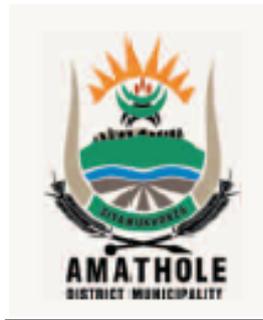


AMATHOLE DISTRICT **MUNICIPALITY**



2013 – 2014

INTEGRATED DEVELOPMENT PLAN

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MAPS

THE EXECUTIVE MAYOR'S FOREWORD



In a democratic dispensation, 19 years is a long time for there to be people in our District who are unable to access clean quality water and a toilet. Hence, when we get an opportunity to craft and review our Integrated Development Plan(IDP) and budget, it is paramount that we do so with a sense of urgency, diligence and the utmost devotion.

The Integrated Development Plan cannot just be a glossy document with unrealistic general projections; it must be aligned with the needs of the communities as well as the direction that this country is taking. We cannot continue to take the patience and goodness of a South African heart for granted. Having already - as government - dubbed this the year of unity in action towards socio-economic freedom; we have declared that we must not be apologetic when we engage in vigorous and searching debates on the persistence of the legacy of apartheid colonialism, reflected in the triple challenges of poverty, inequality and unemployment.

We are declaring that this phase of our freedom will be characterised by decisive action to effect economic transformation and democratic consolidation, critical both to improve the quality of life of all South Africans and to promote nation-building and social cohesion. Thus the IDP and budget of Amathole District Municipality must embrace Vision 2030 and the National Development Plan as a platform for united action by all South Africans to eradicate poverty, create full employment and reduce inequality.

Essentially this process affords us an opportunity to measure our performance and analyse our spending patterns. It is important that we reflect on the previous plans created; contextualise on the progress made; regroup, re-strategise and reconfigure our governance systems in order to complement the trust that we have been given by our people. Equally, a new planning phase should not necessarily translate to the erosion of the previous ideologies; but a consolidation of the winning formulas and modification of those that are not effective.

As a water service authority, we must excel in our core business and accelerate the completion of existing projects, moving beyond the municipal infrastructure grant and tap into other funding mechanisms towards the eradication of backlogs.

As we are gearing up towards the completion of our second decade of freedom and the fifth democratic and non-racial elections, it also becomes very important to uncover how we plan to respond to governments program of using intensive labour and creating decent employment for all South Africans. When planning about people, it is vital that they participate and communicate as an integral stakeholder that has a voice. A voice to air satisfaction, dissatisfaction and advise on how their services are being handled. Those are the first major steps into creating government machinery that is accountable, reliable, trustworthy and compassionate.

Obtaining an unqualified audit opinion after qualified audits for three prior consecutive years, plus receiving a Vuna award for the most improved audit outcome, takes a lot of hard work. However, corruption levels both in government continue to hinder the sterling work and all the endeavours that seek to bring change in this country and thus it is vital the monitoring and oversight role be strengthened in financial management.

Thus as we craft the 2013/2014 financial year IDP and Budget, we must concurrently set up monitoring mechanisms that will ensure that they lead us to our goal of achieving clean audit in this year.

South Africa's admirable culture of vibrant internal democracy continues to enhance our unity of purpose and as the people of Amathole, we must draw inspiration from that and work together to reach even greater heights.



NOMASIKIZIZ KONZA
EXECUTIVE MAYOR

MUNICIPAL MANAGER'S MESSAGE



On the 20th-23rd January 2013 the political and administrative leadership of Amathole District Municipality (ADM) converged at the Mpekweni Beach Resort to map out the municipality's strategic plan of action for the 2013/2014 financial year. The fundamental purpose of the strategic planning session was to develop clear strategic objectives and strategies that seek to respond to key institutional strategic and development challenges, which could be a hindrance to the achievement of the municipality's strategic goals if left unaddressed.

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

At the strategic planning session, the alignment of the district's strategic plans to the National Development Plan (NDP) 2030, Eastern Cape Province Vision 2030, political declarations and other development initiatives, was emphasised. To this effect, the importance of planning beyond the 5 year IDP cycle was emphasised, to ensure that there is an aspirational strategy that would guide development of strategies and allocation of resources at ADM over a period of 30 years. One of the issues that were discussed at the strategic planning session was the required paradigm shift in the implementation of projects, as the past years had been characterised by slow financial expenditure which affected roll out of services to communities. Water provisioning and sanitation are among ADM's legislated functions and are ADM's core business, it was therefore felt that the municipality should focus more on these areas and ensure that mechanisms are put in place to eradicate backlogs.

Other crucial issues that were debated at the strategic planning session were, among others, the importance of cohesive planning between ADM and its Local Municipalities as the performance of the LMs is reflective of the district. The strengthening and capacitation of the governance structures, in particular Section 80 and Section 79 Committees, was identified as one of the areas that require improvement in order to improve the oversight function of Council. The legislated district powers and functions were outlined and it was felt that resource allocation should be informed by assigned powers and functions, in order to ensure that ADM delivers on its constitutional mandate. To this effect, it was resolved that unfunded mandates and agency functions should be scaled down as they deplete the municipality's financial resources. The mainstreaming of Local Economic Development and the Expanded Public Works Programme within ADM was discussed at length, in order to reach a common understanding on principles of these two. Evaluation of the implementation of Free Basic services (water and sanitation) was done, to ascertain whether ADM is complying with the relevant legislation in this regard. The restructuring of Customer Care services within the district was proposed, to ensure customer satisfaction and upholding the Batho Pele principles.

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

I would like to thank all key stakeholders who took it upon themselves as individuals and organised bodies to contribute to the development of this Integrated Development Plan. The political leadership, local municipalities in the district, as well as management and staff, have all played a crucial role in ensuring the production of this quality document. This document will serve as a guiding tool and roadmap for Councillors and officials, for the 2013/2014 financial year and will also ensure fast-tracking of service delivery.



CHRIS MAGWANGQANA
MUNICIPAL MANAGER

THE EXECUTIVE SUMMARY

BACKGROUND TO THIS DOCUMENT

This document represents the 2013/14 draft reviewed Integrated Development Plan (IDP) as prepared for adoption by the Amathole District Municipality (ADM). It is submitted and prepared in fulfilment of the Municipality's legal obligation in terms of Section 32 of the Local Government: Municipal Systems Act 32 of 2000.

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

- 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."

Section 34 further states that:

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

THE IDP REVIEW PROCESS

On 31 August 2012, the Amathole District Municipality adopted its District IDP Framework Plan together with the IDP/PMS/Budget Process Plan. These plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for the development of the IDP and the Budget. The District IDP Framework served as a guide to all local municipalities falling within the Amathole area of jurisdiction, and for purposes of alignment in the preparation of their respective Process Plans. In brief, the District Framework Plan outlines the time frames of scheduled events/activities, structures involved and their respective roles and responsibilities. The IDP/Budget Process Plan outlines in detail, the way in which the ADM embarked on its 2013/14 IDP review and Budget processes from its commencement in July 2012 to its completion in June 2013. The District IDP Framework plan together with the IDP/PMS/Budget Process plan are attached to this document as annexure "A".

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

In the process of developing the IDP and the Budget, a strategic planning session was held on 20 – 23 January 2013. The session was intended to facilitate provision of a framework that will guide the municipality's strategic direction as reflected in the 5 year strategic document. The strategic framework encompasses the strategic objectives and strategies aimed at realising the mandate of ADM. Furthermore, as part of the IDP process, an analysis was conducted in respect of various sector plans attached to the ADM's IDP. Some were found to be still relevant and required minor update done in-house, others required a major review, whilst new sector plans were developed.

The draft reviewed IDP and Budget for 2013-2014 will be tabled and approved by Council on 22 March 2013. These documents will be widely publicised for comments before being tabled before Council for adoption on 24 May 2013.

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

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

ADM ACTION PLAN PARTICIPATION STRUCTURES & MEETING DATES	
PRE-PLANNING (July – August)	
IDP Steering Committee workshop to outline the review process	02 August 2012
Councillor workshop on the IDP review process	14-16 August 2012
IGR Forum meeting to outline the review process	20 August 2012
Budget Steering Committee to discuss the new budget legislation and membership	21 August 2012
IDP/PMS/Budget Representative Forum [district-wide launch]	28 September 2012
ANALYSIS (September– November)	
IDP Steering Committee to review implementation progress and prepare for the IDP Launch	03 September 2012
DIMAFO meeting	
District Planning Co-ordinating Forum to discuss situational analysis and local priorities	
Budget Steering Committee to assess project spending of the 1 st quarter	
IGR Forum to give feedback on the situational analysis	31 October 2012
IDP Steering Committee to present final situational analysis	01 November 2012
District Mayors' Forum (DIMAFO)	15 November 2012
IDP/PMS/Budget Representative Forum [district-wide development priorities]	21 November 2012
District Planning Co-ordinating Forum to discuss District-wide IDP Engagement	
OBJECTIVES; STRATEGIES and PROGRAMMES(December – March)	
Technical Strategic Planning session	December 2012
Institutional Strategic Planning session	20-23 January 2013
IDP workshop to refine objectives, strategies and draft projects	27 February 2013
Budget Steering Committee to approve draft budget allocation (IDP/Budget link)	28 February 2013
IGR Forum to discuss the draft IDP and Budget	11 March 2013
Council workshop on draft IDP & Budget	12 – 13 March 2013
IDP Steering Committee to check alignment and sector specific guidelines	07 March 2012
IDP Representative Forum (present draft IDP, Budget and SDBIP)	20 March 2012
Council approval of the draft IDP & Budget and Annual Report	22 March 2012
District Mayors' Forum (DIMAFO)	14 March 2012
APPROVAL (April – June)	
IDP/ Budget road shows (public presentation hearings at LMs)	27 March – 18 April 2012
Council Open Day (present final draft)	09 May 2012
IDP/PMS/Budget Representative Forum	23 May 2012
Council Meeting (IDP and Budget final adoption)	24 May 2013

COMMUNITY INVOLVEMENT

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

EVENT	VENUE	DATE
Launch of Mncwasa dam and reburial of bodies.	Elliotdale	03/07/2013
Home visits during MRM month	All LM's	16-24/07/2013
Mandela day	Nkonkobe (Fort Beaufort)	18/07/2013
Christmas in July	Nkonkobe	20-22/07/2013
Closure of MRM month	Ngqushwa	21/08/2013
Women's month	Ncumisa Kondlo Hall	24/08/2013
Public Participation with DST	Mbhashe	27/08/2013
Mayor's challenge	Nkonkobe	12-16/09/2013
Heritage Day	Nkonkobe	16/09/2013
Arbour Day	Nkonkobe	18/09/2013
Wellness Day	BCM	24/10/2013
WASH and launch of toilets	Mbhashe	24/10/2013
Youth graduation	Mbhashe(Shixini)	26/10/2013
Launch of water harvesting programme	Amahlathi	01/11/2013
Water forum	Great Kei(Kei Mouth)	02/11/2013
Capacity building to women	Amahlathi	06/11/2013
Agric Expo	Alice	07-09/11/2013
Capacity building to youth	Nxuba	07/11/2013
Toilet Day	Mnquma	25/11/2013
Support to Fashion designers(SMME,s)	Mnquma(Butterworth)	28-29/11/2013
Craftmania	Amahlathi	29-31/11/2012
Disposal of dead summit	Great Kei	29/11/2012
Commemoration of 16 days of Activism	Amahlathi	06/12/2013
Christmas for children	All Lms at BCMM	22/12/2012
Water week	All Lms	26-19/03/2013
Graduation for Process Controllers	All Lms	08/03/2013

RELEVANT DOCUMENTS

The following documentation should be read with the IDP:

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

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
Basic Service Delivery and Infrastructure Investment	Improve health profile of the nation	Improve the health profile of the province	6. An efficient, competitive and responsive economic infrastructure network
	Comprehensive rural development strategy linked to	Rural development, land and agrarian transformation, and	2. A long and healthy life for all South Africans

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

PERCEPTION SURVEY

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

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

The results of the survey showed that:

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

Recommendations:

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

REPORT OUTLINE

The structure of the 2013 – 2014 IDP is as follows:

CHAPTER 1: THE VISION

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

CHAPTER 2: DEMOGRAPHIC PROFILE OF THE DISTRICT

This chapter provides a detailed profile of the Amathole District.

CHAPTER 3: STATUS QUO ASSESSMENT

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

CHAPTER 4: DEVELOPMENT OBJECTIVES, STRATEGIES, PROGRAMMES AND PROJECTS

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

CHAPTER 5: SECTOR PLANS

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

CHAPTER 6: FINANCIAL PLAN

Chapter six provides the District Municipality's financial strategies, medium term expenditure, proposed budget for the 2013/14 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.

CHAPTER 1: THE VISION

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

Vision

“Amathole District Municipality:

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

Mission

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

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

Core Values

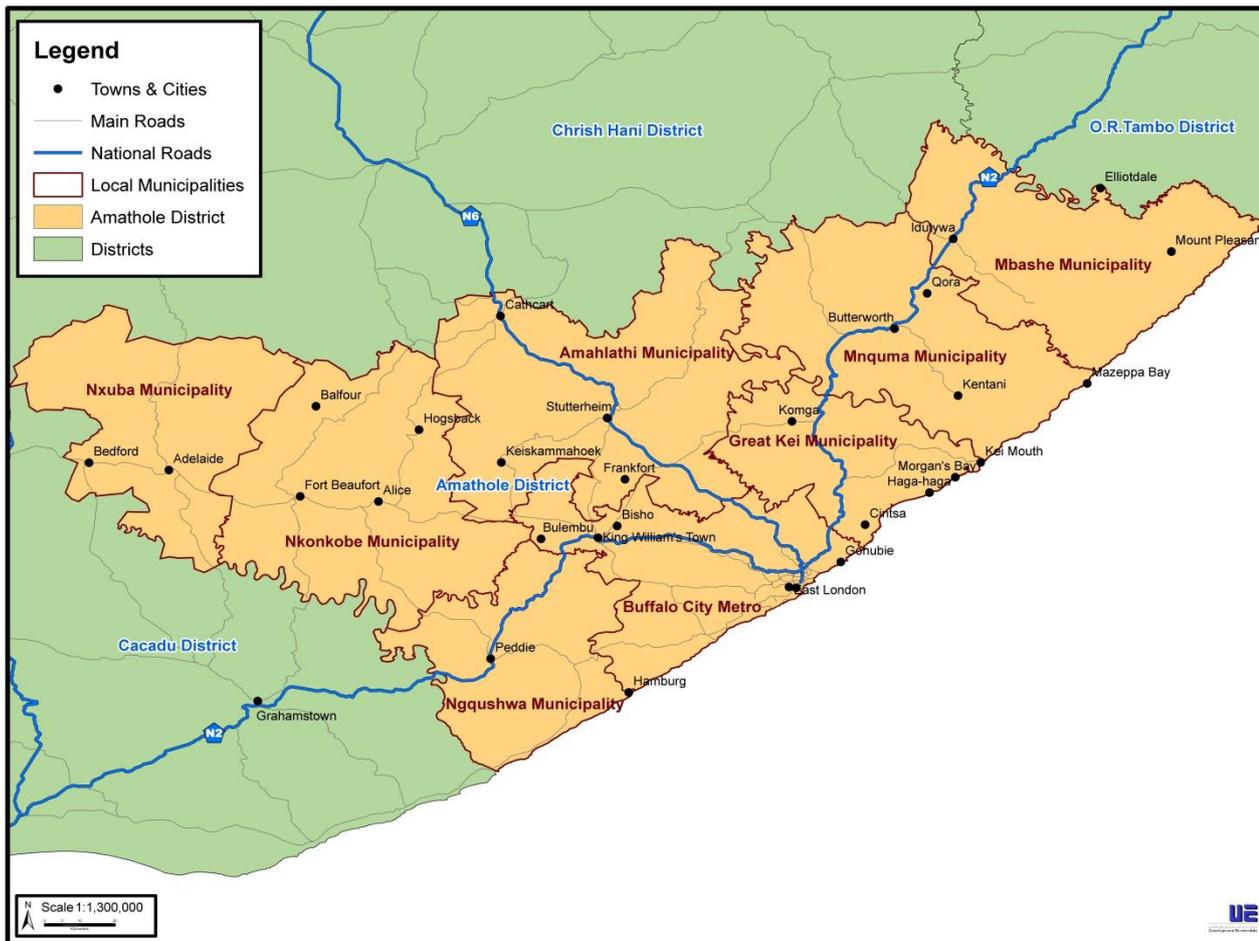
- **Selflessness**
In all our business activities we commit that corruption and unscrupulous business practices will be dealt-with decisively and objectively.
- **Pro-poor**
The poorest of the poor will be the main focal point for ADM’s business and service delivery.
- **Responsiveness**
We will continue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

CHAPTER 2: DEMOGRAPHIC PROFILE OF THE DISTRICT

A INTRODUCTION

The Amathole District Municipality is situated within the Eastern Cape Province, between Port Alfred and Port St John's. The district stretches from the Indian Ocean coastline in the south to the Amathole Mountains in the north. The District includes the large parts of the former Ciskei and Transkei homeland areas, which means the district has large disparities within its borders. It is bordered by the Cacadu, 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 Crintsa, and a number of rural settlements;
- **Mquma Municipality**, comprising the main town of Butterworth, the small towns of Ngqamakwe and Centani, numerous peri-urban and rural settlements; and

- **Mbhashe Municipality**, comprising the towns of Idutywa, Elliotdale and Willowvale, and numerous peri-urban and rural settlements.

B DEMOGRAPHIC PROFILE

1. *Population*

Population

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

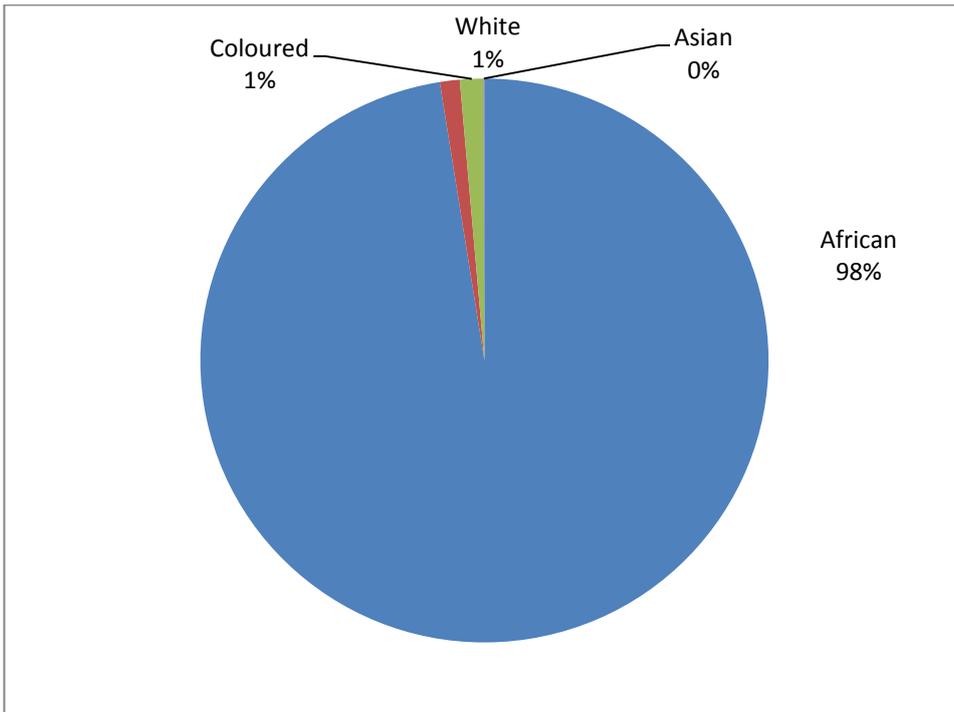
The majority of the Amathole District population reside Mbhashe Local Municipality (28.6%), followed by Mquma Local Municipality (28.3%) The two Local Municipalities with the smallest percentages of the Amathole District population are Great Kei Local Municipality (4.4 %) and Nxuba Local Municipality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

Population distribution, ADM, 2011

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

Source Statistics South Africa

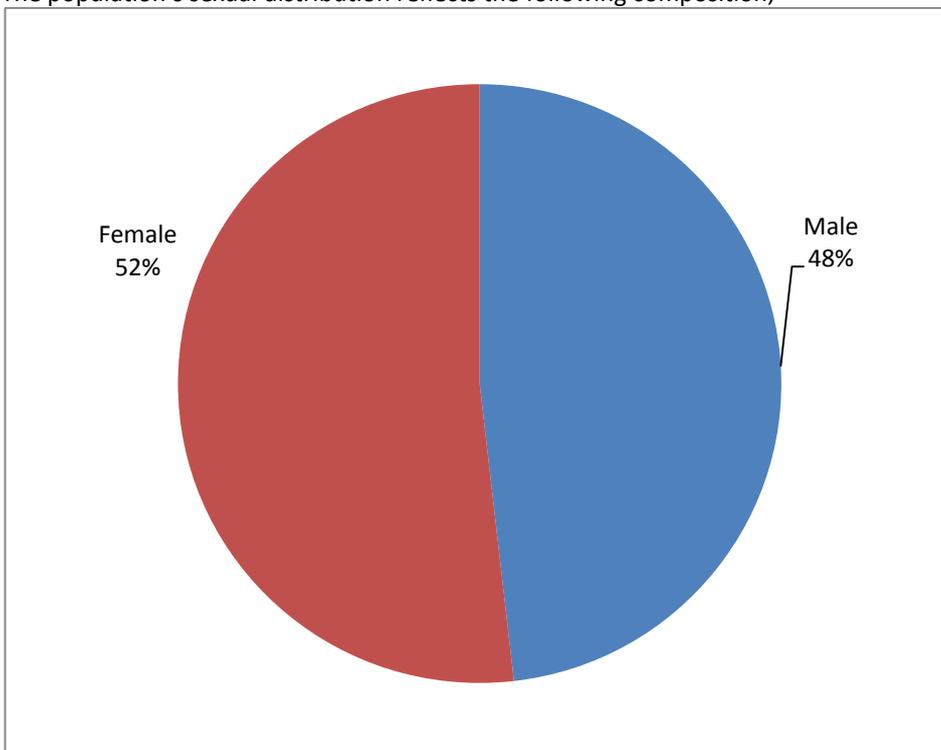
1.1 Population Group



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;



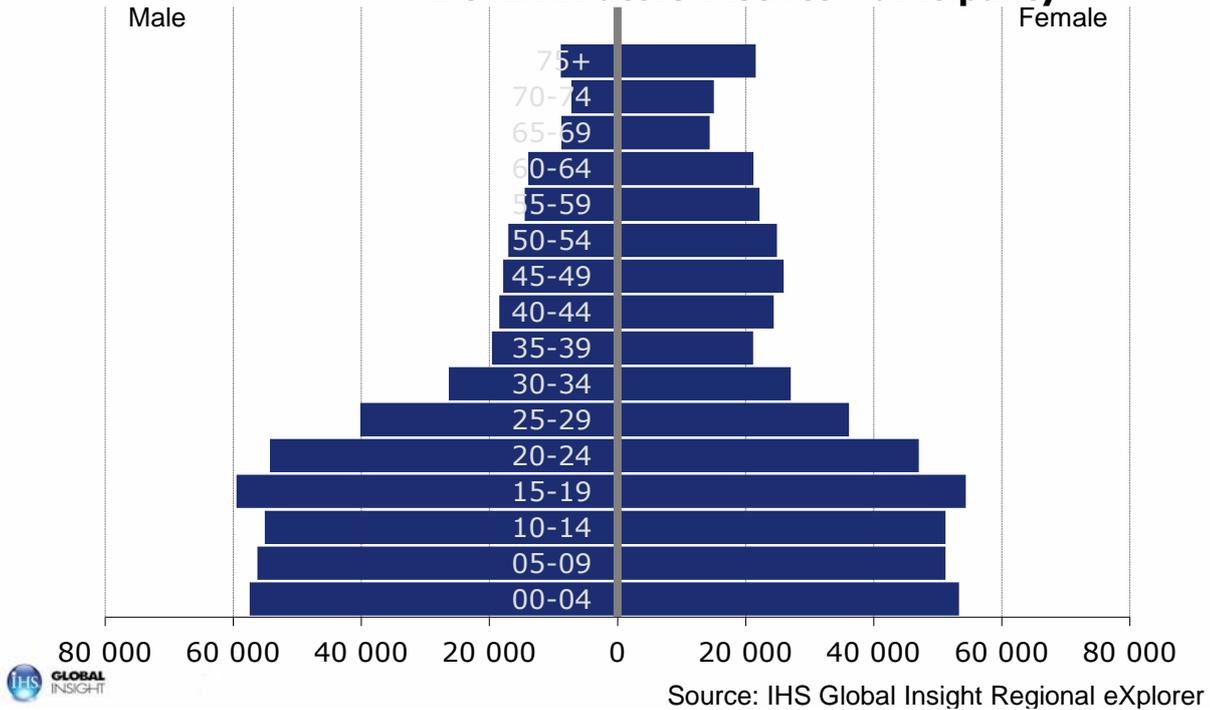
The ADM’s population is predominantly female dominated with males constituting 48% of the population as shown in the pyramid below. There is a universal consensus that women have a longer life expectancy than males, therefore given the current male to female ratio, various programmes and campaigns need to be put in place in order to empower women in the short to medium term. The other fact is in society at large, there are more women-headed-households than the contrary owing to various human circumstances, thus the argument of women empowerment need to be started and intensified. Such empowerment, when properly conceived and implemented will also curb population growth, which is perceived as an outcome of women’s lack of economic opportunities. If women’s health, education and economic well-being are improved along with their role and status in the community, the empowerment of women will inevitably lead to smaller families and lower or manageable population growth.

1.3 Population Characteristics | Population by Age.

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

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

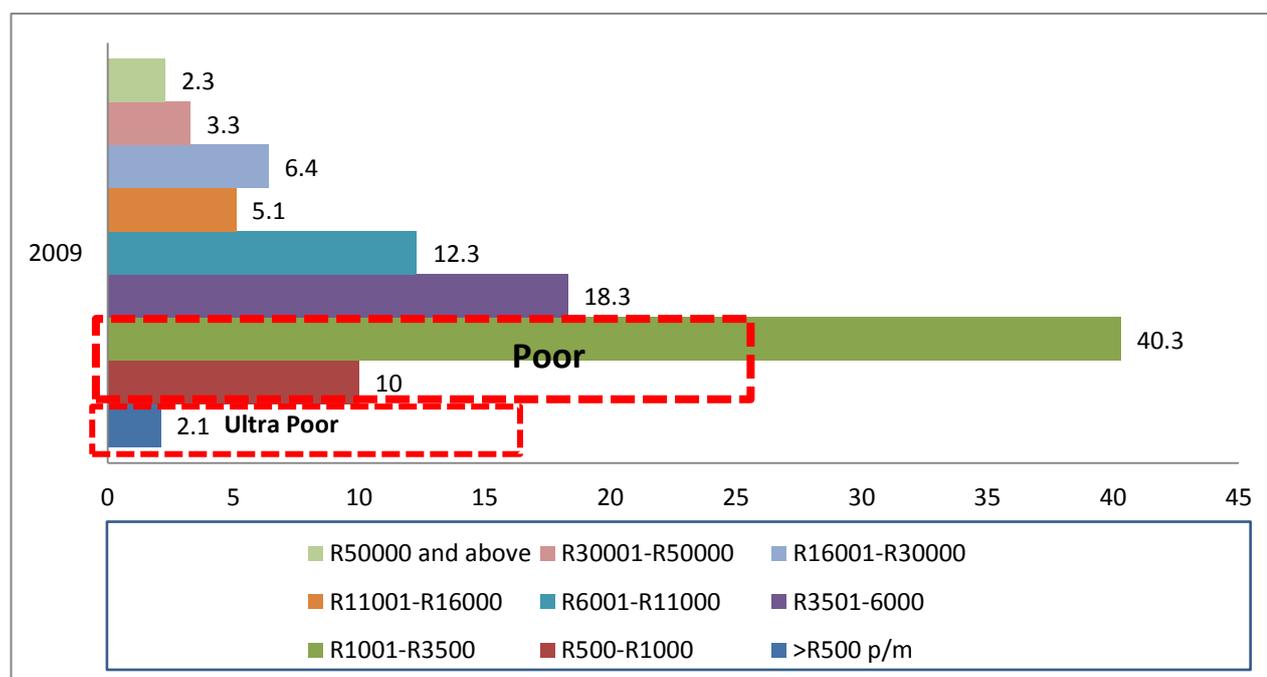
**Population Pyramid, Total, 2011
DC12 Amatole District Municipality**



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.

2.3. People Living in Poverty.

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

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

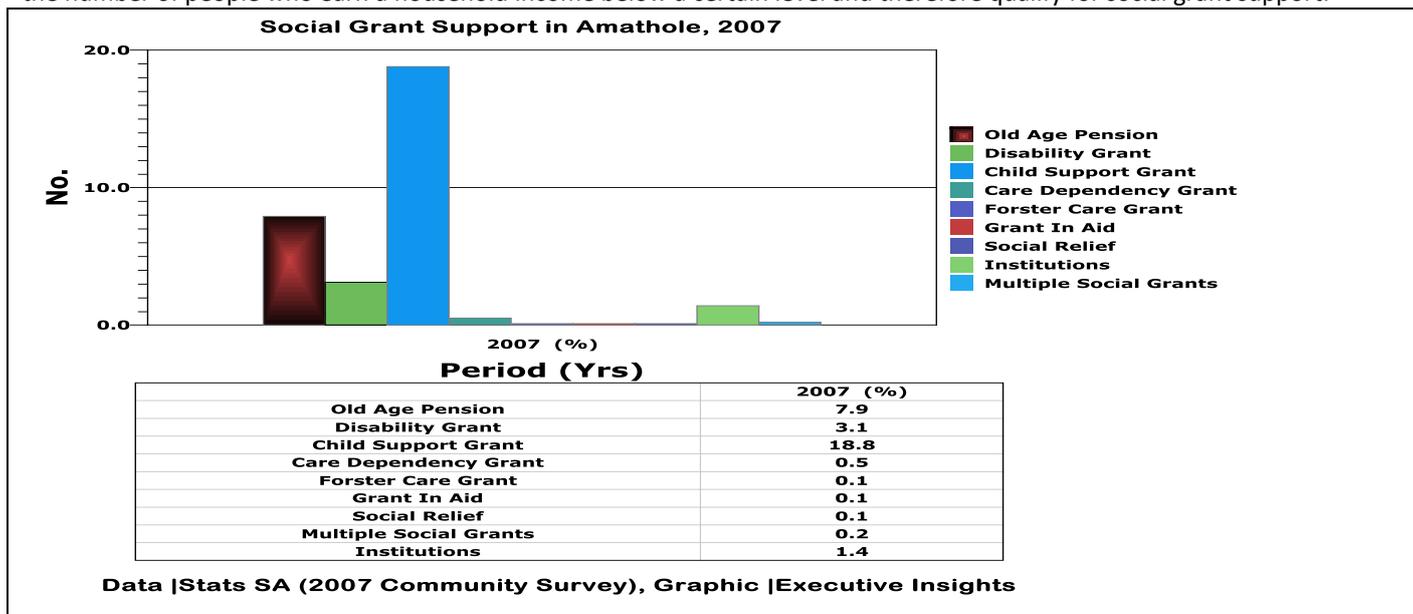
Source : Global Insight

The total population living in poverty was seating at **48%** of the estimate population, with Black Africans counting for 53% and Coloureds at 1%. The poverty levels have decreased by 1% from 2009 and 2% from 2008 for both races. The level of poverty within the ADM is in keeping with its human development index and dependency ratio. With half of the population at 54% in 2010 living in poverty, the poverty level is considered widespread. The current level of poverty together with the HDI implies that a big percentage of the ADM population has no access to credit, are unable to finance their children’s education and use child support grant as a source of income. These factors also contribute to a lower per capita growth because of the income disparities. The high poverty rate if it remains unabated will result into aggravated levels of poor health, child malnutrition and lower levels of education. These factors will jointly lower economic productivity and result in a slow growth economy.

2.4. Social Grant’s Dependency.

Social grant dependence is higher in Amathole (66%) than the average for the Eastern Cape (64%) as a whole. Only Nxuba (59%) falls below the district and provincial averages with the remaining local municipalities recording 2/3 and more of

households which depend on at least one social grant. The 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.



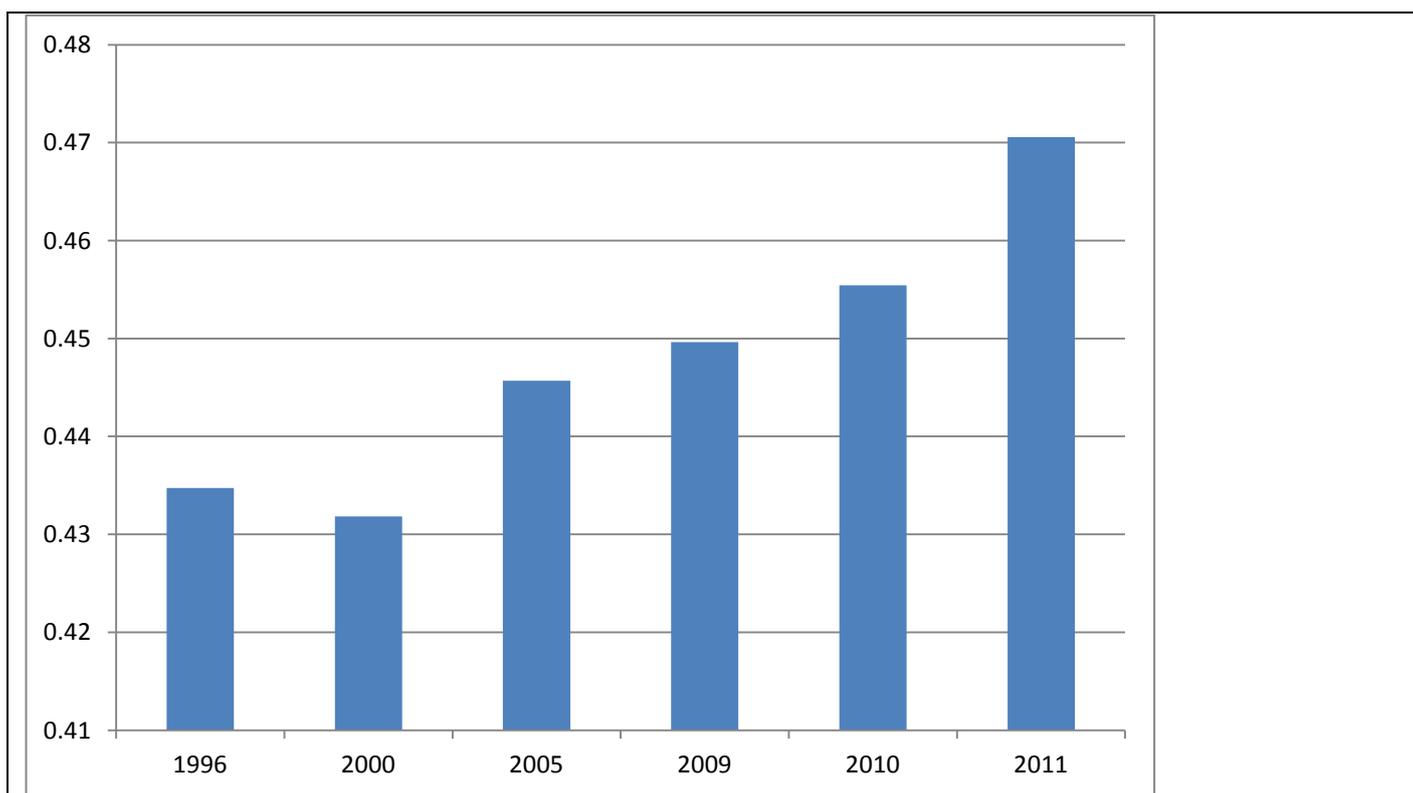
Child support grants are by far the most common type of social grant support received by ADM residents (18.8%), followed by Old Age Pension at 7.9%. With 32% of the ADM's population being children under the age of 14 and currently on child support grant, this again alludes to a high dependency ratio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



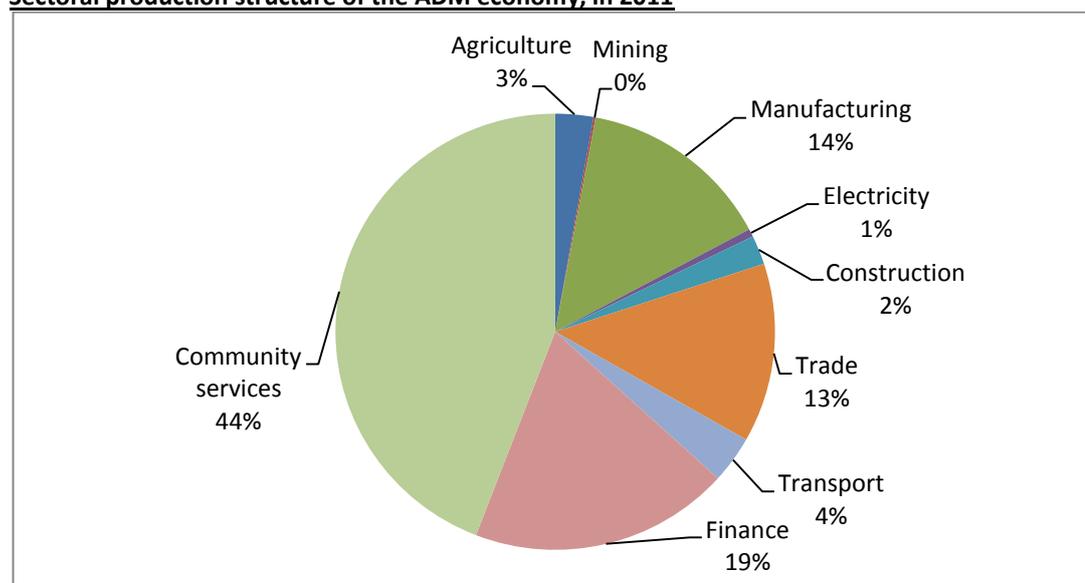
There has been a gradual improvement in the quality of life of the people of ADM over the years. The Human Development Index which is an indicator of development as used by the United Nations measures the aspects of education, longevity and income. For the quality of life to be acceptable the HDI needs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

C ECONOMIC OVERVIEW

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

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

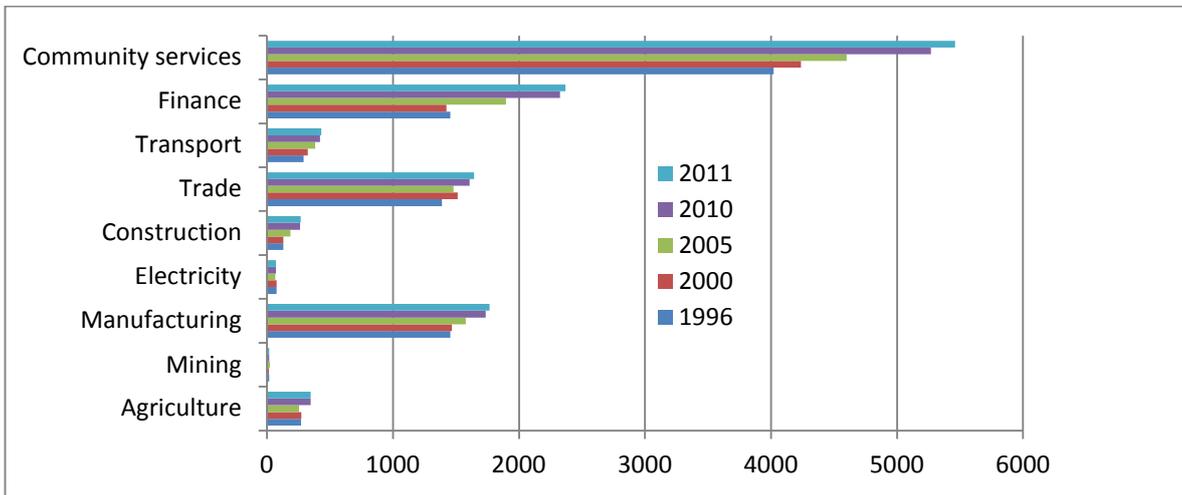
Sectoral production structure of the ADM economy, in 2011



Source: Global Insight

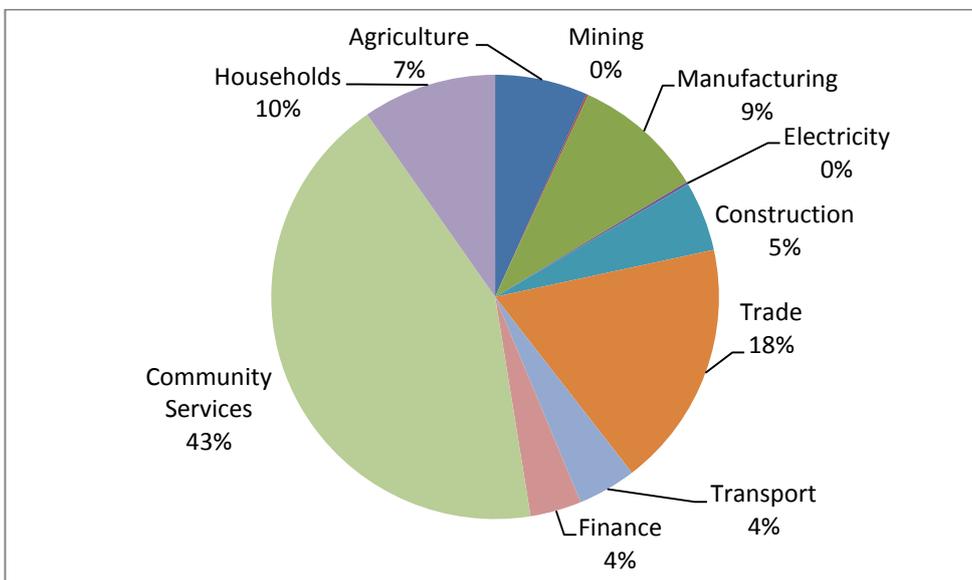
- 1) The economy of ADM is dominated by the community services sector which contributed 44% to the GGP of ADM in 2011. This sector is also the major employer in the District as it accounted for 43% of all jobs in 2011.
- 2) The second most important sector is the finance and business services sector which contributed 19% 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 manufacturing 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 2011



Source: Global Insight

D ANALYSIS OF TRENDS IN THE VARIOUS SECTORS.

Agriculture

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

Mining

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

Manufacturing

- 1) From 1995 to 2008, production growth in manufacturing has been consistently been escalating, even though its started decreasing from 2009 to 2011

- 2) Improvement in the sector mainly has to do with the shift to hi-tech sub sectors.
- 3) The sector contributes about (9 percent) of the district's employment

Utilities (Electricity and Water)

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

Construction

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

Trade

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

Transport and Communications

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

Finance and Business Services

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

Community and government services

- 1) This sector has dominated the ADM economy between in the period under review from 1996 to 2010
- 2) Currently this sector contributes about 44% to the GGP of the ADM.
- 3) This sector is also the largest contributor to formal jobs in the ADM , contributing about 43 percent of the formal jobs in ADM

CHAPTER 3: STATUS QUO ASSESSMENT

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..

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

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

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

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

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 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.

Cooperative development centre (CDC)

From the E.C cooperative development strategy's and ADM cooperative development strategy's point of view, the concept of localized co-operative development center is one that has an adequate infrastructure that both provides co-operatives with a range of appropriate services and has credibility in the eyes of the co-operative movement and other key stakeholders. This means every support institution that seeks to operate as a co-operative development center must be embrace the independence of the cooperative movement for self-management.

The CDC is seen as a stepping stone towards establishment of the Cooperative development Agencies as provided in the amended cooperatives bill 2011 for an integrated institutional support across all tiers of government. The CDC's will be directly linked with Higher learning institutions through the Institute for cooperative development for purposes of standardized learning materials and accreditation of training manuals. However, the CDC is at liberty to develop a network with Sector Education and Training Authorities (SETA's) and other reputable training agencies for the provision of relevant training to cooperative enterprises as may be defined by the needs assessment of the cooperatives in various localities.

Amathole District Municipality has a direct responsibility to provide the needed infrastructure and institutional support for the effective operation of the CDC at local level and DEDEAT will ensure coordination of relevant stakeholders that will support the center through their existing services for cooperative enterprises. The mobilization of the intergovernmental relations stakeholders for the operation of the center is a critical aspect to ensure a shared vision for the integrated delivery service by government in partnership with the cooperative organizations

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.

THE INFORMAL SECTOR

The concept of the informal sector is mainly used interchangeably with that of the micro-enterprise sector in the urban areas and the non-agricultural activities in the rural areas. The objectives are:

- To gain an overview understanding of existing training activities geared towards the informal sector
- To examine the sector's role for later employment and/or self-employment,
- To assess the sector's training needs and capabilities, and
- To outline possible options for strategy development and interventions to systematically support and enhance respective training provisions.

INFORMAL SECTOR IN THE EASTERN CAPE PARTICULARLY IN THE DISTRICT

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

ACTIVITIES FALLING WITHIN INFORMAL SECTOR

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

- Hairdressing and hair cut
- Payphones
- Shoes and shoe repair
- Taxi drivers
- Photographer
- Traditional medicine
- Waste collectors
- Traders found in public spaces

- Food outlets
- Traditional wear, decor and beadwork
- ✓ The above activities are legal but unregulated. These are enterprises, employers and self employed individuals who do not comply with standard business practises, taxation regulations and other business reporting requirements, but they are otherwise not engaged in overtly criminal activities.
- ✓ They include both employed (in the informal sector) and self-employed workers.
- ✓ Work conditions for those who labour are inferior to those found in the formal economy. Earnings. Security and environment protections are less. Equipment may be out of code or unsafe, and there is no protection from exploitation.

GOAL AND OBJECTIVES OF THE POLICY

The desired goal is the creation of an environment that supports sustainable economic growth in the informal economy wherein all laws that are not in line with this vision have been repealed or amended. This policy framework hopes to bring informal economy into the economic and social mainstreams, thereby reducing their vulnerability and exclusion of those working in this sector.

Objectives

The objectives of this policy framework are to:

- ✓ Promote co-operation between all spheres of government
- ✓ Develop guiding principles that can be applied in supporting and developing the informal economy.
- ✓ Creating supporting mechanisms or an enabling environment for the informal economy. There is limited scope for an enabling environment.

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 : “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 South African tourism industry is the fastest growing industry in the whole world. According to the South Africa Good News report; the SA is ranked at number 5 overall on the 2011 Ibrahim Index; which measures the quality of African Governance. In terms of the 2011 Democracy Index compile by the Economist Intelligence Unit, SA is ranked at 28 out of 167 countries survey ahead of France, Italy, Greece and all of the BRICS Countries. In the audit done by the World Audit Organisation SA, is ranked 43rd most democratic Country in 2011. The Economist Intelligence Unit’s Survey of Democratic Freedom, ranked SA at number 31 out of the 184 Countries that were surveyed. This puts SA in a very positive side in term of getting more people wanting to come and tour the Country.

The number of tourists visiting SA has since increased from 3.9 million to 11.3 million in 2010. The SA is ranked amongst the top 5 visited Countries in the world in respect of the tourism growth which is 3 times the global average. The total number of visitors visiting South Africa is ranked at 24 in terms of tourist arrivals at 11.3 million compared with France 79 million, UK 28 million, Switzerland 8.5 million, and India 5.2 million). Cape Town is the most or top tourist destination of choice in the world, in 2011 Travellers Choice of Destination Awards. The OR Tambo airport is the best in the whole African continent; this is according to the World Airports Awards 2010/11. It is also ranked as one of the 3 most improved airports in the world for the same period (2010/11).

ADM OVERVIEW

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 4-5% of national and provincial GDP (ADM Tourism Survey 2010). 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 over 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 2009/10). The annual report of Tourism South Africa indicates the following tourism expenditure for 2010/11;

- Of the R124 billion spend by the 11.3 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 3.3 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.

Based on the indications of turnover provided by the surveyed respondents, it is estimated that the tourism industry of the Amathole 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 Great Kei and Nkonkobe Local Municipalities; 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 fully develop the tourism industry and will address the marketing related challenges. The issues shown above focus on the sector and are development needs.

TOURISM ROUTES AND HERITAGE 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/PHALO HERITAGE ROUTE

- 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 Mbashe 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;

Community Tourism Development Initiatives

- Bawa Falls Development
- Ikhamanga Community Tourism Project

Tourism Events

- Mquma Arts and Culture Festival- September
- Mbhashe Beach Festival and Horse Raising- November
- Wild Coast Jikeleza Festival- July

Tourism Awareness Programmes

- Tourism Awareness
- Visitors Information Centres
- Mquma & Mbhashe, Great Kei Crafters Association(LTO's)
- Provision of support towards emerging tourism products/Local Tourism Organisation

FRIENDLY N6/KING SANDILE HERITAGE ROUTE

- The Friendly N6 route include the following major towns; Sutterheim and Cathcart; 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;

- Community Tourism Initiatives
- Mgwali Cultural Village

Tourism Events

- Cathcart Heritage Festival- September
- Craft Mania-November
- Tourism Awareness programmes
- Emerging tourism products/Local Tourism Organisation
- Visitors Information Centres

AMATHOLE MOUNTAIN ESCAPE/ CHIEF MAQOMA HERITAGE ROUTE

- The Amathole Mountain Escape includes Nkonkobe Local Municipality, major town, Hogsback, Middle-Drift, Alice, Fort Beaufort and Seymour; Amahlathi Local Municipality, Keiskammhoek and Nxuba Local Municipality major towns; Adelaide and Bedford 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;

Tourism Events

- Bed Ford Garden Festival- October

Community Tourism Initiatives

- Nxuba Chalets EIA
- Mthontsi Lodge
- Amathole mountain hiking trail
- Chatha Chalets
- Visitors Information Centres
- Provision of support towards emerging tourism products/Local Tourism Organisation

SUNSHINE COAST/MAKANA HERITAGE ROUTE

- The Sunshine coast embraces the Ngqushwa Municipality; major towns Peddie and Hamburg 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;

Community Tourism Initiatives

- Emerging tourism products/Local Tourism Organisation
- Isivivana community tourism product/Keiskamma Trust
- Mbhodla Eco-Tourism
- Home stay support
- Capacity building programme

Tourism Events

- Hamburg Beach festival- March
- Visitors Information Centre
- Keiskamma Trust Craft Project

ADM TOURISM PROGRAMMES AND PROJECTS

- Tourism Imbizo Exhibition Show
- ADM Craft Development
- Tourism Marketing and Promotion
- Capacity Building and Tourism Training
- District Tourism Organisation

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 as well as the histories of the frontier that built the unique character of the Eastern Cape.

CREATIVE INDUSTRY

The potential of creative industries in Africa is currently going unrealised for a number of reasons, ranging from lack of awareness to inadequate institutions and lack of access to global markets. These creative or cultural industries are located in what is categorised as the informal sector and enjoy limited if not no support from government. The dominant form of creative industries taking place in rural South Africa and the sub-region at large are crafts and cultural tourism. Craft practitioners utilise a variety of resources such as clay, grass, beads, wax, stone, wood, textile and fibre etc. Provinces such as Gauteng, Western Cape and KwaZulu-Natal are reported to be having the highest concentration craft enterprises.

Some of the key challenges faced by creative industries in the rural areas include the following;

- lack of access to credit as most of the firms are small and do not have any form of collateral to offer to banks as insurance;
- lack of entrepreneurial skills;
- regulations which are usually not designed with them in mind, but affect them disproportionately due to their relatively small size; and
- access to markets (both internal and external)

The ADM is embarking on the development of the Craft Market which will address the above mentioned challenges for both creative industry and film development. Among other roles the Centre is going to embark on various research programmes that will produce scientific data. This scientific data will be used to transform cultural resources into large-scale consumable goods and services within the national and international market. The overall goal of such a process is employment creation and income generation in rural areas of the District and the Province at large. The centre will have the following products;

- Tourism Information Office

- Display and exhibition space
- Emporium and Amphitheatre
- Film Resource Centre
- Working Studio

ADM Film industry programmes and projects

- Provision of Capacity Building to emerging film makers
- Access to markets
- Network support

CHALLENGES

ADM can only support in terms of capacity building and not the actual documentation and shooting of films this is due to the limited resources that are allocated in the film and creative industry. The other challenge is that the Film industry strategy does not include the provision of support towards performances, dances, drama, music and other creative industry components, hence plans to review the strategy to be a Film and Creative industry strategy that will address all these key issues.

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.
- **Acquaculture / 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.

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.

CHALLENGES

The major challenges identified during Situation Analysis Phase entail;

- Lack of conservation measures to manage our heritage resources. This results in dilapidation and depletion of heritage property in the region. Heritage sites are not formally declared. There is a lack of coordination and inability to incorporate intangible heritage in interpreting tangible heritage.
- ADM has four heritage routes. The major challenge is lack of funds to develop these sites for public consumption in terms of providing signage and proper access road to crucial spots within these sites.
- There is a wide range of sites that have been identified and developed to a certain degree. However, the major challenge is the fact that their conditions are deteriorating as there is no funding to cater for maintenance thereof.
- District heritage resources are not developed for social cohesion, identity and nation building. This is causing de-association with local history.
- 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. Existing heritage infrastructure is unable to promote economic investment and this results in dilapidated heritage infrastructure. Furthermore, this affects promotion of cultural tourism and creation of small businesses negatively.
- The non-involvement of the Heritage Sector during the planning phases of Spatial Development Framework so as to advise on any heritage impact implications that might have direct bearing within the region and could hinder any development programmes when it comes to Impact Assessment.

1.8 Environmental Management

Amathole DM is situated in the central coastal portion of the Eastern Cape, between the Mbhashe River in the northeast and the Great Fish River in the southwest. In total, the district covers a geographical area of 23 577 square kilometres.

Climate and climate Change

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

Based on the recommendations of the ADM Climate change summit, ADM has developed the climate change strategy. 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.

Summary of climatic trends

According to ADM Climate Change Response Strategy temperatures will increase by 2.1-2.2 inland and 1.5-1.7 degrees Celsius along the coast. Rainfall patterns will become more concentrated into heavy falls or floods and longer dry periods. Spring will be wetter than summer, i.e., in spring rainfall will increase about 10 to 12 mm towards the coast and in summer will increase about 2 to 4 mm per annum inland. Average sea levels are likely to rise by roughly 2.5 cm every 10 years. The stream flow in the ADM will decrease

IMPACTS AND ADAPTATION

The primary manifestations of climate change relevant to ADM are that:

- Average monthly temperatures will increase by 1.5 to 2.5 degrees;
- There will be more extremely hot days and heat waves;
- Fewer cold/frost days
- Annual average precipitation may increase in certain areas or decrease in others, BUT, the way in which precipitation occurs will change, namely:
 - Increased variability from year to year;
 - Heavier, more intense rain;
 - Higher likelihood of destructive storms;
 - Shorter return period for floods;
 - Between very wet periods, Longer dry spells and increased likelihood/ severity of droughts
- Atmospheric CO₂ concentrations will be elevated
- Sea level rise coupled with high tides, stronger storm surges and higher frequency flooding will increase the chances of extreme high-water events, local inundation and coastal erosion.

The projected impacts of climate change relevant to ADM have been recorded in the Climate change strategy for a number of risk categories, and ranked in terms of significance (a product of likelihood and consequence) according to standardised scales. Based on preliminary outcomes, risks of extreme, very high and high significance are given below:

Risk Category	Impact	Significance
Human health	Increased number of days above 32°C and heat waves exacerbate the effects on the old, and those with HIV/AIDS, TB and other diseases.	Very High - Extreme
Human health	Direct threat to human life associated with extreme weather events including storms and floods and storm surges; extremely hot days and heat waves	Very High – Extreme
Disaster management	Increased incidence of intense storm, flooding, droughts, shack, forest and wildfires, coastal inundation, and extremely hot days.	Very High - Extreme
Urban: Human society, livelihoods & services	Increased exposure of settlements located in flood and inundation-prone areas. Increased risk	Very High – Extreme

	of shack-fires.	
Coastal: Humans society, livelihoods & services	Loss of coastal infrastructure and coastal ecosystems from increased coastal erosion and inundation from sea level rise - storm surge - flooding events. Direct threats to human life.	Very High - Extreme
Coastal: Humans society, livelihoods & services	Threats to low lying coastal settlements from coastal inundation	Very High - Extreme
Water	Increased variability and intensity of stormflow and dry spells/droughts	High
Water	Reduced median annual stream-flow (west)	High
Water	Increased cost of water services e.g. 10% decline in run-off could double the cost of new water schemes	High
Water	Reduced predictability of weather, more intense floods and increased return period for flooding	High
Agriculture and food security	Increased risk of reduced yield and failure of rainfed/subsistence crops	High
Agriculture and food security	Increased pest and disease infestations	High
Agriculture and food security	Thermal stress - livestock and crops	High
Human health	Reduced access to potable water during floods and droughts	High
Human health	Increased range of vector borne diseases (malaria, tick borne diseases) and others such as cholera	High
Municipal Infrastructure	Threat of extreme weather to municipal infrastructure, including intense storms and floods, coastal inundation from storm-surge and sea-level rise, droughts, and increased frequency of hot to extremely hot days and associated fires.	High
Commercial forestry	Increased frequency and intensity of wildfires	High
Urban: Human society, livelihoods & services	Increased likelihood of flash flooding in areas with poor stormwater systems and significant catchment hardening	High
Urban: Human society, livelihoods & services	Increased stress to the urban poor - access to infrastructure, heat stress, storm damage, air pollution, exposure to disease.	High
Urban: Human society, livelihoods & services	Increased demand for water services. Reduced availability of water. Increased stresses to water supply systems. Possibility of failure of water supply systems.	High
Rural: Human society, livelihoods and & services	Increased risk of failure of rainfed / subsistence crops and associated risk to food security.	High
Rural: Human society, livelihoods and & services	Increased stress to rural communities without water services - droughts and contamination of potable water during floods.	High
Coastal: Humans society, livelihoods & services	Increased frequency and intensity of coastal storms and associated impacts.	High

The above table informs priority responses. A set of response options is recommended in the Climate change strategy.

The ADM climate change strategy identified the following opportunities:

- 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, e.g. Chintsa biogas project.
- Using desalination technique to convert sea water into drinkable water.
- Community mobilization through intensive awareness programs

In line with the recommendation of encouraging ongoing scientific research which is relevant to the District and which informs decision and policy making, ADM is in a process of developing Renewable Energy study with the aim of assessing opportunities in renewable energy within ADM. The project aims to ensure that the environment within the ADM is conducive for private sector and international investors to invest in renewable energy within ADM.

Freshwater

Nearly the whole of the Amthole DM fall in the Mzimvubu to Keiskamma Water Management Area, with the exception of Bedford, Adelaide and Fort Beaufort which forms part of the Fish to Tsitsikamma Water Management Area. There are four major drainage regions in the ADM, i.e., Great Fish River catchment, Amathole catchment, Great Kei River basin, and Mbashe River basin. The major rivers of the Amathole DM are the Koonap and Kat Rivers of the Groot Vis River in the western extent; the Keiskamma and Groot-Kei in the central extends; and the Mbashe River in the eastern extent. The dams of the Amathole DM include: Binfield Dam, Bridle Drif Dam, Cata Dam, Debe Dam, Gcuwa Dam, Gubu Dam, Katrivier Dam, Laing Dam, Maden Dam, Mnyameni Dam, Nahoon Dam, Pleasant View Dam, Rooikrans Dam, Sam Meyer Dam, Sandili Dam, Stanford Dam, Toleni Dam and Xilina Dam. Both the Blue and Green Drop reports indicate that the Amathole DM has numerous areas within which attention is required. It is also noted that in many of these cases no monitoring or inconsistent monitoring takes place.

Pressures and challenges

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 Mbashe and lower levels in other dams in the district recorded never been seen before.

Challenges and opportunities

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

	<ul style="list-style-type: none"> - Prevent erosion and sedimentation occurring in sensitive catchments - Provide
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Estuaries

Within the Amathole DM there are approximately 69 functional estuarine systems, the vast majority falling within the warm temperate biogeographic region (60 estuaries) and the remainder located within the subtropical region. The estuary of greatest importance is the Great Fish River, which forms the boundary between the Amathole DM and Cacadu DM to the south. This is the 13th most important estuary in South Africa due to its large size, significant habitat and biological diversity. There are 8 other systems that are within the national top 50 in terms of estuarine importance, viz. Mpekweni, Mtati, Mgwalana, Keiskamma, Great Kei, Nxaxo/Ngqusi, Mbashe, and Xora.

Biodiversity

The biodiversity of the Amathole DM is very diverse and contains 5 biomes that describe the biotic communities in the area. These are the Albany Thicket (29.6% of the area), Forests (0.6%), Grasslands (31.5%), Indian Ocean Coastal Belt (3.7%) and Savanna (34.5%). The region includes warm temperate forests which hold nearly 600 tree species, the highest tree richness of any temperate forest on the planet. The Amatola Complex is also home to high biodiversity and falls within an area classified as Critically Endangered by STEP.

Challenges and opportunities

Issue	Intervention actions
Degradation and loss of endemic habitat and species	<ul style="list-style-type: none"> - Liaise and work with provincial authorities on conservation planning - Maintain critical habitats, especially wetlands - Determine the thresholds to carrying capacity of habitat and prevent exceeding it - Clear invasive alien plant species and maintain areas to prevent re-infestation - Limit threats that will cause habitat transformation and/or degradation such as development, harvesting of resources for medicinal trade and subsistence, forestry and agriculture in all critical biodiversity and ecological support areas - Establish an integrated system of ecological corridors and nodes in accordance with provincial biodiversity conservation plan - Use indigenous species that support the ecological system in all municipal and development projects
Spread of non-indigenous (invasive alien) species to the ecological corridors and or conservation areas	<ul style="list-style-type: none"> - Operational management of built environment - Support "Working for" Programmes (Water, Wetlands, fire, etc) - Develop and implement an Invasive Alien clearing programme focused on priority areas

Coastal and Marine

The ADM coastline is generally warm, with humidity increasing towards the east. The Eastern Cape coastline is approximately 787 km long, comprising a significant 27.6% of the province's total jurisdictional boundary. Of this vast coastline, the Amathole DM accounts for nearly 35%.

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

Some of the district coastal assets include: Wild Coast, characterised by unspoilt beaches and coastal forests, rural subsistence farming accompanied with the harvesting of ecological goods and services provided by coastal ecosystems, and some tourism, Sunshine Coast, a large number of pristine estuaries; and diverse coastal ecosystems. Amathole does not have any Blue Flag certified beaches or marinas, though Hamburg beach in Ngqushwa is undergoing pilot stage.

Challenges

- 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
- Beach driving
- 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

Opportunities

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

Pollution

Anthropogenic activities such as industrialisation, veldfires and biomass burning, transportation, waste generation and disposal, incineration activities, quarries, agricultural emission and borrow pits fossil fuel burning, urbanisation and changing consumption patterns are described as pressures that result in the introduction of pollutants into the atmosphere. These pollutants may be found in various forms and states, and impacts on all aspects of the environment: land, water and air, and as a result directly affect the living conditions of the Amathole DM communities.

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) Industrial (process and fugitive emissions) Other sources (wildfires, domestic fuel combustion) 	Impacted areas to be determined following ambient monitoring

Waste Management

The conventional end-of-pipe options are still operational in the Amathole DM where most of the waste in the district is disposed of by landfill site.

Challenges

- The burning of waste in certain municipalities still take place which needs serious attention given the significant negative impact this has on the environment, as well as the non-compliance to NEM:WA requirements.
- Landfill sites within that are operating illegally, and do not follow best practise in terms of landfill design and management. These landfills are not designed by engineers, and therefore do not contain mitigation measures to prevent leachate contamination of the soil and groundwater, air quality considerations.
- There is also a lack of funds for machinery and vehicles which will aid solid waste management, e.g. compaction of waste will reduce the air pockets within the landfill making more space available for waste and therefore increasing the lifespan of the site.
- littering and informal dumping of waste
- The activities relating to waste reduction strategies are limited in the Amathole DM and mainly focus on community based recycling and composting projects.

Waste Issues and opportunities

Waste management Issue	Intervention actions
Limited landfill life spans and/or extensive landfills	<ul style="list-style-type: none"> - Correct storage of waste and regular waste disposal services - Develop appropriate procedures for the recycling of waste - Separation of waste and promote recycling opportunities for small business - Demand side management strategy based on awareness building

	<ul style="list-style-type: none"> - Correct disposal or composting procedure - Reuse of WWTW outflow for composting at, or on, farms - Permanent composting area
Contamination of soil and water resources	<ul style="list-style-type: none"> - Develop Integrated Waste Management Plan for the District and all Local Municipalities - Develop a hazardous substances control procedure - Create awareness around impacts of waste on the environment - Separate at source processes for waste - Safe storage of hazardous waste for collection - Zero tolerance for spills or contamination
Burning of waste resulting in poor air quality	<ul style="list-style-type: none"> - Improve fire prevention and response methods - Improved basic infrastructure delivery to limit fuel burning for heating and lighting purposes - Enforcement of air quality legislation - Education and awareness raising for fires

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 LEARNERSHIP 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) in 2003 and a Water Services Provider (WSP) to the ADM district in July 2006. Over the past seven 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 Parastatals/organs of state.

In 2008 the ADM entered into a Bulk Service Support Contract with the Amatola Water Board for most of its Water and wastewater Treatment Works within its area of jurisdiction. 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.

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. Focus will be centred around the refurbishment and upgrading of Water and Waste Water Treatment Works, Dams and the replacement of old pipe networks.

Other initiatives that the ADM has embarked on to improve the reliability and sustainability of infrastructure designed to provide access to water supply include the development of Water Services Provider Business Plan, a **Ground Water Management Plan** (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 areas 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 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 – thi commenced in 2011/12 year*
- *If ground water investigation are 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 has been completed with the EIA and phase 1 implementation to follow as soon as funding becomes available.*
- *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 the projects are ready to commence as soon as funding becomes available.*
- *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.

<p>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, 2nd Edition, 2004. This document defines a VIP latrine as a toilet comprising the following:</p> <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. 	<p><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></p>	<p>2.1</p>
<p>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.</p>	<p><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></p>	<p>2.2</p>
<p>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.</p>	<p><i>Assume delivery of 28,000 latrines per year to clear backlog by 2018</i></p>	<p>2.2 2.3 2.4</p>
<p>Of the existing VIP latrines, approximately 21,000 (83%) are fixed structures, the contents of which must from time to 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.</p>	<p><i>Based on latrine coverage data obtained from area managers with reference to 2007 SPOT5 satellite imagery for Household count.</i></p>	<p>2.2</p>
<p>ADM has standardised the use of moveable precast concrete panel VIP latrines for its backlog eradication programme.</p>	<p><i>The Rocla lightweight concrete sanitation unit has been piloted in several villages.</i></p>	<p>2.5</p>
<p>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.</p>	<p><i>Backlog based on estimate of unserved Households in 2007 SPOT5 estimate. Existing Zinc and fibreglass structures to be replaced.</i></p>	<p>2.3</p>
<p>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.</p>	<p><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></p>	<p>2.5</p>
<p>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 2m³ will be full after 5.5 years if it is used by on average 6 people daily.</p>	<p><i>Based on field research in different areas of South Africa</i></p>	<p>3</p>
<p>The useful pit volume of the existing VIP latrines varies between 1.5 m³ and 4.0m³. The scheduling of emptying programmes should take cognisance of observed filling rates associated with actual pit volumes.</p>	<p><i>Undersized pit volumes will result in reduced pit life and increased maintenance costs.</i></p>	<p>3.3</p>
<p>ADM will take responsibility for pit emptying and the relocation of top structures to new pits. It is recommended</p>	<p><i>Incorrect pit emptying or relocation can result in pit collapse and damage</i></p>	<p>5.3 5.4</p>

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>of the latrine structure. ADM must therefore be involved in this maintenance task to maximise the life of the supplied VIP latrines</i>	
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 or “**pre-payment**” device in order to control the supply. 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 audited]
- 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, [An 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 74.62% in 2012, an improvement from 68.2% obtained for 2011 and aims to keep improving this scoring in the future.

ADM has developed a Water Safety plan in order to meet Blue Drop compliance and has begun implementing the recommendations. The Drinking Water Safety Plan (DWSP) assessment outputs are as follows;

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

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, no score was given during 2012 as the assessments will now be done every two years.

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 AD 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 provide 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.** As an interim solution, the Water Service Provider Division has developed its own in-house incident management system.

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 sufficiently 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 gauge whether the municipality has the necessary bylaws in place.	Bylaws are developed from founding legislation and are promulgated through the	ADM has approved By-laws , but implementation is still a challenge

	government gazette.	
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 specific legislative obligation to inform the Minister about the status of their water service business.	This is a separate report required under the Water Services Act, to 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

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

The targeted outputs of the business model were 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)

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

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 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 2012. 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. 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-

- (i) the determination of a waste disposal strategy for the district as a whole;
- (ii) the regulation of waste disposal strategy for the district as a whole;
- (iii) the 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 Waste 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 a national approach to waste management where waste minimization as at the top of the hierarchy and waste disposal by landfill is the last alternative. Waste Act 59 of 2008 requires the development of National Waste Management Strategy that gives effect to the objects of the Act which are to protect health, well being and the environment by providing reasonable measures. The strategy has been finalized and promulgated in May 2012.

The District IWMP addresses waste management at the district level, focuses on those aspects of waste management that apply to ADM. All the local Municipalities under ADM jurisdiction have developed their own IWMP. The waste hierarchy approach specified in the NWMS, that priorities 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.

Section 10(3), National Environmental Management Act: Waste Act 59 of 2008, each Municipality authorised to carry out waste management services by the Municipal Structures Act, 1998(Act No. 117 of 1198), must designate in writing a waste management officer from its administration to be responsible for co-coordinating matters pertaining to waste management in

that municipality.ADM has designated the waste management Officer that is responsible for co-coordinating matters pertaining to waste management in the District.

CHALLENGES

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

Overview of the 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 and education

Subsequent to the completion of the feasibility study on sustainable recycling and composting, two transfer stations has been established with a focus on waste separation and recycling in Hamburg (Ngqushwa and one Nkonkobe). Four transfer stations are in the pipeline in Mnquma and Mbhashe, Cartcarth and Nkonkobe. The recycling project at the Eastern Regional Solid Waste Site has commenced operations.

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. The construction on this project is complete and the operations have commenced.

All municipalities in the district dispose of their waste in landfill sites. In terms of the Waste Act 59 of 2008, sites are required to be engineered and operated under license issued by Department of Economic Development, Environment and Tourism. [DEDEAT].

A number of licensed or permitted sites have increased from 11 (2011) to 12 in sites (2012) currently out of 25 sites in the district, as presented in the table below:

TABLE 1: LICENSED WASTE MANAGEMENT FACILITIES

<u>NKONKOBE MUNICIPALITY</u>	C	Permit Issued	GCB-
Alice			
Middledrift	C	Permit Issued	GCB-
Fort Beaufort Transfer Station	TS	Permit issued	Transfer Station
<u>AM AHLATHI MUNICIPALITY</u>			
Stutterheim	GSB+	Permit Issued	GSB+
Keiskammahoek	C	Permit Issued	GCB-
CarthCarth	TS	Licence Issued	Transfer Station
<u>NGQUSHWA MUNICIPALITY</u>	TS	Direction Issued	Transfer Station
Hamburg			
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-
Idutywa	TS	License Issued	TS
<u>NXUBA MUNICIPALITY</u>	C	Permit Issued	GCB-
Bedford			

LOCAL DISPOSAL SITES

All municipalities in the district dispose of their waste in landfill sites. In terms of the **Waste Act 59 of 2008 Act** sites are required to be engineered and operated under license issued by DEAT.

Although there are number of waste sites that are not permitted, there are plans to eliminate their illegality. The Table here under illustrates all the unauthorized sites in the District

TABLE 2: UNATHORISED WASTE SITE UNDER OPERATION

WASTE SITE	SIZE	STRATEGY
Carthcarth	C	Transfer station at Construction Phase
Komga	C	Site just upgraded. The site requires a permit.
Haga-Haga	C	To be closed and rehabilitated and waste will be transferred to Komga Waste Site.
Kei Mouth Refuse Site	C	To closed and rehabilitated. to a transfer Waste will be transferred to Komga waste site directly subject to budgetary needs
Morgan's Bay Site	C	To be closed and rehabilitated. Waste will be transferred to Komga waste site directly subject to budgetary needs
Haga-Haga	C	To be closed and rehabilitate. Waste will be transferred to Komga waste site directly subject to budgetary needs
Idutywa	C	To be closed and rehabilitated and a transfer station is underway.
Willowvale	C	To be closed and rehabilitated and a transfer station is planned
Butterworth	S	To be closed and rehabilitated. Waste is being taken to the Eastern Regional Solid Waste Site.
Ngqamakwe	C	To be closed and rehabilitated and a transfer station is planned
Centane	C	To be closed and rehabilitated and a transfer station is planned
Fort Beaufort	C	To be closed and rehabilitated once the transfer station is fully operational
Seymour	C	Transfer station with recycling center to be established.
Hogsback	C	Transfer station to be established
Adelaide	C	Transfer station with the recycling component 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 Amathole District Municipality (hereafter referred to as ADM) prepared an Integrated Transport Plan (ITP) in 2005 which was reviewed in July 2008. Since the compilation of the 2008 ITP Update there have been physical land developments, transport systems planning and legislative changes within the transportation environment which substantiate the requirement of another review of the existing ITP. As a Type 2 Planning Authority it is required according to the National Department of Transport (DoT) Minimum Guidelines of the National Land Transport Act No 5 of 2009 (NLTA) to prepare a District Integrated Transport Plan (DITP).

From the review of the DITP, a number of implications for the transportation system can be identified. The key implications that relate to the ADM are the following:

The overwhelming majority of households in the ADM do not have access to private vehicles. This emphasises a strong need for transport development to be allocated within the realm of public transport, non-motorised transport and in general the needs of those who do not have access to private vehicles.

Household incomes are predominantly low and cognisance should be taken in this regard. Public Transport should be affordable, safe and reliable especially to those households which earn low incomes, in order to empower these households economically and prevent economic stagnation or decline.

Effort should be made to ensure that all learners have access to education. Therefore proper scholar transport is essential to promote higher education levels for learners.

A large proportion of the economically active population is unemployed and this could have bearing on the transportation system. The population might have difficulty gaining access to work opportunities, or the transportation system might offer such severe constraints that it might be stifling economic development. Public transport and access to Public transport is therefore essential for the economic wellbeing of the ADM population.

In general a large proportion of the population is of an economic active age, with significant proportions in the various education level brackets. This is an indication of a fairly healthy area; however this type of population requires transportation emphasis in the form of scholar transport, non-motorised transport and general access to public transport for the economic active age groups.

The gender distribution within not equal with a majority being women and wherever it is expected for the female population to make use of any element of the transportation system, the security should be of such a standard to allow access for all.

The higher density rural villages and townships offer the best opportunity to implement efficient public transport. In general these areas are typically the lower income areas with fewer private vehicles per household. It is thus imperative to start planning for effective public transport systems in these areas.

The Amathole District Municipality offers most of the typical demographic elements that are found in the rest of the country. The access to transport, and through transport to employment and education, is essential for the sustainable development of the area. It is imperative that public transport be effective and safe, that non-motorised modes be emphasised in a safe and attractive manner throughout development in the ADM and that special needs are met in terms of scholar transport and access for those with special needs and disabilities.

Overview of Public Transport Key Issues

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

The ADM ITP and CPTR 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 function of Roads in Amathole District Municipality is split between Local Municipalities and the Provincial Department of Roads and Public Works, in that Local Municipalities are responsible for Municipal Roads and the Provincial Department is responsible for provincial roads. The National Department of Transport is also playing a role through the initiation of the Rural Transport Services and Infrastructure Grant.

ADM, through its Municipal Support Unit (MSU), is providing support to its local municipalities in areas where they need assistance. The municipalities construct new access roads each financial year through their MIG funding for their communities, but this service can be construed as a waste of resources because these roads deteriorate after sometime due to lack of maintenance. In order for the access roads to remain sustainable they ought to be maintained periodically, failure to do so will result in roads gradually deteriorating until they have completely vanished.

The National Department of Transport is through the Rural Transport Services and Infrastructure Grant assisting rural District Municipalities to set up rural road asset management systems and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RIFSA) of which ADM is one of the beneficiaries. The Provincial Department of Transport is also setting up its own provincial road asset management systems and collection of road and traffic data so as to align with the initiative by the its National counterpart. Due to the fact that ADM does not have a roads function, the grant is utilised to 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 formal trading facilities.

Transport System Analysis

Service capacity and utilisation are some of the key factors that should be taken into account when analysing public transport services, the previous ADM ITP 2008 has been sourced for existing public transport operations and has been beefed up with data collected during the execution of the 2012 CPTR.

Minibus-Taxi Operators

The quality of public transport services does not only depend upon the coverage or routes along which those services operate, as described in the previous section. The operators of the various public transport modes, and the vehicles that are used to provide services, also play an important role in providing the public transport user with an effective and good quality service. This section describes these operators and vehicles, and their relationships to the local and long distance public transport modes that operate in the district. Each public transport mode in the district has a particular operational and ownership structure, which is in turn linked to specific vehicle types and configurations. In the case of road based modes, the operators are predominantly private, The 2011 CPTR revealed the current minibus taxi operations in ADM. The following table presents list of associations that currently operate within ADM.

Table: Minibus-Taxi Transport Operators within ADM

Mode	Municipality	Association
MBT	Mbashe	Idutywa TA
MBT	Mbashe	Idutywa Uncedo Service TA
MBT	Mbashe	Elliotdale TA
MBT	Mbashe	Willowvale Uncedo Service TA
MBT	Mnquma	Butterworth TA
MBT	Mnquma	Butterworth Uncedo Service TA
MBT	Mnquma	Kentani TA
MBT	Mnquma	Kentani Uncedo Service TA
MBT	Mnquma	Ngqamakwe TA
MBT	Ngqushwa	Peddie TA
MBT	Ngqushwa	Peddie Uncedo Services TA
MBT	Amahlathi	Stutterheim TA
MBT	Nkonkobe	Fort Beaufort Uncedo Services TA
MBT	Nkonkobe	Victoria East TA
MBT	Nkonkobe	Xesi Debe TA
MBT	Nkonkobe	Kieskammahoek TA
MBT	Nkonkobe	Seymour Uncedo TA
MBT	Nxuba	Adelaide Uncedo Service TA
MBT	Nxuba	Bedford Uncedo Service TA

The following observations are made from the table above:

Mbashe local municipality has four (4) taxi associations;

Mnquma local municipality has five (5) taxi associations;

Ngqushwa local municipality has two (2) taxi associations;

Amahlathi local municipality has one (1) taxi association;

Nkonkobe local municipality has five (5) taxi associations; and

Nxuba local municipality has two (2) taxi associations.

Bus Operators

In the new jurisdictional boundaries of the ADM there are a number of bus operators, whose bases of operation are located in Butterworth and Dutywa. The bus operators are shown in the table below.

Table : Bus Transport Operators within ADM

Operator	Owner	Level of operation	Operations in ADM	Vehicles
Bam Consortium	Private	Local	Butterworth	4
Jobela Star Bus Services	Private	Local	Butterworth	N/A
KC Transport	Private	Local	Butterworth	N/A
Kei Bus Line	Private	Local	Butterworth	N/A
Kwalo's Transport	Private	Local	Butterworth	2
MazepaBay Transport Service	Private	Local	Butterworth	2
Moniwa Bus Lines	Private	Local	Butterworth	1
Sibuyile Bus Co	Private	Local	Butterworth	1
Vukani Transport Services	Private	Local	Butterworth	1
Msobomvu Transmech Enterprize	Private	Local	Butterworth	1
Masibulele Transport Services	Private	Local	Butterworth	3

Operator	Owner	Level of operation	Operations in ADM	Vehicles
Samente Coach Tours	Private	Local	Dutywa	8
Sizwe Bus Lines cc	Private	Local	Dutywa	4

Issues Pertaining to Public Transport Institutions

The following are public transport institutional arrangement issues that hamper passenger transport operations:

- Unclear mandates, or lack of mandates, for public agencies and operators.
- Budget planning period is too short.
- There is competition between ADM associations and between modes for passengers.
- The predominant mode (MBT) is owned, operated and regulated internally by associations.
- Operating licences only cover road-based modes (and at present only MBT).
- There is a lack of consistent law enforcement, especially with hitchhiking.
- There is little monitoring of the progress towards integrated transport and effective quality control from public agencies.
- Multiple small ADM operators are tied to geographical locations which makes them inflexible and difficult to coordinate.
- Lack of funding to implement transport projects and initiatives within the various spheres of government.
- The buying power of individual ADM operators is very low.
- Rail and subsidised buses are operated at the regional level and are not integrated into local planning; this situation does not promote integrated planning and implementation.

Non – Motorised Transport

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

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

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 Amatole 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 2012/13 Electrification Plan and Future Projections

All areas have received an electrification allocation. Mbashe area has a capacity constraint which caused 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 is being implemented in 2012 and is planned for completion in 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 2012/13 current rolling plan as gazetted and also show projections of the 5 Year Plan.

Table 1.2 Current 2012/13 Electrification Plan and Future Projections

Local Municipality	Municipal Code	2012/13 Rolling Plan	2013/14 Plan	2014/15 Plan	2015/16 Plan	2016/17 Plan	2017/18 Plan	Projected Total
Amahlathi	EC124	300	368	8821	8,739	6,060	2332	26,320
Great Kei	EC123	2,638	3,299	3,500	4,859	3,306	0	14,964
Mbashe	EC121	300	690	0	0	0	0	990
Mnquma	EC122	1,300	900	1,475	0	0	0	2,375
Ngqushwa	EC126	1,052	827	500	275	225	0	1827
Nkonkobe	EC127	0	0	35	0	0	0	35
TOTAL		5,590	5,548	23,747	15,418	14,677	6,060	46,511

Electrification Challenges

- Resource constraints
- Skills shortages
- Escalating costs
- Way-leave problems
- Settlement densities
- Access and ground conditions
- Fast-tracking of projects

Risk Mitigation – Programme

- Material reservations
- Supplier guarantees
- Accelerated Programme (Schedule 6)
- Infrastructure Development

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. ADM is therefore unfortunately not able to include Local Amenities in its plans going forward.

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.

Building Regulations

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

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 rolling out this function is 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.

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 awaiting the devolution process of transferring the resources that are utilised by the Provincial Department of

Health for the delivery of this service within the area of jurisdiction of Amathole District Municipality. That is due to the previous fragmented delivery of services by different authorities within ADM.

Water Quality Monitoring

A drinking water quality monitoring programme is in place to promote compliance with the South African National Standards (SANS241:2006) and thus ensuring that the water supplied to communities is safe for human consumption. The (SANS 241: 2011) that was being reviewed in 2011 has not yet been effected due to the proposed standards by the DWA not being in line with the WHO standards. To achieve this, the unit takes samples for analysis from 124 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 1420 drinking water samples were taken from fixed drinking water sources for testing, 92 turbidity failures and 13 health failures which were resolved. A total of 187 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 83 borehole water samples were taken for analysis, treated and untreated of which 29 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] and 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 meetings quarterly to deal with water quality related issues. 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 these comply with set legislative and best practice requirements. 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

488 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. 24 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 181 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

The daily collection and disposal of waste is a local municipality function. The management of waste 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/eleven 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 was done internally. A total number of 3 officials were trained in theoretical and practical waste management.

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, 121 Schools were inspected by the ADM officials with the main challenges identified being the water supply and sanitation facilities.

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 where a total number of 66 Awareness campaigns were conducted. 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, Rabies, Typhoid, Bilharzia and Meningococcal Meningitis were reported and investigated. There has been good relations built between the Department of Agriculture in relation to the handling of rabies epidemic in the Mbhashe and Mquma Municipal areas.

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

The identification of polluting agents and their sources was undertaken in all local municipalities. Preventive measures in the form of awareness campaigns were done 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. Training for Environmental Health Practitioner on Tobacco legislation was conducted by the National Department of Health.

Disposal of the Dead

The number of Funeral Parlours has increased from 76 to 89 been reduced from 120 to 76 premises (51 funeral parlours - 38 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. 19 paupers were found and buried whilst 12 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

Workshops in relation to the disposal of the dead were conducted in various municipalities in order to address challenges with the burial of unknown and unclaimed bodies, the deceased from destitute families and also ensure that all funeral undertakers are in compliance with Regulation 237 under the National Health Act.

Introduction to 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. A total of 187 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.

Pollution Control Indicators

Service Objectives	Outline Service targets	Year 0		Year 1		Year 2		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
To monitor the waste water effluent from the sewerage treatment plants	Sampling of all the waste water treatment plants	58% waste water samples taken that comply with prescribed standards	16%						
Implement measures to reduce the carbon footprint	Establish and capacitate a pollution control unit	Appointment of all the staff needed as per organogram	67% of staff appointed	100%		100%		100%	

Employees: Pollution Control

Job Level	Year 0	Year 1			
	Number of Employees	Number of posts	Number of Employees	Vacancies	Vacancy rate
0-3	Nil	Nil	Nil	Nil	0%
4-6	2	2	2	Nil	0%
7-9	1	1	1	Nil	0%

10-12	1	3	1	2	67%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	4	6	4	2	33%

Financial Performance: Pollution Control					
Details	Year 0	Year 1			Variance
	Actual	Original Budget	Adjustment Budget	Actual EXP	
Total Revenue		R1 969 937	R1 949 236		
Expenditure:				R1 308 962	33%
Repairs & Maintenance					
Other					
Total Operating expenditure				R1 308 962	
Net Operating expenditure					

The above indicated amounts are deducted from the total budget for health inspections in the table that is in page 124 as it is the main function of the unit. The repairs and maintenance are located in that same budget and are not separated for pollution control. The variance between expenditure and the adjusted budget is due to firstly the two posts that could not be filled. Secondly the four filled posts, the candidates started three months after the commencement of the financial year.

Capital Expenditure: Pollution Control					
Details	Year 0	Year 1			Variance
	Actual	Original Budget	Adjustment Budget	Actual	
Total All					
Procurement of vehicles					
Replacement of Computers					
Procurement of furniture					

The capital expenditure for pollution control is not separated from the MHS Budget.

Health Inspections, Policy Objectives Taken from IDP									
Service Objectives	Outline Service targets	Year 0		Year 1		Year 2		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
To Prevent and control Communicable Diseases									
To Monitor the Quality of drinking water	Sampling of the water supply at strategic water sampling points	98% of drinking water samples complying to the National standards	98%	100%		100%		100%	
To Provide effective comprehensive food control programme	Capacitation of food handlers	400 Food handlers	488	400		500		500	
	Enforce compliance to R918	100 certificates of acceptability	100	100		100		100	
Prevent and Control communicable diseases	Capacitate Communities through awareness campaigns	58 awareness campaigns	58	58		58		58	
Implement the reviewed MHS Business plan	Implement the five key deliverables of	100%	80%	100%		100%		100%	

	the Business plan								
To prevent the fragmentation in the delivery of MHS	Facilitate devolution of MHS from Provincial Department of Health to ADM	50% implementation	0%	50% implementation		50%		50% implementation	
To Ensure Bylaw compliance and enforcement	Training of staff on implementation	Train all staff	All						
	Implementation	Enforce compliance of all the bylaws							

The above table is representing the unit objectives that are contained in the SDBIP of 2011/2012. Reporting for this current financial year will indicate differences due to the changing of the IDP objectives to reflect Key performance indicators that depend on the unit to achieve. An example will be with the waste water monitoring, the target has been amended to reflect the number of samples collected not the percentage of compliance.

Employees : Health Inspections						
Job Level	Year 0	Year 1			Vacancies	Vacancy rate
	Number of Employees	Number of posts	Number of Employees			
0-3	1	2	2	Nil	0%	
4-6	9	9	9	Nil	0%	
7-9	15	15	15	Nil	0%	
10-12	8	11	9	2	20%	
13-15	0	0	0	0	0	
16-18	0	0	0	0	0	
19-20	0	0	0	0	0	
Total	33	37	35	2	5%	

The above table depicts all the employees of the unit and is inclusive of the pollution control officials.
Financial Health overview table

Details	Original budget	Adjustment Budget	Actual
Grants	R17 963 000-00	-R496 187-00	R17 466 813.00
Taxes, Levies	-		-
Other	R2 649 953.00		R2 649 953.00
Subtotal	R20 612 953-00		R20 116 766-00
Less Expenditure	R16 126 011.65		R16 126 011.65
Net Total	R4 486 941.35		R3 990 754-00
Note: Surplus(defecit)			

The under spending of R4 486 941.35 was due to firstly the devolution of Municipal Health Services which did not happen and as such the budget that was set aside for the staff that was to be received by ADM, could not be utilised to an amount of R1.8 million of the capital expenditure. Secondly the recruitment of the Vector Control Officials has taken more than a year without success due to the scarcity of the skills in the market.

Thirdly the recruitment of the other officials in the Pollution Control unit was successful only in the second quarter of the financial year, resulting in a saving which when added above is increasing the under expenditure. There has also been a turnover of staff due to resignation, retirements and dismissals that are on average taking close to four months before a replacement appointment is fully effected, which has also contributed to the under spending depicted above.

Financial performance: Health Inspection					
Details	Year 0	Year 1			Variance
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	
Total Revenue		R20 612 953-00	-R496 187-00	R16 126 011.65	20%
Expenditure:		R16 126 011.65			
Repairs & Maintenance					

Other					
Total Operating expenditure					
Net Operating expenditure					
Capital Expenditure: Health Inspection					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual EXP	Variance
Total All		R 2 121 065-00	R2 137 247-00	R 1 967 082	8%
Procurement of vehicles		R1 677 500	R1 922 667	R1 801 807	6%
Replacement of Computers		R162 000	R118 796	R83 445	30%
Procurement of furniture		R281 565	R95 784	R 81 830	15%

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. The Community Safety Plan underwent a major review in 2011 and the 2011-2012 internal situational analysis has revealed a slight change in crimes reported for the period of 2011/12:

The annual crime statistics released in September 2012 indicates an increase in the following categories of crime: murder, rape, robbery, house-breaking and assault with intent to do grievous bodily harm [GBH]. The easy availability of liquor and other drugs has resulted in the high number of youth who are involved in substance abuse.

- Between April last year and March this year, a total of 3278 cases of murder were reported – a **2.8% increase** per 100000 residents from a total of 3187 murders the preceding year.
- According to the 2011-12 figures, a total of 1747 house robberies were reported, an increase of 191 cases compared to 2010-11.
- Sex-related crimes – which include rape, molestation and sexual assault – saw a national **decline** from 66196 cases to 64514.

According to the Minister of Safety and Security, the majority of murder cases stem from assaults linked to drug and alcohol abuse. For this to change, there needs to be some degree of change to the socio-economic conditions. Efforts to curb the rising murder rate would see a clampdown on illegal taverns and shebeens.

The SAPS cluster crime analysis reports at Local and District Fora indicate that the previously identified causes of crime as listed below have not changed.

- 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 projects identified need to accommodate scope for The five focus areas within which the Community Safety Plan is embedded are:
 - Institutional Framework
 - Crime Prevention
 - Social Crime Prevention
 - Environmental Design
 - Poverty Alleviation
 - AD-HOC crime prevention programs at crime HOT SPOTS as they occur

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

Crime Prevention Initiatives

Activity	Municipality	Date
Dadamba Crime awareness campaign focusing on violence, faction fights and violence against women and children. A follow up on the Bojeni event that was held on 22 March 2012.	Mbhashe	31 May 2012
Dwesa crime awareness initiative	Mbhashe	27 July 2012
Bedford crime awareness initiative	Nxuba	02 August 2012
Benton crime awareness initiative	Ngqushwa	15 August 2012
Xholora crime awareness initiative	Amahlathi	30 August 2012

Capacitating of Community Safety Stakeholders

Stakeholders were capacitated on the concept so as to improve the effectiveness of Community Safety forum at local municipality level.

Activity	Municipality	Date
Workshops	Mnquma	26 January 2012
	Amahlathi	09 February 2012
	Mbhashe	20 April 2012
		22 June 2012
	Ngqushwa	19 September 2012
	District	19 September 2012

The capacitating also focused on the challenge of the lack of bylaws in local municipalities and to identify what type of support ADM can provide.

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

FIRE COMPLIANCE INSPECTIONS

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

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 AND RESOURCES.

The ADM runs six [6] fire services stations. Four main stations located in Idutywa, Butterworth, Peddie and Komga and 2 satellite stations located at Chintsa and Centane. The Kei Mouth and Willowvale stations are still under construction. Two of the existing fire engines were refurbished and two new fire engines were procured during the 2011-2012 financial year.

CHALLENGES

Delays occurred in the construction of the Kei Mouth Station when the original Contractor was dismissed due to non-performance and the Willowvale Station was delayed due to challenges in the sourcing of a suitable site on which to locate the station.

The building of a satellite station at Hamburg is being planned for the 2012-2014 period.

AMATHOLE DISTRICT MUNICIPALITY FIRE STATISTICS 2005 onwards....
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	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
TOTAL 2006	49	45	31	84	53	32	55	18	15	78	19	0	479
TOTAL 2007	137	93	31	206	64	6	157	47	5	163	28	10	947
TOTAL 2008	81	59	22	117	63	9	86	51	14	100	25	6	633
TOTAL 2009	131	28	7	142	39	17	121	30	6	65	18	1	605
TOTAL 2010	154	53	18	160	50	33	74	68	1	29	39	4	683
TOTAL 2011	111	73	22	163	60	29	65	48	9	29	29	16	654
TOTAL INCIDENTS ATTENDED TO DATE	762	408	184	995	368	127	624	275	67	519	168	37	4534

Fires – all fire incidents attended
MVA – Motor Vehicle Accidents attended
SS – Special Services (Hazardous materials spills, etc)

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.
- The improvement of resources and staffing for the fire services is ongoing and additional staff and equipment will be budgeted for during 2012-2014 to populate the two new stations being established.

Strategic Challenges

- 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.

Employees: Fire Services run by Amathole District Municipality in Mnquma; Mbhashe; Great Kei and Ngqushwa Local Municipalities					
Job Level	Year 0	Year 1		Vacancies	Vacancy rate
	Number of Employees	Number of posts	Number of Employees		
0-3	Nil	Nil	Nil	Nil	0%
4-6 [Chief Fire Officer]	1	1	0	100%	0%
7-9[Station Commanders]	4	4	3	25%	0%
10-12 [Platoon Commanders]	19	23	23	0%	67%
13-15[Fire Fighters and Control room attendants (4)]	27	31	31	0%	0%
16-18					0%
19-20					0%
Total					33%

Financial Performance: Fire Services					
Details	Year 0	Year 1		Actual Exp	Variance %
	Actual	Original Budget	Adjustment Budget		
Total Operating Revenue	-	18 614 886	-	17 957 540	3.5%
Expenditure:					
Fire Fighters		9 584 298		9 402 027	2%
Volunteers		573773		511 200	11%
Repairs & Maintenance		158 000		64 435	60%
Other					-
Total Operating expenditure		18 614 886		17 957 540	4%
Net Operating expenditure					

Capital Expenditure: Fire Services					
Details	Year 0	Year 1			Variance
	Actual	Original Budget	Adjustment Budget	Actual	
NEW					
Computers		16 543		16 543	0%
Office Furniture		32 000		29 294	8.5%
Procurement of vehicles		4 500 000		2 238 844	50%
Equipment		389 455		341 605	12%
REPLACEMENT					
Computers		7 500		0	100%
Equipment		6 700		6 700	0%
Vehicles[2 x refurbishments]		955 000		869 554	9%\$
TOTAL		5 907 198		3 502 541	41%

Fire Services Indicators									
Service Objectives	Outline Service targets	Year 0		Year 1		Year 2		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Provide Effective and Efficient Fire Services	Conduct awareness and capacitation session	44	87						
	Conduct Compliance inspections	40	53						
	Establish 2 Fire Satellite Stations	2	1	1/2	-	½		-	
Enhance Provision of Fire Services Within the District	Capacity Building Sessions [training]	25 internal training session	38 internal training session						
	Capacitate Volunteers	25	34						

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 underwent internal review and will undergo a major review in 2012-2013.

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 the various stakeholders 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.

DISASTER MANAGEMENT

The Amathole District Municipality is responsible for the coordination of Disaster Management in all seven of its Local Municipalities. Sector departments, non-governmental organisation and the private sector also contribute to in efforts of Disaster Management. Projects to address disaster management related challenges were implemented during the 2011-2012 financial year.

District Disaster Management Centre

The Disaster Management Centre at a District Municipality is a point where disaster management activities are coordinated. A building (Disaster Management Centre) was constructed in 2010 and completed in 2011. The equipment for the Disaster Management Centre was also procured. To extend services from the Disaster Management Centre to local municipalities Satellite Centre exists with resources shown in the table below:

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

The establishment of these satellite centres enable quick response to emergency situation/disasters.

Life and property threatening hazards

- Structural veldt and forest fires
- Floods
- Storms
- Transportation accidents
- Snow falls

Climate changes result in severe weather event which cause the above hazards to have a negative impact when interacting with lives and property.

Disaster Risk Reduction Projects Implemented:

- Fifty-six Disaster Risk Management Awareness campaigns were held;
- Two municipalities, i.e. Nxuba and Mquma Municipalities participated in activities of the International Strategy for Disaster Reduction;
- Three Disaster Management Officers and seven Volunteers attended a course on Disaster Damage Assessment;
- Relief building material was distributed to beneficiaries at municipalities as follows: Ngqushwa- 144

Nkonkobe -151, Mbashe -61, Amahlathi- 110, Mquma-39 and Nxuba .

Review of Sector plans.

- The Disaster Management Framework was reviewed internally to cater for environmental Changes.
- Contingency Plans of seven local municipalities were developed.

Guidelines

Guidelines for Disaster Response and Relief were developed.

Challenges

- Insufficient funding for disaster response and recovery
- Sector Departments and other stakeholders do not show commitment of their role of disaster management.

Capital Expenditure Year1:Disaster Management					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Guidelines for Disaster Response	R100 000	R61 257.50	R61 257.50		
Guidelines for Disaster Relief	R95 000	R41 257.50	R41 257.50		
Disaster Contingency Plans for 7 LMs	R100 000	R180 337	R180 337		
Capacity Building Initiatives	R705 000	R688 000	R688 000	R17 000	
Address Disaster Backlogs	R1 200 000	R1 194 784	R1 194 784	R5 216	

Employees: Disaster Management					
Job Level	Year 0	Year 1			
	Number of Employees	Number of posts	Number of Employees	Vacancies	Vacancy rate
5	1	1	1	Nil	0%
9	1	1	1	Nil	0%
10	7	7	7	Nil	0%
12	2	2	2	Nil	0%
14	1	1	1	Nil	0%

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 amongst 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 specifically the planning for land reform should occur in close co – operation with district and local municipality role players. As such, ADM has proactively engaged 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.”

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

A District Brief Analysis of other components of the Land Reform Programme as implemented by relevant authorities being the Land Claims and Land Redistribution Programme include the below brief synopsis

LAND RESTITUTION

BACKGROUND TO LAND RESTITUTION

The Land Act of 1913 & 1936 formalised land dispossession, which started in 1650s which limited Africans to homelands. Further, the Group Areas Act of 1960s also resulted in mass removal of black people particularly in the urban areas. By 1994, SA democratic government inherited skewed patterns of land ownership (87% of owned by white minority and only 13% by black majority).

LEGISLATIVE MANDATE

Land Restitution Programme was developed and it flows from Chapter 2 Section 25 (property clause) of the South African Constitution, Act 108 of 1996. It is the commitment of the government to reverse the effects of colonialism and apartheid. It covers cases of forced removals and dispossessions, which took place after 13 June 1913, and these are being dealt with by a Land Claims Court and Commission, established under the Restitution of Land Rights Act, 22 of 1994 (redress), as amended.

As a result therefore the following were seen as reasoning behind restitution programme and it applies in the country and ADM included

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

The criteria to qualify include

- ✓ Dispossession occurred after 19 June 1913.
- ✓ Occurred as a result of racial practice/laws.
- ✓ That the claimants have accumulated rights on the subject property.
- ✓ The claimants were not adequately compensated at the time of dispossession.
- ✓ That a land claim was lodged before the cut-off date of 31 December 1998.

An analysis for ADM area successes to date as detailed below and is driven by the following mandate:

There will be political will to support restitution process.

- ✓ Adequate resources will be made available to facilitate the finalisation of land claims.
- ✓ There shall be fewer numbers of oppositions to claims & thus fewer court referrals.
- ✓ Municipalities and other Government Departments shall commit to agreements and thus bring the necessary support and resources.
- ✓ Minimal family and community disputes

The Land claims for ADM area to date are as follows :

DISTRICT	CLAIMS LODGED		CLAIMS SETTLED	OUTSTANDING CLAIMS
	Rural	Urban		
AMATHOLE	773	8625	9 228	170

ACHIVEMENTS TO DATE

The Amathole District Team has managed to settle a number of claims in the past financial year, and these are;

- Tyutyu Community Claim
- Balasi Community Claim
- Skobeni Community Claim.
- Fanti Family Claim
- Mpushe Family Claim
- Poonasamy Family Claim
- Mbashane Community Claim

A significant number of claims have been processed to an advanced stage of the business process, i.e. **13** claims are already at **S42D**.

OUTSTANDING CLAIMS PER LOCAL MUNICIPALITY

LOCAL MUNICIPALITY	NUMBER OF CLAIMS
Mnquma	19
Mnquma	19
Ngqushwa	10

Amahlathi	21
Great Kei	3
Nkonkobe	107
TOTAL	160

These exclude forestry claims in the areas

In terms of Land Redistribution the following data details the number of land parcels that have been redistributed to various individuals within the District in line with Section 25 of the Constitution.

AREA	NO. of properties	TOTAL HECTORAGE	Gender distribution
Amahlathi	9	6846.2589Ha	9 males
Great Kei	20	7916.3023H	20 male
Nxuba	8	7096.913H	8 males
-	-	-	-

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: -

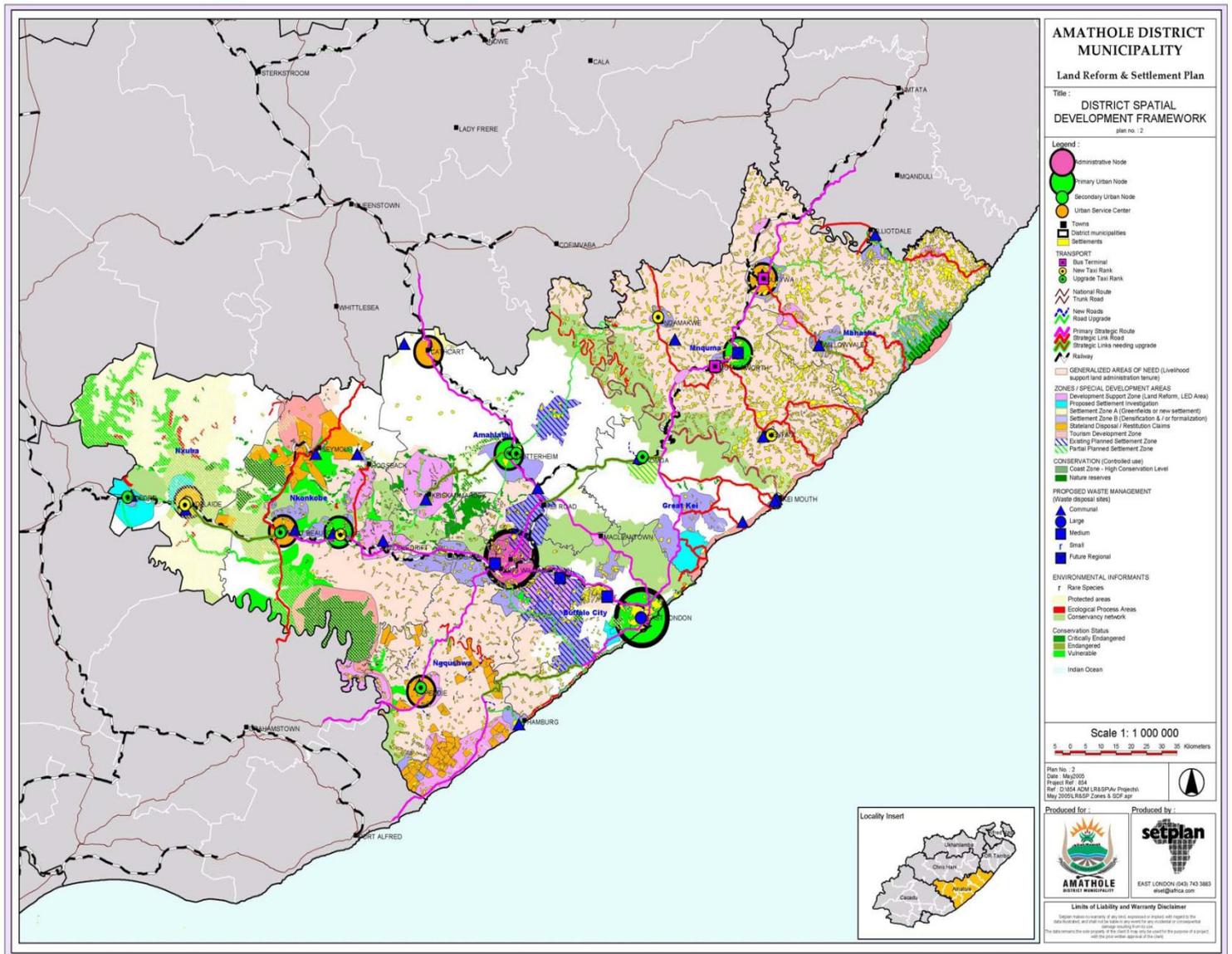
Structuring elements

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 :

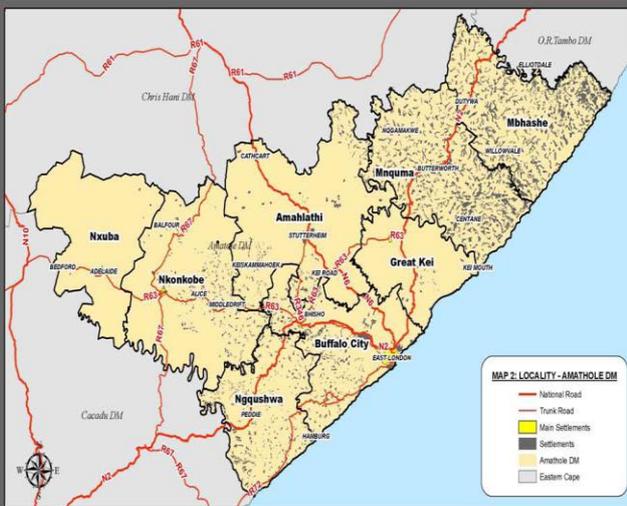


- SDF proposals
- LUMS Guidelines
- Comment on Implementation

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]



The Amathole District Municipality (ADM) occupies the central coastal portion of the Eastern Cape Province, bordered by the Eastern Cape districts of Cacadu, Chris Hani and O R Tambo, respectively to the west, north and east. The District includes all former administrative areas of the Eastern Cape, namely former Transkei and Ciskei homeland areas and former Cape Provincial areas.

The natural environment is similarly diverse, including moist mountainous, well-watered coastal and semi-arid Karoo, thornveld, succulent and thicket areas.

The District includes part of the Wild Coast SDI and is home to Cwebe and Dwesa Nature Reserves, and extends inland to include mountainous areas, centred on the Amatola Mountain Range.

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

- **Buffalo City Municipality**, comprising the city of East London, the main town of King William's Town and surrounding urban centres (including the Provincial Capital, Bhisho, Dimbaza and Mdarisane), a number of coastal towns, numerous peri-urban and rural settlements;
- **Amathlathi Municipality**, comprising the towns of Stutterheim, Cathcart, Keiskammahoek and Kei Road, numerous peri-urban and rural settlements;
- **Nxuba Municipality**, comprising the towns of Bedford and Adelaide and surrounding rural areas;
- **Nkonkobe Municipality**, comprising the towns of Alice, Fort Beaufort and Middledrift, the smaller towns of Hogsback and Seymour, numerous peri-urban and rural settlements;
- **Ngqushwa Municipality**, comprising the town of Peddie, the coastal town of Hamburg, numerous peri-urban and rural settlements;
- **Great Kei Municipality**, comprising the town of Komga, the small coastal towns of Kei Mouth, Haga Haga, Morgan Bay and Chintsa, and a number of rural settlements;
- **Mngquma Municipality**, comprising the main town of Butterworth, the small towns of Ngqamakwe and Centani, numerous peri-urban and rural settlements; and
- **Mhhashe Municipality**, comprising the towns of Dutywa, Elliotdale and Willowvale, and numerous peri-urban and rural settlements.

Date : June 2008
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no liability shall devolve upon the local authority
or its officials through use thereof

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 Mhhashe and Mngquma.
 - 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 acceptable level of infrastructure and services throughout the DM Improved capacity in service delivery.	Identify and prioritise areas of greatest need 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 thin 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.

KEY ISSUES FOR CONSIDERATION

The following issues of strategic nature should be considered and inform the proposed Housing Strategy Review of the ADM for the 2012/2013 financial year:

- In terms of the demographic profile of the area, household numbers have increased by approximately 21% although there is a constant or slight decrease in relation to population figures for the area as a whole. This effectively means that household sizes are decreasing by approximately 27% and this should be brought into consideration in all forward planning exercises;
- Currently, data on the impact of HIV/Aids on the numbers and sizes of households area available but it is highly likely that household sizes will decrease – this is a big concern in ADM as the population is extremely young with 42% of the total population being below 20 years of age. Close to 70% of the total population is below the age of 35 years.
- The project progress information in relation to all projects within the ADM area has not been readily available from the Provincial Department of Housing. This could have a detrimental impact on the overall assessment of the ADM's performance, expenditure patterns as well as future financial allocations. In this regard, the example of Adelaide-Bezuidenhoudville, where a difference of approximately R735 000 between monies paid out and reported progress on the ground has been noted, highlights the impact of accurate reporting and availability of Provincial information to the ADM;
- The Housing Needs in respect of the ADM area of jurisdiction should be scientifically determined by means of a comprehensive district wide needs analysis, taking into account, inter alia:
 - Changes in households size;
 - Age and gender distribution;
 - Impact of HIV and Aids;
 - Economic mainstreaming of potential beneficiaries;
 - Completed and/or approved housing projects; and
 - Migration patterns, etc.
- The infrastructure related needs, in relation to an integrated, sustainable human settlement strategy for the ADM area, should be accurately quantified with a view of ensuring clear baseline information to inform strategic plans/strategies as well as associated multi year financial allocations – this will also assist with ensuring overall integrated development planning in relation to infrastructure provisioning for the ADM area as a whole;
- Existing water and sanitation needs as per the ADM WSDP should be interrogated and evaluated against the existing housing needs and housing policy instruments, eg. Rural Housing Policy, with a view of obtaining funds for infrastructure related needs;
- Alignment of new housing related bulk and connector infrastructure must be ensured at all times with existing and proposed bulk and connector infrastructure provisioning within the ADM area – such alignment could be achieved through the ADM IDP development and review processes;
- Several new policy directives have emerged since the last ADM Housing Strategy Review of which Breaking New Ground and more particularly Community Driven Housing Initiatives are of paramount importance. The Elliotdale BNG Pilot Project is currently underway and should be fast tracked in view of the 10 pilot houses currently seemingly experiencing certain challenges. In view of the large number of PHP projects within the area of jurisdiction, specific focus should be given in the strategy review to ensuring full compliance in relation to the implementation and/or finalisation of these projects;
- Existing information in relation to houses completed and under construction, indicates a relatively slow rate of delivery – this could be attributed to challenges being experienced at local level or inadequate reporting at Provincial government level;

- The extent of houses to be included as part of the Rectification Programme should be quantified as soon as possible, as well as associated costing implications – the necessary legal actions to be taken against defaulters should also be considered and included in the ADM housing strategy currently being reviewed
- Housing delivery is still seen as not based on proper analysis, but as a directive from the provincial department.
- There is a need to understand the housing options in each municipality to provide the demand each municipality is faced with. Avoid the blanket approach.
- Future settlement developments have to consider the impact of climate change with regard to suitable locations and building material.

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

Amathole District Municipality is putting forward the idea of provision of adequate and sustainable human settlements for its citizens within the Housing development framework. This is clearly outlined in its Housing Vision and Mission of the said Strategy.

□ 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

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

Institutional Structure of ADM

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

Political Structure of ADM:

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

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

Municipal Public Accounts Committee
Rules Committee
Audit Committee
Performance Audit Committee
District Speaker's Forum
Committee on Public Participation

Standing Committees:

- (a) Infrastructure
- (b) HR and Administration
- (c) Community Services
- (d) 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;

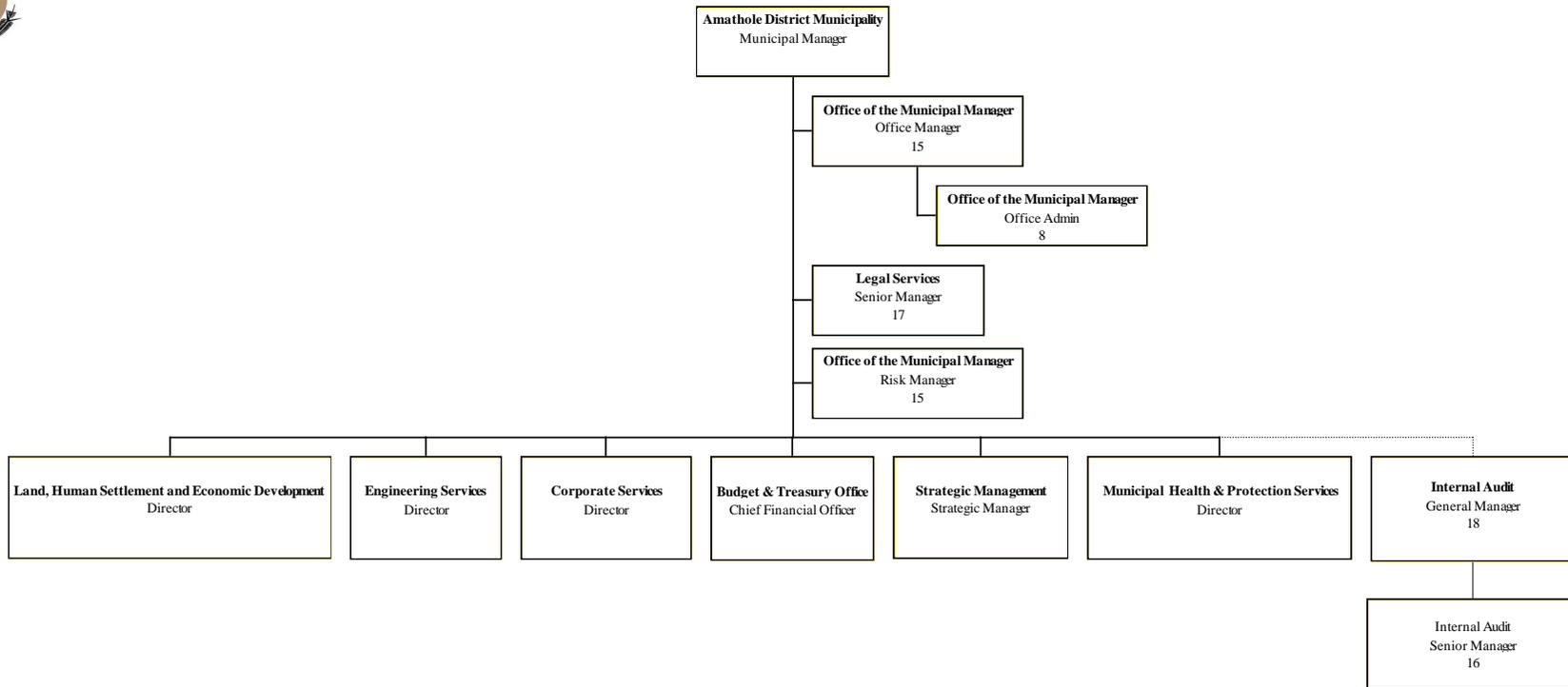
Out of the functions identified, Council approved the creation of the following six departments:-

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 Settlement and Economic Development.

Posts Per Department as at 30 June 2012.

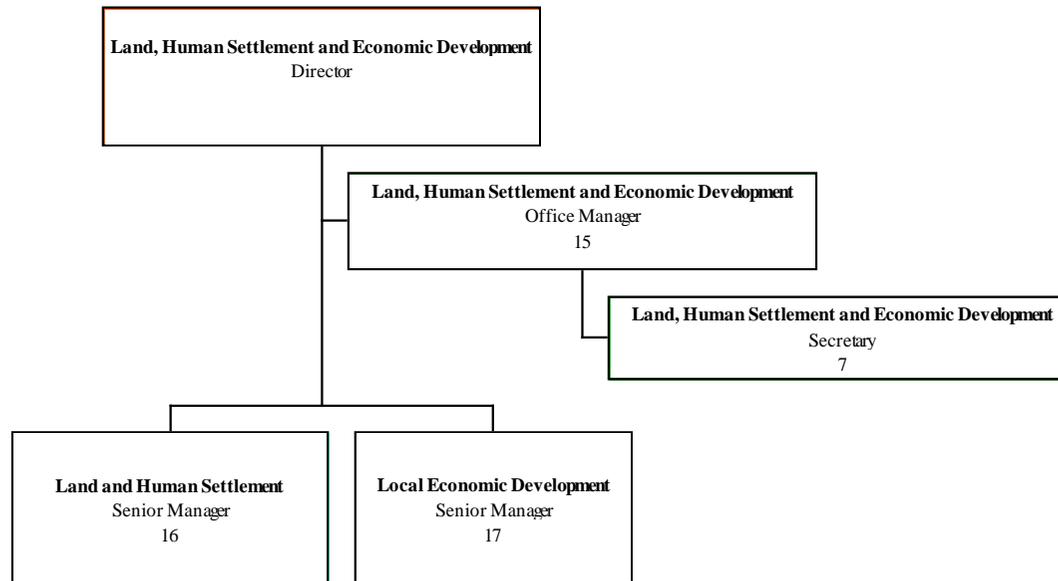
Department	A Break Down of Posts Per Department and Divisions/Sections Branch/Division/Section/Post	Total	Filled
Municipal Manager's Office and Strategic Planning and Management	Municipal Manager	1	1
	Office Support: Municipal Manager	4	2
	Executive Support Services	43	30
	Office of the Speaker	10	3
	Division: Internal Audit	14	9
	Strategic Manager's Office	3	2
	Municipal Support	11	10
	Information Systems Management	18	14
Total		104	71
Corporate Services	Director	1	1
	Integrated Human Resources Management	29	28
	Integrated Administrative Support Services	71	67
Total		101	96
Engineering Services	Director	1	1
	Administration Support Staff	2	2
	Division: Project Management Unit	20	18
	Division: Water Services Authority	12	7
	Division: Water Services Provision	793	677
Division: Building Management & Services Planning	20	18	
Total		848	723
Health & Protection Services	Director	1	1
	Office Staff	3	2
	Senior Manager	1	1
	Municipal Health Services	32	26
	Protection Services	1	1
	Fire Fighting Services	52	50
	Disaster Management	10	9
Community Safety Services	2	2	
Total		102	92
Budget & Treasury Office	Chief Financial Officer	1	1
	Admin. Support Staff	2	1
	Budget & Treasury Office	125	87
Total		128	89
Land, Human Settlements & Economic Development	Director	1	1
	Land & Housing	2	1
	Land & Human settlements	18	8
	Local Economic Development	9	8
	Agriculture	7	7
	Environmental Management	4	4
	Heritage Management	3	3
Tourism			
Total		44	32
GRAND TOTAL		1327	1103

Office of the Municipal Manager



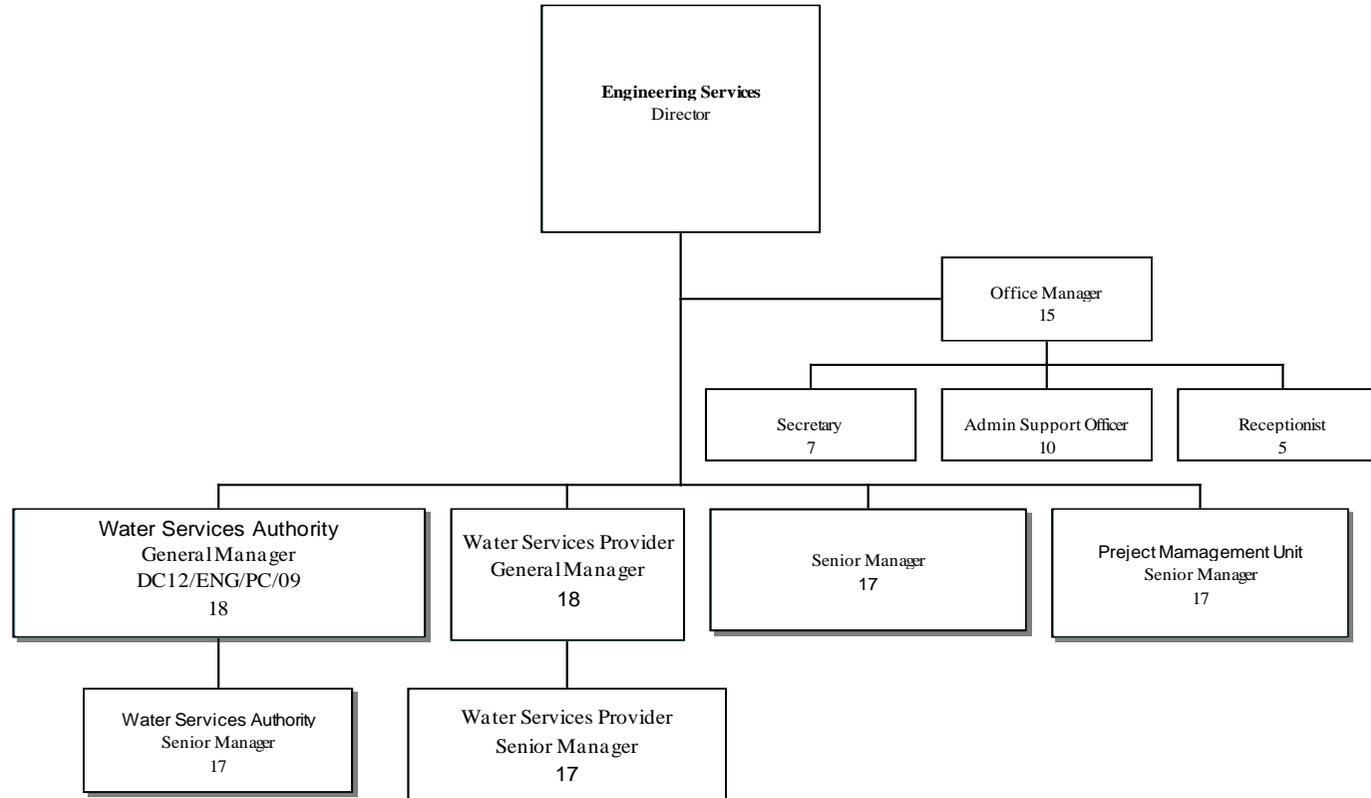


Land, Human Settlement & Economic Dev.



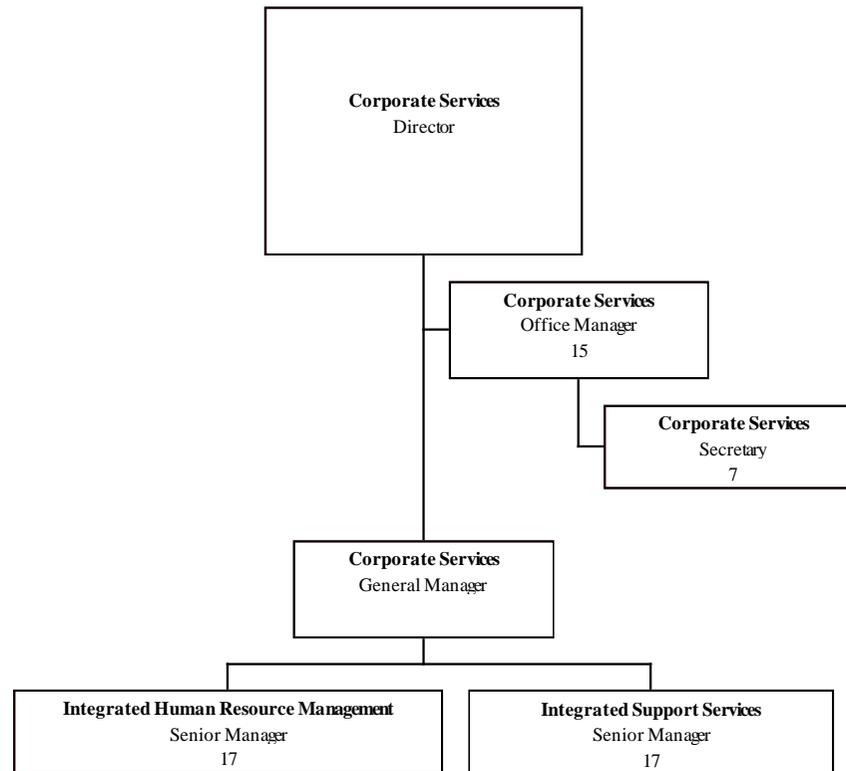


Engineering Services Department



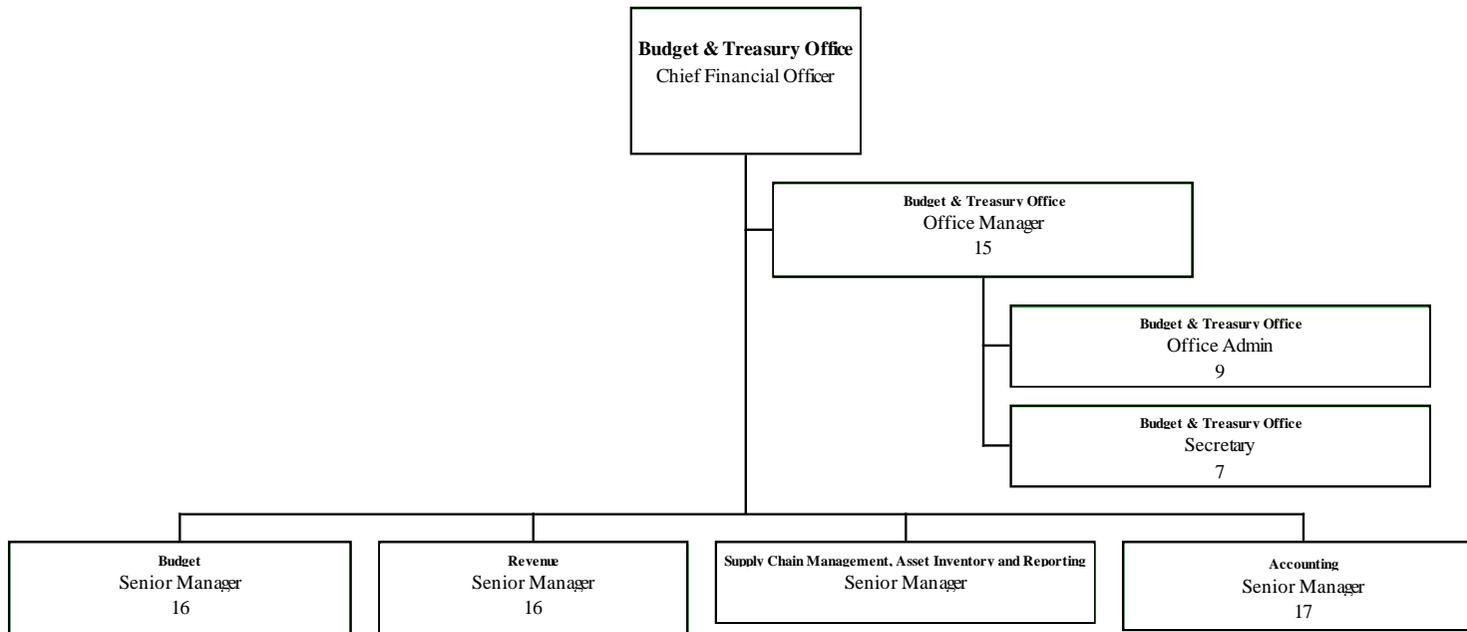


Corporate Services Department



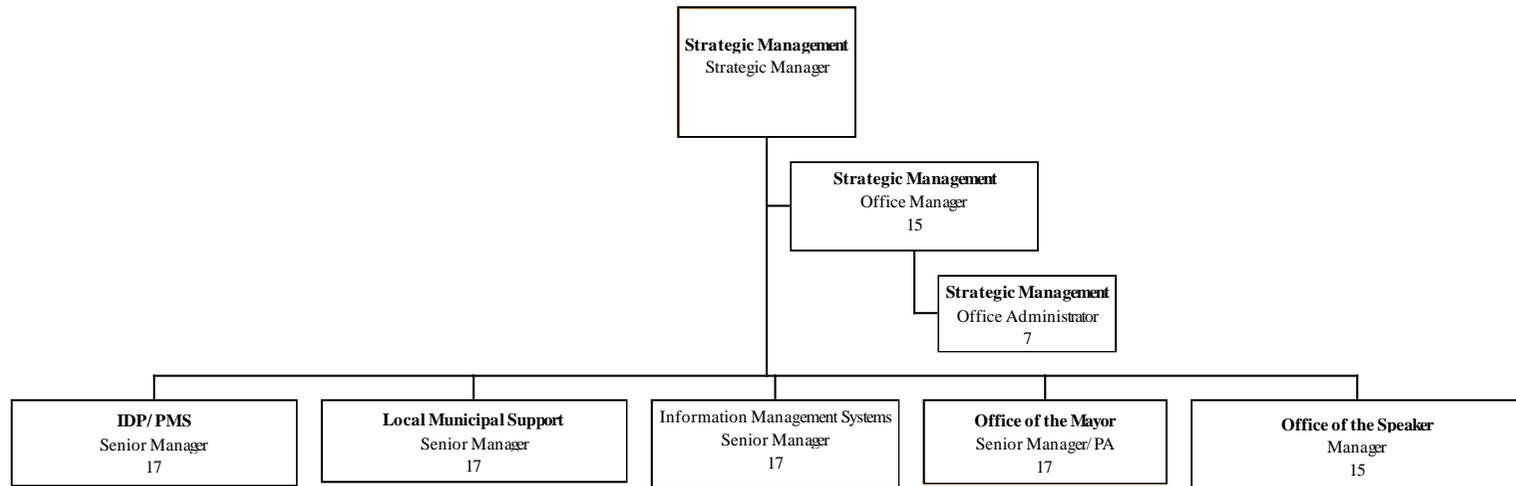


Budget and Treasury Office



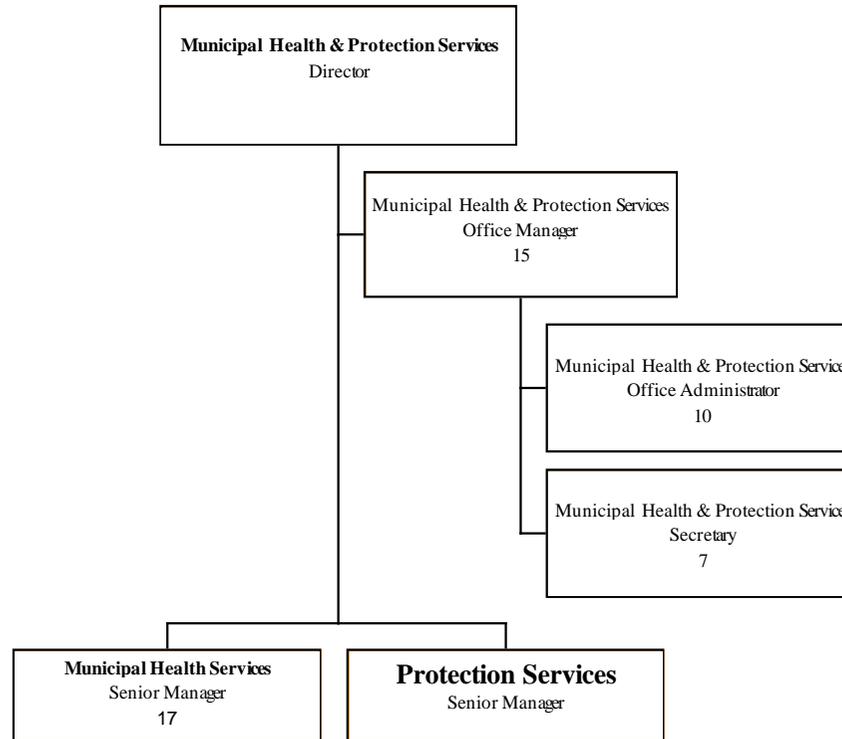


Strategic Management & Planning





Municipal Health and Protection Services



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 1450 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 difficulty 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 in the bona fides of the Municipal leadership's honesty to resolve issues. Such is this faith that for four years in running, 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.

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 absconson and absence without authorisation. Fleet violation is becoming the next most common transgression, and the route via the Accident Committee as contained in the Fleet Management Policy, is posing a challenge in terms of the timeframes applicable in dealing swiftly with violations. Exacerbating the situation has been the reluctance of many trained managers to avail themselves to preside over hearings. Since it is not their core responsibility, it is neither possible nor fair to force them to prioritize assistance in this regard.

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 diagnosis currently underway promises to bring new ideas on how a strategy should look like, that will ensure that labour relations becomes a proactive discipline. It is envisaged that the Unit will be allowed to increase its complement particularly on Senior Officers so that out of these a pool of competent Presiding Officers will be established to mitigate the challenge of scarcity in this area.

3.4 EMPLOYEE PERFORMANCE MANAGEMENT

The PMS unit has taken some strides in terms of the progress that has been made since July 2012. The PMS policy is being reviewed and is ready for approval by Council in the new calendar year. The Draft Policy outlines employee performance management process; that is, planning, monitoring and coaching, review, evaluation and reporting. Employees in all departments have been trained on the implementation of the PMS system. A manager has been employed to drive PMS in the Municipality.

Challenges/ potential problems (weaknesses and threat)

- Implementation by departments is still below expectations.
- The PMS templates used are seen to be cumbersome and time-consuming.
- There is a weakness of late submission by those departments that do submit.
- There is no strategic reporting tool to measure performance by employees in various departments.
- Rewards for excellent performance has yet to be implemented due to teething problems with the management of PMS.

Remedial Actions

- AA's and PP's templates have been revisited with an intention to simplify them and they are attached as Annexures to the Draft Policy.
- A reporting tool which will be used by all Departments when they report about employee performance management has also been attached to the Draft Policy as annexure.
- The issue of performance rewards is incorporated to the Draft Policy and is due for consultation with the relevant stakeholders within ADM.

3.5 ADMINISTRATION

Council Support & Auxiliary

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

Auxiliary Services

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

Mainly the objective of the division is to give support to all functionaries of the institutions and hence the majority of services rendered are ongoing

- Asset Management and fleet management;
- Office accommodation;
- Office automation;
- Security services;
- Switchboard operations;
- Tea serving and cleaning/housekeeping.
- Telephone Services

Asset Management

Part of the core responsibilities of this core function is to ensure that all Assets of ADM Council, both movable and immovable, are adequately maintained.

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

Challenges

Funding: There is always not enough funding to carry out the envisaged maintenance programme for that particular current financial year.

Assets

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

This transfer process is influenced by the assignment of powers and functions in terms of the Section 12 Notices. Various conveyancers are ensuring that this is realized in terms of the Deeds Registries Act, 1937.

Further-more, in managing such assets, provisions of Section 14 of the Municipal Finance Management Act always prevail.

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

Fleet

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

The ADM's fleet as at October 2012 comprised a total of 336 vehicles which can be categorised as follows:

TYPE OF VEHICLE	TYPE OF VEHICLE
Sedans	36
Trucks	29
Microbuses	3
Fire Engines	4
TLB's	02
Bakkies	245
Trailers	8
Tractor	5
Panel Van	2

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

- Adequate control of allocated vehicles by some departments is always enhanced in a manner that designated officials within departments also prioritize the issuing of vehicle's trip authorities, return of keys to relevant Department, submission of accurate logbooks and petrol slips.

It became clearly evident that the appointment of a dedicated official was necessary to manage the fleet operations, as well as to implement the policy on maintenance and manage the software that monitors the local movement of the vehicles. This will assist in ensuring effective service delivery.

Challenges

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

Office automation

This is also a key component of the auxiliary function of ADM Council. This is ensured by reviewing, upgrading outdated and expired contracts and facilitation of new ones.

In the past copiers were leased for a period of 60 months. Due to technology that changes daily this figure has been reduced to 36 months and been working perfectly well so far.

Challenge

There are currently different page per minute copiers all over in the institution. To streamline it is suggested that the scope of works be reduced to 5 different machines **e.g. small, medium, large, extra large double xl**. This will assist departments to request a copier according to their needs and budget.

Office accommodation

Office accommodation is a problem that is prevalent at Amathole District Municipality. The slow pace of building new office accommodation is not assisting the process at all. Initially a site was identified and purchased where ADM was to build own offices, this has however taken another twist as ADM will be relocating to Stutterheim. It is for this reason of office space scarcity that an Office Accommodation Committee was established comprising representatives from all other departments was established. The main objectives of the committee is to look at the office space challenges, prioritise and allocate according to departmental needs.

As a result of office space shortage, ADM has leased a number of buildings around East London where some of its departments are housed. ADM also has leased offices in the local municipalities falling within its area of jurisdiction and also the same scenario is prevalent.

Challenge

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

Security Services

ADM is providing security for both its Staff and Assets twenty four hours a day around the clock. This is realised through outsourcing by appointing Service Providers to discharge of this function. Currently ADM is demarcated to three regions viz Eastern Region allocated to Eastern Guard security, Western Region allocated to Xhobani Security Services and Central Region allocated to Chippa Investment Holdings. This provision is made in the form of armed responses and security guards (warm bodies). This cut across ADM owned and rented premises. Properties referred to include Caxton House, BOE Building, 40 Cambridge Street, 78 Deveroux Avenue, Vincent, Calgary Conference Centre,

Octoproc Clark House and Whelan Workshop, sewage treatment works, water works and satellite offices. The contract duration for the warm bodies is two years and for the alarm monitoring is one year.

Currently ADM is sitting with a compliment of 159 Guards from a number of 142 Guards during the last financial year and managing 75 sites. This therefore mean that the responsibilities of the District Municipality are becoming complex so should planning be.

Challenges

Here are some few classic challenges and past experiences that have to be dealt with :

Caxton House 12 Floor

There has been a reduction in the number of theft incidents since December 2011 till to date in this building as people are more security conscience than before.

BTO Building 1st Floor

These offices have been equipped with alarm sensors inside as they can be accessible through the Window Deck and vital information from Cashier's Office Ground Floor is captured in this office. All the office windows leading to the deck on this floor have been fitted with burglar's to avoid a repeat of what happened in the past.

The DVR Unit for the CCTV Camera has been re-located to a safe place and kept under lock and key as it was exposed to any tempering.

BOE BUILDING

No theft incidents have been reported.

FENCING

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

This form of support includes provision of Secretariat functions to both Sections 79 and 80 of the Systems Act, 2000 on Municipal Committees. This function also includes other non-statutory meetings, which include IDP **Full** Clusters.

SWITCHBOARD OPERATIONS:

The switchboard operators currently connect internal and external staff to the relevant officials within the institution. There are currently two (2) switchboard operators manning the switchboard operators are providing a service to approx 1500 staff members and to the public. The growth of staff members increased the service that is being delivered to more people. This has led to the switchboard board being constantly busy.

CHALLENGES:

When both switchboard operators are busy attending to calls, a queue of calls forms. The call is attended to as soon as the Switchboard Operator is done with the previous caller.

This does not reflect good at the service being delivered by the switchboard operator as they are actually attending to calls but the scope of calls that floods in increased so much that at times callers have to wait to be attended to. Also when one Lady is on annual leave, sick or study leave there is only one switchboard operator to attend to calls.

ACTION TO BE TAKEN:

That an additional switchboard instrument and additional switchboard operator be budgeted for in the 2013-2014 financial year to for the smooth functioning of the service.

HOSPITALITY SERVICES:

There are currently 25 Tea Ladies/ Cleaners including seven (7) in the satellite offices performing the function of Tea Serving and Cleaning. With the acquiring of the new buildings, Temporary Tea Ladies/ Cleaners needs to be appointed to assist Tea Serving and Cleaning duties at the newly acquired buildings. The newly acquired buildings often do not have hygiene services and equipment.

CHALLENGES:

There is not always budget for additional temporary Tea Servers and Cleaners for the newly acquired buildings. The Budget for Hygiene equipment and services is not budgeted for newly acquired buildings so Departments have to source funding for it.

There is also the challenge that all floors are not equal in size and do not have the same amount of officials to attend to. Some floors the Departments officials are more compared to others and also some buildings have toilets to clean whereas others don't.

ACTION:

The budget for Temporary staff needs to be increased on annual basis to cater for new buildings being acquired. All Tea Ladies/ Cleaners should be equally exposed to working at the various floors by rotating them quarterly.

Records Management

ADM has an approved Records Management Policy and Records Management Procedure Manual. A reviewed File Plan was approved by Provincial Archives but still awaiting adoption by Council. The Promotion of Access to Information manual was adopted in 2003. ADM has since appointed the Records Manager. ADM has a centralized records management system that ensures a uniformity of methods.

Challenges

- Promotion of Access to Information manual was never reviewed since its adoption in 2003 despite institutional developments that have since taken place and there is no Information Officer to review.
- 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 records office staff have been trained in just basic records management course.
- 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.
- 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.
- Ignorance by officials in the usage of registry office which might lead to poor records management.

POSSIBLE SOLUTIONS

- The Information Officer needs to be nominated by the Accounting Officer in order to review the Promotion of Access to Information Manual.
- Records Office staff to be trained in all records management courses from basic to advanced courses to ensure sound records management in ADM.
- Records Management needs funding to outsource storage of semi-active and inactive records.
- Due to the institutional growth, ADM needs to have its own building that will have adequate registry office.
- Training of staff in all courses of records management will assist in the development of Records control schedule and register of files opened in compliance with the National Archives Act.

- Registry Clerks in satellite offices should be appointed and trained in records management to ensure that ADM complies with the National Archives Act.
- Workshops or awareness on the use of centralised registry office by all officials.

3.6 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
	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	

Occupational Levels	Male				Female				FN		Total
	A	C	I	W	A	C	I	W	M	F	
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.

3.7 Human Resource Development

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

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

In 2011/12 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

- Local Government Transformation
- Introduction to Computers
- Policy Development
- Basic Project management
- Integrated Developmental Planning
- Dash Board
- Personal Financial Management

Officials

- Basic First Aid
- First Aid Level 1
- First Aid level 3
- Report Writing
- Customer Care
- Advanced Excel
- Pre-Trade Test (Plumbing)
- Basic Health and Safety
- Risk Management
- Chairing of Disciplinary Hearing
- Project Management
- Policy Development
- Finance for Non-Financial Manager's
- Integrated Development Planning
- Health and Safety
- Basic Ms Office
- Pay Day Skills Module
- Pay Day HR Module

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. Implementation of the District HRD Strategy commenced in 2011/12 with the implementation of “New Venture Creation” Learnership for 10 unemployed “People With Disabilities”(PWD) from Local Municipalities within ADMs jurisdiction. The budget for appointment of the Training Provider, stipend, accommodation and meals was R1 million rand.

The District Human Resources Development Strategy 2010-2015 is in place and was adopted by Council in line with the IDP review process. With the development of the Strategy, the entire Municipality has been able to understand the Skills Development dynamics of the District, including the skills development landscape in the District. This understanding has enabled the District to plan relevant skills development initiatives accordingly, in order to improve on service delivery. For 2012/2013 financial year a budget of R1m has again been set aside for the continued implementation of the District HRD Strategy. Training identified is the “Artisan Development Programme” for 30 employed candidates. The budget will also cater for the targeted “Career Exhibition” which will be conducted during the current financial year.

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

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

18 candidates graduated in 2011/12 and 10 of those were unemployed. 08 who were previously unemployed are now employed by various Institutions.

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

40 candidates graduated in 2011/12 and 25 who were previously unemployed are now employed by various Institutions, including those who have been absorbed by ADM.

Fire Rescue Learnership

10 Unemployed learners who were serving as volunteers were selected and enrolled for the Fire Rescue Learnership. 09 learners graduated in 2011/12 and 07 learners have since been employed by ADM. A Graduation Ceremony was held in May 2012 for all the learners who took part in the three learnership programmes mentioned above.

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 406 000 was earmarked for training, and R800 000 was allocated for Councillor Training in 2011/12 financial year. The funds were fully utilized for both Councillors and Officials.

DWA Training

15 candidates were enrolled for a Water learnership that was funded by the Department of Water Affairs. 14 candidates are due to graduate in November 2012, as one passed on before the completion of the programme. The training is one step further in enabling the Institution to achieve National targets in line with Legislation requirements and DWA regulations.

Experiential Training

A total number of 19 candidates were exposed to the world of work in the last financial year and 11 are currently undertaking the Experiential Learning programme.

Bursary on Rare Skills

Currently there are three learners on the programme. 1 Female and two Males are currently registered and are progressing well. It is anticipated that four more candidates will be accepted for the Programme from January 2013.

Employee Study Assistance Scheme

121 candidates are currently enrolled for the Employee Study Assistance Scheme/Policy and 99 applications have also been received for the 2013 January intake.

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. ADM has a total of 73 employees targeted to complete the qualification. 7 candidates have completed the programme thus far. 40 are currently enrolled for the same programme and 12 are due to enrol during the current financial year, and only 14 candidates will be outstanding.

3.8 EMPLOYEE WELLNESS & OCCUPATIONAL SAFETY

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

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

During 2012/2013 financial year the Division engaged in different programmes for ADM employees including those based in Local Municipalities, to meet its objectives.

Employee Assistance Programme

Substance abuse workshops were conducted for 178 employees based at Mquma, Mbashe, Great Kei, Amahlathi, Nkonkobe and Nxuba. Two employees who went for rehabilitation at Thembelitsa during 2011/2012 financial year are still doing well.

Some employees are suffering from chronic ailments such as blood pressure; diabetes Mellitus and arthritis, separate workshop on chronic ailments were conducted for employees based in local municipalities in order to ensure treatment compliance with treatment and to encourage healthy living. A total of 199 employees based at Ngqushwa, Great Kei, Mbashe and Mquma attended the workshops

HIV/AIDS, TB & STIs workshops were conducted for employees based in Local Municipalities as well as East London employees and a total of 255 employees attended. This is to equip them with knowledge and skills to care for themselves and their families as well as to engage in healthy life style.

Personal Financial Management workshops were conducted by ABSA for employees based in Nxuba, Nkonkobe, Mbashe and Mquma and were attended by 185 employees in total. Individual assessment and debt counselling was conducted to employees who were experiencing problems.

Stress management workshops were conducted for employees based in the Eastern Region, the attendance was good. Most of the attendees are working with Water and Sanitation. These workshops were informed by the challenges that the employees are experiencing, especially those based in local Municipalities.

The Wellness day was held for employees based in East London and a total of 232 employees attended, the objective is to encourage them to be proactive about their health and that their health is their responsibility. Different service providers dealing with health attended the event to render service to the employees, SANCA conducted 32 breast examinations while Lathi Tha Eye Care tested 120 employees and they all had a good eye sight. Aids Care Foundation was also on site and 150 employees submitted themselves for HIV counselling and testing.

A World Aids Day was conducted for 120 employees based at Nxuba and Nkonkobe and HIV Testing was done on site by Aids Care Foundation of which 80 employees tested. Information was shared on the theme of the current year and what each one of us is suppose to do to get to Zero new infections, HIV related deaths, stigmatization and discrimination by 2015. Music and drama was very educative on HIV prevention.

Occupational Health

All employees that are exposed to risks that are detrimental to their health undergo medical surveillance which includes special tests such as hearing, lung function and chest X-rays. This refers to Operations and Maintenance employees, specifically those working with water and sanitation. Employees that are exposed to health risks undergo medical examinations such as lung function test, hearing test and drives medical examinations. A total of 119 employees exposed to chemicals were done lung function test, these employees are based at Nxuba, Nkonkobe, Great Kei and Amahlathi, and the remaining employees will be done during the financial year.

Hepatitis A & B was administered to 185 employees working with sanitation on the Eastern, Western and Central Regions to prevent Hepatitis A & B.

Occupational Safety

Inspections were conducted in all work areas, and non compliance with the Occupational Health and Safety Act was identified in Operations and Maintenance work areas in local municipalities. These are mainly due to lack of accommodation such as offices, change rooms, toilets, and dining room and store rooms for chemicals.

All work areas have safety representatives who are responsible for identifying hazards from the work environment or emanating during the work processes which may have a negative effect on the health and

safety of the employees. These Representatives should make the employees and their supervisor aware of these hazards and also report them to the Safety Committee which is chaired by the Safety Officer.

It is the responsibility of each department to budget for protective clothing for its employees, although purchasing thereof is done by Corporate Services Department. All deserving employees were provided with protective clothing on six monthly intervals and when necessary. The protective clothing is purchased and issued according to the risk that the employees are exposed to e.g. hearing protectors for those exposed to noise levels that are 85 decibels and above. All employees working with water and sanitation are issued with overall, safety boots, rain suits and warm jackets, on top of special protective clothing such as masks, gloves etc.

23 Superintendents from Engineering Department were trained on Occupational Health and Safety and Compensation for Occupational injuries and Diseases Acts.

Occupational Safety workshops were conducted in all Regions and in each session 60 officials attended.

Fire Marshalls successfully participated on the fire drills that were organised by the Caxton House Landlord and no injuries occurred.

Challenges Experiences by the Division

- Substance abuse is posing a challenge and it has an effect on absenteeism
- Mismanagement of personal finances has resulted in a number of employees in debts
- Low health status of Water and Sanitation employees which is influenced by the working conditions that they are exposed to have resulted in high death rate and are suffering from chronic ailments.

3.9 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 which is the financial system of the Municipality 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.

The Current account structure for internally and externally funded projects are not consistent with procurement structure and this leads to the difficulty in verifying which funds are allocated to specific fixed assets.

There is inaccurate cash flow projections provided by Project Managers for projects. There are poor variance explanations in the Municipality's dashboard and this does not give the Municipality a good view of the status of some projects.

There is also inadequate budget monitoring by internal Departments may lead to possible over and/ or under-expenditure.

4.3 Expenditure

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

During the audit process all expenditure documentation was readily available for scrutiny by the Auditor General. No exceptions were found by the Auditor General

Challenges:

- **Pink Requisitions and Orders**

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

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

- **Commitments Register**

The commitments register is managed as a year-end activity as opposed to daily and monthly maintenance and does not give sufficient details on the projects contained therein.

- **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.

A policy regarding this has been put in place.

- **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. REVENUE

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

Challenges

During the data cleansing process a reasonable certainty was achieved on properties, service coverage, metering and households. However BTO needs to build capacity to maintain and update the data including the GIS information.

The revenue section managed to achieve a link between tenants and landlords. There is however transfer problems where Local Municipalities are developers for low cost housing.

There are water losses and ADM is struggling to measure consumption on free basic services and water distribution losses.

With the installation of new meters there is a disjuncture between the capacity to install and capacity to link to the financial system.

Cost recovery remains a challenge and there is a need to increase tariffs. It is however surprising that the actual collected revenue increased three-fold after the last tariff increase.

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

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

4.5 ACCOUNTING AND REPORTING

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

Functions of the Accounting and Reporting Unit

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

Challenges

The new GRAP Standards are applicable and the Annual Financial Statements have to comply with GRAP Standards to achieve fair presentation.

There are inadequate reconciliations of control and suspense accounts and long outstanding reconciling items must be treated.

The current Financial system is outdated and cannot integrate with new support functionalities. A new version of the system will have to be implemented.

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.

4.6 ASSET MANAGEMENT

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

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

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

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

1. Property, Plant and Equipment (GRAP 17)

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

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

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

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

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

Challenges

The Main Asset functions are being performed by consultants.

Asset Management has limited institutional skill and capacity and the Municipality needs to build on the current capacity. The Asset Management function very technical in nature – requires highly skilled financial and technical professionals which the Municipality does not have.

Ownership of water assets poses a threat to ADM as the owners of the land through which ADM infrastructure passes have a tendency to restrict our access to that infrastructure causing obstructions and delays in service delivery. The major challenge is that no registered servitudes exist over those lands.

4.7 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.

Functions of the SCM Unit

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

- [i] Develops procurement plans aligned to the budget (Demand Management).

Challenges

- There is a high usage rate of consultants.
- There is also a high rate of procurement deviations.
- Then Decentralised procurement system below R30 000 results in weak procurement controls.
- More detailed monitoring of service provider performance is required which often leads to termination of these suppliers.
- There is overpricing of certain commodities and this needs to be controlled.
- Project managers are not sticking to their planned dates for their projects resulting in under-spending on projects.
- Supplier development is not structured which leads to SMME's not being sustainable.

4.8 FINANCIAL AUDIT OUTCOME

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.

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 and the 2011/2012 financial years, ADM received an unqualified audit report from the Auditor General.

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

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

Since establishment of the IGR unit in the 2005/06 financial year, ADM has been one of the most consistent municipalities in the province in complying with the stipulations of the IGR Framework Act. A number of innovations have been made by the municipality to strengthen intergovernmental relations in the district especially towards the end of the term of the last Council. In that period ADM saw the development of a document to assist the coordination of ADM IGR internally, the IGR Guide. The document talks to the internal processes of the work that each of the departments internally does with the respective sector departments. It seeks to ensure that at the end of the day, the IGR unit accounts for all the work the departments do in terms of IGR and that this work is reported and discussed in the technical structure and the DIMAFO.

To consolidate the processes further, in 2010 ADM established the IGR Core team. Key stakeholders that serve in this structure include Office of the premier (OTP), Department of Local Government and Traditional Affairs (DLGTA), SALGA, CoGTA, ADM MSU and all ADM departments. The Core Team has proved to be a very useful structure towards the building of Corporate Governance in the district.

The structure brings the following benefits to IGR in the district:

- Only issues that matter and are relevant to IGR are discussed in the meeting;
- Improvement in participation in quality of discussions in the technical IGR and the DIMAFO;
- The linkage between Premier's Office, Department of Local Government and Traditional Affairs, SALGA and ADM IGR created a nucleus for IGR coordination;
- Meetings of the Core Team also enable the unit to get early warnings for a success or failure of a planned meeting.

During the 2005/6 financial year the IGR was launched in all local municipalities in the district, however there are still only a few local municipalities that hold meetings periodically to address IGR related issues. The IGR Framework Act, Act no. 13 of 2005 is silent on IGR activities in local municipalities. This resulted in recommending for local municipalities to utilise the resolutions of the 2009 Provincial IGR Summit in conducting IGR activities. Through practice of intergovernmental relations in the district, ADM is in the process of reviewing all existing Memoranda of understanding.

CHALLENGES

- Failure by government structures to utilise Intergovernmental Relations as a planning tool;
- Lack of joint implementation of projects by government structures;
- Lack of implementation plans and 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.
- Most departments still send proxies to IGR meetings.

5.2 International Relations

ADM is in the process of reviewing agreements made with some sister municipalities both abroad and in South Africa. Abroad ADM had signed with Kampala City Central Authority, Oxfordshire County Council and Glasgow City Council. Discussions that took place in Kampala between the leadership of the two municipalities agreed among others on the following:

- That the MoU be extended for another two years until 2012.
- That new areas of cooperation be added eg Sport, Business, Nation Building.
- That at the end of 2012 another meeting seat to wrap up the MoU and facilitate relations between Kampala and BCM (Not a Metro then)
- That ADM sign an MoU with Kampala City Council. (Equivalent of a district. Both parties were very keen then)

In September 2012, Kampala Central City Authority sent a Mixed Committee to visit ADM. They wanted to share some Knowledge with ADM on issues related to Revenue Collection, Public Participation and Waste Management. The programme went well as each of the councillors from Uganda was afforded time to share knowledge with his/her South African counter-part.

Challenges:

- Most glaring of the challenges is the fact that ADM twinning sister in Kampala is unable to meet the financial obligations of the MoU ie they are unable to meet their commitments of the Operational Plan due to financial constraints.
- Poor Communication Systems in Uganda causes difficulty in communication as a result messages between the two parties take longer to be communicated.
- Changes in Political and Administrative Leadership in both municipalities have impacted on the progress of the implementation of the Operational Plan as new leadership may not prioritise the twinning programme.

Remedial Action:

ADM needs to make an urgent follow up to the wrapping up of the MoU with Kampala City Central Authority and decide if she wants relations with Kampala City Council.

Oxfordshire County Council:

The programme was funded by the Commonwealth Local Government Good Government Scheme. Focus of the programmes is initially on LED around the areas of Nkonkobe Local Municipality. Officials were trained on ways of renovation of Heritage sites to make them contribute to the Local Economic Development. Community members around that municipality also benefited from training organised by Oxfordshire on micro lending schemes. The second phase of the twinning programme was meant to benefit pupils in rural areas. They would be taught mathematics by experts in the UK by satellite. The parties did not agree on priority areas. The facilitator of the partnership Mr Alex Boraine decided to withdraw.

Remedial Action:

- SALGA played a very critical role in facilitating the twinning programme, ADM should through the former re-open discussions about the second phase of the programme.
- A new application for a twinning programme can be made to the Commonwealth Local Government Good Government Scheme through SALGA.

Glasgow City Council:

The twinning programme with the City of Glasgow has since been concluded. Out of the programme ADM benefited a lot from the more advanced partner. After the first phase that was focusing on Local Economic Development, a number of officials from ADM have received training from experts in the City of Glasgow or at ADM by the visiting experts. Officials were trained in the following expertise:

- Financial Packaging
- International Relations Coordination
- Promotion of Tourism

- Local Economic Development Programmes

CHALLENGES

- ADM agreements/arrangements are not linked to the provincial programmes
- Inadequate resources to engage in international programmes.
- ADM has not yet clearly defined what its international relations priorities should be./ lack of Strategy.

Remedial Action:

- ADM should define what its priority areas should be in twinning programmes eg Capacity Building, Agriculture, attracting investors, Tourism. ADM should decide which one of the above should inject money in.
- ADM should draw its international programmes from the Province eg. Province has a twinning programme with Lower Saxony in Germany. ADM should also explore opportunities presented by the programme to Province and its Local Government in particular?
- The municipality should make sure that either there is a central budget for international programmes (Glasgow option) or each directorate budgets for its international programmes.

5.3 Special Programs

ADM is one of the complying municipalities when it comes to Special Programmes implementation. Both the Integrated Development Plan and the Service Delivery Implementation Plan reflect on the Strategy, Objectives, Deliverables and budget allocated to the programme. This on its own is an achievement by the district as some municipalities still struggle with integration of SPU in their plans.

The 2011/12 financial year saw the municipality developing, adopting and implementing the Special Programmes' mainstreaming strategies in the following:

- HIV and AIDS and TB
- Youth Development
- Peoples' with Disability
- Children's Development
- Gender Development
- Older Person's

The department held a session for a strategic turn around. Each of the units had to give suggestions on how to turn around the work they do in order to make an impact. SPU decided on the strengthening of the SPU quarterly forums to ensure support to projects be implemented by the various components of SPU. The forums still need to be supported and their capacities built so that they can sustain themselves in future. The aim is to turn relations with the forums from those of sharing only information but to work on projects that will impact in the lives of the designated people.

Challenges:

- Over dependency of the forums on the municipalities and government departments.
- Older Persons Forum and People with disability forum need Special attention as they are very slow to pick up.
- Silo mentality of departments remain a problem.

Remedial Action:

- More training and tangible support to the forums especially for Older Persons and the People with Disabilities
- Department should strive to work together towards achieving common goals.

Sport Coordination:

If South Africa is a playing nation, then ADM is a playing district. The 2010/11 financial year marked an escalation in ADM Sports Activities. ADM Sports moved away from the head office to the satellite offices meaning that a lot of employees now are benefitting from the sport. There is also an increase in the codes being played by ADM. In that year the municipality besides taking part in a number of mini tournaments, she participated in the SALGA games in Port Elizabeth.

The period also saw the development of the much needed Sports Strategy. The strategy is now at levels of the being adopted by ADM Council. Processes of consultation are almost towards being finalised. At the time of writing the strategy had been submitted to the District Sports Council for discussions and comments and was on its way to the EMC for discussions.

ADM sports Teams had in the first quarter of the financial year taken part in the SAIMSA games in Botswana. The municipality competed in four sporting codes ie Soccer, Netball, Darts and Table Tennis. The SAIMSA games have proved to be a highly competitive tournament especially in Soccer and Netball. Most of the countries participating take part in the two and as a result teams have to play up to four matches a day. This no doubt demands a lot of fitness. ADM teams were not disgraced in the tournament. They bowed out with respect of both friend and foe.

On the 6th to 8th December 2012, SALGA games took place in Umtata. ADM under 19 teams came back with two gold medals and one bronze medal. Again, in this tournament there was an increased and an improved performance by ADM teams.

The interest and success of ADM sports can be attributed to the support that the new council and its administrative leadership is giving to the ADM teams. Councillors and senior managers support the sport through allocation of budget to the sport and by their physical presence in the fields of play when the players are plying their trade. Whenever ADM is playing it is not a rare scene to see some councillors singing and dancing along with officials and players.

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.

Remedial Action:

- ADM should build a partnership with private sector and other responsible government departments to promote sports in the district.

- All local municipalities must appoint Sports Officers the soonest possible.
- Each local municipality should ensure that departments within their institutions budget for sports 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 established an IDP/PM unit under the Strategic Planning and Management Department in 2011. 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 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. However this is the area that still needs attention.

Challenges

- Minimal meaningful contribution by Sector Departments in IDP processes, although involvement has improved tremendously.
- 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

ADM is in a process of reviewing its Performance Management Framework to address the above challenges. The newly developed electronic system is in a process of being extended to also cater for Individual Performance monitoring and evaluation.

The 2011/12 audit revealed that there were no material findings concerning the usefulness and reliability of the performance information in the 11/12 annual performance report. This is great achievement that we intend to keep up as we are moving towards a clean audit in 2014.

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 reviewal 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. Amahlathi and Great Kei local municipalities are the only municipality with average rating this is largely caused by lack of a unit dedicated in coordinating the IDP processes in the municipality, GKM has appointed a manager responsible for the function an improvement in the rating is expected. Although some have shown improvement or even attained a high 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	2010 Assessment Ratings	2011 Assessment Ratings	2012 Assessment Ratings
AMATHOLE DM	HIGH	HIGH	HIGH
Amahlathi LM	MEDIUM	MEDIUM	MEDIUM
Great Kei LM	MEDIUM	MEDIUM	MEDIUM
Mbhashe LM	MEDIUM	MEDIUM	HIGH
Mnquma LM	HIGH	MEDIUM	HIGH
Ngqushwa LM	MEDIUM	MEDIUM	HIGH
Nkonkobe LM	LOW	MEDIUM	HIGH
Nxuba LM	LOW	LOW	HIGH

Challenges in the IDP development

- 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, the Provincial government and National government.
- Lack of financial resources to implement the plan.
- Inability to attract and retain skills in planning, financial management, information and communications technology and engineering.
- Stakeholder Management to enhance intergration of plans from Province, District and LM is still a challenge.
- There is a need to strengthen community participatory structures in the local municipality.
- There is a need to strengthen IGR structures in the District to complement planning.
- Challenges in the implementation of PMS

PMS

In the 2012/13 financial year an improvement has been displayed by local municipalities in the implementation of PMS, previously only Mnquma and Ngqushwa LM have been able to monitor, review, evaluate, audit and report on performance, currently Nkonkobe, Mbhashe, Amahlathi and Great Kei have been able to operationalize the PMS but there are still gaps within the cycle with auditing and reviewing of performance information. The municipalities have engaged service providers to assist with the gaps. Nxuba is assisted by the Internal Audit Unit of Amathole and a service provider will be appointed to assist the municipality with operationalization of PMS.

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 and public is invited to comment on the Annual Report through public participation mechanisms such as Annual Report Roadshows..

All local municipalities have established MPAC's to exercise the oversight role on the Annual Report but there is a need to continuously empower the members to enable them to discharge their responsibilities effectively.

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
- Capacity to conduct performance assessments and evaluations
- Lack of establishing PMS and Internal Audit unit
- Poorly developed Key Performance Indicators, Targets and Strategies
- Poor records management and keeping (Portfolio of evidence)
- Reviewing of PM Framework and related policies.
- Cascading of PMS

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 Mnquma 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 role of local government in matters of land administration and human settlements overlaps or is informed by a number of legislations, and what became very clear is that it is a sheared function which is heavily depended on cooperative governance and intergovernmental relations. (IGR Act, the SA Constitution, Housing Act, etc.).

Central to this cooperation Municipalities are responsible for the development and implementation of the Spatial Development Framework plans. The Spatial Development Framework intends to illustrate the desired form of current and future land development in the Amathole District Municipal Area, to assist the sustainable management of future development and land use change. The spatial development framework provides

guidance on the priority areas for the investment identified for the Amathole District Municipality based on the development vision and strategies embodied in the Municipalities Integrated Development Plan.

Moving from the premise of integrated planning it is important to note that the 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 Mbhashe, Mnquma and Amahlathi have been assisted with the development of Housing Sector Plans. As a direct outcome of the Plan the Amathole District Municipal secured funding for the Development of Housing Emergency Plans and Policies to Manage Mushrooming of informal Housing. The process is still unfolding but what is coming out clearly is that the Local municipalities have a central role in housing development.

Land Use Management is also a critical aspect that needs attention, hence currently an awareness and assistance if being prioritised to ensure that Municipalities have up to date zoning schemes. Ngqushwa and Amahlathi are currently reviewing their schemes and this is to be aligned with the draft land use management bill that is currently in parliament.

Nkonkobe Local Municipality is currently reviewing their spatial development framework taking in cognisance the seven pillars of the National Spatial Development Framework and the Provincial Spatial Development Framework.

Institutional arrangements and lobbying for funding for human resource capital and strategic planning projects within Local Municipalities is still a challenge and needs attention.

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

Communication

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).

PUBLIC PARTICIPATION PLAN

Citizen participation continues to capture centre-stage position in many policies of nation-state and international development agencies. Community or citizen participation means the involvement of citizens in a wide range of administrative policy-making activities; including the determination of levels of service; budget priorities and the acceptability of physical construction projects in order to orient government programmes toward community needs; build public support and encourage a sense of cohesiveness within society. It is in this spirit that ADM established Public participation to fulfil the following:

1. To provide information to citizens;
2. To get information from the citizens;
3. To improve public decisions, programmes, projects and services;
4. To enhance acceptance of public decisions, programmes, projects and services;
5. To assess the situation in localities and react accordingly;
6. To identify red zones that need immediate attention;
7. To continue profiling the municipality by launching and handing over all major projects.
8. To coordinate all public participation activities in the institution and district government departments

The unit will have to take the following into consideration to fulfill its function:

1. Convene monthly meetings with all project managers to discuss their programmes and projects.
2. Solicit responses of IDP Roadshows Q&A's from departments and/or clusters.

PROGRAMME OF ACTION

The activities of the unit in the main derive from IDP of the institution and extend to embrace institutionalized dates or dates of public interest.

1. School Visits/awareness campaigns
2. Water forums
3. Public meetings and Information days.
4. National Focus week and other institutionalised dates (Youth Day, Women's Month, Tourism and Heritage, National Imbizo focus week, 16 days of Activism).
5. IDP and Budget Road-shows
6. Annual Report Public Hearings.

SCHOOL VISITS

Activity	Location	Frequency/Date	Partners
Water conservation awareness	Ngqamakhwe(Mnquma) Ntsebi JSS.	26/02/2013	MH & O&M
Water Conservation Awareness	Hertzog(Nkonkobe)	TBA	O&M and MH
Water Conservation Awareness	Cintsa Primary School (GKI)	27/02/2013	MH & O&M
Water Conservation Awareness	Zwelixolile(Ngqushwa)	07/03/2013	MH & O&M
Water Conservation Awareness	Twaka JSS(Mbhashe)	12/03/2013	MH & O&M

WATER FORUM MEETINGS AND WALK ABOUTS

Activity	Location	Date	Partners
Water forum which will be preceded by Councillors walk about.	Ngqushwa	06/03/2013	O&M; PMU;MH:Environment
Water forum	TBA	TBC	As above

Water forum meetings are platforms where the institution shares the latest information regarding water matters and is also where the communities get time to air their views and advise the institution. These forums which are held quarterly will be the vehicle for the institution's campaign termed

"Operation access to clean and safe water".

LAUNCH OF BIG EVENTS AND SUPPORT OFFERED

The organization undertook to launch big events, this done to fulfill the following:

- To brand the institution
- To publicise the achievements of the institution.

This task is led by the unit. The unit also supports events and activities of other departments.

Monthly / quarterly events monitoring template was developed for this purpose.

EVENT	DATE	RESPONSIBLE DEPARTMENT
Graduation for Process Controllers	08/03/2013	HRD
Tourism Imbizo	13-15/03/2013	LED

PUBLIC MEETINGS, INFORMATION DAYS AND WALK ABOUTS

Apart from launching the institutions major projects and supporting other units and departments the unit will hold public meetings and information days in all municipalities. These meetings will be informed by:

1. Matters identified by Senior Communication Officers and Community Liaison Officers through environmental scanning;
2. Issues raised by communities during IDP road-shows
3. Any other information sanctioned by leadership.

ACTIVITY	DATE	MUNICIPALITY
Meeting with ECRPA	13/03/2013	Great Kei
Meeting with Willowvale	15/03/2013	Mbhashe
Meeting with Nxuba	20/03/2013	Adelaide

INFORMATION SHARING AND CAPACITATION

Anti-rape programme	TBA	Ngqushwa
Human's rights Day	TBA	TBA
Mayor's Cup	16/03/2013	Nxuba

ANNUAL REPORT PUBLIC HEARINGS

The campaign is done in collaboration with the Office of the Speaker under the guidance of MPAC. It takes place in the third quarter of the financial year. It is per the prescripts of Chapter 4 of the Municipal Systems Act that encourages the municipality to account to the public on all matters relating to finances and performance.

IDP AND BUDGET ROADSHOWS

By law IDP after completion has to be taken to public for their comments. The unit has a responsibility to invite views from the public through IDP and Budget road-shows. The event takes place during the third to the fourth quarter of the financial year.

The IDP/Budget Road-show schedule for the 2013/14 IDP was as follows:

<u>DATE</u>	<u>ACTIVITY</u>	<u>RESPONSIBLE PERSON</u>	<u>VENUE</u>	<u>TIME</u>
27 March 2013	Dry Run on IDP/Budget Road shows	Executive Mayor MMC/EMC and Team	Calgary Museum EL	10H00
4 April 2013	Rate Payers Associations and Business Sector Session	Executive Mayor MMC/EMC and Team	Great Kei Komgha Town Hall	11H00
5 April 2013	IDP/Budget Road Show	Executive Mayor MMC/EMC and Team	Amahlathi Stutterheim Lutheran Hall	10H00
11 April 2013	IDP/Budget Road Show	Executive Mayor MMC/EMC and Team	Nxuba Adelaide Town Hall	10H00
12 April 2013	IDP/Budget Road Show	Executive Mayor MMC/EMC and Team	Nkonkobe Fort Beaufort Town Hall	10H00
15 April 2013	IDP/Budget Road Show	Executive Mayor MMC/EMC and Team	Mbhashe	10H00

			Idutywa Town Hall	
16 April 2013	IDP/Budget Road Show	Executive Mayor MMC/EMC and Team	Mnquma Butterworth Town Hall	10H00
18 April 2013	IDP/Budget Road Show	Executive Mayor MMC/EMC and Team	Ngqushwa Peddie Town Hall	10H00
19 April 2013	IDP/Budget Road Show	Executive Mayor MMC/EMC and Team	Great Kei Komgha Town Hall	10H00
24 April 2013	Evaluation Meeting		Calgary Museum EL	10H00
9 May 2013	Council Open Day	ALL	Christian Centre EL	10H00
24 May 2013	ADM Council Day	ALL	EL	10H00
TBC June	State of the District Address/Budget Speech	Only the invitees	EL	10H00

As part of the IDP/Budget Road-show, ADM consults with the traditional leaders in the district. Traditional Leaders also form part of the IDP/PMS/Representative Forum meetings.

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

Risk Management

Role of ADM's Risk Management is 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.

Legal framework

Municipal Finance Management Act No 56 Of 2003 states that “The Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take reasonable steps to ensure-

- (a) That the resources of the municipality are used effectively, efficiently and economically;
- (b) That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
- (c) That the municipality has and maintains effective, efficient and transparent systems-
 - (i) Of financial and risk management and internal control; and
 - (ii) Of internal audit operating in accordance with any prescribed norms and standard

Current scenario/situation

Operationally, the unit is headed by Risk Manager and reports to Strategic Manager also Chief Risk Officer of the institution. Core function is to ensure that framework that responds to operational needs is developed, identification and management of risk within the organisation.

Risk identification has been conducted in both spheres, strategically and operationally. Amongst others, the following have been identified as top five risks for the institution:

- Climate change, drought and floods (sustainability)
- Poor project management
- High levels of unemployment
- Fraud and corruption
- Inability to attract and retain competent staff

Operationally, risks are identified on a continuous basis. As such, all six departments have identified their operational risks.

Challenges

- Inadequate human resource to effectively execute effective risk management
- Lack of buy-in by management on Risk Management

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. This includes public participation on the annual report which ensures that communities are afforded an opportunity to comment on the performance of the municipality on service delivery
 - 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.

The Office has the added responsibility of co-ordinating the functioning of the Office of the Chief and the Chairpersons of the Municipal Public Accounts Committee and the Women Caucus. In this regard the Office facilitated the training of the Municipal Public Accounts Committee with the assistance of the Association of Public Accounts Committees and the Department of Local Government and Traditional Affairs. The Office has also facilitated a Workshop of the Women Caucus, the outcome of which was the development of a program of action for the Caucus. During the period under review the Women Caucus has in terms of its program of action assisted unemployed matriculants to access FET training with the King Hintsa FET College. In this regard 630 youths benefited from the program.

The Office also arranged several workshops for the Whips of local municipalities with the intention to clarify the role of the whip of council. Working with the Office of the Whip in Buffalo City Municipality the Office facilitated a learning and sharing visit to the Johannesburg and Ekurhuleni Metro to expose the Whips to the workings of the Whippery in local government.

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.

5.11 DISTRICT-WIDE PRIORITY ISSUES

NXUBA LM

Ward 1	Ward 2	Ward 3	Ward 4
1.Eradication of bucket system	1.Upgrading of streets in Bezuidenhoutville locations	1. Bedford Town Streets and construction of houses (100 houses tyoksville,300 sizakele)	1.Repairing of Roads (Goodwin Park, Nonzwakazi, Khayelitsha, Ndlovini ward 4 Farmers)
2.Construction of houses and upgrading of Emabaleni and wanderous sports field	2.Upgrading of Bezuidenhoutville Sports Field	2.Upgrading of Nyarha Sports field	2.Sport Field (Between Nozwakazi and Polar Park) Park (Ndlovini Former Sparrows Field)
3.Upgrading of all Access roads and erection of gabillions in the old cemeteries	3.Street lights in New town location and Bezuidenhoutville	3.Youth Center	Construction of houses and installation of street lights at Ndlovini
4.Upgrading of health facilities	4.Upgrading of streets in Old Lingeletu	4.Fencing of Taxi Rank	Fencing of Goodwin Park Field and installation of High Mast light in New Goodwin Park
5.Job creation	5.Job creation	5.Construction of concrete slab for netball	Construction of Library and Recreation Centre

NGQUSHWA LM

WARD	VILLAGES	Ward Priorities
1	Zalara, Mtati, Tyeni, Ngqwele, Bhele, Nonibe, Gobozana, Nxopho	<ul style="list-style-type: none"> ✓ Roads ✓ Community Hall ✓ Electrification ✓ Fencing
2	Qaga, Masele, Thamara, Dubu, Tsolo & Jubisa	<ul style="list-style-type: none"> ✓ Roads ✓ Water (Masele and Dubu) ✓ Electricity (Masele) ✓ Sanitation (Dubu) ✓ Clinic (Mobile) Tamara and Masele
3	Upper & Lower Mthombe, Thyatha, Mtyholo, Qugqwala, Dlova, Nquthu, Tildin, Tapushe, Rode, Zimbaba & Mavathulana	<ul style="list-style-type: none"> ✓ Roads ✓ Youth programmes ✓ Community Halls ✓ Agricultural programmes ✓ Extended public works programmes ✓ Sports fields
4	Qawukeni, Mabongo, Khalana, Shushu, Ntsinekana, Mqwashu, Bongweni A, Gcinisa North, Hlosini, Bongweni B, Maqosha, Nqwenerhana, Crossman/ Mgwangqa, Nomonti & Torr	<ul style="list-style-type: none"> ✓ Clinics (Mqwashini Villages) ✓ Toilets ✓ Water (extension) ✓ Roads ✓ Community Halls
5	Machibi, Moni, Twecu, Upper & Lower Dube, Cwecweni, Madliki, Phole, Moni, Nxwashu/Tyip-Tyip, Ngxakaxha & Mdolomba	<ul style="list-style-type: none"> ✓ Roads ✓ Housing ✓ Toilets ✓ Fencing of land

WARD	VILLAGES	Ward Priorities
		<ul style="list-style-type: none"> ✓ Sport fields ✓ Dams ✓ Dipping Tank
6	Tyityaba/Ferndale, Bodium, Bell, Lover's Twist, Crossroads, Tuku A, B & C, Wooldridge, Hoyi, Leqeni, Begha,	<ul style="list-style-type: none"> ✓ Roads ✓ Halls ✓ Toilets ✓ RDP houses ✓ Sports fields ✓ Clinics
7	Cisira, Feni, Dam-dam, Makhahlane, eletyuma, Mahlubini/Nyaniso	<ul style="list-style-type: none"> ✓ Water ✓ Roads ✓ Electrification ✓ Community Halls ✓ Sanitation ✓ Sports fields
8	Ndlambe, Ndwayana, Glenmore, Qamnyana, Gwabeni, Mankone, Horton, Luxolo & Rura	<ul style="list-style-type: none"> ✓ Tarring of R345 Road ✓ Mobile Clinic ✓ Dams (Water Catchment) Areas ✓ Skills Development (Youth) ✓ Fencing (Grazing Camps)
9	Runletts, Woodlands, Pikoli, Nobumba, Ntloko, Mgwala, Lewis & Paradise	<ul style="list-style-type: none"> ✓ Water Connections at households ✓ Shopping mall. ✓ Road Maintenance ✓ Clinic or a mobile clinic. ✓ Sports ground. ✓ Cultivation of fields. ✓ Community Halls. ✓ Fencing of cultivated fields. ✓ Police station. ✓ Housing ✓ Game reserve
10	Peddie Town, Peddie Extension, Power, Luxolweni, German village, Durban Location	<ul style="list-style-type: none"> ✓ Roads ✓ Sanitation (Eluxolweni and Durban Loc) ✓ Sports Fields ✓ High Mast Lights
11	Hamburg, Benton, Gcinisa-South, Wesley, Bhingqala/Soweto, Mqheleni, Tarfield/Nier, Qobo-qobo/Nuloets, Daninge	<ul style="list-style-type: none"> ✓ Roads ✓ Houses ✓ Water
12	Mpheko, Mgababa, Prudhoe, Mkhanyeni	<ul style="list-style-type: none"> ✓ Heritage Site Development ✓ Mining/Oil/Quarry/Sand ✓ Art ✓ Abattoir ✓ Tertiary Institution
13	Mtati, Ngqowa, Upper Gwalana, Mabaleni, Ntshamanzi, Newtondale, Maxhegweni, Upper Qeto, Lower Qeto, Lower Mgwala, eSingingqini	<ul style="list-style-type: none"> ✓ Roads ✓ Electricity (Extension in all villages) ✓ Dip Tanks ✓ Community Hall (Maxhegweni) ✓ Skills Development (Youth) ✓ Sanitation ✓ Clinic

MBHASHE LM

a) The results on the top priorities from the wards were as follows:-

Ward	Priority Need	Locality	Cluster	Responsible Institution
1.	1) Fencing of fields 2) Community Hall 3) Sewerage	Colosa Mangqosinini Dutywa Town	LED Infrastructure Infrastructure	Municipality Municipality Municipality
2.	1) Dipping Tank 2) Sports Ground 3) Community Hall	Mamfeneni Mputi Xeni	LED Infrastructure Infrastructure	DoA Municipality Municipality
3.	1) Fencing of ploughing fields 2) Community Hall 3) Dipping Tank	Ndakeni Qelane Tyholomi	LED Infrastructure LED	DoA Municipality DoA
4.	1) Fencing of ploughing fields 2) Shearing Shed 3) Toilets	Gxarha All wards	LED LED Infrastructure	DoA DoA ADM
5.	1) Access Road 2) Fencing of ploughing fields 3) Community Hall	Mazizini – Vinindwa Kumbanga Upper Bolotwa	Infrastructure LED Social Needs	Municipality DoA Municipality
6.	1) Toilets 2) Access Road 3) Fencing of ploughing fields	Whole ward Ntabeni-Makinana Nqabane	Infrastructure Infrastructure LED	ADM Municipality DoA
7.	1) Dipping Tank 2) Fencing 3) Community Hall	Mabheleni Sihlabeni Magiqweni	LED LED Infrastructure	Municipality Municipality Municipality
8.	1) Fencing 2) Community Hall 3) Livestock	Xobo Sundwana Whole ward	LED Infrastructure LED	Municipality Municipality Municipality
9.	1) Access Road 2) Toilets 3) Stock Dam	Colosa Mission Whole Ward Whole Ward	Infrastructure Infrastructure Infrastructure	Municipality ADM Municipality
10.	1) Fencing 2) Community Hall 3) Nolitha Bakery	Taleni Mngeka Ntlabane	LED Social Needs LED	Municipality Municipality Municipality
11.	1) Access Road 2) Fencing 3) Community Hall	Futheni - Beyaphi Nqadu Whole ward	Infrastructure LED Infrastructure	Municipality DoA ADM
12.	1) Access Road 2) Fencing Fields 3) Toilets	Futheni Manqoba Whole Ward	LED LED Infrastructure	DoA DoA ADM
13.	1) Bridge 2) Fencing of ploughing fields 3) Access Road	W/Sisulu Pongoma Xobo – Riverview	Infrastructure LED Infrastructure	Municipality DoA Municipality
14.	1) Access Road 2) Access Road 3) Community Hall	Manzikanya Madakana- Nyozana Upper Mbhangcolo	Infrastructure Infrastructure Infrastructure	Municipality Municipality ADM
15.	1) Dipping Tank 2) Play ground 3) Access Road	Zithenjini - Xuba Thandiwe Dabane	LED Social Needs Infrastructure	DoA Arts & Culture ADM

Ward	Priority Need	Locality	Cluster	Responsible Institution
16.	1) Access Road 2) Fencing of Mealie fields 3) Water and Sanitation	Manganyelwa to Nobangile Whole ward Whole Ward	Infrastructure LED Infrastructure	Municipality DoA ADM
17.	1) Dipping Tanks Renovations 2) Access Road 3) Community Hall	Zinkolokotha Hetsha - Matyhamini Mpakama	LED Infrastructure Infrastructure	DoA Municipality Municipality
18.	1) Stock Dam 2) Access Road 3) Toilets	KwaNditya Mndwaka – Hlamati All wards	LED LED Infrastructure	DoA Municipality ADM
19.	1) Community Hall 2) Access Road 3) Swing Bridge	Mpame Ndalatha- Xhora Mouth Mncwasa	Social needs Infrastructure Infrastructure	Municipality Municipality Municipality
20.	1) Community Hall 2) Access Road 3) Fencing of ploughing fields	Hobeni Sundwana – Palini Cwebe	Social needs Infrastructure LED	Municipality Municipality Municipality
21.	1) Access Road 2) Stock dams 3) Cooperative support	Mampondweni Whole ward Zakhele	Infrastructure LED LED	Municipality DoA DoA
22.	1) Community Hall 2) Fencing of millie fields 3) Access Road	Mahasana Mahasana Fumbatha access road	Infrastructure LED Infrastructure	Municipality DME
23.	1) Access Road 2) Electricity	Mantlaneni, Mbozi, Nebelele Electricity (Whole ward)	Infrastructure Infrastructure	Municipality DME
24.	1) Community Hall 2) Access Road 3) Swing Bridge	- Mbityana Ntilini	Infrastructure Infrastructure Infrastructure	Municipality Municipality Municipality
25.	1) Swing Bridges 2) Access Road 3) Electricity	Mqothwane Ntlulabokhwe Whole ward	Infrastructure Infrastructure Infrastructure	Municipality Municipality ADM
26	1) Access Road 2) Access Road 3) Fencing of Ploughing Fields	Mtshitshi -Mangqileni KuMemfu - Aldarly	Infrastructure Infrastructure LED	Municipality Municipality DoA
27	Dipping tank Fencing of fields Access road		LED LED Infrastructure	Mbhashe " "
28	1. Electricity 2. Access Road	Whole ward Mqhele to Mraba Bafazi – Maphike Nqatyana – Mkutuke	Infrastructure Infrastructure Infrastructure	Municipality Mbhashe Mbhashe

Ward	Priority Need	Locality	Cluster	Responsible Institution
29	Access Roads Agricultural Production Water		Infrastructure LED Infrastructure	Municipality Municipality ADM
30	Roads Ploughing of fields Community Hall	Kulozulu Gangatha Ntlabane	Infrastructure LED Infrastructure	Municipality DRDA Municipality
31	Access Road Shearing Shed Fencing of fields	Keti Mbewuleni Esikhobeni	Infrastructure LED LED	Mbhashe DOA DOA
Dutywa	1)Tar road 2)Wool processing and cleaning 3)Restructuring of the town	Coghlain - Stolom Dutywa Dutywa	Infrastructure LED Infrastructure	Transport Municipality Municipality
Gatyana	1)Tar road 2) Upgrading of Sewerage System 3) Taxi Rank	Willowvale – Kob Inn Willowvale Willowvale	Infrastructure Infrastructure Infrastructure	Department of Transport ADM Municipality
Xhorha	1) Upgrading of Sewerage System 2) Multipurpose Centre 3)Tar road	Xhorha Mantintiza Lutubeni - Zitulele	Infrastructure Infrastructure Infrastructure	ADM Municipality Department of Transport

GREAT KEI LM

Ward/ Community Needs

Ward	Priorities
1	<ol style="list-style-type: none"> 1. Tuba Community Hall 2. Jongilanga internal street 3. Nokhala internal street 4. Tuba internal street 5. Empolweni access road 6. Land for settlement 7. Houses 8. Water for Empolweni area 9. Jongi langa community hall 10. maintenance of breakfontein road 11. dipping tank 12. Access road to Tuba 13. Houses 14. Ntushu – Ntushu – Land for settlement. <p>Addition of Water taps from old village</p>
2	<ol style="list-style-type: none"> 1. Gwaba Community Hall 2. Houses 3. Internal streets – Zozo/ Gwaba 4. Water taps
3	<ol style="list-style-type: none"> 1. Water – Slatsha, Ncalukeni, Slatsha, Makazi, Ngxingxolo 2. Halls – Lusizizni, Slatsha, Magrangxeni, Ngxingxolo, Makazi

	3. Internal streets: Makazi, Ncalukeni, Slatsha, Lusizizni, angxeni, Dipini, Chefane, Ngxingxolo 4. Electricity – Magrangxeni
4	1. Soto soccer pitch 2. Internal streets (all Villages) 3. Access roads (all villages) 4. Road MN10268 (black surface) 5. Fencing of grazing land (two farmers @Soto) 6. Internal Streets for new extension (Mzwini&Lusana) 7. Land for settlement (Soto,Belekumntwana&Mzwini) 8. Dipping tank (Mzwini) 9. High most rights (Mzwini&Soto) 10. Creche (Belekumntwana& Lusasa) 11. Filling of the Dam (Mzwini) 12. Houses 13. Fencing of ploughing fields of Mzwini.
	1. Roads 2. Internal street 3. Soccer play grounds 4. Fencing of reservoir 5. Fencing of grazing land 6. filling of the dam @ Siviwe 7. Cleaning of drains @ Siviwe 8. Numbering of street names @ Siviwe 9. Speed humps@ Mandela main road 10. Creche @ Siviwe 11. Playland @ Siviwe

NKONKOBÉ LM

Infrastructure:

- Tarring, paving and gravelling of municipal roads in 6 Wards [4, 6, 8, 12, 21] of the Municipality
- Community amenities: Community Halls, Sports-fields and Day Care Centre
- Rural housing in most wards and rectification of three housing project in three wards

Electricity:

- Electrification of villages in 14 Wards [1,2,4,7,8,9,10,11,12,14,16,17,18]
- Installation of high mast lights in 7 Wards [3, 4, 6, 8, 16, 20, 21]

Water and Sanitation:

- Sanitation in most villages in the 10 Wards [4, 5, 7, 9, 10, 14, 15, 16, 17, 18]

LED and Environment

- SMME and Cooperative Development
- Agriculture
- Tourism
- Job creation \

NO.	KEY ISSUE / NEED	CAUSE	EFFECT	INTERVENTION
1	Infrastructure: Roads and storm water and community facilities.	Bad roads and lack of community amenities.	Hinder access to schools, clinics and SMME production cannot reach markets.	Paving, tarring and gravelling of municipal roads and SLA with Department of Public Works and Roads for provincial and ADM for district roads. Building of community halls, sports fields etc.
2	LED and Environment	Lack of job opportunities, Lack of agricultural inputs and access to start-up capital.	Poverty, unemployment and food insecurity	Job creation initiative, agricultural support, access to start-up capital. Development and support for SMME and Cooperatives
3	Electricity	Backlog of households without electricity and street lights	High crime rate and no access to electricity	Engage ESKOM and Department of Energy
4	Human settlement and Sanitation	No rural housing development in villages, no toilets	Lack of quality houses and unhealthy life due to non-availability of sanitation services in village	Implementation of rural housing project and installation of toilets in villages Engage Department of Human Settlements and Amathole District Municipality
5	Waste Management in rural areas.	No refuse removal/collection in rural areas.	Illegal dumping sites, damage to the environment and unhygienic living conditions	Development of Waste Recycling Cooperative in villages. Capacity building of Waste Management Department; staff and vehicles and equipment. Establishment and Registration of Dumping sites in rural areas

CHAPTER 4: DEVELOPMENT OBJECTIVES AND STRATEGIES

INTRODUCTION

The Institutional Strategic Planning session conducted on 20 – 23 February 2013 confirmed the following strategic goals and objectives for the five key performance areas:

KPA 1 - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPEMNT

Strategic Goal: Improve organizational cohesion and effectiveness

Intended Outcome: Improved organizational stability and sustainability

Strategic Objectives

- Ensure ADM performs optimally in all its assigned powers and functions by 2017
- To attract, retain, build capacity and maximise utilization of ADM human capital by 2017
- Ensure integrated development of new and review of existing sector plans, policies and by-laws by 2017
- To promote and enhance internal and external communication by 2017
- Ensure integrated and responsive ICT function by 2017
- To enhance institutional capacity to plan and implement services effectively and efficiently by 2017
- Ensure coherent functional and effective satellite offices by 2017
- To ensure ADM has a fully operational and effective Fleet Management function by 2017

KPA 2- SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

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

Strategic Objectives

- Provision of adequate, potable and sustainable water services infrastructure by 2018
- Provision of sustainable and environmentally friendly sanitation and services to all communities by 2018
- To ensure reduction of the prevalence of communicable diseases by 2017
- Facilitate Sustainable coordination of disaster relief and response by 2017
- Ensure that solid waste is managed in an integrated, environmentally friendly and sustainable manner throughout ADM by 2017
- All households to have access to public transport facilities, within 2km walking distance by 2022
- Ensure successful roll out of building services programs
- Facilitate development of sustainable and viable settlements by 2014
- Ensure efficient and effective procurement of goods and services by 2017

KPA 3- LOCAL ECONOMIC DEVELOPMENT

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

Intended Outcome: Improved municipal economic viability

Strategic Objectives

- To promote holistic sustainable regional economic development by 2030
- To promote compliance with the Municipal Health Legislation within ADM by 2017

KPA 4- MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

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

Strategic Objectives

- To ensure 43% recovery of costs incurred to provide water and sanitation services by 2017
- To increase internal and external project spending to 100% of projected expenditure by 2017
- To improve collection rate on water and sanitation services to 60% by 2017
- To ensure ADM Assets are adequately managed and monitored by 2017
- To obtain 100% funding to perform all unfunded mandates, including operational costs
- To ensure reduction of travelling costs and of efficiency by 2017

KPA 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.

Strategic Objectives

- To ensure clean and accountable governance in the district by 2017
- To facilitate coordination, cooperation and joint planning between the spheres of government by 2017
- To promote learning and sharing, both domestically and internationally by 2017
- Mainstreaming of Special programmes into ADM programmes by 2017
- To ensure a district-wide coordination of integrated planning, implementation, monitoring and evaluation by 2017
- To ensure that Local Municipalities are empowered to render services that are within their powers and functions by 2017
- To promote effective communication of ADM's business to its stakeholders by 2017
- To deepen local democracy through community participation by 2017

The following tables provide a detailed breakdown of objectives that indicate what the district municipality can reasonably achieve within the available resources, as well as strategies and programmes that provide the concrete interventions that the district municipality will implement to attain its objectives:

4.1 KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Establishment Plan	Ensure ADM performs optimally in all its assigned powers and functions by 2017	MTI 1	Implementation of the outcomes of the Business Engineering Study	% Implementation of the outcomes of the Business Process Re-Engineering Study	MTI 1:1	Quarterly reports	Organogram that is in line with the IDP	60%	100%	-	-	Director Corporate Services
Human Resource and Administration	To attract, retain, build capacity and maximise utilization of ADM human capital by 2017	MTI 2	Implementation of the Retention Strategy	No. of Implemented programs per retention strategy implementation plan	MTI 2:1	Quarterly reports	8 Retention Strategy programs	2 Retention Strategy programs	3 Retention Strategy programs	3 Retention Strategy programs	3 Retention Strategy programs	Director Corporate Services
			Development of the Human Resources Plan	Human Resource Plan submitted to Council for approval	MTI 2:2	Quarterly reports	Nil	HR Plan submitted to Council for approval	Implementation of the Human Resources Plan	Implementation of the Human Resources Plan	Review of the Human Resource Plan	Director Corporate Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Implementation of the Workplace Skills Plan	No. of training interventions conducted for Councillors and officials in line with Workplace Skills Plan	MTI 2:3	Quarterly reports	3 Workplace Skills Plan training interventions	25 Training interventions	30 Training interventions for Councillors and Officials in line with WSP	35 Training interventions for Councillors and Officials in line with WSP	35 Training interventions for Councillors and Officials in line with WSP	Director Corporate Services
			Implementation of the Human Resources Development Strategy	No. of programs implemented per Human Resources Development Strategy	MTI 2:4	Quarterly reports	8 HRD programs (learnership)	2 HRD Strategy Programs	2 HRD Strategy programs	2 HRD Strategy programs	2 HRD Strategy programs	Director Corporate Services
			Implementation of the Employment Equity Plan	No. of programs implemented per Employment Equity Plan	MTI 2:5	Quarterly reports	Approved Employment Equity Plan	2 EEP programs	2 EEP programs	2 EEP programs	2 EEP programs	Director Corporate Services
			Implementation of the Occupation	No. of programs implemented per Health,	MTI 2:6	Quarterly reports	Approved Health, Safety and Wellness	2 Health, Safety and Wellness Strategy	2 Health, Safety and Wellness Strategy	2 Health, Safety and Wellness Strategy	2 Health, Safety and Wellness Strategy	Director Corporate Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			al Health, Safety and Wellness Strategy	Safety and Wellness Strategy			Strategy	programs	programs	programs	programs	
			Development of the Labour Relations Strategy	Labour Relations Strategy submitted to Council for approval	MTI 2:7	Quarterly reports	Labour Relations Diagnosis Report	Labour Relations Strategy submitted to Council for approval	Implementation of Labour Relations Strategy	Implementation of Labour Relations Strategy	Review of Labour Relations Strategy	Director Corporate Services
Sectoral planning, policies and by-laws	Ensure integrated development of new and review of existing sector plans, policies and by-laws by 2017	MTI 3	Development and review of Institutional Sector Plans and Strategies in line with the Spatial Development Framework	No. of developed and reviewed sector plans submitted to Council for approval	MTI 3:1	Quarterly Sector Plan coordination reports		9R H&P 15R LED 1N LED 3R ENG 3D HR 2R BTO 1D ENG	Developed and Reviewed sector plans submitted to Council for approval	Reviewed sector plans submitted to Council for approval	Reviewed sector plans submitted to Council for approval	All Directors
			Development and review of Council	No. of developed and reviewed	MTI 3:2	Quarterly reports	Existing Policies	3R H&P 1R LED 1N ENG 1R ENG	Developed and reviewed policies	Developed and reviewed policies	Developed and reviewed policies	All Directors

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Policies	policies				5R CS				
			Development and review of Council By-Laws	No. of developed and reviewed by-laws	MTI 3:3	Quarterly reports	Existing by-laws	3R H&P 1R ENG 2R BTO	Developed and reviewed by-laws	Developed and reviewed by-laws	Developed and reviewed by-laws	H&P/ENG Directors & CFO
Communication	To promote and enhance internal and external communication by 2017	MTI 4	Implementation of the Communications Strategy	No. of programs implemented as per Communications Strategy	MTI 4:1	Quarterly reports	Quarterly reports	12 Editorial and 12 Adverts	3 Communication programs (Editorial, Adverts & Community radio)	3 Communication programs	3 Communication programs	Director Strategic Planning and Management
Information and Communication Technology	Ensure integrated and responsive ICT function by 2017	MTI 5	Alignment of the ICT Strategy to ADM Business Strategies	No. of programs implemented as per ICT Master Plan	MTI 5:1	Quarterly reports	ICT Master Plan	3 ICT programs	3 ICT programs	3 ICT programs	3 ICT programs	Director Strategic Planning and Management
			Implementation of enterprise wide business continuity	No. of departmental business continuity plans implemented	MTI 5:2	Quarterly reports	Departmental Business Continuity Plans	7 departmental business continuity plans	7 departmental business continuity plans	7 departmental business continuity plans	7 departmental business continuity plans	7 departmental business continuity plans

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			plan									
			Mainstreaming and integration of GIS with other information management systems	No. of programs implemented as per GIS Strategy	MTI 5:3	Quarterly reports	GIS Strategy and GIS shared services	3 GIS programs	3 GIS programs	3 GIS programs	3 GIS programs	Director Strategic Planning and Management
			Establishment of an information centre to manage consumer and service information	Fully developed and equipped information centre	MTI 5:4	Quarterly progress reports	Approved organogram	Developed Business processes for information centre	Developed policies and procedures	Functional appropriate software	Fully staffed and equipped information centre	Chief Financial Officer
Research and Development	To enhance institutional capacity to plan and implement services effectively and	MTI 6	Establishment of a fully fledged Policy and Research Unit	Established Policy & Research Unit	MTI 6:1	Quarterly reports	nil	Established function	Appointment of staff	Fully fledged function	-	Director: Legislative and Executive Support Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
	efficiently by 2017											
Management of Satellite Offices	Ensure coherent functional and effective satellite offices by 2017	MTI 7	Implementation of the Integrated Model for ADM satellite offices	% Implementation of the Integrated Model for satellite offices	MTI 7:1	Quarterly reports	Approved Integrated Model for Satellite Offices	60%	100%	-	-	Director Corporate Services
Fleet Management	To ensure ADM has a fully operational and effective Fleet Management function by 2017	MTI 8	Implementation of Fleet Management Policies and procedures	% Implementation of fleet management policies and procedures	MTI 8:1	Quarterly reports	Approved Fleet Management Policy and Procedures	implementation	Review	implement	100%/fully operational	Director Corporate Services
			Develop a cost effective approach to effective utilization of ADM fleet	No. of programs implemented towards cost effective approach to utilization of ADM fleet	MTI 8:2	Quarterly reports	0	Roll-out workshops	Policy review workshops	Roll-out workshop	Fully operational	Director Corporate Services

4.1.1 KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT PROPOSED PROJECTS

IDP KPI CODE	DEPT	PROJECT TITLE	FUNDING ALLOCATION		
			<i>Internally</i>	<i>Externally</i>	<i>MIG</i>
	Corporate Services	Development of a Human Resources Plan	500 000		
	Corporate Services	Implementation of the business re-Engineering study	1 000 000		
	Corporate Services	Implementation of the HRD Strategy	600 000		
	Corporate Services	Development of the Labour Relations Strategy	600 000		
	Corporate Services	Women empowerment programme	600 000		
	Corporate Services	Implementation of the Retention Strategy	600 000		
	Engineering	Water Service development Plan Integrated Waste Management Plan Integrated Transport Plan	900 000		
	Engineering	Yard connection policy	50 000		
	Engineering	Water service by-laws	50 000		
	Engineering	ADM Yard Connections Feasibility Study	600 000		
	Engineering	Water service by-laws			
	Strategic Planning	Implementation of Risk Management Master Plan			
	Strategic Planning	Coordination of Risk Management Processes			
	Strategic Planning	Cadastral Land Audit data maintenance	300 000		
	Strategic Planning	Phase 3 Implementation of GIS Shared Services for ADM and its LMs	1 200 000		
	Strategic Planning	Develop Master Systems Plan	600 000		
	Strategic Planning	Develop IT Governance Framework	800 000		
	Strategic Planning	Develop Enterprise Architecture	500 000		
	Strategic Planning	Enterprise Business Continuity Plan Review	200 000		
	Strategic Planning	Implementation of IT Disaster Recovery Plan	1 500 000		
	Strategic Planning	Implementation of IT Master Strategic Plan	800 000		
	Strategic Planning	Network Infrastructure Upgrade	800 000		
	Strategic Planning	VPN Upgrade	200 000		
	Strategic Planning	Biometrics	450 000		
	Strategic Planning	Review of IT DRP/BCP	200 000		
	Strategic Planning	SAN Upgrade	1 000 000		
	Strategic Planning	Implementation of Audits & Risks Assessments	250 000		

	Strategic Planning	Investigation of an integrated business system	500 000		
	Strategic Planning	Server Rooms Upgrade	700 000		
	Strategic Planning	Translation of ADM publications and documents	400 000		
	Strategic Planning	Video packaging of communication events	400 000		
	Strategic Planning	IT Support to Local Municipalities	R1.2 Million		
	Strategic Planning	Planning & Roll-out of Mobile Web Initiative	800 000		
	Strategic Planning	Development of Content Management Policy	400 000		
	Strategic Planning	IT Support to Local Municipalities	R1.2 Million		
	Health & Protection	Review of Disaster Management Framework	100 000.00		
	Health & Protection	Reviwal of Environmental Pollution Control Plan	Operational		
	Health & Protection	Reviewal of Communicable Diseases Control and Prevention Strategy	Operational		
	Health & Protection	Reviewal of Health Care Risk Waste Management Plan	Operational		
	Health & Protection	Reviewal of Fire Risk Management Plan	Operational		
	Health & Protection	Reviewal of Community Safety Plan	Operational		
	Health & Protection	Reviewal of 7 LM Community Safety Strategies	Operational		
	Health & Protection	Reviewal of 7 LM Disaster Contingency Plans	Operational		
	Health & Protection	Reviewal of Risk and Vulnerability Assessment	Operational		
	Health & Protection	3 MHS Policies	350 000.00		
	Health & Protection	Implementation and enforcement of MHS by-laws; Fire by-law; Disaster Management by-law	N/A		
		HERITAGE COLLECTION, BRANDING AND DEVELOPMENT	200 000		
	LHSED	DEVELOPMENT OF THE COASTAL MANAGEMENT PLAN	500 000		
	LHSED	INTERNAL REVIEW OF THE ENVIRONMENTAL MANAGEMENT PLAN	0		
	LHSED	INTERNAL REVIEW OF AQMP	0		

4.2 KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	CODE	STRATEGY	INDICATOR	CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Water	Provision of adequate, potable and sustainable water services infrastructure by 2018	SDI 1	Implement water resource plans as part of the Water Services Development Plan	No of km of Refurbished of Adelaide canal	SDI 1:1	Quarterly Report	1km of canal refurbished and site clearance	Investigation & progress report on the remaining 5km of Adelaide refurbishment Canal.	Implementation of the Adelaide canal	5km of Adelaide canal refurbished / completed	-	Director Engineering
			Account for all water abstracted and supplied in the district	No of towns and schemes with zone metering	SDI 1:2	Quarterly Report	Quarterly Water Balance Report (WTW's only)	116 Schemes	116 Schemes, including zone metering in 5 towns	116 Schemes, including zone metering in 10 towns	116 Schemes including zone metering in 15 towns	Director Engineering
			Improvement of Water Resource Management	Installation and monitoring of water levels in 16 ADM dams	SDI 1:3	Quarterly Report	Weekly estimation report of dam levels	Install water level measuring infrastructure on 16 ADM dams	Quarterly reports on water levels	Quarterly reports on water levels	Quarterly reports on water levels	Director Engineering
			Eradicate water backlogs	No of household with new water connection	SDI 1:4	Quarterly report	200 901 Households	6026 HH	6629 HH	7292 HH	8021HH	Director Engineering

PRIORITY AREA	OBJECTIVE	CODE	STRATEGY	INDICATOR	COD E	MEASURE MENT SOURCE AND FREQUENC Y	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTA BLE OFFICIAL
			Refurbish ment of water infrastru cture	Refurbishme nt Plan submitted to EMC for approval	SDI 1:5	Quarterly report	Dilapidated infrastru ctu re; Comprehen sive asset register	Approved comprehensiv e refurbishment plan	Implement ation of refurbishm ent plan	Implementatio n of refurbishment plan	Implementati on of refurbishmen t plan	Director Engineering
			Upgrading of water infrastru cture	Feasibility study to upgrade the infrastru ctur e within the tourist areas submitted to EMC for approval	SDI 1:6	Quarterly report	WSDP and Master Plans	Feasibility Study submitted to EMC for approval	Upgrade priority infrastru ctu re according to feasibility study	Upgrade priority infrastructure according to feasibility study	Upgrade priority infrastru ctur e according to feasibility study	Director Engineering
			Obtain blue drop status drinking water quality managem ent	% compliance to the blue drop standards	SDI 1:7	Quarterly report	Water Safety Plan – current average score 74.62%	Improved overall blue drop score from 74.62 to 78%	Improved overall blue drop score from 78% to 80%	Improved overall blue drop score from 80% to 82%	Improved overall blue drop score from 82% to 85%	Director Engineering
			Rainwater harvesting	No of house hold with rain water	SDI 1:8	Quarterly report	2 525 HH	400 HH	425 HH	450 HH	500 HH	Director Engineerin g

PRIORITY AREA	OBJECTIVE	CODE	STRATEGY	INDICATOR	CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				tanks								
			Establishment of a Laboratory	Feasibility study to a laboratory submitted to EMC for approval	SDI 1:9	Quarterly report	Testing of water samples outsourced	Feasibility study to a laboratory submitted to EMC for approval	Procure land and begin construction of lab	Complete construction and equip lab	Test own water samples	Director Engineering
Sanitation	Provision of sustainable and environmentally friendly sanitation and services to all communities by 2018	SDI 2	Implement sanitation infrastructure as an alternative to the bucket systems where it still exists	No. of households with Bucket system eradication	SDI 2:1	Quarterly report	5 859 HH	900 HH	-	-	-	Director Engineering
			Eradicate sanitation backlogs utilizing service delivery fast tracking mechanisms	No of household supplied with new VIP Toilets	SDI 2:2	Quarterly report	101 000 HH	14 400 HH	15 840 HH	17 424 HH	19 166 HH	Director Engineering

PRIORITY AREA	OBJECTIVE	CODE	STRATEGY	INDICATOR	COD E	MEASURE MENT SOURCE AND FREQUENC Y	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTA BLE OFFICIAL
			Obtain green drop status - waste water quality management	% compliance to the green drop standards	SDI 2:3	Quarterly report	Waste Water Risk Abatement Plan – current average score 56%	Improve overall green drop score from 56% to 65%	Improve overall green drop score to 70%	Improve overall green drop score to 75%	Improve overall green drop score to 80 %	Director Engineerin g
			Upgrading of sanitation infrastructure	Feasibility study to upgrade infrastructure within tourist areas submitted to EMC for approval	SDI 2:4	Quarterly report	WSDP and Master Plans	Feasibility study to upgrade the infrastructure within the tourist areas EMC for approval	Upgrade priority infrastructure according to feasibility study	Upgrade priority infrastructure according to feasibility study	Upgrade priority infrastructure according to feasibility study	Director Engineerin g
Municipal Health services	To ensure reduction of the prevalence of communicable diseases by	SDI 3	Monitor water and waste water quality compliance on a monthly	No. of drinking water samples taken to determine compliance with SANS	SDI 3:1	Quarterly reports	1420 drinking water samples tested	1437 drinking water samples tested	1450 drinking water samples tested	1460 drinking water samples tested	1470 drinking water samples tested	Director Health & Protection

PRIORITY AREA	OBJECTIVE	CODE	STRATEGY	INDICATOR	COD E	MEASURE MENT SOURCE AND FREQUENC Y	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTA BLE OFFICIAL
	2017		basis	241								
				No. of waste water samples taken to determine compliance with General Authorisation Standards	SDI 3:2	Quarterly reports	180 waste water samples tested	188 waste water samples tested	195 waste water samples tested	205 waste water samples tested	215 waste water samples tested	Director Health & Protection
Fire services	Enhance the provision and standardisation of fire services by 2017	SDI 4	Establish and operationalize legally compliant fire stations in identified areas	2 Fire Satellite Stations established	SDI 4:1	Quarterly reports	0	100 % construction of Hamburg Fire Satellite Station	50 % construction of Butterworth Fire Satellite Station	100 % construction of Butterworth Fire Satellite Station	-	Director Health & Protection and Director: Engineering Services
Disaster Management	Facilitate Sustainable coordination of disaster relief and	SDI 5	Rehabilitation of disaster damages as per Disaster Management	No of LMs with Disaster damaged houses backlogs addressed	SDI 5:1	Quarterly reports	3 LMs backlogs addressed (Ngqushwa, Mnquma and Nkonkobe)	Disaster relief material distributed to 3 LMs	Disaster relief material distributed to 3 LMs	Disaster relief material distributed to LMs	Disaster relief material distributed to LMs	Director Health & Protection

PRIORITY AREA	OBJECTIVE	CODE	STRATEGY	INDICATOR	COD E	MEASURE MENT SOURCE AND FREQUENC Y	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTA BLE OFFICIAL
	response by 2017		nt Framework	56 awareness campaigns conducted in 7 LMs	SDI 5:2	Quarterly report with supporting evidence	48 awareness campaigns conducted in 7 LMs	56 awareness campaigns conducted in 7 LMs	60 awareness campaigns conducted in 7 LMs	66 awareness campaigns conducted in 7 LMs	70 awareness campaigns conducted in 7 LMs	Director Health & Protection
Waste Management	Ensure that solid waste is managed in an integrated, environmentally friendly and sustainable manner throughout ADM by 2017	SDI 6	Implementation of the Integrated Waste Management Plan	No. of solid waste transfer station built	SDI 6:1	Quarterly report	Integrated Solid Waste Management Plan	1 Solid Waste Transfer Station built in Mbhashe	1 Solid Waste Transfer Station built in Nxuba	-	1 Solid Waste Transfer Station built in Nkonkobe	Director Engineering
			Review of the Feasibility Study for the Western Regional Solid Waste Site	Reviewed Feasibility Study for the Western Regional Solid Waste Site submitted to EMC for approval	SDI 6:2	Quarterly reports	Feasibility Study for Eastern and Western Regional Waste Sites	Reviewed Feasibility Study for the Western Regional Solid Waste Site submitted to EMC for approval	Construction of the Regional solid waste site in the western Region.	Completion of the Regional Solid Waste Site in the Western Region.	-	Director Engineering
Transport	All households to have access to public	SDI 7	Implementation of the Integrated Transport	No of Public Transport Facilities provided with	SDI 7:1	Quarterly report	Integrated Transport Plan	Canopies provided to 4 Public Transport Facilities	Implementation of the Integrated Transport Plan	Implementation of the Integrated Transport Plan	Implementation of the Integrated Transport Plan	Director Engineering

PRIORITY AREA	OBJECTIVE	CODE	STRATEGY	INDICATOR	CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
	transport facilities, within 2km walking distance by 2022		Plan	canopies				(Peddie, Butterworths, Elliotdale and Willowvalle)				
				Feasibility Study into the management of Public Transport Facilities submitted to EMC for approval	SDI 7:2	Quarterly report	Integrated Transport Plan and RAMS progress report	Develop database Road Assessment Management System (RAMS)	Feasibility Study into the management of Public Transport Facilities submitted to EMC for approval	Implementation of the outcomes of the Feasibility Study	Implementation of the outcomes of the Feasibility Study.	Director Engineering
Land reform & Human Settlements	Facilitate development of sustainable and viable settlements by 2014	SDI 9	Implementation of the Land Reform and settlement plan	No. of LRSP projects implemented	SDI 9:1	Quarterly reports	4 Projects	LRSP projects implemented	LRSP projects implemented	LRSP projects implemented	LRSP projects implemented	Director Land, Human Settlements and Economic Development
			Provision of engineering services to land	No. of Layout Plans for identified settlements	SDI 9:2	Quarterly reports	Preliminary Investigation and Design reports for	5 Layout plans for Victoria Post, Hertzog, Lewis, Willowvalle,	Detailed Design reports for Victoria Post,	Provision of engineering services to Victoria Post, Hertzog,	-	Director: Engineering

PRIORITY AREA	OBJECTIVE	CODE	STRATEGY	INDICATOR	COD E	MEASURE MENT SOURCE AND FREQUENC Y	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTA BLE OFFICIAL
			reform settlements				Victoria Post, Hertzog, Lewis, Willowvalle and Mboya Settlements	Mboya	Hertzog, Lewis, Willowvalle , Mboya	Lewis, Willowvalle and Mboya Settlements completed		
			Implementation of the housing strategy	No. of Housing Strategy projects implemented	SDI 9:3	Quarterly reports	2 Projects	Housing Strategy projects implemented	Housing Strategy projects implemented	Housing Strategy projects implemented	Housing Strategy projects implemented	Director Land, Human Settlements and Economic Development
Heritage Sites	Develop, conserve and maintain heritage sites by 2017	SDI 10	Implementation of the Heritage Resource Management Strategy	No. of Heritage resource management strategy projects implemented	SDI 10:1	Quarterly reports	3 Projects	3 Heritage Projects	3 Heritage Projects	3 Heritage Projects	3 Heritage Projects	Director Land, Human Settlements and Economic Development
Supply Chain management	Ensure efficient and effective	SDI 11	Monitoring and reporting on	4 Reports to Council on contractual commitment	SDI 11:1	Quarterly reports	Annual SCM reports	4 Reports to Council on performance of contractors	4 Reports to Council on performance of contractors	4 Reports to Council on performance of contractors	4 Reports to Council on performance of	Chief Financial Officer

PRIORITY AREA	OBJECTIVE	CODE	STRATEGY	INDICATOR	COD E	MEASURE MENT SOURCE AND FREQUENC Y	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTA BLE OFFICIAL
	procurement of goods and services by 2017		contractual commitments and performance of service providers	s and performance of service providers					ce of contractors		contractors	
			Enhance the capacity of contractors to deliver on contracts	1 Training workshop with emerging contractors	SDI 11:2	Report to Council	1 Training workshop with emerging contractors	Chief Financial Officer				

4.2.1 KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT PROPOSED PROJECTS

IDP KPI NO.	DEPARTMENT	PROJECT TITLE	FUNDING ALLOCATION		
			<i>Internally</i>	<i>Externally</i>	<i>MIG</i>
	Engineering	Refurbishment of Adelaide Canal	5 000 000		
	Engineering	Water Balance Management	Nil		
	Engineering	Installation and development of water level measuring infrastructure	200 000		
	Engineering	Installation of high level of service per household (Pilot to 2 villages per LM i.e. Amahlathi & Ngqushwa)	1 000 000		

	Engineering	Roll out of various water projects in the district			191 578 000
	Engineering	The Development and Implementation of the refurbishment plan	26 00 000		
	Engineering	Water infrastructure upgrade	300 000		
	Engineering	Implementation of water safety plan	3 000 000		
	Engineering	Rain water harvesting	10 000 000		
	Engineering	Laboratory establishment	3 000 000		
	Engineering	Eradication of bucket system			15 000 000
	Engineering	Roll out of VIP sanitation projects	30 000 000		201 000 000
	Engineering	Implementation of risk abatement safety plan	3 000 000		
	Engineering	Sanitation Infrastructure Upgrade	900 000		
	Engineering	Construction of a transfer station in Mbhashe	1 600 000		
	Engineering	Construction of a transfer station in Nxuba and Nkonkobe	3 200 000		
	Engineering	Feasibility Study Western RSWS	250 000		
	Engineering	Public Transport Facilities and Infrastructure upgrade (Peddie, Butterworths, Elliotdale and Willowvalle).	11 000 000		
	Engineering	Road Assessment Management System (RAMS)		1 732 000	
	Engineering	Feasibility Study for Public Transport Facilities Management	R350 000		
	Engineering	Construction of Fire stations(Health and Safety project)			
	Engineering	Provision of engineering services to Ndlovini Phase 2, (Victoria Post, Hertzog, Lewis, Willowvalle and Mboya Settlements as well as to Kei Road and Wortels Drift farm Settlements).	1 000 000	22 000 000	
	Engineering	Designs for Ndlovini settlement	200 000		
		Rain water harvesting	R10 000 000		
	LHSED	HERITAGE ROUTE DEVELOPMENT	800 000		
	LHSED	CONSERVATION AND REHABILITATION OF HERITAGE SITES	800 000		
	LHSED	ARMED STRUGGLE LIVING MUSEUM	400 000		
	LHSED	RESUSCITATION OF NTABA KA NDODA MONUMENT/ HERITAGE SITE	2 000 000		4 000 000
	LHSED	ELLIOTDALE ZONE PLAN B	350 000.00		
	LHSED	ELUKHANYISWENI ZONE PLAN PLAN	200 000.00		
	LHSED	BEDFORD ZONE PLAN	200 000.00		
	LHSED	CENYULANDS CONSOLIDATION OF LAND	200 000.00		

	LHSED	WESLEY TOWNSHIP REGISTER	200 000.00		
	LHSED	GASELA TOWNSHIP REGISTER	200 000.00		
	LHSED	GASELA TRANSFERS	200 000.00		
	LHSED	MACLEANTOWN COMMONAGE TRANSFER	200 000.00		
	LHSED	LAND SUMMIT	1 200 000.00		
	LHSED	LM HOUSING SECTOR PLAN SUPPORT	100 000.00		
	LHSED	HOUSING STRATEGY TRAINING	200 000		
	LHSED	SOCIAL HOUSING PROJECT	200 000.00		
	LHSED	LRSP FORUM	20 000.00		
	LHSED	SDF SHARED SERVICES	200 000		
	LHSED	LM INSTITUTIONAL LAND REFORM CAPACITY BUILDING	200 000.00		
	LHSED	BODIUM SETTLEMENT PLANNING	228 000.00		
	LHSED	CISIRA SETTLEMENT PLANNING	228 000.00		
	LHSED	BELL SETTLEMENT PLANNING	228 000.00		
	LHSED	CEFANE PLANNING	200 000.00		
	Strategic Planning	Operator training	R150 000.00		
	Strategic Planning	NQF Level 7 LIC training level 5&7	R200 000.00		
	Strategic Planning	Advanced Project management training	R 100 000.00		
	Strategic Planning	Electricity staff workshop	R 100 000.00		
	Strategic Planning	Training on potholes repairs	R 15000 00		
	Strategic Planning	Training for recycling	R 150 000.00		
	Strategic Planning	Electricity management plan x3 LMs	R 600 000.00		
	Strategic Planning	Roads management plan X3LMs	R600 000.00		
	Strategic Planning	Electricity staff workshop	R 200 000.00		
	Strategic Planning	Supervisor training for infrastructure and solid waste sections	R 100 000.00		
	Strategic Planning	Technical assistance(pothole patching, training for machine operators for urban maintenance)	R 200 000.00		
	Strategic Planning	Electrical trade training	R 300 000.00		

	Strategic Planning	Training on civil designer	R500 000.00		
	Strategic Planning	Mentoring program for registration of professionals	R600 000.00		
	Strategic Planning	Advanced project management training	R 150 000.00		
	Strategic Planning	Purchase of civil design for x 5 LMs	R 800 000.00		

4.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Tourism	To promote holistic sustainable regional economic development by 2030	LED 1	Implementation of the Tourism Master Plan	No. of Tourism master plan projects implemented	LED 1:1	Quarterly reports	8 Tourism projects	5 Tourism projects	5 Tourism projects	5 Tourism projects	5 Tourism projects	Director: Land, Human Settlements & Local Economic Development
Heritage			Implementation of the Heritage Management Plan	No of Heritage management plan projects implemented	LED 1:2	Quarterly reports	4 Heritage projects	Director: Land, Human Settlements & Local Economic Development				
Agriculture			Implementation of the Agricultural Development Plan	No. of Agricultural development plan projects implemented	LED 1:3	Quarterly reports	9 Agricultural projects	7 Agricultural projects				

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Environment Management			Implementation of the Integrated Environmental Management Plan	No. of Environmental management plan projects implemented	LED 1:4	Quarterly reports	10 Environmental projects	8 Environmental projects	8 Environmental projects	8 Environmental projects	8 Environmental projects	Director: Land, Human Settlements & Local Economic Development
Enterprise Development			Implementation of Enterprise development strategies	No. of Enterprise development strategies projects implemented	LED 1:5	Quarterly reports	4 Enterprise development strategies projects implemented	8 Enterprise development strategies projects	Director: Land, Human Settlements & Local Economic Development			
Job Creation			Implementation of the Rural Development Strategy	No. of Rural Development Initiatives that have been implemented	LED 1:6	Quarterly reports	0 rural development initiatives projects implemented	Projects as identified in the implementation plan	Director: Land, Human Settlements & Local Economic Development			
			Implementation of EPWP Policy	No. of jobs created through EPWP	LED 1:7	Quarterly reports	1067	1200	1400	1600	1800	All HODs

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Implementation of human resources development strategy learnership program	No. Of jobs created through the HRD Learnerships program	LED 1:8	Quarterly Report	10	12	14	16	18	Director: Corporate Services
Investment promotion			Implementation of Amathole Regional Economic Development Strategy	No. of AREDS projects implemented	LED 1:9	Quarterly reports	3 AREDS projects	Director: Land, Human Settlements & Local Economic Development				
Municipal Health	To promote compliance with the Municipal Health Legislation within ADM by 2017	LED 2	Implementation of Municipal Health Regulations and By-Laws	No. of food handling premises inspected	LED 2:1	Quarterly Report	4 Quarterly reports reflecting premises compliance	Director: Health & Protection				
				No. of sessions conducted to capacitate food	LED 2:2	Quarterly Reports	8 capacity building sessions conducted for food	8 capacity building sessions conducted for food	8 Food handlers capacity building sessions			

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				handlers			handlers	handlers				
				No. of anti-litter campaigns conducted	LED 2:3	Quarterly Report	16 anti-litter campaigns conducted	16 anti-litter campaigns conducted	16 Anti-litter campaigns conducted	16 Anti-litter campaigns conducted	16 Anti-litter campaigns conducted	Director: Health & Protection
				1 Sustainable waste management promotion project	LED 2:4	Quarterly Report	N/A	1 Sustainable waste management promotion project	Director: Health & Protection			

4.3.1 KPA 3 : : LOCAL ECONOMIC DEVELOPMENT PROPOSED PROJECTS

IDP KPI NO.	DEPT.	PROJECT TITLE	FUNDING ALLOCATION		
			<i>Internally</i>	<i>Externally</i>	<i>MIG</i>
	HEALTH & PROTECTION	CAPACITATION OF FOOD HANDLERS	OPERATING		
		ANTI LITTER AWARENESS CAMPAIGNS	OPERATING		
		SUSTAINABLE WASTE MANAGEMENT PROMOTION	1 000 000		

IDP KPI NO.	DEPT.	PROJECT TITLE	FUNDING ALLOCATION		
			<i>Internally</i>	<i>Externally</i>	<i>MIG</i>
	LHSED	HERITAGE RESEARCH AND COLLECTIONS	600 000		
		EARLY AFRICAN INTELLECTUALISM LEGACY	600 000		
		WARS OF LAND DISPOSSESSION-CENTANI WAR MEMORIAL (ANNUAL COMMEMORATION)	800 000		
		IMPLEMENTATION OF BLUE FLAG PROGRAM (HAMBURG AND BIRA)	500 000		
		IMPLEMENTATION OF CLIMATE CHANGE STRATEGY BY IMPLEMENTING TWO MITIGATION PROJECTS 1) WORKING ON WASTE -GREENING OF THE 5 LANDFILL SITES 2) MUNICIPAL GREENING PROJECT (FOR TOWNS AND PUBLIC SPACES)	500 000		
		ALIEN PLANT REMOVAL PROJECT AT ONE LOCAL MUNICIPALITY	400 000		
		IMPLEMENTATION OF ONE AIR QUALITY MANAGEMENT PROJECT	350 000		
		IMPLEMENTATION OF FOUR STATUTORY ENVIRONMENTAL EMPOWERMENT CAMPAIGNS	500 000		
		CAPACITY BUILDING OF ENTERPRISES	500 000		
		NETWORKING PLATFORM FOR ENTERPRISES	1 000 000		
		COOPERATIVES SUPPORT	500 000		
		ENTERPRISE REGULATION AND COMPLIANCE	200 000		
		INFORMAL TRADE SUPPORT	300 000		
		SMME SUPPORT	500 000		

IDP KPI NO.	DEPT.	PROJECT TITLE	FUNDING ALLOCATION		
			<i>Internally</i>	<i>Externally</i>	<i>MIG</i>
		ESTABLISHMENT OF ORGANISED BUSINESS STRUCTURES	100 000		
		ESTABLISHMENT OF COOPERATIVES DEVELOPMENT CENTRE	2 000 000	1.5 000 000	
		ENABLING ENVIRONMENT	500 000		
		LIVESTOCK SERVICES	1 000 000		
		IRRIGATED ENTERPRIZES	1 000 000		
		MECHANISATION AND INPUT SUPPLY	10 000 000		
		FOOD SECURITY	1 000 000		
		COMMUNITY FORESTRY DEVELOPMENT	1 000 000		
		EMERGING FARMER SUPPORT	10 000 000		
		AGRO PROCESSING	1 000 000		
		AQUACULTURE	500 000		
		MARKETING BUREAU	15 000 000		
		ADM TOURISM MARKETING & PROMOTION	8 000 000		
		TOURISM DEVELOPMENT	10 000 000		
		ECONOMIC INTELLIGENCE SYSTEM	500 000		
		EVALUATION OF INVESTOR CONFERENCE PROCESS	500 000		
		SUPPORT FOR LM LED STRATEGY DEVELOPMENT	500 000		
	LED CAPACITY BUILDING	500 000			

IDP KPI NO.	DEPT.	PROJECT TITLE	FUNDING ALLOCATION		
			<i>Internally</i>	<i>Externally</i>	<i>MIG</i>
		IMPACT ASSESSMENT OF LED PROJECTS	500 000		

4.4 KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Cost recovery	To ensure 43% recovery of costs incurred to provide water and sanitation services by 2017	MFV 1	Implement a costing model for ADM services.	Proposed tariffs for 4 services (Water, Sanitation, Fire & Disaster, Municipal Health)	MFV 1:1	Quarterly reports	Water tariffs @ R20	Proposed tariffs for 4 services (Water, Sanitation, Fire & Disaster, Municipal Health)	Reviewed tariffs	Reviewed tariffs	Reviewed tariffs	Chief Financial Officer
				Amount of free basic services costing per annum excluding losses	MFV 1:2	Quarterly reports	23% costs inclusive of losses	Amount of free basic services costing per annum	Develop and implement a free basic service policy	Implement FBS Policy	Implement FBS Policy	Chief Financial Officer
				4kl subsidized to indigent	MFV 1:3	Quarterly reports	2500 Indigent consumers	4kl subsidized to indigent	Reviewed indigent subsidies	Reviewed indigent subsidies	Reviewed indigent subsidies	Chief Financial Officer

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				consumers over and above 6kl Free basic services				consumers over and above 6kl Free basic services				
			Expansion of billable water consumers to all households in the district	% billing of metered households	MFV 1:4	Quarterly	97%	98%	99%	100%	100%	Engineering
			Pilot household yard connections in rural water schemes that have sufficient water capacity	No of villages piloted with yard connections	MFV 1:5	Quarterly report	Illegal connections in rural areas	Pilot 2 villages in Ngqushwa and Amahlathi yard connections to illegal connected HH	Implement household connections in rural areas in Ngqushwa and new schemes	Implement Household connections in rural areas in Amahlathi and new schemes	Review policy on yard connections for rural areas and roll out throughout district as per policy	Engineering
Project spending	To increase internal and	MFV 2	Improve quality assessment	% Reduction in the cancelled	MFV 2:1	Quarterly reports		50% reduction	75% reduction	90% reduction	100% reduction	Chief Financial Officer

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
	external project spending to 100% of projected expenditure by 2017		on tender proposals and bid reports	and terminated contracts								
			Accelerated plan for service delivery projects	Average turn a round time in awarding contracts after closing date	MFV 2:2	Quarterly reports		50 Days	45 Days	40 Days	30 Days	Chief Financial Officer
			Implementation of the Projects Delivery Improvement Plan	% internally and externally funded projects business plans assessed and approved	MFV 2:3	Quarterly reports	70%	100%	100%	100%	100%	All Directors
			Monitoring of variance on actual against projected project expenditure	Establishment of the Institutional Projects Management Unit	MFV 2:4	Quarterly reports	nil	Established IPMU function	Staffing	Fully fledged IPMU function	-	Municipal Manager
			Spending not	MFV	Quarterly	80%	Spending	Spending not	Spending not	Spending not	Spending not	All HODs

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				less than 80% of departmental projected budget	2:5	expenditure reports		not less than 80% of departmental projected budget	less than 85% of departmental projected budget	less than 90% of departmental projected budget	less than 95% of departmental projected budget	
Revenue Enhancement	To improve collection rate on water and sanitation services to 60% by 2017	MFV 3	Piloting of the electronic meter technology	No. of Households with electronic meters	MFV 3:1	Quarterly reports		Roll out of electronic meters to 300 households in Stutterheim	Roll out of electronic meters to 1000 households in Amahlathi	Roll out of electronic meters to 1000 households in Ngqushwa	Roll out of electronic meters to 1000 households in Mnquma	Director: Engineering
			Implementation of Credit Control and Indigent Policies	60% total collection on outstanding debts	MFV 3:2	Quarterly report		48% total collection on outstanding debts	55% total collection on outstanding debts	60% total collection on outstanding debts	60% total collection on outstanding debts	Chief Financial Officer

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Asset Management	To ensure ADM Assets are adequately managed and monitored by 2017	MFV 4	Implementation of an Integrated Asset Management Information System	Automated Asset Register	MFV 4:1	Quarterly reports	Manual Asset Register in place	Procure and testing of the software	Automated Asset Register	Automated Asset Register	Automated Asset Register	Chief Financial Officer
			Tracking of infrastructure assets component	All critical above ground assets tagged	MFV 4:2	Quarterly reports	Allocated unique codes in the Asset Register	Tagged infrastructure components with allocated asset register codes	Tagged infrastructure components with allocated asset register code	Tagged infrastructure components with allocated asset register code	Tagged infrastructure components with allocated asset register code	Chief Financial Officer
Unfunded mandates	To obtain 100% funding to perform all unfunded mandates, including operational costs	MFV 5	Lobby for alternative funding to implement unfunded mandates	100% funding received for unfunded mandates	MFV 5:1	Quarterly reports	5 unfunded mandates currently	20% funding received for unfunded mandates	60% funding received for unfunded mandates	80% funding received for unfunded mandates	100% funding received for unfunded mandates	Chief Financial Officer

PRIORITY AREA	OBJECTIVE	OBJECTIVE CODE	STRATEGY	INDICATOR	INDICATOR CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Travelling Costs	To ensure reduction of travelling costs and of efficiency by 2017	MFV 6	Establishment of a travelling desk	Established travelling desk	MFV 6:1	Quarterly report	nil	Developed travelling business model	Fully fledged travelling desk	-	-	Director: Strategic Planning & Management

4.4.1 KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT PROPOSED PROJECTS

IDP KPI NO.	DEPARTMENT	PROJECT TITLE	FUNDING ALLOCATION		
			<i>Internally</i>	<i>Externally</i>	<i>MIG</i>
	BTO	Property Evaluation	800 000		
	BTO	Tariff Setting Model	300 000		
	BTO	Asset Management System	2 000 000		
	BTO	Service Coverage			
	BTO	Infrastructure Asset Management Support			
	BTO	Moveable Assets Labelling			
	BTO	Virtual Store Concept	500 000		
	BTO	High Level Financial Support	4 320 000		

4.5 KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ ODE	STRATEGY	INDICATOR	IND CODE	MEASUR EMENT SOURCE AND FREQUE NCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTAB LE OFFICIAL
Governanc e	To ensure clean and accountabl e governance in the district by 2017	GGP 1	Provide assurance and consulting services on matters relating to Governanc e processes, Risk Managem ent and Internal Controls	Development of the Audit Plan	GGP 1:1	Quarterl y reports	12/13 Audit Plan	13/14 Audit Plan	14/15 Audit Plan	15/16 Audit Plan	16/17 Audit Plan	Municipal Manager
				Financial statements compliant with MFMA and GRAP submitted to Auditor-General by 31 st August annually	GGP 1:2	Item to Council and acknowl edgemen t of receipt by Provincia l Treasury and Auditor-General	11/12 audited AFS	12/13 AFS	13/14 AFS	14/15 AFS	15/16 AFS	Chief financial officer
				Section 71 & 72 reports submitted to Provincial & National Treasuries	GGP 1:3	Monthly and Annual reports	Section 71 & 72 reports	Section 71 & 72 reports	Section 71 & 72 reports	Section 71 & 72 reports	Section 71 & 72 reports	Section 71 & 72 reports

PRIORITY AREA	OBJECTIVE	OBJ ODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				SCM quarterly and annual report submitted to Council for Oversight	GGP 1:4	Item to Council	SCM quarterly and annual report submitted to Council	SCM quarterly and annual report submitted to Council	SCM quarterly and annual report submitted to Council	SCM quarterly and annual report submitted to Council	SCM quarterly and annual report submitted to Council	Chief Financial Officer
			Coordinate functioning of Council oversight structures	Reviewed Terms of Reference submitted to Council for approval	GGP 1:5	Quarterly reports	Existing Terms of reference	Reviewed Terms of Reference submitted to Council for approval	Sitting of Council oversight structures	Sitting of Council oversight structures	Sitting of Council oversight structures	Director: Legislative & Executive Support Services
				No. of Training programs conducted	GGP 1:6	Half yearly reports		2 Training programs conducted	2 Training programs conducted	2 Training programs conducted	2 Training programs conducted	Director: Legislative & Executive Support Services
			Provide ongoing training for Committees	Annual evaluation of council structures	GGP 1:7	Annual report	None	Annual evaluation of council structures	Annual evaluation of council structures	Annual evaluation of council structures	Annual evaluation of council structures	Director: Legislative & Executive Support Services
			Develop quality assurance	4 Training programs for 4 Council	GGP 1:8	Quarterly reports	nil	4 Training programs for Council	4 Training programs for Council	4 Training programs for Council	4 Training programs for Council	Director: Legislative & Executive

PRIORITY AREA	OBJECTIVE	OBJ ODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			mechanisms to monitor and evaluate effectiveness of Council	support staff				support staff	support staff	support staff	support staff	Support Services
				Submission of 4 quarterly Council resolutions to 7 LMs	GGP 1:9	Council minutes		Submission of 4 quarterly Council resolutions to 7 LMs	Submission of 4 quarterly Council resolutions to 7 LMs	Submission of 4 quarterly Council resolutions to 7 LMs	Submission of 4 quarterly Council resolutions to 7 LMs	Director: Legislative & Executive Support Services
			Implementation of the Risk Master Plan	No. of programs implemented as per Risk Master Plan	GGP 1:10	Quarterly	Risk Master Plan	Year 1 programs	Year 2 programs	Year 3 programs	Year 3 programs	Director: Strategic Planning & Management
				No. of consolidated risk management report submitted to Risk Management Committee	GGP 1:11	Quarterly report		4 Consolidated risk management report submitted to Risk Management Committee	4 Consolidated risk management report submitted to Risk Management Committee	4 Consolidated risk management report submitted to Risk Management Committee	4 Consolidated risk management report submitted to Risk Management Committee	Director: Strategic Planning & Management
			Development of a guiding	Developed guiding framework	GGP 1:12	Quarterly report	First draft legal register per	Draft Legal register per department	Draft Legal register per department pertaining to	Draft Legal register per department pertaining to	Legal Register approved and reviewed by	Municipal Manager

PRIORITY AREA	OBJECTIVE	OBJ ODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			framework for legislative compliance requirements	for legislative compliance requirements and submitted to EMC for approval			department for Section 56 Managers	t pertaining to Senior Managers	Middle Managers	all staff	Council	
			Conduct legal compliance audit	Compliance audit reports submitted to EMC annually	GGP 1:13	Quarterly reports	Nil	High level compliance audits per department	Compliance audits per department	Compliance legal audits per business units	Compliance legal audits per business units	Municipal Manager
			Setting up of the By law enforcement function	Established functional By-law Unit	GGP 1:14	Quarterly reports	Draft By law implementation plan	By law implementation plan approved by Council. Establishment of the By-Law enforcement Unit	Implementation of by-law implementation plan through the By Law enforcement Unit	Implementation of by-law implementation plan through the By Law enforcement Unit	Implementation of by-law implementation plan through the By Law enforcement Unit	Municipal Manager
Inter-government	To facilitate coordinatio	GGP 2	Strengthen IGR	No. of functional	GGP 2:1	Quarterly reports	2 Functional	2 Functional	2 Functional IGR	1 Functional IGR	-	Director: Strategic

PRIORITY AREA	OBJECTIVE	OBJ ODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL	
International Relations and International Relations	Cooperation, cooperation and joint planning between the spheres of government by 2017		structures within Amathole area of jurisdiction	IGR structures at Local Municipalities			(Mnquma & Nkonkobe)	IGR structures	structures	structure		Planning & Management	
				4 IGR technical and 4 IGR Political Meetings	GGP 2:2	Quarterly reports	4 IGR technical and 4 IGR Political Meetings	4 IGR technical and 4 IGR Political Meetings	4 IGR technical and 4 IGR Political Meetings	4 IGR technical and 4 IGR Political Meetings	4 IGR technical and 4 IGR Political Meetings	4 IGR technical and 4 IGR Political Meetings	Director: Strategic Planning & Management
	To promote learning and sharing, both domestically and internationally by 2017	GGP 3	Develop International Relation policy as per SALGA guidelines	Developed IR Policy submitted to Council for approval	GGP 3:1	Quarterly reports	Developed IR Policy submitted to Council for approval	Implementation of IR Policy	Director: Strategic Planning & Management				
				Development, Review and resuscitation of Memorandum of Understandings	No. of existing MOUs resuscitated	GGP 3:2	Quarterly reports	5 MoUs	2 MoUs resuscitated	2 MoUs resuscitated	2 MoUs resuscitated	2 MoUs resuscitated	2 MoUs resuscitated
				No. of new MoUs established	GGP 3.3	Quarterly report	Fort Cox Agricultural College	1 MoU established	1 MoU established	1 MoU established	1 MoU established	Director: Strategic Planning & Management	

PRIORITY AREA	OBJECTIVE	OBJ ODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Develop a monitoring system for the MOUs	No. of technical committees established for each MoU	GGP 3:4	Quarterly reports	nil	2 MoU Technical Committees	2 MoU Technical Committees	2 MoU Technical Committees	2 MoU Technical Committees	Director: Strategic Planning & Management
Special programs	Mainstreaming of Special programmes into ADM programmes by 2017	GGP 4	Implemented programmes as per approved SPU Strategy	No of implemented Special programs Strategy	GGP 4:1	Quarterly reports	Special programs Strategy	No of implemented Special programs Strategy	No of implemented Special programs Strategy	No of implemented Special programs Strategy	No of implemented Special programs Strategy	Director: Legislative & Executive Support Service
				No of implemented District Sport Development Strategy	GGP 4:2	Quarterly reports	District Sport Development Strategy	No of implemented District Sport Development Strategy	No of implemented District Sport Development Strategy	No of implemented District Sport Development Strategy	No of implemented District Sport Development Strategy	Director: Legislative & Executive Support Service
			Institutionalization of Special Programs in all departments (HIV, MRM, Youth, Women,	6 Departmental road-shows conducted on mainstreaming of special programs	GGP 4:3	Quarterly report	Special programs mainstreaming plan	6 Departmental road-shows conducted on mainstreaming of special programs	Implementation of the Special programs mainstreaming plan	Implementation of the Special programs mainstreaming plan	Implementation of the Special programs mainstreaming plan	Director: Legislative & Executive Support Service

PRIORITY AREA	OBJECTIVE	OBJ ODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL	
			etc.)										
Integrated planning, monitoring and evaluation	To ensure a district-wide coordination of integrated planning, implementation, monitoring and evaluation by 2017	GGP 5	Coordinate development and alignment of the IDP, SDBIP and budget integration	Integrated Development Plan submitted to Council for approval	GGP 5:1	Draft & Final IDP reports to Council annually	Approved 13/14 IDP submitted to Council for approval	14/15 IDP submitted to Council for approval	15/16 IDP submitted to Council for approval	16/17 IDP submitted to Council for approval	17/18 IDP submitted to Council for approval	Director: Strategic Planning & Management	
				Budget & Adjustment budget submitted to Council for approval	GGP 5:2	Draft & Final Budget reports to Council annually	Approved 13/14 Budget	14/15 Budget submitted to Council for approval	15/16 Budget submitted to Council for approval	16/17 Budget submitted to Council for approval	17/18 Budget submitted to Council for approval	Chief Financial Officer	
				Strengthening of the District Planning Forum	No. of district planning forum initiatives held	GGP 5:3	Quarterly reports	District Planning Forum	4 District planning forum initiatives	4 District planning forum initiatives	4 District planning forum initiatives	4 District planning forum initiatives	Director: Strategic Planning & Management
				Establishment of joint technical project structures	No. of established joint technical project structures	GGP 5:4	Quarterly reports	0	1 Joint technical project structure	1 Joint technical project structure	1 Joint technical project structure	1 Joint technical project structure	Director: Strategic Planning & Management
				Coordinate performance	4 Quarterly organisational	GGP 5:5	Quarterly	Approved Service	4 Organisation	4 Organisation	4 Organisation	4 Organisational	Director: Strategic

PRIORITY AREA	OBJECTIVE	OBJ ODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			ce reporting, monitoring and evaluation	l performance assessment reports		performance assessment reports	Delivery & Budget Implementation Plan	nal performance assessment reports	al performance assessment reports	al performance assessment reports	performance assessment reports	Planning & Management
				4 Quarterly Individual performance assessment reports	GGP 5:6	Quarterly performance assessment reports	Approved Performance Management Framework	4 Individual performance assessment reports	Director: Strategic Planning & Management			
				70% achievement in each key performance area in all 4 quarters	GGP 5:7	Quarterly performance assessment reports	Approved Service Delivery & Budget Implementation Plan	70% achievement in each KPA	70% achievement in each KPA	75% achievement in each KPA	80% achievement in each KPA	ALL HODs
				Mid-year performance assessment report submitted to Council	GGP 5:8	Mid-year performance report to Council annually	12/13 Mid-year performance assessment report	13/14 Mid-year performance assessment report	14/15 Mid-year performance assessment report	15/16 Mid-year performance assessment report	16/17 Mid-year performance assessment report	Director: Strategic Planning & Management

PRIORITY AREA	OBJECTIVE	OBJ ODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL	
				Annual report submitted to Council	GGP 5:9	Annual report submitted to Council annually	Approved 11/12 Annual report	12/13 Annual report	13/14 Annual report	14/15 Annual report	15/16 Annual report	Director: Strategic Planning & Management	
			Review of the Performance Management Framework	Reviewed PM Framework submitted to Council for approval	GGP 5:10	PM Framework report to Council annually	Approved PM Framework	Reviewed PM Framework submitted to Council for approval	Reviewed PM Framework submitted to Council for approval	Reviewed PM Framework submitted to Council for approval	Reviewed PM Framework submitted to Council for approval	Director: Strategic Planning & Management	
Support to LM's	To ensure that Local Municipalities are empowered to render services that are within their powers and functions by 2017	GGP 6	Implement Municipal Support Empowerment and Capacity Building Programs to Local Municipalities	Finance support initiatives towards clean Audit	GGP 6:1	Quarterly reports	1 Finance support initiatives	2 Finance support initiatives	2 Finance support initiatives	2 Finance support initiatives	2 Finance support initiatives	Director: Strategic Planning & Management	
				Land and Human Settlements support initiatives	GGP 6:2	Quarterly reports	3 LHS support initiatives	2 LHS support initiatives	2 LHS support initiatives	2 LHS support initiatives	2 LHS support initiatives	2 LHS support initiatives	Director: Strategic Planning & Management
				Build	GGP	Quarterly	1 IDP/PMS	1 Planning,	1 Planning,	1 Planning,	1 Planning,	1 Planning,	Director:

PRIORITY AREA	OBJECTIVE	OBJ ODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				capacity of LMs on planning, monitoring and evaluation	6:3	y reports	support initiative	monitoring & evaluation support initiative	monitoring & evaluation support initiative	monitoring & evaluation support initiative	monitoring & evaluation support initiative	Strategic Planning & Management
				Engineering support initiatives and 6 training sessions conducted	GGP 6:4	Quarterly reports	9 Engineering support initiatives	6 Engineering support initiatives	6 Engineering support initiatives	6 Engineering support initiatives	6 Engineering support initiatives	Director: Strategic Planning & Management
				Corporate Services support initiatives	GGP 6:5	Quarterly reports	6 Corporate Services support initiatives	6 Corporate Services support initiatives	6 Corporate Services support initiatives	6 Corporate Services support initiatives	6 Corporate Services support initiatives	Director: Strategic Planning & Management
				Community Safety Capacity building programs	GGP 6:6							Director Health & Protection
				No. of Community Safety	GGP 6:7	Quarterly report	4 Community Safety	4 Community Safety	4 Community Safety	4 Community Safety	4 Community Safety	Director Health & Protection

PRIORITY AREA	OBJECTIVE	OBJ ODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				Capacity building programs			capacity building programs	capacity building programs	capacity building programs	capacity building programs	building programs	
			Strengthening of Municipal Support Unit as a centre of coordination	Developed municipal support business model submitted to Executive Management Committee	GGP 6:8	Quarterly report	nil	Developed municipal support business model submitted to EMC	Implementation of the municipal support business model	Monitor and review	Monitor and review	Director: Strategic Planning & Management
Communication	To promote effective communication of ADM's business to its stakeholders by 2017	GGP 7	Establishment of customer care centres	Established customer care centre	GGP 7:1	Quarterly report	nil	Developed customer care business model	Customer care call centre established	Implementation of the customer care business model	Implementation of the customer care business model	Director: Strategic Planning & Management
			Formalized partnership with local community radio stations and agencies	No. of MoUs signed with broadcasting institutions	GGP 7:2	Quarterly report	nil	1 Signed MoU with SABC	1 Signed MoU with Eastern Cape Radio Hub	-	-	Director: Strategic Planning & Management

PRIORITY AREA	OBJECTIVE	OBJ ODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 13/14	TARGET: 14/15	TARGET: 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Public Participation	To deepen local democracy through community participation by 2017	GGP 8	Develop a petitions management system	Developed petition management policy	GGP 8:1	Quarterly reports	Public Participation Strategy	Developed Petition Management Policy	Implementation of Petition Management Policy	Implementation of Petition Management Policy	Implementation of Petition Management Policy	Director: Legislative & Executive Support Services
			Review Public Participation Strategy	Reviewed Public Participation Strategy	GGP 8:2	Quarterly reports	Reviewed Public Participation Strategy	Implementation of Public Participation Strategy	Director: Legislative & Executive Support Services			

4.5.1 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION PROPOSED PROJECTS

IDP KPI NO.	DEPARTMENT	PROJECT TITLE	FUNDING ALLOCATION		
			<i>Internally</i>	<i>Externally</i>	<i>MIG</i>
	LESS				
	LESS	Mayors CUP	R500 000		
	LESS	SALGA MUNICIPAL GAMES	R400 000		
	LESS	SAIMSA GAMES	1 000 000		
	LESS	DISTRICT SPORTS AWARDS	350 000		
	LESS	DISTRICT SPORTS FORA	100 000		
	LESS	ASSISTANCE TO SPORTS DEVELOPMENT PROGRAMS	300 000		
	LESS	EMPLOYEE SPORT PROGRAM	350 000		
	LESS	CAPACITY BUILDING	200 000		
	LESS	NATIONAL DAYS: COMMEMORATION	800 000		

	LESS	CAPACITY BUILDING TRAINING	800 000		
	LESS	ASSITANCE TO SU PROJECTS	600 000		
	LESS	FORAS: SPU FORUM DESIGNATED GROUPS FORUM (elderly; youth; children; women; disability)	800 000		
	LESS	DISTRICT AIDS COUNCIL	400 000		
	LESS	STATE OF THE DISTRICT ADDRESS	600 000		
	LESS	MAYORS INTERVENTION CAPACITY PROJECTS	300 000		
	LESS	Capacity building programs for Speakers, Whips and Chairpersons of section 79 Committees	400 000.00		
	LESS	Outreach to Institutions of Higher Learning	30 000		
	LESS	Community education	210 000		
	LESS	Executive Committee meetings	30 000		
	LESS	Mandela month outreach	150 000		
	LESS	Capacity building of Committee	300 000		
	LESS	Conduct positive values campaigns	250 000		
	LESS	MRM General Council	300 000		
	LESS	District Whips Forum	30 000		
	LESS	Whips Committees	10 000		
	LESS	Political Caucuses(Whippery)	60 000		
	LESS	MPAC quarterly meetings	60 000		
	LESS	Committee workshops and learning and sharing visits	100 000		
	LESS	Visit to Projects	100 000		
	LESS	Annual report public hearings	300 000		
	LESS	Commemoration of Womens Month	50 000		
	LESS	Commemoration of International Women, s Day	300 000		
	Health & Protection	Community Safety Capacity building programs	200 000		
	Strategic Planning	Planning, Monitoring & Evaluation support initiative	200 000		
	Strategic Planning	Capacity building for finance officials in LMs	200 000		
	Strategic Planning	Clean up of audit issues	1000 000		
	Strategic Planning	Grap Fixed Asset Register	300 000		
	Strategic Planning	Training and Development at LMs	600 000		
	Strategic Planning	Promulgation of By-laws		300 000	
	Strategic Planning	Human Resource Plans at two LMs		300 000	

	Strategic Planning	Reviewal of HR policies for Nxuba LM		100 000	
	Strategic Planning	Review of the Fort Beaufort Zoning Scheme	120,000		
	Strategic Planning	Development of the Alice, Middledrift and Symour Zoning Schemes	250,000		
	Strategic Planning	Feasibility Study for the development of the New German Settlement		100,000	
	Strategic Planning	Rectification of the Survey diagrams for the Ndlovini Settlement	200,000		
	Strategic Planning	Planning and surveying of the Bedford Settlements	100,000		
	Strategic Planning	Planning and Survey of the Adelaide Settlement	150,000		
	Strategic Planning	Feasibility Study for the development of the Xholora Settlement		100,000	
		Implementation of Risk Management Master Plan	150 000		

CHAPTER 5: SECTOR PLANS

INTRODUCTION

An analysis was conducted in respect of various sector plans developed for the district. Some of these sector plans were found to be still relevant and required minor update. Others required review, whilst new ones were developed.

5.1 LIST OF ADOPTED SECTOR PLANS

Communications Strategy
Employment Equity Plan
Donor Management Strategy
Revenue Enhancement Strategy
Land Reform and Settlement Plan
Housing Strategy
District Spatial Development Framework
SMME Strategy
Amathole Economic Development Strategy
Integrated Agricultural Plan
Tourism Master Plan
Heritage Resources Management Strategy
Film Development Strategy
Integrated Environmental Management Plan
Disaster Management Risk and Vulnerability Assessment Plans
District Fire Prevention Strategy
Disaster Management Plans
Communicable Diseases Prevention and Control Strategy
Health Care Waste Management Plan
Community Safety Plan
Disaster Management Framework
Fire Risk Management Plan
Integrated Transport Plan
Integrated Waste Management Plan
Water Services Development Plan
Risk Management Strategy
Geographic Information System (GIS) Strategy
Performance Management Framework
Air Quality Management Plan
Climate Change Strategy
Human Resources Development Strategy
Industrial Development Plan
Talent Retention Strategy
Cooperatives Strategy
Supply Chain Management Strategy
Asset Management Strategy
Industrial Development Strategy
Geographic Information Systems (GIS) Strategy
HIV/AIDS Mainstreaming Plan
IT Master Plan

5.2 LIST OF NEW SECTOR PLANS

Environmental Pollution Control Plan
Sport Development Plan
Business Continuity Plan
Risk Management Plan
Moral Regeneration Movement
Comprehensive Compensation Strategy
Occupational Health, Safety and Wellness Strategy

5.3 LIST OF REVISED PLANS

Communicable Diseases Control and Prevention Strategy
Health Care Waste Management Plan
Fire Risk Management Plan
Community Safety Plan
7 LM Community Safety Strategies
Disaster Management Framework
7 LM Disaster Contingency Plans
Risk and Vulnerability Assessment
Land Reform and Settlement Plan
Housing Strategy
Rural Development Strategy
Tourism Master Plan
Heritage Resources Management Plan
SMME Strategy
Cooperatives Strategy
Environmental Management Plan
Agricultural Development Plan
Film Development Strategy
Amathole Regional Economic Development Strategy
Industrial Development Strategy
Informal Trade Strategy
Spatial Development Framework
Human Resources Development Strategy
Water Services Development Plan
Solid Waste Management Plan
Integrated Transport Plan
Revenue Enhancement Strategy
Supply Chain Management Strategy
Asset Management Strategy

5.4 STATUS OF ADOPTED SECTOR PLANS AND KEY ISSUES

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
Engineering Services	Water Services Development Plan	2006/07	2007/08 2008/09 2009/10 2010/11 2011/12	<p>Drought intervention measures Raw water situation and cross boundary issues Water conservation and demand Water resource planning intervention Operation and Maintenance</p> <p>Additions Operation and Maintenance</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 2011/12	<p>Public and Environmental Health; Waste Minimisation and Education; Integrated Waste Management Planning; Capacity issues; Institutional and Organisational Issues.</p> <p>Additions: Solid waste disposal sites -</p> <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, <p>Cleansing assessment</p> <ul style="list-style-type: none"> • Levels of cleanliness in urban centers • Implementation of properly structured operational plans and education/awareness programmes. <p>Waste disposal</p> <ul style="list-style-type: none"> • Establishment of Transfer Stations • Regional Waste Site. • Separation of Waste at source. <p>Waste minimization and education By-laws Resources and capacity Planning Waste minimization: Infrastructure development: Local Disposal Sites</p>
Engineering Services	Integrated Transport Plan	2003/04	2006/07 2008/09 2009/10 2010/11 2011/12	<p>Poor Road conditions; Hitch-hiking; Law enforcement; Public Transport Facilities upgrade ; Non- motorized transport facilities; Rail transport resuscitation.</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>Additions:</p> <p>Use of Bakkies and Un-roadworthy vehicles as public transport</p> <p>Modal Transport facilities</p> <p>Lack of public transport facilities</p> <p>The rank facilities</p> <p>Safety</p> <p>Lack of learner transport</p> <p>Illegal operations</p> <ul style="list-style-type: none"> • permits or operating licenses, • Permit Conversion Process and Taxi Recapitalisation Process is <p>Cost of public transport services</p> <p>Service Coverage</p> <p>Public Transport Coverage per municipal area and average for district</p>
Land, Human Settlements & Economic Development	Land Reform & Settlement Plan	2003/04	2006/07 2008/09 2009/10 2010/11 2011/12	<p>General acceptance of the spatial planning framework;</p> <p>Pace of land reform within the municipal area still lags behind;</p> <p>Land reform initiatives largely remain geographically focused;</p> <p>Land redistribution planning needs;</p> <p>Implementation capacity is viewed as a serious challenge in land reform;</p> <p>Breakdown of land administration systems;</p> <p>Tenure insecurity remains prevalent;</p> <p>Weak integration of existing land reform initiatives into the process of developing livelihoods;</p> <p>Clear and workable institutional framework for the delivery of land reform.</p> <p>Additions:</p> <p>Land reform initiatives largely remain geographically focused and limited to certain types of interventions, to the detriment of a preferred, holistic implementation of the complete land reform package;</p> <p>Land Redistribution Planning Needs have focused on certain areas where eg. commonage needs are extensive throughout the district;</p> <p>Implementation capacity is viewed as a serious challenge in land reform implementation throughout the area and specifically communication of the deliverables and the rate of implementation have been of concern;</p> <p>Breakdown of Land Administration Systems (in respect of both the legislative, regulatory and administrative aspects thereof) throughout the district has led to uncertainty and tensions;</p> <p>Tenure insecurity remains prevalent, to be addressed on the proposed Green Paper on Land Reform,</p> <p>Weak integration of existing land reform initiatives into the process of developing livelihoods and land productivity</p> <p>A need has been identified for a “clear and workable</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				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.
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:</p> <p>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.</p> <p>Administrative Node: they serve as the seat of the provincial government.</p> <p>Secondary Urban Node: have been identified as nodes with growth potential in the District.</p> <p>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 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

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<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: 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 SDF cross reference with other plans when reviewing or developing 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</p>
Engineering Services	Housing Strategy	2006/07	2008/09 2010/11 2011/12	Household sizes are decreasing by approximately 27% and this should be brought into consideration in all forward planning exercises; 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: Changes in households size; Age and gender distribution; Impact of HIV and Aids; Economic mainstreaming of potential beneficiaries; Completed and/or approved housing projects; and Migration patterns, etc. The infrastructure related needs, in relation to an integrated, sustainable human settlement; Existing water and sanitation needs as per the WSDP be evaluated against the existing housing needs; Alignment of new housing related bulk and connector infrastructure be ensured with existing and proposed bulk and connector infrastructure provisioning; Several new policy directives have emerged since the last ADM Housing Strategy Review which included breaking new ground and more particularly community driven housing Initiatives; Certain national policy imperatives in terms of the

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>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: District Household decrease by approximately 27% No quantitative data on the impact of HIV/Aids on the numbers and sizes of households area available The infrastructure related needs, in relation to an integrated, sustainable human settlement strategy for the ADM area Existing water and sanitation needs as per the ADM WSDP should be interrogated and evaluated against the existing housing needs and housing policy instruments Alignment of new housing related bulk and connector infrastructure</p>
Health & Protection Services	Disaster Management Risk Vulnerability Assessment Plan	2006	2009/2010 2010/2011 2011/12	<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> <p>The state of institutions relevant to disaster management</p> <p>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	District Fire Prevention Strategy The Strategy Has Been Changed To – Fire Risk	2008/2009	2009/2010 2010/2011 2011/12	<p>Fire Protection Objectives</p> <p>to protect human life, property, public land assets and values, as far as practicable, from the deleterious consequences of wildfire;</p> <p>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;</p> <p>to minimize the incidence of preventable wildfires (wildfires of human origin);</p> <p>to ensure that environmental values, including the vigour and diversity of the State’s indigenous flora and fauna,</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
	Management Plan			<p>are protected, as far as practicable, from the deleterious effects of wildfire and inappropriate fire regimes.</p> <p>to ensure water catchments, airshed and landscape values are conserved;</p> <p>to ensure archaeological, historical, and other cultural sites are conserved;</p> <p>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	Communicable Disease Strategy Communicable Diseases Prevention And Control Strategy	2003/04	2008/09 2009/2010 2010/11	<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 Environmental pollution Surveillance of premises Food safety/control Proper disposal of the dead</p> <p>The situational analysis revealed the following: Water Quality Monitoring <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. Waste Management. <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. Sanitation <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. Food <ul style="list-style-type: none"> Food safety programme not adequately </p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>implemented due to the slow devolution process, fragmentation of services and lack of coordination among the different implementing authorities;</p> <ul style="list-style-type: none"> • 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 in place) <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</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>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 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 2011/12	<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>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<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 thevarious crime categories per municipality;</p> <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 5priority 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 amulti-sectoral , collaborative approach to crime prevention; • Empowerment of r 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	Disaster Manage	2008/09	2009/2010 2010/2011	Policy Making process for Disaster Risk Management in the Amathole DM

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
Services	ment Framework			<p>Standards for the establishment of the Amathole and functioning of the Amathole District Municipality Disaster Management Centre.</p> <p>Parameters for the appointment of the Head of the Centre.</p> <p>Policy of municipal departments and other municipal entities for the execution of DRM</p> <p>Standard for the establishment and functioning of the Amathole DM IDRMC</p> <p>Standard for the establishment of Satellite Disaster Risk Management Centres</p> <p>Mechanisms for the integrated direction and execution of DRM Policy between the Amathole DM and local Municipalities: The establishment and functioning of Amathole DM DRM DIS-LOC Forum</p> <p>Standard for the integrated execution of DRM policy in Local Municipalities in the Amathole DM</p> <p>Standard for the establishment and functioning of the Amathole DM DRMAF</p> <p>Standard for conducting disaster risk Assessments in the Amathole DM</p> <p>Standard for the establishment and functioning of the Technical Advisory Committee</p> <p>Mechanisms for processing Disaster Risk Management Policy Frameworks in the Amathole DM</p> <p>Standards and scoping of Disaster Risk Management Plans for the Amathole DM</p> <p>Additions: The recruitment, training and participation of volunteers</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 Capacity Building of stakeholders Climate change Preparedness and response to Xenophobia incidents</p>
Health Protection Services	Fire Risk Management Plan	2008/09	2009/2010 2010/2011 2011/12	<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>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<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 environmental/ecological impacts;</p> <p>Reduce the communities vulnerability to bush/veld fires by improving its preparedness; and</p> <p>Effectively contain fires with a potential to cause damage to life, property and the environment.</p> <p>Regulating the use/risks associated with liquefied petroleum gas (LPG)</p> <p>Regulating the use/risks associated with flammable liquids (petrol, diesel, etc)</p>
Land, Human Settlements & Economic Development	Amathole Regional Economic Development Strategy	2007/08	2008/2009 2009/2010 2011/12	<p>To re-align the efforts of the non-government entities active in LED into a shared direction of the LED drive;</p> <p>To facilitate an improvement of the range of employment as well as labour-force and income growth;</p> <p>To strengthen local government in order to mobilize and unlock the latent, but important, leadership component in the LED process;</p> <p>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”;</p> <p>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:</p> <p>SMME development and support;</p> <p>Institutional demarcation, re-alignment and capacity building;</p> <p>Emerging agricultural development;</p> <p>Tourism development;</p> <p>Human resource development; and</p> <p>Business development.</p>
Land, Human Settlements & Economic Development	SMME Strategy	2009/2010	2010/2011	<p>Market access;</p> <p>Marketing material;</p> <p>Access to finance;</p> <p>Sustainable and vibrant enterprise;</p> <p>Skills acquisition and managerial expertise</p>
Land, Human Settlements & Economic	Integrated Environ	2004/2005	2008/09 2009/10 2010/11	<p>Biodiversity</p> <p>15.9% of ADM comprises of conserved areas;</p> <p>Up to 57% of ADM’s vegetation types have been</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
Development	Developmental Plan		2011/12	<p>transformed;</p> <p>51 000 hectares of indigenous forest in ADM – representing 2% of the total area of ADM;</p> <p>Approximately 71% of ADM is under herbland, grassland, shrubland/fynbos, thicket and bushland;</p> <p>Sand mining along the coast is a concern;</p> <p>Key threats or pressures are overgrazing or agriculture, forestry, bush clearing and invasive alien species.</p> <p>Freshwater system</p> <p>Four drainage areas in ADM (Great Fish, Keiskamma, Great Kei and Mbhashe catchments);</p> <p>About 17 alien fish species in existence;</p> <p>Endangered fish species are present;</p> <p>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;</p> <p>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</p> <p>Atmosphere and climate issues in the district are not a major concern;</p> <p>Average max temperatures range from 21 to 29 degrees Celsius;</p> <p>Average min temperatures range from 6 to 13 degrees Celsius;</p> <p>Pressures are road traffic pollution, industrial and urban air pollution.</p> <p>Additions:</p> <p>Focus on education and awareness programmes</p> <p>Conducting a vulnerability assessment for the region</p> <p>Engaging in dialogue with agencies</p> <p>Viability of collective clean development mechanisms.</p> <p>Air quality and climate change need</p> <p>Roles and responsibilities need to be classified</p> <p>Public awareness</p> <p>Services and procurement to reflect A Green Agenda</p>
Land, Human Settlements & Economic Development	Integrated Agricultural Plan	2005\06	2009/2010 2011/12	<p>Revitalization and establishment of irrigation schemes;</p> <p>Creation of employment opportunities and poverty alleviation;</p> <p>Livestock development;</p> <p>Provision of agricultural machinery for crop production to meet food security needs of the poor communities;</p> <p>Citrus development in terms of farm infrastructure.</p>
Land, Human Settlements & Economic	Tourism Master Plan	2007/08	2008/ 2009 2009/	<p>Development of aggressive marketing programmes to market the district;</p> <p>Strengthening of the existing information distribution</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
Development			2010 2010/2011	<p>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; 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 2011/12	<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</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>Identification of district sites Create awareness Maintenance of sites 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 2011/12	
Strategic Planning And Management	Communication Strategy	2008/2009	2009/2010 2010/2011 2011/12	<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 2011/12	<p>Accountability and responsibility guidelines Risk management committee Reporting requirements Internal reporting processes for risk information The frequency of risk monitoring Risk Assessments</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				Control requirements Governance requirements
Strategic Planning And Management	Performance Management Framework	2002	2006 2007 2008 2009 2010 2011 2012	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	333 934 092	357 880 792
SOCIAL CONTRIBUTIONS	87 461 875	94 856 149	102 569 410
REMUNERATION OF COUNCILLORS	11 503 613	12 366 383	13 293 864
PROVISION FOR BAD DEBTS	64 223 965	67 627 834	70 610 481
COLLECTION COSTS	4 200 000	4 391 039	4 606 200
DEPRECIATION	90 586 148	95 387 214	99 276 356
REPAIRS AND MAINTENANCE	27 375 384	28 826 281	30 134 739
INTEREST EXPENSE	32 290	34 002	52 484
GENERAL EXPENSES – OTHER	319 138 597	297 359 329	312 858 740
BULK PURCHASES	64 363 382	67 774 642	70 872 177
CONTRACTED SERVICES	61 379 706	67 517 577	70 825 938
TOTAL NEW CAPITAL	493 829 811	470 092 786	517 520 147
TOTAL CAPITAL REPLACEMENT	18 011 250	9 000 257	9 405 819
TOTAL EXPENDITURE	1 553 991 224	1 549 167 586	1 659 907 147
INCOME	2012/13	2013/14	2014/15
SERVICES CHARGES	-161 603 024	-170 167 980	-177 701 522
INTEREST EARNED - OUTSTANDING DEBTORS	-26 978 020	-28 407 854	-29 425 627
RENT OF FACILITIES AND EQUIPMENT	-271 807	-286 212	-300 236
INTEREST EARNED - EXT. INVESTMENTS	-27 416 422	-28 869 492	-29 299 591
EQUITABLE SHARE	-355 922 000	-380 901 000	-408 894 000
LEVY REPLACEMENT GRANT	-227 618 000	-248 104 000	-270 433 000
FMG FUNDING	-1 096 491	-1 315 789	-1 096 491
PMU OPERATING SUBSIDY	-3 500 000	-3 500 000	-3 500 000
WATER SERVICES OPERATING SUBSIDY	-18 281 000	-	-
EXPANDED PUBLIC WORKS PROGRAMME	-6 022 000	-	-

RURAL ROADS ASSET MANAGEMENT GRANT	-1 557 895	-1 635 965	-1 730 702
NATIONAL DEVELOPMENT PROGRAMME GRANT	-64 156 000	-35 000 000	-30 897 000
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	-877 193	-763 158	-833 333
MIG	-341 917 544	-360 682 456	-396 034 211
NDPG IN KIND	-4 000 000	-5 000 000	-2 000 000
REGIONAL BULK INFRA GRANT IN KIND	-51 929 000	-51 504 000	-64 400 000
WATER SERVICES OPERATING SUBSIDY IN KIND	-300 000	-5 000 000	-
OTHER INCOME	-260 544 829	-228 029 679	-243 361 434
TOTAL INCOME	-1 553 991 224	-1 549 167 586	- 1 659 907 147

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 Lingeletu and Adelaide Reservoir)	3 000 000	6 000 000	5 000 000
Bedford & Adelaide BEP - Phase 6	2 000 000	6 000 000	3 000 000
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
Wortel Drift Farm Settlement	1 500 000	4 000 000	1 000 000
Sub Total for Nxuba	19 000 000	23 000 000	12 000 000
West Victoria East (Roxeni) Water Supply (Phase 3)	7 000 000	1 000 000	-
Ekuphumleni & 9 Villages Water Supply (Phase 4)	5 000 000	3 000 000	500 000
	5 000 000	9 000 000	10 000 000
Bhofolo & Newtown BEP - Phase 5	4 000 000	5 000 000	1 000 000
NEW PROJECTS STILL TO BE REGISTERED TO MIG			-
Gaga -Tyume Valley Region Water Supply (Phase 6)	1 000 000	5 000 000	5 000 000
Kolomane Bulk Water Supply : Phase 3	6 000 000	1 500 000	500 000
Upgrade Alice Waste Water Treatment Works	-	2 000 000	3 000 000
Upgrade Bulkwater Supply Newtown	1 000 000	2 000 000	3 000 000
Hogsback Water Treatment Works and New Reservoir	1 000 000	2 000 000	3 000 000
Fort Beaufort Bulk Water Services Upgrading	8 000 000	10 000 000	9 000 000

6.2 ADM'S THREE (3) YEAR CAPITAL PLAN			
Project Name	2012/13 MIG	2013/14 MIG	2014/15 MIG
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
Cathcart Water Treatment Works Upgrade	1 000 000	3 000 000	
Upper Old Town Reservoir	500 000	-	-
Old Town Zone Reticulation	500 000	-	-
Cathcart Sewerage Reticulation	1 000 000	3 000 000	-
Sub Total for Amahlathi	36 943 244	48 716 413	66 359 657
Komga Commonage Settlement Services	5 500 000	5 000 000	5 000 000
Area Wide Sanitation Projects (Great Kei Phase 1A)	3 000 000	5 000 000	5 000 000
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
New Waste Water Treatment Works Morgans	1 000 000	4 000 000	5 000 000

6.2 ADM'S THREE (3) YEAR CAPITAL PLAN			
Project Name	2012/13 MIG	2013/14 MIG	2014/15 MIG
Bay			
Morgan's Bay WTW upgrade	-	1 000 000	2 000 000
Kei Mouth Reticulation	542 756	1 000 000	2 000 000
Upgrade Komga WTW	-	5 000 000	2 000 000
Sub Total for Great Kei	10 042 756	21 000 000	21 000 000
Ehlobo Phase 3 Water Supply	5 000 000	2 000 000	-
Crouch's Bush Water Supply Project	5 000 000	1 000 000	-
Ibika - Centane Regional Water Supply	23 500 000	19 000 000	25 000 000
Myoyo Water Supply Project	3 000 000	1 500 000	-
Ngcizele Water Supply Project	5 000 000	500 000	-
Ngqusi Water Supply Project	500 000	1 000 000	-
Teko Housing Engineering Services	2 000 000	-	-
Area Wide Sanitation Projects(Mnquma Phase 1A and Kotana Phase 2)	20 000 000	20 000 000	25 000 000
Centane Bucket Eradication	1 000 000	5 000 000	500 000
Centane Sanitation Project	34 000 000	20 000 000	22 500 000
Eastern Regional Solid Waste Landfill site Phase 1b	500 000		-
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
Zizamele Sewer	500 000	3 000 000	5 000 000
Ngqamakwe Regional Water Supply	5 000 000	3 000 000	5 000 000
Gcuwa West Regional Water Supply	15 000 000	3 000 000	5 000 000
Centane Phase 4 Water Supply	1 000 000	3 000 000	5 000 000
Bawa Falls Water Supply Project	1 000 000	3 000 000	5 000 000
Nxaxo and Cebe Water Supply	8 000 000	3 000 000	5 000 000
Toleni Regional Water Supply Upgrade	-	3 000 000	5 000 000
Upgrade Ngqamakwe WTW	-	3 000 000	5 000 000
Butterworth pipe replacement	1 000 000	3 000 000	1 000 000
Upgrade Ngqamakwe Waste WTW	500 000	1 000 000	5 000 000
Sub Total for Mnquma	131 500 000	98 000 000	119 000 000
Mbhashe North Regional Water Scheme	11 000 000	3 000 000	-
Nqadu Water Supply	100 000	-	-
Qwaninga EC1158 Water Supply (Phases 2&3)	200 000	-	-
Qwaninga Water Supply (Phases 4&5)	4 000 000	400 000	-
Kumbanga & Cwebe Sanitation	3 000 000	1 000 000	-
Sundwane Water Supply Scheme	4 000 000	18 000 000	20 000 000
Xora Water Supply Project	26 000 000	23 000 000	23 000 000
Mncwansa Water Supply Scheme	30 000 000	19 000 000	10 000 000

6.2 ADM'S THREE (3) YEAR CAPITAL PLAN			
Project Name	2012/13 MIG	2013/14 MIG	2014/15 MIG
Mgwali North Water Supply Project	5 000 000	5 000 000	10 000 000
Mgwali South Water Supply Project	6 000 000	12 861 587	15 000 000
Idutywa East Water Supply Project	10 000 000	10 000 000	10 000 000
Area Wide Sanitation Projects(ASAP)(Mbhashe Phase 1A, Mhlohlozi Phase 2 and Gatyane Phase 2)	19 500 000	20 000 000	21 619 343
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
Dwesa Water Supply Scheme Extension	700 000	1 000 000	2 000 000
Cwebe Water Supply Scheme Phase 2	700 000	1 000 000	2 000 000
Dwesa Cwebe Sanitation Project	700 000	1 000 000	2 000 000
Mangeyela Water Supply Scheme	700 000	1 000 000	2 000 000
Cafutweni Water Supply Scheme	700 000	1 000 000	2 000 000
Bende Water Supply Scheme	700 000	1 000 000	2 000 000
Shixini Water Supply Scheme	700 000	1 000 000	2 000 000
Elliotdale Waste Water Treatment Plant	500 000	1 000 000	2 000 000
Sub Total for Mbhashe	124 200 000	120 261 587	125 619 343
TOTALS	389 786 000	411 178 000	451 479 000

6.3 RESOLVING OUTSTANDING MATTERS RAISED BY THE AUDITOR GENERAL

The audit report for the 2011/12 financial year has been issued by the Auditor General wherein the Amathole District Municipality received an unqualified opinion with no emphasis of matter paragraph. Below is an analysis of the audit outcomes of the 2011/12 financial year:

AUDIT OUTCOMES

The analysis of the audit outcomes of the 2011/12 financial year commence by giving a brief history of audit outcomes over the last five years as shown in the table below. From the 2007/08 financial year where the ADM received a qualified audit opinion based on 5 points from the Auditor General to the current audit of 2011/12 where the ADM received an unqualified opinion with no emphasis of matter, there has been improvement from the previous financial year. The other matters do not impact the audit opinion, and pertain namely to the compliance with laws and regulations and internal control.

ADM has continued to 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 and to resolve matters identified in the prior year audit.

Table 1: Audit outcomes

	2007/08	2008/09	2009/10	2010/11	2011/12
Opinion	Qualified	Qualified	Qualified	Unqualified	Unqualified
Qualifications	5	2	2	0	0
Emphasis of matter	1	4	1	5	0
Other matters	14	9	9	16	8

Table 2 below shows the areas that lead to qualifications over the previous three financial years; the management of the ADM have expended a significant amount of time and effort to address the qualification areas and to maintain being financially unqualified.

	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue and receivables	X	X	X		
Property plant and equipment	X		X		
Housing inventory	X				
Commitments		X	x		
Irregular expenditure		x			

The following matters relate to the other matters in the 2011/12 audit report:

Non-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

As required in terms of section 71(1) of the Municipal Finance Management Act No.56 of 2003 (MFMA), two of the monthly budget statements were not submitted within the required timeframes to the mayor and relevant provincial treasury. A legislative compliance monitoring checklist based on the Municipal Finance Management Act has been introduced.

Section 122 of the MFMA was not fully complied with as material misstatements of capital assets, capital commitments, retentions and receivable impairment were corrected during the audit. The municipality has introduced quarterly reporting on these matters with effect from January 2013 where ultimately there will be monthly reporting as from 1 July 2013.

Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA. Payment monitoring initiatives have been implemented.

As per section 62(1)(d) of the MFMA, two instances of irregular expenditure were noted during the audit. Both were of an immaterial amount and are as a consequence of the contravention of supply chain management processes. Systems are in place to prevent irregular expenditure.

The municipality did not submit the last quarter's performance reports to the transferring national officer, the relevant provincial treasury and the National Treasury within 30 days after the end of the quarter, as required by section 12(2)(c) of DoRA. The municipality will communicate with National Treasury regarding the due date for the verification of Treasury quarterly reports.

The municipality did not submit an evaluation of its performance in respect of programmes or functions funded or partially funded by an allocation to the transferring national officer within two months after the end of the financial year, as required by section 12(6) of DoRA. The municipality has initiated the process of performance evaluation reports.

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, retention register and asset register,
- Compliance with submission dates as per laws and regulations,
- Prevention and detection of irregular expenditure, and
- Compliance with MFMA and DoRA

The major challenge for the 2012/13 financial year is to sustain the unqualified audit report and to address the key areas mentioned in the non compliance with legislation paragraph. The Management will have to prioritise, based on time and availability of cash resources, the intervention that is most suitable

and effective to maintain the audit outcomes of the 2012/13 financial year and to ensure clean administration.

Reporting on Performance information

In accordance with Public Audit Act the Office of the Auditor General issued his finding on the annual performance report. There were no material findings on the usefulness and reliability of the information however the Auditor General did find that indicators and targets were not always suitably developed during the strategic process, consequently 28% of the total planned objectives were not achieved. Material misstatements were identified and corrected during the audit.

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.

In view of the above a business intelligence (BI) tool linked to the financial systems was designed and implemented. This BI tool aims in standardising finance and performance reports to be produced by the systems according to the needs of different internal and external users. The reports are extracted using the BI tool. This tool is assisting the ADM towards the automation of reports. Currently a post-support contract is being negotiated.

National Treasury have issued Circular 66 - 11 December 2011 which advises municipalities not to proceed with any configuration or upgrades to their current core financial systems in anticipation of Standard Chart of Accounts (SCOA). National Treasury further indicates that the replacement of core financial systems may result in potential fruitless and wasteful expenditure. An all-inclusive financial reporting system will thus be postponed until the SCOA is finalised and implemented.

The ADM has already commenced remedial work to ensure that all deficiencies pointed out by the Auditor-General in his audit report for 2011/12 are immediately addressed to ensure the ADM demonstrates clean administration.

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 793 583 479.31 and land and buildings at R28 004 852 for the 2011/12 financial year end. This total amount of R2 793 583 479.31 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 and 2011/12 audits.

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. ADM received a piece of land from Transnet where ADM intended to build new offices. Due to BCM becoming a Metro, the decision to build offices in East London was then reversed.

Accountancy

The infrastructure assets register emanating from the 2010/11 verification and valuation was then loaded in VENUS. The 2010/11 register was utilized as a base for the 2011/12 asset register.

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. However ADM has started a manual exercise to classify the repairs and maintenance in the 2012/13 financial year.

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 2012/13 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

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 and 2011/12 audits, the ADM received an unqualified audit reports 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	
2011/12	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 2012 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 2011/12 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 2012 with no qualification, only Audit Findings were raised by Auditor General:

- Receivables: Legal fees added to the debtors account
- Bad debts: Non-compliance with the write-off process
- Accounts receivable: Incorrect credit accounts
- Receivables: Indigent application form not submitted
- Receivables: Indigent application forms incomplete
- Revenue: Differences between billing system and amount recalculated
- Revenue: Incomplete number of billings
- Revenue: Sanitation is not billed for year
- Grants received: Difference in grants received for the year
- Revenue: Overbilling of vacant stands
- Revenue: Overstated by indigent subsidy

- Revenue: Overbilling of unmetered water consumption on new meters
- Conditional grants: Incorrect revenue recognized
- Revenue: Lack of review of billing reports

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 to general ledger	The project has not been completed in the 2009/10 financial year and is still continuing
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.
2011/12	Audit Findings	<ul style="list-style-type: none"> Receivables: Legal fees added to the debtors 	ADM will have to budget for its legal fees and expense them, in the year 2013/2014 financial year.

		<p>account</p> <ul style="list-style-type: none"> • Bad debts: Non-compliance with the write-off process • Accounts receivable: Incorrect credit accounts • Receivables: Indigent application form not submitted • Receivables: Indigent application forms incomplete • Revenue: Differences between billing system and amount recalculated • Revenue: Incomplete number of billings • Revenue: Sanitation is not billed for year • Revenue: Overbilling of vacant stands • Revenue: Overstated by indigent subsidy • Revenue: Overbilling of unmetered water consumption on new meters • Revenue: Lack of review of billing reports 	
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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
2011/12	Data Cleansing Project has been completed in 30 September 2012. Since the inception of the project, Revenue Generated has been increased by: Water = 102% and Sanitation = 121%. The exercise is ongoing through the establishment of the Competency Centre which is focusing on the continuous updating of the consumer data base on the Venus system.

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 14 580 189.00, and sanitation service revenue base is at R 5 9220683.81

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 the project ended in 30 September 2012.

A. Operational challenges

The incomplete information from the service coverage exercise is limiting us to be able to ensure billing accuracy and completeness. The challenges arise mainly between the operations that cut across other departments e.g. Engineering and Budget & Treasury Office and unavailability of funding to continue with the exercise.

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 2013 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.

In 2012 a service provider was appointed to develop a new reporting system that was looking at incorporating and downloading report from our financial systems to meet BTO reporting requirements.

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 all the audit findings raised by the AG prior to the start of the 2011/12 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 has been completed and they are on site to assist with the audit readiness exercise.

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:

- To increase billing by 10%
- To collect 45 % of the billed amount in 2012/13 financial year.

The primary challenge that prevents ADM to achieve these indicators is the inability to measure consumption accurately, that is the incomplete service coverage information 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 R71 million water loss in the 2011/12 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/ Electronic performance system

7.1 THE PERFORMANCE MANAGEMENT FRAMEWORK

For purposes of monitoring and evaluation, Amathole District Municipality adopted a Performance Management Framework in 2002. This has since been reviewed in 2008, 2009, 2010, 2011, and 2012 to be in line with the 2001 and 2006 Regulations as well as the IDP.

The Performance Management framework is a municipal policy document that defines and describes the municipal performance management system, including how it operates. The framework constitutes council policy with regards to:

- The requirements that a PMS of Amathole will need to fulfil;
- The principles that will inform its development and application;
- A model that describes what areas of performance will be managed, in Amathole District Municipality;
- What processes will be followed in managing performance;
- What institutional arrangements are necessary for this;
- Who will take responsibility for parts of the system;
- How this links to personnel performance management, especially S57 managers.
- Management of Municipal Entities and Service Providers performance.

Amathole District Municipality makes use of the Municipal Scorecard Model as a model for performance management. The Municipal Scorecard Model is now reviewed and is based on one scorecard namely, the SDBIP (Service Delivery and Budget Implementation Plan) Scorecard. The Municipal Scorecard Model embodies five Key Performance Areas adopted by the then Department of Local Government and Traditional Affairs in the Five Year

Local Government Strategic Agenda. Performance is then measured according to the five KPAs. The Municipal Scorecard Model is based on the *Balanced Scorecard* methodology by Drs Robert Kaplan & David Norton, but customised by aligning the 5 Key Performance Areas with the traditional 4 Perspectives of performance management. This then caters for measuring the elements of performance management as required for the *Balanced Scorecard* such as Costs, Inputs, Outputs, Outcomes and Process.

The Heads of Department will be primarily responsible for performance on the SDBIP Scorecard. As such, the SDBIP Scorecard is closely linked and forms the largest component of how a Head of Department's performance will be appraised.

Furthermore, the SDBIP Scorecard will be cascaded down to the departments where it will be monitored. Departments in the municipality are constituted by sections and the head of each section is responsible for reporting to the Head of Department. SDBIP Scorecards and performance reports must be formulated at departmental meetings constituted at least by the Head of Department and section heads. Sectional planning must be informed by the SDBIP Scorecard and performance reporting must feed into the SDBIP Scorecard report. Therefore each section must have its own implementation plan that contributes to the overall implementation of the SDBIP Scorecard.

The District Municipality will facilitate the implementation of a coordinated annual cycle of municipal performance management within the district area. This cycle will have agreed critical dates and timelines for the following activities:

1. Development of Organisational Scorecard (as part of the 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. Preparation of the Annual Performance Report
9. 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 also be submitted to the Inter-Governmental Forums established by Amathole District Municipality in the form of a citizen's report on performance of the municipality.

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.

Also the Municipality will need to appoint a Performance Evaluation Committee to assess s56 and the Municipal Managers annual performance. The composition of the Committee must adhere to the one prescribed in the 2006 Regulations.

INDIVIDUAL PERFORMANCE

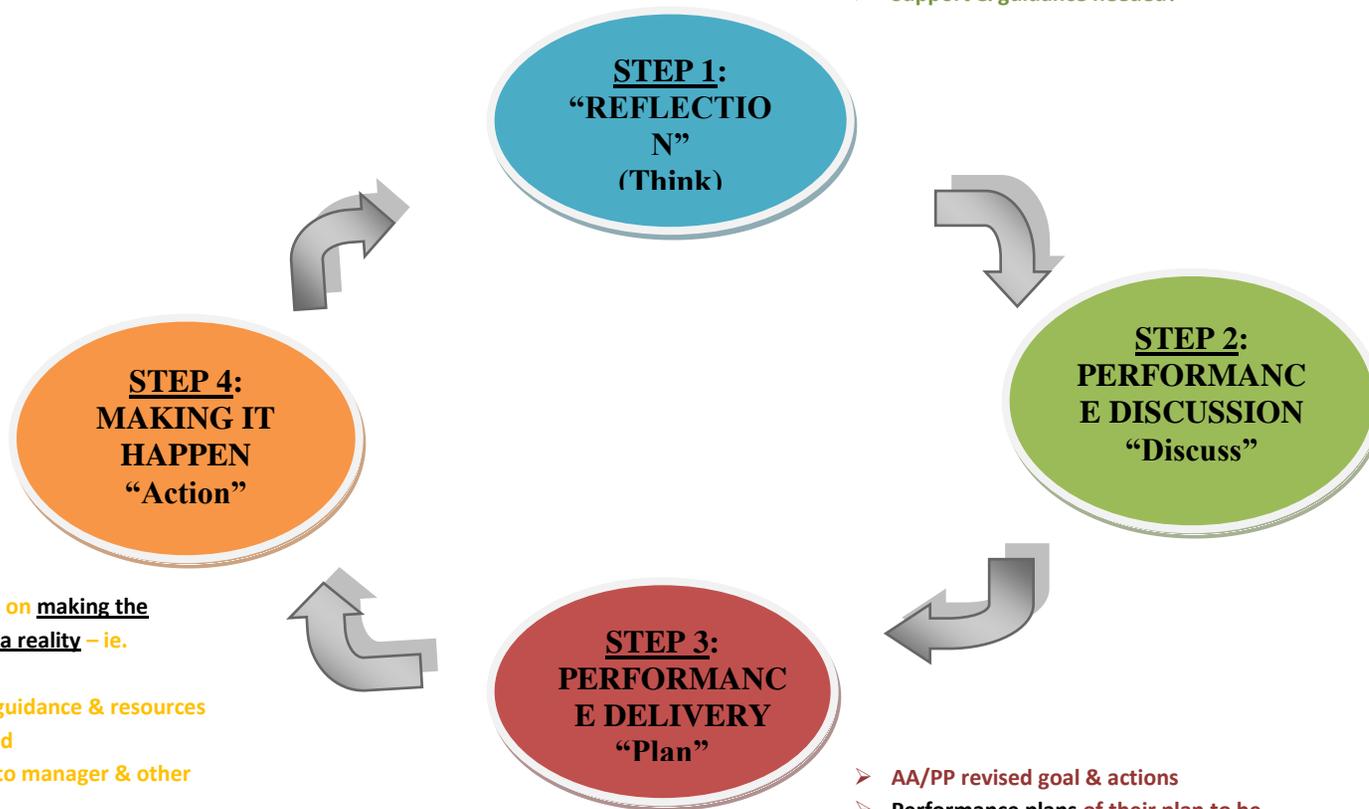
In cascading the performance management system to the levels below the managers reporting directly to the Municipal manager Amathole District Municipality is using the Accountability Agreements (AA) for task grade 11 – 18, and Performance Promises (PP) for task grade 1 – 10.

ADM has ensured that it respond to Employee Performance by using a rewarding system and a Mayor's Merit award for employees below section 56/57 managers, and the process is explained in the PM Framework.

There are 4 logical, simple steps to the process to be taken by both the manager & the employee

- Employee & Manager each need to reflect or review the AA/PP goals & actions agreed upon & documented.
- Were these realistic, appropriate, and relevant to getting results in the job?
 - Level of achievement? Areas of concern? Resources available? Lessons learnt?
 - Way forward?

- **One-on-One discussion** on the AA/PP goals & action plans over the period.
Review original AA/PP documents.
- Focus on the principle of accountability for results – no excuses, only performance solutions! What worked, what didn't & why?
- Agree on corrective actions.
- Monitoring & measuring ahead?
- Support & guidance needed?



- Employee to focus on **making the performance plan a reality** – ie. Delivery
- Request support, guidance & resources as & when required
- Regular feedback to manager & other key stakeholders
- **Monitor & measure**

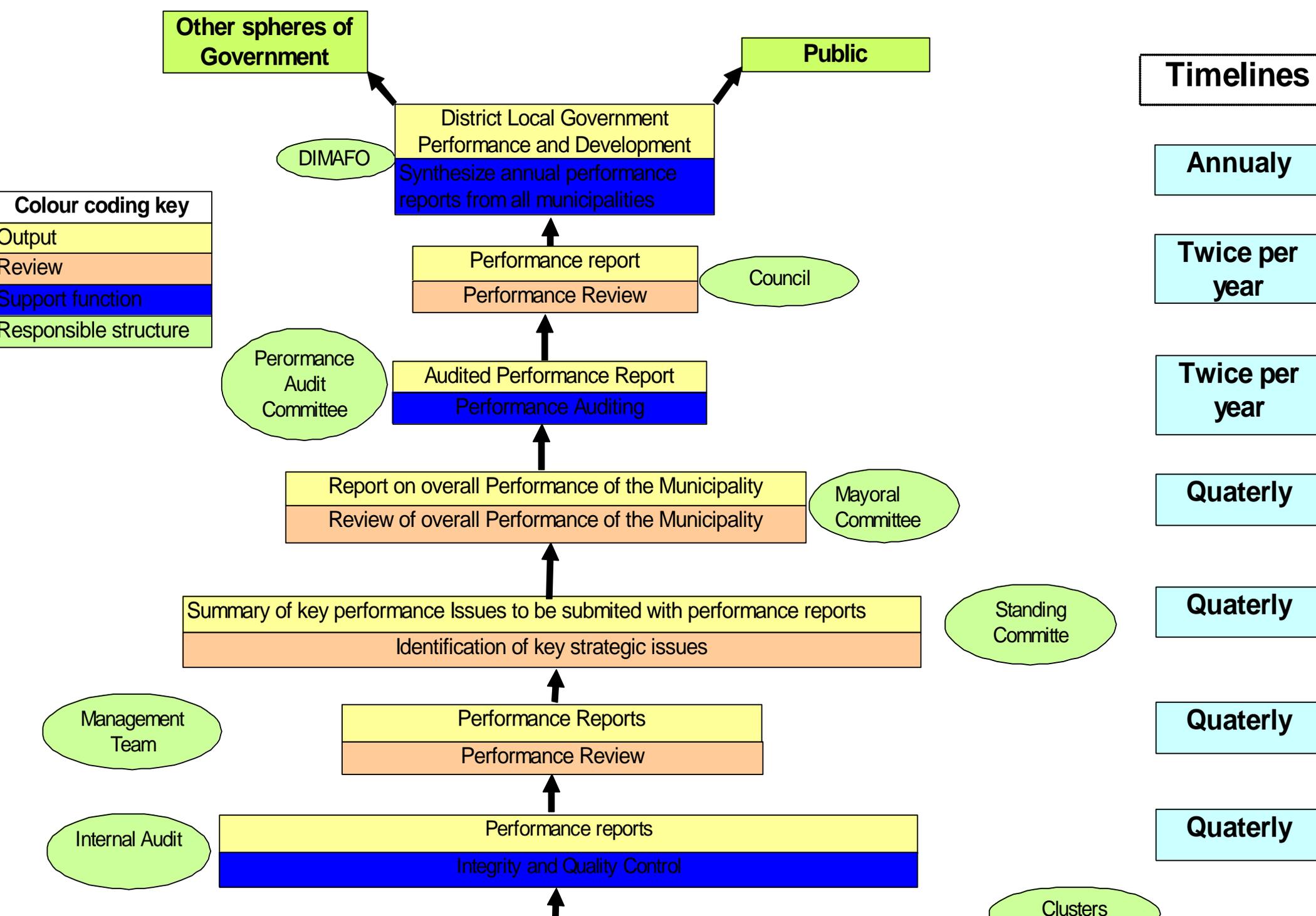
- AA/PP revised goal & actions
- **Performance plans** of their plan to be completed
- Both manager & employee to sign-off
- PDP entries & actions?
- Lessons learnt.

Evaluation and Improvement of the Performance Management System

ADM Annually evaluate its performance management system, and thus has resulted in the procurement of an Electronic Performance Management System to assist in measuring and reporting.

The E-perform system act as a supporting tool for ADM's Performance Management, it has capabilities to assist users in capturing diagnostic information. It provides a comprehensive integrated system for measuring and reporting on the achievement of planned performance. The system seeks to implement the key objectives and benefits that are at the core of the performance Management Framework.

It must once again be emphasised that there are no definitive solutions to managing municipal performance, the process of implementing a performance management system must be seen as a learning process, where there is a conscious buy in to incremental improvement of the way the system works in order to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment.



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.

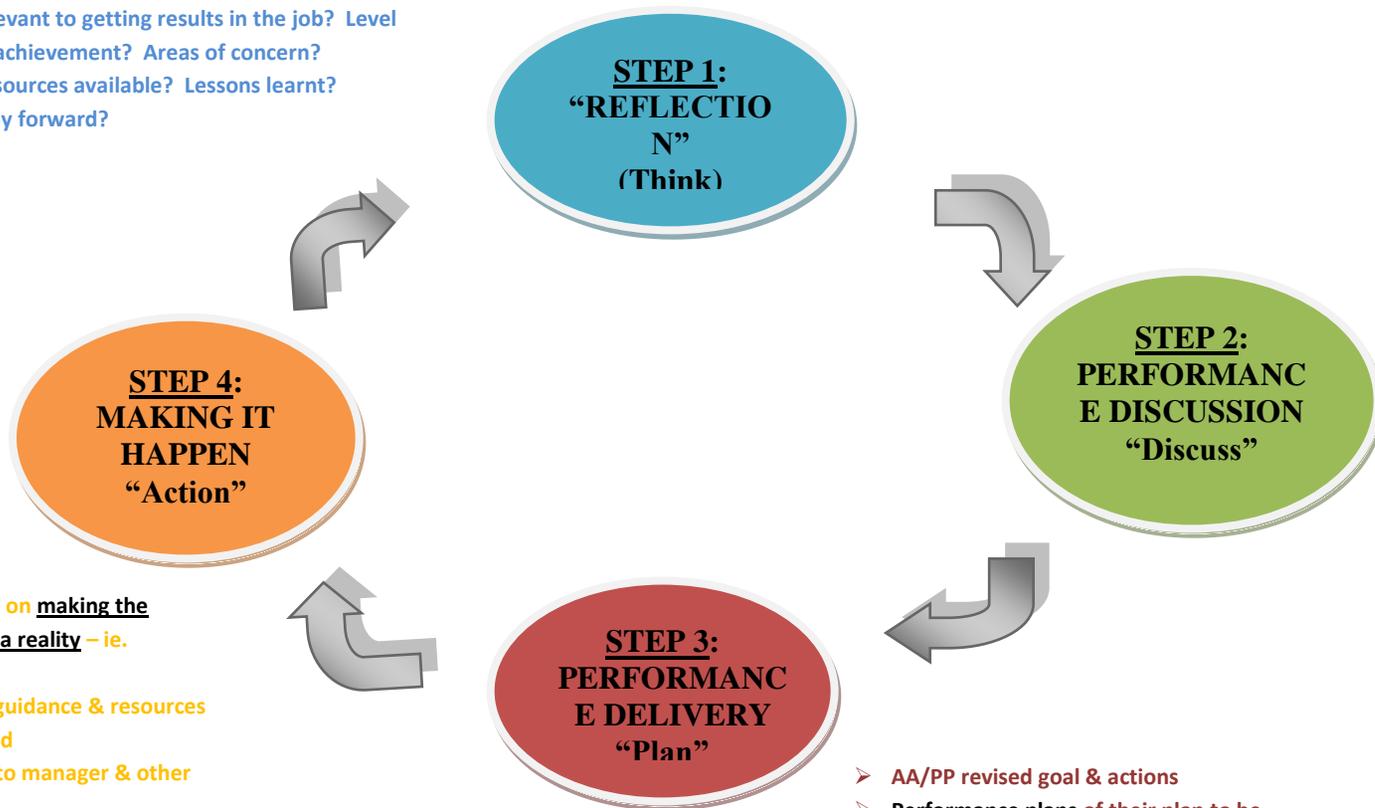
INDIVIDUAL PERFORMANCE

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?
- Support & guidance needed?



- Employee to focus on **making the performance plan a reality – ie. Delivery**
- Request support, guidance & resources as & when required
- Regular feedback to manager & other key stakeholders

- AA/PP revised goal & actions
- **Performance plans** of their plan to be completed
- Both manager & employee to sign-off
- PDP entries & actions?
- Lessons learnt.

