



2026/27

**DRAFT
INTEGRATED
DEVELOPMENT PLAN
(4th IDP Review)**



RAYMOND
MHLABA
MUNICIPALITY

OUR LOCAL Municipalities



MNQUMA LM



NGQUSHWA LM



RAYMOND MHLABA LM



AMAHLATHI LM



GREAT KEI LM



MBHASHE LM

A STORY OF AMATHOLE DISTRICT

A place of opportunities whose sole focus is serving its communities.

Siyakukhonza mhlali wase Amathole!

A district named after intaba zeMathole, on the calves of the Drakensberg.
Indawo apho ilanga xa liphuma likhanyisa likhazimle lixele ububele babemi
balendawo.

Apho kugquba ikhala (the aloe), as one of the most prominent indigenous flowers,
kunye no mnga, umthi omfutshane nowomeleleyo, ofana nje nqwa, nomxhelo
wabantu balapha.

Apho umkhonto negqudu (the spear and knobkerrie) symbolise the liberation struggle
and frontier wars of resistance fought throughout the district.

As well as the peaceful state that we currently enjoy.

Apho iimpondo zenkomo (bull's horns) symbolise strength, power, stability and
fertility.

Ze iinkomo nemfuyo, zibonisa ubutyebi, which is the all-time focal point of Xhosa
existence.

FOREWORD BY THE EXECUTIVE MAYOR



It gives great joy to present the Integrated Development Plan and Budget for the year 2026/2027. The process of development of the Integrated Development Plan entails extensive consultation with key stakeholders including Communities, Provincial and National Treasury, Sector Departments and private sector partners. True to the dictates of the District Development Model stakeholders have converged to give inputs to the process.

The consultation of communities is mandated by the Municipal Systems Act and must include communities and community organizations, ostensibly to ensure that the end product succinctly captures the development needs of the poor.

Impelled by the National Development Plan and Provincial Development Plan our Vision 2030 projects a future with greater intergovernmental cooperation to achieve seamless service delivery within the framework of District Development Model.

We continue to enjoy political and administrative stability which is the bedrock for good and accountable governance which is the foundation for sustainable development of communities. I am happy to present an IDP and Budget that is anchored on such key value, informed by up-to-date statistical research and data. The IDP and Budget that we present is an instrument to galvanize resources and integrate national and provincial plans with the district and local plans to advance socio-economic development of communities.

The Institution continues to maintain good audit outcomes for the third year running which is an affirmation that our administration is on the right path.

We present the IDP/Budget on the eve of local government elections which will usher in new leadership for the municipality and communities. We remain confident that the plans will lay a firm foundation for the new councils to heat the road running and advance service delivery to communities.

However, the global geo-political environment presents new challenges that will require prudent management of available resources to maximize impact in our development initiatives.

We remain committed to work tirelessly through innovative and creative ways to ensure our infrastructure meet the required standards, and in this regard, we have made budget allocations to deal with the perennial challenge of vandalism of water and sanitation infrastructure as well as investigation of alternative sources of energy to supply uninterrupted water and sanitation services to communities.

A word of appreciation to the Council as led by the Speaker which through disciplined adherence to and implementation of schedules, made sure that we don't miss deadlines for compliance to legal frameworks for the development and submission of our plans. Let me also express a word of appreciation to the

Administration as led by the Municipal Manager, to Sector Departments, and our strategic partners for their support during this period and plead for more support, collaborations and cooperation.

.....
CLLR. A. NTSANGANI
EXECUTIVE MAYOR



2026/27

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY BY MUNICIPAL MANAGER



With the years passing steadily and the profound privilege of serving the public enduring, Amathole District Municipality stands at a defining crossroads. The 2026/2027 Integrated Development Plan (IDP) review—the fourth and final for this Council term—represents far more than an administrative milestone. It is a reflection of our collective responsibility to transform hardship into hope, backlog into breakthrough, and institutional fragility into enduring strength. The people of Amathole deserve nothing less than an institution that delivers reliably, governs cleanly, and stewards every rand with accountability.

We have entered an era of Efficiency—an era deliberately grounded in uncompromising customer-centric service delivery and rigorous financial stewardship. This theme was born from deep, ongoing collaboration with our local municipalities and meticulously refined through intensive Technical and Institutional planning sessions. It has galvanised every department and every official to place service excellence and fiscal discipline at the centre of all we do. While we have stabilised in unqualified audit territory after numerous years of disclaimers, this hard-won stability is not our destination—it serves as a powerful springboard toward the Clean Audit that will truly signal maturity and trustworthiness in the eyes of our communities, our funders, and the Auditor-General.

Throughout this review cycle we have demonstrated our growing capacity to identify blind spots swiftly, respond decisively to crisis and maintain service equilibrium even under severe pressure. We have institutionalised the latest Auditor-General recommendations, performance dashboards, and all critical strategic documents, recommitting ourselves to full alignment between ADM's IDP, the District Development Model (DDM), and our Long-Term Plan—Vision 2030. This alignment will ensure that planning, budgeting, implementation and monitoring speak with one voice.

To this end, ADM council has approved the revised DMM, this One Plan embodies our operational reality—eradicating silos, integrating efforts internally and forging seamless cooperation with strategic partners in our space. These partnerships will remain our lifeline: ensuring that the residents of Amathole are the unequivocal primary beneficiaries, while enabling faster resolution of inter-governmental challenges through established IGR mechanisms and supporting sustained revenue growth for ADM.

For the year ahead, our administration will live and breathe Efficiency—accelerating responsive, high-quality service delivery in strict accordance with Council's mandate, while progressing decisively through the remaining phases of the Revised Municipal Financial Recovery Plan toward Clean Audit status. We have pinpointed high-impact, immediately executable interventions to safeguard and grow our financial position: stringent curtailment of non-essential spending, aggressive revenue enhancement through unwavering enforcement of credit control policies, targeted recovery from businesses and government debtors, continuous refinement of the indigent register, accelerated implementation of yard connection policies, and rapid expansion of smart meter installations.

Amathole District Municipality has ramped up communications and engagement capabilities across the district, building a strong sense of active participation among residents in the delivery and protection of our essential services. Amongst our core messaging we are tackling vandalism head-on and making it clear that ADM's infrastructure is a community asset, built for the people and deserving of collective safeguarding from vandalism, theft, or any form of damage. By breathing new life into Water Forums and similar grassroots platforms, we are equipping communities to step forward as true partners and vigilant protectors of the systems that sustain daily life.

The Municipality maintains an outstanding record in utilising grants effectively, consistently achieving all Regulatory Accounting Standards (RAS) benchmarks and obligations. This disciplined approach ensures uninterrupted, high-quality service provision. Through structured monthly procurement scheduling and the ongoing work of our expenditure monitoring group, we gain clear, timely insights into financial flows, project advancement, delivery milestones, and real-world service impacts. This transparency enables swift, targeted leadership action to address any potential setbacks or inefficiencies before they escalate.

In strong collaboration with organized labour, management is dedicated to nurturing a motivated, resilient, and results-oriented organization. Positive, open employer-employee relationships form the essential foundation for lasting excellence in service delivery—they are fundamental, not optional. The groundwork is complete: every pledge made in the 2026 Institutional Strategic Planning process and every aspiration raised through community dialogues is now shifting into tangible execution.

Guided by unwavering discipline and efficiency, Amathole District Municipality will keep fortifying its governance framework and delivering meaningful, lasting improvements to the quality of life for all who call this district home.

.....
Dr. BJ MTHEMBU
MUNICIPAL MANAGER

ACRONYMS AND ABBREVIATIONS

AA	Accountability Agreements
ACR	Audit Committee Reviews
ADM	Amathole District Municipality
ADMIAF	ADM Internal Audit Forum
ADR	Alternative Dispute Resolution
AEM	Asset and Expenditure Management
AFS	Annual Financial Statements
AG	Auditor General
AIDS	Acquired Immune Deficiency Syndrome
AMS	Asset Management Strategy
AQC	Auditing and Quality Control
AQMP	Air Quality Management Plan
ARC	Audit and Risk Committee
ARPH	Annual Report Public Hearings
ASP	Application Service Provider
AWB	Amatola Water Board
BAC	Bid Adjudication Committee
BCP	Business Continuity Plan
BFI	Budget Facility for Infrastructure
BMNP	Business Marketing and Networking Platforms
BRS	Brand Repositioning Strategy
BSD	Basic Service Delivery
CBI	Cross Border Initiatives
CBNRM	Community-Based Natural Resource Management
CBO	Community Based Organisation
CBT	Community-Based Tourism
CCRP	Climate Change Response Plan
CCVA	Climate Change Vulnerability Assessment
CDBEP	Contractor Development and Business Empowerment Programme
CFO	Chief Financial Officer
CHDM	Chris Hani District Municipality
CIRP	Community Integrated Response Plans
CMP	Coastal Management Plan
COGTA	Department of Cooperative Governance & Traditional Affairs

CS	Communications Strategy
CS	Corporate Services Department
CSD	Community Safety Department
CSO	Civil Society Organisation
CSP	Civilian Secretariat for Policing
DEFF	Department of Environment, Forestry & Fisheries
DCSP	District Community Safety Plan
DDM	District Development Model
DDRMAF	District Disaster Risk Management Advisory Forum
DEDEA	Department of Economic Development, Environmental Affairs & Tourism
DFA	Development Facilitation Act
DGDS	District Growth and Development Strategy
DHAC	District Health Advisory Committee
DMP	Disaster Management Plan
DHS	Department of Human Settlement
DMRE	Department of Minerals Resources & Energy
DoRB	Division of Revenue Bill (DoRB)
DPSA	Department of Public Service and Administration
DRRP	Disaster Risk Reduction and Planning
DSD	Department of Social Development
DSDF	District Spatial Development Framework
DSDS	District Sport Development Strategy
DSRAC	Department of Sport Recreation Arts and Culture
DWDF	District Wide Director's Forums
DWLSF	District Wide Legal Services Forum
DWS	Department of Water and Sanitation
EA	Environmental Assessment
ECD	Early Childhood Development
ECDC	Eastern Cape Development Corporation
EDA	Economic Development Agency
EDS	Economic Development Strategy
EEP	Employment Equity Plan
EF	Expenditure Framework
EGDP	Economic Growth and Development Programmes
EHO	Environmental Health Offices
EIA	Environmental Impact Assessment

EMC	Executive Management Committee
EMLP	Executive Mayor Legacy Projects
EMP	Environmental Management Plan
EP	Establishment Plan
EPMP	Employee Performance Management Policy.
EPWP	Expanded Public Works Program
ES	Equitable Share
ESP	Economic Stimulus Plan
ESRI	Environmental Systems Research Institute
ESS	Executive Support Services
EWS	Employee Wellness Strategy
FAO	Financial Audit Outcome
FAS	Financial Asset Management
FBS	Free Basic Services
FET	Further Education and Training
FF	Financial Framework
FID	Film Industry Development
FMS	Financial Management Strategies
FMS	Fleet Management Strategy
FPA	Fire Protection Association
FRMP	Fire Risk Management Plan
MFV	Municipal Financial Viability
GAMAP	Generally Accepted Municipal Accounting Practice
GCIS	Government Communications and Information Systems
GDP	Gross Domestic Product
GFMEP	Governance and Finance Management and Economic Positioning
GGP	Good Governance and Public Participation
GIS	Geographic Information System
GKLM	Great Kei Local Municipality
GNP	Gross National Product
GRAP	Generally Recognised Accounting Practice
GSP	Generalised System of Preferences
HDI	Human Development Index
HIV/AIDS	Human Immunodeficiency Virus/Acquired
HPI	Human Poverty Index
HRDS	Human Resources Development Strategy

HRP	Human Resources Plan
IA	Internal Audit
IACM	Infrastructure Assets and Capital Commitments
IAM	Infrastructure Asset Management
ICT	Information and Communication Technology
ICZMP	Integrated Coastal Zone Management Plan
IDCSF	Integrated District Community Safety Forum
IDP	Integrated Development Plan
IEMP	Integrated Environmental Management Plan
IFCMF	Integrated Fraud and Corruption Mitigation Framework
IHSP	Integrated Human Settlement Plan
IMATU	Independent Municipal Allied Trade Union
IMCS	Information Management and Communication System
IMESA	Institute for Municipal Engineers South Africa
IMS	Incident Management System
IPM	Individual Performance Management
IR	Infrastructure Refurbishment
ISHSS	Integrated Sustainable Human Settlement Strategy
ISO	International Standards Organisation
ISRDP	Integrated Sustainable Rural Development Programme
ITP	Integrated Transport Plan
IW	Integrated Wellness
IWMP	Integrated Waste Management Plan
KPA	Key Performance Area
KPI	Key Performance Indicator
LAN	Local Area Network
LAR	Land and & Agrarian Reform
LCF	Local Communicators Forums
LEC	Local Economic Contribution
LED	Local Economic Development
LGCCS	Local Government Climate Change Support
LGSETA	Local Government SETA
LM	Local Municipality
LMS	Litigation Management Strategy
LRSP	Land reform & settlement plan
LUMS	Land Use Management System

MAYCO	Mayoral Committee
MBRR	Municipal Budget Reporting Regulations
MDGs	Millennium Development Goals
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MFRP	Mandatory Financial Recovery Plan
MHSP	Municipal Housing Sector Plans
MHSPS	Municipal Health Services and Protection Service
MHSS	Municipal Health Services Strategy
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MM	Municipal Manager
MMP	Maintenance Management plans
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee
MPAP	Municipal Priority Action plan
MRM	Moral Regeneration Movement
MSA	Municipal Systems Act
MSP	Municipality's Strategic Plans
MTI	Municipal Transformation and Organizational Development
MTREF	Medium-Term Revenue and
MTSF	Medium-Term Strategic Framework
NCF	National Communication Framework,
NCS	National Communications Strategy
NDMPF	National Disaster Management Policy Framework
NDoT	National Department of Transport
NDP	National Development Plan.
NGO	Non-Governmental Organisation
NMU	Nelson Mandela University
NMMM	Nelson Mandela Metro Municipality
NPO	Non-Profit Organisation
NSDP	National Spatial Development Plan
NSNP	National School Nutrition Programme
NT	National Treasury
ODS	Organisational development Strategy
OFS	Operational Financing Strategies

OHS	Occupational Health and Safety
OMA	Operation & Maintenance of Assets
OPM	Organisational Performance Management
OTP	Office of the Premier
OWS	Occupational Wellness Strategy
PAJA	Promotion of Just Administration Act
PCPS	Provincial Crime Prevention Strategy
PESP	Poverty Eradication Sector Plan
PGDP	Provincial Growth and Development Plan
PHSHDA	Priority Human Settlements and Housing Development Areas
PMF	Performance Management Framework
PMRNP	Provincial Municipal Roads Network Plan
PMS	Performance Management System
PMCT	Prevention of Mother to Child Transmission
PP	Performance Promises
PP	Public Participation
PPR	Preferential Procurement Regulations
PSDP	Provincial Spatial Development Plan
RES	Revenue Enhancement Strategy
RSC	Risk Steering Committee.
RSA	Republic of South Africa
RVA	Risk and Vulnerability Assessment
SALGA	South African Local Government Association
SAMWU	South African Municipal Workers Union
SAP	Systems Applications Products
SCMS	Supply Chain Management Strategy
SDA	Service Delivery Agreement
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SDM	Service Delivery Model
SDP	Supplier Development Programme:
SEA	Strategic Environmental Assessment
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprises
SONA	State of the Nation Address
SOP	Standard Operating Procedures

SOPA	State of the Province Address
STATSSA	Statistics South Africa
STDs	Sexually Transmitted Diseases
TB	Tuberculosis
TDP	Tourism Development and Promotion
ToR	Terms of Reference
TRS	Talent Retention Strategy
UIF&W	Unauthorised, Irregular and Fruitless and Wasteful Expenditure
URA	User Requirement Assessment
VAT	Value Added Tax
VPN	Virtual Private Network
WBC	Water Balance Calculations
WCDM	Water Conservation and Demand Management
WDM	Water Demand Management
WESRC	Wastewater/Environmental Safety & Regulatory Compliance
WRM	Water Resource Management
WSA	Water Service Authority
WSD	Water & Services Development
WSDP	Water Services Development Plan
WSI	Water and Sanitation Infrastructure
WSSQ	Water and Sanitation Service Quality

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CHAPTER ONE: STRATEGIC OUTLOOK



CHAPTER ONE

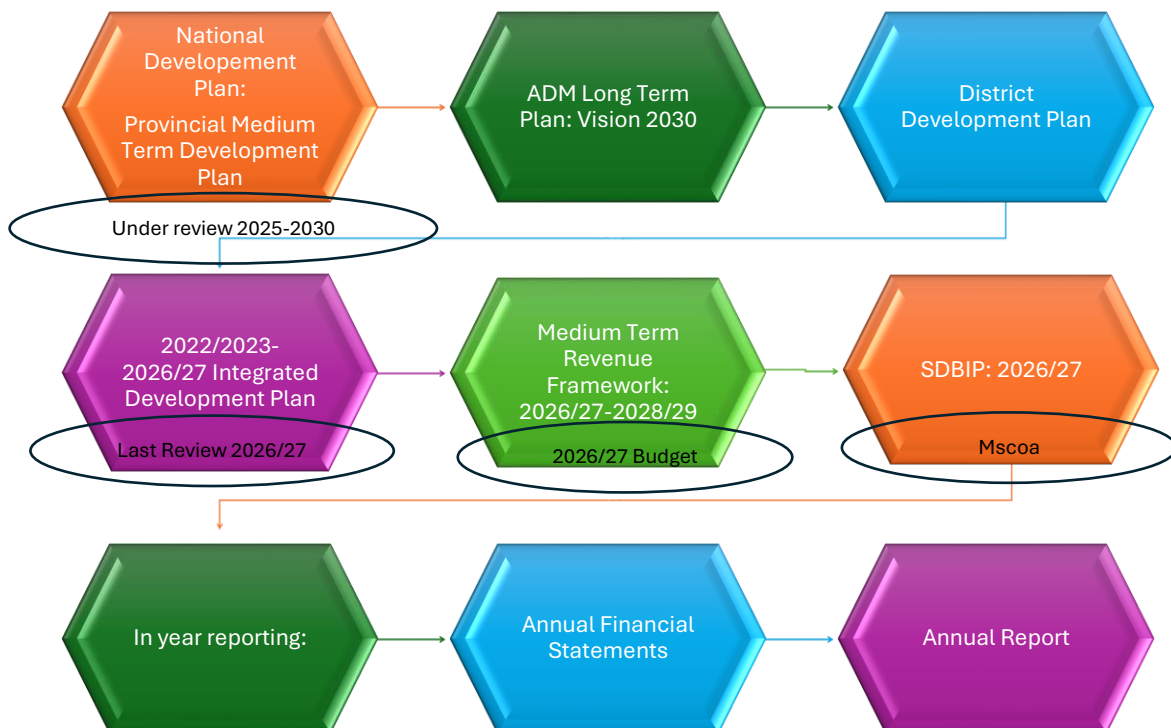
STRATEGIC OUTLOOK

1.1 LOCAL GOVERNMENT STRATEGIC PLANNING AND MUNICIPAL ACCOUNTABILITY FRAMEWORK

The Municipal Systems Act outlines the process which needs to be undertaken in order to develop an Integrated Development Plan in order to effectively utilise the scarce resources which are allocated. In addition, the IDP is a Corporate Strategy that assists with accelerating service delivery in an effective and efficient manner and also attraction of funding and investment in line with the development plans of the area.

In order to guide this process, the Accountability cycle illustrated below is customised into a Local Government Strategic planning framework which has been undertaken by Amathole District Municipality (ADM). However, the Municipality takes into considerations its own long-term plans that inform the development of the Integrated Development Plan (IDP). This process is then followed by the allocation of the budget for the realisation of the IDP. The Service Delivery and Budget Implementation are the Business Scorecard which Amathole District Municipality utilises to implement projects. Moreover, an important component is the Performance Management which monitors and evaluates implementation against the stated targets.

FIGURE 1: ACCOUNTABILITY CYCLE



1.2 AMATHOLE DISTRICT MUNICIPALITY VISION, MISSION AND VALUES

The Vision, Mission and Core Values of Amathole District Municipality as adopted by Council in 2017 remain the same as for the new term as follows:

VISION:

Amathole District Municipality: Commitment towards selfless, excellent and sustainable service to all our communities.

MISSION:

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

- Ensuring equal access to socio-economic opportunities;
- Building the capacity of local municipalities within Amathole District Municipality'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; and
- 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 an Amathole District Municipality DM'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 Amathole District Municipality.

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 the utmost integrity as councillors and officials of Amathole District Municipality

Accountability - We are committed in being held to account by our stakeholders and primary customers.

1.3 POWERS AND FUNCTIONS

The Constitution of South Africa, 1996 provides for the establishment of municipalities with specific criteria for category C municipalities and also make provision for appropriate division of powers and functions between different categories of municipalities. The Local Government: Municipal Structures Act (No. 117 of 1998) further elaborates on the types of category C municipalities, their establishment, as well as the division of powers and functions of municipalities.

The Amathole District Municipality is a Category C Executive Mayoral Type Municipality with all the Executive powers of the Council vested in the Executive Mayor, who is assisted by members of the Mayoral Committee.

In terms of Sections 83 and 84 of the Municipal Structures Act, read with Schedule 4B and 5B of the Constitution, the ADM's assigned powers and functions in respect of:

- a) Water and Sanitation;
- b) Municipal Health Services;
- c) Disaster Management;
- d) Local Economic Development;
- e) Municipal Planning;
- f) Fire Fighting Services;
- g) Solid Waste Disposal sites;
- h) Regulation of Passenger Transport Services

1.4 AMATHOLE DISTRICT MUNICIPALITY LONG TERM PLAN

The National Development Plan (NDP) as our country's development blueprint has set a tone for all spheres of government to step up efforts to accelerate the delivery of services and the betterment of life for all. Amathole District Municipality which is a critical component of developmental local government deemed it fit to localize the NDP to ensure the realisation of the ideals enshrined in the national development blueprint. ADM Vision 2030 was developed with an expressed purpose of tackling triple challenges i.e. inequality, poverty and unemployment through forging partnerships with our national and provincial counter parts. In this endeavour, the role of our social partners which includes business, labour, industry, CBO, NGO'S etc. cannot be understated.

Our vision was developed through an intensive, participatory, and consultative process that was designed to ensure meaningful contribution of stakeholders as well as ownership and accountability during the implementation stages of the plan. It is worth mentioning that the plan is premised on six pillars that emerged from the process which included comprehensive situational analysis, stakeholder engagement and broader political consultation and participation.

During the process of identification and formulation of the pillars, the United Nation's Sustainable Development Goals (SDGs), National Development Plan's (NDP) key focus areas and the pillars of Provincial Development Plan (PDP) were carefully considered. There were used as the guiding framework for the development of ADM's vision in order to ensure alignment and monitoring and evaluation of progress to be made. In addition, lessons were drawn from the growth and development strategies of other municipalities as the benchmarks to be utilized in the visioning exercise.

1.4.1 Key Pillars of the Long-Term Plan- Vision 2030

Environmental Sustainability

The integrated Model for Sustainable Development Goals proposes the proper integration of policy interventions in different functional areas to ensure that the ecological integrity of our geographic space is not compromised. Currently, the environmental state of our district is in good shape which provides massive opportunities for socio-economic betterment of the citizens. Guided by the principles of sustainable development, there is a commitment to reversing the environmental degradation that has taken place within the district and to adopt a "green" approach to all public and private sector activity within the region. The intention will be to consider all investment in terms of the 3 P's – people, profit and planet – and ensure that trade-offs are made in terms of the long-term interests of the region.

Strategic Infrastructure Investment – the district is faced with a huge infrastructure backlog that was as a result of historical poor planning and deliberate inequitable spatial configuration. These infrastructure backlogs include human settlements, roads network, water, sanitation, electricity, solid waste sites, health and transport facilities as well as information and communication networks. Economic development and provision of services are heavily reliant on infrastructure in order to succeed hence the need to invest in infrastructure. Currently, there is a low rate of investment in infrastructure by both the private and public sectors. The low rates of investment are insufficient to drive high rates of the desired socio-economic growth.

The intention is to utilise investment in infrastructure in order to spatially reconfigure the district, generate jobs and to boost economic activity. A district Spatial Development Framework has been completed but an Infrastructure audit has to be conducted in order to guide this investment. Government, in fulfilling its mandate of creating an environment conducive for society and business, must drive investment in infrastructure, with support from private sector partners. Land and tenure security is a major constraint that needs urgent attention.

Economic Development and Support – Economic development is an all-encompassing term that may refer to the efforts and initiatives by both the policymakers and the citizens of a region to promote factors that will lead to the development of that region. The benefits of economic development are drawn from factors like improvement in human capital, solid infrastructure, environmental awareness and health, and a good welfare system. Another aspect that can be seen as a benefit is an improvement in the competitiveness of the region with others in the province and the country.

One of the benefits of economic development is an improvement in human capital, which means an improvement in the skills, talents and education of the general population through the provision of good schools, quality learning environments and materials. Human beings are the main drivers behind economic development, which they can achieve through the application of their skill, knowledge and experience

toward the development of the nation. In order to acquire this education, they must receive training or formal instruction from well-equipped schools with modern laboratories and other learning aids. Sometimes the training is acquired on the job as they learn and grow from experience. This knowledge is referred to as human capital because it is an investment in people that is expected to pay dividends over time.

It against this backdrop, Amathole District Municipality should partner with key sectors such as tourism, agriculture, agro-processing furniture, etc. through jointly managed action-research projects that identify value-chain investment opportunities and support needs within these industries. Joint implementation plans are being agreed to in order to maximize their shared growth and job creation potential in the region.

Education and Skills development – the way people experience economic, political and social life is shaped by education. Education takes a centre stage in determining human development and the quality of life in general. It is viewed as an important tool to deal with issues of unemployment, poverty and inequality and is the main servant of the productive economy and prosperity. The current education and skills level in the district does not augur with the strategic intent of taking a giant leap from poverty to widely shared prosperity and equity. The dire need to invest in human capital in order to turn the situation towards the desired direction cannot be overlooked in order to accelerate the process of development

The idea of this pillar is to mobilise all key stakeholders around a single Human Resource Development Strategy for the region that addresses life-long and quality learning throughout the district with the aim of ensuring higher employment, productivity and entrepreneurship levels in our community.

Safety and Empowerment of Communities –This concept seeks to operationalize human security, human development and state-building paradigms at the local level. The contemporary concept of community security, narrowly defined, includes both group and personal security. The approach focuses on ensuring that communities and their members are free from danger and fear. Like community safety and citizen security, it promotes a multi-stakeholder approach that is driven by an analysis of local needs. A safe community embraces a methodology and infrastructure where all sectors of the community work together collaboratively to safeguard citizens' well-being and property. Sharing information fosters partnerships that enhance safety, manage risk, and increase overall communal engagement. "Community" does not just refer to individual community members, but refers to all actors, groups and institutions within the specific geographic space. It therefore also includes civil society organizations, the police and the local authorities that are responsible for delivering security and other services in that area.

Social development requires investment into the physical and mental health and security of the district population, not to mention ensuring poverty alleviation and a conscious transformation towards economic empowerment. Mobilisation of stakeholders, particularly NGOs and CBOs, is crucial to ensuring that citizens are sufficiently housed, protected against the social ills of society, and are actively engaged in improving communities.

Institutional Development – The creation or reinforcement of a network of organisations to effectively generate, allocate and use human, material and financial resources to attain specific objectives on a sustainable basis is the essence of institutional development. Institutions are inefficient because of bad or weak policies, procedures, resource management, organization, leadership, frameworks, and communication. In this context this driver addresses the need to strengthen and build collaborative

partnerships within government, and amongst the public, private and civil society sectors. The acknowledgement is that better co-ordination, collaboration, good governance, and the creation of an enabling environment for businesses and institutions to thrive will be essential for development in the region.

It is worth noting that the IDP as the central planning tool of the municipality be used as the implementation mechanism of the long-term plan. In addition, DDM should be used as the vehicle that provides the how part of the attainment of the vision through coordination and cooperation.

1.5 DISTRICT DEVELOPMENT MODEL (ONE PLAN)

The President of the Republic of South Africa has articulated this in the Presidency Budget Speech (2019) by indicating that things have to work differently from now on:

“For the effective implementation of our seven priorities, the structures of government will need to function with maximum coordination and cooperation as it is envisaged in our Constitution.

The truth is that lack of coordination between national and provincial governments, between departments and particularly at local government level, has not served us. We have slid into a pattern of operating in silos. This has led to lack of coherence in planning and implementation and has made monitoring and oversight of government’s programme difficult. It has become a significant deterrent to investment as businesspeople have had to move from pillar to post in search of support and services in what are essentially the same sectors. At the heart of most service delivery protests is fragmented planning on our part as well as poor communication. As the 6th Administration we are going to do away with this fragmented approach to development.”

Therefore we are called upon to:

- Ensure that we bring to life the aspirations of the people shall govern
- Bring government closer to the people through the District with the support of provincial and national government, so as to enhance development and cooperative governance at all spheres

The Model consists of a process by which joint and collaborative planning is undertaken at local, district and metropolitan by all three spheres of governance resulting in a single strategically focussed One Plan for each of the 44 districts and 8 metropolitan geographic spaces in the country, wherein the district is seen as the ‘landing strip’.

The District Development Model builds on the White Paper on Local Government (1998), which seeks to ensure that “local government is capacitated and transformed to play a developmental role”. The White Paper says developmental local government “is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives

1.5.1 DDM Objectives

- Coordinate a government to challenges of poverty, unemployment and inequality particularly amongst women, youth and people living with disabilities.
- Ensure inclusivity by gender budgeting based on the needs and aspirations of our people and communities as a local level. Narrow the distance between people and government by strengthening the coordination role and capabilities at the District and City levels.
- Foster a practical intergovernmental relations mechanism to plan, budget and implement jointly in order to provide a coherent government for the people in the Republic; (solve silo's, duplication and fragmentation) maximise impact and align plans and resources at our disposal through development of "One District, One Plan and One Budget"
- Build government capacity to support municipalities. Strength monitoring and evaluation at district and local levels. Implement a balanced approach towards development between urban and rural areas.
- Exercise oversight over budgets and projects in an accountable and transparent manner.

1.6 INTEGRATED DEVELOPMENT PLAN (IDP)

Amathole District Municipality (ADM) is required by Section 25 of the Local Government: Municipal Systems Act 32 of 2000 to develop a 5 year plan i.e Integrated Development Plan (IDP) that will guide planning of the entire space. This plan has to be reviewed annually to take stock of what has happened and review the order of priorities. This legal requirement obligation further requires the municipality to consider all developments planned by all parties and ensure synergy.

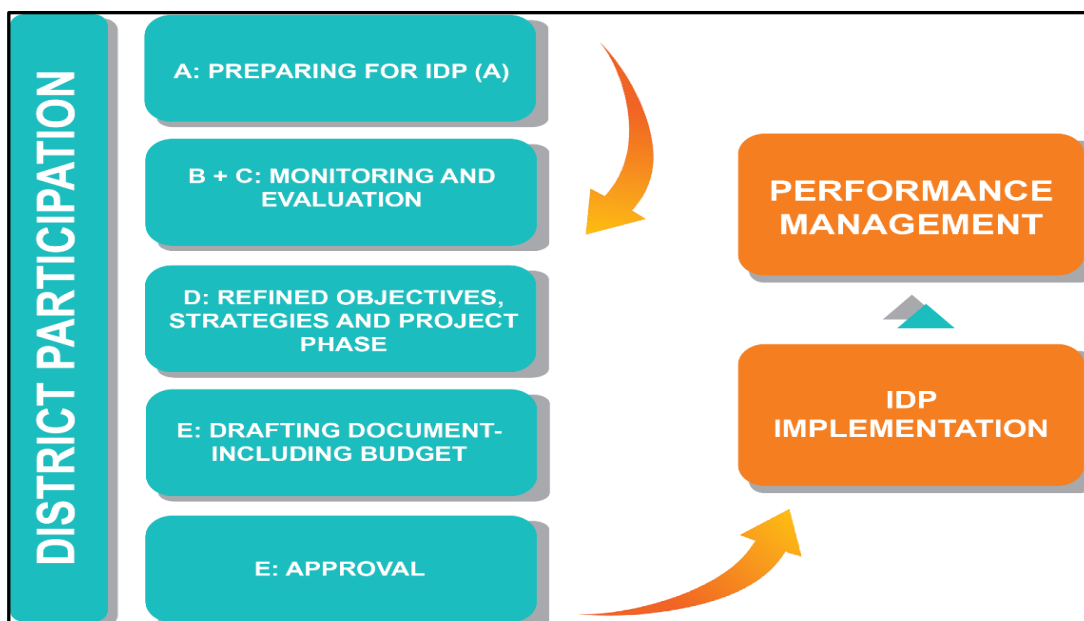
In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act 32 of 2000 also requires that:

- 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.

1.6.1 The IDP Development and Review Process

This process describes a continuous cycle of planning, implementation, and review as can be seen in Figure below. During the year new information becomes available and unexpected events may occur. Some of the information can make immediate changes to the planning and the implementation of the IDP. After the reviewed IDP has been adopted, implementation as well as situational changes will continue to occur, which is again monitored throughout the year and evaluated as indicated in Diagram 1 for consideration in the next IDP (DPLG, IDP Guide Pack IV).

FIGURE 2: DEVELOPMENT REVIEW PROCESS



Amathole District Municipal Council held on the 29th of August 2025 adopted its District IDP Framework Plan together with the IDP/PMS/Budget Process Plan. The District IDP Framework serves as a guide to all six local municipalities within Amathole, to ensure alignment in planning budgeting processes. In addition, it outlines the time frames of scheduled events/activities, structures involved, roles and responsibilities.

The IDP/Budget and PMS Process Plan outlines in detail, the manner in which ADM embarked on its 2025/26 IDP review, Budget and PMS processes.

The Organizational arrangements put in place to oversee the processes, ensuring achievements of key milestones and deliverables. These are:

- IDP/Budget and PMS Representative Forum,
- IDP/Budget and PMS Steering Committee,
- District Mayor’s Forum (DIMAFO)
- Municipal Manager’s Forum
- Director’s Forum

In the process of developing the IDP and Budget, Strategic Planning sessions was held in 17-18 February 2026 the objective of the session was to facilitate a framework that will guide the municipality’s strategic direction as reflected in Chapter Four.

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

Table 1: Amathole District Municipality Action Plan-Public Participation Structures & Meeting Dates 2025/26

AMATHOLE DISTRICT MUNICIPALITY ACTION PLAN - PARTICIPATION STRUCTURES & MEETING DATES	
PHASE & ACTIVITIES	Timeframe
A Preparation phase / Pre-planning	
IDP AND BUDGET	
MM's Forum meeting	09/09/2025
IDP/ Budget & PMS Steering Committee meeting to review Implementation progress and prepare for the 25/26 IDP Launch	07/08/2025
DIMAFO Meeting	18/09/2025
Launch (District wide level). IDP/Budget & PMS Representative Forum to outline terms of reference, report progress, explain review process.	21/08/2025
ANNUAL REPORT	
Annual Report is made public and representation is invited	October 2025
B+C Analysis Phase / Monitoring and evaluation	
IDP AND BUDGET	
MM's Forum meeting (Sector specific analysis information)	04/11/2025
IDP/PMS & Budget Steering Committee meeting to review Implementation progress and present the situational analysis for 2025/26 IDP	06/11/2025
DIMAFO meeting (Sector specific analysis information and prioritized local issues	21/11/2025
IDP/PMS/Budget Rep Forum meeting (District-wide consultation and inputs on district priorities)	25/11/2025
Technical Strategic Planning Session	27-28/01/2025 & 11-13/02/2026
D Strategies Phase / Refined objectives, strategies, programmes and projects phase	
IDP AND BUDGET	
IDP/ Budget & PMS Steering Committee Meeting - KPAs to present planning and implementation progress	31/01/2026
IDP/ Budget & PMS Steering Committee meeting to present the draft IDP and Budget	19/03/2026
MM's Forum meeting to get inputs on district-wide development plans and funding commitments	
DIMAFO meeting to get inputs on the draft IDP and Budget	27/02/2026
IDP/Budget & PMS Representative Forum meeting to present the draft IDP (district-wide consultation)	25/03/2026
ADM Council approval of the draft IDP & Budget and noting of the SDBIP	31/03/2026
E Reviewed IDP document (Integration/programme implementation and operational plan)	
IDP AND BUDGET	
IDP/Budget roadshows - public hearings	April 2026
IDP/Budget & PMS Steering Committee meeting Incorporate projects from sector departments	May 2026
F Approval phase	
IDP AND BUDGET	
IDP/Budget & PMS Steering Committee meeting implementation and to present the Final 2026/27 IDP & Budget	13/05/2026
MM's Forum meeting to get inputs on district-wide development plans and funding commitments	07/05/2026
IDP/Budget & PMS Rep Forum to present the Final 2026/27 IDP & Budget	21/05/2026
DIMAFO meeting to get inputs on the draft IDP and Budget	29/05/2026
ADM Council Approval of IDP & Budget	28/05/2026

1.6.2 Relevant Documents for the IDP Development

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

- ADM IDP/PMS and Budget Process Plan
- Various sector plans and programmes
- Amathole Category B LM IDP's
- ADM Performance Management Framework
- Provincial Development Plan
- Provincial Spatial Development Plan (PSDP)
- National Spatial Development Plan (NSDP)
- National Development Plan
- Provincial Medium Term Development Plan 2025-2030
- District Development Plan (One Plan)
- ADM Vision 2030
- Local Municipalities' Long-Term Plans

1.6.3 IDP Assessments as Assessed by EC-COGTA

Table 2: 5 Year IDP Assessments

KPAs	RATING 2021/22	RATING 2022/23	RATING 2023/24	RATING 2024/25	RATING 2025/26
Spatial Planning, Land, Human Settlements and Environmental Management	High	High	High	High	Medium
Financial Planning and Budgets	Medium	High	Medium	Medium	Medium
Good Governance and Public Participation	High	High	Medium	High	High
Local Economic Development	High	High	High	High	High
Institutional Arrangements	Medium	High	High	High	Medium
Service Delivery and Infrastructure Planning	High	High	Medium	High	Basic

- The Municipality recorded a decline in IDP assessments compared to the previous financial year. While most of the Key Performance Areas (KPAs) achieved a combination of high and medium ratings, the Service Delivery and Infrastructure Planning KPA rating has dropped to a basic level.
- All the issues that were raised will be addressed in the 2026/27 IDP in particular those that are within means of being achieved within the institution. A process plan has been done to address some as depicted below:

Table 3: IDP Assessments findings Action Plan

KPA	ISSUES FROM COGTA	COMMENTS	TIMEFRAME
Spatial Planning, Land Human Settlement and Environmental Management	<ul style="list-style-type: none"> The municipality must reflect on a co-ordinated plan to leverage donor funding for climate change particularly labour-intensive initiatives in light of unemployment figures. 	<p>The municipality will address this matter in the next IDP review cycle as it requires the review of the Climate Change Strategy.</p>	<p>2027/28</p>
	<ul style="list-style-type: none"> The municipality must reflect on budgetary provision being made for planned housing projects. 	<p>This matter has been addressed and incorporated into the 2026/27 IDP.</p>	
	<ul style="list-style-type: none"> The municipality must indicate continuous consultation with traditional leadership on land development and rehabilitation of land. 	<p>The municipality will address this matter in the next IDP review cycle as it requires the review of the Land Reform & Settlements Plan and the Environmental Management Plan</p>	<p>2026/27</p>
	<ul style="list-style-type: none"> The municipality must review the Air Quality Management Plan and reflect in the IDP. 	<p>The municipality will address this matter in the next IDP review cycle as it requires funding for the review.</p>	
	<ul style="list-style-type: none"> The district must enter into an agreement with DEDEAT to keep the function of a licensing authority. 	<p>The municipality will address this matter in the next IDP review cycle as it requires the commitments and MoU's to be concluded</p>	<p>2026/27</p>
	<ul style="list-style-type: none"> The municipality must indicate all capital projects that will require environmental authorization to comply with an Environmental Impact Assessment (EIA) process. 	<p>The municipality will address this matter in the next IDP review cycle.</p>	
	<ul style="list-style-type: none"> The municipality must indicate its attempt to develop environment planning tools such as State of the Environment Reporting (SOER), Environmental Management Frameworks (EMFs), Coastal Management Plans, aquatic ecosystem, ecological infrastructure, wetlands bioregional plans and associated Environmental Management Plans. 	<p>This has been incorporated in the IDP as there is a chapter reflecting ADM state of environment. Also it will be reflect on an continuous basis and will be indicated in the IDP</p>	<p>2026/27</p>
	<ul style="list-style-type: none"> The municipality must reflect on all the elements of the Environmental Health Plan namely, food control, water quality monitoring, health surveillance of premises, 		<p>2026/27</p>

	<p>surveillance and prevention of communicable diseases, waste management monitoring, environmental pollution control, vector control, disposal of the dead and chemical safety.</p> <ul style="list-style-type: none"> • The municipality must gazette municipal health services by-laws. • The municipality must appoint officials in terms of Criminal Procedure Act, 1977 (Act No. 51 of 1977) for the enforcement of environmental health laws. • The municipality must appoint officials to deal with environmental health issues as per applicable norms and standards. • The municipality must indicate whether a qualified town planner has been appointed to deal with town planning requirements in terms of SPLUMA. • The municipality must reflect whether it is an Air Quality licensing authority. •The municipality must reflect on the budget set aside for the implementation of the Environmental Health Plan. •The municipality must gazette municipal health services by-laws. •The municipality must appoint officials designated as inspectors in terms of health officers in terms of the Foodstuffs, Cosmetics & Disinfectant Act (Act No. 54 of 1972). 	<p>Municipal Health Services elements are reflected in the IDP and annual reports of the municipality are reflective of the elements of Municipal Health Services.</p> <p>The Gazetting of the By-Laws process has been commenced.</p> <p>The process has been initiated and will be continued for the EHPs to be appointed as Peace Officers for the enforcement of MHS By-Laws.</p> <p>27 EHPs are currently servicing communities on Environmental Health Issues.</p> <p>The municipality will address this matter in the next IDP review cycle as it will be indicated in Chapter 1 on Planning of the IDP as it is in the process of partnering with DEDEAT for the implementation of the program until the capacity issues are solved.</p> <p>There is a budget for delivery of Municipal Health Services</p> <p>The Gazetting of the By-Laws process has been commenced.</p> <p>27 EHPs are currently servicing communities on Environmental Health Issues</p>	<p>2026/27</p> <p>2027-2032</p> <p>2026/27</p> <p>2026/27</p>
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	<ul style="list-style-type: none"> •The municipality must appoint officials in terms of Criminal Procedure Act, 1977 (Act No. 51 of 1977) for the enforcement of environmental health laws. •The municipality must appoint officials to deal with environmental health issues as per applicable norms and standards. 	<p>The process has been initiated and will be continued for the EHPs to be appointed as Peace Officers for the enforcement of MHS By-Laws.</p> <p>27 EHPs are currently servicing communities on Environmental Health Issues, it will reflect in the next IDP cycle</p>	2026/27
<p>Service Delivery and Infrastructure Planning</p>	<ul style="list-style-type: none"> • The municipality must reflect on the key District Development Model programmes and catalytic projects. • The municipality must reflect on the appointment of the Head of the Centre (HOC) in terms of Section 51 of the Disaster Management Act. • The municipality must reflect in the IDP the appointment of qualified staff in as per sect 5A of the Act. • The municipality must have a compliant Disaster Integrated Information Management and Communication System. • The municipality must set aside budget for disaster response and recovery in line with gazetted national thresholds. • The municipality must reflect in the IDP on the appointment of Chief Fire Officer. • The municipality must budget for operations of Fire Services and that must be reflected in the IDP. • The municipality must budget for firefighting equipment and reserve vehicles and reflect in the IDP. • The municipality must reflect on the Fire Master Plan. 	<p>The municipality will address this matter in the next IDP review cycle .</p> <p>The appointment of an HOC was done in December 2024. And complied with all requirements. It reflects in the 2026/27 IDP</p> <p>It has been incorporated in the 2026/27 IDP</p> <p>The system has been installed it will be functional as from 20th February 2026</p> <p>There is a budget available</p> <p>The chief Fire Officer has been appointed in 2024.</p> <p>This matter will be addressed and incorporated into the 2026/27 IDP</p> <p>Budget is provided annually for equipment, but inadequate for reserve vehicles</p> <p>The Fire master plan will be reviewed and incorporated into the 2026/2027 IDP</p>	<p>2026/27</p> <p>2026/27</p> <p>2025/2026</p> <p>2026/2027</p>

	<ul style="list-style-type: none"> • The Municipality must develop and reflect Fire Service tariff policy in the IDP. • The municipality must reflect on the Fire Hydrant Maintenance Plan. • The Municipality must develop, sign and implement the Fire Fighting cross border Mutual Aid Agreements and reflect in the IDP. • The Municipality must develop Standard Operational Procedures and be reflected in the IDP. • The municipality must reflect a functional Chief Fires Officer Forum in the IDP. • The municipality must reflect on the functionality of the Chief Fires Officers' Forum. • The municipality must finalise the approval of the Water Services Development Plan (WSDP). • The municipality must include mining and tourism in the reviewed WSDP. • The municipality must implement the water services infrastructure maintenance plan. • The municipality must reflect on the institutional arrangement for the provision of water services. 	<p>There is an existing tariff policy, but it must be included into the IDP for 2026/27</p> <p>There is an existing fire hydrant maintenance plan and must be incorporated into the 2026/27 IDP</p> <p>This matter will be addressed and incorporated into the 2026/27 IDP</p> <p>There is existing Standard Operational Procedures in place and will be incorporated into the 2026/27 IDP</p> <p>There is an existing forum and will be incorporated into the 2026/27 IDP</p> <p>The forum is functional.</p> <p>The municipality is currently finalizing its WSDP, and the final document will be available on the 30 June 2026.</p> <p>The municipality will include the issues around mining and tourism in the WSDP which will be completed by end June 2026</p> <p>The Infrastructure Asset Management Plan is currently being finalized (25/26fy) which will form the basis of an effective Infrastructure Maintenance plan. Implementation of the Maintenance Plan will begin in 26/27.</p> <p>The institutional arrangement will be incorporated in the WSDP.</p>	<p>2026/2027</p> <p>2026/2027</p> <p>2026/2027</p> <p>2026/2027</p> <p>2026/2027</p> <p>2026/2027</p> <p>2026/2027</p> <p>2027/28</p>
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	The municipality must indicate clear demarcation or Service Level Agreement between Water Services Authority or Water Services Provider.	Lastly, the SLA for the WSA and WSP is still under discusses and will be incorporated in the WSDP once decisions are made guided by the Water Act and other governing legislation.	2026/27
Financial Planning and Budgets	<ul style="list-style-type: none"> The municipality must indicate whether relevant policies are promulgated into by-laws. 	This matter has been addressed and incorporated into the 2026/27 IDP.	2026/27
	<ul style="list-style-type: none"> The municipality must spend 100% of its capital budget. 	This matter has been addressed and incorporated into the 2026/27 IDP.	2026/27
	<ul style="list-style-type: none"> The municipality must spend 100% of its grants. 	This matter has been addressed and incorporated into the 2026/27 IDP.	2025/2026
	<ul style="list-style-type: none"> The municipality must ensure that the salary budget is within the norms and standards. 	This matter has been addressed and incorporated into the 2026/27 IDP.	2026/2027
	<ul style="list-style-type: none"> The municipality must service its creditors on time, in line with the norms and standards. 	This matter has been addressed and incorporated into the 2026/27 IDP.	2026/2027
	<ul style="list-style-type: none"> The municipality must have accurate data for billing and reflect it in the IDP. 	This matter has been addressed and incorporated into the 2026/27 IDP.	2026/2027
	<ul style="list-style-type: none"> The municipality must have an effective and efficient billing system to bill consumers. 	This matter has been addressed and incorporated into the 2026/27 IDP.	2026/2027
	<ul style="list-style-type: none"> The municipality should collect at least more than 50% of its revenue from the consumers in terms of financial norms and standards. 	This matter has been addressed and incorporated into the 2026/27 IDP.	2026/2027
	<ul style="list-style-type: none"> The municipality must reflect on mechanisms to curb water losses and illegal electricity connections in the IDP. 	This matter has been addressed and incorporated into the 2026/27 IDP.	2026/2027
	<ul style="list-style-type: none"> The municipality must include the Service Delivery Budget Implementation Plan (SDBIP) reflect the SDBIP objectives, strategies, projects, budget allocations, projects and timeframes. 	This matter has been addressed and incorporated into the 2026/27 IDP.	2026/2027
<ul style="list-style-type: none"> The municipality must reflect whether there is a functional contract management system in place. 	This matter has been addressed and incorporated into the 2026/27 IDP.	2026/2027	
<ul style="list-style-type: none"> The municipality must reflect the free basic services budget for the previous two years. 	This matter has been addressed and incorporated into the 2026/27 IDP.	2026/2027	

	<ul style="list-style-type: none"> • The municipality must reflect whether there is a dedicated staff/unit for Free Basic Services. • The municipality must establish the Indigent Steering Committee. 	<p>This matter has been addressed and incorporated into the 2026/27 IDP.</p> <p>As advised by CoGTA the Indigent steering committee is organized by them and sits quarterly with all the district councils and LMs.</p>	<p>2027/28</p> <p>2026/27</p>
<p>Local Development</p> <p>Economic</p>	<ul style="list-style-type: none"> • The municipality must finalise the development and adoption of a local economic development strategy and reflect in the IDP. • The municipality must budget for the implementation of LED programmes and initiatives. • The municipality must reflect on set targets for enterprise development support. • The municipality must reflect on dedicated LED budget to implement prioritized LED programmes and initiatives. • The municipality must reflect on its support on the implementation of the Small-Town Development Framework. 	<p>This matter has been addressed and incorporated into the 2026/27 IDP. SPLED Strategy was finalised and approved by Council.</p> <p>This matter has been addressed and incorporated into the 2026/27 IDP. Allocation for LED programs has been made available and will be reflecting in the IDP.</p> <p>This matter has been addressed and incorporated into the 2026/27 IDP.</p> <p>This matter has been addressed and incorporated into the 2026/27 IDP. Allocation for LED programs has been made available and will be reflecting in the IDP.</p> <p>The municipality will address this matter in the next IDP review cycle as it reviews the Economic Development overview. This will include collaborating with the Prov. Dept of COGTA assigned of such functional area.</p>	<p>2026/27</p> <p>2026/27</p> <p>2026/27</p>

Good Governance and Public Participation	<ul style="list-style-type: none"> • The municipality must reflect on the functionality of the District War Rooms. • The municipality must develop a policy for reasonable accommodation for persons with disability. • The municipality must improve its audit findings and reflect in the IDP. 	<p>As the district we don't have wards the war rooms are a planning space for LMs however if District is invited, they participate.</p> <p>What DM has is the SPU Strategy which has a chapter that talks to Disability and was last updated in 2016 which is due for reviewal.</p> <p>The DM has improved from disclaimer to qualification 23/25 and 24/25 also qualification with less paragraphs. It will be incorporated in the 2026/27 IDP</p>	2026/27
Institutional Arrangements	<ul style="list-style-type: none"> • The municipality must indicate the political and the administrative seats in the IDP. • The municipality must clearly indicate its powers and functions in the IDP. • The municipality must reflect on the review of the organisational structure and include the structure in the IDP. • The municipality must indicate whether Municipal Manager and all other Section 56 managers positions are currently filled. • The municipality must indicate critical and scarce skills. <p>The municipality needs to reflect the action plans to address the challenges of information and communication technology.</p>	<p>This matter has been addressed and incorporated into the 2026/27 IDP.</p> <p>This matter has been addressed and incorporated into the 2026/27 IDP.</p> <p>This matter has been addressed and incorporated into the 2026/27 IDP.</p> <p>This matter has been addressed and incorporated into the 2026/27 IDP.</p> <p>This matter has been addressed and incorporated into the 2026/27 IDP.</p> <p>This matter has been addressed and incorporated into the 2026/27 IDP.</p>	2026/27



2026/27

**CHAPTER TWO:
GEOGRAPHIC &
DEMOGRAPHIC PROFILE
SITUATIONAL DATA**



CHAPTER TWO

GEOGRAPHIC & DEMOGRAPHIC PROFILE

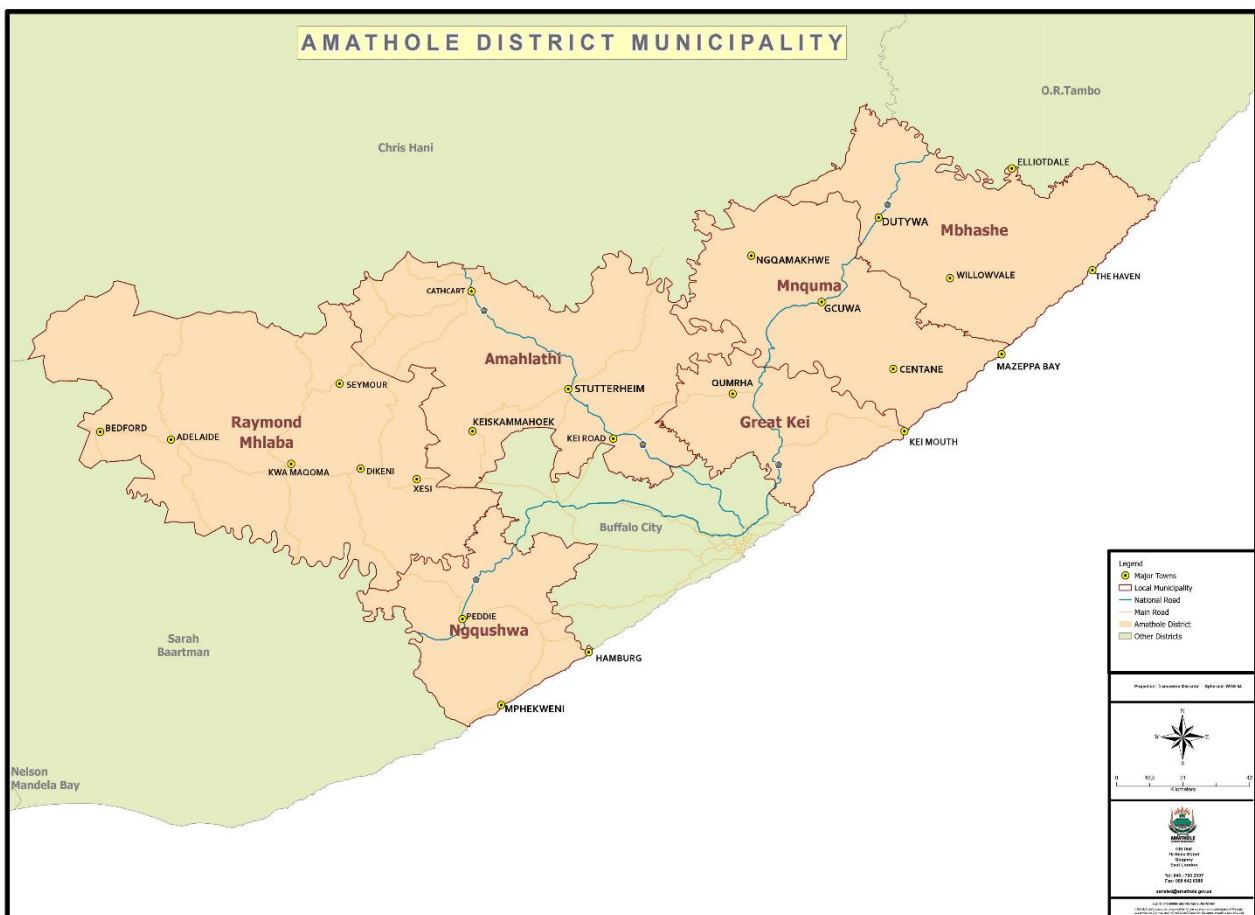
SITUATIONAL DATA

2.1 MUNICIPAL GEOGRAPHICAL INFORMATION

The Amathole District Municipality is a Category C municipality situated in the central part of the Eastern Cape. It stretches along the Sunshine Coast from the Fish River Mouth and along the Eastern Seaboard to just south of Hole in the Wall along the Wild Coast. It is bordered to the north by the Amathole Mountain Range. The municipality is comprised of six local municipalities: Mbashe, Mquma, Great Kei, Amahlathi, Ngqushwa and Raymond Mhlaba. The district has spectacular views of endless undulating grasslands, valley bush, pristine estuaries, beautiful beaches, forests, waterfalls and the Amathole mountain range from which the Municipality derives its name.

Four heritage routes have been developed that are named after Xhosa kings and heroes. They are the Maqoma Route, the Makana Route, the Sandile Route and the Phalo Route. These intertwine with the other tourism routes located within the district, namely the Sunshine Coast Route, the Wild Coast Route, the Amathole Mountain Escape Route and the Friendly N6 Route.

FIGURE 3: AMATHOLE MAP



Source: ADM, GIS 2026

2.2 DEMOGRAPHICS

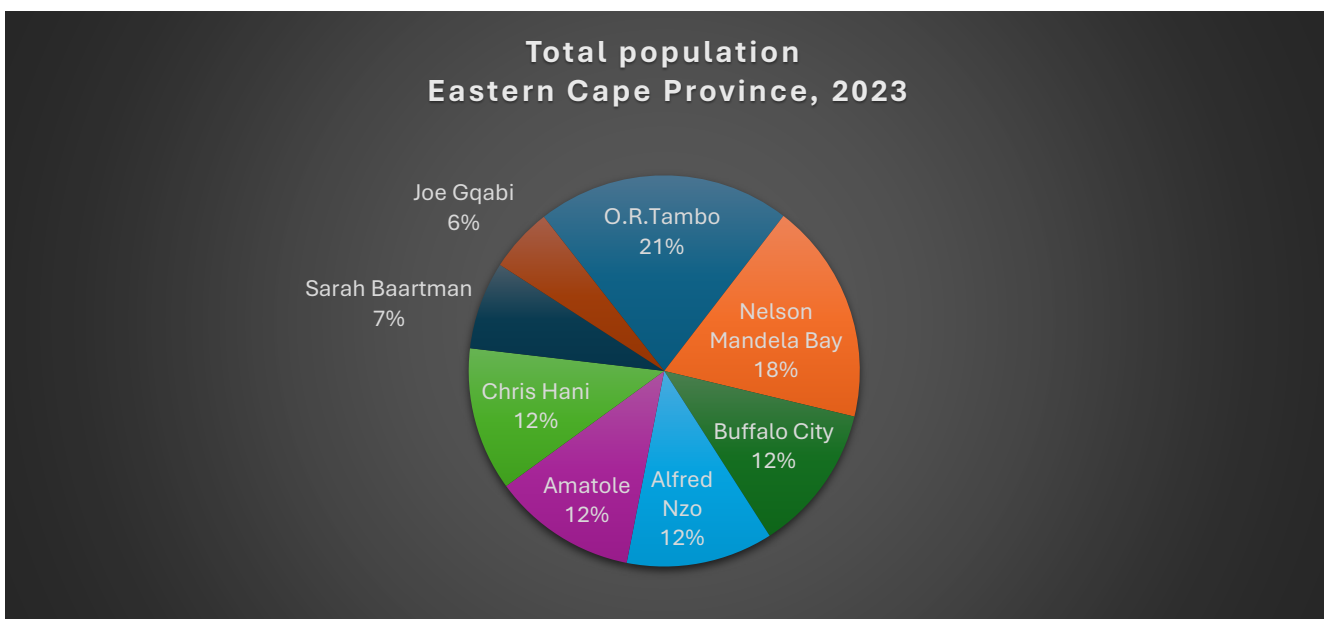
"Demographics", or "population characteristics", includes analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest. In this section, an overview is provided of the demography of the and all its neighbouring regions, Amathole District Municipality, Eastern Cape Province and South Africa as a whole.

Amathole District Municipality uses Statistics South Africa as its main source of data to inform planning. It is worth noting that the point of reference for the 2026/2027 IDP Review. Data that has been used within the document was released in 2023 by Stats SA (2022). Reference on the community survey conducted in 2016 by Stats SA has also been made. The institution has also sourced data from ECSECC so as to compliment the current review process.

2.2.1 TOTAL POPULATION

Population statistics are important when analysing an economy, as the population growth, directly and indirectly, impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income. The population estimates for 2016 Community Survey indicated the district had 914 842 people, which is a 2% increase from 892 637 in 2011 Census. In 2019 as per the ECSECC survey the district's population 885 047 which is captured as a huge decrease due to demarcation factors as mentioned above, the table below illustrates the estimated population until 2030.

FIGURE 4: TOTAL POPULATION - AMATHOLE AND THE REST OF EASTERN CAPE, 2023 [PERCENTAGE]

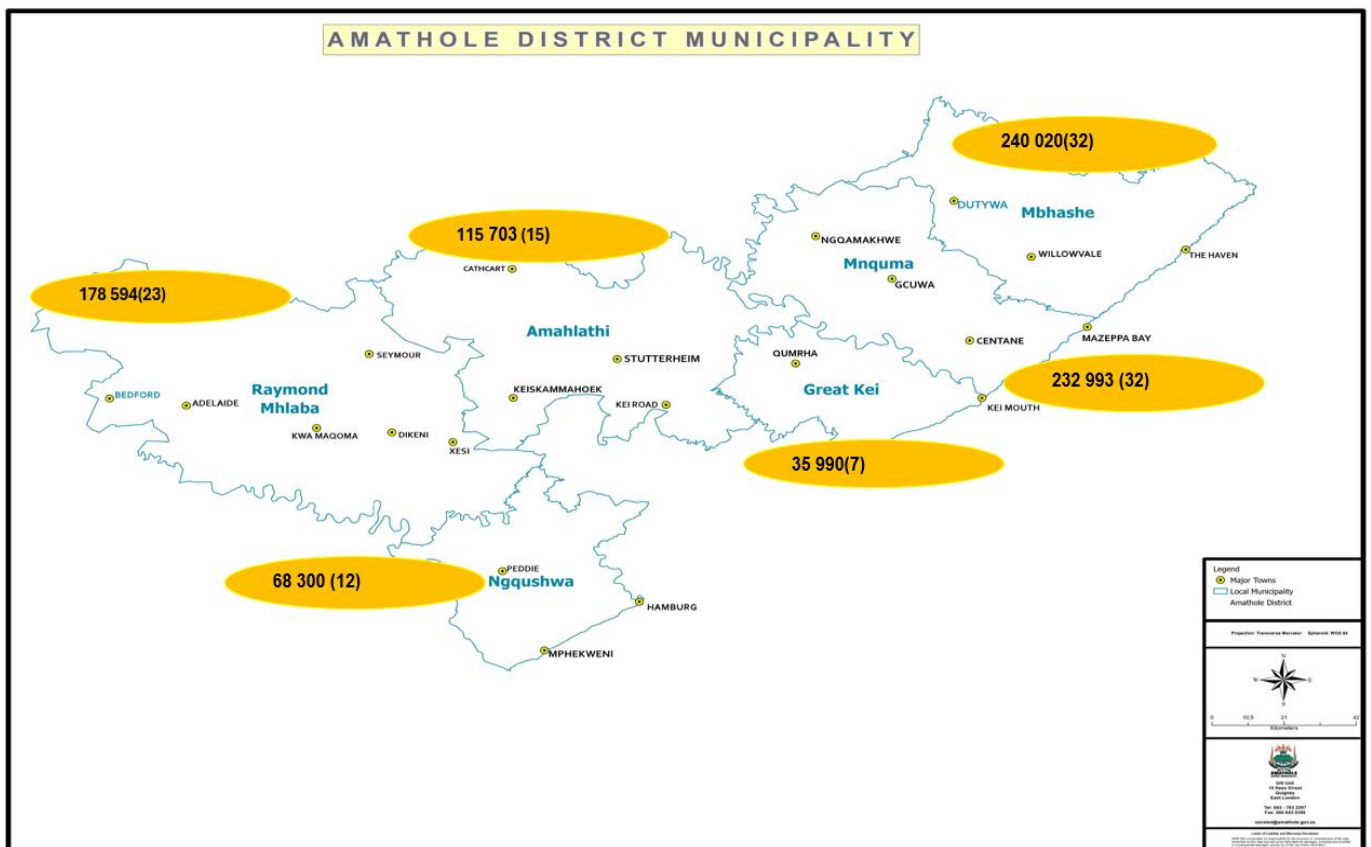


Source: ECSECC, 2024

When compared to other regions, the Amatole District Municipality accounts for a total population of 898,000, or 11.9% of the total population in the Eastern Cape Province, with the O.R.Tambo being the most populous region in the Eastern Cape Province for 2023. Amatole decreased in importance from ranking third in 2013 to fifth in 2023. In terms of its share the Amatole District Municipality was slightly smaller in 2023 (11.9%) compared to what it was in 2013 (12.7%). When looking at the average annual growth rate, it is noted that Amatole ranked lowest (relative to its peers in terms of growth) with an average annual growth rate of 0.4% between 2013 and 2023

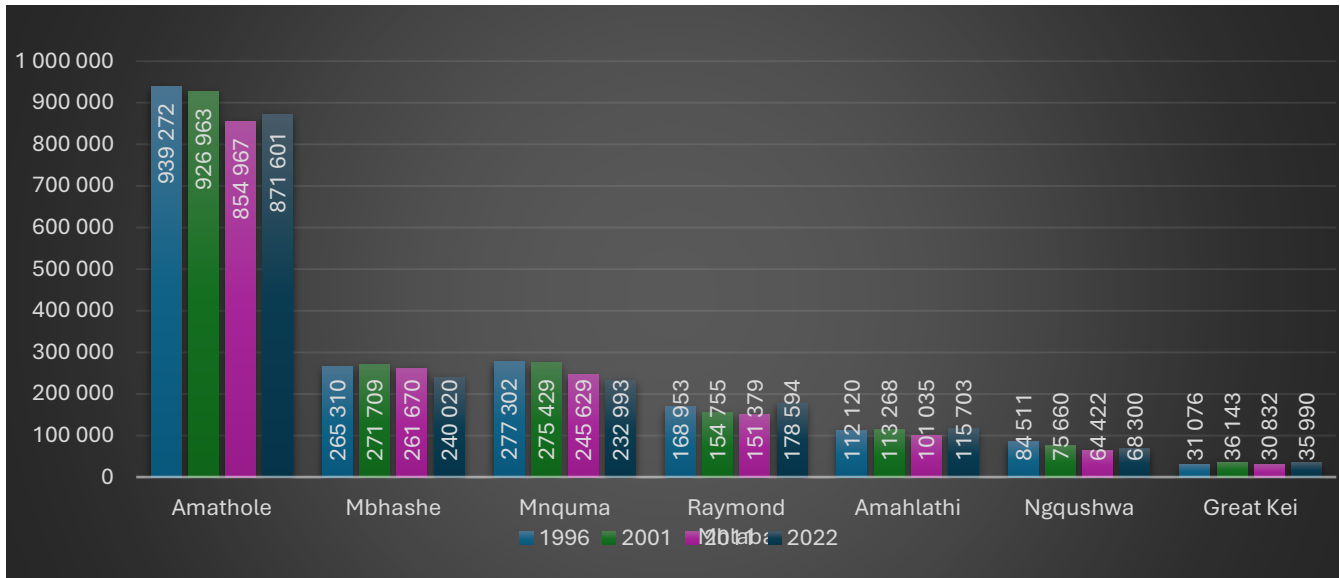
Statistic South Africa has released 2022 data which shows an increase from the 2016 community survey. The population estimates for 2022 Census indicate that Amathole district has 871601 people, which constitutes 12% of the total population of the Eastern Cape. A significant part of the former Ciskei homeland is located within Amathole District, and this has influenced the region's population growth. Population density is high in settlements along major transportation routes including the N2 (Butterworth & Idutywa), the R72 (Peddie), the R63 (Alice) and the N6 (Sutterheim)

FIGURE 5: AMATHOLE MAP



Source: ADM, GIS 2026

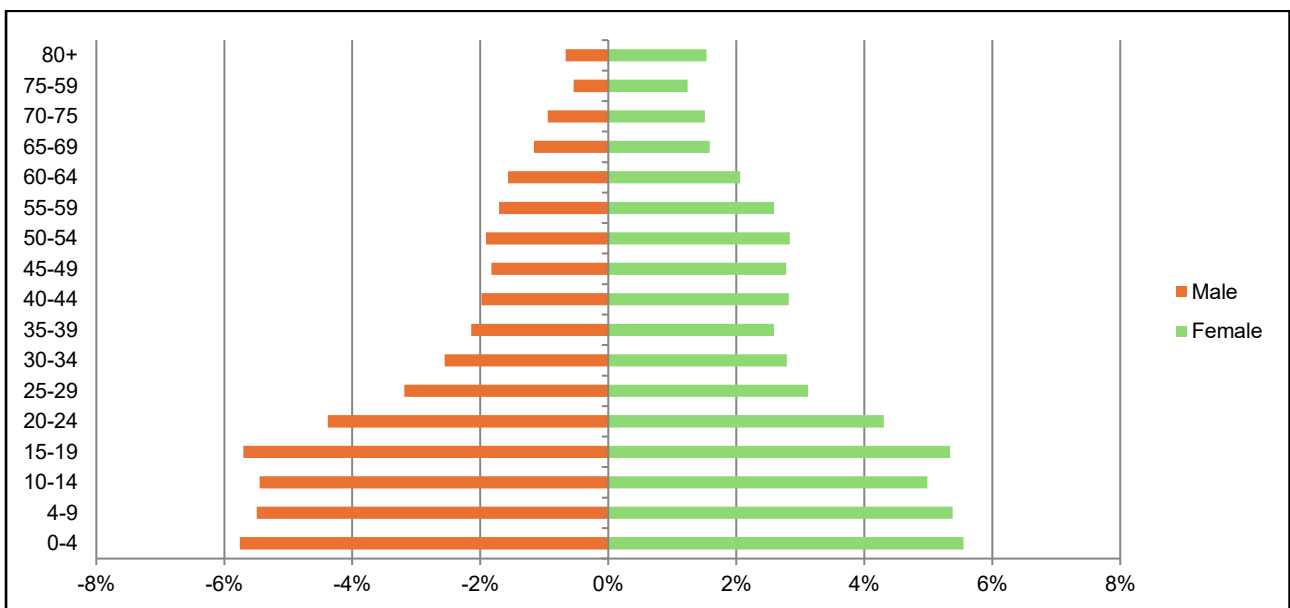
FIGURE 6: TOTAL POPULATION - AMATHOLE AND THE REST OF EASTERN CAPE, 2023 [PERCENTAGE]



Source: Stats SA 2022

Mbashe has the highest number of population which constitutes 28%(240, 020) , followed by Mnquma at 27 %(232, 993), Raymond Mhlaba with 20%(178, 594), Amahlathi 13%(115, 703), Ngqushwa 8%(68,300) and Great Kei at 4% (35, 990) It is worth noting that the percentage of population per local municipality has no direct bearing on the geographic space. This is evident, for instance, Raymond Mhlaba has the largest geographic space but occupies the third space in terms of percentage of total population of Amathole. It is worth noting that there has been a significant decrease in Mbashe and Mnquma when compared to previous years. Table 4 above indicates the number of population per local municipality.

FIGURE 7: POPULATION PYRAMID - AMATHOLE DISTRICT MUNICIPALITY, 2023 [PERCENTAGE]



Source: ECSECC, 2022

The population pyramid reflects a projected change in the structure of the population from 2023 and 2028. The differences can be explained as follows:



- In 2023, there is a significantly larger share of young working age people between 20 and 34 (22.4%), compared to what is estimated in 2028 (20.6%). This age category of young working age population will decrease over time.
- The fertility rate in 2028 is estimated to be slightly higher compared to that experienced in 2023.
- The share of children between the ages of 0 to 14 years is projected to be significantly smaller (28.5%) in 2028 when compared to 2023 (30.5%).

In 2023, the female population for the 20 to 34 years age group amounts to 10.4% of the total female population while the male population group for the same age amounts to 12.0% of the total male population. In 2028, the male working age population at 11.1% still exceeds that of the female population working age population at 9.5%, although both are at a lower level compared to 2023.

2.2.2.1 Population Projections

Based on the present age-gender structure and the present fertility, mortality and migration rates, Amatole's population is projected to grow at an average annual rate of 0.7% from 885 000 in 2019 to 917 000 in 2024.

Table 4: POPULATION PROJECTIONS - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2019-2024 [NUMBERS PERCENTAGE]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2019	885,000	7,290,000	59,000,000	12.1%	1.50%
2020	890,000	7,360,000	59,800,000	12.1%	1.49%
2021	896,000	7,430,000	60,600,000	12.1%	1.48%
2022	903,000	7,500,000	61,500,000	12.0%	1.47%
2023	910,000	7,570,000	62,300,000	12.0%	1.46%
2024	917,000	7,630,000	63,100,000	12.0%	1.45%
Average Annual growth					
2019-2024	0.72%	0.92%	1.35%		

Source: ECSECC, 2019

The population projection of Amatole District Municipality shows an estimated average annual growth rate of 0.7% between 2019 and 2024. The average annual growth rate in the population over the forecasted period for Eastern Cape Province and South Africa is 0.9% and 1.3% respectively. The Eastern Cape Province is estimated to have average growth rate of 0.9% which is higher than the Amatole District Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is higher than that of Amatole's growth rate.

2.2.2.2 Population by Population Group, Gender and Age

The total population of a region is the total number of people within that region measured in the middle of the year. The total population can be categorised according to the population group, as well as the sub-

categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

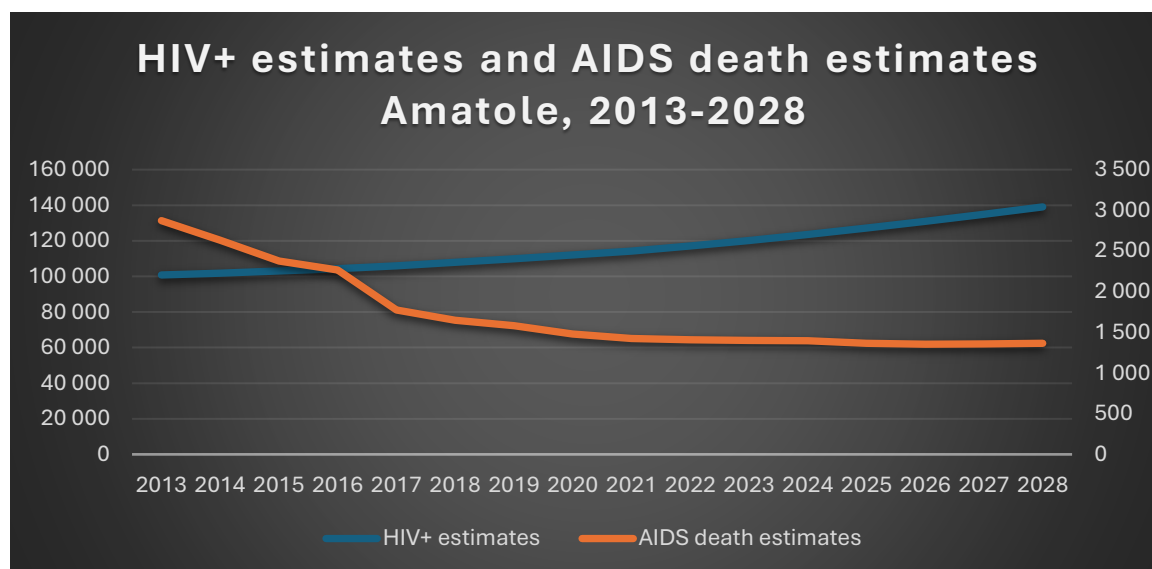
2.2.3 HIV+ AND AIDS ESTIMATES

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

HIV+ and AIDS estimates are defined as follows - The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to more accurately reflect the national HIV Prevalence rate per population group as used in the national demographic models. The ASSA model, in turn, uses the prevalence rates from various primary data sets, in particular, the HIV/AIDS surveys conducted by the Department of Health and the Antenatal clinic surveys. Their rates are further adjusted for over-reporting and then smoothed.

In 2019, 121 000 people in the Amatole District Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.33% since 2009, and in 2019 represented 13.68% of the district municipality's total population. The Eastern Cape Province had an average annual growth rate of 1.84% from 2009 to 2019 in the number of people infected with HIV, which is higher than that of the Amatole District Municipality. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2009 to 2019 with an average annual growth rate of 2.32%.

FIGURE 8: AIDS PROFILE AND FORECAST - AMATHOLE DISTRICT MUNICIPALITY, 2013-2028 [NUMBERS]



Source: ECSECC, 2024

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 2870 in 2013 and 1400 for 2023. This number denotes an decrease from 2013 to 2023 with a high average annual rate of -6.93% (or -1470 people). For the year 2023, they represented 0.16% of the total population of the entire district municipality.

2.2.4 ECONOMY

The economic state of Amathole District Municipality is put in perspective by comparing it on a spatial level with its neighbouring district municipalities, Eastern Cape Province and South Africa. The section will also allude to the economic composition and contribution of the regions within Amathole District Municipality. The Amathole District Municipality does not function in isolation from Eastern Cape, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

2.2.4.1 Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states. Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies. GDP-R can be measured using either current or constant prices, where the current prices measure the economy in actual Rand, and constant prices measure the economy by removing the effect of inflation and therefore captures the real growth in volumes as if prices were fixed in a given base year.

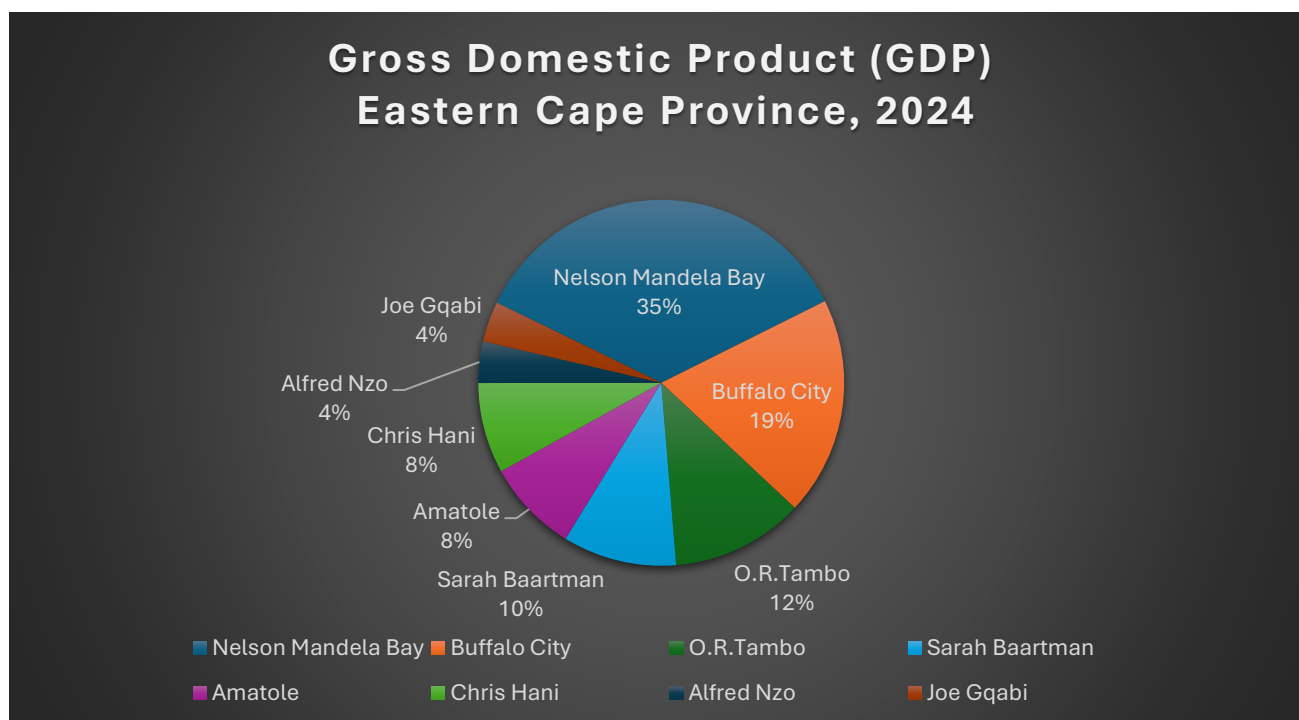
Table 5: Gross Domestic Product (Gdp) - Amathole, Eastern Cape and National Total, 2013-2023 [R Billions, Current Prices]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2013	24.8	309.6	3,868.6	8.0%	0.64%
2014	26.5	330.8	4,133.9	8.0%	0.64%
2015	28.4	354.1	4,420.8	8.0%	0.64%
2016	30.5	379.0	4,759.6	8.0%	0.64%
2017	32.5	403.4	5,078.2	8.1%	0.64%
2018	34.0	420.9	5,363.2	8.1%	0.63%
2019	35.5	437.2	5,625.2	8.1%	0.63%
2020	35.2	430.3	5,568.0	8.2%	0.63%
2021	38.8	472.9	6,208.8	8.2%	0.62%
2022	41.1	501.0	6,628.6	8.2%	0.62%
2023	43.7	531.9	6,970.2	8.2%	0.63%

Source: ECSECC, 2024

With a GDP of R 43.7 billion in 2023 (up from R 24.8 billion in 2013), the Amatole District Municipality contributed 8.21% to the Eastern Cape Province GDP of R 532 billion in 2023 increasing in the share of the Eastern Cape from 8.00% in 2013. The Amatole District Municipality contributes 0.63% to the GDP of South Africa which had a total GDP of R 6.97 trillion in 2023 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2013 when it contributed 0.64% to South Africa, but it is lower than the peak of 0.64% in 2015.

FIGURE 9: GROSS DOMESTIC PRODUCT (GDP) - AMATHOLE DISTRICT MUNICIPALITY AND THE REST OF EASTERN CAPE, 2024 [PERCENTAGE]



Source: ECSECC, 2024

The Amatole District Municipality had a total GDP of R 43.7 billion and in terms of total contribution towards Eastern Cape Province the Amatole District Municipality ranked fifth relative to all the regional economies to total Eastern Cape Province GDP. This ranking in terms of size compared to other regions of Amatole remained the same since 2013. In terms of its share, it was in 2023 (8.2%) slightly larger compared to what it was in 2013 (8.0%). For the period 2013 to 2023, the average annual growth rate of 0.8% of Amatole was the third relative to its peers in terms of growth in constant 2010 prices.

Table 6: GROSS DOMESTIC PRODUCT (GDP) - LOCAL MUNICIPALITIES OF AMATHOLE DISTRICT MUNICIPALITY, 2013 TO 2023, SHARE AND GROWTH

	2023 (Current prices)	Share of district municipality	2013 (Constant prices)	2023 (Constant prices)	Average Annual growth
Mbhashe	6.34	14.53%	4.09	4.33	0.58%
Mnquma	12.48	28.59%	7.20	8.50	1.67%
Great Kei	4.84	11.10%	3.24	3.35	0.33%
Amahlathi	6.36	14.57%	4.24	4.41	0.40%
Ngqushwa	4.36	9.98%	2.85	3.00	0.53%
Raymond Mhlaba	9.27	21.24%	6.04	6.45	0.66%
Amatole	43.66		27.65	30.04	

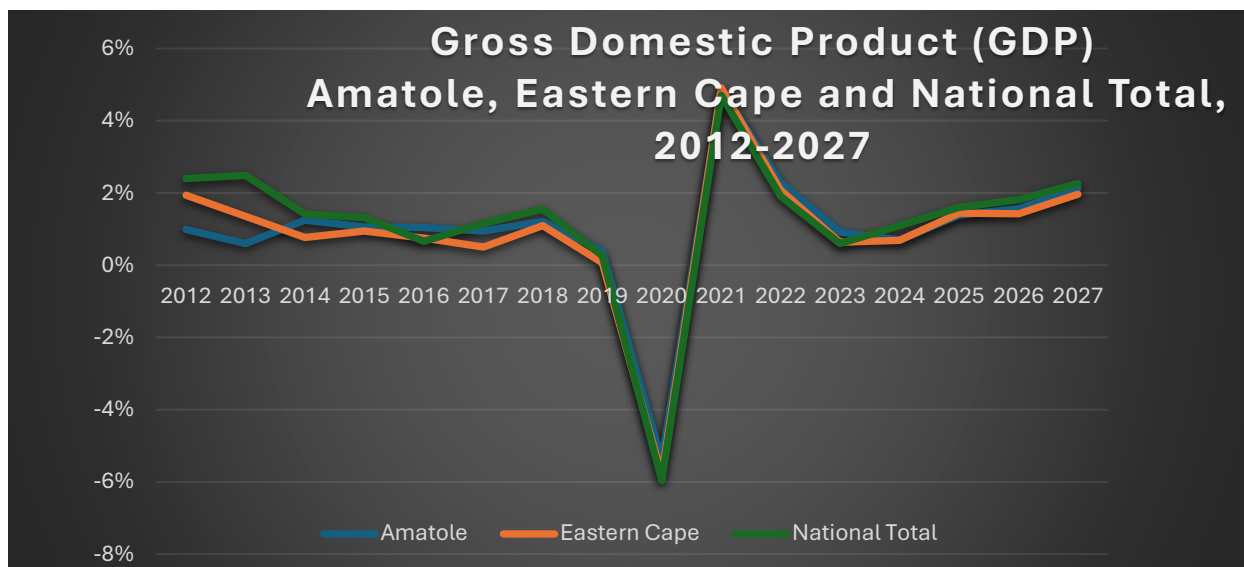
Source: ECSECC, 2024

Mnquma had the highest average annual economic growth, averaging 1.67% between 2013 and 2023, when compared to the rest of the regions within the Amatole District Municipality. The Raymond Mhlaba Local Municipality had the second highest average annual growth rate of 0.66%. Great Kei Local Municipality had the lowest average annual growth rate of 0.33% between 2013 and 2023

2.2.4.2 Economic Growth Forecast

It is expected that Amatole District Municipality will grow at an average annual rate of 1.60% from 2023 to 2028. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 1.51% and 1.82% respectively.

FIGURE 10: GROSS DOMESTIC PRODUCT (GDP) - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2012-2027
 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



Source: ECSECC, 2024

In 2028, Amatole's forecasted GDP will be an estimated R 32.5 billion (constant 2010 prices) or 8.2% of the total GDP of Eastern Cape Province. The ranking in terms of size of the Amatole District Municipality will remain the same between 2023 and 2028, with a contribution to the Eastern Cape Province GDP of 8.2% in 2028 compared to the 8.2% in 2023. At a 1.60% average annual GDP growth rate between 2023 and 2028, Amatole ranked the second compared to the other regional economies

2.2.5 LABOUR

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

Table 7: WORKING AGE POPULATION IN AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2013 AND 2023
[NUMBER]

	Amatole		Eastern Cape		National Total	
	2013	2023	2013	2023	2013	2023
15-19	94,900	90,300	702,000	718,000	4,870,000	5,300,000
20-24	92,500	66,500	769,000	596,000	5,390,000	4,590,000
25-29	70,300	63,700	655,000	635,000	5,370,000	5,060,000
30-34	49,700	71,300	471,000	701,000	4,400,000	5,590,000
35-39	34,900	64,600	325,000	602,000	3,550,000	5,380,000
40-44	31,200	48,900	277,000	435,000	3,030,000	4,260,000
45-49	32,500	36,000	264,000	299,000	2,630,000	3,330,000
50-54	35,900	32,400	267,000	254,000	2,290,000	2,800,000
55-59	33,700	31,400	240,000	240,000	1,910,000	2,380,000
60-64	29,100	32,400	198,000	236,000	1,530,000	2,020,000
Total	505,000	538,000	4,170,000	4,720,000	35,000,000	40,700,000

Source: ECSECC, 2024

The working age population in Amatole in 2023 was 538 000, increasing at an average annual rate of 0.64% since 2013. For the same period the working age population for Eastern Cape Province increased at 1.24% annually, while that of South Africa increased at 1.53% annually.

2.2.5.1 Economically Active Population (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force. The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people.

People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

Table 8: ECONOMICALLY ACTIVE POPULATION (EAP) - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2013-2023
[NUMBER, PERCENTAGE]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2013	165,000	1,830,000	19,300,000	9.0%	0.85%
2014	175,000	1,920,000	20,100,000	9.1%	0.87%
2015	184,000	2,000,000	20,800,000	9.2%	0.88%
2016	194,000	2,090,000	21,500,000	9.3%	0.91%
2017	206,000	2,180,000	22,000,000	9.5%	0.94%
2018	213,000	2,240,000	22,300,000	9.5%	0.95%
2019	225,000	2,330,000	22,700,000	9.7%	0.99%
2020	224,000	2,330,000	22,100,000	9.6%	1.01%
2021	232,000	2,390,000	22,200,000	9.7%	1.04%
2022	241,000	2,470,000	23,100,000	9.8%	1.04%
2023	246,000	2,520,000	24,100,000	9.8%	1.02%
Average Annual growth					
2013-2023	4.10%	3.25%	2.26%		

Source: ECSECC, 2024

Amatole District Municipality's EAP was 246 000 in 2023, which is 27.36% of its total population of 898 000, and roughly 9.77% of the total EAP of the Eastern Cape Province. From 2013 to 2023, the average annual increase in the EAP in the Amatole District Municipality was 4.10%, which is 0.847 percentage points higher than the growth in the EAP of Eastern Cape's for the same period.

2.2.5.2 Labour Force Participation Rate

The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

The following is the labour participation rate of the Amathole, Eastern Cape and National Total as a whole.

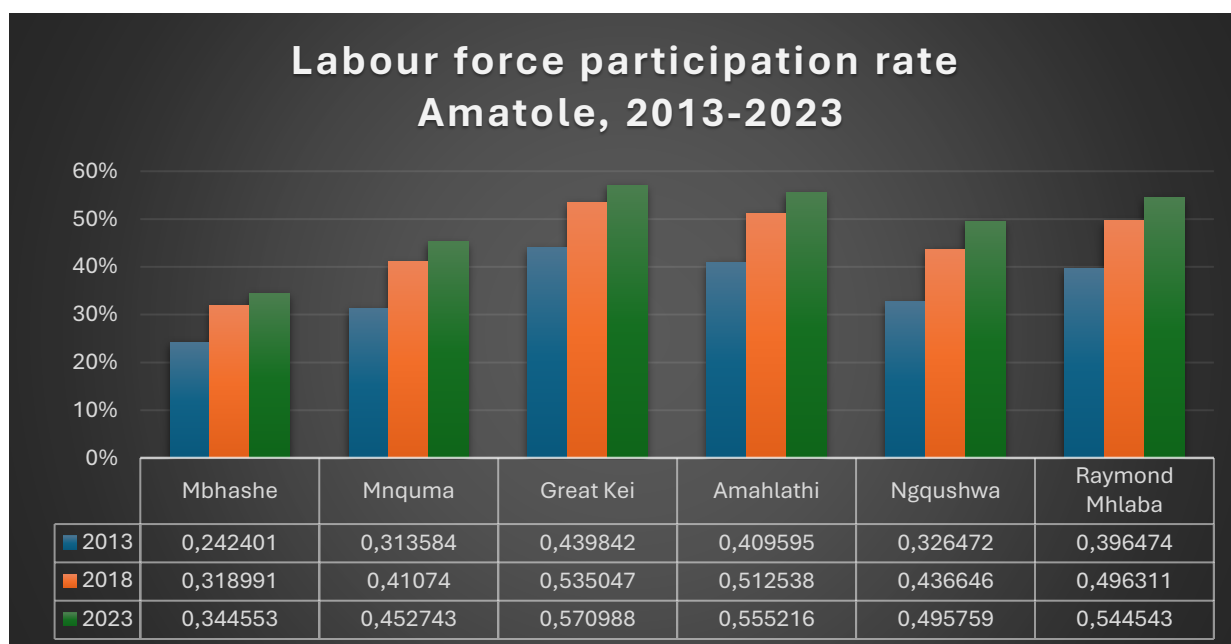
Table 9: THE LABOUR FORCE PARTICIPATION RATE - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2013 TO 2023 [PERCENTAGE]

	Amatole	Eastern Cape	National Total
2013	32.6%	43.8%	55.2%
2014	34.8%	45.6%	56.6%
2015	36.4%	47.0%	57.7%
2016	38.5%	48.5%	58.8%
2017	40.8%	50.2%	59.5%
2018	41.8%	50.9%	59.4%
2019	43.8%	52.3%	59.4%
2020	43.2%	51.5%	57.0%
2021	44.3%	52.2%	56.5%
2022	45.4%	53.1%	57.8%
2023	45.7%	53.3%	59.3%

Source: ECSECC, 2024

The Amatole District Municipality's labour force participation rate increased from 32.60% to 45.72% which is an increase of 13 percentage points. The Eastern Cape Province increased from 43.84% to 53.35%, South Africa increased from 55.20% to 59.31% from 2013 to 2023. The Amatole District Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2013 to 2023. The Amatole District Municipality had a lower labour force participation rate when compared to South Africa in 2023.

FIGURE 11: THE LABOUR FORCE PARTICIPATION RATE - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2013, 2018 AND 2023 [PERCENTAGE]



Source: ECSECC, 2024

Great Kei Local Municipality had the highest labour force participation rate with 57.1% in 2023 increasing from 44.0% in 2013. Mbhashe Local Municipality had the lowest labour force participation rate of 34.5% in 2023, this increased from 24.2% in 2013.

2.2.5.3 Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators. Total employment consists of two parts: employment in the formal sector, and employment in the informal sector.

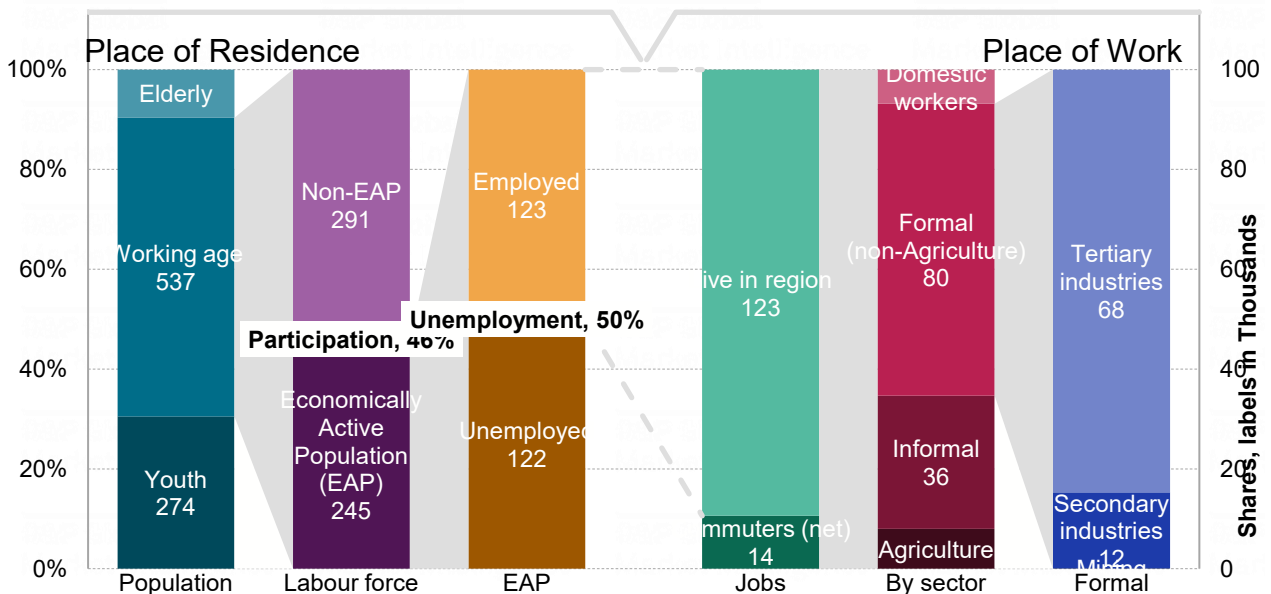
Table 10: TOTAL EMPLOYMENT - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2008-2019 [NUMBERS]

	Amatole	Eastern Cape	National Total
2009	127,000	1,310,000	13,800,000
2010	120,000	1,260,000	13,500,000
2011	119,000	1,260,000	13,700,000
2012	119,000	1,270,000	14,000,000
2013	123,000	1,310,000	14,500,000
2014	131,000	1,370,000	15,100,000
2015	138,000	1,430,000	15,600,000
2016	142,000	1,470,000	15,900,000
2017	143,000	1,480,000	16,100,000
2018	141,000	1,470,000	16,300,000
2019	138,000	1,450,000	16,300,000
Average Annual growth 2009-2019	0.80%	1.07%	1.65%

Source: ECSECC, 2019

In 2019, Amatole employed 138 000 people which is 9.46% of the total employment in Eastern Cape Province (1.45 million), 0.85% of total employment in South Africa (16.3 million). Employment within Amatole increased annually at an average rate of 0.80% from 2009 to 2019.

FIGURE 12: LABOUR GLIMPSE - AMATHOLE DISTRICT MUNICIPALITY, 2023



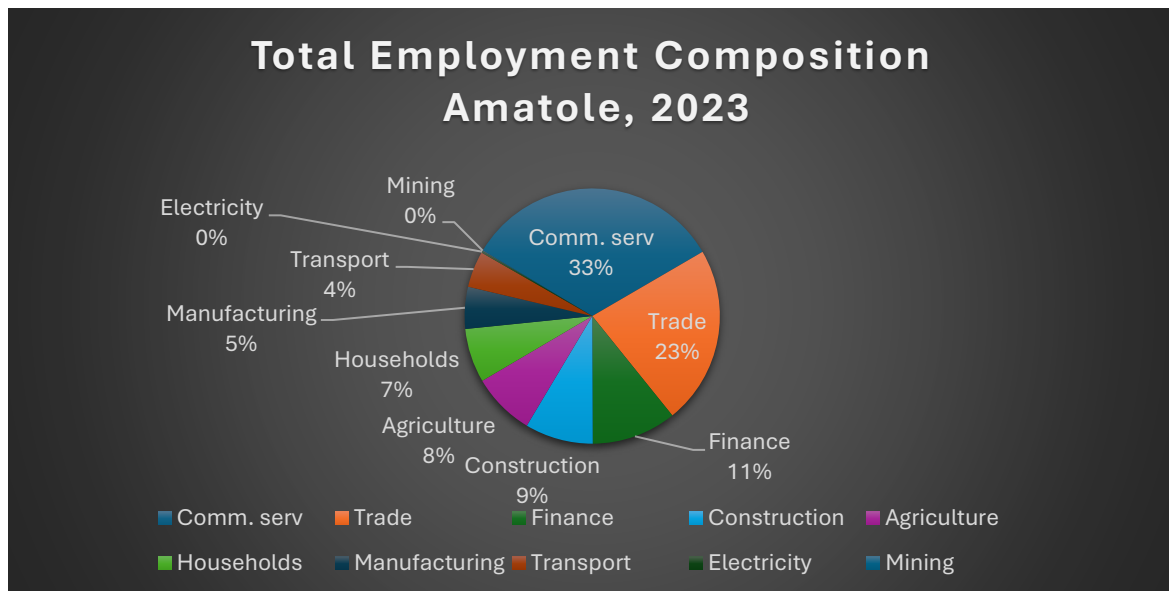
Source: ECSECC, 2024

Reading the chart from the left-most bar, breaking down the total population of the Amatole District Municipality (898 000) into working age and non-working age, the number of people that are of working age is about 538 000. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 45.7% are participating in the labour force, meaning 246 000 residents of the district municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the district

municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 292 000 people. Out of the economically active population, there are 123 000 that are unemployed, or when expressed as a percentage, an unemployment rate of 49.9%. Up to here all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Amatole, broken down by the primary (mining), secondary and tertiary industries. The majority of the formal employment lies in the Tertiary industry, with 68 300 jobs. When including the informal, agricultural and domestic workers, we have a total number of 138 000 jobs in the area. Formal jobs make up 58.5% of all jobs in the Amatole District Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that commute every day into the district municipality.

FIGURE 13: TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - AMATOLE DISTRICT MUNICIPALITY, 2023 [PERCENTAGE]



Source: ECSECC, 2024

Amatole District Municipality employs a total number of 138 000 people within its district municipality. The district municipality that employs the highest number of people relative to the other regions within Eastern Cape Province is Nelson Mandela Bay district municipality with a total number of 428 000. The district municipality that employs the lowest number of people relative to the other regions within Eastern Cape Province is Joe Gqabi district municipality with a total number of 73 400 employed people.

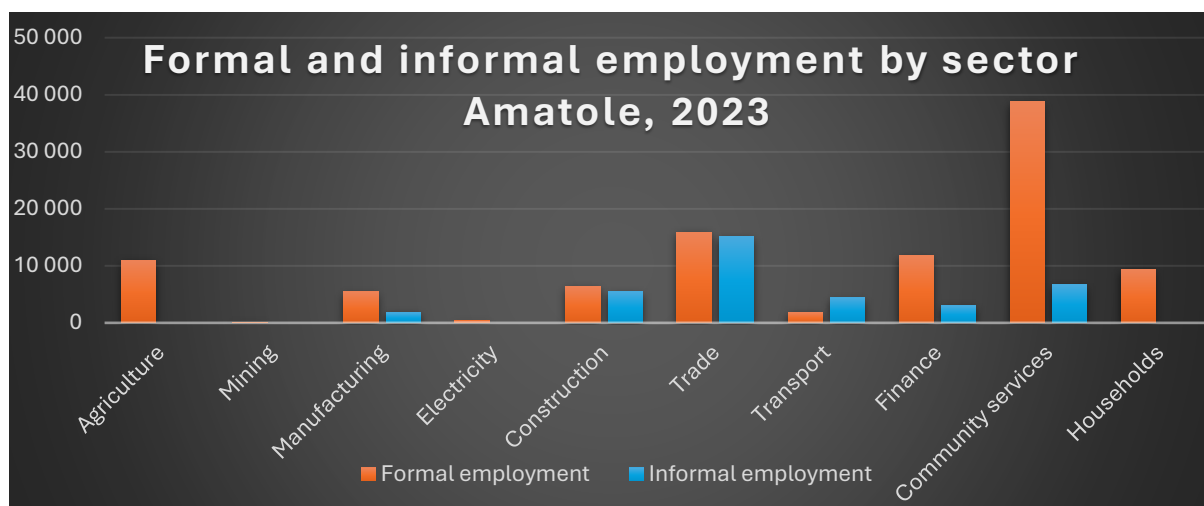
In Amatole District Municipality the economic sectors that recorded the largest number of employment in 2023 were the community services sector with a total of 45 500 employed people or 33.0% of total employment in the district municipality. The trade sector with a total of 31 100 (22.6%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 96 (0.1%) is the sector that employs the least number of people in Amatole District Municipality, followed by the electricity sector with 351 (0.3%) people employed

2.2.5.4 Formal and Informal Employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established. Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is, however, a reality in South Africa and cannot be ignored.

The number of formally employed people in Amatole District Municipality counted 101 000 in 2023, which is about 73.32% of total employment, while the number of people employed in the informal sector counted 36 800 or 26.68% of the total employment. Informal employment in Amatole increased from 30 000 in 2013 to an estimated 36 800 in 2023.

FIGURE 14: FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - AMATHOLE DISTRICT MUNICIPALITY, 2023 [NUMBERS]



Source: ECSECC, 2024

In 2023 the Trade sector recorded the highest number of informally employed, with a total of 15 200 employees or 41.43% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 1 860 and only contributes 5.07% to total informal employment.

2.2.5.5 Unemployment

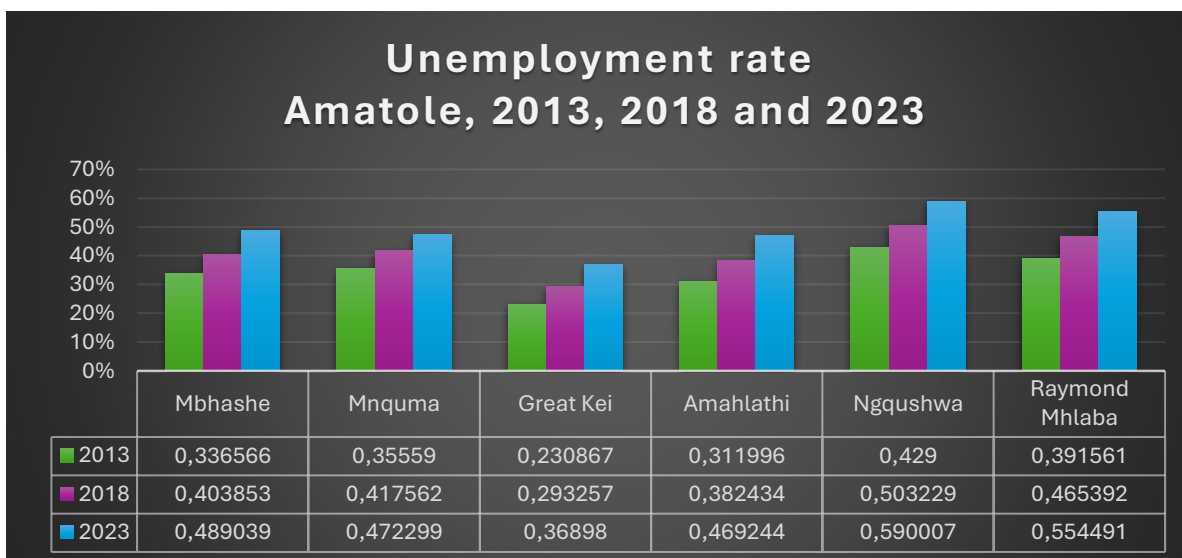
The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It, therefore, excludes people who are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

In 2023 the Trade sector recorded the highest number of informally employed, with a total of 15 200 employees or 41.43% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 1 860 and only contributes 5.07% to total informal employment.

FIGURE 15: UNEMPLOYMENT RATE - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2013, 2018 AND 2023 [PERCENTAGE]



Source: ECSECC, 2024

When comparing unemployment rates among regions within Amatole District Municipality, Ngqushwa Local Municipality has indicated the highest unemployment rate of 59.0%, which has increased from 42.9% in 2013. It can be seen that the Great Kei Local Municipality had the lowest unemployment rate of 36.9% in 2023, which increased from 23.1% in 2013.

2.2.6 INCOME AND EXPENDITURE

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

2.2.6.1 Number of Households by Income Category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

Table 11: HOUSEHOLDS BY INCOME CATEGORY - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2023 [NUMBER PERCENTAGE]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
0-2400	16	139	1,240	11.4%	1.29%
2400-6000	162	1,390	11,400	11.7%	1.42%
6000-12000	1,100	9,100	71,000	12.1%	1.55%
12000-18000	3,590	29,000	222,000	12.4%	1.61%
18000-30000	13,400	104,000	761,000	12.9%	1.76%
30000-42000	21,000	160,000	1,140,000	13.2%	1.84%
42000-54000	22,900	169,000	1,210,000	13.5%	1.89%
54000-72000	33,900	242,000	1,740,000	14.0%	1.95%
72000-96000	35,600	257,000	1,950,000	13.8%	1.82%
96000-132000	31,900	238,000	1,960,000	13.4%	1.63%
132000-192000	29,800	232,000	2,060,000	12.9%	1.44%
192000-360000	29,300	261,000	2,630,000	11.2%	1.12%
360000-600000	12,900	138,000	1,580,000	9.3%	0.82%
600000-1200000	9,430	122,000	1,560,000	7.8%	0.60%
1200000-2400000	2,460	40,200	558,000	6.1%	0.44%
2400000+	283	7,390	112,000	3.8%	0.25%
Total	248,000	2,010,000	17,600,000	12.3%	1.41%

Source: ECSECC, 2024

It was estimated that in 2023 7.38% of all the households in the Amatole District Municipality, were living on R30,000 or less per annum. In comparison with 2013's 25.62%, the number is more than half. The 72000-96000 income category has the highest number of households with a total number of 35 600,

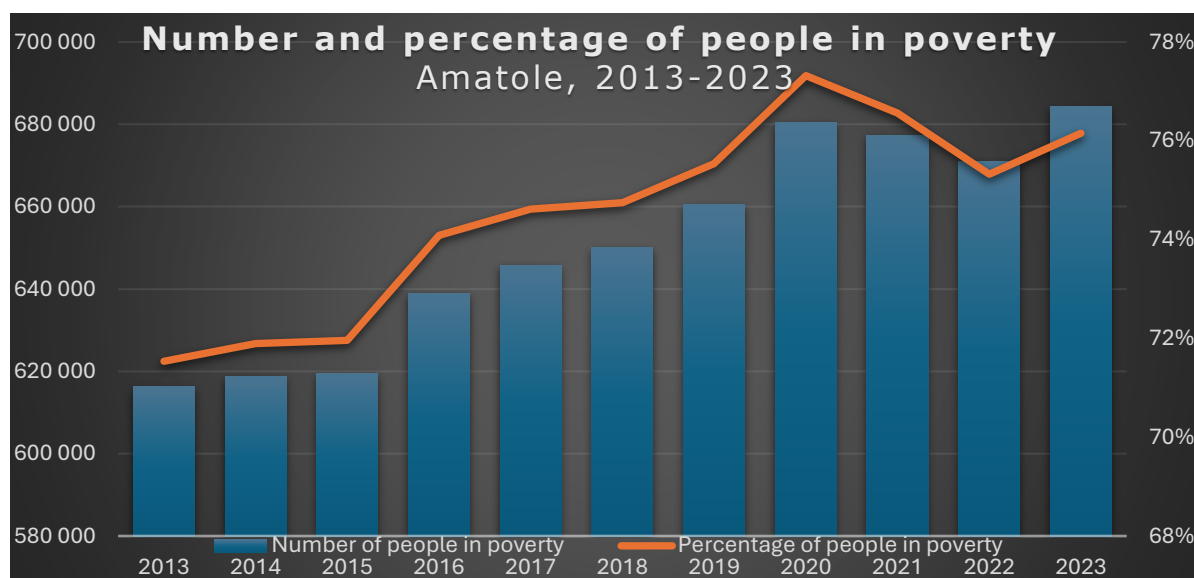
followed by the 54000-72000 income category with 33 900 households. Only 16 households fall within the 0-2400 income category

2.2.7 DEVELOPMENT

2.2.7.1 Poverty

The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. These variable measures the number of individuals living below that particular level of consumption for the given area and is balanced directly to the official upper poverty rate as measured by StatsSA.

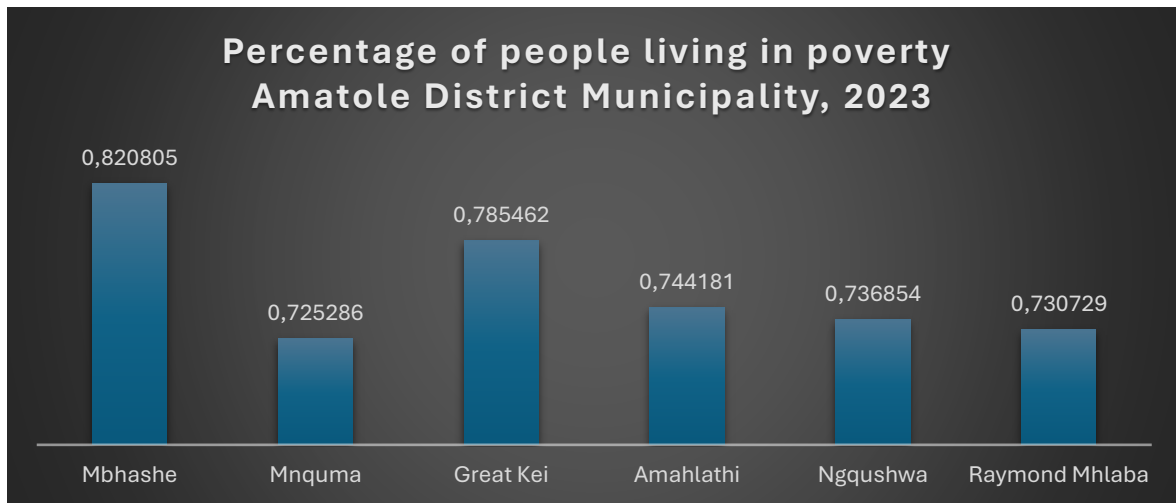
FIGURE 16: NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - AMATHOLE DISTRICT MUNICIPALITY, 2013-2023 [NUMBER PERCENTAGE]



Source: ECSECC, 2024

In 2023, there were 684 000 people living in poverty, using the upper poverty line definition, across Amatole District Municipality - this is 11.02% higher than the 616 000 in 2013. The percentage of people living in poverty has increased from 71.54% in 2013 to 76.15% in 2023, which indicates a increase of -4.61 percentage points.

FIGURE 17: PERCENTAGE OF PEOPLE LIVING IN POVERTY - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2023 [PERCENTAGE]



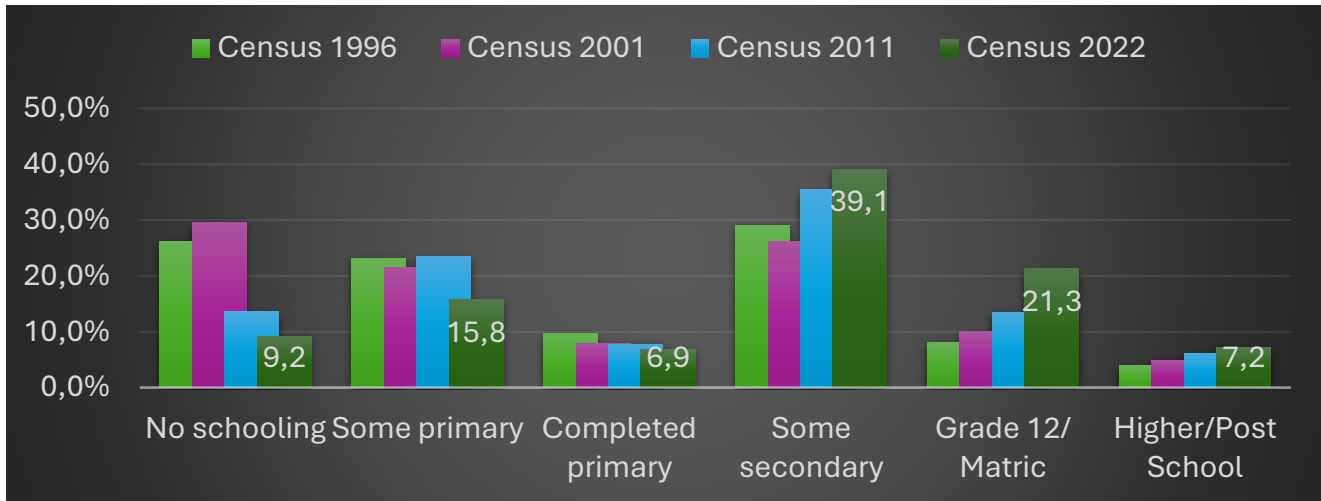
Source: ECSECC, 2024

In terms of the percentage of people living in poverty for each of the regions within the Amatole District Municipality, Mbhashe Local Municipality has the highest percentage of people living in poverty, using the upper poverty line definition, with a total of 82.1%. The lowest percentage of people living in poverty can be observed in the Mnquma Local Municipality with a total of 72.5% living in poverty, using the upper poverty line definition.

2.2.7.2 Education

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required. The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

FIGURE 18: HIGHEST LEVEL OF EDUCATION: IN AMATHOLE, 1996-2022 [PERCENTAGE]



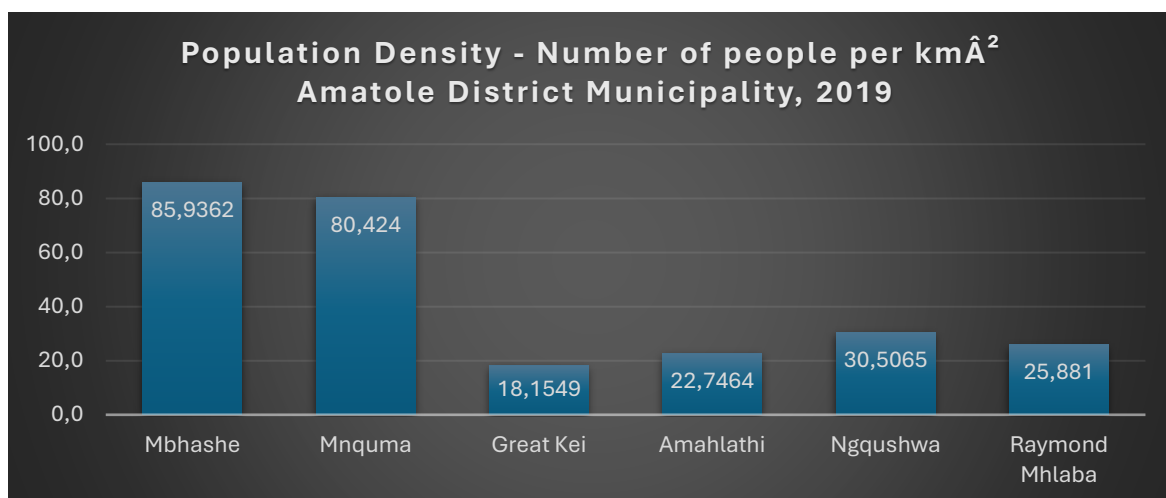
Source: ECSECC, 2024

The number of people without any schooling in Amatole District Municipality accounts for 9.2% of the number of people without schooling in the province and a total share of 2.11% of the national. In 2022, the percentage of people in Amatole District Municipality with a matric increased by a significant percentage to 21.3% compared to the previous year. There has been a gradual increase observed in the percentage of people with higher or post school education to 7.2% comparison made from 1996 to 2022. It is however worth noting that the population with some secondary education has also been gradually improving and was recorded to be 39.1% in 2022.

2.2.8 POPULATION DENSITY

Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

FIGURE 19: POPULATION DENSITY - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2024 [PERCENTAGE]



Source: ECSECC, 2024

In terms of the population density for each of the regions within the Amatole District Municipality, Mbhashe Local Municipality had the highest density, with 85.9 people per square kilometre. The lowest population density can be observed in the Great Kei Local Municipality with a total of 18.2 people per square kilometre

2.2.9 CRIME

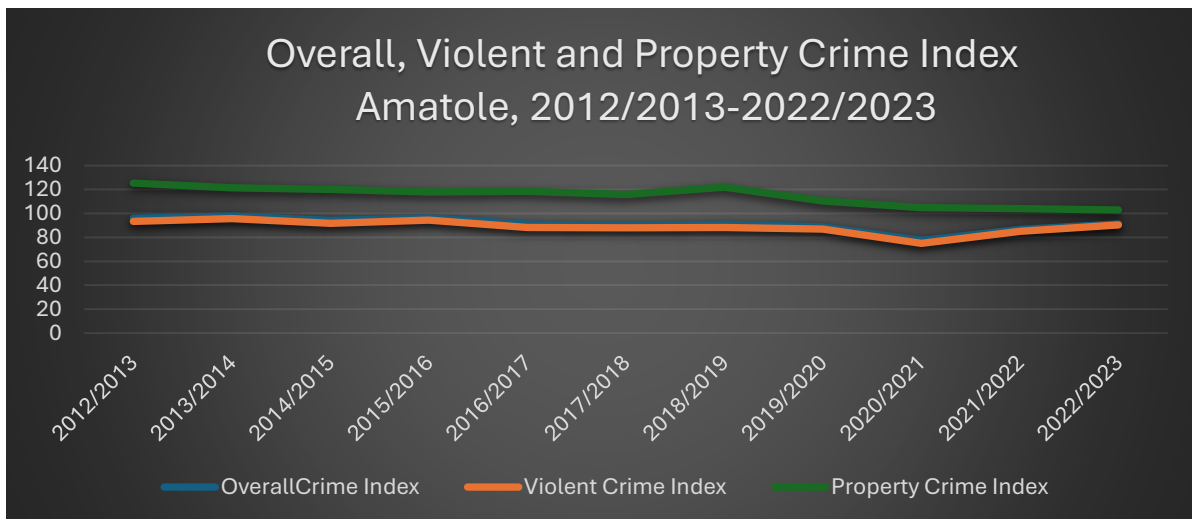
The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime.

The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

2.2.9.1 IHS Composite Crime Index

The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time or comparing the crime levels across regions. The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime in order to apply a weight to each category.

FIGURE 20: IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - AMATHOLE DISTRICT MUNICIPALITY, 2012/2013-2022/2023 [INDEX VALUE]



Source: ECSECC, 2024

For the period 2012/2013 to 2022/2023 overall crime has decrease at an average annual rate of 0.49% within the Amatole District Municipality. Violent crime decreased by 0.33% since 2012/2013, while property crimes decreased by 1.95% between the 2012/2013 and 2022/2023 financial years

2.2.10 HOUSEHOLD INFRASTRUCTURE

Drawing on the household infrastructure data of a region is of essential value in economic planning and social development. Assessing household infrastructure involves the measurement of four indicators:

- Access to dwelling units;
- Access to proper sanitation;
- Access to running water;
- Access to refuse removal; and
- Access to electricity.

A household is considered "serviced" if it has access to all four of these basic services. If not, the household is considered to be part of the backlog. The way access to a given service is defined (and how to accurately measure that specific Definition over time) gives rise to some distinct problems. IHS has therefore developed a unique model to capture the number of households and their level of access to the four basic services. A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

2.2.10.1 Household by Dwelling Type

Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to the type of dwelling. The categories are:

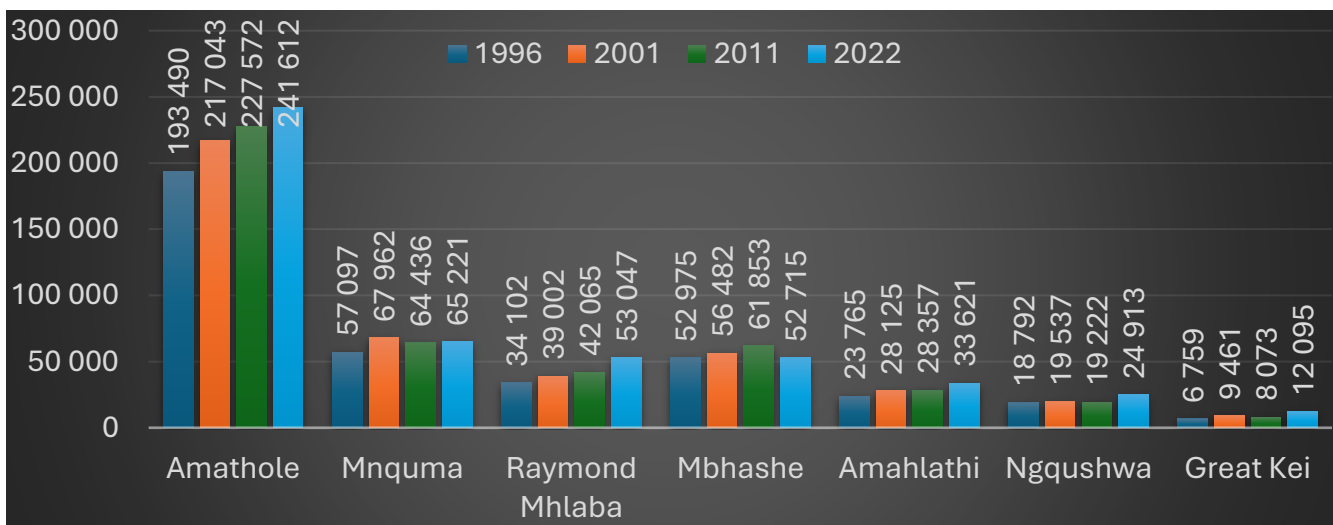
- **Very formal dwellings** - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling;
- **Formal dwellings** - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling;
- **Informal dwellings** - shacks or shanties in informal settlements, serviced stands or proclaimed townships, as well as shacks in the backyards of other dwelling types;
- **Traditional dwellings** - structures made of clay, mud, reeds, or other locally available material; and
- **Other dwelling units** - tents, ships, caravans, etc.

Table 12: NUMBER OF HOUSEHOLDS – AMATHOLE AND SIX MUNICIPALITIES, 2022 [NUMBER PER DWELLING TYPE]

2022 Municipality	Households 2022		Type of main dwelling 2022			
	Total households	Average household size	Formal dwelling	Traditional dwelling	Informal dwelling	Other
Amathole	241 612	3,6	195 938	39 419	4 892	1 362
Mbashe	52 715	4,6	36 476	15 734	268	237
Mnquma	65 221	3,6	51 526	12 249	782	664
Great Kei	12 095	3,0	10 335	599	1 099	62
Amahlathi	33 621	3,4	28 344	4 145	986	147
Ngqushwa	24 913	2,7	22 268	2 143	420	83
Raymond Mhlaba	53 047	3,4	46 990	4 549	1 339	170

Source: ECSECC, 2024

FIGURE 21: NUMBER OF HOUSEHOLDS – AMATHOLE AND SIX MUNICIPALITIES, 1996-2022



Source: Stats SA, 2022

Amatole District Municipality had a total of 195 938 of households formal dwelling units and a total number of 4 892 informal dwelling units.

The region within the Amatole District Municipality with the highest number of formal dwelling units is the Raymond Mhlaba Local Municipality with 46 900 of the total very formal dwelling units within Amatole District Municipality. The region with the lowest number of formal dwelling units is the Great Kei Local Municipality with a total of 10 335 of the total very formal dwelling units within Amatole District Municipality. It is worth noting that in Great Kei Local Municipality it almost double its households between 1996 and 2022.

2.2.10.2 Household by Type of Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

- **No toilet** - No access to any of the toilet systems explained below;
- **Bucket system** - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors.)

Most authorities are actively attempting to discontinue the use of these buckets in their local regions);

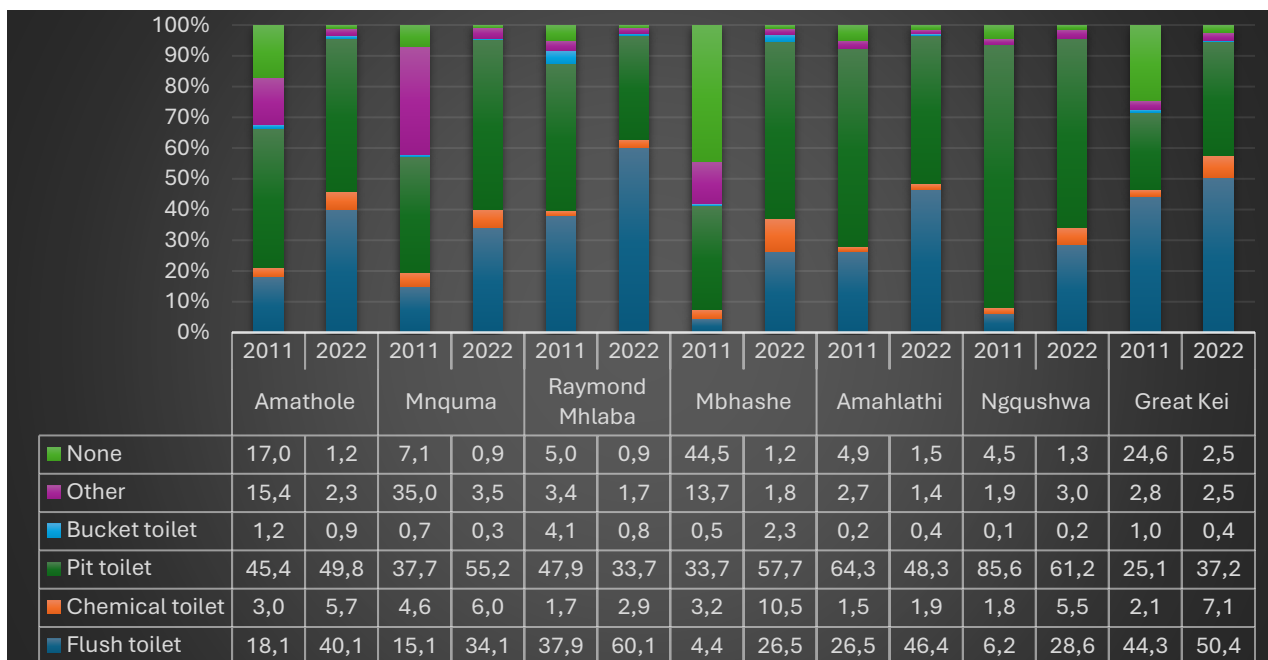
- **Pit toilet** - A top structure over a pit;
- **Ventilation improved pit** - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined;
- **Flush toilet** - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

Table 13: HOUSEHOLDS BY TYPE OF SANITATION - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

Municipality	Flush toilet	Chemical toilet	Pit toilet	Bucket toilet	Other	None	Total
Mbhashe	13,944	5,521	30,426	1,234	933	657	52,715
Mnquma	22,244	3,899	36,015	210	2,281	571	65,221
Great Kei	6,091	854	4,494	54	296	305	12,095
Amahlathi	15,592	643	16,237	150	487	514	33,621
Ngqushwa	7,137	1,381	15,259	56	746	335	24,913
Raymond Mhlaba	31,877	1,516	17,851	436	899	469	53,047
Amathole	96,884	13,815	120,281	2,139	5,642	2,851	241,612

Source: ECSECC, 2024

FIGURE 22: HOUSEHOLDS BY TYPE OF SANITATION -IN AMATHOLE, 2022 [PERCENTAGE]

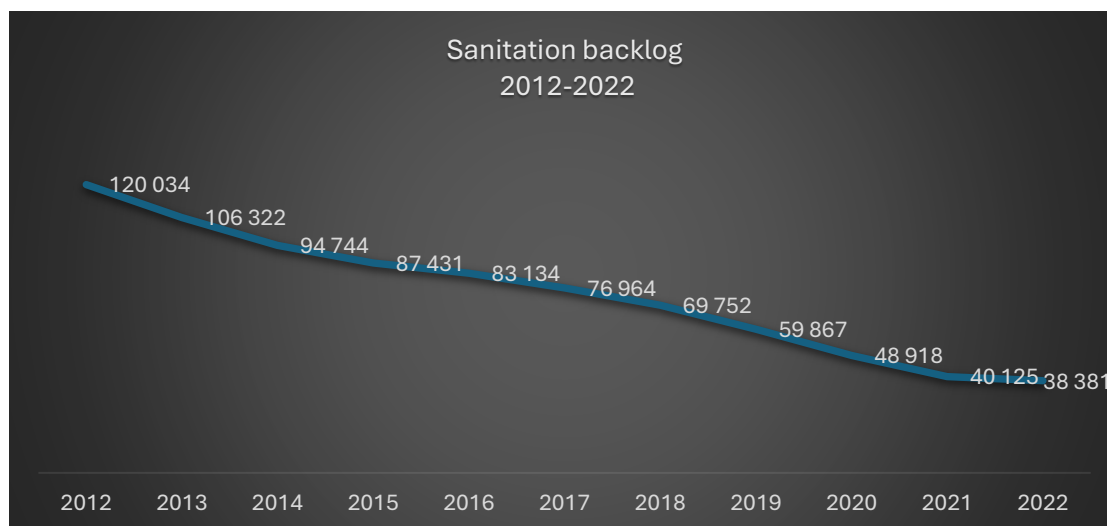


Source: Stats SA, 2022

Amatole District Municipality had a total number of 96 884 flush toilets (40.1% of total households), 13 815 Chemical toilet (5.7% of total households) and 120 281 (49.8%) of total households pit toilets.

The region within Amatole with the highest number of flush toilets is Raymond Mhlaba Local Municipality with 31 877 of the flush toilets within Amatole. The region with the lowest number of flush toilets is Great Kei Local Municipality with a total of 6 091 of the total flush toilets within Amatole District Municipality.

FIGURE 23: SANITATION BACKLOG - AMATHOLE DISTRICT MUNICIPALITY, 2012-2022 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]



Source: ECSECC, 2024

When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2012 the number of Households without any hygienic toilets in Amatole District Municipality was 120 000, this decreased annually at a rate of -10.78% to 38 400 in 2022

2.2.10.3 Households by Access to Water

Table 14: HOUSEHOLDS BY TYPE OF WATER ACCESS - AMATHOLE DISTRICT MUNICIPALITY, 2022 [NUMBER]

	Piped (tap) water inside dwelling	Piped (tap) water inside yard	Piped (tap) water on community stand	No access to piped (tap) water	Total
Mbhashe	14,061	2,565	10,448	25,641	52,715
Mnquma	21,712	4,008	14,074	25,426	65,221
Great Kei	4,569	1,522	2,965	3,039	12,095
Amahlathi	12,866	10,579	7,116	3,060	33,621
Ngqushwa	7,254	5,337	5,880	6,443	24,913
Raymond Mhlaba	23,192	13,542	10,413	5,900	53,047
Total Amatole	83,655	37,554	50,896	69,508	241,612

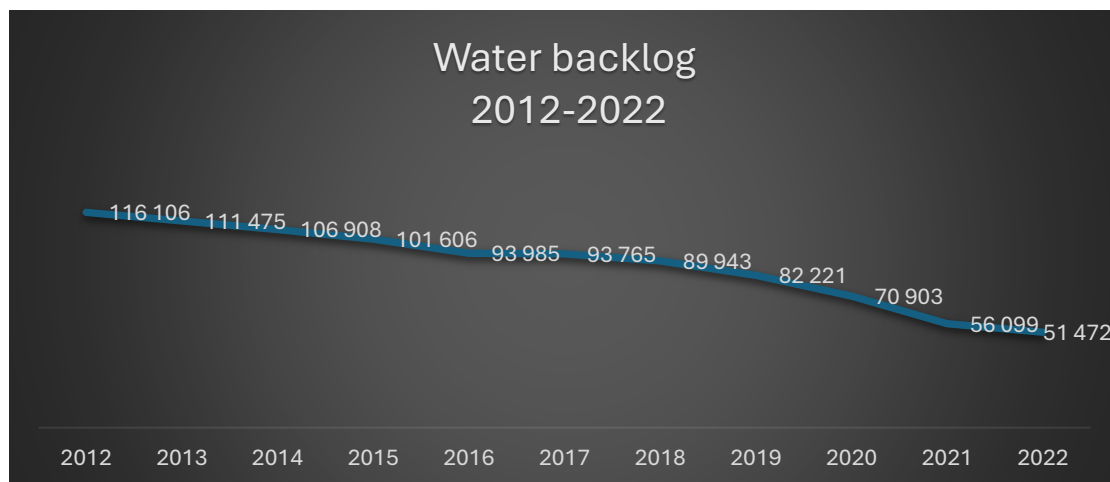
Source: Stats SA, 2022

Amatole District Municipality had a total number of 83 655 households with piped water inside the dwelling, a total of 37 554 households had piped water inside the yard and a total number of 69 508 households had no access to piped water.

The regions within Amatole District Municipality with the highest number of households with piped water inside the dwelling is Raymond Mhlaba Local Municipality with 23 192 of the households with piped water inside the dwelling within Amatole District Municipality. The region with the lowest number of households

with piped water inside the dwelling is Great Kei Local Municipality with a total of 4 569 of the total households with piped water inside the dwelling within Amatole District Municipality mainly because it has the lowest number of household and population.

FIGURE 24: WATER BACKLOG - AMATHOLE DISTRICT MUNICIPALITY, 2012-2024 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



Source: ECSECC, 2024

When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2012 the number of households below the RDP-level were 116 000 within Amatole District Municipality, this decreased annually at -7.81% per annum to 51 500 in 2022.

2.2.10.4 Households by Type of Electricity

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

Table 15: HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2022 [NUMBER]

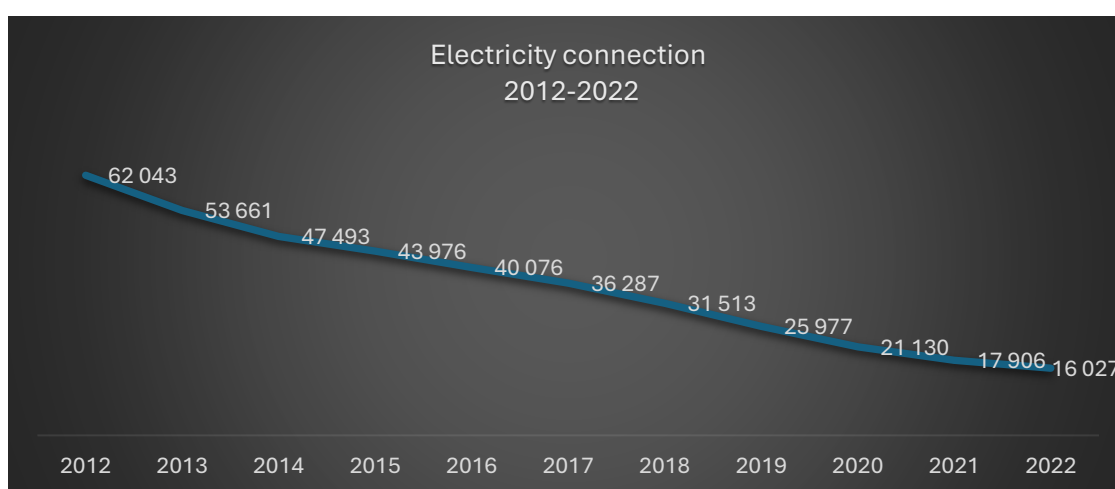
	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Mbhashe	5,930	54,857	7,825	68,612
Mnquma	4,082	61,197	5,978	71,258
Great Kei	309	7,881	520	8,710
Amahlathi	1,094	27,183	712	28,989
Ngqushwa	805	18,250	291	19,346
Raymond Mhlaba	977	42,883	700	44,560
Total Amatole	13,197	212,252	16,027	241,476

Source: ECSECC, 2024

Amatole District Municipality had a total number of 13 197 households with electricity for lighting only, a total of 212 252 households had electricity for lighting and other purposes and a total number of 16 027 households did not use electricity.

The region within Amatole with the highest number of households with electricity for lighting and other purposes is Mnquma Local Municipality with 61 200 or a share of 28.83% of the households with electricity for lighting and other purposes within Amatole District Municipality. The Region with the lowest number of households with electricity for lighting and other purposes is Great Kei Local Municipality with a total of 7 881 or a share of 3.71% of the total households with electricity for lighting and other purposes within Amatole District Municipality.

FIGURE 25: ELECTRICITY CONNECTION - AMATHOLE DISTRICT MUNICIPALITY, 2012-2022 [NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]



Source: ECSECC, 2024

When looking at the number of households with no electrical connection over time, it can be seen that in 2012 the households without an electrical connection in Amatole District Municipality was 62 000, this decreased annually at -12.66% per annum to 16 000 in 2022.

2.2.10.5 Households by Refuse Disposal

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community dispose of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuse is taken away, thus leading to the following categories:

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members
- Personal removal / (own dump)
- No refuse removal

Table 16: HOUSEHOLDS BY REFUSE DISPOSAL - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

	Removed by local authority/ private company/ community members at least once a week	Removed by local authority/ private company/ community members less often	Communal refuse dump	Communal container/ central collection point	Own refuse dump	Dump or leave rubbish anywhere (no rubbish disposal)	Other	Total
Mbhashe	14,139	88	564	678	29,587	6,847	812	52,715
Mnquma	21,086	60	1,104	431	33,371	6,112	3,057	65,221
Great Kei	5,067	57	120	233	5,244	932	443	12,095
Amahlathi	13,336	227	410	1,323	16,067	1,471	788	33,621
Ngqushwa	6,024	15	338	433	16,527	1,271	306	24,913
Raymond Mhlaba	25,808	327	478	1,164	21,600	3,099	572	53,047
Total Amatole	85,459	773	3,013	4,261	122,396	19,733	5,976	241,612

Source: Stats SA, 2022

Amatole District Municipality had a total number of 85 459 households which had their refuse removed by local authority/ private company/ community members at least once a week, a total of 773 households had their refuse Removed by local authority/ private company/ community members less often and a total number of 122 396 households which had to remove their own refuse dump, which is a significant high number and minimum decrease is observed compared to other years.

The region within Amatole with the highest number of households where the refuse removed by local authority/ private company/ community members at least once a week, is Raymond Mhlaba Local Municipality with 25 808 within Amatole. Great Kie Local Municipality has the lowest at 5 076 mainly due to a significant low number of households and population at large.

FIGURE 26: REFUSE REMOVAL - AMATHOLE DISTRICT MUNICIPALITY, 2012-2022 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]



Source: ECSECC, 2024

When looking at the number of households with no formal refuse removal, it can be seen that in 2012 the households with no formal refuse removal in Amatole District Municipality was 188 000, this increased annually at 0.80% per annum to 204 000 in 2022. The total number of households within Amatole District Municipality increased at an average annual rate of 0.58% from 2012 to 2022, which is higher than the annual increase of 1.62% in the number of households in South Africa.

2.2.11 TOURISM

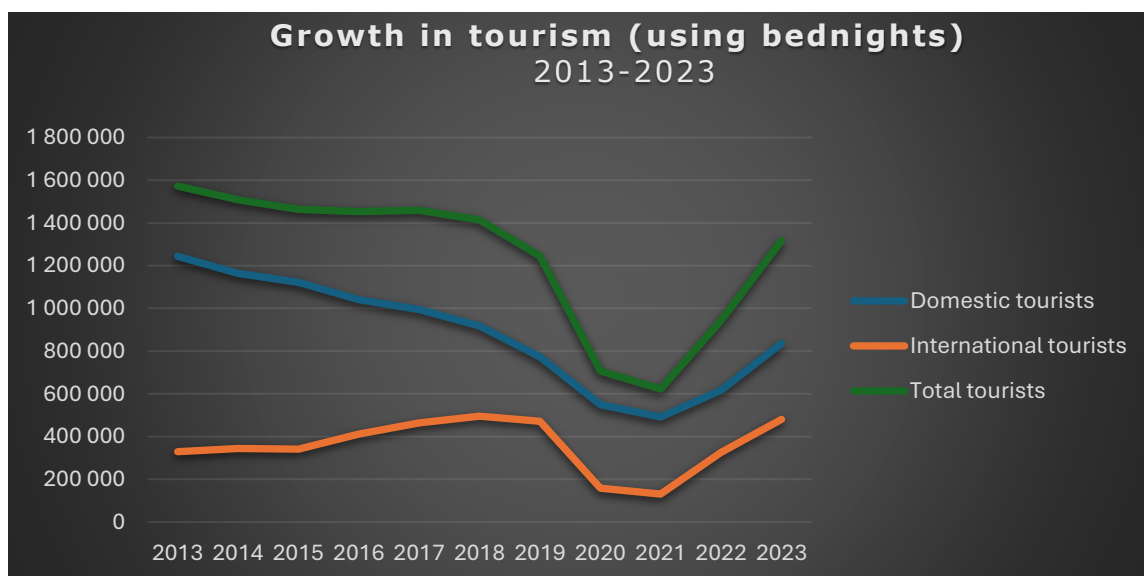
Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism. As defined by the United Nations World Tourism Organisation (UN WTO), a trip refers to travel, by a person, from the time they leave their usual residence until they return to that residence.

This is usually referred to as a round trip. IHS likes to narrow this definition down to overnight trips only, and only those made by adult visitors (over 18 years). Also note that the number of "person" trips are measured, not household or "party trips".

The main purpose of an overnight trip is grouped into these categories:

- Leisure / Holiday;
- Business;
- Visits to friends and relatives; and
- Other (Medical, Religious, etc.)

FIGURE 27: GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - AMATHOLE DISTRICT MUNICIPALITY, 2013-2023 [NUMBER]



Source: ECSECC, 2024

The number of trips by tourists visiting Amatole District Municipality from other regions in South Africa has increased at a very high average annual rate of 5.30% from 2013 (356 000) to 2023 (597 000). The tourists visiting from other countries increased at an average annual growth rate of -0.58% (from 30 800 in 2013 to 29 000). International tourists constitute 4.64% of the total number of trips, with domestic tourism representing the balance of 95.36%. From 2013 to 2023, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -3.89%, while in the same period the international tourists had an average annual increase of 3.87%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -1.76% from 1.57 million in 2013 to 1.32 million in 2023.



2026/27

CHAPTER THREE: STATUS QUO ANALYSIS



CHAPTER THREE

STATUS QUO ANALYSIS

3.1 KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

- DDM:** Demographic Change and People Development
Governance and Finance Management
Economic Positioning
- B2B:** Building Capable Institutions and Administration
- MTAS Pillar:** Institutional Development

A diagnostic analysis was undertaken by ADM in conjunction with Municipal Infrastructure Support Agency (MISA)/Lidwala to determine the overall size of the workforce as well as its composition, demographical and educational levels. The aim was also to determine the numbers per occupational level and functional area of responsibility, as well as the number of vacancies. The analysis also covered the total volume of work, type of work and skills requirements per occupational category.

Notably, in the status quo analysis, there were discrepancies regarding positions in the staff establishment that were not in line with the powers and functions of a Water Services Authority, incorrect skills levels of positions and the bloated Budget & Treasury Office.

As part of the MTI component and its contribution to the pillar that deals with a Resilient district, the department will roll out programmes which will ensure that ADM is stabilized financially and administratively, and such programmes are listed below. The implementation of the job evaluation programme which is linked to the review of the Establishment Plan will ensure that the cost of employment is brought to acceptable levels.

The implementation of the Makhanda High Court Judgement which set aside the illegal standardization and re-categorisation further enhance the objective to lower the cost of employment within Amathole District Municipality.

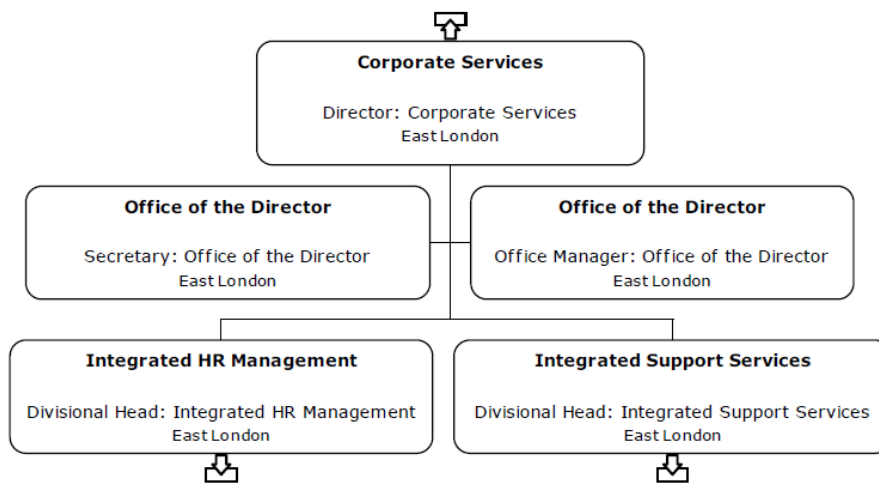
On the other hand, the Municipal Turnaround Strategy (MTAS), prompted the review of the Organisational Structure to properly align the Organogram with the mandate and core business of the organisation. The MTAS emerged with eight pillars and for purposes of this chapter, the focus will be on Institutional Development which “seeks to build a culture of excellence and a value based organization through, amongst others, organizational development and design”.

3.1.1 DIRECTORATE OVERVIEW

The Corporate Services department is one of 6 departments within Amathole District Municipal and is headed by a Director, who was appointed in terms of section 56/57 of the Municipal System Act 32 of 2000 as amended.

The mandate of the department is to become a strategic partner to core business through the provisioning of sound human resources and efficient administration services. The Office of the Director: Corporate Services is resourced with a Personal Assistant (PA) to the Head of Department and Office Manager.

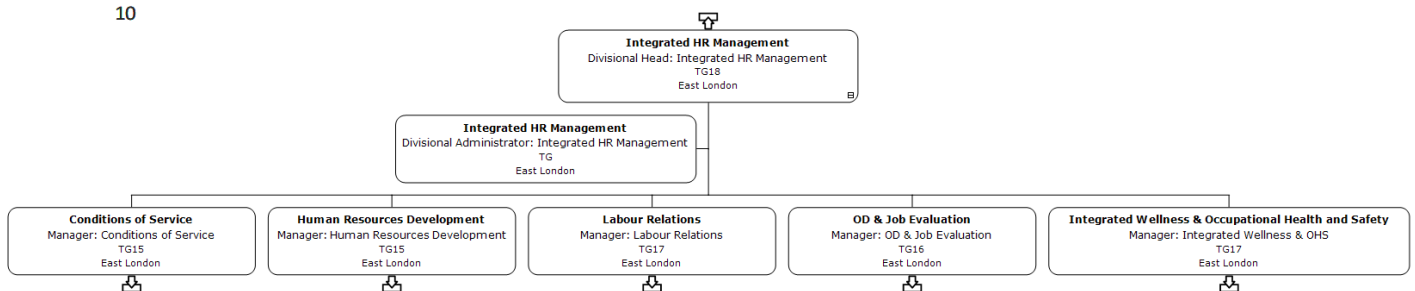
Corporate Services Department developed a staff establishment plan and was tabled before Council on the 31 January 2024, where it was approved. The 2023/2024 organogram contains 1897 employees, and this figure includes Section 55 and 56 Managers positions. The Department has its core staff situated in the head office in East London whilst there are some few staff members who are based in the satellite offices. The Department has two divisions which are namely, Integrated Human Resource Management (IHRM) and Integrated Support Services (ISS). The structure of the Department then allows for the Divisions to be supported by Units which are managed by Unit Managers. The Structure of Corporate Services at a micro level is as follows:-



The department is structured such that there are three Divisions in the form of :-

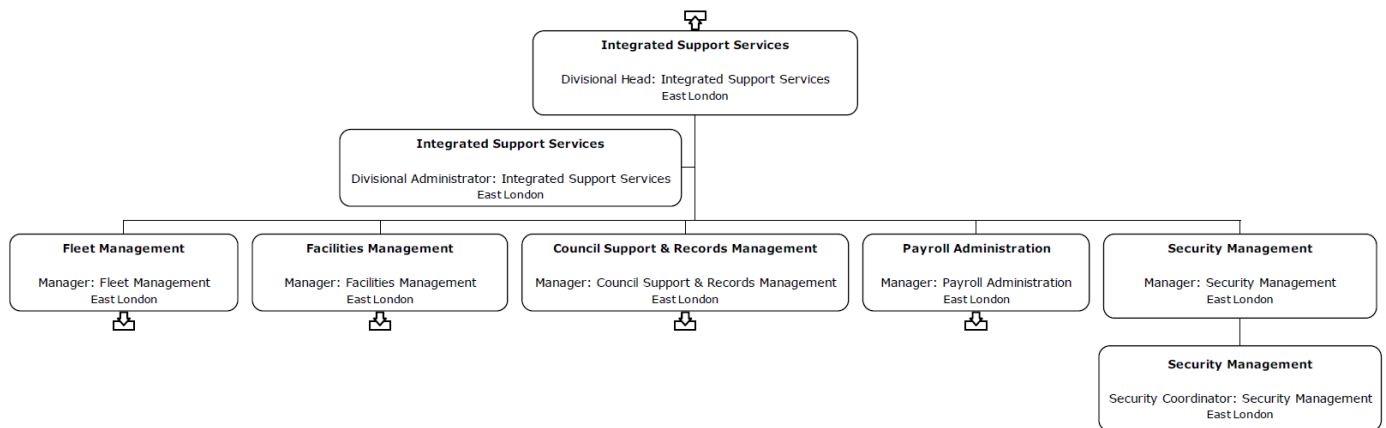
INTEGRATED HR MANAGEMENT DIVISION

10



INTEGRATED SUPPORT SERVICES DIVISION

14



KEY FUNCTIONS OF THE DEPARTMENT

- Conditions of service, which includes recruitment & selection, as well as benefits management
- Organisational Development and Job Evaluation
- Human Resource Development
- Fleet Management
- Facilities Management
- Security Services
- Records Management
- Payroll Management
- Council Support
- Labour Relations
- Employee Wellness and Occupational Health and Safety

The Corporate Services functions being executed in the satellite offices are personnel administrative functions like staff leave, overtime claims and other supporting functions like employee wellness and safety and Fleet Management. In a nutshell, the Corporate Services Department provides strategic support to the provisioning of water and sanitation to the communities of Amathole District. The Corporate Services department exists to render a comprehensive, integrated human resource and administration function to enhance service delivery and the welfare of all employees.

The department is the custodian of a range of Policies which include:- Human Resource Development Strategy, Fleet Management Strategy, Records Management Strategy, Workplace Skills Plan, Employment Equity Plan, Occupational Health & Safety Strategy, Human Resource Plan, Employee Wellness Strategy, Talent and Retention Strategy, Recruitment & Selection , Leave Management policy, Transfer, Secondment and Acting Allowance , Placement, Cell Phone Allowance, Overtime and Emergency, Subsistence and Travel Allowance, Travel Allowance, Essential Vehicle User Policy, Internship, Training

and Development Policy for Councillors, Training and Development Policy for Officials, T.A.S.K. Job Evaluation, Occupational Health and Safety and Record Management Policies. Some of the Policies are reviewed annually whilst some are reviewed as and when necessary. The Recruitment & Selection Policy, TASK Job Evaluation Policy, Overtime Policy, Emergency Work Policy, Leave Policy and Placement Policy were last reviewed in May 2025.

This is done through:

- The Promotion of an effective Job Evaluation system that seeks to ensure that the jobs are properly graded and audited.
- Promotion of sound employee relations and labour stability.
- Promotion and practising effective recruitment and retention practises and be the employer of choice.
- Encouraging a culture of excellence and high work ethic.
- Promoting a safe and healthy working environment for all employees
- Constantly developing individual employees and Councillors through training interventions to enhance service delivery.
- Contributing to the realisation of externally focused IDP objectives

3.1.2 ORGANIZATIONAL STRUCTURE AND ESTABLISHMENT PLAN

Section 66 of the Local Government: Municipal Systems Act (Act No 32 of 2000), requires a Municipal Manager to develop 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 yearly.

The primary goal of the Municipality is to develop the staff establishment plan to enhance the effective, efficient and systematic performance of its legislative mandate and strategic objectives.

3.1.2.1 INSTITUTIONAL STRUCTURE OF ADM

The Institutional structure of Amathole District Municipality (ADM) is divided into two components, namely, Political and Administrative structures. The Administrative structure is accountable to the Political structure.

Political Structure

The principalship of ADM lies with Council under the Chairpersonship of The Speaker and it operates several committees that assist in the realisation of the Council's mandates. ADM Council is made up of 47 councillors of which 40 per cent are directly elected from party lists and 60 percent are representatives of local municipalities appointed to sit in ADM Council. The Council also has 3 traditional leaders that are participating in the district in line with the provisions of section 81 of the Local Government Municipal

Structures, Act 117 of 1998 as amended read with the Traditional Leadership and Governance Framework Act, 13 of 2003.

Political Component: includes the Executive Mayor, the Members of the Mayoral Committee, the Council Speaker, the Council's Chief Whip, Chairpersons of Section 79 committees and Councillors.

The ADM Council has a Committee system in line with the provisions of Section 79 and 80 (1) of the Municipal Structures Act 117 of 1998, as amended. Committees established in terms of section 79 of the Municipal Structures Act (Act 117 of 1998 as amended) perform functions assigned to them by the Council, through terms of reference and report directly to Council under the Legislative Support Reports. Section 80 Committees referred to as Standing Committees, assist the Executive Mayor in the execution of his duties and their reports are submitted to the Mayoral Committee and processed through that Committee to Council.

The Standing Committees are constituted by both Portfolio [Mayoral Committee Members] and Part-Time Councillors and Traditional Leaders designated for participation in municipal council. The Standing Committees are chaired by Portfolio Councillors and attended by the Municipal Manager and Heads of Department. They have the power to consider and make recommendations to the Mayoral Committee/ Executive Mayor on all issues falling within the ambit of their functional areas. Standing Committees meet bi-monthly in line with the Institutional Calendar developed by the Speaker and adopted by the Council.

Administrative Structure

The Municipal Manager is the Head of Administration and Accounting Officer of the Municipality. The Municipal Manager is accountable to the Executive Mayor. The ADM has six Section 56 Managers referred to as Executive Directors directly accountable to the Municipal Manager. Administratively, the Amathole District Municipality consists of the following departments:

- Office of the Municipal Manager
- Budget & Treasury Office
- Corporate Services
- Technical Services and Infrastructure Development
- Community Services
- Spatial Planning & Economic Development
- Strategic Planning and Management

The Executive Management amongst other responsibilities serves as a collective in the IDP Representative Forum which is the strategic platform to deal with IDP and other service delivery issues. In this forum departments, as a collective, ensure that there is inclusive planning and integration to produce a credible and implementable IDP. The Municipal Manager leads this process in preparation for presentation to other structures and stakeholders in line with Municipal Systems Act. The Executive Management as led by the

Municipal Manager ensures that this process is conducted in line with all pieces of legislation and also is aligned with budget and expenditure thereof.

3.1.2.2 ORGANOGRAM

Details of the approved 2023/2024 organogram are as follows:

Department	2023/2024
Office of the Municipal Manager	28
Strategic Planning & Management	91
Corporate Services	120
Community Services	244
Technical Services & Infrastructure Development	1182
Spatial Planning & Economic Development	39
Budget and Treasury Office	193
Total no. of positions	1897

It is worth mentioning that the reviewed proposed organogram of 2025/2026 went through consultative processes of Executive Management, Local Labour Forum, Councillor Workshop. The proposed 2025/2026 organogram was submitted to Council on the 27 June 2025 and 29 August 2025 for first leg of approval before submission to Co-operative Governance and Traditional Affairs Department for comments

3.1.3 INTEGRATED HUMAN RESOURCE MANAGEMENT

The Integrated Human Resources Division is a strategic support partner to the ADM core business. The division is charged with overseeing and executing the following strategic functions; the implementation of Employee Assistance Programs, Human Resource Development, Organisational Development and Job Evaluation and Conditions of Employment, including Recruitment and Selection. An intervention to move Payroll Management function from Integrated Support Services Division to Integrated Human Resource Management Division due to its functional nature was made and this change is also included in the proposed review of the structure. Further to these duties, the Division is responsible for implementation of all Human Resources related policies and strategies including the Human Resources Plan.

3.1.3.1 Human Resource Plan

Human Resource Plan is the continuous process of systematic planning to achieve optimum use of an organization's most important asset; the employees. Human resources planning ensures the best fit between employees and jobs while avoiding manpower shortages or surpluses.

The Human Resource plan will guide the implementation of the strategy in terms of the actions/key activities identified and progress against the action plan and the performance indicators that will need to be measured in line with the HR plan. The impact and effectiveness of each of the interventions from the

strategy must be measured and if necessary, corrective action taken and interventions made to direct HR activities towards their objectives.

3.1.3.2 Organisational Development and Job Evaluation

The aim of Organisational Development and Job Evaluation Unit, amongst other things, is to provide advisory services in developing an appropriate organisational structure, maintain organisational charts, provide work study services to departments and coordinate job evaluation services in order to fulfil the primary objective of Section 66 (1) of The Local Government Municipal Systems Act 32 of 2000.

Organisational Development & Job Evaluation Unit has the following policy & Strategy:

- TASK Job Evaluation Policy
- Organizational Development Strategy
- The Change Management Strategy is under review

The District Municipality has assessed its short to medium strategic and operational objectives and has developed an organogram that would satisfy the functional needs of the municipality. The organizational structure of the ADM has a total of 1897 positions (including Section 56/57 Managers) as per the organogram which was approved by Council in January 2024. The ADM has introduced Satellite Model in the organizational structure that will enhance quality service delivery in the six local municipalities. This on-the-ground approach helps to streamline the service delivery process and ensure effective and efficient response. The Senior Managers in Satellite Offices focus on coordination and monitoring integrated service delivery within satellite offices.

Section 57 and Section 56 positions are all filled as follows:

NAME OF DEPARTMENT	SECTION 57/56 MANAGERS	FILLED/VACANT
Office of the Municipal Manager	Dr B.J. Mthembu	Filled
Budget and Treasury Office	Mr. N. Zengethwa	Filled
Corporate Services	Dr. V. Dlelaphantsi	Filled
Technical Services & Infrastructure Development	Ms. N. Msebi	Filled
Community Services	Ms. N.C. Zondani	Filled
Spatial Planning & Economic Development	Ms. Z.C. Xabadiya	Filled
Strategic Planning & Management	Mr. N.L. Sovasi	Filled

Vacancy Rate

Below is the table of the vacancies and filled positions per directorate as at June 2025:

Table 17: Amathole District Municipality vacancy rate per Directorate

Directorates	Number of Positions	Filled Positions	Vacant Positions	Percentage
Office of the Municipal Manager	28	20	8	29%
Community Services	244	174	70	29%
Corporate Services	120	96	24	20%
Land, Human Settlement & Economic Development	39	30	9	23%
Budget & Treasury Office	193	169	24	12%
Technical Services & Infrastructure Development	1182	719	463	39%
Strategic Planning & Management	91	80	11	12%
	1897	1288	609	32%

- Vacancy rate: 32%
- Filled positions: 68%

The high vacancy rate is caused by moratorium which will be addressed once the financial viability of the municipality improves. Only critical positions will be considered during the 2025/2026 financial year.

2023/2024 structure

Post the institutional Strategic Planning session, it is logical that review of staff establishment processes follow, in accordance with Section 66 of the Local Government: The Municipal Systems Act (Act No 32 of 2000), which 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 yearly. Furthermore, Chapter 2 of Municipal Staff Regulations (No. 45181 of 2021) requires that a Municipal council must:

- Determine the municipality's staff establishment, which will provide the basis for each departments' strategic workplace and human resource planning. The human resource planning will, in the staff supply planning process, consider race, gender, disability, occupational level and grade with reference to their competencies, training needs and capacities.
- Determine the staff establishment necessary to perform its functions which will guide the staff demand planning, with particular reference to the number of staff members required, the minimum competencies which the staff members must possess, the posts and post levels in which each of the staff members will be appointed, and

- (c) Planned for the recruitment, retention and development of staff members according to the municipality's requirements within the available budgeted funds, including funds for the remaining period of the relevant medium term revenue and expenditure framework.

The 2023 organisational structure review underwent numerous consultative processes with the relevant structures such as the management echelon, and the Local Labour Forum. Thus, a comprehensive consultation culminated to the proposed structure which was submitted to the Council meeting on the 14 July 2023 and was adopted. In line with the Local Government Staff Regulations, the adopted 2023/24 Staff Establishment was submitted to the Cooperative Governance and Traditional Affairs Department for comments.

Details of the approved 2023/2024 structure are as follows:

Table 18: Amathole District Municipality 2023/24 Organisational structure per Directorate

Department	2023/2024
Office of the Municipal Manager	28
Strategic Department	91
Corporate Services	119
Community Services	244
Engineering Services	1182
Land, Human Settlement & LED	39
Budget & Treasury	193
Total no. of positions	1896

Placement of staff in the approved structure

The Placement Policy is in existence and was last reviewed in May 2025. The process started on the 21 August 2023, and completion of the entire process is currently at 99%. Once the 2025/2026 structure is approved, placement of extra warm bodies will be finalized. It is worth the placement process has reduced the number of acting appointments by employees in various positions. Some of the employees who became redundant as a result of abolished functions were placed in an alternative position using the skills audit.

Job Evaluation Update

The TASK Job Evaluation Policy exists and was last reviewed in May 2025. Progress on the grading and auditing of positions on the 2023/24 approved structure is at 87%. This is due to the TASK Job Evaluation System contract that has expired on 30 June 2024. The renewal of the contract depends on SALGA and DeLoitte. SALGA has issued a circular indicating that the development of job catalogue for the municipalities is underway.

3.1.3.3 Human Resource Development

Rendering of human resources development services is done in respect of Councillors and employees. Other functions include the following:

Implementation of District HRD Strategy through;

- Administration of learnership programmes
- Administration of Internship programme (for unemployed)
- Administration of Workplace Integrated Learning (WIL) Programme (for unemployed)
- Training and Development for Councillors
- Training and Development for Officials
- Administration of Bursary Scheme for Rare Skills, for Unemployed Historically Disadvantage Individuals
- Administration of Employee Study Assistance Scheme for employees
- Coordination of ABET Programme
- Minimum Competency Levels Programme
- Develop & review policies related to Human Resources Development
- Administration of Skills Development Grants
- Development and implementation of Workplace Skills Plan. (WSP)

The Training and Development Policies for Councillors and for Officials were last reviewed in May 2022. The Internship Policy was also last reviewed and approved in May 2022.

Workplace Skills Plan (WSP)

Workplace Skills Plan (WSP) is a regulated document, which is comprised of an Annual Training Report (for the previous financial year), and planned training (for the forthcoming financial year). The process of development of WSP commences from Training Needs Analysis of the various Departments. All training identified from this process finds expression in the WSP. The training identified is also linked to IDP objectives, strategic objectives of the Department, Provincial & District HRD Strategy, Political pronouncements and current trends aligned to skills development. Submissions of the WSP are made to LGSETA each year.

Challenges

Implementation of the WSP is a challenge as the Training budget continues to be suspended each financial year, due to financial constraints. Despite this suspension, some targeted training is conducted through both the Mandatory and Discretionary Grants, and also from external funders.

LGSETA Grant

The municipality applies for funding for Discretionary Grants in each financial year. With the submission of the WSP as well as payment of Skills Levy, Mandatory Grant is paid back to ADM by Local Government

SETA. These funds are always received as a result of fully complying with the LGSETA requirements, regarding submission of a credible Workplace Skills Plan, which is evaluated after submission. The funding received from the SETA is utilised for programmes such as Internships, Workplace Integrated Learning (WIL), Learnerships, Skills programmes and Bursaries.

District Human Resource Development (HRD) Strategy

The District HRD Strategy was developed in 2015 and reviewed in 2018. Implementation of programmes in the HRD strategy have been ongoing. The Strategy is being reviewed in this financial year 2024/25. Programmes were designed to cater for ADM Employees, Councillors and Unemployed Youth. Implementation included facilitation of the following programmes;

Employees: Corporate Services Workshops (at Satellite Offices & Head Office); Bid Committee Training; Health & Safety; Minimum Competency Levels Training. Currently, the ADM training budget is suspended due to financial constraints.

Councillors: None in Quarter 1 of 2024/2025 financial year.

Unemployed: ADM implemented Internships and Workplace Integrated Learning programmes. In line with the Strategy, partnerships are also forged with FETs where Workplace Integrated Learning (WIL) learners are placed for practical purposes.

Internship Programme: In 2024/25, a total of fifty- five (55) unemployed graduates were enrolled for the Internship Programme, and the breakdown was as follows; Four (04) Interns were financed by National Treasury through Municipal Financial Grant for 2024/2025 financial year, and fifty-one (51) Interns were financed by LGSETA for the 2024/2025 financial year. Due to the practical work experience that the Internship candidates gain, most Interns manage to get permanently employed either by the municipality or by other Organisations.

Workplace Integrated Learning Programme (WIL): During 2024/25 financial year, Thirty-one (31) learners were engaged with their WIL programme in both Local Municipalities and ADM Head Office, which provided them with Work Integrated Learning (WIL). This gave them the required work exposure, which was a requirement to enable them to graduate. Budget was allocated by Local Government Sector Education & Training (LGSETA), through their Discretionary grant. ADM had no budget for the training programmes due to financial constraint.

Learnership Programme: There was no Learnership programme conducted during 2024/25 financial year

Bursary Programme: During 2024/25 financial year, ADM, through the Workplace Skills Plan (WSP) applied at LGSETA for Bursaries, but LGSETA did not offer the Municipality any bursaries for the year under review.

Critical and Scarce Skills:

The Scarce Skills Policy is in existence and the policy dictates that if a position has been advertised on two occasions without success, then that position shall be deemed as scarce. The identified scarce and critical skills include the following:

Scarce:

Corporate Services also identified Payroll Master as a Scarce Skill and Technical Services identified a need for artisan development of:

- Electricians
- Millwrights
- Fitters & turners
- Diesel Mechanics
- Renewable energy artisans
- Instrumentation technicians

Critical Skills

- Supply Chain Management
- Water Care Services
- Audit
- Occupational Health and Safety
- Payroll
- Fire Services

3.1.3.4 Conditions of Services

Purpose is to recruit and provide staffing solutions through the implementation of the Recruitment and Selection, Placement, Transfer and Secondment, leave management policies and administration of all ADM Conditions of Services. The latter function had been the responsibility of the Integrated Support Services, but ADM management took a decision to transfer it to the Integrated Human Resources Management Division in 2022. The unit is also charged with implementing the Talent Management Strategy and responsible for the compliance with the Employment Equity Act 55 of 1998

Functions

- Staff provisioning through recruitment, selection and formal appointments.
- HR internal and external movements guided by Secondment and Transfer Policy
- Management of contingent employees' employment contracts
- Management and administration of acting as a condition of service
- Managing and monitoring Employment Equity for compliance and cohesion within ADM.
- Participating in the development and implementation of the SDBIP
- The administration of all ADM Conditions of Services

- Implementation of all the relevant pieces of legislations, strategies, plans and Bargaining Council resolutions.

With all changes which included the increase of responsibilities, the unit has managed to integrate the additional responsibilities well. The benefit administration function is service orientated and is occupied by two employees that provide a service to internal employees in the form of administering rental allowance, housing, cell phone and travel allowances, pension benefit, medical aid benefit and Group Life. The Recruitment function is service orientated and is occupied by 5 employees who provide a service to internal employees and external applicants in the form of recruitment and selection processes. The recruitment unit remains understaffed. The leave administration function is service orientated and is occupied by three employees who provide a service to internal employees in the form of leave management

Employment Equity

The Employment Equity Plan (EEP) was reviewed and adopted in 2022 for a period that will end on 30 June 2027. The analysis of the existing employee profile of ADM revealed that at ADM coloured race is a problem and the main challenges are under representation of females in the top management, senior management, semi-skilled occupational levels and Gross under representation of People with Disabilities in all occupational levels. The EEP's objective is to pursue and achieve a female representation of 47.2% as per the Provincial EAP Gender Statistics, and 2% in People with Disability category. 45% resembles the total percentage of female employees at ADM as of 30th June 2024. To meet the 47.2% recommended provincial target, ADM needs to have 2.2% and that is an equivalent of 33 female employees. If everything remains constant, the institution needs 33 more females to meet the recommended provincial target of 47.2%.

With regards to people with disabilities, both the national and provincial goal stand at 2%, while Amathole District Municipality stands at 0.3%. To meet the 2% recommended national goal, ADM needs to have 1.7% and that is an equivalent of 22 employees. If everything remains constant, the institution needs 23 more PwDs to meet the recommended national and provincial goal of 2%.

In 2024/2025 financial period, female representation stands at 46% whilst the percentage is 0.4% on People with Disabilities. The current Employment Equity Plan that stretches to 30 June 2027 seeks to address the percentage gaps.

Opportunities/Enablers

Opportunities that were identified include the following:

- To ensure that job adverts cite the preferred candidate for the post as informed by the EE Status Quo Report
- 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.

To ensure ongoing engagements with Disabled People of South Africa to encourage submission of applications when jobs are advertised

Mutual Separation Agreement

As part of lowering the staff complement and lowering the salary bill, ADM embarked on a process of introducing the Mutual Separation Agreements (MSA) and an application to fund the process was made to the Department of National Treasury and National Department of Cooperation and Traditional Affairs. The National Department has shown interest in funding this initiative as it was in line with the pronouncements made by the Minister of Finance in his Budget speech in 2019.

The institution was directed by the department to develop a concrete Business Plan for submission and that was subsequently done and submitted, and a positive outcome has still not been secured. ADM opted to look for funding internally and various options were explored but not limited to Bank loans, utilizing the salary budget etc. An approach of staggering applications to participate was opted for, for purposes of affordability. Efforts that were made to fund the Mutual Separation Agreement have proved to be in vain and could not be implemented by the institution due to lack of funds.

Talent Management Strategy

As part of these strategies, the Municipality identified risk factors. Through this process, poor talent management was identified as one of high risks in the municipality. The objective of the Talent Management Strategy is to attract, develop, retain and mobilize the best talent to help the municipality to deliver on its mandate and alleviate risks identified. Also, by cultivating talent pools internally, management will be ensuring that ADM will have experienced and trained workforce that is able to deliver in line with the institutional goals and objectives, specifically, as enshrined in the Institutional Development as well as Human Capital Development pillars of the broader Vision 2030. There are several staff development programs in the strategy, one of which is Job Rotation, where employees are offered an opportunity to be exposed to other related functions within their line of work. Due to budget constraints, the Talent Retention Strategy is not fully implemented by the institution.

Challenges

- The inability of employees to take leave as required by the law remains a challenge to ADM. This is further compounded by the non-submissions of leave plans by departments.

- Moratorium on employment which was declared in 2018 has increased the number of acting on vacant positions. There are many positions where rotation acting is not possible, and, yet the position cannot be left vacant.
- Most of the programs in Talent Management Strategy require budget and cannot be implemented because of budget constraints.
- Due to lack of finances at ADM the E-recruit was never activated as a result the strenuous manual process has always been employed by the unit.
- Overtime is unavoidable at this stage as there are enormous number of vacancies, especially in the ADM core function department.

Achievements

- SAP system is capping accumulated leave at 48 days.
- The placement process that is underway and approaching completion is envisaged to address many staffing issues, including the excessive acting on positions.
- The stand-by allowance is operating according to the applicable policy.
- Travel Allowance, Cellphone Allowance, Leave, Individual Life Insurance, Structured Overtime and Unstructured/Emergency Overtime Policies have been reviewed to close gaps that existed and were approved by Council on 06 June 2024.

3.1.3.5 Employee Relations Division

Labour Relations

Providing strategic advice to the District Municipality including strategic support in negotiations and consultations on labour relations matters representing the Municipality at the Bargaining Council and related labour related institutions/ forums.

Functions:

- The management of employer/employee relations
- The provision of professional assistance on disciplinary matters
- The resolution of disputes
- The promotion of workplace transformation
- The conducting of negotiations and consultations

The primary objective of to advance economic development, social justice, labour peace and the democratization of the workplace by fulfilling the primary objects of the Act. The Division provides the function of managing and controlling Administration and Implementation of the Industrial Relations function to ensure implementation and compliance with relevant legislation, SALGBC Directives and Council's Policies/procedures. Engagements with Organised Labour take place through the Local Labour Forum. The Chairing of the Local Labour Forum rotates annually between Labour and employer as required by the SALGBC Collective Agreement. The District has two unions operating: South African Municipal Workers Union (SAMWU) and IMATU. The Local Labour Forum (LLF) is functional and its meetings are convened

monthly and sit accordingly with issues of mutual interest taking centre stage in such meetings. When the need arises, Special Meetings are called by any party which requires an urgent matter to be attended. Funds permitting, it would be ideal to hold a few days away from office, a retreat between the membership of the LLF to try and rekindle the spirit that had characterised the relationship in the past. Due to the busy nature and short staffing within the institution, the Unit relies on assistance from other municipalities on officiating in disciplinary cases. Workshops were conducted in 2024/2025 financial year to all satellite offices on Code of Conduct Policy which was reviewed and approved in June 2024.

Disciplinary cases

The Division facilitates the sitting and conclusion of disciplinary matters. There are two precautionary suspensions that took place in the period under review and are currently running. There are a number of disciplinary and grievance matters that are dealt with that are separate from the precautionary suspensions. The institution has also managed to institute disciplinary actions within 3 months of all reported cases and with that, it is compliant with the South African Local Government Bargaining Council Collective Agreement.

Covid-19 Danger Allowance

Arising out of the declaration of the State of Disaster in March 2020, many municipalities around the country faced demands from employees and organised labour for a Danger Allowance to be paid to employees due their potential exposure to the risk of contracting the virus. ADM also received a request for a Local Labour Forum (LLF) to discuss the very issue of Danger Allowance. The SA Local Government Association (SALGA) issued an Advisory Guide on Danger Allowance Measures During the Covid 19 Period, dated 17 April 2020.

According to recent developments, SALGA has advised that the matter is now a competence of the SA Local Government Bargaining Council, and so may not be discussed at LLF level.

High Court Judgment on Standardization and Recategorization

Following a challenge by ADM for the review of both the decisions to standardize salaries and the recategorization of the Municipality from Grade 6 to 7, the High Court on the 19th of August 2021 found both processes unlawful and reviewed and set them aside.

Implications of this decision impact on salaries and associated benefits attained through these processes. Anticipating this, the High Court remitted discussions on the matter to the LLF for consultation, negotiation and decision-making. Whilst the court judgment is favourable to ADM, it still requires Organised Labour to accept as is, or to offer or request other options, which may take some time.

There is currently an understanding that the calculation of whatever amounts may be involved must take place while the negotiations are taking place at the LLF. Terms of reference have been developed that are going to assist the parties in resolving the effects of Makhanda Judgement.

Challenges

- The unit is understaffed.
- Lack of resources to implement the Labour Relations Strategy

Remedials

- ADM must fill the critical vacant labour Relations positions.(the placement processes will be addressing the challenge).
- Request SALGA for financial assistance to implement the strategy implementation.

3.1.3.6 Employee Wellness and Occupational Safety

The purpose of the ADM Integrated Employee Wellness and Occupational Health & Safety Unit is:

- to promote the health and wellness, Rehabilitation, and rejuvenation of all ADM employees, through assessment, provide interventions and ongoing education and communication on health, wellness & safety related matters.
- To provide a safe and healthy working environment with minimal safety risks for all ADM employees at the workplace.

According to the Occupational Health and Safety Act 85 of 1993, employers have a responsibility to ensure healthy and safe environment as well as health and safety of employees. To ensure this, ADM, through the Employee Wellness and Occupational Health and Safety Unit, has made the following services available to its employees including the employees based in the Satellite Offices:

- Employee Assistant Programme
- HIV/AIDS Workplace Programmes.
- Emergency and First Aid support
- Internal Recreation
- Physical Wellness
- Rehabilitation and Support
- Occupational Health & Safety

Due to the number of workshops intervention that are continuously facilitated/conducted, there is a noticeable decrease in workplace injuries.

The Occupational Health and Safety, Employee Wellness and HIV and Chronic Illnesses Strategies were developed and approved in 2012/2013 financial year and were all reviewed in 2018/19 financial year. Implementation of both strategies is currently in process. In the current financial year, in order to comply with the requirements of the Occupational Health and Safety, and Compensation for Occupational Injuries and Diseases Acts, following programs will be conducted namely: Workplace Risk Assessment and Medical

Surveillance. The processes have already started, and the profiling has already been developed. Provision of personal protective equipment is ongoing, and the use is monitored on a regular basis.

Due to the number of workshops intervention that are continuously facilitated/conducted, there is a noticeable decrease in workplace injuries.

Challenges

- Ever-changing SCM processes, and lack of in-service training from BTO delays and interferes with the Unit plans.
- Mismanagement of personal finances
- Increase in substance abuse especially in the satellites, a number of employees use drugs
- Lack of rehabilitation centres.
- Certain plants lack compliance
- ADM owned and rented properties that do not comply with Occupational Health and Safety regulations

3.1.3.7 Integrated Support Services

The Integrated Support Services Division provides efficient and effective support services to internal departments to enable the municipality to achieve its strategic objectives. The responsibilities assigned to the division include the following:

- Payroll
- Records Management
- Facilities Management (Management and Maintenance of ADM owned and leased properties and buildings)
- Switchboard operations
- Office Automation and Housekeeping Services
- Provision of Security Services to ADM assets and personnel and managing and overseeing all ADM's assets.
- Fleet Management
- Council Support-provision of Secretariat support to Council and its Committees

3.1.3.7.1 Council Support

The objective of the Council Support Services Unit is to enable the Council to run its meetings smoothly. That includes the compilation of Agendas, scheduling of meetings and the distribution of the Agendas and Minutes.

Compilation and adoption of the ADM Annual calendar which contains all statutory meetings. Statutory meetings convene as scheduled, there are few instances where meetings had to be rescheduled and/or cancelled due to lack of a quorum and/or other institutional programmes. In such instances, reports that ought to have been discussed by the Committees are submitted for consideration by Mayoral Committee and Council.

A report on the functionality of Council and its structures is presented by the Speaker to Council on a quarterly basis, which include sitting and reporting of the Audit & Risk Committee and the MPAC. The functionality report assists the Office of the Speaker when it comes to implementation of the Code of Conduct. The Ethics Committee conducts its investigations based on this report. Meetings of Council are

held virtually to save on costs thus contributing to the Financial Recovery Plan. Council developed a system wherein resolutions that had been taken by Council are followed up and a progress report on the implementation of such resolutions is submitted to Council quarterly. Provide support to the Office of the Speaker in the execution of their legislated and delegated responsibilities. The ADM Council has never experienced a situation where its scheduled meetings were cancelled, postponed and or disrupted by petitioners or disgruntled individuals/groups.

Challenges

- Inadequate ICT infrastructure in ADM Satellite Offices for Councillors attend meetings virtually.
- Shortage of venues with adequate communication infrastructure
- Lack of tools of trade

Remedial Action

- ADM to consider installing ICT infrastructure to all Satellite Offices.
- ADM to consider procuring communication infrastructure.
- Adequate tools trade to be procured such as recording devices.
- To consider office space in Satellite Offices wherein all Councillors could converge and connect to ADM network infrastructure and/or use portable network gadget.

3.1.3.7.2 Records Management

The main objective of Records Management Unit can be summarized as the recordkeeping, classification of documentation generated by the municipality and easy retrieval of requested information. The Unit has the responsibility to manage the creation, use, maintenance and disposal of records in an organized and systematic way. In compliance with the National Archives and Records Service Act 43 of 1996, the records management function of ADM is regulated by the following approved documents that define the roles, responsibilities, rules and standards for managing records:

- Records Management Policy
- File Plan
- Registry Procedure Manual

The Records Management Unit has developed and adopted a Records Management Strategy during 2020/2021 financial year. The programme that has been implemented is the review of the File Plan during 2021/2022 financial year. Workshops on the use of file plan and records management awareness were conducted for all departments. In 2022/2023 financial year, the compliance on the use of the file plan was included in Corporate Services Departmental SDBIP and 50% compliance was achieved based on the application of reference numbers by ADM's internal departments.

The other programme of the Strategy was the establishment of an electronic records management system. The Strategy indicates that to achieve a systematic, orderly, and consistent creation, retention, appraisal, and disposal procedures for records throughout their life cycle, recordkeeping systems should be easy to understand, clear and efficient in terms of minimizing staff time and optimizing the use of space for storage.

In 2023/2024 Corporate Service's SDBIP included 20% implementation of electronic records management system. The annual target for 2024/2025 for the implementation of electronic records management system has increased to 40%. The ICT with the assistance of the records management unit has established an electronic records management system as a pilot solution for the ADM Records Management team to explore the use and adoption of an online Records Center. The records center has been created to adhere to the National Archives & Records Service Act and is also configured to align with the official File Plan of the municipality. The system allows for uploading of documents, tracking for easy access to information and optimises the use of storage space which is a huge challenge in the municipality.

Challenges

- Absence of fully fledged Electronic Document & Records Management System (EDRMS) with document workflow and electronic signatures for all business areas.
- No registry for document filing
- No security to storage areas with personal files
- Inadequate space for records.
- Absence of Disaster Recovery Plan

Remedial Actions

- The ADM should have a detailed proposal or plan for the introduction of electronic document and records management system including high volume scanners.
- Movement of central registry to a conducive space that will be provided with adequate security and in compliance with records management policies and regulations.
- Explore the use of Prefabricated Containers for preservation of records.
- Develop a disaster recovery plan in collaboration with risk management.

3.1.3.7.3 Fleet Management

The objective of the Fleet Management Unit is to provide, maintain and manage such fleet in a manner that the Municipality's mission, vision, goals, and objectives are achieved in a cost-effective way. To regulate the management and use of vehicles by officials and ensure that the fleet is used in an efficient manner.

The ADM fleet is composed of fire engines, trailers, trucks, TLBs, sewer jet machines, a minibus, executive vehicle and bakkies, which totals to 283 as of September 2024. The Fleet Management Procedure Manual stipulates that vehicle will be replaced every 5-7 years or 150 000 km for sedans and 7-10 years or 300 000 km for bakkies and trucks, Plant Machinery and Fire Engines, subject to the overall condition of the vehicle

Repairs and Maintenance

ADM participates in the RT46-2022 contract on the provision of vehicle management to the State for a period of 5 years from 1 April 2021 to 31 March 2026. Repairs, maintenance and fuel management are

outsourced through WesBank. In the last financial year, the repair and maintenance costs escalated to R18,1 million. The repairs and maintenance cost are high due to the normal wear and tear of aged fleet, high costs of parts and due to the terrain on which the vehicles operate. Out of 218 vehicles 176 vehicles have reached their useful lives and require constant maintenance and servicing.

Vehicle Tracking and Monitoring

Fleet is one of the main cost drivers in the municipality and therefore to intensify controls and for security reasons, each Council vehicle is fitted with a monitoring and tracking device that captures important information and gives reports about the conduct of the driver with respect to harsh braking, over speeding, vehicle usage weekend reports, after hour usage reports, daily movement, weekly report, idling and speed before and after an accident. Already, these reports have decreased unauthorized vehicle usage as drivers are aware of the consequences that are outlined in the Fleet Management Policy and Procedure Manual.

Vehicle Procurement and Disposal

The Community Services Department has for the 2024/2025 Financial Year made a budget provision of R6 million for the procurement of a 4x4 Fire Water Tanker Truck. The National Treasury RT57-2022 contract will be utilized when procuring the truck and delivery is expected early December 2024. The ADM has further put aside a budget of R14 million for the leasing of vehicles. In June 2024 Council approved the leasing of vehicles, the project is currently underway through tender processes. On the 26 April 2024, ADM disposed 34 vehicles through auction and made R2,2 million from the sale. The proceeds from the sale will be used to procure new fleet.

Licensing and Driver's Compliance

All municipal vehicles licenses are renewed as required by the National Road Traffic Act. The Municipality has an Accident Committee to focus on cases where there are accidents and other related transgressions.

Essential User Vehicle Allowance

The Essential User Vehicle Allowance Policy was tabled in the Council meeting held on the 28 March 2024 and was provisionally adopted pending a workshop to be conducted for Councillors. On the 06 June 2024 the policy was workshopped to Councillors and was adopted.

Challenges

- Vehicle misuse and abuse and fuel theft by officials.
- High costs in repairs and maintenance
- Aging ADM Fleet
- Rising cost of fuel
- Bad state of roads in the District

Remedial Actions

- Conduct roadshows on fleet usage to officials
- Disposal of old fleet

- To enforce accountability to both drivers and supervisors
- Senior Managers in Satellite Offices to be responsible for managing and control ADM Fleet.
- Implement consequence management to transgressors
- To implement the Essential Car User Scheme to eligible employees
- Partner with other government departments and Local Municipalities to enforce the Road Traffic Act

3.1.3.7.4 Building and Property Management

ADM Owned Properties

ADM has several properties scattered within its area of jurisdiction in the Local Municipalities and in the Buffalo City Metropolitan Municipality. In terms of the organization’s Asset Register, Amathole District Municipality has 134 properties. ADM properties can be classified into two categories.

The first category is made up of two types of properties:

Table 19: Amathole District Municipality Onwed Land and Buildings

ADM OWNED OPEN LAND PARCELS	ADM OWNED BUILDINGS
These are properties like farms with and With no buildings, including sleeper site. The majority of these Properties are in Buffalo City.	These are buildings owned by ADM like 40 Cambridge Street and Calgary. These Buildings a scattered throughout the District.

The Second category is made up of the following three types:

LAND CLAIMS	DEVOLUTION	INVESTMENT
These are properties that are not necessary ADM Owned but have to be transferred communities in terms of Land Claims Court decision. The 9 Villages in Qoqobo-Qobo fall into this type.	These are properties that are supposed to be transferred to BCM in terms of the Section 12 Notice. Ducats in BCM is but one of such Properties.	These properties were declared by ADM as “Investment Properties”. These are properties that remained under the direct ownership of ADM. The properties include Calgary, 40 Cambridge St, Whelan Deport.

As much as ADM has properties as mentioned above, their capacity and condition does not permit permanent utilisation of these properties for Office accommodation hence the rental of some offices.

Office accommodation

- Since Amathole District Municipality was appointed as a Water Services Authority, Satellites Offices were established in all the Municipal Areas that are under its jurisdiction. The Satellite Offices have since been staffed with officials responsible for Fleet, EAP, HRD, Engineering, Community Services, SPLED, Finance and Customer Care. Due to non-availability of suitable properties at the Local Municipalities, ADM entered into Lease Agreements with Landlords, renting properties for

office accommodation, except Great Kei Satellite Office, Cathcart Satellite Office and Stutterheim (Engineering Offices) which are currently using ADM owned properties.

- Currently the ADM Head Office is situated in East London, in the jurisdiction of Buffalo City Metro Municipality where it entered into a two-year lease agreement with Sthathu Funding Pty (Ltd) to rent office space for East London-based employees and Councillors at 15 Rees Street, 14 Fitzpatrick in Quigney, and the storage facility for furniture at 32 Dyer Street in Arcadia. The lease contract will expire on 28 February 2025
- A tender inviting prospective lessors to provide office accommodation for East London- based Staff and Councillors was advertised on the Local Newspaper, ADM Website on 13 May 2024 and it closed on 12 June 2024. Procurement processes in line with ADM's Supply Chain Management are underway.
- Currently ADM is in the process of acquiring its own permanent Head Office in Great Kei Local Municipal area of jurisdiction, as was resolved by Council.

Challenges

- High rentals by lessors due to lack of ADM owned office accommodation at the Head Office and some Satellite Offices.
- Long term lease agreements that are no longer market related.
- Lack of tools and equipment to conduct maintenance.
- Unit is understaffed and lack critical skills.
- High payment of rates due to incomplete land transfers to local municipalities and Metro for properties obtained through the devolution of powers and functions.
- Continuous illegal occupation of Council properties by communities.

Remedial Actions

- ADM to urgently consider acquiring land to construct its own offices in the Local Municipalities to avoid the high rentals.
- Reviewal of all lease agreements to be consistent with the current property market.
- ADM to engage with other Government Departments and Local Municipalities concerning office space.
- ADM to make budget provision for purchasing of tools and equipment to be utilised for maintenance.
- ADM to consider employing people with the required critical skills.
- Prioritisation of maintenance and provisioning of resources (budget and attraction of skilled personnel).
- Eviction of the illegal occupants and engagements with the Local Municipalities.
- Leasing out of vacant properties to generate income.

Switchboard Services

The purpose of the Switchboard Services is to provide effective and efficient telephonic communication system for ADM staff Councilors and clients.

- To provide effective telephonic communication system (land lines).
- Ensure that the system meets minimal requirements of Council's needs
- To ensure compliance with the Telephone Usage Policy by Staff

Challenges

- Delays from service provider to attend to faults and repairs.
- Some officials are not connected due to lack of office accommodation.

Remedial Actions

- Skills transfer to official to handle faults and repairs.
- To acquire accommodation that will accommodate all employees and to consider the modern technology as a way of communication.

Security Services

ADM is providing security services for both its staff and assets twenty-four hours a day around the clock. This is realized through outsourcing by appointing Service Providers to discharge of this function. Currently ADM is demarcated into three regions viz Eastern Region, Western Region and Central Region. Currently ADM has 109 sites which comprise of Water Treatment Works, Waste Water Treatment Works, Pumpstations, Fire Stations, Boreholes, rented offices and own buildings. Some of these sites do not have adequate facilities like fencing, lighting, ablution facilities, guard houses etc due to financial constraints. This poses a challenge to the contracted service providers.

The ADM has contracted three security service providers on a contract of thirty six (36) months. ADM is looking into various ways of providing security services to its personnel and assets that includes insourcing and outsourcing and the utilization of technological advancement. Council has also taken a resolution to co-source the security function and procure its own firearms. In order to be realized, ADM has to satisfy all requirements necessary to become an employer in the security environment. In a nutshell has to resource the Unit with adequate personnel and employ a security person who will be a proxy. As the ADM intends to be a security service provider, it has to be registered with PSIRA.

Challenges

- Increased incidents of theft and vandalism in some ADM sites.
- Insufficient funding to explore modern technology security (CCTV cameras) to be monitored 24/7.
- Lack of personnel with the requisite security experience.
- ADM has to satisfy PSIRA legal requirements to become a security service provider

Remedial Actions

- Source funding during the mid-term budget adjustment to accommodate all sites
- Engage communities to take responsibility for the water infrastructure
- Capacitate the Security Unit with adequate personnel
- Source funding to refurbish the Treatment Plants and put fencing, guard houses and install CCTV cameras in some areas.
- Apply penalties to the contracted service provider where vandalism and theft occur whilst there are security guards as per contract.

3.1.3.7.5 Payroll

Payroll Administration forms part of the Integrated Support Services Division of the Corporate Services Department and is the custodian of payroll, payments of benefits of employees and councillors and employee's statistics. With all its complexities, the unit has managed to render the administration of such to a commendable standard of efficiency.

- The payroll function is service orientated and has eight (8) positions but currently occupied by four (4) employees that provide a service to a population of about 1500 incumbents (Councillors and officials). This includes processing new and terminated employees, maintenance of employee records, processing, and payment of salaries to Councillors and employees; and payment of third parties.
- The payroll function also serves employees in the form of payment of rental allowance, housing, and motor vehicle subsidy.
- The Councillor Administration function is serviced oriented and is occupied by one (1) employee that provides a service to Councillors in the form of payroll and benefits.
- There are four (4) vacant positions that affect customer service and performance.

Challenges

- Payroll unit is understaffed.
- SAP system did not cover all functional areas within the unit

Remedial Actions

- Finalisation of Placement process will assist to address the insufficient staff
- Introduction of the new CCG system will assist Payroll.
- The implementation of ESS in the new system would allow Councillors and employees to access to their Payslips, IRP5s and Leave credits

3.2 KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

DDM: Infrastructure Engineering

Spatial Restructuring and Environmental Sustainability

Economic Positioning

Integrated Service Provisioning

B2B: BASIC SERVICES

MTAS PILLAR: QUALITY SERVICE DELIVERY

3.2.3 INFRASTRUCTRE DEVELOPMENT

To determine the extent and quality of water and sanitation services provided, as well as to identify any gaps and the necessity of accelerating service delivery to communities, Amathole District Municipality (ADM) carried out a backlog verification of water and sanitation in 2021/2022 financial year. While ADM is currently reviewing the newly revealed census 2022 findings, initial data analysis points to the possibility of undercounting, as well as various issues with the data or varying interpretations.

ADM is currently developing a comprehensive water and sanitation master plan that will coordinate water services infrastructure development between local municipalities (LM) and neighbouring WSAs. Master plans exist for certain local municipalities and local areas. There is a need to coordinate numerous resource plans and endeavors performed both inside the ADM and by its neighbours, the DWS and Amatola Water Board. It is a statutory requirement; ADM is also reviewing the Water Services Development Plan (WSDP) as well developing a Infrastructure Asset Management Plan as sector plans of the Integrated Development Plan (IDP) of the municipality. The plans mentioned above will go a long way in assisting ADM with ensuring progressive efficient, affordable, economical and sustainable water services that promote sustainable livelihoods and economic development in the district.

The **Municipal Strategic Self-Assessment** (MuSSA) is a carefully structured, comprehensive municipal self-assessment that provides a wealth of semi-quantitative information as to the Institutional “business health” of municipal water and sanitation services.

This assessment was done through the tracking of current and expected future performance, the identification of key areas of vulnerability and these will allow ADM to effectively plan and direct appropriate resources. The following were areas of concern needing intervention:

- Infrastructure Asset Management (IAM) (60%)
- Operation & Maintenance of Assets (40%)
- Financial Management (25%)
- Revenue Collection (45%)
- Financial Asset Management (35%)

- Water and Sanitation Service Quality (45%)
- Water Resource Management (WRM) (44%)
- Basic Sanitation (55%)
- Wastewater/Environmental Safety & Regulatory Compliance (59%)

ADM has developed a Municipal Priority Action plan (MPAP) template assessment where contribution factors and actions are developed in addressing above areas of concern. It is noted that some of the actions have been implemented, and this has translated to improvement from 0.65 to 0.67 in “Infrastructure Asset Management”, “Basic Sanitation”, “Financial Management” and “Water and Sanitation Service Quality”. It must also be noted though that the rollout of the “Rural Yard Connection Policy” has stalled and needs resuscitation. MuSSA scores are monitored every financial year for improvement and indeed some scores have improved as already alluded to above. It must be noted that even though other business health attributes have not improved they have not regressed.

Many of the above solutions have been initiated through various programs currently under development.

Other focus areas in the 2022-2027 term are:

- Financial sustainability where the District Municipality will be focusing on the implementation of Rural Yard Connection Policy.
- Development of integrated and sustainable energy mix.

3.2.3.4 DIRECTORATE OVERVIEW

The Directorate has the responsibility to ensure that it provides new water and sanitation infrastructure, provision of water and sanitation service, maintaining the existing infrastructure and also refurbish or upgrade the existing infrastructure within the District. Apart from building of infrastructure it also provides a coordination role for all infrastructure development activities across the District from different stakeholders be it Provincial or National Departments. The Directorate consists of the following divisions:

- Project Management Division
- Water Care Division
- Mechanical and Electrical Division
- WSA and Infrastructure Planning Division and
- Civil Division

Institutional arrangement

The Amatole District Municipality is a Water Services Authority since 2003 and a Water Services Provider since 2006 and both functions are conducted within Technical Services and Infrastructure Development Department, with Amatola Water supplying bulk water partly in three Local Municipalities namely, Ngqushwa, Raymond Mhlaba and Amahlathi. ADM has entered into a Service Level Agreement with Amatola Water which is revised annually. This internal arrangement ensures cohesive approach to water services delivery, enables efficient coordination, streamlined processes and effective service delivery.

Further to that, all the responsibilities of WSA component such as water and sanitation policy making, planning, oversight, ensuring compliance with the guiding legislation etc. are done by the WSA and Infrastructure Planning Division. Whilst Water Services Provision is conducted by all following Divisions such as Civil, Water care, Mechanical and Electrical. Roles and responsibility for each division have since been developed to avoid overlapping duties.

Fort Hare University in Dikeni (Alice) constructed its own Wastewater Treatment Works (WWTW) in 1983 and has operated the facility since then. In terms of an agreement with the Amathole District Municipality (ADM), Fort Hare treated effluent from Dikeni town on behalf of ADM, with ADM paying a tariff for the service. The previous SLA expired on 30 June 2025, currently in the process to extend to ensure continuity of wastewater treatment services for Dikeni.

3.2.3.5 WATER AND SANITATION

The Amathole District Municipality as Water Services Authority (WSA) has the responsibility of ensuring that all communities residing in the municipal area have access to at least a basic supply of water and sanitation service. Amathole District Municipality is developing a 5-year Water and Sanitation Development Plan (WSDP) for the cycle 2024/25 to 2028/29. The Water Services Act, 1997 (Act No. 108 of 1997) places a duty on Water Services Authorities to prepare a Water Services Development Plan as part of the process of preparing any integrated development plan.

The Amathole District Municipality is required to report annually to all relevant departments i.e. Department of water and Sanitation (DWS), Department of Cooperative Governance and South African Local Government Association (SALGA) as required by the Water Services Act of 1997 on the implementation of its Water Services Development Plan (WSDP). The ADM has been actively developing and reviewing its Water Services Development Plan (WSDP). Domestic water consumption has steadily increased due to ongoing projects aimed at eradicating water backlogs and improving household service levels, a trend expected to continue. Commercial and industrial consumption remains low, reflecting their limited presence in the district, though slight growth is anticipated in areas like Mnquma and Mbhashe Local Municipalities.

As that may be, it is acknowledged that the Water Services Development Plan (WSDP) must account for all commercial water demand to ensure realistic forecasting, infrastructure sizing, and tariff structuring. It is critical to identify these commercial and industrial consumptions. The Spatial Development Frameworks

for both district and local were also used for this purpose. It is recognized that commercial operations like mining often consume significant volumes of water for processing, dust suppression, and other industrial needs. Mining will be included in more detail in the forthcoming review of the WSDP so as to ensure its needs and impacts are included.

3.2.3.5.1 Status of Backlog

The Water Services Act, 1997 (Act No. 108 of 1997) places a duty on Water Services Authorities to prepare a Water Services Development Plan as part of the process of preparing any integrated development plan. Section 15 (5) of the Water Services Act, 1997 states that:

- *A water services development plan must form part of any integrated development plan contemplated in the Local Government Transition Act, 1993 (Act No. 209 of 1993).*

ADM is currently developing its districtwide Water and Sanitation Services Master Plan (WSMP). This plan will also include development of the Water Services Development Plan (WSDP) as well as the Infrastructure Asset Register (IAR) and Management Plan (IAMP). This plan will go a long way in assisting ADM with strategies that will ensure access to basic water services for the current and future needs to everyone within the jurisdiction of ADM in a cost-effective, efficient, affordable economical and sustainable manner.

Old infrastructure, vandalism funding constraints, high water loss and low levels of revenue collection are constant challenges that the ADM faces in trying to meet its objectives. As the Water Service Authority (WSA), ADM has the responsibility of ensuring that all residents residing in the municipal area have access to at least a basic supply of water (communal supply) and sanitation service (VIP).

Since the release of Census 2022, ADM has implemented many new projects and made significant progress in eradicating backlogs (water and sanitation). However, while the population may have not grown significantly, the number of households has. This suggests a move to smaller household sizes.

3.2.3.5.2 Water

Water Services Infrastructure Supply Level Profile

Even though the National norms and standards for domestic water and sanitation services, 2017, set the basic level of water supply in the form of yard connections to all households, this has not been funded; therefore, the RDP standard of accessing piped water within 200m walking distance from homes remains applicable. As a result, any water supply level below RDP is considered a backlog. To date, as shown in figure 28 below, the ADM has a water backlog of approximately 32.62%, representing 78 815 households without access to water or with access below the RDP standard.

FIGURE 28: WATER LEVEL OF SERVICE (LOS)

Level of Services (LOS)	Amahlathi	Great Kei	Mbhashe	Mnquma	Ngqushwa	Raymond Mhlaba	Amathole	% of Total
Piped (tap) water inside the dwelling	12 866	4 569	14 061	21 712	7 254	23 192	83 655	34.6%
Piped (tap) water inside the yard	10 579	1 522	2 565	4 008	5 337	13 542	37 554	15.5%
Piped (tap) water on community stand: distance less than 200m from dwelling	5 596	1 581	7 151	9 296	7 954	10 011	41 589	17.2%
Piped (tap) water to community stand: between 200m and 500m from dwelling	1 113	1 016	2 200	2 602	926	1 132	8 989	3.7%
Piped (tap) water to community stand: between 500m and 1000m from dwelling	311	336	537	1 324	346	484	3 338	1.4%
Piped (tap) water on community stand: distance greater than 1000m (1 km) from dwelling	96	31	560	852	235	164	1 938	0.8%
No access to piped (tap) water	3 060	3 039	25 641	25 426	2 861	4 523	64 549	26.7%
Total	33 621	12 095	52 715	65 221	24 913	53 047	241 612	100%

Source: Stats SA, 2022

3.2.3.5.3 Sanitation

Sanitation Services Infrastructure Supply Level Profile

The Ventilated Improved Pit Latrine (VIP) is the basic level of sanitation service; any toilet facility below this level, such as bucket toilet or pit without ventilation, is considered a backlog together with households that are not served. As shown in figure 29 below, the district has a sanitation backlog of 21 037 households, representing 8.71%.

FIGURE 29: SANITATION LEVEL OF SERVICE (LOS)

Level of Services (LOS)	Amahlathi	Great Kei	Mbhashe	Mnquma	Ngqushwa	Raymond Mhlaba	Amathole	% of Total
Flush toilet connected to a public sewerage system	14 794	5 109	13 767	21 832	6 902	30 696	93 100	38.5%
Flush toilet connected to a septic tank or conservancy tank	797	982	177	412	235	1 181	3 783	1.6%
Chemical toilet	643	854	5 521	3 899	1 381	1 516	13 815	5.7%
Pit latrine/toilet with ventilation pipe (VIP)	14 692	4 410	26 338	31 217	14 047	16 261	106 965	44.3%
Pit latrine/toilet without ventilation pipe	1 545	83	4 088	4 798	1 212	1 589	13 316	5.5%
Ecological toilet (e.g. urine diversion, enviroloo, etc)	104	31	242	1 262	609	664	2 912	1.2%
Bucket toilet (collected by municipality)	17	9	340	23	8	55	451	0.2%
Bucket toilet (emptied by household)	133	45	894	187	48	381	1 688	0.7%
None	514	305	657	571	335	469	2 851	1.2%
Other	383	265	691	1 019	137	235	2 730	1.1%
Total	33 621	12 095	52 715	65 221	24 913	53 047	241 612	100%

Source: Stats SA, 2022

Having demonstrated the level of services as indicated above ADM has a three (3) year capital plan in place that is reviewed every three (3) years to re-evaluate for proper significance and closure of projects implemented and it outlined in Chapter four.

3.2.3.6 WATER AND SANITATION INFRASTRUCTURE

Amathole District Municipality owns and operates approximately R18 billion (current replacement cost) worth of Infrastructure. ADM's responsibilities include the operation and maintenance of dams, boreholes, treatment facilities and pump currently consisting of:

Table 20: AMATHOLE DISTRICT MUNICIPALITY WATER AND SANITATION INFRASTRUCTURE

No.	Description
1	18 ADM owned Dams supplying ADM
2	286 Boreholes currently in use
3	10 River Abstractions
4	31 ADM Owned and Operated Water Treatment Works
5	156 ADM Water Pump station (Excl boreholes)
6	15 ADM operated waste water treatment works
7	55 ADM sewage pump stations
8	Over 7000kms of pipeline maintained by ADM
9	1264 reservoirs

**These figures are continually updated as new infrastructure is completed and capitalised*

3.2.3.6.1 Status of Wastewater Treatment Works

Wastewater treatment is a process used to remove contaminants from wastewater and converted into an effluent that can be returned to the water cycle. Wastewater is treated in various processes i.e., aerobic, and anaerobic processes:

Anaerobic

- Pond system

Aerobic

- Activated sludge system
- Biofilter system
- Aerator system

Department of Water and Sanitation as part of their regulatory role have issued number of Directives against the Municipality which have been responded in addressing non-compliance. The District Municipality attained 54% in respect of the Green Drop assessment which is a decrease from 60% it attained in 2013. A number of sewage systems are currently undergoing Refurbishment interventions to improve the Green Drop score.

The table below illustrates the status of Amathole District Municipality Wastewater treatment works which provides for further intervention required in the maintenance and or improvement of the infrastructure.

Table 21: STATUS OF AMATHOLE DISTRICT MUNICIPALITY WASTEWATER TREATMENT WORKS

Local Municipality	Name of WWTW	Current Problems	Current Interventions	Further interventions Required
Amahlathi	Keiskammahoek	General maintenance	Refurbishment recently completed	Upgrade of works
	Cathcart	Clarifier blocked & chlorination system faulty	Refurbishment of WWTW's underway, but contract with sp has been terminated	Upgrade WWTW's
	Stutterheim	Clarifier design fault,	General ad-hoc maintenance	Repair clarifier, upgrade of works
	Amabele	Plant old and dilapidated	Minor refurbishment, reinstate vandalised electricity connection	Full refurbishment required
Great Kei	Qumhra	General maintenance	General ad-hoc maintenance	Upgrade of sewer system in Qumhra required – feasibility study completed and application for funding in progress
	Kei Mouth	Plant under capacity	Repairing pumpstations and upgrading rising main from Morgans Bay to Kei Mouth WWTW's complete	Requires substantial upgrade of WWTW's as well as sewer system for Kei Mouth and Morgans bay
	Chinsta	Plant under capacity	Minor refurbishment	Substantial upgrade of WWTW's as well sewer system for Chinsta at design stage
Mnquma	Butterworth	Sewer pumpstation have been vandalised	Repair of sewer pumpstations	Plant upgrade required and ongoing maintenance of sewer pumpstations
Mbashe	Dutywa	Plant recently vandalised	General ad-hoc maintenance	Plant upgrade required
Raymond Mhlaba	Middledrift	Plant old and dilapidated and undersized	Refurbishment of pumpstations and WWTW's' recently completed, but vandalised again.	Plant upgrade required / merge with Middledrift prison
	Fort Beaufort	General maintenance	Sewer pumpstations refurbished	Plant upgrade required and ongoing maintenance of sewer pumpstations
	Seymour	General maintenance	Pumpstations refurbished	Requires upgrade and pumpstations require security
	Adelaide	General maintenance	Refurbishment of WWTW's' underway	Cleaning of pond
	Bedford	Plant under capacity	Minor refurbishment	Plant upgrade required
	Alice (belongs to Fort Hare)	3 pumpstations not functional	Fort Hare has increased the capacity of WWTW's by 2MI/day.	Refurbishment of pumpstations
Ngqushwa	Peddie	Plant under capacity	Construction of new WWTW's is underway.	

The following funding has been allocated to repairs and refurbishment of Sanitation Infrastructure for the 2024/2025 financial year:

Table 22 :REPAIRS & REFURBISHMENT ALLOCATIONS

No.	Project	Amount Allocated (25/26)	Funding Source	Status
1	Emergency Interventions of Sewer Systems	R7m	WSIG	The program is continuing, and new Technical Reports and Business Plan being prepared for every financial year.
2	Emergency interventions of Sewer system in Fort Beaufort	R10m	MIG	Currently under implementation

3.2.3.6.2 Status of ADM Water Treatment Facilities

Water is obtained from two sources i.e. ground water and surface water which requires a specific treatment process i.e. flocculation, settling, filtration and disinfection. The Blue Drop has yet to be release by the Department of Water and Sanitation. ADM operates and maintains twenty-nine (29) water treatment facilities. In addition, Amatola Water Board provides bulk treated water to ADM from an additional eight (8) water treatment works. The table below lists the facilities and current status:

Table 23:WATER TREATMENT FACILITIES

LM	Water Treatment Works	Status
Amahlathi	Cathcart WTW (1.5MI/d)	This is operational but operating over capacity and requires upgrade. Contractor was on site – but contract cancelled
	Heckel WTW (0.1MI/d)	This is operational. Requires refurbishment
	Kei Road WTW (4.8MI/d)	This is operational. Minor refurbishment required
	Masinedane WTW (AW Owned)	AW Owned. This is operational.
	Sandile WTW (AW Owned)	AW Owned. This is operational. Requires upgrading.
	Stutterheim WTW (6MI/d)	This is operational. Requires minor refurbishment and upgrade
	Upper Myameni (AW Owned)	This is operational. AW Owned
Great Kei	Chinsta East WTW (1MI/d)	This is operational. Refurbishment and upgrade at design stage.
	Haga Haga (0.3MI/d)	This is operational. Requires minor refurbishment
	Kei Bridge (1.8MI/d)	This is operational. Requires minor refurbishment and upgrade
	Kei Mouth (2MI/d)	This is operational. Requires minor refurbishment
	Morgans Bay (0.7MI/d)	This is operational. Requires minor refurbishment
Mbashe	Cwebe WTW (0.4MI/d)	This is operational. Requires minor refurbishment
	Dutywa WTW (2.6MI/d)	This is operational. Requires minor refurbishment
	Dwesa	This is operational. Requires minor refurbishment
	Elliotdale WTW (0.7MI/d)	This is operational. Requires minor refurbishment
	Mbashe North WTW (3.8MI/d)	This is operational. Requires minor refurbishment
	Mendu WTW (0.3MI/d)	This is operational. Requires minor refurbishment
	Mncwasa WTW (4MI/d)	This is operational. Requires minor refurbishment - Contractor on site
	Nqadu WTW (0.7MI/d)	This is operational. Requires minor refurbishment
	Qwaninga WTW (0.8MI/d)	This is operational. Requires minor refurbishment
	Willowvale WTW (0.7MI/d)	This is operational. Requires minor refurbishment
Xhora WTW (12MI/d)	This is operational. Requires minor refurbishment	
Mnquma	Butterworth WTW (22MI/d)	This is operational. Requires minor refurbishment - Contractor appointed
	Kotana WTW (4MI/d)	This is operational. Requires minor refurbishment - Contractor appointed
	Nqgamakwe (0.1MI/d)	This is operational. To be superseded by Nqgamakwe Regional Scheme
	Qolora by the Sea (0.3MI/d)	This is operational. Requires upgrade - Contractor appointed

	Toleni WTW (1.7MI/d)	This is operational. Requires minor refurbishment - Contractor appointed
Ngqushwa	Glenmore WTW (AW Owned)	This is operational. AW Owned
	Laing WTW (AW Owned)	This is operational. AW Owned
	Peddie WTW (6MI/d- AW owned)	This is operational. AW Owned and requires upgrading.
	Adelaide WTW (8MI/d)	Requires minor refurbishment
Raymond Mhlaba	Alice WTW (5MI/d)	Upgrade complete
	Bedford WTW (2.2MI/d)	This is operational. Minor refurbishment required
	Binefield WTW (4.8MI/d – AW owned)	This is operational. AW Owned
	Debe Neck WTW (AW Owned)	This is operational. AW Owned
	Fort Beaufort WTW (7MI/d)	This is operational. Refurbishment and upgrade on going.
	Hogsback WTW (1MI/d)	New plant
	Seymour WTW (0.7MI/d)	This is operational. Requires minor refurbishment

The following funding has been allocated to repairs and refurbishment of Water Treatment Infrastructure for the 2024/2025 financial year:

Table 24: WATER TREATMENT INFRASTRUCTURE REPAIRS AND REFURBISHMENT

No.	Project	Amount Allocated (25/26)	Funding Source	Status
1	Refurbishment of Great Kei Water Retaining Structures	R2m	WSIG	Contractor on site
2	Augmentation of Dontsa Water Supply	R15m	WSIG	Contractor on site and due to complete prjoect.
3	Refurbishment of Adelaide Canal	R12m	WSIG	Contractor on site
4	Drilling and Testing of Mbashe, Mnquma & Great Kei Boreholes	R2.5m	WSIG	Geohydrologists appointed
5	Equipping of Mbashe and Mnquma Boreholes	R8m	WSIG	Contractors to be appointed once boreholes have been tested
6	Non revenue water loss control project : Mbashe	R5m	WSIG	Contractor on site
7	Non revenue water loss control project : Mnquma	R5m	WSIG	Contractor on site
8	Non revenue water loss control project : Great Kei	R5m	WSIG	Contractor on site
9	Non revenue water loss control project : Amahlathi	R5m	WSIG	Contractor on site
10	Non revenue water loss control project :Raymond Mhlaba	R5m	WSIG	Contractor on site
11	Non Revenue Water Loss Control Project: Ngqushwa	R5m	WSIG	Contractor on site
12	Refurbishment of Mncwasa water scheme	R10m	WSIG	Bid specification stage

Challenges

The Amathole District Municipality is entirely dependent on grant funding for the construction of infrastructure to reduce water and sanitation backlogs. The speed at which backlogs can be eradicated is thus directly proportional to the size of the grant allocation. While the Amathole District Municipality is making significant progress in eradicating backlogs the following should be noted:

3.2.3.6.3 Challenges affecting the provision of Water Supply

- Owing to the reliance on grant funding to construct infrastructure the speed at which water and sanitation backlogs can be reduced is almost entirely dependent on the size of the grant;
- Old and dilapidated infrastructure (especially old towns);
- Land claim issues during implementation of Infrastructure projects;
- Limited assessment of the integrated development needs and demand forecasting. Of particular concern is the limited long-term water resource planning;
- Limited development of bulk water resources (dams), which is further exacerbated by frequent droughts in the area, illegal connections, high water loss;
- Insufficient operating, maintenance and asset renewal budget. Currently, the rate of investment in new infrastructure is outstripping the increase in the operations and maintenance budget, which essentially means that Amathole District Municipality is having to operate more with less each year;
- Staff and skills shortages;
- Quantifiable backlogs, especially with the new extensions;
- No funding for economic development infrastructure e.g town infrastructure upgrading and coastal and tourism infrastructure;
- In our investigations, analysis and calculations we have still not categories the water services supplied to sectors such as mining, agriculture and tourism in an informed and appropriate manner; and
- In addition to the eradication of backlogs, there is ever increasing pressure on the Amathole District Municipality to improve levels of service, particularly in rural areas where the current policy is to provide communal standpipes within a 200m walking distance of each household. The demand for yard/house connections has resulted in a growing rate of illegal connections. Since neither the water supply systems nor the institutional arrangement (to either bill or disconnect) has been designed to cater for this, the result is high water losses, dysfunctional water supply schemes, poor service delivery and irate consumers. A policy has been developed to address this issue and is being rolled out.
- Infrastructure vandalism. Amathole District Municipality has experienced a notable increase in incidents of vandalism specifically targeting its water and sanitation infrastructure. These destructive acts encompass the theft of copper elements from electrical wiring that serves pump stations, including electric motors and control panel components. Furthermore, the acts of vandalism extend to the pilfering of various infrastructure components such as pumps, motors, transformers, and generators, along with the unlawful siphoning of diesel from diesel generators.

The Engineering Department has conducted a comprehensive assessment of the consequences of vandalism on various types of infrastructure assets, as outlined in the following table:

Table 25: Impact of Vandalism on Typical Infrastructure

Type of Infrastructures	Impact of Vandalism
Vandalized pumps / control panels	Disruption of pumping operations leading to water supply interruptions or sewage spillages.
Vandalized air / scour valves	Water losses resulting in limited water supply availability.
Illegal water connections	Increased water leaks and consumption, ultimately resulting in water supply disruptions.
Illegal electricity connections to pump stations	Electrical phase imbalances that prevent pumps from operating, leading to water or sewage spillages.
Dumping foreign materials into manholes	Sewage blockages, leading to sewage spillages.

In response to these incidents, Amathole District Municipality allocated significant financial resources for the repair of the vandalized infrastructure. Regrettably, this approach proved inadequate in meeting the community's water services demands, which subsequently led to protest actions and road closures.

It's important to note that in accordance with Section 152 of the constitution, municipalities are obligated to ensure the sustainable delivery of services to their communities and to promote social and economic development. However, municipalities encounter considerable challenges in fulfilling this constitutional mandate due to the adverse impacts of infrastructure vandalism and theft, which significantly impede their ability to provide essential services to the local population. It is henceforth required that a set of actions and strategies be designed to decrease the occurrence of vandalism incidents within the jurisdiction of the Amathole District municipality.

It is recommended that ADM conducts an engineering feasibility study to enhance the physical safety and security of water and sanitation schemes. The study aims to achieve the following objectives:

Ensure the long-term safety of water and sanitation by protecting raw water sources, schemes, and treatment facilities.

Enhance security and access control at treatment facilities, reservoirs, and pump stations.

Prevent or minimize inadvertent water quality deterioration and respond to distribution system tampering.

Minimize sewage and wastewater spills.

Additionally, to follow the example of some Water Services Providers, it is suggested that ADM develops a vandalism monitoring and reporting tool. This tool aims to gain insights into each vandalism incident to refine strategies and reduce the likelihood of repeat occurrences. The tool will classify vandalism events based on:

- Location and date information.
- Immediate action requirements.

- Suspected motives.
- Estimated severity of the incident's impact on utility operations and public health risks.

3.2.3.7 WATER CONSERVATION AND DEMAND MANAGEMENT

One of the ways of addressing the lack of sufficient water resources is to reduce and control consumption, in particular consumption caused by leaks and illegal usage. To this end, ADM will appoint a conservation and demand management specialist company to assist with the following key activities:

- Repair of reticulation and bulk water pipe network;
- Billing Analysis
- Repair and/or replacement of bulk and zone meters;
- Consumer meter audits;
- Reservoir Repairs and Dam Repairs;
- Consumer meter installation and replacement;
- Retrofitting of internal plumbing and drainage beyond the domestic water meter; and
- Training of community plumbers.
- Water Awareness and Education

Other water conservation and demand management activities include the disconnection and restriction of consumers who fail to pay for their services or who have connected illegally. These initiatives continue to provide positively to the revenue collection initiatives of the institution. Water Balance Calculations have become possible and assist with identification of problem areas where Municipal water is lost through leakage.

R30m has been allocated for the 2025/26 fy for these initiatives. Substantial water savings are being made and, in most cases, the financial savings from the interventions, effectively pay for themselves within a year. The task is mammoth however, and substantially more investment in these initiatives is required if ADM wishes to see an impact on overall water demand during the year.

Other initiatives to reduce operational costs include an audit of all ADM's electricity connections. The first objective being to ensure that ADM is not being billed unintentionally for other consumers accounts. Once this is complete, the second objective will be to investigate ways of more efficient energy usage in order to reduce consumption. The Energy Master Plan for Renewable Energy Resources in the Amathole District Municipality has since been completed with the support of MISA. This master plan has been shared with Local Municipalities who are electricity authorities in the district to take the process of funding application forward. ADM will also not stop in finding ways of leveraging this master plan in trying to source funding for energising of our water infrastructure assets.

3.2.3.8 DROUGHT

While Amathole District Municipality is prone to drought conditions, the rainfall over the past four years has filled most of the supply dams in the area. Owing to the small size of the dams in ADM, storage is limited and if rainfall is not regular, drought conditions will resurface. As such it is important for ADM to continue developing drought mitigation strategies, even when the water sources are full. In this regard, ADM will continue with ground water investigations and the equipping of boreholes to augment supply to drought prone areas.

In order to mitigate the drought conditions in Mmquma, the Department of Water and Sanitation is funding the installation of a pumpstation and pipeline from Tsomo to Butterworth, via Ngqamakwe and Ndabakazi. The construction period is 36 months, but the actual timeframe to complete the project will be funding dependent. The current value of the project is estimated to be R1.3b and is currently under construction. Other interventions being implemented are as follows:

Table 26:DROUGHT FUNDING

No.	Project	Amount Allocated (25/26)	Funding Source	Status
1	Refurbishment of Adelaide Canal	R12m	WSIG	Contractor on site
2	Equipping of Mbashe and Mmquma Boreholes	R8m	WSIG	Contractors on site
3	Drilling and Testing of boreholes in Mmquma, Mbashe and G Kei	R2.5m	WSIG	Contractor on site
4	Non-Revenue Water Loss Control Project: ADM	R30m	WSIG	Service provider is on site

3.2.3.9 SUSTAINABLE WATER SOLUTIONS

In order to mitigate the future effects of drought and climate change the ADM has identified the development of a number of water sources in order to provide sustainable water solutions and provide a catalyst for growth and development. The list of projects and their current status is captured in the table overleaf.

Table 27: SUSTAINABLE WATER SOLUTION PROJECTS

MUNICIPALITY	NAME OF PROJECT	BUDGET REQUESTED	CURRENT STATUS	INTERVENTION REQUIRED
Raymond Mhlaba	<ul style="list-style-type: none"> Construction of Foxwood dam; Drilling & equipping of boreholes Equipping of boreholes drilled during last financial year in Bedford, Adelaide and Hogsback 	R3.3b R100m R30m	<ul style="list-style-type: none"> Gazetted, but no funding allocated No funding allocated Ongoing ground water investigations – service provider on site 	<ul style="list-style-type: none"> Unlocking of funding Funding Funding
Mnquma	<ul style="list-style-type: none"> Ngqamakhwe Regional Water Supply Scheme Kolofini Wetland Rehabilitation 	R1.4b R6.3m	<ul style="list-style-type: none"> R724m gazetted and funded by DWS (Total project cost R862m –therefore shortfall of R138m) Under construction No funding allocated 	<ul style="list-style-type: none"> Balance of funding required: R676m Funding
Mbhashe	<ul style="list-style-type: none"> Construction of Dam and Water Treatment Works for Sundwana Regional Water Supply Scheme Equipping of Dutywa boreholes 	R650m R70m	<ul style="list-style-type: none"> R28.5m allocated from MIG for reticulation Equipping of boreholes and installation of rising main is almost complete 	<ul style="list-style-type: none"> Funding / unlocking of funding for Bulk Infrastructure
Great Kei	Extension of Kei Road Water Treatment works and bulk pipeline	R1.1b	Pre-feasibility undertaken. No funding allocated	Funding required for detailed feasibility and implementation
Ngqushwa and Amahlathi	Upgrade of Water Treatment Works and construction of pipeline from Sandile Dam to Peddie	R1.5b	Feasibility undertaken, but no funding allocated	Funding required
District Wide	Aqua Solar Hybrid Power Plant and Sea Water Desalination Plant	R4b	Pre-feasibility undertaken	Funding required for detailed feasibility and implementation
GRAND TOTAL:		R12.2b		

3.2.4 TRANSPORT

Amathole District Municipality (ADM) responsible for municipal public transport, which is a shared function with local municipalities in terms of services and infrastructure provision. The last major review for Integrated Transport plan was done in 2012 and is supposed to be reviewed every five years, however due to funding constraints it is reviewed on an annual basis through minor reviews. According to the Integrated Transport Plan (ITP), the majority of residents in the district do not have access to public transport services and/or transport facilities which are close by especially the rural areas.

Amathole District Municipality has upgraded and constructed a number of public transport facilities in the past. The Grant funding (ECDoT) that was received by ADM has since been stopped, also the MIG portion earmarked for Transport related projects was also stopped due to ADM being a Water Services Authority thus required 100% expenditure on Water & Sanitation Services. ADM has since stopped upgrading and construction of facilities utilizing internal funding due to Liquidity challenges. ADM continues with a process of handing over all public transport facilities to relevant local municipalities. This process was initiated and concluded in Mnquma, Mbhashe, Great Kei, and is currently being extended in Amahlathi.

The district continues to participate in the Eastern Cape Integrated Transport Planning Coordinating Committee driven by the EC Department of Transport. This committee provides a platform where all transport initiatives are ventilated where each stakeholder is required to present a progress report on the rollout of transport initiatives.

Amathole District Municipality is also implementing Road Asset Management System (RAMS) in the district on behalf of the National Department of Transport. A specialist service provider has been appointed so as to provide the specialist technical support to the District and its Local Municipalities. On completion of the RAMS systems, the national Department of Transport will through National Treasury look on fund rehabilitation, upgrading and construction of rural roads, lobbying for such is continuing. The role of districts during the implementation phase of RAMS is still being assessed.

The Outputs for Road Asset Management System (RAMS) will include Road condition Data for paved and unpaved roads; Traffic Data; Data on condition of Structures (Bridges & Culverts); Borrow Pit Management Data; Safety Assessment Data; Prioritized project list for roads to inform MIG project selection by Roads Authorities ie Local Municipalities. It must also be noted that all other amenities like Clinics, Schools and Hospitals have also been captured during data collection. This process will be extended to Community Halls as well as Police Stations and Sports fields so that all amenities accessed by roads are captured. This data will be useful when relevant authority rollout their maintenance and capital plans.

It must also be noted that ADM is no longer active in provision of amenities be it Community Halls or Sports fields due to funding constraints.

Even though the funding application for upgrading of strategic roads to the Transport System Upgrade Programme, for funding consideration to the Budget Facility for Infrastructure (BFI) for the 2021 Medium

Term Expenditure Framework (MTEF) cycle has not been successful, ADM continues to look for alternative sources of funding. Upgrading of these strategic roads will go a long way in supporting sustainability and integration of transport planning while promoting economic investments in the district. The Funding application has not been successful due to lack of detailed technical information. This outstanding information is only generated during Technical Report Development. Unfortunately, detailed stages of funding application should be undertaken by the relevant Roads Authorities i.e Local Municipalities.

The Amathole District Municipality has also submitted a Municipal Roads Situation Analysis Report to EC CoGTA to assist in speeding up the development of the comprehensive Provincial Municipal Roads Network Plan (PMRNP). This initiative is also in line with one of the key projects of the ADM Vision 2030, "Integrated Transport Systems". Upgrading of roads will also assist in supporting sustainability and integration of transport planning while promoting economic investments in the district. This application has also unfortunately been unsuccessful.

EC SALGA is also in the process of developing guiding documents that will be able to assist municipalities and relevant stakeholders to address transport challenges while ensuring objectives of transport services. To facilitate this process, District municipalities were requested to share their RAMS information with SALGA. Districts are currently also lobbying the National Department of Transport (DoT) to review the RAMS grant so that it addresses Capital budget.

In addition, the Amathole District Municipality ITP revealed a number of key public transport issues within the district as listed below:

- Funding due to non-core nature of the function
- Use of Bakkies and Un-roadworthy vehicles as public transport
- Lack of public transport Services regulation
- Enforcement of by-laws
- Buy-in at Local Level

The National Department of Transport advised the Amathole District Municipality of their intention to develop an Integrated Public Transport Network (ITPN) in Amathole District Municipality starting during the financial year 2019/2020. The primary objective of developing IPTN is to improve transport systems and to provide communities with access and mobility to basic services. IPTN will provide integrated, safe and reliable public transport services to the users. ADM as an integral part of this program will be at the forefront and will involve all local municipalities within the area of its jurisdiction. This initiative has stalled.

3.2.5 WASTE MANAGEMENT

Amathole District Municipality is responsible for the operation of Regional Waste Sites. All the Landfill Waste sites under Amathole District Municipality jurisdiction are licensed either for closure or operations with one site attending the process of renewing the Licence for Operations. The Eastern Regional Solid Waste Landfill Site established in Butterworth is facing financial challenges leading to stalling of operations

on the site. The district is currently engaging the two (2) affected local municipalities in trying to come up with a workable solution where responsibility of the site will be borne by the two affected local municipalities within legislative imperatives. A Memorandum of Understanding has since been entered between ADM and Mquma Local Municipality. Interventions talking to Alternative Energy, Composting and Recycling Market are currently being investigated by the district. Currently which is 2025/26 financial year the ADM has sourced the services of the landfill operator to operate the site for the period of three (3) years with funding allocated by ADM. There are currently challenges that need to be addressed with the contractor with reference to the backlog waste found in the site. Fencing is still a challenge as the Mquma LM did undertake to do the fencing of the landfill site.

A council took a resolution of transferring this function to its rightful department. The department took over the Ibika Regional Landfill site situated under Mquma local municipality. The site is being utilised by both LM's (Mquma & Mbashe). Memorandum of Understanding (MOU's) were last prepared in 2020/2021 financial year. Community Services department resuscitated the process and the MOUs in place and signed for 2024/2025 with an option of further renewal. The Integrated Waste Management Plan (IWMP) was last reviewed in 2017/2018 financial year. The IWMP has since been reviewed and adopted by council by the end of 2024/25 financial year. What is outstanding is public participation with all the LMs for endorsement by the MEC for DEDEAT. ADM is currently in that process.

The district has also applied for external funding from the Department of Environmental Affairs. Feasibility Study into the Regionalisation of the Solid Waste Service in the Western areas has been completed.

In terms of the Environmental Conservation Act, sites are required to be engineered and operated under license issued by Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) The number of licensed or permitted sites 13, currently out of 23 operational sites in the district, as presented in the table below:

Table 28: LICENSED SOLID WASTE MANAGEMENT FACILITIES

Waste Site	Size	Status	Comments
RAYMOND MHLABA MUNICIPALITY			
Alice	C	Permit Issued	GCB-
Middledrift	C	Permit Issued	GCB-
Fort Beaufort Transfer Station		Permit issued	Transfer Station
Bedford	C	Permit Issued	GCB-
AM AHLATHI MUNICIPALITY			
Stutterheim	GSB+	Permit Issued	GSB+
Carthcart	C	Licence	Transfer Station
Keiskammahoek	C	Permit Issued	GCB-
NGQUSHWA MUNICIPALITY			
Hamburg	C	Direction Issued	Transfer Station

Peddie	C	Direction Issued	GCB-
MNQUMA MUNICIPALITY			
Eastern Regional Waste Site	M	Permit Issued	GMB+
MBASHE MUNICIPALITY			
Elliotdale Waste Site	C	Permit Issued	GCB-
GREAT KEI MUNICIPALITY			
Kei Mouth	C	Licence Issued	Transfer Station
Chintsa East	C	Licence Issued	Transfer Station

There are a number of waste sites that are not permitted, there are plans in place to eliminate their illegality. One of these plans is a feasibility study into the provision of transfer stations in Keiskamahoe which found these feasible in Lower Mnyameni and Gwili. This project was going to be undertaken through the Keiskamahoe nine villages Restitution program, however, funds have been taken back to the funder and the project could not be implemented due to community dissatisfaction and court order that was in their favour.

Table 29: UNLICENSED SOLID WASTE MANAGEMENT FACILITIES

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

Challenges

- Site not permitted with a fine from DEDEAT of R680 000.00
- The site was poorly managed

- The fence is porous needs fixing
- There's littering all around the site

Intervention

- There are still efforts to engage provincial Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), informing them of the progress made about the Regional Landfill site, as there is an operator on site, which appointed at the end of 2024/2025 financial year, that also includes the fine that was issued due to non-compliance. A letter has been written to the MEC for DEDEAD to consider reducing the fine to a reasonable figure as ADM is under Mandatory Financial Recovery Plan(MFRP).
- Mquma as it agreed, to fence the Landfill site, has not yet fulfilled its commitment.

3.2.5.4 SOUTH AFRICAN WASTE INFORMATION SYSTEM (SAWIS):

The South African Waste Information System (SAWIS) developed by the Department of Environmental Affairs (DEA) in 2005, is a system used by government and industry to capture routine data on the tonnages of waste generated, recycled and disposed of in South Africa on a monthly and annual basis.

3.2.6 SPATIAL DEVELOPMENT

Spatial Planning is a scientific discipline adopted for land space planning, with a comprehensive approach, for the physical organization of space according to an overall strategy, directed towards promoting sustainable and inclusive development of urban and rural areas providing geographical expression to developmental, economic, social, cultural, environmental and ecological policies of society.

This therefore means that this is a Strategic Process, underpinned by evidence-based and normative Regional Planning Approaches, that seeks to Organize, Co-Ordinate and Integrate how the Economy, Society and The Built Environment operate in Space, in a manner that is complementary over the Long Term, to the healthy functioning of Natural Ecosystems and Landscapes, and the need to ensure their Protection and Restoration. Spatial Planning in Amathole District Municipality includes methods and approaches used to influence the distribution of people and activities in spaces of various scales. This being done through a revised and confirming Spatial Development Framework as was adopted by Council. The revision was considered in this current IDP Cycle and Municipal term of 2022 – 2027. This being done due to change in circumstances, e.g. new legislation and policy evolution. This therefore meant that ADM SDF does conform to changes in the distribution of activities in space and the linkages between them through the conversion of land and property

3.2.6.4 Spatial Development Framework

The ADM Spatial Development Framework (SDF) is a framework that seeks to guide overall spatial distribution of current and desirable land uses within a municipality in order to give effect to the vision, goals and objectives of a municipal IDP.

The requirements for SDFs are also set out in the Spatial Planning and Land Use Management Act No. 16 of 2013 (SPLUMA), where the development of this SDF has ensured alignment to SPLUMA as well as alignment to National, Provincial and Regional policy directives and legislation. This includes the alignment to the ADM Vision 2030.

Further, Section 26 (e) of the Municipal Systems Act (Act no. 32 of 2000), clearly states that the 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). As such ADM has a credible Spatial Plan that conforms to all required prescripts. The summary outline of the Plan, including its status quo pronouncements, is as mentioned below.

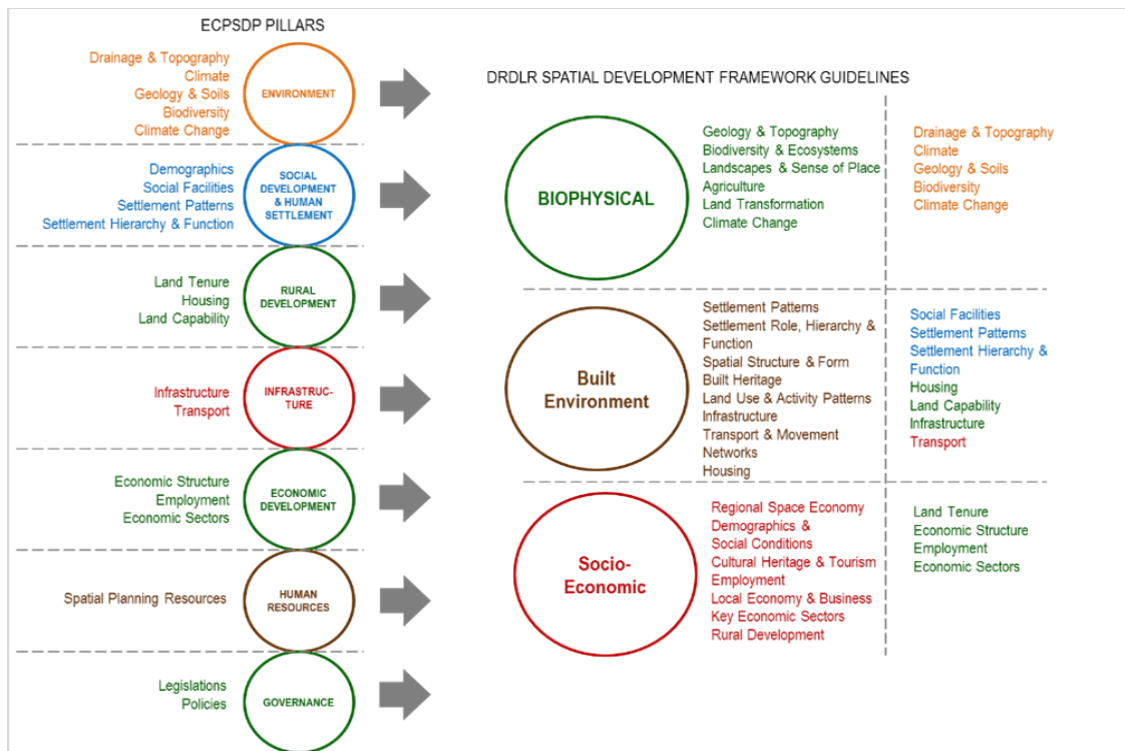
3.2.6.4.1 Objective

The ADM SDF Objectives are given to effect to the founding development principles set out in Section 7(a) of SPLUMA and the norm and standard set out in Chapter 2 Section 8 (2) of SPLUMA. This suggests that the SDF is an overarching framework within which the evaluation and development of proposal can take place. This framework has 3 substantive Spatial Themes, Biophysical, Socio-Economic and Built Environments. The Amathole District Municipality SDF addresses these 3 themes specifically. This framework has 3 substantive Spatial Themes,

- Biophysical,
- Socio-Economic and
- Built Environments

The Amathole District Municipality SDF addresses these 3 themes specifically.

FIGURE 30: SDF THEMES



Beyond the above-mentioned generic objectives of an SDF, the SDF must include amongst others the following;

- Updating the refinement of the current SDF document in order to comply with the legal requirements and be conversant with the recent developments and planning within the region, especially with the reviewed SDF of the District;
- Amendments and expansion of the existing documentation based on the NSDP, EC Vision 2030, Draft Eastern Cape Spatial Development Framework, Eastern Cape Rural Development Plans, Integrated Urban Development Framework and IDP in order to ensure proper alignment;
- Incorporation and alignment of all relevant information and proposals deriving from spatial relevant plans (ABP) etc...

3.2.6.4.2 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, and the District Waste Management Plan

Key elements

Given its origins as one of a number of tasks required of the team drafting the ADM LRSP, the current (or 1st Generation) ADM SDF has a strong focus on the spatial elements of land reform and settlement development, which were informed for the purposes of the SDF 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

Comment on the Environmental Impact of the Proposed SDF

- Special Development Areas

Finally, the ADM SDF includes a brief comment on the likely environmental impact and or consequences of the proposals contained in the SDF. These comments do not constitute a comprehensive assessment of the spatial proposals but merely highlight four areas where proposed key road developments or extended special development areas are located within or close to areas of known environmental sensitivity

3.2.6.4.3 Key Focus Areas of Development

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

- As a Water Services Authority in SIX 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
 - 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,

- Natural resource-based enterprises (agriculture and forestry relating to enterprises such as bio-fuels, high-value crops, cotton, wool, leather, hemp, timber etc.).

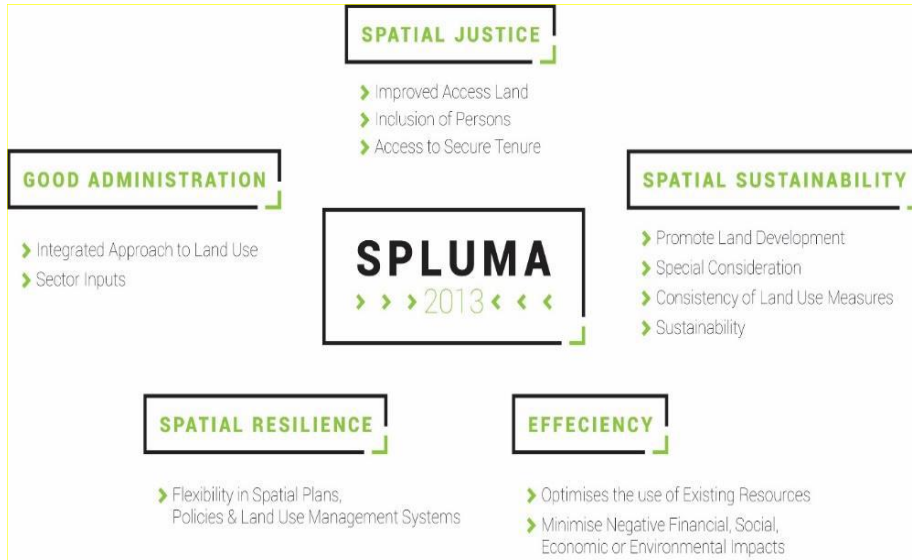
- The spatial dimensions of the above focus on economic development are identified as “Locality-Based Spatial Development”, which includes district-wide initiatives as well as spatially specific initiatives aimed at identified development nodes (towns or centres) and transport Corridors. It seems clear 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.
- 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.
- 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.

There are several other pieces of legislation that had to be considered in the drafting of a SDF. The most noteworthy are outlined in the table below: -

- The Environment Conservation Act (No. 73 of 1989)
- The National Environment Management Bio-Diversity Act (No. 10 of 2004)
- The National Heritage Resources Act (No. 25 of 1999)
- The National Environment Management Act (NEMA – No. 107 of 1998)
- The National Forests Act (No. 84 of 1998)
- The National Water Act (No. 36 of 1998)
- The National Spatial Development Perspective

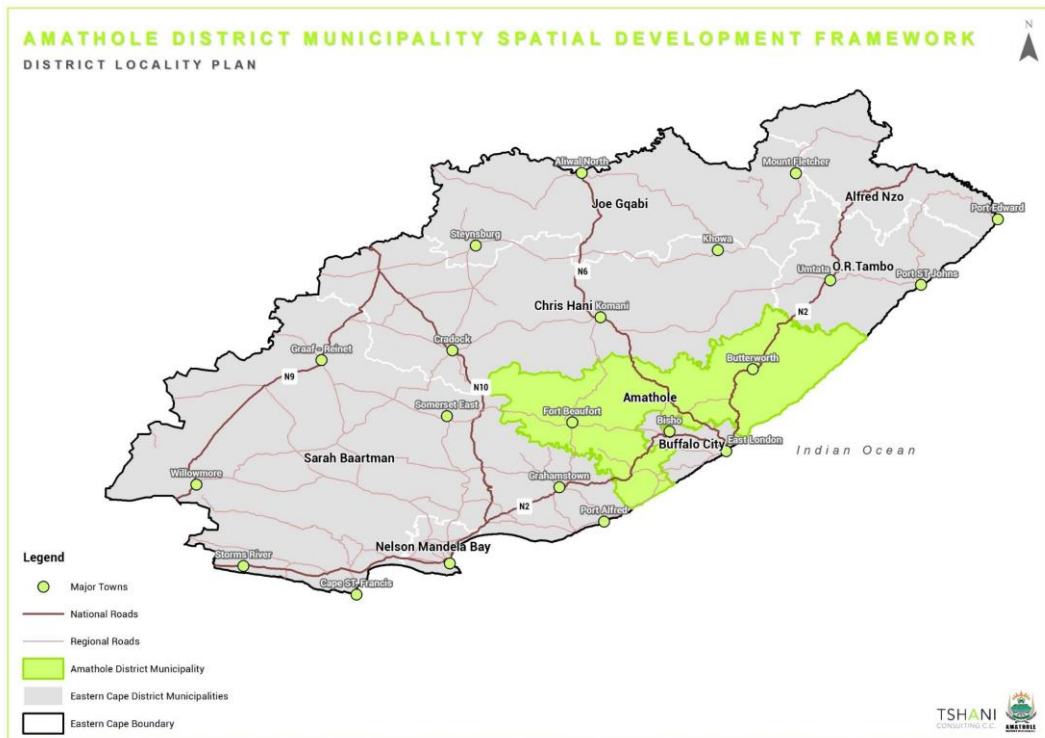
In line with Spatial Planning and Land Use Management Act No. 16 of 2013 (SPLUMA) the SDF now does promote consistency and uniformity in procedures and decision-making. It also addresses the objective that include addressing historical spatial imbalances and the integration of the principles of sustainable development into land use and planning regulatory tools and legislative instruments

FIGURE 31: SPLUMA 2013



Amathole District Municipality is a 'Category C' Municipality, situated in the central part of the Eastern Cape. ADM is bordered on the Eastern side by O.R. Tambo District Municipality, Chris Hani District Municipality to the north, Sarah Baartman to the West and Indian Ocean to the South.

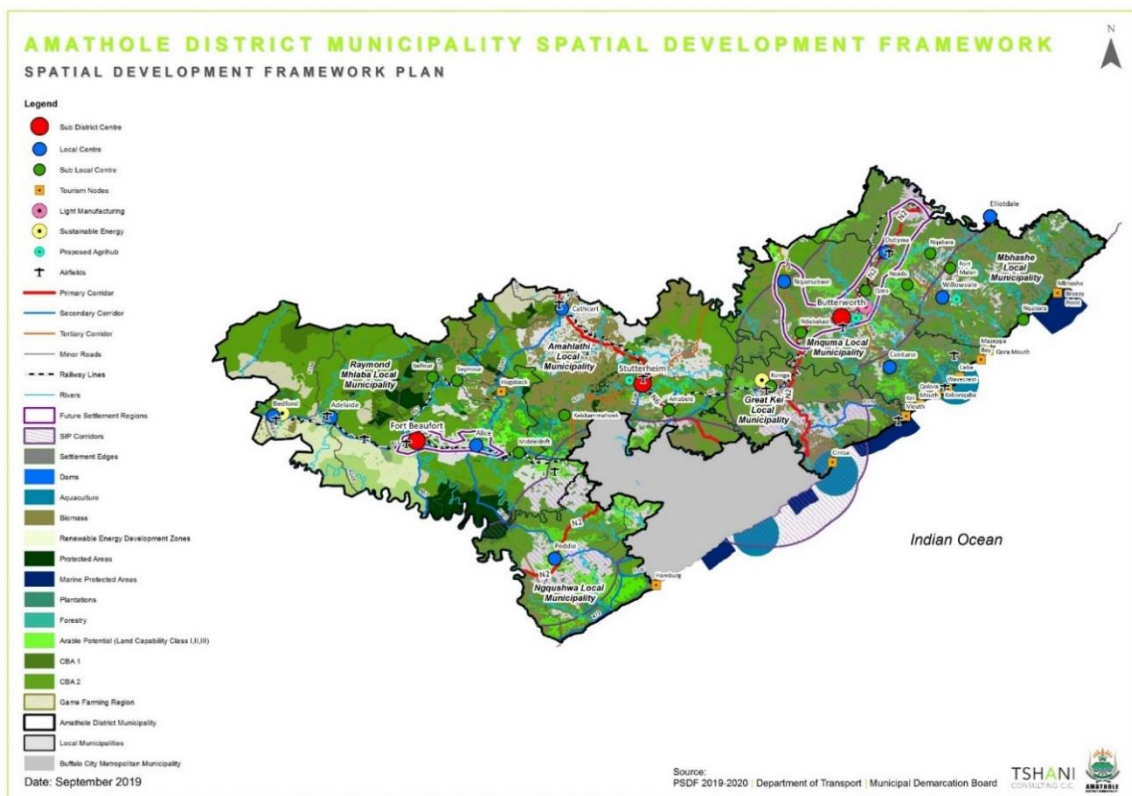
FIGURE 32: SDF AREA APPROXIMITY MAP



ADM is made up of five LMs; Amahlathi, Great Kei, Mbashe, Mnquma, Ngqushwa and Raymond Mhlaba. The District covers an area of approximately 21 117km² which is home to an estimated Population of 880 790 persons (Statistics South Africa Community Survey 2016).

- To be a strategic, indicative and flexible forward looking planning tool, and to guide decisions on land development;
- To be a spatial image of the Integrated Development Plan; Develop a set of policies and principles and an approach for the management of spatial development;
- To guide decision-makers to make and take sound land development decisions.
- To Facilitate the social, economic, and environmental sustainability of the District by providing framework for :
 - Natural resource management;
 - Land reform and capability;
 - The conservation of prime land, wetland, biophysical (built environment), tourism and agricultural land;
 - Corridor framework

FIGURE 33: SDF LAND USE GUIDELINE MAP



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.

The map above depicts the Amathole District Municipality Spatial Development Framework. It's a map that identify areas with potential for socio-economic growth, biodiversity conservation areas, social facilities, etc.

3.2.6.4.4 Spatial Development Framework Objectives

Table 30: SPATIAL DEVELOPMENT FRAMEWORK OBJECTIVES

OBJECTIVES	STRATEGIES
<p>BASIC NEEDS: Ensuring availability-acceptable level of infrastructure and service delivery</p>	<ul style="list-style-type: none"> • Social Amenities; • The development of Integrated Sustainable Human Settlements; • Communication and connectivity - technological • Develop smart strategies for the basic service delivery • Identify and prioritize areas of greatest need; • Link services and service supply networks to optimize efficiency; • Focus on involvement of all relevant stakeholders
<p>SPATIAL FRAGMENTATION: Creating an efficient and integrated settlement pattern in Amathole District Municipality</p>	<ul style="list-style-type: none"> • Consolidate and densify settlements where appropriate; • Promote the integration of sprawling settlements; • Prioritize, maintain and upgrade strategic link routes
<p>LINKAGES AND ACCESSES: Well-structured road and rail network system to ease movement; and efficient and effective links between nodes, relevant products and services</p>	<ul style="list-style-type: none"> • Identify nodes and products that require linkages; • Identify and prioritize where the need is the greatest;
<p>LAND USE MANAGEMENT: An appropriate Land Use Management Systems in operation across the District Municipality; and security of access to land for development</p>	<ul style="list-style-type: none"> • Support and implement a programme to develop appropriate new Zoning Scheme for urban and rural areas in line with the direction of new legislation; • Support Land Reform and Settlement upgrade initiatives by identifying zones of opportunities according to land needs.
<p>ENVIRONMENT: Adhering to sound environmental practices in line with applicable legislations and protecting environmentally sensitive areas</p>	<ul style="list-style-type: none"> • Support and implement a programme to develop appropriate new Zoning Scheme for urban and rural areas in line with the direction of new legislation; • Support Land Reform and Settlement upgrade initiatives by identifying zones of opportunities according to land needs.

3.2.6.5 LAND REFORM

Amathole District Municipality developed a “Land Reform and Settlement Plan” (LRSP) that form part of the IDP. LRSP was prepared with specific reference to the key land issues relating to land reform and

settlement development in the District. 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. Land reform has a composite suite of issues and interlocking components; the precise make up of which differ from one Local Municipal Area to the other.

Some of these components include:

- in-situ upgrade and tenure upgrade,
- land planning for residential and productive uses,
- Land-legal issues (eg. land rights audits, title adjustments, land survey, registration of ownership, etc.),
- post implementation livelihoods support,
- implementation land use management,
- Infrastructure/asset maintenance and operation issues.”
- land identification, and
- land acquisition,

It is acknowledged that Land Reform is a specific functional competency of the National Department of Rural Development and Land Reform. However, it has been the policy of the National Department to ensure that the implementation of the delivery of land reform “products” is undertaken at the local level of government.

This effectively means, that within the context of the ADM LR&SP, the principle role in driving land reform processes and initiating land and settlement planning resorts with the Local Municipalities, whilst the ADM would only render support and assistance to these municipalities, in relation to the performance of these functions, when a specific need arises, or when called upon to do so by the relevant local municipality. A visible manifestation of the implementation of the above will clearly be found in the Implementation Plan dealing with the areas of Support and Capacity Building for Local Municipalities.”

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

The key challenge for the District in Land Reform process is to deal effectively with the injustices of land dispossession, equitable distribution of ownership, reduction of poverty and economic growth, tenure security as well as system of land management which will support sustainable land use patterns. This is in line with the National Policy on Land Reform, 1997. These will be dealt with in terms of the required land related legislations.

An assessment of the changes in the technical / operating environment for land reform and a review of the challenges facing the ongoing processes of land reform and settlement development in the Amathole District have led to changes being proposed in some of the Objectives, Strategies and Projects moving forward towards 2027 (5-year term).

These changes have, in turn, led to minor amendments in the Operational Plan of the LRSP. Principally, these amendments relate to a proposed focus on rolling out implementation in some key land reform areas:-

- Tenure Security
- Land Acquisition and Implementation Actions; and
- Settlement Inventory
- Building of Strategic Partnership
- Good governance between the District Municipality, the Local Municipalities and the Provincial Department of Rural Development and Agrarian Reform.
- The Model 2 Settlement Zone Planning

Challenges

Land Reform issues within the Amathole area encompass a complex array of challenges and problems located within the spheres of land access, land tenure, and land administration. The legislative framework and functional responsibility for dealing with these issues lie across all tiers of Government and between different authorities. During the analysis these have shown as “opportunities” of the Land Reform issues in the Amathole area:

- Land reform initiatives largely remain geographically focused and limited to certain types of interventions, to the detriment of a preferred, holistic implementation of the complete land reform package;
- Land Redistribution, Planning Needs have focused on certain areas where eg. Commonage Needs are extensive throughout the district;
- Tenure insecurity remains prevalent notwithstanding interim.
- Pace of land reform within the municipal area still lags behind nationally.

It thus acknowledged that development should be more than the striving for material improvement, but that "Ubuntu" should form an integral part of such development strategy which will imply a striving for:

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

As such everybody had to remain committed to ensure that ultimately the IDP & LR&SP that will translate in "improved humanness" for all communities will succeed. The Land Development Initiatives on Land Reform for the District are clearly outlined in the Revised Land Reform and Settlement Plan

3.2.7 HUMAN SETTLEMENTS

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. However, the Department of Human Settlements requires municipalities through legislation and policies, to formulate Housing delivery goals as part of the IDP process.

Housing is seen as one of the primary service delivery components as a result municipalities are obliged to proactive in executing these responsibilities. It is these kind of responsibilities for municipalities that are implicitly indicated in S83(3) (a-d) of the Municipal Structures Act. ADM Housing strategy inherits its main focus from the aspirations rooted in the Freedom Charter and has shifted its focus from Housing delivery to provision of Sustainable Human Settlements. Sustainable Human Settlements and improved quality of household life are defined by:

- Access to adequate accommodation that is suitable, relevant, appropriately located, affordable and fiscally sustainable;
- Access to basic services (water, sanitation, refuse removal and electricity);
- Security of tenure irrespective of ownership or rental, formal or informal structures;
- Access to social services and economic opportunity within reasonable distance.

The outcome of achieving these is of critical importance for various reasons. Firstly, it is a requirement of the Constitution and Bill of Rights. Secondly, it is core to human dignity and social stability and is a key enabler of health, education and social cohesion outcomes. Lastly, with good planning, it can also serve as a catalyst for economic development and job creation. The outcomes of the national effort around human settlements must be seen in the context of social development and transformation as well as meeting the objectives of rolling back under-development.

Amathole District Municipality plays a role with regard to housing development or sustainable human settlements development in our area, as outlined in the ADM Integrated Human Settlements Plan (Housing Strategy), (IDP Sector Plan). The municipality made a commitment in the provision of Sustainable Human Settlements through housing development in line with applicable legislative and policy provisions. 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. Amathole District Municipality with its 6 Local Municipalities agreed that ADM will assume direct responsibility of addressing the housing needs of its inhabitants in the manner outlined hereunder, especially where there is lack of personnel in those municipalities. This approach is as detailed in its Integrated Human Settlements Plan (Housing Strategy) (IDP Sector Plan). The outline of such a role identified through a participatory process, endorsed by all spheres of Government is as detailed hereunder:

Table 31: HOUSING SECTOR PLAN PARTICIPATORY PROCESS

ROLE	FUNCTION
Guide	<ul style="list-style-type: none"> ▪ Development and review of Municipal Housing Sector Plans ▪ Help set up appropriate designed municipal housing institutional arrangements ▪ Development of user-friendly manuals/models/systems ▪ Matters dealt with Housing Finance and Fraud management ▪ Consumer education
Support	<ul style="list-style-type: none"> ▪ The planning and implementation of subsidy projects (Land, house designs, and quality, town planning layout, etc.) towards integrated settlements ▪ Development and implementation of housing capacity development programmes
Co-ordinate	<ul style="list-style-type: none"> ▪ 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
Advocate	<ul style="list-style-type: none"> ▪ Provincially, nationally and internationally for local municipalities
Implement	<ul style="list-style-type: none"> ▪ Where there is need (determined by both local and district municipalities) the ADM will directly implement subsidy projects 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 is fulfilling 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. Therefore, the clear role of Amathole District Municipality as outlined in the Integrated Human Settlements Plan. This Plan therefore states 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.

This Plan therefore states 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. 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 6 Category B municipalities within its area of jurisdiction. This position has furthermore been endorsed by the National Department of Housing. In addition to the above-stated role and responsibilities of the ADM, the National Department stated that the ADM “...could play a more prominent role in the housing development planning and co-ordinating process and perhaps the decision-making authority regarding the National Housing Programmes.”

Policy perspective

The Minister of Housing identified key strategic areas to be focussed on during this period of IDP Cycle. The strategic areas are identified include:

- Prioritisation of informal settlement eradication;
- Eradicating corrupt practices;
- Occupancy audits;
- Emergency Housing;
- Urbanisation – ensuring rural development
- Subsidised rental stock;
- Forfeiture of provincial funds in cases of under spending

Therefore ADM Integrated Human Settlements Plan had taken shape to such new policy shifts.

3.2.7.4.1 Housing Needs

The ADM Housing Strategy, and comprehensively analyse the housing needs in ADM. The analysis of the housing needs in ADM as qualified and quantified in various documents by different government institutions has been analysed. An analysis done through Expressed Needs is placing more emphasis on rural needs. A comparison of the total needs indicate that approximately 128 425 units need to be erected within the District area. Further, ADM Local Municipalities expressed a much stronger need for urban housing. Generally, this is in line with observed migration from villages to small towns in many municipalities as mentioned above. With regard to rural housing the expressed needs differ strongly. Amahlathi, Mbashe and Mnquma expressed a far lower need. All other municipalities expressed greater need for rural housing than the empirical method.

A clear detail of Housing Needs according to each Municipality and their IDPs is detailed comprehensively in the Strategy document which also forms part of Local Municipal IDPs. However, the new detail data recently published by the Provincial Department of Housing in relation to Housing backlog in the ADM area of jurisdiction is now as detailed hereunder in terms of percentage:

Table 32: PERCENTAGE [%]HOUSING NEEDS & BACKLOGS PER LM

Local Municipality	% Housing Needs	% Housing Backlogs
Amahlathi	80	8.0
Great Kei	97	41.1
Mbashe	63	8.5
Mnquma	89	11.6
Ngqushwa	97	12.5
Raymond Mhlaba	48	7.7

The following was also established:

Table 33: TOTAL NUMBER [#] OF HOUSING NEEDS PER TYPE

Housing type	# of Houses
Informal dwellings	82 350
Backyard Shacks	20 067
Traditional Dwellings	128 861
Total Need	231 278

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 Integrated Human Settlements Plan (Strategy)

Housing Vision

- Improved housing conditions for the poor in the Amathole area.

Housing Mission

- The ADM supports, guides and co-ordinates efforts of local municipalities to improve housing conditions of the poor.
- We provide sustainable human settlements for our communities.

Challenges

- Slow pace in issuing of title deeds for public funded Housing
- Mushrooming of Informal Settlements
- Backyard shacks
- Strategic Partnership
- Lengthy processes of accrediting municipalities.
- Social or community protest on housing delivery
- Scarcity of suitable land for housing development
- Reliance of public funded housing on non-renewable energy supply
- Rural – urban migration.
- Lack of opportunities and facilities in rural areas
- The financial status of municipalities
- Lack of social facilitation on housing processes
- Lack of communication channels with the potential housing beneficiaries
- Challenge in accessing state within the municipal commonage land.
- Housing Entity support requirements
- Lack of commonage capacity to accommodate housing development.
- Contributes towards climate change or global warming.

3.2.7.4.2 Summary of backlogs

FIGURE 34: BACKLOGS SUMMARY

Municipality	Water		Sanitation		Electricity		Roads	
	Served	Backlog	Served	Backlog	Served	Backlog	Served	Backlog
Amahlathi	33 883	203	31 695	2391	38 045	770	43.6km	506.5km
Ngqushwa	20 152	1211	18 831	2532	30 697	0	10.7km	418km
Raymond Mhlaba	41 445	531	30 262	11 714	35 583	1260	82.8km	981.1km
Mbhashe	57 736	2285	48 041	11 980	47 269	12 669	32.1km	1914.1km
Mnquma	65 437	4141	52 531	17 057	76 024	4541	87.6km	1220.2km
Great Kei	10 172	100	8472	1800	6854	400	26.1km	106.8km

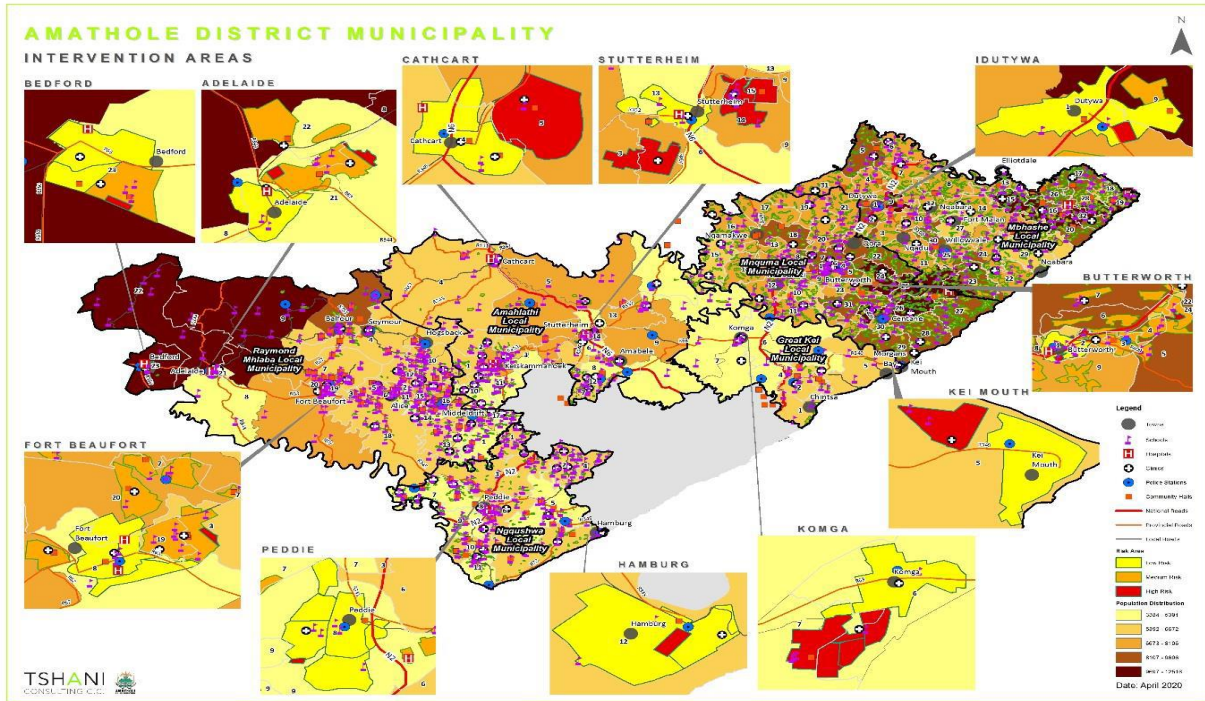
The above table depicts an overall summary of service delivery backlogs within the Amathole District jurisdiction. The table breaks down the number of communities that have been served already and those that form part of the overall backlogs.

3.2.7.4.3 Urban Planning Response

ADM developed the Urban Response Plan. This plan identified risk areas, per wards, in all Local Municipalities within ADM. Potential Quarantine sites in all the LMs were identified, and they were in the form of social amenities (schools, Community halls, clinics, police stations, etc).

The **‘High and Medium Risk Areas’** as well as **‘Intervention Areas’** are also highlighted in the consolidated ADM ‘High Risk Areas’ plan below:

FIGURE 35: INTERVENTION AREAS



3.2.8 ENVIRONMENTAL MANAGEMENT

To ensure promotion of environmental integrity by securing ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

3.2.8.4.1 Natural state of ADM Local Municipalities

Amathole District is generally in a good natural state, i.e., 81.52 % are areas remaining natural and 18.48 are areas where no natural habitat remains. The natural state of the district varies across the local municipalities, e.g. Great Kei, Ngqushwa and Raymond Mhlaba municipalities are in a pristine state of environment with less areas with no natural habitat remaining, whereas Mbashe and Mquma need some attention in terms of preserving the natural state of the environment. The highest levels of transformation in Amathole DM have been experienced in the Mbashe and Mquma LM. Development pressures on the wild coast is one of the key impact drivers. Amathole ecological landscape offers opportunity in Eco-tourism, Agri-Ecology/Conservation agriculture, Environmental Projects

3.2.8.4.2 Biodiversity

The biodiversity of the Amathole DM is represented in 5 major biomes that describe the different biotic communities. These biomes are Savanna (34.5%), Grasslands (31.5%), Albany Thicket (29.6% of the area), Indian Ocean Coastal Belt (3.7%) and Forests (0.6%). The variety in landscape and biodiversity within the Amathole District Municipality is recognised within the Pondoland Centre of Endemism that stretches along the east coast below the Great Escarpment. One type of forest (Licuáti forest), three types of thickets, six types of bushveld, and five types of grassland are found only within the hotspot. About 80 percent of South Africa's remaining indigenous forests fall within the Pondoland centre of endemism. The region includes warm temperate forests that hold nearly 600 tree species, the highest tree richness of any

temperate forest on the planet. The Amathole Complex is home to high biodiversity and is regarded as a centre of endemism. It falls within an area classified as Critically Endangered by the Subtropical Thicket Ecosystem Project (STEP). In the ADM there is one endangered ecosystem which is Kobonqaba Forest Complex in Mquma local municipality. Marine protected areas in Amathole include, Amathole Marine Protected Area (MPA), Dwesa (South)-Cwebe (North) at Mbashe and Nyara River mouth to Great Kei River mouth at Great Kei.

ADM working with Department of Forestry, Fisheries and Environment have appointed a Service Provider for the development of ADM Biosphere Reserve which traverses three ADM local municipalities; Amahlathi, Raymond Mhlaba and Ngqushwa.

3.2.8.4.3 Freshwater Ecosystems

There are 56 recorded rivers in the Amathole district municipality. 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. In terms of Blue drop ADM is rated at 74.62 which is a good status. There are 9565 wetlands at Amathole district municipality which are distributed as follows across the local municipalities.

Amathole DM has approximately 49 functional estuarine systems, the vast majority falling within the warm temperate biogeographic region and the few 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, and it is imperative that the system be effectively managed by both DMs. There are 8 other systems that are within the national top 50 in terms of estuarine importance, viz. Mpekweni, Mtati, Mgwalana, Keiskamma, Great Kei, Nxaxo/Ngqusi, Mbashe, and Xora.

3.2.8.4.4 Marine and Coastal

Amathole DM is situated in the central coastal portion of the Eastern Cape, between the Mbashe River in the northeast and the Great Fish River in the southwest. The coastline extends for approximately 269 km, which accounts for about a fifth of the districts' jurisdictional boundary and roughly 34.1% of the Eastern Cape coastline. The coastline is generally warm, with humidity increasing towards the east. In total, the district covers a geographical area of 23 577 square kilometres. ADM has 21 beaches, with more recorded at Mbashe local municipality. A number of beaches in the ADM is in a pristine nature, however general lack of infrastructure with regard to coastal amenities is a serious concern. This has a direct implication to coastal tourism and coastal public access. Health and safety is also another area of concern

due to lack of lifeguards and beach health and safety services. ADM has eighteen boat launching sites which are mainly still under the management of the private bodies. The processes to transfer management is still underway as many local municipalities lack required capacity and experience in this regard. List of public boat launching sites in the ADM are found in Gazette No. 3363 of the Eastern Cape.

3.2.8.4.5 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.

Temperature is projected to 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. 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. Annual stream flow in the ADM will decrease. Since ADM has been experiencing severe drought conditions over the years, ADM has sourced funds from DFFE. The drought conditions are the effects of Climate Change. Therefore, ADM and DFFE are implementing an Adaptive Capacity Facility Human Settlement Pilot Project (ACFHSPP) under Environmental Affairs (DFFE).

DFFE has sourced funds on behalf of ADM from the Government of Flanders in Belgium. ADM is one of the beneficiaries of the £4.99million to be shared amongst the three South African District Municipalities. In ADM, the projects is implemented at Xhilixi Dam in Mquma.

Climate change has affected ADM so much that even SALGA/FCM (Federation of Canadian Municipalities), through the Building Inclusive Green Municipalities (BIGM) have drilled two boreholes in Ngqushwa Local Municipality (Dlova and Baltein). Both these areas have been experiencing acute water shortages over a long period of time. It must be noted that Ngqushwa LM is a pilot Municipality for BIGM for the LED Component.

3.2.8.4.6 Air Quality

ADM ambient air quality is rated as acceptable in terms of the National Framework for Air Quality Management in the Republic of South Africa. The key sources of pollution in the ADM are:

- Industry and Manufacturing- There are approximately 15 industrial boilers within the district. There are also a number of wood drying operations, e.g., sawmills throughout the district.
- Residential Fuel Use- Use of wood and paraffin
- Biomass burning- Veld fires during winter
- Motor Vehicles and Unpaved Roads- Due to the rural extent of the District, One of the largest sources of particulate emissions is vehicular travel on unpaved roads, other emissions are related

to waste management practices, agricultural emissions and poorly managed Mining, quarries and borrow pits. Identified priority pollutants in the ADM are:

Sulphur dioxide (SO₂), Nitrogen dioxide (NO₂), Particulate Matter (PM₁₀ and PM_{2.5}), Carbon Monoxide (CO), Benzene, Lead.

For areas that are found to be not in compliance with the National Framework for Air Quality Management, interventions and campaigns such tree planting are performed as a balancing factor in carbon emissions as they take in Carbon Dioxide and release Oxygen.

3.2.8.4.7 Environmental Governance

ADM has both the Environmental management forum and Municipal Coastal Committee, which is used as a platform to share environmental projects, programs and strategies. The following environmental awareness campaigns are held annually by the ADM: (Water Week in March, Environmental week in June, Arbour week in September, Marine Week in November, Weed buster week in December, and Wetlands Month in April yearly). Table below: Illustrates of environmental interventions:

Table 34: Environmental Interventions

March	April	June	September	November	December
Water Week	Wetlands Week	Environmental Week	Arbor Week	Marine Week	Weed Buster Week

3.2.9 GEOGRAPHIC INFORMATION SYSTEM (GIS)

GIS is a critical tool for planning and decision making for the strategic imperative of the municipality and its local municipalities thus supporting good governance, asset management, spatial planning and revenue management served as corporate GIS for all internal departments centrally. The system has 3 components, geodatabase, application system and web portal that is accessed generally. The procedures and policy is on place to manage data and access to the system for internal departments to the municipality, government entities and external parties. Furthermore, Memorandum of Understanding (MoU) and Memorandum of Agreement (MoA) are in place with external parties for exchange of data and thus maximising the use of spatial information. Other services offered by Corporate GIS are analytics and web portals or systems as per functional requirement of business processes. Currently implemented are the following applications, systems, views and/ portals:

- Cadastral or base data with land parcels (referred to land audit and land use) and zoning schemes per local municipality and district view
- DEEDS with property ownership per local municipality and district overall
- Property Workflow System for each municipality based on SPLUMA and their processes
- Social Facilities and amenities per local municipality and district overall view
- Informal Traders per municipality and district overview
- Billing view per municipal area with age analysis

The GIS is a fundamental tool to support the Integrated Development Plans (IDP) thus integrating to the Spatial Development Framework (SDF) together with projects where they are spatially aligned and captured. The linkage has also been achieved of capturing the valuation rolls thus linking to revenue management to ensure accurate billing based on correct land use plans and zoning schemes. The fixed asset register is also captured in the GIS for water assets spatially, there are gaps that need to be filled and accurate register to be reviewed and compiled and completed.

In fulfilling the support role as mandated to the district, ADM has established the Steering Committee with all its local municipalities using a Shared Services model that meets quarterly together requirements and report progress on those initiatives. Each municipality has its own instance meaning a system with data relevant respectively, which is updated quarterly. Then the district hosts for all municipalities the GIS and updates continuously. Also, a GIS Steering Committee has been established for the district municipality internally with all its departments sitting quarterly.

3.2.9.4.1 GIS Governance

GIS Policy – a draft policy has been developed.

GIS Strategy - a web-based questionnaire has been developed and deployed. This has been shared with the internal departments including the six local municipalities of ADM. There has been a limited response to the questionnaire deployed, as only 15 responses were received.

The ADM GIS SSC provides centralised spatial information management, mapping, analysis and dissemination services to the ADM and local municipalities. The centre is a collaboration of effort to meet the spatial needs of ADM's internal departments and its LMs and one of the core functions of the centre is to maintain key datasets of spatial information and provide online information.

3.2.9.4.2 GIS SSC Duties

- Service Level Agreements (SLA) were signed between ADM and its LMs for the implementation of the SSC
- To co-ordinate spatial information activities in the Amathole District through collaboration and dedication for the benefit of the region.
- To provide spatial data services to officials and service providers doing work for ADM, local municipalities and government.
- To provide a data capture service of spatial data on priority data.
- To ensure priority GIS data is current, complete and accurate through maintenance of the data.
- To maintain GIS software required by both ADM and the LMs.
- To provide technical support and GIS training on software.

Initiatives

- Scanning of all building plans - ongoing exercise, make them available into the GIS website
- Established GIS Shared Services Committee that sits on a quarterly basis – comprised of (Cooperative Governance And Traditional Affairs (COGTA), Public Works Department, ADM and its LMs
- Established Individual LMs GIS Steering Committees that sit monthly – comprised of COGTA, ADM and LM officials
- Internal GIS Steering Committee sits quarterly which is formed by ADM Internal business departments
- Each Local municipality has a dedicated GIS server and GIS Software licence (COGTA) with its own data which is updated quarterly or as and when required
- GIS System integration of water and billing data (live link) - Spatial linkage to the ADM financial system for water revenue enhancement
- Spatial referencing of 20/21 ADM projects
- Capturing of IDP projects onto GIS
- Mapping of Complaints Register
- Mapping of VIP toilets, illegal connections, sampling points
- Updating the SDF onto GIS
- Making the information available through the GIS Website: www.amatholegis.gov.za
- The website is available 24/7 and it allows everyone to query, view and print maps in a simple to use environment.

ADM has signed an SLA with the National Department of Agriculture, Land Reform and Rural Development (Chief Directorate: National Geo –Spatial Information) (NGI). The main purpose is to make available to all interested organizations and individuals in the public and private sectors and to local communities in both rural and urban areas; geospatial information including mapping products for the purpose of sound decision-making and planning in the development and management of the country. ADM will then assist in the dissemination process of this information and where appropriate, add value to this information thereby enriching this its usefulness to the LMs and third parties.

Challenges

- Lack of GIS Awareness at Local Municipalities
- LM's commitment and co-operation
- Staff turnover and sustainability of the SSC at LM level
- Responsibility of key people within LMs is not visible – feedback from the GIS SSC meeting is not taken to the respective LMs

3.2.10 ELECTRIFICATION

The Amathole District Municipality does not provide electrification as one of its services but rather the service is being done by Eskom. However, there are a few local Municipality that provide this service together with Eskom and the Department of Energy. Electrification of households occurs in the backdrop of a rural bias & historical backlog. Electrification is funded by National Government via disbursement from National Treasury to the Department of Energy. Municipalities are allocated funding to electrify un-electrified areas annually and IDP prioritisation in planning areas is a key determinant. Allocations are gazetted annually per municipality once budgeting is approved. Eskom issues/advises through IDP letters with a list of projects to be done in any financial year as per stipulations of the DoRA. Monitoring of projects' progress done via DoRa Reports on a monthly basis. Budget adjustment (Re-Gazetting) for the programme happens during September.

3.2.10.4.1 ADM Free Basic Status Quo

Table 35: FREE BASIC STATUS QUO

MUNICIPALITY	NO. OF ELECTRIFIED CUSTOMERS	CONFIGURED FOR FBE	COLLECTION			CONFIGURED VS ELECTRIFIED
			NOV 2021	DEC 2021	JAN 20202	
MBHASHE	62,159	662	482	500	465	1.0
MNQUMA	76,304	3,707	3,277	3,266	3,195	4.86
GREAT KEI	6,214	597	547	537	527	9.61
AMAHLATHI	32,697	125	9	9	94	0.38
NGQUSHWA	29,334	7,463	5,967	5,923	5,843	25.44
RAYMOND MHLABA	37,023	8,669	8,074	7,997	7,923	23.42
TOTAL	243,731	21,223	18,361	18,232	18,048	64.71

3.2.10.4.2 Historic Backlog

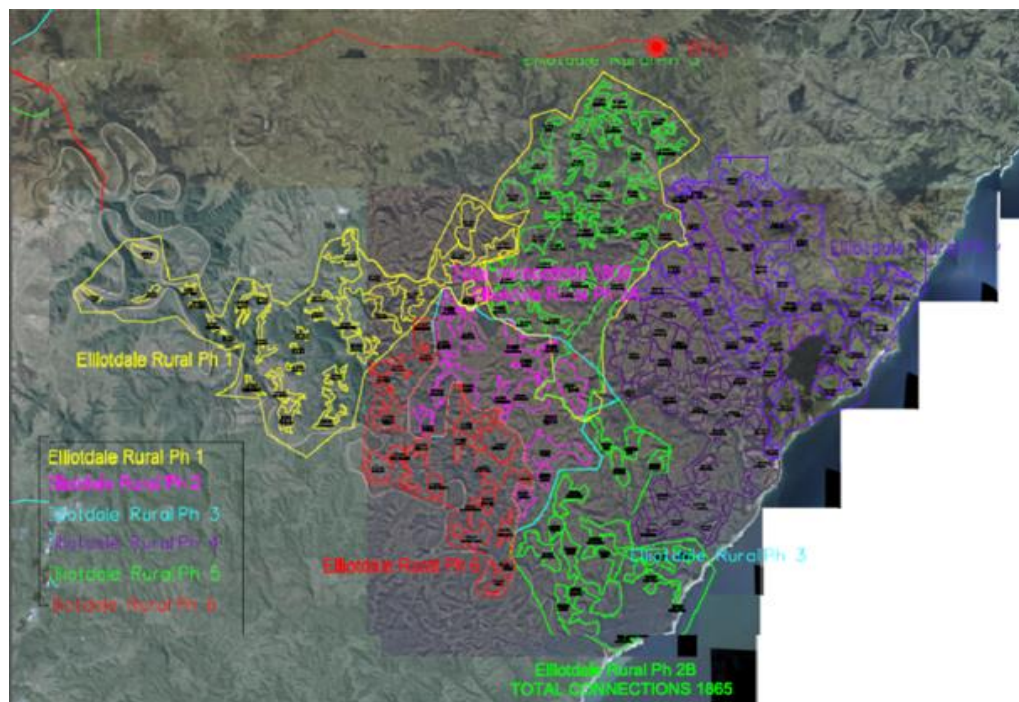
- **Mbhashe Local Municipality: Elliotdale**

FIGURE 36: HISTORIC BACKLOGS

Municipality	Historic Backlog	Eskom Electrified	Remaining Backlog	% Achieved	% Remaining
Mbhashe	64802	60588	4214	93.4	6.6

NEW EXTENSIONS			
Municipality	New Extensions Backlog	Remaining Historic Backlog	Current Backlog
Mbhashe	3745	4214	7959

FIGURE 37: ELLIOTDATE HISTORIC BACKLOG AREA



Challenges

- Backlog figures complicated by growth of extensions near electrified areas
- Costs to electrify becoming steeper as we tackle deep rural areas.
- Problems of access in certain villages making it difficult to electrify.
- Communities becoming impatient with the phasing of electrification and slow pace of electrification.
- Illegal connections.
- Infrastructure vandalism.
- Low Cost per connection.(scope reduction)

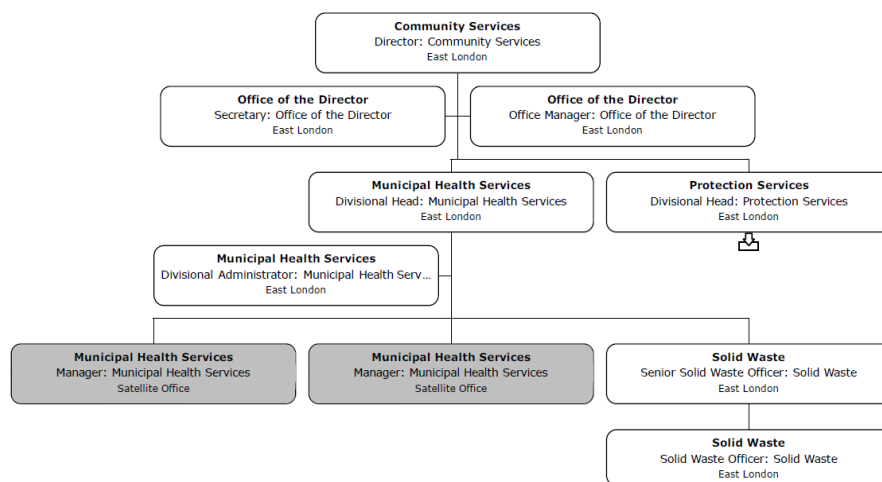
- Programme delayed by Lockdown(COVID19)
- Non Payment of FBE
- Delayed or not Signed FBE SLAs
- Inadequate FBE tokens collections by beneficiaries.
- Meter change outs when faulty and number never reported to the Municipality by the beneficiary.
- Rural housing or Human settlement development (Create Scope Creep).

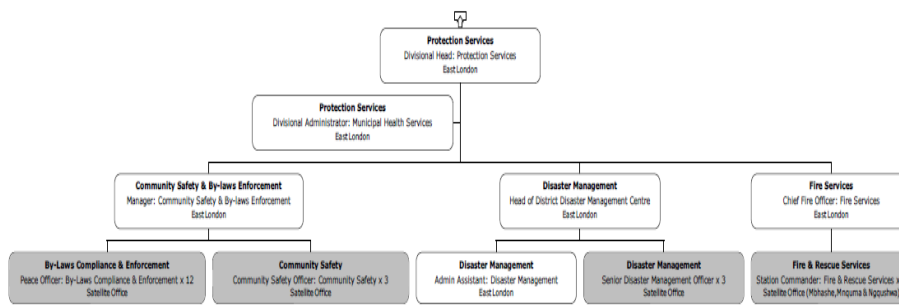
3.2.11 MUNICIPAL HEALTH SERVICES AND PROTECTION SERVICES (DISASTER MANAGEMENT, FIRE SERVICES AND COMMUNITY SAFETY & BY-LAW IMPLEMENTATION)

Community Services is a service delivery department that comprises of two divisions namely: Municipal Health Services and Protection Services. Protection Services have got three (3) units (i.e. Community Safety and By-Law Enforcement Unit, Fire Services Unit and Disaster Management Unit). Within the Vision 2030, the department finds dominance on the Provision of a Resilient District. Within the Municipal Turn Around Strategy, the directorate find its dominance on the Building of Public Confidence as it has to ensure that the community trust the provision of services in an efficient, effective, and sustainable manner.

Details will be provided hereunder in dealing with objectives and strategies in giving details on Service Delivery that is being implemented within ADM. The alignment with DDM is part of the day to day operation as project is done in collaboration with the stakeholders that forms the workstream. Governance structures to mention but one can bear testimony to that which are the District Health Advisory Committee(DHAC) which is a technical structure that feeds the political structure District Health Council (DHC)as chaired by the portfolio head (Member of the Mayoral Committee for Community Services) of the department, District Wide Directors meeting, Disaster Management coordinating structures, etc.

FIGURE 38 DIRECTORATE OVERVIEW





3.2.11.4 MUNICIPAL HEALTH SERVICES (MHS)

The Section of Municipal Health Services is one of the Core functions of a District Municipality as stated in Section 84(1)(i) of the Municipal Structures Act 117 of 1998. The Municipal Health Services Section 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 immunisation;
- Vector Control;
- Environmental Pollution control;
- Disposal of the dead;
- Chemical Safety.

3.2.2.1 Water Quality Monitoring

The purpose of the programme is to ensure that the water supplied to communities is safe for human consumption. The water quality monitoring function is implemented according to SANS 241:2015. Amathole District Municipality drinking water quality monitoring programme covers 28 Water Supply systems and 04 networks supply (areas covered where the Water Treatment works is owned by Amatola Water). Water samples are taken monthly from fixed sampling points for analysis, monitoring microbiological and physical parameters. Chemical parameters are assessed on a quarterly basis.

The full SANS is done once a year. Amatola Water Scientific Services which is an accredited Laboratory is used for the analysis of the samples uploading directly on IRIS for reporting purposes to the Department of Water and Sanitation.

1744 potable water samples were taken for the year, July 2024 to June 2025, 1558 (89%) complied and 186 (11%) did not comply with the South African National Standards (SANS) 241: 2015 limits for drinking water quality. Non - compliance was due to health failures, detected by the presence of E. coli being above the recommended limit of 0cfu/100ml. Low or no chlorine levels were observed in the areas with health failures, an indication of ineffective disinfection.

Compliance and Non-compliance

Drinking water samples taken and measured against the South African National Standard, SANS 241:2015 for the period are as follows:

Table 36: Potable water Compliance and Non-Compliance per Annum

PERIOD	TOTAL	COMPLIANCE	NON-COMPLIANCE
2020/2021	1837	1624 (88%)	213 (12%)
2021/2022	1743	1743(86%)	290(14%)
2022/2023	1603	1366 (85%)	237 (15%)
2023/2024	1821	1647(90%)	174(10%)
2024/2025	1744	1558(89%)	186(11%)

3.2.2.2 Wastewater Monitoring

The programme is implemented to ensure that wastewater effluent discharged into the environment complies with Authorisation and set Standards prescribed by the Department of Water Affair and Sanitation. There are sixteen (16) wastewater treatment works in the district where wastewater samples are taken on monthly basis for analysis. Amatola Water Scientific Services which is accredited Laboratory is used to for the analysis. During 2024/25 financial year 149 wastewater samples were taken and 29 (19%) complied with all parameters monitored that satisfy site specific requirements whilst 120 (81%) had one or more of the parameters monitored that did not satisfy site specific requirements set by the Department of Water Affairs General Authorisation Standards for effluent discharge.

Table 37: Compliance and Non-compliance Per Annum

PERIOD	COMPLIANCE	NON-COMPLIANCE	TOTAL
2020/2021	48 (23%)	157 (77%)	205
2021/2022	68(38%)	112(62%)	180
2022/2023	35 (22%)	122 (78%)	157
2023/2024	27 (17%)	129 (83%)	156
2024/2025	29 (19%)	120 (81%)	149

The challenge with wastewater is the quality of the final effluent from wastewater treatments plants and final oxidation ponds are adversely affected by population growth. This is due to the inability of the infrastructure of Waste Water Treatment plants and final oxidation ponds to effectively treat the inflow thus resulting in a poor-quality effluent being discharged, which poses a high risk of environmental pollution. Interventions are implemented by the Engineering Services Department.

3.2.2.3 Food Control

The purpose of the programme is to ensure that food sold to the public is fit for human consumption. It encompasses the inspection of food handling premises, sampling and analysis of food and capacitation of food handlers.

Food handling premises inspections

A total of 689 high risk food handling premises were inspected, where 466 (68%) complied including minor defects and 223 (32%) did not meet the minimum required standards. The annual target for the 2024/2025 financial year for both high-risk and low-risk premises combined, was to conduct 1400 inspections to food handling premises and the actual output was 2324. 1563 (67%) inspections depicted compliance to the legislated norms and standards, while 761 (33%) of inspections represented a non-compliance.

Raw milk sampling

Raw milk sampling focuses on dairy farms and businesses selling milk to the public for commercial purposes. Milk samples are taken monthly, delivered to the National Health Laboratory Services (NHLS) for analysis. The milk sampling programme covers three Local Municipalities, and these are: Amahlathi, Great Kei, and Raymond Mhlaba. 159 milk samples were taken, of the results received 9 (6%) complied, 147(92%) Samples did not comply with Regulation 1555, while 3 (2%) of the samples have not received results at the time of reporting.

Capacitation of food handlers

The main objective of the program is to create awareness on food safety and hygiene procedures to be adopted by food handlers to ensure that safe food is always served. This will help them to adopt and promote food safety requirements in the production, handling, storage, and transportation of foods that will contribute towards safe food for all. During 2024/2025 financial year 69 food capacitation sessions and 37 awareness campaigns was conducted.

3.2.2.4 Health Surveillance of Premises

To ensure compliance with the Environmental Health Norms & Standards the following premises were inspected:

Childhood Development Centres

Early Childhood Development Centres (ECDC) are inspected to ensure a healthy and safe environment and welfare of the children accommodated. 628 inspections to Early Childhood Development Centres premises were conducted to determine compliance with Norms & Standards for Environmental Health Practitioners in all 6 Local Municipalities, 212 (34%) complied and 416 (66%) did not comply due to structural defects. The reports on non – complying premises are shared with the Department of Social Development for intervention

Prisons/ Holding Cells

05 prisons were inspected and all did not comply due to structural defects. The reports on non – complying premises are shared with the Department of Correctional Services and South African Police Services for intervention.

Health establishments

132 inspections to 85 Health facilities were undertaken where 29 (22%) complied including with minor defects and 103 (78%) did not comply with Environmental Health Norms and Standards. Non - compliance of Health facilities was observed throughout the district. Also conducted inspections to accommodation establishments, salons, old age homes, schools and other state premises

Beauty Salons

A database of beauty salons has been developed in all 6 Local Municipalities. 58 inspections to beauty salons were undertaken, 17 (29%) complied and 41 (71%) did not comply due to no proper storage of medical waste. Premises are inspected and issued with Health Certificate when found to be compliant.

3.2.2.5 Surveillance and Prevention of communicable Diseases

The purpose of the programme is to prevent and control environmentally induced diseases and related communicable diseases, aimed at reducing their impact on human health. Hospital and Clinics were visited for the collection of diseases surveillance data and joint response is activated on serious disease outbreaks. Despite areas without water and sanitation in the Mbhashe and Mquma Local Municipalities as outlined in the Socio-Economic Review and Outlook 2017, IHS Markit Regional Explorer version 1156, there has been no reported cases of waterborne diseases.

This indicates that the awareness campaigns being conducted throughout the district are effective in the prevention and control of waterborne diseases. Annually the unit celebrates the National Hand wash day and Toilet Day at schools and communities.

Awareness campaigns are conducted throughout the Amathole District Municipality's area of jurisdiction empowering the communities to prevent the occurrence and spread of the different types of communicable diseases. The challenge with the health surveillance of premises has been the process of disease notification from health facilities being delayed and the consistent non-sitting of Epidemic Preparedness Response Teams

3.2.2.6 Vector Control

The vector control programme deals with the control of public health interest against pests, including the control of arthropods, molluscs, rodents and other alternative hosts of diseases. There are no personnel that is dealing with the functions of the programme. Staff are required to ensure the programme is delivered.

3.2.2.7 Environmental Pollution Control

The Section normally deals with pollution that is related to:

- Overflowing septic tanks and manholes

- Illegal dumping
- Keeping of animals

3.2.2.8 Disposal of The Dead

The purpose of the programme is to ensure that the funeral parlours comply with the Regulation Relating to the Management of Human Remains, Government Notice No. 363 of 22 May 2013 requirements regarding handling of corpses. A Funeral Parlour should be in possession of a Certificate of Competence, issued under these Regulations once the premises comply.

A total of 154 inspections were conducted at funeral parlours in all Municipalities and the compliance rate was 52% and that of non – compliance 48%. The High rate of non- compliance of funeral parlours due to structural defects and general hygiene requirements. A total of 43 exhumations and reburials were facilitated and monitored

Milestones

- Improved implementation of Municipal Health Services functions in line with the National Environmental Health Norms and Standards as shown by the 2022 Audit score of 83 % from the 69 % in 2018 as conducted by National Department of Health.
- Capacitation of food handlers participating in the National School Nutrition Programme (NSNP), food handlers and street food vendors has assisted in the minimisation of food poisoning incidents.
- Functional integration with Local Municipalities in development of the business licencing process in order to exercise effective control of businesses and to create opportunity for revenue generation through licensing fees in the Amahlathi , Mbhashe , Raymond Mhlaba and Mquma Municipalities (i.e. excluding Ngqushwa and Great Kei LMs).
- Strengthened collaborations with the Department of Social Development, Education - Nutrition Section, Health and Local Municipalities.
- Implementation of tariffs as cost recovery for administrative duties (tariffs for issuing of Certificates, exhumations and condemnations)
- 100% coverage on drinking water and wastewater quality monitoring programme.

Challenges

- High risk posed by drought in public health especially communicable diseases to the vulnerable groups.
- Poor quality of wastewater effluent posing a pollution threat to both land and water.
- Noncompliance of drinking water quality with the SANS 241
- Lack of alignment between the LM and DM functions resulting in uncontrolled establishment of businesses (Illegal trading).
- None implementation of by laws by Local Municipalities resulting in health risks e.g. illegal dumping, stray animals.

- High rate of non-compliance of landfill sites and transfer stations with permits and NEMA within the district resulting in Vector Infestation.
- Insufficient budget to implement the function effectively as climate change impacts negatively in environmental health issues.
- Ageing infrastructure (i.e. impacting negatively on water quality & Increase in the number of sewage spillage complaints).
- Poor maintenance of cemeteries resulting in degradation of environment and health hazards.
- Inadequate staff causing MHS officials to be overworked and non-adherence to Legislation.
- Accessibility to rural areas for the inspection of premises and taking of samples.
- Connectivity at satellite offices.
- Insufficient office space in the 4 LMs (Raymond Mhlaba, Ngqushwa, Great Kei, Mbhashe)
- Non-cooperation of internal and external stakeholders in inviting EHPs to inspect caterers prior to the actual event.

Interventions

- Integration of business licensing function by LMs with MHS issuing of compliance certificates to business premises to ensure compliance with legislation throughout the district.
- Continuous Professional Development for Environmental Health Practitioners on new and existing legislation by Legal Services.
- To improve compliance through Provincial Department of Health – Environmental Health section for standardisation of MOU templates for stakeholder engagement in the Health surveillance of premises function (i.e. Department of Social Development, Health, Education; Department of Rural Development and Agrarian Reform (Public Health and Veterinary Services), South African Police Services and Correctional Services as required by the National Department of Health.
- Identification of strategic partnerships in the private Sector on waste.
- Business plans for waste economies in line with waste streams.
- Digitalization of Municipal Health Services programmes as a business model.
- Filling of vacant positions according to the norms and standards.
- Creation of a Health Education Unit but that could not be done due to financial constraints of ADM.

3.2.11.5 COMMUNITY SAFETY & BY-LAW ENFORCEMENT

The Amathole District Municipality Community Safety & By-Law Implementation Unit is part of the Community Services Department. Its structure consists of sixteen (16) dedicated staff with fourteen vacant posts. The unit managed to appoint 2 Peace Officers on a contract basis to work in Mnquma focusing on Centane, Ngqamakwe and Butterworth areas. The officers have not been able to issue fines as they are undergoing orientation and currently collaborating with local stakeholders to raise awareness on their role and what is expected from communities. A Quarterly District Community Safety Forum sits quarterly combined with the Disaster Management Advisory Forum in virtual meeting. The attendees include Representatives from the Executive of each Local Municipality's Local Community Safety Forum, Sector

Departments, NGO's, CBO's, NPO's, Traditional Leadership and ADM departmental Representatives. Attendance from internal departments has been traditionally poor and the status is still the same.

The District Community Safety Plan was developed in consultation with all stakeholders and had two (2) major reviews, areas of priority collaboration for attention by all sector departments and stakeholders were identified. A budget has been allocated for 2025 2026 financial year for a major review. The district managed to coordinate a training and planning session in August 2025 facilitated by the South African Local Government Association (SALGA) where all six local municipalities Portfolio Heads. Community Service Directors and officials attended. The training and planning emphasised the importance of local municipalities reviewing their local community safety plans as they feed into the district plan. None of the local municipalities have reviewed their plans in the last four years.

The increase in Gender Based Violence cases has resulted in the establishment of the Rapid Response teams in the district. These are structures established to respond to GBV cases at a local level, for support of victims, counselling, raising awareness and prevention initiatives. Ngqushwa local municipality established in July 2025, with Peddie Extension and Power having the most reported GBV cases in the cluster. The increase in the identified crimes has resulted in an increase in Ad Hoc events focusing on identified hot – spots, responding to crimes such as GBV, faction fights resulting in murders and rape. This has resulted in clash of sector department programs and poor coordination by Community Safety Forum Stakeholders. The Community Safety Planning Process also includes the importance of the Built Environment as it provides key protective factors when risks are determined and this is where the involvement of all Municipal and Provincial Departments are crucial.

3.2.11.5.1 Community Safety and By-Law Implementation Activities

The Amathole District Municipality Community Safety & By-Law Implementation Unit is part of the Community Services Department. Its structure consists of sixteen (16) dedicated staff with fourteen vacant posts. There is a plan of appointing six (6) peace officers for the coming financial year. Through the budget allocated two (2) Peace Officers have been appointed in the 2025/26 F/Y on a contract basis for Mnquma LM, as it is the largest LM with potential revenue generation. A Quarterly District Community Safety Forum sits quarterly. The attendees include Representatives from the Executive of each Local Municipality's Local Community Safety Forum, Sector Departments, NGO's, CBO's, NPO's, Traditional Leadership and ADM departmental Representatives. Attendance from internal departments has been traditionally poor and Post COVID attendance has improved across all representatives

The District Community Safety Plan was developed in consultation with all stakeholders and had two (2) major reviews, areas of priority collaboration for attention by all sector departments and stakeholders were identified. It also leaves space for Ad Hoc hot – spots and sector department programs to be supported by Community Safety Forum Stakeholders. The District Community Safety Plan is once again in need of a major review. The Community Safety Planning Process also includes the importance of the Built

Environment as it provides key protective factors when risks are determined and this is where the involvement of all Municipal and Provincial Departments are crucial

In 2023/24 the following support activities were undertaken by the Unit in Support and Capacitation of Local Municipality Community Safety forums:

Conducted 9 Ward-Based audits ; Supported 36 Community Safety Awareness initiatives. The initiatives have prioritized substance abuse, bullyism, crime prevention, Gender Based Violence and Femicide [GBV & F] and determining challenges and reporting back to communities on issues of safety; 2 of the 4 District Community Safety Forums convened were too poorly supported. Supported 20 Community Safety Meetings held at Local Municipalities as forums and/or planning for initiatives. The most active sector departments at Local Community Safety level are: Provincial Department of Community Safety, Department of Education, Department of Social Development and the South African Police Services.

Alignment Across Government Spheres and Crime Reporting.:

The Civilian Secretariat for Policing has changed it's oversight unit formerly known as the Safety and Liaison Department at Provincial Level, to the Community Safety Department and thus alignment has been achieved with the Province. Another major stride in alignment has been achieved with the South African Police Services having aligned their Police Station borders with the district borders. This facilitates more accurate information on the nature of crime to determine social crimes or crimes of purely criminal intent. Further to this, crime analysis is also being done which includes things like causative factors, crimes against women and children and place of occurrence, reasons for the crimes e.g. arguments, revenge, security guards or forces in the line of duty as a few examples. More importantly, these are published quarterly and this allows targeted interventions by responsible sectors and peripheral support services to add value

Crime Statistics on social crimes indicate:

The state of crime in the district has shown a significant decrease as compared to other provinces as per the recent release of SAPS reports. Persons are more likely to be killed in the Eastern Cape particularly in the municipalities bordering ADM such Nelson Mandela Municipality and the OR Tambo. The Mthatha and the three Nelson Mandela Municipality contributing. The district has had a significant drop, but the Gender Based Violence has shown no change as some of the reports from rural stations such as Centane, Ngqamakwe and Dutywa are on the increase. The crime in the district is affecting most poor households, the access to social media on crime trends has not reach the affected victims in these areas and very little research has been done on level of crime how its causing more poverty.

Murder

TOP 30 stations

RSA Position	Prov Position	Station	District	Province	January 2021 to March 2021	January 2022 to March 2022	January 2023 to March 2023	January 2024 to March 2024	January 2025 to March 2025	Count Diff	(%) Change
1	1	Inanda	eThekweni District	KwaZulu-Natal	63	75	64	94	74	-20	-21,3%
2	1	Delft	City of Cape Town District	Western Cape	46	54	60	65	66	1	1,5%
3	2	Mfuleni	City of Cape Town District	Western Cape	56	52	47	60	65	5	8,3%
4	3	Nyanga	City of Cape Town District	Western Cape	43	30	35	72	63	-9	-12,5%
5	4	Philippi East	City of Cape Town District	Western Cape	32	22	28	36	59	23	63,9%
6	1	Kwazakale	Nelson Mandela District	Eastern Cape	29	41	39	37	57	20	54,1%
7	2	Umlazi	eThekweni District	KwaZulu-Natal	61	103	68	57	50	-7	-12,3%
8	2	New Brighton	Nelson Mandela District	Eastern Cape	31	29	48	46	46	0	0 count diff
9	5	Kraaifontein	City of Cape Town District	Western Cape	47	54	40	39	45	6	6 counts higher
10	1	Ivory Park	Ekurhuleni District	Gauteng	40	27	39	60	42	-18	18 counts lower
11	6	Gugulethu	City of Cape Town District	Western Cape	40	27	35	68	41	-27	27 counts lower
12	2	Jeppe	Johannesburg District	Gauteng	20	24	44	41	38	-3	3 counts lower
13	7	Khayelitsha	City of Cape Town District	Western Cape	61	49	36	42	38	-4	4 counts lower
14	3	Orange Farms	Sedibeng District	Gauteng	16	36	48	40	37	-3	3 counts lower
15	8	Harare	City of Cape Town District	Western Cape	39	59	41	45	37	-8	8 counts lower
16	3	Mpumalanga KZN	eThekweni District	KwaZulu-Natal	29	34	24	23	36	13	13 counts higher
17	3	Motherwell	Nelson Mandela District	Eastern Cape	35	23	35	26	36	10	10 counts higher
18	9	Samora Machel	City of Cape Town District	Western Cape	29	28	26	17	34	17	17 counts higher
19	4	Kwanobuhle	Nelson Mandela District	Eastern Cape	22	21	31	34	34	0	0 count diff
20	4	Lenasia	Johannesburg District	Gauteng	15	18	22	19	33	14	14 counts higher
21	5	Kwadwesi	Nelson Mandela District	Eastern Cape	17	18	18	22	33	11	11 counts higher
22	4	Marianhill	eThekweni District	KwaZulu-Natal	24	40	42	32	33	1	1 counts higher
23	5	Kwadukuza	Ilembe District	KwaZulu-Natal	19	23	22	36	33	-3	3 counts lower
24	6	Ntuzuma	eThekweni District	KwaZulu-Natal	24	14	21	36	33	-3	3 counts lower
25	6	Mthatha	OR Tambo District	Eastern Cape	24	42	33	43	33	-10	10 counts lower
26	5	Hillbrow	Johannesburg District	Gauteng	27	24	38	31	32	1	1 count higher
27	6	Ennerdale	Johannesburg District	Gauteng	16	28	15	34	31	-3	3 counts lower
28	7	Eldorado Park	Johannesburg District	Gauteng	8	27	23	28	30	2	2 counts higher
29	7	Verulam	eThekweni District	KwaZulu-Natal	16	29	24	24	29	5	5 counts higher
30	10	Ilwandle	City of Cape Town District	Western Cape	16	29	20	28	29	1	1 count higher

Crime Stats: Jan – March 2024-2025 report

A community safety plan is the cornerstone of the safety planning process, it provides identified, risks data collected at ward level to inform public participation, perceptions and experiences of violence and priority areas for intervention. The key role-players include (e.g., South African Police Service SAPS, Department of Social Development DSD, Nongovernmental Organisations NGO, Faith Based Organisations FBO, businesses). It outlines the interventions to be undertaken to reduce risk factors and strengthen protective factors.

IHS Composite Crime Index

The crime statistics released in January to March 2025 indicate a decreasing rate for many contact crimes and "trio crimes" (carjacking, residential robbery, and non-residential robbery), but with a significant increase in sexual offences and a rise in commercial crime and housebreaking/burglaris. A separate Stats SA report (August 2025) highlighted ongoing issues with housebreaking and theft of personal property, while a third report mentioned the delay in releasing early 2025/26 crime statistics, raising concerns about transparency and police effectiveness.

Community Safety Programs

Programs	Purpose & Outcomes
Community Safety Ward Based Audits 12 achieves (10 target) provides the opportunity for Locals to point out physical and geographic risks as well as people's interactions with those environments highlights risks to be addressed towards creating safer living spaces. Data is often depicted in a basic community mapping during which protective and risk factors are identified spatially.	<p>To conduct ward based audits and the identification of safety risks – development of ward planning and community safety plans.</p> <ul style="list-style-type: none"> - Risk mapping i.e. unfenced dams that could be risk to drownings, bushy areas, bad roads, low lying bridges, no signage, no recreational facilities, taverns outnumbering schools, - Understanding of having protective factors as a safety measure, - Participation in safety planning starting at ward level - Inclusion of community safety ward based plans in the Integrated Development Plans

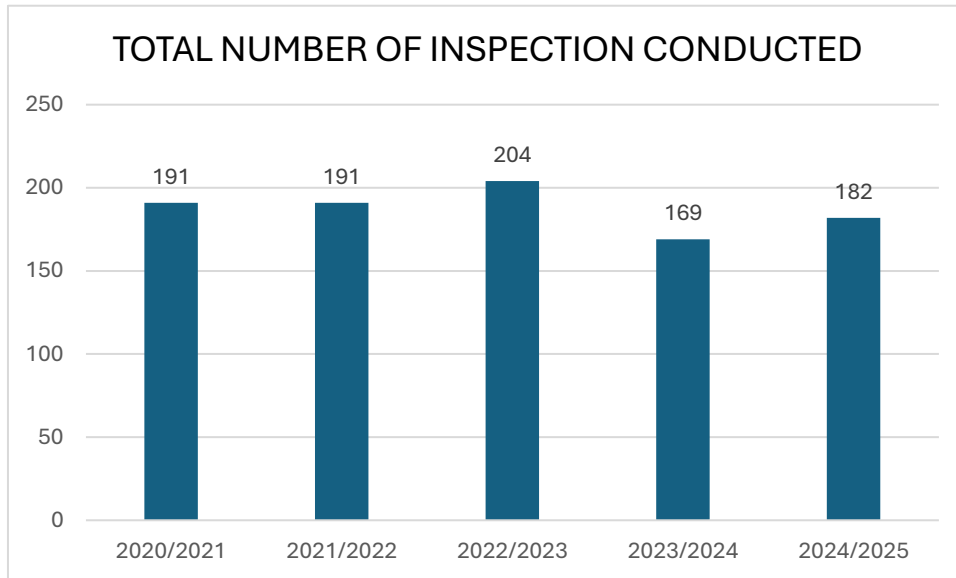
<p>Supported 35 Crime Prevention Initiatives (with a target of 16) the local stakeholders identify the initiatives and are prioritised as per the police reports. The increase in contact crimes in the district required the support through the establishment of other support structures such as the District Rapid Response Team (RRT) to deal with Gender based Violence that is a scourge in the district</p>	<p>To support and raise awareness on prevention of crimes against children, the vulnerable and the elderly.</p> <p>The more awarenesses held the more cases and reports, particularly of GBV. The ADM manage to support crime prevention activities due to murders as a result of initiation ceremonies, faction fights and women and children killed by their loved ones. The support from the RRT in attending cases to protest in local courts resulted in convictions and no bail for the perpetrators.</p>
<p>Convened 4 Quarterly District Community Safety virtual meetings</p>	<p>The meeting provides a platform for sharing of information and coordination of crime prevention initiatives in the district.</p> <p>The issue of poor attendance at virtual meetings and none reporting by the local municipalities was raised as a concern and a resolution taken to approach the local municipalities Community Service Managers about the challenge. Ngqushwa, Great Kei, Amahlathi and Mquma attended the meetings with reports in some meetings with no reports to share. The reasons for not having reports being the challenge of stakeholders not submitting reports to the local meetings.</p>

All six local municipalities have functional Community Safety forums (CSF), chaired by the Portfolio Head Community Service of each local municipality, sitting quarterly. All local stakeholders participate in the planning and implementation of programs. The challenge is the fact that all municipalities have not provided a budget for operations of the CSFs. All six municipalities have not yet conducted reviews of their Community Safety Plans.

3.2.11.6 FIRE SERVICES

The ADM runs ten [10] fire services stations, which are manned by qualified personnel. Four (4) main stations located in Idutywa, Butterworth, Peddie and Qumrha and six (6) satellite stations located at Chintsa, Kei Mouth, Elliotdale, Willowvale, Hamburg and Centane. Amahlathi and Raymond Mhlaba Local Municipalities provide firefighting functions as allocated by the MEC for COGTA, but only Amahlathi has one (1) Fire Station. Great Kei Fire Station has a control room that is manned twenty-four (24) hours a day. servicing the entire district. The establishment of Fire Stations brought services closer to communities resulting in reduced response times. There are two areas in Mquma Local Municipality (Butterworth and Ngqamakhwe) that require construction of Fire Stations. The need for the construction of these Fire Stations is as per the ADM Fire Risk Management Plan. The construction of the Fire Station in Butterworth was started in 2017 and was later suspended due to financial constraints. Fire Protection Association (FPAs) are actively operating in the areas of Stutterheim, Cathcart, Raymond Mhlaba, and Ngqushwa. Established Fire Protection Associations engage in fire prevention activities resulting in reduced fire incidents.

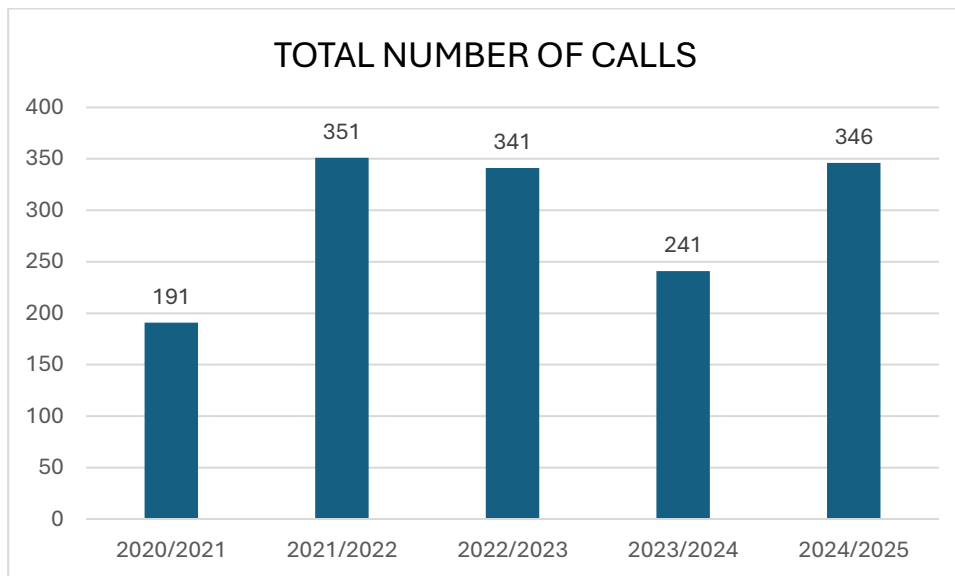
FIGURE 39: FIRE INSPECTIONS CONDUCTED



Fire Safety Compliance Inspections

During the 2020/2021 and 2021/2022 financial years 191 compliance inspections were conducted. In the 2022/2023 financial year, 204 compliance inspections were conducted and in the 2023/2024 financial year 169 compliance inspections were conducted. In 2024/2025 financial year 182 compliance inspections were conducted.

FIGURE 40: NUMBER OF FIRE CALLS RECIEVED



In the 2020/2021 financial year 351 incidents were responded to, In the 2021/2022 financial year 341 incidents were responded to and in the 2022/2023 it decreased to 341. In the 2023/2024 financial year the calls further reduced to 241. In 2024/2025 the total calls responded to were 346. Awareness campaigns continue to be intensified in the municipalities to reduce fires and motor vehicle accidents occurrences. The campaigns focused more on preventing fires in informal settlements where the rate of fire incidents is high.

Fire Services has budgeted for the renovations of Fire Stations. The stations that are being renovated are the Komga, Kei Mouth, Peddie and Humburg Fire Stations.

- In the 2025/2026, Fire Services through EPWP has contracted 32 Fire Reservist to augment the staff shortage and impact experience to the contracted members. Fire Services will be budgeting for the reviewal of the Fire Services Risk Management Plan in the next financial year. A new major pump was procured in November 2024.

Challenges

- Shortage of specialised fire water tankers, aerial apparatus, aging Fire Service 's vehicles and buildings (Great Kei and Ngqushwa Fire Stations). Four new bakkies with skid units were procured in the 2023/2024 financial year.
- Shortage of rescue equipment such as jaws of life, chain saw and quick cut. Chain saw, quick cutters and two new hydraulic motors for the jaws of life were procured in the 2024/2025 financial year.
- Unsafe conditions of the rented building utilised by Fire Services in Mnquma Fire Station. A business plan for a new Fire station and Training Centre in Butterworth has been developed.
- There is no Fire station in Nqamakwe causing delays in response time in cases of emergency.
- Climate changes continue to pose threats to lives and properties as water sources are depleted leading to water shortage for human consumption and for firefighting.
- Bad road conditions cause inaccessibility to areas affected by disasters/ fire incidents.
- Insufficient resources at Raymond Mhlaba and Amahlathi Municipalities results in inadequate provision of fire services and high reliance on the district.
- Bad access roads during rainy days in Mbhashe and Willowvale Fire Stations.
- Lack of water sources (fire hydrant, bore holes, reservoirs and earth dams) both in rural and urban settlements.
- There are no dedicated fire safety and prevention personnel.
- There are no reserve vehicles available in case of a vehicle breakdown.

3.2.11.7 DISASTER MANAGEMENT

3.2.11.7.1 Municipal Disaster Management Centre

Section 43(1) of the Disaster Management Act 57 of 2002 requires that “Each metropolitan/district must establish in its administration a disaster management centre for its municipal area.” The Amathole District Municipality has established its disaster management centre and is operational. Six satellite centres in Local Municipalities and one sub-satellite centre were established. The District Disaster Management Centre ensures a well-coordinated approach to disaster risk management within the district and provide support to its Local Municipalities who has limited capacity and resources. The Municipal Disaster Management Centre is fairly functional with vacant 3 Senior Disaster Management Officers and 3 Disaster

Management Officers. The recruitment process for 1 Senior Disaster Management Officer and 3 Disaster Management Officers is underway from Quarter 2 of 2025/2026 Financial Year to appoint qualified staff. All vacant Senior Disaster Management Officers need to be prioritised as they provide support to the Head of the Disaster Risk Management Centre in the proper implementation of the Disaster Management Centre Strategic Goals as indicated in the ADM Disaster Risk Management Policy Framework.

Section 43 of the Disaster Management Act and Section 1.2.2.2 of the National Disaster Management Policy Framework set out the minimum physical infrastructure requirements of a Disaster Management Centre. The ADM Disaster Management Centre is partially compliant with the requirements of the Act. A budget has been made available for maintenance of the centre to ensure the proper caretaking of the building.

ADM has made a budget available in 2025/2026 for the Disaster Management Centre:

- Procurement of Commercial Drones and Training of Pilots.
- Disaster Relief Materials.
- Essential User Vehicle Scheme for Disaster Operations, including ongoing Risk Assessments.
- Disaster Management Centre building repairs.
- International Day for Disaster Risk Reduction Commemorations.
- Procurement of Personal Protective Equipment.
- Procurement of Integrated Disaster Management Communications Systems and Information Management.

3.2.11.7.2 Disaster Management Plan

Section 53(1) of the Disaster Management Act 57 of 2002 requires that “Each Municipality must, within the applicable municipal disaster management framework:

- prepare a disaster management plan for its area according to the circumstances prevailing in the area.
- co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players.
- regularly review and update its plan;

The Amathole District Municipality developed its Disaster Management Plan that is reviewed on an annual basis. The plan forms an integral part of the municipality’s Integrated Development Plan and a copy of the plan has been submitted to National and Provincial Disaster Management Centres as required by sections 53(2) (a) and 53(4) of the Disaster Management Act 57 of 2002 respectively. The Disaster Management Plan, Risk and Vulnerability Assessment has undergone a major reviewal process in 2024/2025 Financial Year and adopted by Council with the Disaster Management Policy Framework in place and will be undergoing a minor review in 2025/2026 Financial Year.

3.2.11.7.3 Head of the Disaster Management Centre

Section 45 of the Act requires a municipal council to appoint a Head of its Municipal Disaster Management Centre. The Head of the Centre (HOC) is amongst others responsible for ensuring that the centre exercises

its powers and duties in line with legislation as well as according to the directives of the municipal council. The Head of Disaster Management Centre was appointed in December 2024.

3.2.11.7.4 Disaster Risk Management Advisory Fora

Section 51(1) and (2) of the Disaster Management Act 57 of 2002, states that all the district municipalities must establish a Municipal Disaster Risk Management Advisory Forum. The Amathole District Disaster Risk Management Advisory Forum seats on a quarterly basis and is chaired by the Portfolio Head for Community Services. It is a legislative mandate for a municipality to establish such a forum to coordinate strategic issues related to disaster risk management. The primary purpose of the Disaster Risk Management Advisory Forum is to provide a mechanism for relevant role players to consult one another and co-ordinate their activities regarding disaster management issues.

The Disaster Risk Management Advisory Forum comprises of the Head of the Centre, senior representatives of each Local Municipality, Sector Departments, Councillors, Traditional Leaders, representatives from umbrella organisations for women, children, the elderly, people with disabilities, and experts in disaster management. However, there are few focal points appointments by stakeholders. A total number of four (4) Disaster Risk Management Advisory Fora meetings were convened during 2024/2025 financial year. The Disaster Risk Management Advisory Fora meetings were convened as follows: 3rd of September 2024, 29th of November 2024, 13th of February 2025, and 3rd of June 2025

The key issues discussed at these fora meetings, relate to proactive measures that are undertaken by the above-mentioned stakeholders to prevent or mitigate the impact of disasters in communities. Quarterly reports from stakeholders are presented at these meetings, form the basis of the discussion, and are interrogated constructively. Resolutions are also taken to address challenges encountered in the implementation of disaster management programmes. Furthermore, disaster reduction planning programmes are monitored and evaluated for future planning purposes.

3.2.11.7.5 Interdepartmental Disaster Risk Management Committee

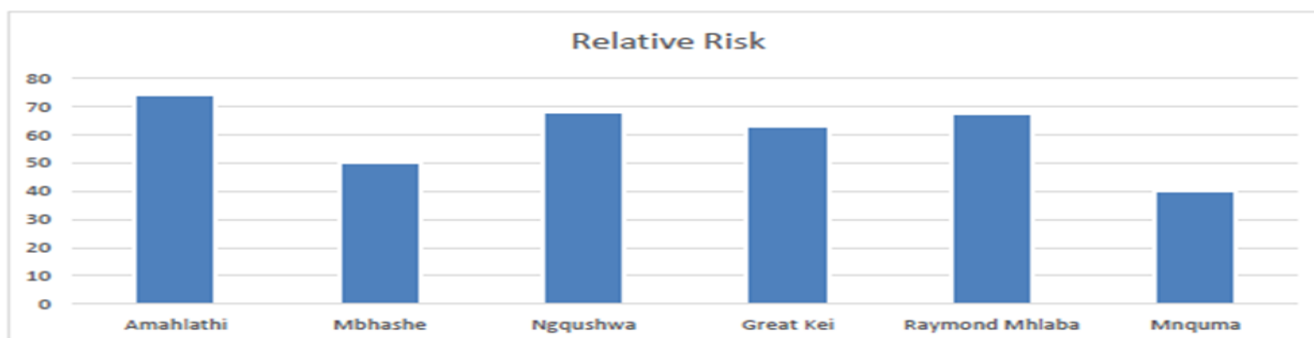
According to section 1.3.1.3 of the National Disaster Management Framework, 2005 compels all metropolitans and districts to establish Interdepartmental Disaster Risk Management Committee (IDRMC). The aim is to provide for an integrated and coordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disaster and post disaster recovery. The Disaster Management Centre is seeking a Council approval on the establishment of the Interdepartmental Disaster Risk Management Committee, and this was approved by Council it's a matter of establishing the committee. This will assist the institution in monitoring, assessing, and coordinating departmental disaster risk management planning and implementation, placing particular focus on risk reduction policies, practices and strategies. The structure has been established but not yet functional due to other commitments.

3.2.11.7.6 Disaster Risk Assessment

The Risk and Vulnerability Assessment is included in the Disaster Risk Management Plan and has undergone a major review during 2024/2025 financial year, as per the National Disaster Management Policy Framework of 2005.

Prioritized risk for Amathole District Combined

Hazard Category	Amathole
Fire Hazards - Veld/Forest Fires	19.59
Hydro-meteorological Hazards - Severe Storms (Wind, Hail, Snow, Lightning, Fog)	19.19
Hydro-meteorological - Drought	18.74
Fire Hazards - Formal & Informal Settlements / Urban Area	18.29
Hydro-meteorological Hazards - Floods (River, Urban & Dam Failure)	17.59
Civil Unrest - Crime	17.29
Hazardous Material - Spill/Release (Storage & Transportation)	16.69
Infestations - Plant Infestations (Intruder Plants)	15.99
Hazardous Material - Fire/Explosion (Storage & Transportation)	15.29
Infrastructure Failure / Service Delivery Failure - Sanitation	14.89



Combined Relative Disaster Risk Profile for the ADM

The following priorities for building municipal resilience in ADM was identified

Resilience profile (Highest 1 lowest 6)

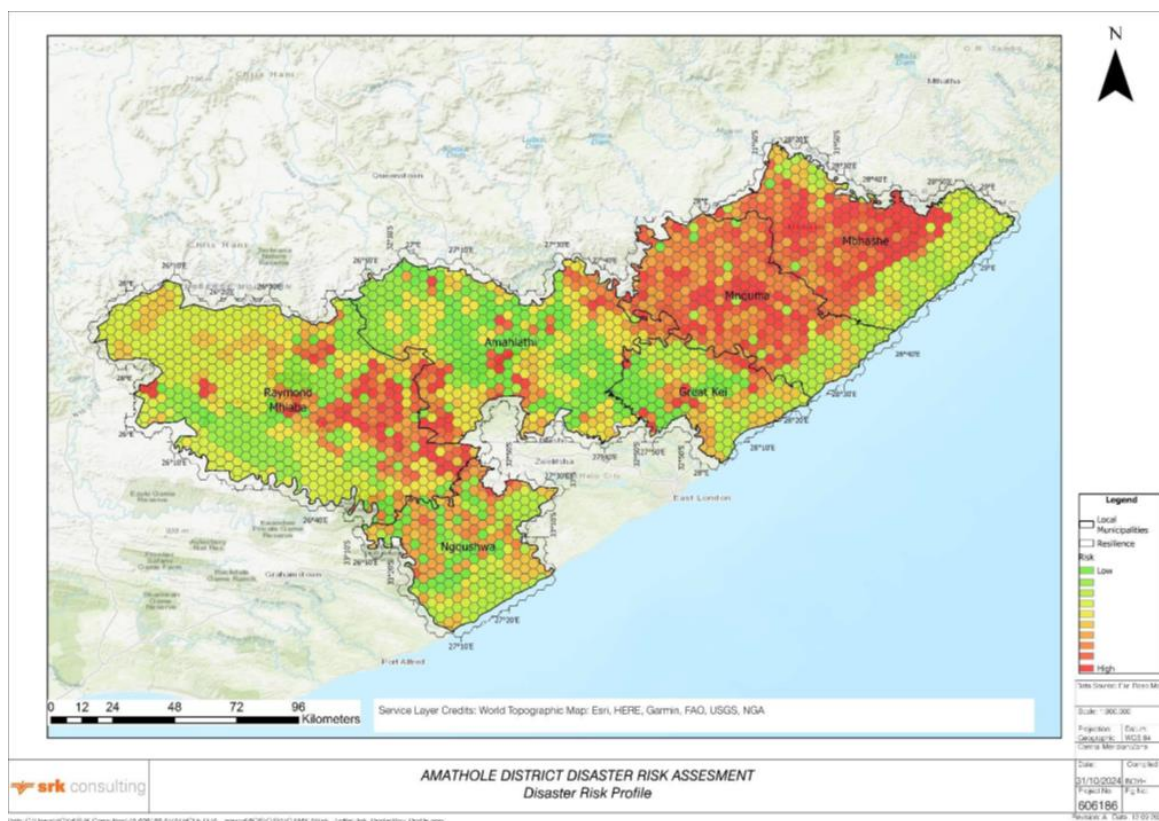
Amahlathi	6
Raymond Mhlaba	5
Mbhashe	4
Ngqushwa	3
Great Kei	2
Mquma	1

Lower resilience needs attention, and higher resilience needs the least attention. In this context it means that Amahlathi Municipality is the least resilient and Mquma Municipality is the most resilient. The focus should be to build municipal resources, resilience and adequate budget to effectively respond to emergencies and disasters in the area.

Social vulnerability profile (lowest 1 highest 6)

Ngqushwa	6
Great Kei	5
Amahlathi	4
Mquma	3
Raymond Mhlaba	2
Mbhashe	1

The combined social profile refers to the vulnerability of people within municipalities indicates that Ngqushwa Municipality has the highest Social Vulnerability while Mbhashe Municipality has lowest social vulnerability in the ADM. The focus areas should be on economic development, refuse, sanitation, sustainable water sources, sustainable energy sources and general social upliftment of communities



These priority risks should also be reflected in the future budgets and the ADM IDP. There should be specific focused actions to reduce vulnerability, minimize hazards and to increase resilience with relation to these risks by all functional units of the ADM. ADM has made funds available for Risk Assessments and Risk Reduction Programme through the commemorations of the International Day for Disaster Risk Reduction.

Climate changes result in severe weather events which cause the above hazards to have a negative impact when interacting with lives and property. Incidents of severe weather conditions resulted in dwelling structures and infrastructure being damaged. It has become apparent that risks from all angles in the district have to be considered. Strengths such as Disaster Risk Management Ward Structures are targeted and utilised focusing in awareness programs aiming at reducing disaster risks. A lot of risks are closely related and directly or indirectly influence each other.

3.2.11.7.7 Disaster Risk Reduction and Planning

Section 53(1) of the Disaster Management Act 57 of 2002 requires that “Each Municipality must, within the applicable municipal disaster management policy framework:

- prepare a disaster management plan for its area according to the circumstances prevailing in the area.
- co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players.
- regularly review and update its plan.

Section 53 of the Disaster Management Act 57 of 2002, section 3.1.1.2 of the National Disaster Management Policy Framework of 2005 and the Municipal Systems Act 32 of 2000, the Amathole District Municipality has developed a Level 2 Disaster Risk Management Plan which is a core component of the IDP that was adopted by Council in 2015/2016. The Plan aims to reduce, remove, prevent or respond to the internationally recognised causal factors of disasters. Each municipal department and municipal entities in the district and its local municipalities with disaster risk management responsibilities must develop and submit Disaster Risk Management Plans to the National and Provincial Disaster Management Centres as required by sections 53(2) (a) and 53(4) of the Disaster Management Act 57 of 2002 respectively. It is vital that disaster management principles of risk reduction, prevention and mitigation are part of every programme and project. ADM has made some funds available for Risk Reduction Programme through the Commemorations of the International Day for Disaster Risk Reduction.

Section 42(1) of the Disaster Management Act of 2002 compels each metropolitan and each district municipality must establish and implement a framework for disaster management in the municipality aimed at ensuring an integrated and uniform approach to disaster management in its area. This is to ensure the municipality and statutory functionaries of the municipality, including the district, local municipalities and statutory functionaries of the local municipalities in the district. The Amathole District Municipality developed a Municipal Disaster Risk Management Policy Framework which was adopted by Council in 2012/2013 financial year which is in line with the Provincial and National Disaster Risk Management Policy Frameworks. The Disaster Management Policy Framework has a chapter in the Disaster Risk Management Plan.

The District Disaster Management Centre is in the process of assisting all Local Municipalities with the development of Level 1 Disaster Management Plans as required by the Disaster Management Amendment Act 16 of 2015.

3.2.11.7.8 Prevention and Mitigation of disasters

The District Disaster Management Centre is responsible to give guidance to relevant stakeholders on ways and means of determining levels of risk; assessing vulnerability of communities to disasters that may occur; increasing the capacity of communities to minimise the risk and impact of disaster that may occur; and monitoring the likelihood and state of alertness to disasters that may occur. Section 47 of the stipulates that “A municipal disaster management centre must promote formal and informal initiatives that encourage risk- avoidance behaviour by organs of state, the private sector, non-governmental organisations, communities, households and individuals in the municipal area”.

Community Integrated Response Plans

Community Integrated Response Plans were developed and implemented at Ward level to increase the capacity of communities to minimize the risk and impact of disaster that may occur; and monitoring the

likelihood and state of alertness to disasters that may occur. A total number of twenty-three (23) Community Integrated Response Plans have been implemented in the five local municipalities during 2024/2025 financial year.

3.2.11.7.9 Coordination of Awareness Campaigns

The Amathole District Municipality Coordinate Disaster Risk Awareness Campaigns as one of the tools to achieve disaster risk reduction through increased hazard knowledge, risk perception, and the fostering of risk avoidance behaviour in ADM communities and schools. These campaigns are also conducted to raise awareness in actions that may lead to disasters and communicate preventative measures to reduce disasters that may occur to our communities.

The Disaster Management Unit coordinated initiatives to raise awareness of disaster risk management throughout the 2024/2025 financial year in each of the six (6) local municipalities within the jurisdiction of Amathole. Ward Councillors, Traditional Leaders, members of the Ward Committees, Community Development Workers (CDW's), disaster management volunteers, municipal officials, sector departments, and non-governmental organizations collaborated on this. A total of 110 Disaster Risk Management Awareness Campaigns were coordinated in all six (6) local municipalities in the district. The awareness campaigns will still be rolled out in 2025/2026 to cover disaster prone areas. A budget was made available for Essential User Vehicle Scheme for Disaster Management Officials to travel and conduct awareness campaigns. The theme for this year is "Early Warning and Early Action for All", brings to focus Target G of the Sendai Framework: "Substantially increase the availability of and access to multi-hazard early warning systems and disaster risk information and assessments to people by 2030".

3.2.11.7.10 Coordination Of Disaster Response and Recovery

Section 5.4.4.1 of the Disaster Management Policy Framework facilitate for the management of response and recovery operations and the recording, retrieval and updating of specific real-time information during single and multiple significant events and/or disasters, the municipality develops seasonal hazards contingency plans that get approved and adopted by Council and also assist the local municipalities to do annual review of their all hazards contingency plans and recommend that they should form part of their IDPs. It must also allow for direct links with the communication system to provide the information required for mobilisation.

The ADM Disaster Management Centre in conjunction with Local Municipalities and other stakeholders established Disaster Management Ward Based Committee that actively participate in disaster risk management programs. Its participation assists by increasing the level of awareness within the communities and improve response times on reported incidents. Reports of severe weather occurrences that destroyed homes and infrastructure in Amahlathi, Great Kei, Mbhashe, Mquma, Ngqushwa, and Raymond Mhlaba Local Municipalities were made during the 2024-2025 financial year. Multidisciplinary assessment teams were established to carry out damage assessment to determine and quantify the extent

of damages. These teams were made up of representatives from Local Municipalities, Community Leaders, and sector departments. According to the evaluation, many of the impacted families' homes had roofs damage, leaving them exposed to the weather elements, also roads, bridges and electricity affected left communities unable to commute to some areas.

It is important to note that in the second, third and fourth quarter of 2024/2025, the district had a number of disastrous events brought on by heavy rains and strong wind that damaged dwelling structures, bridges, roads, power lines, education and health facilities in several villages with 9 fatalities reported in Mnquma LM (2), Mbhashe LMs (1), Raymond Mhlaba (1) and Great Kei (5). The collaboration between Amathole District Municipality, COGTA and the Sector Departments yielded towards the finalisation and costing of all the damages for all the affected communities. To this end, funds have since set aside by the affected departments for the provision to fix damage infrastructure in terms roads, bridges, electricity and temporary structures to the affected beneficiaries.

Actions Taken / Interventions

- Damage assessment was carried out to establish the extent of damages to a total of 2,235 dwelling structures (383 being partially damaged and 1,469 were totally destroyed) in 383 villages around the District;
- Lists of affected municipalities submitted from Local municipalities to make urgent applications for damaged infrastructure (households, roads, bridges etc) to the Department of Human Settlements (Temporal Residential Units) and National / Provincial Disaster Management Centre (Municipal Disaster Response Grant);
- Department of Social Department provided psychosocial support to affected families;
- South African Social Security Agency (SASSA) and the Social Development Department assisted homeless victims with food parcels, blankets, mattresses, blankets, vanity packs and uniform for school children whose houses that were totally destroyed due to fire;
- The South African Red Cross Society and World Vision SA assisted with social relief;
- All electricity faults occurred within the district were repaired by Eskom;
- A District and Local Joint Operations Committee (JOC), District and Local Disaster Management Advisory Forums were activated to engage on disaster damage issues and progress reports on applications submitted. Meetings seat on a quarterly basis and on when the need arises.

Challenges

- Insufficient funding for disaster response and recovery
- Sector Departments and other stakeholders do not show commitment of their roles and responsibilities in disaster management
- Climate changes pose more threats to the environment and economy.
- Absence of information management system for the management of data
- Shortage of staff to adequately cover the Municipalities with high population density
- Disaster mitigation strategies are not fully implemented.

3.2.11.7.11 Information Communication System

Section 5 of the National Disaster Management Framework gives guide in the development of a comprehensive information management and communication system and establish integrated communication links with all disaster risk management role players. The Integrated disaster risk management depends on access to reliable hazard and disaster risk information as well as effective information management and communication systems to enable the receipt, dissemination, and exchange of information. The procurement processes are underway. It requires systems and processes that will:

- provide an institutional resource database, including a reporting and performance measurement facility;
- facilitate information exchange between primary interest groups;
- facilitate risk analysis, disaster risk assessment, mapping, monitoring, and tracking;
- guide and inform focused risk management and development planning and decision making; and
- facilitate timely dissemination of early warnings, public awareness, and preparedness, especially for at-risk people, households, communities, areas and developments.

The ADM Disaster Management Centre is not compliant as there is no District-Integrated Disaster Management Information and Communication Systems developed and implemented as required by the Act. The district does have a database of all declared disasters which is developed and maintained. Early Warnings are sent to communities throughout the district via social media platforms and SMS messages upon receipt of warnings from the South African Weather Services (SAWS). ADM DMC will be utilising the Provincial Disaster Management Application System (PDMAS), the system has been funded by the Provincial Disaster Management Centre were all districts and metros will be utilized to the requirements of the enabler for Integrated Disaster Management Communications Systems and Information Management. The PDMAS is currently being developed and will be going live in the quarter 2 of 2025/2026.

3.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT

DDM: Economic Positioning
Demographic Change and People Development
Governance and Finance Management
B2B: Priority 3

3.3.3 DIRECTORATE OVERVIEW

FIGURE 41 DIRACTORATE OVERVIEW



Economic development is a process by which a nation improves the economic, political, and social well-being of its people. It is a wider concept than economic growth, which refers to the increase in output and income. It also involves progressive changes in certain important variables that determine the quality of life, such as health and education. This is a Programme intervention aiming to improve the well-being of people, economic growth is a phenomenon of market productivity and increases in GDP.

3.3.4 ECONOMIC DEVELOPMENT

The ADM Broad objective to Economic Development includes “ To facilitate and promote Local Economic Development (LED) in a sustainable manner within the district by 2030. LED as one of the most effective strategies to eradicate poverty.

ADM is committed to the consolidation and optimal utilization of available resources to facilitate, advocate, coordinate, and support economic development within its area of jurisdiction, for the purpose of the creation of new, decent, sustainable employment opportunities, job creation and sustainable enterprise development, retention and expansion in the district.

This will be achieved through targeted investment promotion to grow strategic sectors that are able to create employment opportunities on a substantial scale in the short to medium term, and more advanced industries that are crucial for long term economic growth for Amathole District.

Specific Sector areas for the current period on Local economic development in the district include the following:

- Agriculture
- Tourism and Heritage

- Environmental Management
- SMME and Cooperatives
- Manufacturing
- Green and oceans economy
- Skills development

3.3.4.4 Economic Framework

From a Spatial Analysis it has been seen through the Analysis that ADM has a high youthful population. It has also been noted that unemployment is high in the district. It is with this understanding that the key objective for the Economic Framework is Skills development as well as investment and financing mechanisms.

- Science and Technology is a key driver of socio-economic development
- Technological innovation is a key factor in the development and competitiveness of the district economies, which leads to wealth creation and the improvement of living standards.
- The overall aim of the intervention in Science and Technology in Amathole is to develop and strengthen district systems of innovation.

Raymond Mhlaba is host to the University of Fort Hare, located in Alice. It is envisaged that the STEM Skills Academy could support the university where lecturers and students alike could benefit from such a facility for the development of Science and Technology.

Another proposal for is for the development of a Skills Training Facility. The location of a Skills Training Facility should be within an area which has a high population. These are within the Mbashe and Mquma Local Municipalities. Coupled with high population, includes high unemployment rates. it is thus proposed for a Skills Training Facility to be located within the Mquma region, specifically within Butterworth while making use of the abandoned factories located within the town. It is also be imperative for our six Local Municipalities to improve on their public finance mobilisation, expenditure and management systems.

3.3.4.5 Economic Drivers

Based on the implementation of local economic development initiatives in the past 5 years, it became clear that the key economic drivers for the district are as follows;

- Agriculture
- Tourism & Heritage
- Rural Development
- Poverty Alleviation
- Enterprise Development
- Environmental Management
- Mining, although this is not fully exploited (this is still an opportunity for ADM).
- Construction

- this is not fully exploited (this is still an opportunity for ADM).

3.3.4.6 Sectors that inform ADM's SDGs

Given the economic drivers identified above, there are also additional economic sectors that have been also identified within the ADM Spatial Planning and Local Economic Development Strategy (SPLED Strategy) approved in 2025 by its Council for the next coming 5 years and are as follows:

- Agriculture and Forestry
- Tourism and Heritage
- Environmental Management
- Enterprise Development (SMME, Informal Trade and Cooperatives)
- Manufacturing
- Green and Oceans economy
- Skills development

It is for this reason planning is imperative, especially; from National, Provincial, District and to the Local level. Thus, flowing from the change in strategy for local development in 2000 the Local Economic Development, a Primer document provides a step-by step guide for a strategic planning process. It states that 'good practice indicates that local economic development should always be guided by a strategy.

Competitive and comparative advantages

In addition to TVET Colleges including Fort Cox, Lovedale, and King Hintsa, the ADM is home to two significant universities: Walter Sisulu University and the University of Fort Hare. This indicates that the memorandum of understanding with these higher education institutions makes it simple to handle the problem of skills development. Furthermore, ADM has

▪ Agricultural Focus

In ADM there specialize areas where a variety of crops can be produced and benefit the communities such area has fertile land suitable for growing specific crops, such as maize, pineapple, oranges are aloe, including pelargonium avocados etc. Specializing in such production where they have a comparative advantage, they can enhance agricultural exports and attract agri-business investments, contributing to local development. These agricultural products can be traded for manufactured goods that the community would otherwise have to produce less efficiently.

▪ Tourism and Cultural Heritage

ADM is rich in scenery, flora, fauna and also known for its rich cultural heritage may have a comparative advantage in tourism. By focusing on developing their tourism sector (e.g., promoting historical sites or local crafts), they can attract visitors and generate income, which can lead to the development of local businesses, restaurants, and services. The revenue generated can then be reinvested into the community, creating more job opportunities and improving local infrastructure.

▪ **Renewable Energy**

ADM has abundant natural resources like sunlight, wind may have and has a comparative advantage in renewable energy production. The district needs to focus on solar or wind energy, this area can develop a local economy around renewable energy technologies, create jobs in manufacturing and installation, and contribute to broader environmental sustainability efforts.

▪ **Craft and Artisan Goods**

ADM community with skilled artisans who produce unique local crafts (e.g., pottery, textiles, or handmade jewelry) may have a comparative advantage in niche markets. The promotion of these crafts and selling them to a broader audience (both online and in-person), the area can foster local businesses, support artisans, and attract tourists interested in authentic, locally-made products.

In each of these examples, the focus on areas of comparative advantage not only enhances the local economy but also encourages sustainable development, creates jobs, and boosts overall community well-being. As communities understand their unique strengths and leverage them, they can foster resilience and improve quality of life for their residents.

• **Business Policies**

Local governments that establish favorable business regulations, low taxes, or incentive programs can develop a competitive advantage by attracting new businesses. For instance, a city that offers tax breaks to startups or has streamlined permitting processes may become a hub for entrepreneurship, stimulating local economic growth and job creation.

By understanding and leveraging their competitive advantages, localities can foster economic development, create sustainable job opportunities, and enhance the quality of life for their residents.

3.3.4.7 Economic infrastructure

The LED infrastructure is reflected in the IDP Sector Plan to be reviewed in 2025/26 financial year, being the Economic Growth and Development Strategy. Such is also reflected under the SDI KPA under infrastructure Development. The participatory analysis across sectors and across the district has provided a long list of specific issues that are considered barriers to economic growth. These can be grouped into the following categories:

- Infrastructure – Poor maintained infrastructure is an impediment to cost effective enterprise. This issue is a very high priority because of the distance of the district from markets and the lack of raw materials locally.
- Inadequate marketing heritage and tourism of LED sectors
- Land related issues – this includes the resolution of land ownership and use rights, land use planning and land use management to exploit (where applicable) and protect (where applicable) the environment. The land issue relates to both rural and urban localities. In the former, it relates to use

for agriculture and settlements, while in the latter it relates to land for investment in production facilities, offices and housing.

- Lack of competitiveness of the sectors and localities. This resolves into two key aspects:
 - Support systems and services – there is inadequate technical and systemic (eg: for maintenance, provision of supply, production) support across all the sectors.
 - Skills – all sectors and area raised the issue of inadequate and inappropriate skills as a constraint to growth.
- Governance – across sectors and areas lack of governance systems and capacity were raised as impediments to enterprise growth and development.

Table 38: Heritage sites per Local Municipality

Heritage Site	Municipality
<p>Maqoma heritage Routes</p> <p>Mountain Escape Tourism Route</p> <p>The route showcases the rich cultural heritage in the Area of Middle Drift Alice, Adelaide and Bedford. The area is rich in terms of Maqoma legacy, the ANC archives which are housed by the university of Fort Hare.</p> <p>the tourism is rich with the beautiful mountainous land scape, hiking trails and high-end quality accommodation</p>	Raymond Mhlaba
<p>Sandile Heritage Route and Friendly N6 Tourism Route</p> <p>the route showcases the rich heritage and adventurous experience, the routes showcases Stutterheim, Cathcart and Kieskammahoek. This is rich in the cultural heritage and agricultural activities. The area is also mountainous and has attractive dams for sport water activities.</p>	Amahlathi
<p>King Phalo Heritage Routes and Wild coast Route</p> <p>Both routes showcase the rich history of all three areas, which includes the following coastal towns small towns Komga, Chintsa, Kie Mouth, Ngqamakhwe, Butterworth, Centane, Dutywa, Willovalle, and Dwasa Cebe.</p>	Great Kei, Mnquma and Mbashe
<p>Makana Heritage and Sunshine Coast Routes</p> <p>Both routes markets the rich cultural heritage and adventurous experiences being boat cruise and canoeing along the coast, great fish river reserve. It covers Hamburg and Peddie tourism</p>	Ngqushwa

3.3.4.8 LED Monitoring Structure

Table 39: LED Monitoring Structures

Name of the forum	Strategic Objectives	Sitting Frequency
<p>Spatial Planning and Local Economic Development Forum</p>	<ul style="list-style-type: none"> • To create a platform for engagement on the LED policy matters in all spheres of government • To discuss critical LED issues with all strategic stakeholders • To coordinate all LED initiatives or projects taking place within the district. • To coordinate and align planning and implementation of programmes and projects within ADM jurisdiction. 	Quarterly

Agricultural Forum	<ul style="list-style-type: none"> • Coordinate and align planning and implementation of agricultural projects within ADM jurisdiction. • Information sharing on Agricultural development programmes and available resources to support emerging farmers. 	Quarterly
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3.3.4.9 SPATIAL PLANNING AND LOCAL ECONOMIC DEVELOPMENT STRATEGY (2024 – 2030)

The district is characterized by high levels of poverty and unemployment. In response to the aforementioned challenges, ADM has, over the years, developed and implemented policies and strategies that sought to improve the economic trajectory of the district. Hence, the development of the Spatial Planning and Local Economic Development (SPLED) 2025-2029 strategy. The strategy seeks to set out a shared economic development and growth vision for the district.

The SPLED also outlines a framework for achieving sustainable growth, enhancing economic growth and enhancing economic growth and development in the district.

Furthermore, the ADM has taken a strategic decision to include spatial planning as the key component of economic development and as each development/proposal requires ‘space’ to cooperate.

There are guidelines developed to assist national and local governments to promote effective urban and territorial planning strategies, which also encourages integrated planning processes, that focus on human settlements, natural resources, and resilient infrastructure. ADM identifies the following critical strategic facilitators that guarantee the successful implementation of the district's identified economic development interventions programmes

Strategy Objectives

Table 40: STRATEGY OBJECTIVES SUMMARY OF THE FRAMEWORK

OBJECTIVES	PRIORITY	ENABLERS
<ul style="list-style-type: none"> • Promote holistic & sustainable regional economic development. • Diversify the regional economy • Promote sustainable rural and urban economic development • Attract investment to ADM • Promote sustainable land use • Empower communities • Improve land administration and spatial planning for integrated sustainable growth and development • Linkage with neighboring municipalities • Improve land administration and spatial planning for sustainable livelihoods 	<ul style="list-style-type: none"> • Agriculture and Forestry • Oceans economy Heritage and Tourism Creative Industry • Manufacturing • MSME development • Land tenure • Review of SDF • Land admin systems 	<ul style="list-style-type: none"> • Planning, Research and innovation • Resource mobilisation • Economic Infrastructure development • Capacity and Skills development • Political and Administration will • Strategic partnerships and Investment • MSME Support • Spatial planning

Comparative and Competitive Advantages

There are five sectors that are developed in line with the SPLED strategy. The main purpose of these sector plans is to ensure that the bulk of the population in Amathole District Municipality benefits in the economic development section. The economic research agenda of the Amathole District Municipality was also in line with that of other stakeholders in the development arena. It is for this reason that the institution formed strategic partnership with institutions of Higher Learning (NMMU, Fort Hare, Fort Cox etc). Such areas include but are not limited to Heritage, enterprise development, microfinance, economic research and training of officials in LED related materials.

Table 41: ADM COMPARATIVE ADAVANTAGE

CATEGORY	ADVANTAGE	COMMENTS
Natural Resources & Biodiversity	An abundance of forest and mountain ecosystems	Afromontane forest in the Amathole mountain Range (Stutterheim, Hogsback, Kieskammahoek) with timber, medicinal plants, and endemic species like the Cape parrot. The Mquma coastal stretch of 52km from the Kie River to the Qora River (Wild Coastal offer a blue economy opportunity for fishing, aquaculture and marine tourism.
Strategic Location	Strategical located along the N2	Along National Roads (N2) to Durban and East London R409 to Queenstown.
	Coastal and marine assets	With a coastline of around 269km the district offers a wealth of prospects for oceans economy. Create Kei River and Indian Ocean coastline support fisheries, aquaculture, whale watching and deep-sea angling. Eg: coastal beaches (Qolorha, Wavecrest, Mazeppa Bay, waterfalls (Bawa Falls) rivers dams (Gcuwa Dam).
	Fertile agricultural land	Raymond Mhlaba and Mquma municipalities have valleys suited to cattle farming, maize, and horticulture. Grasslands and springs boost livestock productivity.
	Protected wildlife areas	Great Fish River and Fort Fordyce nature reserves preserve indigenous wildlife and birdlife, support eco-tourism
	Indigenous and high-value plant species	Aloe, pelargonium, lemon grass, and helichrysum support the mega hub development by the department of Forestry, fisheries and environment.
	Freshwater resources	An annual rainfall of 800-1000mm per annum in Mquma. River system (Keiskamma and other rivers) support irrigation, drinking water, and hydroelectric potential.
Cultural & Historical Heritage	Liberation heritage institution	Education Heritage e.g., University of Fort Hare, Lovedale etc. Heritage and Tourism Routes which contributes to intellectual and cultural capital of the district. Traditional culture and liberation heritage.
Infrastructure Investment and Service Delivery Improvements	Development to improve infrastructure	N2 route development (SANRAL-N2 & R409 Ndabakazi bridge and intermodal interchange).

Renewable energy infrastructure	The district hosts regional clean energy assets like the Colley Wobles hydroelectric power station (42 MW) and Bedford's Msenge Emoyeni wind farm (69 MW)	
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Table 42: ADM COMPETITIVE ADVANTAGE

CATEGORY	ADVANTAGE	COMMENTS
Renewable Energy	Operational Independent Power Producers	Chaba and Wesley Windfarms
Industrial Development	Regional manufacturing and agro-processing potential	Butterworth Industrial Park offers infrastructure for industrial and agro-processing development.
MSME & small scale farmers support	Strong support ecosystem for emerging enterprises	Support from the district, state entities that are financing small enterprises and emerging farmers.
Tourism and Heritage development	Rich cultural heritage leveraged for tourism	Heritage routes showcasing Xhosa royalty and resistance leaders (e.g. Sandile, Maqoma, Makana and Phalo Routes) promotes cultural preservation and tourism. These link to the tourism routes such as Friendly N6, Amathole Mountain Escape, Wild Coast and Sunshine Coast, which promotes leisure and adventure places.

Tourism and Heritage Sector Plan

Heritage and tourism are two interlinked sectors, though heritage plays a major role as a tourist attraction. Thus, 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.

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

This is the current situation as the Heritage Unit has identified a list of heritage sites and develops them for tourism development, understanding very well that tourism is one of our economic drivers in our

municipal jurisdiction. All this is done with the context of Responsible Tourism- (**White Paper on Tourism**) that puts too much emphasis on the need to striking a balance between resource utilization and sustainability of those resources. The enhancement and protection our heritage resources have the ability to play a crucial role in the social upliftment and economic development among the ADM communities.

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

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

On the other hand, Tourism can be defined as the non-commercial organization plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism.

In Amathole District Municipality, the Other (Medical, Religious, etc), relative to the other tourism, recorded the highest average annual growth rate from 2010 (66 000) to 2020 (22 800) at -10.07%. Visits to friends and relatives recorded the highest number of visits in 2020 at 67 800, with an average annual growth rate of -14.74%.

The tourism type that recorded the lowest growth was Leisure / Holiday tourism with an average annual growth rate of -16.30% from 2010 (68 900) to 2020 (11 600).

In 2020, Amatole District Municipality had a tourism spend per capita of R 444 and an average annual growth rate of -8.76%, Amathole District Municipality ranked fourth amongst all the regions within Eastern Cape in terms of tourism spend per capita. The region within Eastern Cape Province that ranked first in terms of tourism spend per capita is Sarah Baartman District Municipality with a total per capita spending of R 2,160 which reflects an average annual decrease of -7.13% from 2010. The district municipality that ranked lowest in terms of tourism spend per capita is O.R.Tambo with a total of R 323 which reflects an decrease at an average annual rate of -8.72% from 2010.

The above reflects impact of the sector before the COVID 19 pandemic, currently the sector has been the most if not the number one that has suffered during the pandemic. With all the attractions, travelling and leisure activities ban during the pandemic the sector was hardest hit as it literally came to a standstill causing socio economic down fall for both private and public services. The ADM tourism was also severely affected but with the involvement of both National and Provincial partners in tourism assistance is currently being provided in a number of initiatives, such as relief grants for tourism business, innovation ways to revive the sector, it is slowly peaking up.

Challenges

- Global Pandemic which resulted in Lockdown Regulations

- Tourism businesses did not receive any income during the pandemic
- Decline in number of visitors due to the fear of the Pandemic

Table 43: Tourism Routes

TOURISM SITES	MUNICIPALITY
Amathole Mountain Escape	Raymond Mhlaba LM
Friendly N6	Amahlathi LM
Wild Coast	Mnquma & Mbhashe LM
Sunshine Coast	Ngqushwa LM

Challenges

- Global Pandemic which resulted in Lockdown Regulations
- Tourism businesses did not receive any income during the pandemic.
- Decline in number of visitors due to the fear of the Pandemic.

Agriculture Sector Plan

ADM has developed an Agricultural Sector Plan with the main purpose of taking the sector to the next level by introducing new means and ways of using the latest technologies. This is referred to as Agriculture 4.0. One of the economic sectors that is implemented by Amathole District Municipality is the Agricultural Development/Agrarian reform. This programme is also in-line with the National and Provincial Strategic Priorities. These are as detailed below;

Table 44: ALIGNMENT OF DALRRD OUTCOMES TO GOVERNMENT PRIORITIES

OUTCOMES	OUTCOME INDICATORS	CONTRIBUTION TO PRIORITIES
Outcome 4: Increased production in the agricultural sector	<ul style="list-style-type: none"> ▪ 10% increase in value of agricultural production by 2025 	2
Outcome 5: Increased market access and maintenance of existing markets	<ul style="list-style-type: none"> ▪ 1.5% increase of agricultural exports ▪ 1% increase of domestic use (value added) of agricultural products 	2, 3 and 7
Outcome 6: Integrated and inclusive rural economy	<ul style="list-style-type: none"> ▪ Number of jobs created in rural areas ▪ Number of Agri-parks fully functional 	4

On the basis of the above-mentioned alignments ADM has abundant land that is purely agricultural. However, according to statistics, Agriculture contributes only 3% to the GVA. This is attributed to the lack of interest to agriculture by the economic active persons and the high rate of outward migration but the very same age group. Thus, this sector intends to work on unlocking agricultural opportunities that they will be sustainable and grow emerging farmers into commercial farmers. Funding is a major challenge. It

has also been noted that there is lack of collaborative planning amongst departments which leads to lack of communication.

In an attempt of revitalization of the agricultural sector, DRDAR has identified a variety of programs as a means of economic stimulus within ADM. These include Keiskammahoek Market Centre and the Revitalisation of Irrigation Schemes like Zanyokhwe and Kieskammahoek Schemes.

Poverty Eradication Sector Plan

This strategy intends to vigorously fight and remove poverty within Amathole District Municipality. As demographics are showing, about 80% of Amathole District Municipality inhabitants are living in poverty and near poverty.

This is currently dealt with in terms of EPWP National Programme. ADM is deliberate in unlocking the economic potential in projects such as the Oceans Economy (blue economy), resuscitation of gardens, public open space beautification etc.

ADM is currently implementing Expanded public works program as it is a national program. EPWP 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

Expanded Public Works Program

The Minister of Department of Public Works, MEC for Roads and Public Works in the Eastern Cape and Amathole District Municipality Mayor entered into a Protocol agreement, whose purpose is:

- To establish an agreed framework for cooperation and coordination between the parties.
- To promote the objectives of the EPWP through mainstreaming the use of labour-intensive employment in the delivery of public infrastructure, goods and services in the municipalities.
- To promote the management and reporting on the EPWP incentive grant to increase labour-intensive employment through EPWP projects and programmes that maximize job creation;
- To confirm the agreement and commitment of the Municipality to :-
 - establish capacity (human resource) within the municipality to implement, monitor and report the progress in line with EPWP requirements for reporting;
 - ensure that EPWP universal principles are adhered to in the implementation of the EPWP projects;
 - develop and implement EPWP policy that ensures that all the four sectors and their programmes are implemented;
 - ensure that EPWP principles and requirements embedded to all the municipal projects and contracts;
 - promote job creation through labour intensive implementation of municipal projects;
 - adhere to the clauses contained in the incentive agreement; and

- develop reports on an annual basis which accounts on the achievements against the protocol and policy.
- To specify the institutional structures that will oversee, monitor and report on progress in implementing the EPWP and achieving the EPWP targets; and
- To provide for mutual assistance and support in respect of the programmes and initiatives of the EPWP. This Protocol shall not limit the constitutional and statutory powers and functions of the parties.

To achieve the purposes of this Protocol; the three spheres have adopted and undertake to comply with the principles of cooperation as listed in the protocol agreement. Therefore, three spheres performed their obligations as guided by Protocol in accordance with applicable laws. As per the Phase 3 protocol agreement, ADM was supposed to create Work Opportunities over the period of five years (which is the duration of the agreement). Each year with its own target. The table below depicts ADM's Annual Targets.

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. EPWP is externally funded by Department of Public Works

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.

Amathole District Municipality continues to rollout EPWP to better livelihoods hence in the previous financial year through incentive grant it has created 1370 jobs opportunities in the ADM.

Table 45: SUMMARY OF THE IMPLEMENTATION OF THE EPWP PROGRAMME FOR 2024/25 FINANCIAL YEAR

Project name	Beneficiaries
Waste & Environment Management	84 jobs created
EPWP Support Head Office	2
Social Sector	426 jobs created
MIG Projects	254 jobs created
Infrastructure (water & Sanitation)	421 jobs created
Total	1186

Challenges

- Non reporting of job created by other departments to improve EPWP numbers.

Enterprise Development

Amathole District Municipality (ADM) identified enterprise development as a catalyst for economic growth and development. Enterprise Development Sector Plan advocates for technology-based and export-focused manufacturing sector, which is dynamic and competitive with effective entities that add value to the locally abundant natural resources by 2030. This is done through the implementation of programs which are internally and externally funded by a variety of stakeholders. ADM in conjunction with other stakeholders are ensuring that programs and projects implemented benefits locals in the form of:

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. Over the past years, the district has supported financially and non-financially many co-operatives in different economic sectors. ADM has a co-operatives strategy which outlines the district's plan for development of co-operatives. A baseline study on co-operatives was 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.

There are three categories of cooperatives in the district. These are as follows:

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

Several 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.

Challenges

- are 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.

Informal Trade Development

The informal trade sector has been largely neglected in the enterprise development space, especially in formerly rural municipalities. It is a sector that is critical and has potential to dilute absolute poverty and curbing excessive unemployment within the Amathole District Municipality. Poverty, unemployment and inequalities are the primary threats identified by the national government in the New Growth Path, and the National Development Plan. There has been a great effort in previous national policy frameworks such as GEAR in the preceding years to try to curb these social ills however, they continue to be a burden in the governmental efforts to bring about a better life for all. In the recent past efforts have been made to support Cooperatives and SMMEs in the country. There has been the SMMEs Act of 1996 amended in 2006, and the Cooperatives Act of 2005, however, there has been minimal support for informal traders. This was

however reviewed in 2014 by the Department of Small Business Development when they developed National Informal Business Upliftment Strategy (NIBUS)

ADM has taken the initiative to support this sector, in collaboration with all local municipalities within our district and other developmental institutions. It is for this reason that we have done a needs analysis for all informal traders within the district. There was a needs analysis that is being done within the district for informal traders in all local municipalities. Mquma and Mbashe has the largest number of all informal traders in the district from a wide variety of sectors from the preliminary analysis. The main challenges of informal traders are quality working infrastructure, access to finance and lack of capacity in business finance management. The importance of forming organized structures was explained to them and since the majority have these structures. It was agreed that the needs and challenges of informal traders will be discussed through the recognized informal trade structures.

3.3.5 SMALL TOWNS REGENERATION

Small towns have a unique and rich cultural heritage that can be harnessed to drive economic growth and create vibrant communities. By leveraging their strengths in arts, crafts, agriculture, and tourism, small towns can attract new businesses, retain local talent, and create an inviting atmosphere for visitors. For example, towns can develop farmer's markets and artisanal products to promote local produce and crafts. They can also focus on revitalizing historical landmarks and restoring old buildings to serve as community centers, cultural venues, and shopping districts.

The ADM has taken a holistic approach to small town development by creating comprehensive plans that encompass economic, social, and environmental aspects. This will help forge collaboration between local government, community stakeholders and businesses to identify priorities, develop strategies, and allocate resources.

Hence the district working with strategic partners has facilitated and developed small town plans that is Hamburg, Stutterheim and Cathcart which are typical Small towns regeneration plans that include initiatives such as business development programs, infrastructure upgrades, and the creation of public spaces and recreational facilities. These are done by engaging with communities and stakeholders whilst as the district and municipalities ensures that their plans address the unique needs and challenges of each community, while also considering long-term sustainability and growth.

3.3.6 AMATHOLE DISTRICT DEVELOPMENT AGENCY (ASPIRE)

Aspire is an Amathole District Municipality development agency. Aspire has a mandate of implementing economic development high impact programmes and projects for the district. Their initial mandate was on Small-towns revitalization which in essence does contribute to the economic growth aims and objectives. It has since been broadened to cater for implementation of Economic Growth projects as identified in Vision 2058. Therefore, it is Aspire's role to source funds and ensures the implementation of the projects. Vision 2058 identified the following catalytic projects:

- Integrated Water Desalination Precinct
- Integrated Transport Systems
- Broadband Connectivity
- World Class Sports Academy
- Stem Skills Academy
- Technical Training Academy
- Integrated Waste Management
- Small towns Revitalisation
- Revitalisation of irrigation schemes
- Revitalisation of crop plantations.
- World Class Disaster Management Centre

3.4 KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

DDM: Governance and Finance Management
Economic Positioning

B2B: Sound Financial Management

MTAS PILLAR: Sound Financial Management

3.4.1 INTRODUCTION

The Budget and Treasury Office complies with the approved legislation, reforms and accounting standards when carrying out the functions of supply chain, budgeting and reporting. The department is responsible for providing strategic direction on financial planning, management, and accounting as well as guidance and support to the leadership within the Municipality regarding the implementation of and compliance with the Municipal Finance Management Act and related Treasury Regulations.

Often referred to as the heartbeat of the Municipality, the BTO underpins the financial operations of all departments. Its core mandate is to manage municipal funds responsibly and promote long-term financial sustainability.

The BTO delivers its services through the following specialized units:

- **Budgeting and Reporting:** Oversees the development and monitoring of municipal budgets and financial performance.
- **Revenue Management:** Ensures efficient billing, collection, and revenue optimization.
- **Supply Chain Management:** Facilitates transparent and compliant procurement processes.
- **Asset Management:** Maintains accurate records and stewardship of municipal assets.
- **Expenditure Management:** Controls and monitors spending to align with approved budgets and priorities.

3.4.2 DISTRICT DEVELOPMENT MODEL

Strengthening Cooperative Governance through the District Development Model (DDM)

The District Development Model (DDM) serves as a transformative operational framework aimed at enhancing cooperative governance. It calls for integrated planning and implementation across all spheres of government—national, provincial, and local—through a technically driven, consultative process involving government entities, communities, and stakeholders.

Aligned with the objectives of the DDM, the department is committed to exercising oversight of the institutional budget and projects in a manner that is transparent, accountable, and responsive to community needs.

Role of the Budget & Treasury Office (BTO)

The Budget & Treasury Office (BTO) is driving a strategic initiative to stabilize governance and financial management practices within the Amathole District Municipality (ADM). This is achieved by promoting efficient, effective, accountable, and transparent execution of planning, budgeting, procurement, and financial performance.

BTO plays a pivotal role in:

- **Strengthening financial capacity** across municipal departments, with support from the Provincial Treasury.
- **Providing strategic financial oversight** to ensure compliance with the Municipal Finance Management Act (MFMA) and Treasury Regulations.
- **Acting as a catalyst for institutional reform**, guiding departments toward sound financial governance.

Intergovernmental Collaboration and Service Delivery

As a practical Intergovernmental Relations (IGR) mechanism, the DDM enables all three spheres of government to collaborate with communities and stakeholders to plan, budget, and implement development initiatives in unison. In this spirit, BTO will continue working closely with both Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs (CoGTA) to:

- Enhance service delivery
- Improve governance
- Promote inclusive development

Local Economic Development and Inclusive Procurement

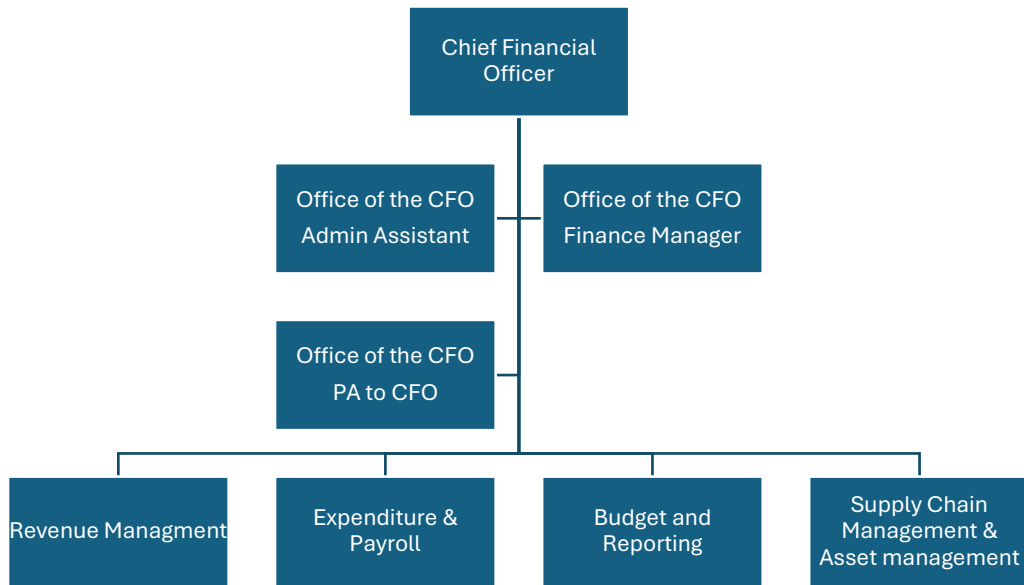
To address service delivery challenges and unlock local development opportunities, BTO is prioritizing:

- **Localized procurement** that supports and promotes local businesses
- **Job creation initiatives** that actively involve communities
- **Gender-inclusive procurement**, with a commitment to allocate **12% of funds** to women-owned service providers on tenders advertised during the **2025/26 Financial Year**
- This approach aligns with the Auditor-General's recommendations and supports holistic, sustainable regional economic development.

3.4.3 DIRECTORATE OVERVIEW

The Budget and Treasury Office has been established in accordance with Chapter 9 of the Municipal Finance Management Act No. 56 of 2003 (MFMA) which requires every municipality to have a budget and treasury office. The Budget and Treasury office must consist of a chief financial officer designated by the accounting officer of the municipality, officials of the municipality allocated by the accounting officer to the chief financial officer; and any other persons contracted by the municipality for the work of the office.

FIGURE 42 DIRACTORATE OVERVIEW



Budget & Treasury Office Chief Financial Officer: Budget & Treasury Office East London Office of the CFO Secretary: Office of the CFO East London Office of the CFO Office Manager: Office of the CFO East London Budget & Treasury Office Operations Manager: Budget & Treasury Office East London Budget & Treasury Office Admin Assistant: Budget & Treasury Office East London Revenue Management Divisional Head: Revenue Management East London Budget & Financial Reporting Divisional Head: Budget & Financial Reporting East London Assets Management & Expenditure Divisional Head: Assets Management & Expenditure East London SCM Divisional Head: SCM East London

3.4.4 BUDGETING

The Budgeting is responsible for providing guidance and consolidating all inputs to provide an annual institutional budget, for both operating and capital as well as an annual adjustment budget where required. This extends to the monitoring of the budget, with the preparation and implementation being in accordance with Section 80 of the MFMA. Monthly and quarterly reporting on the budget performance in the form of Section 71 Reports, Schedule C Reporting with related data strings, as well as the quarterly Section 52 d report is performed. Annually the Section 72 report is prepared based on mid-year performance, ultimately recommending whether there is a need to an adjustment budget.

3.4.4.1 Budgeting Principles

The preparation of the budget is governed by the MFMA and budget regulations. The following principles are applied when preparing the budget:

- The budget must be in the format prescribed by the regulations as contemplated by the MFMA;

- The budget must reflect the realistically expected revenues by major source for the budget year concerned taking into account actual collection levels;
- The expenses reflected in the budget must be divided into the different votes of the municipality;
- Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget;
- The institution shall prepare three-year budget (medium term revenue and expenditure framework (MTREF)) and that be reviewed annually and approved by Council;
- The budget must also contain the information related to the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the prior year, and the forecasted revenues and expenses for the current year;
- The actual revenues and expenses for the previous financial year, and the estimated revenues and expenses for the current year

Systems and Processes

As regulated, the Amathole District Municipality (ADM) prepares an annual budget for the current financial year, accompanied by forecasts for the two outer years. This approach aligns with the **Medium-Term Revenue and Expenditure Framework (MTREF)** as prescribed by the **MFMA Budget Regulations** and the **Municipal Standard Chart of Accounts (mSCOA)**.

Revenue Composition and Fiscal Challenges

In recent years, ADM has faced increasing challenges in generating its own revenue, resulting in a growing reliance on government grants to sustain service delivery. Consequently, the municipality bases the bulk of its anticipated revenue on **gazetted allocations in the Division of Revenue Act (DoRA)**.

ADM's own revenue streams include:

- Service charges
- Interest on call and current accounts
- VAT recoveries

Service charge income is conservatively projected at a realistically collectable level and contributes only marginally to the institution's overall revenue.

Budget Submission and Compliance

The **draft budget for 2025/26** was tabled to Council within the legislated timeframe.

The **final budget** was subsequently approved by Council in full compliance with the prescribed Schedule A format and within the required legislative deadlines.

The budget was populated using **version 6.9 of mSCOA**, implemented via the **SAGE financial system**.

ADM submitted a **balanced budget**, but it remains **unfunded** due to:

- Significant **creditor liabilities**
- A high **bad debt provision**, stemming from poor collection rates

mSCOA Compliance and Reporting

ADM has been transacting on the **mSCOA chart of accounts** since the **2016/17 financial year**, demonstrating long-standing compliance with national financial reforms.

For the 2025/26 financial year:

The budget was submitted using the **correct version of mSCOA** via the **National Treasury portal**

The data strings for both the draft and final budget versions were generated from the SAGE financial system and submitted to the portal. This is a major milestone for the municipality as in the past, significant manual intervention was required.

Challenges

- **Frequent Budget Shifts:** Budget constraints and weak adherence to budgeting principles result in significant volumes of budget reallocations from the start of the financial year.
- **Poor Implementation of Budget Policy:** Budget is often moved from one area to another without fully assessing the impact on the source account, undermining service delivery and financial discipline.
- **Overreliance on Adjustments Budget:** There is a prevailing misconception that the Adjustments Budget process can resolve all budgeting shortfalls. However, without improved revenue collection, departments must reprioritize within their existing allocations.
- **Inadequate Project Planning:** Many projects are based on aspirational “wish lists” rather than detailed feasibility and costing, leading to misaligned funding and underperformance.
- **Externally Funded Projects:** Poor planning and expenditure tracking result in either unspent funds or overspending in unrelated areas. The frequent amendments to the capital budget reflect this instability.
- **Weak Revenue Base:** ADM’s own revenue sources—primarily service charges, interest, and VAT recoveries—are insufficient to cover core operational costs.
- **Low Collection Rates:** Service charges are budgeted at realistically billable levels, but actual collections remain low, even with provisions for bad debts based on historical trends.
- **Misallocation of Expenditure:** There is a tendency to allocate spending based on available budget rather than the correct expenditure type or cost centre, leading to distorted financial reporting.
- **Non-Core Functions at Risk:** The municipality faces a growing risk of being unable to sustain non-core functions due to financial pressures.
- **Lack of Consequence Management:** Inadequate systems are in place to enforce accountability for non-compliance with budget policies.
- **mSCOA Segment Misalignment:** Migration to the new financial system, resulted in incorrect linkage of datastrings to line items which has led to distorted monthly and quarterly reports.
- **Reliance on External Support:** Increased dependence on external service providers for system functionality has financial implications and results in delayed resolutions.

- **Limited mSCOA Understanding:** A lack of awareness and understanding of the mSCOA seven-segment structure among management and officials compromises the accuracy of transactions and budget alignment.
- **Year-End Risks:** Budget control lifting during year-end journal processes introduces the risk of transactions being recorded against incorrect mSCOA segments.

3.4.5 EXPENDITURE

The **Expenditure Unit** operates in full compliance with **Section 65 of the Municipal Finance Management Act (MFMA)**, which governs the principles and practices of municipal expenditure management.

Key responsibilities include:

- **Expenditure Control:** Maintaining a robust system of internal controls to manage and monitor spending.
- **Approval and Authorisation:** Implementing clear procedures for the approval and authorisation of payments to ensure accountability and compliance.
- **Payment Processing:** Ensuring timely and accurate disbursement of funds in line with approved budgets and procurement protocols.
- **Financial System Integrity:** Recording all transactions in the financial system to maintain transparency, traceability, and audit readiness.

Through these functions, the Expenditure Unit plays a critical role in safeguarding municipal resources and promoting sound financial governance.

Systems and Processes

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 of receipt. The main objective is to maintain a good working relationship between ADM and the public we serve.

This compliance remains a challenge as ADM continues to experience cash flow constraints, hence invoices are not always paid within 30 days of receipt. These challenges experienced by ADM, have resulted in 73% of all the invoices being paid within 30 days of receipt during the first quarter of the 2025/26 financial year. Registers have been implemented to track invoices.

In addition to filing payment vouchers in hard copy, payment vouchers are also scanned and filed electronically.

A register for fruitless and wasteful expenditure is being maintained. The incidents relate to interest being incurred due to late payment and are mainly attributable to the cash flow constraints and poor budget management by Directorates.

Payment arrangements are entered between the municipality and key service providers to avoid interest and penalties where working capital not sufficient to service the debt. However other service providers do

charge interest and penalties which results in fruitless and wasteful expenditure. The monitoring and investigation of these instances still requires improvement. This expenditure is reported on a monthly quarterly basis to the Executive Mayor, Auditor General, CoGTA and the Audit Committee. Standard operating procedures have been documented for the Expenditure cycle.

Challenges

- Non-Compliance with Section 65(2)(e) of the MFMA and Circular 49 of MFMA. Both these require 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. This compliance remains challenge as the ADM is still experiencing cash flow constraints, hence invoices cannot always be paid within 30 days of receipt. In addition, delays in payment have been identified because of invoices not being submitted for payment in time. This further increases the risk of invoices being recognised in the incorrect financial year.

3.4.6 REVENUE

The Revenue unit exercises the requirements of revenue management in accordance with Section 64 of the MFMA. The unit bills consumers on a monthly basis, implements the approved Indigent policy and Credit Control and Debt Collection policy and maintains the consumer database.

Systems and Procedures

The billing unit reads meters using I-read to assist with the electronic meter reading. Consumers are billed monthly, in cases where a meter reading is not obtained, an interim reading is used based on the average historic consumption. ADM makes use of alternative means to deliver statements such as sending electronic statements via email, sms and self-service portal whereby consumers need to register first. An amount of R993 million was billed and R235 million collected, an average collection rate of 24% on billed revenue was realised at the end of the 2024/25 financial year, which is below the National Treasury norm of 95%. To facilitate the collection of amounts due, ADM makes use of alternative pay-points/methods and introduced an increased communication tools i.e.

- PAY@ (Ackermans, Boxer, Bradlows, Checkers, Game, Pep, Shoprite, PicknPay, Spar, USave, Russels, Builders, Makro, flash,
- Speed point facility
- Use of dedicated Revenue email address – revenue@amathole.gov.za
- [Sending of meter readings by consumers and other revenue related matters using Whatsapp number 067 453 8030](#)
- Portal link - <http://amathole.cabedocs.com> for consumers to access their monthly invoices

Despite the attempts to improve the convenience of enabling consumers to settle accounts due, ADM continues to struggle to collect debt without leverage as depicted in the tables below:

Table 46: 2023/24 vs 2022/23 Monthly Billing vs collection

BILLING AND COLLECTION: JUNE 2024/25				BILLING AND COLLECTION: JUNE 2023/24			
Month	Billing	Collection	%age	Month	Billing	Collection	%age
July	96 764 905	15 276 483	16%	July	76 314 445	32 716 850	43%
August	89 474 502	17 881 587	20%	August	57 082 232	13 076 277	23%
September	81 783 977	20 014 369	24%	September	67 757 249	17 620 963	26%
October	96 486 539	21 255 744	22%	October	75 846 418	12 644 093	17%
November	93 107 184	10 089 117	11%	November	81 974 826	14 314 321	17%
December	63 380 331	38 063 414	60%	December	69 737 328	7 705 617	11%
January	41 881 369	18 790 105	45%	January	95 011 594	12 552 023	13%
February	85 444 885	14 190 131	17%	February	71 738 030	17 157 634	24%
March	100 131 995	17 481 215	17%	March	77 103 328	10 606 749	14%
April	82 775 010	35 436 303	43%	April	82 175 085	18 985 514	23%
May	74 493 866	15 913 741	21%	May	76 452 016	29 384 837	38%
June	86 930 775	10 376 843	12%	June	14 911 592	20 126 922	135%
TOTAL	992 655 338	234 769 052	24%	TOTAL	846 104 143	206 891 800	24%

In response to the collection trends the Revenue unit has embarked on the following interventions:

- Revenue collection working group comprising of members from Engineering Services, Corporate Services, Communication, Legal services Unit and ICT to address debt collection
- Implementation of disconnections and restrictions.
- Installation and replacement of water meters.
- Installation of smart prepaid meters
- Set offing of debts
- Incentive schemes at certain intervals

ADM has an approved Indigent policy which provides relief of 6kl of water per month free to indigent consumers for a period of 24 months. In the past, the ADM indigent register reflected indigents of just over 5000, this was not indicative of the actual economic situation in the District.

Ongoing indigent registration campaigns, with local municipalities, aim at assisting ADM in ensuring that qualifying indigents within the district who cannot afford to pay for services are registered as indigents for them to gain access to the indigent subsidies. The indigent register has been updated to reflect 40 964 as at 30 June 2025, this number is inclusive of households using stand - pipes. Standard operating procedures have been documented for the Revenue cycle.

Challenges

- Some of SAGE modules are not fully functional e.g. no collection rate report, no indigent reports from the system. Reconciliation between GL and Age analysis, interest, service charges etc still on the User Accepting Testing stage (UAT)
- ADM declared as a drought-stricken municipality, consumers not willing to pay for municipal services that are interrupted nor applying for indigent subsidy

- Meter readers being chased away in some areas within the district (Great Kei; Amahlathi; Raymond Mhlaba, Mnquma and Ngqushwa), leading to increased debt that is not collectable
- High level of billing based on estimates
- State of the economy: level of unemployment very high
- The challenge around the transfer of properties owned by the Local Municipalities but occupied by owners of low-cost houses has still not been resolved.
- Cost recovery remains a challenge. Balancing the sustainability of the ADM service provision and affordability for consumers is critical.
- Monitoring of the consumer so as not to reach 90+ days.
- The number of illegal connection incidents and the enforcement of by-laws such as fines for illegal connections remains a challenge.
- The execution of restrictions and disconnections needs improvement.
- ADM does not have any leverage to coerce consumers to pay such as the cutting of electricity before debt is settled.
- The delivery of statements to consumers is a critical factor in facilitating debt collection as consumers do not pay if no statement is received. The collapse of the postal services in the District is severely retarding the delivery of statements

3.4.7 ACCOUNTING AND REPORTING

The **Accounting and Reporting** function plays a vital role in ensuring financial transparency, compliance, and accountability within the Municipality. Its responsibilities include:

Financial Reporting: Preparation and submission of **monthly, quarterly, and annual** financial reports in line with legislative requirements and internal controls.

Reconciliation and Journal Management: Coordination of all **reconciliation activities** across accounts and cost centres.

Oversight of **journal adjustments** to ensure accuracy and integrity of financial data.

Audit File Maintenance: Compilation and upkeep of the **audit file**, ensuring readiness for internal and external audits.

Annual Financial Statements (AFS): Preparation and submission of the **Annual Financial Statements**, reflecting the municipality's financial position and performance for the year.

This function underpins the credibility of the Municipality's financial operations and supports informed decision-making across all departments.

Systems and Processes

The Municipality maintains a disciplined and transparent approach to cash and banking operations, ensuring compliance with legislative requirements and sound financial practices.

Banking and Cash Controls

- **Monthly Bank Reconciliations:** All bank accounts are reconciled on a monthly basis to ensure accuracy and integrity of financial records.
- **Cash Management:** Unused funds are closely monitored to optimize interest income, contributing to the municipality's revenue base.
- **Standard Operating Procedures:** Documented SOPs govern the entire cash and bank cycle, promoting consistency and accountability in financial operations.

Grant Management: Separate bank accounts are maintained for all grants, ensuring that unspent grant funds are always cash-backed and traceable.

Debt and Financial Position

The municipality currently **does not hold any external loans**, reflecting a conservative debt position and reduced financial risk.

Financial Reporting and System Transition

Annual Financial Statements (AFS) and **Consolidated AFS** are prepared **in-house**, demonstrating internal capacity and commitment to financial transparency. Despite challenges with the financial system, the municipality successfully submitted its financial statements **within the legislated timeframes**. Effective **1 July 2025**, the municipality commenced transacting on the **SAGE financial system**, marking a significant step in modernizing financial operations.

Challenges

- **Inadequate Reconciliations:** Control accounts are not reconciled consistently, and long-outstanding reconciling items remain unresolved.
- **System Migration Impact:** These issues are largely attributed to the transition from the legacy financial system, which disrupted reconciliation processes and data integrity.
- **Delayed Supporting Information:** Timely submission of source documentation is lacking, leading to incomplete AFS, material misstatements, and scope limitations.
- **Year-End Focus Culture:** A reactive approach to reporting—focused heavily on year-end deadlines—undermines continuous financial oversight and preparation.
- **Missed Task Deadlines:** The AFS preparation plan is not adhered to, resulting in undetected accounting errors prior to submission.
- **Low Liquidity Ratio:** ADM's liquidity ratio remains well below the benchmark norm of 2, indicating limited capacity to meet short-term obligations.
- **Persistent Cash Flow Pressure:** The municipality continues to face significant cash flow constraints, affecting its ability to fund operations and maintain financial stability.

The introduction of mSCOA reforms has also brought challenges around the alignment of the data strings and the financial reports. It must be noted that despite the data strings having been submitted, these submissions are performed manually. This is contrary to what National Treasury requires for mSCOA compliance. Due to this non-compliance with the mSCOA requirements, the municipality procured a new financial system, SAGE.

The budget for 2025/26 was prepared on the financial system and the data strings were generated and uploaded directly to the portal. SAGE can perform budget and cash flow budgeting. The municipality is of the view that the implementation of the new financial system will improve reporting and mSCOA compliance.

3.4.8 FINANCIAL AUDIT OUTCOME

The Amathole District Municipality (ADM) has experienced a challenging audit trajectory over the past eight financial years, marked by both setbacks and signs of recovery. The journey reflects the institution's ongoing efforts to strengthen financial governance and improve audit outcomes.

While the path has been difficult, the return to a qualified audit opinion in 2023/24 signals meaningful progress and a renewed commitment to financial discipline. ADM acknowledges the need for continued focus on:

- Strengthening internal controls
- Enhancing asset and commitment management
- Improving audit readiness and documentation

Addressing systemic issues impacting financial reporting

This trajectory underscores the importance of sustained reform, capacity building, and leadership accountability to restore and maintain clean audit outcomes.

Table 47: Audit outcomes over the last 11 years

Year	Audit outcome	Matters of qualification
2019/20	Adverse	Property, Plant and Equipment Revenue and Receivables Payables Leave provision Cash flow statement Unauthorised expenditure
2020/21	Adverse	Property, Plant and Equipment Revenue from non-exchange transactions Payables from exchange transactions Operating costs Inventory consumed Cash flow statement Segment reporting Statement of Budget vs Actual Comparison Commitments Unauthorised expenditure Irregular Expenditure
2021/22	Disclaimer	Property, Plant and Equipment Receivables from exchange transactions Revenue from non-exchange transactions Payables from exchange transactions VAT Operating costs Inventory consumed Cash flow statement Segment reporting Statement of Budget vs Actual Comparison

		Commitments Unauthorised expenditure Irregular Expenditure
2022/23	Disclaimer	Property, Plant and Equipment Receivables from exchange transactions Revenue from non-exchange transactions Payables from exchange transactions VAT Service charges Operating costs Inventory consumed Government grants and subsidies Cash flow statement Segment reporting Statement of Budget vs Actual Comparison Commitments Contingent Assets and Liabilities Water distribution losses Unauthorised expenditure Irregular Expenditure
2023/24	Qualified	Property, Plant and Equipment Receivables from exchange transactions VAT Service charges Operating costs Inventory consumed Cash flow statement Segment reporting Statement of Budget vs Actual Comparison Water distribution losses Unauthorised expenditure Irregular Expenditure
2024/25	Qualified	Property, plant and equipment (Infrastructure), Receivables from exchange transactions, Trade payables (Accruals), Inventory VIP toilets, Service charges, Cash flow statement, Irregular expenditure

It must be noted that the implementation and non-functioning of the financial system has had a direct impact on the audit outcome. To improve on the 2024/25 outcome and address the audit findings, ADM implemented the OPCAR template to manage the audit action plan and resolution of the audit findings. 38 findings were raised that affect the audit report.

3.4.9 SUPPLY CHAIN MANAGEMENT

ADM's SCM Unit has been established and operates under the direct supervision of the Chief Financial Officer. The SCM Unit manages the supply and acquisition of various goods and services to or on behalf of the Municipality. These include tenders for construction works, general and professional services.

Systems and Processes

The SCM Unit strives to ensure that the Municipality's supply chain is sound, sustainable and accountable. The Municipality promotes local economic development and encourages the formation of small businesses and joint venture partnerships. The Municipality's SCM Policy makes provision for the allocation of projects

to designated groups, in particular, black women, black youth, people with disabilities and military veterans. In line with the Constitution, Municipal Supply Chain Regulations and the Preferential Procurement Regulations, 2022, ADM's procurement system aims to be fair, equitable, transparent, competitive and cost effective. During the 2024/2025 financial year a total of 54 contracts were awarded. The following table reflects the various procurement methods as well as the number of projects:

Table 48: Procurement Method

PROCUREMENT METHOD	NO.
Formal written price quotation (RFQ) (R30 000 - R200 000)	49
Competitive Bidding (Above R200 000)	15
Panel (Competitive Bid)	6
Panel	244
Deviation (Single Provider/Multiple Provider/Sole Provider)	11
Section 32	-
TOTAL	325

During the 2024/2025 financial year the summary of the tenders awarded to youth, women owned, disabled and military veterans are thus as follows:

Quarter (2024/2025)	% Youth	% Women Owned	% Disabled	% Military Veterans
1	2,26%	3,99%	0,005%	0,00%
2	22,39%	37,39%	0,03%	0,00%
3	25,37%	36,56%	3,98%	0,00%
4	12,81%	46,47%	0,31%	0,00%
Annual	15,71%	31,1%	1,08%	0,00%

The average turn-around time on awarding of tenders for the 2024/2025 financial year is 103,59 days

QUARTER	NO. OF DAYS
1	86,75
2	83,72
3	125,00
4	118,89
ANNUAL AVERAGE	103,59

ADM monitors the performance of contractors monthly. The performance of service providers for the 2024/2025 financial year is as follows:

Month (2024/2025)	% POOR	% NEEDS TO IMPROVE	% ACCEPTABLE	% EXCELLENT
July	8,00%	0,00%	72,00%	20,00%
August	3,77%	0,00%	88,68%	7,55%
September	7,41%	1,85%	87,04%	3,70%
October	3,33%	0,00%	83,33%	13,33%
November	5,88%	8,83%	85,29%	0,00%
December	2,86%	2,86%	82,85%	11,43%
January	1,08%	4,08%	68,31%	26,53%
February	0,00%	0,00%	78,85%	21,15%
March	0,00%	2,00%	76,00%	22,00%
April	8,51%	27,66%	53,19%	10,64%
May	8,51%	27,66%	53,19%	10,64%
June	0,00%	3,77%	88,68%	7,55%

Standard operating procedures have been developed, approved and implemented.

Unauthorised, Irregular and Fruitless and Wasteful Expenditure (UIF&W)

The UIF&W expenditure is detected and reported on a monthly and quarterly basis through Section 71 and 52(d) of the MFMA. This is investigated and where there is negligence the amount is recovered and written off if its due to cash flow constraints of the municipality.

Table 49: Unauthorised, Irregular and Fruitless and Wasteful Expenditure

	2024/25 R	2023/24 R	2022/23 R	2021/22 R	2020/21 R
Unauthorised expenditure	397 404 289	329 294 350	33 212 401	0	51 269 403
Fruitless and wasteful	23 824 964	22 916 385	21 699 425	17 937 325	20 919 226
Irregular expenditure	661 331 098,74	817 186 573	252 974 587	49 354 846	34 133 353

The following steps have been taken to prevent the recurrence of this non-compliance:

- The Supply Chain Management Policy has been reviewed.
- Development and implementation of standard operating procedures
- Development of a Strategy for the Reduction of UIF & W Expenditure as well as an Action Plan for each category of UIF & W Expenditure
- Entering into payment arrangements

Challenges

- Deviations have increased.
- Irregular expenditure has increased.
- The turn-around time on awarding of tenders needs to improve.
- Poorly crafted terms of reference.
- Lack of planning.
- 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.
- Emergency procurement turnaround
- Increase in litigation on awarded contracts.

3.4.10 ASSET MANAGEMENT

The Asset unit manages and safeguards Council's assets in accordance with Section 63 of the MFMA. 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.

Systems and Processes

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 ADM asset base is comprised of tangible and intangible assets as defined by GRAP. The following is the breakdown of Amathole District Municipality asset base:

Table 50: ADM Asset base breakdown

Row Labels	Sum of Carrying Value (2023/24) R
Land	6 965 092
Solid waste	9 021 736
Operational Buildings	7 108 727
Sanitation	285 606 391
Water Supply	4 886 186 748
Community	762 727
Computer Equipment	12 196 252
Furniture and fittings	1 723 010
Machinery and equipment	3 452 986
Transport assets	115 896 646
Grand Total	5 257 857 333

Challenges

- Incompleteness of the asset register affects the reporting of ADM assets.
- Lack of asset management functionality in SAP is a challenge in managing assets as most reports are performed manually are exposed to human error.
- Fixed asset register maintained in EXCEL
- Weak communication between the asset management stakeholders.
- Dilapidated infrastructure assets leading to service delivery interruption and high level of repairs and maintenance expenditure.

Key Focus Areas and Challenges

Despite the numerous challenges, in particular around the financial system, that the Budget and Treasury Office (BTO) faces, the department has continued to work tirelessly at achieving its objectives and to ensure sound financial management. In view of this BTO has recognised the following achievements:

- Preparation of an annual budget for the 2025/26 financial year
- Adjustment, Draft, Final Budgets and Section 72 Reports all submitted within legislative time frames
- Submission of data strings for the Original Budget and Tabled Budget
- Submission of Schedule C monthly data-strings
- VAT returns submitted timeously each month
- In-house preparation and submission of both the separate and consolidated annual financial statements within the legislated timeframes
- Despite the cash flow challenges, an average of 73% of all invoices were paid within 30 days of receipt
- Additional 40 964 consumers receiving free basic services were registered

- Awarded 325 tenders during 2024/25
- Focus on the empowerment of women in business, 31.1% of the contracts were awarded to women owned businesses

Recommendations

- Support Engineering Department in developing detailed Maintenance Management plans including the funding required.
- Implement the utilization of ADM owned land and property strategy.
- Political intervention and support on matters of indigent registration, restrictions, meter reading and illegal connections.
- Revenue Enhancement through outsourcing of restrictions on a commission basis, implementation of prepaid meters and smart meters, and registration of peace officers to implement by-laws and ABC budgeting.
- Review of rental agreements to ensure escalation is in place and that instalments are not inflated.
- Review of contractual commitments to reduce operating expenditure costs such as security, rental and leasing.
- Implement the Budget Funding Plan to assist in addressing the issue of the unfunded budget.
- Solicit intervention for no go areas.

3.4.11 STRATEGIES

Revenue Enhancement Strategy

The strategy is being undertaken by ADM so that it can among other things:

- Stabilize the financial and economic sustainability of ADM in order to broaden the income base and increase revenue.
- Reduce proportionally high costs, to affordable levels.
- Create an environment which enhances development, growth and service delivery.

Key Focus Areas

ADM has identified the following as the key focus areas for revenue enhancement strategy:

The Billing Chain-This is of paramount importance for the reason that ADM's core function is to offer services and its main service is water and sanitation. Water and Sanitation therefore are the key and main revenue sources. All other sources such as those suggested in this strategy still remain secondary. ADM's revenue challenge is emanating mostly from the billing chain problems. Any improvement in the collection levels will increase revenue for ADM.

Infrastructure Refurbishment- Unaccounted for water and water losses will continue to bedevil the revenue enhancement effort. This is due to historical neglect of infrastructure and to continue on the same path may appear cheap in the short term but will prove to be very costly in the long run. The strategy gives a deserved focus on this aspect.

Cost cutting and cost containment measures-Exploring ways of reducing and containing operational costs is also important. While this not directly revenue enhancing, this contributes indirectly to revenue

enhancement as this promotes operational efficiency. In a way this ensures that future revenue gains are utilized efficiently. Where possible we have suggested ways to achieve this.

Supply Chain Management Strategy

To ensure that the SCM Strategy is aligned with the IDP. The Amathole District Municipality (ADM) has a Supply Chain Management (SCM) Policy that endeavours to be a fair, transparent, equitable, competitive and cost-effective procurement process in keeping with the prescripts of applicable legislation. It is also a targeted procurement process aimed at encouraging socio-economic transformation within the region. This SCM Policy is driven by the ADM's Supply Chain Management Strategy which is described herein.

The SCM Strategy was developed through a public participation process involving many of the ADM's existing and potential suppliers and service providers.

The SCM Strategy is aligned to the contents and spirit of the IDP, as well as endeavouring to be aligned with the other relevant Municipal strategies (e.g. SMME Development Strategy; Co-operative Development Strategy etc.). In addition, it is designed to be consistent with applicable legislation.

Purpose

- The purpose of the SCM Strategic Plan is to provide a framework, including implementation timeframes, to address and enhance the functionality and effectiveness of the SCM processes within the Municipality, while at the same time focussing on Job Creation, bidder development and performance management.
- To ensure that the SCM Strategy aligns with other applicable ADM strategies (e.g. SMME Development, Co-Operative Development, etc.).

Applicability

The SCM Strategy applies to the entire ambit of supply chain management within the ADM, including demand management; acquisition management; logistics management and disposal management.

Strategy:

- Review and update the SCM Strategy timeously so as to ensure alignment with the IDP.
- Identify the ADM strategies affecting SCM, including but not limited to:
 - SMME Development Strategy
 - Co-operative Development Strategy
 - Economic Development Strategy
 - Industrial Development Strategy
- Review existing Municipal strategy documents and endeavour to align same with the SCM Strategy.
- Engage with the drafters of strategy documents to promote the alignment of strategies.

3.5 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

DDM: Economic Positioning
Demographic Change and People Development
Governance and Finance Management
B2B: Good Governance & Public Participation
MTAS PILLAR: Good Governance

3.5.1 INTRODUCTION

The responsibility of the Amathole District Municipality as provided in the Municipal Systems Act as amended is to develop and facilitate a district wide integrated plan. The integrated planning will respond to the emerging community needs and district challenges per area within the Local Municipalities. The main problematic areas include economic growth, rural finance, social development, environmental quality, and governance. Many rural regions also struggle with high sectoral unemployment and lack of financial resources for the development of necessary infrastructure and for tackling social and environmental difficulties.

ADM Vision 2030 as adopted by council in June 2024, was developed with an expressed purpose of tackling triple challenges i.e. inequality, poverty and unemployment as per the Nation Development Plan. In the process of developing ADM v2030, partnerships were forged with relevant National and Provincial Government Departments (ECSECC Included), Social partners which includes Business, Labour, Industry, CBO, NGO'S etc. The aim is the localisation of the International, the Regional, National and the Provincial into One Plan.

Amathole District Municipality has embarked on a collective effort to accelerate development in our geographic space through developing a long-term plan. Guided by the international, national and provincial developmental imperatives, it was necessary to follow suite by developing Amathole District Municipality Vision 2030 (ADM Vision 2030. The vision is the long-term development blueprint of the district which is motivated by a collective aspiration for a better society. Its is designed to create competitive and prosperous district with high quality of life. The vision also aspires to meet Sustainable Development Goals(SDGs) and through vertical and horizontal alignment with both National Development and Provincial development Plans

Local Government is expected to play its developmental role through proper repositioning and re-organising in order to tackle the current triple challenges of inequality, unemployment and Poverty. An essential task of a developmental state in South Africa is rectifying the triple challenges in the provision of social and economic infrastructure. This is because infrastructure has been unequal between racial categories and very fragmented. Equally important and in parallel with infrastructure, we need to promote productive work in the underdeveloped areas, rural and urban directly and with the necessary state resources in what is economically called the "Second Economy". What is abundantly clear is that the inherited triple challenges will not be overcome without major intervention by the developmental state especially public investments which will crowd in private investment.

To fulfil ADM constitutionally determined developmental imperatives, it is critical that ADM keeps up breast of the global, continental and national developmental trajectory. The Planning paradigm has shifted from short and medium term to long term in a manner that has been hugely influenced by the global developmental discourse. As ADM seek to overcome the socio-economic and socio-political challenges facing our communities, it is critical to project our minds into the prosperous future where we take a giant leap from poverty to broadly shared prosperity and equity.

Long term planning is defined as a Strategic exercise aimed at formulating a long term vision to meet the future needs by extrapolation of present needs. In the context of National Development Plan, and Provincial Development Plan, the role of local government in the implementation of the plan is clearly defined. The ultimate responsibility for realising the vision of developmental local government rest with municipalities themselves.

It is therefore important that priorities contained in our vision 2030 inform the Developmental plans we need to focus on ensuring that we make optimal use of limited resources, developing and sustaining skills are an epicentre of accelerating the delivery of services to all citizens. Meaningful participation and continuous engagement of citizen cannot be underestimated. As depicted in the white paper on local government developmental, “local government committed to working with citizens and group within the community to find sustainable ways to meet their social economic and material needs and improve their lives”. It is intended to have a major impact on the daily lives of all South Africans, particularly in our District and Local municipality. It is against this background that we present ADM Vision 2030 as a special purpose vehicle to realise our Developmental ideas.

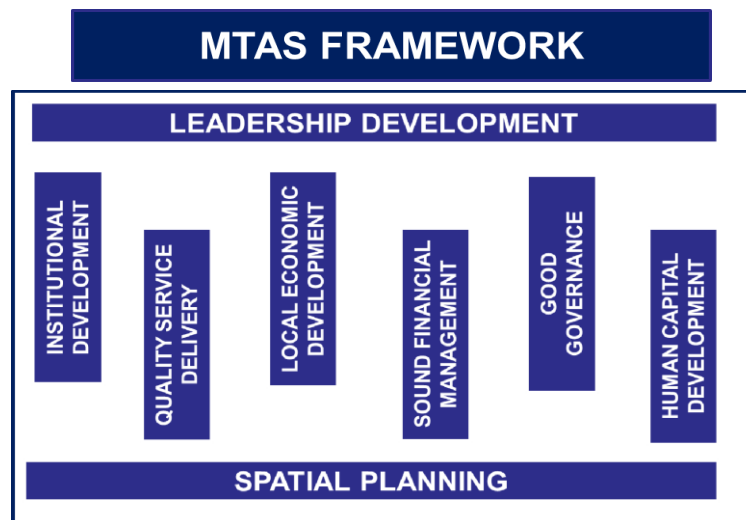
ADM is currently building capacity for its technocrats inclusive of all senior officials in the local municipalities in its jurisdiction. This is done in collaboration with the National and Provincial COGTA, Treasury and OTP with its implementing agency ECCSEC. The district has chosen to utilise the existing structures of Intergovernmental Relations for the planning, coordination, reporting and monitoring of the implementation of the DDM. The latter’s workstreams have been established and its Conveners identified and placed. All the District Directors working with the Municipal Managers of the local municipalities and directors of the departments will form part of the convening teams.

The adopted Vision 2030 however has some challenges in terms of its alignment to the District’s IDP. This is something that the organisation is attending to and plans to address with high priority. Another area of concern is the issue of unfunded catalytic projects. In the next round of the quality assurance of the One Plan the district is to have made some considerations on these projects. This will also be made possible by the window to be created by the reviews of the One Plans that is about to take place in the immediate future informed by the review of the National Development Plan.

3.5.2 MUNICIPAL TURNAROUND STRATEGY

Amathole District Municipality has also been implementing its Municipal Turnaround Strategy (MTAS) with the theme that says “inculcating a culture of excellence and building a value-based organisation”. The framework stands with 6 pillars being Institutional development, Quality Service delivery, Local Economic Development, Sound Management, Good Governance and Human Development. Below is the graphical presentation of MTAS.

FIGURE 43 MTAS FRAMEWORK



The Directorate of Strategic Planning and Management has been coordinating the interventions and partnerships in the realisation of the objectives of the Municipal Turnaround Strategy. ADM to embark on a new path characterized by a broader vision of **fulfilling its mandate** to communities. Endorsement of the concept of **Heavy Lifting** whose fundamental principle is on ensuring an all-inclusive internal and external approach in how the municipality conducts its business thus delivering on its mandate.

In addition, the Office of the Municipal Manager has been focusing mobilisation of the support in implementation of MTAS and strengthening the oversight capabilities of ADM Council and its Committees In **addition, the** pillars which were a focus for the Directorate has been:

- Leadership Development
- Good Governance
- Institutional Development

3.5.3 DIRECTORATE OVERVIEW

The Directorate focuses on the following:

- Create an enabling environment and support to all ADM directorates to operate.
- Administer reliable and effective financial management system for smooth operations ADM.

- Improve internal controls and governance towards clean audit. Migrate ADM from rescue to stabilisation phase and ultimately out of the Mandatory Financial Recover Plan Devise mechanisms to improve performance of ADM and delivery clean audit on Performance Management System.
- Improve functionality of Satellite Offices by ensuring that they are fully resourced to deliver on the mandate.
- Delivery pro-active communication and prepare communities on service delivery interruptions
- Enhance public participation to mitigate vandalisim and capacitate communities to understand their roles to protect ADM assets.

In improving operations, the Office of the Municipal Manager is made up of the following units:

- Legal Services
- Internal Audit and Risk Management

It is worth noting that the Unit Heads report directly to the Municipal Manager but administratively report to the Executive Director of Strategic Planning and Governance.

FIGURE 44: DIRECTORATE OVERVIEW OF THE OFFICE OF THE MUNICIPAL MANAGER

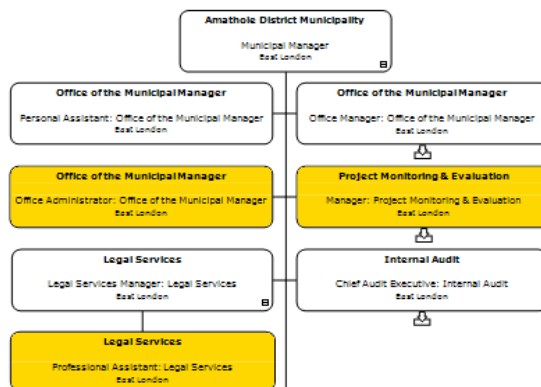


Table 51: DIRACTORATE FUNCTIONS OF THE OFFICE OF THE MUNICIPAL MANAGER

Name of Unit	LEGAL SERVICES	INTERNAL AUDIT & RISK MANAGEMENT
Unit Function	<ul style="list-style-type: none"> • Provide guidance to Council to ensure legal compliance with all applicable legislations. Further is to work with departments to ensure clean and accountable governance. • Ensure lessening of the legal risks of the institution, by ensuring such, a fraud and risk register has been developed to manage fraud and corruption in the institution 	<ul style="list-style-type: none"> • To advise the accounting officer and report to the audit committee on the implementation of the internal audit plan. • develop, communicate, coordinate and monitor the enterprise risk management activities within the municipality.

The Directorate of Strategic Planning and Governance is headed by an Executive Director. The purpose of the Directorate is to provide guidance and leadership in institutional strategic planning and institutional operational management with the following units:

- Office of the Director
- Planning & Performance Management
- Communications and Corporate Branding
- Information and Communication Technology
- Stakeholder Relations
- Legislative and Executive Support Services
- Research Unit

FIGURE 45: DIRECTORATE OVERVIEW OF STRATEGIC PLANNING AND GOVERNANCE

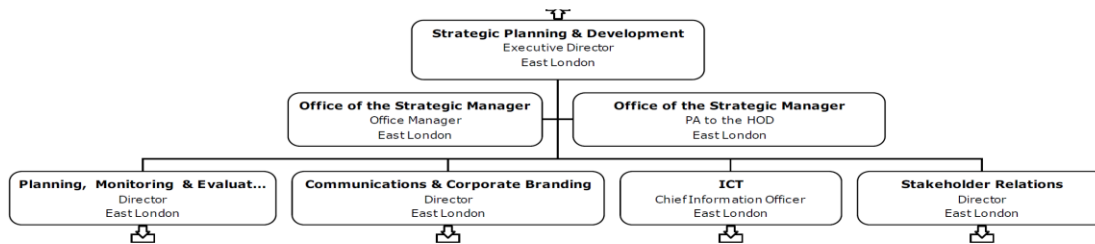


Table 52 DIRACTORATE FUNCTIONS OF THE STRATEGIC PLANNING AND GOVERNANCE

Name of Unit	PLANNING AND PERFORMANCE MANAGEMENT	COMMUNICATIONS AND CUSTOMER CARE	LEGISLATIVE AND EXECUTIVE SUPPORT SERVICES
Function Unit	Development, coordination and facilitation of integrated, sustainable, social and economic development within its area of jurisdiction including performance monitoring and evaluation	Ensuring provision of coordinated, integrated and streamlined information to the communities and stakeholders of Amathole in a timely, accurate and accessible manner.	To provide strategic and administrative support to Political Offices and ADM Council including its structures by creating an enabling environment to interface with communities
Name of Unit	INFORMATION COMMUNICATIONS AND TECHNOLOGY	STAKE HOLDER RELATIONS	SATELLITE OFFICE
Function Unit	Provision of ICT enabling support towards improving institutional efficiency and effectiveness	Coordination and Integration of Intergovernmental Relations, International Relations and Stakeholder Relations for Amathole District.	In bringing services closer to its communities, ADM decentralized service delivery to its Satellite Offices as part of its Service Delivery Model. The model has been implemented since 2018 however the Unit continues to strive to improve the service it renders. Key to the success of the model is full cooperation by all departments and management of municipal resources at that level.

3.1.1 SATELLITE OFFICES

In bringing services closer to its communities, ADM decentralized service delivery to its Satellite Offices as part of its Service Delivery Model. The model has been implemented since 2018 however the Unit continues to strive to improve the service it renders. Key to the success of the model is full cooperation by all departments and management of municipal resources at that level.

3.5.3.1 Diagnostic Analysis on ineffective functionality of Satellite Offices

In addressing the challenges faced by the Satellite Offices, the following factors were unpacked in diagnosis the root cause of the challenges faced in the effective functioning of the satellite offices:

Challenges affecting service delivery

There are challenges that the satellite offices are facing that hinder them from providing the necessary service delivery to its communities. The satellite managers schedule meetings monthly to find remedial action to navigate these challenges that hinder the satellites from delivering services. These challenges include vehicle breakdowns, water supply issues, staffing shortages, delayed procurement, and connectivity problems. These are some of the challenges that contribute to the hindering of service delivery in Satellite offices.

- **Vehicle and Equipment Shortages:**

There are frequent vehicle breakdowns due to aging fleets and the delay in repairs whereby it takes a long time for institutional vehicles to be repaired. There is also a delay in the procurement of repair parts for equipment or vehicles which hinders the satellite offices in operating effectively resulting in services not being delivered.

- **Water Supply and Amatola Water Issues:**

There are concerns about the inadequate water supply, this is mainly caused by some unresolved issues and disputes with Amatola Water which has an impact on communities. Another hindering challenge with the water supply is that the service level agreements are not being fulfilled, which as a result the rural areas that are being serviced by Amatola Water end up being often deprioritized.

- **Staffing and HR related Delays:**

There are delays in staff placements, unresolved HR issues and disputes whereby some of the employees are dissatisfied with the process of the placements, issues with vacancies due to natural attrition, the request of expedited processes to address staff shortages and ensuring of adequate service delivery in satellites.

Procurement and Supply Chain Bottlenecks:

There are challenges with delayed and slow procurement processes for equipment and for minor fittings, and retrofitting. These challenges with procurement from supply chain result in satellite offices not being able to function effectively and hinder service delivery.

- **Connectivity and IT Support:**

Satellite offices have been reporting the weak connectivity that has been affecting the functionality of productivity in these satellites. Weak connectivity result in work and simple tasks not being done timeously in the offices, meaning there is a decrease in productivity which hinders service delivery to communities.

- **Other challenges faced by Satellite Offices:**

- Slow response to water leakages.
- Low revenue collection.
- Indigent registration.
- Infrastructure vandalism.
- Breakdown of borehole drilling, water supply pumps/stations and reservoirs.
- No councillor deployment visibility for interventions.
- No reliable fire engines and unavailability of well-equipped Fire Stations.
- Poor working conditions of buildings for staff based on treatment works and fire stations as most of these do not have electricity, proper lighting, windows, doors, heaters/ air conditioning and network connectivity.
- Illegal connections and Eskom cable theft.
- Dilapidated infrastructure in some of the Satellite offices.
- Sewer spillage in some of Satellite LMs.
- Overgrowth of vegetation in Water pumps, dams, reservoirs and other infrastructures in the Satellites.
- New working equipment is needed for meter readers
- The issue of No-Go areas has not yet been resolved
- Inadequate information regarding projects that are implemented within the satellites.

Maintenance is not readily available for breakdowns and rundown infrastructures. The problem of not being able to remotely monitor reservoirs creates cause for unnecessary overtime.

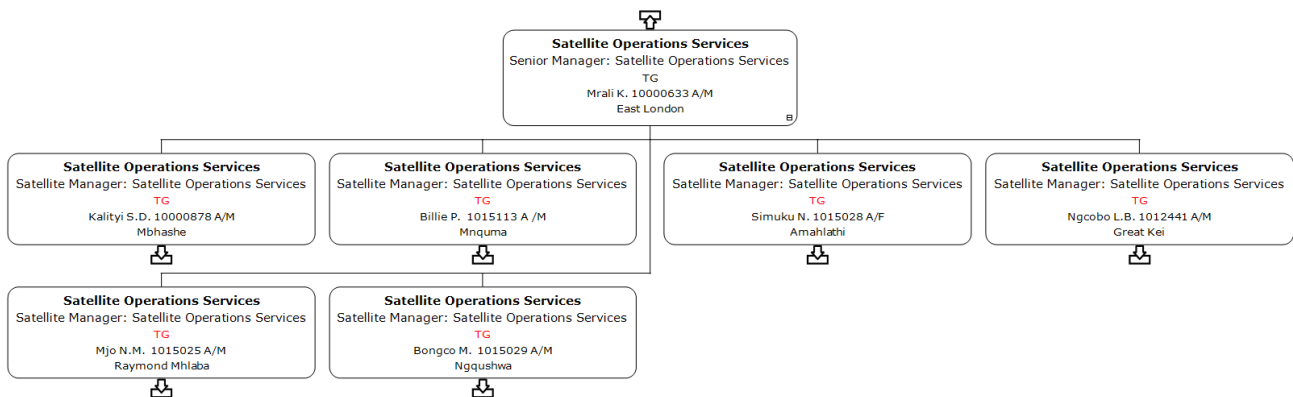
Structures

- The staff establishment approved by Council in 2018 was not fully addressing the coordinating of satellite office functionality in line with ADM's core business.
- Working with Corporate Services there is a process to approve the revised institutional structure, to address the staff misplacement and deficiencies.
- The Executive Mayor has assigned members of the Mayoral Committee in the Satellite Offices for political oversight.

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Human Capital

- Shortage of skilled technical staff, such as chemical engineers, electromechanical engineers, Environmental Health Practitioners and Artisans.

Remedial Action / Solutional Action

Staffing and HR related delays:

- Prioritize critical vacancies.
- Finalization of the placement processes and the urgent implementation of the adopted staff establishment.
- Implementation of approved organogram and the Satellite Services Model for efficient utilization of personnel.

Vehicle and Equipment Shortages:

- To overcome the vehicle breakdown challenges there should be procurement of new vehicles and leasing of vehicles to be sped up.
- The implementation of the Essential User Scheme Policy has eased the pressure to a certain extent.
- Keeping track of usage of vehicles.
- The disposal of the obsolete fleet and the procurement of new affordable fleet.
- There should be a shortening on turn-around time of vehicles on repair and a follow-up on needs to be made on time on all vehicles in repairs.

Water Supply and Amatola Water Issues:

- The issue of water supply there needs to be an increase in water pressure to high lying areas.
- Constant breakdowns of water tankers can be mediated through the process of sending water tankers for service and repairs to their original dealers, those that are below 100 000 Kilometers.
- Paying service providers on time.

Staffing and HR related delays:

- Prioritize critical vacancies.
- Finalization of the placement processes and the urgent implementation of the adopted staff establishment.
- Implementation of approved organogram and the Satellite Services Model for efficient utilization of personnel.

Procurement and Supply Chain Bottlenecks:

- Maintain a constant availability of fittings to repair as a short-term intervention.
- Medium-term intervention in the overhauling of major areas during repairs.
- There should be a long-term plan for refurbishment of infrastructure.
- An establishment of stores at satellite level should be considered (decentralized)
- Procurement of Uninterrupted Power Supply systems for backup at the water treatment plants, this will help negate the unreliability of power supply due to vandalism and theft of Eskom electricity infrastructure.

Connectivity and IT Support:

- Reconnection of network for systems to work and the issuing of 3G cards to in-need employees.
- Deployment of technicians.
- Wi-Fi access points.
- Provision of routers for connectivity and telephone lines

3.5.3.2 Strategies Implemented as a move towards improving Satellite Office Functionality

The following strategies have been implemented in the last term as a move towards improving the efficient and effectiveness of the Satellite Offices:

- Improvement of quality service delivery in uniform Standard operating Procedures (SOPs) and Business Processes for all Satellite Offices.
- Delegations to Senior Managers in the Satellite Office to improve management and operations.
- Review of Organisational Structure to respond to ADM Core Mandate and the Centralisation of Satellite Office Leadership, management and functionality through the Regional Office Model.
- Deployment of the Members of the Mayoral Committee in overseeing service delivery of the Satellite Offices and political oversight in improving Communication, Public Participation and Outreach
- Stakeholder Engagement and Management through Water and Sanitation Forums and Local IGR Forums
- Human Resource Development for developing long-term technical and behavioural competencies described in the Workplace Skills Plan (WSP) in line with powers and function.

- Monthly and Quarterly Reports on Performance and Functionality of Satellite Offices to Council Structures
- Improvement of quality service delivery in uniform Standard operating Procedures (SOPs) and Business Processes for all Satellite Offices.
- The response time on complaints made by the citizens of ADM has improved change, the residents get to know what the issues are and what plans are put in place to address the matter at hand.
- However, there is an important request that needs to be communicated to each Directorate informing them, on co-operation matters by staff at satellite offices to the Senior Managers at satellite offices when performing the day-to-day duties and reporting.

3.5.3.3 Strategies still to be implemented in improving Satellite Office Functionality.

Over and above the strategies implemented above in improving the effectiveness of Satellite Office, the following strategies have been identified for implementation:

- Improvement of quality service delivery in uniform Standard operating Procedures (SOPs) and Business Processes for all Satellite Offices.
- Delegations to Senior Managers in the Satellite Office to improve management and operations.
- Review of Organisational Structure to respond to ADM Core Mandate and the Centralisation of Satellite Office Leadership, management and functionality through the Regional Office Model.
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- However, there is an important request that needs to be communicated to each Directorate informing them, on co-operation matters by staff at satellite offices to the Senior Managers at satellite offices when performing the day-to-day duties and reporting.

3.5.4 INTEGRATED DEVELOPMENT PLANNING

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. Furthermore, Section 34 of the Local Government: Municipal Systems Act, No. 32 of 2000 prescribes that municipalities review their

Integrated Development Plans annually, in accordance with an assessment of performance measurements, and to the extent that changing circumstances so demand. This therefore provides an opportunity for Council, together with its Administration and the community, to take stock of progress made, identify areas of improvement and reprioritise resources in line with the changing needs.

To support and enhance planning in the district, the Standing Committees resemble the 5 Key Performance Areas of Local Government. This enables issues of planning to find space for discussion in Council committees. For ADM to have an integrated development plan, it is very crucial that all spheres of government plan together to arrive at an integrated development plan that reflects district-wide planning. Thus, a District Wide Planning and Economic Forum was established to ensure horizontal and vertical alignment of plans and processes throughout the District. Other institutional arrangements such as the IDP/Budget and PMS Steering Committee and the Representative Forum meeting provide a different platform of stakeholder engagement so as to achieve the same goal. The coordination of these arrangements is articulated on the IDP/Budget and PMS Process Plan in line with Municipal Systems Act, No.32 of 2000.

3.5.5 DISTRICT DEVELOPMENT MODEL

The District Development Model offers ADM an opportunity to realise its vision by ensuring joint and collaborative planning. The DDM stipulates the following objectives:

- Coordinate a government to challenges of poverty, unemployment and inequality particularly amongst women, youth and people living with disabilities.
- Ensure inclusivity by gender budgeting based on the needs and aspirations of our people and communities at a local level. Narrow the distance between people and government by strengthening the coordination role and capabilities at the District and City levels.
- Foster a practical intergovernmental relations mechanism to plan, budget and implement jointly in order to provide a coherent government for the people in the Republic; (solve silo's, duplication and fragmentation) maximise impact and align plans and resources at our disposal through the development of "One District, One Plan and One Budget"
- Build government capacity to support municipalities. Strength monitoring and evaluation at district and local levels. Implement a balanced approach towards development between urban and rural areas.
- Exercise oversight over budgets and projects in an accountable and transparent manner.

The **One Plan** outlines the objectives, outputs, roles and responsibilities and commitments which have already been made by the various spheres of government and outlines the focus areas which require immediate intervention by all spheres of government in Amathole District

Amongst other strategic decisions is to strengthen integration, coordination, monitoring and evaluation of government programs and projects together with the other sphere of government, ADM has reconfigured its IGR structures through the following institutional arrangements to support the Monitoring and Evaluation of **Amathole District One Plan: Building a Smart District:**

- **Political Oversight:** Speakers Forum and District Mayors Forum
- **Technical:** Municipal Managers Forum and District-Wide Director Forum.

3.5.5.1 Capacity Building Initiatives

The Provincial IDP assessments afford the District an opportunity to play its monitoring and support role to municipalities as stipulated by the Constitution. In addition, the assessments provide an indication of the ability and readiness of municipalities to deliver on their legislative and constitutional mandates.

ADM provides technical support to all ADM Local Municipalities in the review of the IDPs and ensuring that all municipalities falling within the District comply with relevant legislation. As a result, the comments from the MEC in the previous years, show that municipalities in the District have been improving with no regression.

Amathole District Municipality's long-term Plan being Vision 2058 Strategy identifies various key outcomes, and a number of related outputs, that intend to realise the long-term vision. The five-year turnaround strategy then translates these desired outcomes into medium-term programmes for implementation. It is therefore the focus of this IDP review to prioritize linking all these strategies together and serve as a vehicle for implementation of their short to medium term priorities.

3.5.6 STAKEHOLDER RELATIONS

The Stakeholder Relations Unit was established in 2018 staff establishment plan wherein the following objectives were set:

- To create platforms for stakeholder engagement, consultations and management
- To be an information hub for all ADM stakeholder related activities.
- To create platforms for information sharing and exchange with all relevant stakeholders internal and external of the ADM.
- To report on the monitoring of the implementation of projects implemented within the jurisdiction of ADM.
- To represent ADM in some provincial platforms on the mandate of the Director: Strategic Planning and Planning
- To facilitate and co-ordinate Travel arrangements for ADM Executives and officials

3.5.6.1 Intergovernmental Relations

The Constitution of the Republic of South Africa, Chapter 3, and section 41 requires an Act of Parliament to establish and provide for structures and the institutions to promote and facilitate intergovernmental relations. Also in terms of Intergovernmental Relations Framework Act, 2005, section, the objective is to provide within the principles of cooperative government set out in chapter 3 of the constitution a framework

for the national government, provincial government and local government and all organs of state to facilitate coordination in the implementation of policy and legislation.

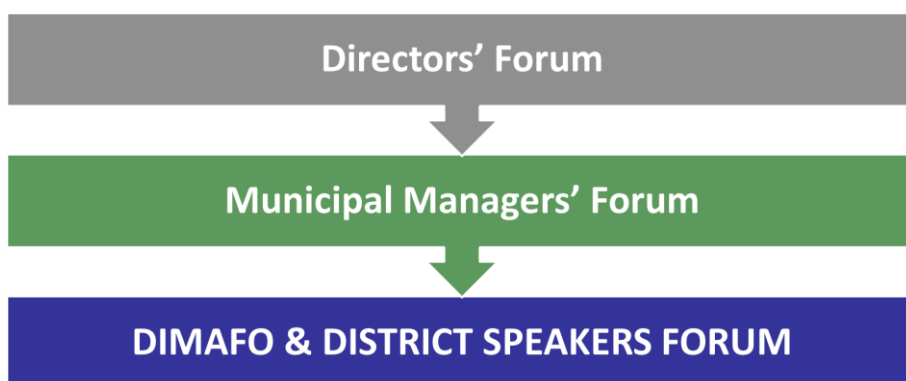
These structures are meant to facilitate corporate government through communication, consultation and joint decision making. It is the role of the district forum to serve as a consultative forum for the district, the local municipalities, sector departments and other key stakeholders in the area of its jurisdiction on matters of mutual interest. Through implementation of intergovernmental relations, ADM is bound to achieve the following objectives of the Act:

- Coherent Government,
- Effective Provision of Services,
- Monitoring and Implementation of Policies and Legislation, and
- Realisation of National Priorities

3.5.6.2 Structural Arrangement

During the 2017-2021 term of local government, Amathole District Municipality reconfigured its Intergovernmental Relations (IGR) Structures and Municipal Support in order to have streamlined and focused hands-on and meaningful impact in coordination and integration of the various stakeholders in achieving the local government agenda. In doing such, the following structures were established:

FIGURE 47: OVERVIEW OF IGR STRUCTURES



District Wide Director's Forums

In the old approach, the District Technical IGR Forum was preceded by the IGR Core team meeting, a forum constituted by the ADM IGR unit, one senior manager from each ADM directorate, IGR officers from the ADM local municipalities, COGTA, OTP and Treasury. In the current approach, District Wide Director's forums take the place of the District IGR Core Team. The Directors Forums are convened and chaired by the ADM directors. The forums are constituted by directors from the sector departments. It is in these forum that a cross pollination of ideas takes place about integrated planning and service delivery. The district wide forums decided what should go to the Municipal Managers Forum.

Below is the ongoing discussion which are still be dealt with in the District Wide Directors Forum as standing items and matters of strategic importance.

Table 53 the District Wide Directors Forum as standing items and matters of strategic importance

NAME OF FORUM	STRATEGIC IMPORTANCE	MATTERS OF STRATEGIC IMPORTANCE
Community Services Forum	<ul style="list-style-type: none"> Functionality of District Command Centre and District Command Council Local JOCs 	<ul style="list-style-type: none"> Business Licenses Greenest Municipality Competition
Finance Forum	Mutual debt owed, payment arrangements and set-offs between ADM and LMs	<ul style="list-style-type: none"> Debt management and credit control challenges State of readiness for the MFMA audit Lockdown impact on credit control activities
Infrastructure Forum	<ul style="list-style-type: none"> Status of current drought conditions Water Conservation and Demand Management 	<ul style="list-style-type: none"> Support LM on development of TORs for Storm Water Plans Expenditure and Performance on MIG, RBIG, WSIG and roll over application EPWP and Roads Bulk Infrastructure for Human Settlement Projects
Corporate Services Forum	<ul style="list-style-type: none"> Functionality of District Job Evaluation Forum percentage of the Salary bill versus Operational Budget 	<ul style="list-style-type: none"> Update on the Covid-19 cases and related response Reviewal of HR related Policies Functionality of the Local Labour Forum Active Labour Relations Cases
Planning and Development Forum	<ul style="list-style-type: none"> District Development Model Transfer Deeds for RDP Beneficiaries Economic Growth and Development initiatives Progress on Section 139 and Section 154 Interventions in the District 	<ul style="list-style-type: none"> District Wide IDP Review Process Plan and Implementation Implementation of Circular 88 from National Treasury on Outcome-Based-Indicator

Municipal Manager's Forum

The Municipal Manager's Forum continues to sit each quarter with all Local Municipal Managers, Heads of Sector Departments based within the district as well as government institution. It is preceded by District Directors Wide Forums which process reports and make recommendations to the MM's Forum. There are clear Terms of Reference which are a guiding and a binding document that were approved and signed by all Municipal Managers within the district. This Forum serves as a Technical IGR Forum which prepares, process reports and make recommendations to the District Mayors Forum (DIMAFO). Other reports are then escalated to the Provincial and National IGR Forums for support and by in. Feedbacks and progress are then provided on each MM's Forum in the form of Action Issues which are developed out of resolutions of the previous Forum.

The following are the matters which are ongoing on the agenda of the Municipal Managers Forum:

- State of Governance for the District and Local Municipalities
- Reviews of Organogram and High Salary Bill
- Electrification Roll Out Program
- Implementation of programme by Department of Transport and SANRAL By-Pass
- Addressing Housing Backlogs and housing for the destitute
- Status of Drought including Water Conservation and Demand Management

- Progress on implementation of Sustainable Water Solutions
- District Wide State of Finances
- District Wide Debt Set Off arrangements
- Improvement of Revenue Enhancement
- Progress on Section 139 and 154 Intervention by COGTA
- Support provided to Amalgamated Municipalities
- District Wide Communication Programme
- District Development Model
- Integrated Development and Planning

District Mayors Forum (DIMAFO)

This structure is chaired by the ADM Executive Mayor and consists of all Executive/mayors of local municipalities, mayoral committee members of the district municipality, Municipal Manager of the district, ADM departmental directors, all Municipal Managers of the local municipalities, Directors of the sector departments within the jurisdiction of ADM or their representatives and representatives of SoEs (when requested). The agenda of this structure is set by the Municipal Managers Forum. All its resolutions are reported back in the next forum in the following quarter. This forum is also meant to be a platform that will produce a consensus position on how the district should be viewed. It also serves to unblock service delivery blockages. The district view is presented on platforms like the political MunMec and the PCF by the district Executive Mayor. The calendar of the District Mayor Forum has been aligned with that of the Provincial IGR structures to enable seamless flow of reports through the Structures and report back.

- **State of Governance of District Municipality and Local Municipalities**

DIMAFO continues to receive the reports on the state of governance of the District and the Local Municipalities and supports or make proposal on the areas of intervention in a collaborative approach to address the challenges faced by the district and its local municipalities

- **Delivery of Human Settlements**

ADM must monitor the implementation of the Human Settlements consistently as it is a very important matter of public interest and a cause for protests in the local municipalities. The focus of this item is handing over of title deeds, addressing backlogs and implementation of projects in municipalities. Special attention is also focused on housing delivery for vulnerable groups and destitute families.

Amathole District Municipality (ADM) through its mandate to support, guide, co-ordinate, advocacy and implement (where necessary) on housing development, as per the IDP Integrated Human Settlements Development Plan has embarked on a programme of Tenure Security which is to ensure provisions of Section 25 of the Constitution are upheld. This relates to both reasonable legislative measures, to foster conditions which enable citizens to gain access to land on an equitable basis and whose tenure of land is insecure as a result of past racially discriminatory laws or practices. A mention may be made that in line

with provisions of Section 26 of the Constitution which states that everyone has the right to have access to adequate housing and the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right. Further, Housing is seen as one of the primary service delivery components, as a result Municipalities are obliged to be proactive in executing these responsibilities. It is these kind of responsibilities for municipalities that are implicitly indicated in S83(3) (a-d) of the Municipal Structures Act.

The Integrated Human Settlements Development Plan which also inherits its main focus from the aspirations rooted in the Freedom Charter and has shifted its focus from Housing delivery to provision of Sustainable Human Settlements.

- **Electrification**

DIMAFO received progress report on the electrification of the communities of IGR. The project closely monitored are in Mbashe Local Municipality and Amahlathi Local Municipalities as they are hot spots in address connections to the grid.

- **Construction and Maintenance of Roads**

As part of Public Infrastructure investment and ensuring access to social amenities and access to the district's economic nodes, DIMAFO continuously monitors the construction and maintenance of municipal access roads and provincial road network.

- **Monies Owed and set offs**

DIMAFO monitors the debt owed to municipalities and the progress on the set-off arrangements between District and Local Municipalities debt as part of reducing the debt owed and improving financial sustainability of the municipalities.

- **Drought/Water and Sanitation**

ADM is declared a drought-stricken area. Raymond Mhlaba, Mbashe and Mquma municipalities are hit hard by drought. DIMAFO closely monitored the implementation of mitigation initiatives and provision of reliable supply of water and conservation in this area.

- **District Development Model / One Plan**

The monitoring and oversight of the District Development Model is a standing item on the District Mayors Forum. Invite is extended to the National and Provincial District Development Model champions.

District Speakers Forum

The following are standing items on the agenda:

- Reports from Moral Regeneration Movement
- Functionality of Council Structures
- Public Participation programmes (Civi Education)
- Report on petitions management
- Report on ward delimitation processes
- Reports on Customary Initiation Programme

- **Functionality of Ward Committees**

Matters discussed in the District Speakers forum are consolidated and channelled into the agenda and discussions of the Provincial Speakers Forum (PSF) and other political and technical provincial forums such as the Provincial Elections Forum and the Provincial Initiation Task Team.

3.5.6.3 Strategic Partnership and International Relations

ADM Council acknowledges that the task of fulfilling its mandate and to turn the institution to be needs partnerships collaboration with other role players. These partnerships enhance the potential of the district in dealing with the plight facing its people. In the past a number of MoUs and MoAs were signed by the ADM Council with some municipalities in the Country and Abroad. Majority of those partnerships have lapsed at it needs to be acknowledged that a lot of benefits was achieved through these strategic partnerships and the result was development of capacity of ADM officials to in various fields of their functions, some new programmes were also initiated as a result of the information exchanges derived from the platforms created by the partnerships.

MOU with University of Fort Hare

The partnership that was signed with the University of Fort Hare in the 2019/20 financial year is not active and needs to be revived. This is more critical acknowledging a role of the institution that it can play in the ADM Service Delivery Model in the digital and automation era.

MOU with ASPIRE and ECDC

A Memorandum of Agreement was entered to between ADM, its entity ASPIRE and the Eastern Cape Development Corporation. The focus area of implementation by ECDC and ASPIRE under the period review is Film and Television development. The aim of this programme is to position ADM as a film destination. The partnership has yielded the filming of *The Dam* series in Raymond Mhlaba Local Municipality unlocking 451 job opportunities, mainly for young people of Amathole and 11 SMMEs that benefited during the filming of the series. The direct benefits of the ASPIRE investment will be realised through Marketing and Promotion of ADM Tourism, Investment Opportunities and Social Cohesion.

MOU with Amatola Water

ADM aware of its status as a Water Service Authority decided to enter into a cooperative agreement with Amatola Water Board. Its purpose is to ensure that ADM raises its ability of Water provision to the local municipalities and their respective communities. Amatola Water Board supplies ADM with bulk water to support its drought-stricken communities, the agreement was initially signed until end of June 2020 but has since been renewed and extended further.

As per the resolution of the 2022/23 Institutional Strategic Planning Session, ADM is in constant engagement with Amatola Water especially with the focus on the cost of the service. In line with the

Municipal financial recovery plan the contract needs to be re looked and explore ways of ADM fully taking over the function.

MOU with Community Radio Stations

ADM seeks to communicate effectively with the communities in its local municipalities. Through the Communications unit a Memorandum of Agreement was signed with the community radio stations in some of the local municipalities. This means ADM can reach out to much of its constituency through radio broadcast. This gives the Councillors and ADM officials an easy platform to access its communities for its campaigns and programmes.

3.5.7 LEGISLATIVE AND EXECUTIVE SUPPORT SERVICES

The Office of the Municipal provides support to the Legislative (ADM Council and its Structures) and Executive (Executive Mayor and its Mayoral Committee) in order to ensure a functional political and administrative interface.

3.5.7.1 Legislative Support Services

Legislative Support Services has been established to provide support to the Speaker of Council in the execution of his legislated and delegated responsibilities. In addition, support is also provided in the functioning of Section 79 committees including coordinating the functioning of the office of the Chief Whip.

In execution of the legislated and delegated responsibilities, there are programmes that are in place to support the legislative support services. These are elaborated on below:

3.5.7.2 Moral Regeneration Movement

The Moral Regeneration Movement (MRM) Strategy adopted by Council in 2012 demonstrates the District Municipality's commitment and effort to facilitate, encourage and co-ordinate programs aimed at restoring moral fibre in our communities. The MRM Strategy focusses on two pillars, namely, family and education, which were found to be most important and of high impact in addressing moral regeneration. MRM structures have been established at the district and local level and are guided by the Strategy in executing their mandate. Positive values awareness campaigns are conducted on a quarterly basis targeting schools, traditional councils and civil society. The programmes are intended to promote good ethics and behaviour and most importantly to respond to one of the key priorities of government - to forge social cohesion and safe communities. For the 2024/2025 financial year a total of 16 positive values campaigns were conducted across the district. A challenge is still being experienced with the functionality of Local Moral Regeneration Movement structures owing to limited financial resources to enabled them to execute key programmes. However collaborative efforts with other institutions such as churches and community-based organisation have seen municipalities engaged in more activities.

3.4.1.1 Municipal Public Accounts Committee (MPAC)

The Municipal Public Accounts Committee was established in terms of Section 79 of the Municipal Structures Act (117 of 1998) to assist Council to fulfil its oversight function. The Committee is guided by its Terms of Reference and holds its meetings according to the Schedule of Meetings adopted by Council. Oversight on the MFMA Section 52(d) reports is conducted on a quarterly basis and the Committee submits reports to Council. MPAC also investigates other issues referred to it by Council, including investigations into the recoverability of expenditure related to Unauthorised, Irregular, Fruitless and Wasteful. The Committee ensures community participation in the evaluation of municipal performance by conducting public hearings/roadshows wherein the community is able to provide input into the functionality of the municipality. During the 2023/2024 financial year, annual report public hearings were held during the months of September/ October across all 6 local municipalities within the ADM jurisdiction

3.4.1.2 Whippers

The ADM has services of a fulltime Chief Whip of Council who is responsible for ensuring functioning of the Whippers System. The Whips Committee (which comprises Whips from different political parties), is responsible for coordination of inputs of political parties t in Council meets four days before the sitting of Council to prepare and ensure smooth running of the Council. A District Whips Forum has been established as a platform for Whips of Local Municipalities and the District to share experiences on matters of common interest. The Forum operates in terms of the adopted terms of reference.

3.4.1.3 Women's Caucus

The Women's Caucus is a multi-party Committee of Council established in terms of section 79 of the Municipal Structures Act, and Rule 11 of the Standing Rules to guide council in mainstreaming gender issues. The committee is responsible for coordination of programs which include the commemoration of International Women's Day, 16 Days of activism against abuse of women and children, door to door campaigns to assess community needs especially those that affect women and children and also offers support to families and victims of gender-based violence and femicide.

The District Women's Caucus Chairperson represents the District on all SLAGA programmes related to issues of capacity building, development and empowering of women. All Local Municipality structures are fully functional.

3.4.2 EXECUTIVE SUPPORT SERVICES

The Executive Support Services provides strategic and administrative support to the Executive Mayor and the Mayoral Committee by creating an enabling environment to interface with communities and provide good governance. There are specific programmes which are also championed by the Political Leadership of the Municipality led by the Executive Mayor and the Members of the Mayoral Committee. These are:

3.4.2.1 Special Programs

The Special Programmes Mainstreaming Strategy is in place to ensure mainstreaming of the following special programmes components across the district, and into the programmes and operations of ADM departments:

- Youth Development
- People with Disabilities
- Children's Development
- Women Empowerment
- Older Person's Welfare

In the process of rolling out the strategy, several capacity building programmes are conducted on a quarterly basis. These include awareness campaigns, skills development workshops and resource mobilization.

3.4.2.2 HIV/AIDS, TB and Cancer

The HIV/AIDS, TB and Cancer Implementation Plan (2017-2022) which is aligned to the National Strategic Plan on HIV, STIs and TB (2017-2022) was adopted by Council in 2017. The objective of the plan is to facilitate a coherent approach towards the implementation of programmes and strategies that seek to reduce the spread and impact of HIV, STIs, TB within ADM jurisdiction.

District Aids Council meetings are convened on a quarterly basis and education and awareness programmes targeting areas with high infection rates are conducted quarterly. The implementation plan serves as a roadmap for the next stage towards a future where these three diseases are no longer public health problems.

This plan sets out the destinations (8 goals) - of our shared journey and establishes landmarks in the form of specific measurable objectives. The purpose of the NSP is to enable the many thousands of organisations and individuals who drive the response to HIV, TB and STIs to act as a concerted force, moving in the same direction.

The 8 Goals serve as base of reporting mechanisms in all spheres of governments and all stakeholders that drive the response to HIV/AIDS, STI and TB. This ensures the response to HIV pandemic is moving in one direction and all stakeholders act as concerted force. Furthermore, will serves as a tool to co-ordinate and direct District's effort in the fight against HIV pandemic. In this regard, ADM us through the District AIDS Council implementing its own District Implementation Plan (2017-2022). The objective of the plan is to facilitate a coherent approach towards the implementation of programmes and strategies that seek to reduce the spread and impact of HIV, STIs, TB within ADM jurisdiction.

District Aids Council meetings are convened on a quarterly basis and education and awareness programmes targeting areas with high infection rates are conducted quarterly. 4 HIV/AIDS capacity

building programmes for member organisation are conducted on a continuous basis. One of the achievements was the launch of a District Men's Forum and the launch of Local AIDS Councils. Amathole has also been recognized as one of the few Districts/Metros in the country to achieve the UNAIDs 90-90-90 targets which are:

- By 2020, 90% of all people living with HIV will know their HIV status.
- By 2020, 90% of all people with diagnosed with HIV infection will receive sustained antiretroviral therapy.
- By 2020, 90% of all people receiving antiretroviral therapy will have viral suppression.

There are challenges that are currently being faced by the non-functionality of some Local AIDS Councils. ADM will continue to provide support to LMs to resuscitate the structures to improve the Local AIDS Council functionality.

3.4.2.3 Executive Mayor Legacy Projects

The concept of the Mayoral Legacy Projects is linked to "Just and Equitable District" – offering an opportunity for all to live in dignity whilst prioritizing for psychological needs within the context of families and communities. 4 Mayoral Legacy Projects were approved for implementation, namely:

- Early Childhood Development Centres,
- Recreational Facilities,
- Shelters for Orphaned and Vulnerable Children (OVCs) and
- Socio - Economic Infrastructure.

The Business Plan development was undertaken for the:

- Early Childhood Development Centres
- Recreational Parks

The implementation of the Mayors Legacy Projects is done through advocacy, lobbying, intersectoral collaborations and capacity development through partnerships that we created with private companies as part of their social corporate responsibility, to build and or refurbish identified Early Childhood Development Centres (ECDCs) in various LMs within ADM's district.

The strategic partners in the implementation of the Executive Mayors Legacy Programmes include companies such as Lateral Unison, Harmony Gold, Standard Bank and Maximum Profit Recovery (Max-Prof) whom contributed towards major renovations including educational toys, food parcels and other equipment for the ECDs.

3.4.2.4 Rapid Response Team

The President of the Republic of South Africa declared the scourge of Gender Based Violence that is ravaging our country as a Pandemic that requires all sectors of society to work together to eliminate. The National Strategic Plan calls for Municipalities to establish Rapid Response Teams to foster cooperation

with the private sector and civil society structures to combat Gender Base Violence. Amathole established a Rapid Response Team which coordinates with civic society, private sector and traditional leaders to combat GBV. The RRT has been active in providing support to victims of gender based violence and to lobby support for affected families.

3.4.2.5 Sport Development

As part of Social Cohesion and unlocking talent in the District, Sport Development has been the cornerstone. Following the Covid 19 Lock down, the ADM participation in Sport was suspended and has since been resumed. All local municipalities under the jurisdiction of Amathole resumed with implementation of Mayors Cups and these culminated in the District Mayors Cup. Employee wellness sports games have also resumed with ADM participation in a tournament hosted by Buffalo City Metro meant to encourage Municipal employees in the Eastern Cape to return to sport.

3.4.2.6 Public Participation

Every municipality is required by Section 16 of the Municipal Systems Act, Act 32 of 2000, to develop a culture of municipal government that complements formal representative government with a system of participatory governance. ADM's MTAS also stipulates that in pursuit of responsible and responsive local government, ADM should give particular emphasis to the need for communication and for inclusive platforms for citizen engagement. ADM developed a Public Participation and Petitions Management policy which clearly articulates the methodology that will be employed in interfacing with the communities. The policy also gives members of the public a right to petition and outlines the processes to be followed when a petition has been lodged until it has been responded to. In line with the policy, a range of public participation activities are held throughout the year as indicated below:

Water Forum meetings/ Service delivery campaigns

Following a period of lull occasioned by the Covid 19 Lockdown and Financial constraints of the Municipality, Water and service delivery forums have been revived in four of ADM Municipalities. Meetings are held at various municipalities as a way of consultation between political leadership and communities, as well as other ADM stakeholders. The purpose of these meetings is to create awareness and to educate people on water conservation and service delivery issues

Mayoral Imbizo

Mayoral Imbizos are held quarterly. The purpose is to promote interfacing with the communities. The imbizo is a platform to give feedback on issues raised for the attention of the municipality as well as to update communities on all projects of the municipality. These are coordinated by the district in consultation and collaboration with the relevant local municipality and sector departments within that local municipality.

Annual Report Public Hearings

The Annual Report Public Hearings take place on the 1st and 2nd quarter of the financial year. As per the prescripts of Chapter 4 of the Municipal Systems Act read with Circular 63 of the MFMA, that municipalities

are encouraged to display good governance by accounting to the public on all matters relating to finances and performance. The 2023/2024 MPAC roadshows took place as per the prescribed timelines and all municipalities were visited. five of the six municipalities were visited. These gatherings are now taken to community halls in rural areas, to give opportunity to citizens in the rural outskirts of the district to experience the District Municipality closer.

IDP and Budget Roadshows

In accordance with legislation, IDP must be taken to public for their comments ADM has a responsibility to invite views from the public through IDP and Budget roadshows. The event takes place during the third to the fourth quarter of the financial year. Following the Covid 19 period where Roadshows were held virtually, ADM has now returned to physical meetings and communities are always excited to interface with the political leadership to resolve service delivery challenges.

3.4.3 COMMUNICATIONS, COPORATE BRANDING & CUSTOMER CARE

The Amathole District Municipality (ADM) Communications Policy stipulates that government communication is a coordinated function. The policy recognizes communication as a coordinated strategic and support function of government that must be observed by all government spheres. By nature, communication activities are structured within a specific framework, which is coordinated, integrated and streamlined. ADM's communication programme and strategy each year is guided by the President's State of the Nation Address, the State of the Province Address, the National Communications Strategy, and the IDP priorities. In the context of intergovernmental relations, The Presidency and Government Communications and Information Systems (GCIS) are custodians of government communications. The Republic of South Africa has also made provisions for a legal, statutory and operational framework such as the recently approved National Communication Framework, within which government communications can be achieved.

Operational Framework

Post the 2021 local government elections, ADM reviewed its 5year term Communication Strategy and subsequently amended the Communications Policy, the Branding Policy, Social Media Policy as well as Customer Care Policy and Charter. The Strategy is reviewed every 5-year term whilst policies are amended and approved by council annually.

The ADM Communications Policy states that a series of forums for government communicators at national, provincial and local level have been established to ensure collective planning and strategizing around all government communications. Among these forums is the Local Government Communicators Forum (LGCF) which was established to provide a platform for sharing of information about local government issues and best communication practices. It is driven by the Communications Office of the Eastern Cape Department of Cooperative Governance and Traditional Affairs (CoGTA-EC).

ADM also established the District Communicators Forum (DCF) in 2002. Communicators, Public Participation, Communication Portfolio Heads as well as Community Development Workers from all the local municipalities, and communicators from government departments in the district are invited to attend and participate. Among other things, the Forum enables communicators in the district to jointly highlight ADM's success stories while coordinating promotional programmes and projects. The ADM Director of Strategic Planning and Management/Senior Manager: Communications and Customer Care provide technical assistance to the Forum.

Local Communicators Forums should also be established by local municipalities to synergise government communications at a local level. These Forum meetings should include the communicators and relevant portfolio head from local municipalities, ward committee representatives, Community Development Workers and communication officials from government departments and SoEs in the local municipalities.

In terms of the SDBIP, the Communication and Customer Care Unit is responsible for ensuring effective two-way communication between ADM and communities as well as its internal and external stakeholders by promoting ADM's programmes as reflected in the institution's IDP; resolving all customer complaints and providing communication support to Local Municipalities situated within Amathole.

The Unit has recently appointed an Internal Communications Officer, an External Communications Officer, and a Communications Manager in the 2024/25 financial year, strengthening its leadership and operational capacity. The Unit has made concerted efforts to communicate on an ongoing basis with the public utilizing print and electronic media. It also communicates directly with stakeholders through water forums, walk-in at satellite offices, media releases/public notices, website, newsletters (internal & external), developing infographics, Mayoral Imbizo's and other public participation platforms. In 2025, the Communications Unit has been instrumental in informing the strategic direction of campaigns for the municipality, notably pioneering the anti-vandalism campaign. The Unit has also taken a strong digital direction by onboarding many initiatives into social media and website campaigns, and has implemented a media monitoring tool—significantly enhancing the ability to track media coverage in real-time, identify emerging issues or sentiment shifts, respond proactively to public concerns, measure campaign impact, and refine messaging strategies for greater effectiveness.

Environmental Scan General

The ADM Communications Strategy, contains a Communication Action Plan that is reviewed annually to ensure relevance; this plan contains an Annual Communication Cycle that serves as a guiding framework for communication activities and programmes.

The ADM through the Unit has been visibly and audibly showing improvement in the communication service and as the voice of government in the media, it has been consistently reflective. The functionality of communication in the district is also gaining momentum through efforts made to improve internal and

external communications thus widening the available communication platforms and service delivery pro-activeness.

Institutional Capacity Building and Training in Batho Pele Principles and Customer Services for Satellite Offices and frontline staff is key in brand repositioning. The satellite centres and frontline staff are the touchpoint for the district's clientele to engage with the municipality.

External Environment

The ADM in its commitment to deliver selfless, excellent and sustainable services has taken a futuristic outlook in terms of long-term projects as reflected in the One Plan document that falls within the ambit of the District Development Model. The projects planned are aimed at bringing new opportunities and fostering cooperation between stakeholders, local government, and their residents. This initiative will create good relations between the institution and its stakeholders. Key challenges include better customer management, addressed through digital self-service portals like the citizen engagement app and billing component on the website, which enable efficient, 24/7 access to services, reduce administrative burdens, improve response times, and enhance overall stakeholder satisfaction.

The ADM brand has, in the past, taken a knock in how it has been reported on in the media space owing to a variety of issues relating to governance and institutional instability. However this has changed owing to the development and implementation of a brand repositioning strategy whose aims were to correct this. The strategy entails the brand transformation plan which has three (3) pillars, namely outreach programs, stakeholder engagements and image building. Through the implementation of the strategy, improvement in the communication of ADM's business to its stakeholders is on the horizon, the institution has further launched an automated customer care system to improve customer experience and to automate its services as part of the 4th industrial revolution (4IR). The non reliability of services rendered to communities such as constant water outages, billing system challenges continue to contribute to the unfavourable outlook of brand ADM. The institution recognises Social Media as an important communication platform with which to engage stakeholders on various institutional programs as well as receive feedback from them. Due to the nature of the platform, it is necessary that measures be put in place to control how the institutional image is represented and positioned in the platform. Subsequently, a Social Media policy was developed and approved by council.

Looking forward, the Communications and Customer Care Unit is set for transformative growth, with a clear focus on professionalising its operations through enhanced skills development, standardised processes, and cutting-edge digital tools. This professionalisation will be complemented by greater agility in customer care, leveraging real-time data analytics and responsive digital platforms to deliver personalised, efficient services that exceed stakeholder expectations. By prioritising these strategic directions, the Unit is committed to significantly increasing ADM's brand equity, fostering trust, and positioning the municipality as a forward-thinking leader in sustainable service delivery and community engagement.

3.4.4 INFORMATION AND COMMUNICATION TECHNOLOGY

Information and Communications Technology in ADM is a critical enabler that seeks to provide solutions and automate business processes for the municipality to meet its strategic objective. It also strives to provide an integrated ICT environment that is responsive to the needs of the municipality in ensuring efficiency and proficiency. Mostly, alignment of ICT objectives and business objectives is critical through a strategic framework. The responsibility is building, implementing, supporting and maintaining the ICT systems and applications.

3.4.4.1 IT Governance

ADM has adopted the IT Governance Framework based on the directives of the cabinet and is reviewed frequently to cater for the latest versions of the Corporate Governance of Information and Communication Technology Policy Framework (CGICTPF) and South African Local Government Association (SALGA) Municipal Corporate Governance of Information and Communication Technology Policy Framework (MCGICTPF). This ensures how IT is governed and managed within the municipality in compliance to standards, corporate governance frameworks such as KING, ISO, SANS etc together with other best practise methods, thus ensuring structures are in place and aligned.

Linked to this is the component of IT Risks where an IT Risk Register is in place and aligned to the Enterprise Risk Management Framework. The IT Risk Register is reviewed annually and reported through the council structures for oversight.

In place is an IT Master Plan (IT Strategy) that is a 5 year plan which is on review due to the fact that it is on its final year of validity and implementation. Thus a new plan is required for the next 5 year to cater for the alignment to latest technologies and trends such as 4IR, big data, broadband, cloud technology etc.

3.4.4.2 IT Infrastructure and Support

ADM has the main office situated in East London together with the Disaster Management Centre and Calgary Museum as its council chambers. There are 6 satellite offices situated in respective towns as per local municipal area within the district with an additional site in Adelaide, that are connected via SDWAN to connect systems and applications using cloud technology as the systems are hosted by the respective service providers for Voice Over IP HBT Plus Telephone systems, SAGE ERP/Integrated Financial System and Micorsoft365 – Exchange, SharePoint and OneDrive on the Azure cloud. This then requires adequate internet bandwidth for the access and an upgrade is required. The SDWAN is also used for remote support to users due to the number of Technicians available and geographical spread of the satellite offices. Additionally, the Water Treatment Works and Schemes also need to be connected especially for water quality management and capturing of samples and monitoring. The Fire Stations also require to be connected as the call centre is in the Disaster Management Centre for communications and operations purposes.

The LAN requires a major upgrade together with the Datacentre as they are obsolete and no spare parts are available including replacement units. Also, they have reached end of support and end of life.

Firewall is in place as a security measure to protect the ADM network from intruders, attackers and hacker with a redundant one in case of failure with rules as restrictions and allows. A gap is the lack of a Cybersecurity Plan that needs to be adopted together with the policy as a framework to ensure security measures are effective and oversight be done as per council structures around Risk Management.

for integration and ease of communication between Satellite Office, Head Office and ADM communities.

3.4.4.3 MSCOA Compliance, ERP (Financial System) and Business Applications

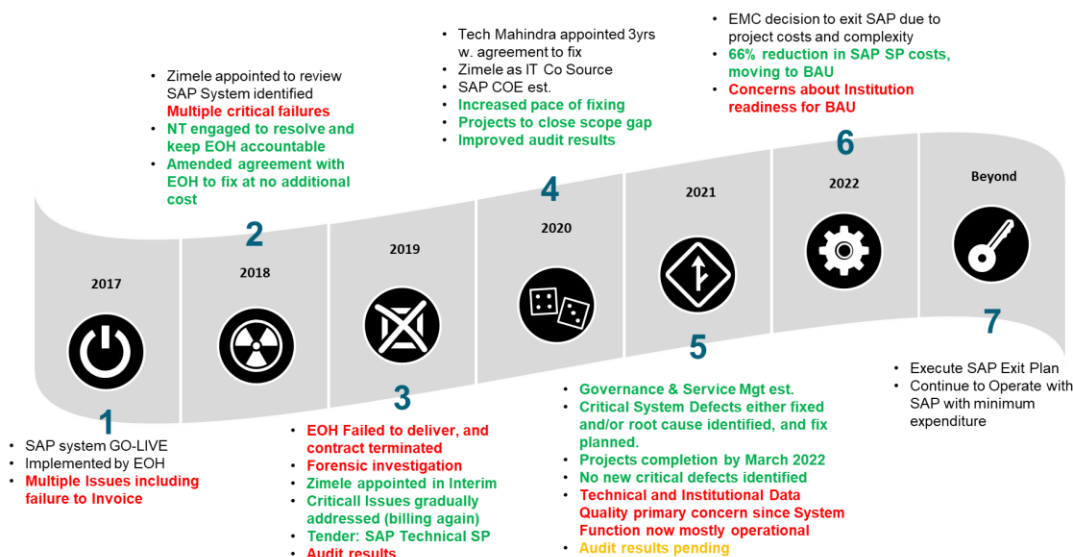
A SAP Centre of Excellence (COE) have been established to place the Governance, Strategy and Operational Management of ADM’s investment in the SAP ERP system in One Centralised and Consolidated Institutional Organ. The SAP COE consists of a multi-disciplinary team working to improve the utilisation of SAP in ADM and provide a better return on investment

The objective of the SAP COE is to:

- Institutionalise SAP in ADM
- Institute Ways of working and key processes
- Institutional development in the use of SAP

Due to the financial position of ADM and the non-response of SAP system in a local government environment, ADM has taken a decision to exit the SAP system and manage the transition into a new financial and information management system in a responsible and diligent manner in order to ensure institutional data is managed and protected. Below is the journey that has been undertaken by ADM in improving the functionality of SAP System:

FIGURE 48: SAP SYSTEM FUCTIONALITY



ADM procured a disaster recovery infrastructure as part of ADMaC and is functional currently located at the head office. An assessment is currently taking place to procure offsite storage facility for a preferred site for the disaster recovery that will include environmental monitoring to serve as a failover in the event of a disaster to avoid data loss. Main challenges on the Establishment of a Disaster Recovery Center have been copper theft and that continues to be the case which is a risk due to downtime.

3.4.5 INTERNAL AUDIT

The Amathole District Municipality (ADM) is mandated to have internal audit unit that must prepare a risk-based audit plan and an internal audit program for each financial year. That has to advise the accounting officer and report to the audit committee on the implementation of the internal audit plan.

The objectives of Internal Audit are to perform objective examinations of evidence for the purpose of providing independent assessments to the Council, Audit and Risk Committee and management on the adequacy and effectiveness of risk management, control and governance processes of ADM. Internal audit assessments include whether:

- Risks relating to the achievement of the ADM's strategic objectives are appropriately identified and managed.
- The actions of the ADM's employees and contractors are in compliance with the ADM policies, procedures and applicable laws, regulations and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the ADM.
- Information and the means used to identify, measure, analyse, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, utilized efficiently, and adequately safeguarded.

An Audit and Risk Committee is in place to provide quality assurance and oversight to Council and provides reports on a regular basis. In-kind internal audit services as well as Audit and Risk Committee are rendered to Aspire. Sustained collaboration and support by COGTA, SALGA, Provincial Treasury, The Institute of Internal Auditors South Africa (IIA SA) and AG SA in the area of capacity building. There are still challenges being experienced such as the non-adherence by departments in submitting the information requested by internal audit, however Standard Operating Procedures (SOPs) are being reviewed and there are regular engagements on audits that are being undertaken. Though there is an improvement in implementing action plans to correct discrepancies raised by auditors, the progress is still slow and that result to negative reporting by Auditor-General

3.4.6 RISK MANAGEMENT

The Risk Management is operating within the parameters of the law and has put in place institutional arrangements to support its operations. This is to ensure that the design, implementation and monitoring of risk is being undertaken through the following committees:

- Risk Steering Committee.
- Executive Management (Risk Management Committee),
- Audit and Risk Committee
- ADM Internal Audit Forum

The abovementioned structures are functional and guided by the Risk Management Strategy, Policies and Frameworks including the provision of support to local municipalities and ADM agency. It is worth noting that there are adequate risk processes that ADM has put in place.

However, there are still challenges being faced by the institution in implementation of risk management in that there are inadequate resources both financial and non-financial for the full performance of risk management. In response to such ADM, through the Internal Audit Co-Source will be supplementing the capacity of Risk Management in performance of its function.

3.4.6.1 Top 5 Strategic Risks

The following are considered as top five (5) risks in order of priority

Table 54: Top 5 Strategic Risks

No	Risk Title	Description
1.	Deterioration of governance systems and accountability integrity	<ul style="list-style-type: none"> ▪ Inadequate institutionalization of ethics management mechanisms. ▪ Inadequate fraud management mechanisms. ▪ Inadequate implementation of consequence management (i.e., Lack of recognition and reward of good leadership and performance.) and lack of accountability framework. ▪ Slow implementation of the internal and external audit improvement plans. ▪ Absence of formalized Combined Assurance processes
2.	Decline in financial capacity compromising service delivery and institutional financial viability	<ul style="list-style-type: none"> ▪ Inadequate implementation of the revenue enhancement strategy. ▪ Inaccurate billing systems. ▪ Poor revenue databases. ▪ Illegal water connections. ▪ Ineffective enforcement of credit control and debt collection policies.
3.	Inefficient, unreliable and unsustainable fleet Management.	<ul style="list-style-type: none"> ▪ Non-Adherence to Fleet Management Policy. ▪ Increased downtime due to breakdowns. ▪ High costs in repairs and maintenance.

		<ul style="list-style-type: none"> ▪ Vehicle misuse and abuse and fuel theft by officials/Rising cost of fuel. ▪ lack of safety features increasing the risk of accidents and injuries
4.	Failure to fulfil constitutional and legislative mandate for sustainable provision of portable basic water services	<ul style="list-style-type: none"> ▪ Ineffective infrastructure management strategy/plan ▪ Limited emergency water supply mechanisms. ▪ Inadequate water resources. ▪ Limited financial capacity. ▪ Prevalence or excessive of informal settlements.
5.	Infrastructure failure	<ul style="list-style-type: none"> ▪ Infrastructure deficiencies affecting service delivery and institutional stability/Ageing and poorly maintained water and sanitation infrastructure. ▪ Inadequate budget for maintenance of assets. ▪ Vandalism and sabotage of water infrastructure/Lack of digital transformation. ▪ Physical access to sampling points. ▪ Non- availability of effluent/water samples.

It is worth noting that there are regular progress updates on the mitigation of these risks and reduction of the exposures to addressing these risks.

3.4.7 LEGAL SERVICES

Legal Services has a key role to play in respect of ensuring that the decisions taken by Council and its structures, as well as administration, are legally compliant and that legal support is available to various departments as and when they require it, by providing legal advice and assistance to the Council and the administration of the municipality to ensure the proper protection of the municipality's interests, and compliance by the municipality with its legal obligations and responsibilities.

3.4.7.1 Legal Guidance and Training

Legal guidance is part of the tasks that functionaries must seek in the exercise of their responsibilities, to ensure that decisions that are taken comply with the constitution, the applicable legislation, policies and procedures of the municipality. Legal and Integrity Services plays a crucial role in providing this service and to arrange for training programs to empower functionaries on the approach to proper decision making, which will mitigate against exposure to litigation, owing to decisions which are not compliant. All items that are tabled to ADM Council Structures must then, as far as possible take into consideration the legal implications of the decisions to be taken. A panel of external legal services support is also available to provide additional expertise in some instances, as and when required.

3.4.7.2 Litigation Management Strategy

ADM has a Litigation Management Strategy which Legal Services is responsible for its implementation. The Litigation Management Strategy outlines the response to managing exposure to litigation in the institution by ensuring that all litigation is recorded, analysed and root causes and diagnosis is done to

assess trends and identify mitigation responses thereto. Root causes to the current litigations that are being experienced by the Municipality are (this list is not exhaustive):

- **Litigation Register/ Contingent Liabilities and Asset Register**

A Litigation Register is in place which details current litigation and the extent of the cost coverage, for budgeting purposes and to populate the Contingent Liabilities and Assets columns in the annual financial statements. This is also used to extract information to diagnose root causes of litigation and to inform appropriate response strategies.

- **Awareness of Constitutional rights:**

Communities are, after more than twenty years of democracy, have become more aware of their Constitutional rights, and are very robust in defending their rights or to pursue justice where they believe their rights have been infringed. People are alive to the fact that they have right to information kept by a public body (PAIA), such as the municipality, as well as a right to ask for reasons for decisions taken by an administrative body, (in terms of the Promotion of Just Administration Act, 2 of 2000 (PAJA).

PAIA provides very few specific instances where access to information can be refused, and in all other instances, a municipality is constitutionally obliged to disclose such information, if proper application is made for it. This means that virtually every decision taken by Council, a political office bearer, the Municipal Manager or any other delegated body – such as the Bid Adjudication Committee, is open to scrutiny and records have to be provided of such decisions or lack thereof. Hence it is very important that the ADM institutionalizes legal compliance management, as a strategy to ensure compliance and accountability with applicable laws and instruments.

- **Poor decision making:**

Poor decision making is the root cause of complaints and challenges to decisions made by a public body, and it often originates from apathy towards a legislative compliance culture and lack of accountability and consequences for actions taken or not taken. Our constitutional democracy is founded on the principle of legality and the rule of law. No functionary or public body may exercise powers or take decisions beyond what it is legally empowered to do, and where this happens those decisions are reviewable at the instance of complainants or aggrieved parties. Our courts will invariably, strike down and set aside decisions that do not respect legality and the rule of law, often at great financial cost to the municipality and the public.

Steps must be taken to instil a culture of respect towards constitutional and legislative values, by encouraging that functionaries be trained on PAIA and PAJA and other relevant instruments and persons be held accountable and responsible for their decisions and there must be consequences for bad decisions, to the extent necessary. This will increase public confidence and the trust of stakeholders will be restored.

Administrative and political decisions must be informed by the rule of law and the principle of legality.

- **Non-compliance with Court Orders:**

Non-compliance with court orders is a legal risk which must be prevented and addressed. Removal of goods and municipal assets and in other instances, threats of arrests of officials of attachment of the municipal bank account, often arises from not complying with court orders. There are also costs which follow from execution of court orders that have been awarded. In most instances these emanate from court actions which should have been avoided and fruitless and wasteful expenditure is often incurred. Courts have a specialised and independent role within our constitutional democratic space and their orders rank very highly and must be respected and attended to without fail and as urgently as required. The Strategy identifies this threat and requires that Legal Services prioritizes it. At an institutional level, efforts must be made to lessen instances which results in the imposition of negative court orders as this causes financial loss and also causes reputational damage and loss of public confidence. For reporting and compliance purposes, the Legal Services will develop a Register of Court orders. This will also assist the municipality in identifying trends and patterns of conduct which results in litigation and put plans to reduce and remove the risk progressively.

- **Unauthorized, Irregular and Fruitless and Wasteful Expenditure:**

In the context of recent audit findings, the Auditor General found that one of the causes of irregular expenditure arises from irregularly awarded tenders. The result is that the expenditure that is incurred becomes irregular and this increases UIFW. Increased UIFW is a pointer towards weak controls, poor decision making, lack of accountability and our business processes can therefore not be trusted, and audit outcomes will be affected. The institution has prioritized a return to a proper governance culture. As part of the contribution Legal Services is embarking on an effort to regularize infrastructure contracts, where provision of services is at an advanced level, and it is legally possible to have those contracts ratified by courts. The effect is that the IE account will be significantly reduced. Legal Services continues to participate in the activities of the Disciplinary Board and where required, provide advice to the Municipal Public Accounts Committee.

- **Structural Interdicts:**

There is a trend developing of service delivery related litigation by communities; non-profit organisations and rate payer organisations using the courts to compel the municipality to deliver on constitutionally guaranteed services including reporting the municipality to the Police, in cases of breaches of compliance standards as required by legislation. There are a couple of matters on delivery of water and sanitation services and also criminal matters against the municipal manager for non-compliance with water and sanitation related legislation. These matters require a higher level of vigilance, both at political and administrative level. Intense engagement is also required at Intergovernmental level and pragmatic use of IGR forums is also suggested, to lessen and even share the pressure with National and Provincial spheres, to the extent that such responsibilities involve the assistance of those offices.

Political engagement is also important to properly inform communities of projects and how the ADM identifies priorities and manage expectations. Effective use of partnering models must also be utilised to address short term demands, against funding challenges. Legal Services continues to ensure that best legal solutions are sought, including informed settlement options.

- **Alternative Dispute Resolution Mechanisms/Pro-Active Litigation Mechanisms:**

To ensure that there is a reduction in the cost of litigation, ADM is implementing an Alternative Dispute Resolution (ADR) mechanism instead of challenging and defending all matters in court. Prospects of success are assessed at the commencement of a matter and continuously during proceedings so that cases are settled, where prospects of succeeding are not good. This is also to lessen the advent of cost orders which cause an increase to fruitless and wasteful expenditure. Settlement of cases has got a cost saving element and Attorneys will be required in future to prepare reports to demonstrate cost savings, as part of the financial recovery exercise.

Legal Services is working to introduce a Letter of Demand Register which seeks to demonstrate the effectiveness of handling complaints at the earliest possible stage, by ensuring that attention is paid in resolving matters, at letter of demand stage, than allowing for litigation to commence. Of course, there will be instances when litigation may be unavoidable. This must be more of an exception than a norm. Progressively, the benefits of effectively using this approach will show results, it is believed.

Prompt attention must also be paid to the time frames by which employee grievances are dealt with and to give careful consideration on the nature of the grievance and how these matters are dealt with. This is to curb instances of referrals to the Bargaining Council and the Labour Court, owing to lack of response to employee grievances.

3.4.7.3 Fraud Prevention, Detection, Investigation and Reporting:

Legal Services is also tasked with conducting awareness workshops on the Integrated Fraud and Corruption Framework of ADM that was adopted in 2022. The work is done in collaboration with the Human Settlements Section, who roll out awareness on the Housing Finance Risk and Fraud Plan (this chapter focuses on fraud incidences within the housing sector). A Fraud Hotline is also available for whistleblowing purposes. Due to the interruption of services on account of instability within the institution, in the past couple of years, these services were also affected. These services are being restored. It is trusted that the investigation and reporting aspects will be activated in the short to medium term, with the inclusion of Labour Relations and the Risk Management sections within the value chain.

3.4.7.4 Institutional Arrangements to support Legal Services

The following institutional arrangements are in place to support Legal Services:

- **Disciplinary Board**

The purpose of the Disciplinary Board is to address matters of financial misconduct by ADM staff and to give effect to the concept of consequence management. The appointment of a new Disciplinary Board is in the process of being finalized, as the old one, which was appointed for three (3) years has reached the end of its life cycle.

- **District Wide Legal Services Forum**

A District Wide Legal Service Forum is in place to support the learning and sharing of expertise in support of legal services by ADM and its Local Municipalities.

- **Eastern Cape Legal Advisor's Forum**

Legal Services also attends meetings organized by the Eastern Cape COGTA Legal Division which includes municipal Legal Advisors belonging to the Eastern Cape Province, for the sharing of best practices and obtain.

3.4.8 PROJECT MANAGEMENT OFFICE (PMO)

3.4.8.1 Overview

The Project Monitoring office (PMO)) at Amathole District Municipality is intended to serve as a central hub for monitoring and evaluating service delivery projects. Although the unit is not fully functional, the situational analysis aims to outline strategic steps toward reviving the PMO to enhance the effectiveness and efficiency of project oversight, alignment, and impact assessment within the municipality

3.4.8.2 Key Performance Areas (KPIs) and Proposed Functions

The reestablished PROJECT MANAGEMENT OFFICE (PMO) will focus on the following key performance areas to support the municipality's development goals:

- **Project Monitoring and Oversight:** Systematic tracking of milestones, budget adherence, and timeline management to ensure projects progress as planned.
- **Evaluation and Impact Assessment:** Implementing evaluation frameworks to measure the effectiveness and impact of projects, ensuring accountability and transparency.
- **Interdepartmental Coordination:** Facilitating communication and collaboration among departments involved in service delivery to promote cohesive project execution.
- **Standards Compliance:** Ensuring all projects adhere to local government regulations, the District Development Model (DDM), and Integrated Development Plan (IDP) goals.

3.4.8.3 Status and Identified Challenges

The absence of a functional PMO has led to challenges, including:

- **Lack of Centralized Oversight:** Without a dedicated unit, project monitoring, reporting, and accountability can be inconsistent across departments.
- **Resource Gaps:** Limited staffing, project management expertise, and technical tools hinder the effective impact evaluation of projects.
- **Create a Data Repository:** Establish a centralized database for all project information, allowing for efficient tracking and analysis.

3.4.8.4 Revival Strategy and Objectives

To reestablish the PMO, the following strategic objectives are recommended:

- **Institutional Capacity Building:** Recruit skilled project management professionals and provide targeted training to ensure that all relevant staff understand the PMO's objectives, standards, and processes.

- **Standardization of Procedures:** Implement standardized reporting and evaluation frameworks, such as SOPs for project tracking, to ensure a consistent approach across all departments.
- **Adoption of Project Management Software:** Introduce digital tools to centralize project data, improve data accuracy, and allow real-time monitoring and reporting.
- **Stakeholder Engagement Initiatives:** Establish regular coordination sessions with key departments to foster a shared understanding of project goals and collaborative problem-solving.

3.4.8.5 Recommendations

For successful revival and sustainable operation of the PMO, the following steps are recommended:

- **Secure Funding:** Advocate for budget allocations to cover staffing, training, and technological resources.
- **Create a Data Repository:** Establish a centralized database for all project information, allowing for efficient tracking and analysis.
- **Develop a Strategic Roadmap:** Outline a phased implementation plan that addresses immediate needs for the PMO's revival, medium-term performance goals, and long-term sustainability targets.



2026/27

CHAPTER FOUR: OBJECTIVES, STRATEGIES & PROJECTS



CHAPTER FOUR

2025/26 OBJECTIVES, STRATEGIES & PROJECTS

The Institutional Strategic Planning session conducted on 17 - 18 February 2026 confirmed the following strategic goals and objectives for the five key performance areas:

KPA 1 - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT		
		Strategic Objectives
Outcome	Quality basic education	<p>To achieve a lean and affordable structure which is in line with the powers & functions of ADM by 2027.</p> <p>To maximally utilise the Human Resources for improved Service Delivery by 2027.</p> <p>To improve the human capital profile of the District 2027.</p>
	Skilled and capable workforce to support an inclusive growth path	
	All people in SA are and feel safe	
	Responsive, accountable, effective and efficient Local Government system An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	
National priority	Strengthen skills and human resource base	To ensure an efficient, effective and economical usage of fleet that enables basic service delivery by 2027.
	Pursuing African advancement and enhanced international co-operation	To improve electronic documents and records Management System by 2027.
	Building a developmental state including improvement of public services and strengthening democratic institutions	
Provincial priority	Strengthen education, skills and human resource base	
District Development Model	Demographic Change and People Development, Governance and Finance Management, Economic Positioning	
KPA 2- SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT		
		Strategic Objectives
Outcome	A long and healthy life for all South Africans	<p>To provide safe adequate infrastructure and safe drinking water to all communities by 2027.</p> <p>Renew and maintain the water and Infrastructure Assets by 2027.</p> <p>To provide sustainable and environmentally friendly sanitation Services to all communities by 2027.</p>
	Sustainable human settlement and improved quality of household life	
National priority	Sustainable human settlement and improved quality of household life	
	Massive programme to build social and economic infrastructure	
	Sustainable resource management and use	
Provincial priority	Massive programme to build social and economic infrastructure	

	Building cohesive, caring and sustainable communities	Improved water and waste water quality through an inclusive and integrated approach by 2027.	
District Development Model	Infrastructure Engineering Spatial Restructuring and Environmental Sustainability Economic Positioning and Integrated Service Provisioning	Formalise illegal connections by 2027. Facilitate sustainable coordination, monitoring and evaluation of disaster response and recovery by 2027 Facilitate sustainable coordination, monitoring and evaluation of disaster response and recovery by 2027. To ensure the prevalence of communicable diseases by 2027	
KPA 3- LOCAL ECONOMIC DEVELOPMENT			
		Strategic Objectives	
Outcome	Responsive, accountable, effective and efficient local government system Decent employment through inclusive economic growth Skilled and capable workforce to support an inclusive growth An efficient, competitive and responsive economic infrastructure network	To promote a holistic sustainable regional development by 2030	
National priority	Decent employment through inclusive economic growth An efficient, competitive and responsive economic infrastructure network A long and healthy life for all South Africans		
Provincial priority	Massive programme to build social and economic infrastructure Speed up growth and transforming the economy to create decent work and sustainable livelihood Strengthening education, skills and human resource base Intensifying the fight against crime and corruption Rural development, land and agrarian reform and food security		
District Development Model	Economic Positioning, Demographic Change and People Development, Governance and Finance Management		
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT			
			Strategic Objectives
Outcome	Responsive, accountable, effective and efficient local government system		

National priority	Intensify the fight against crime and corruption	To ensure sound and sustainable financial Institution by 2027.
Provincial priority	Intensifying the fight against crime and corruption	
District Development Model	Governance and Finance Management, Economic Positioning	
KPA 5- GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
		Strategic Objectives
Outcome	Responsive, accountable, effective and efficient local government system	Improved council functionality.
	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Improved Municipal Administration.
	Vibrant, equitable, sustainable rural communities contributing towards food security for all	
	Create a better South Africa, a better Africa and a better world	
National priority	Building a capable state	
	Intensify the fight against crime and corruption	
	Building a developmental state and improving the public services and strengthening democratic institutions	
	Pursuing African advancement and enhanced international cooperation	
Provincial priority	Building a developmental state and improving the public services and strengthening democratic institutions	
	Intensifying the fight against crime and corruption	
	Build cohesive, caring and sustainable communities	
District Development Model	Economic Positioning, Demographic Change and People Development, Governance and Finance Management	

The institution made a bold decision in developing outcome-based indicators which are as per the following tables which 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 taking into considerations provisions made by circular 88 of the MFMA:

4.1 2026/27 OBJECTIVES AND STRATEGIES

4.1.1 KPA 1 Municipal Transformation and Institutional Development

DDM Pillars: Demographic Change and People Development, Governance and Finance Management and Economic Positioning

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
Effective and efficient Human Capital.	To achieve a lean and affordable structure which is in line with the powers & functions of ADM by 2027	MFRP Interventions, reviewed Policies and the 2025.26 organisational Structure.	Affordable Cost of Employment	% reduction of Employee Costs	Measuring the percentage cost of the reduction of the salary bill as per the initiatives taken (Labor Relations Act 139, MFRP)	MTI TL01	R801 312 000 per annum)	3% reduction of Employee Costs	6% reduction of Employee Costs	6% reduction of Employee Costs
Institutional Performance	To ensure district wide monitoring and evaluation of IDP by 2027	Implementation of the Performance Management Framework Plan.	Improved Service Delivery.	% institutional performance.	To monitor and report Institutional performance for continuous improvement.	MTI TL02	80% Institutional Performance	86% institutional performance.	87% institutional performance.	89% institutional performance.
Integrated and coherent Human Resource Management System	To maximally utilise the Human Resources for improved Service Delivery by 2027	Implementation of Workplace Skills Plan	Skilled workforce	No. of internal candidates capacitated on training interventions.	Conducting skills development interventions in collaboration with external stakeholders	MTI TL03	385	300 internal candidates capacitated on training interventions.	320 internal candidates capacitated on training interventions.	340 internal candidates capacitated on training interventions.
Human Capital Development	To improve the human capital profile of the district by 2027	Implementation of Workplace Integrated Learning Program	Job creation	No. of WIL candidates to participate in the Workplace integrated Learning program	To enable students from institutions of higher learning to complete their practical learning for them to graduate	MTI TL04	30	13 WIL candidates to participate in the Workplace integrated Learning program	15 WIL candidates to participate in the Workplace integrated Learning program	16 WIL candidates to participate in the Workplace integrated Learning program
		Recruit & place Interns to participate in the Internship program	Job Creation	No. of interns participating in the internship program	To provide opportunities for new entrants to labour market in order to gain work place experience	MTI TL05	12	14 interns participating in the internship program	5 interns participating in the internship program	5 interns participating in the internship program
Fleet Management	To ensure an efficient, effective and economical usage of fleet that enables basic service	Implementation of Fleet Management Strategy.	Cost effective management of fleet.	% reduction on fleet operating costs.	To measure the efficiency, effectiveness and economic usage of fleet towards Service Delivery.	MTI TL06	8%	10% reduction on fleet operating costs.	10% reduction on fleet operating costs.	10% reduction on fleet operating costs.

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
	delivery by 2027.									
Security Services Management	To ensure safe, secured assets and infrastructure of ADM by 20	Implementation of Security Management Policy.	Safe, secured assets and infrastructure	% reduction of security costs.	To ensure safe, secured assets and infrastructure of ADM	MTI TL07	R86m	10% reduction on security costs	10% reduction on security costs	10% reduction on security costs

4.1.2 KPA 2 Basic Service Delivery and Infrastructure Investment

DDM Pillars: Infrastructure Engineering, Spatial Restructuring and Environmental Sustainability, Economic Positioning and Integrated Service Provisioning

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
Water Quality	Improved water and waste water quality through an inclusive and integrated approach by 2027	Water Services Development Plan	Improved quality of water and Wastewater.	% Micro compliance sampling points complying with SANS 241 -	Measuring improvement of water quality against South African National Standards.	SDI TL01	95%	97% Micro compliance sampling points complying with SANS 241 (WTW)	97% Micro compliance sampling points complying with SANS 241 (WTW)	97% Micro compliance sampling points complying with SANS 241 (WTW)
				% Micro Compliance of wastewater samples compliant to Water Use License conditions.-	Measuring improvement of wastewater quality against South African National Standards.	SDI TL02	60%	60% Micro Compliance of wastewater samples compliant to Water Use License conditions	60% Micro Compliance of wastewater samples compliant to Water Use License conditions	60% Micro Compliance of wastewater samples compliant to Water Use License conditions
			Improved quality of water and Wastewater	No. of waste water samples taken	Waste water samples taken to determine compliance with General Authorisation Standards SDI 2:3	SDI TL03	120 waste water samples taken	120 waste water samples taken	120 waste water samples taken	120 waste water samples taken
Water	To provide safe adequate infrastructure and safe drinking water to all	Implementation of the water Services Development Plan (WSDP).	Improved access to water	No. of communal taps constructed.	The indicator is the number of taps constructed to provide households with access to	SDI TL04	722 Taps	400 Communal Taps constructed.	450 Communal Taps constructed.	500 Communal Taps constructed.

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
	communities by 2027				basic water supply according to RDP Standard (200m).					
Asset management	Renew and maintain the water and Infrastructure Assets by 2027	Implementation of the water Services Development Plan (WSDP).	Improved access to water.	No. of facilities refurbished.	Facilities refurbished and funded through WSIG.	SDI TL06	15 facilities refurbished.	6 facilities refurbished	14 facilities refurbished	16 facilities refurbished
Sanitation	To provide sustainable and environmentally friendly sanitation Services to all communities by 2027	Implementation of the water Services Development Plan (WSDP).	Improved access to sanitation	No. of households with access to basic level of sanitation	Provision of pit latrines and the low flush toilets.	SDI TL07	233 613 HH	2500 households with access to basic sanitation	2500 households with access to basic sanitation	2500 households with access to basic sanitation
Landfill Site	To ensure reduction of the prevalence of communicable diseases by 2027	Implementation of the Integrated Waste Management Plan (IWMP)		Compliant Regional Landfill site.		SDI TL8	None compliant landfill site	Operational Licence for the Ibika Regional Solid Waste Site.	Operational Licence for the Ibika Regional Solid Waste Site.	Operational Licence for the Ibika Regional Solid Waste Site.

4.1.3 KPA 3 Local Economic Development

DDM Pillars: Economic Positioning, Demographic Change and People Development and Governance and Finance Management

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
Local Economic Development	To promote a holistic sustainable regional economic development by 2030	Spatial Planning and Local Economic Development Strategy	Improved levels of economic activity in Municipal economic spaces	No. of jobs created utilising EPWP and capital projects	These are jobs created utilising both the EPWP funding and the Capital Projects Funds.	LED TL01	16900 jobs created	2800 jobs created utilising EPWP and capital projects	3000 jobs created utilising EPWP and capital projects	3200 jobs created utilising EPWP and capital projects
			Improved ease of business within the Municipal Area	No of economic projects implemented in partnership with strategic partners.	Projects implemented in partnership with relevant stakeholders;	LED TL02	6 economic development projects implemented in partnership with strategic partners	6 economic development projects implemented in partnership with strategic partners	6 economic development projects implemented in partnership with strategic partners	6 economic development projects implemented in partnership with strategic partners

4.1.4 KPA 4 Municipal Financial Viability & Management

DDM Pillars: Governance and Finance Management and Economic Positioning

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
Financially viable institution	To ensure sound and sustainable financial Institution by 2027	Revenue Enhancement Strategy	To promote a holistic and sustainable regional economic development by 2030	% of invoices for all capital projects funded with grants paid within 30 days	Monitoring payment of invoices for all capital projects within 30 days. (Excluding those with disputes)	MFV TL01	99%	% of invoices for all capital projects funded with grants paid within 30 days	% of invoices for all capital projects funded with grants paid within 30 days	% of invoices for all capital projects funded with grants paid within 30 days
			Improved financial sustainability and liability Management	% of total operating revenue to finance total debt;	Measurement of improved total operating revenue to finance total debt;	MFV TL02	45%	45% of total operating revenue to finance total debt;	45% of total operating revenue to finance total debt;	45% of total operating revenue to finance total debt;
				% change in the cash backed reserves	Measurement of % change of cash backed reserves.	MFV TL03	0%	0.1% change in the cash backed reserves	0.1% change in the cash backed reserves	0.1% change in the cash backed reserves
			Improved liquidity management	% Change in cash and cash equivalent	Measuring improved liquidity of the Municipality in terms of change in cash equivalent.	MFV TL04	0%	5% Change in cash and cash equivalent	6% Change in cash and cash equivalent	7% Change in cash and cash equivalent
Enhanced municipal budgeting and budget implementation	To ensure sound and sustainable financial Institution by 2027	Revenue Management Strategy	Improved revenue and debt Management.	% change in Gross Consumer Debtors' (Current and Non-current Annually)	Measuring of change in Gross Consumer Debtors' (decrease of Current and Non-current)	MFV TL05	86%	0.5% change in Gross Consumer Debtors' (Current and Non-current Annually)	0.5% change in Gross Consumer Debtors' (Current and Non-current Annually)	0.5% change in Gross Consumer Debtors' (Current and Non-current Annually)
		Revenue Enhancement Strategy	Sustainable Financial Institution	% net increase operating surplus margin	Measurement of net operating surplus margin(increase)	MFV TL06	-7%	4% net increase operating surplus margin	5% net increase operating surplus margin	6% net increase operating surplus margin
Expenditure Management	To ensure sound and sustainable financial Institution by 2027	Monitoring and acceleration of expenditure patterns.	Improved expenditure management	% change of unauthorised, irregular, fruitless and wasteful expenditure	Measurement of Percentage change of unauthorised, irregular, fruitless and wasteful expenditure	MFV TL07	12%	20% change of unauthorised, irregular, fruitless and wasteful expenditure	20% change of unauthorised, irregular, fruitless and wasteful expenditure	20% change of unauthorised, irregular, fruitless and wasteful expenditure
		Implementation of cost containment measures		% Implementation of cost containment measures		MFV TL07.1		100% Implementation of cost	100% Implementation of cost	100% Implementation of cost

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
								containment measures	containment measures	containment measures
Supply Chain Management	To ensure sound and sustainable management of municipal finances by 2027	Implementation of the Supply chain management Strategy.	Improved Supply chain management	% change in amount of irregular expenditure as a result of SCM processes Transgressions.	Measurement of % change in amount of irregular expenditure as a result of SCM Transgressions.	MFV TL08	16%	3.2% change in amount of irregular expenditure as a result of SCM processes Transgressions.	3.2% change in amount of irregular expenditure as a result of SCM processes Transgressions.	3.2% change in amount of irregular expenditure as a result of SCM processes Transgressions.

4.1.5 KPA 5 Good Governance and Public Participation

DDM Pillars: Economic Positioning, Demographic Change and People Development and Governance and Finance Management

Priority/Focus Area	STRATEGIC OBJECTIVE	STRATEGY	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29
Governance	To ensure clean and accountable governance in the district by 2027	Strengthening of oversight, accountability and Service Delivery	Improved Municipal Administration and Governance	% Implementation of OPCAR.	Monitoring the implementation of OPCAR towards the improvement of the Audit Opinion.	GGP TL 01	38% Implementation of OPCAR	100% Implementation of OPCAR.	100% Implementation of OPCAR.	100% Implementation of OPCAR.

3.5. 2026/27 LOCAL MUNICIPAL TOP 10 NEEDS ANALYSIS/PRIORITIES

Mbashe LM	Mnquma LM	Great Kei LM
<p>Roads infrastructure (roads & bridges) Water supply to villages Farming support programmes Waterborne sewer for Xhorha and Gatyana Climate change challenges Job creation initiatives Fight against crime Energy challenges Sand mining Ocean economy development initiatives</p>	<p>Road construction & Maintenance Community halls Water Sports field Housing electricity Housing Bridges Dipping tanks Electricity (Street lights & high mist) Alien plant removal</p>	<p>Proper Sanitation in Qumrha Water Challenges in the entire GKM Rural Housing Development Visible Policing Additional Land for Settlement and Communal Farming High Mast Lights in all Wards due to high crime levels Internal Streets in all Wards Youth Development Programs Job Creation Access to other government services such as Home Affairs, Sassa and Social Development, Health Services</p>
Ngqushwa LM	Raymond Mhlaba LM	Amahlathi LM
<p>Water Sanitation District/Provincial Roads for example Lewis to Fish River Internal Streets Roads towards economic zones RDP Houses Provision of health facilities Electrification of Households Revitalization of Irrigation Schemes Youth programmes</p>	<p>Electrification of areas without electricity – All wards Installation and electrification of high Mast Lights in identified areas- All wards Maintenance/construction of road network- All wards Construction and maintenance of Social Amenities (halls, sports fields and parks) – All wards Water provision and borehole installation - All wards Construction of VIP Toilets- Wards 8,9,10,12,13,16,17,19 & 20 Construction of Bridges – All wards Construction of houses – All wards of Clinics and Schools – All wards Provision of scholar transport – Wards 1,8,9,12, 3,16,17,18,19, 20 & 22 Spread of alien plant (<i>ukaty</i>) project - All wards Construction of youth and skills development centers – All wards Maintenance of Landfill sites – Affected Areas</p>	<p>Roads Water and Sanitation Houses Electricity (public lighting, new extensions) Recreational Centre's (Job creation and youth development programmes) Revitalization of towns (Beautification of Amahlathi small towns) Sport Facilities Community halls Fencing and bridges (graveyards, veld and camps) Health care and security services</p>

3.6. WATER AND SANITATION ISSUES LOCAL MUNICIPAL WARD/VILLAGE

MUNICIPALITY	SERVICE CATEGORY	WARD	VILLAGE
Mbashe LM	Water	25	<p>1.Gosana: Bese, Ncalukeni,Gqubeni,Gatyane,Zizamele,Pola Park,Drayini 2.Nxanxashe: Ntsimbini,Xholingada,Zixhotyeni,Ntlulabokwe 3.Bongweni:Trustini,Mnqayi,Manxiweni</p>

MUNICIPALITY	SERVICE CATEGORY	WARD	VILLAGE
			4.Nyokana: Nyokana 5.Tembisa: Tembisa,Lingelihle 6.Mqotwane: Drayini Komkhulu,Mqotwane 7. Maxelegwini: Maxelegwini, New Rest
	Sanitation	25	1.Gosana: Bese, Ncalukeni, Gatyane,Zizamele,Drayini 2.Nxanxashe: Ntsimbini,Xholingada,Zixhotyeni,Ntlulabokwe 3.Bongweni: Trustini,Mqayi,Manxiweni 4nyokana: Nyokana 5.Tembisa: Thembisa, Lingelihle 6.Maxelegwini: Maxelegwini,New Rest 7.Town: Squatter Camps
Mnquma LM	Water	7,8,9,11,15,18,21, 22,23,24,25,26,30	All villages in the Wards
	Sanitation	2,4,21,27,30	Squatter camps, Lindelani and Roma, Cebe area, Gcina area, Gqunqe A/A, Nobuswana area
Great Kei LM	Water	1,2,4,&7	Lusasa, Mzwini, Palana, Siviwe
	Sanitation	5	Kei Mouth (Beach Public Toilets)
Ngqushwa LM	Water	All Wards	
	Sanitation	All Wards	
Raymond Mhlaba LM	Water	3, 5, 6, 7,8, 9,10,12,13,15,16,1 8, 19,20,21,22,23	Mpolweni,Takalane, Chris Hani, Nkukwini, Ntlekisa, Roxeni,Mxhelo ,Sikolweni, Mxhelo, Gaga Villages (MaBheleni, Komkhulu, Sikolweni, Mgquba, Lenge & Nkobonkobo), Golf Course,Tukulu, Guburha, Hillcrest, Mankazana, White Farm, Green Farm, Stanley, Ngquthu, Teba, Cimezile, Mdeni, Skolweni, Luzini, Komkhulu, Nobhanda, Mabheleni, Rwantana, Lamyeni, Ngwevu, Tyatyorha, Whitney farm (Sparkington), Kolomane, Blackwoods, Katberg, Buxton, Fairburne, Jurieshoek, Balfour, Hala, Khayaletu, Nothenga, Guquka, Sompondo, Gcato, Gomora, Amakhuze, Mpundu, Gilton, Hopefield, Binfield, Ndlovurha, Mqhayise, Camana, Zixinene, Komkhulu, Ngwangwane, Mdlankomo, Mkhuthukeni, Mdeni, Siphingweni, Machibini, Ncothoyi, Dish & Mkhobeni, eMaJwarheni, Msobomvu, Magaleni, Ngqolowa, Washington, Zalaze, Quthubeni, Ndulini, Jojozi, Skweyiya, Gaga, Tyume, Middledrift, Dyamala, Ncera, Tyutyuza, Mdeni, Ngqe 1 & 2, Ngele, Cildara, Lugudwini, Qaukeni, Sheshegu, Lower Sheshegu, Khwali lalini, Mpozisa, Eskolweni, Gunyeni, Balura, Masakhane, Joe Lokhwe, Nofingxana, Nomtayi, Gxwederha, Smith, Jani, Khayamnandi, Llyod, Phumlani, Kwezana West, Joji, Dubu, Zwelitsha, Gontsi, Zwide, Goma-Goma, Mike Valley, Daweti, Hillside, Ntoleni, Golf Course, Mlalandle, Ndaba, Red Location (Eskom area), Katanga, Bongweni, Goodwin Park, Ndlovini
	Sanitation	-	-

MUNICIPALITY	SERVICE CATEGORY	WARD	VILLAGE
Amahlathi LM	Water	1(No running water on taps), 2, 3 ,4,6,8,9(extension for whole ward), 11, 12, 13 (water pipes replacement), 15 (Water pipe replacement in ward 15 for all areas)	Ngxalawe, Cata extensions, Upper Gxulu extensions, Ngqudela extensions, Kom Extensions, Ngcobo tent, Ndlovini, Ohlsons, Kubusie, Nonkululeko, Marikana, Rabula, Ngqumeya, lower Zingcuka new sites, Hokwana (upgrade water supply)
	Sanitation	5,6 ,13 (sewerage pipes replacement)14 (sewer pipes),15	Ndlovini, Ohlsons, Kubusie, Amatolaville, Cenyu village, .Flushing toilets •Zanoxolo, White City, Jongile Avenue, Khanyisa, Khayelitsha, Bhongweni, Ohlson

4.2 2025/26 IDP/BUDGET ROADSHOW

Summary of issues raised:

2025/26 IDP/Budget Roadshows took place in from 04 April 2025 to 30 04 April 2025 as per the table below.

DATE	MUNICIPALITY	VENUE	TIME
04/04	Raymond Mhlaba	Bedford Msobomvu hall	11h00
08/04	Ngqushwa	Breakfast Vlei	10h00
09/04	Amahlathi	Gwiligwili	10h00
10/04	Mbhashe	Xhorha (Elliotdale)	11h00
29/04	Great Kei	Haga Haga	10h00
30/04	Mnquma	Ngqamakhwe	11h00

Raymond Mhlaba Local Municipality

DRAFT IDP/BUDGET PUBLIC HEARINGS – MSOBUMVU COMMUNITY HALL, BEDFORD, RAYMOND MHLABA				
DATE: FRIDAY, 04 APRIL 2025				
Name	Surname	Ward/Village	Question	Response
Mkhululi	Silatsha	Khayelitsha	<ul style="list-style-type: none"> - Accept the draft IDP/Budget. - Proposes that people owning flats should also pay for the services and not only those who have houses. 	This comment is welcomed as it is assisting in the revenue collection exercise.
Kholekile	Mhambi	05, Alice	<ul style="list-style-type: none"> - Appreciate the Small Business initiatives and encourage people not to wait to be employment but should stand up and do for themselves. - There are small business projects he is currently embarking on such Cutting wood to supply in local butcheries, a small potato farm he started it from scratch and selling to the local people. - Request ADM to observe him for a period of 3 months and also pay a visit to see this initiative and other initiatives of the local people. Also shared his contact details. 	- The Executive Mayor promised to make a follow-up and the gentleman could benefit from the EPWP.
Lindeka	Matiwane	20 Emagaleni	<ul style="list-style-type: none"> - Water challenges need to be addressed as a matter of urgency, the village had been without water for two weeks. - Also has a small vegetable garden but due to water scarcity it is hard for it to grow. 	<ul style="list-style-type: none"> - Water challenges are going to be attended to in the budget. - ADM does not encourage the use of treated water to water plants or vegetables but should rather use dam water.
Mlamli		Bedford	- The municipality had started a project of paving streets but did not finish the project. The streets that were done 1 st were done correctly but the ones done later, were not done up to standard.	That was a project by the LM and councillors of RM are taking note of that.
Buyiswa		Polar park, Bedford	- Request to be supplied with fencing.	A request can be done via the office of the EM.
Nomkhitha	Mado	07	<ul style="list-style-type: none"> - The Village was promised 5 tanks but only one tank arrived and never told what happened to others. - They have 500 live chickens supplied by the Department of Agriculture, now they need water as these kinds of chickens cannot drink dam water. 	<ul style="list-style-type: none"> - This would be followed up. - Chickens can use harvested water from the tank and save the treated water.
Leonard	Richard	23	<ul style="list-style-type: none"> - They have issues with water accounts and there was no one in the Bedford Office to attend to their queries and are told to go to the Adelaide office. - People in Township are suffering from unemployment and therefore cannot afford to pay rates just like those in the Rurals. Propose that a flat rate should be charged to the township areas as well just like the village areas. 	<ul style="list-style-type: none"> - People are encouraged to register for Indigent if they are not able to afford paying rates. - Water week had commenced to address water issues and it had already been conducted in Ngqushwa LM. - LM is taking note of that.

			<ul style="list-style-type: none"> - In some of the informal settlements toilets are not yet connected to the system. - Paving done on the streets was not of good quality and no inspections were done on the work. 	
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Nqqushwa Local Municipality

DRAFT IDP & BUDGET REPORT: NGQUSHWA				
DATE: TUESDAY, 08 APRIL 2025				
Name	Surname	Ward	Question/Comments	Comments
Ms	Guza	10	<ul style="list-style-type: none"> • Siyenza construction left material unattended and community members used it to build their own toilets now the Amathole was refusing to build them additional toilets. 	<ul style="list-style-type: none"> • It was reported that anyone who had a toilet structure build from ADM materiel would not be provided with another toilet. only new people would be provided with structures
Wanga	Woyi	Qamnyana	<ul style="list-style-type: none"> • A complaint was raised with regards to the non - availability of water in the Qamnyana and Gwabeni area. • A concern was raised with regards to the Contractor servicing the road and, in the process, broke the water pipes and left the water leaking and causing the water shortages in the community. 	<ul style="list-style-type: none"> • It was reported that ADM owed Amatola water a lot of money with resulted in lack of water provision. • Due to non-availability of water ADM will repair those pipe leaks when there is water supply as there are no visible since there is no water. ADM has started with the rationing so as we will supply the area they will be able to identify the leaks and repair.
Nosicelo	Piter	Gwayiyeni	<ul style="list-style-type: none"> • A concern was raised with regards to the non-availability of toilets but there was water. 	<ul style="list-style-type: none"> • It was reported that ADM was building toilets in all municipalities, Gwabeni is also part to that.
Ziyanda	Koli	9 Pikoli	<ul style="list-style-type: none"> • Pikoli – There used to be water but now there is a water problem. • A request was made to the Municipality to look at the issue of water and come up with a solution. • The community does get water from the tanks from time to time but it's not enough. • It was reported that the dam in the area had a lot of fish. Some of the youth had already started with the fishing project. The Municipality was requested to assist with the organising a project for fishing for the youth. 	<ul style="list-style-type: none"> • ADM experienced vandalism of infrastructure on the Ndlambe - Pikoli line, through intervention of the WCDM program they assisted us and repaired vandalised chambers and air valves. ADM and AW are working on recharging the line as to supply the communities that were affected by this vandalism. • It was reported that the Municipality will send employees to go and have a look and see how they can assist. • It was reported that ADM had a fish harvesting program called small harbour aqua culture project. The project was going to assist communities on how to fish and make income from fishing.

	Mangwevu	2	<ul style="list-style-type: none"> • It was reported that there was a water problem. • There were taps but there was no water coming out of the taps. 	AW is currently rationing water between ward 1 and ward 2. This is the result of insufficient supply
Tozamile	Ginyikazi	1	<ul style="list-style-type: none"> • There was a complaint with regards to the non-availability of water. 	Water challenges in Ngqushwa are addressed by both AW and ADM. ADM and AW are working towards clearing the blockage at R43 line supplying ward 1 areas including Tamara.
Tembeka	Xoxa	9	<ul style="list-style-type: none"> • It was reported that the reservoir was leaking causing shortage of water to supply the community. 	<ul style="list-style-type: none"> • This reservoir was repaired and the community will also benefit on the rationing that would assist in sharing water supply as Ngqushwa don't have enough water supply to supply everybody at once.
Mvuzo		9 Ndlambe	<ul style="list-style-type: none"> • A complaint was raised that the presentations were written in English and people were unable to read them. • Why were presentation summarized especially on numbers • It was reported that at Dlambe there are 2 dams, and the infrastructure is there but it's not being used. • It was also reported that people were given tanks, but they were not using them as water was not being delivered. • It was further reported that the roads being built by SANRAL, the project was still not started. Other departments were also requested to be represented. 	<ul style="list-style-type: none"> • The matter was noted, the institution is revising its MOU with institutions of higher learning in the district to assist with interpretation of documents. • ADM do water deliveries to its communities but tankered water is never enough as ADM is not able to deliver water on weekly basis but once or twice in a month and fill all the tanks in that particular community.
Nomfusi	Mali	7 Gwabeni	<ul style="list-style-type: none"> • It was reported that there were taps but there was no water. • There were also tanks being provided but there was no water. • A concern was raised that there were people that had been affected by disaster in Gwabeni and no assistance was provided. • It was reported that there was no electricity in some of the houses. • A request for assistance in the removal of alien plant called Katyi. 	<ul style="list-style-type: none"> • ADM do water deliveries to its communities but tankered water is never enough as ADM is not able to deliver water on weekly basis but once or twice in a month and fill all the tanks in that particular community. All Peddie communities will benefit in the water rationing as ADM is trying to share the supply they have with everyone. • A list of houses affected by disaster must be developed and submitted to the district. A system to build temporary houses is investigated and a contractor would soon be introduced. • Electrification of houses is a local municipality competency, the issue will be referred to the LM. • The matter was referred to Environment unit for consideration for 2025/26 financial year.

		Gwabelana	<ul style="list-style-type: none"> It was reported that some houses were blown away and people were left stranded. A concern was raised with regards to the Alien Plant that is dangerous to people and animals. 	<ul style="list-style-type: none"> ADM's responsibility is to collect data and submit to National Department where they were being attended. The matter was referred to Environment unit for consideration for 2025/26 financial year.
		7 Tamarha	<ul style="list-style-type: none"> It was reported that people lost their houses and now stay everywhere. A question was asked as to whether the government could not do something. It was further reported that some houses did not have toilets. 	<ul style="list-style-type: none"> The matter relating to disaster affected areas is dealt with by the province. ADM collects the information and submit it to the department (Cogta). It was reported that ADM was in a process of building a big project for sanitation that was going to supply the entire Ngqushwa Local Municipality and the project was a multiyear project.
	Javu	1 Mthathi	<ul style="list-style-type: none"> A concern was raised about toilets being full and others did not have water Another concern was raised about water carting contractors being rude to communities. 	<ul style="list-style-type: none"> The institution is considering use of chemical to unblock toilets This must be reported to the Senior Manager satellite office.
Cllr	Mcobosi		<ul style="list-style-type: none"> It was reported that Ngqushwa had 10 wards with no water. It was reported that there was a borehole in Bolana that was not working. The Municipality was requested to assist in this regard linking with Eskom. 	<ul style="list-style-type: none"> Boreholes are created operator to be appointed Eskom to be invited to come and install electricity for the borehole.
Cllr	Ntabeni	3 Dlosini	<ul style="list-style-type: none"> There was a reservoir in ward 3 but water was not going through to Ward 7. It was requested that the Municipality should assist with the reservoir so that the water can come out. Water should be supplied for funerals 	<ul style="list-style-type: none"> There is water at Hlosini village, their was recently connected direct from the Balancing reservoir and ADM only supplies water for funerals when there is a breakdown.
Cllr	Seti	11	<ul style="list-style-type: none"> A request was made that the reservoir in tyhefu area should be supplied with water. 	<ul style="list-style-type: none"> All Peddie communities will benefit in the water rationing as ADM is trying to share the supply they have with everyone.

Amahlathi Local Municipality

IDP ROADSHOWS REPORT: BUDGET PUBLIC HEARING QUESTIONNAIRE

VENUE: AMAHLATHI- GWILI GWILI HALL

DATE: 09 APRIL 2025

NO.	NAME	WARD	VILLAGE	QUESTIONS	ANSWERS
1.	Nkosinathi	1		- In our ward there has been no water since 2013.	- It was noted and it would be resolved
2.	Lungile	5	Cathcart	- It has been close to a year now and our area has no water plus our toilets are full.	- It was noted and chemicals would be provided when available
3.	Phumzile Ntshiba	3	Gwili gwili	- Are we also going to pay for electricity and water rates?	- No the only time you will pay for water is when you is if you have a tap in your yard which was not allocated to you by Municipality.
4.	Mkiva		Khayelitsha	- We have water and road problems in our area, when are you going to help us with that?	- Sanitation is our boggest problem as the Municipality, but it is a problem we are working to fix so that every village has water.
5.	Ntombifuthi Biko	4	Cathcart	- We have no water and if we do the water coming out of our taps is dirty.	- Water quality technicians will visit to test the water safety of the water for this ward as soon as the municipality solves the water issue.
6.	Xolisile Solube	3	Ndlovini	- Can you please create job opportunities so that the crime rate in our villages can be reduced, also instead of tenders given out can that money be used to create paying job. - Can there be committees created to do follow ups on the municipalities, to see if they are do keep the promises they make.	- EPWP assist regarding the matter however SMME'S programs as well to help youth development
7.	Gwebani Dlomo	15	Mlungisi	- Water problems - The was a sewer project that was suppose to take place in our village, all the contractors did was to dig holes and leave them like that, that has placed the community in danger because the holes are deep, we loose our goats, cows to those whole and people could get hurt.	- The project is not done and we are looking for a new contractor to take over the project because the old one was not working and therefore delaying the progress of the project.

8.	Zukisani Sofe		Mgwali (Cumakala)	<ul style="list-style-type: none"> - Can transportation be organized for Traditional Healers. - Can a person who is going to ensure that Traditional healers are always aware and updated on events such as roadshow, they hardly attend because they are unaware of them 	<ul style="list-style-type: none"> - A plan of forming structures that are going to deal directly with traditional healers is underway.
9.	Sinesipho	14	Cumakala	<ul style="list-style-type: none"> - Water problems - Sewerage problems that pollute rivers, making it hard for Traditional healers to work because of the smell and how dirty the water is. 	<ul style="list-style-type: none"> - A project that deals with water and sanitation is underway.
10.	Yoliswa Gwilikana	2	Ngxalawe	<ul style="list-style-type: none"> - Water Problems - Roads 	<ul style="list-style-type: none"> - Public works would be notified to solve road issues
11.	Faniswa Msoki	11		<ul style="list-style-type: none"> - Vandalism of structures. - Unused water pipes which are being stolen and not taken care of. - A plan to train people in the community so that they can be on stand by whenever there is a problem rather than waiting for help which we not know if it will come or not. 	<ul style="list-style-type: none"> - Community should assist to report crime to the police and their also to teach children to take care of properties that were already available
12.	Solomzi Maseti	11	Ngqumeya	<ul style="list-style-type: none"> - We do not have proper roads that lead to toen which results in transport struggles. 	<ul style="list-style-type: none"> - Public works would be conducted
13.	Thandiwe Magwanca (ward committee)	4	Ngqumeya	<ul style="list-style-type: none"> - Water bursts by contractor. 	<ul style="list-style-type: none"> - IGR will attend to this problem.
14.	Mzikabawo Mbethe	1		<ul style="list-style-type: none"> - Can the people who deal with the problems that we are here to address come and account for themselves. - We do not have clinics and halls in our ward. - Projects that are funded but no work is done 	<ul style="list-style-type: none"> - The issue will be resolved soon - Problems was with the contractors
15.	Mcoseliso Soxokashe	3	Mthwaku	<ul style="list-style-type: none"> - The is a project that is not moving because the person who was suppose to sign for it has not signed yet so the project is on hold, what can we do about that. 	<ul style="list-style-type: none"> - It will be investigated and resolve
16.	Luxolo	11		<ul style="list-style-type: none"> - Project status - 6 million is not enough for Amahlathi. 	<ul style="list-style-type: none"> - It will be relooked at and checked next financial year

				<ul style="list-style-type: none"> - LED needs to be given attention so that they can also have a budget that is enough for its needs. - The Rank structure needs to be fixed because when there was a storm cars were still damaged while they were under the rank structure. - How ca we minimize vandalism. 	
17.	Noxolo			<ul style="list-style-type: none"> - We would like to give gratitude to the water services field, whenever we call to report water problems, they avail themselves. - Our toilets are full. 	<ul style="list-style-type: none"> - It was noted
18.	Phumlani Aloni		Masinedane	<ul style="list-style-type: none"> - Grateful for toilets and water. - Can you please manage disaster 	<ul style="list-style-type: none"> - It was noted disaster office will be notified
19.	Masixole Venkile	11	Tshoxa	<ul style="list-style-type: none"> - How about municipalities create a project of windmills so that we can use our dams to try and solve water issues. 	<ul style="list-style-type: none"> - Water needs to be clean and purified before drinking
20.	Mkiva	3	Gwili gwili	<ul style="list-style-type: none"> - Water problems 	<ul style="list-style-type: none"> - Issues will be resolved
21.	Gugulethu Siwendu	3	Gwili gwili	<ul style="list-style-type: none"> - Toilets at the rank are blocked and not working. - There is no water in Tshoxa - What is the capacity of the reservoir. - Service for the blind. 	<ul style="list-style-type: none"> - It will be investigated

Mbashe Local Municipality

IDP/BUDGET ROADSHOWS – MBHASHE LOCAL MUNICIPALITY – XHORHA INDOOR SPORTS CENTRE – 02 MAY 2025

NO.	NAME	WARD / VILLAGE	QUESTIONS	ANSWERS
1.		17	<ul style="list-style-type: none"> - It was reported that the Thyinirha dam had not been working for years. 	<ul style="list-style-type: none"> - There is a pump problem which is being attended to by O&M.

IDP/BUDGET ROADSHOWS – MBHASHE LOCAL MUNICIPALITY – XHORHA INDOOR SPORTS CENTRE – 02 MAY 2025

NO.	NAME	WARD / VILLAGE	QUESTIONS	ANSWERS
2.	Cllr Toyana	13	<ul style="list-style-type: none"> - The Municipality was recommended for having had very active and helpful EPWP workers that were very active and were always willing to assist. 	<p>This is SPLED and personnel are identified from time to time.</p>
3	Nomfuneko	16	<ul style="list-style-type: none"> - A concern was raised with regards to the disabled people that did not have proper toilets. This was reported in 2022 but nothing had been done so far. 	<ul style="list-style-type: none"> - Disabled toilet units need a specialised form of manufacturing, the institution has now identified such supplier. - Councillors are advised to developed a list of such people to the office of the Mayor.
4	Ntuthuzelo	10 Idutywa	<ul style="list-style-type: none"> - It was reported that the water project was closed in December 2024 and is still not working. The community wants to know what was the reason for it not being opened again. 	<p>There are 2 projects in Dutywa :-</p> <ol style="list-style-type: none"> 1. Water project in Dutywa by Simunye, 2. Upgrade of sewerage by Manyobo Contractor. <p>Both projects are continuing with no hustles.</p>
5		13	<ul style="list-style-type: none"> - It was reported that there were about 10 tanks but they were not delivering water to the pipes and there people did not have access to water. 	<ul style="list-style-type: none"> - O&M and Aspire assist with the delivering of tanks, this matter will be referred to them.
6	Dilika	6	<ul style="list-style-type: none"> - There was a concern with regards to the dam that was not safe due to it not being fenced. - It was reported that there was a dam but there were no taps to deliver water to the people. - It was reported that there were old people that had their houses demolished by rain. - A request was made that temporary structures be made to assist them with accommodation. - It was also mentioned that the road was bad. - It was also reported that the hall needed be done. 	<ul style="list-style-type: none"> - All unsafe dams will be attended to in conjunction with Ward Councillors. - The contractor Vacsobyte has been appointed for Mgwali North. - The lists were done and it was escalated. - The issue of roads and halls will be referred to the local municipality.
7		1 Dutywa	<ul style="list-style-type: none"> - It was reported that the toilets overflowed due to the heavy rains. A request was made for the municipality to assist in this regard. 	<ul style="list-style-type: none"> - The institution is contemplating the use of specialised chemical.

IDP/BUDGET ROADSHOWS – MBHASHE LOCAL MUNICIPALITY – XHORHA INDOOR SPORTS CENTRE – 02 MAY 2025

NO.	NAME	WARD / VILLAGE	QUESTIONS	ANSWERS
8	Sizwe	22	<ul style="list-style-type: none"> - It was reported that there was no water in the area. - A request to have water in Xhorha was made. 	<ul style="list-style-type: none"> - Water issues will be addressed by the upcoming water projects for 2025/2026 financial year which will be done in phases. But the institution is providing boreholes in some areas.
9	Siyabonga	32	<ul style="list-style-type: none"> - It was reported that there was no water in the area. 	<ul style="list-style-type: none"> - Water issues will be addressed by the upcoming water projects for 2025/2026 financial year which will be done in phases. But the institution is providing boreholes in some areas.
10	Pakama	15	<ul style="list-style-type: none"> - It was reported that there was no water. 	<ul style="list-style-type: none"> - Water issues will be addressed by the upcoming water projects for 2025/2026 financial year which will be done in phases. But the institution is providing boreholes in some areas.
11		18	<ul style="list-style-type: none"> - It was reported that the community did not have proper houses - It was also reported that there were taps but there was no water coming out. - It was also reported that there were no roads. 	<ul style="list-style-type: none"> - The matter will be referred to the local municipality. - The problem at Mncwasa dam has been identified and O&M is working on it. - The matter will be referred to the local municipality.

Great Kei Local Municipality

IDP ROADSHOWS REPORT: BUDGET PUBLIC HEARING QUESTIONNAIRE

VENUE: MAGRANGXENI HALL: GREAT KEI

DATE: 29 APRIL 2025.

NO.	NAME	WARD	VILLAGE	QUESTIONS	ANSWERS
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1.	Welile Ndoro	3		<ul style="list-style-type: none"> - There were houses which were destroyed by the heal storm that hit a month ago, disaster still has not responded, why is that? - Schooler trasports take certain children to school and leave other children behind to go to school by foot, what can we do to change that? 	<p>A list of affected people was developed and referred to Cogta.</p> <p>The schooler transport issue will be looked into and feedback will be be provided.</p>
2.	Mr Davis		Kei Mouth	<ul style="list-style-type: none"> - Water problems - More details and clarification on the budget page is needed. - The fire station needs to be renovated and supplied with water. - There are too many shacks - Toilets are full and few, creating a sewage problem 	<p>Water samples have been taken and the water problem is being investigated.</p> <p>ADM SPLED unit must investigate the matter. Sewage problem is being fixed by ADM Operation and maintenance unit.</p>
3.	Gingala		Magqubela	<ul style="list-style-type: none"> - Roads are our biggest challenge - Water issues - Police do not respond on time when we are in trouble. 	<p>The LM is attending to all roads in the municipality. The district acknowledges the water problems, some are catered for in the next financial year. In some areas re-drilling boreholes is done.</p> <p>The local Councillor committed to make a follow-up on the matter.</p>
4.	Ayabulela Mtshizana	4		<ul style="list-style-type: none"> - Can people who are going to oversee the registration of indigent and it being done correctly be organized. - There is no electricity and roads need to be fixed. - We need water and more taps 	<p>ADM indigent unit in collaboration with the satellite office work with the LM to organize the registration. Loudhailing is also done.</p> <p>Both roads and electricity are the competency of the LM. Local Councillor responded to the issue.</p> <p>Can people in villages minimize vandalism</p>
5.	Balungile		Magrangxeni	<ul style="list-style-type: none"> - Toilets are full - We have water issues, - can we be notified whenever water is not available. 	<p>The district is investigating use of chemical as a permanent solution.</p> <p>Point is taken but the satellite office does the notices.</p>

Mnquma Local Municipality

IDP/BUDGET ROADSHOWS: SOKAPA HALL: 30 APRIL 2025

VENUE: SOKAPASE HALL

DATE: 30 April 2025

NO.	NAME	WARD / VILLAGE	QUESTIONS	ANSWERS
1	Noluthando Simoyile	1	The community are not registered for Indigent program. RDP houses were built but not finished.	The BTO department was not there for answering for indigent.
2.	Thabisa Foca	12	t1. Local hall need to be renovated. th Centre. The no water and the toilet are full Siyazala School, request for a grass cutter. The roads has potholes,	- Matter referred to the LM. - Youth centre and other amenities will be referred to the LM. - For full toilets the institution is considering use of chemical. - That request must be directed to DoE - Roads are a competency of the LM the issue will be referred to LM.
3.	Nomboniso	31	Water trucks must deliver at least twice a week. No road There are water tanks, but no stand provided for such.	The matter will be referred to satellite office that has a schedule of delivery. Matter referred to the LM. Engineers will look at that.
4.	Jack	31	Toilets are full and need to be emptied. Community must be updated about the projects and their time frames. People request mobile clinics. Youth is unemployed.	ADM is busy searching for chemical that will not be dangerous to the community Communities are always invited to the meetings where contactor is introduced. Community Liaison Officers, Project Steering Committees are also responsible for the smooth running of the project The Mayor is busy engaging with department of health Ward Committees must make sure that in every project the youth must be engage.
5.	Thobeka	32	New phases in the ward have no water.	Planning is already there and standpipes for new phase will be implemented.

6.	Moneli	4	No water at ward 4 the transformer was vandalized.	ADM is in the process of hiring security for its infrastructure.
7	N.Pike	2	Service providers for toilets left holes unattended and no communication from the municipality.	12,17.30.24.40.42 the toilets have been budgeted for 2025/26 financial year.
8	Mhlawuli	18	No water for 18,19	Wards 18 & 19 fall under Ngqamakhwe Regional Water Supply Scheme Phase 3. Erection of Bulk Water Supply Scheme in Tsomo\Ngqamakhwe Water will support many areas including those wards
9.	Xoytyeni	Centane	Request for removal of Allien plants (Utywala bentaka and Imka plant)	The matter is referred to Environment unit and will be implemented in 2025/26 financial year.
10	Ntanjana	23	Request for water trucks to delivered water at least twice a week.	Residents must always consult the satellite office because they have a schedule of water delivery.
11	Nceba	32	Community of Ntsingisi has a request to get water from Mporha A&B water scheme. This area has been without water since 2020.	Ward 32 falls under Crouches Bush Water Supply Scheme. MIG approval was applied and approved in 2024 for planning purposes. The Consultant was appointed and is currently busy with source development and there after will prepare a technical report with applications to COGTA for implementation of the project.
12	Matolengwe	Ngqamak hwe	No water. Taps are dry in Town. Toilets are full the trucks do not drain the toilets since 2017.	Erection of Bulk Water Supply Scheme in Tsomo\Ngqamakhwe Water will support many areas including those wards. ADM is busy searching for chemical that will not be in danger community Communities must be encouraged to refrain from using foreign material in the toilets.
13		30	High rate of crime reported in the area. Illegal connections are rife.	Community service is active in all municipalities, communities are encouraged to join their meetings.

14		Centane	<p>Issues raised during the last IDP are not addressed as a result will be raised in the next IDP.</p> <p>Request for removal of alien vegetation.</p>	<p>Projects that are on the IDP that will benefit the Centane Area are as follows:</p> <p>Centane Phase 4 Water Supply Project: Contractor has already been appointed for Contract 1: Bulk Supply</p> <p>Crouches Bush Water Supply: Planning Stage</p> <p>Water and service delivery forum are formed in all municipalities to address these challenges.</p>
15		Ward 13	<p>Residents/Business-people request that the spaza shops in their villages must be registered.</p> <p>ADM must also consider supporting cooperatives in rural areas.</p> <p>Tourism infrastructure must be improved.</p>	<p>These issues are referred to SPLED because they are LED/Heritage/Tourism related</p>

4.3 2026/27 MSCOA COMPLAINT PROJECTS - AMATHOLE DISTRICT MUNICIPALITY EXTERNALLY FUNDED PROJECTS

4.3.1 Amathole District Municipality Three Year MIG Capital Plan - Budget 2026/27 To 2028/29

PROJECT TITLE	PROJECT TYPE	PROJECT CATEGORY	REGION	Total Planned Expenditure for 2026/2027	Total Planned Expenditure for 2027/28	Total Planned Expenditure for 2028/29
Project Management Unit (PMU)	PMU	Operational	ADM: Whole District	25 923 950	27 965 050	29 931 400
District wide water services master plan	Water	New/ Upgrade	ADM: Whole District	4 000 000	7 000 001	7 000 001
Upgrading of sewer system to accommodate future developments in Dutywa	Sanitation	Upgrade	EC121 Mbashe	23 297 500	18 196 027	18 196 027
Completion of backlog- Mbashe area wide sanitation project	Sanitation:VIP	New	EC121 Mbashe	22 468 760	28 911 237	31 911 237
Sundwane water supply scheme including other villages	Water	New	EC121 Mbashe	9 000 000	38 000 000	38 000 000
Mgwali North Water Supply Scheme	Water	New	EC121 Mbashe	22 900 000	36 749 009	36 749 009
Mgwali South Water Supply Phase B	Water	New	EC121 Mbashe	14 500 000	29 000 000	29 000 000
Idutywa East Water Supply Scheme Phase 2	Water	New	EC121 Mbashe	5 000 000	2 500 000	2 500 000
Ward 31 Water Supply Scheme	Water	New	EC121 Mbashe	16 000 000	-	-
Bende Water Supply Scheme	Water	New	EC121 Mbashe	21 388 860	-	-
Shixini Water Supply Scheme	Water	New	EC121 Mbashe	1 000 000	-	-
Elliotdale Waste Water Treatment Works Feasibility Study	Sanitation	New	EC121 Mbashe	1 500 000	-	-
Upgrading of water storage & retic to accommodate future development in Dutywa	Water	Upgrade	EC121 Mbashe	22 263 220	25 899 100	30 899 100
Sewage Reticulation in Willowvale	Sanitation	New	EC121 Mbashe	1 200 000	1 353 357	1 353 357
Crouches Bush	Water	New	EC122 Mquma	500 000	2 000 000	2 000 000
Repairs and Refurbishment of Water Infrastructure: Mquma: Ngqamakhwe	Water	Rehabilitation	EC122 Mquma	11 258 900	5 088 763	5 088 763
Repairs and Refurbishment of Water Infrastructure: Mquma: Qolora WTW	Water	Rehabilitation	EC122 Mquma	500 000	1 158 420	1 158 420
Repairs and Refurbishment of Water Infrastructure: Mquma: Kotana WTW	Water	Rehabilitation	EC122 Mquma	5 060 700	-	-
Repairs and Refurbishment of Water Infrastructure: Mquma: Toleni WTW	Water	Rehabilitation	EC122 Mquma	500 000	1 361 166	1 361 166
Repairs and Refurbishment of Water Infrastructure: Mquma: Butterworth WTW	Water	Rehabilitation	EC122 Mquma	5 000 000	-	-
Completion of backlog- Mquma area wide sanitation project	Sanitation:VIP	New	EC122 Mquma	22 968 760	19 099 284	22 099 284
Ibika–Centani Water Supply Phase 3	Water	New	EC122 Mquma	13 000 000	28 000 000	28 000 000
Nxaxo & Cebe Water Supply Scheme Phase 2	Water	New	EC122 Mquma	14 000 000	25 000 000	25 000 000

PROJECT TITLE	PROJECT TYPE	PROJECT CATEGORY	REGION	Total Planned Expenditure for 2026/2027	Total Planned Expenditure for 2027/28	Total Planned Expenditure for 2028/29
Ngqamakhwe Regional Water Supply Phase 2: Budget Maintenance & Ngqamakhwe Regional Water Supply Phase 3	Water	New	EC122 Mquma	7 823 994	31 900 965	31 900 965
Centane Phase 4 Water Supply & Centane Phase 4 Water Supply - Revised Scope	Water	New	EC122 Mquma	20 667 356	30 000 000	30 000 000
Bawa Falls Water Supply	Water	New	EC122 Mquma	3 500 000	3 915 417	3 915 417
Cafutweni Water Supply Scheme (Revised Scope)	Water	New	EC122 Mquma	10 200 000	7 000 000	7 000 000
Emergency Interventions at Sewage Systems in the Amathole District Municipality – Great Kei	Sanitation	Rehabilitation	EC123 Great Kei	1 032 400	2 000 000	2 000 000
Completion of backlog- Great kei area wide sanitation project	Sanitation:VIP	New	EC123 Great Kei	14 210 460	-	-
Cintsa East Bulk Services Upgrade - Wastewater Infrastructure	Water	Upgrade	EC123 Great Kei	1 000 000	1 500 000	1 500 000
Cintsa East Bulk Services Upgrade -Water Infrastructure	Sanitation	Upgrade	EC123 Great Kei	1 000 000	1 173 765	1 173 765
Kei Bridge Water Treatment Works Project	Water	New	EC123 Great Kei	21 590 100	-	-
Komga Commonage Settlement	Water	New	EC123 Great Kei	1 200 000	2 000 000	2 000 000
Morgan Bay Sanitation	Sanitation	New	EC123 Great Kei	387 000	-	-
Kei Mouth water pipe replacement phase 1&2	Water	Upgrade	EC123 Great Kei	21 000 000	34 853 640	34 853 640
Completion of backlog- Amahlathi area wide sanitation project	Sanitation:VIP	New	EC124 Amahlathi	7 958 600	-	-
Stutterheim Sewer Pipe Replacement Programme	Sanitation	Upgrade/ Rehab	EC124 Amahlathi	1 500 000	-	-
Stutterheim Water Pipe Replacement Programme	Water	Upgrade/ Rehab	EC124 Amahlathi	3 427 400	-	-
Carthcart Bulk Services Upgrade	Water	New	EC124 Amahlathi	4 000 000	25 499 184	28 499 184
Rhabula Water Supply Extensions	Water	New	EC124 Amahlathi	24 400 400	5 000 000	5 360 650
Completion of backlog- Ngqushwa area wide sanitation project	Sanitation:VIP	New	EC126 Ngqushwa	22 786 280	-	-
Upgrading of Peddie Waste Water Treatment	Sanitation	Upgrade	EC126 Ngqushwa	16 138 400	29 421 487	29 421 487
Ngqushwa Villages Water Reticulation Budget Maintainance & NGQUSHWA WATER SERVICES RETICULATION PROJECT: COMPLETION OF BULK AND RETICULATION (PHASE 2- STAGE 1	Water	Upgrade	EC126 Ngqushwa	1 500 000	1 555 128	1 555 128
Repairs and Refurbishment of Water Infrastructure: Raymond Mhlaba: Fort Beaufort and Alice	Water	Rehabilitation	EC129 Raymond Mhlaba	7 268 600	10 000 000	10 000 000

PROJECT TITLE	PROJECT TYPE	PROJECT CATEGORY	REGION	Total Planned Expenditure for 2026/2027	Total Planned Expenditure for 2027/28	Total Planned Expenditure for 2028/29
Emergency Interventions at Sewage Systems in the Amathole District Municipality – Raymond Mhlaba	Sanitation	Rehabilitation	EC129 Raymond Mhlaba	4 207 100	7 000 000	7 000 000
Completion of backlog- Raymond area wide sanitation project	Sanitation:VIP	New	EC129 Raymond Mhlaba	20 968 760	28 000 000	31 000 000
West Victoria East Water Supply – Phase 4	Water	Upgrade	EC129 Raymond Mhlaba	14 600 000	27 600 000	27 600 000
Nxuba - Adelaide and Bedford Bucket Eradication Phase 4: Upgrading of Bedford WWTW	water and sewer	Upgrade	EC129 Raymond Mhlaba	1 281 500	-	-
Fort Beaufort Bulk Water Supply Phase 2	Water	Upgrade	EC129 Raymond Mhlaba	18 000 000	30 000 000	30 000 000
Nxuba - Adelaide and Bedford Bucket Eradication Phase 6: Upgrading of Bedford WWTW	Sanitation	Upgrade	EC129 Raymond Mhlaba	3 600 000	3 600 000	3 600 000
TOTAL MIG ALLOCATION				R 518 479 000	R 579 301 000	R 598 628 000

4.3.2 Amathole District Municipality Regional Bulk Infrastructure Grant - Budget 2026/27 To 2028/29

PROJECT TITLE	PROJECT TYPE	PROJECT CATEGORY	REGION	2026/2027 BUDGET ALLOCATION	2027/28 BUDGET ALLOCATION	2028/29 BUDGET ALLOCATION
Sundwana Water Supply (Mbhashe LM)	Water	New	EC121 Mbhashe	-	10 500 000	10 971 000
Nggamakhwe Bulk Water Supply (Mnquma LM)	Water	New	EC122 Mnquma	90 401 000	119 071 000	55 592 000
TOTAL RBIG ALLOCATION				90 401 000	129 571 000	66 563 000

4.3.3 Water Services Infrastructure Grant (Wsig) Three Year Capital Plan - Budget 2026/27 To 2028/29

PROJECT TITLE	TYPE	REGION	TYPE (NEW/ RENEW/ UPGRADE)	BUDGET 2026 2027	BUDGET 2027 2028	BUDGET 2028 2029
Drilling and Testing of Mbashe, Mquma and Great Kei Boreholes	Water	ADM: WHOLE DISTRICT	NEW	8 000 000	8 000 000	-
Refurbishment of Sewage Systems in Amathole DM	Sanitation	ADM: WHOLE DISTRICT	RENEWAL	-	-	-
Non Revenue Water Loss Control Project: Mbashe	Water	EC121 MBHASHE	RENEWAL	9 000 000	10 000 000	15 000 000
Mncwasa	Water	EC121 MBHASHE	RENEWAL	8 000 000	15 000 000	15 000 000
Equipping of Mbashe and Mquma Boreholes	Water	EC121 MBHASHE	NEW	8 500 000	10 000 000	-
Non Revenue Water Loss Control Project: Mquma	Water	EC122 MNQUMA	RENEWAL	9 000 000	10 000 000	15 000 000
Refurbishment of Mquma and Mbashe Water Retaining Structures	Water	EC122 MNQUMA	RENEWAL	-	-	-
Non Revenue Water Loss Control Project: Great Kei	Water	EC123 GREAT KEI	RENEWAL	9 000 000	10 000 000	15 000 000
Refurbishment of Great Kei LM water retaining structures	Water	EC123 GREAT KEI	RENEWAL	-	-	-
Chintsa Dam Refurbishment	Water	EC123 GREAT KEI	UPGRADING	5 000 000	-	-
Non Revenue Water Loss Control Project: Amahlathi	Water	EC124 AMAHLATI	RENEWAL	9 000 000	10 000 000	15 000 000
Dontsa Water Supply	Water	EC124 AMAHLATI	UPGRADING	5 000 000	-	-
Refurbishment of Amahlathi Water Retaining Structures	Water	EC124 AMAHLATI	RENEWAL	2 000 000	10 000 000	10 000 000
Non Revenue Water Loss Control Project: Nggushwa	Water	EC126 NGQUSHWA	RENEWAL	9 000 000	10 000 000	15 000 000
Refurbishment of Raymond Mhlaba Water Retaining Structures	Water	EC129 RAYMOND MHLABA	RENEWAL	4 000 000	10 000 000	8 000 000
Non Revenue Water Loss Control Project: Raymond Mhlaba	Water	EC129 RAYMOND MHLABA	RENEWAL	9 000 000	10 000 000	8 686 000
Equipping of Raymond Mhlaba Boreholes (Bedford)	Water	EC129 RAYMOND MHLABA	NEW	-	-	-
Equipping of Raymond Mhlaba Boreholes (Fort Beaufort & Healdtown)	Water	EC129 RAYMOND MHLABA	NEW	-	-	-
Drilling and Testing of Raymond Mhlaba Boreholes	Water	EC129 RAYMOND MHLABA	NEW	-	-	-
Refurbishment of Adelaide Canal	Water	EC129 RAYMOND MHLABA	UPGRADING	-	-	-

PROJECT TITLE	TYPE	REGION	TYPE (NEW/ RENEW/ UPGRADE)	BUDGET 2026 2027	BUDGET 2027 2028	BUDGET 2028 2029
Upgrading of Adelaide Raw Water Supply	Water	EC129 RAYMOND MHLABA	UPGRADING	4 239 095	2 500 000	-
Refurbishment of Chintsa Water Treatment Works	Water	EC123 GREAT KEI	RENEWAL	2 137 560	-	-
Refurbishment of Haga-Haga Water Treatment Works	Water	EC123 GREAT KEI	RENEWAL	2 294 498	-	-
Upgrading of Kei Bridge Water Treatment Works	Water	EC123 GREAT KEI	UPGRADING	4 132 852	-	-
Refurbishment of Morgan's Bay Water Treatment Works	Water	EC123 GREAT KEI	RENEWAL	2 695 995	-	-
TOTAL:				R110 000 000	R 115 500 000	R 116 686 000

4.3.4 SECTOR DEPARTMENT PROJECTS

4.3.4.1 Department of Community Safety

ACTIVITY	VENUE AND TIMEFRAME	BUDGET
Social Crime prevention programme (crime awareness programmes)	Alice, Centane, Peddie, Stutterheim, Dutywa, Ngqamakhwe, Elliotdale, Qumrha, Balfour and Willowvale	R192 000
Oversee CPF Elections	All police station areas in the district April – June 2026	No Cost Implication
Assess Community Police Forum (CPF) on functionality	Chungwa, Bholo and Bluewater	No Cost Implication
Unannounced visits (assess service delivery at the Client Service Centres)	Thomas River, Kubusie Drift, Centane, Cathcart, Doringkloof, Healdtown, Balfour, Ngqamakhwe, Hamburg, Kei Bridge, Khwenxura, Chungwa, Keiskammahoek, Bedford, Hogsback, Moyeni	No Cost Implication
Assess compliance to Domestic Violence Act by SAPS	Tyefu, KwaMaqoma, Msobomvu, Steve Vukile Tshwete, Willowvale, Kolomane, Alice, Kei Road, Bluewater, Kei Bridge	No Cost Implication
Policing Accountability Engagement (imbizo focusing of police service delivery)	Dutywa, Bholo, Seymour, Bell, Kei Mouth and Butterworth	R98 000
Assess SAPS inefficiencies in relation to cases withdrawn or struck off the court roll (follow ups on improvement plans developed – focus on GBV related and stock theft cases)	Keiskammahoek, Butterworth and Peddie	No Cost Implication
TOTAL		R 290 000

4.3.4.2 Department of Agriculture

List of projects on LandCare:

PROJECT NAME	MUNICIPALITY	BUDGET
Amathole Conservation Committee	- all 7 LMs	R243 000
Amathole Juniorcare		R125 000
Lange draai	Amahlathi	R680 000
Lower blinkwater	Raymond Mhlaba	R490 000
Manqulo	Mnquma	R697 000
Ndlambe	Ngqushwa	R717 000
Phawu AgriPark	Mnquma	R356 000

MTEF TARGETS 2026/27	DISTRICT BUDGET
16	R322 000
2529	R 1 520 000
25	R 715 000
57	R751 000

INFRASTRUCTURE PLANS FOR 2026 / 27

MAIN PROJECT NAME	PROJECT SCOPE (SCOPE INCLUDING NO.OF UNITS)	SUB-COMMODITY	LOCAL MUNICIPALITY	BUDGET 2026/2027
Ncalukeni cropping	Supply and delivery and installation of 6km fence	Maize	Great kei	540 000
Ncalukeni cropping	Procurement of protective clothing	Maize	Great kei	12 000
Ncalukeni cropping	Payment of casual labourers	Maize	Great kei	422 400
Ntseshe wga	Shearing shed with equipment and small stock dipping tank	Wool	Mnquma	1 500 000
Qeqe wga	Shearing shed with equipment and small stock dipping tank	Wool	Mbhashe	1 500 000
Lower mgwalana shearing	Construction of shearing shed with small stock diptank	Wool	Ngqushwa	1 500 000
Jongala	Construction of structure for 4000 broiler chick structure	Poultry	Mnquma	1 677 025
Mpayipeli	Construction of structure for 1000 broilers	Poultry	Amahlati	1 200 000
Glen lion	Sitting drilling & testing of borehole for stockwater system	Red meat	Raymond mhlaba	350 000
Mazoka farmers association	Sitting drilling & testing of borehole for stockwater system for new large stock diptank	Red meat	Raymond mhlaba	350 000
Bhirha beef complex	Retentions for construction of a 300 cattle feedlot in bhira beef complex	Red meat	Ngqushwa	159 510
Upper zingcuka	Renovation of large stock diptank	Red meat	Amahlati	550 000

MAIN PROJECT NAME	PROJECT SCOPE (SCOPE INCLUDING NO.OF UNITS)	SUB-COMMODITY	LOCAL MUNICIPALITY	BUDGET 2026/2027
Seven stars dairy	Refurbishment of processing facility	Red meat	Amahlati	1 000 000
Khayelitsha cpa	Dam scooping	Red meat	Great kei	300 000
Ngqushwa beef complex	Construction of abattoir	Red meat	Ngqushwa	3 000 000
Amathole ohs	Amathole ohs	Red meat	Amathole	500 000
Mlowa multi-purpose	Equipping borehole for irrigation	Vegetable	Amahlati	550 000
Star vegetable (malgas) production sa gap (phase 2)	Construction of a farmhouse	Vegetable	mbhashe	1 000 000

PLANS FOR 2026 – FOOD SECURITY

MTEF TARGETS	DISTRICT BUDGET
6 345	R10,877,145
5 235	R12,000,000

TOTAL = R47 104 080.00

4.3.4.3 Department of Health

Project Name	Budget Programme Name	Start Date	Completion Date	Final Appropriation 2026 27 FY-A R0,00
Butterworth Hospital - Repairs and Renovations Phase 2	Programme 8	2021/01/26	2031/07/31	500 000
SS Gida Renovations and refurbishments	Programme 8	2021/11/12	2027/02/25	1 500 000
Conditional Assessments to all Health Facilities - Amathole	Programme 8	2021/07/21	2029/03/31	3 300 000
Conditional Assessments to all ideal Clinics - Amathole	Programme 8	2020/11/09	2029/03/31	1 628 000
Construction of a New Clinic at Xhora Mouth	Programme 8	2020/03/25	2028/01/31	2 250 000
Construction of a New Clinic in Cebe Village	Programme 8	2021/04/06	2030/02/15	36 000 000
ETS - Electrification - Amathole	Programme 8	2026/04/01	2029/03/31	450 000
Madwaleni Hospital - Upgrading of OPD, MOU	Programme 8	2023/05/15	2031/03/31	70 000 000
ETS - Scheduled Maintenance to Victoria and Tower Hospitals	Programme 8	2026/04/01	2029/03/31	2 000 000
ETS - Scheduled Maintenance to Various Autoclave, Sterilizer and Bed Pan Washer Equipment - Amathole DM	Programme 8	2020/05/04	2029/03/31	2 000 000

Project Name	Budget Programme Name	Start Date	Completion Date	Final Appropriation 2026 27 FY-A R0,00
ETS - Scheduled Maintenance to Various Central HVAC Systems - Amathole DM	Programme 8	2025/01/31	2029/03/31	450 000
ETS - Scheduled Maintenance to Various Fire Detection and Prevention - Amathole DM	Programme 8	2025/02/01	2029/03/31	2 000 000
ETS - Scheduled Maintenance to Various LV, Nurses Call, Comms, PV and UPS - Amathole DM	Programme 8	2025/01/31	2029/03/31	2 000 000
ETS - Scheduled Maintenance to Various Refrigeration, Mortuaries and Heat Pumps - Amathole DM	Programme 8	2021/11/19	2029/03/31	1 350 000
ETS - Scheduled Maintenance to Various Theater HVAC - Amathole DM	Programme 8	2025/02/21	2029/03/31	1 800 000
ETS - Scheduled Maintenance to Various Vacuum and Compressed Medical Gas Supply - Amathole DM ES	Programme 8	2025/01/31	2029/03/31	1 800 000
ETS - Scheduled Maintenance to Various Vacuum and Compressed Medical Gas Supply - Amathole DM HFRG	Programme 8	2025/01/31	2029/03/31	1 800 000
ETS - Scheduled Maintenance to Various Wet Services, Plumbing and WWTS - Amathole DM	Programme 8	2025/01/31	2029/03/31	2 250 000
Infrastructure Improvements to Butterworth Hospital	Programme 8	2021/01/26	2031/07/31	1 500 000
HT - District Hospitals Medical Equipment Maintenance - Amathole	Programme 8	2026/04/01	2029/03/31	2 700 000
HT - Existing Hospitals Commissioning and Recommissioning - Amathole	Programme 8	2017/04/01	2029/03/31	2 700 000
HT- Existing Clinics Commissioning and Recommissioning - Amathole	Programme 8	2017/04/01	2029/03/31	2 700 000
ETS - Scheduled Maintenance to Generators Amathole	Programme 8	2024/10/22	2029/03/31	4 000 000
Infrastructure Improvements to Health Care facilities Amathole District	Programme 8	2023/02/02	2027/03/31	12 000 000

Project Name	Budget Programme Name	Start Date	Completion Date	Final Appropriation 2026 27 FY-A R0,00
Infrastructure Improvements- Victoria Hospital	Programme 8	01/09/2026	31/03/2027	5 000 000
Khubusi Clinic - Construction of a new clinic	Programme 8	2025/04/01	2027/10/31	4 500 000
Maintenance and repairs - District Hospitals Amathole	Programme 2	2026/04/01	2029/03/31	9 660 000
Maintenance and repairs - Tower Hospital	Programme 5	2026/04/01	2029/03/31	2 000 000
Construction of Balfour Clinic	Programme 8	2023/03/27	2027/11/15	5 000 000
Repairs and Renovations to EMS Bases in Amathole District	Programme 8	2026/04/01	2028/03/31	450 000
Upgrading of Tanga Clinic	Programme 8	2023/06/26	2030/03/31	500 000
Upgrading of Fort Beaufort Hospital	Programme 8	2021/08/31	2034/03/31	450 000
HT - Balfour Clinic Commissioning	Programme 8	2025/04/01	2028/03/31	3 000 000
TOTAL				R 189 236 000.00

4.3.4.4 Department of Social Development

ROAD MAINTENANCE 2026-2027 BUDGET SUMMARY

LOCAL MUNICIPALITY	RE-GRAVELLING	FRAMEWORK	TOTAL (R)
Mbashe	R5 000 000	R 3 000 000	R8,000,000
Mnquma	R5 000 000	R2 000 000	R7,000,000
Great kei	R8 000 000	R 3 000 000	R11,000,000
Ngqushwa	R10 000 000	R 3 000 000	R13,000,000
Amahlathi	R7 000 000	R3 000 000	R10 000 000
Raymond Mhlaba	R5, 946, 512	R5 000 000	R10,946,512

DISASTER BUDGET SUMMARY 2026-2027

LOCAL MUNICIPALITY	BUDGET AMOUNT (R)	ACTIVITY AND QUANTITY
Mbashe	R60,000,000	Regravelling of 60km Bridges works amount R20million
Mnquma	R40,000,000	Regravelling of 53km Includes stormwater pipe drains
Amahlathi	R20,000,000	Regravelling of 26km Includes stormwater pipe drains
Raymond Mhlaba	R29,668,278	Regravelling of 40km Includes stormwater pipe drains Bridge repair

EXPANDED PUBLIC WORKS 2025-2026 BUDGET SUMMARY

LOCAL MUNICIPALITY	No. of Projects	No. of Participants per project	Project Description	Budget (R)
Amahlathi	06	466	Routine Road Maintenance	R8,553,600.00
Raymond Mhlaba	06	767		R 12,466,128.00
Ngqushwa	06	717		R 10,574,688.00
Mbashe	06	913		R14,634,880.00
Great Kei	06	138		R 2,503,488.00
Mnquma	08	666		R 10,951,392.00
SUB TOTAL	38	3667		

TOTAL= R300 811 091.00

4.3.4.5 Department of Public Works

Health projects

PROJECT NAME	BUDGET
Balfour clinic	R 52 059 253,81
Cebe clinic	R 64 598 699,62
Madwaleni clinic	R 560 086 375
Willowvale chc	R 18 379 279,67

Cogta Projects

PROJECT NAME	BUDGET
Imingcangathelo TC	R 3 109 140
Amazizi TC	R 3 214 950

Department Of Social Development projects

PROJECT NAME	BUDGET
Seymour Service Office	R 17 800 960

TOTAL PORTFOLIO = R717 000 000.00

4.3.4.6 Department of Transport

AM AHLATHI LM

LOCAL MUNICIPAL AREA	MAINTENANCE COST
Framework	R7 693 725.00
Amahlathi- Plant hire	R4 700 000.00
Disaster Fund	R 5 075 924 .00
TOTAL	R17 469 649.00

Road Maintenance 25/26 Budget Summary

LOCAL MUNICIPALITY	RE-GRAVELLING	FRAMEWORK		TOTAL
Mbhashe	Re-Gravelling	Surface	Blading	
	R 5 693 725	R 2 000 000.00	R 5 200 000.00	R12 893 725

LOCAL MUNICIPALITY	RE-GRAVELLING	FRAMEWORK		TOTAL
Great Kei	Re-Gravelling	Surface	Blading	
	R 5 693 724	R 1 000 000.00	R 3 000 000.00	R9 693 724.00

LOCAL MUNICIPALITY	RE-GRAVELLING (Plant hire)	FRAMEWORK		TOTAL
Ngqushwa		Surface	Blading	
	R4 700 00,00	2 000 000,00	R2 846 862,00	R9 546 862,00

LOCAL MUNICIPALITY	RE-GRAVELLING	FRAMEWORK		TOTAL
Mnquma	Re-Gravelling	Surface	Blading	
	R5 693 724	R 1 060 000	R 4 700 000	R 11 453 724

LOCAL MUNICIPALITY	DISASTER	PLANT HIRE	FRAMEWORK		TOTAL
Raymond Mhlaba			Surface	Blading	
	R 5 693 724.00	R 6 000 000.00	R2 000 000.00	R 4 700 000.00	R18 393 724.00

AM AHLATHI EXPANDED PUBLIC WORKS PROGRAMME

Project Name	No.Of Participants per project	Project Description	Annual Budget
Household Contractors	385	Routine Road Maintenance	R4 583 040,00
Scholar Transport Monitors	25	Safety of Learners	R744 000,00
Community Development Support	1	Administration	R60 000,00
Supervisors	26	supervision and M&E	R1 241 760,00
Road Rangers	28	Safety of road users	R950 400,00
Road Maintenance Youth Brigades	35	Routine Road Maintenance	R 1 283 520,00
TOTAL	500		R 8 862 720,00

MBHASHE EXPANDED PUBLIC WORKS PROGRAMME

Project name	No.of participants per project	Ward/s	Project description	Annual budget
Household Contractors	908	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,20,22,23,24,25,26,27,28,29,30,31	Routine Road Maintenance	R11 157 504.00
SHE Cleaners (DPWI Elliotdale & Dutywa offices)	5	4,13	Safety of Officials & public entering govt premises	R153 600.00
Scholar Transport Monitors	40	2,3,4,5,9,11,12,13,17,18,23,24,25,26,27,28,29	Safety of Learners	R 1 228 800.00
Walking Bus	27	1,2,3,9,25,26,30	Safety of Learners	R 829 440.00
Supervisor	48	1,2,3,4,5,6,7,8,9,10,11,12,13,14,16,17,18,20,22,23,24,25,26,27,28,29,30,31	Supervision and M&E	R2 292 480,00
Road Rangers	25	N2(Mbhashe river-Wayilesini),Dutywa-Willowvale,Dutywa-Ngcobo route,Elliotdale-Madwaleni)	Safety of road users	R 900 000,00
NYS Learners	3	Elliotdale(Traffic law enforcement)	Routine Road Maintenance, Mechanical & administration	R93 600,00
	1056			R15,825,984.00

GREAT KEI EXPANDED PUBLIC WORKS PROGRAMME

Project Name	No.Of Participants per project	Ward/s	Project Description	Annual Budget
Household Contractors	150	2,3,4,5,6,7	Routine Road Maintenance	R 1 785 600,00
Roadside Check point Cleaners	3	6 & 7	Safety of Law enforcement officers	R53 568,00
Scholar Transport Monitors	14	1,2,3,4,5,6,7	Safety of Learners	R 416 640,00
Supervisors	7	1,2,3,4,5,6,8	Supervision and M&E	R 334 320,00
Community Development Support	1	1,2,3,4,5,6,7	Administration	R 60 000,00
Road Rangers	15	2,3,4,5,6,7	Safety of road users	R511 200,00
	190			R 3 161 328,00

NGQUSHWA EXPANDED PUBLIC WORKS PROGRAMME

Project Name	No.Of Participants per project	Ward/s	Project Description	Annual Budget
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Household Contractors	747	1,2,3,4,5,6,7,9,10,11,12	Routine Road Maintenance	R 8 014 533,12
Scholar Transport Monitors	17	2,3,4,5,6,8,9,10,12	Safety of Learners	R 455 980,80
Transport Facilitators	5	2,4,5	safety of bus users	R 134 112,00
Community Development Support	1	1,2,3,4,5,6,7,9,10,11,12	Administration	R 60 000,00
Supervisors	33	1,2,3,4,5,6,7,9,10,11,12	Supervision and M&E	R 1 576 080,00
Road Rangers	12	1,9,12(N2 & R72 Routes)	Safety of road users	R 403 200,00
TOTAL	815			R 10 643 905,92

4.3.4.7 Department of Agriculture

IMPLEMENTATION PLAN 2025/2026 – LANDCARE

LOCAL MUNICIPAL AREA	MAINTENANCE COST
Desilting of 2 dams Lower Blinkwater RMM	R560 000.00
Supply & Deliver Fencing Material Manqulo MNQUMA	R297 100.00
Supply & Deliver fencing Material Ndlambe NGQUSHWA	R322 700.00
Supply & Deliver Fencing Material Langdraai AMAHLATHI	R256 500.00
Supply & Deliver Fencing Material Qeto NGQUSHWA	R122 400.00
Supply & Deliver Inputs-Pasture Seed Qeto NGQUSHWA	R287 000.00
Supply & Deliver Inputs-Maize Seeds Lower BlinkWater RMM	R220 000.00
TOTAL	R1 809 200.00

DIPTANKS NEW & RENOVATION

SUB-PROJECT	DESCRIPTION OF PROJECT / PROGRAMME (EG. ACTIVITIES / COMMODITIES)	LOCAL MUNICIPALITY	ORIGINAL BUDGET
Felem Farm	Construction of new spray race diptank	EC123 GREAT KEI	R 950 000
Ncerha-Skweyiya red meat producers	Renovation of large stock diptank	EC129 RAYMOND MHLABA	R 550 000
Nqabarha Farmers Association	Renovation of diptank	EC121 MBHASHE	R 550 000
Mbunqwini Diptank Ren	Diptank Renovations	EC122 MNQUMA	R 550 000
Manyube New Dip	Construction of a new diptank	EC122 MNQUMA	R 950 000
TOTAL			R3 550 000

NEW SHEARING SHED CONSTRUCTION

SUB-PROJECT	DESCRIPTION OF PROJECT / PROGRAMME (EG. ACTIVITIES / COMMODITIES)	LOCAL MUNICIPALITY	ORIGINAL BUDGET
Masibambisane WGA	Construction of shearing shed with small stock diptank	EC121 MBHASHE	R 1 400 000

Ngwanya Mission WGA	Construction of shearing shed with small stock diptank	EC122 MNQUMA	R1 400 000
Gaga wool growers association	Construction of shearing shed with small stock diptank	EC129 RAYMOND MHLABA	R1 400 000
TOTAL			R4 200 000

ANIMAL HANDLING FACILITY

SUB-PROJECT	DESCRIPTION OF PROJECT / PROGRAMME (EG. ACTIVITIES / COMMODITIES)	LOCAL MUNICIPALITY	ORIGINAL BUDGET
Crossman	Construction of animal handling facility	NGQUSHWA	R450 000
Heradale farm	Construction of a large stock animal handling facility	EC124 AMAHLATI	R 450 000
TOTAL			R900 000

FENCES

SUB-PROJECT	DESCRIPTION OF PROJECT / PROGRAMME (EG. ACTIVITIES / COMMODITIES)	LOCAL MUNICIPALITY	ORIGINAL BUDGET
Littlego Farm	Supply and Delivery of Fence for livestock(20KM)	EC124 AMAHLATI	R1 400 000
Peddie Extension	Fencing of arable lands 7km	NGQUSHWA	R490 000
Oatbrey Farm	Supply and Delivery Fencing of boundary 9km	EC123 GREAT KEI	R429 514
Group 2 Trading Fence	Supply , delivery and installation of fence 10KM	EC122 MNQUMA	R640 000
TOTAL			R 2 959 514

BOREHOLES & STOCKWATER

SUB-PROJECT	DESCRIPTION OF PROJECT / PROGRAMME (EG. ACTIVITIES / COMMODITIES)	LOCAL MUNICIPALITY	ORIGINAL BUDGET
Human Rest Farm	BOREHOLE EQUIPPING	EC123 GREAT KEI	R 550 000
Hardinge livestock farm	Equipping of a borehole	EC126 NGQUSHWA	R 550 000
TOTAL			R110 000

BIRHA BEEF COMPLEX PROJECT

SUB-PROJECT	DESCRIPTION OF PROJECT / PROGRAMME (EG. ACTIVITIES / COMMODITIES)	LOCAL MUNICIPALITY	ORIGINAL BUDGET
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Bira Farmers Abattoir	Planning , designs and documentation	NGQUSHWA	R 1 000 000
Bira Farmers Farmers Feedlot	Construction of 300 Capacity Cattle Feedlot	NGQUSHWA	R 3 000 000
TOTAL			R4 000 000

CARRY-OVER PROJECTS FROM 2024/25 FY

SUB-PROJECT	DESCRIPTION OF PROJECT / PROGRAMME (EG. ACTIVITIES / COMMODITIES)	LOCAL MUNICIPALITY	ORIGINAL BUDGET
Nkelekethe Dip Ren	Diptank Renovations	EC122 MNQUMA	R43 254
GCINIBUZWE STOCK WATER PROJECT (RETENTIONS)	GCINIBUZWE STOCK WATER PROJECT (RETENTIONS)	EC124 AMAHLATI	R120 000
STAR VEGETABLE (MALGAS) PRODUCTION SA GAP (Retentions)	Star Vegetable Production SA GAP	EC122 MNQUMA	R 41 636
TOTAL			R204 890

ALLOCATED FS BUDGET

SOURCE OF FUNDING	DESCRIPTION	BUDGET
VOTED	CUSTOM FEEDING CETRE	R1 739 000
ILIMA LETSEMA	IRRIGATION	R5 000 000
ILIMA LETSEMA	HOUSEHOLD (ILIMA LITSEMA)	R10 978,000
CASP INFRASTRUCTURE	GRAIN (CASP)	R13 000 000
TOTAL		R 30 717 000

ALLOCATED FS BUDGET PER MUNICIPALITY

Municipality	Budget
Amahlathi	R3 520 717
Great Kei	R1 170 436
Mbhashe	R1 847 880
Mnquma	R1 857 880
Ngqushwa	R4 499 667
Raymond Mhlaba	R2 994 950
Amathole	R13 000 000
TOTAL	R 25 896 580

4.3.4.8 Department Of Forestry, Fisheries and Environment

NAME	MUNICIPALITY	PROJECT DESCRIPTION	BUDGET	PROGRESS TO DATE & CHALLENGES
EC -WftCFish River to Great Kei River (25/26)	Great Kei = 161 Ngqushwa= 72	Strengthening of waste management in coastal Municipalities through litter picking and coastal cleanup.	R4,9 m	Signing of contracts for project participants took place in January 2026. Non –compliance with regards to provision of PPE/working tools.
Municipal Environmental Graduates	Amahlathi= 2 Great Kei = 4 Mbhashe= 2 Mnquma= 2 Ngqushwa= 4 Raymond Mhlaba = 2	Support environmental planning and management	DFFE Persal	2 Graduates signed contract in August 2025. 2 signed in February 2026. 2 year period
Youth Unemployed Graduates	All ADM municipalities	The main objectives of the programme are job creation, environmental management practices and strengthening support for Small Medium and Micro Enterprises (SMMEs).	10 graduates - Stipend is R271,04 per day for 22 days its R5962,88 per month.	After DFFE conducted Environmental Analysis in all municipalities. Municipalities face challenges in fulfilling their environmental management responsibilities due to resource constraints Recruitment is progress. Project under planning
Amathole Biosphere Reserve	ADM municipalities (Ngqushwa, Amahlathi and Raymond Mhlaba	to contribute to the conservation of landscapes, ecosystems, species and genetic variations. Project is to improve community livelihoods within the Biosphere reserves	Not available yet	Project under planning



2026/27

CHAPTER FIVE: SECTOR PLAN ANALYSIS & POLICIES



CHAPTER FIVE

SECTOR PLAN ANALYSIS & POLICIES

5.1 SECTOR PLAN ANALYSIS

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. Below is a list of sector plans per the cluster approach:

ECONOMIC DEVELOPMENT	LAND CARE DEVELOPMENT	SOCIAL AND HEALTH SERVICES	GOVERNANCE OPERATIONS	FINANCIAL VIABILITY
Economic Growth And Development Plan	Coastal Management Plan	Integrated Waste Management Plan	Employment Equity Plan	Revenue Enhancement Strategy
	Integrated Environmental Management Plan	District Community Safety Plan	Communications Strategy	Supply Chain Management Strategy
	District Spatial Development Framework	Water Services Development Plan	Brand Repositioning Strategy	Financial Recovery plan
	Disaster Management Plan	Municipal Health Services Strategy	Geographic Information System (GIS) Strategy	Asset Management Strategy
	Air Quality Management Plan	HIV/AIDS, STI, TB & Cancer Strategy	Establishment Plan	
	Land reform & settlement plan	Fire Risk Management Plan	IT Master Plan	
		Occupational Wellness Strategy	Talent Retention Strategy	
		Employee Wellness Strategy	Business Continuity Plan	
		District Sport Development Strategy	Organisational development Strategy	
		Integrated Sustainable Human Settlement Strategy	Public Participation and Petitions Strategy	
			Human Resources Plan	
			Human Resources Development Strategy	
			Fleet Management Strategy	
			Integrated Wellness	

5.1.1 Sector Plans

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
SPATIAL PLANNING & ECONOMIC DEVELOPMENT	Integrated Environmental Management Plan-	21 June 2012	2017/8	<p><u>Economic development</u> Ensure effective utilisation of natural resources (Renewable energy, coastal economy, bioprospecting)</p> <p><u>Social equity</u> Environmental empowerment services (campaigns, Symposiums, conferences, etc.)</p> <p><u>Environment integrity</u> Mainstream environmental management (partial) -Environmental policy formulation</p>	<ul style="list-style-type: none"> - Under-utilisation and misuse of biological resources - The gradual and constant Southward Migration of Nama Karoo
	Air Quality Management Plan -	June 2013	2017/8	<p>Objective 1: To ensure that staff are designated to the required roles for effective air quality management and that they are adequately trained for their roles.</p> <p>Objective 2: Identify sources of emissions in the district.</p> <p>Objective 3: Minimise emissions from scheduled and non-scheduled processes.</p> <p>Objective 4: To engage stakeholders in government, industry and the community</p>	<p>Ambient air quality is rated as acceptable. Key pollutant- Timber, mining, veld fires, domestic Traffic congestion (s02, c02)</p> <p>Poor waste management, agricultural emissions, poorly managed Mining, quarries and borrow pits</p>
	Renewable Energy and Greenhouse Gas Inventory	05 July 2013	2017/8	<p>1. Reduce ADM Organizational Greenhouse Gas Emissions??</p> <p>2.Facilitate the undertaking of a GHG Inventory</p> <p>3.Fostering a Favourable environment for Renewable Energy Investment</p> <p>4.The Detailed Land Audit to assist renewable energy investment</p> <p>5. Mainstream greenhouse gas reduction measures</p>	<p>Over-reliance on coal-based energy</p> <p>Land Tenure Regulatory Requirements (permits & licenses)</p> <p>Investment promotion (driver and champion)</p> <p>Infrastructure development master plans (include R.E infrastructure)</p>
	Climate Change Vulnerability Assessment And	March 2011	2022/23	<p>1.Determining ADM's vulnerability and affected sectors</p>	<p>Temperature rise beyond global average limit (+2.50c Inland vs - 20c)</p>

	Response Framework-			2.Facilitate response mechanisms to climate change (R.E, Water harvesting, Greening, Land care, Capacity building and awareness) 3.Mainstreaming of climate change	Prolonged drought poses a direct threat to human life and economy of the region Extreme weather conditions pose a direct threat to the core function of Amathole district municipality (Water service provision
	Coastal Management Plan	2016/17	2017/8	1.Fostering Cooperative Governance on coastal issues 2.Ensuring Coastal Planning and Development 3.Consideration of Climate Change and Dynamic Coastal Processes 4.Management of coastal pollution 5.Management of Estuaries	Underutilisation of marine & coastal resources Exploitation of marine resources Coastal equity Institutionalisation and localisation of oceans economy
	ADM Incubator	2018/19	2022/23	To ensure that ADM caters for her SMMEs and Cooperatives by providing growth opportunities.	Lack of development for SMMEs within ADM due to lack of proper financial
	Spatial Planning and Local Economic Development Strategy	Under-review	Not yet	<p>“To empower communities, create a sustainable and inclusive economy for the district, and use sustainable growth and development to address the socioeconomic problems of poverty and unemployment”.</p> <ul style="list-style-type: none"> • Tourism and Heritage promotion • Investment Promotion • Agricultural Development • Enterprise Development • EPWP promotion • Environmental Management • Oceans Economy • Investment Promotion • Spatial Planning • Land Tenure • Land Reform 	<ul style="list-style-type: none"> • Agricultural Development • Tourism Development • MSME Development and support • Promotion of partnerships • High unemployment rate • Resources Mobilisation • Skills Development <p>Growing population.</p>
	Agriculture sector plan,	2018/19	2022/23	<p>To promote holistic sustainable regional economic development by 2030</p> <ul style="list-style-type: none"> • Provide support towards the emerging farmers • Commercialization of Agric sector • Market Access • Transformation of the agricultural sector 	<ul style="list-style-type: none"> • Major Review of the strategy to talk to key challenges • Lack of investment for agricultural development and promotion; • Gradual decline of agricultural contribution to the GDP <p>Climate and Livestock Improvement</p>
	Heritage and Tourism plan,			To promote holistic sustainable regional economic development by 2030	Poor access to heritage sites Limited Resources Vandalism of heritage resources

		2018/19	2022/23	<ul style="list-style-type: none"> • Unearth heritage resources with the district • Conserve areas of heritage importance within the district • Promote heritage and tourism sites • Tourism Marketing and Promotions • Tourism Development and capacity building • Tourism safety 	<p>Community empowerment Tourism Transformation Tourism Safety Poor roads Tourism Marketing and Promotion</p>
	Enterprise Developments strategy,	2018/19	2022/23	<p>To promote holistic sustainable regional economic development by 2030</p> <ul style="list-style-type: none"> • Support towards MSMEs and Cooperatives within the district • Promotion of rural enterprises <p>Access to funding opportunities and market access.</p>	<ul style="list-style-type: none"> • MSMEs and Cooperative Transformation • Inadequate MSMEs empowerment • Mechanisms to access markets for MSMEs & Coops be developed • Digitalisation of MSMEs • Lack of resources <p>Lack of market access</p>
	Poverty eradication strategy,	2018/19	2022/23	<p>To promote holistic sustainable regional economic development by 2030</p> <ul style="list-style-type: none"> • Reduction of poverty, inequality and unemployment <p>Community empowerment</p>	<ul style="list-style-type: none"> • Mainstreaming of poverty eradication programmes such as EPWP etc. <p>Project identification be in line to the Policy</p>
	Land Reform and Settlement Plan	2017/18	2023/24	<p>Land reform has a composite suite of issues and interlocking components; the precise make up of which differ from one Local Municipal Area to the other.</p> <p>Some of these components include:</p> <ul style="list-style-type: none"> • in-situ upgrade and tenure upgrade, • land planning for residential and productive uses, • Land-legal issues (eg. land rights audits, title adjustments, land survey, registration of ownership, etc.), • post implementation livelihoods support, • implementation land use management, • Infrastructure/asset maintenance and operation issues." • land identification, and • land acquisition, 	<ul style="list-style-type: none"> • Land reform initiatives largely remain geographically focused and limited to certain types of interventions, to the detriment of a preferred, holistic implementation of the complete land reform package; • Land Redistribution, Planning Needs have focused on Commonage Needs are extensive throughout the district; • Tenure insecurity remains prevalent notwithstanding interim. • Breakdown of Land Administration Systems on legislative, regulatory and administrative. • Building of strategic partnerships to improve service delivery. • Integration of Livelihood Programs into Land Development of livelihood programs through planning process

	Integrated Human Settlements Plan	2017/8	2022/23	<p>To provide Sustainable Human Settlements and improved quality of household life by:</p> <ul style="list-style-type: none"> ▪ Access to adequate accommodation that is suitable, relevant, appropriately located, affordable and fiscally sustainable. ▪ Access to basic services (water, sanitation, refuse removal and electricity); ▪ Security of tenure irrespective of ownership or rental, formal or informal structures. ▪ Access to social services and economic opportunity within reasonable distance. 	<ul style="list-style-type: none"> ▪ Issuing of Title deeds for public funded Housing ▪ Mushrooming of Informal Settlements & Backyard shacks ▪ Social or community protest on housing delivery ▪ Scarcity of suitable land for housing development ▪ Reliance of public funded housing on non-renewable energy supply ▪ Lack of opportunities and facilities in rural areas ▪ Challenge in accessing state within the municipal commonage land ▪ Strategic Partnership ▪ Lengthy processes of accrediting municipalities. ▪ Rural – urban migration. ▪ Lack of opportunities and facilities in rural areas ▪ Lack of social facilitation on housing processes ▪ Housing Entity support requirements ▪ Lack of commonage capacity to accommodate housing development.
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					<ul style="list-style-type: none"> Contributes towards climate change or global warming.
TECHNICAL SERVICES	Water Services Development Plan (WSDP)	2018	2019 To be reviewed for the 2026/2027	To ensure the provision of water services is in an efficient, affordable, economical, and sustainable manner to the communities.	<ul style="list-style-type: none"> Drought Inadequate Bulk Water Resources Inadequate Operational budget to operate and maintain new infrastructure. Unauthorised water connections High Water Losses and Non-Revenue Water Poor wastewater management Poor Asset Management Demand of water services in Informal Settlements Existing infrastructure condition is deteriorating due to continued under-funding for essential maintenance/ replacement of ageing assets over an extended period - maintenance of infrastructure is currently reactive No programme to ensure maintenance (Emptying) of the VIP pits is done by owners
	Water Services Master Plan (WSMP)		Currently being developed	To ensure integration of the provision of water services, economic industries, institutions of higher learning, public services altogether to allow for efficient and effective governance and performance of obligations in a sustainable manner to the communities.	<p>Inadequate Bulk Water Resources Inadequate Operational budget to operate and maintain new infrastructure. Unauthorised water connections High Water Losses and Non-Revenue Water Poor wastewater management Poor Asset Management Demand of water services in Informal Settlements Existing infrastructure condition is deteriorating due to continued under-funding for essential maintenance/ replacement of ageing assets over an extended period - maintenance of infrastructure is currently reactive.</p> <ul style="list-style-type: none"> No programme to ensure maintenance (Emptying) of the VIP pits is done by owners
	Infrastructure Asset Management Plan (IAMP)	Still to be adopted			The document is the first baseline asset management plan (AMP) prepared for the infrastructure function of the Amathole District Municipality (ADM). This plan has been prepared to help the municipality understand the status of their current infrastructure assets and their

				organisation thereof in terms of asset management practices.	
	Integrated Transport Plan	2017	2018	To improve Public Transport Service and Operations in both urban and rural areas with a focus on developing public transport in rural areas.	<ul style="list-style-type: none"> Poor Road Infrastructure Public Transport Unit Organogram (Buy-in at Local Level) Use of Bakkies and un-roadworthy vehicles Lack of Public Transport Facilities Funding due to non-core nature of the function Lack of Public Transport Services Regulations Enforcement of by-laws. Delays with development of IPTN in ADM
CORPORATE SERVICES	Human Resource Plan	2018/19	2024/2025 (in review)	To ensure an informed forward planning in respect of human capital Build and sustain a capable, Well-Trained Workforce	Accurate and reliable HR data Organogram which is aligned to ADM functions
	Establishment Plan	2018/2019	2023/2024 (Review)	To provide a cost –effective staff establishment plan that is aligned to the powers and functions of the district municipality.	<ul style="list-style-type: none"> Striving to have employee cost ratio that is within the Treasury norms. Alignment with Municipal Staff Regulations e.g. ensuring that support function is not exceeding core. <p>To ensure adequate provision of positions to drive service delivery is sufficient.</p>
	Talent Management Strategy	2019/20	2021/2022 (No Review Conducted)	To ensure that a capable workforce is retained	Provision of suitable human capital to deliver on the ADM mandate
	Employment Equity Plan	2011	2025/2026	To set the 5-year targets to address the under-representation of the suitable qualified individuals from the designated groups in the EE Plan. Implementation of Affirmative Action Measures as identified in the EE Plan	Under-representation of Coloureds, Indians, Whites and People with Disabilities in all occupational levels.
	Recruitment Plan	2024 (New)	2025/2026	To recruit, appoint and retain the suitably qualified candidates, to form a demographically balanced workforce, with the intention of providing effective service delivery to the community.	Financial constraint for filling of critical positions. Moratorium on filling of positions. Experiencing difficulties in meeting the three months turnaround time on filling of positions.
	Fleet Management Strategy	2014/15	2019/20	To provide a cost-effective ADM fleet that is responsive to institutional needs	Outline the best possible fleet provisioning model for ADM that is cost effective and efficient

	Human Resource Development Strategy	2018/19 (New)	2021/2022 (No Review conducted)		
	Integrated Wellness	2019/20 (New)	2021/2022 (No Review conducted)	To ensure a comprehensive wellness programme for all ADM staff for optimal results	To provide a structured and comprehensive wellness programme for all staff at ADM
COMMUNITY SERVICE	District Community Safety Plan	2004	2006-2018. Major review in 2010-2011 Reviewal Process budgeted for 2025/2026 and Major Review budgeted for 2026/2027	To facilitate a co-ordinated multi-sectoral collaborative approach to crime prevention in the Amathole district.	Control and prevent crime through proactive planning and effective regulation of activities in municipal areas. Facilitate a co-ordinated multi-sectoral collaborative approach to crime prevention in the Amathole district. Empower communities to take responsibility for communal and personal safety and enforce their rights. Create a physical environment within Amathole that deters criminality and facilitates effective crime control Create a socio economic environment within Amathole that deters criminality through social crime prevention
	Disaster Management Plan	2015/2016	Last major reviewal was in 2024/2025	To comply with the legislative requirements as contemplated in the Disaster Management Act No 57 of 2002, Disaster Management Amendment Act No 16 of 2015 and The Policy Framework for Disaster Risk Management 2005. This plan gives effect to the fundamental requirements of the Disaster Management Act. It focuses on providing a co-ordinated and integrated approach to Disaster Management that focuses on preventing or reducing disaster risk and facilitating emergency preparedness to rapidly and effectively respond to disasters.	Establishing the foundation institutional arrangements and are building the essential supportive capabilities needed to carry out comprehensive disaster risk management activities. Processes for a comprehensive disaster risk assessment, identifying and establishing formal consultative mechanisms for development of disaster risk reduction projects and introducing a supportive information management and communication system and emergency communications capabilities. Prevent and mitigate disasters and how risk reduction measures are dealt with in the long-term and managing emergencies in the shorter

					term, including aspects of preparedness, response and recovery
	Fire Risk Management Plan	2017/2018	Major reviewal to be budgeted for 2026/2027	Prevention of fire occurrences Combating of fires	<p>Promote compliance with various legislation relating to fire risk.</p> <p>Minimise the negative impact of fires on life, property and the environment.</p> <p>Promote the involvement of all stakeholders in fire risk management.</p> <p>Set up institutional and stakeholder mechanisms to implement the Plan.</p> <p>Development of fire risk reduction strategies for priority fire risks.</p> <p>Standardisation of Fire Services within the District.</p>
	Municipal Health Services Strategy	2015/16	To be budgeted for in 2025/2026	To address Communicable diseases, Health care risk waste, vector control and environmental pollution issues that have a negative impact on public health. Alignment of the Municipal Health Services strategy with the District health plan.	<p>Reported food poisoning cases have become more frequent, especially in boarding schools.</p> <p>Social determinants of health and diseases: participate in implementation of cross-cutting plans in the district which contribute towards the achievement of the goals of the Municipal Health Strategy.</p> <p>Environmental pollution.</p> <p>Healthcare risk waste management at health facilities.</p> <p>Emerging communicable diseases as a result of climate change</p>

	Integrated Waste Management Plan	2017	To be budgeted for in 2025/2026	<p>The primary objective of IWM planning is to integrate and optimize waste management services, thereby maximizing efficiency and improving the quality of life of all citizens while the associated environmental impacts and financial costs are minimized</p>	<p>Inadequate funding to operate existing regional solid waste site. Unavailability of funding to rollout the Western Regional Solid Waste Site Feasibility Study.</p> <p>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.</p> <p>The cleansing and waste disposal services within the district are inadequate though in some instances are satisfactory. The urgent need to close all illegal individual solid waste sites in the district.</p> <p>Unavailability of land to construct waste facilities including Transfer Stations.</p> <p>Mushrooming of community settlement around the permitted landfill site</p> <p>Minimal public education on waste management other than greening campaigns are in place</p> <p>Burning of waste common at dumpsites</p>
BUDGET AND TREASURY OFFICE	Revenue Enhancement Strategy	2009	2024	Stabilize the financial and economic sustainability of ADM in order to broaden the income base and increase revenue.	<p>Completeness of Revenue chain by: Billing all billable consumers within the District which includes meter management</p> <p>Indigent registration to all qualifying customers</p> <p>Tariff Setting aiming at full recovery of costs associated with water supply</p>
	Supply Chain Management Strategy	2012	2024	<p>To give effect to Section 217 of the Constitution, 1996.</p> <p>To implement a policy that is fair, equitable, transparent, competitive and cost effective.</p> <p>To comply with the regulatory framework prescribed in Chapter 2 of the Regulations and</p>	<p>Empowerment goals</p> <p>Demand management</p> <p>Acquisition management</p> <p>Logistics management</p> <p>Disposal management</p>

				<p>any minimum norms and standards prescribed in terms of Section 168 of the MFMA.</p> <p>To be consistent with other applicable legislation.</p> <p>To not undermine the objective for uniformity in SCM systems between organs of state in all spheres.</p> <p>To be consistent with national economic policy concerning the promotion of investment and doing business with the public sector.</p>	<p>Risk management</p> <p>Performance management</p>
	Financial Recovery plan	2019	2025	<p>The principal strategic objectives of the financial recovery plan are to place the municipality in a sound and sustainable financial condition as soon as possible by:</p> <ul style="list-style-type: none"> • Improving the financial viability and management as well as the control environment; • Focusing the municipality's resources on its core function of service delivery and infrastructure development; • Tightening the governance aspects of the municipality. 	<p>Review the current budgeting approaches and process as well as expenditure and management systems to ensure efficient and effective service delivery in line with ADM's priorities.</p> <p>To review revenue management processes to maximise revenue generation possibilities and improve revenue performance.</p>
	Asset Management Strategy	2012	2020	<ul style="list-style-type: none"> • To assist with detailed plans for acquisitions and replacements, operation and maintenance as well as disposals in terms of the municipality's policies; • informing the IDP (and revised IDP) and then the annual budget, using the detailed plans; • funding each approved asset management plan appropriately through the budget; including in the Service Delivery and Budget Implementation Plan (SDBIP) the measurable objectives and targets of each asset management plan; <p>reporting on the performance of assets as measured in terms of service delivery based upon an approved SDBIP, budget and IDP.</p>	<p>maximise the service potential of existing assets by ensuring that they are appropriately used; maintained, safeguarded and that risks are mitigated;</p> <ul style="list-style-type: none"> • optimise the life cycle costs of owning and using these assets by seeking cost-effective options throughout an asset's life cycle; • reduce the demand for new assets through optimal use of existing assets and management of demand through the use of non-asset service delivery options;

STRATEGIC PLANNING & GOVERNANCE	Communication Strategy	2017/18	2021/22	To effectively communicate ADM's business to all stakeholders	To bridge information gap between ADM and its stakeholders To communicate the priorities of the IDP To promote, protect and preserve brand ADM
	Brand Repositioning Strategy	2018/19	2021/22	To reassure ADM Strategic Partners and stakeholders of the Municipalities commitment to the provision of quality services, thus repositioning brand ADM	Unwillingness of customers to pay their financial obligations to ADM for services rendered. Poor attendance of ADM outreach programs
	Special Programmes Strategy	2013	2021/22 (Review 2026/2027)	To ensure the lobbying, support, coordination, facilitate and implementation of the mainstreaming of designated groups Programs within the district plans.	Lack of skills, inaccessibility on public facilities. Orphans and Vulnerable Children which contribute to high number of drop outs. Lack of funding for community projects which contribute to upliftment of socio-economic standards. Lack of reasonable accomodation for vulnerable groups. Empowerment for all vulnerable groups Poverty Gender based violence Cultural attitudes Stigma, denial and discrimination Mobility and labour migration Illiteracy Informal settlements
	Sports Development Strategy	2013	2021/22 (Review 2026/2027)	To manage, promote and co-ordinate sport and recreation activities within the ADM	Lack of sporting and recreational facilities/infrastructure Limited resources for skills development
	HIV/AIDS Strategy		2021/22	To guide ADM in coordination of activites to support people affected and infected with HIV/Aids and other ailments.	Stigma against persons living with HIV and other ailments.

5.2 BY-LAWS

- Water Supply and Sanitation Services By-Laws
- Revenue Management By-Law
- Municipal Health Services By-Law
- Fire Services By-Law

- Disaster Management By-Law
- Air Pollution By-Law
- Waste Management By-Law
- Passenger Transport Services By-Law

5.3 POLICIES

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
SPATIAL PLANNING & ECONOMIC DEVELOPMENT	EPWP Policy	2004/05	2024/2025	Poverty alleviation through job creation utilising EPWP	<p>Adjudication of projects to be implemented in accordance to the four sectors based on the proposals/business plans signed by accounting officers and submitted to the Department of Public Works.</p> <p>Projects centralisation, coordination and reporting of all EPWP projects to be done by LED</p> <p>All EPWP/job creation programmes being institutionalized at LED.</p>

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		1 st Adoption Financial Year	Last Review Financial Year		
	Land Invasion Policy	New	2021/22	<p>To assist the Municipalities to combat land invasion which tends to put the Municipality under pressure in terms of service delivery and regulate unnecessary haphazard urban area.</p> <p>To put measures in place to handle invasions and to spell out procedures to deal with land invasion within District Municipal Local Areas, be it state land (Municipal, Provincial or National), Unregistered or privately-owned land.</p> <p>To assist municipality to control and manage the land available in terms of open spaces.</p>	<ul style="list-style-type: none"> • alternative tactics that the poor, powerless and homeless people adopt to access land on which to build their shelter. • consequence of desperation for space to put up a shelter. • lack the resources to build shelter formally and legally. Hence, homeless resort to non-formal and illegal means to access land to build their shacks. • pervasiveness of poverty in our human settlements with resultant invasion and re-invasion of land and buildings • eviction remains a challenge for land, housing and planning policy makers.
STRATEGIC PLANNING & MANAGEMENT	ICT Corporate Governance Charter	2010/11	2022/23	<p>To ensure:</p> <ol style="list-style-type: none"> Compliance to prescriptive landscape. Creation of the enabling environment for CGICT and GICT. The alignment and implementation of business and ICT strategies. Conformance and performance measurement and reporting and How business owners will oversee ICT service delivery in support of their business enablement. 	To define the roles and responsibilities of structures to ensure Corporate Governance and Governance of ICT is implemented at ADM.
	Database Management & Security Policy	March 2026	New policy	The policy for SQL database administration (DBA) defines the standards and operational procedures for managing one or more SQL Server instances to	Security & Access Control

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		1 st Adoption Financial Year	Last Review Financial Year		
				ensure consistency, security, and performance across an organisation	<p>Authentication: Enforce Windows Authentication mode wherever possible and mandate strong password policies for SQL logins.</p> <p>Privilege Management: Define rigid access for production environments while allowing flexible "sandbox" control for developers in development environments.</p> <p>Data Protection & Availability</p> <p>Backup & Recovery: Mandate frequent backups and ensure backup files are stored on separate physical devices from data/log files.</p> <p>Disaster Recovery: Define recovery models (e.g., FULL vs. SIMPLE) based on data criticality.</p>
	ICT Backup Policy	2010/11	2023/24	To ensure all relevant systems are backed up and that in the event of system failure, data loss is minimised.	To ensure that ADM is able to recover data and systems in the event of a disaster
	Combined Assurance Policy Framework	March 2026	New Policy	The purpose of this document is to assist the municipality to understand what related teams are working on to minimize unnecessary overlap. It also aims to create confidence in the assurance provided over key organizational risks by informing stakeholders about the effectiveness of assurance providers. That can save time, money and overall make it easier to digest internal audit findings.	<p>By effectively implementing combined assurance, a number of tangible benefits that extend well beyond proving compliance can be realised, including among others:</p> <ul style="list-style-type: none"> • Enhanced Risk Management: By integrating various assurance activities, organizations gain a comprehensive view of risks and controls. • Improved Efficiency: Reduces redundancy and streamlines processes. • Enhanced Collaboration: Fosters collaboration among different assurance providers, such as

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
					internal auditors, risk managers, and external auditors. <ul style="list-style-type: none"> • Cost Savings: By reducing duplication and improving efficiency, combined assurance can lead to cost savings
	ICT Security and Authorisation Policy	2010/11	2023/24	To define the security requirements for the proper and secure use of the Information Technology services at ADM.	To address risks associated with information assets: 1. Uncontrolled access, connections, and unintentional user errors. 2. Security of the information systems compromised by unsupported business practices. 3. Ensuring the integrity and validity of data. 4. Poor operating procedures. 5. Malicious code and viruses. 6. Uncontrolled system or data changes. 7. Internet and public domain access. 8. Breach of legislation or non-compliance with regulatory or ethical standard.
	ICT Change Management Policy	2018/19	2023/24	The management process shall ensure that changes proposed are reviewed, authorised, tested, implemented, and released in a controlled manner; and that the status of each proposed change is monitored.	1. Change monitoring 2. Segregations of duties 3. Good governance 4. Approval of change
	SAP security and authorization		2023/24	This policy governs what data and processes users can access inside all system landscapes and also who has what level of authority. The aim of this policy is to help establish maximum security, sufficient privileges for end users to fulfil their duties, and easy user maintenance.	
	3G Card And APN Policy		2023/24	To ensure that approved users are able to connect on the ADM network using vendor communication	

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
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				services to access systems and to manage allocated data in any given month for fair distribution to meet unique user needs as per their departmental requirements.	
	Performance Management Framework		2023/24	It is a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.	
	Integrated Fraud and Corruption Mitigation Framework	2021/22	2023/24	An Integrated Fraud and Corruption Mitigation Framework is a process implemented to limit exposure to fraud, irregularities and corruption. The plan is to develop measures and to concentrate on preventing fraud, rather than responding to fraud.	
	Customer care policy	2013	2023/24	To guide the actions of staff when dealing with customers. To provide service excellence whenever customers contact the municipality to ensure that getting it right the first time is the customer experience. To incorporate the eight Batho Pele principles that is intended at transforming public service.	To establish clear, accessible, and measurable service standards and commitments Define and publicize expected levels of service (e.g., response times for queries, billing accuracy, water/sanitation reliability) through a Customer Care Charter/Service Charter; set benchmarks for turnaround times, accessibility (multi-channel: walk-in, phone, email, automated systems), and quality to build predictability, trust, and accountability in service delivery. To provide an efficient, fair, and responsive complaints, compliments, and feedback management system Create a structured,

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		1 st Adoption Financial Year	Last Review Financial Year		
					<p>accessible mechanism for lodging and resolving complaints (including timelines for acknowledgment, investigation, resolution, and escalation); ensure confidentiality, speed, fairness, and impartiality; integrate compliments/suggestions for continuous improvement; and link feedback to performance monitoring, corrective actions, and reporting to enhance responsiveness and prevent recurrence of issues.</p> <p>To drive continuous improvement, accountability, and enhanced community satisfaction Use customer care data (e.g., from surveys, complaints trends, compliments) to inform IDP priorities, policy reviews, staff training, and resource allocation; foster internal buy-in through training and performance incentives; promote transparency in reporting outcomes; and ultimately improve overall customer satisfaction levels (linking to CSS targets), revenue collection compliance, public trust, and ADM's reputation as a developmental, responsive district municipality</p>
	Communications Policy	2013	2023/24	<ul style="list-style-type: none"> Ensure that the municipality communicates in a coordinated, consistent, and unified manner, enabling it to speak with one voice on all matters; Promote transparency, accountability, and accessibility in line with constitutional obligations and principles of good governance; 	<ul style="list-style-type: none"> Here are key issues being addressd by the policy: Poor or broken communication channels between the municipality and communities Communities often feel unheard, with limited feedback loops, inadequate public participation in processes like the Integrated Development Plan (IDP), budgeting, or by-law

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				<ul style="list-style-type: none"> Clarify the roles, responsibilities, and authorities of different stakeholders within the Communications Division and across the municipality; Define protocols for when, how, and by whom information should be communicated to internal audiences (staff), external stakeholders (communities, media, partners), and during routine, strategic, or crisis situations; Foster effective two-way communication that builds public trust, enhances community participation, supports service delivery objectives, and protects the municipality's reputation; and Align all communications with the municipality's strategic goals, Integrated Development Plan (IDP), and legislative framework (including the Constitution, Municipal Systems Act, and Promotion of Access to Information Act). 	<p>development. This contributes to low trust, frustration, and a sense of exclusion from local governance.</p> <ul style="list-style-type: none"> High frequency of service delivery protests and community unrest Many protests stem directly from communication gaps — communities are not informed timeously about delays, interruptions (e.g., water outages, sewage spillages), planned interventions, or reasons for failures. When communication breaks down, grievances escalate quickly into public demonstrations. Misinformation, rumours, and lack of proactive/reactive media engagement Without clear protocols, false information spreads rapidly (especially via social media), and the municipality struggles to respond promptly or coherently to media queries, negative reporting, or crises. This allows damaging narratives to dominate and erodes public confidence. Lack of clarity on roles, responsibilities, and authorisation Uncertainty about who can speak on behalf of the municipality (e.g., mayor, municipal manager, communications officer, councillors, or departmental heads) leads to unauthorised statements, internal conflicts, or bypassed approval processes. This is exacerbated in environments with coalition governments or political tensions.
	Social Media Policy	2021/22	2023/24	<p>Provide clear guidelines for social media communications in the ADM and the principles that guide this form of communicating with the external stakeholders.</p> <p>Clarify different roles and responsibilities of communications within the ADM, and the policy</p>	ADM officials and Cllrs may only use personal social media platforms to share government news if that information has already been officially published in a public domain by the municipality.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				<p>indicates when information should be communicated and by whom.</p> <p>Ensure that communication takes place in a coordinated and uniform way so that the municipality speaks with one voice and seeks to create awareness of some of the opportunities that social media presents.</p> <p>Make ADM employees and councillors are aware of how to manage the risks associated with the use of social media.</p>	Only ADM approved social media accounts can legally make use of the municipal logo and all promotional material relating to brand ADM.
	Branding policy		2023/24	The objective of this policy is to provide guidelines for the management of the Municipality's corporate identity and branding; and To maintain continuity and consistency in all applications of the corporate identity and branding.	Inconsistent branding and risk of Brand equity to the institution.
	Public Participation & Petitions Policy Framework	2005	2023/24	To ensure the maximum participation of communities in the affairs of the municipality. To ensure accountability of ADM to its communities.	Uncoordinated public participation activities/ processes between the District and LMs. Duplication and misalignment between the policy and the Rules of Order in respect of petitions management.
	Risk Management Policy		2022/23	To give effect to the implementation of the risk management policy and sets out all risk management activities planned for the year.	To provide value for its stakeholders. Uncertainty and the challenge for management to determining how much uncertainty to accept as it strives to grow stakeholder value. Enables management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value.
	Corporate Governance Framework	2025/26		<p>e) Identifying all levels of assurance providers in the ADM.</p> <p>e) Defining the roles and responsibilities of the various assurance providers.</p> <p>e) Integrating and aligning assurance processes in the ADM.</p>	<ul style="list-style-type: none"> Develop a mutual understanding of the roles and responsibilities of all assurance providers. Adopt a common assurance language amongst all assurance providers. Pro-actively identify and assess risks, implement measures to mitigate risk exposure in a consistent, effective, efficient

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
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				<p>e) Linking risk management activities with assurance activities to assist in effective risk management.</p> <p>Maximizing risk and governance oversight; and optimizing overall assurance coverage reporting to Council and its oversight committees.</p>	<p>and transparent manner to optimize sustainability and the achievement of the ADM's objectives.</p> <ul style="list-style-type: none"> Enhance business resilience by enhancing the ADM's ability to adapt to disruptions and the changing environment, while maintaining business operations. Promote optimal assurance coverage of the ADM's significant risks and material matters; and Enhance and promote ethical leaders (tone from the top) and an ethical culture (behaviour becoming of a public official).
	Litigation Management Framework	2021/22	2025/26	<ul style="list-style-type: none"> To ensure that any litigation that Amathole District Municipality is involved in is handled in an efficient manner looking at costs and value for money, which would include prompt instructions to the instructed legal practitioners; early preparation for hearings; thorough consultations. To pursue alternative dispute resolution (ADR) such as mediation as a mechanism to respond to litigation and minimise costs and identify opportunities for amicable settlement of disputes between the warring parties. To ensure that judgments for and against the municipality are promptly and properly responded to, either, by noting an appeal or giving guidance in complying with the Court order. 	<p>The Litigation Management Framework is anchored on the following constitutional principles, among others:</p> <ul style="list-style-type: none"> Respect for the rule of law. Accountability and Transparency. Fairness. Professionalism. <p>Value for money.</p>

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				To ensure that procurement of legal practitioners in municipalities is done in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.	
	The Consequence Management and Accountability Framework	2025/2026		In line with the various legislative frameworks promoting fundamental principles of effective and efficient utilization of public resources and transparent and accountable financial management practices, the Municipality is committed to implementing an effective consequence management system and identifies the various stakeholders and their roles therein.	Improving the internal control processes insofar as it relates to identifying, investigating, and reporting allegations of financial misconduct to Council and improving the tracking and monitoring of all remedial actions, including those stemming from various assurance providers, among others.
	The Ethics Management Framework	2025/2026		<ul style="list-style-type: none"> To Institutionalize Ethics. Ensure accountability and Transparency. Ensure Impartiality. To Promote a Culture of a Professional attitude towards ethics in the workplace.	To establish mechanisms and appropriate structures to facilitate the survey of ethics awareness and roll out the ethics framework and training of staff and other related activities at ADM.
CORPORATE SERVICES	Immovable Property Management policy (review)	2020	2021/2022	To regulate the management of all Amathole District Municipality owned properties and those that are rented by municipality	To ensure accountability and compliance.
	Recruitment & Selection Policy (review)	2003/04	2024/2025	<p>The recruitment policy and its implementation will be fundamentally aimed at matching the human resources to the strategic and operational needs of the Municipality and ensuring the full utilization and continued development of these employees.</p> <p>All aspects of the staffing, structuring, recruitment, selection, interviewing and appointment of employees will be non-discriminatory and will afford applicants equal opportunity to compete for vacant positions, except as provided in this policy with reference to affirmative action and employment.</p>	<p>Comply with the relevant Municipal Regulations upon embarking on recruitment and selection processes.</p> <p>Comply with relevant Municipal Regulations on appointment and conditions of employment for municipal manager and senior managers reporting directly to municipal manager.</p> <p>Tighten the determination of pay/remuneration Positions on TASK Grades 17 and above be advertised externally.</p>

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		1 st Adoption Financial Year	Last Review Financial Year		
					<p>Positions from TG 5-16 be advertised internally to give an internal candidate a first preference to promote and enhance talent management and to boost the overall morale of the staff.</p> <p>Positions on TASK Grades 1 to 4 shall be advertised on the notice boards within the jurisdiction of the Satellite offices. To ensure that people from the different areas of the Satellite offices are given a fair chance</p> <p>To include time frame in the referral recruitment approach.</p>
	Transfer, Secondment & Acting Allowance Policy	2011/2012	2022/2023	To regulate the transfer, secondment and acting allowances of staff members across Amathole District Municipality in line with the operational requirements of the municipality in the following manner:	<p>Managing consistency in the application of acting practice and payment of acting allowance. Manage transfer and secondment of employees to align with the relevant Act.</p> <p>To include interns and EPWP workers in the application of the policy.</p>
	Fleet Management Policy	2016	2024/2025	To provide, maintain and manage such fleet in a manner that the Municipality's mission, vision, goals and objectives are achieved in cost effective way.	To set controls on the number of kilometres that ADM owned and leased vehicles can travel to mitigate the risk of abuse and misuse.
	Placement Policy (review)	2021/2022	2024/2025	To provide guidelines of the matter of placement of staff to Head Office or Satellite. To Also provide clarity on types placements and roadmap of placement the employer can engage to in placing the employees	To allow smooth placement and transfer of staff The Committee shall also comprise of: The Municipal Manager or his/her proxy. To ensure that the Office of the Municipal Manager is represented.

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	Essential User Vehicle Allowance	2012/2013	2023/2024	The objective of the Essential User Vehicle Allowance is to provide a cost-effective way to deal with transport needs. To regulate the vehicle allowance to Essential Users for Task Grades 12-13.	To set clear guidelines on who is eligible to apply for the scheme and put clear control on kilometres that can be claimed.
	Leave Policy (review)	2003/2004	2024/2025	To inform employees of their entitlements and requirements regarding all types of leave	Types of leave and their conditions: <ul style="list-style-type: none"> • Annual • Accumulative • Sick • Family Responsibility • Maternity • Parental • Special • Study & Examination
	Overtime Policy (review)	2012/13	2024/2025	To regulate the performance of overtime work by ADM employees as per BCEA 1997 To regulate the performance of emergency work by ADM employees as provided in Collective Agreement in Conditions of Service	<ul style="list-style-type: none"> • The cut-off date for submission of overtime timesheets to the Conditions of Services unit will be the 5th of each month for onward submission to Pay Office on the 7th of each month. •
	Cellphone Policy (review)	2002/2003	2024/2025	To provide clear directives and procedures with regard to the approval and payment of cellphone allowances.	Procedures in applying for cellphone allowance. Conditions and restrictions of use. Provision of cellphone allowance.
	Subsistence & Travel Policy (review)	2005/2006	2023/2024	Regulate how subsistence & travelling costs are paid to staff members and Councillors required to undertake approved council business.	Payment of subsistence & travel costs which involves incurred expenses for travelling, lodging, meals and other costs for attending conferences, meetings, seminars, training and other duties as approved by the employer.
	Covid 19 Policy (New)	2021/2022	2021/2022	The purpose of this policy is to ensure a safe work environment for all employees, contractors, visitors, suppliers and members of the public (ADM Community) and to prevent the spread of "COVID-19". The document also provides a summary of the Disaster Management guidelines and directions for the management of leave during the COVID-19 pandemic,	To ensure compliance with COVID-19 regulations

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	Vehicle Allowance Policy (review)	2010/2011	2021/2022	Define the set Travel allowances for the qualifying managers to be paid on a monthly basis. Set down the conditions and procedures whereby employees may qualify for the Travel allowance scheme.	To accommodate all employees between Task Grades 1 and 20 who travel in executing their duties.
	Internship Policy (review)	2017/2018	2021/2022	To provide an opportunity for interns to use the workplace as an active learning environment. To provide opportunities for new entrants to the labour market with a view to acquire skills that would make them employable. To improve employment prospects of persons previously disadvantaged by unfair discrimination;	Structured approach and set of guidelines for management of internship.
	Training & Development Policy for Councillors (review)	2014/2015	2021/2022	Training and Development of Councillors help ADM to achieve its goals by adding value to its Councillors; develop and upskill councillor competencies; effectively improve Job Performance and provide job related knowledge. Training & development meant to increase motivation & engagement; reduce employee turnover, and manage risk associated with lack of training.	Training and development plans and programmes for all Councillors shall support the Municipality's strategies, action plans, human resources planning process, as well as any other present and future training and development needs. Training Needs Analysis Induction Programme In-service training Adult Basic Education and Training (ABET)
	Training & Development Policy for Officials (Review)	2014/2015	2021/2022	Training and Development of Officials help ADM to achieve its goals by adding value to the employees; develop and upskill employee competencies; effectively improve Job Performance and provide job related knowledge to ADM staff. Training & development meant to increase motivation & engagement; reduce employee turnover, and manage risk associated with lack of training.	Training and development plans and programmes for all Officials shall support the Municipality's strategies, action plans, human resources planning process, as well as any other present and future training and development needs. Training Needs Analysis

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Records Management Policy (Review)	2007/08	2024/2025	To manage records in a well-structured record keeping system in accordance with the records management Principles contained in the National Archives and Records Service Act, 1996	Records keeping and records management practices in compliance with the requirements of the Act. Support the conduct of business in an orderly, efficient manner. To include digitization of existing Records and newly developed electronic records
	Immovable Property Management policy (review)	2020	2021/2022	To regulate the management of all Amathole District Municipality owned properties and those that are rented by municipality	To ensure accountability and compliance.
	Recruitment & Selection Policy (review)	2003/04	2021/2022	Legislation imperative Ensure that positions that are filled are critical To tighten the panel from TG 14 and above	Comply with the relevant Municipal Regulations on Minimum Competency Levels upon embarking on recruitment and selection processes. Comply with relevant Municipal Regulations on appointment and conditions of employment for municipal manager and senior managers reporting directly to municipal manager. The Corporate Services Department shall ensure that critical positions are prioritized when vacant and budgeted positions are filled. TASK Grade 14 and above Head of Department or his/her nominee Director Corporate Services or his/her nominee Representative per Union (observer status) Corporate Services Department official (Admin Support) TASK Grade 1 to 13

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				To tighten the panel from TG 1 to 13 and ensure fairness prevails	<p>Relevant Head of Department/nominee</p> <p>A line department representative</p> <p>Representative per Union (observer status)</p> <p>Corporate Services Department representative</p> <p>A representative from another department will be co-opted when Corporate Services posts are filled.</p> <p>It is the prerogative of the Municipal Manager to attend any selection process if s/he so decides.</p>
	Establishment Plan Policy	New	New	The purpose of the policy is to provide a standard framework for staff establishment in the Municipality.	To provide guidelines on the processes of reviewing staff establishment plan
	Remote Working Policy (New)	2024/2025	2024/2025	This policy has been produced subsequent to the number of employees working from home and limited working space	Contains the terms and conditions for working from home of Amathole District Municipality employees
	Emergency Work Review	2012/13	2024/205	<p>To regulate the performance of overtime work by ADM employees as per BCEA 1997</p> <p>To regulate the performance of emergency work by ADM employees as provided in Collective Agreement in Conditions of Service</p>	The cut-off date for submission of overtime timesheets to the Conditions of Services unit will be the 5 th of each month for onward submission to Pay Office on the 7 th of each month.
	Individual life cover policy (New Policy)	2024/2025	2024/2025	<p>The Individual life Assurance Policy consists of three distinctly different financial benefits. It pays a death and disability benefit for the employee and also features a savings component.</p> <p>An employee resigning, retiring or is dismissed from the Municipality's service may exercise an option of continued membership of the Individual Life Assurance Scheme, subject to the rules of the scheme. This employee will be liable for the full Individual Life premium.</p>	<p>All applications for an Individual Life Assurance Policy must be made in writing and be submitted to the Corporate Services Department.</p> <p>The Senior Benefits Clerk in the Corporate Services Department will set up an appointment for the approved assurance agent and the applicant to discuss the proposed Individual Life Assurance Policy, and once accepted by the applicant, a memorandum will be prepared by the Corporate Services Department.</p>

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				The ADM is the owner of the policy and life insured is the applicant (employee). Any correspondence entered in relation to employees' policy premium adjustment/s, should be communicated accordingly between the broker, employee and ADM.	Once the memorandum is prepared, the relevant Head of Department will consider the application and check budget availability before making a recommendation on the memorandum for the Municipal Manager's approval.
BUDGET AND TREASURY OFFICE	Indigent Policy		2024/25	To register all ADM consumers who meet the qualification criteria in order to benefit from the Indigent subsidy	Domestic consumers not applying for indigent subsidy as they have full access to water due to non-restrictions RDP properties still under Local Municipalities' ownership leading to rightful owners not able to apply for the subsidy
	Credit control and debt collection policy		2024/25	<ul style="list-style-type: none"> In terms of section 99 of the Local Government: Municipal Systems Act, the Municipality's executive committee or executive mayor as the supervisory authority must oversee and monitor the implementation and enforcement of the Municipality's credit control and debt collection policy and by-laws enacted in terms of section 98, as well as the performance of the municipal manager in implementing the policy and by-laws. 	(b) Debt collection procedures and mechanisms; (c) Provide for indigent consumers that is consistent with its rates and tariff policies and any national policy on indigents; (d) Realistic targets consistent with: i) general recognized accounting practices and collection ratios; and ii) the estimates of income set in the budget less an acceptable provision for bad debts
	Budget policy	2019	2020/21	The objective of the budget policy is to set out: <ul style="list-style-type: none"> The principles which the municipality will follow in preparing each medium-term revenue and expenditure budget framework The responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers and managers in compiling the budget 	a) The mayor shall coordinate the processes for preparing the annual budget, and for reviewing the municipality's IDP and budget related processes, to ensure that the budget, the IDP, and the policies are mutually consistent and credible b) The mayor shall give political guidance over the budget processes and the priorities that must guide the preparation of the budget

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				<ul style="list-style-type: none"> ■ To establish and maintain procedures to ensure adherence to Amathole District Municipality IDP and budget processes 	<p>c) The Chief Financial Officer and the Strategic Manager shall draft the IDP and Budget process plan for the municipality, and ensure that this plan is adopted by Council before 31 August, preceding the year to which it relates</p> <p>d) The IDP/Budget process plan shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium-term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.</p>
	Cost containment policy	2020	2024/25	<p>To ensure that the resources of the municipality are used effectively, efficiently and economically. To implement cost containment measures The purpose of the policy is to regulate spending and to implement cost containment measures at Amathole District Municipality</p>	<p>All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.</p> <p>Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time. Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.</p>

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Asset Management Policy	2006	2024/25	<p>The MFMA was introduced with the objective to ensure sound and sustainable management of the fiscal and financial affairs of Municipalities and their entities. Consistent with the regulatory framework in which the Municipality operates, it is important that an Asset Management Policy should promote efficient and effective management, monitoring and control of assets and the objectives of having an Asset Management Policy are:</p> <ul style="list-style-type: none"> • To ensure accurate recording of asset information. • To ensure the accurate recording of asset movements. • To ensure compliance with Council's Insurance Policy, Supply Chain Management Policy and Payment Procedure. • To ensure the effective and efficient control, utilisation, optimisation of usage, safeguarding and management of ADM's assets. • To ensure that all responsible parties are aware of their roles and responsibilities regarding the assets of the municipality. • To prescribe the accounting treatment of assets acquired and used in accordance with the applicable accounting standards approved by National Treasury. • To prescribe the administrative guidelines and internal control procedures to be followed by persons in control of assets with regard to management (including safeguarding and maintenance) of those assets. • To comply with current legislation. • To emphasise a culture of accountability over fixed assets. 	Asset Management Policy

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				<ul style="list-style-type: none"> To ensure that fixed assets are not written off and disposed of without proper authorisation. To ensure that preventative measures are in place to eliminate theft, loss and misuse. 	
	SCM Policy Infrastructure & Delivery Management	24 March 2017	24 March 2017	The objectives of this Policy is to establish an appropriate supply chain management system for infrastructure delivery.	To provide a framework for the procurement of goods and services related to infrastructure/ built environment.
	Unallocated deposits policy	March 2023	2024/2025	The policy seeks to ensure recognition and or identification of each transaction in order to reflect the substance of each transaction in a quest to ensure that the municipality maintains a sound accounting system, by ensuring that all unallocated deposits are timely identified and allocated to the relevant debtors' account, to ensure correctness of account balances and true reflection of the debtors' book.	Identify all direct credits on the bank statement, such as direct deposits by rate-payers, consumers and levy payers, subsidies and grants paid by National and Provincial Governments, interest on investments and miscellaneous credits. Process all these credits by capturing to the respective votes on the financial system. Identify full details of these credits timely to avoid having to account for such in the unallocated deposit account. Record all unidentified credits (receipts) in a suitable register to facilitate future claims against the amounts and follow-up, and balance the unidentified receipt register to the unallocated deposit account in the general ledger on a monthly basis
	Tarrif Policy		2024/25	Water tariffs:Undetected and or underground leak	Some of the plumbers within the jurisdiction of ADM do not have formal invoice books but do have a skill to repair the leak
	Banking and Cash Management policy	2018	2024/2025	This policy is intended to provide a framework for ensuring the proper management of its cash resources so as to ensure :-	The Municipality must open and maintain at least on bank account. The bank account must be in the name of the Municipality, and all monies received by the municipality must be paid into this bank account or accounts, promptly and in accordance with any requirements that may be prescribed.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				<ul style="list-style-type: none"> • That sufficient cash resources are available to finance the capital and operating budgets of the municipality. • That there is effective control over the management of bank accounts. 	<p>3.2 The Municipality may not open a bank account:</p> <p>3.3 Money may be withdrawn from the municipality's bank account only in accordance with the requirements of Section 11 of the present Act.</p> <ul style="list-style-type: none"> • Other than in the name of the municipality; abroad; or with an institution not registered as bank in terms of the Banks Act 1990.
	Investment Policy	2018	2024/25	<p>The Council has a responsibility to invest these public revenues knowledgeably and judiciously, and must be able to account to the community in regard to such investments.</p> <p>b) The investment policy of the Council must therefore be aimed gaining the highest possible return on investments , without incurring undue risks, during those periods when such revenues are not needed for capital or operational purposes.</p>	<p>Proper records should be kept of all investments made. At the very least, the following facts should be indicated; the institution, the funds, the interest rate and the maturity date .</p> <p>b) Interest, correctly calculated, should be received timeously, together with any distributable capital.</p> <p>c) All investments should be confirmed quarterly by statements and a certificate at year end. All the investments made by the Municipality must be in the name of the Amathole District Municipality.</p> <p>d) The CFO is responsible for ensuring that the invested funds are quite secure and, should there be a measure of risk, that such risk be rated realistically.</p>

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Supply Chain Management Policy	2022/23	2024/25	<ul style="list-style-type: none"> To manage the way in which the Municipality procures goods and/or services giving effect to section 217 of the Constitution of the Republic of South Africa Act 108 of 1996; To implement a policy that is fair, equitable, transparent, competitive and cost effective in line with the PPPFA and its Regulations; To comply with all applicable provisions of the Municipal Finance Management Act 56 of 2003, as well as all other applicable legislation; To ensure sound, sustainable and accountable supply chain management within the Municipality, whilst promoting black empowerment as a priority of ADM 	<ul style="list-style-type: none"> The policy manages the way in which goods and/or services are procured, disposed, management of contracts entered into through the supply chain management system, consultancy services and strives to prevent irregular and fruitless and wasteful expenditure. This policy will also strive to ensure that the objectives for uniformity in supply chain management systems between organs of state in all spheres, is not undermined and that consistency with national economic policy on the promotion of investments and doing business with the public sector is maintained. The Supply Chain Management Policy seeks encourage socio-economic transformation within its region in line with the PPPFA and CIDB Acts. The Policy seeks to advance the interests of previously disadvantaged individuals by means of allocating preference points to specific goals on the basis of race, gender, disability or RDP initiatives.
	Prevention And Reduction Of Unauthorised, Irregular, Fruitless And Wasteful Expenditure Policy	2022/23	2022/23	<p>Management must, within their individual areas of responsibility, ensure that:</p> <ul style="list-style-type: none"> They do not intentionally disregard their duties and responsibilities or carry them out negligently Due care and diligence is exercised in all their decisions. 	<ul style="list-style-type: none"> The policy manages the way in which goods and/or services are procured, disposed, management of contracts entered into through the supply chain management system, consultancy services and strives to prevent irregular and fruitless and wasteful expenditure. Expenditure can be found to be fruitless and wasteful even if it was made within a given

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				<ul style="list-style-type: none"> • They must receive all relevant information and use common business sense • They act rationally and reasonably in the best interest of ADM • They are ethical • Sound financial management principles are applied • They are effective, efficient and economical at all times • They act immediately to reduce losses and do not let matters slide • Appropriate action (including disciplinary action) is taken where necessary • The process of financial management and internal controls is carried out • The assets are safeguarded • The assets and liabilities are properly managed • The financial and other resources are used effectively, efficiently, economically and transparently. 	<p>delegation of authority. This would be the result of a poor decision to spend (a decision causing a loss but that was made rationally, having regard to all the relevant information at hand at the time the decision was taken, would not be classified as fruitless and wasteful).</p> <ul style="list-style-type: none"> • Potential losses or losses that are not quantifiable should only be reported on once actually incurred. In such instances, active steps must be taken where possible to reduce or eliminate the potential loss. • If reasonable care was indeed exercised, but the expenditure turns out to be fruitless and wasteful, then it would not be reportable in terms of this procedure. • As long as a person acted reasonably in the light of all the relevant available information at the time that the decision to incur the costs was made, then such expenditure would not subsequently be regarded as reportable if it turns out to be fruitless and wasteful. <p>However, acting reasonably presumes that, where possible, steps are taken to stop or minimise any further losses once it becomes apparent that the expenditure is likely to be fruitless and wasteful. If not, the further losses arising because of a failure to take corrective action will consequently become reportable.</p>

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
COMMUNITY SERVICES	By-Law Implementation and Enforcement Policy	2018	N/A	To give formal recognition of the ADM's constitutional obligations to implement and enforce its by-laws by setting out the guiding principles to be followed in implementing and enforcing its by-laws.	Develop internal enforcement capacity to effectively monitor implementation and enforcement of its by-laws, including the establishment of a by-law enforcement office/unit; Ensure that those appointed to enforce its by-laws, are adequately trained and meet the requirements as set out in the Criminal Procedures Act 51 of 1977 to be municipal peace officers; Develop a by-law enforcement or policing strategy together with a relevant procedural framework, consistent with all legislative requirement pertaining to law enforcement. Budget for Gazetting of by-laws Appointment of peace officers in 2024
	Disposal of the Dead Policy	2017/2018	To be reviewed in 2026/2027 financial year	To define the process and procedure to be followed in the disinterment and re-interment of human remains.	Risk of disease spreading from unsafe handling of dead bodies. To be budgeted during 2026/2027 financial year
	Milk policy	2013/2014	To be reviewed in 2026/2027 financial year	To set out requirements and application procedures for the Certificate of Acceptability as required by legislation	(a) Uncontrolled distribution and sale of raw milk. (b)Risk of food poisoning from contaminated milk To be budgeted during 2026/2027 financial year
	Health Care Waste Risk Management Policy	2013/2014	To be reviewed in 2026/2027 financial year	Improve the standard of health care waste risk management for public and private health care providers Assist in the prevention of Environmental Pollution.	Health Care Waste Risk Management Policy To be budgeted during 2026/2027 financial year

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Informal Trading Policy	2013/2014	To be reviewed in 2026/2027 financial year	<p>To provide guidance for informal trading stakeholders and to ensure that traders operate in an orderly and hygienic manner.</p> <p>To strengthen the regulation and the prevention of conditions of the environment that may pose a risk to human health through the identification, assessment, monitoring and evaluation of such conditions.</p>	<p>Risk of sale and consumption of foodstuffs that are not fit for human consumption by the public</p> <p>To be budgeted during 2026/2027 financial year</p>
TECHNICAL SERVICES	Rural Yard/Erf Water Connection Policy		2018/19	The purpose of this policy is to provide a framework for the ADM to respond to the ever increasing demand for yard/erf water connections in the “rural” areas of the ADM, as well as the pending or likely changes in national legislation .	<ul style="list-style-type: none"> • Access to water • Quality of yard connection <p>Payment for services</p>
	VIP Latrine Maintenance Policy 2015		2022/23	<u>Effective maintenance</u> of sanitation infrastructure is <u>essential</u> to ensure that the capital investment in sanitation infrastructure is not wasted and that the municipality can move towards <u>zero backlog</u> of fully operational sanitation facilities.	Effective maintenance of sanitation infrastructure is essential to ensure that the capital investment in sanitation infrastructure is not wasted and that the municipality can move towards zero backlog of fully operational sanitation facilities.
	Retrofitting Policy		2022/23	<ul style="list-style-type: none"> • Allow for more equitable distribution of water • Prevent undue financial pressure on low-income consumers • Delays capital works upgrades • Reduce operating costs • Enhance billing 	Retrofitting Policy



2026/27

CHAPTER SIX: FINANCIAL ANALYSIS



CHAPTER SIX

FINANCIAL ANALYSIS

6.1 INTRODUCTION

This chapter aims at outlining the financial plan for the Amathole District municipality and the financial performance. A financial plan is a budget, in other words a plan for spending and saving future income. This plan allocates future income to various types of expenses, such as salaries, insurances and also reserves some income for short term and long-term savings. The Financial Plan is essential to ensure that the municipality continues to implement its mandate effectively without eroding its capital base and to move towards self-sufficiency in meeting the growing demands of service delivery.

The municipality aims to fully comply with prevailing municipal financial legislation to ensure sound financial management and governance to attain a clean audit outcome. It is important that the financial affairs of the municipality are managed in an efficient and effective manner to sustain a sound financial position towards sustainable service delivery. The multi-year financial plan for the IDP is prepared for three years. Based on this plan, considering the requests from the community and new strategic agenda set by the council the development of the 2026-2027 financial plan has to be adopted with the IDP.

The municipal strategic agenda must be influenced by the tone from the SONA, SOPA, National Budget Speech and Institutional Strategic planning session of the ADM. These documents take into consideration the vision 2030 and Municipal Turnaround Strategy (MTAS) which considers the strategic objectives and strategies supporting the ADM mandate.

The accuracy of the financial plan is subject to many inherent influences. These variables and risks can be divided into two main groups, being external influences and internal influences. The external influences include unforeseen political and economic changes or circumstances and climatic conditions. While internal influences include tariff increases, efficiencies in service delivery and administration support and salaries and wages.

This IDP is, therefore, the guiding document for the budget planning process. The outcome of this Integrated Development Plan is the alignment of the planning process and resource allocations to the requirements of the strategic direction. The proposed financial plan continues to expose several complex challenges such as matching increased service demands with a relatively stagnant revenue base, level of unemployment within the District, struggling finances which result in late payment of service providers, the inability to deliver essential services to communities and good governance which are linked to the audit outcomes.

Nonetheless, none of these challenges are insurmountable if partnerships can be established with other spheres of government working together towards a common vision. In terms of National Treasury's Municipal Budget and Reporting Regulations, the budget of a municipality is only required to encompass planning periods of the next financial year and the two outer financial years thereafter.

6.2 FINANCIAL FRAMEWORK

The uniqueness of the district in which the ADM has jurisdiction, in comparison to other municipalities, must be considered when assessing its financial viability and sustainability. The ADM can be categorized as a rural municipality that is still in the stages of development and thus requires significant additional resources and funding to accomplish expected development and service delivery. Demographics of the district indicate a population of 892 637 of which 580 000 are categorized as living below the poverty line. These stats, therefore, are translated to mean that almost 70% of the population in the district are unable to pay for municipal services. All six Local Municipalities including the District Municipality are grant dependent as a consequence of its rural status and poverty. These dynamics also impact the level of affordability for services. From a financial perspective the financial viability and sustainability of the municipality remains a priority. To realize the financial viability of the ADM, a credible budget reflecting realistically collectable revenue and realistic projections for both revenue and expenditure is vital. It can only be realized if the following financial strategies are put in place to improve the situation:

6.2.1 Revenue Enhancement Strategy

As per MFMA, No 56 of 2003, Section 64 stipulates that:

The Accounting Officer of a municipality is responsible for the management of the Revenue of the municipality and must take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act and the Municipality's credit control and debt collection policy.

It is essential that ADM has access to adequate sources of revenue from its own operations and intergovernmental transfers to enable it to carry out its functions. It is furthermore necessary that there is a reasonable degree of certainty regarding the source, amount and timing of revenue. The latest DoRA has laid out the level of funding from National Government that will be received for the 2026/2027 to 2028/2029 financial years.

Revenue Enhancement

The average collection rate is low at 26%. This is completely unsustainable and a prime condition for financial distress. The collection rate is below the National Treasury norm of 95% required to sustain the municipality and to ensure that it at least meets its financial and service delivery obligations. This rate must be increased and arrear

debt needs to be collected so as to obtain additional cash and to ensure collection of the current and outstanding debt.

Strategies need to be put in place to collect the remaining outstanding debt. To achieve a target of 95% in the short to medium term and exceeding it in the long term will require rigorous and creative solutions on the entire revenue collection value chain. The following actions are therefore recommended for the various components of the revenue value chain:-

- Installation of infrastructure to enable accurate water meter readings and disconnection/ connection to separate and identifiable consumers
- Protection of meters from vandalism and illegal connections
- A systematic data cleansing process must be initiated to ensure correct details of account holders or property owners and the classification or reclassification of standards of services being rendered, and where appropriate correcting the tariff that each property is charged
- Accurate meter reading by meter readers, who are easily identifiable by consumers and property owners, must be put in place
- Efficient and effective credit control management policies and procedures applied with clear delegations of authority and monthly reporting to Council on actions taken
- Disconnections and reconnections need to be properly scheduled to optimize speedy payments and behavioural changes. This function should also be reviewed to ensure that Council has overall control of its processes and infrastructure
- Improvement of customer service to ensure quality management, communication and implementation of Batho Pele principles must be given priority.
- Enforcement of bylaws, for illegal disconnections
- Establishment of a permanent Revenue Protection Section, to detect illegal connections and institute surveillance equipment to arrest those who connect themselves illegally
- Legal processes for the collection of over-due consumer accounts must be put in place
- Communication between Departments to resolve customer queries and reduce the turnaround time of queries must be improved
- Cash flow targets should be set and form part of the performance measures of management
- Oversight by the Council must be strengthened.

Sufficient and sustainable revenue base

The ADM requires access to sufficient and sustainable revenue sources from both its own operations and from government transfers in the form of grants in order to perform its duties and responsibilities. The timing of the receipt of revenue resources is of critical importance as it has a direct impact on the cash flows of the municipality. Without the receipt of revenue, suppliers cannot be paid for services rendered and goods received, which ultimately affects service delivery.

To this end the latest DoRB sets out the funding that will be received from National Government for the 2026/27 - 2028/29 financial years.

Cash flow position and sustainability

The availability of cash and sound cash management is critical for the short, medium and long-term existence of the municipality. The ADM operates in an environment of limited resources and must therefore make use of the available resources in an effective, efficient and economical manner. The ADM remains grant dependent however this can be changed in the future if a dedicated unit will look into the IDP and mobilize resources for the institution and if revenue collection can be a institutionalised focus area.

The debtors' turnover/debtors' days has a significant impact on the liquidity/availability of the cash of the ADM as suppliers are to be paid within 30 days of receipt of the invoice in terms of Section 65(2)(e) of the MFMA, while the average debtors' days exceeds 90 plus days. This implies that cash is flowing out at a faster rate than it is flowing into the municipality.

In an ideal situation, the operating budget should produce annual operating surpluses so as to improve the ADM's cash reserves. Capital expenditure is financed by external grants, with ADM still not incurring external borrowings. ADM is aware that its budget should be balanced and funded, meaning that the expenditure and all creditors must be covered by realistically anticipated revenue to be received or collected.

Services are to be provided at both an affordable and sustainable level. The service charges levied by the ADM reflected an increase of 6% in the 2025/26 financial year, focusing on a cost reflective tariff. For the 2026/27 financial year, a similar increase is anticipated as the municipality moves towards a cost reflective tariff. This increase is a direct response to the increase in the direct costs to provide services, but also balancing affordability for consumers.

The Equitable share grant received from National Government is used mainly to provide basic services to poorer households. The low level of indigent registration has a negative impact on the level of equitable share allocated to

ADM. The increase in water carting and security expenditure is placing significant strain on the finances and cash flow of the municipality. The level of the spending is not sustainable for the municipality.

6.1.1 Accountability and transparency

The ADM is accountable to taxpayers and communities, who are the providers of the resources, on how resources are utilized, managed and safeguarded. Hence the IDP and budget processes are open to public participation. Appropriate internal controls are in place in order to prevent and detect prospective corruption. The ADM has reporting procedures to produce financial information for both management and oversight decision purposes. . A new financial management system was procured to mitigate the risk of incomplete and inaccurate information being produced. The municipality has commenced transacting on the financial system with effect 1 July 2025.

6.1.2 Development and investment

ADM has not engaged in borrowing from borrowing institutions i.e. banks and DBSA to finance infrastructure in the current year and has no intention of borrowing in the long term. ADM is working towards meeting the national water service delivery targets of “adequate potable and effective supply of safe water to all by 2027 and adequate and sustainable sanitation to all by 2027. ADM as the Water Services Authority (WSA) in its area of jurisdiction is facing enormous water and sanitation backlogs. Given the history of underdevelopment in the rural areas, ADM has made strides in pushing backwards the frontiers of poverty. ADM is however aware that the greater part of restoring the dignity of its people and providing them with sustainable and efficient municipal services remains a fundamental task in the current dispensation.

To effectively eliminate service delivery backlogs, ADM has embarked on sanitation projects that prioritize the use of SMME’s within the district. This strategy is two-fold in that it seeks to reduce backlogs and to support small business development. In addition to promoting SMME’s and cooperatives, ADM focuses on promoting vulnerable groups such as women, youth, disabled and military veteran owned businesses. . As at 31 December 2025, 32% of the projects were awarded to women-owned businesses, 31% were awarded to youth owned businesses and 0% awarded to businesses owned by disabled persons and military veterans.

6.2 Asset Management

The ADM continues to ensure the safeguarding and sound management of all its assets. This is mainly achieved by the implementation of the reviewed Asset Management Policy and a unit dedicated for the management of all municipal assets. The policy outlines the processes for the recognition, measurement and disposal of assets, including the preparation of a GRAP compliant asset register, while the Asset management unit deals with all classes of assets owned by the municipality. Allocations to repairs and maintenance and the refurbishment of existing infrastructure must be prioritized as an uncontrolled increase in infrastructure refurbishment backlogs will negatively impact the financial sustainability, reliability and quality of municipal services.

Over and above the afore-mentioned the following are taken into consideration by the Asset management unit:

- Development of Standard Operating Procedures
- Adequate budget provision for asset maintenance over its economic lifespan
- Ensuring complete recording of asset information
- The accurate recording of asset movements
- Exercising strict physical control over all assets (Security, safekeeping, housekeeping, physical verification)
- Maintenance of assets according to an infrastructural asset maintenance plan
- Maintain a system of internal control of assets to safeguard assets
- Replacement/renewal of ageing assets to ensure the ongoing functionality of municipal infrastructure.
- Ensure all assets owned and/or controlled are insured except where specifically excluded by policy.

6.3 Financial Management Strategies

With framework as a background, strategies and programmes have been identified and form part of this Long-Term Financial Plan to achieve the desired objective and that is the financial viability and sustainability of the Municipality.

Financial management strategies are important to guide the municipality in maximizing the available financial resources to ensure long-term financial viability through the following strategies:

- Manage revenue, expenditure, assets and liabilities in a responsible manner
- Well thought-out budgetary and financial planning processes in line with budget and reporting regulations
- Effective supply chain management
- Effective cash flow management
- Applying full credit control measures within the boundaries of legislation and fairness to prevent an escalation in non-recoverable outstanding debt
- Ensure compliance with prescribed accounting standards and adherence to all legislation requirements
- Optimal functioning of the financial system
- Continue the implementation of public participation in the budget process
- Training and development of employees to achieve levels of compliance according to the regulation on minimum competency levels
- Prepare risk register and apply risk control
- Implement internal controls, procedures, policies and by-laws to regulate fair, just and transparent transactions
- Prepare annual financial statements in accordance with the accounting standards

6.2.1 Capital Financing Strategies

One of the greatest challenges facing municipalities is the decline in public trust in service delivery. Investment in municipal infrastructure is critical to sustaining growth, rehabilitating ageing infrastructure and eradicating service delivery backlogs.

The strategies are:

- The capital programme of the ADM is based on priorities, programmes and projects of the IDP
- Expedite spending on the capital budget where projects that are funded from conditional grants such as MIG, RBIG and WSIG
- Analyze feasibility and impact on the operating budget before capital projects are approved
- Re-prioritise allocations towards maintenance of existing infrastructure

6.2.2 Operational Financing Strategies

Financial planning and effective management of municipal cash resources will ensure that the municipality meets its service delivery mandate. The strategies are:

- Ensure integrity of billing systems and accuracy of accounts
- Eliminating spending on non-priority items
- Develop a mSCOA compliant Medium-Term Revenue and Expenditure Framework (MTREF) Budget
- Develop and implement a uniform budget reporting framework compliant with National Treasury's Municipal Budget and Reporting Regulations.
- Ensure 100% spending of government conditional grants
- Effective cash flow management to ensure a sufficient and sustainable cash position
- Enhance budgetary controls and financial reporting
- Direct available financial resources towards meeting the projects as identified in the IDP
- Improve supply chain management processes in line with regulations to speed up service delivery by improving turnaround time in tender awarding.

Amathole District municipality's financial sustainability and fiscal stability is currently under duress, and as such, the municipality is implementing a mandatory financial recovery plan (MFRP) in terms of Sec 139(5)(a), which is monitored by National, Provincial Treasury and CoGTA. The leadership of the municipality is, by all means necessary focusing on improving the financial situation of the institution. Some progress has been made since the implementation of the MFRP, despite the municipality remaining in the first phase. The MFRP was reviewed during the 2024/2025 financial year to ensure that the immediate financial, governance, operational and technical needs

of the Municipality are addressed. From this review approximately 20 additional targets were added to the financial pillar.

The MFRP is used as an instrument to guide the municipality in addressing the financial crisis the municipality is faced with, and as well to ensure that the municipality regains its financial health whilst ensuring that all issues which adversely affect the financial health of the municipality are comprehensively addressed, in a sustainable manner.

The leadership of the institution, is addressing all the weaknesses highlighted in MFRP which are resulting in communities we serve, not being provided with assurance that public funds are being accounted for correctly, indicating a lack of accountability, transparency and integrity.

6.2.3 Cost-Effectiveness

Cost-effectiveness is very important to ensure an effective and efficient municipality that is able to render affordable, accessible and quality services in the long term. Maintaining affordable tariffs will contribute to the wealth of the municipality's community. However, the balance between affordable and cost effectiveness still needs to be achieved. Cost effectiveness can be achieved through:

- Structure tariffs to generate resources to fund maintenance, refurbishment and expansion of infrastructure to provide services
- Ensure that water and sanitation tariffs are fully cost-reflective
- Eliminate non-priority spending
- Facilitate delivery of large capital projects to be appropriated for three financial years and beyond
- Free basic services policies to adequately address provision of free basic services to poor households
- Invest surplus cash not immediately required at the best available rates

6.2.4 Municipal Budgeting

Section 16(2) of the Municipal Finance Management Act No.56 of 2003 indicates that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. The mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

The annual budget is the central financial planning document, directed by the IDP that embodies all revenue and expenditure decisions. It establishes the level of services to be provided by each department. The budget will be subject to monthly control and be reported to Council with recommendations of actions to be taken to achieve the budget goals. The budget will be subject to a mid-term review, which will result, if needed, in a Revised Budget.

The Act does not prevent the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Section 14 of the Municipal Budget Reporting Regulations requires the annual budget to be credible, realistic and funded such that it is capable of being approved and implemented as tabled. For effective planning and implementation of the annual budget, the draft service delivery and budget implementation plan may form part of the budget documentation tabled to council.

Budget Assumptions in preparation for MTREF Budget 2027-2029:

- Increase for Councillor's salaries per the Gazette
- Salary figures based on warm bodies paid in January 2026, only critical vacant positions budgeted for all directorates
- A provisional increment based on the Reserve Bank January 2026 CPI Forecast of plus 0.75% plus 2.5% of notch increase has been considered for the staff increase, as stipulated in the Bargaining Council Wage agreement
- Electricity budgeted for at a 11.32% increase on the 2025/26 allocation level, in line with the increases for bulk electricity approved by NERSA
- Bulk Water budgeted costs to increase by 6.3%.
- Qualifying level of income for indigent registration is two times the old age pension grant amount
- A differentiated approach in applying parameters in the operating budget based on trends of previous expenditure, cost containment considerations and strategic needs will be applied. This will vary from an increase of 4.3 % in 2026/27 financial year and 3.4% and 4.4% for the outer two years. This is based on CPI inflation rate estimated in Circular 132 issued 5 December 2025.
- It is anticipated that the water tariffs, sanitation and other services for 2026/27 will increase at 6%. This is in line with the 3-6% target range of the inflation band, as specified in MFMA Circular No 132, but with the major cost drivers of water provision, bulk water purchases, electricity and salaries going up by 6.3%, 11.32% and CPI and 2.5% notch increment respectively the cost of producing water has increased. ADM, as informed by circular 98 and enforced by circular 123 and 132, has utilised the National Treasury tariff tool in calculating a cost reflective tariff for 2026/27 MTREF to start bridging the gap between affordable and sustainable tariffs
- National allocations as per the Division of Revenue Bill (DoRB)
- Due to limited revenue sources, ADM can only afford to subsidize R15 600 000 towards the operations of ASPIRE
- ADM has budgeted for service charges based on billing in 2025/26 financial year and an estimated collection rate of 50%

ADM needs to adopt a double-sword approach to improve financial sustainability – it is not enough to only focus on reducing expenditure, but need to focus on enhancing revenue as well.

6.4 THREE YEAR FINANCIAL PLAN

Budgeting is primarily about the priorities and choices that the Municipality has to make in deciding how to meet the agreed set of policy objectives through better service delivery. With the compilation of the 2026/27 to 2028/29 MTREF, each strategic department had to review the business planning process and setting of priorities and targets. These have essentially informed the detailed operational budget appropriations three-year capital programme and beyond so as to align with the five-year IDP. The medium-term revenue and expenditure framework requires a budget for the 2026/27 financial year and a forecast for the outer two years. This is aligned with the DoRA allocations, which cover a three-year period. Year one being actuals allocations, with the outer two years being indicative allocations.

Table 55: budgeted income and expenditure for 2026/27 to 2028/29

BUDGETED FINANCIAL PERFORMANCE REVENUE BY SOURCE 2026/27

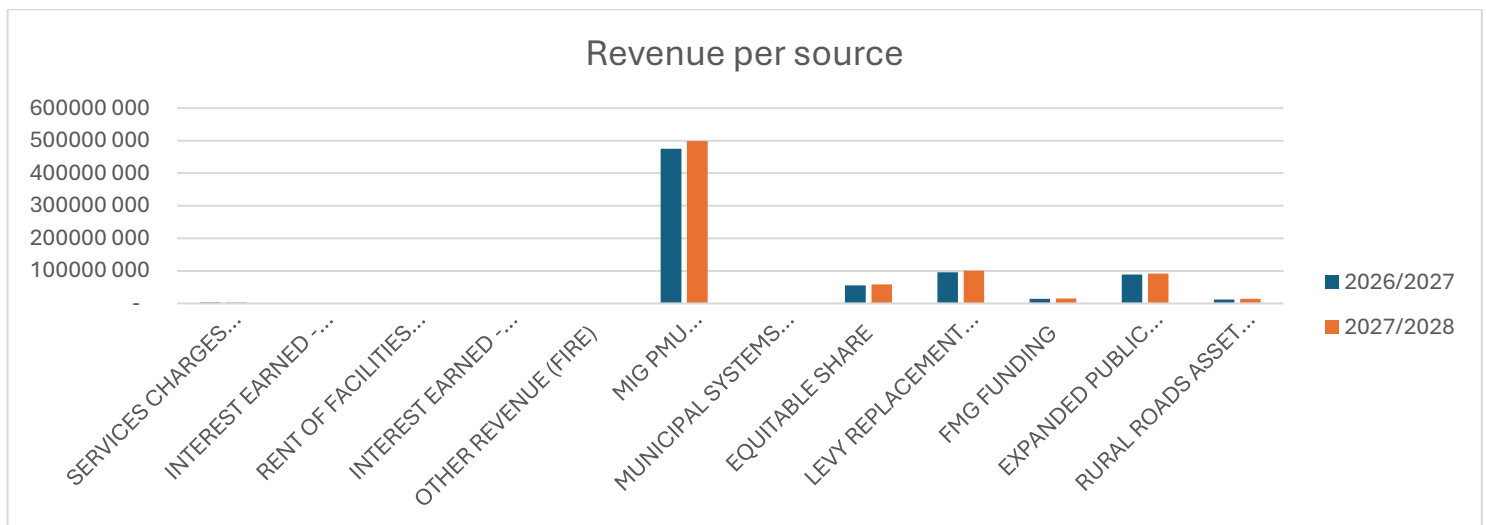
DETAILS	2026/2027 R	2027/2028 R	% INCOME	% INCREASE/ (DECREASE) FROM 2025/2026
SERVICES CHARGES - SANITATION	160,492,635	167,714,804	5.63%	4.50%▲
SERVICES CHARGES - WATER	481,697,769	503,374,169	16.90%	4.50%▲
INTEREST EARNED - OUTSTANDING DEBTORS	107,811,945	112,663,483	3.78%	4.50%▲
RENT OF FACILITIES AND EQUIPMENT	432,556	467,160	0.02%	8.00%▲
INTEREST EARNED - EXT. INVESTMENTS	39,120,942	39,195,026	1.37%	5.84%▲
OTHER REVENUE (FIRE)	7,674,116	8,019,451	0.27%	4.50%▲
TRANSFERS AND SUBSIDIES:				
MIG PMU OPERATIONAL INCOME	27,065,107	28,382,210	0.95%	7.55%▲
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	0	0	0.00%	0.00%▲
EQUITABLE SHARE	728,311,000	761,246,000	25.55%	7.19%▲
LEVY REPLACEMENT GRANT	549,602,000	574,455,000	19.28%	4.31%▲
FMG FUNDING	2,700,000	2,800,000	0.09%	3.85%▲
EXPANDED PUBLIC WORKS PROGRAMME	-	-		0.00%▲
RURAL ROADS ASSET MANAGEMENT SYSTEMS GRANT	3,133,043	3,273,913	0.11%	4.59%▲
MIG OPERATIONAL PROJECTS			0.00%	0.00%▲
CETA	0	0	0.00%	(100.00%)▼
OWN REVENUE MIG OPEX	861,993	903,940	0.03%	106.11%▲
OWN REVENUE RRAMS	469,957	491,087	0.02%	4.59%▲
TOTAL OPERATING INCOME	2,109,373,063	2,202,986,243	74.85%	(5.27%)▼
TRANSFERS AND SUBSIDIES CAPITAL	741,015,900	777,357,850	25.15%	54.79%▲

MUNICIPAL INFRASTRUCTURE GRANT	475,246,389	498,373,874	16.67%	45.76% ▲
MIG IN-KIND ALLOCATION	0	0	0.00%	(100.00%) ▼
OWN REVENUE MIG	55,368,511	58,062,976	1.94%	9.16% ▲
WATER SERVICES INFRASTRUCTURE GRANT	95,652,174	100,434,783	3.36%	10.42% ▲
OWN REVENUE WSIG	14,347,826	15,065,217	0.50%	10.42% ▲
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	88,792,304	91,670,435	3.12%	14.73% ▲
OWN REVENUE RBIG	11,608,696	13,750,565	0.41%	0.00% ▲
TOTAL INCOME	2,850,388,963	2,980,344,093	100.00%	4.98% ▲

EXPENDITURE BY TYPE 2026/2027				
DETAILS	2026/27	2027/28	%	% INCREASE/ (DECREASE) FROM 2025/2026
	R	R	EXPENDITURE	
SALARIES & CONTRIBUTIONS	913,061,928	954,036,353	32.03%	7.25% ▲
REMUNERATION OF COUNCILLORS	20,078,342	21,082,260	0.70%	5.00% ▲
PROVISION FOR BAD DEBTS	373,967,998	396,406,080	13.12%	6.00% ▲
DEPRECIATION	112,748,017	124,022,840	3.96%	10.00% ▲
ASPIRE CONTRIBUTION	15,675,000	16,066,875	0.55%	4.50% ▲
TRANSFERS AND SUBSIDIES PAID	3,861,275	3,957,810	0.14%	(7.96%) ▼
FINANCE CHARGES	677,892	694,838	0.02%	4.50% ▲
BULK PURCHASES WATER	179,696,631	195,869,329	6.30%	9.00% ▲
INVENTORY CONSUMED	110,723,011	123,276,565	3.88%	(34.32%) ▼
CONTRACTED SERVICES	213,282,161	212,343,240	7.48%	(2.52%) ▼
OTHER EXPENDITURE	260,035,181	261,840,974	9.12%	3.35% ▲
TOTAL OPERATING EXPENDITURE	2,203,807,436	2,309,597,164	77.32%	2.53% ▲
TOTAL INTERNALLY FUNDED NEW CAPITAL	51,637,613	57,492,057	1.81%	(8.89%) ▼
TOTAL INTERNALLY FUNDED CAPITAL	51,637,613	57,492,057	1.81%	(8.89%) ▼
CAPITAL FROM OPERATING GRANTS				

CAPITAL GRANTS AND SUBSIDIES	594,943,914	613,254,872	17.76%	24.86%▲
MUNICIPAL INFRASTRUCTURE GRANT	411,296,823	420,442,711	14.43%	31.91%▲
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	87,305,217	91,670,435	3.06%	12.81%▲
WATER SERVICES INFRASTRUCTURE GRANT	95,652,174	100,434,783	3.36%	10.42%▲
FINANCIAL MANAGEMENT GRANT	627,000	642,675	0.02%	4.50%▲
RURAL ROADS ASSET MANAGEMENT SYSTEMS GRANT	62,700	64,268	0.00%	4.50%▲
TOTAL CAPITAL EXPENDITURE	646,581,527	670,746,929	22.68%	21.27%▲
TOTAL EXPENDITURE	2,850,388,963	2,980,344,093	100.00%	6.26%▲
SURPLUS / (DEFICIT)	0	-	0%	0.00%▲

FIGURE 49: OPERATING INCOME FROM 2026/27 TO THE FORECAST YEAR OF 2028/29 PER SOURCE



The most significant source of internal income is the income from the water and sanitation services. The current budgeted percentage of internal revenue is 28%. The collection rate for the water and sanitation services income requires improvement to ensure the achievement of the service delivery targets set on this budget. The Amathole District Municipality is implementing its credit control and debt management policy to ensure that this is achieved and that all outstanding debts are collected. The collection of these outstanding debtors is a priority of the District Municipality and is receiving the most urgent attention. The Municipality is continuing with the following interventions to address revenue collection challenges, namely data cleansing exercise, changing faulty meters,

restriction and/or disconnection of services where applicable and assessment of water meters throughout the district.

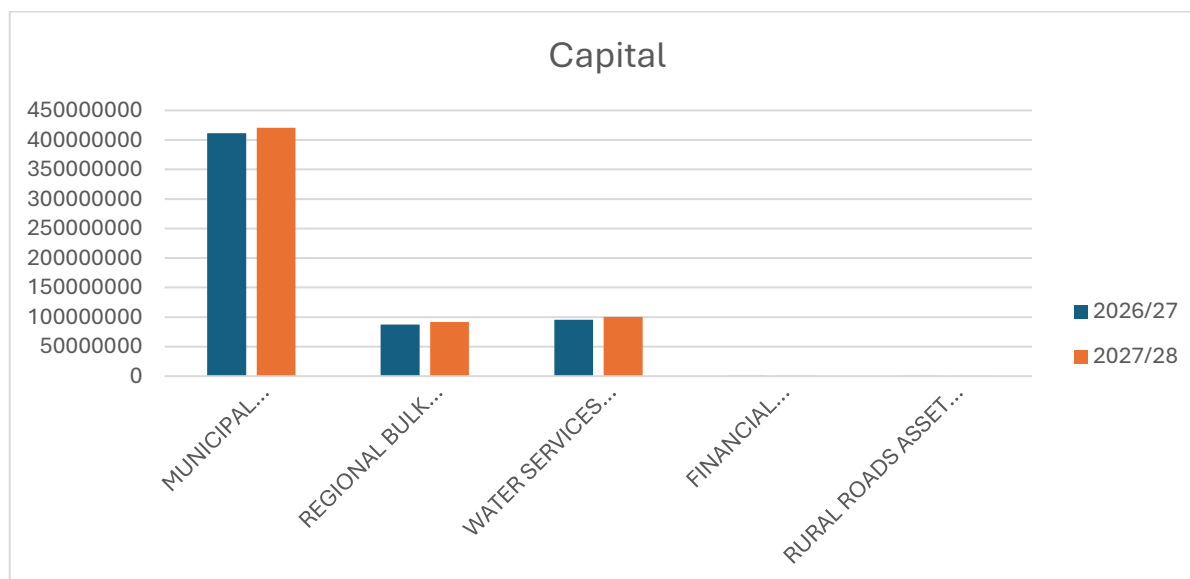
The graph above also reflects that the equitable share and levy replacement grants are the main source of revenue for the municipality.

6.2.5 Capital Financing Strategies

Table 56: Capital Source (VAT excl.) from 2026/27 to the forecast year of 2027/28

DETAILS	2026/27	2027/28	%	% INCREASE/ (DECREASE) FROM 2025/2026
	R	R	EXPENDITURE	
CAPITAL GRANTS AND SUBSIDIES	594,943,914	613,254,872	17.76%	24.86%▲
MUNICIPAL INFRASTRUCTURE GRANT	411,296,823	420,442,711	14.43%	31.91%▲
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	87,305,217	91,670,435	3.06%	12.81%▲
WATER SERVICES INFRASTRUCTURE GRANT	95,652,174	100,434,783	3.36%	10.42%▲
FINANCIAL MANAGEMENT GRANT	627,000	642,675	0.02%	4.50%▲
RURAL ROADS ASSET MANAGEMENT SYSTEMS GRANT	62,700	64,268	0.00%	4.50%▲

FIGURE 50: CAPITAL EXPENDITURE GROWTH FOR THE NEXT 2 YEARS



6.2.5.1 Municipal Infrastructure Grant (MIG)

The largest infrastructure transfers over the MTREF years remains the MIG, which supports government's objectives of expanding the delivery of basic services to poor households and the alleviation of poverty. The grant also seeks to stimulate economic development and job creation over the medium term. Below is a table depicting the municipality's MIG allocation in terms of DoRA for the 2026/27 financial year and outer two years:

Table 57: Municipal Infrastructure Grant (MIG)

GRANT	2024/25	2025/26	2026/27	2027/28
MIG	383 204 000	383 204 000	558 542 000	585 723 000
In Kind	-	128 469 000	-	-
% increase/(decrease)	2%	4%	9%	5%

The MIG allocation shows an immaterial increase of only 4% from 2024/25 to 2025/26. Increases in 2026/27 and 2027/28 of 9% and 5% respectively, which is covering the average inflation rate for the two outer years. The municipality is wholly dependent on grants to construct infrastructure. For the 2025/26 financial year, 25% of the MIG allocation has been designated as a grant in kind as per Schedule 6 of the DoRB.

6.2.5.2 Water Services Infrastructure Grant (WSIG)

Table 58: Water Services Infrastructure Grant (WSIG)

GRANT	2024/25	2025/26	2026/27	2027/28
WSIG	77 525 000	99 616 000	110 000 000	115 500 000
% increase/(decrease)	15%	28%	10%	5%

The Water Services Infrastructure Grant has been gazetted an amount of R99 616 000 for the 2025/26 financial year. The 2025/26 allocation has increased by 28% from 2024/25. The first outer year reflects a 10% increase and then a slight increase of 5% for the 2027/28 year. These increases exceed the inflation rates.

6.2.5.3 Rural Bulk Infrastructure Grant (RBIG)

Table 59: Rural Bulk Infrastructure Grant (RBIG)

GRANT	2024/25	2025/26	2026/27	2027/28
RBIG	89 682 000	89 000 000	100 401 000	105 421 000
% increase/(decrease)	23%	1%	13%	5%

This grant is an "allocation – in – kind" which implies that the funds received from this grant will not necessarily be transferred directly to the ADM, instead the RBIG programme targets projects that cut across two municipalities for

large bulk projects in Mphashe and Mnquma. An amount of R89 000 000 has been gazetted for RBIG. The first outer year reflects an increase of 13% and the second outer year reflects an increase of 5%. The table above indicates that the grant fluctuates without a definite trend being evidenced.

6.5 POLICIES

It is the aim of ADM to achieve a stable and resilient financial position with the ability to withstand economic impacts; to adjust efficiently to the community's changing service requirements; to effectively maintain, improve and expand the Municipality's infrastructure; to manage the Municipality's budget and cash flow to the maximum benefit of the community; to prudently plan, coordinate and implement responsible and sustainable community development and growth; and, to provide a high level of protective services to assure public health and safety.

Based on the financial framework, financial strategies and the general financial objective, ADM must develop financial policies to support its strategies and objectives. ADM's financial policies shall also address the following financial goals:

- (a) To keep ADM in a financially sound position in both the long- and short-term;
- (b) To maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;
- (c) To apply credit control policies which maximise collection while providing relief to indigents;
- (d) To implement credit control policies that recognise the basic policy of customer care and convenience;
- (e) To operate utilities in a responsive and financially sound manner;
- (f) To maintain and protect existing infrastructure and capital assets;
- (g) To direct the ADM's financial resources toward meeting the goals of the Municipality's Integrated Development Plan (IDP).

The Budget and Treasury Office are therefore reliant on the following policies to assist in the achievement of its respective IDP priorities and financial objectives:

- Banking and Cash Management Policy
- Investment Policy
- Budget Policy
- Tariff Policy
- Debt Collection and Credit Control Policy
- Indigent Policy
- Asset Management and Disposal Policy
- Supply Chain Management Policy

- Cost Containment Policy
- Unallocated Deposits Policy

The municipality has adopted an Unauthorised, fruitless and wasteful and Irregular expenditure reduction strategy during December 2025.

All policies and by-laws are reviewed annually and adopted by Council with the exception of the Banking and Cash Management Policy, the Investment Policy and the Cost Containment policy. These three policies are reviewed tri-annually due to the high probability of no amendments and the objective of the ADM is to maintain adequate financial resources to be able to provide a sustainable and satisfactory level of municipal services to the community of the district. ADM constantly monitors its financial position and financial performance to ensure that it can withstand political and economic changes by remaining liquid.

Banking and Cash Management and Investment Policy

The ADM is required to manage its bank accounts in accordance with the Municipal Finance Management Act 2003 (Act No 56 of 2003) (MFMA). The banking and cash management policy thus intends to provide a framework for ensuring the proper management of its cash resources so as to ensure that sufficient cash resources are available to finance the capital and operating budgets of the municipality and that there is effective control over the management of bank accounts.

The ADM Council as the trustee of public revenues, which it collects, and therefore it has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently in accordance with the municipal investment regulations published in Government Gazette 27431 of 1 April 2005. The Council of ADM therefore has a responsibility to invest public funds according to the policy and legislation so as to exercise due care when making investments as set out in the Municipal Finance Management Act (Act no. 56 of 2003) and Municipal Regulations. All Investments made by the ADM, must be in accordance with the Investment policy of ADM and the Regulations In terms of the MFMA. The primary objective of the Investment policy is the preservation and safety of the cash resources of the municipality.

Budget policy

The annual budget is the guiding document for financial planning and is aligned with the IDP objectives and strategies. The budget is the annual financial plan for each department within the ADM and is subject to a mid-term review, which may result in an adjustment to the originally approved budget. The Budget policy outlines the principles which the municipality will follow in preparing each medium-term revenue and expenditure budget framework. It further sets out the responsibilities of the executive mayor, the accounting officer, the chief financial

officer and other senior managers and managers in compiling the budget. ADM remains committed towards developing a credible and funded budget. It also governs the rules regarding what constitutes a budget move which can be approved at Head of Department Level and what constitutes a budget virement, which needs Council approval.

Revenue policies

ADM will continue to estimate revenue sources in a conservative manner based upon realistically anticipated collectable revenue. ADM sets service charges that attempt to find the balance between affordability to the consumers and sustainability to the municipality. The **Tariff Policy** thus provides a framework in which the ADM can institute and maintain a tariff policy, which is transparent, cost-effective for the Municipality and is easily understood by all. The policy outlines the principles to be employed by the ADM in the levying of fees for services provided by the municipality. The Tariff Policy intends to guide the annual setting of tariffs for water, sanitation, fire, rentals and sundry services. The Tariff Policy is reviewed annually and adopted with the budget. The detailed listing of all tariffs is outlined in the Budget Document.

It is essential that funds are available to meet all expenditure of either a capital or operating nature as and when such expenditure has to be incurred. The strict implementation of the credit control policy will assist the ADM in ensuring liquidity.

As payments by the consumers have a major effect on cash flow, credit control on the various services of the ADM is covered in the **Credit Control and Debt Collection Policy**. Statements are generated for all consumer accounts on a monthly basis indicating amounts due for municipal services rendered, arrear amounts as well as payment due dates. Interest is charged monthly on arrears, except where Council has granted exemptions in accordance with its budget-related policies and within the prescribed framework. This policy includes Credit control procedures and mechanisms as well as debt collection procedures and mechanisms.

As a developmental institution, ADM is committed to supporting measures that assist and empower its community. It is accepted that large sections of the community cannot exist without intervention and it is therefore the duty of ADM to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services. ADM therefore adopts an Indigent Policy which embodies an indigent support programme not only providing procedures and guidelines for the subsidization of service charges to indigent households in the district, but also to increase the quality of life of the beneficiaries by assisting them to exit from their indigence. ADM has a credible indigent register that is reviewed annually. Write offs are submitted to Council for approval. The municipality holds registration and awareness campaigns in conjunction with the Local municipalities within the District.

Asset Management Policies

The ADM **Asset Management Policy** endeavours to promote efficient and effective management, monitoring and control of all the ADM's assets. The policy outlines objectives to ensure accurate recording of asset information, accurate recording of asset movements and compliance with the Council's Supply Chain Management Policy and payment procedures. The policy further sets out to ensure the effective and efficient control, utilization, optimization of usage, safeguarding and management of the ADM's assets and that all responsible parties are aware of their roles and responsibilities regarding the assets of the municipality. The policy prescribes the accounting treatment of assets acquired and used in accordance with the applicable accounting standards

Supply Chain Management Policy

The objective of the ADM **Supply Chain Management Policy** is to ensure sound, sustainable and accountable supply chain management within the district. The policy ensures that goods, services and infrastructure delivery are procured in a fair, equitable, transparent, competitive and cost-effective manner. ADM has a fully-fledged unit that facilitates supply chain. All the committees have been established and are functional. ADM has a Contract Manager to ensure that all contracts awarded to service providers are appropriately managed and monitored. The municipality has reviewed its SCM strategy and policies to align with SCM regulations.

6.6 REVENUE BASE

To serve the community and to render the services needed, revenue generation is fundamental for financial sustainability. The reality is that ADM is faced with developmental backlogs and poverty challenging its revenue generation capacity. The needs (being capital or operational of nature) always exceed the available financial resources. This becomes more obvious when compiling the annual budget and matching it with the community's needs as recorded in the IDP. This is not a phenomena unique to ADM and therefore available financial resources should be utilised where it delivers the biggest impact on outcomes that will improve the quality of life of our local communities.

Despite the challenges, ADM remains committed to improving the quality of life of all its citizens in the district. In accordance with Section 18 of the MFMA, municipalities are to table a funded and credible budget, based on realistic estimates of revenue that are consistent with their budgetary resources and collection experience. The needs of the communities and local municipalities are to be met within the financial capacity and resource constraints of the municipality. The reality is that the needs always exceed the available financial resources

This is glaringly obvious during the annual budget compilation hence the available resources are to be prioritized to improve the quality of life of the community. The ADM has very few significant sources of discretionary or revenue. These include:

As depicted in the pie chart above, the ADM's primary operational revenue source is grant income at 45%. The secondary revenue source is service charges at 23%.

Investments held by the municipality are held to cash-back the portion of the unspent conditional grants. All commitments of the municipality should be cash-backed, these are growing at a greater percentage than the investments, rendering this impossible for items such as leave, land fill site rehabilitation, bad debts and depreciation.

The local government equitable share allocation is based on achieving the Constitutional requirements as provided for in sections 214 and 227 of the Constitution and reflects an 7% increase. In terms of these provisions, local government is entitled to an equitable share of nationally-raised revenue to enable municipalities to provide basic services to communities and to assist municipalities in maintaining functioning administrations.

Equitable share considers the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs in municipalities. It is an unconditional grant which has the following components on it in terms of the Division of Revenue Act, (DoRA).

BS = Basic services component

I = Institutional component

CS = Community services component

R = Revenue adjustment factor

C = Correction and stabilization factor

The ADM prioritizes its budget towards poor households for the provision of free basic services. The affordability threshold that informs the equitable share formulae at National Treasury is set at twice the old age pension grant per month and is based on the 2022 Census data. ADM has subscribed to this threshold in its indigent policies. The ADM is working towards achieving a consolidated indigent database and register throughout the District thereby ensuring alignment with the Local Municipalities and reducing duplicated efforts. Below is a table depicting the municipality's Equitable Share allocation in terms of DoRA for the 2026/27 financial year and outer two years.

Table 60: Municipality's Equitable Share allocation in terms of DoRA for the 2026/27 financial year and outer years

GRANT	2024/25	2025/26	2026/27	2027/28
Equitable Share	633 427 000	679 446 000	728 311 000	761 246 000
% increase/(decrease)	7%	7%	7%	5%

The above table it is evident that the increase in the equitable share for the 2026/27 financial year is above the forecast inflation rate. The direct costs to provide services to the community however increase at rates above the inflation rate. ADM remains grant dependent and if this grant is reduced, it will severely impact the service delivery to communities. A total amount of R728 311 000 for Equitable Share (ES) has been gazetted for the 2026/27 financial year. Equitable share increases by 5% in the first outer year.

Levy Replacement Grant

The Minister of Finance announced in the 2005 Budget that Regional Services Council (RSC) Levies will be phased out with effect 1 July 2006. However, for municipalities to meet their expenditure obligations, especially in terms of poverty alleviation and social and economic development, it was important to maintain the existing levels of revenue. Hence the national government compensated municipalities for lost revenue within the national budget framework through the Levy Replacement Grant.

The RSC Levy Replacement Grant for the 2026/27 financial year reflects an of 4% growth rate as detailed below:

Table 61: RSC Levy Replacement Grant for the 2026/2027 financial year and outer years

GRANT	2024/25	2025/26	2026/27	2027/28
Levy Replacement Grant	506 890 000	526 883 000	549 602 000	574 455 000
%increase	4%	4%	4%	5%

It is evident that the increase in the Levy replacement grant is below the inflation rate for the 2026/27 year and below inflation for the first outer year. A total amount of R549 602 000 being for the Levy Replacement Grant (LR) has been gazetted for the 2026/27 financial year. Any reduction or removal of this grant will severely impact the operations of ADM.

Service Charges & Tariff-Setting

The Amathole District Municipality continues to service a very rural and poverty-afflicted district. This is evidenced in the outstanding debt that is due to the municipality in respect of service charges with 80% of the debt being comprised of domestic consumers. In addition, the collection rate is very low with only 26% of the current debt being collected. ADM is providing for an 79% provision for bad debts. The municipality is looking into new and innovative strategies to increase the collection rate. Any viable and relevant recommendations from the Section 139(5)(a) intervention will be implemented to assist in improving collections.

Only 47 642 debtors were registered for indigent status up to January 2025. This also has an adverse impact on the debt of the municipality as the outstanding debt is growing each month. The ownership challenge surrounding the RDP houses in the local municipalities is a contributing factor to the low collection rate and the municipality is exploring alternative solutions to resolve this issue. Set-off arrangements with local municipalities have also been implemented. Both initiatives will assist the local municipalities in reducing their obligations.

ADM has implemented several revenue collection strategies:

- Registration of consumers receiving free basic services to ensure completeness of the indigent register;
- Estate lates and RDP houses have been identified;
- Combined indigent registration campaigns with the LM's
- Issuing electronic statements to consumers
- Created a portal link for consumers to register and download their own monthly statements
- Dedicated email and whatsapp for the consumers to address queries
- Restriction of government departments and businesses

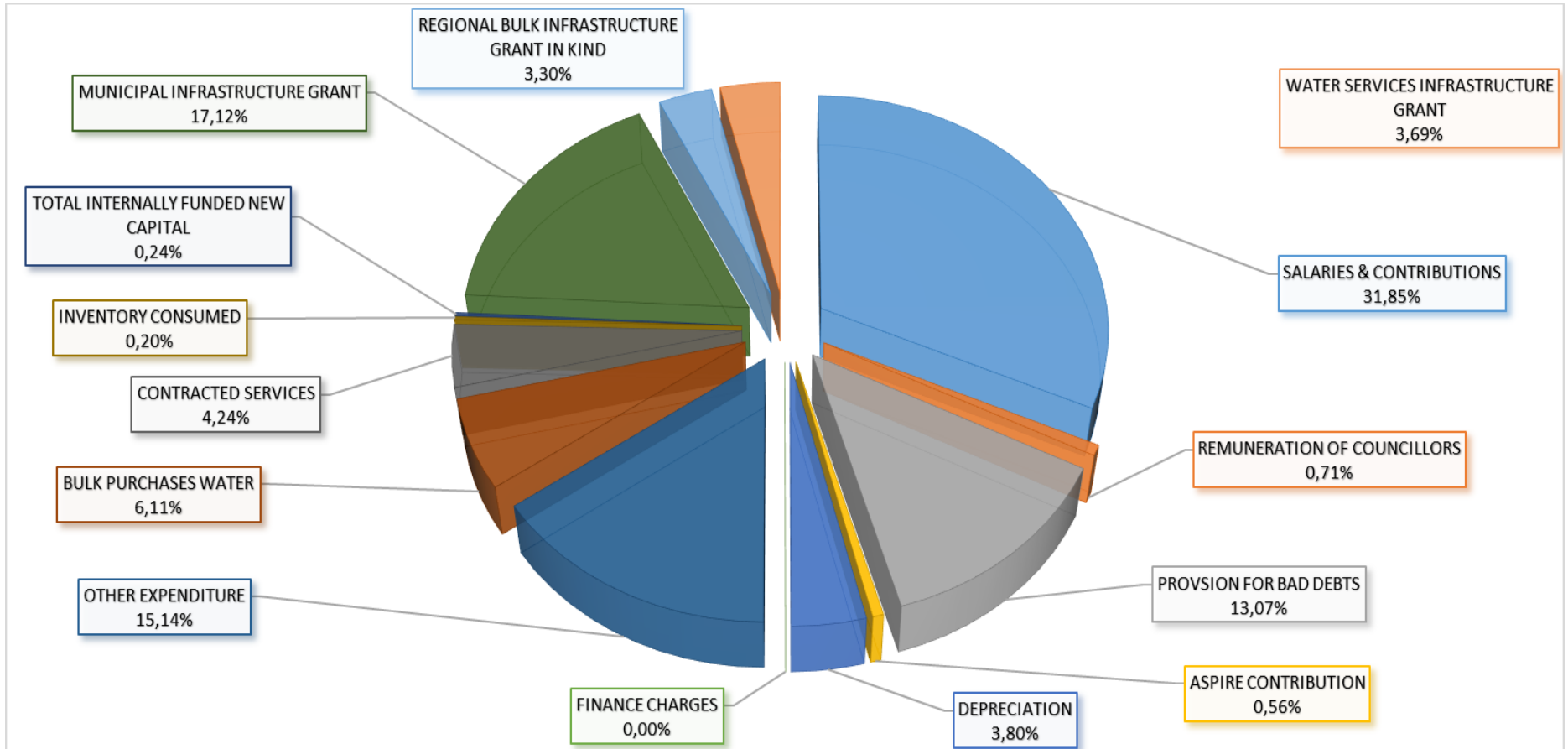
The existing fees, tariffs and charges are reviewed annually in order to ensure that the revenue attributable to fees and charges are maximized and that the bases for determining fees and charges are cost reflective and/or market related. The balance between affordability and sustainability remains a challenge and the current tariffs levied are not indicative of cost-recovery. Circular 98 has provided guidance in addressing cost reflective tariff with circular 123 enforcing municipalities to implement strategies within the five years commencing 2023/24 that will address cost reflective tariffs. The water, sanitation and other tariffs have increased by 6% for the 2026/27 financial year with the strategy to increase water tariffs by 41% plus inflation rate for the next five years as part of proposition to obtain a cost reflective tariff but remain affordable while bridging the gap.

6.7 EXPENDITURE MANAGEMENT

In accordance with Section 65(2) (e) of the MFMA, municipalities are required to pay all money owing within 30 days of receiving the relevant invoice or statement. The ADM pays around 79% of its invoices within 30 days (this varies from month to month). This lower than required rate is as a direct result of the severe cash flow constraints that are being experienced by the ADM. To achieve full compliance with the MFMA, the municipality has established processes and procedures for payments such as the centralization of the receipt of invoices and the maintenance of a register so that invoices can be tracked. In addition payment arrangements are entered to with service providers to avoid interest and penalties and also to manage the negative relationship of payment period between collection from consumers and payment of suppliers. However, the issue of non-compliance will only be resolved once the cash situation stabilizes, despite processes in place to ensure that non-payment is not due to internal delays.

Best practice relating to operating expenditure management includes prioritizing infrastructure repairs and maintenance and ensuring that budgeted expenditure is funded by realistically anticipated revenue sources.

FIGURE 52: BUDGETED FINANCIAL PERFORMANCE 2025/26 - EXPENDITURE BY TYPE



The ADM's main operating expenditure category is employee-related costs representing 42% of the **operating expenditure** and 33% of the **overall expenditure**. This operating expenditure category has decreased but remains the biggest challenge to achieve a balanced budget.

ADM's collection rates are too low, the tariffs are not cost reflective, due to the consideration of affordability and expenditure levels are too high, especially with the high and ever-increasing overhead costs in providing services. ADM has strategies that it intends implementing to address the situation. ADM has to ensure that costs are reduced and revenue is increased to achieve a balanced and funded budget.

The various strategies developed to address the situation include:

- Implementation of the Municipal Turnaround Strategy (MTAS)
- Implementation of the new institutional organogram
- Implementation of cost reduction measures and strict belt tightening
- Implementation of the key strategies in the Financial Recovery Plan
- Review of the Revenue Enhancement Strategy
- Implementation of a cost reduction plan
- Tighten controls over contract management
- Review of policies with financial implication

6.2.6 Salaries, Contributions and Remuneration of Councillors

ADM has reviewed its organogram in an attempt to bring the staff costs in greater alignment with the recommended norm by National Treasury. Policies are reviewed to assist in the reduction of the employee related costs. These policies have been tabled to Council for approval before being implemented. The total Salaries budget, including social contributions and remuneration of Councillors, constitutes an amount of R933 140 270 being 33% of the overall annual budget for 2026/27. When comparing total salaries against the total operating budget, this constitutes 42% of total operating budget. The ADM remains committed to spending its allocations so as to ensure service delivery to its community.

6.2.7 Bulk water purchases

Bulk water purchases are one of the most significant expenditure items for the municipality and thus contributing to 6% of the costs by R179 696 631.

6.2.8 Repairs and Maintenance

Repairs and Maintenance includes repairs to the following classes of ADM property plant and equipment: - Buildings, Equipment, Vehicles and Water and Waste-water Treatment Plants. ADM is aware of its need to allocate sufficient funding for repairs and maintenance, but this is practically impossible given the financial situation of the institution. Alternative revenue sources need to be sought in order to ensure that sufficient funding is allocated to maintain ADM assets.

6.8 FINANCIAL MANAGEMENT

6.2.9 Ongoing Sustainability of the Municipality

In order to assess the liquidity of the Amathole District Municipality on an on-going basis, various financial ratios, trend analysis and other measurement mechanisms are utilized to assess the cash position to support the implementation of the Budget.

The following ratios have been included in the IDP in order to assess the adequacy of the available cash and cash equivalents to meet the Amathole District Municipality's commitments arising from the approved Budget:

- Liquidity ratio
- Debt Coverage ratio
- Creditors Payment Rate

6.2.10 Liquidity Ratio (current ratio)

This ratio provides an indication of the municipality's ability to pay its short-term debts in the short-term (viability of an entity). This ratio focuses on current assets (debtors, bank and cash, inventory) and current liabilities (trade and sundry creditors, provisions, accruals).

The ratio currently is below the norm of 2:1 at 1.1, despite the gradual year on year improvement from 2020/21. It is highly undesirable in the short to medium term that this ratio has declined to below 2:1 and must be turned around. This ratio is indicative of cash flow constraints. Spending must be monitored to prevent increasing the cash flow constraints.

Over-reliance on the equitable share tranches is also very much evident. ADM continues implementing and monitoring the Sec 139(5)(a) mandatory financial recovery plan (MFRP). The MFRP has the following four key focus areas:

- Governance
- Institutional
- Financial management
- Service delivery

Table 62: Ratio: 2019/20-2024/25

Ratio	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Liquidity ratio (current ratio)	0.6: 1	0.4: 1	0.5: 1	0.6 : 1	0.7 : 1	1.1 : 1

6.2.11 Debtors Collection Rate

A ratio of 26% is calculated using the current billing and current receipting only for the 2025/26 financial year thus far. The municipality currently has a provision for bad debts that constitutes 80% of the total outstanding debt. This provision is based on past collection trends and risk associated with each debtor category and complies with the GRAP standards. ADM has established a task team to intensify the debt collection to improve the cash situation. The municipality continues to identify new strategies to assist in improving the collection rate.

Table 63: Debtors Collection Rate 2019/20-2024/25

Debtors Collection Rate	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Current billing vs current receipts	24%	22%	24%	22%	24%	24%
Total debt vs total receipts	6%	65%	31%	18%	13%	10%

6.2.12 Creditors Payment Rate

The ratio must be compared to the municipality's credit terms which it receives from customers and that determined by the MFMA to determine whether the management of accounts payable is effective or not. The longer the credit terms the better for the municipality as the credit is usually interest-free.

Trade creditors carry no explicit cost. However, when cash discounts are being offered, the cost of not taking the discount is an implicit cost. Additional strain is placed on working capital requirements if creditor's payment days are significantly less than the debtor's collection period. This is the current scenario experienced at ADM as suppliers are paid within 30 days while revenue is only received after 90 plus days. Payment can only be made upon receiving the original invoice. The Budget and Treasury office has implemented procedures and controls to ensure that invoices are received and paid within the legislative timeframes. Payment within 30 days of receipt of invoice. This intervention has greatly improved the payment turn-around times to ensure compliance with the MFMA. The municipality is continually trying to improve

controls and procedures to streamline the process and compliance and exercises all reasonable steps to ensure compliance with the MFMA in paying invoices. The cash flow constraints of the municipality are the main contributor to not achieving the 100% payment of suppliers within 30 days.

The significant decline in the percentage is as a direct result of the severe cash flow constraints being experienced by the ADM, hence the ADM is not able to pay its suppliers when the debt is due.

Table 64: Creditors Payment % within 30 days 2019/20-2024/25

Creditors Payment % within 30 days	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	89%	31%	56%	71%	79%	90%

6.2.13 Cash Flow Position

The ADM has experienced a decrease in its cash reserves over the past few years. This can be attributed to the fact that the creditors are to be paid within 30 days and that debtors pay after 90 plus days. The municipality is grant dependent and the significantly low collection rates coerce the municipality to be heavily reliant on the equitable share and levy replacement grant tranches. From 2023/24 the grant spending improved dramatically, hence the outflow in the investing activities and the decrease in the cash and cash equivalents in 2024/25.

Table 65: Cash Flow Position 2019/20-2024/25

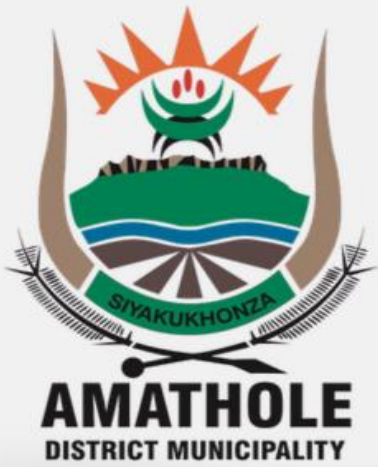
CASH FLOW	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	R	R	R	R	R	R
Net cash inflow / (outflow) from operating activities	238 354 250	126 491 177	348 264 853	348,044,985	286,374,573	337,654,384
Net cash inflow / (outflow) from investing activities	(240 291 183)	(229 713 553)	263 704	(179,487,084)	(452,771,162)	(381,168,959)
Net cash inflows / (outflow) from financing activities	450 491	295 495	(159 156)	(973,087)	54,276	(189,965)
Net (Decrease) /Increase in cash flows	(1 486 442)	(103 517 871)	348 369 401	218,675,011	(166,342,311)	(43,704,540)

Operating activities reflects an inflow as the municipality has been able to bill consumers monthly. Investing activities include the purchase of assets, with the net outflow being in most financial years a result of an increase in the infrastructure assets. The ADM reflects a net decrease in cash, which is a direct result of the grant funding being spent.

6.9 CONCLUSION

The application of sound financial management principles for the compilation of a financial plan must be considered on an on-going basis through which the integration of the IDP and Budget is ultimately achieved. The continued improvement and development of an effective financial planning process aids the actualisation of fulfilling the municipality's facilitating role to capacitate the community to build a prosperous future for all. The budget is to contain realistic and credible revenue and expenditure forecasts which provide a sound basis for improved financial management of limited financial resources and service delivery improvements and implementation within the district.

The enhanced application of sound financial principles and management will assist in striving towards financial viability and that municipal services are provided economically to all communities. In addition, it will strengthen the transparency and accountability of public finances. The strategy towards cash backing and cash funded budgets will certainly ensure the sustainability of the Municipality over the short-, medium- and long-term



2026/27

CHAPTER SEVEN: PERFORMANCE MANAGEMENT



CHAPTER SEVEN

PERFORMANCE MANAGEMENT

7.1 PERFORMANCE MANAGEMENT SYSTEM

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

- Develop a performance management system;
- Set targets, monitor and review performance based on indicators linked to their IDP;
- Publish an annual report on performance for the councillors, 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; and
- Involve the community in setting indicators and targets and reviewing municipal performance.

In responding to the above requirements, Amathole District Municipality on an annual bases develops or review the following tools aimed at operationalising 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;
- Reporting tools;
 - Quarterly performance assessment reports;
 - Mid-year performance report;
 - Annual Performance report; and
- Performance scoring tool/ Electronic performance system.

7.1.1 The Performance Management Framework (PMF)

For purposes of monitoring and evaluation, Amathole District Municipality adopted a Performance Management Framework in 2002. The PMF was reviewed in 2007 to be in line with the 2006 Regulations. This has since been reviewed on a yearly basis in line with the IDP and review process. The PMF has during the 2018/19 financial year undergone a major review. The intended objective for the major review was to develop outcome-based indicators and to make a distinction from the output indicators.

ADM was pro Active as the approach is in line with the Circular 88 that was issued by National Treasurer in December 2020. The ADM SDBIP has been compliant with the circular since the issuing and been

reporting to the Department of Cooperative Governance. The institution has further developed a draft evaluation framework plan to enhance the performance management framework. Engagements on the framework are on going to ensure that it has input of all the key stake holders. The Department of Cooperative Governance has also been central in the formulation of the framework.

It is also important to note that a need to capacitate the Evaluation component of PME in order to ensure effective rollout of the evaluation. This is also to be aligned to the role of the Municipal Public Accounts Committee and the Council

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 s56 managers;
- Establishment of structures to evaluate performance; and
- 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 is cascaded down to the departments where it will be monitored.

Departments in the municipality are constituted by sections and the head of each section is responsible for reporting to the Head of Department. SDBIP Scorecards and performance reports must be formulated at departmental meetings constituted at least by the Head of Department and section heads. Sectional planning must be informed by the SDBIP Scorecard and performance reporting must feed into the SDBIP Scorecard report. Therefore each section must have its own implementation plan that contributes to the overall implementation of the SDBIP Scorecard. The District Municipality will facilitate the implementation of a coordinated annual cycle of municipal performance management within the district area. This cycle will have agreed critical dates and timelines for the following activities:

- Development of Institutional Scorecard (Top Layer SDBIP) as part of the District IDP Process;
- Development of Departmental Scorecards ((Bottom Layer SDBIP);
- Conclusion of Performance Contracts, Performance Agreements, Accountability Agreements and Performance Promises;
- Completion of the first quarter reviews and audits;
- Completion of the midyear/ second quarter reviews and audits;
- Completion of the third quarter reviews and audits;
- Completion of the annual reviews and audits;
- Preparation of the Annual Performance Report; and
- Submission of inputs to the Annual Report.

7.1.2 Performance Reporting & Reviews

Amathole District Municipality reports performance twice a year as legislated i.e. end of Q2 and a at the end of Q4. Additional to the legislated review and reporting periods that Institution is conducting reviews for Q1 and Q3. The quarterly reports are prepared and submitted to Internal Audit for auditing, prior it being sent to the Executive Mayor and the Audit Committee for consideration. Further the reports are prepared and submitted to the Audit Committee, Council and published for Public Comments.

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 during the midterm adjustment.

On a quarterly basis, the Head of Department (HOD) will submit a report on the department's performance using the SDBIP Scorecards to Executive Management Committee (EMC). 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 are responsible for the provision of unit/sectional reports to the HOD

Municipal Manager's Review Panel

Twice annually, the review panel set up by the Municipal Manager will review the departmental performance (HOD or manager reporting directly to the municipal manager) using the SDBIP Scorecards for departments. The Municipal Manager will then submit reports from this review to the 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.

.1..1 Executive Mayor’s Review Panel

Twice annually, the review panel set up by the Executive Mayor will review the top institutional performance (municipal manager) using the Top layer SDBIP. The Executive Mayor will then submit reports from this review to 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.

.1..2 Audit Committee Reviews

On a quarterly basis, the Audit Committee will review the top institutional performance (Municipal Manager) using the Top layer SDBIP. Another function that is linked to the 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 report will be submitted to the Executive Mayor quarterly and to council bi-annually.

The 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.

.1..3 Council Reviews

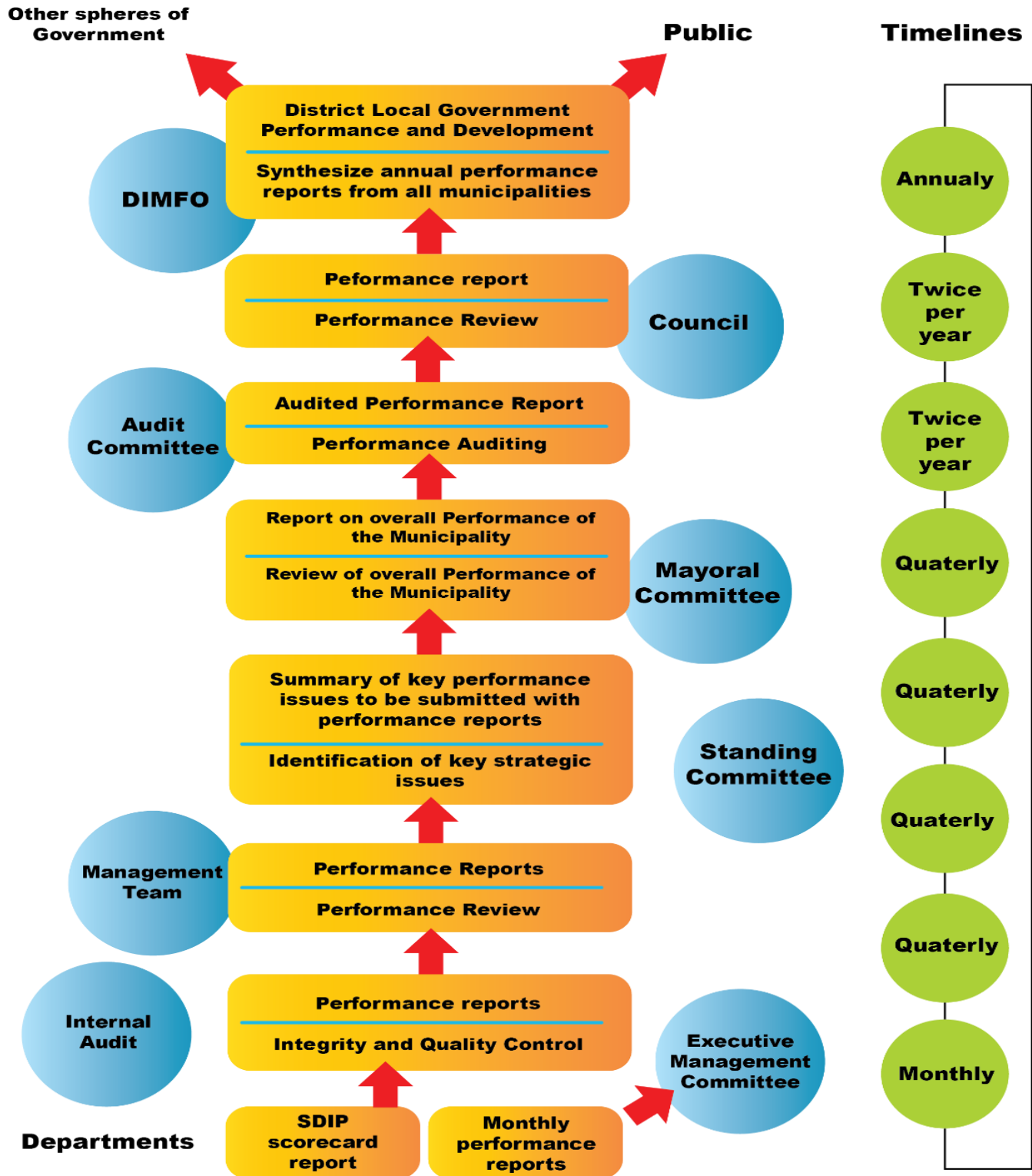
At least twice annually, the council will be required to review municipal performance based on the performance report submitted by the Executive Mayor. The council will use the report submitted by the Executive Mayor from the Audit Committee. The first review will be in January in preparation for the 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 will be submitted annually 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.

.1..4 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 tabled to the IDP Representative Forum 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 are used to convey the communities' report. The members of the public are invited to submit comments via telephone, fax, email and public hearings which are held in a variety of locations. The diagram below provides a picture of the annual process of reporting and reviews:

FIGURE 53: ANNUAL PROCESS OF REPORTING AND REVIEWS



- **Auditing and Quality Control**

The Office of the Municipal Manager will be required on an ongoing basis to coordinate 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 and Audit Committee. The 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 Manager’s annual performance. The composition of the Committee must adhere to the one prescribed in the 2006 Regulations.

7.2 EVALUATION AND IMPROVEMENT OF PERFORMANCE MANAGEMENT SYSTEM

7.2.1 Organisational Performance Management

Table 66: Amathole District Municipality Annual Organisational Performance- 4 years

ANNUAL ORGANISATIONAL PERFORMANCE COMPARISON OF ADM OVER 4 YEARS				
	2021/2022	2022/2023	2023/2024	2024/2025
Annual Overall Performance	76%	78%	80%	88%

ANNUAL PERFORMANCE SUMMARY

- During the Mid term Adjustment there were additional SDI and MTI additional KPIS included, to ensure full reporting of the grant funding plans and expenditure. These are projects that were being implemented but not reflecting on the score card, hence the inclusion. The process resulted to a total of 34 KPIs that are being reported in the Institutional SDBIP for the 2024.25 financial year.
- The annual institutional performance target for the 2024.25 financial year is 85% and the final score is 79% due to of 8 KPIs met at rating level 2 and 4 that are met at rating level 1. The 4 KPIs that are met at level 01 are under MFV being the following:-
 - 16% change
 - in cash and cash equivalent
 - 21% % Total collection on outstanding debts.
 - 44% net operating surplus margin
 - 71% of expenditure against total budget
- The common factor for these indicators is that they are dependent on the revenue collection which continues to pose a challenge for the institution, however variance reports are provided. This is despite the intervention of the Mandatory Financial recovery plan. A concerted effort with the support of COGTA and Treasury are in place to improve the financial positioning of the Municipality.
- The Indicators that are met at level 2 are 3 in MTI, 4 in SDI and 1 in MTI which gives a total of 8. Further the score is not inclusive of the core competency scores of the Directors which will account for 20% of the final scores.
- A notable contribution to improvement of performance and governance in the institution is that from August 2024 all positions of Directors were filled. Further there is a significance progress in the placement and filling of positions to the Organisational Structure that was approved for the 2025.26 financial year. The stability has also yielded an improvement in the Audit outcome.
- continuity on the strategies and the plans of the Municipality to improve performance.

Below is the performance report for the period starting from July 2024 to June 2025.

SUMMARY OF ANNUAL ORGANISATIONAL PERFORMANCE FOR TOP LAY SDBIP 2023/24							
KEY PERFORMANCE AREAS	Outstanding Performance (5)	Performance Significantly above expectation (4)	Fully Effective (3)	Performance Not fully Effective (2)	Unacceptable Performance (1)	Not Applicable	TOTAL
Municipal Transformation and Institutional Development	1	0	5	3	0	0	9
Basic Service Delivery	0	0	8	4	0	0	12
Local Economic Development	0	1	2	0	0	0	3
Municipal Financial Viability	0	0	4	0	4	0	8
Good Governance and Public Participation	0	0	1	1	0	0	2
TOTAL	1	1	20	8	4	0	34

7.3 INDIVIDUAL PERFORMANCE MANAGEMENT

The Council adopted an Employee Performance Management Policy and Procedure on the 22 March 2013 and was also reviewed in June 2018. In the 2018 review the policy was integrated to the with the Institutional performance policy to be the Performance Management Framework.

This policy outlines how planning, monitoring, review, assessments and reporting are going to be conducted. It also outlines the reward system and the procedure in dealing with poor employee performance within the institution.

In cascading the performance management system to the levels below the Senior Managers (Directors in the context of ADM, reporting directly to the Municipal manager, Amathole District Municipality has developed Employee Performance Management policy. This policy outlines how planning, monitoring, review, reporting of individual performance should be done. It also has provision for performance rewards and the approach in managing poor employee performance.

All Amathole District Municipality employees including General Assistants sign Accountability Agreements or Performance Promises in the beginning of the financial year. Employees on Task Grade 11-20 sign Accountability Agreements (AA) whereas employees on Task Grade 4-10 sign Performance Promises (PP). Their performance is being reviewed every quarter based on what an individual employee has signed in his or her Accountability Agreement or Performance Promise.

Performance Plans are agreed with each employee in job grades as listed in the ADM Individual Performance Policy as part of his / her career development plan and should include the following:

a) *Personal information*

Details relating to the employee and his/her position, supervisor, formal and informal training and

experience.

b) Job definition

High level overview of work performance required and key focus areas

c) Career goals

Long term and intermediate career goals. These goals are initially set at the beginning of the year to capture goals that will help an employee gain the skills and opportunities to progress. Please note that by documenting and agreeing on career goals does not constitute any commitment from the employer of being automatically promoted to the next levels.

d) Key performance indicators

Where applicable and KPI's delegated to employees on the SDBIP are included here. New KPI's can be added to existing KPI's (from the SDBIP) or new KPI's can be created for employees who do not have KPI's on the SDBIP.

The Amathole District Municipality performance framework makes a provision that employees who demonstrate excellent and outstanding performance are rewarded. The rewards process has been placed on hold due to financial constraints that the institution is facing. In as much as Amathole District Municipality rewards those employees who are performing very well, it also ensures that all those who are demonstrating poor performance are assisted by their supervisors using the approach that is outlined in the Employee Performance Management Policy.

Part B of the Employee Performance Management Policy stipulates that the Departmental Evaluation Panels shall be established to recommend the employees who will be rewarded with special leave days at the end of the performance cycle. Departmental checklists are attached as annexures which contains names of employees recommended for 2024/25 performance rewards

Below is the table that reflects name of department, total number of employees in that department and total number of employees recommended for each category of performance rewards.

DEPARTMENT	TOTAL NUMBER OF EMPLOYEES	QUALIFY FOR 3 DAYS	QUALIFY FOR 4 DAYS	QUALIFY FOR 5 DAYS	DID NOT QUALIFY
Municipal Manager's Office	17	5	7	0	5
Strategic Planning & Management	60	14	8	0	38
Community Services	169	77	3	0	89
Spatial Planning and Economic Development	27	5	3	0	19
Budget and Treasury Office	168	23	7	1	137
Corporate Services	81	21	3	0	57
Engineering Services (Head Office)	67	14	5	0	48
Great Kei Networks	52	0	51	0	1



Ngqushwa Networks	25	9	0	0	16
Raymond Mhlaba Networks 1	48	36	1	0	11
Mbhashe Networks	54	40	11	0	3
Amahlathi Networks	73	18	26	0	29
Raymond Mhlaba 2 Networks	36	25	2	0	9
Mnquma Networks	105	77	25	0	3
Mbashe Water Care	76	39	5	0	32
Mnquma Water Care	32	14	18	0	0
Water Care Western Region	46	39	4	0	3
Great Kei Water Care	32	3	28	0	1
Amahlathi Water Care	46	21	0	0	25
GRAND TOTAL	1214	480	207	1	526

40% of employees qualify for **3** special leave days, whereas **17%** qualify for **4** special leave days, **0.08%** qualify for **5** special leave days and **43%** did not qualify for 2024/25 performance cycle.