/13 financial year. Also important to boost staff morale (blue drop assessment)	√	
	Blue Drop non-compliance, lack of accredited laboratory and	Budget application to be submitted for the 12/13		√

	capacity problems to handle all samples, limited funding to meet blue drop scores.	financial year. Boost staff morale (blue drop assessment). AW has applied for re-accreditation of laboratory. Consider to engage alternative laboratory. Water safety plans to be implemented.		
	Green Drop non-compliance, design capacity exceeded and poor conditions of infrastructure.	Refurbishments and Upgrades (funding). W2RAP actions to be implemented.		√
	High unaccounted for water/water losses	To implement recommendations of WC&DM studies (funding)		√
	Unstructured asset management	Populate EDAMS with asset register info and fully utilize EDAMS	√	
Solid Waste Management	Funding constraints in the Infrastructure development identified through Integrated Waste Management Plan	To encourage LM's to apply the indigent register to influence an adjustment in the equitable share to funds waste projects		√
	Non implementation of mitigation initiatives on climate change considerations in development of IWMP	Enforce and monitor implement recommendations flowing from the major IWMP review of 11/12		√
	Local amenities no longer the function of the ADM but that of the LMs thereby rendering ADM local amenities staff possibly redundant (function phased out in 11/12 at a District level).	Engage corporate services for a study to come up with recommendations regarding the local amenities staff.		√
Transport	Funding constraints in the Infrastructure development identified through ITP.	Implement recommendations flowing from the major ITP review in 11/12 and solicit external funds. Continue with support given to NDOT for RAMS (Roads Asset Management System)		√
	Non implementation of mitigation initiatives on climate change considerations in development of ITP.	Enforce and monitor implementation of recommendations flowing from the major ITP review of 11/12		√
Municipal Health	Ineffective prevention and control of communicable diseases (Vector, Water, food borne as well as the contagious disease like Meningococcal meningitis). Waste Management	Capacity building of communities regarding the transmission of diseases		√
		Evaluation of the impact of the awareness campaigns		
		Update the Database of the Medical waste		

		generators		
		Evaluation of the collection and disposal of medical waste		
	Water quality	Water quality monitoring		√
		Capacitate the communities on household water purification measures		
	Environmental pollution prevention and control	Capacity development of the EPP and C unit staff		√
	Disposal of the Dead – Funeral undertakers not complying to the relevant legislation	Enforcement of relevant legislation		√
	Surveillance of the premises	Facilitate abatement of nuisances in collaboration with LMs		√
	Delayed devolution of Municipal Health Services	Facilitate formal communication with Provincial Department of Health		√
Disaster Management	Insufficient disaster relief funding for backlogs	Continued provision for Disaster Relief and coordinate response with other stakeholders		√
Fire Services	Insufficient fire services resources	Provision of satellite stations; Operationalization of Elliotdale and Willowvale Satellite fire stations		√
		Sustainability of Toleni/Mabendeni High Masts		√
	Inability to meet SANS requirements for staffing and resources per capital	Fire Prevention By-Law enforcement: Acquisition of additional staff, equipment and Skills Development to enforce fire prevention by-laws, risk identification and move closer to meeting SANS 10090.		√
		Continued Awareness programs / Initiatives in collaboration with key stakeholders, including ad hoc projects		√
Land Reform	Access to land - Slow pace of Land Reform and restitution in the District and the Country at large.	Participating in the Department of Rural Development and Land Reform's Beneficiary Selection Committee and DSC meetings.		√
Accounting and Reporting	Poor coordination and ownership of water assets	Enforcement of MOU action plan		
Assets and Inventory	Poor coordination and accounting of low cost housing	Develop SLA between BTO and LHSED		√
Heritage Resources Management	Lack of funds to develop heritage sites for public consumption	Provide signage and improve access and tele-link within heritage sites		√

	Deteriorating conditions of identified and developed sites	Development of maintenance programs of heritage sites		√
Economic development	Lack of sufficient funding to develop and maintain heritage sites for economic spin offs	Investment in infrastructure development for economic development resource		√
Tourism Development and Marketing	Poor access to markets and insufficient funds for exhibitions	Infrastructure development & tourism safety		√
Enterprise development	Poor access to markets	Infrastructure development - Incubation Centers, Cooperative Development Centre		√
Housing	Housing Needs in the District	Facilitating development of clear criteria for assessing applications		√
Budget Support	Unable to quantify the cost to different categories of consumers. Unable to classify assets servicing the above-mentioned.	Costing of ADM service delivery functions to determine relevant tariffs and measure adequacy of DORA allocations		√

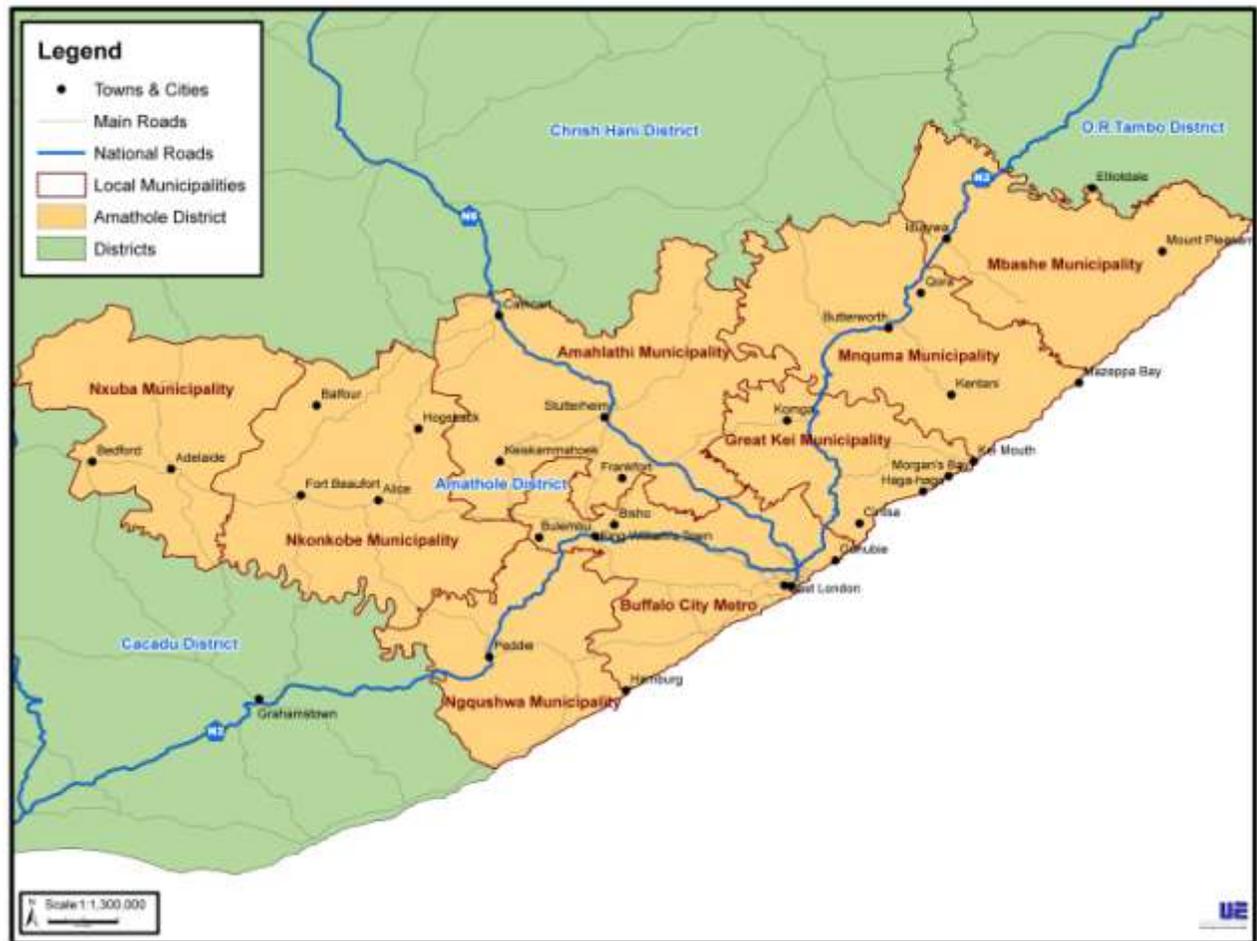
ADM also consulted its 7 local municipalities to solicit burning issues and community priorities throughout the District. The list of local community's need is attached to this document.

CHAPTER 2: DEMOGRAPHIC PROFILE OF THE DISTRICT

A INTRODUCTION

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

Map of Amathole District Municipality



Source: Urban-Econ Eastern Cape, 2011

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

- **Amahlathi Municipality**, comprising the towns of Stutterheim, Cathcart, Keiskammahoek and Kei Road, numerous peri-urban and rural settlements;
- **Nxuba Municipality**, comprising the towns of Bedford and Adelaide and surrounding rural areas;
- **Nkonkobe Municipality**, comprising the towns of Alice, Fort Beaufort and Middeldrift, the smaller towns of Hogsback and Seymour, numerous peri-urban and rural settlements;

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

B DEMOGRAPHIC PROFILE

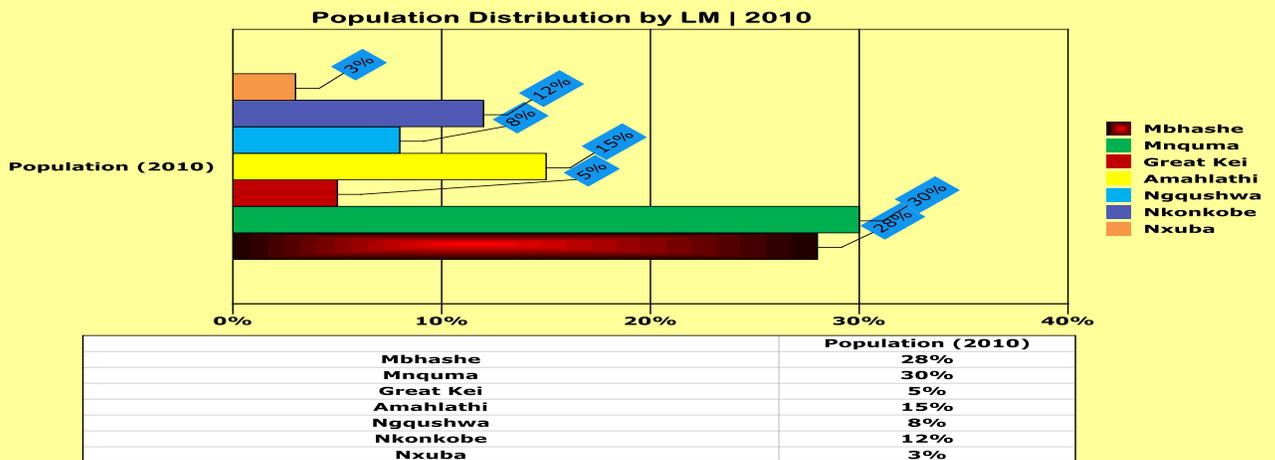
1. Population

Population

According to information from Global Insight, the population of the Amathole District Municipality was estimated at 963 363 in 2010. The population is unevenly distributed among the 7 Local Municipalities. The number of households is estimated at 252 252.

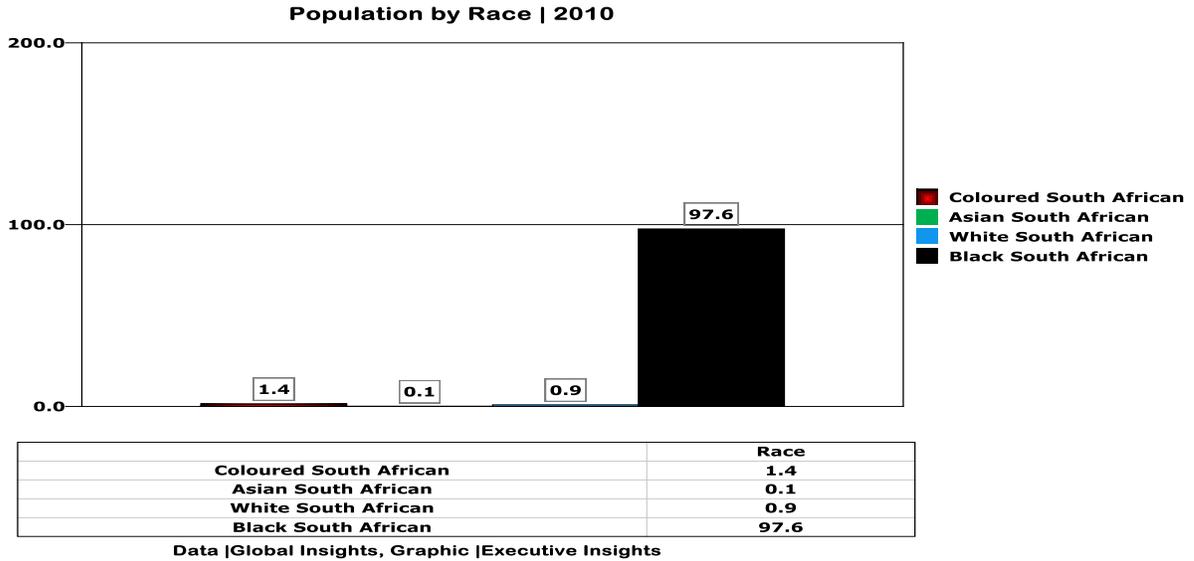
The majority of the Amathole District population reside Mnquma (30%), followed by Mbhashe LM (28%) The two Local Municipalities with the smallest percentages of the Amathole District population are Nxuba (1.5%) and Great Kei (2.9%).

Population distribution, ADM, 2010



Data |Global Insights, Graphic |Executive Insights

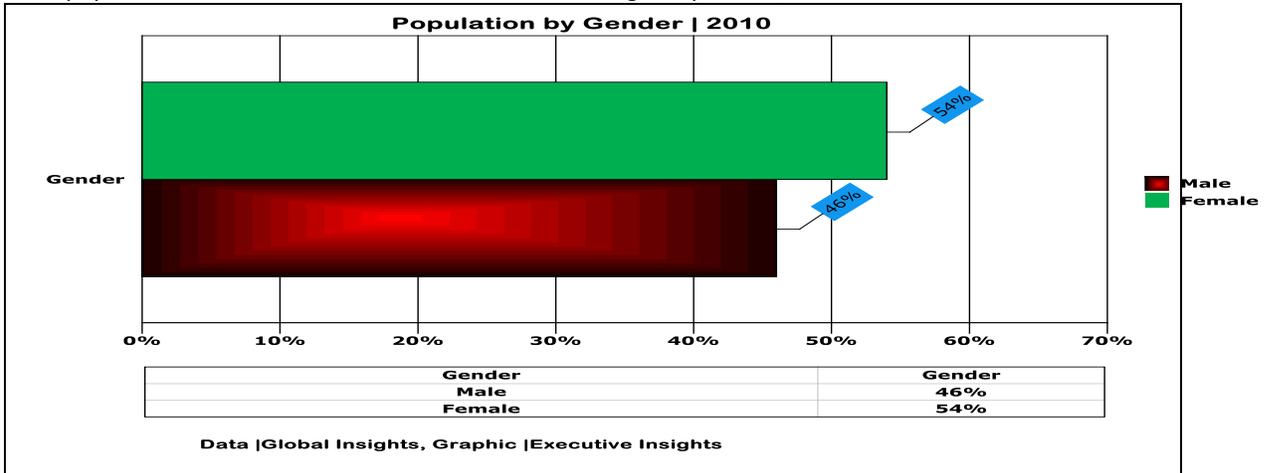
1.1 Population Group



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

1.2 Population Characteristics | Population by Gender.

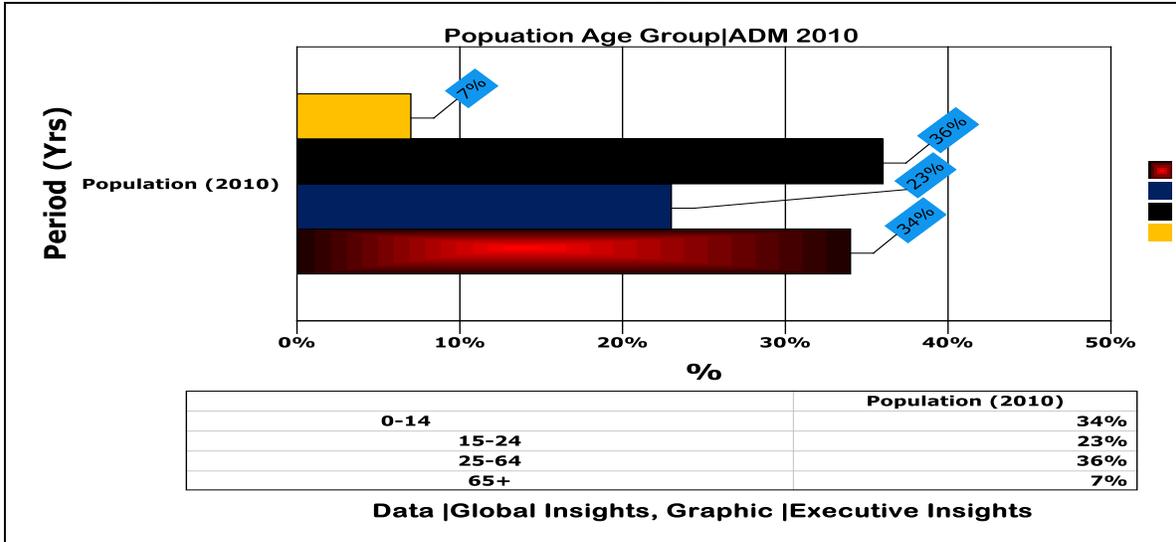
The population’s sexual distribution reflects the following composition;



The ADM’s population is predominantly female dominated with males constituting 46% of the population as shown in the pyramid below. There is a universal consensus that women have a longer life expectancy than males, therefore given the current male to female ratio, various programmes and campaigns need to be put in place in order to empower women in the short to medium term. The other fact is in society at large, there are more women-headed-households than the contrary owing to various human circumstances, thus the argument of women empowerment need to be started and intensified. Such empowerment, when properly conceived and implemented will also curb population growth, which is perceived as an outcome of women’s lack of economic opportunities. If women’s health, education and economic well-being are improved along with their role and status in the community, the empowerment of women will inevitably lead to smaller families and lower or manageable population growth.

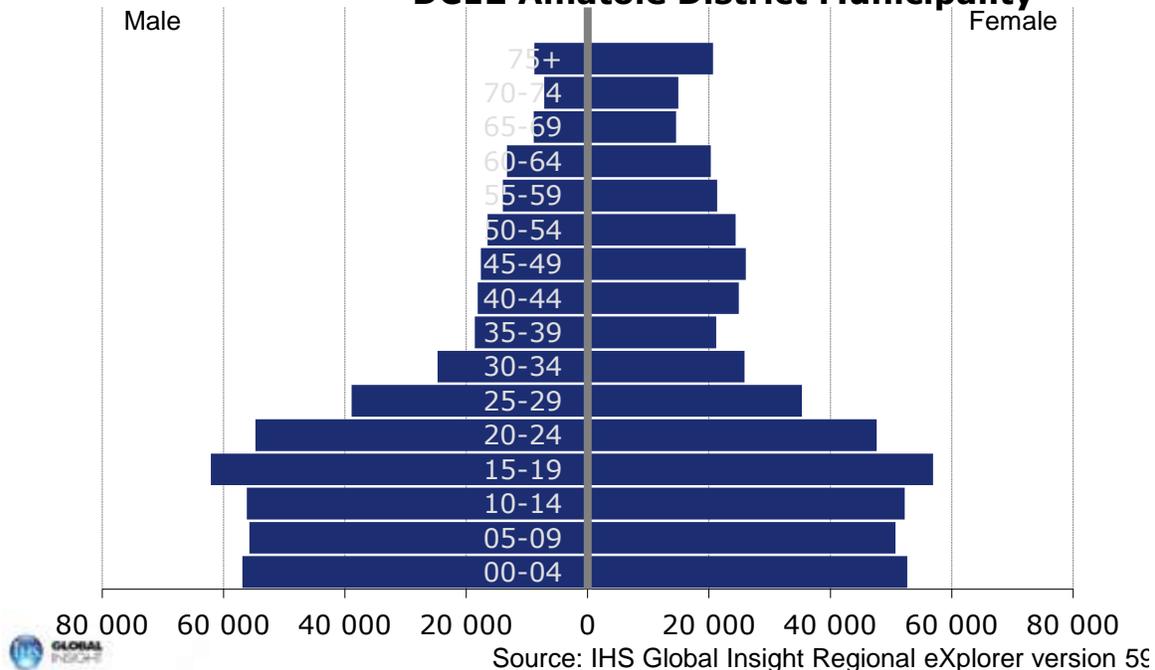
1.3 Population Characteristics | Population by Age.

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



The current age profile implies that the active labour-force (25-64) which constitutes 36% of the population has to work and support 64% of the population as the age group of 0-14, age group 15-25 and age group of 65 and above are an economically dependent burden in the sense that they are non-productive members of the society and must be supported by the economically active labour force and the state in the case of old age grant earners.

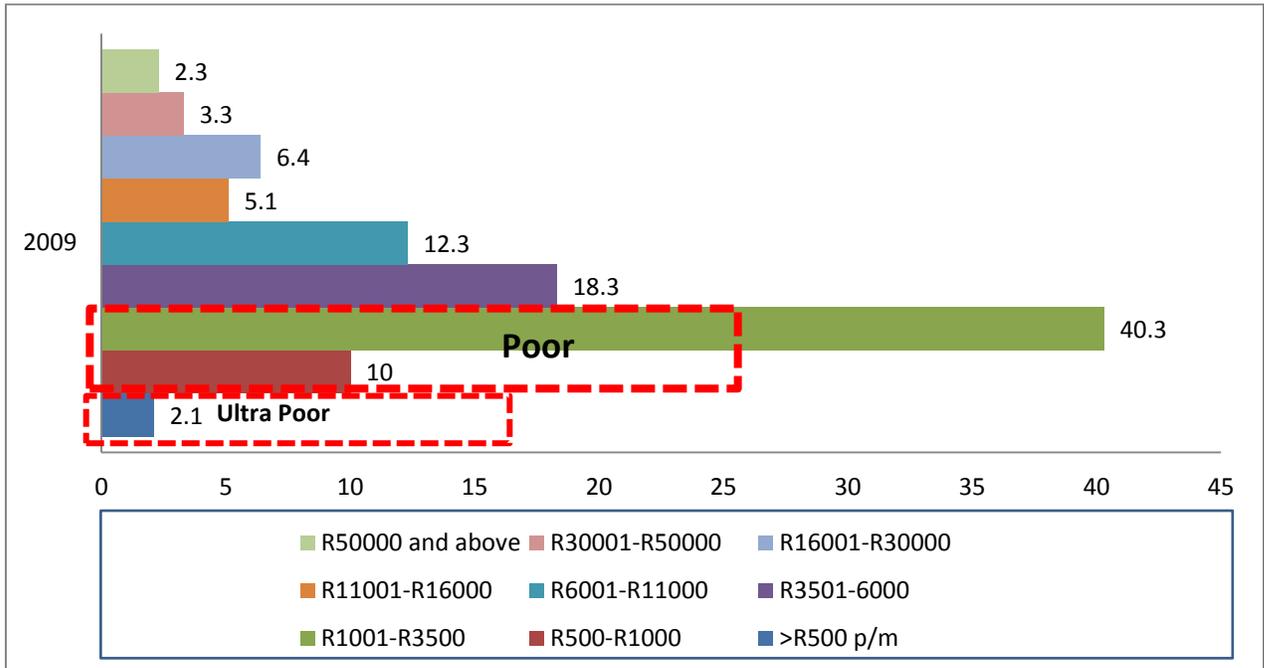
Population Pyramid, Total, 2010 DC12 Amatole District Municipality



2. Labour-force Income and Wages.

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

2.1. Distribution of Households by Income.



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

2.2. Income Distribution by Quintile.

The following table depicts the distribution of annual household income among the different income groups in the Amathole District, as measured in the 2001 Census.

- According to the above graph, the majority of households in the ADM earn between no income and R19,201 per annum. This means that almost 79% of households earned a monthly income of R1,200 or less.
- The average weighted income (AWI*) as measured in 2001 was as follows:

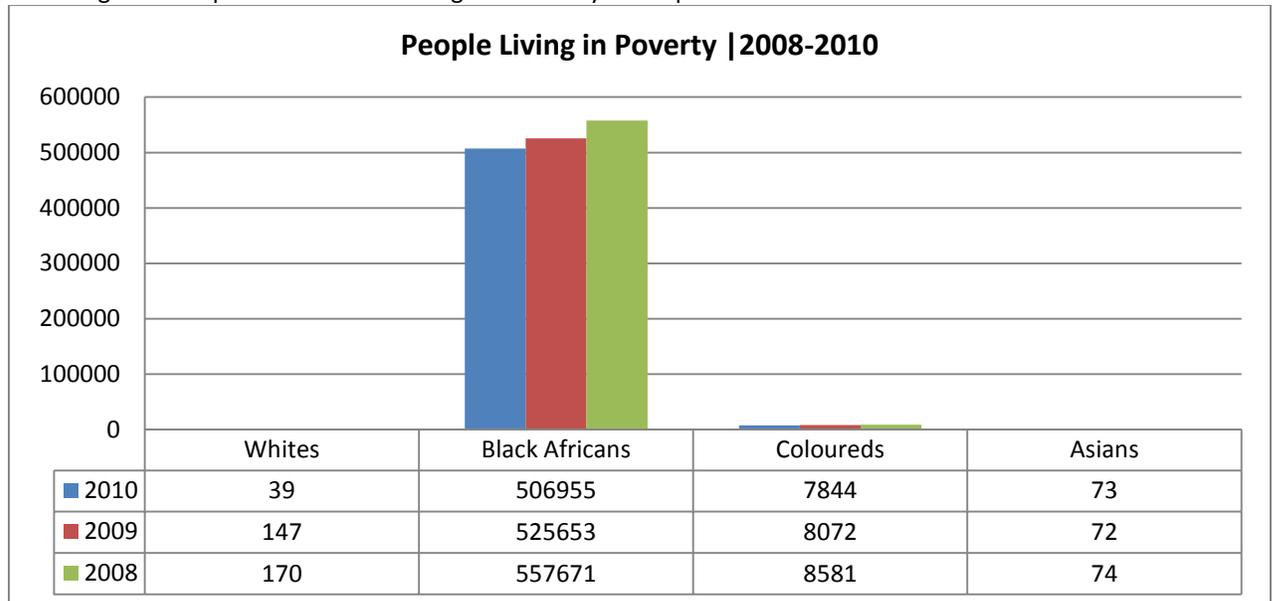
Table 4 AWI	2001	2008
South Africa	R 4,265.03	R 7,122.11
Eastern Cape	R 2,623.53	R 4,380.98
Amathole	R 2,535.22	R 4,233.52

Source: Statistics SA Census 2001, ADM 2009 Economic Profile, Urban-Econ

- c. The number of people in poverty is an indicator of household members who reside in households whose total income falls below a particular level. The level used here is based on Global Insight data which uses the BMR MLL that ranges from R893 for a single person household to R3314 for an eight person household (**ADM GDS, 2007**).
- d. The Mbhashe LM and Ngqushwa LM experienced the highest poverty levels.

2.3. People Living in Poverty.

The district saw a rise in the number of people living in poverty between 1995 and 2005, before it fell to 55.1 percent of the total population in 2009. Despite this decrease, more than half of the population is still categorized as poor in the second-largest economy in the province.

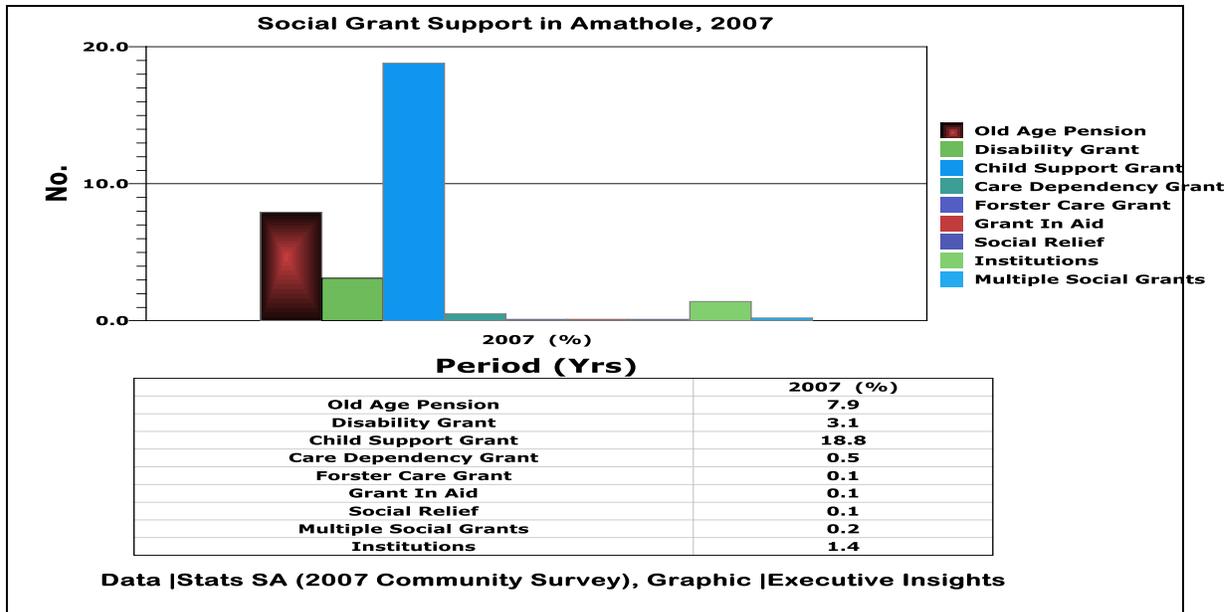


Source | Global Insights, Graphic & Analysis | Executive Insights

The total population living in poverty was seating at **54%** of the estimate population, with Black Africans counting for 53% and Coloureds at 1%. The poverty levels have decreased by 1% from 2009 and 2% from 2008 for both races. The level of poverty within the ADM is in keeping with its human development index and dependency ratio. With half of the population at 54% in 2010 living in poverty, the poverty level is considered widespread. The current level of poverty together with the HDI implies that a big percentage of the ADM population has no access to credit, are unable to finance their children’s education and use child support grant as a source of income. These factors also contribute to a lower per capita growth because of the income disparities. The high poverty rate if it remains unabated will result into aggravated levels of poor health, child malnutrition and lower levels of education. These factors will jointly lower economic productivity and result in a slow growth economy.

2.4. Social Grant’s Dependency.

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



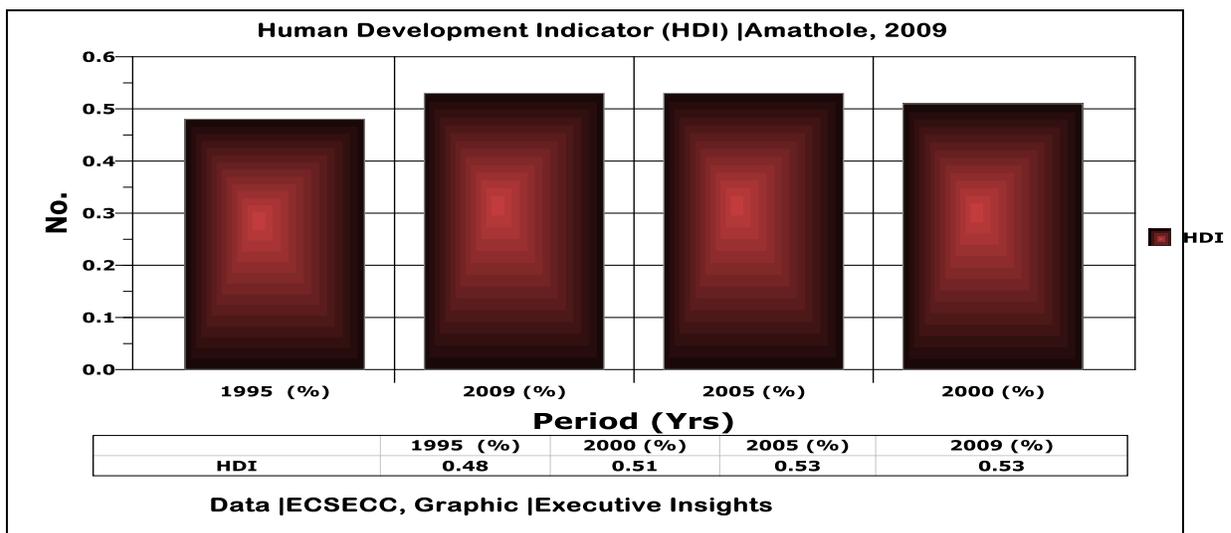
Child support grants are by far the most common type of social grant support received by ADM residents (18.8%), followed by Old Age Pension at 7.9%. With 32% of the ADM's population being children under the age of 14 and currently on child support grant, this again alludes to a high dependency ratio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

2.5. Human Development Indicator (HDI).

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

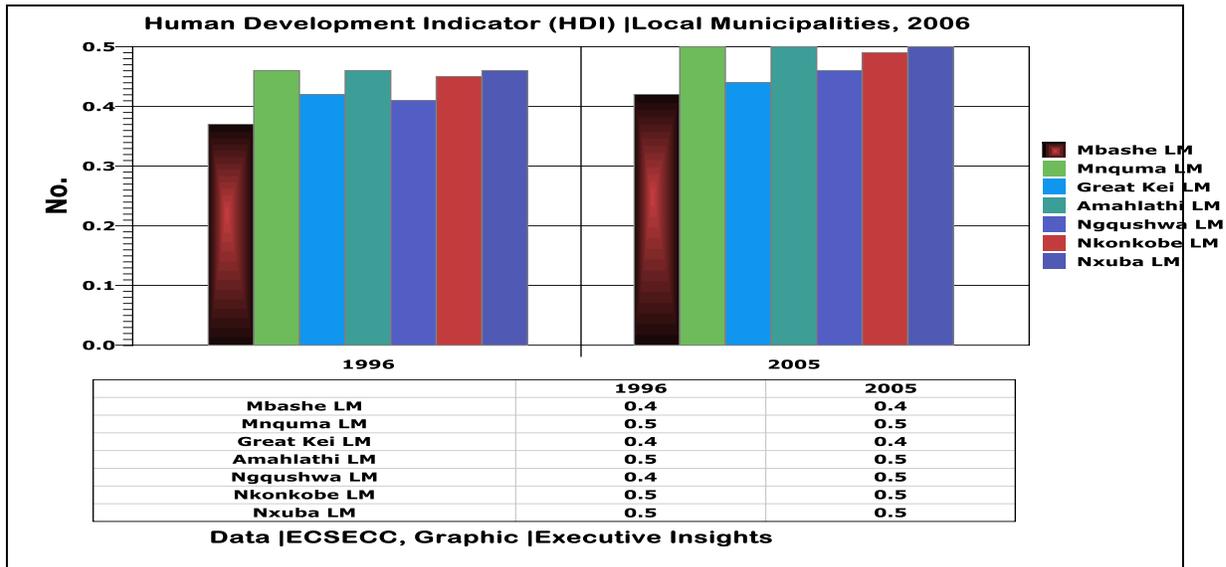
- Longevity as measured by life expectancy at birth;
- Knowledge as measured by a weighted average of adult literacy and means of schooling;
- Standard of living as measured by real gross per capita gross domestic product.

The more the HDI is close to 1(one), the better is the human development in the area. The HDI in Amathole increased from **0.48** in 1995 to **0.53** in 2005, and remained constant at **0.53** until 2009, which is a medium HDI by international standards..



The quality of life saw a marginal increase in 1995, declined slightly in 2000 and has remained constant between 2005 and 2009 with no improvement. The ADM's HDI can only rise with an increase in per capita income. The ADM together with its development partners (government and the private sector) needs to intensify investment efforts in primary health and education, which will in turn increase the HDI and ultimately raise productivity.

2.6. Human Development Indicator by Local Municipality.



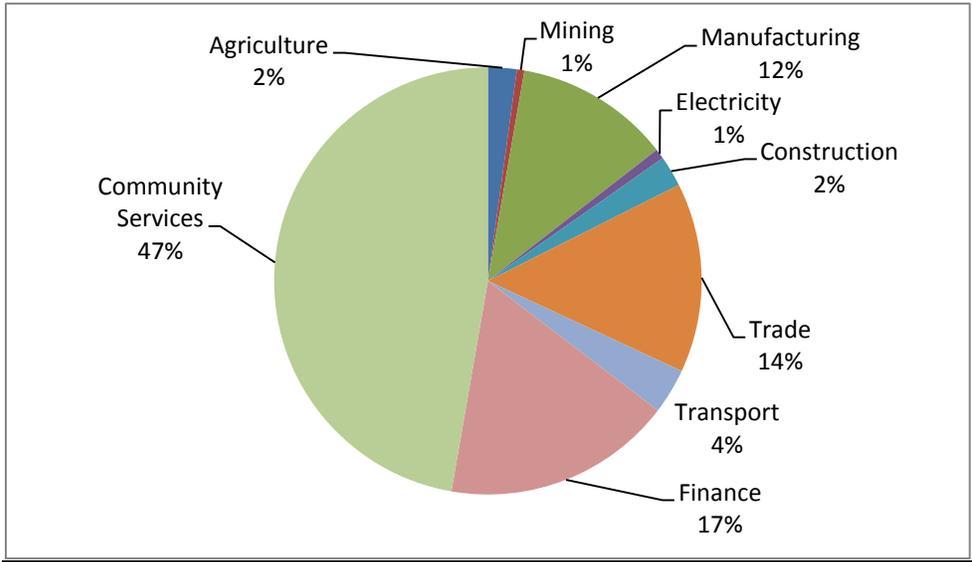
The HDI in all the municipalities has been below 1.0, which is an indication that more interventions are needed to develop most of the LMs in the ADM.

C ECONOMIC OVERVIEW

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

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

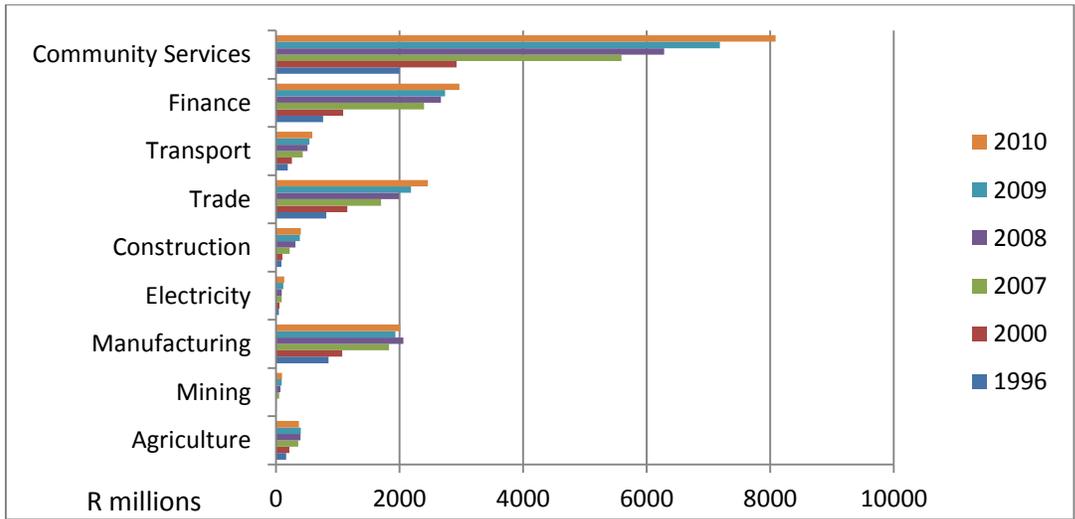
Sectoral production structure of the ADM economy, 2010



Source: Global Insight

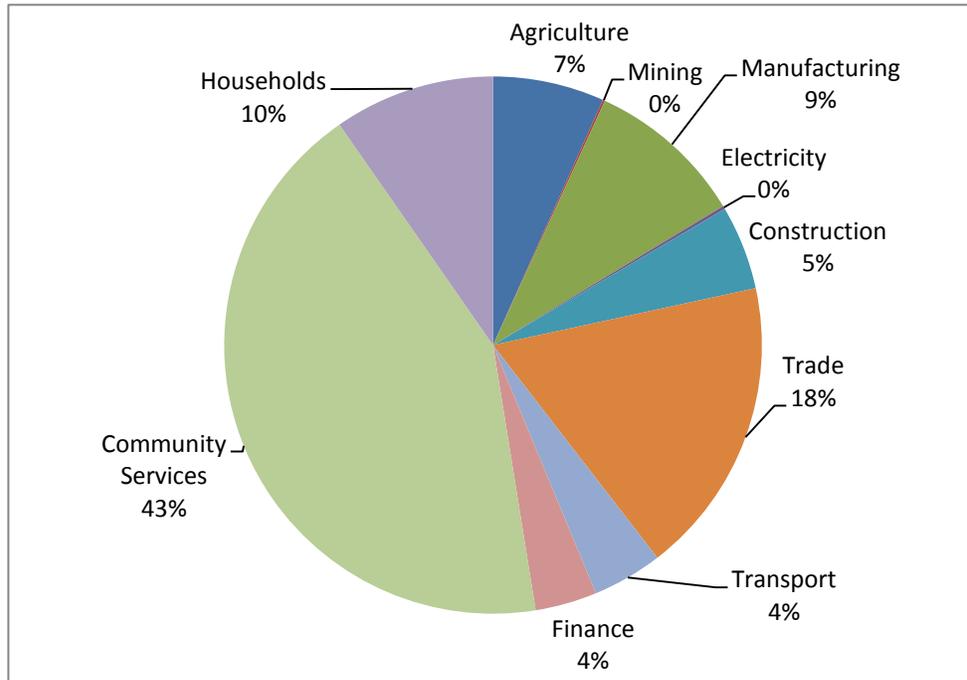
- 1) The economy of ADM is dominated by the community services sector which contributed 47% to the GGP of ADM in 2010. This sector is also the major employer in the District as it accounted for 43% of all jobs in 2010.
- 2) The second most important sector is the finance and business services sector which contributed 17% to the GGP of in 2010. However this sector is not labour intensive as it contributed only 4 % of the formal jobs in the District in 2010.
- 3) The third most important contributor to the GGP of the Amathole District is the retail sector, which accounted for 14% of ADM’s GGP in 2010. This sector is also a major employer as it contributed 23% of ADM formal jobs in 2010
- 4) The contribution of the agriculture as well as mining sectors has been very minimal in the period from 1996 to 2010

Sectoral Production Structure of the ADM 2010



Source : Global Insight

Sectoral Contribution to jobs in Amathole 2010



Source: Global Insight

D ANALYSIS OF TRENDS IN THE VARIOUS SECTORS.

Agriculture

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

Mining

- 1) The mining sector is the lowest performing sector in the ADM
- 2) Furthermore the sector has been struggling over the past 9 years, suffering a continuous downward trend.
- 3) As a result of its small share in the ADM economy, the mining sector has no meaningful impact on overall growth.
- 4) The mining sectors employment trend is consistent with its decreasing low performance output trend as it accounted for 0.1 percent of total employment in the district in 2010

Manufacturing

- 1) From 1995 to 2008, production growth in manufacturing has been consistently been escalating, even though its started decreasing from 2009 to 2010
- 2) Improvement in the sector mainly has to do with the shift to hi-tech sub sectors.
- 3) The sector contributes about (9 percent) of the district's employment

Utilities (Electricity and Water)

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

Construction

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

Trade

- 1) This sector has produced a firm increase in production over the past decade.
- 2) It is however only the 4th largest contributor to ADM,s GGP
- 3) Employment in the sector has experienced a positive increase, contributing about 18 percent of all the jobs in 2010

Transport and Communications

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

Finance and Business Services

- 1) As the second largest contributor to GGP, the sector has shown increasingly positive growth in the period from 1996 to 2010
- 2) Currently this sector contributes 17% to the GGP of the ADM economy.
- 3) This sector however only contributes 4 percent of the formal jobs in the ADM. This can be attributed mainly to the intellectual as well as high tech nature of finance and business services

Community and government services

- 1) This sector has dominated the ADM economy between in the period under review from 1996 to 2010
- 2) Currently this sector contributes about 47% to the GGP of the ADM.
- 3) This sector is also the largest contributor to formal jobs in the ADM , contributing about 43 percent of the formal jobs in ADM

CHAPTER 3: STATUS QUO ASSESSMENT

1. LOCAL ECONOMIC DEVELOPMENT

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

Intended outcome: Improved municipal economic viability

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

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

1.1 Economic Research

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

The Amathole District Municipality is also characterized by significant levels of underdevelopment, especially in the Eastern side of its region. The cause of this has been that there is very little if any investment in these areas. To improve this situation, the Amathole District Municipality has begun a process of identifying catalytic projects, which if implemented can improve the economic situation of the inhabitants of the District. The identified projects were packaged and sold to investors via an investment conference held on 25-26 April 2012. More investment means more jobs and an improvement in the socio economic problems, like, poverty and unemployment that face the people of the District.

INVESTOR CONFERENCE IDP ACTION PROGRAMME 2013-2017

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

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

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

POTENTIAL INVESTORS EXPRESSING INTEREST AND TO BE FOLLOWED UP BY ADM ARE AS FOLLOWS:

1. Investors and Donor/Grant Funding institutions:

- Development Finance Institutions - IDC, DBSA, Land Bank
- Metropolitan Alternative Investments, ABSA, NDA, etc

2. Public sector investors/developers:

- Infrastructure, energy, water, research, etc
 - i. **Private sector players:**
- Citrus, dairy, renewable energy, tourism, etc
 - ii. **National & Eastern Cape Institutions:**
- National Department of Rural Development and Land Reform, ECDC, ELIDZ, Aspire, University of Fort Hare, DTI, ESKOM, ADM
 - iii. **International Markets/Investors:**
- Japan, Singapore, Turkey, United States of America

3. IDP SECTORS TO BE PRIORITIZED

- agriculture (grain production, citrus, pineapple)
- agro-processing
- tourism
- aqua culture
- forestry
- renewable energy
- manufacturing
- land planning and agrarian reform
- infrastructure

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

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

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

Challenges

- ❖ Lack of funding for research programmes.

Key Issues

- ❖ Strategic partnerships with research institutes and institutions of high education.
- ❖ Internship programme.

1.2 Enterprise Development

Small, Medium and Micro Enterprise Development

Amathole District Municipality (ADM) identified enterprise development - Small, Medium and Micro Enterprise (SMME) - as its priority area. ADM has a mandate to promote enterprise development within its area of jurisdiction with the aim to boost local economic development. In 2008, District signed a Memorandum of Understanding (MOU) with the National Small Industries Corporation that is based in India and is charged with SMME development in that country. The reasoning for the MOU included the development of the District's SMME strategy.

In 2009/2010 financial year, the SMME strategy was developed and adopted by Council. There are a number of programmes and activities coming from the strategy as guided by the implementation plan.

Incubation Centres

Incubation centres by their own nature are integral part of enterprise development. Hence, there has been a growing need for them within the District. There are two envisaged incubation centres – the Eastern Cape Information and Technology (ECIT) in East London and Skills Development Centre in Butterworth. The vision is to monitor the development of SMME's to established business. ADM has established partnership with ECIT to house five (5) Information, technology and communication SMME's; and three (3) film makers. These SMME's shall be housed following criteria as set by ECIT. Their progression shall be monitored as there is a plan to that effect during and after their stay.

The Butterworth Skills Development Centre is still under construction and operational business plan is almost complete.

SMME Profile

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

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

It has also emerged that most SMME's products are in poor quality. In improving the quality of their products, the District has intervened by organizing product development sessions that were conducted by Small Business Enterprise Development Agency (national office) where both SMME's and Cooperatives were trained on ISO 9001:2000 and Hazard Analysis and Critical Control Points (HACCP). The training on HACCP focused on food safety and was attended by 20 accommodation establishments within the District. The training on ISO 9001:2000 covered the quality awareness, and was attended mostly by co-operatives businesses.

As has been identified that most enterprises operate informally, the District is in the process of conducting a survey which will determine the causes and other related matters. The survey will also document the challenges faced by these informal traders so that a clearly defined support programme and possible solutions could be formulated.

In trying to coordinate the business interest and government goals, the municipality has established the Mayoral Business Advisory Forum. The Forum aim at creating conducive environment for business to thrive and thereby improving the livelihood of the people of the district and grow the district's economy.

Challenges faced by SMME's in the District

The following are major challenges faced by SMME's in the district:

Market

- ❖ Some SMME's are not linked to their market (market research analysis); and
- ❖ In most cases, SMME's cannot meet the market related value – supply and demand factor.

Marketing support

- ❖ A number of SMME's do not have marketing material;
- ❖ For some SMME's, there is a lack of relevant, up to date and reliable information on what they are producing and their targeted market segment;
- ❖ There are very few linkages between small suppliers and large buyers due to limited application of new technology by small suppliers;
- ❖ The product produced by small suppliers are of poor quality;
- ❖ Small suppliers charge high prices for their products; and
- ❖ There is a lack of production management concept.

Financial Support

- ❖ There is a lack of commitment and support by the banks and financial institutions for the small and emerging enterprises;
- ❖ SMME's funding is often linked to collateral instead of business plan quality and strength. The criteria or requirements are too complex for SMME's to understand;
- ❖ Debit recovery mechanisms are ineffective in the case of defaulting SMME's resulting in the crowding of potential (start ups) SMME's at the expense of former and further scaring private banks who are risk averse;

- ❖ SMME's do not have financial resources to meet the requirements of their contracts.

Technology Support

- ❖ There are few or no technology service providers in some areas;
- ❖ SMME's find it difficult to withstand global competition resulting in failures;
- ❖ Absence of common facility and testing centres for enabling SMME's to manufacture quality products; and
- ❖ Absence of latest technology hampers the SMME's from meeting quality.

Policy/Regulatory and institutional environment

- ❖ Complex regulations prevent the entry of SMME's into many industries;
- ❖ Regulatory compliance impedes growth of businesses and compliance cost are too expensive;
- ❖ There is an uneven geographical distribution of services to SMME's.

Human Resource Development and Capacity Building

- ❖ There is a shortage of instructors to provide effective on the job training as many SMME's are not providing such;
- ❖ Poor alignment of programmes with economic and social development strategies; and
- ❖ Skilled workers are scarce and there are inadequate effects for improving education for acquiring new skills.

Timely payment of SMME's

- ❖ It has been identified that government and its related institutions delay in making payments to SMME's and that destroys many SMME's or hinders their growth;

Key Issues

The following are key issues coming from the current status:

- ❖ Market access;
- ❖ Marketing material;
- ❖ Access to finance;
- ❖ Sustainable and vibrant enterprise;
- ❖ Skills acquisition and managerial expertise.

1.3. Co-operatives Development

Amathole District Municipality (ADM) identified enterprise development - Co-operatives Development - as its priority area. Co-operatives Development has potential to positively contribute to the economic development of the District. This has been identified through a number of studies that have been conducted by various institutions. Over the past years, the District has supported – financially and non-financially - many co-operatives in different economic sectors. ADM is in a process of developing a co-operatives strategy which shall outline the District's plan for development of co-operatives. A baseline study on co-operatives has been conducted which has identified that most co-operatives are operating in the Agricultural sector, followed by manufacturing and beadwork.

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

In 2009, ADM commissioned the Cooperatives and Policy Alternative Centre (COPAC) to do a study of twenty different cooperatives within the district with the aim to know their status and needs. The twenty (20) cooperatives came from across the district and from various economic sectors. Through the findings of the study there are three categories of cooperatives in the district. These are as follows:

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

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

ADM has been working with the co-operatives in assisting with the establishment of local and district co-operatives forum respectively. Both at local and district level, the forums are charged with, among other things, information sharing, networking, and broader development of co-operatives in the District. The municipality is not in control of the structure but want it to grow organically from below, hence, the operations shall be independent from the municipality. Most importantly, the forum shall develop its own programme which shall assist in developing the co-operatives movement in the district. The District shall provide all the necessary support for the enhancement and operations of the forum. Terms of Reference which have been adopted by the forum function as guidelines for its operations.

In 2008, the municipality organised and hosted a District Co-operatives Indaba which has evolved to become an annual event. Since its inception, the event continues attracting a number of co-operatives within and outside the District. The event offers an opportunity for co-operatives to share information and network to create a stronger co-operatives movement.

In 2010, ADM commissioned the Co-operatives and Policy Alternative Centre (COPAC) to conduct a research and produce a case study booklet for at least 20 successful co-operatives within the District. The study covered the following aspects: a detailed background of the co-operative, their detailed activities, success factors, wider impacts and challenges, financial management, and skills audit of each co-operative. These co-operatives operations are in different economic sectors and are at various stages of business development. Based on the study, the District shall develop a structured programme of support for these co-operatives as informed by their needs.

Credit Union

Credit unions have long history and tradition in various parts of the world and a number of successful stories. In 2010, ADM has ventured into this area of operation and as such it is in a process of establishing its employee based credit union. In line with this, ADM has visited some of the countries that have strong credit union tradition and there are many lessons learnt with regard to this matter. Credit unions can assist with start up capital for both SMME's and Co-operatives as most of them struggle to get financial assistance from bank. Within ADM credit union movement has untapped opportunities which may promote, among other things, saving culture.

Challenges faced by Co-operatives

The challenges faced by co-operatives, not different from those faced by SMME's in the District, that include: market, marketing, financial support, lack of information, skills shortage, poor product quality, lack of commitment amongst co-operatives and state grant dependence syndrome.

Key Issues

The following are key issues coming from the situation analysis:

- ❖ Structured support for three identified types of Cooperatives (commercially viable, self developing and marginal co-operatives) that exist in the district;
- ❖ Market linkages (market research – supply and demand analysis)

- ❖ Marketing material;
- ❖ Procurement practice that favour co-operatives access;
- ❖ Education and training;
- ❖ Access to finance;
- ❖ Sustainable and vibrant enterprise.

1.4 Tourism Development and Promotion

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

TOURISM VISION : To be “the most accessible, unique and pristine coastal and mountainous environment and the most authentic heritage and cultural experience in South Africa attracting eco-tourists, nature lovers, cultural tourists, adventure seekers, sport and business people”.

The tourism sector continues to contribute significantly to the South African economy and outperforms most economic sectors in terms of entrepreneurial opportunities and the creation of jobs. Foreign arrivals reached an all time high of 9.6 million in 2008, with 500 947 more foreign arrivals in South Africa than in 2007. The 5.5 percent increase exceeds the global growth rate of 1.3 percent and brings the compound average growth rate of arrivals to South Africa between 2002 and 2008 to 6.9 percent. The good performance of this sector has been further boosted by the various international sporting events that took place and South Africa’s hosting of the 2010 World Cup.

The outstanding performance ADM has in terms of attracting visitors to our shores is underscored by the fact that tourism continues to make a growing contribution to our economy. It has been reported that it contributes approximately about 8% of national GDP. The annual report of Tourism South Africa indicates the following tourism expenditure for 2005:

- Of the R53.4 billion spend by the 7.37 million foreign tourists in SA, 7.6 % (3.3 billion) was spent in the Eastern Cape, equating to R590 per day per spent in the province. Of the 21.2 billion of the 2.3 billion was spent by the domestic tourists in the Eastern Cape which closer to foreign visitors that are visiting the province. This shows the importance of investing on promoting domestic tourism within our district.

According to ADM’s tourism industry study report 2009-2010, the results thus far show that ADM is also benefiting through the tourism industry. Using a national multiplier of 2, 26 (source: Coningarth) for the wholesale and retail trade, catering and accommodation sectors and an estimated provincial multiplier for the same sector, the following economic impact on tourism industry was discovered.

In terms of employment the industry has generated an amount of R657, 5 million in 2008 and 6 260 annual jobs or work opportunities were created by the industry. On average ADM receives 79% domestic visitors while 21% is foreign visitors. (ADM tourism survey report 2009)

Based on the indications of turnover provided by the surveyed respondents, it is estimated that the tourism industry of the Amatole District Municipality generates approximately R650 million towards the economy each year. The comparison was made out of the agriculture, transport and electricity sectors it is likely that the tourism sector provides a GVA of between 4% and 5% to the district economy. This means therefore, out of 3.3 billion spent in the Eastern Cape Province, an amount of R650 million was spent within the district equating to R299 per day per spent in the district.

The findings of domestic tourism in Amathole District reveal that, VFR (Visiting Friends and Relatives) travel results in high volumes of tourists coming in. The greatest value however is derived from the holiday market despite significantly lower volumes. As holiday travel is concentrated in Buffalo City and Great Kei; tourism economic benefits are popularised. The economic benefit of tourism disbursement of visitors to other areas of the country is a requirement if the economic benefit of tourism is maximised. Opportunity exists to grow the number of holiday travellers through the development of holiday culture that promotes short breaks and extended vacations and converts non-holiday travellers to holiday travellers. Holiday travel can facilitate greater economic impact and is more easily influenced in terms of volume, value, seasonality and geographic spread. Understanding the needs of holiday travellers will facilitate the tailoring of messages through word of mouth, product packages, product development towards those segments that will maximise return on marketing and product development investment and generate greater holiday traveller volumes.

The following are the key issues with regards to Tourism development and promotion;

- Product development.
- Marketing and promotion.
- Capacity Building for communities, local municipalities and Product Owners
- Infrastructure development & tourism safety
- Transformation
- Funding
- Human resources

ADM is truly committed in developing the tourism industry, as it is one of the priority areas that it has identified in its Integrated Development Plan. In an attempt to address the above mentioned challenges, it is in the process of developing a tourism marketing strategy that will address the marketing related challenges. The issues shown above focus on the sector and are development needs.

Tourism Routes

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

Wild Coast

- A portion of the 280 kilometres stretch of the Wild Coast lies within Amathole District. Much, however, lies outside the area. The area north-east of Coffee Bay (just beyond the Amathole border) is better known and promoted than the area within Amathole. The Wild Coast Route includes the Great Kei, Mquma and Mbhashe Municipalities and covers places of interest like Chintsa, Haga-Haga, Morgan's Bay and Kei Mouth, Mazepa Bay, Centane and Willowvale. Untamed and untouched, the Wild Coast is just as its name describes! Vistas of lush green hills dotted with the tiny turquoise mud huts of Xhosa villages and a tempestuous coastline, the area is characteristically rural, offering an escape to the madness of the city life. The following are the programmes that ADM is currently involved in and have been identified as the urban & rural tourism development and they are as follows;
 - Bawa Falls
 - Ikhamanga Community Tourism Project
 - Mquma Arts and Culture Festival
 - Mbhashe Beach Festival
 - Tourism Awareness Programmes
 - Wild Coast Jikeleza Festival
 - Tourism Awareness
 - Visitors Information Centres
 - Mquma & Mbhashe, Great Kei Crafters Association
 - Emerging tourism products/Local Tourism Organisation
 - Phalo Heritage Route

Friendly N6

- The Friendly N6 route traverses right through Amahlathi Municipality from Buffalo City Metro and creates a route through many inland towns of the Eastern Cape Province, leading to Bloemfontein in the Free State. The Amathole District section of the friendly N6 starts on the outskirts of East London and ends in Cathcart, passing through Sutterheim along the way. Stop off the Python Park, the Lion Park to see the rare white lions, the Calgary Transport Museum and Mpongo Private Game Reserve. The following are the programmes that ADM is currently involved in and have been identified as urban & rural tourism development and they are as follows;
 - Mgwali Cultural Village
 - Craft Mania
 - Tourism Awareness
 - Emerging tourism products/Local Tourism Organisation
 - Visitors Information Centres
 - King Sandile Heritage Route

Amathole Mountain Escape

- The Amathole Mountain Escape includes Nkonkobe, Amahlathi and Nxuba Municipalities and it towers over the lush landscape of this route, valleys and forests adding the rustic charm and mystique. Amathole is a Xhosa name and it means “the calves” referring to the larger mountain range to the North of East of the District. It also indicates how close to nature the people of the district live, having for centuries brought their cattle to graze at the foothills of the Amathole. This route starts from King Williams Town to Bedford and into Hogsback village. It meanders onward to the historical town of Alice where South Africa’ first black president Nelson Mandela and other notable African leaders, received their education at Fort Hare University. The following are the programmes that ADM is currently involved in and have been identified as urban & rural tourism development and they are as follows;
 - Craft Mania
 - Bed Ford Garden Festival
 - Amahlathi Crafters Support
 - Nxuba Chalets EIA
 - Amathole Mountain Escape hiking trail
 - Visitors Information Centres
 - Emerging tourism products/Local Tourism Organisation
 - Maqoma Heritage Route

Sunshine Coast

- The Sunshine coast embraces the Nqgushwa Municipality and stretches from Port Elizabeth to East London. A large portion of the route falls within the Amathole District. The area has a subtropical climate, with temperatures in winter reaching an average of 21⁰C while summer temperatures climb to an average of 28⁰C. Leisure activities centre around the beaches, ocean and rivers as, even in winter, this region is lavishes in a mild climate. The towns and villages of Hamburg, Kayser’s Beach and Kidds Beach all offers and host watersports, adventure sports and boat trips. The route has sub-routes such as Makana Route which tells the historical, cultural, political heritage of the area. The following are the programmes that ADM is currently involved in and have been identified as urban & rural tourism development and they are as follows;
 - Emerging tourism products/Local Tourism Organisation
 - Hamburg Beach festival
 - Visitors Information Centre
 - Keiskamma Trust Craft Project
 - Mbodla Heritage Route
 - Makana Heritage Route

CHALLENGES

In order to be able to achieve ADM's vision and excel on its strengths, ADM needs to recognize and acknowledge the challenges that the tourism industry is faced with. On a local scale, the challenges include limited transformation, constrained domestic air capacity and transport links, the limited involvement of local government in tourism planning, no defined Tourism Marketing Brand though it is still on the initial stages, poor tourism signage, poor roads conditions, skills shortage, lack of packaging of tourism product, there is no marketing material outside our district, whereas we have good marketing material, financial and economic difficulty, crime and security. Globally, the challenges include the possibility of an economic recession in some of our key markets, the impacts of climate change on worldwide travel patterns, exchange rate fluctuations and restricted aviation capacity.

1.5 Film Industry Development

Amathole District Municipality identified the development of the Film and Video Industry as one of the key economic sectors that have a potential to make significant contribution towards economic development. ADM developed a framework that will support the long term sustainable growth of the film and video industry and to identify areas of focus and opportunity, highlight key catalytic projects that can stimulate growth, and recommend the appropriate institutional arrangements to ensure delivery. Through the eventual implementation of the Strategy, the goal is to create jobs, stimulate entrepreneurs, and give voice to the unique stories of the district through film.

There are a number of requirements that must be in place if any city or region wants to successfully engage the film industry. These include:

- High-calibre skilled professionals
- Filming facilities & equipment
- Filming locations
- Good communications and transport infrastructure
- Well-developed leisure industry close to the filming site
- Hospitable political and social environment
- Finance

Plus

- Great stories
- Audiences for local product

Amathole District Municipality, offers all the above, but to differing degrees of depth and quality. However, the region is well-placed to develop a programme of co-ordinated Film Activity due to the following:

Unique Locations

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

Diverse Population

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

Climate

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

Government Support

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

Cost effectiveness

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

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

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

Eastern Cape Stories

Within Amathole, a notable issue stands out as a unique and currently unexploited selling point – the power of the Stories from the Eastern Cape. This includes the emergence of apartheid era stories (Dimbaza, Ngquza, Nompandolo, Egerton, Bisho etc.) as well as the histories of the frontier that built the unique character of the Eastern Cape.

1.6 Agriculture Development

The agriculture development intends to create an enabling environment to assist all the District's small-scale and established commercial farmers to flourish, through the provision of critical infrastructure (Including: transport, communication, bulk water, energy, information, training and marketing support). While also creating an enabling environment to assist all role players involved in the District's agricultural development to align, prioritise and optimise their planning, organisational, financial and skills capacity.

Functions of the District in agriculture development include the following:

- ❖ Facilitate and coordinate agricultural development within the district.
- ❖ To facilitate that planning and budgeting of agricultural stakeholders in the district and local municipalities is informed by integrated development planning.
- ❖ To facilitate alignment of municipal planning with other spheres of Government as far as Agricultural Development is concerned.
- ❖ To support Local Municipalities in all areas of agricultural development.

Diversity Characterises of ADM Resource Base

The ADM area has **diverse natural resources** in terms of topography, climate, soils, gradient, vegetation, temperature and rainfall. These natural resources are generally **limited in agricultural potential**, particularly with regard to intensive agricultural enterprise development. The exceptions are the coastal strip with its higher rainfall and deeper soils and some 7,900 ha of developed irrigation in the district. The

greater part of the district is however restricted to low income, **extensive livestock production** utilizing natural vegetation.

Selection of Significant Agricultural Enterprises

A process of selection of the most significant agricultural enterprises within the ADM has been made in terms of existing production and potential. This is based on an assessment of the natural resources and a Relatively Homogeneous Farming Area (RHFA) analysis has identified the following enterprises in an approximate order of importance to the economy of the ADM.

- **Livestock - Sheep and beef:** Generally farmed together for pasture management, there is declining profitability in real terms with a shift from small stock to beef and to game in the commercial sector. However, together this is the largest sector in terms of land area, economic contribution and participation and has primary strategic value in both economic and socio-political benefits within the ADM. Goats are less important economically but their resilience plays a role in indigenous poverty strategies as well as a negative role in environmental degradation and therefore remain important to be addressed.
- **Dairy (Milk Production):** This specialised sector, largely along the coastal strip and where irrigation exists inland, exists primarily in the mainstream commercial sector. . There is limited potential for expansion as a commercial enterprise due primarily to market surpluses.
- **Game Farming:** Increasing growth, along with the trends provincially, but at lower growth rates (some 5% p.a.) than neighbouring districts due to physical resource limitations. Game farming has significant potential for further growth, but is limited in communal areas by challenges linked to land consolidation and high capital investment costs.
- **Citrus:** The only fruit with any potential for increased production over and above the 3000ha in the district. Citrus is a long-term investment, with high capital costs and high management requirements and profitability is closely linked to the exchange rate, making it currently marginal. It is a possible crop for new farming enterprises entering mainstream commercial terrain, but viability is not favourable at current exchange rates and even if viable, would require extensive mentoring and marketing support.
- **Tunnel / Hydroponic production:** Tomatoes, cut flowers and high value vegetables dominate this rapidly growing industry, limited to the coastal strip (7km from the sea). Water is limiting, but growth is positive and foreign investor confidence is growing. Management, finance and market complexity and very high investment costs (R1.5million / ha) along with high risks limit potential for impacting large numbers of people, though relative economic impact is significant.
- **Vegetables and Irrigated crops:** Typically, irrigation crops are medium to high value vegetables. The former 9 parastatal schemes covering 2200 ha and impacting directly on some 6000 people are utilised at some 20% to 30% of potential. Revitalisation strategies which invest in skills development, organisational growth, market linkages as well as physical repairs have shown substantial success nationally and could be replicated within ADM. Impact could extend to 24,000 new jobs and some R90 Million in turnover per annum with secondary benefits of homestead food production through parallel initiatives in surrounding villages. Potential for multiple small schemes (20 to 50 ha) exists in the eastern half of the ADM (former Transkei), with higher rainfall, good alluvial soils and high population densities creating

favourable resource and market situation.

- **Field crops:** The primary field crop is maize and though the province contributes less than 1% to the country's total production it is widely prevalent, impacts a large number of people and is particularly valuable as a food crop when traditionally intercropped with pumpkins and beans. Maize is subject to large fluctuations in prices and combined with declining yields in communal areas presents both risk and opportunity for intervention. The Massive Food Production program targets maize and future programs need to be aligned with and learnt from this initiative. New possibilities, such as in-field rainwater harvesting developed by the Agricultural Research Council, which reduce the risk of crop failure by up to a factor of 9, show increased yields and also introduce fertility improving low-till planting and mulching have significant potential to meet food production and poverty alleviation objectives.
- **Poultry – Broilers and Layers:** A number of commercial poultry units are operational in the ADM. These are intensive and highly sensitive to national market fluctuations and require high levels of management which are associated with high risk. Small-scale poultry production has been widely attempted but without the anticipated returns or levels of success and may have relevance at a micro-project level.
- **Pineapples:** The conditions for pineapple cultivation are sub-optimal along the ADM coast and the industry has been in decline over the last 4 decades. While some recent joint venture success in Ngqushwa LM is reported and presents a case for optimism, there remains uncertainty about further investment given the export market dependence and links to the exchange rate.
- **Aquaculture / Mariculture:** There is some potential for aquaculture and good potential for mariculture in the ADM. The tourism industry linked to trout in the higher-lying dams is significant and more important than the value of the fish themselves. Abalone, oysters and kob present opportunity for both industrial and small-scale community initiatives and could be established at Qolora or the IDZ.

The relative importance of these enterprises differs in terms of contribution to employment, poverty alleviation and numbers of people impacted. It is important that for any sector, there are substantial variations between the predominantly commercial farming systems and the communal farming areas which have a mix of farming styles with varying agricultural contribution to livelihoods.

1.7 Heritage Resources Management

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

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

It is worth noting that prior to the passing of the Constitution of 1996 and other legislations that ensued, there was never any form of public participation pertaining to heritage issues affecting diverse cultures. However, with the passing of post-apartheid legislative mandate provided by the Constitution and other pieces of legislation in the form of National Heritage Act of 1999, heritage institutions have become keen to partner with different communities. Amathole District Municipality was no exception to that. **This is evinced by the establishment and existence of the Amathole District Municipality Heritage Forum.**

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

Given the legislative mandate provided by various post-apartheid pieces of legislation, cited earlier on, Amathole District Municipality, in a bid to help transform heritage resources identification and management, has decided to develop the Heritage Resources Management Strategy with a clear strategic plan. Such a plan outlines in detail the manner in which our heritage resources in the district should be properly managed. Furthermore the plan touches on Mega Heritage Projects that the district is currently embarking on. The plan also puts the civil society at the centre of heritage resources management, taking into account the importance of indigenous knowledge systems as effective tools for any successful heritage resources management.

The Situation Analysis also sets out a list of key strategic goals that are characterized by “***demand and supply***” principles.

The document further reflects on some of the major national challenges being faced by the heritage sector throughout the country, namely insufficient and lack of funding to advance heritage. It has become clear that Amathole District is not immune to this challenge. Consequently ADM decided to be pro-active and responsive. In order to ensure that the Heritage Resources Management Strategy document talks to challenges cited previously, it highlights some of the implementable strategic objectives it has set that are based on pro-activity and responsiveness to ADM challenges posed by apartheid and post apartheid administrations.

Those objectives are further translated into programmes currently being implemented by the Heritage Unit of Amathole District Municipality, namely:

- promotion and conservation of armed struggle history;
- promotion of good governance for heritage resources management at both district and local level;
- empowering and encouraging communities to identify and conserve their heritage resources;
- promote, co-ordinate and monitor identification and promotion of district and local heritage resources;
- contribute to public debates on early modern African intellectuals; promoting media heritage; establish a national significant museum;
- set norms and standards for the maintenance and management of heritage resources in the Amathole District Municipality;
- developing policy on the promotion and management of district heritage resources;
- educate locals about the importance and purpose of museums, garden of remembrances and walls of fame;
- contributing towards establishment of a national museum;
- encouraging heritage studies; protecting rock art painting;
- protect graves and provide signage;
- maintaining database of heritage resources;
- promote intangible heritage resources management and identification;
- marketing the established heritage routes; protecting sacred sites and heritage resources;
- facilitating access to sites located in private land; strengthen Reference Group;
- promote the spirit and cause of ex-combatants’ social integration, and lastly facilitate repatriation of district heritage property from foreign land.
- facilitating access to sites located in private land;
- strengthen Reference Group/ Heritage Forum

What seems to be clear thus far is the fact that whether one is talking of eco-or cultural tourism, the fact of the matter is that tourism is environmentally dependent. To this end, it becomes the responsibility of the Heritage Unit to identify heritage sites that have potential to contribute fundamentally towards tourism development.

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

The realization of each of the strategic objectives that are translated into programmes in situation analysis, will serve to ascertain the long term protection of the district's heritage resources, for the benefit of current and future generations.

Furthermore, the enhancement and protection our heritage resources have the ability to play a crucial role in the social upliftment and economic development among the ADM communities.

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

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

CHALLENGE

The major challenge currently is lack of sufficient funding to develop and maintain these heritage sites if we want to achieve good and proper marketing thereof. The better these heritage sites are developed and maintained the more economic spin offs to be derived from tourism activities within the respective heritage sites. This implies advocacy for a massive investment in infrastructure development within these heritage sites to ensure economic development and economic growth support, in terms of both tourism and SMME support.

1.8 Environmental Management

The objective of the environmental management within ADM is to conserve all natural resources that exist within its area of jurisdiction. Its function is derived and governed by a range of legislations including, but not limited to, Environmental Management Act of 1998, Environmental Laws Rationalization Act of 1997, Environmental Conservation Act of 1989, Development Facilitation Act of 1995, Air Quality Act of 2004.

ADM is located in a scenic, cultural and floristically unique part of South Africa. With its ocean and mountain boundaries, ADM comprises of a valuable and rich mix of cultural and natural resources. These support the development industries of the region, which in turn stimulate the economy of the district and help to create jobs and alleviate poverty. A medicinal production project was embarked on by the Imingcangathelo development trust, following the inappropriate utilization of renewable resources, highlighted in the ADM State of The Environment Report in 2003. This trust has identified parcels of arable communal land that can be utilized for the purpose of cultivating this plant material.

Pelargonium is indigenous to South Africa. It belongs to a group of shrubby, tender flowering plants, the Geranium family (Genus Pelargonium). Pelargonium sidoides is a slightly aromatic rosette-like plant with crowded leaves and a system of thickened underground roots. The aerial parts are sparsely branched from the base of the flowers are very dark reddish-purple to almost black as compared to the lighter version of the reniforme plant. Their distribution ranges from the Eastern Cape, Lesotho, Free State, Southern and South-Western Gauteng.

ADM has embarked on continuous initiatives as an effort to establish market linkages with the *Pelargonium* industry in Nkonkobe Local Municipality. Parceval pharmaceutical has further more confirmed their interest in purchasing the plant material from the beneficiaries of the project and they donated seedlings to ensure continuous growing and constant supply.

Pelargonium has been successfully used for the treatment of:

- Respiratory infections like bronchitis, sinusitis, pneumonia, tonsillitis and rhinopharyngitis.
- It is often used as an alternative to antibiotics
- Acute and chronic ear, nose and throat infections
- Rapid improvement in the symptoms associated with colds and flu
- Analgesic (absence of pain) effects

There are, however, many environmental, social and economic challenges facing this area. These are largely the result of the growing population of people which is mostly under 65 and youthful and the need for bulk infrastructure, services, jobs, housing, transport, tourism and education. Chapter 40 of Agenda 21 calls for improved availability of environmental information for decision-making, environmental education and raising awareness. State of Environment (SoE) reporting has since become the globally accepted means of reporting on environmental issues, and of measuring progress towards sustainable development in the countries which have adopted the principles contained in Agenda 21. In terms of Environmental Education and awareness within the district, ADM is coordinating environmental management events such as Arbour Week in September; Weedbuster Week in October; Marine Week in November; Water Week in March and Environmental Week in June.

The district's challenges are to halt environmental deterioration and simultaneously improve the state of the environment and quality of life for the inhabitants of the district. The SOER of ADM remains an important part of ADM's Integrated Environmental Management Plan. Monitoring and review are two essential parts of the policy process and the environmental management strategy. The Environmental Management Plan was adopted in 2002 by ADM council and therefore Environmental Management Systems came out as a strategy in 2005 and has been in existence ever since. This is a cumbersome document which has never been reviewed and it does not give clear roles and functions pertinent to the district. ToR were developed and submitted to SCU. It is not funded. Currently, it is going to be reviewed in house.

Climate and climate change

The climate of the Amathole District varies from mild temperate conditions (14-230C) along the coastal areas to slightly more extreme conditions (5-350C) among the inland areas. The mountains on the northern border of the district experience winter snows and summer rainfalls. However, data on various climatic elements such as radiation, moisture, precipitation, winds and pressure is difficult to ascertain and will have to be investigated.

Climate change, as related to human induced changes, is a consequence of multiple forcing factors, principal among which is that arising from changes in atmospheric greenhouse gas concentrations. This is a change in the global forcing factors with regionally dependent manifestation, modulated by other factors such as land use practice, urbanization, and complex feedback mechanisms. These modulating

factors may readily give rise to regional change of comparable magnitude to that due to the globally forced changes. Within Africa vulnerability is high to a broad range of climate change manifestations. As noted by the African Development Bank, et al. (2003), “climate change poses a serious risk to poverty reduction and threatens to undo decades of development efforts.” This is an issue that is possibly the single largest long-term threat to development.

The regional manifestation of change is most often viewed in terms of the primary climate variables of temperature and precipitation; a perspective that often avoids issues of other important changes that might not be taking place. For example, changes in wind (with relevance to dust storms and land degradation), or sea level rise. Moreover, it is the temporal nature of changes that are often neglected, yet may be critical aspect of regional impacts. In this respect it is issues of seasonality, dry spell duration, intensity, recurrent heat waves, or reductions in diurnal ranges that may have as big or bigger impact as simple changes in the mean. For example, changes in diurnal (daily) range can be critical for certain crops which need “chill units” – days below a certain temperature – or reductions in frost which can have significant biological impacts on crop diseases and, importantly other human diseases such as the presence of malaria.

In light of the complexity of the system, and considering the current state of understanding of the future regional climate, it is a strong recommendation that before all else, an understanding of sensitivity be first undertaken with regard to any given impact sector. Following this, the historical change may be considered, although there is no guarantee that the future will follow the historical trend; feedbacks or threshold in the system may readily change the trend. Finally, the future projections may be considered as a basis for adaptation and response.

In June 2009 during the environmental week ADM proudly hosted the first provincial climate change conference/summit which was well attended by all spheres of government, public organizations and business.

ADM Climate Change Summit

The summit “The Heat is on the Time to Act is Now” brought together persons and organisations with an interest in or involved in matters to do with climate change. The event was attended by approximately 140 persons over the two days from both the Amathole District, the Eastern Cape Province and Nationally. The aims of the Summit were to:

- Assist Local Government to create awareness of climate change issues as they affect local government;
- Exchange information of practical value to help combat the effects of climate change; and
- To share best practice opportunities and the benefits offered by implementing programmes relating to climate change.

However, there was commitment to the following actions:

- Increased interagency discussion on policy development, for example, incentives for urban households, promoting tradition zero waste farming in rural areas, developing a climate change policy for Amathole District
- Encouraging ongoing scientific research which is relevant to the District and which informs decision and policy making
- Focusing on education and awareness programmes
- Conducting a vulnerability assessment for the region
- Actively engaging in dialogue with and between agencies
- Consideration of the viability of collective clean development mechanisms projects which could generate revenue for the region through carbon trading.

OPPORTUNITIES OF CLIMATE CHANGE

- Usage of alternative energy like : Solar power-trapping constant sunlight.
- Wind energy-generating electricity through wind power in ideal areas like Ngqushwa and Bedford.
- Usage of solid waste to create biogas like methane.
- Using desalination technique to convert sea water into drinkable water.

Climate change strategy

A climate change strategy was developed for the district. This was part of the recommendations of the Climate Change Summit that the Amathole District Municipality hosted. The strategy is to be used as a planning document and to be incorporated into all sector plans. The strategy looked climatic trends of the district and added new climatic data to try and determine future climatic trends. This will assist with the districts planning.

The strategy was complimented by a GIS (Geographic Information Systems) program which shows all the data collected in the form of maps. This allows project managers to visually see the predicted climatic trends for their areas of work and adapt their projects if necessary. ADM is one of the first district municipalities in the country to undertake a study of this magnitude and it will serve all the residents of Amathole.

As one of the first projects emanating from the strategy, ADM has developed educational posters to raise awareness about climate change both with staff and scholars throughout the district. The educational posters for schools have been developed for grades 10 to 12 as a supplementary education tool for teachers teaching subjects like natural sciences. Awareness raising will assist both with mitigation and adaptation to a phenomenon which will affect us and generations to come.

Freshwater Environment

There are four major drainage regions in the ADM. Priority Rivers within each drainage are shown in brackets:

- Great Fish River catchment (Great Fish, Koonap & Kat Rivers)
- Amathole catchments (Keiskamma, Buffalo, Nahoon & Gqunube Rivers)
- Great Kei River basin (Great Kei, Kubusi, Klipplaat & Tsomo Rivers)
- Mbhashe River basin

About 17 alien fish species are in existence in ADM. Endangered fish species are present as well. Illegal fishing is rife in rural coastal areas like Dwesa and Khobonqaba and abalone in Ngqushwa. Water supply schemes are fairly well in the central and western ADM ,with inadequate water services provision in the Eastern part of ADM.

The aspects or pressures facing ADM freshwater resources are spatially variable:

Western region	-Agriculture dominates -Irrigation return flows increase the naturally high sediment load & salt content of the Great Fish River.
Eastern region	-Former Ciskei & Transkei. -Largely undeveloped, with most of the population living in rural settlements -Major problems facing rivers include microbial contamination (inadequate access to sanitation), solid waste pollution (lack of disposal sites) and increased sediment load and nutrient concentrations (erosion from over-grazing & vegetation clearing).
	- Dominated by the urban/industrial complexes of King Williams Town & East

Central region	London. -Ever-increasing population & industrial development threaten the water quality of the major rivers (Buffalo & Nahoon). -Effluent discharge (both domestic & industrial) is a major problem.
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The main impacts on fresh water system or environment resulting from the pressures include:

- Soil erosion
- Solid waste pollution (Poor management of waste sites)
- Organic waste pollution
- Industrial pollution (eutrophication)
- Changes in health status of aquatic systems
- Drought due to lower seasonal rains recorded
- Sediment loading from irrigation systems
- Poor sanitation, Industrialisation
- Climate change effects have resulted in drying of dams in Nxuba, Amahlathi and Mbhashe and lower levels in other dams in the district recorded never been seen before.

Terrestrial Biodiversity

The Amathole District has a high diversity of plant species because of biogeographic complexity. Five biomes and 21 vegetation types are represented in the area. It is located almost completely within the Centre of Floristic Endemism and has a relatively high species richness level of endemism which is indicative to why there is such a high level of exploitation of medicinal plants by pharmaceutical companies and traditional medicine practitioners. The majority of larger animal species are extinct from the area. Invertebrates, herpetofauna and amphibians face many pressures, primarily resulting from habitat destruction from human related pressures.

The ADM comprises of 2.8% of South Africa's surface area yet supports 15% of its species diversity. Many species and ecosystems are threatened as a result of increased pressure on natural populations and their habitats. There are not many protected areas in the District and the vegetation is not protected to the extent that is generally recommended. The few protected areas occurring in the ADM are extremely important for the protection of some plants and animals.

The terrestrial resources of the Amathole District are subjected to various aspects or pressures, associated primarily with increased population pressure and continued reliance on natural resources to sustain human needs. Pressures result in major transformation of vegetation types and a threat to biodiversity.

The main aspects (causes) or pressures include:

- Increased rural urbanization.
- Unsustainable use of terrestrial resources for fuel, medicines and grazing.
- Utilization of land by the agricultural and forestry sectors.
- Overgrazing
- Indigenous species harvesting (e.g. Pelargonium and Aloe)
- Subsistence cultivation
- Spreading urbanization
- Commercial activities, especially plantation forestry

Within the ADM only Eastern Cape Coastal Thicket is conserved, with 16% of its surface area within a conservancy. Other vegetation types are, in general, poorly conserved in the ADM.

Main Impacts are:

- Water shortages due to alien vegetation infestation
- Habitat loss
- Habitat degradation

- Fragmentation
- Alien infestation (influenced also by the commercial forestry plantations)
- Soil erosion

Coastal and Marine Environment

The Amathole District Municipality's coastline stretches over 251km (26% of the provincial coast), which includes Buffalo City, Ngqushwa, Great Kei, Mquma and Mbhashe Municipalities. The Amathole District Municipality is well renowned for its scenic coastline (Wild Coast and Sunshine Coast), beaches and wealth of marine biodiversity. The coastal environment of the ADM consists of beaches, rocky shores, estuaries, sand dunes and coastal vegetation and the offshore environment. Much of the area is in a pristine condition, but faces pressure, which threaten the ecological systems and biodiversity.

The key causes (aspects) or pressures include:

- Industrial activities and development.
- Subsistence and non-subsistence exploitation of marine invertebrates.
- Recreational, subsistence and commercial fishing.
- Residential, resort and tourism development.
- Pollution and waste management.
- Mining.
- Alien species infestation.
- Climate change

Impacts resulting from these pressures include:

- Over exploitation of invertebrate animals on certain areas of the coastline (e.g. abalone, limpets, mussels) in certain estuaries.
- Over exploitation of offshore, inshore and estuarine fish species. Some populations have collapsed, (e.g. Red stumpnose).
- Organic pollution of estuaries and beaches due to poor sanitation in certain resort and coastal developments, poor sanitation in townships and informal settlements and inadequate water treatment.
- Organic or inorganic chemical pollution of estuaries due to industrial and storm water run-off.
- Pollution of ocean from outfall pipes.
- Silting up of rivers and estuary mouths due to water flow restrictions.
- Destruction of coastal forests due to uncontrolled removal of wood by subsistence gatherers.
- Blow-outs in sand dunes due to uncontrolled beach access, poorly planned developments and sand mining activities.
- Alien vegetation infestation.
- Sea level rise

Air Quality

Air quality management as it is the case with environmental resource management in general has a lot of human development dynamics as it is dependent on socio-economic and political conditions or factors at the regional (e.g. SADEC or African Union) or international scale (e.g. overseas countries). For example the non-ratification of the Kyoto protocol by the United States of America is caused by America looking to protect its economic development which is mostly based on industrial activities. The challenge however, is that air pollution knows no boundaries as pollutants travel from one locality to another or influences climatic conditions not only of the area of the source but those of other localities as well.

Amathole District Municipality has an Air Pollution Bylaw. This bylaw although fairly comprehensive has needed some minor revision since National Legislation came into effect. ADM is currently undertaking and internal review of this bylaw.

Amathole District municipality does not have serious air pollution challenges but the industrial sector, as it is throughout the country, is the primary producer or cause of air pollution in the district. However, the economy of the district area has very limited industrial development relative to its neighbouring localities such as Nelson Mandela Metro Municipality and other provinces bordering the Eastern Cape such as the Western Cape and Kwa-Zulu Natal.

Pressures or aspects (causes)

- Industrial Emissions – Buffalo City contains a number of industrial clusters, such as the East London IDZ, the West Bank Industrial Complex, Berlin Industrial Area, Wilsonia Industrial Park, Fort Jackson Industrial Area, R102 Industrial Corridor and the Dimbaza Industrial Area. The types of industries vary from light commercial to heavy industrial.
- Traffic – Buffalo City has the highest traffic densities within ADM and vehicle emissions have been identified as a significant source of air pollution in the area.
- Quarries, Borrow Pits and Mines – the district has a number of these sources of dust emissions scattered throughout the municipality.
- Unpaved Roads – Dust emissions from unpaved roads was identified as a significant source especially outside of the main urban centres.
- Wildfires and Biomass Burning – Wildfires were identified as a source of air pollution within the municipality including scheduled burning of firebreaks and highway verge burning.
- Indoor Air Pollution – This issue was raised due to the use of wood and paraffin and a source of heating and lighting energy, however this issue falls outside of the scope of our audit.

Impacts

Pollutants	Main Contributing Sources	Key Impacted Areas
PM ₁₀	<ul style="list-style-type: none"> • Household fuel combustion • Traffic (primarily diesel vehicles) • Industrial (fossil fuel combustion) • Other sources (wildfires, unpaved roads, quarries) 	Localised and sub-regional areas affected. Significant health impacts in the informal and rural residential areas.
NO _x	<ul style="list-style-type: none"> • Traffic (petrol and diesel vehicles) • Industrial (process emissions) • Other sources (wildfires, domestic fuel combustion) 	Localised effects especially in close proximity to roads
SO ₂	<ul style="list-style-type: none"> • Industrial (fossil fuel combustion) • Traffic (petrol and diesel vehicles) • Other sources (wildfires, domestic fuel combustion) 	Localised effects especially around industrial complexes and informal residential areas
O ₃	<ul style="list-style-type: none"> • Secondary pollutant associated with NO_x and other precursors (i.e. VOCs) • Traffic (petrol vehicles) • Industrial (process emissions) • Other sources (wildfires, domestic fuel combustion) 	Sub-regional and regional areas affected
CO	<ul style="list-style-type: none"> • Traffic (petrol and diesel vehicles) • Industrial (process emissions) • Other sources (wildfires, domestic fuel combustion) 	Localised effects especially in close proximity to roads
VOC's	<ul style="list-style-type: none"> • Traffic (petrol and diesel vehicles) 	Impacted areas to be

	<ul style="list-style-type: none"> • Industrial (process and fugitive emissions) • Other sources (wildfires, domestic fuel combustion) 	determined following ambient monitoring
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Environmental Governance

Environmental governance in the country focuses on resource conservation and utilization, as well as on waste management and pollution and is a competency of National, Provincial and Local Spheres of government. The National Environmental Management Act, act 107 of 1998 provides the framework for environmental governance and cooperation between various government agencies and provides various tools for environmental governance such as the Environmental Implementation Plans (EIP) and Environmental Management Plans (EMP).

In terms of NEMA the EIPs are meant to be developed by government agencies that have functions that have an impact on the environment such as the Defense force, Water Affairs and Forestry and the Department of Local government and Housing etc. and EMPs are meant to be developed by agencies that have a role in setting standards or regulations for environmental management such as the Departments of Health, Water affairs and Environmental Affairs and Agriculture etc.

What is of great concern though is the level of capacity for environmental governance, not only at the local government level but at provincial level as well. The status quo makes it very cumbersome to comply with the various environmental legislations and requirements such as integration of environmental issues in IDPs and alignment of government programs.

OPPORTUNITIES IN WASTE MANAGEMENT

- Minimize Consumerism through awareness campaigns.
- Recycling.
- Reducing Carbon foot print.
- Motivating ADM community to do composting by focusing on reuse of tins and weeds.

ADM EDUCATIONAL PROJECTS

- Hosting Environmental days:
 - Water Week in March yearly
 - Environmental week in June yearly
 - Arbor week in September yearly
 - Marine Week Yearly in November
 - Weed buster week in December
 - Wetlands Month in April yearly
- School competition on environmental projects targeting eco schools project.

Key issues

- ❖ Coordination of environmental management activities within the district;
- ❖ Mainstreaming environmental management within ADM,

Challenges

- ❖ Lack of coordination of environmental management activities;
- ❖ Lack of environmental by-laws;
- ❖ Lack of funding

1.9 Expanded Public Works Program (EPWP)

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

The Expanded public works program involves creating temporary work opportunities for the unemployed, while ensuring that workers gain skills and training on the jobs, so as to increase earning capacity and income in the future. The emphasis of the EPWP is to expand the use of labour intensive methods in government funded services delivery projects to create more work opportunities and stimulate entrepreneurial activity.

EPWP IMPLEMENTATION PROTOCOL

In March 2011, ADM signed a Protocol Agreement with the National Department of Public Works and Office of the Premier Eastern Cape to ensure institutional arrangements. The agreement includes the development of the EPWP policy which is currently under development. The signing of implementation protocol agreements initiative emanates from the EPWP Municipal Summit held on the 13th -15th October 2010 in Durban.

The National Department of Public Works has through the EPWP Incentive Grant Manual illustrated that there should be institutional arrangements at which various levels of planning, coordination, implementation, management and reporting should take place. These institutional arrangements include accountability agreements to ensure commitment by public bodies to their respective targets. These overall commitments are strengthened by signing of Intergovernmental Implementation protocols in accordance with Intergovernmental Relations Act. These protocols are separate agreements from the incentive agreements (which deal specifically with the allocation and disbursement of the EPWP Incentive Grant).

PRIMARY TARGET OF EPWP

ADM has identified EPWP as one of the socio-economic development and poverty alleviation programme, that cuts across all sectors and has a potential of contributing towards the national target of creating 4,5 million work opportunities by 2014. The District has a mandate of creating 28 178 work opportunities by 2014, as per the targets outlined in the protocol agreement with the following target groups as outlined in the Ministerial Determination:

- 55% women,
- 40% youth and
- 2% disabled

In order to achieve this ADM has to maximize its job creation efforts by aligning all projects and programmes to EPWP principles through labour intensive methods.

EPWP PROJECTS PER SECTOR:

Infrastructure sector:

- EPWP learnership programme (Vuku'Phile)
- Implementation of projects through Labour Intensive Construction (LIC) methods.

Environmental and Cultural Sector:

- Clearing of Alien Vegetation
- Recycling projects

- Establishment of Waste Management Programmes
- Historical and Community Tourism projects

Social Sector:

- Community Based Health Care Programmes
- Social Areas

EPWP LEANERSHIP PROGRAMME (VUK’UPHILE)

The Vuk’uphile Learnership programme is Contractor Development Programme that seeks to develop emerging contractors into fully fledged contractors. ADM has engaged 10 Learner Contractors and 20 Learner Site Supervisors under the Vuk’uphile Learnership. The learnership programme is an integrated approach, of government, the SETA and the private sector working together.

ADM forms part of the management team administering the programme with the following stakeholders:

- The **ADM** provides projects (work place opportunities) for the learner to get training and experience.
- The **National Department of Public Works** funds and appoints mentors for the learners.
- The **SETA (CETA)** fund and appoint the training providers for the learners (classroom trainings).
- **ABSA bank** provides the learner contractors with access to credit and bridging finance.

CAPACITY BUILDING

- In the 2010/2011 Financial Year, NDPW in collaboration with LG- SETA conducted Labour Intensive Construction (LIC) Training wherein twenty five (25) number of ADM’s technical staff were trained on **NQF Level 5 & 7**, to develop capacity so as to be competent to design, implement, monitor and manage labour-intensive construction projects.
- Learnership programmes have been put in place by the **Construction Education Training Authority (CETA)** for emerging contractors and their supervisory staff to obtain **NQF Level 2 & 4** respectively), so as to develop the capacity to use labour-intensive methods;

CHALLENGES

- Mobilizing ADM’s departments **to implement projects in accordance with the EPWP guidelines.**
- Understanding of the EPWP among the officials and the general public.
- Lack of Buy-in from Service Providers
- No EPWP Policy Framework.

2. SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

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

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

2.1 WATER SERVICES

Amathole District Municipality became a Water Services Authority (WSA) and a Water Services Provider (WSP) to the ADM district in July 2006. Over the past six years the WSP Division has been building its capacity to manage the water services provider function as efficiently and effectively as possible. In June 2006, ADM completed its Section 78 process and resolved in the August 2006 Council meeting to provide water services through an internal mechanism. The supporting role was reserved for other Government Parastatal/organ of state.

The ADM has since entered into a Bulk Water Services Contract with Amatola Water for all Water and wastewater Treatment Works within its area of jurisdiction. The severe drought during 2008 through to end of 2010, old infrastructure, funding constraints, high water loss and low levels of revenue collection have been constant challenges that the WSP Division has faced in trying to meet its objectives. Much of the ground work has now been achieved in populating an adequate staffing structure and setting up systems and procedures to manage the function. However, in order to excel and deliver a service of excellence, it is necessary for the Division to take cognisance of best practise in the industry and to benchmark itself against clearly set and measurable targets that can be assessed and compared to other organisations providing a similar service. In this regard it has been decided that the goals and objectives of the Water Services divisions should centre around Key Performance Indicators (KPI's) that the Department of Water Affairs has developed as part of its Regulator Performance Monitoring System (RPMS). The RPMS framework will also be used as an outline for developing Water Services reports, in an attempt to improve the quality of monthly and quarterly reports, which has been identified as an area for improvement in the Water Services Division.

As a first step in this direction the following report is centred around the RPMS framework.

1. Access to water supply

Where access to water supply is defined as:

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

In terms of this definition the ADM wishes to monitor and report on both the accessibility to water infrastructure as well as the functionality of the water infrastructure.

Table 1 Access to Potable Water Supply

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

Over such an extensive district it is difficult to monitor the reliability of each water supply system and in this regard ADM will systematically roll out a **Telemetry system** in order to remotely monitor each water system. This will enable ADM officials to remotely monitor reservoir levels and water production. Another critical aspect to ensuring access to water supply is to ensure all water infrastructure is in a good working condition. The recent Asset Verification Project conducted by an external service provider revealed that an estimated **R 267mill** is required over the next five years to repair or replace water and sanitation infrastructure assets in order to ensure that the assets are able to deliver the services they were designed to deliver in the most efficient and cost effective manner. **Refurbishment** of old and dilapidated infrastructure will therefore remain a critical objective of the ADM.

Other initiatives that the ADM has embarked on to improve the reliability and sustainability of infrastructure designed to provide access to water supply include the development of Water Services Provider Business Plan, a **Ground Water Management** Plan (which will need to be rolled out a three year period) and the development of **Dam operating rules**. The dam operating rules will need to inform a **Drought Policy**, which is yet to be developed. The ADM would also like to investigate the use of **cell phone technology** to monitor water scheme quality and reliability through the GPRS network. This is done by “programming” cell phones with data collection menus and having operators submit this data on

a regular basis via the network to a central web based server. This technology could also be used at water treatment works for recording operational monitoring.

Climate Change and Risk management in terms of Drought Situation

Climate change is a global concern caused by emissions of greenhouse gases into the atmosphere. South Africa is one of the greatest per capita emitters of greenhouse gases. Emissions are accounted for at the national level but the effects of climate change may be apparent at local levels, such as changes in local patterns of temperature and rainfall. The ADM was declared a drought stricken area in July 2009 with Nxuba Local Municipality being the one worst affected. The Eastern Cape includes two of South Africa's Water Management Areas (WMA), namely the Fish to Tsitsikamma WMA and the Mzimvubu to Keiskamma WMA in which Amathole District Municipality falls into. There are three main rivers in the Mzimvubu to Keiskamma WMA, and the area is largely used for livestock farming and subsistence agriculture with commercial timber grown in the higher rainfall zones. The water of the Fish River has a naturally high salinity. Water quality is an important issue in the ADM, and issues such as eutrophication of water resources, non-compliance of sewage works and pollution into surface and groundwater are important and dealt with.

Due to the change in weather patterns and regular appearances of the El Nino phenomenon, certain areas in the District are experiencing regular periods of below-normal rainfall conditions and even serious drought conditions – in this regard special planning initiatives are required and alternative water resources need to be explored. In Nxuba [Bedford & Adelaide] ADM has started with a groundwater exploration study via funding obtained from the Department of Water Affairs.

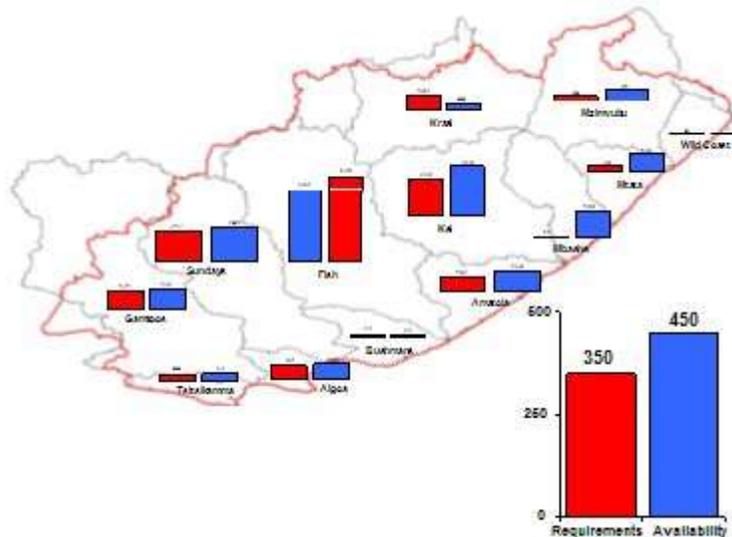
Lessons learnt in extended periods of drought e.g. over the period 2008 – 2010, are that carting water to drought stricken area is an unsustainable way of providing water as it is expensive and there is very little to show for the expenditure at the end of the period. As it is likely that in the future there will be more frequent periods of drought caused by climate change, it is deemed wise for the ADM to invest in more sustainable and permanent drought intervention measures. In this regard ADM has set aside an amount of R78.55 million from own funding sourced from its reserves to source alternative water resources in its endeavour to improve water supply security during drought conditions that would also help to mitigate the risk of droughts in the future.

Drought intervention measures, as and when required, will be carried out in the following order:

- *Ongoing publicity campaigns about the drought and conserving water*
- *Undertake ground water investigations in each affected area – this has commenced in 2011/12 year*
- *If ground water investigation is successful, equip boreholes*
- *If ground water investigation is not successful or only partially successful, supplement with desalination in coastal areas – a study was done and preliminary design work will be finished in quarter 3 of 2011/12 with hopefully EIA and phase 1 implementation to follow soon afterwards.*
- *In inland areas, where ground water is not an option, other surface water supplies should be investigated*
- *Water reuse should be considered as an immediate quick-win solution in all drought affected areas with Waste Water Treatment Works [WWTWs] – it is further proposed that ultimately water reuse becomes part of ADM's best practice at all WWTWs throughout the entire district as a means to reduce water usage and long term water conservation approach – studies have been completed for Butterworth and Adelaide and EIA studies and prelim designs should be done towards the end of 2011/12.*

- *Water conservation and demand management [WCDM] initiatives should be implemented in all areas – in this regard consultants have been appointed in 7 identified towns to develop such plans for phased interventions. This is to include ensuring all consumers are metered and zone meters have been installed in billing areas. Special effort should be made to minimize high pressures where it occurs in water systems to reduce water losses through leaks. Leak detection must be practised and refurbishment of old/dilapidated water pipes and installations be prioritized to cut water losses – this would require that an aggressive preventative maintenance programme and planning/budgeting be launched via better utilization of ADM’s WCDM programmes and WMIS [Water Management Information System] hardware/software like EDAMS*

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



Raw Water Situation and Cross Boundary Issues

The urban areas of the ADM WSA function are generally in need of upgrading in terms of capacity of bulk infrastructure, refurbishment of dilapidated infrastructure and access to raw water supply as well as unreliable groundwater resources. This need is growing rapidly as the continued process of urbanization, coastal developments and pressure is placed on local municipalities to provide housing and basic services. Despite urbanization and the rural development that is taking place recently, an approximately 80% of the ADM water services backlog is located in the rural areas, especially in the local municipalities of Mngquma and Mbhashe. The ADM, OR Tambo DM and Chris Hani DM are jointly planning and implementing water service delivery to communities that share a boundary between the municipalities i.e. Intsika Yethu LM (CHDM) and Amahlathi LM (ADM) and (or) (Mbhashe –King Dalindyabo Sabata next to Elliotdale, Xhora Regional Water Supply Scheme) through a Memorandum of Agreement that will be signed between the two District Municipalities.

2. Access to sanitation

In a similar manner to water, access to sanitation can be defined as follows:

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

In terms of this definition the ADM wishes to monitor and report on both the accessibility to sanitation infrastructure as well as the functionality of the sanitation infrastructure.

Table 2 Access to Sanitation

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

In order to ensure the sustainability of the ADM has developed a “**Maintenance Plan for Ventilated Improved Pit Latrines (VIP’s)**”. The key aspects of this plan can be summarised as follows:

Table 3 Summary of VIP Maintenance Plan

RECOMMENDED POLICY ITEM	EXPLANATION	DOC REF
A Ventilated Improved Pit Latrine (VIP) is considered to be the collective name for on-site sanitation facilities which meet the minimum standard of service described in the DWAF Technical Guidelines for the Development of Water and Sanitation Infrastructure, 2 nd Edition, 2004. This document defines a VIP latrine as a toilet comprising the following: <ul style="list-style-type: none"> • a pit into which the excreta falls and from which the liquid fraction seeps into the surrounding soil; • a slab which covers the pit and which has two holes, one for the excreta to fall through and one for the vent pipe; • a superstructure which provides privacy and which prevents light from entering the pit; • a vent pipe which removes odour from the pit; • a fly screen at the top of the vent pipe which prevents flies from entering the pit and which also prevents flies that have entered the pit from leaving through the vent pipe. 	<i>Clarification of the design specification is required as this defines the standard to which VIP latrines should be provided and be maintained. Existing VIPs which do not meet this standard may need to be modified or replaced.</i>	2.1
As Water Service Provider, Amathole District Municipality will maintain the municipal built VIP latrines within each of the seven Local Municipalities to the minimum standard identified in the DWAF Technical Guidelines.	<i>The WSP should provide households with the necessary information to correctly look after their VIP so that it continues to provide the required health benefit.</i>	2.2
There are currently 25,500 VIP latrines to be maintained. This number is expected to increase to approximately 219,000 by 2018 once the sanitation backlog has been eradicated.	<i>Assume delivery of 28,000 latrines per year to clear backlog by 2018</i>	2.2 2.3 2.4
Of the existing VIP latrines, approximately 21,000 (83%) are fixed structures, the contents of which must from time to	<i>Based on latrine coverage data obtained from area managers with</i>	2.2

time be removed and safely disposed. The remaining 4,500 are moveable structures, in which case the top structure of a full latrine is relocated to a new pit and the old pit is capped.	<i>reference to 2007 SPOT5 satellite imagery for Household count.</i>	
ADM has standardised the use of moveable precast concrete panel VIP latrines for its backlog eradication programme.	<i>The Rocla lightweight concrete sanitation unit has been piloted in several villages.</i>	2.5
The future coverage will therefore include 198,000 (90%) moveable structures. The current 21,000 fixed structures will remain until such a time that they require replacement or their maintenance is not cost effective.	<i>Backlog based on estimate of unserved Households in 2007 SPOT5 estimate. Existing Zinc and fibreglass structures to be replaced.</i>	2.3
Prior to full scale delivery the VIP latrine backlog eradication programme will be reviewed and recommendations made to reduce life cycle costs and harmonise the capital expenditure with the maintenance budget.	<i>Alterations to the current Rocla design will reduce O&M costs. Pit volume to be 2.5m³ min. Design to achieve this volume where there is shallow rock is required, or fixed structure may be more cost effective.</i>	2.5
For planning purposes pit filling rates can be estimated at 60 litres per person per year, such that a pit with a usable volume of 2m ³ will be full after 5.5 years if it is used by on average 6 people daily.	<i>Based on field research in different areas of South Africa</i>	3
The useful pit volume of the existing VIP latrines varies between 1.5 m ³ and 4.0m ³ . The scheduling of emptying programmes should take cognisance of observed filling rates associated with actual pit volumes.	<i>Undersized pit volumes will result in reduced pit life and increased maintenance costs.</i>	3.3
ADM will take responsibility for pit emptying and the relocation of top structures to new pits. It is recommended that homeowners are not left to relocate their own structures as soil must be reinforced through the construction of a suitable collar or lining, and the pit and collar dimensions must be accurate. Inappropriate construction may lead to collapsing pits and damaged latrines.	<i>Incorrect pit emptying or relocation can result in pit collapse and damage of the latrine structure. ADM must therefore be involved in this maintenance task to maximise the life of the supplied VIP latrines</i>	5.3 5.4
The homeowner is however responsible for routine care and maintenance of the VIP latrine structure and fittings.	<i>The VIP latrine is considered property of the Household and must therefore be maintained by them to ensure it continues to provide the required health benefit.</i>	4.6
When a pit is full it will be emptied, or the top structure will be relocated by ADM in accordance with the Specification. The frequency will be subject to the volume of the pit provided, but will typically be no less than 5 years between maintenance tasks performed by ADM for an indigent Household.	<i>Some of the existing pits are small and require frequent emptying, new pits to be a minimum of 2.5m³ such that a VIP latrine which is properly maintained by the household will not fill in less than 5 years.</i>	5.3 5.4
The contents of fixed VIP latrines should be emptied and disposed into dedicated sites nearby in accordance with the Specification.	<i>Assuming the existing pit adheres to the Groundwater Protocol, there is no compelling reason why waste cannot be disposed locally. This saves on transport and reduces spillage risk.</i>	4.5

Pit contents should not be disposed into sewers or Wastewater Treatment Works as this is likely to overload the biological process and lead to plant failure.	<i>A single pit contents is equivalent to approx. 1Ml of sewage. Unless specifically designed to receive pit waste WWTW are quickly overloaded by pit waste</i>	4.5
Improved solid waste management should be implemented by the Local Municipality, through re-use, recycling, reduction and collection. This will prevent the accumulation of solid waste in the latrine pits and will therefore slow down the rate of pit filling. This practice could extend the pit life by 50% resulting in significant cost savings on the VIP latrine maintenance plan.	<i>The implementation of an effective solid waste programme will, in the long term save approximately R10m per year on the maintenance cost of VIP latrines.</i>	4.4
The Draft specification and BOQ relates the cost payable to the service provider to the volume of waste emptied from the pit. This approach ensures the natural prioritisation of full pits such that service delivery is provided as required.	<i>This approach is better suited to locally based operators who can respond effectively to low maintenance volumes.</i>	Appendix
The method for pit emptying shall be selected by the service provider. However, in selecting a methodology, the service provider must take due attention of the Specification for pit emptying which requires minimum spillage of sludge and appropriate occupational health and safety provision for workers and the public.	<i>The report identifies that manual emptying or vacuum tankers are likely to be used. However a particular method is not specified as this will prevent innovation and could lead to elevated costs</i>	4

An aspect of ensuring access to sanitation will therefore be through the ongoing servicing of VIP latrines, while the “retro-fit” policy will assist in the maintenance of latrines constructed through the bucket eradication project and the **refurbishment** programme will begin to address the renewal / replacement of aging sewer networks and Waste Water Treatment Works.

3. Access to free basic water supply

Over 80% of ADM is considered indigent and therefore eligible for free basic services. Free basic water services is provided through means of a communal stand pipe within 200 meters walking distance from households. This service is found mainly, but not limited to rural areas, while indigent consumers living in towns receive a free allocation of 6kl of water per month via a normal house connection.

This issue with “free basic services” is that they are free only to the consumer, but someone still has to pay for providing the service. Payment for these services is thus received via the “equitable share” allocation (R227 055 967 for water & sanitation for the 2011/2012 financial year). This equates to approximately R 88 per household per month. Considering the dispersed nature of the district, this grant is barely sufficient to cover the costs of providing the services required. It is therefore imperative that these services are monitored and controlled effectively. In this regard the ADM will begin dealing very strictly with **illegal connections**, by either legalising them at the consumers own cost or removing them. Legalising the illegal connections in rural areas will involve the installation of a “**flow limiting**” device, which will be set to limit supply to no more than allocated “free basic supply” amount of 6kl per household per month. Allowing more flow, even if paid for creates two main challenges. Firstly the ADM currently does not have the capacity to bill rural consumers and secondly and more importantly rural systems were only designed to supply the free basic allocation, so allowing some customers to consume more water will prevent other users downstream receiving any water. The principle of “some for all” needs to be maintained instead of allowing the “all for some” situation to develop.

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

The table below summarises current access to free basic services:

Table 4 Access to free basic services

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

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

4. Access to free basic sanitation

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

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

The table below summarises current access to free basic services:

Table 5 Access to free basic sanitation

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

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

5. Drinking water quality management

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

www.dwa.gov.za/dir_ws/dwqr/

The Blue Drop system looks at water quality holistically and the performance of each system is determined by assessing each supply system using the following criteria:

- a) Water Safety Plan, [a plan which describes critical control points that would trigger an intervention, with details of who is responsible for carrying out the interventions and it should be auctioned]
- b) Process Controlling, [Ensuring that suitably qualified operators are operating the treatment facility, including suitably qualified maintenance staff]
- c) Sampling Programmes, [In order to satisfy DWA that the water quality meets legislated standards a specific sampling programme has to be followed]
- d) Credible Analysis, [All samples have to be analysed at an accredited laboratory]
- e) Submission of Data, [Data needs to be submitted by a certain date each month]
- f) Water Quality Compliance, [Water quality must comply with SANS 241 criteria]
- g) Incident Management Protocol, [A incident management protocol needs to be documented and adhered to when failures occur.]
- h) Publication of DWQ Results, [Water quality results should be made available to the public]
- i) Asset Management, [Records of asset management plans and implementation should be well documented]

[In all cases the evidence is required to substantiate claims that targets have been met and what is being done to improve the situation where targets have not been met.]

ADM obtained an average of 68.2% for 2011 and aims to improve this scoring in the future.

ADM is currently developing a Water Safety plan in order to meet Blue Drop compliance and will begin implementation as soon as complete. The Drinking Water Safety Plan (DWSP) assessment outputs are as follows;

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

World Health Organisation recommends that the DWSP process comprise the following steps:

Developing the DWSP

- a. Assemble a team to prepare the DWSP
- b. Describe the Water Supply
- c. Identify and prioritize Hazards and assess if those are under control
- d. Identify corrective actions and write an Improvement Schedule

Implementing the DWSP

- a. Establish a monitoring program
- b. Develop supporting programs such as training, SOPs, contingency and emergency plans
- c. Verify if the DWSP is working

d. Review the DWSP on a regular basis.

6. Waste water quality management

In a similar manner to the Blue Drop system, a “Green Drop” system has been developed for Waste Water Quality Management and ADM is currently working towards improving its Green Drop rating of 56% achieved during for 2011.

Waste Water Treatment Works are assessed according to their compliance to the following criteria:

- a) Operations (Process Control) Maintenance and Management Skill,
- b) Waste Water Monitoring Programme,
- c) Waste Water Sample Analysis (credibility),
- d) Submission of Waste Water Quality Results,
- e) Effluent Quality Compliance,
- f) Waste Water Quality Failure-Response Management,
- g) Storm water and Water Demand Management,
- h) Bylaws,
- i) Waste Water Treatment Facility Capacity,
- j) Publication of Waste Water Management Performance,
- k) Waste Water Asset Management

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

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

7. Customer service quality

Although ADM has a “Customer Care Charter” and Water “hotline”, the management and monitoring of customer care still requires significant improvement. Since the services provided by ADM are spread out over seven local municipalities, it is believed that the most effective way to manage customer complaints etc. is through an electronic management system that can track the progress of responses to complaints, can identify which complaints are still outstanding and can provider management with reports on most common queries/ complaints and how long it is taking for these to be resolved. **Engineering, ICT, Communications and the Budget and Treasury office all need to provide input into the development of the system to ensure that it satisfies all ADM’s requirements and not just one Department.**

Receiving and recording customer complaints would be of no value if communication between the call centre / operating centre was not efficient and effective. In this regard the ADM is also investigating **Push to Talk** (PTT) technology, whereby cell phones can be used as “walkie talkies”. This will enhance communication between staff as “talking “ is unlimited for a set monthly fee.

8. Institutional effectiveness

The aim of this KPI is to assess whether or not the institution is sufficient resourced and correctly structured to perform water and sanitation services. The table below lists the criteria that are used to determine performance with regards to institutional effectiveness and how ADM is currently performing.

Table 6 Institutional Effectiveness

PURPOSE	DESCRIPTION	ADM PROGRESS
Purpose: to assess whether the municipality has undertaken the legislative requirements of the WSDP.	This refers to the Water Services Development Plan which is meant to be reviewed, approved by council and submitted to DWA on an annual basis.	The ADM is currently reviewing its WSDP
Purpose: to assess whether the municipality has the right instruments derived from the relevant legislation to manage water services effectively.	Relevant policies include credit control, FBW and indigent policies.	ADM has the relevant Policies in place
Purpose: to gage whether the municipality has the necessary bylaws in place.	Bylaws are developed from founding legislation and are promulgated through the government gazette.	ADM has approved By-laws , but implementation is still a challenge
Purpose: to assess whether the WSA has the necessary regulatory instruments in place to regulate the WSPs.	Legislatively, the municipality is required to have contracts or SLA's with all their WSPs. This includes any internal service delivery mechanisms that the municipality may have	The relevant contracts are in place with Amatola Water
Purpose: to assess whether the municipality can exercise regulatory oversight over the WSPs.	Key Performance Indicators are included in water service contracts in order for the in the SLA WSA to assess the water service provider to ensure they are fulfilling all functions agreed to in the contract.	The contracts with Amatola Water contain relevant KPI's
Purpose: to gage the cost spent of employee salaries	If the broader costs of the water service department is not ring-fenced then the value for this component must include an estimation of the costs of those who are not spending 100% of their time on water and sanitation e.g. CFO, Billing clerks.	ADM still needs to determine what percentage of other support departments costs should be allocated to Water Services
Purpose: to determine the overall costs for the provision of water and sanitation services	Refers to the actual expenditure or all operational costs of water and sanitation service provision.	
Purpose: data element 078/079/080 assesses whether the water service department is adequately resourced and the associated cost.	This data element requires the total amount budgeted for water services staff based on the Council-approved organogram and considering all posts on the organogram were filled	
Purpose: to assess whether he municipality is fulfilling their	This is a separate report required under the Water Services Act, to	

specific legislative obligation to inform the Minister about the status of their water service business.	be submitted by the Water Service Authority to the Minister of Water Affairs and Environment on an annual basis	
Purpose: data element 078/079/080 assesses whether the water service department is adequately resourced and the associated cost.	This data element requires the total number of permanent & contract posts which are meeting minutes designated on the water services organogram that has been approved by council for the last financial year	

Although the WSP Division has an adequate staff establishment structure, the experience and skills of many staff is still limited. This needs to be addressed through ongoing **skills development programmes**. Furthermore, most staff are located in satellite offices located in the different local municipalities. Adequate staff accommodation has been difficult to come by and a concerted effort is required in order to improve the working conditions of the staff in the **satellite offices**. This also applies to **stores** for materials, which are in many cases either non-existent or in poor condition and are poorly managed. In order to improve service delivery, this situation needs to be urgently addressed.

Development of WSA-WSP Business Model

Recent Local Government elections of May 2011 have resulted in the Amathole District Municipality being de-Established and re-Established with new boundaries. In essence, several villages (around 15 of them) previously forming part of the Chris Hani District Municipality have now been made the responsibility of ADM for water services. The scope of work is to conduct a feasibility study in order to determine the most effective and efficient internal arrangement to ensure water services which are effective, efficient, sustainable and affordable to consumers.

The targeted outputs of the business model are as follows;

- Investigate the status quo of the Water and Sanitation services within the District jurisdiction of ADM **to include newly added villages**. Information on service coverage, demographics, physical assets, organizational structure, staffing, legal issues and costs of services to be included.
- Provide a professional opinion on the status quo, namely the state of the service and its assets, human resources capability, financial performance and the legal and policy environment.
- Report on the immediate and long term implications of continuing with service provision through the current internal mechanism and the agreement with the Amatola Water in terms of them providing the bulk services for ADM.
- Give a preliminary list of alternative internal delivery arrangements for the service to be analyzed in detail.
- Analyse the most feasible internal delivery options and identify and report on associated legal, regulatory, institutional and risk issues.
- Undertake financial analyses, financial scenarios and sensitivity models, for the short-listed options). To demonstrate the service's future financial sustainability, including debt service, depreciation, and replacement fund requirements if the service were to be optimally provided; meet projected demand, at appropriate alternative levels of service, and is affordable.
- Recommend the most feasible internal option and outline the way forward: Steps required and envisaged time frames for implementation of recommendations. Present findings and recommendations to Council and other stakeholders to enable decisions about the way forward.
- Report with clear recommendations on the possible need to redo a fully fledged Sec 78 Assessment
- Prepare a quote for assisting the Council with implementing the particular decision (project preparation).

9. Financial performance

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

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

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

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

10. Strategic asset management

Proper **asset management** is key to ensuring the sustainability and cost effectiveness of water and sanitation services. A professional service provider has recently completed a full verification, condition assessment and valuation of all ADM's water and sanitation infrastructure. This initiative determined that over R 267mill would be required over the next five years to address asset replacement / refurbishment of assets that have or will reach their useful life. The project also highlighted the need to have a proper "**Business Process**" in place to ensure that both the Budget and Treasury Department and the Engineering Department have the same information with respect to asset management (capitalisation and disposals).

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

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

11. Water Use efficiency

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

- Water Conservation and Demand Management Projects

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

2.2 SOLID WASTE

Amathole District Municipality adopted the reviewed Integrated Waste Management Plan in June 2008. The IWMP identified major disparities in the provision of solid waste management services in the currently established urban/peri-urban areas. In the IWMP it is noted that more than 60% of residents in the district do not have access to solid waste services. The 60% comprises mainly rural and informal urban settlements. Attempts are made though to immediately address the informal urban areas. A long term strategy will address the rural areas. The Waste Information System was affected operationally in order to monitor improvements in this baseline. Challenges are experienced with technological advancements in the district, in particular local municipalities.

Since July 2006, ADM is authorized as an authority for Regional Waste Sites serving more than one municipality, solid waste management strategies covering the district as a whole and regulation of waste management services, under the powers and functions devolved by the Municipal Structures Act, 117 of 1998. *The function in relation to the district municipality means:*

Solid waste disposal sites, in so far as it relates to-

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

The local municipalities remain responsible for the provision of cleansing services and local waste disposal sites.

National Environmental Management: Waste Act 59 of 2008

The act is a framework legislation that provides the basis for the regulation of waste management. The waste act adopts the waste hierarchy as national approach to waste management where waste minimization is on the top of the hierarchy and the waste disposal by landfill is the last alternative. Waste Act 59 of 2008 requires the development of National Waste Management Strategy that gives effects to the objects of the Act which are to protect health, wellbeing and environment by providing reasonable measures. The strategy underwent formulation phase between September-December 2009. Then followed the consultation and finalization stage between, January to June 2010. This strategy is to be promulgated before the end of this financial year.

The District Integrated Waste Management Plan (IWMP) addresses waste management at the district level, focuses on those aspects of waste management that apply to ADM and will provide a framework within which Local Municipalities can develop local IWMPs. The waste hierarchy approach specified in the NWMS, that prioritises waste minimization with the objective of minimizing the quantity of waste produced and taken to disposal sites, is adopted as the basis for the ADM IWMP.

CHALLENGES

- Cleansing assessment
- Waste disposal
- By-laws
- Resources and capacity
- Planning

Overview of Key Issues

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

- **Public and Environmental Health:**

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

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

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

National policy requires a 50% reduction of waste disposal by landfill by the year 2012. Subsequent to the completion of the feasibility study on sustainable recycling and composting, one transfer station has been established with a focus on waste separation and recycling in Hamburg (Ngqushwa). Two transfer station are in the pipeline in Mquma and Mhashe. Operationalisation of a recycling project is imminent in the Butterworth Regional Waste Site, covering Mhashe and Mquma. Amathole District Municipality has under-taken an investigation on appropriate treatment technology on municipal solid waste for Ngqushwa Municipality which highlighted the need to collect the recyclables so as to save landfill airspace. Composting needs further investigation.
- **Infrastructure development:**

It is necessary that all options with regard to service delivery and infrastructure development be considered in order to ensure an efficient, effective and environmentally acceptable waste collection and disposal service. A model that considers regional waste disposal facilities has been investigated and has proved feasible in the eastern region. Having confirmed the need of a regional waste site in the Eastern Regional part of the district, this site has since been completed. ADM has appointed an operator in October 2011, paving a way for the operationalisation of this regional waste site as from early in 2012. In support of this regional waste site, the ADM will also be constructing two transfer stations in both Mbashe and Mquma Local Municipalities. Having revised the Waste Stakeholders Forum, ADM continues to create a platform where sharing and learning is promoted.

All municipalities in the district dispose of their waste in landfill sites. In terms of the Environmental Conservation Act, sites are required to be engineered and operated under license issued by DWA/DEDEA.

The number of licensed or permitted sites has increased from 13 (2005) to 17 (2009), currently out of 25 operational sites in the district, as presented in the table below:

TABLE 1: LICENSED WASTE MANAGEMENT FACILITIES

Waste Site	Size	Status	Comments
<u>BUFFALO CITY MUNICIPALITY</u>			
East London Regional	L	Permit Issued	GLB+
King Williams's Town	M	Permit Issued	GMB+
Ducats B/bay	S	Permit Issued	Closed and Rehabilitation in progress
Xmas Rock	C	Direction Issued	Private Land
Seavale	C	Direction Issued	Private Land
Dimbaza	S	Permit Issued	Closed
Riegerton Waste Site	S	Direction Issued	Garden Refuse Waste Site
<u>NKONKOBE MUNICIPALITY</u>			
Alice	C	Permit Issued	GCB-
Middledrift	C	Permit Issued	GCB-
Fort Beaufort Transfer Station		Permit issued	Transfer Station
<u>AMAHLATHI MUNICIPALITY</u>			
Stutterheim	GSB+	Permit Issued	GSB+
Keiskammahoek	C	Permit Issued	GCB-
<u>NGQUSHWA MUNICIPALITY</u>			
Hamburg	C	Direction Issued	Transfer Station
Peddie	C	Direction Issued	GCB-
<u>MNQUMA MUNICIPALITY</u>			
Eastern Regional Waste Site	M	Permit Issued	GMB+
<u>MBASHE MUNICIPALITY</u>			
Elliotdale Waste Site	C	Permit Issued	GCB-
<u>NXUBA MUNICIPALITY</u>			
Bedford	C	Permit Issued	GCB-

Local Disposal Sites

Although there are a number of waste sites that are not permitted, there are plans in place to eliminate their illegality.

The table hereunder illustrates all the unauthorized sites in the district:

WASTE SITE	SIZE	ACTION
Cathcart	C	Transfer station at tender stage.
Komga	c	Site is being rehabilitated and licensing process is eminent
Haga-Haga	C	To be closed and rehabilitated. Waste will be transferred to Komga waste site.
Dutywa	C	Waste site to be closed and rehabilitated and a

		transfer station is planned.
Willowvale	C	Waste site to be closed and rehabilitated and a transfer station is planned.
Butterworth	S	To be closed and rehabilitated. Waste to be taken directly to the Regional Site.
Ngqamakwe	C	Waste site to be closed and rehabilitated and a transfer station is planned.
Centane	C	Waste site to be closed and rehabilitated and a transfer station is planned.
Fort Beaufort	C	To be closed and rehabilitated once the transfer station is operational.
Seymour	C	Transfer station with recycling centre to be established.
Hogsback	C	Transfer station to be established.
Adelaide	C	Transfer station to be established.

2.3 TRANSPORT

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

The ADM adopted its first Integrated Transport Plan (ITP) in June 2003. A comprehensive review was conducted in 2005 and subsequently in 2008. The ITP presents low levels of accessibility for communities in both rural and urban areas to acceptable road based public transport services in the district. This is related primarily to the condition of roads as well as the fragmented manner in which public transport services between urban and rural areas are provided.

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

The condition of roads has led to the use of illegitimate and highly fatal load delivery vehicles, whilst the urban communities enjoy better services on paved and usually maintained gravel roads. A challenge to intervene in this area is for an innovative approach to both the roads backlog and public transport regulation. The day-to-day transport for scholars and workers pose a serious challenge to the current situation. More than 60% of public transport users in the district fall into the two categories.

The ITP focuses on the road-based public transport infrastructure challenges and also includes a Public Transport Plan, comprising the Operating License Strategy and Rationalization Plan, as key components, in addressing the service-based challenges, through support from the Department of Transport.

The role of stakeholders and the effective utilization of the Current Public Transport Record (CPTD) in the planning and development of transport services and infrastructure within the district remain central to the successful interventions by government in transforming the broader public transport sector.

It is one of the district objectives to establish accountable, reliable and organized institutions to manage, the post-transformation processes, towards an integrated, effective, safe and efficient movement of people and goods in the district. Hence the theme “Linking places of opportunity” has been adopted by the stakeholders as a brand or identity for the district transport sector.

Overview of Public Transport Key Issues

It has been identified in the ADM Current Public Transport Record (CPTR, 2008) that public transport in the Amathole district is dominated by taxis (mini-bus taxis, sedans and bakkies). More than 90% of passengers are transported by means of taxis, with buses serving only a small sector of the population (less than 10% of the daily local public transport users). Passenger rail services are non-existent, except in Buffalo City Municipality and one rail service (Kei Rail) which runs between East London and Umtata through Amabele, and existing rail lines are currently used mainly for freight transport and therefore infrastructure for passengers at stations is limited and in most cases non-existent. Stations are only situated in some of the main towns, with a number of unused sidings located along the main line.

The ADM ITP and CPTR 2008, reveals a number of key public transport issues within the district as listed below:

Poor road infrastructure

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

The poor road infrastructure results in mini-bus taxi operators restricting their services to paved roads, whilst bakkies and sedans operate most of the local routes on these gravel roads. The National Department of Transport has initiated the Rural Transport Services and Infrastructure Grant to assist rural District Municipalities to set up rural road asset management systems in 2011/12 and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RIFSA) of which ADM is one of the beneficiaries. Due to the fact that ADM does have a roads function, the grant will be utilised set up road asset management systems for all Local Municipalities within ADM in conjunction with the Provincial Department of Roads and Public Works.

Use of Bakkies and Un-roadworthy vehicles as public transport

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

The modal split per local municipality is tabled below:

Local Municipal Area	Minibus	Sedan	Bakkie	Surveyed Vehicles
Amahlathi	60.9%	2.4%	36.7%	128
Great Kei	100.0%	0	0	16
Mbhashe	56.7%	0	43.3%	480
Mnquma	61.3%	0	38.7%	564
Ngqushwa	15.5%	13.1%	71.4%	84

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

- **Lack of public transport facilities**

Although the ADM has over the past **three** years embarked upon a process of upgrading public transport facilities, many taxi ranks are still operated informally on-street or from vacant off-street areas. Many facilities lack basic infrastructure such as toilets, shelters, paving or informal trading facilities. *Two facilities have since been completed and three currently at tender documentation stage earmarked to be completed this financial year.*

The rank facilities are tabled below:

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

Ngqushwa	Peddie	Peddie Taxi Rank (PETA)	Rank	Formal	15	Good	None	Good	Completed
Ngqushwa	Peddie	Peddie Taxi Rank (PETA)	Rank	Formal	4	Good	None	Good	

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

- Safety
- Lack of learner transport
- Illegal operations
- Cost of public transport services
- Service Coverage

Public Transport Coverage per municipal area and average for district

Municipality	Mbhashe	Mnquma	Great Kei	Amahlathi	Ngqushwa	Nkonkobe	Nxuba
No of settlements	341	455	20	171	154	216	8
Settlements covered	165	318	17	152	142	214	8
Households	52,500	67,200	11,400	28,400	21,600	32,200	6,500
Population	256,395	286,707	44,400	140,213	84,627	128,858	25,003
Coverage (%)	44.8%	69.9%	85%	88.9%	92.2%	99.1%	100%

Local ADM routes and associations in ADM

Local municipality	Origin	Association(s)	Intra-town routes	Inter-town routes	Routes with LDVs/sedans in use
Mbhashe	Dutywa	Idutywa TA, Idutywa Uncedo Service TA	1	4	2
	Elliotdale	Elliotdale TA	-	3	1
	Willowvale	Willowvale Uncedo Service TA	1	3	2
Mnquma	Butterworth	Butterworth TA, Butterworth Uncedo Service TA	1	7	4
	Centane	Kentani TA, Kentani Uncedo Service TA	-	3	1
	Ngqamakwe	Ngqamakwe TA	1	3	N/A
Great Kei	Komga	-	-	-	-
Ngqushwa	Peddie	Peddie TA, Peddie Uncedo Service TA	1	4	1
Amahlathi	Stutterheim	Stutterheim TA	1	2	2
Nkonkobe	Fort Beaufort	Fort Beaufort Uncedo Service TA	1	4	2
	Alice	Victoria East TA	1	2	-
	Middledrift	Xesi Debe TA	1	3	N/A
	Keiskammahoek	Keiskammahoek TA	-	3	2
	Seymour	Seymour Uncedo Service TA	-	5	N/A
Nxuba	Adelaide	Adelaide Uncedo Service TA	1	3	3
	Bedford	Bedford Uncedo Service TA	-	1	-

Source: NLTIS, OLB 2007

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

2.4 ELECTRICITY

Amathole District Municipality has 7 local municipalities of which only 6 are falling within Eskom's area of supply and thus being electrified by Eskom. Only Nxuba Municipality is an exception as they supply directly to their respective areas of Bedford and Adelaide. The status of this report will reflect electrification of these 6 municipalities and Nxuba will then be able to give the status of electrification of their respective areas to provide a comprehensive picture of the District.

Table 1.1 Status of Electrification of Amathole District since inception as at end of March 2011.

Local Municipality	Municipal Code	Total Households	Electrified to date	Backlog
Amahlathi	EC124	24416	21929	2487
Great Kei	EC123	4198	3771	427
Mbashe	EC121	38988	19249	19739
Mnquma	EC122	51104	27523	23581
Ngqushwa	EC126	21920	21321	599
Nkonkobe	EC127	24236	21766	2470
TOTAL		164862	115559	49303

Looking at Table 1.1 above one can see that Amathole's backlog is 49303 concentrated around Mbashe and Mnquma who comprise 88% of that backlog. 12% other municipal backlogs is a combination of household growth made by extensions next to electrified areas and infills, i.e. houses built later within areas already reticulated and also new housing development.

Current 2011/12 Electrification Plan and Future Projections

In the current year, based on allocation from the Department of Energy, some households within the District will receive electrification for the first time. All areas have received an allocation. Mbashe area has a capacity constraint which causes the slow-down in electrification of their area in 2011/12 and 2012/13. An infrastructure project, Gatyana Area Strengthening Project, to address this constraint will be implemented from 2012 and is planned for completion by the 3rd Quarter of 2013. This project includes building of a new 2X20 MVA Substation, 22 KV Link lines, 132 KV Feeder Bay and 132 KV Lines from Idutywa Substation. The rollout of further household connections will be dependent on the commissioning of this infrastructure project.

The Table below will show the 2011/12 current rolling plan as gazetted and also show projections in line with the 3 Year Medium Term Expenditure Framework (MTEF).

Table 1.2 Current 2011/12 Electrification Plan and Future Projections

Local Municipality	Municipal Code	2011/12 Rolling Plan	2012/13 Projection	2013/14 Projection	2014/15 Projection
Amahlathi	EC124	400	938	895	240
Great Kei	EC123	200	227	0	0
Mbashe	EC121	464	300	395	1600
Mnquma	EC122	4126	2230	1535	2882
Ngqushwa	EC126	299	300	0	0
Nkonkobe	EC127	250	933	300	535
TOTAL		5739	4918	3125	5257

The above Table shows the current gazetted plan for the District. Notable in the plan is the 72% allocation to Mnquma municipality, the municipality with the biggest backlog in the District. Mbashe municipality, as mentioned, experiences a constraint in as far as household rollout is concerned due to capacity constraint. The acceleration in the above is dependent on further allocations from the Department of Energy (DOE). It is clear from the above that a lot more connections will be done beyond 2014/15 if we look at the electrification backlog in the District.

Electrification Challenges

- Backlog figures are complicated by growth of extensions near electrified areas
- Costs to electrify are becoming steeper as ESKEOM tackles deep rural areas
- Problems of access in certain villages is making it difficult to electrify
- There are funding challenges for Universal Access to electricity
- New housing demolitions are affecting targets and budgets.

2.5 BUILDING SERVICES PLANNING

Local Amenities

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

Enormous challenges in addressing the backlog on the social infrastructure within the district continue to be a major challenge. The skewed nature of land uses in settlements established by the pre - 1994 era continues to pose challenges. The major challenge faced by ADM in assisting its local municipalities to effectively address the challenge of implementation with regards to local amenities is that it no longer carries the function from a legal perspective. Chapter 5 of the Local Government: Municipal Structures Act 117 of 1998 as amended, talks to the FUNCTIONS AND POWERS OF MUNICIPALITIES. Section 84 of the same act details the functions to be performed by District Municipalities and Local Municipalities. The act, under section 84, is silent on the matter of local amenities as a responsibility of the District Municipality.

Subsequent to that, the Provincial Gazette of May 2008 by the then MEC for Local Government was issued in terms of section 85 (of the Structures Act 117 of 1998) whereby the ADM was officially, legally stripped of the function of Local Amenities as one of its Powers and Functions. Since then, there has been no other pronouncement reversing/reviewing that decision.

Owing to the legally binding pronouncements above, the ADM, in its Strategic Session of 2011/2012, decided to phase out the implementation of Local Amenities. And as such, this financial year, ADM has decided to do the final two Sportfields in Nkonkobe Local Municipality in the areas of Platform and Blackwood. These two fields would mark the last by ADM unless the MEC for Local Government reverses the decision taken in 2008. In other words, from now onwards, ADM will unfortunately not be able to include Local Amenities in its plans.

By own admission, ADM has in the past encountered challenges in implementing this programme but it always managed to surprise and satisfy its communities by providing technically safe facilities in the form of community halls and sportfields. Also to be noted is that the Municipal Structure Act 117 of 1998 under section 83, subsection (3)(c), does make provision for the District to capacitate its locals where there is lack of capacity.

It must be noted though that even though ADM is not required anymore to budget for amenities, it continues to implement programs coming out of the Land Reform and Settlement Plan (LR&SP). These programs include the Restitution Programs whose projects range from engineering infrastructure as well as various facilities. Engineering also continues to provide technical support other internal department like Land Human Settlement and Economic Development and Health and Safety who continue to prioritise building projects.

LR &SP is currently used as a planning tool to enable ADM and Local Municipalities to develop focused planning and implementation for both localized and regionalized social infrastructure in line with recognized land uses in our areas. ADM continues to provide social infrastructure to most of its existing low and middle income settlements utilizing mostly internal funding. The skewed nature of land uses in settlements established by the pre - 1994 era continues to pose challenges.

Building Regulations

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

ADM operates and provides an efficient service that responds to customer demands, particularly at the point of contact whilst still maintaining a centralized one stop shop processing system. The two building inspectors seconded to the two local Municipalities continue to increase support in operating systems and human capital. This continues to reap benefits of increasing awareness and compliance amongst residents. A process to extend this service to rural areas is planned and rolled out in certain areas and will be guided by all the relevant legislative instruments, including the Communal Land Rights Act, Act 11 of 2004. *The major challenge faced by ADM in out rolling this function the lack of buy in and attention from within the Local Municipalities as do other services like Water.*

The Municipal Structure Act 117 of 1998 regulates the provision of the Building Regulations function by municipalities. Since this is the Act of government, is therefore the law. Just like the Local Amenities function, the Building Regulations function was taken away in May

2008 from ADM under the same gazette (in terms of section 85 of the Structures Act). According to the same gazette, only Nkonkobe Local Municipality was affected. The Pronouncement by the then MEC does not force ADM to stop rendering the support in relation to this function in Mbhashe. Therefore ADM has every right to continue its support to build capacity in Mbhashe Local Municipality where the application of the Building Regulations is concerned. The ADM has a proud and successful record in handling and administering this function in both municipalities so far. However, the ADM collects no revenue by assisting and assigning resources to these two Local Municipalities. ADM has in the past few months initiated engagements with both Nkonkobe and Mbhashe Local Municipalities with regard to the possible sharing of Building Plan fees with ADM due to the shared nature of this function and in recognition of the costs incurred by ADM in rendering the support to this function. This engagement will be concluded before end of the 2011/12 financial year.

2.6 HEALTH AND PROTECTION SERVICES

MUNICIPAL HEALTH SERVICES

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

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

This is one of the core functions of the Amathole District Municipality (ADM) in terms of Section 32 of the Act. At present the function is undergoing a devolution process.

Water Quality Monitoring

A drinking water quality monitoring programme is in place to promote compliance with the South African National Standards (SANS241:2006) and ensure that water is safe for human consumption. SANS 241:2006 is currently under review to SANS 241: 2011, this will then require the review of the present Water Quality Monitoring Programme in order to strengthen the link between operational and compliance monitoring as the current programme deals with compliance monitoring being routine and response monitoring and is not risk based. To achieve this, the unit takes samples for analysis from 118 sampling sites, covering the whole ADM area. A waste water sampling programme is also in place to ensure that waste water effluent discharged into the environment complies with legislation and set standards. Upstream and downstream water sampling is being done at water sources where effluent is discharged into; this is done in order to measure the impact of the effluent on the water sources.

A water quality monitoring sub-unit comprising of 13 officials was established to deal with water quality related issues including the sampling and testing of drinking water, waste water. A total of 1301 drinking water samples were taken from fixed drinking water sources for testing, 115 turbidity failures and 13 health failures which were resolved. A total of 177 waste water samples were taken for analysis, of which twenty nine samples complied with the General Authorisation Standards. Non-compliance is investigated with the most common reasons being ageing infra-structure and operational problems. A total of 153 borehole water samples were taken for analysis, treated and untreated of which 13 did not comply due to the general water quality. The water sampling programme has been extended to include rivers as per Department of Water Affairs National Microbiological Monitoring Programme. Springs used by communities are sampled regularly.

The results of the analysis from both programmes are captured on a national internet based water quality management system [e-WQMS]. The results are also directly loaded onto the Blue Drop System via the Laboratory Information Management System (LIMS). This is done for reporting purposes to the Department of water Affairs. The level of compliance has improved since the programme started although water produced is still within Class 2.

A Water Safety Committee comprising of all water stakeholders holds its meetings quarterly to deal with water related issues. A total number of 15 officials were trained in Planning and implementing a water quality Monitoring programme. Amathole District Municipality is an affiliate of the Department of Water Affairs [DWA] Drinking Water Quality Management and Regulation Programme. The programme seeks to restore trust in South African drinking and waste water quality. Water Services Authorities are awarded with Blue Drop Status (Drinking Water) or Green Drop Status (Waste Water) if they comply with set legislative and best practice requirements and the water quality monitoring programmes contribute towards the attainment of this status.

Food Control

The Food Quality Monitoring Programme is ongoing and it encompasses (inspection, sampling and analysis, capacitation of food handlers) in order to ensure that food sold to the public is fit for human consumption and complies with relevant legislation.

A database of food handing premises is in place and is updated periodically. This database includes big businesses such as supermarkets, the general dealers and butcheries. It also includes food caterers and some informal food-handlers. Capacitation programmes are on-going to improve or maintain compliance with relevant legislation, focusing on the following Five Keys to Safer Food:

- Keep clean;
- Separate raw and cooked;
- Cook thoroughly;
- Keep food at safe temperatures and
- Use safe water and raw materials

333 Food handlers were capacitated. Food products that were found to be unfit for human consumption were condemned and disposed off in a safe manner in terms of R 1128. The Food sampling programme is on-going, taking into consideration sampling runs as directed by the National Department of Health. 31 Food samples of locally manufactured products were also taken. The number of Dairy farms has decreased from 72 to 40 due to Buffalo City Metro status. Milking parlours are inspected and milk samples taken on quarterly basis. A total number of 315 milk samples were taken and the results show a gradual improvement in terms of compliance with legislation. Programme take into consideration the food poisoning cases that has been reported. Quarterly Food Safety Committee meetings are convened to deal with all food related issues.

Waste Management

Management of waste is monitored, although collection and disposal thereof is still a challenge in some areas. Waste generators have been slow in familiarising themselves with the sorting and recycling of waste. Health and hygiene awareness campaigns are conducted, including possible waste recycling projects. Eighteen legal and illegal waste dumping sites were visited for assessment.

An audit of health care waste generators, covering the whole Amathole District Municipality area was carried out. The audit revealed that 45 percent of health care waste generated cannot be accounted for, therefore, suggesting the likelihood of illegal dumping, being buried or burnt. An integrated approach to health care waste management has been adapted and this will involve big and small scale generators.

The audit included the following:

Hospitals	Animal Research	Blood Bank
Physicians office	Veterinary	Funeral Parlours
Clinics	Old Age Homes	Mortuaries
Dental Clinics	Research Centres	Tattoo Parlours
Laboratories	Pharmacies	Home Health Care
Acupuncturists	S.P.C.A	Institutions for Disabled Persons
Nursing Homes	Psychiatric Clinics	
	Autopsy Centres	

Reviewal of Health Care Waste Management Plan is done internally. A total number of 12 officials were trained in theoretical and practical waste management. 3 officials had been trained on handling of hazardous chemical substances.

Health Surveillance of Premises

Regular inspections of premises are carried out to prevent and abate conditions which are likely to constitute a danger to health. Inspection of state owned premises is a competence of the Provincial Department of Health, however, 20 Day Care Centre, 86 Schools were inspected by the ADM officials.

Surveillance and Prevention of Communicable Diseases

The unit embarked on health and hygiene promotion campaigns aimed at the prevention of environmentally induced diseases and related communicable diseases.

The Participatory Hygiene and Sanitation Training (PHAST) approach is used for the effective control of communicable diseases at community level. The existing Communicable Diseases Prevention and Control Strategy is being reviewed to ensure that it addresses all the aspects of communicable diseases. Incidents of Rift Valley Fever, Rabbits, Typhoid, Bilharzia and Meningococcal Meningitis were reported and investigated.

The 10 Point Plan (2009\10 – 2011\12)

The implementation of the communicable diseases prevention and control strategy will be aligned with the National key strategic issues also called the 10 Point Plan. Communicable diseases outbreak response protocols are in place to deal with emergencies in the ADM area.

Vector Control

A fully fledged vector control section is being established. It will deal with vector control of public health interest including the control of arthropods, molluscs, rodents and other alternative hosts of diseases.

Environmental Pollution Control

This deals with the identification of polluting agents and their sources i.e. air, land and water. Preventive measures are taken to ensure that the general environment is free from health risks. Most of the activities overlap with the water quality monitoring and waste management activities.

Since January 2010 ADM is an Atmospheric Emission Licensing Authority in terms of the Air Quality Act, 2004 (Act No. 36 of 2004). Currently a Service Level Agreement is facilitated between ADM and Department of Economic Development and Environmental Affairs to undertake atmospheric emission licensing on behalf of ADM. Staff had been trained in atmospheric emission licensing processes. Two officials have been trained in air quality management related issues, in-line with an on-going capacitation programme. The Environmental Pollution Control Sub-Unit has been established with four officials appointed.

The Tobacco Products Control Act, No. 12 of 1993 as amended, has been promulgated and education of facilities such as restaurants is currently being undertaken to ensure compliance.

Disposal of the Dead

The number of Funeral Parlours has been reduced from 120 to 76 premises (54 funeral parlours - 22 displays) are on the database and inspections are carried out periodically to ensure that premises comply with the requirements regarding handling of corpses. The Pauper Burial Policy was adopted by the council. 3 paupers were found and buried whilst 5 Exhumations were conducted. Capacitation of Funeral Undertakers in a form of Imbizo was undertaken taking into consideration the following:

- Requirements for the establishment of the Funeral Parlours
- Legislation
- Exhumations
- Pauper burials

COMMUNITY SAFETY

The Amathole District Municipality's approach to the safety of its communities is an integrated one with the Community Safety Services Unit playing a leading role. In its efforts to play a meaningful role in the reduction of social crime, the ADM supports District and Local Community Safety Fora. It supports crime prevention initiatives in conjunction with other stakeholders, e.g Department of Safety and Liaison. Integration of community safety through planning is also practiced by the various departments in the ADM. The Special Programmes Unit supports the reduction of crime through some of their programmes such as sport against crime, activities focusing on the elder and young children.

COMMUNITY SAFETY SECTOR PLAN REVIEW

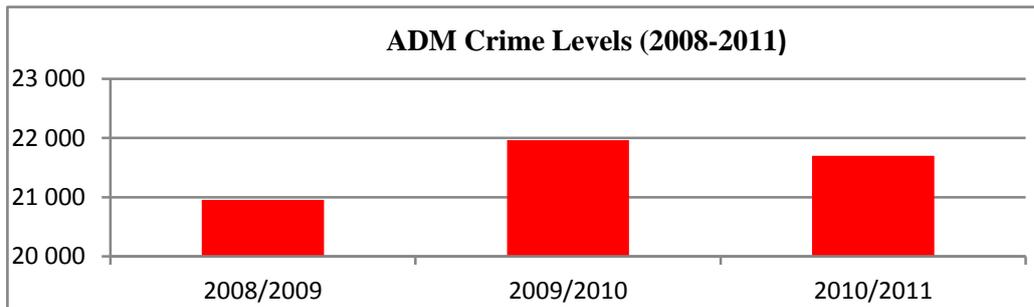
The Community Safety Plan, first developed in 2004 and reviewed annually has kept track of crime trends through the use of statistics and community surveys. Crime statistics released in September 2011 indicates an increase in the following categories of crime: murder, rape, robbery, house-breaking and assault with intent to do grievous bodily harm [GBH]. The easily availability of liquor and other drugs has resulted in the high number of the youth who involved in the substance abuse. The Community Safety Plan is currently undergoing a major review and the situational analysis review has revealed:

The Mquma municipal area accounted for the most crimes during the period under review. This was followed by the Nkonkobe and Amahlathi municipal areas. Between 2008/09 and 2010/11, some 76,440 crimes were reported. 10% of these were committed in

Butterworth, 8.6% in Adelaide and approximately 6% in each of the towns of Bedford, Alice, Stutterheim and Fort Beaufort. The villages of Hogsback, Healdtown, Tyefu, Hamburg, Thomas River, Kubusiedrift and Henderson all contributed less than 0.5% to the overall crime rate in the District.

In the Amathole District Municipality, 41% of crimes are contact crimes – which includes murder, sexual crimes, attempted murder, assault with the intent to inflict grievous bodily harm, common assault, common robbery and robbery with aggravating circumstances (including carjacking, truck hijacking, robbery at residential premises and non-residential premises. Assault with intent to do bodily harm makes up 20% of the total reported crimes in the District. Contact-related crimes, i.e. arson and malicious damage to property, account for another 6% of crime in Amathole.

Statistics suggest a slight decrease in crime between 2008/09 and 2009/10 and a more notable decrease in the rate of crime in the Province between 2009/10 and 2010/11. The crime levels in ADM have stayed reasonably static over the past 3 years – with a 1.6% increase in crime between 2008/09 and 2009/10. However, it is not clear what has led to this.



The data used are the most current available, for the period 2008/2009 – 2010/2011, taken from www.saps.gov.za.

The following causes of crime are identified:

- Poverty,
- Unemployment or lack of employment opportunities,
- Inadequate or inaccessible policing,
- Alcohol and drug abuse,
- Low levels of vigilance and taking precautions against criminality,
- Lack of sporting and recreational facilities,
- Lack of incoming generating skills and low self-esteem
- Social factors such as moral degeneration and break-down of family structures/values,
- Rapid and uncontrolled urbanisation

The identification of new projects will be within the parameters of the objectives of the plan.

- The projects identified need to accommodate scope for AD-HOC crime prevention programs at crime HOT SPOTS as they occur.
- The projects identified for the following period will include follow-up events in the HOT SPOT areas to ensure continued awareness as informed by the crime statistics presented during September 2011.
- The Toleni High mast lights should be functional beginning of December 2011 and will assist in the reduction of crimes in the area.

Capacitation of Community Safety Stakeholder

Stakeholder will be capacitated on the concept so as to improve the effectiveness of Community Safety forum at local municipality level.

CHALLENGES

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

FIRE SERVICES

The ADM provides the Fire Services function at Great Kei, Mnquma, Mbhashe and Ngqushwa municipalities. Since improvement of fire service delivery to vulnerable communities is an ongoing objective for the district, the IDP process ensures that through the provision of effective fire services, fire risks and losses are being reduced.

COMMUNITY AWARENESS

38 Community awareness programmes were held in conjunction with Disaster Management and the Department of Education. Businesses are also visited to sensitize them of their role in fire prevention.

The establishment of an umbrella Fire Protection Association in conjunction with both formal and informal farmers, forestry industries and local municipalities in the ADM area has been achieved. The contribution of the forestry industry and the Department of Forestry and Fisheries [DAFF] has enabled the FPA to have a dedicated manager who has been assigned the responsibility of day to day management.

COMMUNITY VULNERABILITIES

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

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

The incidents of motor vehicle accidents remain high.

IMPROVEMENT OF FIRE SERVICES COVERAGE.

Current staff compliment for the four local municipalities that ADM is responsible for will increase from 59 to 71 permanent staff in 2011-2012 making it possible for ADM to have 24 hour services at each fire station. The construction of the Centane and Chintsa fire satellite stations has been completed. The procurement processes for the establishment of Kei Mouth and Willowvale fire satellite stations is underway. A satellite station is envisaged for the Ngqushwa Municipal area.

CURRENT RESOURCES FOR FIRE SERVICES PROVISION

	Fire Engine	Other	Fire Services staffing
Municipality			
Mbhashe	2 x Medium, (1xrefurb)	1 skid unit (replacement) , 1 golf	10
Mnquma	1 x Major , 1 medium(new)	1 skid unit, 1 golf	12
Great Kei	1 x Medium(new),	1x skid, 1x rescue bakkie, 1 golf	13
Ngqushwa	1 x Medium, 1x skid, 1skid (replace)	2x skid,	11
SATELITE STATIONS			
Centane	1 Medium (refurb)		4
Chintsa	1 Medium		4
Kei Mouth – not yet complete		(1x skid spare - replacements)	1
Chief Fire	-	1x double cab	1

Officer		skid (replacement)	
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12 new fire fighters will be assigned among the stations on appointment in November 2011.

FIRE SERVICES LEVIES

Fire Services levies [R10.00] and availability levies [5.00] were introduced as from July 2009 and increased to R15.00 and R10.00 respectively in 2011.

AMATHOLE DISTRICT MUNICIPALITY FIRE STATISTICS 2005 onwards....

	Mbhashe			Mnquma			Great Kei			Ngqushwa			
	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	TOTAL
TOTAL 2005	99	57	53	123	39	1	66	13	17	55	10	0	533
	MBHASHE			MNQUMA			GREAT KEI			NGQUSHWA			
	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	
TOTAL 2006	49	45	31	84	53	32	55	18	15	78	19	0	480
	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	
TOTAL 2007	137	93	31	206	64	6	157	47	5	163	28	10	947
	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	
TOTAL 2008	81	59	22	117	63	9	86	51	14	100	25	6	633
	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	
TOTAL 2009	131	28	7	142	39	17	121	30	6	65	18	1	605
	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	Fires
TOTAL 2010	154	53	18	160	50	33	74	68	1	29	39	4	687
	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	
JANUARY TO JULY 2011	44	33	9	86	33	15	29	26	6	13	18	15	327
	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	
TOTAL INCIDENTS ATTENDED TO DATE	739	401	180	1004	374	128	617	279	70	516	175	51	4539

TOTAL CALLS - March 2005 – December 2005	533
TOTAL CALLS - January 2006 – December 2006	480
TOTAL CALLS - January 2007 – December 2007	947

TOTAL CALLS – January 2008 – December 2008	633
TOTAL CALLS – January 2009 – December 2010	687
TOTAL CALLS – January 2011 – July 2011	327
TOTAL CALLS	4539

Fires – all fire incidents attended

MVA – Motor Vehicle Accidents attended

SS – Special Services (Hazardous materials spills, etc)

PRIORITY ISSUES

The by-laws for fire services safety standards were completed and are being implemented. Building plans that need to comply with SABS Building Regulations, code 0400, in regard to fire safety are inspected and approved. Inspections of Hazardous materials and chemical installation are on-going and generate revenue. The request for Fire Safety inspections have increased due to awareness created. Dedicated fire prevention officers are required to enforce by-laws and to assist Local Municipalities with the identification of assets at risk to fire.

INSTITUTIONAL DEVELOPMENT

Progress

- Strengthen the volunteer system – Serving volunteers are given priority consideration when filling permanent posts and are given the same training as permanent staff.
- Build capacity through training, both internal, which is ongoing, and external when funds are available has taken place. - 2010-2011 learnership program trained 9 fire fighters.
- @ Old fire engines are being refurbished, 2 new fire engines have been ordered and 4 replacement bakkies with skid units for small fires and grass fires have been procured.
- The improvement of resources and staffing for the fire services is ongoing and additional staff and equipment will be required in 2011-2012 to populate the two new stations being established.

Challenges

- Delays in the establishment of Satellite centres have been experienced due to service provider non-performance.
- The service does not yet meet the standards required by the SANS 10400 in respect of physical and human resources for the population and area it covers including the need for fire prevention officers.
- Fire services as an investor confidence booster. Investors look for the protection of their businesses before deciding on where to locate them and the availability of fire services is a key element of their safety assessment.
- Non-provision of fire services by Local Municipalities responsible for the function i.e. Amahlathi, Nxuba and Nkonkobe, and because ADM is seen in the other 4 local municipalities, the community members assume that ADM should be providing the service and is not meeting their responsibility.

Remedial Actions

- The Fire Stations closest to the satellite stations being established are performing the function but have to contend with long distances when responding.
- Continuous motivation for funding to improve resources and the appointment of fire prevention officers to enforce by-laws.
- Moratorium on assignment of functions by the MEC has assisted in stabilizing services but does extend to the next five [5] years as per the ADM's 5 year IDP.
- Fire services provision to be included in investor confidence packages.
- ADM does training and fire related inspections of businesses for the three (3) under capacitated local municipalities.
- That the three (3) local municipalities responsible for Fire Services be funded by the Province so that ADM can assist in capacitating them so as to meet their responsibility of standardization of fire services in the district.

DISTRICT FIRE RISK MANAGEMENT PLAN

A Fire Risk Management plan was developed in 2010 [FRMP] and the Fire Protection Plan was incorporated into the FRMP as a chapter on fire protection and was adopted by Council in 2010/2011. The District Fire Risk Management Plan is currently undergoing internal review. A challenge has been experienced in that Stakeholders, including municipalities, have not provided a list of their assets that could potentially be at risk to fire and thus the creating of an "assets at risk database" has not been developed.

Objectives of the FRMP

The objectives of the ADM Fire Services fire protection activities are:

- To protect human life, property, public land assets and values, as far as practicable, from the deleterious consequences of wildfire;
- To control all wildfires, on or threatening public land, in the shortest possible time in a manner which is fast, determined, safe and thorough, giving due regard to management objectives, environmental values and economy;
- To minimize the incidence of preventable wildfires (wildfires of human origin);
- To ensure that environmental values, including the vigour and diversity of the State's indigenous flora and fauna, are protected, as far as practicable, from the deleterious effects of wildfire and inappropriate fire regimes.
- To ensure water catchments, air shed and landscape values are conserved;
- To ensure archaeological, historical, and other cultural sites are conserved;
- To achieve other specified land management objectives by the planned use of fire;
- where appropriate, to complement works carried out on adjacent lands (those not managed by the ADM Fire Services) minimizing the risk and spread of wildfire; and
- Where practicable and appropriate, to take measures to assist the recovery of fire fighters and the restoration of the ecosystem from the adverse impacts of wildfire and fire suppression on public land.

These fire protection objectives will be achieved by conducting prevention activities in an environmentally sensitive manner in accordance with the environmental care principles.

Strategy

There are four components to the fire protection strategy: wildfire prevention, wildfire preparedness (referred to as 'fire pre-suppression' in previous plans), wildfire suppression and wildfire recovery. Each component is addressed in the Fire Protection Plan.

The fire protection strategy is based on:

- The sources and location of fires, fire risk and the distribution of fire hazard throughout the area;
- The range of wildfire suppression options required in designated zones to protect human life, property, public land assets and values; and
- Consideration of the relevant policy statements, existing area management plans, environmental prescriptions, known ecological requirements for the maintenance of ecosystems, relevant scientific research and advice from specialists both within and outside the ADM.

IMPACT OF AWARENESS / VOLUNTEER PROGRAM

Fire Services conducts short fire awareness sessions at schools for learners in grades 3 to grade 8. This is done on request from Headmasters, appointments made by Fire Services Staff, in conjunction with Disaster Management Awareness campaigns and at other community events initiated by either ADM, community meetings and events in the communities served by the respective Fire Services Stations. The awareness is in the form of fire fighting demonstrations, displaying of fire services equipment, fire prevention in and around the home and techniques for surviving in fire situations. As a result of the awareness, more calls are received and earlier detection has enabled the fire services to reduce the amount of fire damages in their respective areas. The number of fires suspected of being started by youth, especially during school holiday periods, has reduced.

Prevention inspections are conducted at businesses and Hazardous Materials vendors. An improvement of the level of fire protection at these businesses has improved significantly due to their voluntary improvements or the requirements of the by-laws which are being implemented. Volunteers from the community are trained in basic fire fighting. They attend in service training at the Ngqushwa and Mquma fire stations on Wednesdays. This has proven to be a valuable initiative for the following reasons:

- These volunteers are absorbed into the service when a position for serving volunteers becomes available.
- They are leaders in their respective communities in relation to fire awareness and fighting of fires before the formal fire services arrive, this often results in the fires being extinguished or being controlled before fire services arrive.
- Loss of property and lives is reduced due to the efforts of the volunteers.

DISASTER MANAGEMENT

Disaster Risk Management (as the international community refers to it now), in the ADM provides Local Municipalities and sector departments with assistance in contingency planning, coordination of response to disasters. Community awareness and capacity building of learners and stakeholders [councillors, volunteers, municipal officials and sector department officials] are also conducted.

Due to the rural nature of the ADM, the majority of the poorest of the poor live in dwellings that are constructed with mud and low quality building materials resulting in them being affected by severe weather conditions. Insufficient funding and backlogs of formalized housing in the rural areas results in the ADM and other stakeholders i.e. Social Development and Rural Development and Land Reform with the burden of assisting them with housing and other relief needs.

District Disaster Management Centre

The newly built District Disaster Management Centre is operational but the Control Centre is still to be fully equipped with the necessary technology for integrating communications with the National Centre and other contributing stakeholders e.g. SA Weather Services warning systems. It also has the potential to become a 24 hour emergency centre for the ADM.

The centre is staffed with:

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

Disaster Management Satellite Centres

In order to service Local Municipal areas Disaster Management satellite centres have been established with the following resources:

Mnquma	Amahlathi	Mbhashe	Great Kei	Ngqushwa	Nkonkobe	Nxuba
1 x Disaster Management Officer 1 x Vehicle	1 x Disaster Management Officer 1x Vehicle	1 x Disaster Management Officer 1 x Vehicle	1 x Disaster Management Officer	1 x Disaster Management Officer 1 x Vehicle	1 x Disaster Management Officer 1 x Vehicle	1 x Disaster Management Officer 1 x Vehicle

Hazards that are frequently experienced

- Building and mountain and veldt fires
- Floods
- Storms
- Motor vehicle accidents
- Drought

Disasters are experienced frequently in the district during the months of November through to April each year and are mainly weather-related. The seasonal high risk seasons are no longer the only times that these severe storms occur and this is an indication of the climate changes being experienced globally.

Projects to address Disaster Mitigation, Response and Recovery include:

- Twenty nine Disaster Risk Management Awareness campaigns at schools were held around the district since July 2011.
- Involvement of schools from Great Kei, Amahlathi, Nkonkobe and Mbhashe, since 2009, Municipalities in an International Strategy for Disaster Reduction Campaign
- Six (6) DM staff were trained on an Event Management
- Provision of building material to repair disaster damaged houses to 132 families in Ngqushwa, 10 families in Amahlathi, 4 families in Mbhashe and 23 families in Nkonkobe.
- Rebuilding of disaster damaged houses as the need arises and within the parameters of the available contingency funding. Twenty five families have been assisted with relief building material. (10 in Ngqushwa, 11 in Mbhashe, and 4 in Mnquma).
- Building of a District Disaster Management Centre is complete and it is now being equipped.
- Identification of homeless families affected by disasters for submission to the Provincial Emergency Housing Unit who has implemented a program of providing temporary shelters to families that are left homeless.

- Establishment of technical tasks teams and ward forums to work out solutions regarding disaster risk management. These teams are prescripts of the draft disaster management framework for the district. Co-ordination of local and district disaster management forums
- **Review of Sector Plans**
- The Risk and Vulnerability Assessment and the District Disaster Management Framework are currently undergoing internal review, while Disaster Management Contingency Plans for Local Municipalities are undergoing a major review and Guidelines for Disaster response and relief are being developed.

IMPACT OF INITIATIVES

- Cooperation from councillors and traditional leaders in reporting only incidents of a disastrous nature
- School awareness improved which is demonstrated by the learners who take part in ISDR

Challenges

- Funding for Disaster Management by the responsible organs of state, continues to be a major challenge as this has not been done since the promulgation of the Disaster Management Act, No 57 of 2002. This results in backlogs in addressing damages caused by disasters. Section 56 provides for the organs of state to budget for activities of disaster management relevant to such organs of state, e.g. housing to provide for funds for disaster damaged homes.
- The establishment of a Inter Departmental Disaster Management Committee within the ADM needs to be formalized.
- Insufficient funding for response, rehabilitation and recovery projects

2.7 Land Reform, Spatial Planning and Human Settlements

The government’s priority since 1994 has been to meet the basic needs for millions of South Africans living in poverty. Land Reform, proper Spatial Planning and provision of adequate Sustainable Human Settlements are amongsts those that ensures government mandate is realized.

A) LAND REFORM

Amathole District Municipality developed a “*Land Reform and Settlement Plan*” in its IDP (revised and reviewed in 2009/10), which was prepared specifically to address the key land issues relating to land reform and settlement development in the District.

The Policy on Land Redistribution for Agricultural Development (2000) makes an explicit provisions for the district municipalities to play a role, and the involvement of local role – players to assist in the application process spacifically the planning for land reform should occur in close co – operation with district and local municipality role players. As such, ADM has proactively anged with land reform programmes and its operation through its Land Reform and Settlement Plan.

The Land Reform & Settlement Sector Plan therefore forms part of the ADM IDP document, as a Chapter like all Sector Plans.

The **purpose** of the LR&SP is:

“To enable the ADM to undertake its core function to assist local municipalities within its area of jurisdiction to meet the need for land reform, land and settlement development and related land use management within the Amathole District and to achieve integrated and sustainable socio-spatial development.”

The complexity of the Land Reform environment has been acknowledged throughout the LR&SP, with specific reference to the identified challenges located within the areas of **land access, land tenure, and land administration**. It is clear that land reform must be seen as a **composite suite of issues** and interlocking components, the precise make up of which differ from one Local Municipal Area to the other.

Within the ADM area of jurisdiction, the municipal assignment of powers and functions has resulted in the following division:

- Municipal Planning – assigned to the Category B municipalities;
- Settlement Planning, planning for land development and land use management – assigned to Category B municipalities;
- Capacity Building (in relation to abovementioned functions) – Category C municipality (ADM).

This effectively means, that within the context of the ADM LR&SP, the principle role in driving land reform processes and initiating land and settlement planning resorts with the local municipalities, whilst the ADM would only render support and assistance to these municipalities, in relation to the performance of these functions, when a specific need arises, or when called upon to do so by the relevant local municipality.

A visible manifestation of the implementation of the above will clearly be found in the Implementation Plan dealing with the areas of Support and Capacity Building for local municipalities.”

It is important to add that a legislative imperative exist in specifically the Local Government: Municipal Systems Act 117 of 1998, in terms of which the District Municipality is charged with the duty to build the capacity of local municipalities within its area of jurisdiction to ensure that such municipalities are capable of performing their duties and functions (Section 83).

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

However , in terms of progress made to achieve key objectives proposed the following can be highlighted:

- ❖ The strategic partners critical for assisting with the implimentation of the Plan – The LR&SP Management Forum inaugurated
- ❖ ADM is engaged in an ongoing support for project implimentation and capacity building for local municipalities.
- ❖ Tools to ensure effective land administration at local and district level are in place

The key challenge for the District in Land Reform process is to deal effectively with the injustices of land dispossession, equitable distribution of ownership, reduction of poverty and economic growth, tenure security as well as System of Land Management which will support sustainable land use patterns. This is further exacerbated by the ineffectiveness of Communal Land Rights Act (ClaRA) of 2004 and its repeal eventually. ClaRA was a piece of legislation that was meant to make a legal provision for the transfer of land to communities or individuals and for conditions of transfer. The process is now being reviewed through Green Papaer in Land Reform.

Further, areas requiring some attention during this analysis phase of review is:

- specifically the capacity building and support mechanisms in relation to project planning, management and implementation
- Co-ordination of the monitoring and valuation function to ensure ongoing measurement of land reform implimentation(linked to the ADM’s legislative duties and obligations in relation to Land Reform, as more fully explained here above).
- Clear guidelines for role of ADM with regard to National mandate of Rural Development through the Comprehensive Rural Development Programme(CRDP) Framework as well as the alignment of the Provincial Rural Development Strategy to CRDP.

Linkages and impact analysis

Apart from the ADM LR&SP, other Municipal Plans compiled by the ADM, have linkages and impact to a lesser or greater extent in the Land Reform Plan. These include :

- Integrated Local / Regional Economic Development Strategy;
- Agricultural Development Plan;
- Integrated Water Services Development Plan;
- Integrated Housing Strategy;
- District Spatial Development Framework.

○ **Broad Development Context**

Nationally the following developments occurred and the analysis phase managed to touch base on such so as to ensure alignment and opportunities and these include :

- ❖ *National Development Frameworks*
 - ASGI-SA
 - JIPSA
 - OPERATION CLEAN AUDIT
 - New Strategic Vision for Land & Agrarian Reform
- ❖ *The National Land Summit*

Part of the Resolutions includes convening of a National Land and Agrarian Forum to bring stakeholders on board and which would be cascaded down to municipalities with the aim:

- Secure agreement on a National Implementation Plan
- Identify legislative & Policy reforms required
- Review institutions tasked with implementing Land Reform
- Monitor implementation

Areas of alignment of this initiative to the ADM Land Reform include matters as outlined hereunder:

- Building partnerships
- Ensuring linkages exist with National Land Audit
- Input into legislative review processes

❖ *Strategic Vision For Agrarian And Land Reform –*

The strategic objectives of this Strategy include:

- Claims to be finalised by 2012
- 30 % agricultural land redistribution by 2014
- Land summit recommendations to be implemented
- Effective participation by women and youth
- Enhancing delivery capacity of State Machinery in relation to Land Reform

❖ *Comprehensive Rural Development Programme*

This framework advocates for a holistic approach to rural development and poverty alleviation, focusing on local democracy, rural local economic development and provision of rural infrastructure.

The comprehensive Rural Development programme sets out a vision to “create vibrant, equitable and sustainable rural communities through a three-pronged strategy based on:

- A coordinated and integrated broad-based agrarian transformation;
- Strategically increasing rural development;
- An improved land reform programme.

❖ *Provincial Growth and Development Plan (PGDP)*

Core objectives include:

The four Strategic objectives of LR&SP were all found to be PGDP compliant in terms of public sector and institutional transformation as well as Human Resource Development.

It integrated well in relation to agrarian transformation, household food security and systematic poverty eradication as well as infrastructure development. The PGDP stresses the need to secure land access for rural communities. This strategic focus reinforces the components of model 2 type settlements as set out in the LR&SP. In particular the approach stresses the integration of housing elements with livelihood elements in project planning and implementation.

❖ *The Provincial Spatial Development Plan*

This plan forms part of the PGDP to provide a framework for future development within the Eastern Cape.

❖ *Land Reform Area Based Plan*

Upon approval the plan will complement the existing ADM Land Reform and Settlement Plan.

The objectives of the Area Based Plan are:

- To improve the alignment and sustainability of the land reform projects;
- To promote sector alignment: agriculture, LED, Integrated Sustainable Human Settlements, tenure security/upgrade linked to the provision of basic services
- To promote the objectives of intergovernmental relations with municipalities and sector departments;
- To empower communities to participate actively in project formulation and implementation of land reform projects.

This analysis was undertaken to determine the exact progress to date, to identify challenges and to propose remedial actions.

KEY ISSUES AS IDENTIFIED

During the analysis the following issues were identified:

- Land reform initiatives largely remain geographically focused and limited to certain types of interventions, to the detriment of a preferred, holistic implementation of the complete land reform package;
- Land Redistribution Planning Needs have focused on certain areas where eg. commonage needs are extensive throughout the district;
- Implementation capacity is viewed as a serious challenge in land reform implementation throughout the area and specifically communication of the deliverables and the rate of implementation have been of concern;
- Breakdown of Land Administration Systems (in respect of both the legislative, regulatory and administrative aspects thereof) throughout the district has led to uncertainty and tensions;
- Tenure insecurity remains prevalent with the recent repeal of Communal Land Rights Act No.11 of 2004, to be addressed on the proposed Green Paper on Land Reform,
- Weak integration of existing land reform initiatives into the process of developing livelihoods and land productivity (It was specifically noted that projects appear to be addressing beneficiary needs in terms of housing or in terms of livelihoods, but often not in an integrated, sustainable manner);
- A need has been identified for a "clear and workable institutional framework for the delivery of land reform in its various components throughout the district. This emanates from unclear roles between relevant sector departments Traditional leaders and municipalities with regard to demarcation of sites in rural areas.

The above information explicitly demonstrate that Land reform is essential to permit economic progress and to ensure that the required redress does in fact take place, and that women and youth also receive the necessary support. It thus acknowledges that development should be more than the striving for material improvement, but that "Ubuntu" should form an integral part of such development strategy which will imply a striving for:

- Social Justice
- comprehensive consultation and joint decision-making
- the alleviation of all forms of suffering (or satisfaction of basic needs)
- respect for the local eco-system & local and cultural patterns, and the advancement of people through their own endeavours-freedom of expression
-

As such everybody had to remain committed to ensure that ultimately the IDP & LR&SP that will translate in "improved humanness" for all communities will succeed.

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

B) SPATIAL PLANNING

The **ADM SPATIAL DEVELOPMENT FRAMEWORK** is:

"A clear Strategic tool of identification of key Spatial Development main nodes and zones of potential development, natural, systems and environmental areas where development had to be managed properly."

In terms of Section 26 (e) of the Municipal Systems Act (Act no. 32 of 2000), a Spatial Development Framework (SDF) in respect of a Municipality's area of jurisdiction is a legally required component of a Municipality's Integrated Development Plan (IDP). In terms of the Act, the SDF, once approved by the Municipal Council, has the status of a statutory plan that serves to guide and inform all decisions made by the Municipality with regard to spatial development and land use management in its area of jurisdiction.

The District Spatial Development Framework (DSDF) is to serve as a guide to the ADM and all local municipalities within the ADM's area of jurisdiction regarding the spatial areas of greatest needs and priority for investment in development and associated interventions. It is linked to the identified areas for land reform and settlement development as identified in the LR&SP. DSDF is more than aligned to the ADM Land Reform Programme as it is made up of building blocks that are derived from the proposals in the LR&SP as well as proposals contained in the other sector plans completed by the ADM and forming part of the reviewed IDP.

With the commencement of a new 5-year IDP cycle in 2007, the Amathole District Municipality resolved to approve the District SDF as an alone-standing document in its own right and to undertake a concerted review of its SDF annually in line with the IDP review process.

BACKGROUND

In accordance with the Local Government Municipal Planning and Performance Management Regulations (R. 796 of 2001) made in terms of the Municipal Systems Act, the reviewed Amathole District SDF sets out to:

- Identify the key spatial development features (trends and dynamics) currently applicable in the Amathole District Municipality;
- Establish the objectives of the Amathole District Municipality in relation to spatial development in its area of jurisdiction, with particular emphasis on clarifying the principles to be followed in the management of such spatial development in the area;
- Identify the Municipality's strategies and policies that are adopted to achieve its spatial development objectives. These focus on:
 - ✓ Establishing a clear depiction of specific development corridors and development nodes; and
 - ✓ Delineating Special Development Areas, which are: -
 1. Areas where strategic development intervention is required (areas of particular development potential and/or areas where current development activities represent a development opportunity); and
 2. Areas where priority spending is required (areas of special need)

The ADM SDF illustrates the above information on maps; and set out basic guidelines for a land use management system in Amathole District Municipality, with due acknowledgement of the fact that the District Municipality itself is not a land use regulator in the first instance.

FEATURES OF SDF

The Amathole District Municipality is not a land use regulator in the first instance. Therefore, given that the District Municipality has as one of its core functions the responsibility of supporting Local Municipalities within the Amathole district to carry out their assigned responsibilities and statutory functions, the District SDF is designed to: -

- Act as a **spatial expression** of the District Municipality's IDP in so far as it aims to illustrate:
 - The spatial dimensions of the key strategic focus areas of the District Municipality
 - The key informants to spatial development at a district level, including: -
 - ✓ Programme/Investment Priorities of the ADM
 - ✓ Areas of Identified development potential
 - ✓ Areas of identified development need (basic needs)
 - ✓ Environmental Considerations (that is, natural systems and areas of environmental value, which require spatial development to be managed and/or limited)

It is important to note that, at this juncture, each of the Local Municipalities in the Amathole District has in place a Spatial Development Framework, either approved as an alone-standing document or as a component of their IDPs. This means that the District SDF is not formulated to duplicate the information contained in the LM SDFs but rather to establish at a broader level key principles and guidelines that could be used by Local Municipalities to inform the prioritisation of development and related investment decisions on a spatial basis.

OVERVIEW

Initially the Amathole District SDF formed a component of the Amathole District Land Reform & Settlement Plan. It was compiled as one of the outcomes of the LRSP, with inputs from a number of Sector Plans that were developed concurrently, which included the District Environmental Strategy, the District Integrated Transport Plan, the District LED Strategy, etc.

KEY ELEMENTS

The ADM SDF has a strong focus on the spatial elements of development, which were informed by the spatial elements derived from other Sector Plans developed in tandem, as listed above. The following is a brief description of the key elements making up the current ADM SDF: -

Structuring elements

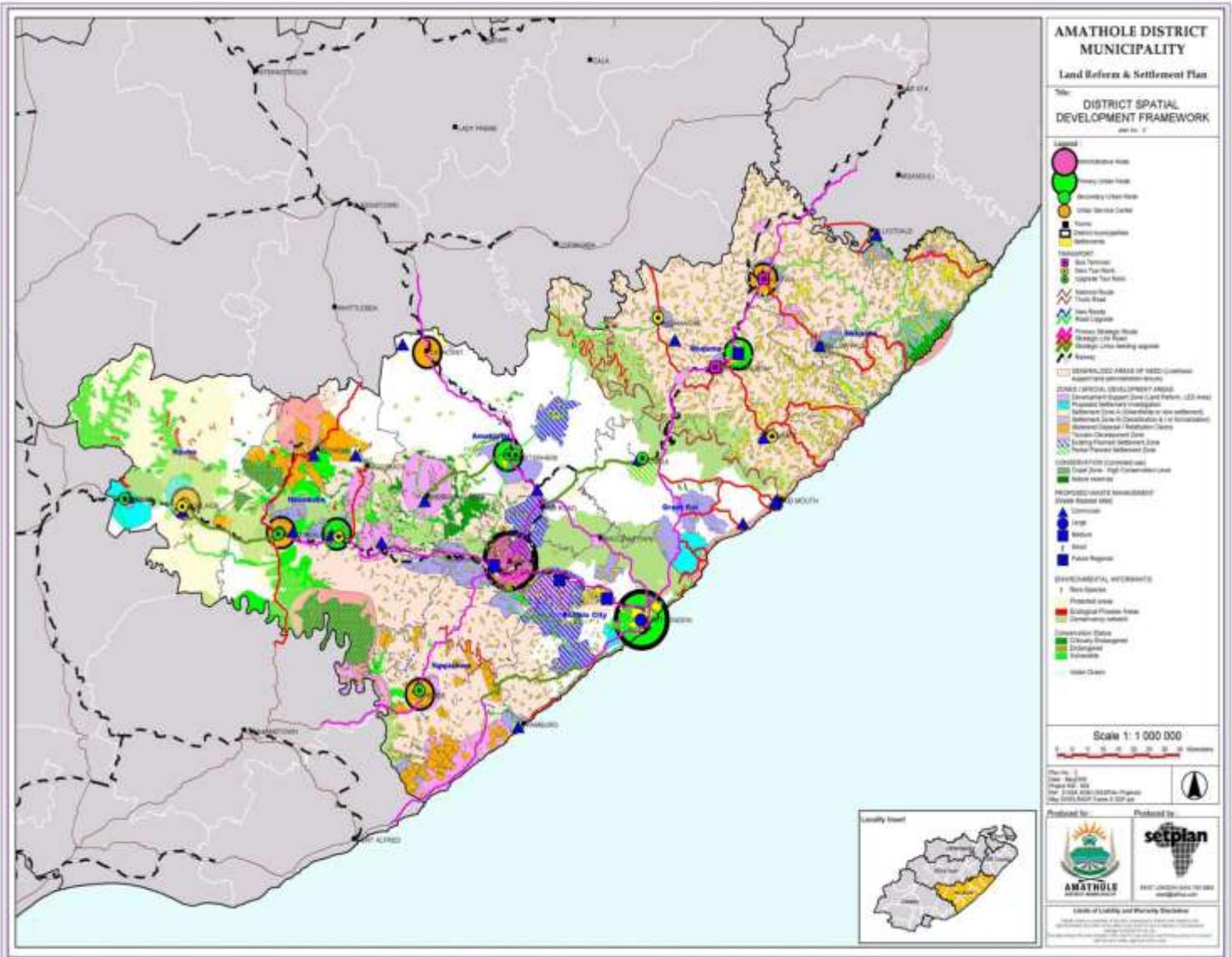
The current SDF identifies a number of spatial structuring elements (that is, spatial areas or features that provide a structure and/or a pattern to inform development initiatives and associated financial and human resource investment).

These Structuring Elements are set out in the SDF component of the LRSP as: -

- A Hierarchy of Settlements
- The Identification of Special Development Areas

- ✓ Land Reform & Settlement Zones
- ✓ Tourism Development Zones
- Key Transport Routes
- Cross-Boundary Infrastructure & Facilities
- Generalised Areas of need
- Environmental Informants/Conservation

The District Spatial Development Framework is illustrated below :



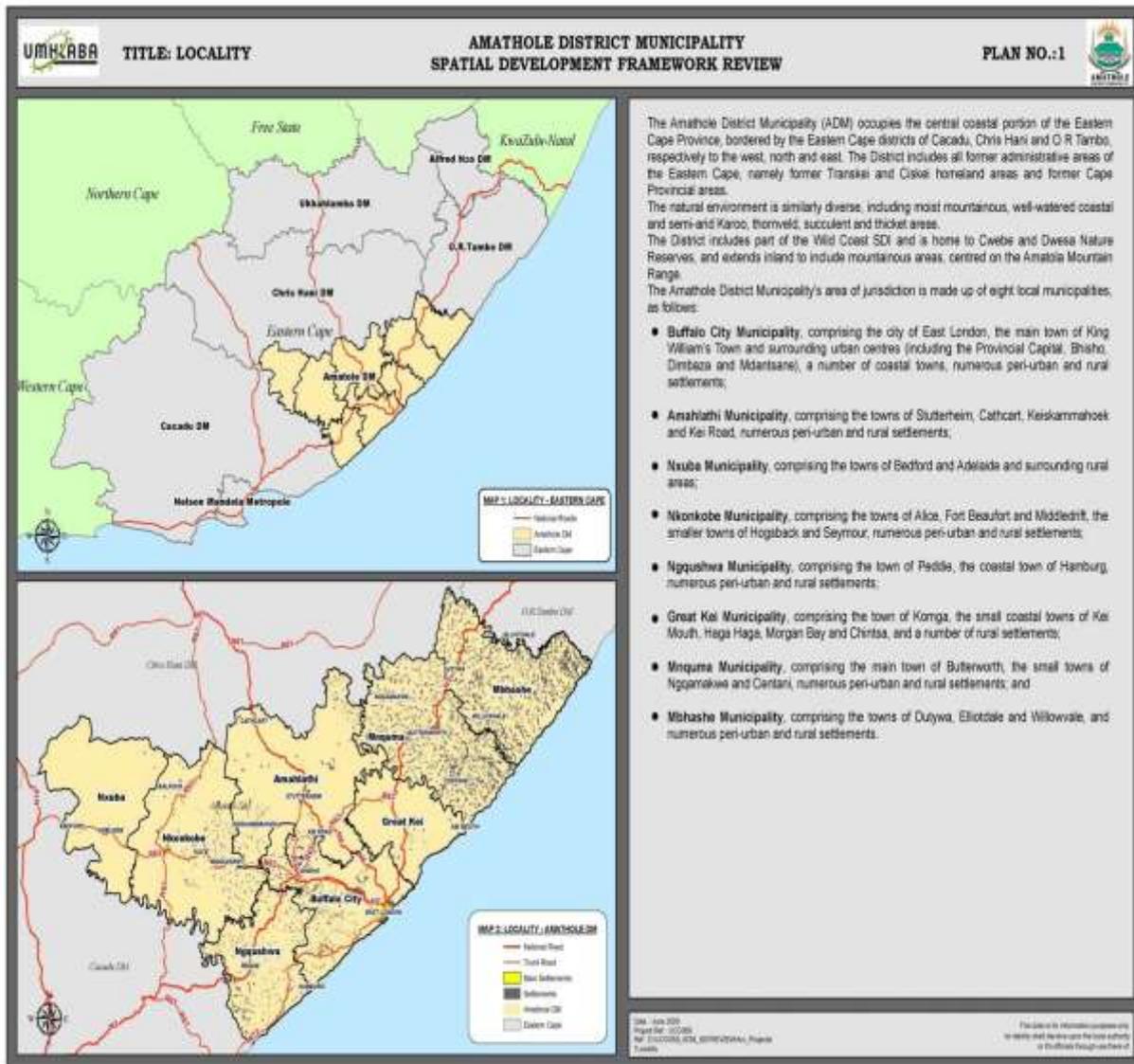
ocus areas

- SDF proposals
- LUMS Guidelines
- Comment on Implementation

THE SPATIAL ANALYSIS AS PER MAPPING PROCESS

These are focussing on

- ❖ Locality
- ❖ Natural environment
- ❖ Bio-physical environment
- ❖ Demographics
- ❖ Land Use (Land Cover)
- ❖ Basic infrastructure
- ❖ Social infrastructure
- ❖ Socio-economics
- ❖ Land issues and
- ❖ Key environment informants [SEE MAPS BELOW]



KEY FOCUS AREAS OF DEVELOPMENT

Based on a consideration of the information set out in various Plans as well as a perusing documents listed in the IDP, the following are taken as key focus areas for spatial development in the Amathole district: -

- As a Water Services Authority and Water Services Provider in seven Local Municipalities, the focus of ADM's efforts in the provision of water and sanitation services falls on:
 - Ensuring a basic minimum level of service to all communities resident in the areas of the seven LMs (i.e. excluding the area of Buffalo City Municipality, which is a WSA for its own area). Given the status of current Level of Service (LOS) for water provision, these areas are mainly located in the municipal areas of Mbashe and Mnquma.
 - Building capacity in existing infrastructure networks in urban centres by focusing on the refurbishment and maintenance of existing plant and infrastructure in the first instance and extending capacity of networks where this is necessary
 - In the medium term, to focus on the provision of adequate sanitation in rural settlements.
- Recognising the low level of socio-economic well-being of the majority of the communities residing in the district, ADM has placed a strong focus on the facilitation and support of economic development, especially through its Economic Development Agency, ASPIRE. The key sectors where efforts to enhance competitive advantages and to seek new sectors for competitive positioning include:
 - The industrial (manufacturing) sector (export focus)

- Sectors based on high-value or specialized skills (technology and innovation, arts and the development of niche market products etc.).
- The Tourism sector (eco-, adventure and experiential tourism)
- Natural resource based enterprises (agriculture and forestry relating to enterprises such as bio-fuels, high-value crops, cotton, wool, leather, hemp, timber etc.).
- The spatial dimensions of the above focus on economic development are identified as “Locality-Based Spatial Development”, which includes district-wide initiatives as well as spatially specific initiatives aimed at identified development nodes (towns or centres) and transport Corridors. It seems clear that the emphasis is likely to fall in the first instance on the regeneration of the urban economies of towns located within the Corridors associated with the main transport routes of the N2, the N6, the R63 and the R72.
- Given the fragmented nature of the settlement pattern in the Amathole district, a clear emphasis is to be placed on the development over time of improved access linkages to areas where development investment and/or development potential has been identified.
- Land Reform and its correlative, Agrarian Reform remains a key area of focus in the district, and it is clear from an assessment of current and planned land development initiatives/projects that the existing framework of the LRSP remains valid. However, it is noted that the district is presently engaged in the formulation of an Area Based Plan (ABP) for land reform and this may amend or alter the current spatial and strategic framework for land reform in the district.
- Finally, accepting its mandate to foster sustainable development, all spatial development in the Amathole district is to be mediated by a consideration of the environment, which remains a fundamental resource and an asset that provides much of the competitive advantage for the district in respect of tourism and agricultural/forestry potential.

Core principles

The following principles for spatial development are adapted from the National Spatial Development Perspective, :-

- It is recognised that ECONOMIC GROWTH that is sustained and inclusive is a pre-requisite to the achievement of poverty alleviation as well as other key objectives of the Amathole District Municipality;
- The ADM has a constitutional obligation to, within its assigned roles and responsibilities, PROVIDE OR FACILITATE THE PROVISION OF BASIC SERVICES to all citizens in the district wherever they reside;
- Beyond the constitutional obligation set out above, the ADM should FOCUS SPENDING ON FIXED INVESTMENT IN LOCALITIES OF ECONOMIC GROWTH AND/OR ECONOMIC GROWTH POTENTIAL in order to:
 - ✓ Gear up private sector spending
 - ✓ Stimulate sustainable economic activities
 - ✓ Create long-term employment opportunities
- Efforts aimed at REDRESSING SOCIAL INEQUALITIES SHOULD BE FOCUSED ON PEOPLE AND NOT ON PLACES, which means that:
 - ✓ *In localities where there are high concentrations of poverty but also demonstrable economic development potential, fixed capital investment could extend beyond basic services in order to exploit or unlock the potential in these areas; and*
 - ✓ *In localities with low development potential, spending should focus on improving or facilitating the improvement of social transfers (health and education), human resource development and labour market intelligence to enhance the knowledge base of residents of such areas and enable them to become more mobile and to take advantage of opportunities elsewhere.*
- Therefore, in order to overcome the fragmented and inefficient spatial pattern of development in the Amathole district, INVESTMENT SHOULD BE DIRECTED AT LAND DEVELOPMENT AND ECONOMIC DEVELOPMENT IN IDENTIFIED ACTIVITY CORRIDORS AND DEVELOPMENT NODES that are adjacent to or link existing major centres of growth

SPATIAL OBJECTIVES & STRATEGIES

Integrating the above core principles for the SDF with the key focus areas for development of the ADM as set out above, it is important therefore the formulation of Spatial Development Objectives & Strategies best be arranged in terms of relevant “**Themes**” derived from the foregoing.

These Themes, are as follows: -

THEME	Objective y of	Strategy
Basic Needs	Ensure availability of a minimum	Identify and prioritise areas of greatest need

	acceptable level of infrastructure and services throughout the DM Improved capacity in service delivery.	Systematically link services and services supply networks to optimise efficiency Focus on involvement of all relevant stakeholders
Spatial Fragmentation	To create an efficient and integrated settlement pattern in ADM	Consolidate and densify settlements where appropriate. Promote the integration of sprawling settlements. Prioritise maintenance and upgrade of strategic link routes
Linkages and Access	Well-structured road and rail network systems allowing for ease of movement. Efficient and effective links between identified nodes and relevant products and services.	Identify nodes and products (i.e. agric produce) that require linkage. Identify and prioritise areas where the need for improved access is greatest. Prioritise maintenance and upgrade of strategic link routes.
Land Use Management	Use Management System in operation across the DM Security of access to land for development	Support and implement a programme to develop appropriate new Zoning Schemes for Urban and Rural areas, in line with the direction of new legislation. Support land reform and settlement upgrade initiatives by identifying zones of opportunity according to land needs
Environmental Management	Adhere to sound environmental practices in line with legislation. Protect environmentally sensitive areas	Implement the principles of Integrated Environment Management.

SPATIAL STRUCTURING ELEMENTS

The District Spatial Development Framework is comprised of a number of structuring elements (or “building blocks”) that are derived from a variety of inputs, including: -

- The Corridor Programme of AREDS
- The proposals of the Land Reform & Settlement Plan
- A consideration of inputs provided by various Sector Plans compiled by the Amathole District Municipality
- Inputs provided by the Amathole District Integrated Environmental Management Plan and Integrated Coastal Management Plan as well as the spatial data in the Eastern Cape Biodiversity Conservation Plan

The following are structuring elements as proposed: -

- District-Scale Development Corridors
- Key Development Nodes
- Special Development Areas

IMPLEMENTATION

Therefore, as part of the implementation of the District Spatial Development Framework the following is proposed in regard to devising an acceptable institutional arrangement in relation to the provision of the spatial planning and land use management function: -

- ❖ In the coming 3-year planning cycle, it is the priority for the Amathole District Municipality, together with the Department of Local Government & Traditional Affairs and the Local Municipalities in the District to investigate the feasibility of developing a *“Shared Services”* approach to providing the necessary capacity to undertake or manage proper spatial planning and land use management within each local municipal area.

This action is a priority to ensure that each Local Municipality has adequate access to sound technical skills relating to forward planning (planning for future land developments) and land use management (overseeing planning permissions, including rezoning, subdivisions and consolidations, and building plan approvals).

ISSUES FOR CONSIDERATION

During the review process, the following issues were identified:

- SDF has been regarded as one of the IDP Sector Plans and cross reference with it when reviewing or developing other sector plans has been minimal.
- Lack of mechanisms in ensuring alignment with local municipalities
- Lack of mechanisms to ensure compliance by both municipalities and sector departments
- Linkages with neighbouring municipalities with regard to impact of regional economic concentrations were minimal.

❑ C) HOUSING / HUMAN SETTLEMENTS

Amathole District Municipality plays a role with regard to housing development or sustainable human settlements development in our area, as outlined in the ADM Housing Strategy, (REVIEWED 2008/9) (IDP Sector Plan). Further, Amathole District Municipality made a clear commitment in the provision of sustainable human settlements through housing development in line with applicable legislative and policy provisions.

The Constitution of the Republic of South Africa, of 1996 as amended defines the housing function as a concurrent competency of both National and Provincial spheres of Government. This has since been debated and concluded in Cabinet in 2008 and is in the process of reviewal, whereby the function is expected to be devolved down to local sphere of Government.

The role and responsibility assigned to Amathole District Municipality is not defined between any tier of local government in the legislative and policy environment except for assignment of such responsibility to local government. Based on the above legislative environmental analysis, Amathole District Municipality with its seven (7) Local Municipalities agreed that it assumes the direct responsibility of addressing the housing needs of its inhabitants in the manner outlined hereunder.

This approach is as detailed in its revised Housing Strategy, 2009/10 (IDP Sector Plan). The outline of such a role identified through a clear participatory process, endorsed by all spheres of Government is as detailed hereunder:

ROLE	FUNCTION
Guide	Development of Municipal Housing Sector Plans
	Help set up appropriate designed municipal housing institutional arrangements
	Development of user friendly manuals/models/systems (PHP models, contracts for contractors, suppliers and consultants
Support	The planning and implementation of subsidy projects (Land, house designs, and quality, town planning layout, etc.) towards integrated settlements
Coordinate	Funding for housing related bulk infrastructure and social infrastructure
	Participation of housing institutions and other relevant support agencies in local municipalities
	Formulation and review of housing policy and legislation
	Implementation, monitoring and evaluation of local municipality housing sector plans
	Documentation and sharing of lessons learnt
Advocate	Provincially, nationally and internationally for local municipalities
Implement	Upon request (determined by both local and district municipalities) the ADM will

directly implement subsidy protects in a manner that capacitates the local municipality concerned so as to perform this function in the near future

In doing so Amathole District Municipality has not lost sight of its role as a District Municipality to give a supportive role to Local Municipalities in terms of Section 83 (3) of the Municipal Structure Act, Act 117 of 1998.

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

As mentioned above the Plan on human settlements serves as a guiding framework for:

- ✓ the strategic engagement of the ADM in housing development including its role in supporting the 8 Category B municipalities within its area of jurisdiction
- ✓ Doing an analysis of housing challenges and the definition of ADM’s housing demand;
- ✓ Identifying appropriate housing programmes to meet its demand; and
- ✓ Negotiating the location of housing

Housing Situation at ADM

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

DWELLING TYPE	NATIONAL	E.CAPE	ADM	MBASH E	MNQU MA	G/KEI	AMAHL A THI	NGQUSH WA	NKONK OBE	NXUBA
V/FORMAL	4,814 019	432 537	105 646	760	4 715	1 318	5 728	261	3 390	1 200
FORMAL	4 639 787	555 869	152 367	14899	26 854	5 426	10 443	12 121	16 019	4 860
INFORMAL	2 055 527	150955	74 429	393	7 131	1 446	3 557	686	249	552
TRADITION AL	1 499 655	610 790	137 640	51 287	35424	5 218	18 113	7 823	8 827	390
OTHER DWELLING	286 179	7 593	1444	144	172	0	66	142	106	0
TOTAL	13 295 167	1 757 745	471 526	67 482	74 295	13 407	37 908	21 033	28 591	7 003

Excluding the total number of formal dwelling type in the ADM area the need for further housing delivery in the district reflects the total housing need of 213 513

Informal dwellings = 74 429

Traditional Dwellings = 137 640 and

Other Dwelling = 1 444

Total Need = 213 513

❖ HOUSING DEMAND

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

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

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

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

Challenges

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

HOUSING DEMAND AS MANIFESTED BY BACKLOG

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

	2008	Estimates- 2009/10
NATIONAL	3 841 362	3 711 528
EASTERN CAPE	769 339	778 293
AMATHOLE	213 513	214 830
MBHASHE	51 823	52 777
MNQUMA	42 726	43 239
GREAT KEI	6 664	6 823
AM AHLATHI	21 736	22 308
NGQUSHWA	8 651	8 915
NKONKOB	9 182	9 537
NXUBA	943	924

(Source: Global Insight)

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

HOUSING SUPPLY

According to the statistics by Eastern Cape Department of Human Settlements, the total of the approved housing subsidies is 28520. Of this total 27 387 subsidies were approved before the current year whilst the total of 1133 were approved as at the end of September 2010.

The tables here below, reflect the various **approved and planned housing projects** in the respective local municipalities, as per the Housing Strategies, aimed at addressing identified housing needs as expressed here above

Total Units	Town	Municipality
5 880	Stutterheim, Keiskammahoek & Cathcart	Amahlathi
1 509	Kei Mouth & Komga	Great Kei
8 457	Elliotdale & Dutywa	Mbashe
6 554	Butterworth, Nqamakwe, Willowvale & Centani	Mnquma
1 920	Peddie	Ngqushwa
10 636	Ft Beaufort, Alice, Seymour, Middeldrift	Nkonkobe
2 462	Adelaide & Bedford	Nxuba

HOUSEHOLDS IN ADM

The household supply in the ADM area is affected by factors such as migration especially circular migration which is dominant in the region. The table below reflects the total number of households that existed in Amathole as against the total population of 1 659 391 in 2001 and 1 641 661 in 2008(Source: Global Insight)

Both the ADM and the Province saw significant growth in the number of households between 2001 and 2008.	2001	Census 2008	Difference	
Amathole District	412 091	415 168	3077	
Eastern Cape Province	1 476 293	1 494 497	146 840	

In terms of the supply shown above, the pace of delivery has been very low. The Eastern Cape Department of Human Settlements attribute slow pace to the following factors:

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

Source: ECDHLG&TA - 2007

A variety of reasons may be responsible for these trends, including the housing subsidy policy itself. Having said this, the impact of the housing programme versus other contributory and causal factors remains unclear.

❖ DISABILITIES

People with disabilities									
Municipality	type of disability								% of population
	sight	hearing	communication	Physical	Intellectual	Emotional	Multiple	total	
Amahlati	2 221	1 215	299	2 055	763	1 238	712	8 503	6,1%
Buffalo City	7 179	3 433	1 039	9 966	3 598	5 464	3 102	33 781	4,8%
Great Kei	967	522	112	1 169	279	763	342	4 154	9,3%
Mbashe	3 140	2 331	459	2 913	1 250	1 268	887	12 248	4,8%
Mnquma									
Ngqushwa	1 221	681	220	1 133	666	657	503	5 081	6,0%
Nkonkobe	2 020	1 032	251	2 435	897	1 633	1 165	9 433	7,3%
Nxuma	367	245	71	661	189	256	119	1 908	7,7%
Total ADM	17 115	9 459	2 451	20 332	7 642	11 279	6 830	75 108	5,4%

The table above drawn from the previous Housing Strategy document, shows that more than 5% of all ADM residents are disabled. Disabled applicants may receive a full housing subsidy, and do not have to make own contributions. This needs to be considered in the multi-year planning and budgeting of housing projects. Furthermore, cognisance should be taken within projects in respect of special needs including location or special features at project level.

❑ **DEVELOPMENT PLANNING AND SURVEY**

The Amathole District Municipality LRSP outlines mechanism for settlement and Land Development. The said Plan further outlines typical spatial patterns of land use and settlement that apply in difficult parts of ADM. Therefore a need to pursue land reform that would achieve to redress and bolster livelihood of communities with land needs for settlement and livelihood was apparent.

The strategic consideration of such is therefore linked to the fact that three types of settlement were identified and those can only be enhanced through proper and organized methods of planning and survey utilizing acceptable principles and laws. Therefore in terms of this approach Amathole District Municipality guided by the IDP LRSP and other principles, provides for creation, implementation and management of sustainable planning process to regulate land uses in order to improve the quality of life of its citizens.

In this approach the Guiding Principles of land development as enshrined in Chapter 1 of the Development Facilitation Act, Act 67 of 1995 apply. Therefore ADM in ensuring that this fundamental Constitutional dream is enhanced has swiftly agreed to the concept of ***"We fast-track land development."***

3 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Strategic Goal: Improve organizational cohesion and effectiveness.

Intended Outcome: Improved organizational stability and sustainability.

3.1 ORGANIZATIONAL AND ESTABLISHMENT PLAN

Introduction:

Section 66 of the Local Government: The Municipal Systems Act (Act No 32 of 2000) requires a Municipal Manager to, within a policy framework determined by the Municipal Council and subject to any applicable legislation, establish a mechanism to regularly evaluate the staff establishment of a Municipality and, if necessary, review the staff establishment. The Institutional structure of ADM is divided into two levels, namely, Political and Administrative structures. The Administrative structure is accountable to the Political structure.

Political Structure of ADM:

The principalship of ADM lies with Council under the Chairpersonship of The Speaker and it operates a number of committees that assist in the realisation of the Council's mandates.

Listed below are the committees that assist Council in carrying out its responsibilities:-

- Oversight Committee
- Rules Committee
- Audit Committee
- Performance Audit Committee
- District Speaker's Forum
- Committee on Public Participation

Standing Committees:

- Infrastructure
- HR and Administration
- Community Services
- Planning & Development

Other Committees

- District Mayors Forum
- Intergovernmental Relations Committee
- Local Labour Forum
- Remunerations Committee
- Special Programmes Forum
- Skills Development and Employment Equity Steering Committee

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

Administrative Structure of ADM:

The principalship of the Administrative structure lies with the Executive Mayor who runs the institution with a number of Departments and various units reporting directly to the Municipal Manager who is accountable to the Executive Mayor.

The Existing Administrative Structure can be illustrated as follows:-

Functions:

- The Management of the Municipality;
- The rendering of Engineering Services;
- The rendering of Health and Protection Services;
- The rendering of Corporate Services;
- The rendering of Financial Management Services;
- The administration of Land, Human Settlements and Economic Development;

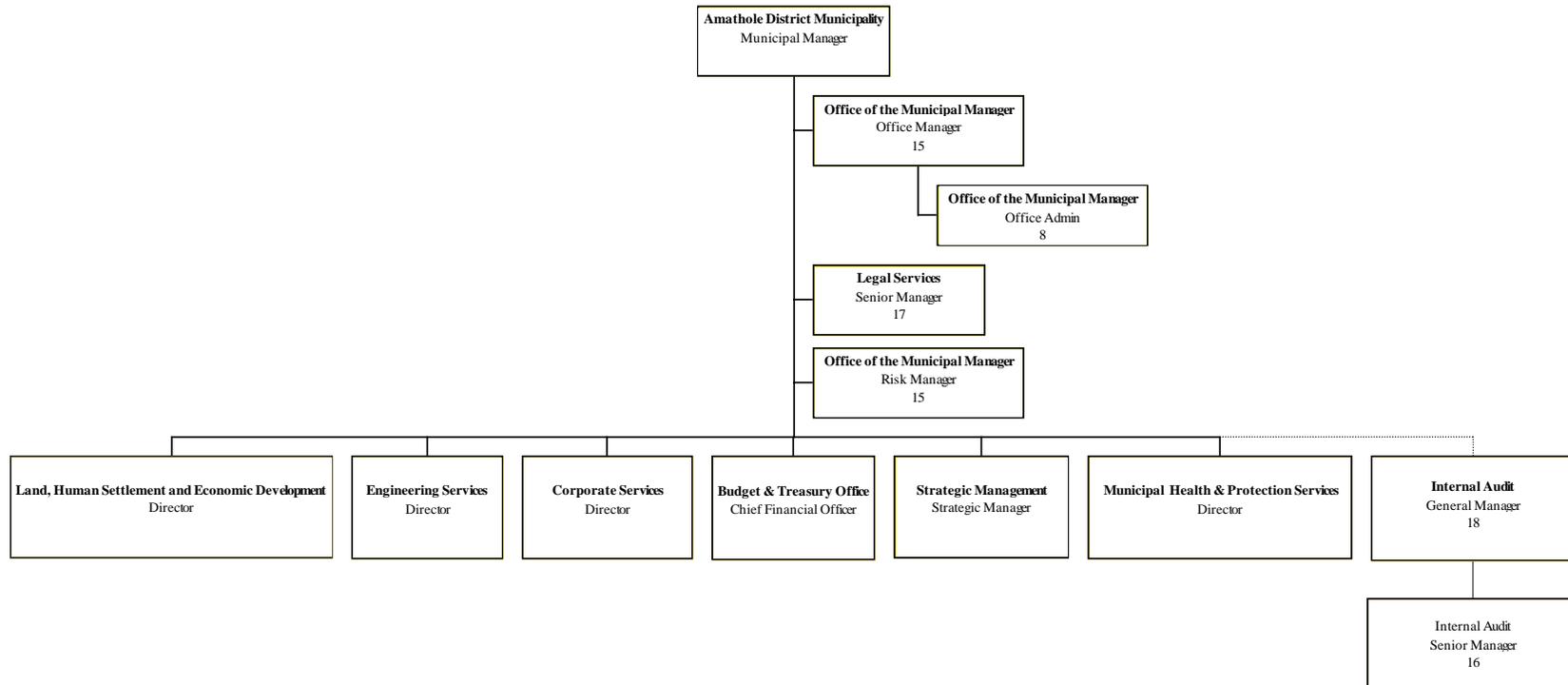
Out of the functions identified, Council approved the creation of the following six departments:-

1. The Municipal Manager's Office.
2. The Engineering Services.
3. The Health and Protection Services.
4. The Corporate Services.
5. The Budget and Treasury Office.
6. The Land, Human Settlements and Economic Development

ORGANOGRAM

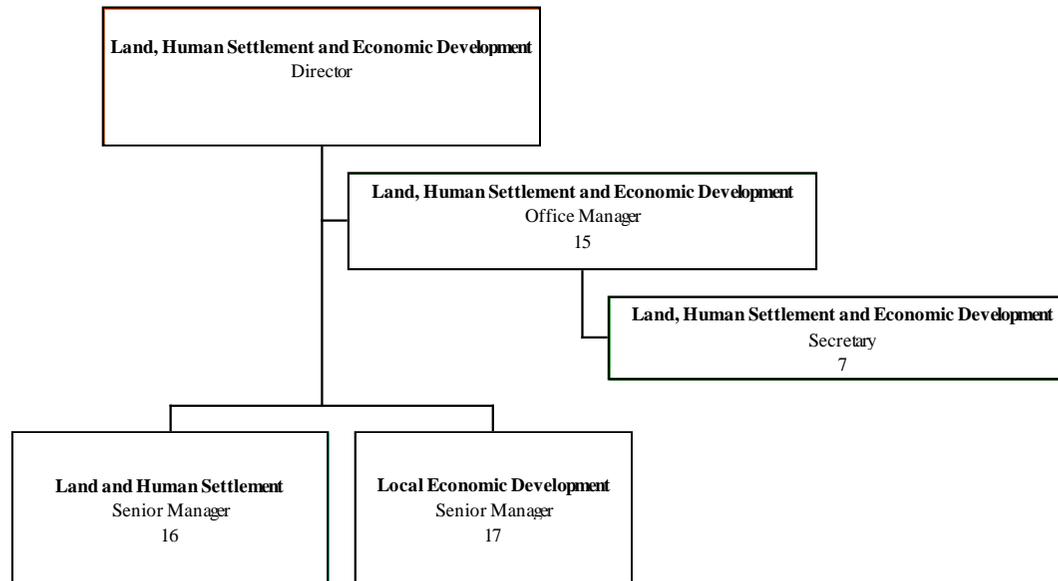


Office of the Municipal Manager



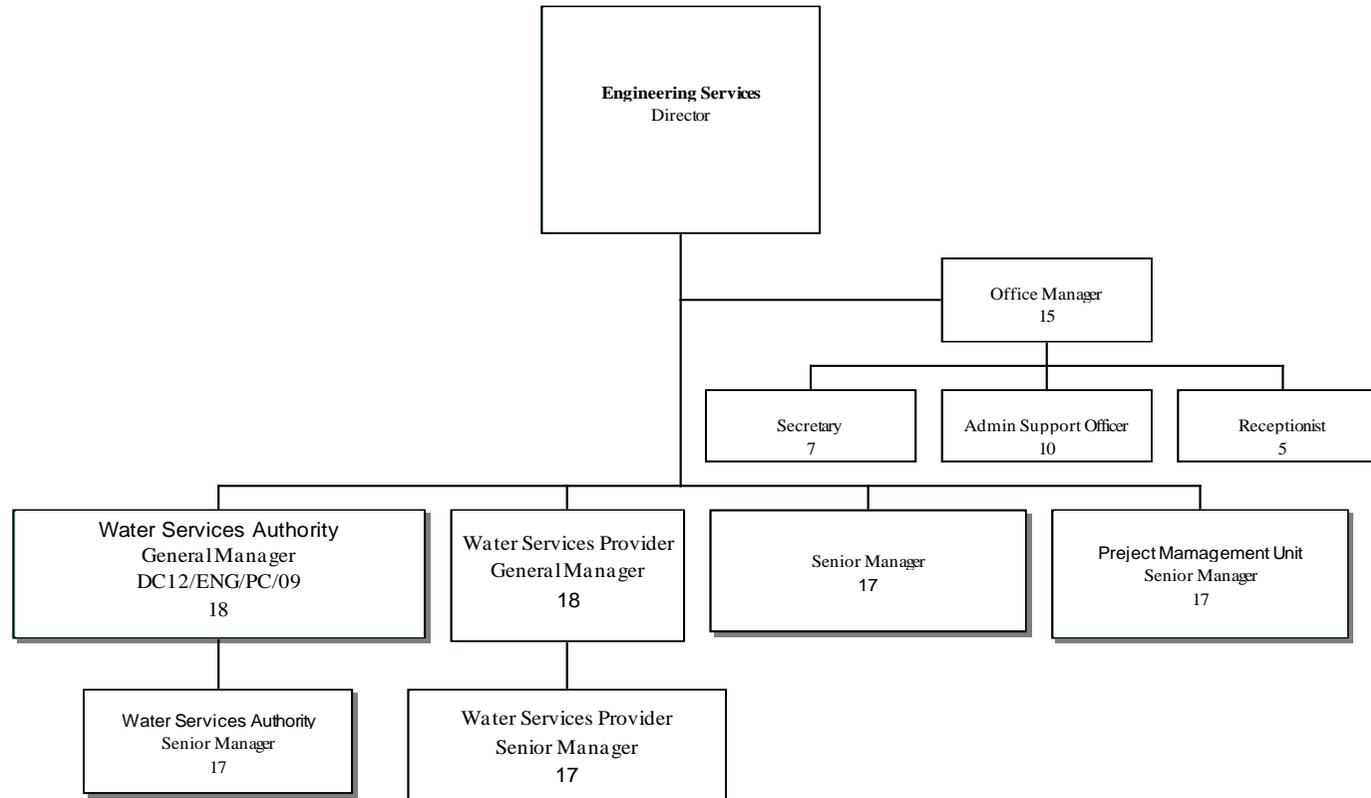


Land, Human Settlement & Economic Dev.



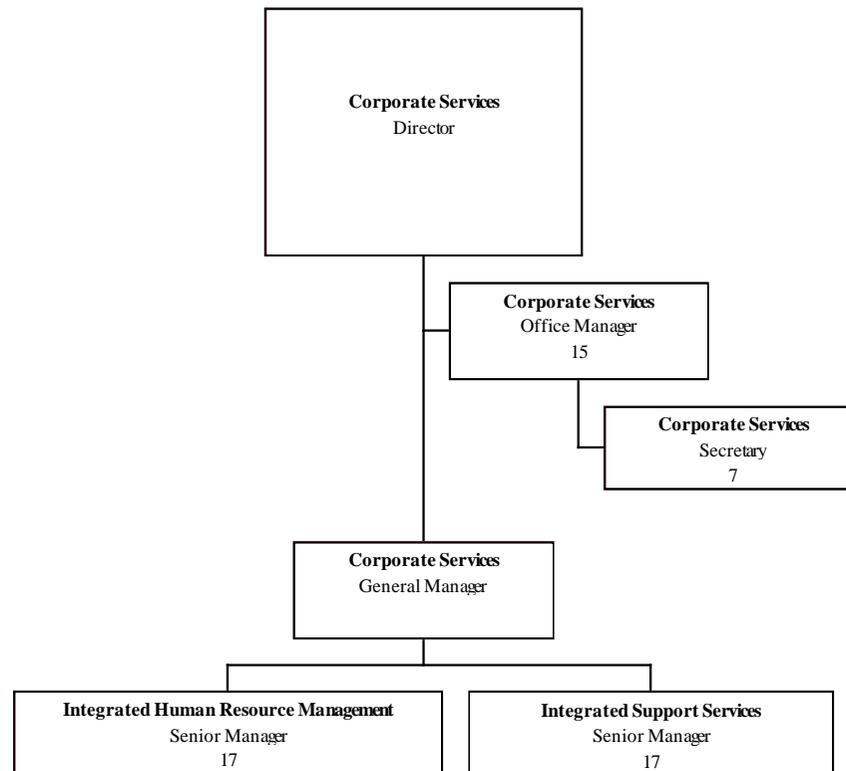


Engineering Services Department



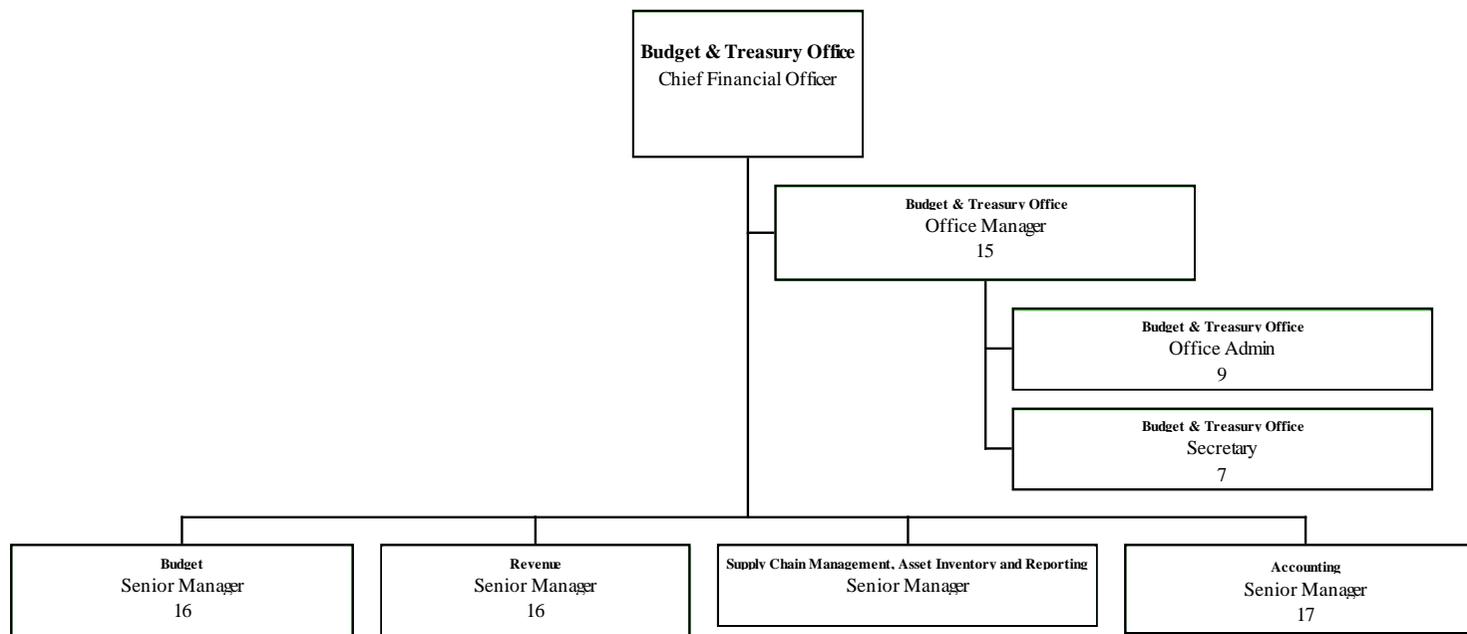


Corporate Services Department



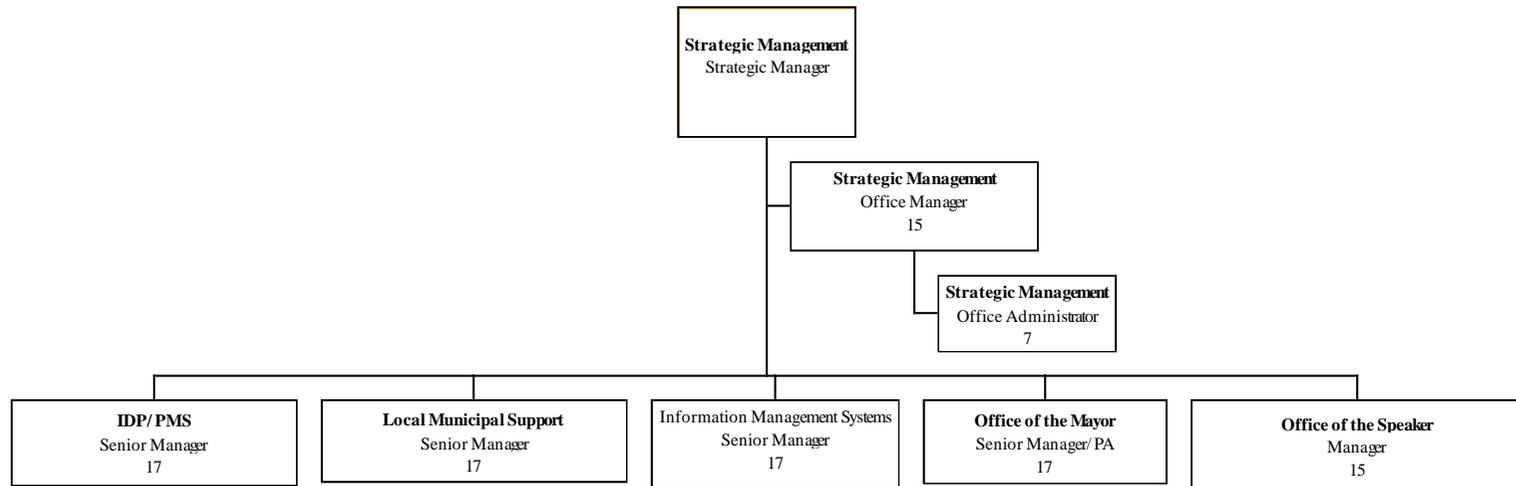


Budget and Treasury Office



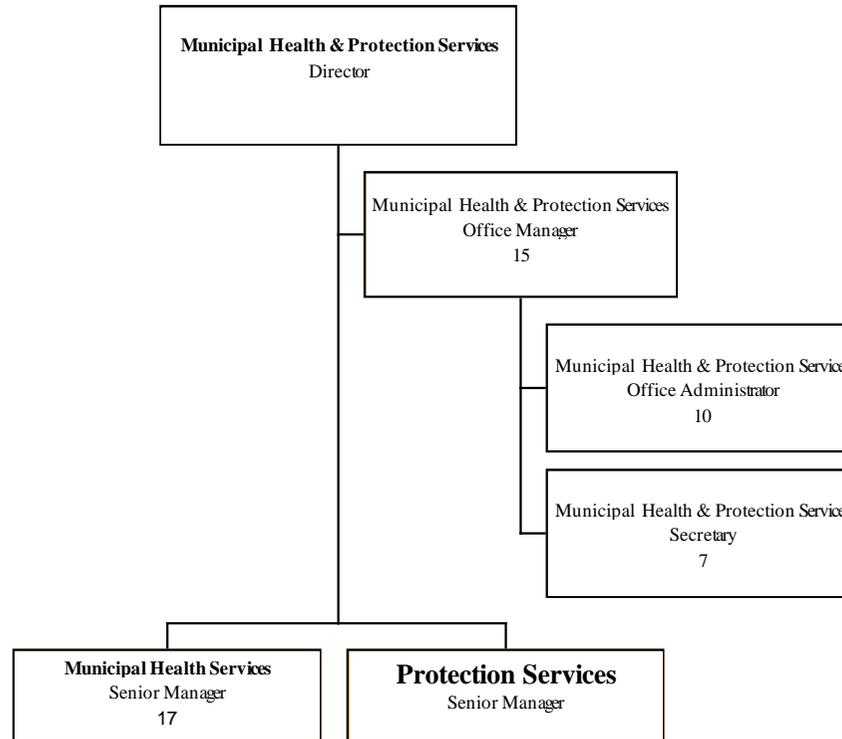


Strategic Management & Planning





Municipal Health and Protection Services



The table below is a summary of the existing organizational structure of ADM.

NO	DEPARTMENT / OFFICE	DIVISION	SECTION	NO. OF POSTS	
1(a)	Office of Municipal Manager	Municipal Manager's Office		3	
		Legal Services		2	
		Internal Audit		14	
		TOTAL		19	
1(b)	Strategic Management	Strategic Manager's Office		3	
		Strategic Planning	SDBIP, PMS and IDP	2	
		Municipal Support		11	
		Information Technology		13	
		Office of the Speaker		6	
		Executive Support Services	Communications		32
			Special programs, IGR and MIR		4
TOTAL		68			
2	Corporate Services	Director's Office		6	
		Integrated Human Resources Management	OD and Recruitment		8
			Human Resource Development		4
			Labour Relations and Performance Management System		4
			Employee Wellness and Occupational Health		4
		Integrated Administration Support	Personnel Administration		11
			Auxiliary Services		49
			Council Support Services		11
		TOTAL		97	
3	Engineering Services	Director's Office		6	
		Project Management Unit		19	
		Water Services Authority		13	
		Water Services Provision	Regional Offices	771	
		Building and Services Planning		18	
TOTAL		827			
4	Health and Protection Services	Director's Office		5	
			Provincial (waiting for the devolution)	54	
		Protection Services	Disaster Management		12
			Community Safety Services		2
			Fire Fighting Services		64
TOTAL		137			
5	Budget and Treasury Office	Chief Financial Officer's Office		4	
		Expenditure		21	
		Supply Chain Management		32	
		Budget and General		6	
		Revenue Services		55	
		Accounting and Reporting		21	
		TOTAL		139	
6	Land, Human Settlements and Economic	Director's Office		4	
		Land and Housing		20	

	Development	Local Economic Development	Environmental Management	5
			Heritage	5
			Agriculture	8
			SMME and Co-Orps.	3
		TOTAL		
GRAND TOTAL FOR ADM			1332	

After the analysis of the functioning of the organogram and considering the new strategies of the institution for the next five (5) years, it has become necessary that the following new posts be created to enhance the effectiveness and efficiency in the institution:-

NO	DEPT	COMPONENT	POST	PROPOSED TASK GRADE	NO. OF POSTS	COST	
1.	Budget & Treasury Office	Budget and General	Senior Accountant	12	1	R266 628.00	
2.		Budget and General	Assistant Accountant	10	1	R198 060.00	
TOTAL					2	R464 688.00	
3.	Engineering Services	PMU	General Manager	18	1	R732 540.00	
4.		Water Services Provider (WSP)	Plant Superintendant	12	16	R4 266 048	
5.		WSP	Control Technician	14	1	R331 608	
6.		WSP	Senior Technician	12	2	R533 256.00	
7.		WSP	Asset Controller	11	1	R229 500.00	
8.		WSP	GIS Technician	12	1	R266 628.00	
9.		WSP	Artisan Plumber	9	3	R535 716.00	
10.		Plant Operator	Admin Asstant	6	5	R588 300.00	
11.		WSP	Edams Administrator	9	1	R178 572.00	
12.		WSP	ISD Facilitator	11	1	R229 500.00	
13.		WSP	Senior Handyman	7	2	R291 864.00	
14.		WSP	Handyman	5	4	R412 464.00	
15.		WSP	Maintenance Superintendant	12	4	R1 066 512.00	
16.		WSP	Maintenance Planner	10	1	R198 060.00	
17.		WSP	Senior Plant Operator	7	8	R1 167 456.00	
18.		WSP	Plant Operator	6	21	R2 470 860.00	
19.		WSP	Technical Assistant	7	2	R291 864.00	
20.		WSP	General Assistant	3	34	R3 199 128.00	
21.		Engineering Services	WSP	Superintendant (urban)	12	1	R266 628.00
22.			WSP	Driver	6	2	R235 320.00
23.	WSP		Borehole Operator	4	3	R287 460.00	
24.	WSP		Financial Clerk	6	1	R117 660.00	
25.	WSP		Health and Safety Officer	13	1	297192.00	
26.	WSA		Sanitation Resource Co-ordinator	13	1	R297 192.00	
27.	WSA		Assistant sanitation Promotion Officer	9	1	R178 572.00	

28.		WSA	Property Caretaker	4	1	R101 664.00
		TOTAL			119	R19 504 104.00
29.	Health and Protection Services	Fire and Rescue Services	Platoon Commander	9	6	R1 071 432.00
30.		Fire and Rescue Services	Fire Fighters	7	10	R1 459 320.00
31.		Fire and Rescue Services	Fire Prevention Officer	10	2	R396 120.00
32.		Disaster Management	Senior Disaster Management Officer	12	1	R266 128.00
33		Disaster Management	Assistant Disaster Management Officer	9	1	R178 572.00
			TOTAL			20
34.	Municipal Manager's Office and Strategic Planning and Management	Office of the MM	Chief Project Manager	17	1	R638 556.00
35.		IDP and PMS	Administrator	8	1	R161 280.00
36.		IT	Manager: GIS	15	1	R475 476.00
37.		IT	Business Systems Analyst	15	1	R475 476.00
38.		IT	GIS Operator	11	2	R459 000.00
39.		MSU	Information Technology Manager	15	1	R475 476.00
		TOTAL			7	R2 046 708.00
40.	Land, Human Settlements and Economic Development	Enterprise Development	Film Development Officer	12	1	R266 128.00
41.		Development Planning and Projects Implementation	Senior Development Facilitation Officer	12	1	R266 128.00
			TOTAL			2
42.	Corporate Services	Wellness and Safety	Manager	15	1	R475 476.00
43.		Office of the Director	Office Administrator	10	1	R198 060.00
44.		Fleet (car wash)	General Assistant	3	4	R99 828.00
45.		Skills Development	Administrator	8	1	R161 280.00
46.		OD & Recruitment	Senior HR Officer	12	1	R266 628.00
47.		Payroll	Chief Leave Clerk	9	1	178 572.00
48.		Payroll	Assistant Payroll Administrator	7	1	R145 932.00
49.		Fleet	Driver	4	1	R101 664.00
50.		Hospitality	Tea Lady	3	1	R99 828.00
			TOTAL			12
SUB TOTAL					162	R27 647 096.00

3.2 PERSONNEL ADMINISTRATION

The purpose of the Personnel Administration unit is to provide personnel support especially in relation to payroll and benefit administration within ADM and support to Local Municipalities under its jurisdiction.

The key functions are:

- The payment of salaries for 50 Councillors and 1350 employees
- The maintenance of Personnel records of Councillors and employees
- The administration of Councillor and employee benefits
- The provision and interpretation of conditions of service and relevant legislation

Challenge:

- The unit is faced with the difficult of providing an efficient service to the employees due to the tight timeframes as the cut off date 15th.
- The Office of the Auditor General identified that leave applications were not captured correctly due to the fact that the leave was not checked by a Senior employee.

Possible Solutions:

- The request for the closing date of the payroll to be changed from the 15th to the 10th of the month so as to allow additional time for checking the payroll or to employ an additional payroll employee to assist with the capturing of the data, thus shortening the capturing time and providing for time for checking of the payroll.
- To employ a Chief Clerk to take over the supervision of the two Senior Leave clerks, to produce monthly leave reports, to check the leave and the monthly reconciliation of all departmental attendance registers.

3.3 LABOUR RELATIONS

The Municipality enjoys workplace stability owing to excellent relations with Organised Labour, who have conducted themselves as true partners in service delivery, and expressed faith at the bona fides of the Municipal leadership's honesty to resolve issues. Such is this faith that for more than three years, Organised Labour voluntarily forfeited its legal right as alternate chairperson of the Local Labour Forum, in favour of the Employer continuing to chair LLF meetings.

For years running, the Municipality has not had a single labour dispute, something attributable to honest, timeous and transparent engagement on issues affecting our human resources. Meetings of the Local Labour Forum are used to deal with issues emanating both from the employer and the Unions. The principle of fairness is regarded as sacrosanct when dealing with disciplinary matters. This has manifested itself in a hundred percent success rate in external arbitration proceedings brought against the Municipality. It has made SALGBC Commissioners to regard ADM as a fair employer that does not advance opportunistic and frivolous defence at arbitration proceedings.

Challenges

With the growth of the institution following processes of transfer of staff from Local Municipalities, the work of the unit increased significantly. Cases frequently dealt with include alcohol related incidents, abscondment and absence without authorisation. Exacerbating the situation has been the management/supervisory ignorance or at best, laxity in dealing with these transgressions.

Possible solutions

A more proactive approach to LR matters will go a long way towards reduction in the number of misconduct cases. To this end a labour relations plan detailing activities to be undertaken to minimise DC cases will be developed by the Unit. Also, training on disciplinary hearings took place in December 2011, where managers, supervisors and shop stewards took part. It is envisaged that out of these with the exception of the latter, a pool of Presiding Officers will be established.

INDIVIDUAL PERFORMANCE MANAGEMENT

Council adopted a Performance Management Framework that allows for the measurement of individual performance with effect from 1 July 2010. Cascading of performance to levels below Section 7 employees is done through Accountability Agreements (AAs) and Performance Promises (PPs). Departments' performance on AAs and PPs is

monitored through templates signed off by HODs or Office Managers. All Departments are consistent in submitting individual performance reports to Corporate Services.

Challenges

The non-implementation of the reward system is a threat to the system, as some view it as just another compliance issue.

Possible solutions

The reward system as contained in the Performance Management Framework of the Municipality must be implemented once the system flows smoothly, possibly July 2012. To this end Departments would need to cater for this in their budgets for the 2012/13 financial year and beyond.

As a guidance to departments, the following flowchart was developed by the Corporate Services Department.

ADM'S PERFORMANCE MANAGEMENT SYSTEM FLOWCHART

	ACTIVITY	PROCESS	DUE DATE	RESPONSIBLE PERSON
	PLANNING			
1.	Prepare AA/PP for self • Discuss with Supervisor	Complete Form	8 th	AA/PP Holder & Supervisor
2.	Submit to Rep	Complete Checklist	9 th	AA/PP Holder /Supervisor
3.	Reps to Report to Manager for Outstanding Forms	Complete Checklist	10 th	Reps
4.	Reps to submit checklist to HoD	Checklist	11 th	Rep → HoD
	EVALUATION			
5.	Commence Evaluation	Complete Form	1 st	AA/PP Holder/Manager
6.	Complete Evaluation	Complete form	5 th	AA/PP Holder/Manager
7.	Submit to Rep	Complete Checklist	7 th	Manager → Rep
8.	Submit to Senior manager	Forward checklist	9 th	Manager/Rep
9.	Submit to HoD	Forward checklist	11 th	Snr Manager → HoD
10.	Submit to CS PMS Controller	Forward checklist	12 th	HoD → PMS Co-ord.

After 10, Commence Process Cycle from 1 above

LABOUR RELATIONS	
Objectives of the Program/Sector	<ul style="list-style-type: none"> To advance economic development, social justice, labour peace and the democratization of the workplace by fulfilling the primary objects of the Act.
Legal Framework (role of each sphere of government)	<ul style="list-style-type: none"> Labour Relations Act Basic Conditions of Employment Act SALGBC Collective Agreement on Discipline and Dispute resolution
Current scenario/situation	<ul style="list-style-type: none"> Unit is fully staffed , Functional and operational Manage the Local labour Forum Advise management and Employees
Challenges/ potential problems (weaknesses and threat)	<ul style="list-style-type: none"> Unavailability of trained staff to chair disciplinary hearings. Reluctance of managers to chair proceedings Trained staff sometimes have other work commitments. Presiding officers (ADM staff) not being clear on ADM disciplinary processes. ADM staff not familiar with ADM policies which results in infringements.
Remedial Action	<ul style="list-style-type: none"> More staff be trained on how to chair disciplinary hearings.

	<ul style="list-style-type: none"> • Create a pool of trained staff to chair disciplinary hearings • Staff that are qualified to presiding over hearings be rotated strategically in order not to impact on their day to day operations. • ADM staff be continuously workshopped on policies to ensure they are aware of what is expected of them
	<ul style="list-style-type: none"> • PERFORMANCE MANAGEMENT BELOW S57
Objectives of the Program/Sector	<ul style="list-style-type: none"> • To cascade PMS implementation to staff below Section 57 Managers
Legal Framework (role of each sphere of government)	<ul style="list-style-type: none"> • The Municipal Systems Act • ADM Performance Management Framework
Current scenario/situation	<ul style="list-style-type: none"> • Employees in all departments have been trained on the implementation of the PMS system
Challenges/potential problems (weaknesses and threat)	<p>Not all employees are doing AAs and PPs. Late submission by departments Reward for excellent performance not yet implemented</p>
Remedial Action	<p>Simplification of AA/PP templates Implementation of the reward system in the 2012/13 financial year</p>

Records Management

ADM has an approved Records Management Policy and Records Management Procedure Manual. An approved File Plan is in existence, but has been amended to effect the structural changes of the institution. The amended File Plan is still awaiting for approval by Provincial Archives. Promotion of Access to Information manual was adopted in 2003. ADM had a designated Records Manager but a Records Manager has since been appointed. ADM has a centralized records management system that ensures a uniformity of methods.

Challenges

- Non-disposal of records resulting in a challenge of space. Inactive records dating back to the 1930's, which are no longer required for administrative purposes are still retained and due to space challenges are kept at Whelan workshop which does not fully conform to archival standards.
- Promotion of Access to Information manual was never reviewed since its adoption in 2003 despite institutional developments that have since taken place.
- Training is identified by National Archives and Records Service Act 7 of 2003 as one of the crucial elements in ensuring sound records management but in ADM there is no adequate training for records office staff.
- No proper maintenance of records due to shortage of space.
- No records control schedule for records other than correspondence and no register of files opened.
- Delays by Provincial Archives in approval of amendments to the File Plan.
- ADM established 7 satellite offices. Officials in these offices deal with correspondence in the performance of their duties, but there is no formal arrangement pertaining to the management of records.

POSSIBLE SOLUTIONS

- ADM needs to undertake the process of disposal by liaising with Provincial Archives for assistance and guidance in order to obtain the disposal authority.
- Promotion of Access to Information Manual to be reviewed and updated to reflect the current state of affairs at ADM.
- Training should be provided to the Records Office staff to ensure sound records management in ADM.
- Due to the institutional growth, ADM needs to have its own building that will have adequate registry office.
- Training of staff will assist in the development of Records control schedule and register of files opened in compliance with the National Archives Act.
- Senior Management intervention to expedite the approval of the amended file plan by Provincial Archives.
- Registry Clerks in satellite offices should be appointed and trained in records management to ensure that ADM complies with the National Archives Act.

3.4 Fleet Management

The fleet management function is located with the Corporate Services Department. The main function of this section is to ensure repairs and maintenance of the municipal vehicle fleet and the upkeep of fleet management data.

The current municipal fleet consists of 292 vehicles in total which can be categorised as follows:

TYPE OF VEHICLE	TYPE OF VEHICLE
Sedans	31
Trucks	25
Microbuses	3
Fire Engines	6
Mobile Clinics	12
Bakkies	209
Mercedes Benz ML	3
Tractor	1
Panel Van	2

A total number of 14 additional and replacements of fleet have been requested by ADM Departments for the financial year 2011/2012.

The Department has just finished reviewing its Fleet Management Policy and Procedures Manual. It has been submitted to Council Structures for review and approval. In addition to the fleet management policy, a procedure manual has been developed and added to the policy document. Also, a maintenance and repairs policy and procedure manual has been added to the fleet management policy.

In managing its vehicles, the Department uses the services of Netstar Altech Fleet Solutions. Netstar provides comprehensive fleet management services and a vehicles' database and generates weekly, monthly and quarterly reports for the Department.

I. GENERAL PERFORMANCE

Netstar was appointed to implement a Fleet Management System for all ADM vehicles. The system has assisted in the monitoring and the control of the vehicles. It is hoped that the installation of the system will curb the number of incidents that involve abuse of the ADM vehicles. The system monitors the overall performance of the vehicles and produces reports thereafter. A bureau was set up within the ADM for prompt reporting and response to incidents that are identified by the system. The Bureau offers:

- Vehicle/Driver Overview Report (shows over Revs per min,
- Harsh breaking & acceleration and number of trips per day travelled by vehicle),
- vehicle trip replay report (shows trip time for departure and arrival),
- vehicle over speeding summary (shows vehicle speed, distance travelled and location).

Out of the 232 vehicle the bureau has on the system the 7 below mentioned vehicles have been the most uncooperative vehicles for the period of July to September.

II. OVER SPEEDING

Reports show that most road crashes within the Eastern Cape are due to Human error, including speeding, perilous overtaking, alcohol and drug abuse, driver distraction such as speaking on cell phones, and poor driving standards. It is hoped that the presence of the monitoring system will deter drivers from speeding and therefore reducing the number of accidents that council vehicles are involved in.

III. TIP OFF ANONYMOUS

The ADM Tip-offs Anonymous is a unique and innovative solution designed to curb bad driving amongst council drivers. It is a completely confidential whistle blowing hotline service operating 24-hours a day, 365 days a year. Any member of the community can now report fraud and inappropriate activities involving Council vehicles in a safe,

confidential and secure way. These tip offs are being investigated, where necessary disciplinary action will be taken.

IV. ACCIDENTS

The Accident Committee is fully functional. Its main purpose is to reduce accidents involving ADM Council owned vehicles. It meets monthly to decide if vehicle accidents are avoidable or unavoidable on the part of Council drivers. Thereafter it submits notification of findings and informs Council drivers via department heads. Department heads are expected to action against the drivers that are found to be negligent by the Committee.

V. CAR WASH

The Fleet Management Policy stipulates that ADM Council Vehicles must be kept clean at all times. A decision was taken by management to establish its own internal carwash by appointing four unemployed youth in the Buffalo City Area. East London based vehicles make use of the Whelan carwash facility. An average of 6 to 7 vehicles per day are cleaned, five days a week.

In order to ensure that vehicles allocated and utilised in the satellite offices are kept clean at all times an interim arrangement was made for them to use petty cash to wash their vehicles.

The challenge that the car wash currently faces is that ADM officials are not bringing the vehicles to the car wash on a regular basis citing work commitments and the fact that the Whelan workshop is far and it is time consuming to go there. There are no drivers within the fleet unit to take the pool vehicles to the car wash.

VI. CHALLENGES AND REMEDIAL ACTIONS

ADM Fleet Management still poses challenges, included in these challenges are improving compliance, improving communication, reducing costs, and improving service delivery.

- a. The Fleet Management Policy had no provision for reporting purposes on the number of vehicles owned and maintained by ADM.**
 - The Fleet Management Policy was reviewed and now includes a procedure manual as well as a maintenance and repairs policy and procedure manual. It was submitted to the Departmental Policy Workshop. It is now awaiting approval from the ADM Council structures.
- b. Deteriorating and ageing of the assets remain a challenge because repair and maintenance costs of vehicles and equipment older than accepted replacement norms come at a high cost to the Municipality.**
 - The Fleet Management Policy was reviewed and now states that all ADM Council vehicles must not be kept for longer than 5-6 years or go beyond 200 000km. Once they have reached the time stipulated or reach the km stipulated they are to be disposed of.
 - There is an auction schedule for the 7th of October where vehicles that are no longer in use will be disposed of.
- c. There is a challenge with regard to the effective and proper management and control of vehicles that are permanently allocated to departments and satellite offices.**
 - Three Regional HR Clerks were hired to assist in the management and control of vehicles allocated to satellite offices.
 - A Fleet workshop has been planned for the 14th of October for all officials dealing with Fleet.
- d. There are security concerns around the parking and especially overnight parking of vehicles**
 - A tender has been prepared to procure more security staff for all ADM offices and especially satellite offices.
 - A tracking system has been installed in all ADM Council vehicles to monitor their movements.
- e. Accredited service providers to effect repairs and maintenance in the local municipalities are not readily available resulting in delays to effect such. Down time on vehicles adversely affect service delivery.**
 - Recruitment of accredited maintenance and repairs service providers for maintenance of ADM Council vehicles will be prepared in line with ADM Supply Chain Management processes.
- f. Drivers in departments and satellite offices are still defaulting on the completion of vehicle authority trips although this is on the decline.**

- HR clerks have not been tasked to assist with control of Trip Authorities.
- A Fleet workshop has been planned for the 14th of October for the following officials to address issues pertaining to Fleet Management. Trip Authorities will be one of the critical issues to be addressed during this session:
 - HR Clerks
 - Admin Assistants in satellite offices
 - All Fleet staff based at head office and Whelan
- The Admin Officer: Fleet has been tasked with the checking of all Trip Authorities when they are submitted to ensure proper compliance

g. High accident rates and safety of ADM employees

- The installation of the Netstar tracking system has dramatically decreased the number of accidents. The system reports on key vehicle attributes like speed, distance, geographical locations and vehicle usage issues like harsh breaking and acceleration.
- An Accident Committee was formed and is now in place and fully functional. The committee oversees all accidents and takes actions against drivers who are found to be negligent.
- The post of a Compliance Officer has been created to ensure compliance of all ADM drivers to the new AARTO.
- Safe Driving Awareness Campaign is currently underway and has held two workshop already to address issues of employee safety. Thereafter all drivers will be required to sign a pledge that will be evidence of each driver having gone through the awareness workshop.
- A Tip-Off Anonymous facility which has been instrumental in the curbing of reckless driving on the road.

OTHER CHALLENGES THAT NEED TO BE ADDRESSED

- h. There is a challenge with regard to the effective and proper management and control of vehicles that are permanently allocated to departments. Possible solution would be the centralisation of all fleet functions within the fleet unit located in the Corporate Services Department.
- i. No regular inspection of vehicles as the Fleet Management Policy stipulates due to staff shortages within the unit.
- j. There is no prior testing of officials that will be driving ADM Council vehicles.
- k. Fleet unit has no drivers. When a situation arises where a driver is needed Admin staff must leave their office functions and go and drive. This presents a challenge even when vehicles need to be washed because there are no drivers to take them to the car wash.

3.5 Employment Equity Plan

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 ADM it was discovered that at ADM colour is no longer a problem but the main challenges are:

- 1) under –representation of females and
- 2) Gross under representation of people with disabilities.

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

ADM Employee Profile Including people with disabilities

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

Occupational Levels	Male	Female	Foreign Nationals	Total
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	A	C	I	W	A	C	I	W	Male	Female	
Top management	4	0	0	1	2	0	0	0	0	0	7
Senior management	26	2	0	4	12	0	0	6	1	0	51
Professionally qualified and experienced specialists and mid-management	51	4	1	6	47	3	0	3	0	0	115
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	83	6	0	5	105	5	2	13	0	0	219
Semi-skilled and discretionary decision making	127	0	0	3	100	7	2	3	0	0	242
Unskilled and defined decision making	426	0	0	0	136	3	0	0	0	0	565
TOTAL PERMANENT	717	12	1	19	402	18	4	25	1	0	1199
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	717	12	1	19	402	18	4	25	1	0	1199

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	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1	0	0	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	1	0	0	1	0	0	0	0	0	0	2
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	1	0	0	1	0	0	0	0	0	0	2

Comparative Table of the Status Quo and Targets and Goals per Occupational Level

Occupational Levels	Male				Female				FN		Total
	A	C	I	W	A	C	I	W	M	F	
Top Management	4	0	0	1	2	0	0	0	0	0	7
June 2010 (% actual)	57%	0%	0%	14%	29%	0%	0%	0%	0	0	
June 2010 (% target)	61.3	1.3	0.1	2.1	30.3	1.8	0.5	2.6	0	0	
June 2011 (% target)	56.6	2.6	0.7	2.1	31	4	1	2	0	0	
June 2012 (% goal)	50.9	4	1	2.1	35	4	1	2	0	0	
Senior Management	26	2	0	4	12	0	0	6	1	0	51
June 2010 (actual)	51%	4%	0%	8%	24%	0%	0%	12%	2%	0%	
June 2010 (target)	61.3	1.3	0.1	2.1	30.3	1.8	0.5	2.6	0	0	
June 2011 (target)	56.6	2.6	0.7	2.1	31	4	1	2	0	0	
June 2012 (goal)	50.9	4	1	2.1	35	4	1	2	0	0	
Mid-Management	51	4	1	6	47	3	0	3	0	0	115
June 2010 (actual)	44%	3%	1%	5%	41%	2%	0%	2%	0	0	
June 2010 (target)	61.3	1.3	0.1	2.1	30.3	1.8	0.5	2.6	0	0	
June 2011 (target)	56.6	2.6	0.7	2.1	31	4	1	2	0	0	
June 2010 (goal)	50.9	4	1	2.1	35	4	1	2	0	0	
Skilled Technical	83	6	0	5	105	5	2	13	0	0	219
June 2010 (actual)	38%	3%	0%	2%	48%	2%	1%	6%	0	0	
June 2010 (target)	61.3	1.3	0.1	2.1	30.3	1.8	0.5	2.6	0	0	
June 2011 (target)	56.6	2.6	0.7	2.1	31	4	1	2	0	0	
June 2010 (goal)	50.9	4	1	2.1	35	4	1	2	0	0	
Semi-skilled	127	0	0	3	100	7	2	3	0	0	242
June 2010 (actual)	52%	0%	0%	1%	41%	3%	1%	1%	0	0	
June 2010 (target)	61.3	1.3	0.1	2.1	30.3	1.8	0.5	2.6	0	0	
June 2011 (target)	56.6	2.6	0.7	2.1	31	4	1	2	0	0	
June 2010 (goal)	50.9	4	1	2.1	35	4	1	2	0	0	
Unskilled	426	0	0	0	136	3	0	0	0	0	565
June 2010 (actual)	75%	0%	0%	0%	24%	1%	0%	0%	0	0	
June 2010 (target)	61.3	1.3	0.1	2.1	30.3	1.8	0.5	2.6	0	0	
June 2011 (target)	56.6	2.6	0.7	2.1	31	4	1	2	0	0	
June 2010 (goal)	50.9	4	1	2.1	35	4	1	2	0	0	

Limitations Towards Achieving Goals

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

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

Opportunities/Enables

Opportunities that were identified include the following:

- embarking on eliminating the identified barriers,
- consideration of giving bursaries to women and people with disabilities,
- in service-training,
- establishing formal relations with the associations dealing with people with disabilities and just discovered that the Office of the Premier has a database for people with disabilities and their educational qualifications and experiences,
- Implementation of the recently developed Talent Retention Strategy,
- to integrate goals with the performance management system of all heads of department.
- to ensure that all managers and supervisors participating in ADM selection panels are sensitive to EE issues and always discuss it in their selection sessions.

3.6 Human Resource Development

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

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

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

Councillors

- Certificate in Local Government & Administration
- Basic Project Management
- Public Management
- Financial Management

Officials

- Plumbing,
- Basic First Aid,
- Project management,
- Basic Excel,
- Intermediate Excel,
- Intermediate Powerpoint,
- Debt Collection,
- National treasury Reporting,
- Tool Training,
- Water Care,
- Occupational Health & Safety, Advanced project management,
- CIDB Training and Workshop on Training Committees.

District Human Resources Development (HRD) Strategy

With the development of the HRD Strategy for South Africa 2010 -2030 as well as the Provincial HRD Strategy, ADM resolved that a District HRD Strategy be developed that would be aligned to the two HRD Strategies mentioned above. During the formulation of strategies for the 2010/2011 financial year, Amathole District Municipality (ADM) took a decision to develop and implement a District Human Resources Development Strategy (HRD strategy) and align it with the HRD Strategy for South Africa (2010-2030) as well as the Provincial HRD Strategy. This decision was informed by a number of challenges facing local government at large, which can be attributed to lack or shortage of skilled employees,

among other factors. In developing this strategy, a number of applicable pieces of legislation, policies, political announcements and relevant IDP programmes and initiatives were taken into cognisance.

The Human Resource Strategy was developed and adopted in 2010-11 in line with the HRD Strategy for South Africa 2010 -2030 as well as the Provincial HRD Strategy. Subsequent implementation of the strategy is anticipated for 2011-12 and the budget is anticipated at R1 million rand.

The District Human Resources Development Strategy 2010-2015 is in place and will be adopted by Council in line with the IDP review process. With the development of the Strategy, the entire Municipality will be able to understand the Skills Development dynamics of the District, including the status of skills development in the District. This understanding will enable the District to plan relevant skills development initiatives accordingly, in order to improve on service delivery. The implementation of the Strategy is due to commence in 2011/2012 financial year.

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

Although ADM already embarked on a number of initiatives and programmes aimed at mitigating skills shortages within our area of jurisdiction, we have realised that this is done in a fragmented fashion. This HRD Strategy will be used as tool to better coordinate, align and integrate human resources development initiatives that are already taking place at ADM. It will be reviewed and improved on a regular basis to keep abreast with government's developments in the human resources development area.

WORKPLACE SKILLS PLAN (WSP)

The Workplace Skills Plan was developed, adopted and implemented as per the training interventions above.

According to the Government Gazette of June 2005, all employers are expected to submit their Workplace Skills Plans to their respective SETAs by the 30 June of each financial year. Employers are also expected to prepare monitoring reports on any training that has taken place as per the submitted WSP, and submit same to their SETAs on monthly basis. The following programs are reflected in ADM's WSP:

Municipal Finance and Administration Learnership Programme (NQF 4)

Assessments and re-assessments were conducted and moderation results were sent to the LGSETA by the Service Provider. Verification was conducted by the LGSETA and certification of candidates is awaited from the LGSETA.

Wastewater Process Operations Learnership and Water Purification Process Operator Learnership (NQF 2)

All Theory Modules have been completed, assessments, moderation and verification were conducted and certification is awaited from the Energy –SETA.

Training of Officials and Councillors

Training is currently being conducted in line with the Council approved Annual Training Programme and an allocated budget of a total amount of R1 200 000 was earmarked for training in 2010/11, and is currently being utilized for both Councillors and Officials. A sum of R400 000.00 was allocated for Councillor Training and R800 000.00 was allocated for Officials for the 2010/2011 financial year.

Fire Rescue Learnership

10 Unemployed learners who were serving as volunteers were selected for the Fire Rescue Learnership. A Service Provider has also been appointed and classes are envisaged to commence between November and December 2010. An amount of R500 000.00 was set aside by ADM to conduct a learnership programme during the current financial year.

DWAF "Once Off" Training

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

Experiential Training

A total number of 19 candidates were exposed to the world of work in the last financial year.

Bursary on Rare Skills

Currently there are five learners on the programme. 1 Female and two Males are currently registered and are progressing well and the other two males are currently undergoing experiential training at Engineering Consultancy Agencies that were approached by ADM with a view to exposing them to parts of the Curriculum that ADM does not offer. Four more candidates will be accepted for the Programme from January 2011.

Adult Basic Education and Training (ABET)

All Local Municipalities were encouraged to take part in this Programme at ADM. The rate of attendance is currently at 97%.

Minimum Competency Level training in line with National Treasury Guidelines

Government Gazette 29967 pronounced on National Treasury's "Minimum Competency Levels" Training which certain levels of municipal employees need to have by June 2013. 75 candidates have been earmarked by ADM as targeted candidates for the programme by 2013. Seven (7) candidates have taken part in the programme thus far. 10 more applications were submitted to the Institute for Municipal Finance Officers (IMFO), which is in partnership with ABSA Bank and LGSETA for the same one year qualification. 07 other applications were submitted to Nelson Mandela Metropolitan University which is in partnership with LGSETA for the very same qualification. 30 more candidates are envisaged to take part in the programme as soon as funds are made available by ADM.

Employee Study Assistance Scheme

15 candidates are currently enrolled for the Employee Study Assistance Scheme/Policy and 35 applications have also been received for the 2011 January intake. Three more candidates are currently undertaking research projects. The number is envisaged to increase with the re-instatement of the Study Assistance Scheme and ongoing enrolments for the ensuing years.

3.7 Information Technology

ADM (Amathole District Municipality) has established an Information Management Unit (IMU) with the main responsibility of providing and maintaining Information Systems (IS) that responds to the information needs and requirements of the municipality. Among its many responsibilities, the unit has to ensure connectivity of ADM users at all times by focusing on the following areas;

- security of all Information Technology (IT) systems and assets;
- availability of systems;
- high performance of systems;
- increase service delivery of ADM to its greater customers through highly effective systems;
- support and maintain systems used by ADM departments;
- ensure IT systems work according to business requirements;
- ensure seamless integration of systems and platforms; and
- to lead delivery of IT systems and services according to industry best practices and government based procedures.

The unit has recently upgraded its ICT infrastructure. The upgrade was meant to ensure that there is continual connectivity for users and also system availability to an acceptable level. Furthermore, the unit has taken up the responsibility of developing the ADM website in-house, in order to manage content easily. This will assist in ensuring that there is less reliance on 3rd parties in content updates and monitoring of timed content.

In order to ensure proper IT governance, the unit has had 12 policies adopted by council. The implementation of the policies will ensure that queries raised by the Auditor General's office are resolved. The queries have been mainly the absence of documentation on procedures which the unit follows in operational matters and the absence of approved policies which govern the operations of the unit. Thus, the adopted policies will assist in this regard.

The unit is currently investigating ways to improve support to local municipalities. The assessment on the support needed by each LM is to ensure that the district municipality assists each local municipality in the area they need the most. The main areas of the assessment are on IT governance, infrastructure, systems integration, capacity issues and Geographic Information Systems (GIS) support. Thus, the assessment of the assistance needed by the LMs will be determined by the projects to be embarked on. In all, the unit will be developing a shared services model which will outline how the municipality will assist LMs and how the services of the municipal support unit will be coordinated with the services from the information management unit.

CHALLENGES

The challenges that the unit is facing are categorised under applications and capacity. They are as follows:

APPLICATIONS

The main challenge that the unit is facing is the lack of integration of ADM applications. This is largely due to the absence of an integrated approach in systems acquisition. The lack of systems integration can easily lead to systems not being used optimally, as the potential of the systems can go unnoticed. In addition, systems integration will assist the municipality in ensuring that the evidence used in audit submissions by departments is system generated. It has been noted that the use of system generated reports in performance reviews is a generally accepted practice by auditors.

Also, the other challenges the unit is facing are:

- Poor document management which has led to audit queries for the past 2 financial years;
- No IT service performance reporting to management. The unit is currently procuring tools that can generate automate reports which will assist in providing reports on system performance. The AG's office, requires IT units to report on systems performance and monitoring to management in order to ensure that IT governance principles are adopted. The reporting to management will be done through the IT Steering Committee;
- Lack of adopted IT project management methodology – this has led to poor project management;
- The non availability of a test centre. The test centre will ensure that all back up tests are tested for recoverability in order to ensure continuity of systems in case of disruptions.

CAPACITY

It has been discovered that the absence of a Business Systems analyst is affecting the alignment of business strategies to IT strategies. ADM has information systems for its key functional areas. However, it has been noted that the systems are not fully utilised, and this is due to the non definition of the business processes that have to be automated. Thus, the systems analyst will ensure that there is a constant alignment of strategic issues to the IT strategies. This alignment, is not done once, but is supposed to be a continuous exercise which leads to maximisation of the use of information systems. When analysing the system, other factors such infrastructure, capacity, readiness and maturity of the organisation are considered so that feasible steps are taken in increasing system usage.

REMEDIAL ACTIONS

The remedial actions are as follows;

- Capacitate middle managers on IT project management. This will resolve issues such as document management, project management through the systems development life cycle;
- Fast track appointment of Business Systems analyst for business process mapping and analysis;
- Set- up a test centre for changes to systems to be tested before running on live environment;
- Procure tools that can enhance IT service performance/ monitoring tools;
 - Identify violations to policy;
 - Usage of software or hardware;
 - Identify intruders to ADM network;
- Resuscitate IT Steering Committee and District IT forum – for performance monitoring and reporting;
- Engage the services of a Network Engineering to assess and re-configure the network to ensure connectivity of all applications;
- Develop IT based shared services model, in order to assist LMs with IT support;

4 MUNICIPAL FINANCIAL VIABILITY

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

Intended Outcome: Improved financial management and accountability.

4.1 Financial Management

According to Chapter 9 of the Local Government Municipal Finance Management Act 56 of 2003 under the Credit Control and Debt Collection, section 95 which deals with Customer Care and management provides that in relation to the levying of rates and other taxes by a municipality and the charging of fees for municipal services, a municipality must, within its financial and administrative capacity-

- (a) establish a sound customer management system that aims to create ~ positive and reciprocal relationship between persons liable for these payments and the municipality, and where applicable, a service provider; 10
- (b) establish mechanisms for users of services and ratepayers to give feedback to the municipality or other service provider regarding the quality of the services and the performance of the service provider;
- (c) take reasonable steps to ensure that users of services are informed of the costs involved in service provision. the reasons for the payment of service fees, and 15 the manner in which monies raised from the service are utilised:
- (d) where the consumption of services has to be measured, take reasonable steps to ensure that the consumption by individual users of services is measured through accurate and verifiable metering systems:
- (e) ensure that persons liable for payments, receive regular and accurate accounts that indicate the basis for calculating the amounts due;
- (f) provide accessible mechanisms for those persons to query or verify accounts and metered consumption, and appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;
- (g) provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality;
- (h) provide mechanisms to monitor the response time and efficiency in complying with paragraph (g); and
- (i) provide accessible pay points and other mechanisms for settling accounts or 30 for making pre-payments for services.

POLICIES

ADM has developed and reviewed the following Policies which were tabled before Council on 23 March 2012:

- 1) Tariff Policy
- 2) Indigent Policy
- 3) Budget Policy
- 4) Asset Management Policy
- 5) Credit Control & Debt Collection Policy
- 6) Subsistence & Travel Policy
- 7) SCM Policy

FINANCIAL SYSTEMS

The following financial management systems are in place:

- 1) VENUS for financial reporting
- 2) DIMS for Project Management
- 3) BAUD for Asset Management

- 4) DOCUMENT for project management and procurement

4.2 Budgeting

Budgeting is done for a three year period, with indicative figures being given by treasury for grant funding for a three year period. Internal revenue streams are forecast based on prior years and a growth percentage. Growth percentage is determined utilising the average consumer price index from February to January of each year.

Challenges

The review of the account structure for revenue and expenditure as well as the enforcement of compliance to eliminate misallocations is an issue. This results from the premise that the Venus system does not keep up with changes in the Acts and Regulations.

The costing of ADM service delivery functions to determine relevant tariffs and measure adequacy of DORA allocations is another issue which emanates from the inability to quantify the cost to different categories of consumers as well as the inability to classify assets servicing the different categories of consumers. There is a need for the development of a Legislative Compliance Monitoring Tool for ADM as there is no specific allocation of this function institutionally for acts as well as regulations. These issues pose as weaknesses for the Budget Support section of the Budget and Treasury Office.

4.3 Expenditure

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

Challenges:

- **Pink Requisitions and Orders**

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

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

- **Payment Vouchers**

In terms of section 74 (1) (c) of the Municipal Finance Management Act No 56 of 2003, the accounting officer of a municipality must submit to Auditor General such information, returns, documents, explanations and motivation as may be prescribed or as may be required.

The manual system adopted by the ADM for the filing of payment vouchers and journals makes it difficult for officials as well as the auditors to gain easy access to the documentation, as no electronic tool exist which points to the actual physical document required at any given point in time. These payment vouchers and journals are located in an office space that does not make it conducive for the office of the auditor general to conduct the audit on such documents within that space.

- **Commitments Register**

The commitments register is managed as a year-end activity as opposed to daily and monthly maintenance and does not give sufficient details on the projects contained therein. There is a lack of review of SCM functions and processes, relating to the commitments register, which results in conflicting silos of information residing in different departments which result in weaknesses in the structure.

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

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

Circular 49 of the Municipal Finance Management Act No 56 of 2003 mandates the municipality to ensure that all monies owed to the people should be paid within 30 days of submission of invoice. The delivery of payment certificates to the individual project managers as opposed to a centralised office at ADM results in invoices not reaching BTO which results to non-compliance with Circular 49 as required by the Treasury. Orders are not processed for projects making it difficult to track in order to comply with Circular 49.

- **Fruitless and Wasteful Expenditure**

The lack of monitoring and poor communication relating to incidences of fruitless, wasteful and unauthorised expenditure results in deviations and breaches. There are currently no procedures in place to identify, prevent and deal with fruitless expenditure in the event of it occurring.

- **VAT Inclusion/Exclusion**

The arbitrary inclusion or exclusion of VAT on purchases serves as a weakness in the administration of VAT. Although it may not have such an effect on non-material amounts, this inclusion or exclusion serves as a major weakness when reporting on expenditure for material amounts.

4.4 Supply Chain Management

The Amathole District Municipality's (ADM) Supply Chain Management (SCM) Policy seeks to promote an innovative form of targeted procurement, which will encourage socio-economic transformation within its region. The SCM will empower the Amathole District Municipality to continue to redress the skewed distribution of wealth. The SCM will also assist in achieving the goals of poverty alleviation and job creation within its region. The SCM will achieve the above by providing employment opportunities to Historically Disadvantaged Individuals (HDI's) and disadvantaged communities, enabling socio-economic transformation objectives to be linked to fair, transparent, equitable, competitive and cost effective procurement practices. The SCM assists Black Economic Empowerment by providing a helpdesk, targets for the Institution, targets for the heads of departments, advice to tenderers and conducts regular workshops.

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, acquires and compiles a database of Professional Service Providers (PSP), General Service Providers (GSP) and Contractors for the Municipality.
- [d] Manages possible procurement risks by verifying and scrutinising submission of information from tenderers and service providers.
- [e] Manages the disposal of municipal goods no longer needed and/or are redundant.
- [f] Manages the contracts of the Municipality.
- [g] Manages the Municipality's Stores.
- [h] Ensure compliance to all legislation relating to SCM.
- [i] Develop and continuously review the SCM Policy of ADM.

MISSION OF THE SCM UNIT

- [a] Implementation of best practice supply chain management systems/models for the Amathole District Municipality.
- [b] Be transparent in the transactional execution.
- [c] Be efficient and effective.
- [d] Be cost effective in line with demand.
- [e] Ensure availability of goods and services when needed.
- [f] Be professional and an expert.

VALUES

We commit ourselves to providing our services in a professional and demand driven manner. We will offer all role players who interact with us. - Responsible decision making. - Affordable and sustainable services. - Fair access to capacity building opportunities. - Cost effective services based on best practices. - Professional advice which contributes to development.

SCM POLICY

Section 3(1)(b) of the Municipal Supply Chain Management Regulations state that the accounting officer of a municipality or municipal entity must at least annually review the implementation of the supply chain management policy. In complying with the above Regulations, a SCM Policy Review Process is undertaken annually. The purpose of the review process is:

1. To analyse the current Amathole District Municipality SCM Policy.
2. To measure the current performance of the SCM Policy.
3. To identify gaps in the above Policy.
4. To make recommendations for review/changes where applicable.

The ADM's Supply Chain Management Policy was adopted by Council on 31 August 2010, in terms of section 111 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003). The SCM Policy provides systems for Demand Management, Acquisition Management, Logistics Management, Disposal Management, Risk Management and a system for supply chain performance.

The targeted mechanism of the Policy which enhances the development of Historically Disadvantaged Individuals (HDIs) and Historically Disadvantaged Companies (HDCs) clearly demonstrates the focus of the policy.

Major achievements and goals have been realized through the targeted procurement processes and Policies of the ADM. The future focus will be to further enhance the Policy by considering new legislation that has been enacted.

The Policy includes a chapter on Empowerment Goals and objectives which strives towards ensuring that Historically Disadvantaged Individuals (HDIs) are presented an opportunity to participate and function in the mainstream of the economy.

The Policy sets out clear guidelines to service providers/contractors who perform projects on behalf of the Municipality to use local labour based human resources to ensure job creation and development of HDIs in communities where projects will be undertaken.

The policy is currently being reviewed to incorporate the revised Preferential Procurement Regulations, 2011 released by National Treasury aligning the Regulations with the aims of the Broad-Based Black Economic Empowerment Act and its associated Codes of Good Practice.

EMPOWERMENT GOALS : 2011/2012, 2012/2013 AND 2013/2014

CAPITAL PROJECTS

- [a] By June 2012, Council aims to have allocated 50% of its capital projects to HDI's.
- [b] By June 2013, Council aims to have allocated 55% of its capital projects to HDI's.
- [c] By June 2014, Council aims to have allocated 60% of its capital projects to HDI's.

NON-CAPITAL PROJECTS

- [a] By June 2012, Council aims to have allocated 30% of its non-capital projects to HDI's.
- [b] By June 2013, Council aims to have allocated 35% of its non-capital projects to HDI's.
- [c] By June 2014, Council aims to have allocated 40% of its non-capital projects to HDI's.

EMPLOYMENT/JOB CREATION

In all capital projects, preference will be given to service providers who demonstrate labour intensive employment strategies along the following categories and ratios:

- [a] 35% of labour be women [above youth age category of 36 years];
- [b] 35% of labour be youth [men and women];
- [c] 28% of labour be men [above youth age category of 36 years]
- [d] 2% of labour be disabled people [regardless of gender]

OVERALL PERFORMANCE OF THE COUNCIL

In order to measure the overall performance of Council, a percentage of all bids allocated to HDI owned companies and/or joint ventures will be combined to assess the overall performance of the Council.

- [a] By June 2012, Council aims to allocate 50% of all its combined bids to HDI's.
- [b] By June 2013, Council aims to allocate 55% of all its combined bids to HDI's.
- [c] By June 2014, Council aims to have allocated 60% of all its combined bids to HDI's.

REVISED PREFERENTIAL PROCUREMENT REGULATIONS

During the 2011/2012 financial year, the National Treasury released the revised Preferential Procurement Regulations, which have been aligned with the aims of the Broad-based Black Economic Empowerment Act and its associated Codes of Good Practice. The revised regulations are also in line with government's Industrial Policy Action Plan.

The main changes contained in the revised regulations are as follows:

- Previously bidders scored a maximum of 80 or 90 points for price, and 20 or 10 points for black ownership and for promoting specified RDP goals. The points for price will remain unchanged, while bidders will now score up to 20 or 10 points for their *B-BBEE status level of contribution*.
- All bidders will have to submit BEE rating certificates, issued by either verification agencies accredited by the South African Accreditation System (SANAS) or by registered auditors approved by the Independent Regulatory Board for Auditors (IRBA).
- Previously, the threshold value for the distinction between the 80/20 and 90/10 preference point system was R500 000. This has now been increased to R1 million to stimulate the development of small enterprises.
- To promote uniformity throughout the public sector procurement system, the revised regulations will also be applicable to schedule 2, 3B and 3D public entities, which were previously exempt.

The new regulations became effective from 7 December 2011 to allow enterprises to become BEE rated.

BEE COMPLIANCE

BEE compliance is measured by means of a scorecard (a broad based BEE scorecard). The scorecard is based on various elements and companies are measured out of a maximum of 100 points (in some cases it is possible to obtain more than 100 points).

The BEE Codes of Good Practice is a government document that describes how the scorecard works.

The elements on which companies are rated is what make BEE broad-based. It covers various aspects of the economy, society and the company. The seven elements are:

1. Ownership - this measures the percentage of shares in the business that are owned by black people.
2. Management - the directors and top management of the business
3. Employment equity - the employees in the business
4. Skills development - this measures the amount of money spent of training of black employees
5. Procurement – the company's suppliers and their scores
6. Enterprise Development – the company's spend on helping other black owned enterprises
7. Socio-Economic Development – the company's spend on assisting charitable organisations

Each of the seven elements has a certain number of points available. The points can then be earned on an element if targets are met or on a pro rata.

True Empowerment for us is not focusing on one element (usually Ownership) but rather focus on the Broad Based Black Economic Empowerment (BBBEE or BEE) scorecard and the elements within.

The BEE Scorecard and its elements offer businesses a broad opportunity to empower businesses and communities. Each element is tailored to make sure every part of true empowerment is reached.

KEY OBJECTIVES

SCM will be focussing on the following key objectives for the next 3 years:

1. Job creation.
2. Compliance, effective and efficient implementation of supply chain management.
3. Contractor development.
4. Strategic alignment.
5. SCM organisational review.

Challenges

The weakness in the management of procurement deviations and irregular expenditure results in decentralised procurements however, the reporting remains centralised leading to some deviations not being captured during reporting. Decentralised procurements resulting from weak controls in the management of service level agreements (SLA) leads to contracts not being entered into.

Quality assessments of tender proposals are not a requirement as evaluation criteria for tender proposals as a result of the decentralised proposals. More detailed monitoring of service provider performance is required as the over-reliance of performance assessment of service providers by the project managers leads to weak controls. The inability to report on EPWP projects results in the absence of management of the projects register on EPWP.

No financing vehicle has been identified by ADM to assist emerging suppliers. A financing model must be developed within ADM to alleviate this weakness. No identified commodities have been set aside to address the inadequate targeting of SMME's and Cooperatives.

Project managers are not sticking to their planned dates for their projects resulting in under-spending on projects. A tool to track the identity of service providers in the service of the state does not exist resulting in compromised credibility of some service providers exposing ADM to poor service delivery.

4.5 Revenue

- **Meter Reading**

During the 2009 / 2010 financial period, the Budget and Treasury (BTO) faced a challenge in that the meter reading function was located within the Engineering Department, resulting in difficulties with the supervision of Meter Reading staff.

To address this challenge the institution took a decision to transfer the meter reading function to the Revenue Section of BTO with effect from 1st July 2010 as the billing unit of this section relies on the meter reading data provided by Meter Readers on a monthly basis to ensure accurate consumer billing takes place.

Inaccurate meter reading information resulting from some of the meter reader's inability to use the devices supplied for meter reading. There still exist a high number of faulty meters which need replacement as well as a high number of unmetered households.

- **High levels of indigents in the Amathole District still exist.**

The ongoing indigent registration campaign aims to assist ADM in ensuring that qualifying indigents within the district who cannot afford to pay for services are registered as indigents in order for them to gain access to the indigent

subsidies. This results in reduced the ability to collect monies owed to the institution which results in the lack of an effective leverage over the ADM's customers.

Capacity issues in terms of enforcing restrictions and by-laws also pose as a weakness.

4.6 Accounting, Reporting and Auditing

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

Functions of the Accounting and Reporting Unit

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

Mission

To assist management in the introduction of an effective and well operating financial management system, thereby providing the Amathole District Municipality with up to date and accurate information to enable it to make timely, informed decisions and to ensure that all financial matters are performed adequately, in compliance with relevant accounting and auditing standards, legislation and Treasury regulations as required to conduct duties in a professional manner.

Values

To provide services in a professional and efficient manner

Challenges

Inadequate training on GRAP for all relevant stakeholders has been identified as a weakness for the preparation of the Annual Financial Statements as the statements have to be prepared according to GRAP standards.

The problem of unidentified funds that are deposited into ADM's bank account persists as inadequate references are used by funders and debtors. The main challenge is that there is no dedicated person assigned to monitor and clear the suspense account.

The ledger structure within Venus needs to be realigned and cleaned as some of the accounts are redundant and have not been used for a while.

Financial Reporting and Auditing

Chapter 12 of the Municipal Finance Management Act No. 56 of 2003, Section 126 (1) the accounting officer of a municipality-

- (a) must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing; and
- (b) must in addition, in the case of a municipality referred to in section 122(2), prepare consolidated annual financial statements in terms of that section and, within three months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.

(2) The accounting officer of a municipal entity must prepare the annual financial statements of the entity and, within two months after the end of the financial year to which those statements relate, submit the statements to-

- (a) the parent municipality of the entity; and
- (b) the Auditor-General, for auditing.

In the 2005/2006 financial year, ADM received a qualification from the Auditor General which was based on infrastructure assets. In 2006/2007 the Auditor General proclaimed an adverse opinion which was based on lack of compliance with accounting standards and also, infrastructure assets taken over from the 7 Local Municipalities within ADM.

In 2007/2008 the Auditor General proclaimed a qualification which emanated from assets, revenue and commitments. Yet again, in 2009/2010 ADM received a qualification, which was based on revenue, commitments and assets. In July 2009 the Minister for Cooperative Governance and Traditional Affairs introduced the launch of Operation Clean Audit 2014. The strategic vision and objective of the project is that by 2014 all 283 municipalities will have achieved clean audits on their financial statements and that by 2011 all municipalities must have dealt or cleaned disclaimers and adverse opinions.

ADM has come a long way in the past few years in moving towards a clean audit opinion. Among the efforts made is a straight forward approach taken by the Budget and Treasury Office to resolve all matters that would normally lead to qualified audit reports in the past, as well as to fast track efforts in addressing identified risk areas. This meant improved internal controls, quality controls of financial reporting, record keeping, revenue enhancement, compliance with relevant legislation, and further risk identification. A number of key controls were identified which are being monitored on a monthly basis. These controls will enable the institution to identify possible problem areas and implement corrective measures to resolve them promptly.

In 2010/2011 financial year, ADM received an unqualified audit report from the Auditor General, with emphasis of matters. Therefore the unqualified audit opinion proclaimed by the Auditor General for 2010/2011 financial year verifies that the financial and accounting transactions of ADM were dealt with in a manner which is consistent with the required financial practices and legislation.

4.7 Asset Management

Asset Management refers to all activities and processes carried out during the cycle of acquisition or construction, maintenance, renewal or refurbishment and disposal of all resources consumed during the provision of services by the municipality to the communities or customers. These resources are consumed on the basis that there is future economic benefit derived from their consumption or their utilisation results in economic benefit for the municipality. These resources range from the water and sanitation infrastructure network used to deliver water and sanitation services to households, vehicles used by personnel to maintain the network, tools utilised in the maintenance of the network, equipment used by field and office staff during the delivery of services, furniture used by staff in support of the services to the communities, materials consumed during the construction of service facilities and work in progress in service infrastructure projects.

Challenges

- Ownership of water assets poses a threat to ADM as the owners of the land through which ADM infrastructure passes have a tendency to restrict our access to that infrastructure causing obstructions and delays in service delivery. The major challenge is that no registered servitudes exist over those lands.
- ADM is an agent for other institutions in respect of low cost housing projects yet is accountable for the housing inventory.

5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Goal: Promote a culture of participatory and good governance.

Intended outcome: Entrenched culture of accountability and clean governance.

5.1 Intergovernmental Relations

The ADM IGR technical structure was established in the 2005/6 Financial year and the terms of reference were developed and adopted before the launch. The function of the structure is to align the planning cycle of the different spheres of government to ensure that the IDP is a reflection of national plans at a local level. The Intergovernmental Relations Forum makes recommendations to Council, the District Mayors Forum (DIMAFO) and TSG, this forum is chaired by ADM Municipal Manager. The finalisation of the review of the Intergovernmental Relations Policy Framework has been halted due to the possible amendment of the IGR Framework Act 13 of 2005. The Provincial IGR Strategy is currently being utilised to align / complement ADM IGR activities.

The Establishment plan requires that meetings of the Technical Intergovernmental Relations Forum be called quarterly to feed / inform the agenda of the DIMAFO. The latter is a political structure constituted by all the Executive Mayors of the local municipalities in Amathole District. It is chaired by the ADM Executive Mayor. The Technical IGR Guide was discussed and presented in the HOD meeting held on the 26th January 2010. In the 2010 / 2011 financial year, an Intergovernmental Relations (IGR) Core Team which consists of: CoGTA, DLGTA, SALGA, all ADM departments was established. The function of the structure is to discuss the agenda of the Technical Intergovernmental Relations Forum. The formation of the structure is in itself an indication of the improvement in cooperation by sector departments.

All local municipalities in the jurisdiction of Amathole District Municipality are aware of the existence of the Intergovernmental Relations Framework Act and the responsibility of ADM in co-ordinating intergovernmental relations in the district. Only a few ADM local municipalities hold meetings periodically to address IGR related issues. Through practice of intergovernmental relations in the district, ADM has signed Memoranda of Understanding with various municipalities and stakeholders to improve its capacity of service delivery e.g. University of Fort Hare, Amatola Water Board, Sedibeng and Ukhahlamba District Municipalities.

Local municipalities are encouraged to enter into inter-municipal relations eg Nxuba local municipality and Nelson Mandela Bay Metropolitan Municipality.

CHALLENGES

- Failure by government structures to utilise Intergovernmental Relations as a planning tool;
- Lack of joint implementation of projects by government structures;
- Lack of clarity on what should be the standing items of an IGR Agenda;
- Lack of follow ups to some signed MoU;
- Local municipalities not having dedicated IGR practitioners;
- Due to political instability in some of the local municipalities in the district, only three local municipalities have functioning IGR fora;
- Policy is yet to be reviewed.

5.2 International Relations

Amathole District Municipality is facing some challenges with its International Relations commitments. Originally the municipality had twinning programmes with three municipalities outside the borders of the country, namely Glasgow City Council, Oxfordshire County Council and Kampala Central Division. Since 2005/6 financial year there has been a smooth running of the partnerships between ADM and the partners.

The twinning programmes with the UK municipalities had come to the end of the stage of the terms of the agreements signed. Parties concerned agreed on the need to continue with the agreements to the next stage. New areas of focus were proposed and agreed upon. At the point of the finalization of the Concept Notes and submission to the funders, Oxfordshire County Council withdrew due to the dissolution of its Council. This meant a lost opportunity for the municipality especially its officials who stood to gain from being capacitated by the more developed partners.

Amathole District is also engaging in International Relations as a strategic tool to improve the capacity of the institution and that of its local municipalities to maximise the delivery of services to their respective constituencies. The district municipality, guided by Salga resolutions, Department of Local Government and the foreign policy of the country has entered into twinning arrangements with sister municipalities in other parts of the world. These sister municipalities ADM partnered with are Oxfordshire County Council and Glasgow City Council, both from the United Kingdom and Kampala Central Division from the Republic of Uganda.

The twinning arrangements, whilst engaging few partners, cover a wide range of areas of co-operation with the main aim being to improve local economic development. Through the partnerships ADM officials received training in such areas as machine manufacturing, HIV and Aids, financial packaging, marketing and communication, heritage – tourism etc. As a result of the skills received there has been some tremendous improvement in the afore-mentioned areas. ADM and Oxfordshire have just finished writing a funding proposal with the assistance of a consultant for the funding of the next phase of the twinning programme with Oxfordshire County Council. This phase will focus on micro lending, heritage-tourism and waste management. Glasgow and ADM are in the process of planning key areas of focus for the next phase of the partnership whilst both ADM and Kampala Central Division are consolidating the programme for future interactions.

CHALLENGES

- ADM has yet to develop an International Relations Policy.
- Co-ordination of international relations activities in the institution remains a problem.
- ADM does not have an International Relations Strategy.
- ADM agreements have no direct linkages with provincial and national agreements.

5.3 Special Programs

The question of ensuring that the services rendered by government and partners impacts largely on the lives of the previously disadvantaged people is growing from strength to strength in Amathole District Municipality. It is no longer the question that the services be extended to the sector but what impact do government programmes have on the designated groups. There is also some growing confidence on the side of these sectors.

The unit is in the process of developing mainstreaming strategies for all designated groups namely children, youth, and people with disability, women, older persons and HIV & AIDS. The plan is to have the strategy adopted and workshopped to both internal and external stakeholders especially to the programme managers of the various departments to enable them to mainstream the designated groups when planning and implementing programmes. The institution does not have departmental champions to ensure responsibility to the cause of the designated groups.

The strategy will also assist in reviving the district forum for the designated groups. It has been established that the challenges with the structures is incapacity in most of its members to sustain their involvement in the structures. Trends show that once the forum is launched they won't struggle to call meetings for themselves. As a result of this, by the time a meeting is convened some of the members have fallen on the way or untraceable to continue with the activities of the forum. This means the forum has been unable to develop an agenda to influence the programmes of the municipality.

The unit has also identified some over dependency of the LMs and the forum on ADM and the government departments. The dependency manifests itself in the form of transportation to and from meetings, office space and even convening the meetings of the respective forum. ADM has to capacitate the structures to enable them to mobilize resources and to forge relations with other structures that are outside government.

Sport Coordination:

In the 2010/11 financial year the sports portfolio was introduced in the unit. The inclusion of this portfolio meant that ADM can now assist with some smaller sporting concerns that arise out of the communities. The 2010 World Cup and related activities were dealt with in this unit. Through the Sports arm of SPU a number of coaches in ADM municipalities have been trained. Various sporting federations including boxing, athletics, netball and wheelchair basketball have received one form of support or other through this unit. Through the Sport portfolio, the Amathole District Municipality coordinates the District Sports Forum on a quarterly basis to attend to issues around the development of sport and strengthening co-operation between the institution and various sport stakeholders within the district. Other services such as the assisting of local sport clubs in accessing funding from private and public sector, assisting sport persons in drafting sponsorship proposals and assisting communities in acquiring sport equipment are initiated by the sport desk.

Challenges:

The challenges faced by the sports programme, amongst others, are:

- There are no sustainable/ continuous programmes that are aimed at developing sport within the district as there are currently ADHOC sport programmes.
- The lack or minimal involvement of the business sector in developing sport in the most rural areas of the district.
- Minimal focus placed on sport tourism
- The incapacity of the local municipalities to support programmes in their areas of jurisdiction.
- There are also some serious challenges of sport amenities in the local municipalities especially in the townships and rural areas.
- The local municipalities have no dedicated personnel to coordinate sports development and will in future have to allocate funding for the capacity building of sports in the local municipalities. (even ADM has only one official dedicated to the development of sport throughout the district and for internal sport programme)
- There is no alignment and cooperation between the Local, Provincial and National Departments of Sports in terms of planning and implementation of sport development programmes.

Service delivery to the disabled people remains a serious challenge. Very little of government programmes impacts on the lives of the disabled people. The issue of disability remains very much stigmatized in our communities and the latter are not safe for the disabled people to live. ADM continues to respond to issues of the disabled on request. ADM SPU unit plans to have a programme that seeks to reach out to all these people in the district and ensure that their plight is attended to.

5.4 Integrated Development Planning and Performance Management

The Municipal Systems Act requires municipalities to adopt and review their Integrated Development Plans, and must in terms of their performance management system set appropriate key performance indicators as a yardstick for measuring performance. Throughout the process of developing the IDP and PMS they must consult the public and involve their stakeholders.

ADM has established an IDP/PMS unit under the Strategic Planning and Management Department. The main function of the unit is planning, coordination, implementation management, monitoring and evaluation. The unit is also responsible for ensuring compliance with relevant local government legislation.

The IDP and PMS function entails the following:

- Coordinate the development and review of the Integrated Development Plan
- Coordinate the development and review of the Performance Management Framework
- Coordinate the development, monitoring and reporting of the Service Delivery and Budget Implementation Plan
- Coordinate the development of the Annual Performance Report and Annual Report

The Clusters that are aligned to the municipality's IDP and PMS resemble the five key performance areas of local government. These clusters assist in aligning the IDP, budget processes and SDBIP which makes it easier for reporting purposes and for the development of the Annual Report.

ADM has also established a District Planning Coordinating Forum that seeks to ensure horizontal and vertical alignment of plans and processes throughout the District. A Municipal Operations Strategy was also developed to ensure efficiency and effectiveness in service delivery and development facilitation.

Cascading of Performance Management System to all levels below the Section 57 Managers has been resuscitated and was re-introduced effective from 1 July 2010. Accountability Agreements and Performance Promises are currently being implemented in a manner that ensures the creation of an interface between the Service Delivery and Implementation Plan and individual performance.

Challenges

- Minimal meaningful contribution by Sector Departments in IDP processes, although involvement has improved tremendously.
- Lack of integrated performance reporting system.
- Lack of monitoring in the implementation of procurement plans and non-adherence to targets set.
- Limited capacity in the established IDP/PMS unit.

Possible Remedial Actions

- Build capacity in the IDP/PMS unit
- IDP planning and SDBIP monitoring to be standing items of Cluster agenda
- Develop an electronic performance management reporting tool
- Address SDBIP Audit queries relating to
 - Non compliance with applicable laws and regulations
 - SMART objectives, indicators and targets

5.5 Support to Local Municipalities

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

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

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

In the past financial year the Municipal Support Unit interacted with the Local Municipalities and conducted a capacity needs assessment and requirements for implementation in the 2011/2012 financial year. The identified projects have been incorporated as part of the operational plan and the Service Delivery and Budget Implementation Plan (SDBIP) of the Strategic Planning and Management Department.

During the 2011/2012 financial year a similar approach has been embarked on to identify interventions for the 2012/2013 financial year. In addition the Unit is conducting a Support Impact Assessment to Local Municipalities of the previous years. The project outcomes will be part of the strategy and approach of the Unit going forward in providing support.

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

Corporate Services support

Local Municipalities have been assisted on policy development and in collaboration with the Office of the Speaker to the fact that there are new Councillors for the Term, a number of the policy workshops and training included Councillors.

The key focus in Great Kei, Nxuba and Nkonkobe was the assistance with the development of the Delegation Policy. The impact of the assistance will be reviewed in the next financial year. The Ngqushwa Local Municipality is being assisted with the development of the Council Resolution Tracking System, that will enable effective monitoring of Council resolutions and implementation thereof.

The Great Kei, Nkonkobe, Nxuba and Ngqushwa Local Municipalities are being assisted with the development of the work skills plan. The project is an intervention to the continuous challenge that the unit is experiencing in working with Local Municipalities i.e. high staff and non availability of suitable qualified and skilled officials at that level.

IDP and PMS support

IDP

Technical support is being provided to all ADM Local Municipalities in the review of the IDPs and monitoring thereof and ensuring that all municipalities falling within Amathole District do comply with relevant legislation. It is very crucial that all spheres of government plan together so as to arrive at integrated development plans that reflect district-wide planning.

The comments from the MEC in the previous four years and from the below table show that municipalities in the District have been improving with no regression experienced in the last financial year. Only Amahlathi municipality that has been constant in receiving a medium rating. Although some have shown improvement or even attained a high in the rating that does not mean all is well but there may be areas in the Key Performance Areas that the municipality may still need to work on.

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

Challenges in IDP development

- Lack of monitoring role of the Accounting Officers.
- Lack of oversight role by Councillors
- Lack of institutionalisation of IDP- The IDP is not seen as a strategic planning document of the municipality and is not integrated with other activities of the municipality such as budget and PMS
- Poor coordination of planning activities between the District and Local Municipalities and between Municipalities and the Provincial government
- Lack of financial resources.
- Inability to attract and retain skills in planning, financial management, information and communications technology and engineering.

PMS

All ADM local municipalities have adopted their Performance Management Framework as requested by legislation and also approved their 11/12 Service Delivery and Budget Implementation Plans according to the regulations. Currently no assessment is conducted on submitted SDBIPs by Provincial Treasury. The Municipal Support Unit is conducting PMS assessment in all local municipalities of Amathole. One of the objectives of the assessment is to identify an ideal situation and identify gaps in the current system and remedial strategies for a credible PMS by 2014.

Annual Report

In terms of section 121 of the Municipal Finance Management Act, municipalities must table Annual Reports to Council 7 months after the beginning of the financial year. In local municipalities, the responsibility of coordinating and developing of Annual Report is with different directorates which causes a challenge for the support unit to monitor and provide the necessary support, another major challenge is that of the level of authority the person coordinating the information has over directorates which gives challenges as information is always submitted at the

last minute compromising the credibility of the annual report developed. All local municipalities have been developing and tabling their annual reports according to legislation.

Section 46 of the Municipal Systems Act requires municipalities to develop annual performance report for the year and this forms part of the annual report. The main challenge is that this particular report has a template provided by Department of Local Government and Traditional Affairs which focuses on particular Key Performance Indicators which at times are not necessarily aligned to the Service Delivery and Budget Implementation Plan, which proves to be difficult to get the information. Also there is annual performance information which is required by Auditor General which is aligned to the SDBIP but in another template or format which proves cumbersome for municipalities to collate and coordinate all this information. Corporate Governance and Traditional Affairs, Department of Local Government and Traditional Affairs, National Treasury and Provincial Treasury will embark on the process to align the templates for ease of PMS implementation.

Challenges in PMS implementation

- Lack of institutionalisation of PMS
- Lack of implementation of PMS framework and policies
- Misalignment of IDP and Budget Lack of monitoring role of the Accounting Officers.
- Lack of oversight role by Councillors
- Lack of monitoring role of the Accounting Officers.
- Inability to attract and retain skills in planning, financial management, information and communications technology and engineering.
- Capacity to conduct performance assessments and evaluations
- Lack of established Internal Audit unit
- Poorly developed Key Performance Indicators, Targets and Strategies
- Poor records management and keeping
- Inability to attract and retain skills in planning, financial management, information and communications technology and engineering.
- Lack of established functional PMS Units

In the coming financial year, the Auditor General will express an opinion on the audited performance information of municipalities, the support unit will have to provide support that will assist municipalities to manage, coordinate and report on performance information.

FINANCE Support

The key focus is gearing the Local Municipalities to obtain clean audits by 2014, therefore the District through the MSU is providing technical support. ADM have allocated R1,5million rand in the 11/12 financial year to assist LM's within the district build the capacity of the financial officials within the LM's to assist in obtaining a clean audit by 2014.

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

Municipality	08/09 Outcome	09/10 Outcome	10/11 Outcome
Amahlathi	Qualified	Unqualified	Qualified
Ngqushwa	Disclaimer	Qualified	Disclaimer
Mnquma	Adverse	Qualified	Unqualified
Mbhashe	Disclaimer	Disclaimer	Qualified
Great Kei	Disclaimer	Disclaimer	Disclaimer
Nkonkobe	Disclaimer	Disclaimer	Qualified
Nxuba	Disclaimer	Disclaimer	Disclaimer

ADM have rolled out the Venus Financial Management system to six LMs, being Nkonkobe, Ngqushwa, Amahlathi, Mbhashe, Nxuba and Great Kei.

ADM has established a Venus training academy whereby training on Venus is undertaken at ADM, whereby 6 Municipalities including ADM attend. It also allows for a learning and sharing environment between officials from the LM's. In the 10/11 financial year, 6 days of Venus training was undertaken and 6 days have been allocated for the 11/12 financial year.

The Local Municipalities are struggling to comply with GRAP 17, regarding fixed assets and many have not yet measured, valued or componentised their infrastructure assets in accordance with GRAP 17. ADM assisted Ngqushwa LM in the 10/11 financial year and Mnqam LM in the 11/12 financial year with funding the compilation of a fully GRAP compliant fixed asset register. Local Municipalities are struggling to fund the costs of implementing GRAP 17. Supply Chain Management (SCM) is not being fully implemented in accordance with the Municipal Finance Management Act and Supply Chain Management Regulations in the Local Municipalities. This is due to a lack of internal capacity within the SCM units, lack of knowledge in SCM by those involved in the SCM process and lack of regard to adhere to laws and regulations pertaining to SCM.

SCM Bid Committee training is being provided to bid committee members in 4 LM's in the 11/12 financial year. Many of the Local Municipalities financial policies are not being reviewed regularly, and the debtors, creditors, bank and value added tax (vat) reconciliations are not being performed on a monthly basis. Local Municipalities are fully dependent on service providers to assist and compile their annual financial statements on an annual basis and the audit report action plans are being compiled but not implemented as there is no monitoring of progress being performed.

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

LAND AND HOUSING Support

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

Housing is the key competency of the Department of Local Government and Human Settlements, however the Municipalities are to ensure land readiness and initiate sustainable initiatives that will encourage livelihood within those communities. Spatial planning is a shared responsibility between province, district and the local municipality. It is against this background that the District Municipality and the Local municipalities ready and structure themselves to respond to these requirements.

Within the Municipalities, there is a number of disjuncture and miss alignments in terms of institutional arrangements as to where and how the function of land and housing should be located and how does it relate to other line departments. Municipalities continue to have a challenge in the proper management of land, wherein plans are developed but are not adhered to. In the past year the Nkonkobe, Great Kei and Mbhashe have been assisted with the review of their Spatial Development Frameworks. In some cases the Provincial Department of local Government assisted the Municipalities with the development of Local Spatial Frameworks i.e. Middledrift in Nkonkobe and Kei mouth in Great Kei Municipality.

During the 2011/2012 financial year the Department of Local Government and Human Settlements has also made funding available for the review of the Housing Sector Plans for all Local municipalities in the Amathole District. The challenge to implement such plans is limitation in terms of human capacity within the LMs and the financial resource to implement the projects.

Continuous engagements with the Key Stake Holder Departments and other role players is key through an integrated planning approach and utilising the Land Reform and Settlement Forum and the Housing Forums that are champion by the District.

ENGINEERING Support

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

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

5.6 Communication and Public Participation

ADM Communications Unit is located in the Executive Mayor's Office, however, staff report administratively to the Strategic Manager. This is a fully fledged unit that consists of Communications Officers, Community Liaison Officers, Customer Care Assistants Chief Events Manager and Communications Manager. The Unit has made concerted efforts to communicate on an ongoing basis with the media and also directly with the affected stakeholders through water forums, account statements, news releases and newsletters.

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

Local municipalities are at the coalface of service delivery and the closest sphere of government to communities. As such, they are held accountable for all government services, even when these functions are not assigned to them. Political tensions are still prevalent in some local municipalities resulting from councilors who were not re-elected during the recent local government elections. As a result some members of the communities are still in support of those disgruntled former councilors who are dissatisfied with how the election process went. The current environment is in a way decreasing the levels of trust initially put on the newly elected councilors by communities in local municipalities.

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

Environment - General

ADM Communications Strategy was adopted by Council in 2010 and is further reviewed annually. It contains an annual communication cycle that serves as a guiding framework for communication activities and programmes. The 2011 reviewed Communications Strategy comes shortly after the national local government elections that took place peacefully on 18 May 2011. Since the ADM took over the role of Water Services Authority, the workload of the Communications Unit has significantly increased. Training in Batho Pele principles for head office took place in 2008. The second phased training took place when field and satellite staff were trained in 2010 on the newly adopted Customer Care Policy and Water Services Charter which included issues on Batho Pele.

ADM has developed an electronic customer care reporting system which is currently at testing stage. Customer care officials and frontline staff have been trained in how to operate the system. Staff morale is decreasing resulting from the current working environment and culture. Change management is desperately needed.

External environment

Several local municipalities in the district are in distress and experiencing financial difficulties. Some senior officials at local municipalities were suspended and/or fired and others are serving in an acting capacity in addition to running their own departments. Several councilors within the district were expelled by their party and there were court interdicts. The political instability at some local municipalities also impacted negatively on administration and service delivery. However, this situation did improve with the appointment of new councillors, but there are still many challenges. The unfavourable environments resulted in some communities feeling dissatisfied with the level of service delivery and lack of information.

There is generally poor confidence in the ability of local municipalities to meet the needs of communities. The lack of communication structures to communicate effectively at local municipal level has exacerbated the communication

gaps which exist between municipalities and their communities. The Government Information Communication System are planning to deploy temporary communication officials at those local municipalities which do not have any communication officials. The ADM has also been in discussion with the Office of the Premier in this regard and it has been recommended the services of unemployed graduates be utilized as part of a communications learnership programme and place the latter at local municipalities where no communications structures exist. A district mentorship programme has also been discussed.

Since the ADM has been undertaking IDP/Budget Roadshows and holding water forum meetings with ward committee members in the local municipalities, there is a greater understanding of the role and function of the ADM versus the role and function of the local municipalities and other government sector departments. However, people still sometimes get confused or deliberately ask questions that relate to other government sector departments or local municipal issues. Sometimes communities still report their complaints on water outages to the media instead of communicating with the ADM as the water services authority.

Public Participation

A range of promotional activities are held throughout the year, as per the communications cycle, including health awareness programmes, Water Week, Sanitation Week, Heritage and Tourism Month, 1 Days of Activism of no violence against women and children, Youth Month, Women's Month, etc. which also serve to promote the interests of special groups such as the youth, gender disabled etc. During each year, ± 70 public participation events/meetings are held within the district. These also provide the local communities with an opportunity to meet their political leaders and to voice their comments, needs, and issues in an unmediated fashion.

In accordance with the Local Government Municipal Systems Act, ADM holds regular IDP/PMS/Budget Representative Forum meetings in drafting its IDP. At the beginning of the planning cycle, advertisements are placed in the local newspaper calling for interested parties to contact the ADM. The IDP/PMS/Budget Representative Forum meetings convene 4 times per year in preparation for each phase of the IDP (Analysis, Strategies, Projects and Integration).

IDP/Budget Road-shows

The IDP/Budget Road-show schedule for the 5 –year IDP of 2012 – 2017 was as follows:

DATE	MUNICIPALITY	TIME	AREA
12 April	Amahlathi	09h00 14h00	Tsomo Cathcart
13 April	Amahlathi	09h00 14h00	Keiskammahoek Stutterheim
16 April	Great Kei	09H00 14H00	Morgan's Bay Qumrha Town
17 April	Ngqushwa	09h00 14h00	Hamburg Peddie
23 April	Mbhashe	11h00	Elliotdale
24 April	Mbhashe	09H00 14H00	Willowvale Dutywa
03 May	Nxuba	09h00 14h00	Bedford Adelaide
04 May	Nkonkobe	07h00 09h00 14h00	Business Breakfast at Fort Beaufort Fort Beaufort Town Hall Alice
07 May	Mnquma	07h00 10h00 14h00	Business Breakfast Venue TBC Butterworth Town Hall Centane
8 May	Mnquma	09H00	Ngqamakhwe
11 May	East London	10H00	Council Open day (Christian Centre)

As part of the IDP/Budget Road-show, ADM also made it a point to consult with all the traditional leaders in the district. Traditional Leaders also form part of the IDP/PMS/Representative Forum meetings.

Challenges

- Lack of capacity and/or dedicated communications officials at Local Municipalities. Often officials at local municipalities double up their functions and are responsible for diverse issues such as communications, local economic development, special programmes etc.
- Inadequate funds at ADM and Local Municipalities.
- Establishment of Thusong Service Centres – all LMs are supposed to have established a centre by 2014. (The OTP have developed a business plan with funding to phase this in).
- Communication activities are conducted haphazardly and uncoordinated at the ADM, local municipalities, and other government departments. Requests for support are sometimes received by the ADM Communications Unit on an ad-hoc basis or at the very last minute which is problematic from a logistical point of view and in terms of budgetary constraints.
- Lack of cohesion in messages between parties in some local municipalities.
- There is often also a lack of alignment or integration of programmes and projects within clusters between provincial and local government.
- Communication channels are not always followed and bureaucracy can hinder the process of effective and timeous communication.
- Strategic importance of communications is often overlooked, especially at local municipalities.
- Underutilisation of community media.
- Budgetary constraints make it difficult to cater for special language groups eg the blind and deaf.
- There is a lack of communication infrastructure at local municipalities, such as email and internet facilities, fax machines etc.
- Reaching and communicating rapidly with communities in deep rural areas.
- Strengthening of community support groups eg HIV and Aids.

5.7 Risk Management

Mandate

“To identify potential events that may affect the municipality, and manage risks to be within its risk tolerance, to provide reasonable assurance regarding the achievement of municipality’s objectives.”

Legislative Requirements

Section 62 of the Municipal Finance Management Act 56 of 2003 states that:

- The accounting officer of municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps-
- That the resources of the municipality are used effectively, efficiently and economically;
- That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards ;
- That the municipality has effective, efficient and transparent systems-
- Of financial and risk management and internal control; and
- Of internal audit operating in accordance with any prescribed norms and standards

Status quo

- Continuous identification of risks institutionally.
- Risk Management Committee meetings sits monthly to evaluate and monitor risks.
- Risk reports are submitted to the Audit Committee on quarterly basis.
- Risk Management Strategy is being updated on annual basis.
- Risk implementation plan is developed and approved by Risk Management Committee on annual basis.

- Terms of Reference for Risk Committees are reviewed on annual basis.
- In the process of developing concept document which will outline risk management support to Local Municipalities
- Facilitate risk management awareness to risk Committee members and key staff members

Challenges

- Inadequate funding to roll-out risk activities.
- Need for additional human resource capacity

Remedial actions

- Request top-up funding during Mid Term Budget Reviews.
- Request additional human resource
- To consider developing Risk Management Master Plan

5.8 Internal Auditing

The Internal Audit Unit is an independent, objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the Amathole District Municipality (ADM). It assists the municipality in accomplishing its objectives by bringing a systematic; disciplined approach to evaluate and improve the effectiveness of the municipality's governance processes, risk management and control processes.

The purpose of Internal Audit Unit is to assist Amathole District Municipality to achieve its objectives by identifying and evaluating significant exposures to risks and contributing to the improvement of risk management and control systems.

Legal framework

The Internal Audit Activity is governed by the Local Government: Municipal Finance Management Act 56 of 2003. Section 165 of the MFMA requires Internal Audit Unit to prepare a risk-based audit plan and an internal audit program for each financial year and advise the accounting officer and report to the audit committee on the implementation of the internal audit plan.

The Local Government: Municipal Systems Act 32 of 2000, section 45 (a) requires Internal Audit Unit audit performance measurements as part of the municipality's internal auditing processes.

Internal Auditing Standards

The Internal Audit Unit operates in accordance with International Standards for Professional Practice of internal auditing prescribed by the Institute of Internal Auditors. The unit also operates in accordance with the Internal Audit Charter approved by the Audit Committee and accepted by the senior management of the municipality.

Role of the Internal Audit Unit

The Internal Audit function is responsible for conducting its work in accordance with the standards for the Professional Practice of Internal Audit established by the Institute of Internal Auditors of South Africa (IIASA). Its responsibilities will include:-

- reviewing the Internal Audit Charter on an annual basis in consultation with the Audit Committee;
- preparation of a 3 year Audit Coverage Plan;
- carrying out internal audit assignments;
- carrying out investigations of suspected fraudulent activities within the municipality;
- issuing periodic reports to the Audit Committee and management summarizing results of the audit activities;
- assisting management in its task of achieving the municipality's strategic goals; by ensuring that the staff utilised are professionals with sufficient knowledge, skills and experience to enable discharge of their duties.

Current scenario/situation

The unit is appropriately staffed and as a result all the audits that were planned for the current financial year have been performed as per Internal Audit Plan. The unit has also been able to finish all the internal audit projects which were backlogs belonging to the previous financial year. During the current financial year all the unit's staff has been trained on how to use Barnowl in the performance of their audits. On 1 July 2011 the unit will conduct its internal audit using Barnowl.

ADM has a functional Audit Committee which is an independent oversight advisory body of council. It was established in August 2005. The Audit Committee members are legislatively required to meet at least four (4) times during a financial year. Audit Committee is delegated an oversight role of Risk Management within the institution.

ADM has a functional and capacitated Performance Audit Committee, which is an independent advisory body of council, specifically advising on matters relating to performance management. The Performance Audit Committee members are legislatively required to meet at least twice (2) times during a financial year. The ADM has appointed Evaluation Panel as in accordance to the Government Gazette of August 2006 to evaluate performance of the Municipal Manager and Section 57 Managers

5.9 Legal Services

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

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

In addition, the Unit is currently assisting in the development of the Municipalities by-law enforcement capability. Furthermore in August 2010, Legal Services was given the responsibility of driving Anti Fraud Management within the ADM. To this end, Legal Services has been instrumental in developing the Municipality's Anti-Fraud Management Strategy consisting of interrelated components such as a the Anti-Fraud Management Policy, the Whistle-blowing Policy, the Fraud Prevention Plan and the Ethical Code for ADM Staff – all of which are in operation. A brief synopsis of each of these components is given below:

- The Anti-Fraud Management Policy seeks to build an environment at ADM, where fraud and other unethical practices are efficiently, economically and effectively, prevented, detected, investigated and reported. It also confirms ADM's 'zero tolerance' approach to fraud and corruption as well as ADM's commitment to sound corporate governance;
- The Whistle-blowing Policy seeks to provide guidelines for both the reporting of irregular or fraudulent activity, as well as the protection of employees making protected disclosures as defined in the Protected Disclosures Act;
- The Fraud Prevention Plan details a functional framework to guide the Municipality in its strategic fraud prevention initiative as committed to in the Anti-Fraud Management Policy. As such, the Fraud Prevention Plan is a key component of the Municipality's Anti-Fraud Management Strategy.
- The Ethical Code for ADM Staff, sets out the ethical standards expected of officials in respect of the more common issues that may confront officials from time to time, such as the accepting of gifts, being engaged in activities outside the work of the Municipality, benefiting from contracts with municipalities, and in respect of the disclosing of commercial or financial interests.

It is also envisaged that by the end of the current financial year, a By-Law Policing Compliance and Records Centre will need to be established within the ADM . The Centre will primarily perform a monitoring role in respect of by-law enforcement by peace officers and will also provide the necessary administrative back-up to enforcement as well as deal with applications from the public for permits, approvals and exemptions provided for in the by-laws. Although no decision has been taken as to where such a Centre should be placed, it is probable that it will be housed within Legal Services. If this is to be the case, then further suitable personnel will need to be recruited in the next financial year.

In light of the above, in the medium term, it may be advisable that the Unit be restructured into the Legal and Forensic Services Unit, having, besides a strictly legal component, a By-law Policing Compliance and Records Centre, as well as a dedicated anti-fraud management component.

Challenges

There is a shortage of personnel and budget to drive the fraud risk management process as outlined in the Fraud Prevention Plan. Due to the lack of available time, it is currently difficult for the Senior Manager, besides his legal duties, to provide the necessary inputs required in terms of the Fraud Prevention Plan. It has become apparent that the effective implementation of fraud risk management requires the full time dedication of a suitably qualified fraud risk manager.

There is currently no funds budgeted for fraud risk management. Hence fraud risk assessments to identify fraud risks within ADM can only be undertaken internally. For reasons outlined above, time constraints have made it difficult for Legal Services to perform such fraud risk assessments. It is therefore important that funds be budgeted for in the next financial year to allow for such assessments, in instances where there is no internal capacity to perform them, to be carried out by of qualified consultants.

5.10 Legislative Functions

The Office of the Speaker is established in support of the Legislative functions of the Council. The Office has administrative support staff whose core function is to render administrative support to the political office and ensure that programs of the Office are integrated into the main functioning of the Institution. The functioning of the Office is supported by the Cooperate Services Department through their Council Support Section on Committee and Council Support services , the HRD Department for the training and capacity building for Councillors and the Budget and Treasury Office on matters related to remuneration of Councillors.

Core Functions of the Office

The Core functions of the Office can be divided into the legislative functions as well as the delegated functions. The Offices staff therefore are responsible for supporting the Speaker to perform his/her functions as contained in the legislation as well as those that are delegated to the Office by the Council.

1. Section 37 of the Local Government Municipal Structures Act, (Act 117 of 1998 as amended) states that the duties of the Speaker are:

1.1 To chair meetings of the Council

1.2 Maintain order in council meetings

1.3 Ensure that council meetings are conducted in accordance with the Standing Orders

1.4 Ensure that council meetings are held at least once a quarter.

In accordance with the above provisions the Speaker Support staff are responsible for:

- a. The development and regular update of Standing Rules. In this regard the Office has also involved the Speakers of Local Municipalities as a way of extending support to them.
- b. Ensure that Standing Rules Comply with the relevant local government legislation
- c. Ensure and support the development of a schedule of meetings for council and council committees.
- d. Monitor the attendance of councillors to council, committees as any workshops or seminars approved by the Speaker or Council.

2. Circular 32 of the MFMA implores Municipal Councils to ensure the development of mechanisms to enable council to perform oversight over the Executive and the Administration. During the past year the National Treasury and the Department of Cooperative Governance jointly issued guidelines on the establishment of Municipal Public Accounts Committees as a mechanism to ensure that councils perform oversight.

In accordance with the above provisions the staff in the Office of the Speaker have to ensure that:

2.1 Support the functioning of the Municipal Public Accounts Committee through:

2.1.1 Facilitate for training and capacity building of the Committee in collaboration with the HRD unit

2.1.2. Conduct research to support the functioning of the Committee.

2.1.3. Conduct a critical analysis of reports of the Executive and the Administration to support the functioning of the Committee.

2.1.4. Develop and submit reports of the Committee to Council and

2.1.5. Ensure the development of a program of action for the review of the Annual report.

Delegated functions

The ADM Council has over the past number of years delegated certain functions to the Office of the Speaker. Recently the Council approved a delegation framework for political Office bearers which spells out clearly the functions that are to be performed by the Speaker and those falling within the ambit of the Chief Whip of Council. Amongst the programs that have been delegated to the Speaker is the Moral Regeneration Program whose core function is to enable the District Municipality to contribute to National Programs on Nation Building and Social Cohesion.

Moral Regeneration Movement

The Moral Regeneration Movement have established a District Committee made of Traditional Leaders and Religious Leaders. It is gratifying to note that this model has been escalated to the Province such that a number of District and Local Municipalities have asked ADM to help them in the establishment of their structures.

The Committee has regular meetings on a monthly basis to receive report and plan activities. During the course of the year the Committee was taken through intensive training to equip it for the task ahead. The Committee has also facilitated for the establishment of MRM structures in the local municipalities in her jurisdiction. To date three municipalities have established MRM structures and this have been trained. It is a matter of concern that some municipalities have not moved with the necessary speed on the establishment of structures and as a result they are lagging behind on the capacity building and program implementation.

Public Participation and Community Education

During the Institutional Strategic Planning Session held in January 2011, concern was raised about lack of co-ordination of public participation activities amongst the affected Offices in the Institution. In this regard the Office of the Speaker, Executive Support Services were cited as main contenders in this regard. It was resolved that a Public Participation and Research Core Team be established to serve as a single window of co-ordination for the Public Participation in the District.

A Public Participation and Research Core Team has been developed and a Concept document was drafted with the intention to present it to council for approval. The Concept document is still in draft form. The Office of the Speaker is responsible for co-ordination of the Public Participation and research Core Team. Along with this task is the development of a Community Education and Empowerment Program. Once completed the program will be presented to Council for approval and then rolled out to Communities.

The Office is responsible for the co-ordination of the District Speakers Forum which is a forum of Speakers all the category B Municipalities in the District. This forum enables speakers to share lessons on matters pertinent to the legislative sector in local government. Due to the unique character of the local government sector and the specific uniqueness of the Office of the Speaker in Local Government, a forum of Speaker is an important platform for Speakers to compare notes on their functions as well a lobby government and the organized local government on matters pertinent to the Office. Amathole District Municipality has over the years played a central role in the establishment and development of a forum of Speakers at provincial level.

Challenges

Challenges of the Office can be summarized as follows:

1. The Municipal Public Accounts Committee is new and needs to be capacitated.
2. The Staff in the Office are not adequately skilled and required further training and development.
3. The Concept of a Public Participation and Research Core Team has not taken root in all the departments such that the vision of a single window of co-ordination has not been realized.

CHAPTER 4: DEVELOPMENT OBJECTIVES AND STRATEGIES

The following tables provide a detailed breakdown of objectives that indicate what the district municipality can reasonably achieve within the available resources, as well as strategies and programmes that provide the concrete interventions that the district municipality will implement to attain its objectives.

4.1 KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
Human Resource and Administration	To attract, retain, build capacity and maximise utilization of ADM human capital by 2017	MTI 1	Conduct an institutional diagnosis to improve effectiveness and appropriateness of organisational functioning	Approved Reviewed Establishment Plan		Quarterly report supported by evidence	Approved Establishment Plan	Approved Reviewed Establishment Plan	Adopted Reviewed Establishment Plan	Adopted Reviewed Establishment Plan	Director Corporate Services
			Implementation of the Retention Strategy	Implemented programs per Retention Strategy implementation plan		Quarterly report supported by evidence	Approved Retention Strategy	Implemented approved and budgeted programs per Retention Strategy implementation plan	Implemented approved and budgeted programs	Implemented approved and budgeted programs	Director Corporate Services
			Develop and implement a comprehensive compensation management strategy	Approved Comprehensive compensation management strategy		Quarterly report supported by evidence	nil	Approved Comprehensive compensation management strategy	Implementation, monitoring and evaluation	Reviewed Comprehensive compensation management strategy	Director Corporate Services
			Review and implementation of a Performance	Approved Reviewed Performance		Quarterly report supported	Existing PM Framework	Approved Reviewed	Approved Reviewed	Approved Reviewed	Strategic Manager

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
			Management System	Management Framework		by evidence	k	Performance Management Framework	Performance Management Framework	Performance Management Framework	
				Signed and evaluated staff Accountability Agreement and Performance Promises		Monthly report supported by evidence		Signed and evaluated Accountability Agreement and Performance Promises	Signed and evaluated Accountability Agreement and Performance Promises	Signed and evaluated Accountability Agreement and Performance Promises	Director Corporate Services and All Heads of Departments
			Review and implement HRD Strategy	Implemented 1 approved and budgeted program per HRD Strategy implementation plan		Quarterly report supported by evidence	Approved HRD Strategy	Implemented 1 approved and budgeted program per HRD Strategy implementation plan	Review and implement HRD Strategy	Review and implement HRD Strategy	Director Corporate Services
			Develop and implement Labour Relations Strategy	Approved Labour Relations Strategy		Quarterly report supported by evidence	nil	Approved Labour Relations Strategy	Implement and review	Implement and review	Director Corporate Services
			Develop and implement Occupational Health, Safety and Wellness Strategy	Approved Occupational Health, Safety and Wellness Strategy		Quarterly report supported by evidence	nil	Approved Occupational Health, Safety and Wellness Strategy	Implement	Reviewed	Director Corporate Services
Communication	To promote and enhance internal and	MTI 2	Review and implement	Approved Communication		Quarterly reports with	Existing Strategy	Approved Communication	Implement	Reviewed	Strategic Manager

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
	external communication by 2017		Communications Strategy of ADM	n Strategy		supporting evidence		n Strategy			
			Review and implement Customer Care Policy	Approved Customer Care Policy		Quarterly reports with supporting evidence	Existing policy	Approved Customer Care Policy	Implement and Review	Implement and Review	Strategic Manager
			Develop and implement a model/guideline for Political and Administrative interface	Finalised model/guideline on political interface		Quarterly reports with supporting evidence	None	Finalised model/guideline on political interface	Implement	Reviewed	Strategic Manager
			Review of Delegations policy	Reviewed Delegations Policy		Quarterly reports with supporting evidence	Existing Delegations Policy	Approved Delegations Policy			Strategic Manager
Municipal Health Services	To have a fully functional integrated Information Management System for MHS by 2017	MTI 3	Develop, implement and review an Integrated Information Management System	Functional Integrated Information Management System		Quarterly reports with supporting evidence	NIL	Functional Integrated Information Management System	Functional Integrated Information Management System	Functional Integrated Information Management System	Director Health & Protection
To check the KPA	Ensure efficient and effective administration in terms of systems and business processes by 2017	MTI 4	Develop, review and implement efficient Institutional business systems and procedures	Approved Payroll procedure manual Approved Reviewed Council Support, and		Quarterly reports with supporting evidence	nil Existing procedure manuals	CS - Approved Payroll procedure manual Approved Reviewed Council	Implement and review	Implement and review	All Heads of Departments

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
				Records Management procedure manuals				Support, and Records Management procedure manuals			
Plans, policies and by-laws	Continuously ensure development, reviewal and implementation of sector plans in line with the IDP	MTI 5	Review, develop and implement institutional Sector plans	Reviewed/Developed Sector Plans submitted to Council for approval		Quarterly reports supported by evidence	Existing Sector Plans	Reviewed Sector Plans submitted to Council for approval H&P – 9 CS – 2 Implemented EEP, and Security Plan LHSED Review 14 Develop 2 - Air Quality, Informal Trade Strategic Review 11 Engineering – Reviewed ITP, IWMP and WSDP	Reviewed and Developed Sector Plans	Reviewed and Developed Sector Plans	All Heads of Departments
	To ensure strategic alignment between the IDP and the spatial framework by	MTI 6	Annual review of the Spatial Development	Reviewed Spatial Development Framework		Quarterly reports with supporting evidence		Reviewed SDF	Reviewed SDF	Reviewed SDF	Strategic Manager

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
	2017		Framework as a spatial reflection of the IDP								
	Ensure development, review and implementation of policies and by laws by 2017	MTI 7	Review, develop and implement policies and by-laws.	Developed Policies Implemented By-laws		Quarterly reports with supporting evidence	H&P – 2 Policies, MHS by-laws, Fire by-laws	Developed 2 MHS policies 4 inspection reports Air Quality management by-law Reviewed Strategic Planning by-laws Review 3 BTO Policies (Asset Management, SCM and Revenue)	Reviewed policies 4 inspection reports	Reviewed policies 4 inspection reports	All Heads of Departments
Economic Development	Mainstreaming of EPWP throughout institutional programmes by 2017	MTI 8	Develop and implement an institutional policy and framework on EPWP in ADM	Developed EPWP Policy		Quarterly reports with supporting evidence	nil	Approved Policy	Reviewed policies	Reviewed policies	Director Land Human Settlements & Economic Development
Information Technology	Ensure integrated and responsive ICT function by 2017	MTI 9	Alignment of the ICT strategy to ADM business	Implementation of Year 1 targets		Quarterly report with supporting	Approved ICT Strategy	Implemented Year 1 ICT Strategy	Implemented Year 2 ICT Strategy	Implemented Year 3 ICT Strategy	Strategic Management

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
y			strategies			evidence		targets	targets	targets	
Research and Development	To enhance institutional capacity to plan and implement services effectively and efficiently by 2017	MTI 10	Capacity Building of the Research Unit	Fully fledged Research Unit		Quarterly report with supporting evidence	LED Research	Fully fledged Research Unit	Fully fledged Research Unit	Fully fledged Research Unit	Director Land Human Settlements & Economic Development
Management of satellite offices	Ensure coherent, functional and effective satellite offices by 2015	MTI 11	Develop and implement an efficient integration model for satellite offices to ADM operations	Approved ADM satellite office Structure		Quarterly reports with supporting evidence	Existing model	Business Process re-engineering Study	Approved ADM satellite office Structure	Monitor & Evaluate effectiveness of the structure	Director Corporate Services

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

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
Water	Provision of adequate, potable and sustainable water services infrastructure by 2014	SDI 1	Develop and implement water resource plans as part of the Water	<ul style="list-style-type: none"> Adelaide canal refurbished Dutywa dams refurbish 		Quarterly Reports	<ul style="list-style-type: none"> 1km of canal refurbished Dam safety inspections complete 	<ul style="list-style-type: none"> Remainder of canal rehabilitated Refurbishment design 	<ul style="list-style-type: none"> Maintain canal Dams refurbished 	<ul style="list-style-type: none"> Maintain canal Maintain dams 	Director Engineering

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
			Services Development Plan	<ul style="list-style-type: none"> Undertake the Great Kei Municipality's Water Services Master Plan. Undertake feasibility studies for Bende – Shixini WSS and Cafutweni WSS 			<ul style="list-style-type: none"> Completed Master Plans Amahlathi, Ngqushwa & Mbashe 	<ul style="list-style-type: none"> Complete Great Kei Municipality's Water Services Master Plan. Complete Feasibility Studies for Bende – Shixini WSS and Cafutweni WSS 			
			Develop a Blue Drop compliance action plan	<ul style="list-style-type: none"> Blue drop readiness action plan Incident Management System 		Quarterly Reports	Water Safety Plan	<ul style="list-style-type: none"> Blue Drop readiness implementation plan Incident management system 	<ul style="list-style-type: none"> Implement Blue Drop readiness plan (as per available budget) Implementation of incident management plan 	Blue drop certificates for 5 WTW's	Director Engineering
			Establish accurate	<ul style="list-style-type: none"> Old water piping in Butterworth 		Quarterly Reports	Comprehensive asset register,	<ul style="list-style-type: none"> Replace 4 km of pipeline 	<ul style="list-style-type: none"> Replace 4 km of pipeline 	<ul style="list-style-type: none"> Replace 4 km of pipeline 	Director Engineering

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
			water balances	<ul style="list-style-type: none"> th replaced in order to reduce leakage • Old and undersized water and sewer pipelines in Stutterheim replaced • Old and undersized water and sewer pipelines in Fort Beaufort replaced • Develop accurate water balances as a chapter in the WSDP review 			with condition assessment of all infrastructure, Water Conservation and Demand Management Strategy	<ul style="list-style-type: none"> in Butterworth • Feasibility and design for Stutterheim • Feasibility study and design for Fort Beaufort • Develop accurate water balances as a chapter in the WSDP review 	<ul style="list-style-type: none"> in Butterworth • Replace 3 km of pipeline in Stutterheim • Replace 3 km of pipeline in Fort Beaufort • Develop accurate water balances as a chapter in the WSDP review 	<ul style="list-style-type: none"> in Butterworth • Replace 3 km of pipeline in Stutterheim • Replace 3 km of pipeline in Fort Beaufort • Develop accurate water balances as a chapter in the WSDP review 	
			OHS Act compliance								Director Engineering
			Improve	ADM Telemetry		Quarterly reports	SCADA system	Additional 30	Additional 30	Additional 30	Director Engineering

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
			infrastructure management	system installed at highest priority installations			installed and 35 reservoirs monitored via telemetry				
			Eradicate water backlogs by 2014	No of households with new connection		Quarterly reports and supporting evidence	0	14 224	16 683	18 444	Director Engineering
				No of households provided with 1 rainwater tank		Quarterly reports and supporting evidence	0	325	420	560	
			Develop Plans on pipe replacement programmes	Plans ready for implementation	Plans ready for Stutterheim and Dutywa	Quarterly reports		Both plans complete	n/a	n/a	
Sanitation	Development of sustainable and environmentally friendly sanitation and services to all communities by 2014	SDI 2	Develop and implement sanitation infrastructure as an alternative to the bucket systems by 2013								Director Engineering
			Eradicate	Implementation of	No. of households	Quarterly reports and	0	6 222	7 306	9 034	Director Engineering

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
			sanitation backlogs by 2014	sanitation services projects	ds provided with 1 VIP toilet	supporting evidence					
			Develop and implement a Green drop compliance action plan								Director Engineering
Municipal Health services	Contribute towards the Reduction of the prevalence of communicable diseases by 2017	SDI 3	Monitor drinking and waste water quality compliance on a monthly basis	98% of drinking water samples tested that comply with prescribed standards		Quarterly reports supported by evidence	98%	98% of drinking water samples tested that comply with prescribed standards	98% of drinking water samples tested that comply with prescribed standards	98% of drinking water samples tested that comply with prescribed standards	Director Health & Protection
				58% of waste water samples tested that comply with prescribed standards		Quarterly reports supported by evidence	58%	58 % of waste water samples tested that comply with prescribed standards	58 % of waste water samples tested that comply with prescribed standards	58 % of waste water samples tested that comply with prescribed standards	Director Health & Protection
			Implement incident management protocol as	Implemented incident management protocol		Quarterly reports supported by evidence	nil	4 Quarterly protocol deviation reports	4 Quarterly protocol deviation	4 Quarterly protocol deviation	Director Health & Protection

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
			per Blue Drop requirements						reports	reports	
Fire services	Enhance the provision and standardisation of fire services by 2017	SDI 4	Establish and operationalise legally compliant fire stations in identified areas by 2017	1 Fire Satellite Station established at Hamburg		Quarterly progress reports supported by evidence	nil	50% construction of fire satellite station	100% construction of fire satellite station	-	Director Health & Protection
Economic Development	Improve accessibility and connectivity in urban and rural areas to promote access to socio economic opportunities by 2017.	SDI 5	Facilitate Economic infrastructure development	Established multi-purpose business market at Mnquma		Quarterly reports supported by evidence	SMME Strategy and Cooperative Strategy	Feasibility Study of multi-purpose business market at Mnquma	50 % Construction of the multi-purpose business market	50% Construction of the multi-purpose business market	Director Land, Human Settlements and Economic Development
				Established Agricultural Cooperative Centres at Ngqushwa		Quarterly reports supported by evidence	Cooperatives Strategy	Feasibility Study of Agricultural Cooperative Centres at Ngqushwa	50% Construction of Agricultural Cooperative Centres	50% Construction of Agricultural Cooperative Centres	Director Land, Human Settlements and Economic Development
				Established Cooperative Development Centre		Quarterly reports supported by evidence	Cooperative Strategy and Provincial feasibility	100% Construction of Provincial			Director Land, Human Settlements and Economic

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
							study	feasibility study			Development
				Established ADM Craft Centre		Quarterly reports supported by evidence	Tourism Master Plan	50% Construction	50% Construction		Director Land, Human Settlements and Economic Development
Disaster Management	Sustainable coordination of disaster relief and response with other stakeholders by 2017	SDI 6	Implementation of Disaster Management Framework and guidelines.	Implemented Disaster Management Framework and guidelines		Quarterly reports supported by evidence	Disaster Management Framework and guidelines	Awareness campaigns in 7 Local Municipalities Disaster Relief Material distribution	Disaster Relief Material distribution	Disaster Relief Material distribution	Director Health & Protection
Waste Management	Ensure that solid waste is managed in an integrated, environmentally friendly and sustainable manner throughout ADM by 2014	SDI 7	Implementation of the Integrated Waste Management Plan	1 solid waste project implemented per approved budget (100% complete)		Quarterly Report supported by evidence.	Integrated Solid Waste management Plan	100% construction complete.	100% construction complete.	100% construction complete.	Director Engineering
Transport	All households to have access to public transport facilities, within 2km walking distance by 2022	SDI 8	Implementation of the Integrated Transport Plan	1 transport project implemented per approved budget		Quarterly Report supported by evidence	Integrated Transport Plan	100% construction complete.	100% construction complete.	1 transport project implemented per approved budget.	Director Engineering
				1 roads		Quarterly	Integrated	Draft RAMS	RAMS	RAMS	Director

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
				project implemented per approved budget.		Report supported by evidence.	Transport Plan	database.	database	database	Engineering
Land reform & Human Settlements	Facilitate development of sustainable and viable settlements by 2014	SDI 9	Implementation of the Land Reform and settlement plan	Implemented 26 LRSP Projects		Quarterly reports supported by evidence	LRSP	26 LRSP Projects implemented	LRSP Projects implemented	LRSP Projects implemented	Director Land, Human Settlements and Economic Development
							LRSP	100% planning.	100% planning.	100% planning.	Director Engineering
			Implementation of the housing strategy	Facilitate Implementation of 6 Housing Projects		Quarterly reports supported by evidence	Housing	Facilitation of 6 Housing Projects	Housing Projects facilitated	Housing Projects facilitated	Director Land, Human Settlements and Economic Development
Heritage	Develop, conserve and maintain heritage sites by 2017	SDI 10	Implementation of the Heritage Resource Management Strategy	Implemented 3 Heritage Resource Management Strategy Projects		Quarterly reports supported by evidence	Heritage	3 Heritage Resource Management Strategy implemented Projects	Heritage Resource Management Strategy implemented Projects	Heritage Resource Management Strategy implemented Projects	Director Land, Human Settlements and Economic Development
Supply Chain management	Continuously monitor and report on the performance of contractors in relation to projects.	SDI 11	Monitor and report on the performance of contractors	Assessment of appointed service providers		Quarterly reports with supporting evidence	Contractors' database	Contract register	Quarterly reports	Quarterly reports	Quarterly reports
			Enhance the capacity of contractors to	Two Suppliers / contractor		Quarterly reports with	Contractors' database	Contract register	Bi-annual reports	Bi-annual reports	Bi-annual reports

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
			deliver on contracts	workshops		supporting evidence					

4.3 KPA: LOCAL ECONOMIC DEVELOPMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
Local Economic Development	To promote holistic sustainable regional Economic development by 2030.	LED 1	Mainstreaming and co-ordination of EPWP across all the sectors;	No of Projects complying with EPWP		Quarterly reports with supporting evidence	EPWP guidelines	EPWP compliance report	EPWP compliance report	EPWP compliance report	Director Land, Human Settlement and Economic Development
Expanded Public Works Programme											
Small, Medium, Micro enterprises			Implementation of Small, Medium, Micro enterprises Strategy projects	Implemented		Quarterly reports	Small, Medium, Micro enterprises Strategy	Implemented 14 Small, Medium, Micro enterprises Strategy projects	Implemented Small, Medium, Micro enterprises Strategy projects	Implemented Small, Medium, Micro enterprises Strategy projects	Director Land, Human Settlement and Economic Development
			Facilitate use of Local procurement, with focus to SMMEs and co-operatives	No of trained, mentored and coached SMMEs and Cooperatives		Quarterly reports Quarterly reports with supporting evidence	SMMEs Strategy and Cooperative Strategy	24 trained, mentored and coached SMMEs and Cooperatives	Trained, mentored and coached SMMEs and Cooperatives	Trained of, mentored and coached SMMEs and Cooperatives	Director Land, Human Settlement and Economic Development

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
									es		
Rural development			Implement the outcomes of the Rural Development Strategy	Implemented Rural Development Strategy Projects as per implementation plan		Quarterly reports with supporting evidence	Rural Development Strategy	???? Implemented Rural Development Strategy projects	Implemented Rural Development Strategy projects	Implemented Rural Development Strategy projects	Director Land, Human Settlement and Economic Development
			Conduct Impact Assessment of LED projects	Developed LED projects Impact Assessment report		Quarterly reports with supporting evidence	AREDS	Impact Assessment report	Impact Assessment report	Impact Assessment report	Director Land, Human Settlement and Economic Development
Climate Change			Implement Climate Change Strategy	Implemented 6 Climate Change Strategy projects		Quarterly reports with supporting evidence	Climate Change Strategy	6 Climate Change Strategy projects implemented	5 Climate Change Strategy projects	4 Climate Change Strategy projects	Director Land, Human Settlement and Economic Development
								Roll out next identified biogas project or alternative technology	Roll out next identified biogas project or alternative technology	Roll out next identified biogas project or alternative technology	Director Engineering Services

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
Environmental Management	To enhance sustainable use of Natural Resources by 2017	LED 2	Implementation of the Environmental Management Plan	Implemented 5 Environmental Management Plan projects		Quarterly reports with supporting evidence	Environmental Management Plan	5 Environmental Management Plan projects	6 Environmental Management Plan projects	5 Environmental Management Plan projects	Director Land, Human Settlement and Economic Development
Spatial Planning and Development	To enhance / strengthen Spatial Development Framework as a planning tool by 2017	LED 3	Adherence to SDF guidelines	Spatial reflection of the IDP		Quarterly Report with supporting evidence	ADM SDF & IDP for 11/12	Implemented SDF	Implemented SDF	Implemented SDF	Strategic Management
			Land use management and strategy to unleash potential	Approved Land Use Management Strategy		Quarterly Report with supporting evidence		Approved Land Use Management Strategy			
Heritage Management	To unearth and preserve heritage resources by 2017	LED 4	Implementation of Heritage Strategy	Implemented 8 Heritage Strategy projects		Quarterly reports with supporting evidence	Heritage Strategy	8 Heritage Strategy projects implemented	Heritage Strategy projects implemented	Heritage Strategy projects implemented	Director Land, Human Settlement and Economic Development
Agricultural Development	To promote Agrarian Reform and food security	LED 5	Implementation of Agricultural Development Strategy	12 Implemented Agricultural Development Strategy		Quarterly reports with supporting evidence	Agricultural Development Strategy	12 Implemented Agricultural Development Strategy	Implemented Agricultural Development Strategy	Implemented Agricultural Development Strategy	Director Land, Human Settlement and Economic Development

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
	within ADM										
Municipal Health	To promote compliance with the Municipal Health legislation within ADM by 2017	LED 6	Enforcement of the Municipal Health legislation	Improved compliance with legislation		Quarterly reports with supporting evidence	Health Act and Regulations	4 Quarterly reports on legislation compliance	4 Quarterly reports on legislation compliance	4 Quarterly reports on legislation compliance	Director Health and Protection
				400 Food handlers capacitated		Quarterly reports with supporting evidence	400	400 Food handlers capacitated	400 Food handlers capacitated	400 Food handlers capacitated	400 Food handlers capacitated
Tourism Development and Marketing	To position Amathole District as a tourism destination of choice 2017	LED 7	Implementation of the Tourism Master Plan	4 Implemented Tourism Master Plan projects		Quarterly reports with supporting evidence	Tourism Master Plan	4 Implemented Tourism Master Plan projects	Implemented Tourism Master Plan projects	Implemented Tourism Master Plan projects	Director Land, Human Settlement and Economic Development
Film Development	To develop creative industry within ADM by 2014	LED 8	Implementation of the creative industry development strategy projects	Implemented Creative industry development strategy projects		Quarterly reports with supporting evidence	Creative Industry Development Strategy	Implemented creative industry development strategy projects	Implemented creative industry development strategy projects	Implemented creative industry development strategy projects	Director Land, Human Settlement and Economic Development

4.4 KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL	
Cost recovery	To ensure 20% recovery of costs incurred to provide water and sanitation services by 2015	MFV 1	Implement a costing model for ADM services.	Model to address gap between affordable and economically viable tariffs.		Model developed by end of Quarter 2.	Approved tariff structure.	Developed Cost Model	Implementation of Model Outputs	Implementation of Model Outputs	Chief Financial Officer	
Project spending	To increase internal and external project spending to 80% of projected expenditure by 2015.	MFV 2	Improve quality assessment on tender proposals	Inclusion of pre qualification assessment in tender specification		Quarterly report	Contract Register	Quarterly reports	Quarterly Reports	Quarterly Reports	Chief Financial Officer	
			Organising financing instruments for emerging suppliers	Developed financing instrument for emerging suppliers		Financing instrument developed by end of financial year	New project	Developed financing instrument			Chief Financial Officer	
			Monitoring of variances on actual against projected project expenditure	Not less than 80% spending on projected budget		Quarterly expenditure reports on projects	Existing monthly expenditure report	Not less than 80% spending on projected budget	Not less than 80% spending on projected budget	Not less than 80% spending on projected budget	Not less than 80% spending on projected budget	All Heads of Departments
				Quarterly report on actual vs projected expenditure		Report produced on a quarterly basis	Quarterly Report	Quarterly Reports	Quarterly Reports	Quarterly Reports	Quarterly Reports	Chief Financial Officer

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
			Submission of business plans as prerequisites for project approval and inclusion in the IDP	Developed Business Plans per project application		Business plans on submission of project funding	New project	Business plan per project application	Business plan per project application	Business plan per project application	Chief Financial Officer & Strategic Manager
Revenue collection	To improve collection rate on water and sanitation services to 60% by 2017	MFV 3	Writing-off of irrecoverable debt	Application to council for write off approval		Biannual application to council for write off of irrecoverable debt	Annually	Biannual application	Quarterly application	Quarterly application	Chief Financial Officer
			Implementation of the credit control policy (water restrictions)	Monthly report on restrictions effected		Monthly report	None	Monthly report	Monthly report	Monthly report	Chief Financial Officer
			Implement and monitor the meter repair and replacement strategy.								Director Engineering
Fiscal reserves	To eliminate all agency functions performed by the institution	MFV 4	Non-allocation of budget to the agency functions	Assessment of powers and functions Quarterly Report on incidents of		Biannual report on adjustments to powers and functions Quarterly report	New project	Assessment Quarterly Report	Zero budget to agency functions Returning of all fiscally dumped funds	Zero budget to agency functions Returning of all fiscally dumped funds	Chief Financial Officer

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
	and minimise the impact of fiscal dumping with the view of focusing on our core functions by July 2015			fiscal dumping							
			Implement strategy to charge administration and management fees to perform agency functions	Developed Administration fee policy		Implemented administration fee policy on a per incident basis	New project	Administration fee charged on all non core functions funding	Administration fee charged on all non core functions funding	Administration fee charged on all non core functions funding	Chief Financial Officer
Contractor performance	Continuously monitor and report on the performance of contractors in relation to projects	MFV 5	Monitor and report on the performance of contractors	Assessment of appointed service providers		Quarterly reports with supporting evidence	Contract register	Quarterly reports	Quarterly reports	Quarterly reports	Chief Financial Officer
			Enhance the capacity of contractors to deliver on contracts	Two Suppliers / contractor workshops		Bi-annual reports with supporting evidence	Contract register	Bi-annual reports	Bi-annual reports	Bi-annual reports	Chief Financial Officer
Asset Management			Asset Management	Up to date infrastructure and accurate Asset Register		Quarterly Report	Comprehensive water and sanitation asset register in place	Updated asset register linked with system in place to link Engineering activities with	Internally maintained asset register	Internally maintained asset register	Director Engineering Services

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
								financial reporting			
			Asset tagging	All infrastructure assets tagged with bar codes		Quarterly reports	0 assets tagged	All significant above ground infrastructure assets tagged with bar code	All significant above ground infrastructure assets tagged with bar code	All significant above ground infrastructure assets tagged with bar code	Director Engineering Services
			Valve Audit	All isolating valves identified		Quarterly reports	0 audit done	All isolating valves identified	n/a	n/a	Director Engineering Services

4.5 KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
Governance	To ensure clean and accountable governance in the district by 2017	GGP 1	Provide internal auditing of performance, quality assurance and control to achieve clean Audits by 2014	Development of an Audit Plan		Quarterly report with supporting evidence	11/12 Audit Plan	12/13 Audit Plan	13/14 Audit Plan	14/15 Audit Plan	Municipal Manager's Office

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
			Coordinate functioning of Council oversight structures	Functional Section 79 and 80 Committees		Quarterly report with supporting evidence	Established committees	Functional Section 79 and 80 Committees	Functional Section 79 and 80 Committees	Functional Section 79 and 80 Committees	Strategic Manager and Director Corporate Services
			Development of a guiding framework for legislative compliance requirements	Approved Legislative Compliance Guiding Framework		Quarterly report with supporting evidence	Local Government Acts	Approved Legislative Compliance Guiding Framework	Fully implementation of the Framework	Fully implementation of the Framework	Municipal Manager's Office
			Development and Implementation of the Risk Management plan	Developed and Implemented Risk Management Plan		Quarterly report with supporting evidence	2011/2012 Implementation plan	Developed and Implemented Risk Management Plan	Developed and Implemented Risk Management Plan	Developed and Implemented Risk Management Plan	Strategic Manager
			Development of Risk Management Master Plan	Developed Risk Master Plan		Quarterly report with supporting evidence	None	Developed Risk Master Plan	Review	Review	Strategic Manager
			Facilitate the implementation of Municipal			Quarterly reports with supporting					Municipal Manager's Office and All Heads of

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
			By-law Enforcement Plan			evidence					Departments
Inter-governmental Relations and International Relations	To facilitate coordination, cooperation and joint planning between the spheres of government by 2017	GGP 2	To strengthen IGR structures within our area of jurisdiction	60 Health & Protection consultative Forums		Quarterly reports with supporting evidence	60 H& P consultative Forums	60 Health & Protection consultative Forums 2 Corporate Services Forums	60 Health & Protection consultative Forums	60 Health & Protection consultative Forums	Strategic Manager and All Heads of Departments
	To promote learning and sharing, both domestically and internationally by 2017	GGP 3	Facilitate implementation of existing memorandums of understanding/ agreements and initiate new partnerships	No of MOUs established		Quarterly reports with supporting evidence					Strategic Manager
Integrated planning, monitoring and evaluation	To ensure a district-wide coordination of integrated planning, implementation, monitoring and	GGP 4	Coordinate development and alignment of the IDP, and SDBIP	Approved Integrated Development Plan		Quarterly reports with supporting evidence	5 year Integrated Development Plan	2013/14 IDP and SDBIP submitted to Council for approval	2014/15 IDP and SDBIP submitted to Council for approval	Reviewed IDP and SDBIP submitted to Council for approval	Strategic Manager and Chief Financial Officer
			Coordinate	Assessed and Audited		Quarterly report	2012/13 SDBIP	4 Quarterly	4 Quarterly	4 Quarterly	Strategic Manager

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
	evaluation by 2017		performance reporting, monitoring and evaluation	Institutional performance		supported by evidence		Performance Assessment reports	Performance Assessment reports	Performance Assessment reports	and Municipal Manager's Office
				Approved Annual report		Quarterly report supported by evidence	2010/11 Annual report	2011/12 Annual report submitted to Council for approval	2012/13 Annual Report submitted to Council for approval	2013/14 Annual report submitted to Council for approval	Strategic Manager
Support to LM's	To ensure that Local Municipalities are empowered to render services that are within their powers and functions by 2017	GGP 5	Provide support towards the achievement of clean audits	No of LMs supported towards the achievement of clean audits		Quarterly report supported by evidence	2 LMs	2 LMs	2 LMs	1 LM	Municipal Manager and Chief Financial Officer
			Establishment of district shared services	No of Signed SLAs		Quarterly report supported by evidence	nil	Signed Fire Service SLA with 3 LMs Signed Internal Audit SLA	Implementation of Action Plans	Implementation of Action Plans	Municipal Manager and All Heads of Departments
			Conduct capacity building initiatives in LMs	4 Community Safety Capacity building programs		Quarterly report with evidence	4 Community Safety programs implemented	4 Community Safety Capacity building programs	4 Community Safety Capacity building programs	4 Community Safety Capacity building programs	All Heads of Departments
			To	Implementat		Quarterly	2011/2013	37 Multi	Multi	Multi	Strategic

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
			implement Municipal Support Capacity Programs	ion of 37 multiple disciplinary capacity building projects conducted in all LMs		report with evidence	projects	disciplinary capacity building projects	disciplinary capacity building projects	disciplinary capacity building projects	Manager
			Provide support to the LM's on local amenities								Director Engineering
Communication	To promote effective communication of ADM's business to its stakeholders by 2017	GGP 6	Implement the 5 year Communication Strategy	Implementation of the year 1 action plan		Quarterly report with evidence	Communication Strategy	Implemented year 1 action plan	Implemented year 2 action plan	Review of the Implementation plan	Strategic Manager
			Facilitate efficient and effective dissemination of information	Implementation of internal and external communication plan.		Quarterly report with evidence	Communication Strategy	Implemented internal and external communication plan, yearly	Implemented internal and external communication plan, yearly	Implemented internal and external communication plan, yearly	Strategic Manager
			Marketing and branding of the district	Development of a uniform framework and roll out plan		Quarterly report with evidence	Marketing and Branding Strategy	Roll out campaigns of the branding framework	Roll out campaigns of the branding framework	Roll out campaigns of the branding framework	Strategic Manager

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 12/13	TARGET: 13/14	TARGET 14/15	ACCOUNTABLE OFFICIAL
			Packaging of ADM activities and programmes	Implementation of communication plan.		Quarterly report with evidence	Communication Strategy	Implemented communication plan, yearly	Implemented communication plan, yearly	Implemented communication plan, yearly	Strategic Manager

4.6 3 YEAR PROGRAMS AND PROJECTS

	PROJECT NAME	AMOUNT 2012/2013	AMOUNT 2013/2014	AMOUNT 2014/2015
1	Development of the Housing Emergency Plan for Mbhashe and Amahlathi Local Municipality	200 000	-	-
2	Development of Localised policies to manage mushrooming of informal settlements in Mnquma and Mbhashe	150 000	-	-
3	Development of a Zoning Scheme / Plan for Ngqushwa Local Municipality	250 000	-	-
4	Review of the Nkonkobe Spatial Development Framework	170 000	-	-
5	Purchase and install civil designer and training	430 000	-	-
6	Site location and design for Nxuba Transfer station	200 000	-	-
7	Repair of Nxuba solid waste vehicles	80 000	-	-
8	Capacity building training for engineering officials	360 217	-	-
9	Development of Infrastructure master plan for Great Kei LM	150 000	-	-
10	Closure and rehabilitation of Fort Beaufort Landfill site	300 000	-	-
11	Purchase of recycling equipment for Mbhashe	100 000	-	-
12	Purchase of recycling equipment for Mbhashe	100 000	-	-
13	Purchase of recycling equipment for Mbhashe	100 000	-	-
14	Policy Development Training	220 000	-	-
15	Review of HR Strategy	130 000	-	-
16	Development of an HR strategy	300 000	-	-
17	Development of a Delegation policy for Ngqushwa Lm	100 000	-	-
18	Capacity building for finance officials in LMs	150 000	200 000	220 000
19	GRAP compliant fixed asset register for Ngqushwa	250 000	-	-
20	Supply Chain Management support for Mbhashe LM	300 000	-	-
21	Capacity Building on IDP and PMS	200 000	-	-
22	Moral Regeneration	300 000	-	-
23	Municipal Public Accounts Committee	150 000	-	-

24	Water Service Infrastructure Consolidation and Maintenance System establishment	750 000	-	-
25	Cadastral Land Audit Capture and maintenance for Nkonkobe, Ngqushwa and Amahlathi LMs	900 000	-	-
26	Shared Services LM's	500 000	750 000	900 000
27	Development of ADM Business Continuity Plans	1 000 000	3 000 000	3 000 000
28	Risk Master Plan	200 000	-	-
29	Municipal Operations Strategy	-	100 000	100 000
30	Records Management (Disposal of records storage and capacity building)	100 000	-	-
31	Business Process re-engineering Study	900 000	-	-
32	Retention Strategy Implementation	500 000	-	-
33	Comprehensive Compensation Strategy Development	250 000	-	-
34	District Human Resource Development Strategy implementation	1 000 000	2 586 908	3 000 000
35	Labour Relations Diagnosis	50 000	-	-
36	Occupational Health, Safety & Wellness Strategy Development	500 000	-	-
37	Minimum Competency Levels	600 000	-	-
38	Indigent Support	612 029	3 000 000	-
39	CFO Support	5 413 262	5 000 000	5 000 000
40	Service charges investigation	300 000	-	-
41	Biogas and other RE projects	1 000 000	1 500 000	2 000 000
42	Elliotdale Public Transport Facility	3 000 000	2 000 000	-
43	Ndlovini Settlement:	-	200 000	-
44	Hogsback Settlement:	200 000	-	-
45	Kei Road Settlement	250 000	-	-
46	Closure and Rehabilitation of the illegal waste sites at Mnquma and Mbhashe.	-	1 000 000	-
47	Construction of transfer stations in in Mnquma and Mbhashe	2 000 000	-	-
48	Mooiplaas Public Transport Facility	-	10 000 000	10 000 000
49	Komga Public Transport Facility	-	10 000 000	10 000 000
50	iCwili phase 2 interim basic water services provision	500 000	-	-
51	Provision of rain water tanks	1 000 000	1 000 000	-

52	Great Kei municipality water services master plan	250 000	-	-
53	Annual review of WSDP and water services policies	450 000	550 000	-
54	Bende, Shixini water supply feasibility study	500 000	-	-
55	Cafutweni water supply feasibility study	500 000	-	-
56	Tyinirha Water Supply - Alternative Water Sourcing	2 000 000	-	-
57	Incident Management system to include Routine Monitoring Program and Response Monitoring program	1 000 000	1 500 000	-
58	Water Process Audit	-	1 000 000	1 000 000
59	Infrastructure Asset Management Strategy Implementation	2 000 000	-	-
60	Asset Tagging	500 000	-	-
61	Telemetry	500 000	-	-
62	Valve Audit	1 000 000	-	-
63	Implementation of Butterworth Pipe Replacement Programme	5 000 000	-	-
64	Refurbishment of Adelaide Canal	5 000 000	-	-
65	Refurbishment of Dutywa Dams	1 000 000	-	-
66	Development of Dutywa Water & Sewer Pipe Replacement Programme	500 000	-	-
67	Development of Stutterheim Water & Sewer Pipe Replacement Programme	500 000	-	-
68	Refurbishment of Infrastructure Assets	-	-	17 000 000
69	Capacity building programmes	140 000	-	-
70	Reviewal of Risk and Vulnerability Assessment	1 500 000	-	-
71	Disaster damage backlogs	1 500 000	-	-
72	Disaster Awareness Campaigns	800 000	-	-
73	Reviewal of Municipal Health Services Sector Plans	650 000	-	-
74	Integrated Municipal Health Information Management System	600 000	-	-
75	Municipal Health Services Policies	200 000	-	-
76	Food control	100 000	-	-
77	Reviewal of Fire Risk Management Plan	700 000	-	-

78	Hamburg Satellite Fire Station	1 000 000	800 000	
79	Housing Forum	20 000	20 000	20 000
80	Madwalweni Zone Plan 4	350 000	-	-
81	Komga Township Register	300 000	-	-
82	MT Pleasant Transfers	200 000	-	-
83	Kubusie Commonage Transfer	496 000	-	-
84	Housing Risk Awareness	400 000	200 000	300 000
85	LRSP Forum	20 000	-	-
86	SDF Shared Services	200 000	-	-
87	Housing Risk Plan & Fraud Plan	400 000	-	-
88	Human Settlement Asset Inventory	150 000	-	-
89	Cooperative Support	150 000	1 000 000	1 200 000
90	SMME Support	100 000	350 000	400 000
91	Co-operatives Indaba	300 000	500 000	600 000
92	Enterprise Development Information Dissemination	84 337	200 000	250 000
93	Renewable Energy Study	335 000	-	-
94	Awareness Campaigns	149 337	-	-
95	Air Quality Management	150 000	-	-
96	Tourism Development Support	80 000	500 000	300 000
97	District and Tourism Organisations	50 000	100 000	50 000
98	Development of a tourism specific website	34 337	50 000	40 000
99	Tourism Trade Shows & Exhibitions	100 000	300 000	300 000
100	ADM Tourism Events	180 000	800 000	800 000
101	Tourism Tourist Guide	20 000	450 000	300 000
102	Support Towards Creative Industry	50 000	150 000	200 000
103	Craft Development Support	80 000	400 000	450 000
104	Community Tourism Development Support	40 000	150 000	200 000
105	AREDS Programmes	534 337	500 000	700 000
106	LED Forum	100 000	120 000	140 000
107	Food Security	400 000	-	-
108	Agricultural Expo	234 337	-	-
109	Heritage Resources Management Cap citation	70 000	900 000	900 000
110	Annual Heritage Celebrations	150 000	600 000	600 000
111	Heritage Research & Collections	100 337	900 000	900 000
112	Early African Intellectuals Legacy Promotion	100 000	800 000	800 000
113	Heritage Route Development	100 000	900 000	900 000

114	Conservation of Heritage Sites	114 000	900 000	900 000
115	Social and Economic Integration of Military Veterans	2 000 000	2 500 000	3 000 000
116	Quality assurance review	400 000	1 000 000	1 098 000
117	Support to LM	300 000	1 000 000	1 000 000
TOTAL PROJECTS 2012 - 2015		63 147 530	54 476 908	63 68 000

ADDITIONAL PROJECTS FOR LAND HUMAN SETTLEMENT AND ECONOMIC DEVELOPMENT

PROJECT	LOCATION	BUDGET 12/13	BUDGET 13/14	BUDGET 14/15
Fish Farming	Ngqushwa LM- Pikoli and Hamburg Mbashe- Dwesa-Cebe	R 300 000	200 000	200 000
Blue Flag Alien Plant Eradication Programme	Ngqushwa-Hamburg Mnquma- Centane	R 1 000 000	-	-
Environment Education and Information	Mbashe -Dwesa Cweba Great Kei- Kei Mouth	R 300 000	-	-
Capacity Building		R 200 000	-	-
Amathole Mountain Biosphere Reserve	Amahlathi, Nkonkobe	R 200 000	150 000	150 000
Sport Tourism	Boxing- Mbashe LM Cycling- Nkonkobe LM Golf- Ngqushwa LM	R 1 500 000	500 000	500 000
Creative industry and Film Development	Support toward creative industry and emerging film makers			
Tourism Marketing and Promotion	Support towards tourism products owners, tour operators, signage and information boards Trade shows participation, website development, brochure and DVD development. The target market for the district is both international and domestic tourists.	R2 000 000	1 500 000	1 500 000
Heritage Route Development	As per 4 Major Heritage Routes	R 2 800 00	500 000	500 000
Armed Struggle Living Museum	ADM	R 900 000	-	-
Liberation Heritage Sites	Amahlathi LM	R 300 000	150 000	150 000
Cultural Village	Amahlathi , Great Kei , Mbashe Ngqushwa LM, Nxuba LM	R 2 500 000	1 000 000	1 000 000
Craft Development	Mbashe, Mnquma, Ngqushwa, Amahlathi, Nkonkobe , Great Kei, Nxuba	R 2 500 000	500 000	500 000
Support towards agri-businesses	Ngqushwa Farmers Agricultural center Ngqushwa and Nkonkobe- Citrus Production	R 200 000	1 500 000	1 500 000
Support to Cooperatives within the Blue Berry and essential oils	Amahlathi- Blueberry Production	R 1 000 000	-	-

sectors				
Support to Cooperatives Development	Amahlathi LM	R 200 000	200 000	200 000
Input supply and Mechanisation services	Mbashe, Mnquma , Amahlathi, Ngqushwa	R 6 200 000	1 500 000	1 500 000
Homestead Gardens (Siyazondla)	Mbashe, Mnquma, Ngqushwa, Amahlathi, Nkonkobe, Great Kei, Nxuba	R 4 000 000	500 000	500 000
	Mbhashe, Mnquma, Ngqushwa, Amahlathi, Nkonkobe , Great Kei, Nxuba	R200 000	150 000	150 000
Livestock Infrastructure Support	Mbashe, Mnquma, Ngqushwa, Great Kei, Nxuba	R 500 000	250 000	250 000
Provision of breeding material	Mbhashe, Mnquma Ngqushwa, Amahlathi, Nkonkobe , Great Kei , Nxuba	R300 000	100 000	100 000
Capacity building	Mbhashe, Mnquma, Ngqushwa, Amahlathi, Nkonkobe , Great Kei, Nxuba	R150 000		
Sustainable Livelihood	Mbashe, Mnquma, Ngqushwa, Amahlathi, Nkonkobe, Great Kei , Nxuba	R2 000 000	1 500 000	1 500 000

4.7 LIST OF UNFUNDED PROJECTS

PROJECT	AMOUNT
REVIEW OF HOUSING STRATEGY	300 000.00
REVIEW OF LRSP	300 000.00
REVIEW OF SPATIAL DEVELOPMENT FRAMEWORK	300 000.00
REVIEW OF CHATHA DEVELOPMENT PLAN	200 000.00
NGQUSHWA ZONE PLAN	300 000.00
ELLIOTDALE ZONE PLAN B	350 000.00
REVIEW OF HOUSING STRATEGY	300 000.00
MT PLEASANT DEVELOPMENT PLAN	250 000.00
ELUKHANYISWENI ZONE PLAN PLAN	200 000.00
BEDFORD ZONE PLAN	200 000.00
CENYULANDS CONSOLIDATION OF LAND	200 000.00
WESLEY TOWNSHIP REGISTER	200 000.00
KEI ROAD TOWNSHIP REGISTER	350 000.00
GASELA TOWNSHIP REGISTER	200 000.00
INDIVIDUAL TRANSFERS KUBUSIE	150 000.00
INDIVIDUAL TRANSFER MT PLEASANT	120 000.00
DUCATS TRANSFERS	200 000.00
GASELA TRANSFERS	200 000.00
MGWALI COMMONAGE TRANSFER	450 000.00
MACLEANTOWN COMMONAGE TRANSFER	200 000.00
WORTELDRIFT COMMONAGE TRANSFER	200 000.00
LAND SUMMIT	1 200 000.00
LM HOUSING SECTOR PLAN SUPPORT	100 000.00
HOUSING STRATEGY TRAINING	200 000
SOCIAL HOUSING PROJECT	200 000.00
LM INSTITUTIONAL LAND REFORM CAPACITY BUILDING	200 000.00
BODIUM SETTLEMENT PLANNING	228 000.00
CISIRA SETTLEMENT PLANNING	228 000.00
BELL SETTLEMENT PLANNING	228 000.00

KEI ROAD SETTLEMENT PLAN	100 000.00
CEFANE PLANNING	200 000.00
OPERATIONALISATION OF BUTTERWORTH INCUBATION CENTRE	500 000
OPERATIONALISATION OF ALICE INCUBATION CENTRE	500 000
NGQUSHWA AGRICULTURAL COOP CENTRE	500 000
ENTERPRISE DEVELOPMENT FORUM	150 000
COOPERATIVE DEVELOPMENT CENTRE	1 500 000
BUTTERWORTH MARKET	750 000
SMME STRATEGY	500 000
COOPERATIVES STRATEGY	100 000
INFORMAL TRADE STRATEGY	800 000
UFH PARTNERSHIP	400 000
MNQUMA BUSINESS IMBIZO SUPPORT	100 000
NKONKOBÉ BUSINESS IMBIZO SUPPORT	100 000
NXUBA PROJECTS	100 000
LOCAL MUNICIPAL GREENING - Climate change mitigation	800 000
MITIGATION AND ADAPTATION TO THE EFFECTS OF CLIMATE CHANGE	800 000
AIR QUALITY MANAGEMENT	450 000
ALIEN PLANTS REMOVAL	400 000
WORKING ON WASTE	400 000
TOURISM PRODUCTS SIGNAGE	700 000
VISITOR INFORMATION CENTRE SUPPORT	300 000
TOURISM PRODUCTS SUPPORT AND TRAINING	450 000
GREEN TOURISM FEASIBILITY STUDY	150 000
REVIEW OF TOURISM MASTER PLAN	600 000
ELECTRONIC TOURISM MARKETING PROGRAM	100 000
SPORT TOURISM DEVELOPMENT PLAN	150 000
NXUBA CHALETS	100 000
CHATHA CHALETS	100 000
MGWALI CULTURAL VILLAGE	100 000
BAWA FALLS DEVELOPMENT	100 000
ISIVIVANE COMMUNITY TOURISM PROJECT	100 000
NGQUSHWA HOME STAYS	150 000
NGXINGXOLO CULTURAL VILLAGE	100 000
MBHASHE CULTURAL VILLAGE	150 000
HIGHLANDS RESORT	100 000
CRAFT MARKET DEVELOPMENT	100 000
IKHAMANGA COMMUNITY TOURISM	-
TOURISM MARKETING BUREAU	
MTHONTSI LODGE COMMUNITY TOURISM	250 000
LIVESTOCK IMPROVEMENT	3 900 000
SUPPORT TO INDIVIDUAL EMERGING FARMERS	770 000
MAINTENANCE OF TRACTORS	300 000
SUPPORT TO AGROPROCESSING AND VALUE-ADDING INITIATIVES	2 650 000
SUPPORT TO HIGH-VALUE CROP PRODUCTION AND MARKETING INITIATIVES	4 200 000
CAPACITY BUILDING (Farmers & Agric/LED staff at LMs)	950 000
CREATION OF PARTNERSHIPS WITH INSTITUTIONS OF HIGHER LEARNING	-
AGRICULTURAL RELIEF	5 000 000
SUPPORT DEVELOPMENT OF LM AGRICULTURAL PLANS	1 800 000
SOCIO-ECONOMIC IMPACT OF HERITAGE RESOURCES MANAGEMENT	1000 000.00
HERITAGE RESOURCES MANAGEMENT STRATEGY REVIEW	500 000
Establishment of a Fire Services Training Centre in Mnyuma/Butterworth [fire station incorporating a training centre]	5 000 000

4.8 COMMITMENTS FROM SECTOR DEPARTMENTS

NAME OF DEPARTMENT: RURAL DEVELOPMENT AND AGRARIAN REFORM

SERVICE DELIVERY PLAN:	PROJECT NAME	PROJECT DESCRIPTION	PROJECT LOCATION	LOCAL MUNICIPALITY	BUDGET ALLOCATION
CASP	Makuzeni Farm	Eskom Connection	Rabula-Farm no.22	Amahlathi-Keiskammahoek	150 000.00
CASP	Umzamowethu CPA	Stock Water supply	Mzamowethu Farm	Amahlathi-Bolo	150 000.00
CASP	Alice Project	Fencing,Irrigation,Trees	Battlesden Farm-Alice	Nkonkobe	1 500 000.00
CASP	Nkwalini Bafazi	Handling facility,diptank(Small Stock),shearing shed,fencing	Nkwalini Bafazi	Mbashe	3 491 000.00
CASP	Nkuthazo Trading Enterprise	Poultry Structure,Electric Fencing,Electricity Connection,Generator,High Preassure pump,Header Tank	Centane	Mnquma	1 549 000.00
CASP	Nkqonkweni Farmers Association	Boundary and Internal Fencing	Nkqonkweni	Buffalo City Metro	2 078 000.00
CASP	Yellowwoods	boundary fencing, handling facilities	Yellowwoods Farm	Ngqushwa	868 000.00
CASP	Amahlathi IKS Farming & Markets	Indigenous farming systems and Rural Marketing Infrastructure	Amahlathi	Amahlathi	224 000.00
CASP	BCM IKS Farming & Markets	Indigenous farming systems and Rural Marketing Infrastructure	BCCM	BCCM	224 000.00
CASP	Nkonkobe IKS Farming & Markets	Indigenous farming systems and Rural Marketing Infrastructure	Nkonkobe	Nkonkobe	224 000.00
CASP	Ngqushwa IKS Farming & Markets	Indigenous farming systems and Rural Marketing Infrastructure	Peddie	Peddie	224 000.00
CASP	Empindweni Project	Eskom'fencing,Irrigation	Tsomo	Amahlathi	1 200 000.00
CASP	Ngcabasa Wool Growers Association	Shearing Shed and equipment	Ngcabasa	Nkonkobe-Middledrift	500 000.00
CASP	Great Kei Beef Project	2 x Cattle Handling Facilities, 2x Fencing of boundary and subdivision of camps,	Grey Valley & Matol's Farming Co-op	Great Kei	1 013 000.00
CASP	Peddie Ostrich Project	Primary Ostrich Production	Peddie	Ngqushwa	1 000 000.00
CASP	Maccademia	Irrigation-Water Pipes	Ncera Villages	BCMM	11 000 000.00
					25 395 000.00

DEPARTMENT OF LOCAL GOVERNMENT & TRADITIONAL AFFAIRS

SERVICE DELIVERY PLAN:	PROJECT NAME	PROJECT DESCRIPTION	PROJECT LOCATION / LOCAL MUNICIPALITY (LM) & BUDGET ALLOCATION
<ol style="list-style-type: none"> Support and strengthen the limited capacity in categories B2, B3 and B4 municipalities by way of engaging LED Assistants. Deployment of LED Experts in the district municipalities, to strengthen and sustain the positive results. 	LED Capacity	Deployment of the LED Experts and Assistants will be for a period of three (3) years.	<ol style="list-style-type: none"> Mbashe LM 2012/13 = R87 990 2013/14 = R87 990 2014/15 = R93 269 Amahlathi LM 2012/13 = R87 990 2013/14 = R87 990 2014/15 = R93 269 Ngqushwa LM 2012/13 = R371 245 2013/14 = R456 263 2014/15 = R483 629 Nkonkobe LM 2012/13 = R87 990 2013/14 = R87 990 2014/15 = R93 269 Nxuba LM 2012/13 = R87 990 2013/14 = R87 990 2014/15 = R93 269
<ol style="list-style-type: none"> To support the revitalisation of small towns and regeneration of second economies 	Revitalisation of the Second	Revitalisation of Second Economies is	<ol style="list-style-type: none"> Mbashe LM 2012/13 = R240 632 2013/14 = R256 702 2014/15 = R272 104

<p>2. To support implementation of Community Work Programme</p> <p>3. Facilitate integration, coordination, planning, monitoring, evaluation and reporting to drive second economy development initiatives.</p> <p>4. Support stakeholder mobilisation</p>	Economies	a Three (3) Year Programme starting from 2012 to 2015.	<p>2. Ngqushwa LM</p> <p>2012/13 =R240 632</p> <p>2013/14 = R256 702</p> <p>2014/15 = R272 104</p> <p>3. Nkonkobe LM</p> <p>2012/13 = R240 632</p> <p>2013/14 = R256 702</p> <p>2014/15 = R272 104</p>
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DEPARTMENT OF ENVIRONMENTAL AFFAIRS - PROGRAMME IMPLEMENTATION REPORT ON PROJECTS

Project Description	Start Date/ End Date	Total Budget/ Total Expenditure to Date	Progress to Date (Planned SEB's-Achieved)	Challenges	Proposed Action
Establishing community gardens, Erection of fence, Erect boreholes, Establishment of nursery, Construct recreational centres, Erect entrance features, Tree planting, Conduct community education workshops, Site clearing, General landscaping, Paving, Park bins, Park benches, Parks establishment, Parking areas	10/02/2010 - 30/04/2013	R19,000,000 / R9,616,128	Parks (4;4), Trees (1000;50), Admin Building (10;10), Fencing (3;2)	Water supply	Expedite borehole installation
Street cleaning and environmental awareness campaign of Mquma LM by purchasing of bins, street furniture, upgrading of storage facilities, planting of trees & ornamental plants, upgrading of public toilets, composting and food gardens.	01/12/2009 - 01/06/2012	R39,239,999 / R19,653,670	Trees (100;490)	Trucks not suitable for wheely bins. Late start of the project.	Amend the business plan
Removal of alien vegetation, rehabilitation of wetland by removing alien species and gabions construction, landscaping, signage at the entrances, beautification of gateways and tree planting.	31/03/2009 - 31/08/2011	R16,150,000 / R6,876,071	Trees (45;0), Wetland (1;0)	Amendment not yet concluded	Fasttrack the process

Street cleaning and beautification in King Williams Town & Komga by means of paving pathways, signage, upgrading Komga & KWT parks, EMP, Environmental awareness	01/08/2010 - 31/12/2012	R7,600,000 / R2,313,839	Trees (2,600;0)	None	None
Conducting further accredited training & non-accredited training and thereafter embarking on extensive waste awareness campaigns throughout the NMBM using Ward based facilitators	01/02/2010 - 31/12/2011	R2,500,000 / R2,420,770	Awareness raising complete	None	None
Street cleaning & beautification in GHT & Peddie by means of installation of bins, tree planting, alien plant removal, park establishment, entrance beautification and paving of walkways	01/02/2011 - 28/06/2013	R7,600,000 / R876,042	Trees (230;0)	None	None
Cleaning of coastline and facilities, installation of bins, signage, compliance monitoring and life guards, alien plant removal, dune stabilization and construction of boardwalk.	01/04/2011 - 31/07/2013	R7,000,000 / R1,217,753	Coastline (80;28)	None	None
Illegal road closure & erosion control, removal of alien plants, litter picking, cleaning public toilets, demolition of abandoned public toilets, trail maintenance, signage, boardwalk construction	01/04/2011 - 30/06/2013	R11,000,000 / R1,806,817	Coastline (86;86)	None	None
Establishment of two eco-parks in Mdantsane & Duncan Village by removing alien vegetation, wetland rehabilitation, ablution facilities, pedestrian walkways, park benches, park lights, fencing, tree planting, access road and parking areas, general landscaping, park bins, parks and sports facilities	01/12/2010 - 31/12/2012	R14,250,000 / R5,816,545	Wetland (2;2), Parks (2;2), Trees (724;288), Fence (1;0)	None	None
Street cleaning and beautification of Dutywa by installation of bins, general landscaping, mini parks & furniture, construction of gateways, education and awareness	17/07/2010 - 31/03/2011	R4,750,000 / R4,350,544	Parks (2;2)	Amendment not yet concluded	Process amendment faster.
Beach cleaning, alien plant removal, rehabilitation of dunes, ablution blocks maintenance, pathways and boardwalks maintenance upgrading and maintenance of campsites, tree planting, removal of illegal and abandoned structures and rehabilitation of degraded areas.	01/04/2011 - 30/06/2011	R11,000,000 / R1,693,669	Coastline (115;115)	None	None

Cleaning of the coast, removal of illegal & abandoned structures, removal of alien vegetation, rehabilitation of degraded areas, upgrade of municipal campsites	01/06/2011 - 30/04/2013	R8,500,000 / R1,158,173	Coastline (93;93)	None	None
Greening and beautification of Butterworth by developing 2 fully fledged parks at Sisonke and Ibika as well as creation of a picnic site at Gcuwa dam with general landscaping, installation of park benches, bins, tree planting, construction o ablutions, park establishment, nursery, composting, site clearance and levelling, gabions, alien plant removal and open space masterplan development	23/03/2010 - 31/03/2013	R14,915,000 / R7,303,490	Parks (2;0), Trees (1000;880), Admin building (36;0)	Water supply & electrical points	Ask the Municipality to pay Eskom for the connection and perform further tests for the borehole instalation
Plant indigenous trees in schools, clinics, open spaces, municipal offices, develop nursery, clear alien vegetation, erec tourism signage, landscaping and develop recreational parks	01/03/2009 - 31/12 2011	R7,600,000 / R7,343,640	Parks (2;2), Trees (1207;1208), Admin building (40;40), Fencing (1;1)	Water supply & electrical points	Ask the Municipality to pay Eskom for the connection and perform further tests for the borehole instalation
Erect 50km game fence, construct 15 new staff accommodation units and construct a sewerage treatment plant	18/03/2011 - 18/03/2013	R14,000,000			
Clearing of black wattle along rivers and rivulets within Amahlathi municipality by means of removing alien invasives, removing wattle, erosion control and vegetation restoration	14/07/2011 - 30/04/2014	R7,500,000			

2012/2013 ESKOM ELECTRIFICATION PLAN

MUNICIPALITY	PROJECT NAME	CATEGORY	Y-E PLAN CAPEX	Y-E PLAN CONNECTIONS
Amahlathi	Amahlathi – Tsomo B	Household	R17,600,000	1100
	North-East King Extensions	Household	R3,200,000	200
	Mgwali/Heckel	Pre-Eng	R675,000	0
Total Amahlathi			R21,475,000	1300
Mbhashe	Elliotdale Rural Phase 2A	Household	R4,800,000	300
	Gatyana Strengthening	Infrastructure	R27,500,000	0
Total Mbhashe			R32,300,000	300
Mnquma	Cafutweni Phase 2	Household	R11,760,000	735
	Khobonqaba Phase 2	Household	R14,336,000	896
	Khotana Phase 1	Household	R4,800,000	300
	Khotana Phase 2	Household	R4,800,000	300
	Msobomvu Housing Phase 2	Pre-Eng	R28,000	0
	Zazulwana-Mgagasi Extension	Household	R3,552,000	222
Total Mnquma			R39,276,000	2453
Ngqushwa	Peddie East	Household	R4,800,000	300
Total Ngqushwa			R4,800,000	300
Nkonkobe	Alice Housing	Household	R5,596,500	533
	Mpofu Extension	Household	R3,200,000	300
Total Nkonkobe			R8,796,500	833
TOTAL AMATHOLE			R106,647,500	5186

DEPARTMENT OF LOCAL GOVERNMENT & TRADITIONAL AFFAIRS

SERVICE DELIVERY PLAN:	PROJECT NAME	PROJECT DESCRIPTION	PROJECT LOCATION / LOCAL MUNICIPALITY (LM) & BUDGET ALLOCATION
<p>3. Support and strengthen the limited capacity in categories B2, B3 and B4 municipalities by way of engaging LED Assistants.</p> <p>4. Deployment of LED Experts in the district municipalities, to strengthen and sustain the positive results.</p>	LED Capacity	Deployment of the LED Experts and Assistants will be for a period of three (3) years.	<p>6. Mbashe LM 2012/13 = R87 990 2013/14 = R87 990 2014/15 = R93 269</p> <p>7. Amahlathi LM 2012/13 = R87 990 2013/14 = R87 990 2014/15 = R93 269</p> <p>8. Ngqushwa LM 2012/13 =R371 245 2013/14 = R456 263 2014/15 = R483629</p> <p>9. Nkonkobe LM 2012/13 = R87 990 2013/14 = R87 990 2014/15 = R93 269</p> <p>10. Nxuba LM 2012/13 = R87 990 2013/14 = R87 990 2014/15 = R93 269</p>
<p>5. To support the revitalisation of small towns and regeneration of second economies</p>	Revitalisation of the Second	Revitalisation of Second Economies is	<p>4. Mbashe LM 2012/13 = R240 632 2013/14 = R256 702 2014/15 = R272 104</p>

<p>6. To support implementation of Community Work Programme</p> <p>7. Facilitate integration, coordination, planning, monitoring, evaluation and reporting to drive second economy development initiatives.</p> <p>8. Support stakeholder mobilisation</p>	Economies	a Three (3) Year Programme starting from 2012 to 2015.	<p>5. Ngqushwa LM</p> <p>2012/13 = R240 632</p> <p>2013/14 = R256 702</p> <p>2014/15 = R272 104</p> <p>6. Nkonkobe LM</p> <p>2012/13 = R240 632</p> <p>2013/14 = R256 702</p> <p>2014/15 = R272 104</p>
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CHAPTER 5: SECTOR PLANS

INTRODUCTION

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

5.1 LIST OF ADOPTED SECTOR PLANS

Communications Strategy
Employment Equity Plan
Donor Management Strategy
Revenue Enhancement Strategy
Land Reform and Settlement Plan
Housing Strategy
District Spatial Development Framework
SMME Strategy
Amathole Economic Development Strategy
Integrated Agricultural Plan
Tourism Master Plan
Heritage Resources Management Strategy
Film Development Strategy
Integrated Environmental Management Plan
Disaster Management Risk and Vulnerability Assessment Plans
District Fire Prevention Strategy
Disaster Management Plans
Communicable Diseases Prevention and Control Strategy
Health Care Waste Management Plan
Community Safety Plan
Disaster Management Framework
Fire Risk Management Plan
Integrated Transport Plan
Integrated Waste Management Plan
Water Services Development Plan
Risk Management Strategy
Geographic Information System (GIS) Strategy
Performance Management Framework
Air Quality Management Plan
Climate Change Strategy
Human Resources Development Strategy
Industrial Development Plan
Talent Retention Strategy
Cooperatives Strategy

5.2 LIST OF NEW SECTOR PLANS

Supply Chain Management Strategy
Asset Management Strategy
Industrial Development Strategy
Geographic Information Systems (GIS) Strategy
HIV/AIDS Mainstreaming Plan
IT Strategic Master Plan

5.3 STATUS OF SECTOR PLANS

NEW AND EXTENSIVELY REVIEWED IDP SECTOR PLANS

PROJECT	BUDGET	STATUS QUO	KEY ISSUES
Climate Change Strategy [NEW]	BUDGET: R300 000 ,00 EXP: R225 000 ,00	Draft Sector Plan in place	Increased interagency discussion on policy development, for example, incentives for urban households, promoting tradition zero waste farming in rural areas, developing a climate change policy for Amathole District Encouraging ongoing scientific research which is relevant to the District and which informs decision and policy making Focusing on education and awareness programmes Conducting a vulnerability assessment for the region Actively engaging in dialogue with and between agencies Consideration of the viability of collective clean development mechanisms projects which could generate revenue for the region through carbon trading
Asset Management Strategy [NEW]	Budget = R197 043.44 Expenditure = R62 783.45 Balance =R134 259.99	Draft Sector Plan in place	Infrastructure and Land and building Assets Delegations Clarity on the roles and responsibilities between the physical management of assets The current cultures of life cycle management of assets need to be looked at as there is a gap between infrastructural assets life cycle management and other assets. Maintenance and Refurbishment repairs and maintenance
Industrial Development Plan [NEW]	R500 000	Project still on tender stage	In the process of appointing the Service Provider to develop the plan
Integrated Agricultural Plan	R502 636	Review still at Analysis stage	NONE <u>FOCAL AREAS:</u> Identify capacity needs of the ADM Agric Unit. Participation of LMs in agricultural development Support to designated groups Provision of resources Financial Support Infrastructure development and revitalization
Air Quality Management Plan [NEW]	R284 886 ,00	Sector Plan in place	Coordination of environmental management activities within the district; Mainstreaming environmental management within ADM,
Human Resource Development	R 500 000 ,00	Sector Plan in place	Commitment from the Department of Education in providing education and training in identified priority areas within the District.

PROJECT	BUDGET	STATUS QUO	KEY ISSUES
Strategy [NEW]			<p>Coordination of government and stakeholders LM HRD programmes be aligned to ADM HRD Programmes. Effective monitoring and evaluation of skills development initiatives: Effective Information Dissemination: SETA must develop and maintain databases of accredited service providers Continuously assess and align courses provided by Higher Education Institutions Improvement of Skills Development Infrastructure. LMS financial and technical supports Political support towards Skills Development. Training programmes</p>
Talent Retention Strategy[NEW]	R500 000 ,00	Sector Plan in place	<p>Compensation Working conditions Departmental procedures and policies Management and supervision Human Resources (HR) Recruitment and selection Induction Performance management Corporate culture & Morale Professional Growth and Development Adequate resources Communication Trust Job satisfaction</p>
Reviewed Amathole Regional Economic Development Strategy (AREDS) [OLD]	R300 000		
Co-operatives Strategy	R300 000	Stage	<p><u>FOCAL AREAS</u> Structured support for three identified types of Cooperatives (<i>commercially viable, self developing and marginal co-operatives</i>); Market linkages Marketing material; Procurement practice that favour co-operatives; Education and training; Access to finance; Sustainable and vibrant enterprise.</p>

PROJECT	BUDGET	STATUS QUO	KEY ISSUES
Fraud Prevention Plan	R0	Plan in place	Public accountability The development of an anti-fraud culture. The conducting of fraud risk analysis The implementation of prevention strategies. The continuous review and development of the Prevention
Reviewed Employment Equity Plan	R0	Plan in place	Updated Goals and targets Employees with disabilities Employment Barriers Affirmative

ADOPTED AND INTERNALLY REVIEWED/UPDATED SECTOR PLANS

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
Engineering Services	Water Services Development Plan	2006/07	2007/08 2008/09 2009/10 2010/11	<p>Drought intervention measures Raw water situation and cross boundary issues Water conservation and demand Water resource planning intervention Operation and Maintenance</p> <p>Additions Operation and Maintenance</p> <ul style="list-style-type: none"> • Wastewater Treatment Works [WWTWs] which generally are in dire need of repairs • Ongoing publicity campaigns about the drought and conserving water <p>Free Basic Services Eradicating Service Level Backlogs Undertake ground water investigations Eradication of Bucket System RDP Standard Water and Sanitation provision</p>
Engineering Services	Integrated Waste Management Plan	2003/04	2006/07 2009/10 2010/11	<p>Public and Environmental Health; Waste Minimisation and Education; Integrated Waste Management Planning; Capacity issues; Institutional and Organisational Issues.</p> <p>Additions: Solid waste disposal sites -</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<ul style="list-style-type: none"> • The determination of waste disposal strategy • Regulation of waste disposal strategy • Establishment, operation and control of waste disposal sites, Cleansing assessment <ul style="list-style-type: none"> • Levels of cleanliness in urban centers • Implementation of properly structured operational plans and education/awareness programmes. Waste disposal <ul style="list-style-type: none"> • Establishment of Transfer Stations • Regional Waste Site. • Separation of Waste at source. Waste minimization and education By-laws Resources and capacity Planning Waste minimization: Infrastructure development: Local Disposal Sites
Engineering Services	Integrated Transport Plan	2003/04	2006/07 2008/09 2009/10 2010/11	Poor Road conditions; Hitch-hiking; Law enforcement; Public Transport Facilities upgrade ; Non- motorized transport facilities; Rail transport resuscitation.
				Additions: Use of Bakkies and Un-roadworthy vehicles as public transport Modal Transport facilities Lack of public transport facilities The rank facilities Safety Lack of learner transport Illegal operations <ul style="list-style-type: none"> • permits or operating licenses, • Permit Conversion Process and Taxi Recapitalisation Process is Cost of public transport services Service Coverage Public Transport Coverage per municipal area and average for district

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
Land, Human Settlements & Economic Development	Land Reform & Settlement Plan	2003/04	2006/07 2008/09 2009/10 2010/11	<p>General acceptance of the spatial planning framework; Pace of land reform within the municipal area still lags behind; Land reform initiatives largely remain geographically focused; Land redistribution planning needs; Implementation capacity is viewed as a serious challenge in land reform; Breakdown of land administration systems; Tenure insecurity remains prevalent; Weak integration of existing land reform initiatives into the process of developing livelihoods; Clear and workable institutional framework for the delivery of land reform.</p> <p>Additions: Land reform initiatives largely remain geographically focused and limited to certain types of interventions, to the detriment of a preferred, holistic implementation of the complete land reform package; Land Redistribution Planning Needs have focused on certain areas where eg. commonage needs are extensive throughout the district; Implementation capacity is viewed as a serious challenge in land reform implementation throughout the area and specifically communication of the deliverables and the rate of implementation have been of concern; Breakdown of Land Administration Systems (in respect of both the legislative, regulatory and administrative aspects thereof) throughout the district has led to uncertainty and tensions; Tenure insecurity remains prevalent, to be addressed on the proposed Green Paper on Land Reform, Weak integration of existing land reform initiatives into the process of developing livelihoods and land productivity A need has been identified for a “clear and workable institutional framework for the delivery of land reform in its various components throughout the district. This emanates from unclear roles between relevant sector departments Traditional leaders and municipalities with regard to demarcation of sites in rural areas.</p>
Land, Human Settlements & Economic Development	District Spatial Development Framework	2003/04	2006/07 2008/09 2009/10 2010/11 2011/12	<p>Hierarchy of Settlements classification of the hierarchy of settlements, providing guidelines being: Primary Urban Node: where most urban-economic opportunities are situated. It represents the greatest formal economic opportunity within the district and as such, investment should be prioritized accordingly. Administrative Node: they serve as the seat of the provincial government. Secondary Urban Node: have been identified as nodes with growth potential in the District. Urban Service Centres: have been identified as providing a higher order level of service to their surrounding hinterland areas. It has been recognized that these exhibit trends of population influx</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>and as a result, require investment to accommodate these pressures.</p> <p>Special Development Areas: These have been identified through various sectoral inputs and are areas where ADM and/or local municipalities would prioritise funding for spatial and development planning and;</p> <p>Associated implementation activities being:</p> <ul style="list-style-type: none"> • Land Reform and Settlement Zones: These were identified in the LR&SP and are proposed areas of priority for land reform, spatial planning and livelihoods planning initiatives; Linkages to LED- and Environmental Management Strategy; Preliminary proposals regarding Mthatha – East London Rail Link Upgrade have been included. • Tourism Development Zones: These were identified based on proposals included in the LED Strategy. <ul style="list-style-type: none"> ▪ Mpofu-Katberg Area; ▪ Doubledrift Game Reserve; ▪ Wild Coast Meander Trail • Transport Routes <ul style="list-style-type: none"> ▪ These are rail and road routes identified in terms of the Transport Strategy. ▪ Roads requiring upgrading have been identified; proposed new roads have been identified. • Cross-Boundary Infrastructure/Facilities <ul style="list-style-type: none"> ▪ These were identified in terms of the Integrated Waste Management Plan; ▪ Communal existing waste disposal sites; small, medium and large existing waste disposal sites; <p>Existing/proposed regional waste disposal sites:</p> <ul style="list-style-type: none"> • General Areas of Need <ul style="list-style-type: none"> ▪ These have been identified as broad areas where special circumstances of need prevail ▪ Former Transkei and Ciskei where issues related to land administration, land use management, tenure reform and livelihoods support and development need to be prioritized • Environmental Informants/Conservation <ul style="list-style-type: none"> ▪ These were spatially defined in terms of the Amathole District State of the Environment Report and/or the Sub-Tropical Thicket Ecosystem Planning (STEP) Programme ▪ Categories identified are: Vulnerable, critically endangered, conservancy network, ecological process areas and protected areas. <p>Additions:</p> <p>In the coming 3-year planning cycle, ADM & PDLG&TA and the LMs in the District to investigate the feasibility of developing a “Shared Services” approach</p> <p>SDF cross reference with other plans when reviewing or developing</p> <p>Lack of mechanisms in ensuring alignment with local municipalities</p> <p>Lack of mechanisms to ensure compliance by both municipalities and sector departments</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				Linkages with neighbouring municipalities with regard to impact of regional economic concentrations
Engineering Services	Housing Strategy	2006/07	2008/09 2010/11	<p>Household sizes are decreasing by approximately 27% and this should be brought into consideration in all forward planning exercises;</p> <p>No quantitative data on the impact of HIV/Aids & therefore housing needs should be scientifically determined by means of a comprehensive needs analysis, being inter alia:</p> <p>Changes in households size;</p> <p>Age and gender distribution;</p> <p>Impact of HIV and Aids;</p> <p>Economic mainstreaming of potential beneficiaries;</p> <p>Completed and/or approved housing projects; and</p> <p>Migration patterns, etc.</p> <p>The infrastructure related needs, in relation to an integrated, sustainable human settlement;</p> <p>Existing water and sanitation needs as per the WSDP be evaluated against the existing housing needs;</p> <p>Alignment of new housing related bulk and connector infrastructure be ensured with existing and proposed bulk and connector infrastructure provisioning;</p> <p>Several new policy directives have emerged since the last ADM Housing Strategy Review which included breaking new ground and more particularly community driven housing Initiatives;</p> <p>Certain national policy imperatives in terms of the national strategic thrusts and strategic objectives need to be incorporated in the ADM strategy review currently undertaken;</p> <p>No new housing projects were approved within the ADM area</p> <p>Houses completed and under construction indicates a relatively slow rate of delivery;</p> <p>The extent of houses to be included as part of the rectification programme should be quantified as soon as possible.</p> <p>Additions:</p> <p>District Household decrease by approximately 27%</p> <p>No quantitative data on the impact of HIV/Aids on the numbers and sizes of households area available</p> <p>The infrastructure related needs, in relation to an integrated, sustainable human settlement strategy for the ADM area</p> <p>Existing water and sanitation needs as per the ADM WSDP should be interrogated and evaluated against the existing housing needs and housing policy instruments</p> <p>Alignment of new housing related bulk and connector infrastructure</p>
Health & Protection Services	Disaster Management Risk Vulnerability Assessment Plan	2006	2009/2010 2010/2011	<p>Methods utilised in the risk and vulnerability Assessment conducted.</p> <p>Results of the Assessment</p> <p>Overview of Risks.</p> <p>Vulnerability and underlying causes</p> <p>Risk and vulnerability strategies.</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>The state of institutions relevant to disaster management Interface between the District Disaster Management and IDPs.</p> <p>Additions: There are other risks that have been identified namely: Xenophobia Railway lines Drought Hazardous material</p>
Health & Protection Services	<p>District Fire Prevention Strategy</p> <p>The Strategy Has Been Changed To – Fire Risk Management Plan</p>	2008/2009	<p>2009/2010</p> <p>2010/2011</p>	<p>Fire Protection Objectives to protect human life, property, public land assets and values, as far as practicable, from the deleterious consequences of wildfire; to control all wildfires, on or threatening public land, in the shortest possible time in a manner which is fast, determined, safe and thorough, giving due regard to management objectives, environmental values and economy; to minimize the incidence of preventable wildfires (wildfires of human origin); to ensure that environmental values, including the vigour and diversity of the State’s indigenous flora and fauna, are protected, as far as practicable, from the deleterious effects of wildfire and inappropriate fire regimes. to ensure water catchments, airshed and landscape values are conserved; to ensure archaeological, historical, and other cultural sites are conserved; to achieve other specified land management objectives by the planned use of fire</p> <p>Additions: Protect public land assets and values The usage of flammable liquids and substances Implementing the South African National Standards (SANS 10087 and 10089- gas and fuel Fire Services By-laws Fuel Management, Seasonal burning as per traditional beliefs, The lack of, or insufficient fire fighting resources high fire risks</p>
Health & Protection Services	<p>Communicable Disease Strategy</p> <p>Communicable Diseases Prevention And Control</p>	2003/04	<p>2008/09</p> <p>2009/2010</p> <p>2010/11</p>	<p>The development of an integrated response that will reduce impact of communicable diseases</p> <p>Re-viewal of the Communicable Diseases Strategy focused on the following priority areas: Drinking water quality and proper sanitation Waste management</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
	Strategy			<p>Environmental pollution Surveillance of premises Food safety/control Proper disposal of the dead</p> <p>The situational analysis revealed the following:</p> <p>Water Quality Monitoring</p> <ul style="list-style-type: none"> • Drinking water testing not adequately implemented, due to the slow devolution process, fragmentation of services and lack of coordination among the different implementing authorities. <p>Waste Management.</p> <ul style="list-style-type: none"> • Unlicensed disposal sites, • Inadequate management of waste disposal sites- <ul style="list-style-type: none"> ▪ waste segregation not done ▪ No reclaiming and recycling procedure in place • No controlled access at sites. <p>Sanitation</p> <ul style="list-style-type: none"> • Sewerage Treatment Plants not managed adequately. • Ageing infrastructure and occasional power outages, therefore require more regular testing of the final effluent. <p>Food</p> <ul style="list-style-type: none"> • Food safety programme not adequately implemented due to the slow devolution process, fragmentation of services and lack of coordination among the different implementing authorities; • Erratic sampling done due to a number administrative challenges including staff shortages. <p>TB</p> <ul style="list-style-type: none"> • TB is still the major health challenge in the district with 100 000 people on treatment.(JAN-DEC 2008) <ul style="list-style-type: none"> ▪ 5000 Started treatment in December 2008 ▪ 8000 HIV positive people tested for TB <p>HIV SNAP SHOT</p> <ul style="list-style-type: none"> • 81 000 tested at clinics in ADM including BCM • A total of 17 000 people tested positive in 2008. <p>Swine Fever</p> <ul style="list-style-type: none"> • No longer considered a threat and no cases reported within last year (Reporting Period)- Dept Agriculture <p>Rabies</p> <ul style="list-style-type: none"> • About 2 isolated incidences that were managed by Dept Agriculture- (Vaccination programmed

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>in place)</p> <p>Bird Flu</p> <ul style="list-style-type: none"> Control Guidelines- to be included in report(2010 readiness) <p>Diarrhoea</p> <ul style="list-style-type: none"> Stats- 2008 <ul style="list-style-type: none"> Total of 16153 admitted for treatment. <p>The following interventions need to be put in place:</p> <ul style="list-style-type: none"> Develop a school health promotion programme; Conduct serological survey to determine level of HIV infection in TB clients; Conduct training of community health workers and traditional Healers on DOTS strategy; Develop a downward referral programme for MDR treatment; Conduct awareness campaigns and health education to communities on communicable diseases including ARVs; Training of staff on management of patients on ARV; Develop a plan for the District Aids Council; Develop and implement an effective food handler's education programme; Conduct communication strategy on water services provision; Workshop EHP's on solar water disinfections; Develop and implement a disease surveillance plan. <p>Additions: Sanitation Challenges TB Prevention HIV/AIDS matters Swine Fever Rabies Bird Flu Rabies Awareness CAMPIGNS OUTBREAK Preparedness Health promotion Prevention Skills Information dissemination</p>
Health Protection Services	Health Care Waste Management Plan	2008/2009	2009/2010 2010/2011	<p>The need for a plan to deal with Health Care waste was identified. An audit of Health Care Waste Generators was conducted and this was used as the basis for the development of a Health Care Waste Management Plan.</p> <p>Health Care waste situation in South African and Eastern Cape</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>Legislative obligations Base-line survey /audit and recommendations Compliance assessment Profile of waste generated in ADM at HOSPITALS AND CLINICS Health Care Waste Management Implementation Plan with objective and 6 strategies and activities as follows: Maintain an integrated approach to HCW Management Address the shortcomings in relation to HCW at clinics administered by ADM Streamline the Municipal Health Services function in relation to HCW. Enforce standards at facilities generating HCW Formulate a Waste Management Plan Formulate and Air Quality Management Plan</p> <p>Additions: Internal health care waste – collection and storage External health care – collection and transport Treatment and disposal General issues</p> <ul style="list-style-type: none"> • Training • Awareness • Monitoring
Health Protection Services	Community Safety Plan	2008/2009	2009/2010 2010/2011	<p>The Community Safety Plan is reviewed annually in order to be aligned with new legislation and other supporting council strategies. Analyze the most recent available crime statistics with a view to developing programmes that address social crime in the ADM.</p> <p>The reviewed Community Safety Plan includes: Demographic and socio-economic overview; Legislative and policy framework; Crime and Safety Legislation.</p> <ul style="list-style-type: none"> • South African Police Services Act , Act 68 of 1995 as amended; • National Prosecuting Authority Act, Act 32 of 1998; • National Crime Prevention Strategy 1996; • White Paper on Local Government; • The White Paper on Safety and Security; • Provincial Growth and Development Strategy, 2004-2015; • The Provincial Crime Prevention Strategy 2005. <p>Statistical Crime Profile of the Amathole District; Comparative analysis of the various crime categories per municipality;</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>The situational analysis includes the following:</p> <ul style="list-style-type: none"> • Research Methodology • Findings and comparative analysis • Crime and Causal Factors • Environmental profile • Victim and offender profiles • Intervention programmes and initiatives • Partnerships and collaboration <p>Strategic Development and planning includes the following:</p> <ul style="list-style-type: none"> • Strategic overview; • Goals, objectives, strategies and projects; • Project overview; • Implementation plan. <p>The implementation plan for programmes focuses on the following 5 priority areas.</p> <ul style="list-style-type: none"> • Control and prevention of crime through proactive planning and effective regulation of activities; • Facilitation and coordination of a multi-sectoral, collaborative approach to crime prevention; • Empowerment of communities to take responsibility for communal and personal safety and enforce their rights; • Creation of a physical environment that deters criminality and facilitate effective crime control; • Creation of a socio-economic environment that deters criminality through social crime prevention. <p>Additions: AD-HOC Crime Prevention on HOT SPOTS Increased merciless killings Initiative to coordinate the installation of lighting and the gravelling Awareness campaigns The sustainability of Community Safety Forums coordinate community safety programmes; Financial constraints</p>
Health Protection Services	Disaster Management Framework	2008/09	2009/2010 2010/2011	<p>Policy Making process for Disaster Risk Management in the Amathole DM Standards for the establishment of the Amathole and functioning of the Amathole District Municipality Disaster Management Centre. Parameters for the appointment of the Head of the Centre. Policy of municipal departments and other municipal entities for the execution of DRM Standard for the establishment and functioning of the Amathole DM IDRMC Standard for the establishment of Satellite Disaster Risk Management Centres</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>Mechanisms for the integrated direction and execution of DRM Policy between the Amathole DM and local Municipalities: The establishment and functioning of Amathole DM DRM DIS-LOC Forum</p> <p>Standard for the integrated execution of DRM policy in Local Municipalities in the Amathole DM</p> <p>Standard for the establishment and functioning of the Amathole DM DRMAF</p> <p>Standard for conducting disaster risk Assessments in the Amathole DM</p> <p>Standard for the establishment and functioning of the Technical Advisory Committee</p> <p>Mechanisms for processing Disaster Risk Management Policy Frameworks in the Amathole DM</p> <p>Standards and scoping of Disaster Risk Management Plans for the Amathole DM</p> <p>Additions: The recruitment, training and participation of volunteers</p>
Health Protection Services	Disaster Management Plan	2009/2010	2010/2011	<p>Risk and Vulnerability Assessment</p> <ul style="list-style-type: none"> • Community-wide human disease; • Livestock loss to animal disease; • Human-life loss to lightning; • Livestock loss to drought; • Livestock loss to veldt-fires; • Homes damaged by storms/tornadoes; • Pasture-loss to drought; • Homes damaged by lightning; • Road closure by floods; <p>Homes damaged by structural fires</p> <p>Capacity Building of stakeholders</p> <p>Climate change</p> <p>Preparedness and response to Xenophobia incidents</p>
Health Protection Services	Fire Risk Management Plan	2008/09	2009/2010 2010/2011	<p>Assist LM's with the development of a fire service plan for their area and ensure inclusion in Local Municipal IDP and annual budgets</p> <p>Identifying and assessing the Bush/Veld Fire Risk</p> <p>Conducting fuel management burning on strategic areas in order to achieve annual targets</p> <p>Present annual awareness campaigns to schools and communities at risk.</p> <p>Establish satellite fire stations in identified areas</p> <p>To control the use of the LPG</p> <p>To control the use of flammable liquids</p> <p>Engage LM on level of fire service for the area in support of risk analysis.</p> <p>Reduce the number of human – induced bush/veld fire ignitions that cause damage to life, property and the environment;</p> <p>Manage fuel to reduce the rate of spread and intensity of bush/veld fires, while minimizing</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>environmental/ecological impacts; Reduce the communities vulnerability to bush/veld fires by improving its preparedness; and Effectively contain fires with a potential to cause damage to life, property and the environment. Regulating the use/risks associated with liquefied petroleum gas (LPG) Regulating the use/risks associated with flammable liquids (petrol, diesel, etc)</p>
Land, Human Settlements & Economic Development	Amathole Regional Economic Development Strategy	2007/08	2008/2009 2009/2010	<p>To re-align the efforts of the non-government entities active in LED into a shared direction of the LED drive; To facilitate an improvement of the range of employment as well as labour-force and income growth; To strengthen local government in order to mobilize and unlock the latent, but important, leadership component in the LED process; Provide adequate and appropriate development support in order to address, not only economic concerns, but also the allied social considerations such as: reducing poverty and unemployment, generate income equity, environmental enhancement and improve overall "quality of life"; Promotion of sustainable economic development in parallel with the maximization of the comparative advantages of the local area.</p> <p>The following "building blocks" or "strategic thrusts" have been identified, on which the "new economy" of the Amathole District will be based: SMME development and support; Institutional demarcation, re-alignment and capacity building; Emerging agricultural development; Tourism development; Human resource development; and Business development.</p>
Land, Human Settlements & Economic Development	Smme Strategy	2009/2010	2010/2011	<p>Market access; Marketing material; Access to finance; Sustainable and vibrant enterprise; Skills acquisition and managerial expertise</p>
Land, Human Settlements & Economic Development	Integrated Environmental Plan	2004/2005	2008/09 2009/10 2010/11	<p>Biodiversity 15.9% of ADM comprises of conserved areas; Up to 57% of ADM's vegetation types have been transformed; 51 000 hectares of indigenous forest in ADM – representing 2% of the total area of ADM; Approximately 71% of ADM is under herbland, grassland, shrubland/fynbos, thicket and bushland; Sand mining along the coast is a concern; Key threats or pressures are overgrazing or agriculture, forestry, bush clearing and invasive alien species.</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>Freshwater system Four drainage areas in ADM (Great Fish, Keiskamma, Great Kei and Mbhashe catchments); About 17 alien fish species in existence; Endangered fish species are present; Water supply schemes are fairly well developed in the central and western parts of ADM, with inadequate water service provision for the eastern parts of ADM; Main threats or pressures on ADM freshwater system include sediment loading from irrigation systems and various pollution sources linked to urbanization, industrialization, poor sanitation and poor management practices (e.g. waste sites)</p> <p>Air quality Atmosphere and climate issues in the district are not a major concern; Average max temperatures range from 21 to 29 degrees Celsius; Average min temperatures range from 6 to 13 degrees Celsius; Pressures are road traffic pollution, industrial and urban air pollution.</p> <p>Additions: Focus on education and awareness programmes Conducting a vulnerability assessment for the region Engaging in dialogue with agencies Viability of collective clean development mechanisms. Air quality and climate change need Roles and responsibilities need to be classified Public awareness Services and procurement to reflect A Green Agenda</p>
Land, Human Settlements & Economic Development	Integrated Agricultural Plan	2005\06	2009/2010	<p>Revitalization and establishment of irrigation schemes; Creation of employment opportunities and poverty alleviation; Livestock development; Provision of agricultural machinery for crop production to meet food security needs of the poor communities; Citrus development in terms of farm infrastructure.</p>
Land, Human Settlements & Economic Development	Tourism Master Plan	2007/08	2008/2009 2009/2010 2010/2011	<p>Development of aggressive marketing programmes to market the district; Strengthening of the existing information distribution points; Tourism product development and packaging; Development of infrastructure for crafting businesses; Tourism capacity, awareness and tourism planning principles in local municipalities; Co-ordination between ADM tourism stakeholders through District Tourism Organization;</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>Increase visitors, their spend and the length of their stay within the district; Provision of support to tourism and sports events that are taking place within the district.</p> <p>Additions: Establishment of a joint Bureau with BCM Marketing and Branding Tourism Development; Funding for tourism initiatives Capacity building programmes for the emerging tourism and craft product owners. Development of a Craft Market Marketing of the district Human resources needs</p>
Land, Human Settlements & Economic Development	Film Development Strategy	2007/2008	2008/2009 2009/2010 2010/2011	<p>Branding and marketing the Amathole film sector and promote the ADM film and video industry, locally, nationally and internationally; Capacity building programmes for film makers within the district; Limited funding to support the operations of the film resource centre; Access to finance; Educational tours to national and international established film offices; Creation of partnership programme with the City of Glasgow to include film development; Promotion of the work that is done by the film makers within the district.</p> <p>Additions: Strategic partnership Development of Regularization of film industry Support to the film Resource Centre Structured support for establishment and emerging film makers Human resources needs</p>
Land, Human Settlements & Economic Development	Heritage Resource Management Strategy	07/08	2009/10 2010/11	<p>Comprehensive heritage conservation; Promotion and protection of different heritage resources; and Regularization of heritage resources management through development of legal instruments to safeguard heritage resources in the district.</p> <p>Additions: Facilitate research Identification of district sites Create awareness Maintenance of sites</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>Sites to be declared Declaration of routes Lack of capacity at local level both the community stakeholders; Repatriation of South African heritage estate Absence of national heritage facilities; Promotion of indigenous language Rehabilitation of heritage sites</p>
Budget Treasury Office	Donor Management Strategy	08/2009	2009/2010 2010/2011	<p>To assist in establishing and maintaining sustained financial viability; To secure additional resources from donors/funders to meet the development, funding and capacity needs; Intends to meet the short- to medium-term development needs of ADM; Location within the macro policy context of the SA government; Integrated development planning across all three spheres of government; Supports existing and future interventions contained in the IDP; To be achieved in accordance with the principles of cooperative governance and integrated development planning across all three spheres of government.</p>
Budget Treasury Office	Revenue Enhancement Strategy	2008/2009	2009/2010 2010/2011	
Strategic Planning And Management	Communication Strategy	2008/2009	2009/2010 2010/2011	<p>Interface between council, staff and the community</p> <ul style="list-style-type: none"> • Community newsletter • Executive Mayor's State of the District Address (SODA) • An HIV and Aids community newsletter. • Upcoming events • An intranet service is shortly due • Update website information. <p>Customer Care Customer Care and Service Centres An electronic Customer Care Management System Public place where municipal documents are available Public participation promotional activities Public Participation and imbizo events are Collaboration with Provincial departments and LMs</p>
Strategic Planning And Management	Risk Management Strategy	2009/2010	2010/2011	<p>Accountability and responsibility guidelines Risk management committee Reporting requirements</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				Internal reporting processes for risk information The frequency of risk monitoring Risk Assessments Control requirements Governance requirements
Strategic Planning And Management	Performance Management Framework	2002	2006 2007 2008 2009 2010 2011	The framework constitutes council policy with regards to: requirements that a PMS will need to fulfil principles that will inform its development and application; a model that describes what areas of performance will be managed; what processes will be followed in managing performance; what institutional arrangements are necessary for this; who will take responsibility for parts of the system; and how this links to individual personnel.

CHAPTER 6 : FINANCIAL PLAN

The financial plan of Amathole District Municipality is intended to achieve the following strategic financial objectives:

1. Resolving outstanding matters raised by the Auditor General
2. Building the asset management capacity of the district municipality
3. Developing and implementing an effective and accurate financial reporting system
4. Supplier development and empowerment through a fair, equitable, transparent and efficient Supply Chain Management system.
5. Improving the financial viability of the district municipality through revenue collection

6.1 THREE (3) YEAR FINANCIAL PLAN

BUDGET STATEMENT FOR 2012/13 TO 2014/15

EXPENDITURE	2012/13	2013/14	2014/15
SALARIES AND WAGES	311 885 203	324 348 859	346 278 510
SOCIAL CONTRIBUTIONS	87 461 875	96 837 902	100 966 439
REMUNERATION OF COUNCILLORS	11 503 613	12 547 612	12 788 364
PROVISION FOR BAD DEBTS	64 223 965	67 609 137	70 921 985
COLLECTION COSTS	4 200 000	4 422 600	4 639 307
DEPRECIATION	90 586 148	95 396 708	100 059 405
REPAIRS AND MAINTENANCE	27 375 384	28 661 981	30 066 448
INTEREST EXPENSE	32 290	34 002	35 668
GENERAL EXPENSES - OTHER	289 888 597	295 674 946	314 041 530
BULK PURCHASES	64 363 382	67 774 642	71 095 599
CONTRACTED SERVICES	61 379 706	64 632 830	67 799 839
TOTAL NEW CAPITAL	493 829 811	484 949 222	530 956 747
TOTAL CAPITAL REPLACEMENT	18 011 250	18 967 501	19 895 180
TOTAL EXPENDITURE	1 524 741 224	1 561 857 941	1 669 545 021
INCOME	2012/13	2013/14	2014/15
SERVICES CHARGES	-161 603 024	-170 139 350	-178 476 178
INTEREST EARNED - OUTSTANDING DEBTORS	-26 978 020	-28 407 854	-29 799 838
RENT OF FACILITIES AND EQUIPMENT	-271 807	-286 212	-300 236
INTEREST EARNED - EXT. INVESTMENTS	-27 416 422	-28 869 492	-30 284 097
EQUITABLE SHARE	-355 922 000	-380 901 000	-408 894 000
LEVY REPLACEMENT GRANT	-227 618 000	-248 104 000	-270 433 000
FMG FUNDING	-1 096 491	-1 315 789	-1 096 491
PMU OPERATING SUBSIDY	-3 500 000	-3 500 000	-3 500 000
WATER SERVICES OPERATING SUBSIDY	-18 281 000	-	-
EXPANDED PUBLIC WORKS PROGRAMME	-6 022 000	-	-
RURAL ROADS ASSET MANAGEMENT GRANT	-1 557 895	-1 635 965	-1 730 702
NATIONAL DEVELOPMENT PROGRAMME GRANT	-64 156 000	-35 000 000	-30 897 000
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	-877 193	-763 158	-833 333
MIG	-341 917 544	-360 682 456	-396 034 211
NDPG IN KIND	-4 000 000	-5 000 000	-2 000 000

REGIONAL BULK INFRA GRANT IN KIND	-51 929 000	-51 504 000	-64 400 000
WATER SERVICES OPERATING SUBSIDY IN KIND	-300 000	-5 000 000	-
OTHER INCOME	-231 294 828	-240 748 665	-250 865 937
TOTAL INCOME	-1 524 741 223	-1 561 857 941	-1 669 545 021

6.2 ADM'S THREE (3) YEAR CAPITAL PLAN			
Project Name	2012/13 MIG	2013/14 MIG	2014/15 MIG
PROJECT SCHEDULE			
WATER, SANITATION AND HOUSING			
PMU Operating Budget	3 500 000	3 500 000	3 500 000
Sub Total for All	3 500 000	3 500 000	3 500 000
Fish River Pumping Scheme	500 000	-	-
Bedford & Adelaide BEP- Phase 3 (Adelaide WWTW)	5 000 000	3 000 000	1 000 000
Bedford & Adelaide BEP - Phase 4 (Bedford WWTW)	7 000 000	4 000 000	2 000 000
Nxuba Towns WTW and BS Upgrade (New WTW for Lingelethu and Adelaide Reservoir)	3 000 000	6 000 000	5 000 000
Bedford & Adelaide BEP - Phase 6	2 000 000	6 000 000	3 000 000
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
Wortel Drift Farm Settlement	1 500 000	4 000 000	1 000 000
Sub Total for Nxuba	19 000 000	23 000 000	12 000 000
West Victoria East (Roxeni) Water Supply (Phase 3)	7 000 000	1 000 000	-
Ekuphumleni & 9 Villages Water Supply (Phase 4)	5 000 000	3 000 000	500 000
Nkonkobe: Area Wide Sanitation Programme	5 000 000	9 000 000	10 000 000
Bhofolo & Newtown BEP - Phase 5	4 000 000	5 000 000	1 000 000
NEW PROJECTS STILL TO BE REGISTERED TO MIG			-
Gaga -Tyume Valley Region Water Supply (Phase 6)	1 000 000	5 000 000	5 000 000
Kolomane Bulk Water Supply : Phase 3	6 000 000	1 500 000	500 000
Upgrade Alice Waste Water Treatment Works	-	2 000 000	3 000 000
Upgrade Bulkwater Supply Newtown	1 000 000	2 000 000	3 000 000
Hogsback Water Treatment Works and New Reservoir	1 000 000	2 000 000	3 000 000
Fort Beaufort Bulk Water Services Upgrading	8 000 000	10 000 000	9 000 000
Hogsback Settlement	500 000	2 000 000	5 000 000
Upgrade Fort Beaufort Waste WTW	-	2 000 000	5 000 000
Fort Beaufort pipe replacement	-	2 000 000	3 000 000
Sub Total for Nkonkobe	38 500 000	46 500 000	48 000 000
Ngqushwa Ward 12 Sanitation Project (New: Ward 14)	1 000 000	200 000	-
Ngqushwa: Area Wide Sanitation Programme(Phase 1A)	8 600 000	15 000 000	30 000 000
Peddie Waste Water Treatment Works Upgrade	8 000 000	5 000 000	6 000 000
NEW PROJECTS STILL TO BE REGISTERED TO MIG			

Hamburg Sewerage Treatment Plant	1 000 000	10 000 000	3 000 000
Ngqushwa Villages - Water Reticulation	7 000 000	15 000 000	16 000 000
Prudhoe Housing (Bulk Water)	500 000	5 000 000	1 000 000
Sub Total for Ngqushwa	26 100 000	50 200 000	56 000 000
Dontsa Phase 2 Water Supply	2 622 893	184 171	2 807 064
Stutterheim Sewerage Treatment Work	139 377	450 233	589 610
Stutterheim upgrade of Bulk WS Phase 2 (Kubusie Weir)	4 863 132	343 989	5 207 121
Kei Road WTW Phase 2	2 374 256	612 816	2 987 073
Gubevu Sanitation	1 743 585	25 204	1 768 789
Area wide Sanitation Projects (Amahlathi Phase 1A)	6 000 000	15 000 000	25 000 000
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
Tsomo Regional Water Supply	5 000 000	8 000 000	20 000 000
Zingcuka Water Supply	5 000 000	8 000 000	1 000 000
Mgwali Church Tenants (Village 6) Provision of Water & Sanitation	5 000 000	3 100 000	-
Kei Road Settlement	600 000	3 000 000	2 000 000
Ndlovini Settlement	600 000	2 000 000	2 000 000
Sutterheim Pipe replacement	-	2 000 000	3 000 000
Sub Total for Amahlathi	33 943 244	42 716 413	66 359 657
Komga Commonage Settlement Services	5 500 000	5 000 000	5 000 000
Area Wide Sanitation Projects (Great Kei Phase 1A)	3 000 000	5 000 000	5 000 000
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
New Waste Water Treatment Works Morgans Bay	1 000 000	4 000 000	5 000 000
Morgan's Bay WTW upgrade	-	1 000 000	2 000 000
Kei Mouth Reticulation	542 756	1 000 000	2 000 000
Upgrade Komga WTW	-	5 000 000	2 000 000
Sub Total for Great Kei	10 042 756	21 000 000	21 000 000
Ehlobo Phase 3 Water Supply	5 000 000	2 000 000	-
Crouch's Bush Water Supply Project	5 000 000	1 000 000	-
Ibika - Centane Regional Water Supply	24 500 000	20 000 000	25 000 000
Myoyo Water Supply Project	3 000 000	1 500 000	-
Ngcizele Water Supply Project	5 000 000	500 000	-
Ngqusi Water Supply Project	500 000	1 000 000	-
Teko Housing Engineering Services	2 000 000	-	-
Area Wide Sanitation Projects(Mnquma Phase 1A and Kotana Phase 2)	20 000 000	20 000 000	25 000 000
Centane Bucket Eradication	1 000 000	5 000 000	500 000
Centane Sanitation Project	35 000 000	20 000 000	22 500 000
Eastern Regional Solid Waste Landfill site Phase 1b	500 000		-
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
Zizamele Sewer	500 000	3 000 000	5 000 000

Ngqamakwe Regional Water Supply	5 000 000	3 000 000	5 000 000
Gcuwa West Regional Water Supply	15 000 000	3 000 000	5 000 000
Centane Phase 4 Water Supply	1 000 000	3 000 000	5 000 000
Bawa Falls Water Supply Project	1 000 000	3 000 000	5 000 000
Nxaxo and Cebe Water Supply	8 000 000	3 000 000	5 000 000
Toleni Regional Water Supply Upgrade	-	3 000 000	5 000 000
Upgrade Ngqamakwe WTW	-	3 000 000	5 000 000
Butterworth pipe replacement	1 000 000	3 000 000	1 000 000
Upgrade Ngqamakwe Waste WTW	500 000	1 000 000	5 000 000
Sub Total for Mnquma	133 500 000	99 000 000	119 000 000
Mbhashe North Regional Water Scheme	11 000 000	3 000 000	-
Nqadu Water Supply	100 000	-	-
Qwaninga EC1158 Water Supply (Phases 2&3)	200 000	-	-
Qwaninga Water Supply (Phases 4&5)	4 000 000	400 000	-
Kumbanga & Cwebe Sanitation	3 000 000	1 000 000	-
Sundwane Water Supply Scheme	4 000 000	20 000 000	20 000 000
Xora Water Supply Project	27 000 000	25 000 000	23 000 000
Mncwansa Water Supply Scheme	30 000 000	20 000 000	10 000 000
Mgwali North Water Supply Project	5 000 000	5 000 000	10 000 000
Mgwali South Water Supply Project	6 000 000	12 861 587	15 000 000
Idutywa East Water Supply Project	10 000 000	10 000 000	10 000 000
Area Wide Sanitation Projects(ASAP)(Mbhashe Phase 1A, Mhlohlozi Phase 2 and Gatyane Phase 2)	19 500 000	20 000 000	21 619 343
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
Dwesa Water Supply Scheme Extension	700 000	1 000 000	2 000 000
Cwebe Water Supply Scheme Phase 2	700 000	1 000 000	2 000 000
Dwesa Cwebe Sanitation Project	700 000	1 000 000	2 000 000
Mangeyela Water Supply Scheme	700 000	1 000 000	2 000 000
Cafutweni Water Supply Scheme	700 000	1 000 000	2 000 000
Bende Water Supply Scheme	700 000	1 000 000	2 000 000
Shixini Water Supply Scheme	700 000	1 000 000	2 000 000
Elliotdale Waste Water Treatment Plant	500 000	1 000 000	2 000 000
Sub Total for Mbhashe	125 200 000	125 261 587	125 619 343
TOTALS	389 786 000	411 178 000	451 479 000
NB: AMOUNTS ABOVE ARE VAT INCLUSIVE			

6.3 BUDGET ALLOCATION FOR EACH LOCAL MUNICIPALITY

AM AHLATHI BUDGET ALLOCATION

Dontsa Phase 2 Water Supply	2 622 893
Stutterheim Sewerage Treatment Work	139 377
Stutterheim upgrade of Bulk WS Phase 2 (Kubusie Weir)	4 863 132
Kei road WTW Phase 2	2 374 256

Gubevu Sanitation	1 743 585
Area wide Sanitation Projects (Amahlathi Phase 1A)	6 000 000
Tsomo Regional Water Supply	5 000 000
Zingcuka Water Supply	5 000 000
Mgwali Church Tenants (Village 6) Provision of Water and Sanitation	5 000 000
Kei Road Settlement	600 000
Ndlovini Settlement	600 000
SUB TOTAL FOR AMAHLATHI	33 943 244

GREAT KEI BUDGET ALLOCATION

Komga Commonage Settlement Services	5 500 000
Area Wide Sanitation Projects (Great Kei Phase 1A)	3 000 000
New Waste Water Treatment Works Morgans Bag	1 000 000
Kei Mouth reticulation	542 756
SUB TOTAL FOR GREAT KEI	10 042 756

MBHASHE BUDGET ALLOCATION

Mbhashe North Regional Water Scheme	11 000 000
Nqaadu Water Supply	100 000
Qwaninga EC1158 Water Supply (Phaes 2&3)	200 000
Qwaninga Water Supply (Phases 4&5)	4 000 000
Kumbanga & Cwebe Sanitation	3 000 000
Sundwane Water Supply Scheme	4 000 000
Xora Water Supply Project	27 000 000
Mncwasana Water Supply Scheme	30 000 000
Mgwali North Water Project	5 000 000
Mgwali South Water Supply Project	6 000 000
Idutywa East Water Supply Project	10 000 000
Area Wide Sanitation Projects (ASAP) Mbhashe Phase 1A, Mhlohlozi Phase 2 and Gatyane Phase 2)	19 500 000
Dwesa Water Supply Scheme Extension	700 000
Cwebe Water Supply Scheme Phase 2	700 000
Dwesa Cwebe Sanitation Project	700 000
Mangeyela Water Supply Scheme	700 000
Cafutweni Water Supply Scheme	700 000
Bende Water Supply Scheme	700 000
Shixini Water Supply Scheme	700 000
Elliotdale Waste Water treatment Plant	500 000
SUB TOTAL FOR MBHASHE	125 200 000

MNQUMA BUDGET ALLOCATION

Ehlobo Phase 3 Water Supply	5 000 000
Crouch's Bush Water Supply Project	5 000 000
Ibika – Centane Regional Water Supply	24 500 000
Myoyo Water Supply Project	3 000 000
Ngcizele Water Supply Project	5 000 000
Ngqusi Water Supply Project	500 000
Teko Housing Engineering Services	2 000 000
Area Wide Sanitation Projects (Mnquma Phase 1A)	20 000 000
Centane bucket Eradication	1 000 000
Centane Sanitation Projects	35 000 000
Eastern regional Solid Waste Landfill site Phase 1A)	500 000
Zizamele Sewer	500 000
Ngqamakwe Regional Water Supply	5 000 000
Gcuwa West Regional Water Supply	15 000 000
Centane Phase 4 Water Supply	1 000 000
Bawa Falls Water Supply Project	1 000 000

Nxaxo and Cebe Water Supply	8 000 000
Butterworth Pipe Replacement	1 000 000
Upgrade Ngqamakwe Waste WTW	500 000
SUB TOTAL FOR MNQUMA	133 500 000

NGQUSHWA BUDGET ALLOCATION

Ngqushwa Ward 12 Sanitation Project (New: Ward 14)	1 000 000
Ngqushwa: Area Wide Sanitation Programme (Phase 1A)	8 600 000
Peddie Waste Water Treatment Works Upgrade	8 000 000
Hamburg Sewerage Treatment Plant	1 000 000
Ngqushwa Villages – Water Reticulation	7 000 000
Prudhoe Bulk water)	500 000
SUB TOTAL FOR NGQUSHWA	26 100 000

NKONKOBÉ BUDGET ALLOCATION

West Victoria East (Roxeni) Water Supply (Phase 3)	7 000 000
Ekuphumleni & 9 villages Water Supply (Phase 4)	5 000 000
Nkonkobe: Area Wide Sanitation Programme	5 000 000
Bhofolo & Newtown BEP – Phase 5	4 000 000
Gaga Tyume Valley Region Water Supply (Phase 6)	1 000 000
Kolomane Bulk water Supply : Phase 3	6 000 000
Upgrade Bulk Water Supply Newtown	1 000 000
Hogsback Water Treatment Works and New Reservoir	1 000 000
Fort Beaufort Bulk Water Services Upgrading	8 000 000
Hogsback Settlement	500 000
SUB TOTAL FOR NKONKOBÉ	38 500 000

NXUBA BUDGET ALLOCATION

Fish River Pumping Scheme	500 000
Bedford & Adelaide BEP – Phase 3 (Adelaide WWTW)	5 000 000
Bedford & Adelaide BEP – Phase 4 (Bedford WWTW)	7 000 000
Nxuba Towns WTW and BS Upgrade (New WTW for	3 000 000
Bedford & Adelaide BEP – Phase 6	2 000 000
Wortel Drift Farm Settlement	1 500 000
SUB TOTAL FOR NXUBA	19 000 000

6.4 RESOLVING OUTSTANDING MATTERS RAISED BY THE AUDITOR GENERAL

The audit report for the 2010/11 financial year has been issued by the Auditor General wherein the Amathole District Municipality received an unqualified opinion with an emphasis of matter paragraph. Below is an analysis of the audit outcomes of the 2010/11 financial year:

AUDIT OUTCOMES

The analysis of the audit outcomes of the 2010/11 financial year commence by giving a brief history of audit outcomes over the last five years as shown in the table below. From the 2006/07 financial year where the ADM received an adverse audit opinion and 5 points of qualification from the Auditor General to the current audit of 2010/11 where the ADM received an unqualified opinion with emphasis of matter, there has been significant improvement from the previous financial year. The emphasis of matter paragraph, pertains namely to the restatement of comparative figures, irregular expenditure, fruitless and wasteful expenditure, material impairments and material losses the revenue and infrastructure.

ADM has put in a considerable amount of time and effort to resolve the problems encountered as a result of the transfer of the seven local municipalities' infrastructure assets and debtor database to the district council.

Table 1: Audit outcomes

	2006/07	2007/08	2008/09	2009/10	2010/11
Opinion	Adverse	Qualified	Qualified	Qualified	Unqualified

Qualifications	5	5	2	2	0
Emphasis of matter	3	1	4	1	5
Other matters	10	14	9	9	16

Table 2 below shows the areas that lead to qualifications over the previous four financial years; the management of the ADM have expended a significant amount of time and effort to address the qualification areas.

	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue and receivables	x	x	x	x	
Property plant and equipment	x	x		x	
Housing inventory	x	x			
Payables – water and sanitation services	x				
Employee costs	x				
Commitments		x	x		
Irregular expenditure		x			

During the 2007/08 financial year ADM began a multi-year project to cleanse the consumer database and update and revalue its infrastructure assets as a result of the transfer of the seven local municipalities' water and sanitation assets and debtor database to the District municipality. The project on the valuation of infrastructure assets was successful in that the processes of asset management were developed, implemented and embedded into the operations of the municipality. Steps were implemented during 2010/11 to address the weaknesses identified by the Auditor General from the 2009/10 audit for the inadequate procedures to reconcile assets in the 2007 and 2008 financial years. The following matters relate to the emphasis of matter paragraph in the 2010/11 audit report:

Restatement of comparative figures

Material adjustments were made to the comparative figures for commitments, investment properties and property, plant and equipment.

Commitments were restated as a result of incorrect contract values reported in the previous year. Procedures are in place to ensure that the commitments register of the ADM is regularly updated to ensure its accuracy and completeness.

The ADM identified unreported investment properties during 2010/11 as a result of the asset reconciliations being performed from 2007 and 2008 and hence the comparative figures for investment property were adjusted to reflect these properties.

Irregular expenditure

The ADM incurred irregular expenditure from the contravention of supply chain management processes, whereby the ADM procured goods and services from suppliers whose companies are owned by personnel in the service of the state. Systems are in the process of being developed to identify such suppliers.

Fruitless and wasteful expenditure

Fruitless expenditure was identified by the municipality for services that were not received by the municipality as a result of rental and interest payments.

Material impairments

The ADM made provision for doubtful debts to the value of R91 million as these receivables were not considered recoverable.

Material losses

The ADM disclosed water losses in distribution and unmetered water points to be R60.4 million.

Other matters noted under legal and regulatory requirements in the audit report:

Reporting on Performance information

In accordance with General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010, the Office of the Auditor General issued his finding on the annual performance report. The ADM must improve in maintaining adequate supporting source information to corroborate the targets and improve on data collection processes for reportable information such as key indicators on:

- Number of people with access to water
- Households with adequate sanitation

Compliance with laws and regulations

The municipal environment is highly regulated and thus the ADM is obligated to comply with legislative requirements to ensure effective and efficient service delivery. The audit report makes mention of non-compliance with the following legislation:

- Municipal Finance Management Act No.56 of 2003
- Municipal Systems Act of South Africa, 2000
- Supply Chain Regulation 44
- Division of Revenue Act 2011

Internal control environment

In an entity of the size of the ADM where there is high volumes of repetitive processes, it is critical to have a strong internal control environment in order to achieve fair presentation of financial information. The key issue is to always improve on controls so that the control environment is not compromised to an extent of a breakdown in controls. Basic controls such as reconciliations and supervision are critical as they not only safeguard accuracy and completeness of information but also promote regular and consistent performance. The audit report makes mention of control weaknesses with regards to:

- Reconciliation of certain accounts such as assets and revenue,
- Completeness of registers such as commitments register and asset register,
- Compliance with submission dates as per laws and regulations,
- Prevention and detection of irregular, fruitless and wasteful expenditure,
- Effective planning for business process continuity on resignation of senior staff and
- Monitoring of risks identified

Although the issue of reconciliation is raised by the Auditor General, it must be noted that major reconciliations such as the asset register to general ledger and the commitments register are being performed.

The major challenge for the 2011/12 financial year is to sustain the unqualified audit report and to address the key areas mentioned in the emphasis of matter paragraph. The Management will have to prioritise, based on time and availability of cash resources, the intervention that is most suitable and effective to improve the audit outcomes of the 2011/12 financial year.

DEVELOPING AND IMPLEMENTING AN EFFECTIVE AND ACCURATE FINANCIAL REPORTING SYSTEM

Financial and Performance Reports for Amathole District Municipality are produced outside of the financial and performance management systems, namely Venus and DIMS. This reporting practice compromises the integrity of reports and related reconciliations such that changes can be easily effected on completed reports. Also, there are

versioning challenges in that different stages of the final report cannot be tracked. The reporting environment of ADM requires the production of both internal and external statutory reports as well as management reports and reconciliations on a regular basis ranging from daily to quarterly time frames. These reports vary in formats depending on the priorities of the user of each report. Information and knowledge sharing in the institution is weak because of concentration of sources of reports to a few officials. When these officials leave the institution, they depart with valuable information while the remaining personnel cannot manipulate data within the system. It is also time consuming to continue initiating reports every time there is a need instead of printing the available report directly from the system.

There is a need to introduce business intelligence tools linked to the performance and financial systems, design standard finance and performance reports to be produced by the systems according to the needs of different internal and external users, extract these reports and save them in the systems inclusive of provisions for audit trails and incorporate internal controls over the production, reconciliation and maintenance of such reports. While the business intelligence tools are implemented, there must be transitions towards introducing systems that will include reporting modules tailored to meet the requirements of users. Both the business intelligence tools and the new systems should be programmed to be according to the applicable performance and financial reporting standards, including the relevant internal controls. It is from this premise that the ADM have embarked on a project to improve the financial reporting within the institution through the development and implementation of a business intelligence tool. This project is currently in progress.

ADM has started remedial work to ensure that all deficiencies pointed out by the Auditor-General in his audit report for 2010/11 are addressed immediately to ensure they do not recur, and numerous interventions will be put in place to address these issues.

Asset Management

Asset Management refers to all activities and processes carried out during the cycle of acquisition or construction, maintenance, renewal or refurbishment and disposal of all resources consumed during the provision of services by the municipality to the communities or customers. These resources are consumed on the basis that there is future economic benefit derived from their consumption or their utilisation results in economic benefit for the municipality. These resources range from the water and sanitation infrastructure network used to deliver water and sanitation services to households, vehicles used by personnel to maintain the network, tools utilised in the maintenance of the network, equipment used by field and office staff during the delivery of services, furniture used by staff in support of the services to the communities, materials consumed during the construction of service facilities and work in progress in service infrastructure projects.

The balance sheet of Amathole District Municipality is composed of infrastructure assets valued at R2 783 807 576 and land and buildings at R10 176 155 for the 2010/11 financial year end. This total amount of R2 793 983 731 is part of the total asset value for ADM constituting R2 893 117 619 and it is 97%% of the total asset value. The remaining 3%, an amount of R99 133 888 is composed of non-service delivery assets. In essence, ADM asset value is constituted by 97% immovable assets and 3% of non-core service delivery assets. In essence, Amathole District Municipality is an asset management entity. This is because it develops, manages and maintains assets that are utilised in the provision of services.

Infrastructural Assets Verification and Valuation

During 2007/08 and 2008/09 financial years, ADM conducted the verification and valuation of the high and medium confidence infrastructure assets throughout the district in respect of water services. During the 2009/10 financial year, the verification and valuation of the low confidence water infrastructure assets was completed. During the 2010/11 financial year ADM conducted the verification and valuation of all infrastructure assets. This exercise contributed significantly in ADM getting an unqualified audit report for assets in the 2010/11 audit.

Land and Housing

The back log in the land restitution has resulted in ADM assisting in the development of houses. ADM inherited land from local government entities through the evolution of local government during the process when ADM was a district council. The ADM as a developer has since assisted in the development of houses on this land. After the housing development and use by beneficiaries, the land still in the ownership of ADM. Some of the land is also being contested by local municipalities and one case is with the legal division. Part of the land ADM has identified for economic benefit

e.g., commercial land. Some of the land would be given to Aspire for business development purposes. There is a land given to ADM by Transnet and ADM will build new offices.

Accountancy

The infrastructure assets register emanating from the 2010/11 verification and valuation was then loaded in VENUS. That register was utilised in the compilation of 2010/11 AFS.

Challenges

The challenges with the most material impact encompass the following asset categories;

Infrastructure and Land and building Assets

The ownership of water works/dams and other water and sanitation related infrastructure still not registered in the name of the Amathole District Municipality. Further processes to ensure the correct accounting for water infrastructure completed projects as well as work in progress must be implemented. The intended use of land which the municipality owns remains uncertain.

Delegations

There is no clarity on the roles and responsibilities between the physical management of these assets and what is expected of Budget and Treasury Office. The current cultures of life cycle management of these assets need to be looked at as there is a gap between infrastructural assets life cycle management and other assets.

Maintenance and Refurbishment

There is no detailed repairs and maintenance plan.

Asset Management Policy

During the 2010/11 financial year, the ADM asset management policy has been reviewed. On the 26th of August 2011, this policy was approved by the ADM council. The current policy focuses more on financial issues rather than operational. In the 2011/12 financial year the asset management policy is due for another review which is intended to incorporate operational issues as well.

Interventions

To strengthen the management of the municipality's assets it is envisaged that the asset management function be delegated to various directorates using the asset category as a basis. The delegated asset managers are to develop asset management plans in line with the National Treasury Asset Management Guide.

Function Specialisation

The recruitment of key specialised individuals is currently in progress, though the recruitment has been a challenge, but ADM is in the process of sourcing services of a service provider.

BUILDING THE ASSET MANAGEMENT CAPACITY OF THE DISTRICT

The district municipality inherited infrastructure assets from the Department of Water Affairs and Local Municipalities with effect from 1 July 2006. The asset values that were transferred were grossly inaccurate to an extent that ADM received an adverse audit opinion during the 2006/07 financial year. In order to correct these inaccuracies, ADM embarked on the verification and valuation of these infrastructure assets with effect from the 2008/09 financial year. This project was completed during the 2010/11 financial year, using the engineering expertise and experience as an outsourced service.

Amathole District Municipality has a centralised asset management policy and delegations while the actual physical management and security of assets is decentralised. The custodian department for the centralised asset management policy and delegations does not have adequate staff and resource capacity to manage these assets. A service provider

was appointed in the 2010/11 financial year in a co-sourcing arrangement to close the gaps emanating from vacant posts.

PART 2: INFRASTRUCTURE ASSETS, PLANT AND EQUIPMENT

In the 2009/10 audit, the Amathole District Municipality received a qualification relating to infrastructure assets, namely: ***Lack of evidence relating to the completeness of the infrastructure assets amounting to R1 271.5 million.***

In order to address this qualification, the ADM embarked on a physical verification and valuation of infrastructure assets. The outcome of this exercise was then used to update the asset register to ensure that the completeness issue is addressed. In the 2010/11 audit, the ADM received an unqualified audit report in respect of infrastructure assets.

THE REVIEW OF AUDITOR GENERAL REPORTS ON INFRASTRUCTURE

The management and reporting of assets in an entity of the size of ADM is challenging and complex. This complexity is largely brought about by the amalgamation of two pre 1994 governance dispensations, namely the white administration and homeland administration, into a single system of governance. The Municipal Systems Act was promulgated in order to harmonise such discrepancies and to provide for standardization where possible across all municipalities. The context of harmonization and standardization was further enhanced with the introduction of the MFMA and continues to be reinforced by National Treasury through various instruments such as Accounting Standards such as GRAP 17 on Property, Plant and Equipment and Accounting Standard Board directives.

A review of the Auditor General reports from 2006/07 to 2009/10 financial years reveals the following:

Year	AG opinion	Nature of qualification	Corrective Measure
2006/07	Adverse	The take-on amounts of the infrastructure assets from local municipalities were reflected at estimated depreciated cost instead of fair value	A 3 year valuation project was undertaken in terms of directive 3 issued by the Accounting Standards Board. The project has been completed in the 2009/10 financial year
2007/08	Qualified	Incorrect classification between capital assets under construction and acquisition and between capital expenditure and current expenditure for assets less than R5000	Corrected
2008/09	Qualified	No qualification issue on Assets	
2009/10	Qualified	Differences between the valuator's reports for the 2007 and 2008 and general ledger opening balance	
2010/11	Unqualified	No qualification issue on assets	

Considerable progress has been made by the Office of the CFO to meet the requirements set out in directive 3 and GRAP 17. The review of the management letters for the last five years indicates that there has been steady progress to improve the management of assets by the municipality. The Senior Manager and Manager: Assets and inventory have been appointed in 2011/12 financial year. The assets section structure has been reviewed and major amendments have been effected in the 2010/11. A proposed structure is due for submission to Council for approval. An asset

management strategy has been developed and adopted by Council in 2010/11 financial year. The following medium and long term projects are some of the issues raised in the asset management strategy document were identified:

- Development of asset management plans for all ADM asset classes
- Formation of asset management steering and technical committees
- Import all infrastructure assets into EDAMS
- Assessment of condition, Remaining Useful Life (RUL) and componentisation of all infrastructure assets.
- Development of asset management processes.
- Capacitating of the asset management section

Asset Management Strategy

The Asset Management Strategy (AMS) was developed and adopted in May 2011. In November 2011 high level review of the strategy was conducted wherein improvements that have been implemented were highlighted and immediate priorities identified. This initiative was largely influenced by the successes made during the 2010/11 audit where there was no qualification raised in that audit as opposed to prior year audits. The review focussed on the following areas:

	Score at initial assessment	Score at high level review	Score of BAP
➤ Asset knowledge	1.7	2.2	3.8
➤ Information system	2.2	2.6	3.8
➤ Process and practices	1.5	1.7	3.3
➤ Asset Management plan	0.55	0.55	3.7
➤ organizational issues	0.9	1.4	3.8
➤ People issues	1	1.4	3.2
➤ Commercial tactics	1.7	1.75	3.6

As can be deduced from the table above, there has been a steady improvement in management of assets in the organization, however it must be emphasized that this is due to the continued use of consultants and is not sustainable if permanent arrangements are not made for the staff of ADM to be increased and capacitated. There are areas such as asset management planning and commercial tactics where there has been no improvement this is due to lack of expertise in the current establish and overload of the current manager.

ADM has developed a strategy with the key points in the table above that will guide the improvement of the asset management function in the organization; this is envisaged to be implemented in phases over a period of two years.

The first phase of implementation covers asset knowledge under which the following actions will be undertaken:

1. Develop and implement process to maintain data between Fleet, Land & Buildings and Finance
2. Import all Property, Plant and Equipment into Fixed Asset Register (FAR)
3. Review insurance data and update FAR
4. Assess condition, remaining useful life and componentise all infrastructure assets
5. Develop and implement process to maintain data linkage between FAR and EDAMS systems
6. Develop and implement process to receive and store as built/GIS information
7. Develop and implement process to update attribute data (data spec)
8. Develop planned maintenance schedules for high risk assets

9. Develop and implement processes to issue, execute, close maintenance schedules
10. Develop and implement processes to update condition data
11. Review asset lives and determine optimised renewal date
12. Capture asset risk data
13. Ensure linkage between client data, GIS and meter data
14. Develop meter reading process (including validation checks) to ensure accurate and reliable data

Although the ADM has received an unqualified audit report in the 2010/11 financial year, there is still much to be done to maintain and improve the work achieved thus far.

PART 3: REVENUE AND RECEIVABLES

The Amathole District Municipality has received the audit report (AR) for the period ending 30 June 2011 with no qualification, only the matters of emphasis were raised by Auditor General i.e. Reconciliation between billing system and general ledger.

THE REVIEW OF AUDITOR GENERAL REPORTS ON REVENUE

A review of the Auditor General reports from 2006/07 to 2010/11 financial years reveals the following:

Year	AG Opinion	Nature of Qualification	Corrective Measure
2006/07	Adverse	Incorrect tariffs were being applied Inadequate documentation to support sanitation charges Incomplete billing of consumers estimates revenue not being raised	A multi-year project was undertaken with the aim of updating the consumer data.
2007/08	Qualified	Only one local municipality database had been completed and therefore the database had not been accurate and complete.	Began all six other municipalities
2008/09	Qualified	Local municipalities' database not complete and accurate Faulty meters not fixed on time, Vacant stand not billed for basic services Meters not linked to accounts Valuation roll not reconciled to consumer database.	The project was continued
2009/10	Qualified	Local municipalities' database not complete and accurate Faulty meters not fixed on time, Vacant stand not billed for basic services Meters not linked to accounts Billing file not reconciled	The project has not been completed in the 2009/10 financial year and is still continuing

		to general ledger	
2010/11	Emphasis of matter	During the audit it was revealed that no reconciliation had been performed between the billing system and the general ledger to ensure the two systems reconcile. This is considered a control weakness as this was reported in the prior year. Management are not aware that this reconciliation needs to be performed. This has resulted in the audit of revenue being delayed as the reconciliations have only been prepared on request for the reconciliation by the auditors.	A reconciliation report will be prepared and reviewed at the end of the financial year.

The problem statement

The Municipality charges residents in its jurisdiction levies for stands and for consumption of water and sanitation services. There are many complex challenges that the municipality faces and that are causing doubt with regards to accuracy and completeness of revenue and receivables.

Consumer Databases

Since the 2007/08 financial year the municipality has embarked on a multi- year project to cleanse, correct and complete the consumer databases transferred from the local municipalities.

Review of progress

Financial Year	
2007/08	One local municipality (Mbashe) 100% complete
2008/09	Mbashe – 100% complete Nkonkobe – 80% complete Mnquma – 95% complete Amahlathi – 64.01% complete Great Kei – 67.97% complete Ngqushwa – 48% complete Nxuba – 46% complete
2009/10	-Review of policy, by –laws and billing practices is underway - verification of data through field inspections - comparing of database to the deeds register, valuation roll and other relevant sources
2010/11	An estimated 60% of consumer data has been cleansed Service Coverage report to update consumer data with accurate information Comparing of database to the deeds register, valuation roll and other relevant sources Appointment of 16 Field Verification Officers to do door – to – door consumer registration Revenue management Action Plan developed

PROGRESS ON DATA CLEANSING PROJECT AS TO DATE

<u>DESCRIPTION</u>	<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
Progress on number of active meters	14 181	15 253	17 129	17 729	21 614	22 507
Progress on number of active accounts				88 176	61 892	62 095
Progress on billed meters				14 203	14 740	18 822

Duplicate Stands

All duplicate stands have been rectified, solution to avoid this exception in the near future has been identified and the implementation phase will start before end of this financial year.

Generated Revenue/Billing

Currently water service revenue base stays at R 7 028 799.24, and sanitation service revenue base is at R 5 502 596.94.

Whilst progress has been made in correcting and completing the database, there are serious challenges such as:

1. Slow progress in gathering information regarding erven and accounts via registrar of deeds, Transunion ITC and valuation rolls.
2. Delays experienced by fieldworkers to determine service coverage per stand for all areas under ADM jurisdiction
3. Delays in verifying and updating of consumer data due to the process being manual

The project was expected to be completed by June 2010, however due to ongoing challenges listed above it is still ongoing and at a range of stages.

Operational challenges

There are other challenges which are process based such as fixing of leaks, billing of vacant stands and linking of meters to accounts. The challenges arise mainly between the operations that cut across other departments e.g. Engineering and Budget & Treasury Office.

Reporting challenges

During the 2010/11 financial year the revenue reporting team had faced numerous challenges regarding financial reporting e.g. extracting huge data from the financial system and exporting thereof to excel spreadsheet for manipulation.

The Solution

A. Review of the project plan

In order to avoid project lethargy and fatigue by key personnel undertaking this massive project the office of the CFO has been prudent to:

1. Perform a high levels scan of how far down achieving project deliverables is the municipality.
2. Revisit the implementation strategy and looked for improved ways of doing the project taking into account the learning curve of the last two years
3. Set new milestone and of shorter intervals so as to keep the staff energized
4. Where possible pull out fatigued staff from the project into other areas of the finance section in order to avoid resignations and still keep the project knowledge in the organization where you can still access when required.
5. Investigate the development of the consumer database management policy where ADM discusses with the Treasury salient points of intervals of update of information in order for the database to remain relevant and useful and not be compromised due to outdated information.

B. Operational challenges

From the 2007/08 audit to the current year audit, the Auditor General has raised points which seem to suggest business process that are compromised and not functioning as pleasing as expected. A process flow between the Operational and Engineering section and the Revenue section of Finance will be undertaken in order to determine where the logjams are and what is causing them. This may lead to a process engineering exercise wherein Finance (Revenue) and Operations officials may need to work more closely in order to eliminate the points raised by the Auditor General. The project is envisaged to be completed in 2012 where standard operating procedures and business rules and processes will be updated. The Budget and Treasury Office has restructured the Revenue organogram to be aligned with its activities. Engineering and Budget & Treasury Office has entered into an agreement through Memorandum of Understanding which mainly deals with Meter Management.

C. Reporting challenges

The revenue uses the Venus produced reports to produce new reports through a merging process. This process is leading a lot of manual manipulation of information outside the Venus system and Venus is not updated thereafter.

We suggest that a NEW reporting schedule is developed, including the manual reports with the aim to either request Venus to improve its reporting suite or a separate reporting platform such SQL server with the business intelligence capability is sourced.

Currently ADM has engaged the services of a service provider to look into the issues of financial reporting within the Budget and Treasury Office.

Conclusion

The revenue exercise is very important in that without an accurate and complete database the Auditor General will continue to issue a qualified audit opinion. Every effort will be made to clear the qualification raised by the AG prior to the start of the 2010/11 audit.

Timeline

A project plan which will address the AG findings and recommendations developed and must be completed prior to year end and thus allow time for adjustments during the preparation of AFS for submission to the AG. The procurement of relevant service providers must take the time factor into account.

Costs

Amathole District Municipality has embarked on a programme to address the issues raised by the Auditor General through a phased approach, according to the following elements:

1. To review and analyse the management letter and audit report in order to develop an action plan
2. Categorizing the key areas of the action plan and develop detailed project plans for each area.
3. Implementation of the recommended actions
4. Project management of the entire audit improvement plan

Because of the transversal nature of the matters raised by the Auditor General, project management has been transferred from the Budget and Treasury Office to the Office of the Municipal Manager. There are various tasks that will be performed throughout the project such as regular reporting by unit managers and the MM report to the Executive and co-ordination of other role players; such tasks will be included in the project management plan. There are 7 key areas that must be addressed through action plans as listed below.

1. Action plan for revenue management
2. Action plan for fixed asset management
3. Action plan for Human Resources
4. Action plan for Supply Chain Management
5. Action plan for preparation and compilation of AFS
6. Action plan for performance information including IDP and SDBIP
7. Action plan for information systems

Focus Groups will be established from the responsible officials in each of the seven key area to correct the matter raised.

Financial Viability

The district has identified revenue enhancement is one of its key objectives/ goals for the 2011/12 financial year with the following indicators:

- Percentage in billing – 80 %
- Percentage in debtor recovery - 50%

The primary challenge that prevents ADM to achieve these indicators is the inability to measure consumption accurately, that is non reading of meters and consumption where no meters exist. BTO has provided funding to engineering for installation of domestic and zonal meters, however more resources are required in BTO in order to be able to read, account and report on metered consumption. The key focus will be on measuring consumption including that of free basic service beneficiaries.

Revenue Enhancement Strategy

Since the 2006/07 financial year the ADM has received negative audit opinions in respect of revenue to district being designated as a water authority. This required the water function across all seven local municipalities be transferred to the district; this transfer resulted in billing data integrity problems. It could not be guaranteed that billing data is neither accurate nor complete. In the 2009/10 BTO engaged the services of business connexion who assisted with the development of the revenue strategy known as Data Governance Operating model. A data governance strategy includes the confirmation of policies, people responsible, process and technology that enables the municipality to manage data across the municipality to achieve at least the following goals and objectives through the establishment of competency centre consisting of a pool of specialists:

- Mitigate the risk of non compliance in terms of regulatory and policy frameworks.
- Maximise potential income.
- Improve business intelligence and decision making.
- Assign accountability for data quality
- Improve data security.
- Improved financial and operational efficiencies.
- Adequate work flow

Based on this report and largely operational weaknesses identified by management of the revenue unit the current organogram was reviewed and it was established that most of the departments operate in towering hierarchical structures which promotes protracted processes and decision making that is typical of bureaucracy, inefficient communication, with no direct responsibility and accountability.

Each divisional structure was reviewed separately and analysed as to the way tasks are divided up, how the work flows, how this flow is coordinated and the forces and mechanisms that allow this coordination to occur. During the review process four basic elements of the organisation were considered - the span of control, centralisation, formalisation, and departmentalisation. The proposed structure is further influenced by many factors including size, technology, logistics, strategy and ability to address the risks and challenges which were identified.

The strategy focuses on consolidating the work done in the data cleansing initiative which started 3 years back and further advocates an investment in a longer term solution which incorporates the roadmap for a Data Governance Strategy. The strategy allows for a mandated decision making body such as a centralised Competency Centre which coordinates data management to ensure that data as an asset is formally managed across the board. The competency centre will focus on improving data quality, avoiding data duplication, streamlining procedures, benefiting from economies of scale and formalising accountability for data. Furthermore, Data Governance ensures that responsible people can be held accountable for any adverse business decisions based on inaccurate data. The focus is to implement measures to ensure that the Revenue Department improves its performance based on streamlined

business and system processes, mitigates the risk of non compliance, and achieves Corporate Governance. These measures will also assist with enhancing areas for maintaining the data cleansing project goal and objectives in a cost effective manner and to align to the longer term vision of a Data Governance Operating model.

Revenue

The other leg that is critical towards achieving sound financial viability is cost control. Although we have not been criticised by the Auditor General in overall cost measure, the AG has raised as the emphasis matter in the inability to measure costs attributable to provision of water for free basic service consumption. This reflected as R60 million water loss in the 2010/11 financial year. The main challenge is the inability to measure accurate consumption and attributable costs thereof. The new structure seeks to complement the work of the engineering department by providing the accounting and reporting support to measured consumption.

Data management and tariff costing (Billing)

The data cleansing project commenced in 2007/08 financial year where metering and billing data of 7 LMs was consolidated and due to gaps in the data, a data cleansing team was formed. Over the last 4 years this team has verified all LMs and with the assistance of the engineering department, have compared this data to various corroborating sets of data such as the deeds office and the municipal valuation rolls of the respective LMs. At present the data is considered fairly accurate and the approach to metering and billing data will move to next level where measurement and analysis will be the focus as opposed to consolidation of data from all LMs as was the case in the last 4 years. The areas will now be the establishment of the competence centre where highly skilled personnel and hi powered systems will be used.

CHAPTER 7: PERFORMANCE MANAGEMENT SYSTEM

INTRODUCTION

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

- Develop a performance management system
- Set *targets*, monitor and *review performance* based on indicators linked to their IDP
- Publish an *annual report* on performance for the councilors, staff, the public and other spheres of government
- Incorporate and report on a set of *general indicators* prescribed nationally by the minister responsible for local government
- Conduct an *internal audit* on performance before tabling the report.
- Have their annual performance report audited by the Auditor-General
- *Involve the community* in setting indicators and targets and reviewing municipal performance

In responding to the above requirements, Amathole District Municipality developed the following tools aimed at operationalizing its Performance Management System.

- Performance Management Framework
- Performance contracts and agreements
- Service Delivery & Budget Implementation Plan
- Procedure Manual for Management of Performance Information
- Accountability agreements and Performance Promises Procedure Manual
- Reporting templates
 - Quarterly performance assessment reports
 - Mid-year performance report
 - Annual Performance report
- Performance scoring tool

7.1 THE PERFORMANCE MANAGEMENT FRAMEWORK

For purposes of monitoring and evaluation, Amathole District Municipality adopted a Performance Management Framework in 2002. This has since been reviewed in 2008, 2009, 2010 and 2011, to be in line with the 2001 and 2006 Regulations as well as the IDP.

The Performance Management framework is a municipal policy document that defines and describes the municipal performance management system, including how it operates. The framework constitutes council policy with regards to:

- The requirements that a PMS for Amathole will need to fulfil;
- The principles that will inform its development and application;
- A model that describes what areas of performance will be managed, in Amathole District Municipality;
- What processes will be followed in managing performance;
- What institutional arrangements are necessary for this;
- Who will take responsibility for parts of the system;
- How this links to personnel performance management, especially S57 managers.

Amathole District Municipality makes use of the Municipal Scorecard Model as a model for performance management. The Municipal Scorecard Model is now reviewed and is based on one scorecard namely, the SDBIP (Service Delivery and Budget Implementation Plan) Scorecard. The Municipal Scorecard Model embodies five Key Performance Areas adopted by the then Department of Local Government and Traditional Affairs in the Five Year Local Government Strategic Agenda. Performance is then measured according to the five KPAs. The Municipal

Scorecard Model is based on the *Balanced Scorecard* methodology by Drs Robert Kaplan & David Norton, but customised by aligning the 5 Key Performance Areas with the traditional 4 Perspectives of performance management. This then caters for measuring the elements of performance management as required for the *Balanced Scorecard* such as Costs, Inputs, Outputs, Outcomes and Process.

The Heads of Department will be primarily responsible for performance on the SDBIP Scorecard. As such, the SDBIP Scorecard is closely linked and forms the largest component of how a Head of Department's performance will be appraised.

Furthermore, the SDBIP Scorecard will be cascaded down to the departments where it will be monitored. Departments in the municipality are constituted by sections and the head of each section is responsible for reporting to the Head of Department. SDBIP Scorecards and performance reports must be formulated at departmental meetings constituted at least by the Head of Department and section heads. Sectional planning must be informed by the SDBIP Scorecard and performance reporting must feed into the SDBIP Scorecard report. Therefore each section must have its own implementation plan that contributes to the overall implementation of the SDBIP Scorecard.

The District Municipality will facilitate the implementation of a coordinated annual cycle of municipal performance management within the district area. This cycle will have agreed critical dates and timelines for the following activities:

1. Development of Organisational Scorecard (as part District IDP Process)
2. Development of SDBIP Scorecards by all departments at Amathole DM (as part of the IDP processes)
3. Conclusion of Performance Contracts, Performance Agreements, Accountability Agreements and Performance Promises
4. Completion of the first quarter reviews and audits
5. Completion of the midyear/ second quarter reviews and audits
6. Completion of the third quarter reviews and audits
7. Completion of the annual reviews and audits
8. Submission of inputs to the Annual Report

PERFORMANCE REPORTING & REVIEWS

DEPARTMENTAL REVIEWS

It is intended that departments review their performance monthly, using their SDBIP Scorecards. Decision-makers should be immediately warned of any emerging failures to service delivery such that they may intervene if necessary.

Departments should use these reviews as an opportunity for reflection on their goals and programmes and whether these are being achieved. Minutes of these reviews should be forwarded to the office of the Municipal Manager. Changes in indicators and targets may be proposed at this meeting but can only be recommended for approval by the Municipal Manager to the Executive Mayor.

On a monthly basis the HoD (Head of the Department) will submit a report on the department's performance using the SDBIP Scorecards to the Cluster Champ who will table the report to the Cluster and submit a report to the HOD Forum.

HODs will formulate their SDBIP Scorecard reports by taking into account the performance of the various units/sections within each department. The SDBIP Scorecard requires inputs from each unit/section such that a comprehensive report is collated on the performance of each department. The Unit Manager/Sectional Head is responsible for the provision of unit/sectional reports to the HOD.

MUNICIPAL MANAGER'S REVIEW PANEL

Twice annually, the review panel setup by the Municipal Manager will review the departmental performance (HoD or manager reporting directly to the municipal manager) using the SDBIP Scorecards for departments. It will then submit

reports from this review to the Municipal Manager for HOD/Working Forum, Performance Audit Committee then to the Executive Mayor to submit to council.

The Municipal Manager's Review Panel will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the Municipal Manager can endorse these, for recommendation to the Executive Mayor for approval.

In preparation for and prior these reviews, the office of the Municipal Manager must develop an analysis of performance.

EXECUTIVE MAYOR'S REVIEW PANEL

Twice annually, the review panel setup by the Executive Mayor will review the top organisational performance (municipal manager) using the Top level SDBIP Scorecard. It will then submit reports from this review to the Executive Mayor to submit to and Council.

The Executive Mayor's Review Panel will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, a recommendation will be submitted to the Executive Mayor for approval.

In preparation for and prior these reviews, the office of the Municipal Manager must develop an analysis of performance.

PERFORMANCE AUDIT COMMITTEE REVIEWS

On a quarterly basis, the Performance Audit Committee will review the departmental and municipal performance (municipal manager) using the SDBIP Scorecard. Other function that is linked to the Performance Audit Committee is the auditing and assurance guarantee on the assessment and processes of the framework and the system. This is further detailed in section dealing with Auditing and Quality Control.

The quarterly report will be submitted to the Executive Mayor and quarterly and bi-annually to council.

The Performance Audit Committee will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Furthermore, they will verify and give assurance to the process of reviews undertaken by the panels and recommendation.

Where targets need to be changed, a recommendation will be submitted to the Executive Mayor for approval.

COUNCIL REVIEWS

At least twice annually, the council will be required to review municipal performance based on the performance report submitted by the Executive Mayor. The council will use the report submitted by the Executive Mayor from the Performance Audit Committee.

The first review will be in January in preparation for the budget adjustments. The second review will be an annual performance review.

This will form part of the annual report as required by the Municipal Systems Act.

A report annually will be submitted to the provincial government in the form of an annual report.

A report annually will be submitted to the Inter-Governmental Forums established by Amathole District Municipality in the form of a citizen's report on performance of the municipality.

PUBLIC REVIEWS

The Municipal Systems Act requires the public to be given the opportunity to review municipal performance and they will be part of the panels established by the district municipality. Furthermore, a citizen's report will be produced for public

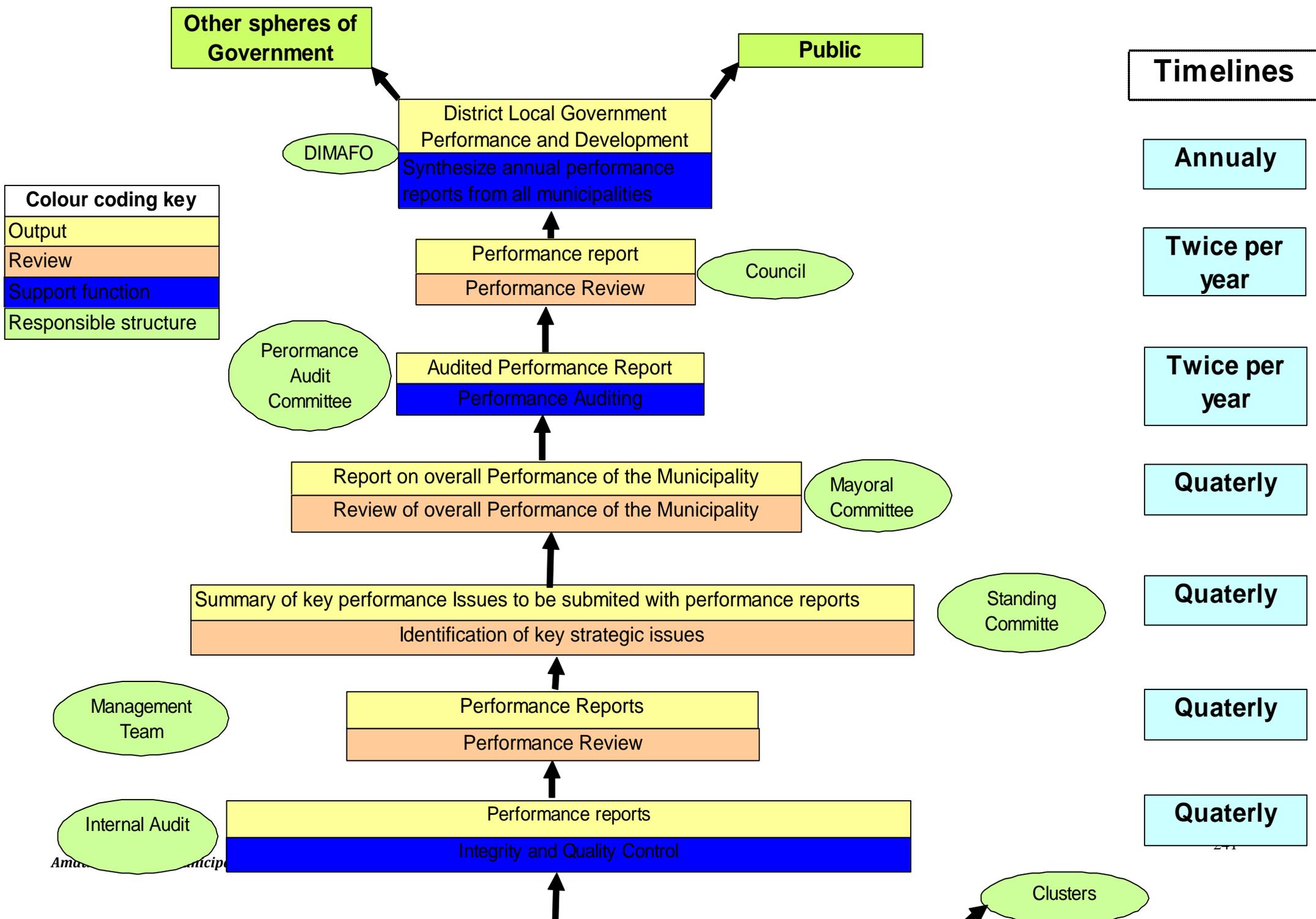
consumption and submitted to the IGR structures established by Amathole District Municipality. A citizen's report should be a simple, easily readable and attractive document that summarises the performance of the municipality public consumption.

Annually an annual report will be developed and be open for public comments on the assessment of the municipality's performance. It is also proposed that a public campaign be annually embarked on to involve communities in the review of municipal performance. Such a campaign could involve the following methodologies:

Various forms of media including radio, newspapers and billboards can be used to convey the communities' report. The public should be invited to submit comment via telephone, fax, email and public hearings to be held in a variety of locations.

The public reviews should be concluded by a review by the IDP Representative Forum.

The diagram below provides a picture of the annual process of reporting and reviews:



AUDITING AND QUALITY CONTROL

The Office of the Municipal Manager will be required on an ongoing basis to co-ordinate and ensure good quality of reporting and reviews. It will be its role to ensure conformity to reporting formats and check the reliability of reported information, where possible. The municipality's internal audit function will be continuously involved in auditing the performance reports, evidence file and SDBIP scorecards. As required by the regulations, they will be required to produce an audit report on a quarterly basis, to be submitted to the Municipal Manager, Executive Mayor, Performance Audit Committee and Audit Committee. The Performance Audit Committee will also be tasked with assessing the reliability of information reported.

INDIVIDUAL PERFORMANCE

In cascading the performance management system to the levels below the managers reporting directly to the Municipal manager Amathole District Municipality is using the Accountability Agreements (AA) for task grade 11 – 18, and Performance Promises (PP) for task grade 1 – 10.

There are 4 logical, simple steps to the process to be taken by both the manager & the employee

- Employee & Manager each need to **reflect or review the AA/PP goals & actions** agreed upon & documented.
- Were these realistic, appropriate, and relevant to getting results in the job? Level of achievement? Areas of concern? Resources available? Lessons learnt? Way forward?



- **One-on-One discussion** on the AA/PP goals & action plans over the period. Review original AA/PP documents.
- Focus on the principle of accountability for results – no excuses, only performance solutions! What worked, what didn't & why?
- Agree on corrective actions.
- Monitoring & measuring ahead?



- Employee to focus on **making the performance plan a reality** – ie. Delivery
- Request support, guidance & resources as & when required
- Regular feedback to manager & other key stakeholders
- **Monitoring & measuring ahead?**



- AA/PP revised goal & actions
- **Performance plans** of their plan to be completed
- Both manager & employee to sign-off
- PDP entries & actions?
- Lessons learnt.

