



2025/26

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

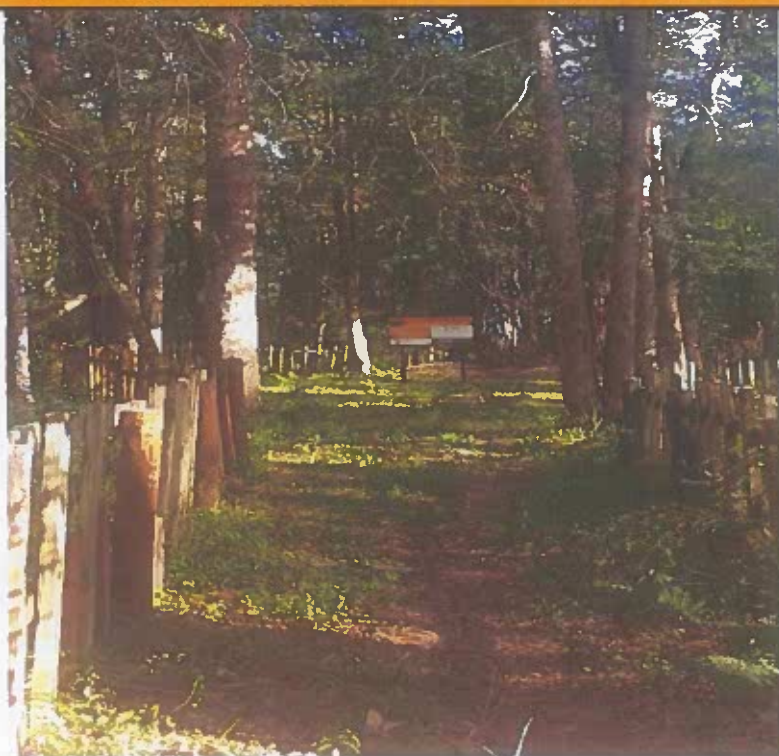


TABLE OF CONTENTS

MAYOR'S FOREWORD	3
MUNICIPAL MANAGERS MESSAGE	5
BACKGROUND TO THIS DOCUMENT	6
(i) LEGISLATIVE BACKGROUND	6
(ii) IDP REVIEW PROCESS	6
(iii) COMMUNITY INVOLVEMENT	8
CHAPTER 1: THE VISION	16
CHAPTER 2: DEMOGRAPHIC PROFILE OF THE MUNICIPALITY	17
2.1 Defining the municipal area – an overview	17
2.2 Socio – economic indicators	18
CHAPTER 3: STATUS QUO ASSESSMENT	34
3.1 KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE SERVICES	34
3.2 KPA 2: MUNICIPAL FINANCIAL VIABILITY	59
3.3 KPA 3: GOOD GOVERNANCE & PUBLIC PARTICIPATION	64
3.4 KPA 4: LOCAL ECONOMIC DEVELOPMENT	120
3.5 KPA 5: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPME	126
3.6 PRIORITY NEEDS	138
CHAPTER 4: MUNICIPAL DEVELOPMENT OBJECTIVES AND STRATEGIES	156
4.1 GUIDING PRINCIPLES	156
4.2 DEVELOPMENT OBJECTIVES	156
KPA 1: SDI	157
KPA 2: MFV	166
KPA 3: GGP	171
KPA 4: LED	177
KPA 5: MTI	181
CHAPTER 5: PROJECTS	187
CHAPTER 6: PERFORMANCE MANAGEMENT SYSTEM	207
CHAPTER 7: PROGRAMME INTEGRATION	221
7.1 Sectoral Plans and Programmes	221

7.3 Integrated Waste Management Plan	226
7.4 Disaster Management Plan	227
7.5 Poverty Alleviation Programme	227
 CHAPTER 8: FINANCIAL PLAN	 228
 CHAPTER 9: AMAHLATHI DEVELOPMENT PLANS	 241
 CHAPTER 10: IDP & BUDGET PROCESS PLAN	 258
(i) IDP PROCESS PLAN	258
(ii) BUDGET PROCESS PLAN	271

ANNEXURES

- A. 2025/26 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN
- B. CIRCULAR 88
- C. ORGANOGRAM

A. MAYOR'S FOREWORD

Amahlathi Local Municipality is coming out of a terrifying past characterised by violent service delivery protests, political instability and covid 19. The current state of the locality requires real visionaries and servant leadership. The council is convinced that the developmental trajectory ahead is premised on the belief that change is inevitable, a change TOWARDS A BRIGHTER FUTURE thus improving livelihoods and making the municipality an agent of that change. It is for this reason that during the process of developing the 2025/26 Integrated Development Plan, there is a compelling need to integrate our capabilities, expertise and unique God given talents to foster a collective and strategic destiny and brighter future of our locality. We must collectively claim our position of being the pioneers of local economic development in the rural South Africa.



The good comprehension of this much desired change has led to the birth of a new vision “: A RESILIENT, SUSTAINABLE AND PEOPLE-CENTRED MUNICIPALITY”. This vision will assist council, administration, and our people to fulfil the constitutional mandate of local government. The future we want is based on the five key performance areas (KPA's) of local government derived from the National Priorities, National Development Plan (Vision 2030), Provincial Development Plan (EC Vision 2030), ADMs long-term Vision 2058 and the prevailing social needs of our locality. The five KPA's being:

- Service Delivery and Infrastructure Development
- Municipal Finance Viability
- Local Economic Development
- Good Governance and Public Participation
- Municipal Transformation and Institutional Development

As the fifth administration we are mindful of the unbearable socio-economic conditions created by the triple challenge of poverty, unemployment and inequality and the impact these have on the everyday life of our people. We remain focused to the notion of a better life for all. We know that many families rely on government grants to put food on the table, and this can only be reversed through creation of job opportunities for youth, women and the young professionals that dominate our population. We will be working hand-in-hand with organised youth and women forums in our locality, partner with them in furthering our ambitious service delivery praxis enshrine in this IDP.

The time has come that we do radical transformation on the economy through various means and ways of empowerment. In order to achieve that we have in this IDP provided a policy trajectory that focuses on empowering and benefiting our SMMEs. We have made provisions to capacitate and grow our SMMEs to compete at the provincial and national economic platforms.

Our aim is to keep to our promises and excellent governance by making informed decisions to improve the performance of the municipality. We want the public to actively participate in the business of the municipality throughout the term of this IDP. Our people must be involved, be informed and know the IDP. It is our duty to continuously engage and be engaged through various structures including the IDP Representative Forum duly established. This IDP as a tool that enables the municipality to align its financial and institutional resources is the principal strategy for the development of this locality. As a result this IDP and Budget are inevitably linked to one another.


It gives a great honour to present 2025/26 IDP as the second review of 2022 - 2027 IDP. This IDP unlike other years is tabled in the context of electricity crisis as the new post COVID19 reality. Life under these conditions threaten efforts of sustainable development. The 2025/26 IDP encapsulate how the council and the community commit to build and grow Amahlathi Local Municipality towards a brighter future. The current challenges encourage us to participate meaningfully in rebuilding the Amahlathi Municipality, restoring its confidence and its pride in development. As the sphere of government close to the people, Amahlathi Local Municipality will always be evaluated as to the ability to meet the growing.

needs of its residents through rendering quality services, promoting economic development, fiscal discipline, ensuring that it governs effectively and facilitating the growth of the municipality.

The process is done within the dictates of the law. Section 21 (1) of the Local Government Municipal Finance Management Act, 56 of 2003 stipulates that: The mayor of a municipality must- (a) Co-ordinate the process for preparing the annual budget and for reviewing the municipality's integrated development plan. Section 34 of the Municipal Systems Act requires a municipal council to annually review the IDP in accordance with an assessment of its performance and to the extent that changing circumstance so demand.

The IDP is a principal planning instrument which outlines how the municipality will take up the challenge to develop and grow the Amahlathi, to effectively engage our community and develop partnerships with business sector. It sketches how the collective efforts of the political and administrative arms of the Municipality must progressively address the ever-increasing expectations of our people.

It is therefore my pleasure to present this Draft IDP of Amahlathi Local Municipality for the period 2025/26 to Council, the communities of Amahlathi Local Municipality, the National and Provincial Treasury, the Local Government and other stakeholders.



Cllr. N.C. Mongezi
Her Worship, the Mayor
Amahlathi Local Municipality

B. MUNICIPAL MANAGERS MESSAGE

The key priority areas of the institution for the next five-year term find their expression in the Integrated Development Plan, Budget and Service Delivery and Budget Implementation Plan and include the following:



- a) Performance management
- b) Implementation of basic services to communities
- c) Community Works Programme
- d) Revenue Enhancement
- e) Implementation of Financial Recovery Plan
- e) Meeting of statutory timelines and reporting frameworks.
- f) Development, review and approval of municipal policies.
- g) Enhance public participation programme

In the 2025/26 financial year, the following areas received priority.

- a) Institutionalisation of outcomes approach
- b) Accelerating and improving access to basic services
- c) Prioritizing Infrastructure development
- d) Continuing to review and improving financial systems and procedures.
- e) Address issues emanating from the Auditor-General's report for 2022/23 financial year.
- f) Implementation of Financial Recovery Plan
- g) Public safety and law enforcement
- h) Improving reporting, monitoring and evaluation
- i) Capacitation of councillors and municipal employees


MUNICIPAL MANAGER
DR. Z. SHASHA

BACKGROUND TO THIS DOCUMENT

i. Legislative background

This document represents the 2022/27 Integrated Development Plan (IDP) as prepared and adopted by the Amahlathi Local Municipality. It is submitted and prepared in fulfilment of the Municipality's legal obligation in terms of Section 25 of the Local Government: Municipal Systems Act 32 of 2000.

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

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

Section 34 further states that:

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

ii. The IDP Process

This is a 2025/26 Integrated Development Plan (IDP) that will be tabled to Council end of May 2025, this IDP is the third review of the five-year IDP (2025 – 2027). This document is substantially based on the format and layout of its predecessor. This Integrated Development Plan will guide the Municipality in its strategic planning and project prioritization for the period ending in 2027. This IDP is aligned to the National Development Plan and the Provincial Growth. It is informed by community needs. It contributes to the country's commitments to universal access as per the Millennium Development Goals and Sustainable Development Goals. The Amahlathi IDP is aligned to the Budget and the Performance Management System for its implementation, monitoring and evaluation, hence the subsequent plan would be the Service Delivery and Budget Implementation Plan (SDBIP), a year plan. The predetermined strategic objectives on the IDP have been translated into an SDBIP-performance management induced tool. Council will play an oversight role and the administration will play the implementation and reporting role.

On the 29th of August 2024, the Council of Amahlathi Local Municipality adopted the IDP/Budget Process Plan which outline time-bound milestones to be achieved in developing this IDP. This plan was adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for the development of the IDP and the Budget. The Amathole District IDP Framework served as a guide and for purposes of alignment in the preparation of the Process Plan. The IDP and Budget Process Plans outline in detail the way in which the Amahlathi Municipality will embark on its IDP and Budget processes from its commencement in July 2024 to its completion in June 2025. Both these plans are attached to this document.

Organizational arrangements were put in place as per the IDP/Budget Process Plan and all legislative prescripts were adhered to, of particular note, have been the operations of structures, such as IDP/Budget Representative Forum, IDP and Budget Steering Committee, Intergovernmental Relations (IGR). These structures have executed their mandates in terms of the adopted IDP/Budget Process Plan and ensured the achievements of key milestones and deliverables.

As part of the IDP process, an analysis was conducted in respect of various sector plans attached to the Amahlathi IDP. Some were found to be still relevant and required minor update done in-house, others required a major review. Amahlathi Local Municipality's approval of the IDP and Budget for 2025-2026 is scheduled for the 29th of May 2025. In order to ensure the IDP is fully compliant, comments received from the MEC, were forwarded to the management as a basis for improving the credibility of the IDP.

The IDP was formulated based on an assessment of a number of new inputs into the IDP Planning Cycle of the Amahlathi Municipality. These inputs included the following: -

- ♦ Strategic direction and proposals on programmes and projects emanating from a number of Sector Plans formulated by the Amathole District Municipality and sector departments as part of that institution's IDP formulation. These include: -
 - The Amathole District Land Reform & Settlement Plan
 - The Amahlathi Integrated Waste Management Plan
 - The Amathole District Integrated Environmental Management Strategy
 - The Amathole District Integrated Transport Plan
 - Amahlathi Housing Integrated Sector Plan.
 - Amathole District Integrated water sector Plan
- ♦ Clarity on Powers and Functions assigned to the Amahlathi Municipality by the MEC for Local Government & Traditional Affairs, in terms of Section 85 of the Municipal Structures Act (Act No 117 of 1998, as amended).
- ♦ The Amahlathi Municipality's own review of progress achieved in implementing the proposals, in respect of project implementation as well as further completion of work on strategic elements of the IDP relating to the Institutional Plan for the Municipality, and key developmental programmes such as the Poverty Alleviation programme, the HIV/AIDS programme, and work towards an integrated LED Programme.

Based on an updated review of the Analysis completed in 2001/2002, which was largely informed by work done in terms of the Amathole District Municipality's Sector Plans and a Study of LED in the Amahlathi Municipal area that was commissioned in 2002 by the Eastern Cape Premier's Office, the following broad conclusions remain applicable in Amahlathi:

Local Economic Development

The Amahlathi Municipal area has a resident population whose main challenges are in countering the effects of endemic poverty and under-development. This translates into a need to focus great efforts on the expansion of local economic development in the area. In this regard, focus areas include facilitating sectoral growth in tourism, local manufacturing, agriculture, and forestry.

Poverty relief and food security are also seen as important areas within this cluster, as is a strategic focus on the support of local enterprise development.

Infrastructure Development

The Amahlathi Municipal area has numerous local areas where significant backlogs continue to exist in the provision of basic services such as water, sanitation, electricity, and solid waste disposal.

In addition, much of the road network in the area continues to require urgent maintenance and/or re-construction, whilst there are some areas where new access roads and bridges need to be constructed simply to afford residents ease of mobility. The addressing of these infrastructure needs is accepted as one of the key focus areas for the Amahlathi Municipality.

Social Needs

The key areas of need in this cluster remain RDP houses, improvement in education infrastructure across the range of pre-school facilities to adult education, better access to welfare support institutions and facilities for the aged, the disabled and the sick, and the provision of sports fields, community halls and minor works such as fencing.

Socio-Spatial Development

It remains vitally important for Amahlathi Municipality to follow a structured approach in focusing development and capital investment in the settlements that make up its area in order to counter further fragmentation in the settlement patterns both at a local and at a municipal-wide level.

Careful land use management and the conservation and appropriate use of existing natural and cultural heritage resources is of great importance for the area and can result in the enhancement of local economic development initiatives. It is also important to ensure that the provision of infrastructure is carried out in a more sustainable manner than has occurred in the past.

Moreover, an important consideration for the municipality in this regard is the need to support land reform processes in its area of jurisdiction, most notably (but not exclusively) in the Keiskammahoek area, where land restitution processes are rapidly approaching settlement and, in the Yellowwoods, /Kei Road Zone, where detailed planning processes have identified priority project actions required.

iii. Community Involvement

There is an emphasis on an implementable IDP that responds to changing circumstances and has a strategic thrust, it is in this spirit that a public participation process was undertaken as means to allow citizens to play an active role in the affairs of the municipality. The table below outlines the consultation schedule:

PURPOSE	DATE	VENUE	TIME	CLUSTER
Priority needs Identification	15 October 2024	Mlungisi Community Hall	11H00	Stutterheim Cluster
	17 October 2024	Frankfort Hall	14h00	King Kei Cluster
	14 November 2024	Mzwandile Fanti Hall	10H00	Stutterheim Cluster
	15 November 2024	Cathcart Town Hall	10H00	Cathcart Cluster
	15 November 2024	Ndumangeni Hall	10:00	Cathcart Cluster
	19 November 2024	Springbok Hall	10:00	Keiskammahoek Cluster
IDP/Budget/PMS Rep Forum	16/07/2024	• Mzwandile Fanti	10:00	
	27/11/2024	• Stutterheim Library	10:00	
IDP/BUDGET Public hearings	11 April 2025	• Border Post	11:00	
	15 April 2025	• Springbok hall	11:00	

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

	22 April 2025	<ul style="list-style-type: none"> CathCart Town Hall 	11:00
	05 May 2025	<ul style="list-style-type: none"> Anchor (Businesses and Rate Payers) Stutterheim 	12:00

DEVELOPMENT PROPOSALS

The Amahlathi Municipality has amended the arrangement set out in its first IDP where development projects and programmes were focused in five Development Sector Clusters. The revised clusters identified are:

DEVELOPMENT SECTOR CLUSTER	SECTORS OR AREAS OF INTERVENTION INCLUDED
Basic Service Delivery and Infrastructure	Roads & Stormwater, Electricity, Housing, Land Reform, Spatial Planning, Land Use Management, Community Facilities etc.
Local Economic Development and Environment	Tourism, Agriculture & Forestry, Food Security, Small Business and Local Enterprise Development, Environment, small towns regeneration etc.
Good Governance and Public Participation	Education, Disaster Management, Fire Services, Protection Services, Internal Audit, etc.
Municipal Financial Viability and Management	Administrative and Financial Management matters etc.
Municipal Transformation and Institutional Development	<input type="checkbox"/> Plan for the future. <input type="checkbox"/> Manage through information. <input type="checkbox"/> Develop, retain skilled and capacitate workforce. <input type="checkbox"/> Create an informed community

RELEVANT DOCUMENTS

The following documentations should be read with the IDP:

- Municipal Systems Act and relevant regulations.
- IDP Guide Pack, with specific reference to Guide 3 and Guide 6
- District IDP Framework Plan

- Amahlathi IDP/Budget Process Plan
- Various sector plans and programmes
- Amahlathi Performance Management Framework
- Amahlathi Spatial Development Framework (SDF)
- Provincial Growth and Development Plan
- Provincial Spatial Development Plans (PSDP)
- National Spatial Development Plan (NSDP)
- National Development Plan (NDP)
- Sustainable Development Goals

ALIGNMENT WITH NATIONAL AND PROVINCIAL PROGRAMS

The following National programs informed the IDP process:

- State of the Nation Address (SONA)
- Green Paper on National Planning Commission (revised).
- State of Local Government in South Africa
- Municipal Demarcation Board Reports
- COGTA: Local Government Turnaround Strategy (LGTAS)
- COGTA: Operation Clean Audit 2014
- Powers & Functions:
- ANC Manifesto
- ANC January 8th Statement
- King III Report & Code on Good Governance for South Africa
- 12 Outcomes of Government – Role of Local Government
- National Development Plan – Vision 2030

SUSTAINABLE DEVELOPMENT GOALS (SDG'S)

The Amahlathi Local Municipality is committed to the SDG's:

- Eradication of extreme poverty and hunger
- Achieve universal primary education partnering with relevant Government Department and Institution
- Promote gender equality and empowerment of women through implementation of enabling Policies.
- Combat HIV/AIDS, Malaria and other diseases through collaboration with stakeholders and implementation of own strategy
- Develop a global partnership for development.

Developmentally, the table below shows the alignment between the National, Provincial and Amahlathi local Municipality's priorities and the SDG's.

KEY PERFORMANCE AREAS	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	14 OUTCOMES	NDP (Vision 2030) Pillars	SUSTAINABLE DEVELOPMENT GOALS
Good Governance and Public Participation	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption.	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all	Encourage citizens to be active in their own development, in strengthening democracy and holding their government accountable	Peace and Justice (#16) Energy (#7) Partnership (#17) Economic growth (#8) Partnership (#17)
	Build cohesive, caring and sustainable communities	Building cohesive and sustainable communities	9. Responsive, accountable, effective and efficient Local Government system	Raising economic growth, promoting exports and making the economy more labor absorbing	
	Pursuing African advancement and enhanced international co-operation		12.An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship		
	Building a developmental state including improvement of public services and strengthening democratic institutions		11.Create a better South Africa, better Africa and a better world		
Municipal Financial Viability and Management	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	9. Responsive, accountable, effective and efficient Local Government system		

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

KEY PERFORMANCE AREAS	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	4 OUTCOMES	NDP (Vision 2030) Pillars	SUSTAINABLE DEVELOPMENT GOALS
Municipal Transformation and Institutional Development	Strengthen skills and human resource base	Strengthen education, skills and human resource base.	1. Quality basic education	Quality basic education (Chapter 9)	
	Pursuing African advancement and enhanced international co-operation		5. Skilled and capable workforce to support an inclusive growth path	Skilled and capable workforce to support an inclusive growth path (Chapter 9) Decent employment through inclusive economic growth (Chapter 3)	
	Building a developmental state including improvement of public services and strengthening democratic institutions		3. All people in SA are and feel safe	Social protection (Chapter 11)	
			9. Responsive, accountable, effective and efficient Local Government system	Create a better South Africa, a better Africa and a better world (Chapter7)	
			12.An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Skilled and capable workforce to support an inclusive growth path (Chapter 9)	
Basic Service Delivery and Infrastructure Investment	Improve health profile of the nation	Improve the health profile of the province	6.An efficient, competitive and responsive economic infrastructure network	Provide basic services to all citizens wherever they reside	Health (#3) Infrastructure Industrialization (#9) Partnership (#17)
	Comprehensive rural	Rural development,	2. A long and healthy life for	Raising economic	

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

KEY PERFORMANCE AREAS	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	14 OUTCOMES	NDP (Vision 2030) Pillars	SUSTAINABLE DEVELOPMENT GOALS
	development strategy linked to land and agrarian reform & food security	land and agrarian transformation, and food security	all South Africans	growth, promoting exports and making the economy more labor intensive	Economic growth (#8) Partnership (#17)
	Massive programme to build economic and social infrastructure	Massive programme to build social and economic and infrastructure	8. Sustainable human settlements and improved quality of household life	Provide basic services to all citizens wherever they reside	Infrastructure, Industrialization (#9)
	Sustainable resource management and use	Building a developmental state	10. Protect and enhance our environmental assets and natural resources	Uniting South Africans of all races and classes around a common programme to eliminate poverty and reduce inequality	Climate change (#13) Poverty (#1)
Local Economic Development	Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods	Speeding up growth & transforming the economy to create decent work and sustainable livelihoods	4. Decent employment through inclusive economic growth	Raising economic growth, promoting exports and making the economy more labor intensive	Economic growth (#8) Partnership (#17)
	Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	6. An efficient, competitive and responsive economic infrastructure network		
		Massive programme to build social and economic and infrastructure	7. Vibrant, equitable, sustainable rural communities contributing		

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

KEY PERFORMANCE AREAS	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	14 OUTCOMES	NDP (Vision 2030) Pillars	SUSTAINABLE DEVELOPMENT GOALS
			towards food security for all		
		Building cohesive and sustainable communities	8. Sustainable human settlements and improved quality of household life	Government spending on fixed investment should be focused on localities of economic growth	Infrastructure, Industrialization (#9) Partnership (#17) Economic growth (#8)
		Building a developmental state	10. Protect and enhance our environmental assets and natural resources		

THE STRUCTURE OF THE 2025/26-2027/28 IDP IS AS FOLLOWS:

Chapter 1: The VISION

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

Chapter 2: DEMOGRAPHIC PROFILE OF THE DISTRICT

This chapter provides a detailed profile of the Municipality.

Chapter 3: STATUS QUO ASSESSMENT

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

CHAPTER 4: DEVELOPMENT OBJECTIVES, STRATEGIES, PROGRAMMES AND PROJECTS

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

CHAPTER 5: PROJECTS

This chapter list the projects the current projects, status, and the planned projects.

Chapter 6: PERFORMANCE MANAGEMENT

This chapter outlines the system the Municipality used for performance management.

CHAPTER 7: SECTOR PLANS

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

CHAPTER 8: FINANCIAL PLAN

This chapter provides the Municipality's financial strategies, medium term expenditure, proposed budget for the 2025/26-2027/28 financial year as well as the 3 Year Capital Plan.

CHAPTER 9: MAPS/ DEVELOPMENT PLANS

CHAPTER 10: IDP PROCESS PLAN

ANNEXURE A: ORANOGRAM

ANNEXURE B: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

CHAPTER 1: THE VISION

VISION

A resilient, sustainable, and people-centered local municipality

MISSION

A model municipality in partnership with its community through quality service delivery local economic development and public participation.

CORE VALUES

Accountability

Model

Accessibility

Healthy

Loyalty

Authentic

Trust

Honesty

Integrity

CHAPTER 2: DEMOGRAPHIC PROFILE OF THE MUNICIPALITY

2.1 DEFINING THE MUNICIPAL AREA – AN OVERVIEW

2.1.1 Geographic Locality

Amahlathi Municipality is a category B collective executive type with ward participatory system. This locality is situated in the Northern part of the Amathole District Municipality and stretches about 4266.21 km² between Raymond Mhlaba, Buffalo City, Great Kei and Chris Hani District. Amahlathi Municipality has four small towns namely, Stutterheim, Cathcart, Keiskammahoek and Kei Road. Stutterheim and Cathcart are strategically placed along the N6 road with access to the rail and road network. Keiskammahoek is the agricultural hub with a majority of the population active within the agricultural sector. Kei Road is the most underdeveloped town followed by Keiskammahoek. The main municipal offices are situated in Stutterheim where the Council is accommodated. The locality includes the bulk of the Amathole Mountain Range, Dohne Sourveld, Gubu and Wriggleswade Dams. The municipality is the home of major economic and development giants like Manderson Hotel, Dohne Agricultural Research Institute, Rance Timbers, ANCA Foods and Newden. The Forest Way also provides the municipality great tourist attraction sites on the foot of Amathole Mountains. The locality receives an average annual rainfall of about 600mm and is blessed with good soils in various areas thus giving it a somewhat high agricultural potential. The main economic sectors are community services, finance, manufacturing, trade, agriculture, construction and transport.

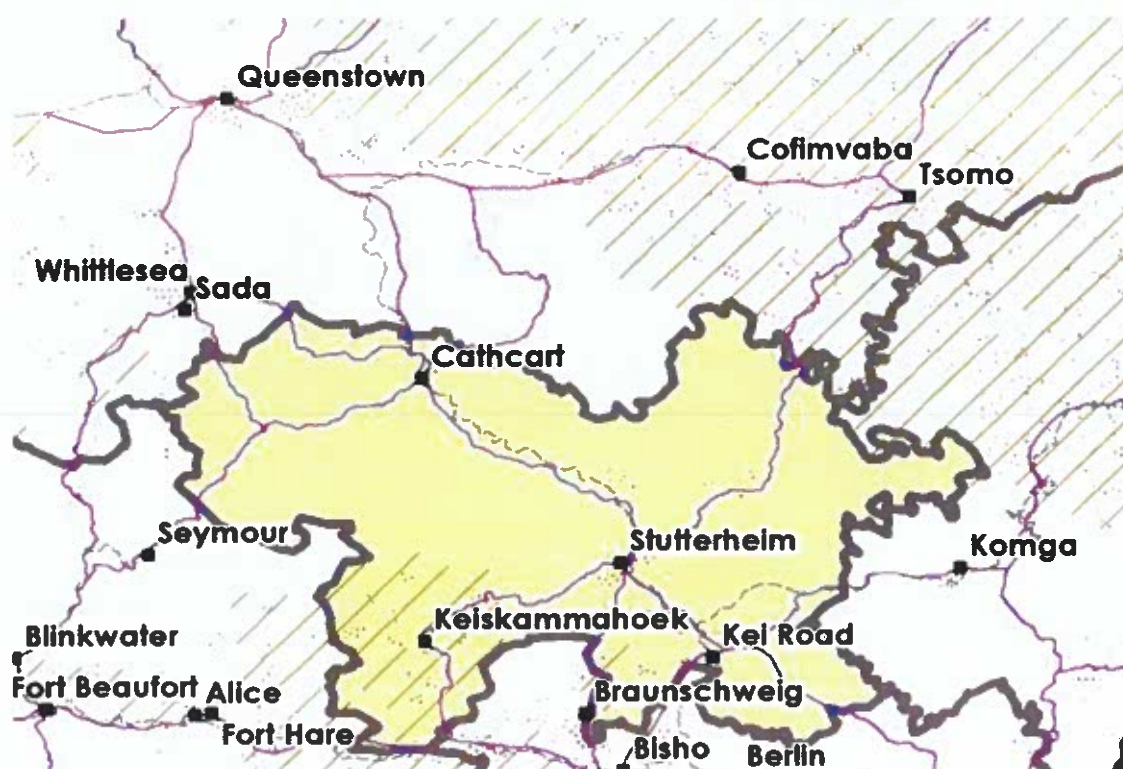


Figure 1: The Map showing the context of Amahlathi Municipality (Source: MDB 2018 Capacity Assessment)

The Amahlathi Municipality comprises of 15 wards and is characterized by a range of settlement patterns and associated land uses, including formal urban areas, formal and informal rural settlement areas, and extensive, privately owned farmland.

2.2. SOCIO-ECONOMIC INDICATORS

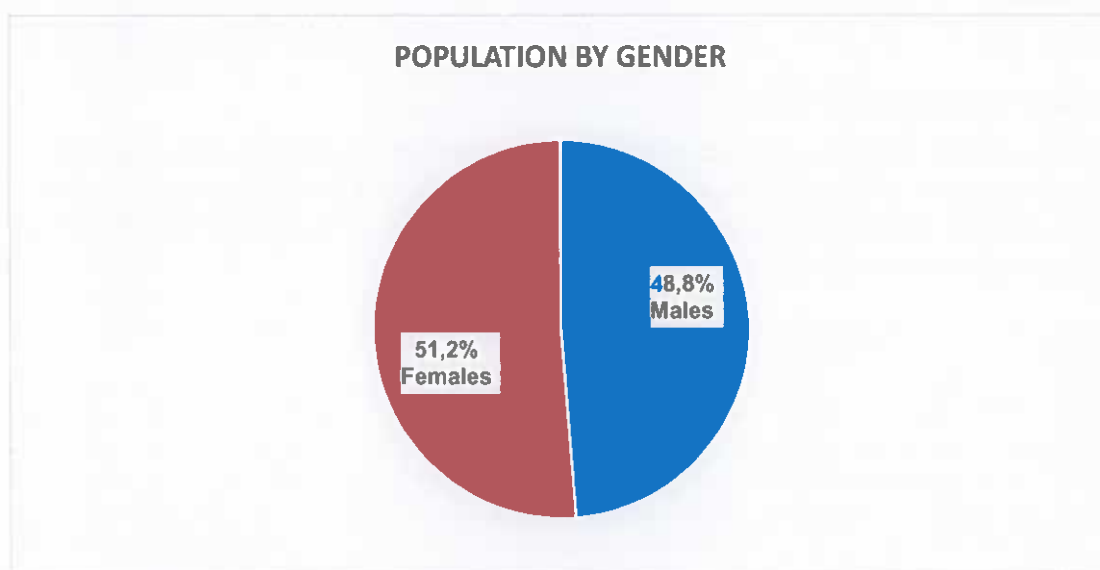
2.2.1 DEMOGRAPHIC PROFILE

Population

As per the Census 2022, Amahlathi Local Municipality total population has increased from 101 035 (2011) to 115 703 in 2022. The number of households have increased from 28 357 to 33 621. This increase in population can be attributed to improved life expectancy, such as access to health facilities, job opportunities, improved safety in working environments, as well as the availability of services to the population residing in Amahlathi municipality. The other contributing factor is the result of inward migration, from other areas outside the jurisdiction of the local municipality.

Population Characteristics | Population by Gender

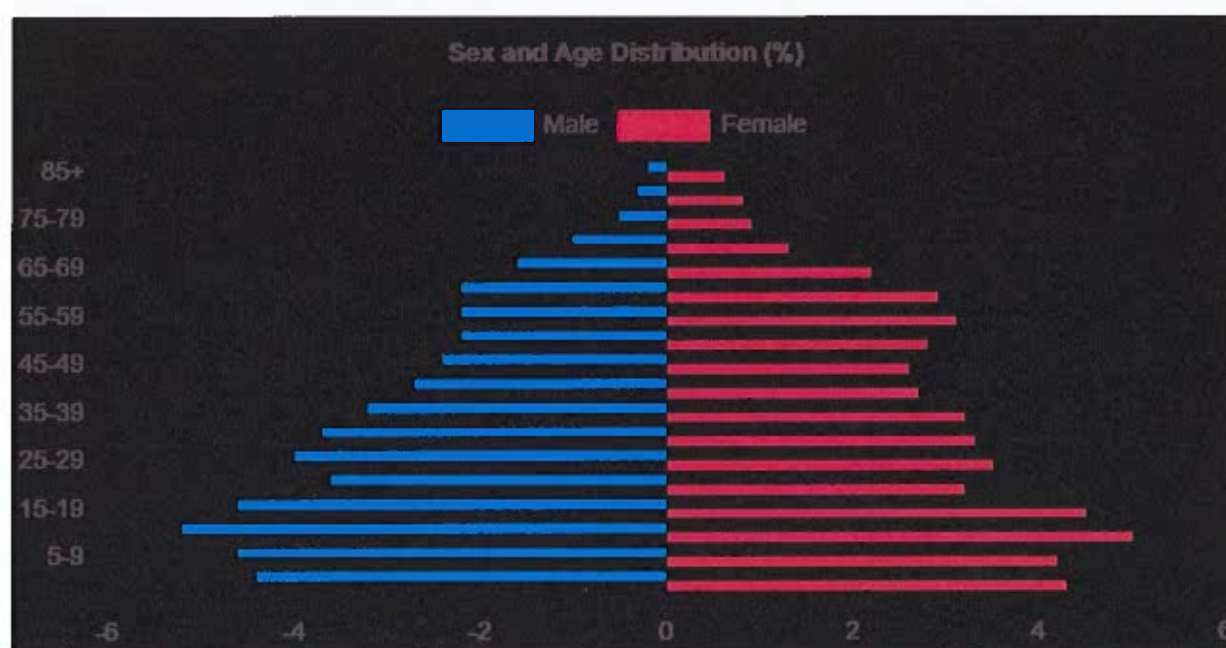
The population's sexual distribution reflects the following composition.



Source: Census Stats SA 2022

The Amahlathi population is predominantly female dominated by 51.2% with males constituting 48.8% of the population as shown in the graph above. There is a universal consensus that women have a longer life expectancy than males, therefore given the current male to female ratio, various programs and campaigns need to be put in place to empower women. The municipality needs to promote and capacitate women owned entities and SMME's by reviewing the supply chain policy, complying with UN-Women Entity for Gender Equality and the Empowerment of Women.

The population pyramid below provides a breakdown of the population estimates in the municipality by age group and gender for 2022. The population of the municipality shows a typical age structure of a very young population distribution. The economically active population (15-64) who are willing and able to work account for majority of the municipality's total population. Thus, the municipality has a well-balanced economic active population.



Source: Census Stats SA 2022

Population Characteristics | Population by Age

The Amahlathi Municipality currently has a population of children from age 0-14 constituting 27% while it has a teen and early adulthood population of age group between 15-34 constituting 30% of the total population in all its demographic forms. The working population of age group between 35-64 constitutes 34% whilst the older population of 65 and above constitutes 9% of the population.

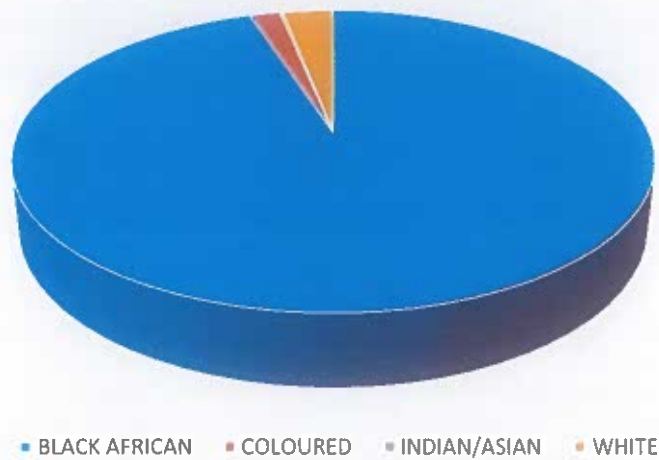
Age Group	Population %
0-14	27
15-34	30
35-64	34
65+	9

POPULATION GROUP

Group	Number	%
Black African	109 333	94.5%
Colored	2094	1.8%
Indian or Asian	252	0.2%
White	3452	3.0%
Total	115 703	100%

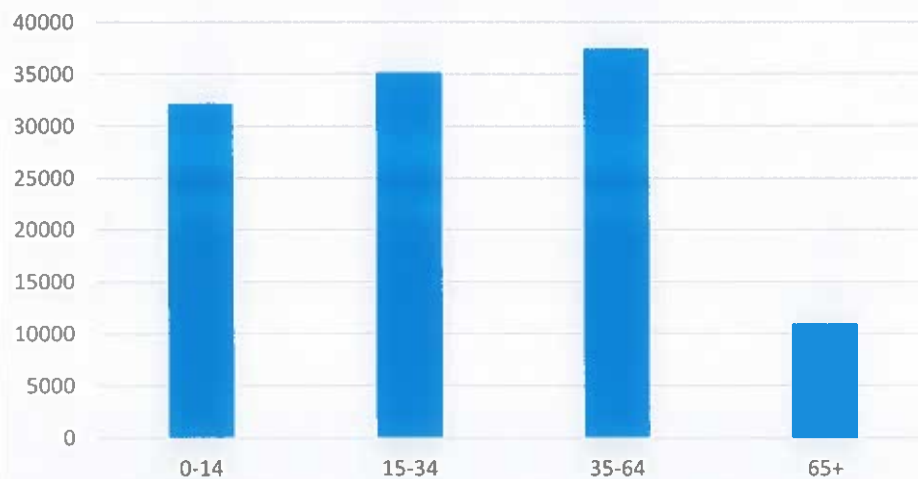
Source: Census Stats SA 2022

Population groups by percentage



Source: Census Stats SA 2022

Number of total population by age group



Source: Census Stats SA 2022

As depicted above, majority of the population of Amahlathi are Black Africans with a total of 109 333 (94.5%) followed by the white population group with a total of 3 452 (3.0%), then the Coloured population with a total of 2 094 (1.8%) and Indian/Asian with a total population of 252 (0.2%).

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

NUMBER OF HIV+ PEOPLE - AMAHLATHI, AMATOLE, EASTERN CAPE, AND NATIONAL TOTAL, 2006-2016 [NUMBER AND PERCENTAGE]

Year	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2007	88,600	626,000	5,370,000	14.2%	1.65%
2008	88,300	631,000	5,400,000	14.0%	1.63%
2009	88,900	643,000	5,480,000	13.8%	1.62%
2010	90,300	660,000	5,590,000	13.7%	1.62%
2011	91,600	676,000	5,680,000	13.5%	1.61%
2012	92,700	691,000	5,760,000	13.4%	1.61%
2013	94,800	712,000	5,880,000	13.3%	1.61%
2014	97,200	736,000	6,010,000	13.2%	1.62%
2015	99,800	760,000	6,130,000	13.1%	1.63%
2016	103,000	786,000	6,280,000	13.1%	1.63%
2017	106,000	812,000	6,430,000	13.0%	1.64%

Source: IHS Markit Regional eXplorer version

In 2017, 106 000 people in the Amatole District Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.78% since 2007, and in 2017 represented 12.18% of the district municipality's total population. The Eastern Cape Province had an average annual growth rate of 2.64% from 2007 to 2017 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 2007 to 2017 with an average annual growth rate of 1.83%.

The lifespan of people that are HIV+ could be prolonged with modern ARV treatments. In the absence of any treatment, people diagnosed with HIV can live for 10 years and longer before they reach the final AIDS stage of the disease.

2.2.2 ECONOMY

A. GROSS DOMESTIC PRODUCT (GDP) - AMAHLATHI, AMATOLE, EASTERN CAPE, AND NATIONAL TOTAL, 2006-2016 [R BILLIONS, CURRENT PRICES]

Year	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
2006	1.8	12.7	142.2	1,839.4	14.3%	1.27%	0.10%
2007	2.1	14.9	168.2	2,109.5	14.3%	1.26%	0.10%
2008	2.2	15.4	174.1	2,369.1	14.3%	1.26%	0.09%

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

2009	2.4	16.9	191.2	2,507.7	14.2%	1.26%	0.10%
2010	2.6	18.6	211.6	2,748.0	14.1%	1.24%	0.10%
2011	2.8	19.8	226.1	3,023.7	13.9%	1.22%	0.09%
2012	3.0	21.7	252.2	3,253.9	13.9%	1.20%	0.09%
2013	3.2	23.1	273.2	3,539.8	14.0%	1.18%	0.09%
2014	3.5	24.5	293.9	3,807.7	14.1%	1.18%	0.09%
2015	3.7	26.2	315.6	4,049.8	14.1%	1.17%	0.09%
2016	3.9	27.9	337.8	4,338.9	14.0%	1.16%	0.09%

Source: IHS Markit Regional eXplorer version 1156

With a GDP of R 3.92 billion in 2016 (up from R 1.81 billion in 2006), the Amahlathi Local Municipality contributed 14.03% to the Amatole District Municipality GDP of R 27.9 billion in 2016 increasing in the share of the Amatole from 14.29% in 2006. The Amahlathi Local Municipality contributes 1.16% to the GDP of Eastern Cape Province and 0.09% the GDP of South Africa which had a total GDP of R 4.34 trillion in 2016 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2006 when it contributed 0.10% to South Africa, but it is lower than the peak of 0.10% in 2007.

In 2021, Amahlathi's forecasted GDP will be an estimated R 2.81 billion (constant 2010 prices) or 13.9% of the total GDP of Amatole District Municipality. The ranking in terms of size of the Amahlathi Local Municipality will remain the same between 2016 and 2021, with a contribution to the Amatole District Municipality GDP of 13.9% in 2021 compared to the 14.1% in 2016. At a 1.07% average annual GDP growth rate between 2016 and 2021, Amahlathi ranked the lowest compared to the other regional economies.

ECONOMIC GROWTH FORECAST

It is expected that Amahlathi Local Municipality will grow at an average annual rate of 1.07% from 2016 to 2021. The average annual growth rate in the GDP of Amatole District Municipality and Eastern Cape Province is expected to be 1.39% and 1.62% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.61%, which is higher than that of the Amahlathi Local Municipality.

B. GROSS VALUE ADDED BY REGION (GVA-R)

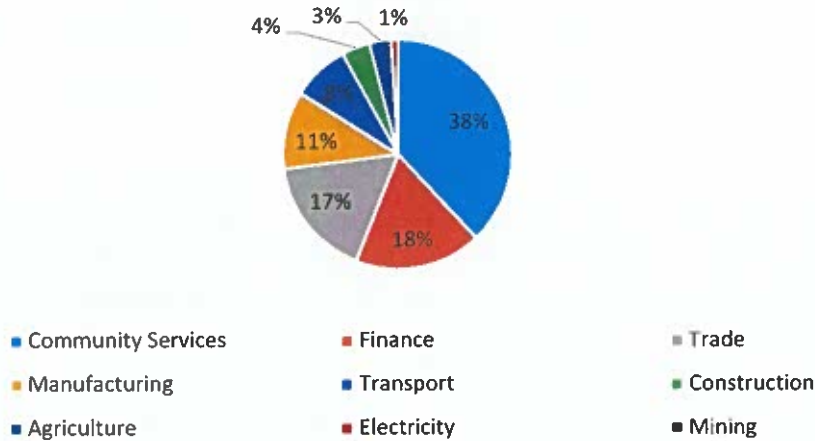
C. Sector	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
Agriculture	0.1	0.7	5.9	94.4	14.9%	1.75%	0.11%
Mining	0.0	0.0	0.5	306.2	9.4%	0.97%	0.00%
Manufacturing	0.4	2.0	36.3	517.4	18.9%	1.03%	0.07%
Electricity	0.0	0.5	6.2	144.1	7.5%	0.58%	0.02%
Construction	0.2	0.9	13.2	154.3	17.9%	1.24%	0.11%
Trade	0.6	5.5	61.5	589.7	10.8%	0.97%	0.10%
Transport	0.3	1.7	27.5	389.2	16.0%	0.97%	0.07%
Finance	0.6	4.7	60.5	781.7	13.5%	1.05%	0.08%

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Community services	1.3	9.1	89.7	894.1	14.5%	1.47%	0.15%
Total Industries	3.5	25.1	301.2	3,871.2	13.9%	1.16%	0.09%

Source: IHS Markit Regional eXplorer version 115

GVA CONTRIBUTION BY BROAD ECONOMIC SECTOR SURVEY 2016

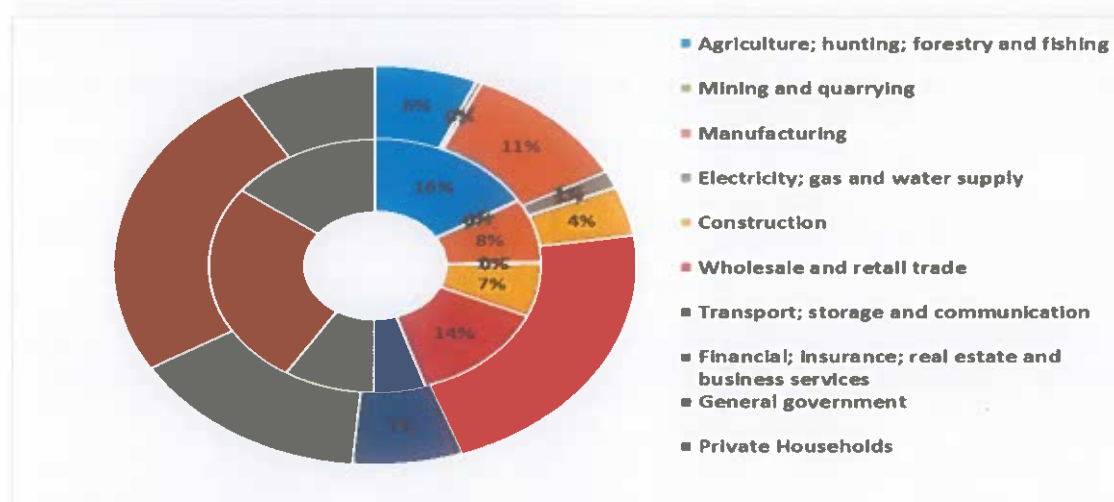


Source: IHS Markit Regional eXplorer version 1156

In 2016, the community services sector is the largest within Amahlathi Local Municipality accounting for R 1.32 billion or 37.7% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Amahlathi Local Municipality is the finance sector at 18.1%, followed by the trade sector with 17.1%. The sector that contributes the least to the economy of Amahlathi Local Municipality is the mining sector with a contribution of R4.39 million or 0.13% of the total GVA.

A positive relationship between the sectors driving the economy as measured by the Gross Value Added (GVA) and employment is depicted below. This indicates the influence economic activity has in the generation of jobs. The success of Local Economic Development (LED) policies is key in the creation of conditions that enable people to develop their own livelihoods within a supportive local business environment which will stimulate economic growth in the municipality. Therefore, as depicted by the figure below much focus should be directed towards stimulating potential sectors such as manufacturing, construction, wholesale trade and the financial services sectors.

Employment and economic activity relationship



Source: Municipal Barometer 1996- 2016

About 25% of the informal jobs in Amahlathi municipality are from General government followed by Wholesale and retail trade, Financial, insurance and business services, Manufacturing, Private Households, Transport Agriculture, Electricity and Construction.

- 1) The economy of Amahlathi is dominated by the Government Sector which contributes 25% to the GDP.
- 2) The second most important sector is the Wholesale and retail trade which contributed 22% to the GGP.
- 3) The Third most important contributor to the GGP of the Amahlathi Municipality is the Financial, Insurance, real estate and business service sector, which accounts for 15% of the GGP in 2016.
- 4) The Manufacturing sector contributes 11% to the GGP and is fourth contributor to the economy, the contribution of Private households is 9%, Agriculture is 6%, Transport is 7 %, Construction at 4% and Electricity at 1% each to the GGP of the municipality.

SECTOR GROWTH FORECAST

Sector	2016	2017	2018	2019	2020	2021	Average Annual growth
Agriculture	67.2	71.7	72.8	74.3	76.3	78.1	3.07%
Mining	4.9	5.0	5.0	5.1	5.1	5.2	1.28%
Manufacturing	279.8	275.3	276.1	277.9	283.3	290.1	0.73%
Electricity	13.8	13.5	13.4	13.5	13.8	14.2	0.55%
Construction	101.7	102.2	103.5	105.2	107.8	111.8	1.90%
Trade	401.8	400.8	404.7	411.5	422.9	435.9	1.64%
Transport	169.6	169.7	171.3	173.4	177.8	183.0	1.53%
Finance	449.8	446.2	450.0	457.4	467.8	480.0	1.31%
Community services	927.8	929.8	922.3	926.2	935.5	950.7	0.49%
Total Industries	2,416.4	2,414.1	2,419.1	2,444.4	2,490.4	2,548.9	1.07%

Source: IHS Markit Regional eXplorer version 1156

The agriculture sector is expected to grow fastest at an average of 3.07% annually from R 67.2 million in Amahlathi Local Municipality to R 78.1 million in 2021. The community services sector is estimated to be the largest sector within the Amahlathi Local Municipality in 2021, with a total share of 37.3% of the total GVA (as measured in current prices), growing at an average annual rate of 0.5%. The sector that is estimated to grow the slowest is the community services sector with an average annual growth rate of 0.49%.

C. LABOUR

WORKING AGE POPULATION IN AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006 AND 2016 [NUMBER]

Age	Amahlathi		Amatole		Eastern Cape		National Total	
	2006	2016	2006	2016	2006	2016	2006	2016
15-19	13,500	8,320	120,000	82,400	803,000	634,000	5,290,000	4,550,000
20-24	11,300	8,640	90,900	80,500	701,000	694,000	5,260,000	5,000,000
25-29	8,330	8,400	61,300	71,600	530,000	684,000	4,550,000	5,620,000
30-34	5,600	7,430	39,700	61,300	355,000	589,000	3,570,000	5,300,000
35-39	4,870	5,800	33,200	47,800	288,000	438,000	2,930,000	4,240,000
40-44	5,100	4,570	35,900	32,900	286,000	298,000	2,610,000	3,120,000
45-49	5,490	4,030	38,300	29,300	286,000	247,000	2,290,000	2,530,000
50-54	4,390	4,510	33,500	32,300	241,000	249,000	1,880,000	2,260,000
55-59	3,810	4,630	30,500	34,000	205,000	249,000	1,520,000	1,990,000
60-64	3,490	3,540	28,500	29,800	171,000	207,000	1,170,000	1,610,000
Total	65,885	8,320	512,147	502,023	3,866,790	4,289,261	31,071,485	36,220,290

Source: IHS Markit Regional eXplorer version

The working age population in Amahlathi in 2016 was 59 900, decreasing at an average annual rate of -0.95% since 2006. For the same period the working age population for Amatole District Municipality decreased at -0.20% annually, while that of Eastern Cape Province increased at 1.04% annually. South Africa's working age population has increased annually by 1.55% from 31.1 million in 2006 to 36.2 million in 2016.

a. 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 labor market of a region. If a person is economically active, he or she forms part of the labor force.

Year	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
2006	29,500	184,000	1,840,000	17,500,000	16.1%	1.61%	0.17%
2007	28,800	182,000	1,850,000	18,000,000	15.9%	1.56%	0.16%
2008	27,600	177,000	1,840,000	18,400,000	15.6%	1.50%	0.15%
2009	25,800	168,000	1,790,000	18,300,000	15.4%	1.44%	0.14%
2010	24,000	158,000	1,730,000	18,100,000	15.2%	1.38%	0.13%
2011	23,200	155,000	1,740,000	18,300,000	15.0%	1.33%	0.13%
2012	23,400	157,000	1,770,000	18,700,000	14.9%	1.32%	0.12%
2013	24,500	166,000	1,840,000	19,300,000	14.8%	1.33%	0.13%
2014	26,000	177,000	1,940,000	20,100,000	14.7%	1.34%	0.13%
2015	27,000	184,000	2,000,000	20,800,000	14.7%	1.35%	0.13%
2016	27,700	190,000	2,060,000	21,300,000	14.6%	1.35%	0.13%

Source: IHS Markit Regional eXplorer version 1156

Average Annual growth

2006-2016 -0.64% 0.30% 1.12% 1.97%

Amahlathi Local Municipality's EAP was 27 700 in 2016, which is 27.85% of its total population of 99 500, and roughly 14.61% of the total EAP of the Amatole District Municipality. From 2006 to 2016, the average annual decrease in the EAP in the Amahlathi Local Municipality was -0.64%, which is 0.94 percentage points lower than the growth in the EAP of Amatole's for the same period.

b. TOTAL EMPLOYMENT

i. TOTAL EMPLOYMENT - AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBERS]

Year	Amahlathi	Amatole	Eastern Cape	National Total
2006	24,700	134,000	1,330,000	13,000,000
2007	24,800	135,000	1,350,000	13,500,000
2008	24,600	134,000	1,350,000	14,100,000
2009	23,600	129,000	1,320,000	14,000,000
2010	22,300	121,000	1,260,000	13,600,000
2011	22,100	120,000	1,260,000	13,800,000
2012	21,900	118,000	1,270,000	14,000,000
2013	22,700	122,000	1,310,000	14,500,000
2014	24,300	130,000	1,370,000	15,100,000
2015	25,500	137,000	1,430,000	15,500,000
2016	26,100	141,000	1,460,000	15,700,000
Average Annual growth				
2006-2016	0.53%	0.51%	0.91%	1.89%

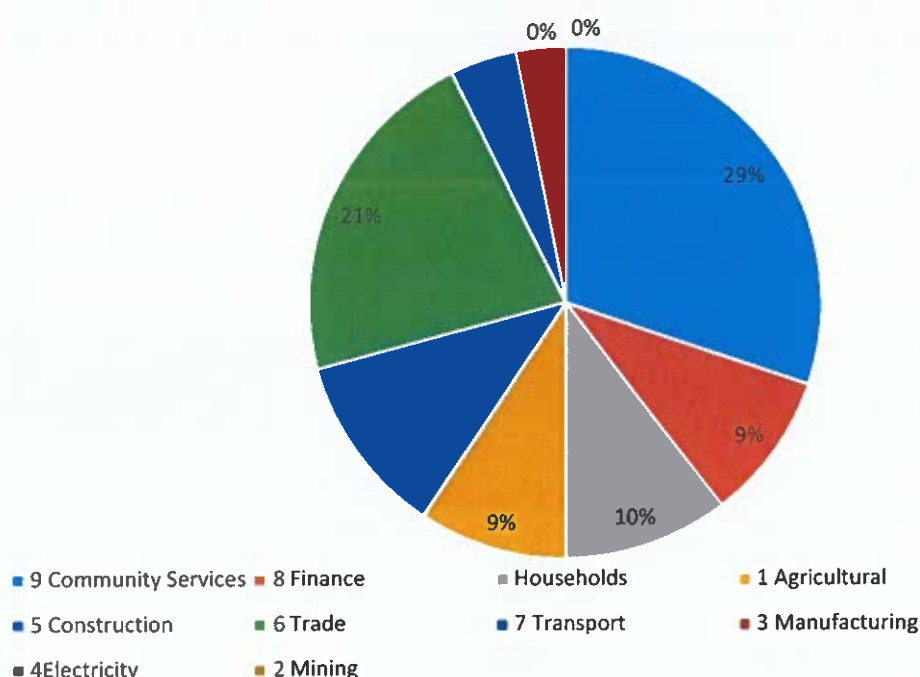
Source: IHS Markit Regional eXplorer version 1156

In 2016, Amahlathi employed 26 100 people which is 18.55% of the total employment in Amatole District Municipality (141 000), 1.79% of total employment in Eastern Cape Province (1.46 million), and 0.17% of the total employment of 15.7 million in South Africa. Employment within Amahlathi increased annually at an average rate of 0.53% from 2006 to 2016. The Amahlathi Local Municipality average annual employment growth rate of 0.53% exceeds the average annual labor force growth rate of -0.64% resulting in unemployment decreasing from 32.15% in 2006 to 29.89% in 2016 in the local municipality.

II. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR

In Amahlathi Local Municipality the economic sectors that recorded the largest number of employments in 2016 were the community services sector with a total of 7 410 employed people or 28.4% of total employment in the local municipality. The trade sector with a total of 5 430 (20.8%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 16 (0.1%) is the sector that employs the least number of people in Amahlathi Local Municipality, followed by the electricity sector with 70.1 (0.3%) people employed.

Total Employment Composition 2016



Source: IHS Markit Regional eXplorer version 1156

III. FORMAL AND INFORMAL EMPLOYMENT

The number of formally employed people in Amahlathi Local Municipality counted 19 400 in 2016, which is about 74.30% of total employment, while the number of people employed in the informal sector counted 6 700 or 25.70% of the total employment. Informal employment in Amahlathi decreased from 6 920 in 2006 to an estimated 6 700 in 2016.

In 2016 the Trade sector recorded the highest number of informally employed, with a total of 2 410 employees or 35.95% 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 Finance sector has the lowest informal employment with 445 and only contributes 6.64% to total informal employment.

Sector	Formal employment	Informal employment
Agriculture	2,440	N/A
Mining	16	N/A
Manufacturing	1,360	486
Electricity	70	N/A
Construction	1,540	1,300
Trade	3,020	2,410
Transport	448	683
Finance	1,930	445
Community services	6,030	1,380
Households	2,530	N/A

Source: IHS Markit Regional eXplorer version 1156

c. UNEMPLOYMENTUNEMPLOYMENT (OFFICIAL DEFINITION) - AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER PERCENTAGE]

Year	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
2006	9,500	65,600	512,000	4,510,000	14.5%	1.86%	0.21%
2007	8,970	63,000	503,000	4,460,000	14.2%	1.78%	0.20%
2008	8,200	59,300	488,000	4,350,000	13.8%	1.68%	0.19%
2009	7,590	56,400	483,000	4,370,000	13.4%	1.57%	0.17%
2010	7,050	53,800	480,000	4,490,000	13.1%	1.47%	0.16%
2011	6,610	52,000	485,000	4,570,000	12.7%	1.36%	0.14%
2012	7,070	55,800	508,000	4,690,000	12.7%	1.39%	0.15%
2013	7,520	60,500	542,000	4,850,000	12.4%	1.39%	0.16%
2014	7,850	63,900	569,000	5,060,000	12.3%	1.38%	0.16%
2015	7,980	65,400	583,000	5,290,000	12.2%	1.37%	0.15%
2016	8,280	68,200	603,000	5,600,000	12.1%	1.37%	0.15%

Source: IHS Markit Regional eXplorer version 1156

Average Annual growth

2006-2016 -1.36% 0.39% 1.65% 2.19%

In 2016, there were a total number of 8 280 people unemployed in Amahlathi, which is a decrease of -1 220 from 9 500 in 2006. The total number of unemployed people within Amahlathi constitutes 12.14% of the total number of unemployed people in Amatole District Municipality. The Amahlathi Local Municipality experienced an average annual decrease of -1.36% in the number of unemployed people, which is better than that of the Amatole District Municipality which had an average annual increase in unemployment of 0.39%.

UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]

Year	Amahlathi	Amatole	Eastern Cape	National Total
2006	32.2%	35.6%	27.8%	25.8%
2007	31.1%	34.6%	27.2%	24.8%
2008	29.7%	33.5%	26.6%	23.6%
2009	29.4%	33.5%	26.9%	23.8%
2010	29.4%	34.0%	27.7%	24.8%
2011	28.5%	33.5%	27.9%	24.9%
2012	30.2%	35.4%	28.7%	25.0%
2013	30.7%	36.6%	29.4%	25.1%
2014	30.1%	36.2%	29.4%	25.1%
2015	29.5%	35.5%	29.1%	25.5%
2016	29.9%	36.0%	29.3%	26.3%

Source: IHS Markit Regional eXplorer version 1156

In 2016, the unemployment rate in Amahlathi Local Municipality (based on the official definition of unemployment) was 29.89%, which is a decrease of -2.27 percentage points. The unemployment rate in Amahlathi Local Municipality

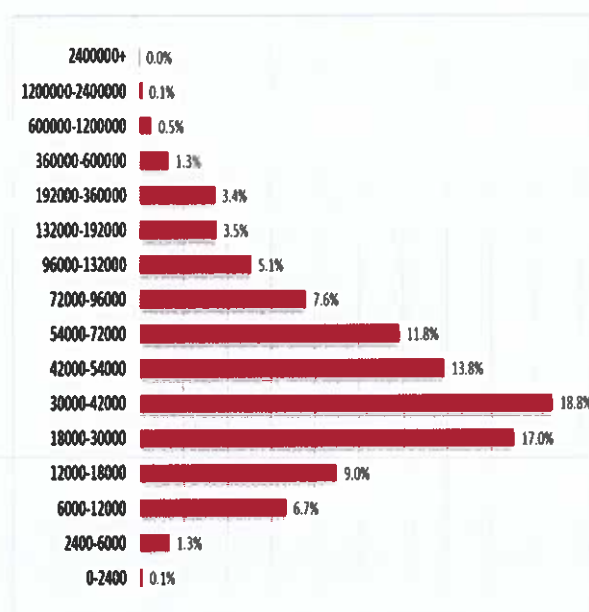
is lower than that of Amatole. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Amahlathi Local Municipality was higher than that of Eastern Cape which was 29.34%. The unemployment rate for South Africa was 26.33% in 2016, which is an increase of -0.563 percentage points from 25.77% in 2006.

D. DISTRIBUTION OF HOUSEHOLD INCOME

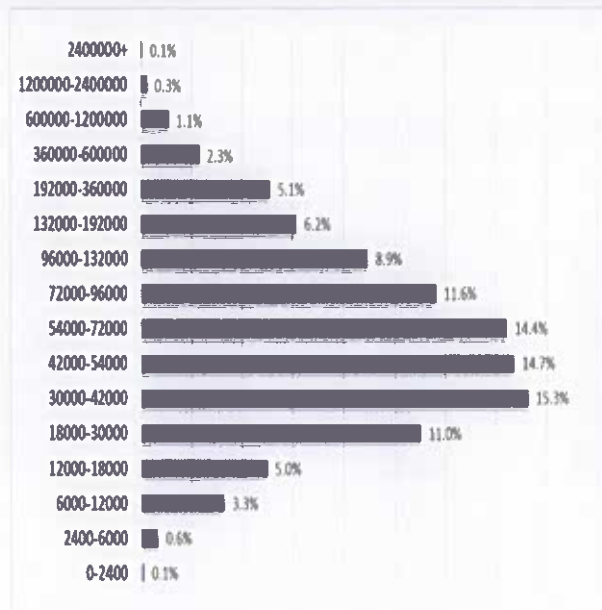
The ability to meet basic needs, such as for adequate food, clothing, shelter, and basic amenities, is largely determined by the level of income earned by the households.

The two figures below suggest a cumulative 61.4% of households in Amahlathi earn between R30 000 to R72 000 per annum. The households with the highest income brackets fall between R30 000 – R42 000 and R18 000 – R30 000 accounting for about 18.9% and 17.0% of households respectively. In 2016, there was a significant shift in the income breakdown where certain income brackets grew while others declined. Figure with both years depicts a clear picture of the changes between the two periods. Households in the income categories of R0 to R42 000 experienced a cumulative decline of about 18% while significant increases in the categories of R42 000 upwards were experienced with those between R72 000 to R132 000 leading.

Household by income category per annum, 2011

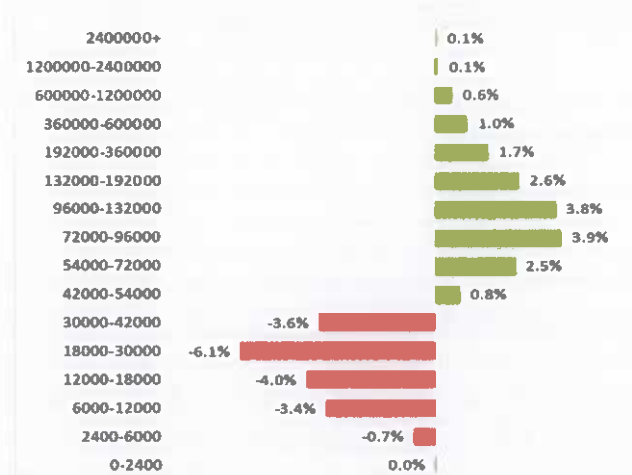


Household by income category per annum, 2016



Source: Stats SA Census Municipal Report 2011, REX Global Insight 2016

Household by income category between 2011 and 2016



Source: REX Global Insight 2016

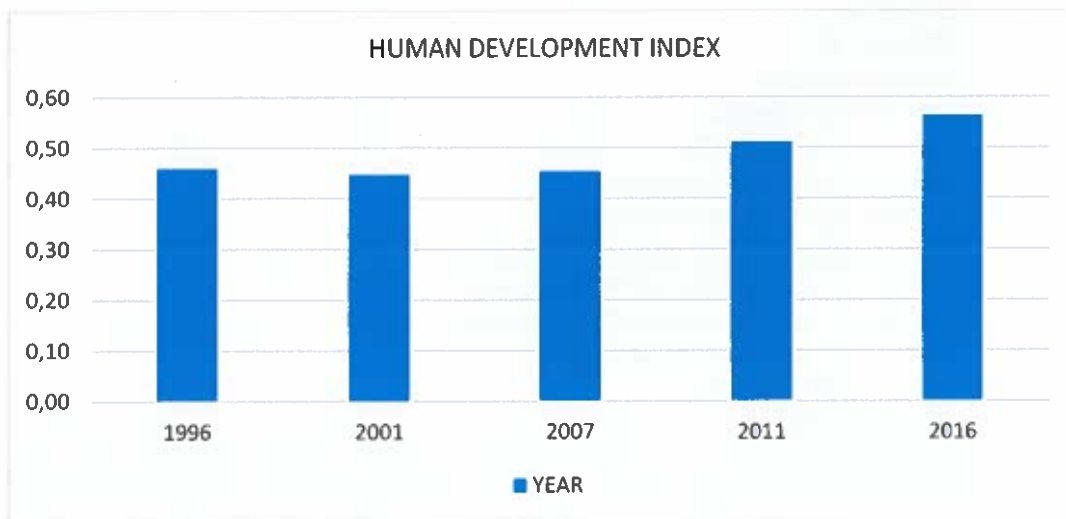
E. DEVELOPMENT

A. Human Development Indicator (HDI)

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

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

The more the HDI is close to 1(one), the better is the human development in the area.



Source: IHS Markit Regional eXplorer version

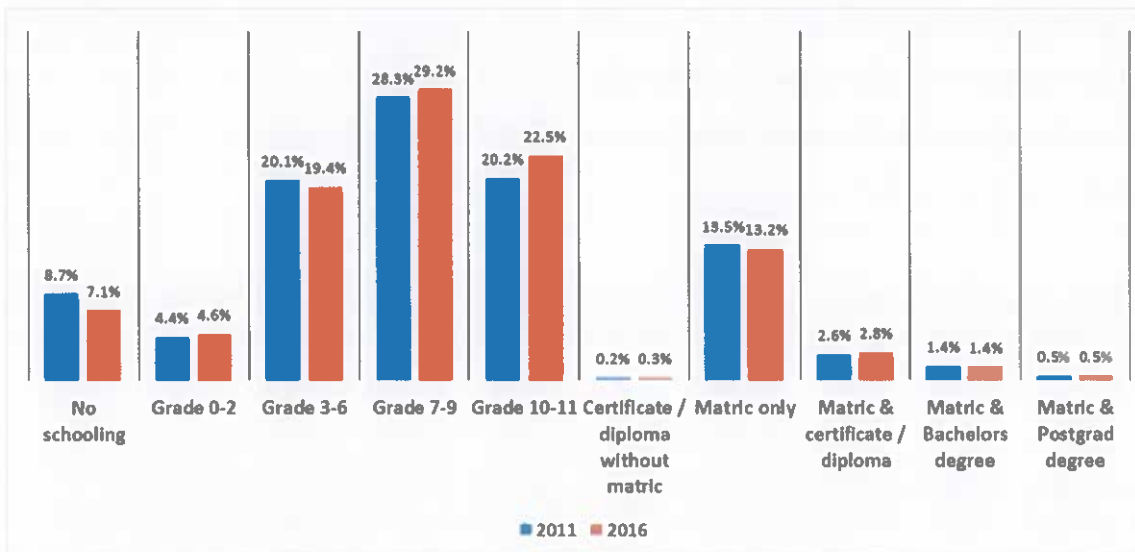
The HDI in Amahlathi municipality was **0.47** in 1996 decreased to **0.45** in 2007, increased to **0.51** in 2011 and **0.54** 2013, which is a medium HDI by international standards. This shows that there's been an improvement in the Human Development Index. The above diagram indicates there has been a decrease in unemployment rate between 1996 and 2011, however from 2011 to 2013 the unemployment rate has increased.

In 2016 Amahlathi Local Municipality had an HDI of 0.564 compared to the Amatole with a HDI of 0.551, 0.596 of Eastern Cape and 0.653 of National Total as a whole.

F. EDUCATION LEVELS

According to the figures below, education levels in Amahlathi indicate a need by the municipality to intervene in encouraging interest in attaining higher education beyond having a matric certificate. The municipality has an added advantage as 40% of the population is relatively young. The quality of the labor force largely relies on the educational profile of an economically active population. Therefore, Amahlathi should make every effort to invest in education and training that will provide the necessary skills required in the various economic sectors that are driving the economy while creating jobs where employment opportunities exist. This will help sustain and accelerate overall development in the municipality over time.

Education Levels



Source: Municipal Barometer 1996-2016

G. KEY ECONOMIC SECTORS

Sectoral employment data taken from the 2011 Census and aggregated to Ward level suggests that, at the Municipal level, the Community, Social & Personal Services sector is the key economic sector, accounting for 27% of employment in the Municipal area. This is followed by the Agriculture, Forestry, Fishing and Hunting sector (accounting for 22% of employment).

Unfortunately, the data available do not distinguish Tourism as a separate sector.

As per local economic development: locally, the manufacturing sector is identified as one of significant potential, especially where local produce is being processed for other markets. Tourism, too, is noted as being a potential growth sector, particularly given the many areas of beauty and historical interest in Amahlathi.

From the perspective of local access to business opportunities, Stutterheim is the largest service node in the municipality; however, services and markets are also sought in East London and King William's Town. It is likely that the above trend will continue.

Participatory Needs Analysis

Participants in the Participatory Needs Analysis identified the following key issues: -

- Untapped tourism potential / poor access to tourist sites
- Limited external investment
- Limited market facilities for communities to market local produce and goods.
- Insufficient training and skills development opportunities
- Lack of regulation of hawkers
- Poor commonage management

- Untapped potential of irrigation schemes
- Large scale poverty and consequences thereof, including increased crime levels.
- Limited impact of emerging farmers
- Lack of knowledge of/sources of financing of SMME's
- Inadequate access of subsistence/emerging farmers to agricultural implements
- Lack of formal tenure/ tenure security

These and other aspects are to be taken up in a Local Economic Development Strategy, which the Municipality will be reviewing. The outcomes of this strategic exercise will provide invaluable input for subsequent revisions of the IDP and should be incorporated therein.

There is, consequently, a critical need to implement strategies and support mechanisms to engage currently economically unproductive residents in productive economic activities. Strategies to alleviate poverty are also of great importance. Overall, it is deemed critical that all efforts be undertaken to facilitate local economic development in the Municipal area

CHAPTER 3: STATUS QUO ASSESSMENT

3.1 KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

3.1.1 Access to Basic Infrastructure

According to data below as presented by Statistics South Africa in their 2022 Census, over 80% of households in the past 15 years have access to water and electricity. However, during the two periods, access to water declined slightly although at high levels while significant increase in the provision of electricity was observed as more than 90% of households in the municipality. Access to electricity is reliant on infrastructure above ground with cables that are able to cover significant land area compared to services that are provided by infrastructure underground.

Toilet facilities remain at low levels. Challenges in providing sanitation services in most municipalities include in-ground factors and the soil type. The service is influenced also by the type of infrastructure the municipality should provide taking into consideration the topography of the municipality in terms of identifying of landmark features and vegetative land cover.

With regards to access to refuse removal much focus is required as levels are low and declining which is indication of high backlog levels. This could likely be a result of the sparsely distributed households including the access to the various wards in the municipality for the collection of the refuse. The high levels of refuse removal to a communal service indicates refuse being disposed in a central place by households as opposed to removal by the municipality or a service provider.

Table: Access to service delivery

Access to Basic Infrastructure	2011		2022	
	Households	% of households with access	Households	% of households with access
Main source of drinking water				
Access to piped water	26 269	92.0%	30 561	91%
No access to piped water	2 278	8%	3060	9%
Access to Sanitation				
Flush Toilets	7 640	27.5%	15592	46.40%
Chemicals	415	1.5%	643	1.9%
Pit Toilets	18 263	65.7%	16 237	48.3%
Buckets	67	0.2%	150	0.4%
Other	-	-	487	1.4%
None	1403	5.0%	514	1.5%
Energy for lightning				
Electricity	24 919	87.4%	31 878	94,80%

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Other	3 590	12.6%	1 781	5.2%
Energy for Cooking				
Electricity	20 577	72.3%	23 323	69.4%
Other	7 880	27.7%	10298	30.50%
Access to refuse removal				
Removed by local authority at least once a week	7 113	24.9%	13 336	39,70%
Removed by local authority less often	96	0.3%	227	0,70%
Communal refuse dump	316	1.1%	1 323	3,90%
Own refuse damp	19 789	69.3%	16 067	47,80%
No rubbish disposal	1 150	4.0%	1471	4.40%

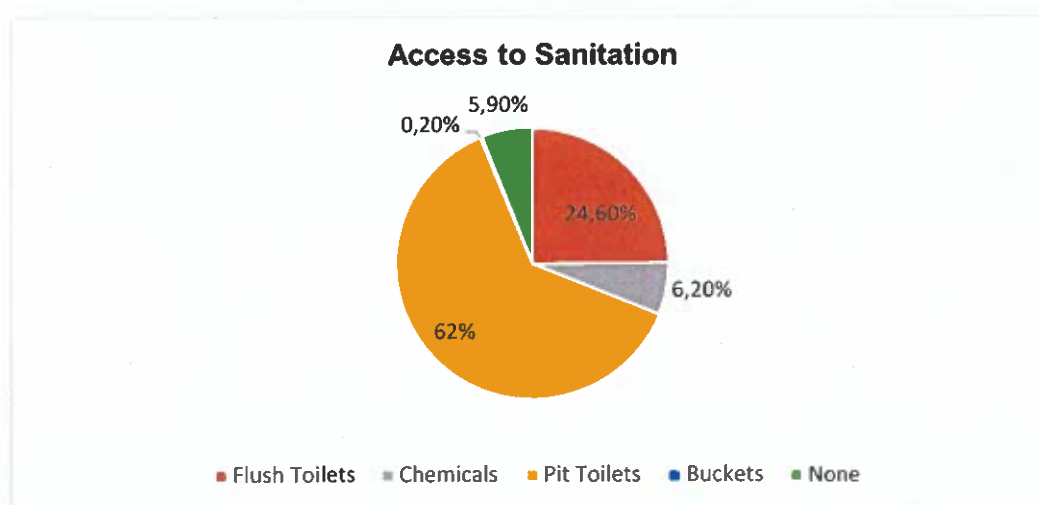
Source: Stats SA Community Survey 2016, own calculations

According to Census 2022 about 91% of the households in Amahlathi area access water from regional/ local water scheme operated by the municipality or other water service provider and only 9% that does not have access to piped water.

Electricity – 2022 Census as per the table above indicates that 94.80% of households at Amahlathi uses electricity for lighting compared to 87.4% calculated in the Census 2011 meaning there is a great improvement of about 7.4%.

Refuse removal - The statistics above indicate that about 47.80% in Census 2022 of Amahlathi households uses their own refuse dump as compared to 69.32% in 2011 and about 39.70% that have access to refuse removal at least weekly which is a great improvement compared 14.0% in 2011.

Access to Sanitation



Source: Community Survey 2016

Sanitation - As depicted above, majority of the population of Amahlathi are Black Africans with a total of 109 333 (94.5%) followed by the white population group with a total of 3 452 (3.0%), then the Colored population with a total of 2 094 (1.8%) and Indian/Asian with a total population of 252 (0.2%).

3.1.2 PUBLIC AMENITIES

a. COMMUNITY HALLS

There are 15 halls that have been audited and confirmed which are under Amahlathi area and are listed below:

Access to community halls and clinics

NUMBER	HALL	WARD
1.	Amatolaville	6
2.	Mlungisi Community Hall	15
3.	Cenyu Community Hall	15
4.	Cenyulands Hall	15
5.	Ndakana Community Hall	9
6.	Kei Road Hall	8
7.	Frank Fort Hall	12
8.	Springbok Hall (KKH)	1
9.	Cathcart Town Hall	4
10.	Katikati Hall	5
11.	Daliwe Hall	4
12.	Goshen Hall	4
13.	Mgwali Community Hall	9
14.	Kologha Hall	13
15.	Mbaxa Community Hall	

The Municipality has public amenities in all clusters although these are in poor state due to not being maintained and as such buildings are exposed to vandalism and burglaries. The Municipality however does make effort to maintain these through a combination of in-house repair work by the handyman and outsourced maintenance through contractors. Given the current limitations on financial and human resources our efforts are but a drop in an ocean of dilapidation.

b. HEALTH CARE SERVICES

Amahlathi has 24 Clinics and 3 Hospitals (Cathcart, SS Gida and Stutterheim) in the Amahlathi Municipality.

NUMBER OF CLINICS & 5 CHCs	NO OF WARDS	CHWs	OTLs	No. of Health Posts	WBPHCOT TEAM	Health Promotion
24 Stutterheim&Cathcart: 9 Keikammahoek: 10 King Kei: 5	15	114	KKHoek 3 Bisho-2 Stutt -1 Cathcart - 1	Zanokhwe Masincedane Madubela Luzana Mgwali Ndakana Gwili-gwili Frankfort Mbaxa Wartburg Nothenga	24	1 Allocated for Amahlathi Municipality

c. SCHOOLS

INFRASTRUCTURE PROJECTS

- Safe Sanitation
- Fencing
- Capital projects.
- Disaster
- Additional classrooms
- Water
- Modular classrooms
- Infrastructure needs

TOILETS

EMIS NO.	NAME OF SCHOOL	SCOPE OF WORKS	IMPLEMENTING AGENT	CURRENT STATUS
200200051	Bolo Farm School	Sanitation	NECT	Practical completion achieved
200200554	Ndlovini PS	Sanitation	NECT	Practical completion achieved
200200890	Vulingqondo JSS	Sanitation	TMT	Practical Completion achieved.
200200367	Lower Emnyameni PS	Sanitation	Donation by Assupol	Practical Completion achieved.
200200871	Ulane SSS	Sanitation	TMT	Practical Completion achieved
200200001	A M S Sityana SSS	Sanitation	TMT	Works Completion achieved

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

200200663	Nxawe PS	Sanitation	TMT	Practical completion achieved
200200777	Matthew Goniwe Primary S	Sanitation	TMT	Practical completion achieved
200200439	Masonwabe JP School	Sanitation	NECT	Practical completion achieved
200200429	Masimanyane Secondary	Sanitation	NECT	Practical Completion achieved
200200835	Thanduxolo PS	Sanitation	NECT	Practical Completion achieved
200200549	Ndakana PS	Sanitation	TMT	Practical completion achieved
200200791	Siyakhula Finishing School	Sanitation	TMT	Practical completion
200200923	Zamulwazi JPS	Sanitation	TMT	Practical completion achieved
200200218	Grantville PS	Sanitation	TMT	Practical completion achieved
200600222	Goshen Public School	Sanitation	TMT	Final completion
200200329	Kuhle JSS	Sanitation	TMT	Practical completion achieved
200201011	Masihlangane Sss	Sanitation	TMT	Practical completion achieved
200200568	Ngqumeya PS	Sanitation	TMT	Practical completion achieved
200200877	Upper Cata Primary School	Sanitation	TMT	Practical completion achieved
200200133	Dumani PS	Sanitation	TMT	Practical completion
200200935	Zanyokwe PS	Sanitation	TMT	Practical completion
200200556	Ndukumbana JPS	Sanitation	TMT	Practical completion
200200432	Masiphumle PS	Sanitation	TMT	Practical completion
200200308	Kei Road PS	Sanitation	NECT	Re-tender
200200817	St Matthews PS	Sanitation	NECT	Re-tender
200200764	Sikhulule Public School	Sanitation	TMT	Under construction 26 - 50%
200200486	Mlungisi Public School	Sanitation	TMT	Under construction 26 - 50%
200200563	Ngobozana PS	Sanitation	TMT	Under construction 76 – 99%

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

200200537	Nangamso Secondary School	Sanitation	DoE	Practical completion
200200629	Nonyameko Primary School	Sanitation	DoE	Contractor terminated

SUMMARY OF INFRASTRUCTURE NEEDS

PROGRAM	AM AHLATHI CMC
• New & Replacement Schools	01
• Pit latrines	15
• Grade R Toilets	22
• Additional toilets	04
• SAFE but not yet implemented	13
• Major renovations	36
• Grade R (ECDC)	22
• Nutrition Centre	31
• Unattended disasters	08
• Fencing	40
• Schools with asbestos	34
• Minor maintenance 22/23	01

SPECIAL NEEDS EDUCATION

- No special school in Amathole West District.
- There is one Care Centre in Mlungisi Location for Profound Intellectual disability group, receives services from the DOE LSPID Program.
- There is a Special Needs Class in Stutterheim High School for high level support of 7 learners weight equivalent to 22 learners.
- There is no FSS in Amahlathi.

EARLY CHILDHOOD DEVELOPMENT DATA

Number of ECD Centers Amahlathi	AVAILABILITY OF PRIVATE ECD PROGRAMMES	INFRASTRUCTURE	RESOURCES	PRACTITIONER QUALIFICATIONS
104 - Funded Day Care Centre (1 Non-Centre Based included)	4 Privately owned Centers in Stutterheim	38 Centers have brick structures (7 Centers have buildings that are not in good condition that need renovations)	The Department is funding 104 centers. Some few centers were renovated through Conditional Grant funding by the Department.	35 Practitioners with ECD NQF Level 4
2 Registered Day Care Centres (Non-Funded)	3 Privately owned Centers in Cathcart All not registered	3 Mud Structures 5 Wendy houses (not spacious) 21 Shacks 1 Slab structure 2 Prefabricated Buildings. 15 Centers do not have sites of their own and 12 of these centers are renting the buildings. 59 ECD Centers do not have toilet facilities suitable for children. 48 centers do not have proper fencing. 13 ECD Centers at Mlungisi Location do not have electricity. 23 Centers do not have water tanks.	National Lotteries has sponsored some Centre's with structures, furniture, indoor and outdoor equipment. Food forward S.A offers grocery hampers to ECD centers. Most Centers in Cathcart are benefitting from those hampers. There are NGOs sponsoring porridge for children in ECD Centers. The Department is offering monitoring and support services to all ECD Centers in our areas. 8 centers are built by the Municipality. Environmental Health Practitioners from the Municipality also offer their services to ECD Centers. Department of Health also offers its services to ECD Centers.	3 Practitioners with NQF Level 5 3 Practitioners with National Diploma in ECD
5 Not Registered Centres				

SCHOLAR TRANSPORT SERVICES			
Transport Quota Approved for 2025	No. of Schools Covered	Status as of school opening	No. of Learners deserving but not ferried
1768	38	New schools are not yet transported and in others there are routes not ferried	395

3.1.3 DISASTER MANAGEMENT

In terms of sections 52 and 53 of the Disaster Management Act, Act 57 of 2002, each municipality and municipal organ of state must draft disaster management plans for their area. The Amathole District Municipality has developed All Hazard Contingency Plans that are in place at all the local municipalities in the district. The municipality has customized and adopted its own All Hazards Contingency Plan thus serves to detail the corporate arrangements for emergency preparedness and for providing the initial response to the most commonly encountered disasters that occur in its area of jurisdiction of the Amahlathi Local Municipality. It details the emergency procedures and sequence of operations to be followed and assigns responsibilities to the municipal manager, heads of departments and key personnel within the municipality and to other relevant emergency and essential services (agencies) operating within the area of the Amahlathi Local Municipality. It also provides the basis for the supporting operating procedures and plans.

The legal mandate for the development of the All-Hazards Contingency Plan (hereinafter referred to as the AHCP) for the Amahlathi Local Municipality is vested in the following statutes:

- The Constitution of the Republic of South Africa, Act No. 108 of 1996.
- The Disaster Management Act, No. 57 of 2002.
- Local Government: Municipal Systems Act, No. 32 of 2000.
- National Disaster Management Framework, Government Notice 654 of 2005.

The Municipal Manager of the Amathole District Municipality, in consultation with the Municipal Manager of the Amahlathi Local Municipality, activates the contingency plan and emergency procedures of the local municipality and convenes the establishment of a Joint Operations Centre (JOC) at a mutually agreed upon and suitable location in the area of the Amahlathi Local Municipality. The JOC is established and operates in accordance with the Standard Operating Procedures contained in the All-Hazards Contingency Plan of the Amathole District Municipality.

Subsequent to the classification of coronavirus pandemic a disaster, a national state of disaster was declared by the State president on the 15th of March 2020. The State President also announced a nation- wide lockdown on the 23 March 2020, effective from the 26 March 2020. In response to the coronavirus pandemic a Local Joint Operations Centre headed by Mayor was established, its purpose being to discuss interventions undertaken by stakeholder in curbing the spread of the virus locally. The reduction in reported cases and deaths led to introduction of Adjusted Alert levels and opening of the economic sector under strict health protocols. The Adjusted Alert levels being informed by an increase or decrease in reported cases and deaths at a particular time. The COVID 19, national state of disaster was officially terminated by the State President in April 2022. Declaration.

The Amathole District municipality coordinates the development and maintenance of plans and procedures by organs of state in the Amahlathi Local Municipality to ensure the protection of municipal archives and the continuity of municipal business during disasters and response operations. On receipt of an Alert and on the instruction of the JOC Coordinator, the municipality proceeds directly to the Local Joint Operations Centre and executes responsibilities for the coordination of municipal business continuity operations.

The following diagram is a process flow to illustrate a systematic sequence of events that will occur if an incident occurs.



Topographic map of the St. Louis area, Missouri, showing elevation, major roads, and landmarks. The map uses a color gradient from green (low elevation) to red (high elevation). Key features include the Mississippi River, the St. Louis Arch, and the Gateway Arch. A scale bar indicates 20 km and 10 miles. A legend on the right shows elevation ranges from 0 m to 2,362 m.

Amahlathi Local Municipality topographic map

Key Environmental Vulnerabilities

43 | Page

Hazard identification and priority risks

According to a risk assessment done in the municipal area, the hazards the municipality is predominantly exposed to include veld/forest fires, disasters caused by weather conditions and climate change.

Disaster risk profile for Amahlathi Municipality

Hazard Category	Amahlathi
Fire Hazards - Veld/Forest Fires	4.18
Hydro-meteorological Hazards - Severe Storms (Wind, Hail, Snow, Lightning, Fog)	3.78
Hydro-meteorological - Drought	3.78
Hazardous Material - Spill/Release (Storage & Transportation)	3.68
Fire Hazards - Formal & Informal Settlements / Urban Area	3.48
Hazardous Material - Fire/Explosion (Storage & Transportation)	3.38
Civil Unrest - Crime	3.28
Transport Hazards - Road Transportation	3.28
Environmental Degradation - Deforestation	3.28
Pollution - Land Pollution	3.28
Civil Unrest - Armed Conflict (Civil/Political War)	3.28
Civil Unrest - Demonstrations / Riots	3.28
Infestations - Plant Infestations (Intruder Plants)	3.18
Pollution - Air Pollution	3.18
Environmental Degradation - Land Degradation	3.03
Hydro-meteorological Hazards - Floods (River, Urban & Dam Failure)	2.88
Infrastructure Failure / Service Delivery Failure - Sanitation	2.78
Infrastructure Failure / Service Delivery Failure - Electrical	2.68
Pollution - Water Pollution (Fresh and Sea)	2.68
Disease / Health - Disease: Plants	2.68
Environmental Degradation - Loss of Biodiversity	2.58
Environmental Degradation - Erosion	2.58
Infestations - Animal Infestation / Over Population	2.58

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Geological Hazards - Landslides/Mud flows	2.38
Structural Failure - Dam failure	2.38
Infrastructure Failure / Service Delivery Failure - Transport	2.28
Infrastructure Failure / Service Delivery Failure - Water	2.28
Disease / Health - Disease: Human	2.28
Transport Hazards - Air Transportation	2.28
Infestations - Insect Infestation	2.28
Hydro-meteorological Hazards - Extreme Temperatures	2.28
Disease / Health - Disease: Animal	2.28
Infrastructure Failure / Service Delivery Failure - Information Technology	2.28
Geological Hazards - Rock-fall	2.28
Major Event Hazards - Political	2.28
Major Event Hazards - Sport	2.28
Civil Unrest - Xenophobic Violence	2.28
Structural Failure - Building Failure	2.18
Structural Failure - Bridge Failure	2.18
Hydro-meteorological Hazards - Desertification	1.88
Major Event Hazards - Cultural / Religious	1.88
Major Event Hazards - Recreational / Commercial	1.78

Early Warning as a result of participation in Disaster Management Advisory Forums

Amathole District Municipality has established a Disaster Management Advisory Forum as prescribed by section 51 of the Act. Meetings take place at least a quarter or as required. The members of the forum consist of representatives from Eastern Cape Provincial Disaster Management; all municipalities within the Amathole district (including Amahlathi LM), sector departments, councillors, traditional leaders representatives from the umbrella organisations for women, children, the elderly, people with disabilities, as well as experts in disaster management. The municipality use the same disaster management advisory forum to coordinate strategic issues related to disasters in the Amahlathi Municipal area. South African Weather Services has an extremely important Early Warning function due to the high percentage of disasters that are weather related.

Amahlathi LM was severely affected by heavy rains in December 2021 and January 2022, leading to the Municipality declaring a local state of disaster. In February 2023, severe weather conditions again affected the Municipality leading to floods, damage to infrastructure which included roads, bridges, and human settlements especially mud structures. All reported incidents were reported to ADM Disaster Management Centre for submission to Department of Human Settlement and Provincial Disaster Management Centre. Guidelines for Implementation of Emergency Housing Responses were developed by the National Human Settlement Department and workshopped to Municipalities.

The Amathole District Municipality (ADM) and Amahlathi Local Municipality actively conduct disaster awareness and fire safety campaigns to inform the public about potential hazards, risk reduction measures, and emergency response protocols. These campaigns involve community forums, workshops, and the distribution of information materials. Local communities, ward committee members, and traditional leaders are actively involved in disaster preparedness and response planning. The Amathole District Municipality participates in activities related to the International Strategy for Disaster Reduction, demonstrating its commitment to global efforts in reducing disaster risks. Capacity building for ward committees was conducted through assistance from the District Disaster Management Centre and Sector Departments on data collection and role clarification. Awareness campaigns continue to be conducted throughout the Municipality. The District Disaster Risk Management plan is currently being developed by SRK Consulting, the plan being inclusive of Amahlathi LM. Disaster incidents were reported wherein dwellings and infrastructure were damaged. ADM Disaster management Centre facilitated submission to PDMC and MISA. MDRG Allocation and progress.

Frequent hazard experience in the area:

The occurrence of hazards is seasonal. Types of hazards are as follows:

- Floods
- Severe storms
- Domestic fires
- Veld and forest fires
- Strong wind
- Heavy rains

Community Safety

There is a community safety plan that was developed with the support from Amathole District Municipality, and it was adopted by Council in 2015. Community safety forums are held on a quarterly basis to prepare a plan of action to be implemented including awareness campaigns which are conducted in all the clusters. The Department of Community Safety and SAPS are critical stakeholders in social crime prevention programmes within the Municipality, however programme integration needs to be enhanced. Consultations on a Liquor Trading by law are underway as a measure to mitigate crime related to alcohol. Festive season prayer was done in November 2024 wherein 04 loud hailers were handed to ward Cllrs and CPF in the Stutterheim Cluster by the Department of Community Safety in response to an imbizo held in March 2024 at the Mlungisi Community Hall.

3.1.4 TRAFFIC & LAW ENFORCEMENT

There is a functional traffic department at Amahlathi Local Municipality with 20 staff members, 10 traffic officers, 01 learner traffic officer at the Port Elizabeth Traffic College and 10 office support staff. There are currently 04 vehicles, 02 speed trap cameras and 04 alcohol testers. Compliance and non-compliance issues varies from month to month. During the closing and opening of schools there are more people on the public road as well as during the festive season which causes an increase of vehicles on public roads. It is noticeable that during this period above, Law Enforcement statistics get increased. The number of vehicles compared to the ratio of the available Traffic Officers on the public road cannot be detected due to shortage of manpower. Road markings and maintenance of signs are done periodically to ensure visibility to road users. Roadblocks are conducted and at times in collaboration with South African Police Service (SAPS)

DRIVING LICENSE TESTING CENTRE (DLTC)

Only one driving station is available, now centralized at Stutterheim wherein all 4 clusters of Amahlathi Municipality are depending on for driving license testing and learners' license. There are 07 Examiners responsible for the

Driving License Testing Centre. A Grade E DLTC is to open in Cathcart and later Keiskammahoek. The Municipality is also a Registration Authority (RA) with registration offices at Stutterheim and Cathcart.

VEHICLE TESTING CENTRE (VTS)

The vehicle testing centre is also situated in the Sutterheim cluster, with 02 Examiners responsible for testing vehicles. Testing facilities such as an A-Grade Vehicle Testing Station was opened in 2006/7, and a Weigh Bridge is now required to assist the Municipality in the efficient administration of vehicular traffic and licensing. There is also a roadworthy testing centre in Stutterheim.

The driving license testing Centre & the vehicle testing station are guided by the Act i.e., National Road Traffic Act, National Land Transport Act, Criminal Procedure Act and SABS Codes.

VEHICLE POUND

The Municipality has constructed a vehicle pound in Stutterheim which is not yet operational due to security issues.

3.1.5 FIRE SERVICES

There are fire service tariffs that were developed, adopted, implemented and are periodically reviewed. A fire risk levy was adopted by Council in the 2021/2022 financial year. There is a full-time fire service operating under a Platoon Commander / Chief Fire Officer. The municipality has signed Service Level Agreements with Chris Hani DM and in the process of an MOU with the Greater Stutterheim Fire Association.

The municipality is convening fire awareness campaign in all clusters and striving for a two-hour turnaround time in responding to fire outbreaks. During the period of July – September, 56 grass fires were responded to majority occurring in Cathcart, Mgwali, Ndakana, Kubusi and Kwazidenge. In collaboration with Working on Fire and other stakeholders, a disaster risk reduction day was held at Kwazidenge on the 25th October 2023 in responding to the increase of reported veld fires. Fire breaks are prepared, and fire hydrants inspected for functionality. A fire station was constructed in Keiskammahoek which still needs to be fully operationalized and is to be shared with the traffic department. The Fire and Rescue Services has functional equipment to respond to accidents. A fire truck was burnt in June 2022 in Cathcart during a community unrest and currently one fire engine is operational. By-Law relating to Community Fire Safety are in place and currently being reviewed. There was an increase in veld and grass fires in the 24/25 financial year fire season compared to the 23/24.

The municipal area is situated at the foothills of the Amathole and Kogga mountains. As a result, there are considerable temperature variations between summer and winter. The area is subject to frost and hail conditions. The area lies in the summer rainfall region with over 70 % of the mean annual rainfall experienced in the summer months (October to March). Mean Annual Precipitation (MAP) varies across the region from a low of 400 mm in the northwest (leeward side of the Amathole Mountain) increasing to the east. The highest rainfall (approx.1000mm/ annum) is experienced on the windward side of the Amathole Mountains. Vegetation types represent an integration of the climate, soil and biological factors in a region, and as such, are a useful basis for land-use and conservation planning. There are twelve vegetation types found in the Amathole LM, highlighting the diversity of environmental conditions experienced in the Municipality. The distribution of these vegetation types is illustrated in the map and table below. Amathole Montane Grassland covers 44% of the Municipality.

The natural environment is under severe pressure due to a general lack of understanding, commitment to environmental sustainability and sustainable living practices. There is significant degradation of the local environment due to improper waste management and mismanagement of available resources. To bridge the gap and minimize the impact of the mismanagement of waste and resources, capacity building programmes and awareness raising are seen as the key elements to the road of success. Formal and non-formal education both play a major role in fostering sustainable lifestyles required in caring for the environment. Programs responding to climate change are implemented although these need to further be enhanced in a coordinated manner as stormwater drains are cleaned frequently to ensure paper and garbage do not block and lead to environmental pollution, illegal dumping sites are identified and cleared, waste awareness campaigns are conducted throughout the municipal clusters. Climate change programmes are also noted in the Integrated waste management plan.

3.1.6 LAND ADMINISTRATION

The Municipality is relied heavily on the Amathole District Municipality shared services pertaining to the Land Audit issues. Land Audit was recently performed by Amathole District Municipality in March 2025, that is in the 2025/26 financial year. The land audit report provides information on land, land-use, land size and ownership within a municipal boundary. The report can be used as an important strategic and financial management tool as it can be used for accessing land resources and ensuring sustainable land use management practices. The land audit comprises of four layers namely Registered, Approved, Quitrent and Unregistered Layers. The following has noted on the Land Audit report;

- The total number of the Deeds registered cadastral= 33018
- Privately owned= 23184
- Amahlathi Local= 2604
- Amathole District= 146
- State owned= 3636
- Unknown= 3448

This information is sourced from CSGO which also are custodians and the Shared Services is accessed through the (www.amatholegis.gov.za). Land Audit is key for revenue regeneration in line with Revenue Enhancement Strategy the Land Audit exercise enables the development of a more comprehensive and credible Lease Register, an important facet of a revamped property management system. In addition, the General Valuation roll continues to inform the broader land or property ownership profile of the Municipality.

The Municipality is in the process of disposing of identified serviced sites across the Municipal jurisdiction. The main objective is to generate revenue and curb the risk of these sites being invaded. This intervention will be re-initiated as the first attempt did not yield the required outcome. The exercise was also performed in 2022/23 financial year, however there were challenges as most of the properties were not sold, leading to the second phase of Auction.

All laws, policies and administrative practices affecting land development should be in line with SPLUMA Developmental Principles, which are:

- **The principle of spatial justice**, whereby past spatial and other development imbalances are redressed through improved access to and use of land.
- **The principle of spatial sustainability**, whereby spatial planning and land use management systems must, among other things, promote land development that is within the fiscal, institutional and administrative means of the Republic.

- **The principle of Efficiency**, whereby the development applications procedures are efficient and streamlined and timeframes are adhered to by all parties.
- **The principle of spatial resilience**, whereby flexibility in spatial plans policies and land use management systems are accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks.
- The principle of good administration, whereby all spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems, as embodied in this Act (SPLUMA 16 of 2013).

There are other Land Use planning legal instruments which are still in play with the approval of town planning applications e.g., Spatial Development Framework (now under review), SPLUMA By-Law and Land Use Scheme. Land Invasion Policy and other related legislation. Some of the above listed documents have been gazetted in 2022/23 financial year.

Land Restitution and Land Reform

Land dispossession and removal of black people in South Africa was formalized through the Land Act of 1913 and the Group Areas Act which resulted in black citizens owning only 13% of land and white counterparts owning 87% of land in South Africa by 1994.

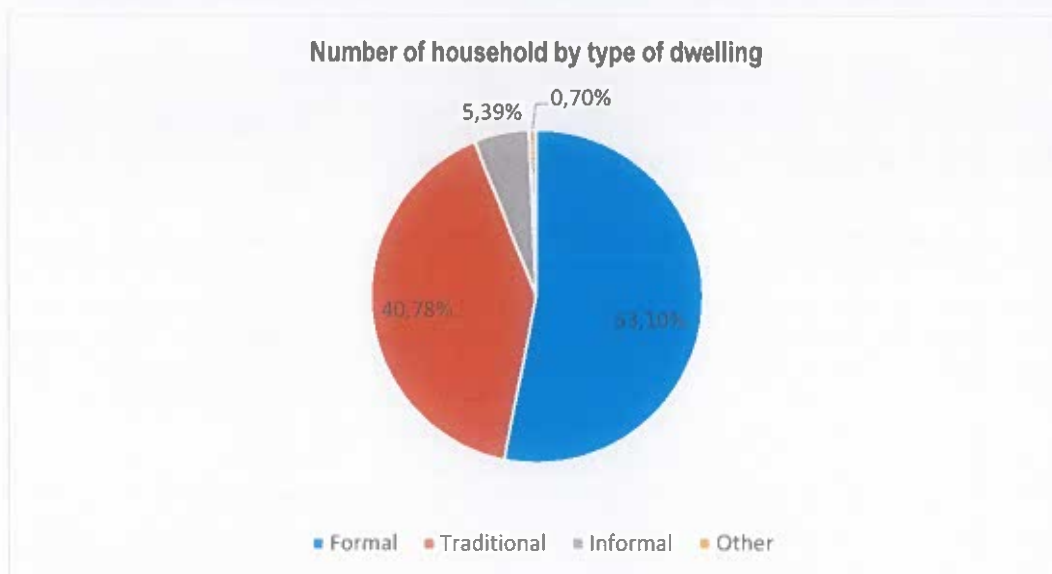
As redress to this challenge, the South African government developed the Restitution of Land Rights Act 22 of 1994 and the Policy on Land Redistribution for agricultural development (2000). The afore-mentioned legislation saw the establishment of the Land Claims court and commission.

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

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

Enjoined by this directive the Amahlathi Municipality also collaborates in various land reform projects e.g. The Keiskammahoek 9 villages land restitution project, which was led by the Amathole District Municipality.

3.1.7 HOUSING



Source: Community Survey 2016

Housing Sector Plan

Amahlathi Local Municipality in conjunction with Department of Human Settlements have reviewed the Housing Sector Plans and now its Human Settlement Sector Plan and will be submitted to Council before June 2025. However, Department of Human Settlements through her Agency (Housing Development Agency) significantly contributed to the improvement of the housing situation, especially improving the informal areas. The current housing demand is 4, 211 units, a 20,1% decline from the StatsSA figure of 5278 in 2022. The total number of beneficiaries registered on the National Housing Needs Register (NHNR) is 1,039 or 25% of the housing demand of 4210 units. The NHNR is a central database where households can register their need for adequate shelter, providing information about their current living conditions and the type of housing assistance they require from the government. The substantial housing demand is found in the BNG housing segment with 91% (3816 units) of the overall housing demand. The housing demand is projected to decrease to 2, 472 in 2030. This is due to migration patterns and the current average annual supply of 1,156 units which is projected to be sustained in the planning period.

In terms of income distribution, it's noted that the majority in Amahlathi falls within the BNG income bracket with 50.3%, while 40.0% fall in the gap housing income bracket as demonstrated in table below.

Market	Number of Households	Share of total
BNG	19 555	50.3%
Social Housing & FLISP	15 557	40.0%
Open Housing	3 771	9.7%
Total	38 883	100%

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Below is the status of housing projects as approved and implemented by Department of Human Settlements for the 2025/26 financial year.

RUNNING PROJECTS	BLOCKED PROJECTS	PLANNING AND SERVICES PROJECTS	NEW APPLICATIONS	CLOSEOUT PROJECTS
1. Cenyu Village 450 2. Cenyulands 692 3. Frankfort 300 4. Masincedane 200 Destitute 5. Kubusie 304 6. Kei Road Northern Node 421 7. Gasela 75 8. Katikati 300 9. Squashville 153	1. Mlungisi 169 2. Ndakana 1300	1. Mthonjeni 80 2. Goshen 100	1. Mbaxa 2. Nothenga 3. Gubevu 4. Ethembeni 5. Ndlovini (PHASE 2) 6. Mgwali 7. Border post	Xholora 700

Table: Human Settlements Projects

The table shown above, is the Department of Human Settlements projects that are at various stages of development. The good news is that the bulk of these projects are in the category of running project status. This augurs well for Amahlathi Local Municipality as these changes the status of quo of service delivery as more houses are being built. Both Gasela and Frankfort are at advanced stage of development, about 90% complete. However, there are delays in the implementation of Cenyu, Cenyulands, etc. The number of blocked projects has gone down to only two projects; Mlungisi 169 and Ndakana 1300.

UPGRADING OF INFORMAL SETTLEMENT PROGRAM (UISP)

There is a total of five (5) informal settlements housing an estimated 2,178 households. The land is owned by the municipality in all the informal settlements. In addition, all the 5 settlements are supplied with interim services. They require detailed investigations to determine viability for full upgrading and permanent engineering services. The total estimated development cost for pre-planning, land use planning, internal services, housing top structure and title deeds is R652,642, 056 (R652 million) as shown in table below.

Name of informal Settlement	Estimated number of households	Land ownership	Basic services availability	Identified land for relocation	Total development costs
Daliwe	463	Municipal	Interim Services	N/A	R138 738876
Katikati	458	Municipal	Interim Services	N/A	R137 240 616
Bhongoletu/Izidenge	713	Municipal	Interim Services	N/A	R213 651 876
Upper Izele	544	Municipal	Interim Services	N/A	163010688
Mzamo (Partly)	0	Municipal	Interim Services	N/A	R0
Total	2178				R652 642 056

Informal settlements upgrading programme is implemented through the provision of security of tenure, engineering infrastructure, basic services and activating community-based livelihood strategies. The following activities are yet to be funded and implemented to achieve full upgrading:

- o Feasibility studies
- o Town planning and surveys
- o Engineering services designs and implementation
- o Housing top structures
- o Transfer and registration of erven

The informal settlements are therefore classified as per table 14 below to inform budget prioritization.

Classification	Description	Activities and timeframes	Projects
Class 1	- No updated upgrading plans	- Development and/or updating of informal settlements upgrading plans	Daliwe, Katikati, Bhongolethu/Izidenge Upper Izele and Mzamo (Partly)
Class 2	- Settlements are on municipal owned land and are developable	- Township establishment in 2026/27 financial year	The feasibility studies will confirm if the settlements are developable
Class 3	- Settlements that have approved townships. - These settlements are located on municipal owned land.	- Detailed planning and engineering designs immediately. - Installation of permanent services - Construction of housing top structure	None
Class 4	- Settlements are located on private land. - Settlements are located on public land	- Pursue land acquisition and land release processes. - Provide interim services	None

In terms of housing development, the municipality is guided by the following policies and legislation:

- Housing Act, Act 107 of 1997 as amended.
- Rental Housing Act, Act 50 of 1999.
- Social Housing Act, Act 16 of 2008.
- The Spatial Planning and Land Use Management (SPLUMA) Act 16 of 2013.
- By-Law relating to the use and hire of municipal buildings.

The housing act defines the roles and responsibilities for local authorities and the following may be highlighted:

Every municipality must, as part of the municipality's process of integrated development planning, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to *inter alia*:

- set housing delivery goals in respect of its area of jurisdiction.
- identify and designate land for housing development.
- create and maintain a public environment conducive to housing development which is financially and socially viable.
- promote the resolution of conflicts arising in the housing development process:
- Initiate, plan, co-ordinate, facilitate promote and enable appropriate housing development in its area of jurisdiction:

DISASTER RESPONSE

Amahlathi Local Municipality is prone to disasters, and the extent of disasters happened has proven as true to that notion. Several areas have been hit by disasters to an extent that the Municipality was declared as a disaster area. The traditional building material and strategies exacerbated the condition as the impact was severely felt. The torrential rainfall and severe winds caused more damage in Amahlathi Local Municipality. About eleven wards in Amahlathi were severely hit by a tornado in March 2025. The tornado left a trail of demolition, with Ngcobo village in Ward 3 where a total of 22 houses were destroyed. Application for Temporal Residential Units (TRUs) has been submitted to the National Department of Human Settlements. As of April 2025, the National Department of Human Settlements has approved 22 Temporal Residential Unit as a response to the recently experienced disasters. The bulk of these TRUs will be constructed at Engcobo Village in Ward 3.

3.1.8 LAND USE MANAGEMENT

The municipality is responsible for land use management within its area of jurisdiction. As a result, the Municipality has reviewed, adopted and gazetted the following documents: Spatial Development Framework (under review), Land Use Scheme and SPLUMA By-law. The Municipality has decided to establish a Single Municipal Planning Tribunal. The Municipal Planning Tribunal has been Established, also the Authorized Official has been appointed. The Director for Development of Planning and Development, who is a registered town planner, is performing the duties of an Authorized Officials.

The specific legislation applicable in Amahlathi Municipality includes:

- Spatial Planning and Land Use Management Act 16 of 2013
- SPLUMA By-Law gazetted in 2016
- Spatial Development Framework Review, 2024-25
- Land Use Scheme, Gazetted in November 2023

Land Invasion

Land Invaders have a tendency of invading prime land, thereby hindering development and promoting haphazard planning. Thus, dealing with land invasions, the Land Invasion Policy (reviewed annually) is in place to address the matter. This occurrence is addressed through the Prevention of Illegal Eviction and Unlawful Occupation of Land Act, No. 19 of 1998. It generally specifies the remedy the municipality possesses to address the challenge. Financial constraints have made it impossible to enforce of this By-Law. There is a need to jealously guard prime land and wherever there is to be a new development, we need to align it to the SPLUMA Development Principle as stated in Section 7 of SPLUMA.

Land register

As part of the land asset register compilation exercise the land and housing unit needs to verify the identified properties by way of deeds office searches. As already indicated in the previous sections, the ALM is currently finalizing this exercise.

The municipality has in July 2013 received access to the Amathole District Municipality Geographic Information System Unit web service which has land ownership information. The bookmark is <http://www.amatholegis.gov.za/>.

3.1.13 ENVIRONMENTAL MANAGEMENT FRAMEWORK

In the light of the Amathole District Municipality's Integrated Environmental Strategy (2003), it is proposed that the Amahlathi Municipality engage with the Amathole District Municipality in defining the relevant responsibilities of each in relation to current environmental legislation and the powers and functions of local government authorities. Thus, environmental Management is the responsibility of the District Municipality.

In the interim, the following legislative framework is applicable (as guided by the Amathole District Municipality's Integrated Environmental Strategy).

KEY LEGISLATIVE FRAMEWORK

The following is the key legislative framework in which the Amahlathi Municipality is to perform its functions.

In terms of the Constitution:

Local authorities are responsible for administering various town planning instruments, protected areas and nuisance laws.

Local authorities are responsible for providing all citizens with a safe and healthy environment.

In terms of the National Environmental Management Act:

The Amahlathi Municipality is responsible for applying national environmental management principles in performing all activities that may significantly affect the environment.

In terms of Section 28, Municipalities have a general duty of care related to activities that detrimentally affect the environment.

In terms of the Local Government: Municipal Structures Act:

The Amahlathi Municipality must ensure environmental sustainability in delivery of all municipal services.

In terms of the Environmental Conservation Act:

The Amahlathi Municipality has a general duty of care related to activities that detrimentally affect the environment.

In terms of the EIA Regulations of the Environmental Conservation Act:

The Amahlathi Municipality is required to ensure that all projects, development proposals and actions (such as land development rezoning etc.) that it is responsible for implementing and/or approving, are subject to an EIA, should they fall within the listed activities provided in these regulations.

In terms of the Conservation of Agricultural Resources Act:

The Amahlathi Municipality must ensure that weeds and invasive plants on municipal-owned land or inland waters are eradicated and controlled.

In terms of the National Heritage Resources Act:

Heritage sites must be incorporated into town-planning schemes, where applicable.

The Amahlathi Municipality must draw up by-laws where necessary.

The Amahlathi Municipality must ensure Municipal compliance with NHRA.

3.1.11 ENVIRONMENTAL MANAGEMENT

The municipal area is situated at the foothills of the Amathole and Kologha mountains. As a result, there are considerable temperature variations between summer and winter. The area is subject to frost and hail conditions. The area lies in the summer rainfall region with over 70 % of the mean annual rainfall experienced in the summer months (October to March). Mean Annual Precipitation (MAP) varies across the region from a low of 400 mm in the northwest (leeward side of the Amathole Mountain) increasing to the east. The highest rainfall (approx. 1000mm/ annum) is experienced on the windward side of the Amathole Mountains. Vegetation types represent an integration of the climate, soil and biological factors in a region, and as such, are a useful basis for land-use and conservation planning. There are twelve vegetation types found in the Amahlathi LM, highlighting the diversity of environmental conditions experienced in the Municipality. The distribution of these vegetation types is illustrated in the map and table below. Amathole Montane Grassland covers 44% of the Municipality.

FUNCTIONALITY OF ENVIRONMENTAL MANAGEMENT UNIT

The municipality does not have a designated person/ Unit to perform environmental Management Functions.

The review of institutional capacity in this regard forms part of the present Institutional Plan process. Activities under environmental management are done at Community Services and Development and Planning Directorates

The Environmental Management Officer position in the organizational organogram has been identified as a critical position in the field. However, environmental management issues and climate change response activities are done in the municipality through awareness campaigns, clearing of illegal dumping sites and, clearing of stormwater drains, tree planting, bush cutting and clearing. The Municipality has a relationship with ADM, Environmental Management Unit,

BIODIVERSITY

The following plans illustrate the dominant characteristics of the natural endowments of the Amahlathi area.

They outline the following: -

- Indigenous Forests in the Toise area and, most notably, the forests stretching from north-west of Stutterheim into the Keiskammahoek area. The latter stretch of forest accommodates the Amathole Hiking Trail, which is a potentially significant local tourism attraction. These forest areas are noted as conservation-worthy and must be managed accordingly, to ensure sensitive development of tourism assets and the sustainable use of the available resources.
- The indigenous forests fall within an area demarcated as the Amatole Complex. The Amatole Complex has been identified as a center of endemism and includes the escarpment forests and Winterberg grasslands.
- Wartburg falls in the Toise (Wartburg) area. This is a potential scenic tourist attraction and needs to be developed to its potential in an environmentally sensitive manner.
- There are various sites where rock paintings have been discovered. These include sites in the Cathcart vicinity and on the farms Cows mead and Bulls Run in the Lujillo local area.
- The Keiskammahoek area has long been noted for its agricultural potential, based on its natural assets of favorable soils and adequate water supply for intensive irrigated crop production. However, full development

of these assets has been hampered by historically inequitable land management practices, and complex land tenure arrangements in the area.

- Similarly, the area located in the southern sector of the Amahlathi Municipal area, the Elukhanyisweni local area, has also previously been identified as having good potential for irrigated crop production. Again, the full development of this potential has been hampered by lack of infrastructure and adequate land tenure arrangements.
- The areas around Cathcart and to the East of the Municipal area have identified potential for Game Farming.

RENEWABLE ENERGY

The municipality encourages the use of alternative energy sources in line with the overarching national government objectives of reducing South Africa's overall dependence on greenhouse gas emitting energy sources. These may include:

- ▮ Solar Energy such as solar energy water geysers; Solar Streetlights & High mast Lights
- ▮ Wind Energy such as wind farms.
- ▮ Biofuel and Biogas Energy; and,
- ▮ Hydro Energy.

Reducing the household dependence on conventional energy forms, is believed that it will also have a positive effect on the general household monthly spend on energy purchases. Therefore, initiatives such as the solar energy high pressure water geysers programme being run by the Department of Energy and the Light Bulb Retrofitting programme being implemented by Eskom, inter alia, are considered as of paramount. These would have a significant impact in the case of the semi-rural Amahlathi Municipality where the average household incomes are generally low.

The Municipality gone further in the drive for alternative sources of energy by welcoming presentations by private electricity producers. The Municipality will be inviting more presentations with the view of developing a framework through which additional electrical power can be generated and supplied to the areas where the Municipality is the local authority.

3.1.12 ROADS

Amahlathi has a road network of 2 099.16 kilometres in total. The ownership of the roads falls under Eastern Cape Department of Transport (1 407.17 kilometres), Amahlathi Local Municipality (529.66 Kilometres) and SANRAL (162.37 Kilometres). The Municipal has 43.10 kilometres surfaced (Tar, Block Paving or Concrete) and 486.56 kilometres of gravel roads. This is as reflected in the Roads Maintenance Plan commissioned by Amathole District Municipality and published in April 2024. The Municipality engages the other roads authorities quarterly during the seating of the Infrastructure Cluster IGR. The Municipality in engagement with the District Municipality and the provincial Department of Transport is in the process of establishing a Transport Forum.

A three-year capital plan has been submitted to council in the 2024/25 financial year and has been approved. The plan lists projects which will be implemented under the Municipality's Municipal Infrastructure Grant (MIG) programme. The lists include roads projects and covers planning from the 2024/2025 financial year until the 2026/2027 financial years. The plan is reviewed annually in line with IDP and Budget processes. The municipality has a budget allocated for road maintenance in the 2024/25 financial year budget approved by Council, however the budget was exhausted during the second quarter.

The Municipality has seen an increase in road maintenance backlogs because of shortage of road construction machinery. The Municipality currently has no excavator for mining material for re-gravelling roads. This challenge has been addressed by hiring machinery. The Amathole District Municipality has developed a Rural Road Asset Management System (RRAMS) on behalf of its local municipalities including Amahlathi. The system reflects the state of all Municipal owned roads and its maintenance requirements. The Municipality uses the system when identifying the maintenance needs of the roads prioritised for rehabilitation. The Municipality has not developed a Roads and Stormwater Infrastructure Asset Management Plan. The Municipality has accommodated the development of both a roads maintenance plan and storm water management plan under the MIG budget for the 2025/26 year.

The Municipality is continuing with the inhouse construction initiative and has to date completed four projects since the 2022/23 financial year. During the 2024/25 financial year the unit completed two disaster grant funded projects (Stutterheim Landfill site road and culvert and Goshen Internal Roads). An item was presented and approved by council for the ring fencing of the proceeds from projects constructed inhouse. It is intended that these funds will be used to purchase new plant with an excavator being the priority.

3.1.13 ELECTRICITY

The municipality has active operating license with NERSA to distribute Electricity for Stutterheim, Amabele and Cathcart Town, Eskom holds the licence for distribution of electricity in all remaining areas of under the jurisdiction of the Municipality. The municipality services 3800 households with electricity under its licence, and is responsible for planning, design, operation and maintenance of electricity network feeding these households. The capacity of the Eskom infrastructure available to supply Stutterheim is estimated 8MVA. In the areas where the Municipality holds the licence there are no historical backlogs however new are applied for and connected. In the Eskom area the historical backlog is 112 households in the Keilands village. The challenge is accessing the area which is mountainous. Keilands will now be part of micro grid project where power will be supplied to the area through solar energy.

The Notified Maximum Demand agreement with Eskom for the network is 5.5MVA for Stutterheim, 0.2MVA for Amabele and 1.4MVA for Cathcart. Currently the Actual Demand consumption for Stutterheim is 4.9MVA, Amabele is 0.08MVA and for Cathcart is 1MVA. The consumption in Stutterheim is of concern as it is close to the available capacity. The Municipality is looking at various solutions to increase the available capacity. The Municipality has applied for a new point of supply with capacity of 3MVA and has been approved. The infrastructure works to energize the new line is funded under the Small-Town Revitalization grant from the Office of the Premier.

The Municipality currently incurs losses more than 30% annually through the electricity provision function. This is due to technical and non-technical losses. The technical losses being losses due to the aged network and the non-technical losses being due to faulty electricity meters, meter tampering and electricity theft.

The Municipality has appointed a service provider for three years to supply smart meters in an effort to curb non-technical losses and electricity theft. The first batch of meters has been delivered and the Municipality has embarked on a drive to replace all faulty meters. This will help to tackle some of the non-technical losses as well. The Municipality is implementing temper fees and exercising disconnections on tempering residents. Incidents of tempering and illegal connections in the ESKOM areas are reported to ESKOM.

The Municipality registered with the Municipal infrastructure Grant (MIG) for funding of the review of the Electrical Master Plan. The review will assist in the determination of the required network upgrades which need to be done to reduce the technical losses. The funding has been approved.

The Municipality is in need of a Crane Truck. The Crane Truck, forms a vital part of carrying out the repairs and maintenance of the electrical network including the installation of new electricity connections, repairing of faulty meters, streetlights and high mast lights for the community of Amahlathi Municipality at large. The Municipality has gone out to tender for the hiring of the crane truck to ensure that the repairs can be implemented. The Municipality

is also in the process of procuring a cherry picker from National Treasury's RT57 contract to be able to attend to day-to-day operational works.

The Municipality has not been receiving an allocation under the Integrated National Electrification Programme (INEP) for the last three years. This has adversely affected efforts to upgrade and maintain electricity infrastructure. The Municipality has successfully engaged with the Department of Energy to resolve issues that had resulted in the Municipality to not be funded under INEP. The Municipality was approved an amount of R1 860 000 for the 24/25 financial year. Applications for funding have been submitted for 25/26 financial year.

3.2 KPA 2: MUNICIPAL FINANCE VIABILITY

3.2. COMPLIANCE

3.2.1 Policies

All finance related policies are reviewed and adopted annually, where a gap has been identified then the policy gets amended accordingly. The municipality has the following policies: -

3.2.1.1 Indigent

The objective of this policy is to ensure the following: -

- The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council.
- The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidization.
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy.
- Co-operative governance with other spheres of government.

The indigent register is being updated on an ongoing basis. R5million has been allocated for free basic services in the 2024/2025 budget. The Municipality has dedicated personnel for Free Basic Services. The budget for free basic services for the past two financial years was R5m (2024/25) and R1m (2023/24) respectively. The indigent Steering Committee was established to carry out the awareness campaigns. The unit runs community visits to register indigents in collaboration with ADM.

3.2.1.2 Tariff Policy

The tariff policy has been compiled taking into account, where applicable, the guidelines set out in Section 74 of the Municipal Systems Act No. 32 of 2000. In setting annual tariffs the council shall at all times take due cognizance of the tariffs applicable elsewhere in the economic region, and the impact which tariffs may have on local economic development.

3.2.1.3 Rates Policy

In developing and adopting the rates policy, the Council has sought to give effect to the sentiments expressed in the preamble of the Property Rates. The Council shall as part of each annual operating budget component impose a rate in the rand on the market value of all rate-able properties as recorded in the municipality's valuation roll and supplementary valuation roll. Rate-able property shall include any rights registered against such property, with the exception of a mortgage bond. The Council pledges itself to limit each annual increase as far as practicable to the increase in the consumer price index over the period preceding the financial year to which the increase relates, except when the approved Integrated Development Plan of the municipality provides for a greater increase.

3.2.1.4 Debt Write-off Policy.

This policy aims to set down procedures and principles to be carried out when all debt deemed irrecoverable is to be written off. It is set to identify all bad debts during the financial year.

3.2.1.5 Cash management and Investment Policy –

The Council of the municipality is the trustee of the public revenues, which it collects, and it therefore has an obligation to the community to ensure that the municipality's cash resources are managed effectively and

efficiently. The objectives of the Cash Management and Investment Policy of the Amahlathi Local Municipality are as follows:

- Ensuring that cash resources are managed efficiently and effectively,
- Ensuring that investments are placed with reputable institutions, for the purpose of safety of capital. investment, and diversification of the investment Portfolio,
- Ensuring that adequate liquidity is maintained at all times, for management of cash flows,
- Ensuring that the municipality receives optimal yield / interest on its investments with financial institutions, at minimal risk,
- Striving for reasonable growth on capital investments in addition to interest earned on investments,
- Ensuring that monies due to Council are collected and banked appropriately as soon as they are received,
- Ensuring that payments to creditors are made by due dates.

3.2.1.6 Asset Management Policy

The Municipality believes that an Asset Management Policy is essential to ensure effective and efficient utilization of public monies and accountability thereof is heavily dependent on accurate recording and accounting for those assets with the compilation of the Asset Register that is GRAP compliant. The policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The prime objective of the policy is to ensure that the assets of Amahlathi Municipality are properly managed and accounted for by: -

- Ensuring the accurate recording of asset information
- The accurate recording of asset movements
- Exercising strict control over all assets
- Providing correct and meaningful management information
- Ensuring adequate insurance of all assets
- Maintenance of Council's Assets

The municipality make use of asset management system which allows for more regular updates of the register as well as ensuring that the audit process is smooth. The municipality conducts a conditional assessment of its assets and prepares an asset register. These assets are rated from Good, Fair, Poor to Very Poor in the GRAP compliant asset register. The municipality budgeted a sum of R3m (2025/26) and R2.9m (2024/25) respectively for maintenance of a wide variety of its assets from movable to immovable. During the planning period the municipality prioritize which assets to be maintained through allocation of budget.

3.2.1.7 Petty Cash Policy

The use of a petty cash float (a float may not exceed R600-00) is strictly confined to individual cash purchases of up to a maximum of R100-00, unless authorized by the Chief Financial Officer; The expenditure with regard to petty cash purchases shall not be deliberately split into more than one transaction to avoid the said limit. Currently the policy (petty cash issued) is not being enforced due to logistical (office space, safety etc) challenges in the office.

3.2.1.8 Budget Policy

The objective of this policy is to secure sound and sustainable, management of the budgeting and reporting practices of the municipality by establishing requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes and other relevant matters as required by Municipal Finance Management Act 56 of 2003. The objectives of the policy are set out on the foundation of the following legislative prescripts:

- Constitution of 1996
- MFMA Circulars.
- MFMA Act 56 of 2003; and
- Municipal Budget and Reporting Regulations, Government Gazette no. 32141 dated 17 April 2009
- Municipal gazette on remuneration of office bearers
- Municipal gazette on remuneration of senior managers

3.2.1.9 Customer Care Policy

Customer Care Policy was developed and adopted by council with the following objectives: -

- To provide quality service to all stakeholders interacting with the Municipality, i.e. public service providers, contractors, fellow staff members in every department and other Government agencies.
- To ensure that customers are provided with relevant information as and when is needed in the appropriate format.
- To ensure customer complaints are addressed promptly, timeously and to the full satisfaction of the client.
- To ensure that customers, both internal and external to the Municipality receive consistent and fair treatment at all times.
- To reduce the financial and time cost incurred arising from poor customer service due to repeat calls from and to customers.
- To equip municipal staff with knowledge and competencies to continually enhance the service standards according to changing customer needs.

3.2.2. Revenue Enhancement Strategy, now referred to Financial Improvement Plan

The municipality is implementing a Revenue Enhancement Strategy to ensure that all possible avenues are explored to maximize the receipt of monies available to Council by way of assessment rates, service charges, intergovernmental transfers and grants and donations and to ensure that monies owed to the municipality are duly collected. There is an urgent need by the municipality to look at other revenue generating strategies as in the past years there has been a constant decrease in equitable share as well as a decline in own revenue. This is in contrast to the significant increase in employee related costs, operating costs and contracted services which have a negative effect in the provision of basic services and honouring of obligations by the municipality. The municipality developed and adopted a policy on cost containment measures which addresses what should the institution spend its monies on.

The municipality has since resolved to combine the Revenue Enhancement Strategy with the Financial Recovery Plan because of the similarities in the two documents. The new document to be implemented in the 2025/26

financial year is called Financial Improvement Plan, this means the two documents mentioned earlier will cease to exist. This will also result in ensuring that there is no duplication when it comes to reporting and that time is used efficiently by the municipality.

3.2.3 Annual Financial Statements and GRAP Asset Register

The 2023/24 Annual Financial Statements and Asset Register were prepared in accordance with Generally Recognized Accounting Practice Standards and National Treasury formats. It is the responsibility of the accounting officer to make sure that the Annual Financial Statements and Asset Register are prepared based on the prescribed format and submitted to Auditor General of South Africa, Provincial and National Treasury on time as prescribed by the MFMA, and the documents were prepared in line with mSCOA requirements. An Annual Financial Statement Preparation Plan is annually developed to guide the process and ensure adherence to the submission on or before 31 August.

3.2.4 Bank Accounts

The Municipal Finance Management Act Section 7 and 8 requires that the municipalities must open and maintain at least one primary bank account in the name of the municipality and that all monies received by a municipality must be paid into its primary bank account. The municipality has one primary bank account and uses that account to receive allocations paid to the municipality and all other monies flowing in and out of the institution. There are separate accounts for conditional grants as well as call accounts for different purposes.

3.3 EXPENDITURE MANAGEMENT

3.3.1 Subsidies and Grants

The municipality manages and reports on conditional grants in line with division of revenue act requirements. The table below reflects the percentage expenditure spent on grants gazetted in the Division of Revenue Act (Dora) for 2023/24 financial year. The reports are prepared monthly and quarterly, submitted to the transferring officers in line with Dora requirements and conditions.

Grant	Percentage
Municipal Infrastructure Grant	100%
Finance Management Grant	100%
Expanded Public Works Grant	100%
Disaster Management Grant	45%
Library Grant	100%

3.3.2 Payment of Creditors

The Municipality strives to pay its creditors within 30 days; however, there are some delays experienced when the procurement process is not adequately followed and due to the weakening cash flow position. The turnaround time relating to payment of creditors has since been negatively affected by the current cash flow challenges.

3.4 REVENUE MANAGEMENT

3.4.1 Billing and Credit Collection System

The municipality bills its debtors monthly and procedures are in place to regularly update and monitor the correctness of debtor's information. Council has adopted a debt collection and credit control policy which outlines procedures for the collection of arrear debt. The municipality has established a unit to assist in the implementation of the policy. The average collection rate inclusive of long outstanding debt was about 73% in 2023/24 financial year. Debt collection has also been negatively affected by various factors which among them include culture of non-payment by debtors and the weak economic growth.

3.5 VALUATION ROLL

The current Valuation roll is effective till 30 June 2025. The valuation roll was published to allow for objections as required by MPRA. The next valuation roll has been submitted to the municipality in January 2025 and an objection period was opened accordingly, the deadline for objections was 17 April 2025. The valuation roll and notices for inspection were published in various media platforms including the website of the municipality and the provincial gazette. It will be maintained through supplementary valuations to give effect to the changes that occur in properties. The Rates By-Law being promulgated in line with MPRA (Provincial Gazette No 4076)

The municipality did adopt the project plan in the previous financial year already hence we are on course to implement a new roll come July 2025. The budget for the general valuation roll is R2 150 000. The resolution for levying rates was promulgated as well in line with the MPRA (Provincial Gazette No 5252).

3.6 SUPPLY CHAIN MANAGEMENT

The municipality has an established Supply Chain Management unit. In the preamble of the SCM Policy it is stated that "the Supply Chain Management Policy seeks to encourage socio-economic transformation" within its region. To achieve this, empowerment goals have been set, which aim to redress the skewed distribution of wealth and therefore contribute to the alleviation of poverty. Immediately after the approval of budget, procurement plan is developed which guides the sittings of the bid committees. In trying to implement the policy the municipality has the following filled positions a Senior Manager; Contract Management Officer; Demand Management Officer and Acquisition Management Officer. The functions or duties of the officers includes ensuring that goods and services are procured in line with the SCM regulations and the policy, management of contracts management of stores to mention a few.

3.8 FINANCIAL REPORTING

Municipalities were expected to comply with the MFMA: mSCOA Regulations, (Gazette No.37577) as issued by National Treasury. The municipality became live on 1 July 2017 and strives to compile and submit financial reports in line with Municipal Finance Management Act section 71; 52d; 72 and yearly. The municipality has been submitting reports in-line with the mSCOA requirements. Annual budgets are prepared and submitted in the correct versions and their associated data strings. 2025/2026 budget was also be prepared using the latest version 6.9 of A schedule as guided by treasury.

3.3 KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

3.3.1 PROCESS FOLLOWED

On 29/08/2024 the Amahlathi Local Municipality Council adopted its IDP and Budget process plan. The IDP/Budget process plan outlines in detail the way in which the municipality embarked on its 2025/26 IDP from its commencement in July 2024 to its completion June 2025.

ORGANISATIONAL STRUCTURES & PUBLIC PARTICIPATION

The IDP of Amahlathi has been compiled through an interactive process, which has been overseen by a Council and the Amahlathi Representative Forum.

Amahlathi Municipality's IDP Participatory Structure

The Amahlathi IDP roadshows were convened by the Amahlathi Municipality during the second quarter of 2024/25, and they serve as the primary vehicle for consultation and public participation during the IDP's reviewal.

This body comprised of numerous stakeholders, including political parties, ward committees, youth and women's organizations, individuals, Government structures, NGO's and other organizations of civil society.

3.3.2. THE PLANNING PROCESS UNDERTAKEN

Phase 1 – Analysis Update & Review of Progress- Community Consultation on priority needs identification was during the second quarter of 2024/25 financial year. There were departmental and technical strategic planning sessions were convened to review the strategies, indicators and targets. The Institutional strategic planning was held with other stakeholders i.e., Councilors, Traditional Leaders, Executive Management and Labor representatives in preparation for IDP review. The other round of roadshows will be conducted during the month of April 2025 to all clusters for the presentation of the draft IDP and Budget to solicit inputs from the community. The inputs will therefore be incorporated to the IDP and discussed in Council and the Rep forum earmarked for the 4th quarter.

Phase 2 – Revised Objectives and Strategies- wherein a participatory process contributed to the formulation of revised development objectives and strategies in relation to the broad priority development issues identified based on the Analysis work and the outputs of several Sector Plans undertaken by the Amathole District Municipality and sector departments. Set objectives have been broken down into yearly phases.

These Priority Issues are arranged into revised development clusters, in line with recommendations made by the Amathole District Municipality, which acted in its capacity of setting an appropriate Framework for the IDP Process. Intergovernmental Relations forum were conducted during the review.

Phase 3 – Project Planning - wherein technical and participatory processes were undertaken to identify priority projects within sectoral clusters, which were identified in Phase 2.

Project Prioritization was undertaken with the overriding objective being to identify Year 1 priority projects to fit within a realistic budget framework.

The prioritization process was informed by identified development needs per sector. Suggested project priorities for Year 1 were compiled and presented to the Representative Forum, Ward structures and civil society stakeholders, and, finally, the Amahlathi Municipal Council.

Phase 4 – Integration - projects were assessed in order to determine their impact on or potential integration within sectoral programmes (e.g., Land Reform Programme etc.).

Phase 5 – Approval, the final IDP will be publicized for perusal, as required in law. This will follow after its adoption subject and substantive comments by the Amahlathi Municipal Council of May 2025.

3.3.3. PUBLIC PARTICIPATION

3.3.3.1 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Account Committee (MPAC) was established for the current term of office on the 07 December 2021, in terms of Section 79 of the Municipal Structures Act and as a committee of Council for the efficient and effective performance of its functions. The MPAC Terms of Reference (TOR's) were established in 2016 which states the purpose of the committee and its specific responsibilities. The TORs are reviewed regularly to incorporate developments in the area.

MPAC enables the Council, in respect of financial management, to fulfill its constitutional obligation to scrutinize and oversee executive action with regards to financial administration and non- financial activities. Oversight is a concept that refers primarily to the crucial role of the council in reviewing and monitoring the actions of the executive. The executive in carrying out its tasks, whether by implementing legislation or policy, acquires considerable power. The condition of the exercise of that power in a constitutional democracy is that the administration or executive is checked by being held accountable to the council.

Members were appointed by Councilors, and it was agreed that none of these appointed Councilors should serve on any other committee and standing committee.

The appointed members are as follows:

- Cllr Zukisa Anda Qonto (Chairperson)
- Cllr Xoliswa Neti
- Cllr Masixole Gantsho
- Cllr Phathuxolo Able Simandla
- Cllr Nicholas Ncevu
- Cllr Zonke Mjandana

The role of MPAC is to serve as an oversight Committee and to review Amahlathi Local Municipality's Annual Report with specific focus on the financial aspects as contained in the Auditor-General's Report and when instructed by the Council to advise Council in respect of unauthorized, irregular or fruitless and wasteful expenditure in terms of Section 32(2) of the Municipal Financial Management Act (MFMA). The MFMA also requires a certain level of oversight by the municipality over the executive authority. This entails, amongst others, the annual report which includes the financial statements, the SDBIP, and the performance of the municipal manager and section 56 employees.

3.3.3.2 HUMAN RESOURCES DEVELOPMENT TRAINING COMMITTEE

In terms of the regulations to the Skills Development Act, every organization with more than 50 employees must establish an institutional forum (Training and Employment Equity Committee) for purposes of consultation with regard to skills development. At Amahlathi Municipality, we have an existing Training and Employment Equity Committee (TEEC) which sits as a LLF sub-committee on a quarterly basis and chaired by the Corporate Services Portfolio Head, consisting of the same Councilors that participate in the LLF. It is composed of the following people.

- Portfolio Head Corporate Services
- Portfolio Head Finance
- Cllr for LLF (X4)
- Director Corporate Services
- CFO
- Manager Finance
- Manager Engineering
- Manager SPU
- Human Resources Manager
- Designated Group X3
- Skills Development Facilitator
- Community and Youth Development Administrator (EPWP)
- SAMWU Rep
- IMATU Rep
- Labour Relations Officer
- Training Coordinator

3.3.3.4 LOCAL LABOUR FORUM

The Local Labour Forum is a consultative structure where employer and employee discuss matters of mutual interest. The main collective agreement confers to the L.L.F powers and functions of negotiating and or consulting among other things.

- On matters of mutual concern pertaining to the employer which do not form the subject matter of negotiations at the Council or Division
- On such matters as may from time to time be referred to such forum by the Council or its division.
- Concluding of minimum service level agreement

The Local Labour Forum is established with equal representation from trade unions and the employer with the trade union's representation divided in proportion to their respective membership in that individual Local. For

Amahlathi, we do have an established Local Labour Forum and it sits on a quarterly basis and when there is a need. The committee representatives are as follows.

NUMBER	EMPLOYER COMPONENT	NUMBER	LABOUR COMPONENT
1.	Portfolio Head Corporate Services	9	SAMWU
2.	Portfolio Head Finance	10	SAMWU
3.	Any three (02) Councilors	11.	SAMWU
4.	Director Corporate Services	12.	SAMWU
5.	Chief Financial Officer	13.	SAMWU
6.	Director Community Services	14.	SAMWU
7.	HR Manager	15.	SAMWU
8.	Director Engineering	16.	IMATU

3.3.3.5 WARD COMMITTEES

In line with Chapter 4 of the Municipal Structures Act 1998, the Amahlathi Local Municipality is committed to enhance the democratic, open, transparent and participatory system of local governance within its area of jurisdiction. The ward committee system is a critical role player in giving meaning to the notion of "the people shall govern". This is because local government is the level of government closest to the people and ward committees are just one way to ensure that citizens give input to the decisions that local councils make. Ward committees are one way that communities can have a say in government decisions. In simple terms, ward committees are made up of elected members of a particular ward to:

1. Raise issues of concern about the local ward to the ward councillor.
2. Have a say in decisions, planning and projects that the council or municipality undertakes which have an impact on the ward.

The ward councillor is the chairperson of the ward committee, and as such he or she is an essential member of the committee. The proportional representation (PR) councillor is assigned by the council to play a role in supporting the ward councillor in a ward.

The ward committee are assisting the ward councilors in carrying out their mandate with respect to community engagements such as general meetings, steering committees and area meetings. They also attend the municipal programs and give feedback to the community, programs like IDP Roadshows/Mayoral Imbizos, Annual Reports, Public Participation programs, municipal hearings and the door-to-door campaigns organized by the municipality and other sector departments.

Ward Committees submit and table the reports addressing the needs and priorities of the ward through the ward councilors to the office of the Speaker. The Speaker compiles a comprehensive report and submits that to the Council.

In terms of the White Paper on Local Government 1998, ward committees should be given stipend and that has been implemented from November 2011. The stipend is determined as R1000 across all municipalities. Each municipality depending on its affordability may increase the stipend. The council of Amahlathi Local Municipality added R350, thus increasing the stipend to R1 350.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

The municipality is committed to the capacity building of ward committees. On inception ward committees are required to attend induction wherein they are introduced and workshopped to their role. Each year a minimum of one workshop is conducted to update ward committees on the developments in the space of local government. During 2024/25 financial year the all-ward committees were capacitated on the following areas;

- Development of ward-based plans- Supported by Cogta and ADM (IDP section)
- Data collection and role clarification on disaster management- ADM (Disaster Management unit.)

Cluster	No Of Wards	Wards Established	No Of WC members
Keiskammahoek	5	5	48
Cathcart	2	2	20
Stutterheim	5	5	47
King Kei	3	3	27
Total	15	15	142

Development of Ward based Plans.

In October 2024 COGTA provided Amahlathi LM with the Ward Based Planning training to all ward councillors and ward committees. One of the tasks that were given to ward councillors and ward committees was to collect data from their communities using the ward-based collection tool designed by COGTA on various sectors (health, education, infrastructure etc).

On the 28 March 2025, a ward-based planning session was held at Siyakhula High School, where Stutterheim cluster (Ward 06,09,13,14 and 15) ward Councillors and ward committees submitted their drafts. The municipality has now 5 draft ward-based plans and planned to develop 5 in 2025/26 and 5 in 2026/27.

Community Development Workers (CDWs)

The Community Development Workers were first mentioned by former president Thabo Mbeki in the State of the Nation Address 14 February 2003. Their role was designed to be agents deployed to maintain direct contact with the people where they live and to ensure that the government improves the qualities of the outcomes of public expenditure. Community Development Workers attend and provide support and reports to ward committee meetings. CDWs assist in ward profiling and stakeholder mobilization for the municipality. They support the work of councillors where possible. They sit with the Office of the Speaker quarterly, tabling their reports and challenges they face in the wards. They also form part of Operation Masiphathisane (War Room) as secretaries.

Not all wards have CDWs, six wards (ward 1, 3, 7,8,14 and 15) out of fifteen are operating without CDWs. There are ten CDWs in our municipality, two are residing in the same ward due to the demarcation.

Traditional Leaders

The Local Government: Municipal Structures Act, 1998, provides for the participation of recognized Traditional Leaders in municipal councils. In participating they are bound by the Code of Conduct for Councillors, but do not have voting rights and do not become councillors. Section 81 of Structures Act provides for a maximum of 20 percent representation of traditional leaders in municipal council meetings, where there are traditional leaders in the municipality. There are two traditional leaders representing the traditional councils in the jurisdiction of Amahlathi to give support to the council and advice when necessary.

Traditional attend all municipal programs and council meetings to give feedback to their traditional councils. Traditional leaders also receive the same benefits and receive sitting allowance and tools of trade as the contribution of the municipality, as stated in the policy. Their role is to support the municipality in the identification of the needs of the community; facilitating the involvement of the traditional community in the development or amendment of the IDP of the municipality in which the community resides and participating in the development programmes of the municipality.

Section 5 of the Framework Act further provides for partnerships to be entered into between municipalities and traditional councils.

Operation Masipathisane (War Room)

The establishment of Operation Masipathisane was aimed at enhancing public participation by creating ward war rooms. The major challenge faced by Amahlathi Local Municipality with regards to Operation Masipathisane is the resourcing of the programme. The lack of budget and requisite tools of trade stifle the implementation of Operation Masipathisane.

Amahlathi Local Municipality consist of 15 Wards and only 7 Ward War Rooms were successfully launched in 2017. All these war rooms are using community halls as their sites. The main challenge that stumbles efforts of establishing the remaining ward war rooms is due to the vastness of some wards, unreliable public transport and the lack of the tools of trade. The municipality is considering using extended ward committee meetings as ward war rooms for the remaining wards and any ward war room that face functioning challenges. Satellite war rooms are used to accommodate those who cannot access the main war room. The municipality will roll out a program to capacitate the Ward War Rooms to ensure effective public participation.

3.3.3.6 PERFORMANCE AUDIT COMMITTEE

The functions of the Audit and Performance Committee (hereinafter referred to as the Committee) is primarily to assist the Amahlathi Municipality (hereinafter referred to as the Council) in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements as well as assisting in performance management systems. The Audit and Performance Committee has 4 members listed hereunder and meet 4 times per annum as per its approved terms of reference.

NUMBER	SURNAME AND INITIAL
1.	Ms. Loren Smith - Chairperson
2.	Mr. Mlulami Mdani
3.	Mr. Mxolelanisi Manxiwa
4.	Ms. Nosipho Mabuza Hermanus

The Municipality has a functional Performance Audit Committee with 4 members. Contracts for AC Members will expire on the 31st August 2025.

AUDIT COMMITTEE CHARTER

The Audit Committee does have charter that sets out the specific responsibilities assigned to the Committee by the Act and the Local Government: Municipal Planning and Performance Management Regulations, 2001 and details the manner in which the Committee will operate.

The charter is to ensure that the Audit Committee will consider matters relating to management and the Council in the discharge of its duties to safeguard assets, operate adequate systems and controls, and review Annual Financial Statements, and on matters relating to performance management and performance evaluation. The charter is under review. The revised charter will be presented in the council of May 2024.

The quarterly audit committee meetings are convened quarterly, and special meetings are convened when necessary.

3.3.4 INTERGOVERNMENTAL RELATIONS (IGR)

Chapter 3 of the Constitution Act 108 of 1996 provides for the principles that underlie the relations between the spheres of government. IGR meetings will sit on a quarterly basis and are an information-sharing vehicle where government departments and the municipality give light of their experiences and challenges with regards to service delivery. IGR forum is regarded as a strategic planning body with emphasis and updates on current financial year programs and projects. It therefore serves as a feeder to both the IDP Rep forum & District Communicator's Forum (DCF).

During 2016/17 financial year Amahlathi Local Municipality developed and adopted an IGR Policy Framework. The purpose of this framework is to provide procedures by which mechanisms, processes and procedures should be developed and implemented to ensure sound intergovernmental relations between the Amahlathi Local Municipality (ALM), National and Provincial Governments, Amathole District Municipality, Organized Local Government (SALGA) and other strategic stakeholders. This framework serves as an Internal Procedure of the Amahlathi Local Municipality IGR Forum giving effect to the recently Reviewed Provincial IGR Strategy as a mechanism to foster coherent, integrated and aligned service delivery in the province.

TERMS OF REFERENCE FOR THE INTERGOVERNMENTAL RELATIONS FORUM AS OUTLINED IN POLICY FRAMEWORK

Objectives of the Amahlathi IGR Forum

The main objective of the Amahlathi Local Municipality IGR Forum is to enhance coordinated, integrated and aligned development and consider priorities in the entire municipal area. Additional objectives include the following:

- a) Development of a Local Government Programme of Action in relation to the National and Provincial Programmes.
- b) To facilitate the coordination, integration and alignment of provincial and municipal strategic planning and to put in place mechanisms and procedures that will ensure that provincial strategic planning informs and is informed by the IDP of the Amahlathi Local Municipality.
- c) To consult on policy issues that materially affects Local Government.
- d) To develop and provide mechanisms to engage Provincial Government and the Office of the Premier on IGR related matters and/or challenges.
- e) To consider such other matters of mutual interest as either party may place on the agenda of a meeting from time to time.
- f) To promote economic growth and development through trade, investment, and tourism.
- g) To share knowledge and expertise in local governance generally or in agreed functional areas.

The goal of the Amahlathi Local Municipality IGR Forum is to ensure that the decisions reached are implemented by:

- a) Sharing of information on/and understanding of the respective programs of all stakeholders.
- b) A clearer understanding of mutual strategic priorities and how these complement each other.

- c) A commitment to collaborate, engage continually and share information on policy implementation, success stories and co-ordinate activities.

Role of Amahlathi Local Municipality in the IGR Forum

The Amahlathi Local Municipality IGR Forum is a consultative forum for Amahlathi Local Municipality to discuss and consult with stakeholders on matters of mutual interest, including:

- a. Coordinating, overseeing and monitoring the implementation of national, provincial and district governance policies and legislations relating to matters affecting local government interests in Amahlathi Local Municipality;
- b. Matters arising in the District Mayors Forum (DIMAFO), Provincial MuniMEC and the Premier's Coordinating Forum affecting Amahlathi Local Municipality;
- c. Mutual support in terms of the section 88 of Local Government Municipal Structures Act 117 of 1998;
- d. The provision of services in Amahlathi Local Municipality as well as the performance of the Amahlathi Local Municipality in the provision of services in order to detect failures and to initiate supportive, preventive or corrective action when necessary.
- e. Coherent planning and development in Amahlathi Local Municipality.
- f. The coordination and alignment of the strategic and performance plans and priorities, objectives and strategies between the Amahlathi Local Municipality, District Municipality, and other spheres of government.
- g. Any other matters of strategic importance which affects the interests of Amahlathi Local Municipality
- h. Coordination of IGR cluster forums that are aligned to Key Performance Areas of local government.

THE IGR CLUSTERS

It is critical to note the importance of clarity in the allocation of powers and functions to role players and a keen understanding of specific roles and responsibilities within the realm of service delivery. The IGR System functions more effectively when the role players share a very specific objective that needs to be achieved within a non-negotiable period of time.

- a. The Amahlathi Local Municipality IGR Forum established Clusters to assist and advise it in the performance of its functions and exercise of its powers.
- b. The Amahlathi Local Municipality IGR Forum appointed the members of such Clusters.
- c. The members of the Clusters are members of the IGR Forum as well as other partners/stakeholders of the Amahlathi Local Municipality.
- d. The Amahlathi Local Municipality IGR Forum developed the Terms of Reference of Clusters established by it but may not delegate any decision-making powers to these Committees.
- e. The composition of clusters internally is determined by the respective functional areas.
- f. Each cluster may establish sub-clusters within the cluster to ensure that details of planning, coordination, implementation, monitoring and evaluation are discussed.

The established Clusters meet quarterly or as determined by the cluster established so as to consolidate reports to the Amahlathi Intergovernmental Relations Forum which also sit quarterly.

Allocation of the clusters is aligned to the five (5) KPAs of Local Government as well as the 5 Pillars of the Back-to-Basics Approach.

3.3.5 INFORMATION TECHNOLOGY

To align Information Communication Technology (ICT) with Amahlathi local municipality business goals and strategies for ICT to support and enable departments to achieve their business goals and targets.

To manage the Information Communication Technology and oversee the stability of business systems within the organization, which require constant performance monitoring.

The council approved the ICT governance framework in September 2015, and it is reviewed annually. The purpose of the framework is to institutionalize corporate governance of ICT and governance of ICT as an integral part of corporate governance, within the Amahlathi Local Municipality (ALM). The ICT master plan was developed with the assistance of the Amathole District Municipality and Ceenex to further strengthen the governance and planning of ICT. The recommendations of the ICT governance framework and ICT master plan are being implemented, but due to budget constraints, are not fully implemented.

The ICT Master plan review needs to be budgeted, performed, and updated to reflect the changes and progress that have been made over the years.

The digital transformation strategy has been adopted and approved by the Amahlathi Local Municipality Council. The ICT strategy is being reviewed.

The ICT Steering Committee has been resuscitated and sits quarterly to discuss ICT governance. Amahlathi Local Municipality appointed an independent Chairperson for the ICT Steering Committee.

The ICT department has an adopted and approved policy by the municipal council, and the policies are reviewed annually.

Policies & Compliance

- ALM has adopted and approved a wide range of ICT policies, including:
 - ICT Acceptable Use Policy
 - ICT Governance Framework
 - Change Management Policy
 - Backup Procedure Manual
 - Disaster Recovery Plan, among others.

The ICT unit has a staff complement of two permanent staff members and two ICT interns who have been recruited. The intern commenced his duties in September 2024, and the second intern assumed his duties in May 2025.

The ICT office has the sole responsibility of managing ICT resources and therefore provides access to computer networks and maintenance of the ICT equipment supporting all the Municipal employees and the Municipal Council.

All the municipal buildings are connected to the Amahlathi LM network and have access to the Internet and Voice over Internet Protocol (VoIP) telephone system.

The ICT unit provides support in all the municipal sites in Stutterheim and the satellite offices, namely Keiskammahoek, Kei Road, and Cathcart. The LAN connectivity has been improved with the appointment of an ISP that offers improved internet speeds, its service offering has been revised and proposed to include the installation of Wi-Fi network connectivity. The Wi-Fi hotspot has been installed on all Amahlathi Local Municipal buildings except for Keiskammahoek.

The municipality does have an approved disaster recovery plan. Cibecs backup software is deployed in the municipality to be able to back up and restore data of the municipality, inclusive of the 3rd party service providers

for the hosting of servers and business continuity. In the revised service offerings, it has been established that Cibecs backup software provides sufficient management of the data and storage of the data if the LAN connectivity is at its optimum performance.

For productivity, we have procured Microsoft O365 and migrated the emails to the M365 platform, and the servers are hosted at a data center in East London for business continuity.

Uninterrupted Power Supply (UPS) are installed at the newly built Mzwandile Fanti Recreational Center for the 2025/26 financial year. The project will be rolled out to the other buildings, replacing the faulty and dated UPS on all the municipality's network cabinets to provide a continuous power supply and connectivity during load shedding and power outages.

Strategic Alignment & Governance

- ICT is strategically aligned with ALM's business goals.
- ICT governance framework approved in 2015, reviewed annually.
- ICT Master Plan, developed with Amathole District Municipality and Ceenex, is being implemented, though budget constraints hinder full implementation.
- Digital Transformation Strategy has been adopted.
- The ICT strategy is currently under review.
- ICT Steering Committee revived; meets quarterly with an independent Chairperson.
-

Infrastructure & Operations

- All municipal buildings are connected via ALM's internal network.
- Internet access and VoIP, and soft phones are available across sites.
- ISP appointed to improve internet connectivity; Wi-Fi hotspots installed at all sites except Keiskammahoek.

Data Management & Continuity

- Disaster Recovery Plan is approved.
- Cibecs backup software is deployed and supports remote backups, reliant on optimal LAN performance.
- Emails migrated to Microsoft 365 and are fully functional, hosted in the East London data center.

Power Backup

- UPS systems installed at new Recreational Center (2025/26); future rollout planned for other municipal buildings to ensure uptime during load shedding.

Key Strengths

- **Robust Governance and Policy Framework:** A strong ICT governance structure supported by a formalized policy framework ensures alignment with organizational goals and regulatory compliance.
- **Cloud-Based Productivity Tools:** Adoption of Microsoft 365 has enhanced collaboration, efficiency, and accessibility across the organization.

- **Proactive Disaster Recovery Planning:** A well-defined disaster recovery and backup strategy ensures business continuity and rapid recovery in the event of system disruptions.
- **Enhanced Connectivity Infrastructure:** Ongoing improvements in internet infrastructure and site connectivity have strengthened network performance and user experience.
- **Enterprise-Grade Firewall Implementation:** The deployment of a dedicated firewall provides a critical layer of network security, protecting systems from unauthorized access and cyber threats.
- **Regular Policy Review and Dedicated Support:** Annual ICT policy reviews, coupled with a dedicated support structure, maintain operational relevance and provide responsive technical assistance.

Key Challenges

- **Budget constraints** are delaying full implementation of the ICT Master Plan.
- **Limited ICT staffing** may affect scalability and timely support.
- **Connectivity gaps** (e.g., remote rural sites with limited network coverage infrastructure).
- **Dependence on LAN performance** for data backup reliability.
- Need for ongoing upgrades to legacy server and power infrastructure.

Recommendations:

1. **Upgrading and replacing physical servers with cloud-hosted solutions (s)**
2. **Secure a dedicated budget** for full ICT Master Plan review and implementation.
3. **Complete Wi-Fi rollout** to include all satellites for uniform connectivity.
4. **Expand ICT staffing** or outsource some services to reduce the risk of limited human capacity.
5. **Monitor LAN performance** closely to ensure Cibecs backup remains effective.
6. **Roll out UPS upgrades** to critical municipal buildings as a priority.

3.3.6 IDP Previous assessment

Comments from the MEC in the previous years and from the table below shows that the municipality has consistently retained an overall **HIGH** rating score for five years in succession. However still improvement on 2 KPA's namely Spatial Development Framework and Service Delivery was recommended or encouraged.

KPA	RATING 2021/22	RATING 2022/23	RATING 2023/24	RATINGS 2024/25
Spatial Development Framework	High	Medium	Medium	Medium
Service Delivery	High	Medium	Medium	Basic
Financial Viability	High	High	High	High

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Local Economic Development	High	High	High	High
Good Governance & Public Participation	High	High	High	Medium
Institutional Arrangements	High	High	High	High
Overall Rating	High	High	High	Medium

CHALLENGES AND REMEDIAL ACTION

- The results of the assessment were circulated to departments so as to take note of the issues that need to be addressed in the next review of the IDP.
- The Strategic Services department there after held a session looking at the extent in which the assessment result was implemented and further circulated to all departments to attend areas identified as not clearly addressed by departments.

ACTION PLAN FOR 2024/25 IDP ASSESSMENT

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
KPI 1 SPATIAL PLANNING					
1.4 Access to Land and Human Settlements Development					
a) Does the municipality have a credible land audit report, if not is there a plan to conduct one?	The municipality must finalise the land audit report and reflect it in the IDP.	The Municipality relies to ADM for the exercise of Land Audit in line with the Shared Services.	ADM has conducted the Land Audit in August 2024	Annually	Director: Development and planning
b) Does the municipality have management mechanisms in place for land invasion (e.g. invasion policy, by-laws, etc)?	The municipality must develop management mechanisms to deal with for land invasion and reflect in the IDP.	The municipality is in the process of developing a Land Invasion policy	In the process of developing a policy	June 2025	Director: Development and planning
e) Does the municipality reflect on the contents of the housing sector plan in the IDP in relation to:	The municipality must develop Migration Plan as part of the Housing Sector Plan and reflect in the IDP.	Department of Human Settlements is assisting with the development of Housing Sector Plan	Service Provider has been appointed	June 2025	Director: Development and planning
f) Does the municipality reflect on Breaking New Ground Rule?	The municipality must reflect on Breaking New Ground Rule in the IDP.	Engaging with Department of Human Settlements	Development of Housing Sector Plan	June 2025	Director: Development and planning
g) Does the municipality reflect on the units delivered through Finance Linked Individual Subsidy Programmes?	The municipality must reflect on the units delivered through Finance Linked Individual Subsidy Programmes.	Engaging with Dept Human Settlements in ensuring that all we benefit in all the financial Subsidies	Have a capacitation program with Department of Human Settlements	June 2025	Director: Development and planning

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
h) Does the municipality reflect on Community Residential Units?	The municipality must reflect on Community Residential Units in the IDP.	Both ALM and Department of Human Settlements provide CRUs to the disaster hit areas	Information will be included in the IDP	June 2025	Director: Development and planning
i) Does the municipality reflect on upgraded informal settlements to phase 3?	The municipality must reflect on upgraded informal settlements to phase 3 in the IDP.	Through HDA, both Department of Human Settlements and ALM have areas identified for this programme	Project implemented in Cathcart, Katikati, Bongoletu and Upper Izele. Project completed	June 2025	Director: Development and planning
1.5 Environmental Management					
1.5.2 Climate Change					
a) Does the municipality have a climate change response strategy or activities that respond to climate change?	The municipality must develop a Climate Change Strategy and reflect in the IDP.	Climate change activities are being done within the Municipality.	Activities added in the IDP	Ongoing	Director: Community services
1.5.3 Natural Environmental Analysis					
s) Are there any enforced environmental by-laws in place?	The municipality must develop, adopt and implement the environmental by-laws.	The Municipality must appoint Environmental Management Officer.	The Municipality has the following environmental related By-Laws although others being under review: <ul style="list-style-type: none"> By-law relating to solid waste disposal. By-law relating to the prevention of nuisances. Community Fire Safety by law 		Director: Community services
u) Is there evidence indicating an attempt to develop environment planning tools such as State of the	The municipality must show the development of environmental planning tools.	The Municipality needs to employ an Environmental Management Officer. To request the DFFE and district on support towards	A session to discuss plan is scheduled for 10 th April 2025 with ADM – Environmental Management unit.	June 2025	Director: Community services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
Environment Reporting (SOER), Environmental Management Framework (EMFs), Coastal Management Plans, aquatic ecosystem, ecological infrastructure, wetlands bioregional plans and associated Environmental Management Plans (EMP)?		development of the EMP tools applicable to ALM.			
1.6 Waste Management Services					
j) Is there a budget for Operations and Maintenance ring fenced for the implementation of Trade Effluent Policy?	The municipality must develop a trade effluent policy and budget for its operations and maintenance.	The Municipality needs to employ an Environmental Management Officer	Consultations to be done with the factories around Amahlathi on the trade effluent being discharged into the wastewater treatment works.	June 2025	Director: Community services
m) Are there any coordinated fora for waste management?	The municipality must establish the waste management forum and reflect in the IDP.	Municipality Waste management forum has been established and added on the draft IDP 2025/26	Forum is sitting quarterly.	Ongoing	Director: Community services
n) Does the municipality have a leachate plan?	The municipality must develop the Leachate Plan and reflect in the IDP.	Development of the Leachate plan for landfill sites	Leachate Management Plan currently being developed internally for the Stutterheim landfill site	June 2025	Director: Community services
KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE PLANNING					
2.1 Roads and Stormwater Management					
e) Does the municipality have a 3 Year Capital Plan inclusive of Roads and stormwater planning?	The municipality must develop a Stormwater Management Plan and reflect it in the IDP.	Asset Management Plans will be developed utilising MIG	Funding for infrastructure management plans approved under MIG.	30 June 2026	Director: Engineering Services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
(Local, District and National Roads)					
2.2 Public Transport					
a) Does the municipality have an Approved Integrated Transport Plan (ITP)?	The municipality must develop budget for an Integrated Transport Plan and reflect in the IDP.	Asset Management Plans will be developed utilising MIG	Funding for infrastructure management plans approved under MIG.	30 June 2026	Director: Engineering Services
b) Does the 3 Year Capital Plan include public transport facilities?	The municipality must reflect three capital plan that included public transport facilities	The current approved three-year capital plan reflects roads/transport infrastructure	The three-year capital plan is reviewed annually. The current plan was reviewed in August 2024	30 June 2027	Director: Engineering Services
c) Does the 3 Year Capital Plan include non-motorised facilities?	The municipality must develop plans and budget for non-motorized road facilities.	The roads on the three-year plan include sidewalks	The projects are at planning stage and will be implemented in 2026/27 financial year	June 2027	Director: Engineering Services
d) Does the municipality have coordinated forum towards roads & transport planning?	The municipality must establish coordinated forum towards roads and transport planning and reflect in the IDP.	Conclusion of the terms of reference	The terms of reference have been drafted and are awaiting comments from the Municipality	30 June 2025	Director: Engineering Services
2.4 Public Facilities					
a) Does the municipality reflect on both primary and secondary schools within the area that has been affected by the school rationalisation and realignment process?	The municipality must reflect on both primary and secondary schools within the area that has been affected by the school rationalisation and realignment process.	Consultation with ALM DoE	Awaiting information from DoE	April 2025	Director: Community services
a) Does the IDP reflect projects that will be implemented by the Department of Education?	The municipality must indicate projects that will be implemented by the Department of Education in the IDP.	Yes			Director: Community services
a) Does the IDP reflect the number of	The municipality must reflect the number of functional /operating	Yes			Director: Community services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
functional /operating Early Childhood Development (ECD) Centres?	Early Childhood Development (ECD) Centres in the IDP.				
2.5 Health Infrastructure Programmes					
a) Does the municipality reflect on programmes dealing with psychosocial services?	The municipality must reflect on programmes dealing with psychosocial services in the IDP.	Psychosocial services are duly reflected in the IDP, see final 2024/25 IDP	Psychosocial services have been extended to include Jogging, soccer, netball and Aerobic in the 2025/26 Financial year	N/A	Director: Corporate services/General Manager
2.6 Disaster Management/Emergencies and Fire Services					
2.6.1 Disaster Management					
a) Has the Disaster Management Plan of the municipality been coherently integrated into the IDP?	The municipality must develop the Disaster Management Plan and reflect in the IDP.	The Municipality has engaged and seek assistance from ADM to develop the disaster management plan.	ADM is currently developing the Disaster Risk Management Plan.	30 June 2026	Director: Infrastructure Services
a) Has the Disaster Management Plan of the municipality been coherently integrated into the IDP?	The municipality must develop capacity to implement its Disaster Management Plan and reflect in the IDP.	The Municipality has engaged and seek assistance from ADM to develop the disaster management plan.	ADM is currently developing the Disaster Risk Management Plan.	30 June 2026	Director: Infrastructure Services

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
2. SERVICE DELIVERY AND INFRASTRUCTURE PLANNING					
a) Has the municipality budgeted for the implementation of disaster public awareness and advocacy campaigns?	The municipality must budget for ongoing disaster risk assessments, and the implementation of disaster public awareness and advocacy campaigns.	Disaster public awareness campaigns are being conducted without budget except for fuel.			Director: Community Services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

a) Has the municipality set aside budget for disaster response and recovery in line with gazetted national thresholds?	The municipality must budget for disaster response and recovery in line with gazetted national thresholds.				Director: Infrastructure Services
a) Has the municipality adopted and gazetted disaster management by-laws?	The municipality must prepare and adopt the by law to enhance its state of readiness when disaster occurs.				Director: Infrastructure Services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
2.7 Energy					
a) Does the municipality have electricity by-laws?	The municipality must develop electricity bylaws.	The Municipality has sought assistance from SALGA with the development of bylaws	SALGA acknowledged the request. To follow up with SALGA	25/26	Director: Engineering Services
a) Does the municipality have a major electricity disruption contingency plan?	The municipality must develop a Major Electricity Disruption Contingency Plan and reflect in the IDP.	The Municipality currently follows the following process: As soon as outage occurs, electricians are dispatched, and fault is identified and investigated. The community is made aware through a notice and depending on the severity 2 hourly updates are posted.	The Municipality will develop a Major Electricity Disruption Contingency Plan.	25/26	Director: Engineering Services
3. FINANCIAL PLANNING AND BUDGETS					
3.2 Expenditure					
a) Does a municipality have a Repairs and Maintenance Plan in place and budgeted for as per Municipal Finance Management Act (MFMA), No 56 of 2003 Circular 51?	The municipality must budget at least 8% for repairs and maintenance as per the Municipal Finance Management Act (MFMA) Circular 51				Chief Financial Officer
a) Does the municipality service its creditors in terms of financial norms and standards?	The municipality must service its creditors as per the financial norms and standards.				Chief Financial Officer
3.5 Valuation					
a) Does the municipality indicate budget allocated to	The municipality must indicate budget allocated to appoint a service				Chief Financial Officer

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
appoint a service provider to conduct a General Valuation?	provider to conduct a General Valuation.				
4. LOCAL ECONOMIC DEVELOPMENT					
a) Does the municipality have mechanisms for business attraction and retention?	The municipality must develop mechanisms for business attraction and retention and reflect in the IDP.	The Municipality is engaging with different sectors	<ul style="list-style-type: none"> Quarterly meetings with Big Business Planned Business Breakfast in May 	June 2025	Director: Development and planning
a) Does the municipality reflect on the available economic infrastructure?	The municipality must reflect on the available economic infrastructure in the IDP.	Annually, the municipality construct and maintains road infrastructure leading to tourism and investment areas	Road construction and Maintenance projects leading to Investment and Tourism areas	June 2025	Director: Development and planning
a) Is there evidence of functional stakeholder and community involvement in LED activities (e.g., LED forum, business chambers etc.)?	The municipality must reflect on stakeholder and community involvement in LED activities.	The Municipality is resuscitating the Forums and CTOs, and LTO	LED forum has been resuscitated	June 2025	Director: Development and planning
a) Does the municipality have mechanisms to support the implementation of public employment programmes in the form of Community Work Programme (CWP) / Extended Public Works Programme (EPWP)/any other? E.g. training.	The municipality must develop mechanisms to support the implementation of public employment programmes in the form of Community Work Programme (CWP) / Extended Public Works Programme (EPWP) and reflect in the IDP.	Through IGR	<ul style="list-style-type: none"> Quarterly Capacitation programs are provided by different sectors. Incubator Policy in Place Draft LED Policy in Place 	June 2025	Director: Development and planning

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
cooperative registrations etc.					
a) Does the municipality reflect on mechanisms for attracting investments into township economies (if applicable)?	The municipality must reflect on mechanisms for attracting investments into township economies.	Implementation of the Standard Bylaw for the Township Economies	Adopted the Standard Bylaw for the Townships economy. To form part of the IDP	June 2025	Director: Development and planning
5. GOOD GOVERNANCE & PUBLIC PARTICIPATION					
5.2 Public Participation					
a) Does the municipality reflect on programmes to capacitate ward committees?	The municipality must reflect on programmes to capacitate ward committees	The municipality will conduct workshops to build the capacity of ward committees. This limitation is caused in the main by unavailability of budget.	Workshop on ward committees will be conducted in the first quarter.		General Manager
a) Has the municipality developed ward based plans for all wards?	The municipality must develop Ward Based Plans and reflect in the IDP.	The municipality will develop the 15 ward-based plans over this three-year period	5 ward-based plans will be developed by end of June		General Manager
5.5 Council and other Governance Structures					
a) Does the municipality have a resolution tracking mechanism that gives an indication on the status of the implementation of such resolutions?	The municipality must reflect on a resolution tracking mechanism that gives an indication on the status of the implementation of such resolutions.	A Council resolution tracking mechanism exists and is duly sent to Departments to update before EXCO and Council meetings.	The responsibility is continuous and exists to date	N/A	Director: Corporate Services
a) Does the municipality have functional and effective council committees?	The municipality must reflect on the functionality and effectiveness of council committees.	A report on the functionality of council committees exists and is also sent to COGTA upon request	Council support to aggressively track adherence to Council Calendar and make submission of committee seatings to Council	2025/26 financial year, from 01 July 2025	Director: Corporate Services


2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
a) Has the municipality institutionalised the District Development Model to ensure alignment of the IDPs and the emerging District One Plans?	The municipality must institutionalise the District Development Model to ensure alignment of the IDPs and the emerging District One Plans.	The DDM is housed in the office of the MM. The General Manager is the champion of the DDM. Through this office the municipality is an active partner in the activities of DDM including aligning the IDP to the District IDP and eventually the ONE PLAN.	The current processes of IDP development considers the district planning.		General Manager
a) Does the municipality reflect the functionality and effectiveness of the structures that deal with implementation of the code of ethics and the integrity management framework?	The municipality must reflect on the functionality and effectiveness of the structures that deal with implementation of the code of ethics and the integrity management framework.	Appointment of Ethics Officers and development of terms of reference. Code of conduct for ethical leadership is to be presented to council for approval. Ethics officers will also attend ethics related workshops on behalf of the municipality.	The municipal manager is in the process of appointment of ethics officers. Further, the code of conduct for ethical leadership in local government has been prepared, it will be submitted to management for discussion and to council for approval.	30 June 2025	Director: Corporate Services
a) Does the municipality reflect financial disclosures of senior officials in municipalities?	The municipality must reflect financial disclosures of senior officials in municipalities in the IDP.	To include in the IDP and SDBIP for reporting and monitoring purposes	Only Councillor disclosures have been managed diligently, an annual senior management drive is yet to be actioned in the 2025/26 financial year	The Senior Managers have signed the financial disclosures of senior officials in the municipality on appointment date of each senior manager	Director: Corporate Services
a) Does the municipality have an adopted delegation framework and register?	•The municipality must reflect on the adopted delegation framework and register in the IDP.	The current delegation framework was last reviewed in March 2022. It will be reviewed again by the new	The inclusion of whip of council as an office bearer is still unfolding. The municipality is monitoring the developments		General Manager

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
		council after the end of this term or in a case where there are changes in local government legislation or something that will necessitate the change.	closely and when the change is necessary to the current framework such changes will be proposed to council for inclusion in the delegations.		
5.6 Special Groups					
a) Does the municipality have a policy on reasonable accommodation for persons with disability?	The municipality must develop a policy on reasonable accommodation for persons with disability and reflect in the IDP.	The municipality will develop a concept by which the affected people will be consulted. A draft policy will be developed from that end.	A concept document on the subject will be developed and submitted to the Standing Committee for processing		General Manager
a) Does the municipality reflect on the levels of crime including Gender Based Violence (GBV)?	The municipality must reflect on the levels of crime including Gender Based Violence in the IDP.	Information obtained from ECSECC. Reflections have been made.	The municipality continues to hold regular Community Safety Forums to identify, analyse, expose and put in place measures to reduce crime		General Manager
a) Does the municipality have LGBTQ+ programmes?	The municipality must indicate LGBTQ+ programmes in the IDP.	The municipality will conduct awareness campaigns on the right of the LGBTQ+ community and afford them opportunity to participate in the municipal affairs.	One awareness campaign will be conducted each year		General Manager
a) Does the municipality have programmes to reduce substance abuse?	The municipality must indicate programmes to reduce substance abuse	The Office of the Mayor and SPU through their youth programmes have a responsibility to campaign against abuse of alcohol, drugs and related substances.	One programme will incorporate the campaign annually.		General Manager
6. INSTITUTIONAL ARRANGEMENTS					
6.1 General Corporate Administration					

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
a) Does the IDP contain a council approved organizational structure/organogram that aligns to the long-term development plans of the municipality (IDP), as well as powers and functions of the municipality? (Please attach functional structure)	The municipality must attach an approved organizational structure in the IDP.	 Organogram 2023.....Faye.pdf	Review of the approved organizational structure is to be conducted in the 2025/26 financial year	The organogram is attached	Director: Corporate Services
a) Does the municipality reflect on the critical and scarce skills that are a challenge to the municipality?	The municipality must take decisive steps to address the challenge of critical and scarce skills, and these steps must be reflected in the IDP.	A critical and scarce skills list is reflected in the IDP. These are not affected by the moratorium and recruitment against these positions is conducted after MANCO approval	A refined list from all directorates linked with budget shall be presented to MANCO for approval in the new financial year, 2025/26	July 2025	Director: Corporate Services
f) Does the municipality have the following in place? Human Resources (HR) Plan	The municipality must develop Human Resource Plan in line with regulations.	A HR Plan exists however needs to be refined based on the new organogram and standardization reversal	HR Plan review is due in the new financial year for approval	30 June 2025 the Human Resources Plan will be adopted by council	Director: Corporate Services

3.3.7 PUBLIC PARTICIPATION

a. Public Participation

The Municipality has a Public Participation Policy that was adopted in September 2015 and last reviewed on the 29 June 2023. The policy is reviewed annually. In accordance with Municipal systems Act 2000, the municipality holds regular IDP/PMS/ Budget Representative Forum meeting in drafting IDP and Budget. Forum meetings are convened quarterly in preparation of each phase.

The following forms are used in calling the interested parties,

- Website to publish our notices.
- Amahlathi Local Municipality Facebook Page notices
- Community Radio Stations to reach those parts of our community that do not read newspaper.
- Posters, pamphlets, ward councillors and announcements through community gatherings and community-based organizations
- Loud hailing

Other structures used to enhance public participation is through Ward Committee Meetings, LED Forums and SPU Forums and Local Communicator's forum which are convened quarterly. To ensure that the needs of unorganized groups are represented as well, advocacy groups and Non-Governmental Organizations (NGOs) are used as well for communication. Meetings of the Representative Forum are held in community halls the preferable languages that we use are:

- English
- Xhosa

b. Petition Management

The policy framework has been developed to assist Amahlathi Local Municipality with Petition management process. It is the understanding that a petition is a request, representation, submission or complaint lodged by member/s of the public to Amahlathi Local Municipality about an issue that the petitioner/s would like the municipality give attention to. It is further envisaged to enable communities to actively participate in matters that concern them.

The purpose of this policy framework is:

- To provide for the right to submit petitions to Amahlathi Local Municipality.
- To provide for the general principles and procedures for submission of petitions.
- To provide for consideration of petitions by a Committee of Council assigned to deal with petitions.
- To provide for incidental matters

Received petitions are acknowledged within 7 working days. A petitioner submits a petition in any of the official languages of the Republic of South Africa. After acknowledgement of receipt, the petition is logged on the register. Petitions Committee considers the submission and then the petition is directed to the affected department. The

petitioner/s is informed of every progress made till the matter is resolved. A status report on Petitions received is submitted to Council on a quarterly basis. The reports are extended over to cover for the preceding quarter.

c. COMMUNICATION STRATEGY

There is a Communication Strategy and a Communication Action Plan that determine the order of annual communications. The strategy is reviewed by council on an annual basis and the action plan developed annually with to reflects targets of each year. The strategy was first adopted Council in February 2014. Communication Policy was approved by council in 2016 to assist with implementing the Communication Strategy.

The purpose of the strategy is to communicate priorities of the IDP to communities, to encourage open, honest, and accountable two-way dialogue with all stakeholders, to strengthen and improve internal and external communication, to promote a consistent corporate identity, to build meaningful partnerships with the Farmers Association, Rate Payers and the Business Sector and to bridge information gap between Amahlathi and its stakeholders through the established war rooms.

The municipality resolved to centralize its customer care function and house it within the Corporate Services Department. The municipality will also take good care of customer complaints received through the Presidential Hotline. This information is normally made available by the Office of the Premier. The complaints received are resolved through liaising with the relevant internal and external departments. In instances where the complaint cannot be resolved the complainant is advised. Municipal Account related customer care enquiries and complaints received through the Budget and Treasury Office are also attended and systems are put in place to ensure that the turnaround times are improved.

3.3.8 Special Programs

The mandate of the Special Programmes Unit is to promote, facilitate, coordinate and monitor the realization of the rights of women, youth, children, senior citizens, people with disabilities, people living with HIV and Aids, military veterans and the LGBTQ+ community. The new entrant in these municipal target groups is the LGBTQ+ community. This is established in line with the realization of South Africa's government position that supports LGBTQ+ rights. Several laws were passed by the national assembly to prohibit discrimination based on sexual orientation:

- In 1996, South Africa became the first country to prohibit discrimination based on sexual orientation in its constitution.
- In 2002, same-sex couples were allowed to adopt.
- In 2005, marriage equality was legalized.
- In 2007, the age of consent was equalized at 16 regardless of sexual orientation.
- In 2023, the government began allowing people to choose a non-binary gender option on official documents.

The municipality has a special programs unit which supports council by implementing the SPU strategy. The strategy was developed and approved by council in 2017. The main challenge to the implementation of the strategy is the lack of funding. Many programmes are implemented on collaborations and partnerships with external stakeholders and sector departments. The strategy is due for reviewal. Importantly the strategy should outline programmes that must be done to ensure the new entrants' rights are mainstreamed and promoted.

In the current year the municipality has resolved to build capacity for the forums established and those that will still be established. The aim is to ensure that the groups mentioned above are allowed an important platform of

involvement in the affairs of the municipality. The Special Programmes Unit has a responsibility to establish SPU Forums as the voice of these groups in influencing the Municipality to ensure that these groups participate at all levels of setting the agenda for service delivery. The Municipality has a responsibility of establishing the LGBTQ+ Community Forum to advocate for capacitation and developmental programmes for their constituency within the municipality. The Municipality has an established GBV rapid response team inclusive of our representatives from the vulnerable groups. The municipality mobilizes support in collaboration with various Government and Non-Government partners for victims within the municipality. The youth have a fully functional Youth Council which coordinates with SPU to what bring about Youth Development programmes such Youth Celebration, Youth in Sport and Skills training programmes (career preparedness, youth expo, youth celebrations, attending youth parliaments, partnership with government seta's). Amahlathi women caucus together with women's forum work together with GBVF Rapid Response Team in support of GBVF victims.

The municipality has forums that are invited as stakeholders in municipality IDP processes to voice out their needs. The municipality provides support to school children on programs such as back to school campaign providing them with Sanitary towels and school shoes. Support with training on (plant and animal production) through assistance from the Premier's office. The Municipality also has a fully-fledged, forum of people with disabilities which advocates and gives direction to the Municipality on programs that target People with Disabilities ensuring that their rights are protected in our society. Below is the Action plan that details the activities undertaken and or scheduled for 2023/24 financial year and it will be reviewed by June for implementation in 2024/25.

Special Programmes events targeting the 4 of the 8 Groups.	PROGRAMME	DEPARTMENT RESPONSIBLE	TIME FRAME	BUDGET
	Women's Day Celebrations	SPU	1 st Quarter	n/a
	LGBTQ+ Programme	SPU	2 nd Quarter	n/a
	Disabled People's Programme	SPU	2 nd Quarter	n/a
	World Aids Day Commemoration	SPU	2 nd Quarter	n/a
	16 Days of Activism	SPU	2 nd Quarter	n/a
	HIV&AIDS PROGRAMME	SPU	3 RD Quarter	n/a
	Child Protection Month	SPU	4 th Quarter	n/a
	Youth Celebrations June	SPU	4 th Quarter	n/a
	Mayoral Cup	SPU	4 th Quarter	n/a

Through the programs and other programs which involve other people, the municipality will lead campaigns against substance abuse, gender-based violence and other social ills. SPU and the Office of the mayor will play a crucial role in making these programs.

Alcohol, drugs and substance abuse

Substance abuse refers to the harmful or hazardous use of psychoactive substances, including alcohol and illicit drugs. One of the key impacts of illicit drug use on society is the negative health consequences experienced by its members. Drug use also puts a heavy financial burden on individuals, families and society. In Amahlathi the abuse of alcohol, drugs and related substances is prevalent amongst the youth. The youth is the largest component of the population, and it is the most affected by unemployment. The abuse of alcohol, drugs and related substances is sometimes used as an escape mechanism to the realities of the difficult life people face.

The Office of the Mayor through SPU and community safety will conduct awareness campaigns annually with aim of discouraging participation in these illicit activities.

- **Psychosocial Activities**

The municipality is committed to meeting the psychological, social and health needs of its councillors and employees. The council has adopted a system of values based on the bill of rights and the constitution of the Republic of South Africa. The municipality used its name AMAHLATHI as an acronym for its values:

VALUE	MEANING
ACCOUNTABILITY	All councillors and employees, regardless of their position, take responsibility for their actions, decisions, and performance, contributing to a culture where everyone is held accountable for their work and expected to deliver results, fostering trust and high-performing teams within the municipality
MODEL	Municipality as a government institution setting an example for other institutions to follow, thereby shaping a positive work culture and aligning everyone's actions with the municipality's vision, mission and values.
ACCESSIBILITY	The municipality is actively creating a work environment where everyone, regardless of their physical, sensory, or cognitive abilities, can fully participate and contribute without encountering unnecessary barriers. This means prioritizing inclusion and equal opportunity for the public, councillors and employees by removing obstacles that might hinder their performance; this goes beyond just physical access and includes aspects like technological accessibility and inclusive policies.
HEALTHY	The municipality's commitment to prioritizing the physical and mental well-being of its councillors and employees, promoting a work environment that encourages healthy habits, reduces stress, and ultimately aiming to boost productivity, morale, and employee retention
LOYALTY	Councillors' and employees' dedication and commitment to the municipality, demonstrating consistent support for its vision, mission, values and communities, often through hard work, a positive attitude, and staying with the municipality even during challenging times. A sense of trust and mutual respect between the communities, municipal council and administration.
AUTHENTIC	All councillors and employees afforded the right to being true to self, expressing genuine thoughts and feelings, and acting in alignment with personal values, while maintaining professionalism, fostering trust with

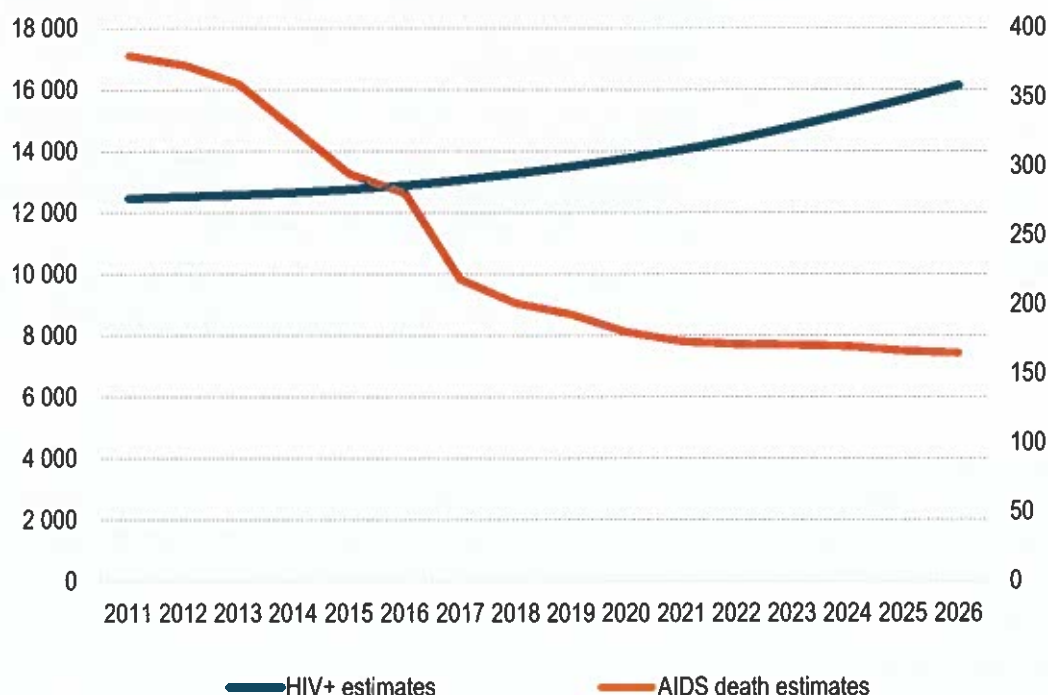
	colleagues, and contributing to a more open and creative work environment.
TRUST	A fundamental belief in the integrity, reliability, and competence of colleagues and leaders
HONESTY	Being truthful and transparent in all communications, actions, and decisions, fostering trust among colleagues, communities, and stakeholders, ultimately contributing to a positive work environment and ethical decision-making within the municipality.
INTEGRITY	The quality of being honest, trustworthy, and reliable in all professional dealings, consistently acting in accordance with one's ethical principles and values of the municipality.

The municipality will use various platforms and structures to promote its values. Amongst other structures, the Moral Regeneration Movement will be responsible for the promotion of the municipal system of values and integrity. The department of Corporate Services houses a mini health clinic to conduct occupational health services. Employees and councillors are provided with programmes to participate in sports, team-building sessions and counselling facilities.

HIV AND AIDS Profile

In 2021, 14 000 people in the Amahlathi Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.19% since 2011, and in 2021 represented 13.88% of the local municipality's total population. The Amatole District Municipality had an average annual growth rate of 1.44% from 2011 to 2021 in the number of people infected with HIV, which is higher than that of the Amahlathi Local Municipality. The number of infections in the Eastern Cape Province increased from 732,000 in 2011 to 879,000 in 2021. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2011 to 2021 with an average annual growth rate of 2.24%.

HIV+ estimates and AIDS death estimates Amahlathi, 2011-2026



Source: IHS Markit Regional eXplorer version 2257

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 380 in 2011 and 173 for 2021. This number denotes a decrease from 2011 to 2021 with a high average annual rate of -7.56% (or -207 people). For the year 2021, they represented 0.17% of the total population of the entire local municipality.

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.

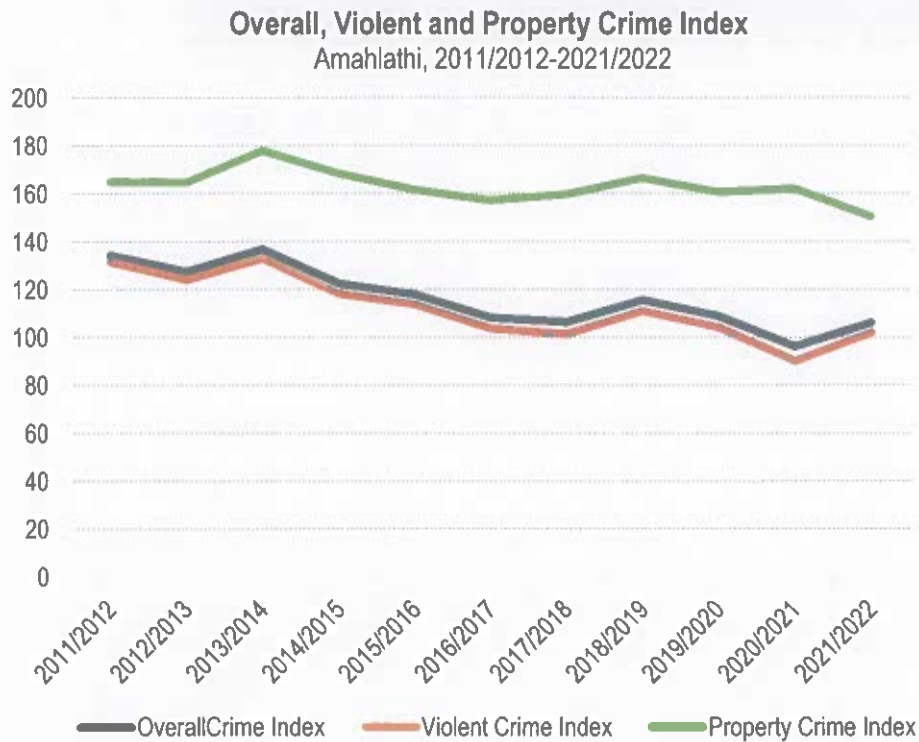
IHS COMPOSITE CRIME INDEX

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.

OVERALL 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.

IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - AMAHLATHI LOCAL MUNICIPALITY, 2011/2012-2021/2022 [INDEX VALUE]



Source: IHS Markit Regional eXplorer version 2257

For the period 2011/2012 to 2021/2022 overall crime has decrease at an average annual rate of 2.32% within the Amahlathi Local Municipality. Violent crime decreased by 2.50% since 2011/2012, while property crimes decreased by 0.93% between the 2011/2012 and 2021/2022 financial years.

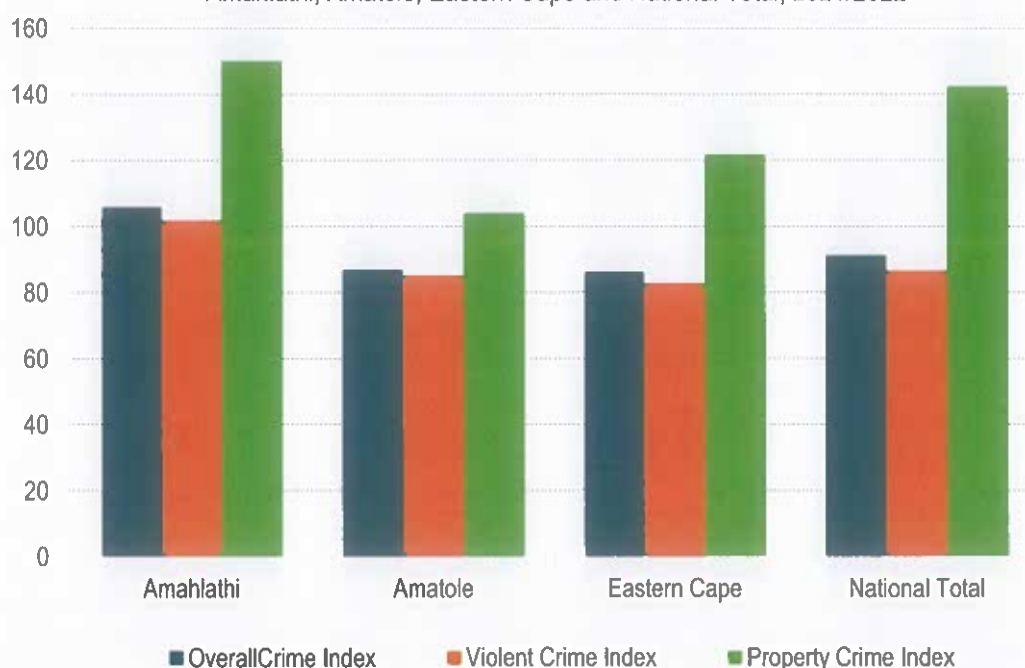
OVERALL CRIME INDEX - AMAHLATHI LOCAL MUNICIPALITY AND THE REST OF AMATOLE, 2011/2012-2021/2022 [INDEX VALUE]

Amahlathi	
2011/2012	134.03
2012/2013	127.23
2013/2014	136.65
2014/2015	122.28
2015/2016	117.65
2016/2017	108.08
2017/2018	106.14
2018/2019	115.48
2019/2020	108.74
2020/2021	96.02
2021/2022	105.93
Average Annual growth	
2011/2012-2021/2022	-2.32%

Source: IHS Markit Regional eXplorer version 2257

In 2021/2022, the Raymond Mhlaba Local Municipality has the highest overall crime rate of the sub-regions within the overall Amatole District Municipality with an index value of 110. Amahlathi Local Municipality has the second highest overall crime index at 106, with Mquma Local Municipality having the third highest overall crime index of 91.7. Ngqushwa Local Municipality has the second lowest overall crime index of 89.5 and the Mbhashe Local Municipality has the lowest overall crime rate of 60.9. The region that decreased the most in overall crime since 2011/2012 was Amahlathi Local Municipality with an average annual decrease of 2.3% followed by Raymond Mhlaba Local Municipality with an average annual decrease of 1.9%.

Overall, Violent and Property Crime Index
 Amahlathi, Amatole, Eastern Cape and National Total, 2021/2022



Source: IHS Markit Regional eXplorer version 2257

From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime. The municipality has a Community Safety Forum that sits and reflect on crime and develop mechanism to expose and reduce crime. The municipality is a permanent member of the Forum. Community Stakeholders and SAPS are other permanent members of the forum.

District Development Model

The District Development Model (DDM) is viewed as a game changer to improve the coherence and impact of government service delivery. The DDM focusses on implementation of immediate priority projects, stabilization of local government and long-term institutionalization of integrated planning, budgeting and delivery anchored on the development and implementation of the "One Plan". As such the DDM focuses on building state capacity as the system of Local Government is stabilized, and in the medium term, to improve cooperative governance, integrated planning and spatial transformation, inclusive economic development, and where citizens are empowered to contribute and partner in development.

The DDM champion for the municipality is the General Manager located in the Municipal Manager's Office. The municipality actively participates in the activities of DDM as organized by COGTA and ADM. The development of ONE PLAN for Amathole District is the key activity taking place. This will serve as a development directory in the district. The municipality is ready to contribute and assist in the identification of key projects that will link with other municipalities defining the next dispensation of development. The municipality in developing its IDP and other strategies take into consideration the District IDP and IDPs of the municipalities in the district. The Local IGR will serve as a platform where the municipality shapes its position and links with the District IGR (DIMAFO).

3.3.9 AMAHLATHI MUNICIPALITY AUDIT ACTION PLAN 2024/25 FINANCIAL YEAR

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
COAF 006	AFS	1. Electricity – Classification issue	For the General expenditure – Electricity amount recorded on the financial statements amounting to R4 178 562 as illustrated on note 39, it was identified that the transaction included expenditure for water and sanitation amounting to R3 849 540,93. Therefore, this means that the amount recorded on the financial statements is misleading to the users of the financial statements	This is due to failure to separate the expenditure for water and sanitation from the electricity expenditure on the financial statements or to be aligned with the vote for 'Electricity, Water and sanitation' as per the general ledger	Misstatement in Annual Financial Statement	Management should ensure that the amounts presented on the financial statement are accurate, appropriately presented and are not misleading to the users of the financial statements	1. Adequate time for the review of Annual Financial Statements to Lead Schedules and supporting documents with sign-off. 2. Submission of AFS to Internal Audit for review. 3. Allow sufficient time for Reviewal AFS in the Audit Plan	Expenditure Classification on Annual Financial Statements corrected.	18-Jul-25	Budget and Treasury	Implemented

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
COAF 009	SCM	1. Commitments - Inaccurate amount recorded	Commitments were identified to have been inaccurately calculated in the commitments register as follows	The cause was due to management incorrectly allocating payments made to suppliers for services rendered, therefore resulting in an inaccurate balance	Misstatements in financial statements	Management should ensure that adequate reviews are performed on the Commitments Register and the inputs in the calculation relating to the contract value, payments made to suppliers and variation orders have been accurately recorded	Compare commitments Register to WIP and Retentions Registers		15/08/2025	Budget and Treasury	

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
COAF 009	AFS	2. Cash Flow Statement Differences	The following differences were identified in the Cash Flow Statement	Lack of reviews on the calculations of cash flows included in the statement of cash flows and making sure that GRAP standard is complied with. Further, it was noted that VAT was not separated between revenue (VAT payable) and expenditure (VAT receivable) the same way it has been	Misstatements in financial statements	Management should make sure that calculations relating to receipts and payments is properly done taking into account all elements relating to cash flow items. Further to that, management should make the necessary adjustments to the annual financial statements to ensure that the annual financial statements are fairly presented as required by the MFMA.	1. Adequate time for the review of Annual Financial Statements to Lead Schedules and supporting documents with sign-off. 2. Submission of AFS to Internal Audit for review. 3. Allow sufficient time to for Review AFS in the Audit Plan		22-Aug-25	Budget and Treasury	

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
				separated in the Annual Financial Statements							

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
COAF 009	AFS	4. Prior Period Error – Note 46	It was noted that the prior period Note 46 omitted to disclose the previously reported amount per the prior year for unspent conditional grants restated as follows	Through enquiry with management it was noted that the differences were due to omitting to include appropriate amounts as required by GRAP 3	Misstatements in financial statements	Management should ensure that Prior Period Error Note completely and accurately disclosed in that it correctly includes the amount previously reported, the correction of the error and the restated figure.	1. Adequate time for the review of Annual Financial Statements to Lead Schedules and supporting documents with sign-off. 2. Submission of AFS to Internal Audit for review. 3. Allow sufficient time to for Reviewal AFS in the Audit Plan		22-Aug-25	Budget and Treasury	

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
COAF 018	Purchases and Payables	1. Supplier invoices not paid within 30 days from invoice receipt date	Supplier invoices were not paid within 30 days from date of receipt of the invoices, refer to the tables below for details	This is due to management lack of oversight in ensuring that invoices are paid within the legislated 30 days	Non-compliance	Before undertaking any procurement processes the municipality must first confirm that sufficient funds have been allocated and cash is available for the procurement of the required goods, works or services. This must be confirmed in writing by the Chief Financial Officer. If this is not confirmed, then no orders must be placed, or no such procurement must be allowed to proceed. Accordingly, it is incumbent on the accounting officer, chief financial officer	In instances, where supplier invoices will not be paid within 30 days, contact suppliers and make relevant payment arrangements	On going	30/06/2025	Budget and Treasury	

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
						and head of procurement to ensure municipal officials are aware of the control measures and service providers informed before any orders are placed or approved					

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
Material Irregularity	Environmental Audit	1. Cathcart Waste Landfill and Transfer Station findings and impacts reported	The Amahlathi Local Municipality's waste management and disposal activities sometimes contravene or failed to comply with the requirements of section 28 (1) (Duty of Care) of the NEMA, section 19 (Prevention and remedying effects of pollution) of the NWA, 1998 (Act No. 36 of 1998. Requirements within the NEMWA, sections 16(1)(c) where waste must be		Material Irregularity		1. Commence operation of Transfer station. 2. Closure and rehabilitation of the Cathcart waste disposal site		30 June 2025 30 June 2026	Community Services	

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
			disposed of, ensure that the waste is treated and disposed of in an environmentally sound manner & (d) manage the waste in such a manner that it does not endanger health or the environment or cause a nuisance through noise, audio or visual impacts, are not always adhered to. The NEMWA, section 26(1)(a) prohibits disposing waste, or knowingly, or negligently causing or								

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
			<p> permitting waste to be disposed in or on land, water body unless disposal of that waste is authorized and (b) disposing of waste in a manner that is likely to harm the environment or harm to the health or well-being </p>								

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
Material Irregularity	Eskom	Eskom	The Amahlathi Local Municipality incurred excessive interest on outstanding Eskom Debt		Material Irregularity		1. Finalise and approve Eskom Repayment plan 2. Comply with Eskom Debt relief programme		30/06/2025	Budget and Treasury	

3.3.10 FRAUD MANAGEMENT

The Municipality has developed a Fraud Prevention Plan which was adopted by Council. The Fraud Prevention Plan was last reviewed in October 2023. The main objectives of the Fraud Prevention Plan are as follows:

- To create a culture that is ethical and intolerant to fraud and corruption.
- To prevent fraud and corruption which cannot be deterred.
- To ensure that the municipality detects fraud and corruption.
- To ensure that the municipality investigates detected fraud and corruption.
- To ensure that the municipality takes appropriate action in the event of such irregularities, e.g., disciplinary action, recovery of losses, prosecution, etcetera;

The municipality also developed an Anti-Corruption and Fraud Policy which was adopted by the Council in May 2015 and is reviewed on annual basis or when the need arises. Last review was October 2023.

The following areas are being addresses by the Fraud Prevention Plan and the Anti-Corruption and Fraud Policy

- Forms of Fraud and Corruption.
- Actions constituting fraud, corruption, theft and maladministration.
- Responsibility to conduct investigations.
- Protection of Whistle Blowers.
- Application of prevention controls and detection mechanisms.
- What should an employee do if he/she suspects fraud.
- Fraud Hotline.
- Media.
- Confidentiality.

The Internal Audit Unit is conducting Fraud Awareness's twice a year and action plans responding to the issues raised at the fraud awareness's are developed as well and are updated quarterly basis.

The municipality is currently using the Presidential Fraud Hotline where members of the communities can report fraud related issues. The Presidential Fraud Hotline number is **0860 701 701**.

RISK MANAGEMENT

The Municipality does not have a Risk Management Unit yet. The strategic planning session resolved to put on wheels the process to establish a capable risk management unit. Risk Management Activities currently are done by Internal Audit Staff. The municipality does have a Risk Management committee consisting of Directors and Managers. The Risk Management Committee sits on a quarterly basis and is chaired by the Independent Chairperson from Amathole District Municipality. Risk Assessments are conducted on an annual basis and the Risk Registers are updated on a quarterly basis.

The municipality does have a Risk Management Policy which was adopted by the Council. The Risk Management Policy has been reviewed in 2025. Risk Management Policy assists the municipality in the following:

- It provides management with proven risk management tools that support their decisions-making responsibilities and processes, managing key risks impacting on their goals and objectives.
- It also ensures that risk management processes exist in an environment of continuous feedback and improvement.
- It enables the Municipality to effectively deal with uncertainty and associated risk and opportunity to enhance the capacity to build value.

TOP 10 RISKS RELATING TO THE MUNICIPALITY

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
1	Failure to develop and maintain a positive relationship with the internal and external stakeholders	1. Limited financial and non-financial (lack of human capacity) resources 2. Departments working in silos. 3. Non-compliance to the communication strategy, communication policy, Public Participation Policy and Petition Framework. 4. Lack of integrated Municipal calendar 5. Absence of business continuity plan 6. Ineffective implementation of internal business planning cycles (IDP, SDBIP etc.) 7. Ineffective	1. Poor communication of information between external stakeholders and the community 2. Service delivery and/ or staff protests 3. Business and service delivery negatively impacted 4. Reputational and brand risk 5. Dysfunctional war rooms 6. Instability within the municipality and community 7. Loss confidence from community and other stakeholders 8. Inadequate public participation	1. Ensure distribution of information to the satellite office and communities. 2. Implementation of the Communication Plan 3. Monthly monitoring of corrective actions to address issues raised in Petitions 4. Solicit funding from government to improve Communication Technology 5. Development of Business Continuity Plan 6. Source funding and reduce Municipal Programs

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
		communication plan 8. Poor communication technology 9. Lack of Customer Care/Unresolved Customer Queries 10. Ineffective communication		
2	Failure to comply with legislative and other requirements	1. Non-payment of WCA 2. Ineffective OHS Committee 3. Non-compliance with COIDA	1. Negative audit outcome 2. Litigations 3. Compromised service delivery	1. Payment arrangement with DOL 2. Risk assessment for OHS 3. Training of HOD's
3	Inability to continue as a going concern	1. Underperformance in revenue collection 2. Political interference and instability. 3. Dilapidating infrastructure. 4. By-passing of electricity meters 5. Ineffective implementation revenue enhancement strategy	1. Financial loss. (Bankruptcy) 2. Non-compliance with the Revenue management policies. 3. Poor service delivery. 4. Slow economic development 5. Loss of investor confidence or potential donors' opportunities. 6. The going concern of the municipality might be compromised. 7. Inability to maximize collection from existing revenue streams	1. Report on the implementation of revenue enhancement strategy measured on a percentage basis. 2. Municipal rebranding and repositioning. 3. Development of a municipal customer care strategy 4. Establishment of Customer Care Centre. 5. Automation of the credit control processes in order to achieve the full value chain. 6. Review of RES and FRP. 7. Strengthening of public participation programmes.
4	Inability to facilitate economic	1. Limited capacity to implement the programme 2. Limited funding for capacity building	1. Negative impact on the subsequent funding for the programme 2. Participants leave the	1. Basic skills assessment of participants per project 2. Full implementation of approved policies

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
	growth within Amahlathi		programme without acquiring necessary skills	
5	Failure to plan for, develop and maintain a sustainable infrastructure Inadequate provision of sustainable road network within Amahlathi and Technical and financial losses in electricity supply	1. Limited Resources (Tools Trades and funding) 2. Ageing construction plan & machinery 3. Absence of electricity losses reduction plan 4. Aging electrical infrastructure 5. Electricity Theft 6. Lack of implementation of meter audit recommendations to address shortcomings identified and non-compliance 7. Inaccurate estimations of non-metered or measured supplies (public lighting, municipal facilities, park facilities). 8. Inaccurate programming of power limits (e.g., 20A customer meter programmed 60A power limit) 9. Ineffective customer care / Customer care not institutionalized	1. Service delivery protest 2. Loss on public confidence 3. Lack of accessibility 4. Liabilities 5. Inadequate provision of sustainable road network within Amahlathi 6. Total collapse of the entire electrical distribution network 7. Loss of revenue 8. Increased criminal activities 9. Irregular expenditure due to Eskom penalties for overreaching the electricity load capacity. 10. Revenue loss 11. Loss of confidence (service users) 12. Inaccurate billing 13. Technical and financial losses in electricity supply	1. Review and implement infrastructure maintenance plan 2. Independent review of contracts / SLA 3. Purchasing of smart meters 4. Upgrading of electricity load capacity 5. Develop customer care

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
6	Failure to be prepared for a Municipal Emergency and Recovery	1. Inadequate funding 2. Capacity constraints in terms of human capital 3. Disaster contingents plan (to be institutionalized) 4. Tools of trades 5. Lack of business continuity plan (BCP) and Disaster Recovery Plan (DRP) 6. Inadequate disaster management plan 7. Absence of information protection strategies/plans 8. Nonalignment of ICT strategies with business objectives and sustainability 9. BCP not embedded in the organization's culture 10. There is no individual delegated to coordinate BCP 11. Absence of BCP Committee 12. Incident and corporate crisis management plans/programme	1. Service delivery protest 2. Loss of potential revenue 3. Compromised service delivery 4. Loss on public confidence 5. Collapse infrastructure 6. Loss of life 7. Failure to respond and recover on disaster incident 8. Fatalities or loss of lives 9. Loss of municipal valuable information 10. Financial loss 11. Tarnished reputation and brand image 12. Regressed audit opinion 13. Going concern impact 14. Municipal business instability due to disaster	1. To appoint Panel of Professional Services Providers 2. Budget for Disaster Management 3. Review of the Disaster Contingent Plan (to be institutionalized) 4. Develop Disaster Management Policy 5. To review BCP and (DRP) 6. To review and report on Disaster Management Plan 7. Communicate BCP to raise awareness within the organization 8. The Municipal Manager to delegate an individual or office to coordinate BCP 9. To establish BCP Committee 10. To integrate BCP into departmental and organizational plans 11. Reviewed ICT Master Plan and report the Implementation Plan 12. Revive ICT Steering Committee

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
7	Governance Failure	1. Non implementation of the recommendations made by governance structures 2. Lack of consequence management within the Institution 3. Inconsistence in application of controls 4. Lack of standard operating procedure on how the Oversight / other Governance structures should operate 5. Ineffective governance structures 6. Failure to address internal and external audit findings 7. Noncompliance to policies and laws	1. Inability to achieve core mandatory municipal obligations 2. Reputational damage 3. Reduced public confidence 4. Staff low morale 5. Dysfunctional municipality 6. Instability among the political and administration head/s 7. Dysfunctional performance management system 8. Ineffective accountability 9. Debt certificate issued by AG to the accounting officer or accounting authority 10. Inability to comply with regulated deadlines 11. High litigations 12. Governance failure	1. To coordinate sittings of Financial Disciplinary Board when required to 2. To appoint an Independent FDB Chairperson 3. To develop annual work plan of Governance Structures 4. Training of MPAC and Management on Governance Issues 5. Monthly monitoring of Internal Audit Action Plans 6. Prepare quarterly risk management reports 7. Review ICT risk register and implement risk action plans 8. Establish ICT Steering Committee and appointment of an independent Chairperson 9. Training Risk Committee and ICT Steering Committee on ICT governance 10. Develop compliance risk register 11. Litigation risk assessment 12. Litigation management strategy 13. Reduction in litigations

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
8	Failure to provide information technology systems and controls and to secure records	1.Information Technology systems inadequate or ineffective 2. Unauthorized use of copyright material 3.Improper use of social media 4.Failure of data security measures	1. Ineffective project management. 2. Inability to make accurate decisions 1. Breach of copyright resulting in legal action against Council. 2. Financial loss arising from damages claims 3. Loss of reputation from adverse publicity 4.Unauthorised information/opinion published on social media 5.Incorrect information published on social media 6.Unauthorised access to programs and data. Data held for ransom 7. Non-compliance with statutory requirements. 8. Harm to reputation and public confidence. 9.Significant financial risk	1.Establish Electronic Records Management System 2. Ensure cyber insurance 3.Cyber Risk Training

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
9	Fraud and Corruption	1. Lack of robust monitoring of and adherence to legislation, laws and financial policies 2. Absence of control loss management control framework 3. Ineffective revenue management (cash management) 4. Lack of consequence management 5. Abuse of SCM processes and procedures 6. Absence or non-enforcement of municipal by-laws and law enforcement 7. Inadequate fraud detection, prevention and reporting control mechanism	1. Fruitless & wasteful expenditure and irregular expenditure. 2. Regressed audit opinion. 3. Reputational risk 5. High legal costs	1. Review finance and risk management policies 2. Ensure that Fraud Hotline is established 3. Established and sitting of Disciplinary Board 4. UIF (W) expenditure identified to be escalated to the MM for submission to Audit Committee and Financial Disciplinary Board 5. Management to implement resolutions of Disciplinary 6. Develop Fraud risk register and Fraud Awareness Campaigns for the municipality 7. Monitor and report fraud risks control monitoring checklist 8. To develop irregular expenditure control monitoring checklist 9. To report progress in implementing MPAC resolutions relating to UIF(W)
10	Ineffective Performance management Systems	1. Human and financial constraints 2. Non- implementation of PMS policy and regulations Failure to report accurately on service delivery. Failure to implement and monitor corrective action	1. Non-compliance with relevant laws and regulations 2. Poor service delivery 3. Service delivery protests 4. Fraud and corruption 5. Lack of consequence management	1. Develop Monitoring and evaluation framework 2. Monitoring of corrective actions to address poor performance 3. Bi-annual recognition of the most performing department 4. Formulating task team to recognize and reward most 12 performing employees. 5. Promote monthly sittings of departmental meetings with SDBP Performance monitoring

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
				6. Develop and submit Draft SDBIP together with IDP and budget 7. Quarterly IDP/PMS Forums 8. To consider having designated person of individual performance management 9. Consequence management on late submission of quarterly performance reports by departments 10. Site visits by the Executive Management 11. Monitor performance of the service providers 12. Combined assurance on performance management

INTERNAL AUDIT CHARTER

The purpose of the Charter is to provide the Internal Audit Manager and the management of ALM with a broad framework of understanding which, once approved by the Audit Committee and Municipal Manager, will serve as a mandate for the Internal Audit function.

The objective of Internal Audit Charter is to provide independent, objective assurance and consulting services designed to add value and improve the Municipality's operations. It helps the Municipality accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Auditor General reports for the previous three years were as follows:

2021/22	2022/23	2023/24
UNQUALIFIED	QUALIFIED	UNQUALIFIED



3.3.11 LEGAL SERVICES

The municipality has established a unit that is strategically located within the office of the Municipal Manager. Through its supportive and advisory role, the legal services unit strengthen the capacity of the municipality to fulfill its constitutional and legislative mandate. This is done by providing legal advice, settling documents, support to committees and Council, also to ensure that the municipality adheres to all legislations which govern the municipalities.

Co-functions of the unit

- Provide Legal Advice and guidance to the Council, Mayor, Speaker, and Municipal Manager
- Handle all legal matters arising from Directorates
- Manage all legal risk
- Monitor and ensure legal Compliance
- Manage litigations for and against Municipality
- Consult with municipal Attorneys (with approval of MM)
- Attend to Court Orders
- Provide general legal advice

The Litigation register is updated on monthly basis and the litigation reports are prepared and submitted quarterly to the Management, Legal Advisors Forum, Audit Committee and to the Council.

2.9 By Laws

The institution has 19 by laws, 17 are promulgated and the two are still in the process of being promulgated.

NO.	LOCAL AUTHORITY NOTICE with adoption date	GAZETTE NO.
1.	Local Government: Municipal Systems Act (32/2000): Municipality of Amahlathi: Street trading By-Law-2014	1668
2.	Keeping of dogs and other animals By-Law-2014	1668
3.	Neglected buildings and premises By-Law-2014	1668
4.	Prevention of nuisances By-Law-2014	1668
5.	Solid waste disposal By-Law-2014	1668
6.	Use and hire of municipal building By-Law-2014	1668
7.	Public open space By-Law-2014	1668
8.	Advertising signs By-Law-2014	1668
9.	Cemeteries and crematoria By-Law-2014	1668
10.	Ward committees By-Law-2014	1668
11.	Delegation of powers By-Law-2014	1668
12.	Community fire safety By-Law-2014	1668
13.	Standing rules for council By-Law-2014	1668
14.	Credit control By-Law-2014	1668
15.	Indigent support By-Law-2014	1668
16.	Rates policy By-Law-2014	1668
17.	Tariff policy By-Law-2014.	4076

DELEGATION FRAMEWORK

Each municipal council is required to adopt and review a delegation framework which must be used as a set of tools that help guide decision-making when delegating tasks. The municipality adopted its delegation framework in the earlier years of municipal systems. The original version was unfortunately amongst documents that got burnt with municipal buildings in 2018. The current active version was last reviewed by council in 2022. It will remain active until the end of the current term of office and may be reviewed only when necessary. The due date for review is at the inception of the next term of council.

3.4 KPA 4: LOCAL ECONOMIC DEVELOPMENT

A new Local Economic Development Strategy has been developed in conjunction with ECCOGTA, 2022/23 Financial Year. The Council adopted the draft Strategy in May 2025. Central to this strategy is the response to the issues of the Fourth Industrial Revolution. The Municipality has over the years developed Small-town Revitalization Strategy for both Stutterheim and Keiskammahoek. With the assistance of ECCOGTA, the Municipality has developed Stutterheim Precinct and Masterplan. There are other Economic Growth strategic documents such Furniture Incubation Feasibility Study, the recently developed and adopted Standard Bylaw on Township Economies.

Economic factors affect the purchasing power of potential customers and the municipality's cost of capital. The following are examples of factors in the macro-economy: economic growth, interest rates, exchange rates, inflation rate. The municipalities should be encouraged to spend locally within the municipality. The lack of economic infrastructure is hampering development and job creation. The achievement of the Small-Town Revitalization Project and the various plans and generation studies are being revisited, updated and progressively implemented in line with availability of the requisite resources.

SWOT ANALYSIS

The envisioned strategy should be built on the analysis of its predecessor which had outlined key Strengths to develop the economy as resident within the natural resource base within Amahlathi that is the forest (wood related products), the Eco-tourism and the large water masses suitable for water sports (ranging from sports tourism to the manufacture of watercraft and accessories). The large water masses also lend themselves to Amahlathi becoming a major national and even international player in aqua farming.

STRENGTHS	WEAKNESSES	OPPORTUNITY	THREATS
Availability of primary resources	Lack of access to economic opportunities	Improved Stakeholder engagement	Red tape.
Local Economic Development Section is contributing to capacity building of the SMMEs.	High rate of community/political unrest.	Availability of opportunities such as Irrigation schemes and tourist attractions	Some leave ALM to big cities because their skills are underutilized.
Amahlathi Municipality is rich in forest and agriculture	Silo Mentality.	Creating opportunities around both timber and agriculture to contribute towards resilient local economic development.	Lack of Support from relevant government department.
There is an availability of big business	Lack of collaboration between business spheres and government spheres	Investor Confidence	Poor infrastructure especially roads and electricity

In short, development of the tourist potential in eco - sports, adventure, and historical tourism will not only attract the local tourist but also appeal to the overseas visitors as well. The link to the German past should be exploited to the maximum.

The above, coupled with the development of sustainable human settlements and the ability of each household to produce food can have a major positive impact on the communities. The municipality should consider supplying all households with a home garden. This includes fencing, soil, fertilizer and seeds.

The provision of driver training and computer training programme will greatly enhance the job opportunities in the short term.

People between 19 – 35 years old should be involved in skills training or community building programmes. The needs of the housing programmes should be supplied by organized primary, secondary and tertiary co-operatives.

RECOMMENDATIONS

- Primary, Secondary and Tertiary co-operatives and small businesses must be established to supply the basic requirements for the housing programme, e.g., from timber: manufacture of doors / door frames, window frames, roofing trusses, concrete products: lintels for above doors and windows, pavement curbing for the roads, concreted reinforced poles and concrete storm water pipes.
- Mining within Amahlathi must be managed as illegal mining damages the environment and compromises the sustainability aspect of the environment.
- The tourism products available must be linked to sporting events that would bring visitors to and past these special historical and cultural stations. The municipality must have sponsored cross country runs (fun, half marathons, marathon runs), mountain biking races. These trails will pass and stop at tourist points allowing for sales by local co-operatives of their goods.
- The timber industry owners and the municipality should market and celebrate the following: Arbor Day, International Day of Forests, World Forestry Congress, Amahlathi Lumberjack Championship, Stihl Timber sports Series, Wood chopping championship, and Amahlathi Logging Championship
- To re-establish a partnership driven local Timber Incubation facility, a feasibility study funded by ECDC is in place.
- The vast dams should also be used for promoting water sports e.g., Amahlathi Mile, sailboat and power boat racing.
- Given the huge forest reserves a deeper collaborative effort with other state actors e.g., SAFCOL and the Private Sector needs to be put in place, to better understand ownership and how the forest can be used to benefit the economy much better. At face value not all the resources are fully beneficated.
- **Primary Aquaculture Operations** (Brood stock operations; Seed production operations; Juvenile (spat, fry, fingerling) operations, including hatchery and nursery facilities; On-growing operations, including but not limited to rafts, net closures, net pens, cages, tanks raceways and ponds and
- **Secondary Aquaculture Operations:** Primary processing for aquaculture (post-harvest handling, eviscerating, packing, quick freezing); Secondary processing for aquaculture (filleting, portioning, packaging); Tertiary processing for aquaculture (value adding such as curing, brining, smoking,

further value adding such as terrines, roulades, pates, patters); Waste stream handling for aquaculture (extraction of fish oils, protein beneficiation, organic fertilizers, pet feeds, animal feeds). Ancillary Aquaculture Operations; Aquaculture feed manufacturing operations; Research and Development projects related to aquaculture; Privately-owned aquaculture veterinary services (farm inspections, disease surveillance and control, histo-pathological analysis, etc. specifically for the aquaculture industry).

- The above could supply the complete protein needs of the entire municipality and could create opportunities for about 500 and 5000 people depending on the scale of the operation.
- It is noted that Sports, Adventure and Eco – Tourism be the drivers to get visitors into Amahlathi and then the cultural and historical places can be viewed. Sports Tourism is a huge attraction especially if the municipality could lobby for sponsorship of few key events for the next 5 years.

COMPETITIVE AND COMPARATIVE ADVANTAGE

Agriculture:

1. Amahlathi is an agricultural area where forestry is the main sector that has employed many people.
2. Commercial farmers are also contributing to the GDP of the area in areas like poultry farming, there are big businesses like ANCA chicks.
3. There are two big irrigation schemes at Keiskammahoek which are also major players in the economy of Amahlathi and the Eastern Cape Province at large.
4. Forestry sector is also a major play in the economy of the area.
5. Amahlathi is the only area at Amathole where forestry is the major role player in the economy.

When it comes to the sector development, the Department of Agriculture also known as DRDAR play a pivotal role in ensuring a sustainable growth. The department provides major support to both emerging farmers and established companies with the aim of changing the sector contribution into the GDP. The Department together with the Municipality are in the process of crafting an MOU for the appointment of an Agricultural Expert funded by the GIZ. This program is as per the results of the partnership of Amahlathi LM and Gemeinde Lamspringe in Lower Saxony, Germany.

AGRICULTURE 2025/26 INFRASTRUCTURE PLAN

PROJECT NAME	INFRASTRUCTURE TYPE	SIZE/EXTENT	LOCALITY	PROJECT STATUS
Mpayiphele	Broiler House	1000 capacity house	Keiskammahoek	Active
Amatola Hills	Poultry Structure (broilers)	1000 capacity house	Stutterheim	Farming active
Kubusi farmers	Animal handling kraals	Standard	Stutterheim	new site identified
Cathcart Farmers	Animal handling kraals	standard	Cathcart	New site identified
Mqukwane	Animal handling kraals	standard	Keiskammahoek	New site identified
Sivuselele	Dam Scooping	Existing dam silted	Cathcart	Dam swallows' water
Maruki farm	Fencing	26 km	Cathcart	Farming Active
Ngcingwane	Fencing	15 km boundary fence	Stutterheim	Farming active
Gulukuqu	Fencing	15 km boundary fence	Stutterheim	Farm active
Mgwali	Diptank renovation	Large stock diptank	Stutterheim	Farming active
Upper Zingcuka	Diptank renovation	Large stock diptank	Keiskammahoek	Farming active
Mqukwane	Diptank renovation	Large stock diptank	Keiskammahoek	Farming active
Mlowa	Borehole drilling and equipping	Irrigation	Stutterheim	Farming active
Makuzeni	Borehole drilling and equipping	Irrigation	Keiskammahoek	Farming active
Sinemhlali	Irrigation system	Irrigation	Stutterheim	Farming active

Livestock Production

Animal stock numbers	Total at Amahlathi	Programs conducted by DRDAR
Large stock	33215	Dipping Bluetongue Brucellosis Test for TB and CA
Sheep	19489	Sheep scab Testing of rams from NWGA

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Goats	19723	No program except when need attention
Domestic animal	12000	Rabbis vaccine
Horses	878	No program except out breaks Castration Deworming
Animal stock numbers	Total at Amahlathi	Programs conducted by DRDAR

Poultry

Number of poultry project	Current status	Challenges
There are 15 broiler projects at Amahlathi, that is both Stutterheim and Keiskammahoek	The project is still producing broilers and the most broiler farmer is Nolist project that is raising about 750 broilers every 6-week cycle	<ul style="list-style-type: none"> The challenge is the structure. Market Abattoir

Piggery

Amahlathi Piggery projects	Current status	Challenges
There is 5 Piggery project at Amahlathi	The projects are raising and sell the pigs to the community	<ul style="list-style-type: none"> Market price versus communal price Recommended piggery structure- as swine fever is a threat

Tourism:

1. Amahlathi has beautiful hiking trails which are not maintained.
2. The greater part Amathole hiking trail is at Keiskammahoek which is part of Amahlathi Local Municipality.
3. There are graves of Xhosa Chiefs and German descendants which are a tourist attraction.
4. Friendly N6 traverses the Amahlathi Local Municipality, thus becoming a gateway to Johannesburg and other towns such as Komani, Maletswai and Bloemfontein.
5. There is a need to revitalise the Craft mania annual event.
6. Tourism structures are also playing a major role in tourism promotion, structures like Local Tourism Organisation and Community Tourism Organisation.

7. Small town's regeneration has benefited tourism because a larger number of municipalities visit Amahlathi to view the development which has been implemented through the programme.

Small Medium Micro Enterprises:

1. Formation of Timber Co-ops could potentially alleviate exploitation by big timber companies of community members who are harvesting wattle. This will require a more targeted implementation of the Forestry Strategy, which was originally formulated as a response to this particular challenge.
2. Training intervention to SMME's and Co-ops to access funding from various institution has improved their opportunities for funding support.
3. Technical support to local SMMEs towards accessing various government offered COVID-19 related and other Department of Small Business Development offered support instruments.
4. Lead the implementation of a sub-contracting programme to benefit local Contractors, which now has a standing Council resolution.

Economic Potential:

1. Natural expression of economic zones
2. Agriculture
 - High value crops
 - Fish Farming
 - Honey production
 - Beef Production for export,
 - Feed,
 - Chicken,
 - Deep soils and rainfall reliability in King Kei and area between Keiskammahoek & Stutterheim
3. Manufacturing (i.e., paving)
4. Timber
5. Processing
 - Agro-processing in KKH
 - Medicinal plants and processing
6. Small Towns with a large number of villages (i.e. Shopping Centers)

STREET TRADING BY-LAW

The Amahlathi has the street trading By-law that was developed and adopted by Council in 2014. The purpose of this by-law is to enforce a single act of selling or offering services in a public place to constitute trading.

3.5 KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

3.5.1 FUNCTIONS AND POWERS AS LEGISLATED

FUNCTION	YES	NO
Administration of indigenous forests	Yes	
Agriculture	Yes	
Animal control and diseases		No
Cultural matters		No
Education at all levels, excluding tertiary education		No
Environment	Yes	
Health services		No
Regional planning and development	Yes	
Road traffic regulation	Yes	
Soil conservation		No
Tourism	Yes	
Trade		No
Traditional leadership, subject to Chapter 12 of the Constitution	Yes	
Urban and rural development	Yes	
Vehicle licensing	Yes	
Welfare services		No
Air pollution		No
Building regulations	Yes	
Child care facilities		No
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	Yes	
Municipal planning	Yes	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law		No

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Pontoons, ferries, jetties, piers and harbors, excluding the regulation of international and national shipping and matters related thereto		No
Storm water management systems in built-up areas	Yes	
Trading regulations	Yes	
Amusement facilities		No
Billboards and the display of advertisements in public places		No
Cemeteries, funeral parlors and crematoria	Yes	
Cleansing		No
Control of public nuisances		No
Control of undertakings that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals		No
Fencing and fences		No
Licensing of dogs		No
Licensing and control of undertakings that sell food to the public		No
Local amenities		No
Local sport facilities		No
Markets		No
Municipal abattoirs		No
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution		No
Pounds	Yes	
Public places		No
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	

3.5.2 ORGANIZATIONAL 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 that will regularly evaluate the staff establishment of a municipality and, if the staff establishment requires amendment the approval of council shall be obtained.

Institutional Structure

The institutional Structure of Amahlathi Municipality is divided into two levels, namely the Political and Administrative Structures. The Administrative Structure is accountable to the Political Structure.

- **Political Structure**

The Principalship of Amahlathi Municipality lies with the council under the chairperson of the Speaker, and it operates a number of controls that assist in the realization of the council's mandates. Listed below are the committees that assist Council in carrying out its responsibilities; -

- Municipal Public Accounts Committee
- Audit & Performance and Audit Committee
- Rules Committee

INSTITUTIONAL CALENDAR

The Institutional Calendar that is a guide for Council, EXCO and Standing Committee Meetings is existing. It was adopted by the Council during the Ordinary Council Meeting held on the 28 June 2024. A new council calendar is to be tabled by the Speaker in the Ordinary Council meeting of 29 May 2025. The municipality developed Council Resolution Register that is monitored and reported on a quarterly basis through Council Structures.

MEETINGS AS SCHEDULED

- All **Council Meetings** are convened according to the Calendar. There is a provision for Special Council Meetings that are not provided for in the calendar that will deal with urgent matters that cannot wait for the ordinary council meeting.
- Executive Committee Meetings are convened quarterly to discuss quarterly reports that are submitted to the Standing Committees, however special Executive Committee meetings are convened as and when necessary.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

MEETING	DATE CONVENED	COMMENT
Council Meeting	25 July 2024	Consider reports of the 4 th quarter for 2023/24 Financial Year.
Ordinary Council Meeting	29 August 2024	Consideration of IDP/Budget & PMS Process plan, 2023/2024 Annual Performance report and 2023/2024 Draft Annual Financial Statements
Special Council Meeting	30 October 2024	Consider report of the 1 st quarter for 2024/2025
Urgent Council Meeting	25 November 2024	Consideration and adoption of Standard Draft By-Law on Township economies: Gazette No. 51529
Urgent Council Meeting	03 December 2024	Consideration of Determination of Upper Limits of Salaries, Allowances and benefits of Different members of municipal council.
Ordinary Council meeting	12 December 2024	Delegation of disaster management and Closure of Offices
Council Meeting	25 January 2025	2 nd Quarter Reports and Midterm Assessments.
Council Meeting	26 February 2025	Consideration of SDBIP and Budget Adjustments
Ordinary Council Meeting	27 March 2025	Consideration of Draft 2025/2026 Budget, Draft 2025/2026 IDP and Draft 2025/2026 SDBIP
Council Meeting	24 April 2025	Consideration of 3 rd Quarter reports for 2024/2025 fy

MEMBERS OF THE COUNCIL

The Council has got 30 members (PR and Ward Councilors) and 2 Traditional Leaders are active.

STRUCTURES OF THE COUNCIL

The executive committee consist of 6 standing Committees.

Following are the Standing Committees and their representatives: -

1) BUDGET AND TREASURY

No.	Names
1.	Cllr N. Kato-Manyika Chairperson
2.	Cllr N. Mbulana
3.	Cllr N.Nyangwa
4.	Cllr Z. Gavini
5.	Cllr M. Busakwe
6.	Cllr M. Neku
7.	Cllr N. Salaze
8.	Traditional Leader: Ms. P. Gaika

2) CORPORATE SERVICES

No.	Names
1.	Cllr P.Qaba (Chairperson)
2.	Cllr M.E. Maweni
3.	Cllr N.C. Mkiva
4.	Cllr M. Neku
5.	Cllr P.N. Onceya-Sauti
6.	Cllr N. Ngxakangxaka
7.	Cllr.S. Mqwebedu - Matini
8.	Traditional Leader: Ms. P. Gaika

3) COMMUNITY SERVICES

No.	Names
1.	Cllr T. Pickering – Chairperson
2.	Cllr. P. Budaza
3.	Cllr N.Z. Klaas
4.	Cllr Z. Ngozi
5.	Cllr M. Nqini
6.	Cllr M. Maweni
7.	Traditional Leader: Mr.M. Ulana

4) SERVICE DELIVERY

No.	Names
1.	Cllr X.Tokwe - Chairperson
2.	Cllr N. Nyangwa
3.	Cllr N. Mbulana
4.	Cllr Z. Ngozi
5.	Cllr M. Nqini
6.	Cllr.O. Mgunculu
7.	Traditional Leader: Mr. M. Ulana

5) DEVELOPMENT AND PLANNING

No.	Names
1.	Cllr B. Xongwana - Chairperson
2.	Cllr N. Ngxakangxaka
3.	Cllr M. Busakwe
4.	Cllr M.E. Maweni
5.	Cllr. N. Salaze
6.	Cllr. N.Z. Klaas
7.	Traditional Leader: Mr. M. Ulana
8.	Traditional Leader: Ms.P. Gaika

6) EXECUTIVE SERVICES

No.	Names
1.	Cllr B. Xongwana - Chairperson
2.	Cllr N. Ngxakangxaka
3.	Cllr M. Busakwe
4.	Cllr M.E. Maweni
5.	Cllr. N. Salaze
6.	Cllr. N.Z. Klaas
7.	Traditional Leader: Mr. M. Ulana
8.	Traditional Leader: Ms.P. Gaika

Other committees

- a) Executive Committee
- b) Labour Forum Committee
- c) Affirmative Action/Training Steering Committee
- d) Women Caucus
- e) Rules, Ethics and Integrity Committee

The committees listed above are established in terms of Sections 79 and 80 of the Local Government: Municipal Structures (Act no 117 of 1998) and are convened on a quarterly basis.

Administrative Structure**3.5.2 ORGANIZATIONAL 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 that will regularly evaluate the staff establishment of a municipality and, if the staff establishment requires amendment the approval of council shall be obtained.

Institutional Structure

The institutional Structure of Amahlathi Municipality is divided into two levels, namely the Political and Administrative Structures. The Administrative Structure is accountable to the Political Structure.

- **Administrative Structure**

The Municipal Manager leads the Management Committee composed of the Section 56 HODs.

The current functions of the municipality are as follows: -

1. The Executive Services (Municipal Manager's Office).
2. The Corporate Services.
3. The Budget and Treasury Office.
4. The Community Services
5. The Engineering Services.
6. The Development and Planning.

These functions identified by the municipality are in direct compliance with Chapter 2 of the Municipal Staff Regulations on the establishment of a category B municipality. The same broad functions are part of the currently approved proposed organogram by Council which awaits submission to the MEC for COGTA before the end of the financial year. The organogram considers both the short and medium term IDP as a result of the unique financial constraints experienced by the municipality with regards to the Cost of Employment budget and expenditure that currently sits at 67%.

The municipality took a decision to place a moratorium on filling vacant positions below the section 56 managers in await of the migration and placement of employees into the new organogram. Critical and scarce skills positions are therefore not identified for immediate filling from external candidates until the municipality has "rationalized" and placed existing employees in positions that they mostly fit into. A vacancy rate has therefore not been applied because of the moratorium and the state of the municipality's 67% cost of employment expenditure which is 27% above the National Treasury threshold.

All section 56 and 54 positions are filled at a 50% by 50% African males and females.

3.5.3. HUMAN RESOURCES PLAN

HR Planning is an inclusive and dynamic process that involves the identification of both current and future human resources needs as well as potential challenges for the municipality to consistently achieve its objectives. An HR Plan entails short term organizational establishment of the Municipality mainly for the effective implementation of the **Service Delivery and Budget Implementation Plan (SDBIP)**.

The Human Resource Plan is to ensure the best fit between employees and jobs, while avoiding manpower shortages or surpluses. The three key elements of HR Planning process are **forecasting labour demand, analyzing present labor supply and balance projected labour demand and supply.**

As a result of the moratorium on recruitment, staffing needs at departmental levels await the migration and placement of employees onto the approved organizational structure and the ***Annual Recruitment Plan*** of the municipality for the 2024/2025 financial year consisted of the section 56 managers and community and youth

development programmes that are both internally and externally funded. The only positions that are currently filled are those identified as critical from different departments and reported to MANCO as critical positions.

INSTITUTIONAL COHESION

The staff turnover has increased in the first and second quarter of 2023/24 financial year. The three vacant managerial positions were filled in the third quarter whilst the vacant position of Chief Financial Officer is undergoing various stages of recruitment. The municipality is also recruiting Manager for Roads and Stormwater. The institution is still operating under a moratorium for recruitment on the basis of cost savings and implementation of the council approved re-engineered 2023/24 organogram.

SOME INITIATIVES IN SUPPORT OF INSTITUTIONAL COHESION

(a) Improved Policy Regime

New policies are developed some reviewed and submitted to council for approval after LLF consultation especially for HR and ICT policies. Workshops for councillors and employees are conducted on a yearly basis by the HR unit. These have facilitated decision making and smooth running of the municipality. Technical policy workshop was held in February 2024 and the Institutional policy workshop is earmarked for 30 April 2024.

(b) Sound Employee Relations

Amahlathi Local Labour Forum consists of 16 members (8 for labour component and 8 for employer component) LLF meetings are convened on a quarterly basis as reflected in the Council calendar and as and when required by mutual agreement of both parties. Any party, for reason of urgency, may call special meetings of the Local Labour Forum over a period of 48 hours.

There is a sound relationship between Employer and employees which is facilitated by the LLF seating's, training interventions by the HR unit and tabling of standard reports by the Corporate Services unit and those that the employee component deem necessary for engagements, should they not be a part of the Training and Employment Equity Committee standard agenda.

(c) Well Established EAP/Wellness Unit

The EAP Unit is well grounded and performs all related functions in improving employee's health status as well promoting occupational health and safety within the institution. Services includes a number of limited primary health functions and services including screening of employees for chronic medical conditions. Routine visits to satellite Offices are also being performed by the unit to render same services on Quarterly basis. EAP unit is also responsible for capacitating of employees with relevant updates on health conditions as well conducting health awareness campaigns and wellness activities/events thus promoting physical health and activeness (Sexual Health (STI), Tuberculosis (TB) Chronic Conditions (HPT,D/M & HIV/Aids) and financial health sessions. The Unit is well resourced with relevant basic medical equipment to render such services including basic medical supply for employees on suffering on chronic conditions and performing routine management for such conditions to promote compliance and adherence to gain control of such conditions. The unit is also responsible for ensuring

and maintaining communication including referral system with other relevant stakeholders when seemed to be necessary or for further care. The unit also provides intervention, when necessary, amongst department to ensure smooth functioning as well enhance productivity at workplace through conducting meetings. Psycho-social activities are also rendered to promote social cohesion amongst employees' team building, Wellness Day, sport day (soccer), Aerobics and running. Trauma and Debriefing sessions are also provided when the need arise. All educational sessions are conducted as per EAP plan as well national health calendar (2 health educational health sessions per quarter) and all unit initiatives are reported quarterly.

(d) Sound Fleet Management

The Municipality is in the process to renovating the municipal pound yard in order to be able to have a central place that is safeguarded to keep the municipal fleet. The Institution has an effective vehicle's tracker system for all its fleet including a comprehensive reporting mechanism for petrol utilisation per fleet on a monthly basis. The Fleet management Officer is appointed as an investigator of all fleet policy misuse occurrences. Control and allocation of vehicles to employees is under strict control and monitoring through the signed fleet authorisation form. Accountability for servicing and maintenance of municipal fleet has previously been compromised by the municipal financial constraints, however budget to maintain fleet has been prioritised in the 2023/24 financial year, resulting is elevated municipal services to the community, especially in the community and engineering services departments.

(e) Employment Equity Plan

The 3-year EEP (2025-2027) has been developed and is currently being implemented. Barriers have been identified and they will receive attention. Some of these include challenges faced in getting the existing employees to declare their disability through education of what is legally termed as a disability instead of the visible physical disabilities. A challenge is however foreseen in the declarations, which would be the need for financial resources to ensure compliance with reasonable accommodation needs of employees whose declarations would require financially resources accommodation.

(f) Records Management

The municipality has a File Plan aligned to the requirements of the Department of Sports, Recreation, Arts and Culture in place to manage and control the municipal records which has been revised with the assistance of the **Provincial Archivist** in 2022. The Record Management unit has completed revision of the file plan although challenges are still experienced in fully implementing it due to its manual nature and training required. Scanning of all the municipal records is underway and expected to be fully realised once the ICT network of the municipality is fully operational and an automated file plan is introduced.

(g) Staff Retention

The municipality has experienced a high rate of resignations, and this is a clear demonstration of the municipality's financial instability. The municipality distributed employee satisfaction survey questionnaire to all employees

which assists the municipality to know exactly what the challenges are facing the employees in the workplace and to improve the workforce practices.

(h) Consistent Attendance of Corporate Services Forums

All forums convened by COGTA, SALGA and ADM throughout the year were all attended by Councillors and Officials. In these platforms of engagement, cooperative learning and networking has been found empowering for participants particularly on contemporary challenges facing local government, legislation and the future state crafted to steer around the local space.

(i) Occupational Health and Safety committee

Committee is made up of two (2) nominated employee(s) from each directorate and one (1) trade union representative of the recognized unions within the Amahlathi Local Municipality. Employees who are on contract of less than a year are not eligible for nomination to this committee.

The purpose is to promote awareness of safety issue and develop a collaborative relationship between management and employees of the Amahlathi Local Municipality to identify and resolve health and safety challenges. The committee has been trained by the Department of Employment and Labour to ensure that it executes its functions in compliance with the Act and the Department of COGTA has been invited to assist with compliance to the Act for optimum safe and healthy municipal operations. OHS section is also responsible for conducting physical verification of municipality buildings as well identifying of health hazard within the institution and formulate recommendations.

SOME INSTITUTIONAL CHALLENGES

(a) Cascading of PMS to lower levels

Performance has been cascaded to employees from Task Grade twelve (12) and above and reviews are co-ordinated by each Head of Department then submitted to IDP/PMS office within three (3) working days of the next month after the end of each quarter. It has not yet been cascaded to employees below task grade 12.

(b) Escalating Wage Bill

In terms of the maximum threshold as determined by the National Treasury, the municipality should be between 20% to 40%, currently the municipality is seating at 39%. At implementation of standardisation the municipality employee related cost before the reversal was at R 12 678 612.00 and further dropped to R 11 066 049.00 monthly.

(c) Inadequate training budget

The available budget each year is not sufficient to cover what is contained in the Workplace Skills Plan (WSP) and skills audit. Training is therefore offered to staff on a prioritised basis as determined by each Department. Failure to submit the SETA grant funding applications on a yearly basis has crippled the municipality's ability to train its employees despite internal financial constraints.

WORKSPACE SKILLS PLAN

A Workplace skill plan (WSP) is developed, submitted to Council and LGSETA on an annual basis. An annual training plan is developed based on the WSP. The implementation of the WSP is an ongoing activity and progress reports are presented to Council via the Corporate Services Standing committee timeously.

STAFF PROMOTIONS

There were no promotions in 2024/2025 FY

STAFF COMPLEMENT

The following is the breakdown of staff complement per Department:

STAFF COMPLEMENT

The following is the breakdown of staff complement per Department:

DEPARTMENT	BREAKDOWN OF POSTS	NO OF FILLED POSITIONS	NO OF VACANT POSITIONS
Municipal Manager's Office	Municipal Manager	1	
	Office Support M.M	19	41
TOTAL		20	41

Corporate Services	Director	1	
	Support Staff	27	16
TOTAL		28	16

Budget and Treasury	Chief Financial Officer	1	
	Support Staff	22	4
TOTAL		23	4

Development and Town Planning	Director	1	
	Support Staff	14	10
TOTAL		15	10

Community Services	Director	1	
	Support Staff	61	42
TOTAL		62	42

Engineering Services	Director	1	
	Support Staff Electricity	65	-4
TOTAL		66	-4

TOTAL NO OF PERMANENT EMPLOYEES = 214**NUMBER OF VACANT POSITIONS = 109****INSTITUTIONAL ORGANOGRAM**

The municipality has an approved 2023/2024 organogram consisting of 323 positions, after deliberations in the organizational strategy session to develop the 2025/26 IDP and SDBIP, it has been recommended that the approved organizational structure 2023/24 be reviewed to be aligned with 2025/26 municipal objectives.

In terms of chapter two (2) Local Government Municipal Staff Regulations" A Municipal Manager must review the staff establishment of a municipality having regard to (d) the municipality's strategic objectives, including its core and support functions, within 12 months of one of the following:

(ii) election of a new municipal council; or the adoption of a new integrated development plan of the municipality as contemplated in section 25 of the Municipal Systems Act. (3) The Municipal Manager must review the draft staff establishment in consultation with recognized trade unions within the local labour forum.

The municipality designed a process plan to direct the crafting of the proposed 2025/26 Organogram and as a result, various stakeholders are considered for consultation in the process, starting off with organized labour in the Local Labour Forum, departmental organogram engagement sessions, technical session which includes top management and middle management, Institutional session which includes Councilors and other relevant external stakeholders.

In designing the 2025/2026 proposed organogram, the following elements of the process shall be considered:

- Chapter 2 of the Municipal Regulations which came into effect from 01 July 2022.
- ALM IDP and SDBIP
- Organisation design metrics as per paragraph 5 (2) of the staff establishment key dimensions to determine the staff establishment.
- Departmental prioritisation of strategy enabling scarce skill and service delivery focused positions.
- Employment Equity (EEA9) infused into a ALM qualification Matrix to create Organogram and costing according to occupational levels, job competency description and Task Grade bands.

3.6 MUNICIPAL PRIORITIES NEEDS

PRIORITIES	DESIRED OUTCOMES
Youth Centre	<ul style="list-style-type: none"> • Development of youth
Fencing and bridges	<ul style="list-style-type: none"> • Constructed bridges • Access to villages
Roads	<ul style="list-style-type: none"> • Increase infrastructure funding for provinces for the maintenance of provincial roads • Invest in broadband network infrastructure • Improve maintenance of municipal road network
Water and Sanitation	<ul style="list-style-type: none"> • losses • Ensure effective maintenance and rehabilitation of infrastructure. • Run water and energy saving awareness campaigns. • Maintain and expand Develop and implement water management plans to reduce water purification works and wastewater treatment works in line with growing demand
Job Creation	<ul style="list-style-type: none"> • Access to decent employment • Strategy to reduce youth unemployment • Support small business and co-operatives
Health	<ul style="list-style-type: none"> • Revitalize primary health care • Increase early antenatal visits to 50%. • Increase vaccine coverage. • Improve hospital and clinic infrastructure

	<ul style="list-style-type: none"> • Accredit health facilities
Education	<ul style="list-style-type: none"> • Building of school premises for children
Community Halls	<ul style="list-style-type: none"> • Building of community halls • Renovation of Community halls
High Mast Lights	<ul style="list-style-type: none"> • Installation and energizing existing high mast lights to reduce the high level of crime in communities
Revitalization of Towns	<ul style="list-style-type: none"> • Beautification of Amahlathi small towns
Site allocation	<ul style="list-style-type: none"> • Allocation of sites to reduce land invasion

TOP 10 PRIORITY NEEDS

- Construction and Maintenance of Roads
- Water and Sanitation
- Houses
- Electricity
- Recreational Centers (Job creation and youth development programmes)
- Sport Facilities
- Community halls
- Revitalization of towns (Beautification of Amahlathi small towns)
- Fencing and bridges (graveyards, veld, and camps)
- Health care and security services

WARD BASE PLANNING ISSUES

The municipality has started the process of ward-based planning development, workshop was conducted assisted by COGTA and the district. The municipality has developed ward based plans for at least for 5 wards in 2024/25 financial year and for the rest of wards in 2025/26 financial year.

WARD	COMMUNITY NEEDS
1	<ul style="list-style-type: none"> • Keiskammahoek (Town) Town Revitalization • Vaaldraai Paving of internal roads • Masincedane Graveling of internal roads • Upper Zingcuka Graveling of internal roads • Sophumelela Paving of internal roads • Bomapass Graveling of internal roads • Keiskammahoek (Town) High must lights • Vaaldraai High must lights • Sophumelela High must lights • Masincedane High must lights • Masincedane, Sophumelela, Ngxondorheni, Upper Zingcuka, BumbaneCommunity Hall • Bridge between Lower Gxulu and Masincedane. • Bridge between Burnshill and Ngxondorheni. • Bridge at Upper Zingcuka • RDP & Disaster Houses - Sophumelela, Lower Gxulu, Ngxondorheni , Upper Zingcuka, Peters Farm, Masincedane, Bomapass • Graveyard Fencing- Peters Farm, Ngxondorheni, Upper Zingcuka, Bomapass, Bumbane, Masincedane
2	<u>INTERNAL ROADS</u> <ul style="list-style-type: none"> • Cata, Upper Mnyameni, Lower Mnyameni, Khayelitsha,

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Drayini-Ngqudela <p><u>ACCESS ROADS</u></p> <ul style="list-style-type: none"> • Cata Road - DR07377, DR07381, DR07384 • Upper Mnyameni - DR073378, Lower Mnyameni - DR073380, • Ngxalawe - Nothenga - DR07388 Ngxalawe - DR07387 • Ngqudela - DR12803 <p><u>COMMUNITY HALLS</u></p> <ul style="list-style-type: none"> • Phumlani, Kom, Ngqudela, Bumbane, and Ngxalawe <p><u>WATER TAPS</u></p> <ul style="list-style-type: none"> • Ngxalawe, Cata extensions, Upper Gxulu extensions, • Ngqudela extensions, Kom Extensions <p><u>FENCING OF GRAVESITES</u></p> <ul style="list-style-type: none"> • Kom, Khayelitsha, Phumlani, Cata, and Ngqudela • DIPPING TANKS • Cata, Ngqudela <p><u>SPORTS FIELDS</u></p> <ul style="list-style-type: none"> • Cata, Lower Mnyameni, Upper Gxulu, Phumlani, Ngqudela, • Ngxalawe <p><u>CLEANING OF HIKING TRAILS</u></p> <ul style="list-style-type: none"> • Cata and Upper Mnyameni <p><u>YOUTH AND WOMEN LEARNERSHIP PROGRAMMES</u></p> <ul style="list-style-type: none"> • Bumbane, Khayelitsha, Ngxalawe, Kom, Phumlani, and Ngqudela <p><u>AGRICULTURAL PROGRAMMES SCHEMES</u></p>

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Upper Mnyameni, Lower Mnyameni, Upper Gxulu, Cata <p><u>HOME GARDENS</u></p> <ul style="list-style-type: none"> • Bumbane, Kom, Khayelitsha, Ngqudela, Ngxalawe, and Phumlani <p><u>SMME SUPPORT</u></p> <ul style="list-style-type: none"> • Bee Keeping, Sewing, Beading, Piggery, Poultry • Cata, Upper Mnyameni, Lower Mnyameni, Upper Gxulu, Kom, • Khayelitsha, Ngxalawe, Phumlani, Ngqudela, Bumbane
3	<p><u>Gwili- Gwili</u></p> <ul style="list-style-type: none"> • Internal Roads • Bridge • RDP houses • Sport Field maintenance <p><u>Dontsa Village</u></p> <ul style="list-style-type: none"> • Internal Roads • RDP houses • Community hall • Fencing of graveyards • Sport field <p><u>Ndlovini</u></p> <ul style="list-style-type: none"> • RDP houses • Internal Roads • Bridge • Graveyard fencing • Sport field fencing <p><u>Mqukwane Village</u></p> <ul style="list-style-type: none"> • Internal Roads

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Community hall • RDP houses • Bridge <p><u>Ngcobo tent</u></p> <ul style="list-style-type: none"> • Internal roads • RDP houses • Community hall • Water • Electricity <p><u>Khubusi</u></p> <ul style="list-style-type: none"> • Internal Roads • RDP houses • Community hall • Fencing of Cemeteries & graveyards <p><u>Nothenga</u></p> <ul style="list-style-type: none"> • RDP houses • Internal Roads • Fencing of graveyard
4	<ul style="list-style-type: none"> • RDP Houses • Access and Internal roads in all villages • High mast lights must be operational. • A caretaker for graveyards must be hired. • Fencing of cemeteries • halls • Sport fields • Renovation of halls • Chemical coagulation through purification of water as the taste is salty. • Each directorate in the Cathcart satellite office must have its office and manager.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
5	<ul style="list-style-type: none"> • Streetlights to be operational in Ndlovini village. • Construction project of Toilets and Taps to be completed in Ndlovini. • RDP houses • Access and Internal roads in all villages • High mast lights • Sport fields • Fencing of graveyards • A caretaker for graveyards must be hired. • Community Hall • Temporal structures in Ndlovini for the disaster victims • Chemical coagulation through purification of water as the taste of water is salty. • Each directorate in the Cathcart satellite office must have its office and manager. • Renovation of hall
6	<ul style="list-style-type: none"> • Water tank in Ohlsen • Request for electricity in Ohlsen • Request for toilets in Ohlsen • Access and Internal roads in Ohlsen • Fencing of cemeteries/ velds • Community hall at Kubusie • Clinic extension in Kubusie • Fencing of cemeteries in Kubusie • Sport field in Kubusie • Roostile greed gate in Kubusie • Assistance in Kubusie land claims • Temporal structures in Kubusie

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Request for Water and electricity new extension in Kubusie • RDP Houses in Kubusie • Clinic request in Bhongolwethu • Request for a high school to be built in Bhongolwethu • High mast lights in Bhongolwethu • RDP Houses in Bhongolwethu • Access and internal roads in all villages of Bhongolwethu • Fencing of graze land in Bhongolwethu • Fencing of cemeteries • Greed gate in Bhongolwethu • Sportsfield in Bhongolwethu • Creation of jobs for Joe Lentz residents • Request for mobile clinic in Joe Lentz • Access and Internal roads in Joe Lentz • Creation of jobs for Amatollaville/ Newrest residents • RDP Houses in Amatollaville/Newrest • Request for a school in Amatollaville • Streetlights at Amatollaville are aging • Renovations of the Amatollaville Community hall • Issue of sanitation in Amatollaville
7	<ul style="list-style-type: none"> • RDP houses • Recreation Centre (Library, youth facilities and hall) • Highmast Lights

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Bridge (Emeria & Nciya, Foot bridge and storm water construction on gravel roads) • Sport Centre (Grandstand, Ablutions, Change rooms and showers)
8	<p><u>Nonkululeko</u></p> <ul style="list-style-type: none"> • Electricity (Etafeni) • Roads (Etafeni) • Water (Taps) • Roads <p><u>Khayelitsha</u></p> <ul style="list-style-type: none"> • Community hall • Electricity • Bridges (3 bridges around the village) <p><u>Border Post</u></p> <ul style="list-style-type: none"> • RDP Houses • Electricity • Roads <p><u>Nompadlana</u></p> <ul style="list-style-type: none"> • Electricity • Roads • RDP Houses • Community <p><u>Kei Road</u></p> <ul style="list-style-type: none"> • Houses • High mast lights • Renovations and fencing of community hall • Fencing of graveyards <p><u>Kei Road Northern Node</u></p> <ul style="list-style-type: none"> • Electricity/ Electrification • Streetlights • Fencing of graveyard

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
9	<ul style="list-style-type: none"> • Fencing of Community Hall • Mgwali housing project • Construction of Stutterheim to Tsomo Road • Electricity Extension • Mgwali no 3,4 & 5 village internal roads • Internal roads for Ndakana villages: Stanhope, Freshwater, Jerseyville and Gasela • Rockdale internal roads • High mast lights in all villages • Renovations of Ndakana Community Hall • Renovations of Mgwali cultural village • Amabele Community Hall • Community hall for no 4 & 5 villages • Police station for Ndakana village • Surfacing of the access road from N6 Amabele via Ndakana to Nonkululeko village (DR844) • Job creation for all ward 9 residents • Fencing of graveyards in all villages • Fencing of grazing land • Ward 9 sport field facilities • Skills development for all ward 9 residents • Renovation of dip tanks for all ward 9 residents • Water extension for the whole ward • Greed gate for Gasela area • Training of SMMEs cooperatives for the whole ward • Renovation of Masiphumle Primary School

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Cultivation of grazing land (amasimi) • Site allocation for ward 9 community • Graveyard space for Amabele, Gasela and Rockdale • EPWP jobs for ward 9 residents • Wattle eradication for ward 9 • Signages from N6 to Ndakana villages • Repairing of High mast lights in Amabele • Repairing of water taps for the whole ward. • Bridges for the ward • Scholar transport for Mgwali no 4 & 5 villages and surrounding farms • Mgwali clinic to be operational 24 hours. • Creches for the whole ward 9 villages • Ndakana phase two RDP Houses • Learnership programmes for ward 9 • Temporal structures for ward 9
10	<p><u>Ngcamnjeni Location</u></p> <ul style="list-style-type: none"> • RDP Houses • Internal and external Roads • Community Hall • Shearing Shed • Fencing of graveyards • Cleaning of Dams <p><u>Rabe Location</u></p> <ul style="list-style-type: none"> • Community Hall • RDP Houses • High mast Lights • Fencing of graveyards • Cleaning of Dams

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<p><u>Madubela Location</u></p> <ul style="list-style-type: none"> • RDP Houses • Community Hall • Internal & External Roads • Sports facilities • Cleaning of Dams • Fencing of graveyards <p><u>Burnshill</u></p> <ul style="list-style-type: none"> • RDP Houses • Youth Development Programmes • Job creations • Fencing of graveyards • Cleaning of Dams • High mast lights • Roads <p><u>Lenye Village</u></p> <ul style="list-style-type: none"> • Community Hall • RDP Houses • Cleaning of Dams • Internal Roads • Fencing of graveyards • Sport facilities <p><u>Zanyokwe Location</u></p> <ul style="list-style-type: none"> • RDP Houses • Community Hall • Health facilities • Cleaning of Dams • Fencing of graveyards • Sport Facilities

WARD	COMMUNITY NEEDS
11	<p><u>Tshoxa</u></p> <ul style="list-style-type: none"> • RDP houses (Needy and Elderly) • Water (New sites & Marikana – water tanks as short-term solution) • Electricity (Extensions or new sites, Infills) • Roads -Marikana <p><u>Rabula Upper & Lower</u></p> <ul style="list-style-type: none"> • RDP houses • Water – (water tanks as short-term solution) • Electricity- (new sites or extensions) • Roads – Internal roads and maintenance • Sport facilities (Sport & Horse Racing) • Scholar Transport • Job Creation (High rate of unemployed youth) <p><u>Nggumeya Upper & Lower</u></p> <ul style="list-style-type: none"> • RDP Houses (needy, elderly child headed homes) • Water (Taps without running water) • Electricity – New Sites or extensions • Roads • Toilets (Few people left without in any all villages) • Job Creation (High rate of unemployed youth) <p><u>Lower Zingcuka</u></p> <ul style="list-style-type: none"> • RDP houses (needy, elderly) • Water (New Sites) • Electricity (New Sites or extensions) • Roads (Internal and Lith road)

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Job Creation (High rate of unemployed youth)
12	<p><u>Nompumelelo</u></p> <ul style="list-style-type: none"> • Internal Roads • Fencing of graveyards • Community Hall • RDP houses • EPWP (Land care) • Electrification (Extension) • Establishment of Community Garden • Streetlights <p><u>Malindana</u></p> <ul style="list-style-type: none"> • Internal Roads • Fencing of graveyard • Community hall • RDP houses • maintenance of the main road • Renovation of the bridge • Establishment of Community Garden • Streetlights <p><u>Hokwana</u></p> <ul style="list-style-type: none"> • Internal Roads • RDP houses • maintenance of main road • Fencing of graveyard • Renovation of the school hall • Upgrading of water supply • Electrification (Extension) • Streetlights • Introduction of Community Garden

WARD	COMMUNITY NEEDS
	<p data-bbox="831 394 1002 423"><u>Frankfort Village</u></p> <ul data-bbox="879 443 1390 880" style="list-style-type: none"> • Internal Roads • RDP Houses (Addition) • Electrification (Extension) • Community hall (renovation) • Main road – Maintenance • Fencing of Graveyard • EPWP (Land Care) • Drainage at the cross junction joining Frankfort, Hokaan, Malindana and Thembeni <p data-bbox="831 900 916 929"><u>Gubevu</u></p> <ul data-bbox="879 949 1294 1543" style="list-style-type: none"> • Internal Roads • Maintenance – Main Roads • RDP houses • Upgrading of water supply • Community hall • Fencing of graveyard • Upgrading of sport field • EPWP (Land care) • Electricity (Extension) • Revive Community Garden • Fencing of grazing land • Fixing the dam (Reservoir of water) <p data-bbox="831 1563 938 1592"><u>Nothenga</u></p> <ul data-bbox="879 1612 1198 1901" style="list-style-type: none"> • Internal Roads • Main Road (Maintenance) • RDP houses • Bridges (Construction) • Clinic • Graveyard (fencing)

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Electricity (extension) • EPWP (land care) • Establishment of Community Garden • Streetlights • Establishment of gravel quarry • Dipping and loading raise <p><u>Upper Izele</u></p> <ul style="list-style-type: none"> • Internal Roads • Road maintenance • RDP houses • Graveyard (fencing) • Electricity (Extension) • Furniture for Community Hall and facilities around the hall • EPWP (Land Care) <p><u>Ntshangi (NJINGA)</u></p> <ul style="list-style-type: none"> • Internal Hall • RDP houses • Fencing of graveyard • Electricity (Extension) • EPW (Land Care)
13	<ul style="list-style-type: none"> • Internal roads for Mgwali and Heckel villages • Maintenance of roads in town • RDP houses • Water pipes and sewage replacement • Streetlights and high mast lights • Fencing of grazing land • Provincial access road via Mgwali and Heckel villages • Mgwali Community Hall

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Kologha Community Hall • Renovations of Heckel Community Hall • Dip • Fencing of graveyard • Dam scooping
14	<ul style="list-style-type: none"> • RDP Houses in Mzamomhle • Community Hall in Mzamomhle • Internal roads in Mzamomhle • High mast lights in Mzamomhle • Paving on the road to Sikhulule School • Clinic in Mzamomhle • Graveyard in Mzamomhle • Dip • RDP Houses that were not finished in ward 14 • Internal roads in Mbulelo Location • Toilets • Streetlights • Renovation of Mjojweni Stadium • Fencing of Graveyard in ward 14 • Road to the graveyard in ward 14 • Internal roads in Nkqenkqenkqe • Drains (unblock) • Waste Truck • Sewer pipes • Water
15	<ul style="list-style-type: none"> • Maintenance of Highmast lights • Maintenance of Internal Roads: Cenyu, Zanoxolo, White City, Jongile Avenue, Khanyisa, Bhongweni and Ohlson

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • 3. Water pipe replacement in ward 15 for all areas • 4. Paving from the main road next to Zobho around Jongile High School back to the main road at WhiteCity • 5. Fencing of graveyards Mlungisi and Cenyu • 6. Area called e Sporweni needs roads survey, and water installation • 7. Zanoxolo requests a graveyard site and the new settlement needs roads survey and water installation • 8. Electrification • Cenyu Village • Cenyulands • Zanoxolo • 9. Infills in • Cenyu village Cenyulands • WhiteCity and Zanoxolo • 10. Flushing toilets • Zanoxolo, White City, Jongile Avenue, Khanyisa, Khayelitsha, Bhongweni, Ohlson • 11. VIP toilets in Cenyu Village and Cenyulands

CHAPTER 4: MUNICIPAL DEVELOPMENT OBJECTIVES AND STRATEGIES

This section reports on the work undertaken to address in a strategic manner the key areas of need identified during the Analysis Phase of the IDP process. In this regard, six key components have guided the formulation of the Municipality's development strategies and associated project identification. These are:

4.1 GUIDING PRINCIPLES

In carrying out its functions the Amahlathi Municipality has been committed to:

- ☐ Co-ordination with other spheres of government.
- ☐ Maximise participation of the community,
- ☐ Recognise the social needs of all communities.
- ☐ Sustainable Socio-economic, Environmental and Political Development.
- ☐ Provide necessary infrastructure within its means.
- ☐ Build investor confidence.

4.2 DEVELOPMENT OBJECTIVES

The Municipal Development Objectives are classified in terms of the **revised** Development Sector Clusters established through the mediation of the Amathole District IDP Framework Committee.

The process of identifying objectives was founded on the objectives developed by Amathole District Municipality and made use of the Representative Forum to ensure that the objectives identified would enable communities to attain the maximum benefit from all subsequent processes. The following objectives, per sector development cluster, were identified.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target	Target	CUSTODIAN
KPA:1 SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT							
1.1	To ensure provision of a sustainable road network and public infrastructure within Amahlathi	Maintenance and upgrading of the Municipal Road Network Servicing the Amahlathi Local Municipal Area.	% progress achieved on the construction of Roads in Stutterheim Town under the STR Grant		30% progress achieved on the construction of Roads in Stutterheim Town under the STR Grant	100% progress achieved on the construction of Roads in Stutterheim Town under the STR Grant	Director Engineering Services
			% progress achieved on the construction of Roads in Keiskammahoek under the STR Grant		30% progress achieved on the construction of Roads in Keiskammahoek under the STR Grant	100% progress achieved on the construction of Roads in Keiskammahoek under the STR Grant	Director Engineering Services
					N/A	N/A	

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
			% progress achieved on the Ngqeqe Internal Road.	R 3 718 069	100% progress achieved on the Ngqeqe Internal Road.	N/A	N/A	Director Engineering Services
			% progress achieved on the Izidenge Roads and Storm	R 3 261 149	100% progress achieved on the Izidenge Roads and Stormwater	N/A	N/A	Director Engineering Services
			% progress achieved on the Planning for Stutterheim Streets Paving	R 400 000	100% progress achieved on the Planning for Stutterheim Streets Paving	50% progress achieved on Stutterheim Streets Paving	100% progress achieved on Stutterheim Streets Paving	Director Engineering Services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
			% progress achieved on the Planning for Keiskammahoek Town Paving	R 400 000	100% progress achieved on the Planning for Keiskammahoek Town Paving	50% progress achieved on Keiskammahoek Town Paving	100% progress achieved on Keiskammahoek Town Paving	Director Engineering Services
			% progress achieved on the Planning for Kei lands Roads		100% progress achieved on the Planning for Kei lands Roads	100% progress achieved on the Planning for Kei lands Roads	N/A	
			% progress achieved on the construction Ngcamngeni Internal Roads and Storm-water-Disaster Grant	R 700 000	100% progress achieved on the construction Ngcamngeni Internal Roads and Storm-water-Disaster Grant	N/A	N/A	Director Engineering Services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
			Number of potholes repaired as inspected	Opex	100 potholes repaired as inspected.	150 potholes repaired as inspected	200 potholes repaired as inspected	Director Engineering Services
		Implementation of Monitoring and Evaluation Policy	No of reports on implementation of MIG funded projects	MIG budget	4 reports on implementation of MIG Funded projects	4 reports on implementation of MIG Funded projects	N/A	Municipal Manager
1.2	To ensure sustainable supply of electricity by developing new infrastructure while upgrading and maintaining existing networks by 2027	Reduce electricity system losses & elimination of illegal connections	No. of progress reports on implementation of smart meter grants	Opex	4 progress reports on implementation of smart meter grants	4 progress reports on implementation of smart meter grants	4 progress reports on implementation of smart meter grants	Director Engineering Services
		Improve electricity infrastructure and reduce losses	% progress on 11kV Main Intake SwS upgrade	R360 000	50% progress on 11kV Main Intake SwS upgrade	100% progress on 11kV Main Intake SwS upgrade	N/A	Director Engineering Services
			% progress on Upgrading of 11kv line Stutterheim under the STR grant	R1 500 000	30% progress on Upgrading of 11kv line Stutterheim	100% progress on Upgrading of 11kv line Stutterheim	N/A	Director Engineering Services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
			% Progress on upgrades of sport facilities (Mlungisi)	R 5 600 000	100% Progress on upgrades of sport facilities (Mlungisi)	N/A	N/A	Director Engineering Services
1.5	To promote the culture of reading and effective use of library resources by 2027	Promote the culture of reading and effective use of library resource	No. of library awareness campaigns conducted	Opex	12 library awareness campaigns conducted.	12 library awareness campaigns conducted.	12 library awareness campaigns conducted.	Director Community Services
1.6	Ensure that solid waste is managed in an Integrated environmentally friendly and sustainable manner	Implementation of the Integrated Waste Management Plan (IWMP)	Number of Reports on of solid waste programmes implemented by June 2026	Opex	4 reports on solid waste programmes implemented by June 2026 (street cleaning, waste collection and disposal)	4 reports on solid waste programmes implemented by June 2026 (street cleaning, waste collection and disposal)	4 reports on solid waste programmes implemented by June 2026 (street cleaning, waste collection and disposal)	Director Community Services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
			No of waste awareness campaigns conducted per cluster	Opex	4 waste awareness campaigns conducted.	4 waste awareness campaigns conducted	4 waste awareness campaigns conducted	Director Community Services
			Number of illegal dumping sites cleared.	Opex	8 illegal dumping sites cleared.	8 illegal dumping sites cleared	8 illegal dumping sites cleared	Director Community Services
1.7	To facilitate a balanced spatial development form for the Municipality	Finalize and Implement the Spatial Development Framework (SDF)	Number of Land Use Reports on compliance to the municipal SDF	Opex	4 Quarterly reports submitted on Land Use Applications	4 Quarterly reports submitted on Land Use Applications	4 Quarterly reports submitted on Land Use Applications	Director Development and Planning
1.8	To facilitate access to housing relief	To monitor the progress and implementation on housing applications submitted to Department of Human Settlements	No of reports on housing implementation status submitted to Standing committee.	Opex	4 reports on housing implementation status submitted to Standing Committee	4 progress reports on housing applications submitted to department of human settlements.	4 progress reports on housing applications submitted to department of human settlements.	Director Development and Planning

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target	Target	CUSTODIAN
KPA 2: MUNICIPAL FINANCIAL VIABILITY							
2.1	To continuously ensure an equitable, economical, transparent, fair and value – add supply chain management system/function	To ensure effective, efficient & transparent SCM process by June 2028	No. of quarterly & annual reports on (tenders awarded, deviations report, Performance of Services providers, contract & Commitment register, UIFWE report) submitted to the Mayor by the 15th day after end of the quarter.	Opex	4 quarterly reports on (tenders awarded, deviations report, Performance assessment of Service providers, contract & Commitment register, UIFWE implementation of procurement plan report) submitted to the Mayor by the 15th day after end of the quarter.	4 quarterly reports on (tenders awarded, deviations report, Performance assessment of Service providers, contract & Commitment register, UIFWE implementation of procurement plan report) submitted to the Mayor by the 15th day after end of the quarter.	Chief Financial Officer

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
2.5	To ensure effective, compliant and credible financial planning, management and reporting by 2027.	Adherence to all applicable financial legislation and regulations	No. of Monthly financial reports (Sec 71 and sec 52 reports) submitted to Mayor and Treasury on the 10th working day of each month	Opex	12 Monthly sec 71 reports submitted to Mayor and Treasury on the 10th working day of each month 4 quarterly sec 52 reports within 30 days to Mayor and Treasury) and 1 midyear sec 72 report .developed and approved by the council.	12 Monthly financial reports submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days to Mayor and Treasury) 1 report .developed and approved by the council	12 Monthly financial reports submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days to Mayor and Treasury) 1 sec 72 report. developed and approved by the council	Chief Financial Officer
		Adherence to Service Level Agreement signed with	No weekly reports on motor vehicle registration submitted to Department of	Opex	46 weekly reports on motor vehicle registration submitted to	46 weekly reports on motor vehicle registration submitted to	46 weekly reports on motor vehicle registration	Director Community Services

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target	Target	Target	CUSTODIAN
		Department of Transport	Transport within 3 working days after the end of each week		Department of Transport within 3 working days after the end of each week	Department of Transport within 3 working days after the end of each week	submitted to Department of Transport within 3 working days after the end of each week	
		Preparation and submission of credible and GRAP compliant annual financial statements	Date on which GRAP compliant annual financial statements prepared and submitted to the Auditor-General	Opex	GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August each year	GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August each year	GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August each year	Chief Financial Officer

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
		Financial Viability as expressed by ratios	% Cost coverage (B+C) ÷ D	Opex	To maintain a cost average ratio of 0.07% by June 2026	To maintain a cost average ratio of 0.1% by June 2027	To maintain a cost average ratio of 0.1% by June 2028	Chief Financial Officer
2.6	To prepare a realistic budget in line with the objectives and strategies in the IDP based on a three-year Medium-Term Revenue and Expenditure Framework (MTREF)	Coordinate and develop Amahlathi municipality's budget in line with developmental imperatives in the IDP	2026/2027 budget prepared and submitted to council for approval on by 31 st May each year	Opex	2026/2027 budget prepared and submitted to council for approval by 31 st May 2026.	2027/2028 budget prepared and submitted to council for approval by 31 st May 2027.	2028/2029 budget prepared and submitted to council for approval by 31 st May 2028.	Chief Financial Officer
KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
3.1	To strengthen democracy through improved public participation	Implement Public Participation Strategy	No. of reports analyzing public participation trends	Opex	4 quarterly reports analyzing public participation trends on the	4 quarterly reports analyzing public participation trends on the	4 quarterly reports analyzing public participation trends on the municipal	Municipal Manager

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
					municipal programmes.	municipal programmes.	programmes	
		Management of Petitions and Rapid Response and submission of Petitions Management Status Reports to council	No. of quarterly petition Management status reports submitted to Council	Opex	4 Quarterly reports on the status of petitions	4 Quarterly reports on the status of petitions	4 Quarterly reports on the status of petitions	Municipal Manager
3.2	To capacitate Satellite offices as one stop shops for service delivery by 2027.	Ensuring Cluster Wide Comprehensive Development	No. of Ward Based Service Delivery Plans	Opex	5 Ward Based Service Delivery Plans Developed	5 Ward Based Service Delivery Plans Developed	N/A	Municipal Manager
3.3	To regularly coordinate provision of a comprehensive and integrated package of services by all spheres of government.	Strengthening of IGR structures	No. of IGR meetings Convened	Opex	4 IGR meetings Convened	4 IGR meetings Convened	4 IGR meetings Convened	Municipal Manager

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
3.4	To ensure a clean administration by 2027	Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of risk management reports reflecting a total of 80% implementation of risk management action plans (actions due and actions submitted to the Internal Audit unit by HOD's in preparation for risk management committee meeting	Opex	4 risk management reports reflecting a total of 80% implementation of risk management action plans (actions due and actions submitted to the Internal Audit unit by HOD's in preparation for risk management committee meeting	4 risk management reports reflecting a total of 80% implementation of risk management action plans (actions due and actions submitted to the Internal Audit unit by HOD's in preparation for risk management committee meeting	4 risk management reports reflecting a total of 80% implementation of risk management action plans (actions due and actions submitted to the Internal Audit unit by HOD's in preparation for risk management committee meeting	All HODs
			Number of Risk committee meetings	Opex	4 Risk Committee meetings organized	4 Risk Committee meetings organized	4 Risk Committee meetings organized	Municipal Manager

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
			organized during 2025/26		during 2025/26	during 2026/27	during 2027/28	
			Number of risks based internal audit assignments conducted in 2025/26 financial year	Opex	8 risk based internal audit assignments conducted in 2025/26 financial year	8 risk based internal audit assignments conducted in 2026/27 financial year	8 risk based internal audit assignments conducted in 2027/28 financial year	Municipal Manager
			Number of compliances based internal audit assignments conducted in 2025/26 financial year	Opex	7 compliance based internal audit assignments conducted by 30 June 2026	7 compliance based internal audit assignments conducted by 30 June 2027	7 compliance based internal audit assignments conducted by 30 June 2028	Municipal Manager
			No. of audit committee meetings organized by 30 June 2026		6 audit committee meetings organized by 30 June 2026	6 audit committee meetings organized by 30 June 2027	6 audit committee meetings organized by 30 June 2028	Municipal Manager
			No. of Anti-corruption and Fraud programs	Opex	2 Anti-Corruption, fraud and internal audit	2 Anti-corruption and Fraud programmes	2 Anti-Corruption, fraud and internal audit	Municipal Manager

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
			conducted per annum		awareness sessions conducted by 30 June 2026	conducted by 30 June 2027	awareness sessions conducted by 30 June 2028	
3.5	Ensure effective & efficient resolution of legal matters	Status Reports on Resolution of legal matters	No. of reports on legal matters and their status with financial implications submitted to council	Opex	4 reports on legal matters and their status with financial implications submitted to council	4 reports on legal matters and their status with financial implications submitted to council	4 reports on legal matters and their status with financial implications submitted to council	Municipal Manager
3.6	To ensure quality life through integrated welfare services for the children, women, youth, elderly, people with disability, HIV and AIDS by 2027	Development and Implementation of Strategy on Special Programmes	No. of SPU Fora provided with Capacity building support.	Opex	4 SPU FORA provided with capacity building support	4 SPU FORA provided with capacity building support	4 SPU FORA provided with capacity building support	Municipal Manager
3.7	To ensure proactive and effective communication	Building and positioning well the municipality brand	No. of newsletters developed and published on website and	Opex	4 quarterly newsletters developed and published on	4 quarterly newsletters developed and published on	4 quarterly newsletters developed and	Municipal Manager

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
			municipal Facebook page		website and municipal Facebook page	website and municipal Facebook page	published on website and municipal Facebook page	
3.8	Strengthening Amahlathi ICT systems and networks for future generations by 2027	Improvement of ICT infrastructure for efficiency and data recovery	No of reports on the implementation of ICT infrastructure and Data Recovery	Opex	4 reports on the implementation of ICT infrastructure and Data Recovery	4 reports on the implementation of ICT infrastructure and Data Recovery	4 reports on the implementation of ICT infrastructure and Data Recovery	Director Corporate Services
3.9	To ensure compliant, effective and efficient customer management by 2027 and beyond.	Modernize the telephone system for customer care and productivity improvement	Turn-around time to attend to logged faults and system related queries by users	Opex	3 working hours average to attend to logged faults users.	3 working hours average to attend to logged faults users.	3 working hours average to attend to logged faults users.	Director Corporate Services
		Implementation and monitoring of controls to ensure security of information and business continuity	No of ICT systems implemented with itemised usage and expenditure reports submitted to ICT steering committee.	Opex	4 ICT systems implemented with itemised usage and expenditure reports submitted to	4 ICT systems implemented with itemised usage and expenditure reports submitted to	4 ICT systems implemented with itemised usage and expenditure reports submitted to	Director Corporate Services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
					ICT steering committee.	ICT steering committee.	ICT steering committee.	
		Provide on-going support to users on system related queries	% of reported system related queries resolved	Opex	95% of reported system related queries resolved	95% of reported system related queries resolved	95% of reported system related queries resolved	Chief Financial Officer
3.10	To ensure business continuity in the event of a disaster by 2027 and beyond	Implementation and monitoring of controls to ensure security of information and business continuity	Daily backups done on financial system, Payroll and HR system	Opex	Daily backups done on financial system, Payroll and HR system	Daily backups done on financial system, Payroll and HR system	Daily backups done on financial system, Payroll and HR system	Chief Financial Officer
KPA 4: LOCAL ECONOMIC DEVELOPMENT								
4.1	To improve implementation of the government intervention program to eliminate poverty by 2027.	Implementation of the EPWP and municipal job creation programme especially linked to areas of scarce skills and	No of Work Opportunities created	R1 799 000	361 Work Opportunities created	400 Work Opportunities created	450 Work Opportunities created	Director Engineering Services

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
		temporal local jobs created during the roll out of capital projects						
		Subcontracting of the work to SMMEs residing at Amahlathi LM during the roll out of Capital Projects	No. of Sub-contract agreements signed by the main contractor and sub-contractor	Opex	4 Sub-contract agreements signed by the main contractor and sub-contractor	6 Sub-contract agreements signed by the main contractor and sub-contractor	7 Sub-contract agreements signed by the main contractor and sub-contractor	Director Engineering Services
4.2	To stimulate growth of the local economy through robust long-term planning & programming by 2027.	Support and development of SMMEs around Amahlathi Local Municipality.	% of the Amahlathi expenditure to benefit SMMEs	Opex	25% of the Amahlathi expenditure to benefit SMMEs	25% of the Amahlathi expenditure to benefit SMMEs	25% of the Amahlathi expenditure to benefit SMMEs	Chief Financial Officer
			No of SMMEs supported to access government Support Programs	Opex	100 SMMEs supported to access SMME Support Programs	120 SMMEs supported to access SMME Support Programs	150 SMMEs supported to access SMME Support Programs	Director Development & Town Planning

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
			Number of businesses with trading permits	Opex	30 businesses with new trading permits	30 businesses with new trading permits	30 businesses with new trading permits	Director Development & Town Planning
			No of businesses that renewed their trading permits	Opex	70 Renewed Trading Permits	80 Renewed Trading Permits	90 Renewed Trading Permits	Director Development & Town Planning
			No. of recycling initiatives undertaken	Opex	02 recycling initiatives undertaken	02 recycling initiatives undertaken	02 recycling initiatives undertaken	Director: Community Services
			No. of reports on implementation of signed twinning agreements with strategic institutions	Opex	4 reports on implementation of signed twinning agreements with strategic institutions	4 reports on implementation of signed twinning agreements with strategic institutions	4 reports on implementation of signed twinning agreements with strategic institutions	Director Development & Town Planning
			No. of tourist attractions promoted.	Opex	8 tourist attractions promoted	8 tourist attractions promoted	8 tourist attractions promoted	Director Development & Town Planning
4.3	Promotion of Tourism through	Stimulate and Strengthen relationship between Amahlathi and other municipalities	No. of reports on implementation of signed twinning agreements with strategic institutions	Opex	4 reports on implementation of signed twinning agreements with strategic institutions	4 reports on implementation of signed twinning agreements with strategic institutions	4 reports on implementation of signed twinning agreements with strategic institutions	Director Development & Town Planning

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
	identification of Tourist arrears		No. of trainings conducted for LTOs and CTOs combined		3 support interventions for LTOs and CTOs combined	3 support interventions for LTOs and CTOs combined	3 support interventions for LTOs and CTOs combined	Director Development & Town Planning
4.4	To Stimulate local economy through Agricultural development by 2027	Provision of capacity building programs to support existing farmers	No. of emerging farmers supported with training	Opex	50 emerging farmers to be supported with training	70 emerging farmers to be supported with capacity building	80 emerging farmers to be supported with capacity building	Director Development & Town Planning
			No. of outreach programmes to promote access to market for emerging farmers	Opex	2 outreach programmes to promote access to market for emerging farmers	2 outreach programmes to promote access to market for emerging farmers	2 outreach programmes to promote access to market for emerging farmers	Director Development & Town Planning
4.5	To ensure value-maximization of the forestry natural resource in line with local economic development by 2027.	Implementation of a forestry strategy in a Co-ordinated manner	Number of capacity building activities provided for timber cooperatives	Opex	6 capacity building activities provided for timber cooperatives	6 capacity building activities provided for timber cooperatives	6 capacity building activities provided for timber cooperatives	Director Development & Town Planning

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target	Target	Target	CUSTODIAN
4.6	To ensure development of the economic infrastructure required to enable increased economic growth	Source funding for a catalytic project	No. of quarterly reports submitted on implementation of catalytic projects	Opex	4 quarterly reports on progress in implementation of catalytic projects	4 quarterly reports on progress in implementation of catalytic projects	4 quarterly reports on progress in implementation of catalytic projects	Director Development & Town Planning
4.7	To building resilient smart towns	Marketing the Master & Precinct Plans for the 4 towns	No. of Publications marketing the Master Precinct Plan	Opex	4 Publications marketing the Master Precinct Plan	4 Publications marketing the Master Precinct Plan	4 Publications marketing the Master Precinct Plan	Municipal Manager
KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
5.1	To attract, retain, build capacity and maximize utilization of Amahlathi Human Capital by 2027 and beyond	Implementation of the approved organizational structure	No. of Local Job Description Writers Committee Meeting convened No. implemented programmes per Human Resource Strategy implementation plans	Opex	4 Local Job Description Writers Committee Meetings Convened 4 implemented programmes per Human Resource Strategy implementation	4 Local Job Description Writers Committee Meetings Convened 4 implemented programmes per Human Resource Strategy	4 Local Job Description Writers Committee Meetings Convened 4 implemented programmes per Human Resource Strategy	Director Corporate Services Director Corporate Services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
			(Recruitment Plan; Institutional & HR Policies and Employee Verification)		n plans (Recruitment Plan; Institutional & HR Policies and Employee Verification)	n plans (Recruitment Plan; Institutional & HR Policies and Employee Verification)	implementation on plans (Recruitment Plan; Institutional & HR Policies and Employee Verification)	
		Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of EAP programmes implemented as per approved plan	Opex	8 EAP programmes implemented per approved plan.	8 EAP programmes implemented per approved plan.	8 EAP programmes implemented per approved plan.	Director Corporate Services
			No. of reports on health and productivity of the municipality	Opex	4 Reports on health and productivity of the municipality	4 Reports on health and productivity of the municipality	4 Reports on health and productivity of the municipality	Director Corporate Services
			No. of Publications on Facebook promoting Amahlathi Local Municipality	Opex	40 Publications on Facebook promoting Amahlathi	40 Publications on Facebook promoting Amahlathi	40 Publications on Facebook promoting Amahlathi	Director Corporate Services

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
					Local Municipality	Local Municipality	Local Municipality	
		Implementation of the approved EEP	No. of quarterly reports prepared on compliance with EEP annual targets	Opex	4 quarterly reports prepared on compliance with EEP annual targets	4 quarterly reports prepared on compliance with EEP annual targets	4 quarterly reports prepared on compliance with EEP annual targets	Director Corporate Services
		Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of Publications on Facebook promoting Amahlathi Local Municipality		40 Publications on Facebook promoting Amahlathi Local Municipality	40 Publications on Facebook promoting Amahlathi Local Municipality	40 Publications on Facebook promoting Amahlathi Local Municipality	Director Corporate Services
5.2	Promote sound Labour Relations for a conducive work environment through education and legislative compliance	Local Labour Form (LLF) meetings and Labour Relations information sessions held	No of LLF meetings	Opex	4 LLF meetings	4 LLF meetings	4 LLF meetings	Director Corporate Services
			No of LR information sessions / training held	Opex	4 LR information sessions / training held	4 LR information sessions / training held	4 LR information sessions / training held	Director Corporate Services

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
		Develop and implement a blended learning and development programme strategy	No of trainings organized for employees.	Opex	8 trainings organized for employees	8 trainings organized for employees	8 trainings organized for employees	Director Corporate Services
5.3	Efficient and economical utilization of council resources	Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of reports on the implementation of Vehicle Pound and Municipal Mechanical Workshop / Garage	Opex	4 Reports on implementation of the Vehicle pound and Municipal Mechanical Workshop	4 Reports on implementation of the Vehicle pound and Municipal Mechanical Workshop	4 Reports on implementation of the Vehicle pound and Municipal Mechanical Workshop	Director Corporate Services
			No. of reports on implementation of fleet management systems with logistics management, fuel utilisation, accidents and maintenance submitted to fleet	Opex	4 reports on fleet management systems with logistics management, fuel utilisation, accidents and maintenance submitted to fleet	4 reports on fleet management systems with logistics (on-line fleet booking management), fuel utilisation, accidents and maintenance submitted to fleet	4 reports on fleet management systems with logistics (on-line fleet booking management), fuel utilisation, accidents and maintenance submitted to fleet	Director Corporate Services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
			management committee		management committee	maintenance submitted to fleet management committee	utilisation, accidents and maintenance submitted to fleet	
5.4	To ensure compliant and prudent safeguarding and preservation of institutional memory by 2027 and beyond	Establishment of legal frameworks, standards, and ethical principles to protect the confidentiality of data	No. of implemented projects on the file plan for all active and archived documents	Opex	4 implemented projects with file plan for active and archived documents	4 implemented projects with file plan for active and archived documents	4 implemented projects with file plan for active and archived documents	Director Corporate Services
5.5	To optimize and improve data security by 2027.	Implementation of digital Transformation Strategy	Developed online database for Amahlathi unemployed youth.	Opex	Developed online database for Amahlathi unemployed youth.	Implementation of an online database for Amahlathi unemployed youth	Implementation of an online database for Amahlathi unemployed youth	Director Corporate Services
5.6	To ensure adequate and improved working environment	Upgrading of offices	% progress achieved on the Construction of Amahlathi Municipal offices	R8 000 000	60% progress achieved on the Construction of Amahlathi Municipal	100% progress achieved on the Construction of Amahlathi Municipal	N/A	Director: Engineering Services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy Achieve The Strategic Objective	To Key Performance Indicator (KPI)	Budget	Target 2025/26	Target 2026/27	Target 2027/28	CUSTODIAN
			in Stutterheim Phase 1		offices in Stutterheim.	offices in Stutterheim.		
5.7	To develop and implement effective and compliant frameworks to improve planning and performance management by 2027 and beyond	Promote accountability whilst creating high performance throughout the organization	No of progress reports on implementation of approved IDP/Budget/PMS process plan submitted to Standing committee	Opex	4 progress reports on implementation of approved IDP/Budget/PMS process plan submitted to Standing committee	4 progress reports on implementation of approved IDP/Budget/PMS process plan submitted to Standing committee	4 progress reports on implementation of approved IDP/Budget/PMS process plan submitted to Standing committee	Municipal Manager
			Number of reports/documents submitted by HODS to IDP/PMS unit as per approved IDP/Budget/PMS process plan	Opex	15 reports submitted by HODS to IDP/PMS unit as per approved IDP/Budget/PMS plan	15 reports submitted by HODS to IDP/PMS unit as per approved IDP/Budget/PMS plan	15 reports submitted by HODS to IDP/PMS unit as per approved IDP/Budget/PMS plan	All HODS

CHAPTER 5: PROJECTS

GRANT PROJECTS

Description	Funding	Adjusted 2024/2025	Budget 2025/2026	Budget 2026/2027	Budget 2027/2028
Isidingo Internal Roads	MIG Funding	-	3 326 149	-	-
KKH recreation Centre	MIG Funding	4 600 000	-	-	-
Langdraai Community Hall	MIG Funding	-	4 701 288	5 500 000	-
Mbaxa Community Hall	MIG Funding	2 300 000	-	-	-
Mlungisi Sport field	MIG Funding	5 400 000	5 600 000	-	-
Ngenge Internal Roads	MIG Funding	-	3 718 069	-	-
Paving of Xholotha Internal Roads	MIG Funding	13 232 850	-	-	-
Phumlani Community Hall	MIG Funding	2 000 000	5 151 162	-	-
Municipal Offices	MIG Funding	8 000 000	8 000 000	-	-
Waste Collection Compactor Truck	MIG Funding	-	3 500 000	-	-
STUTTERHEIM STREETS PAVING	MIG FUNDING	-	400 000	10 787 100	-

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

KEISKAMMAHOEK TOWN PAVING	MIG FUNDING	-	400 000	10 000 000	-
AMABELE PAVING	MIG FUNDING	-	387 332	3 189 050	-
KEILANDS ROADS	MIG FUNDING	-	700 000	-	-
KHAYELITSHA COMMUNITY HALL	MIG FUNDING	-	-	5 500 000	-
CATHCART TOWN HALL UPGRADE	MIG FUNDING		400 000		
INFRASTRUCTURE PLANS	MIG FUNDING		1 452 850		
NO APPROVED LIST AVAILABLE	MIG FUNDING	-	-	-	36 460 050
TOTAL MIG PROJECTS		35 532 850	37 736 850	34 976 150	36 460 050
11 KV STUTTERHEIM MAIN INTAKE SWS UPGRADE PHASE 2	INEP GRANT	360 000	-	-	-
3-5 MVA 22/11KV CATCHART SUBSTATION	INEP GRANT	1 500 000	-	-	-

UPGRADE PHASE 2						
NO APPROVED LIST AVAILABLE	INEP GRANT	-	17 440 000	7 453 000	7 790 000	
TOTAL INEP PROJECTS		1 860 000	17 440 000	7 453 000	7 790 000	
LANDFILL SITE	WASTE GRANT	1 471 802	-	-	-	
TOTAL WASTE GRANT PROJECTS		1 471 802	-	-	-	
SMALL TOWN REVITALISATION		60 000 000	-	-	-	
TOTAL STR PROJECTS		60 000 000	-	-	-	
NO APPROVED LIST AVAILABLE	DEMAND GRANT	2 850 000	-	4 000 000	4 000 000	
TOTAL DEMAND SIDE GRANT PROJECTS		2 850 000	-	4 000 000	4 000 000	
REGRAVELING CENYU VILLAGE INTERNAL ROADS	DISASTER GRANT	3 500 000	-	-	-	
REGRAVELING GOSHEN INTERNAL ROADS	DISASTER GRANT	2 970 000	-	-	-	

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

REGRAVELING EMAGCUMENI VILLAGE	DISASTER GRANT	1 450 000	-	-	-	-
REGRAVELING PUMLANI VILLAGE, BUMBANE & KOM INTERNAL ROAD	DISASTER GRANT	4 000 000	-	-	-	-
REGRAVELING ROAD FROM PEER TO NXAWE & ROAD FROM MAITSA TO NXAWE	DISASTER GRANT	3 200 000	-	-	-	-
REGRAVELING ROAD TO SOPHUMELELE & NGXONDORHENI VILLAGE	DISASTER GRANT	3 500 000	-	-	-	-
REGRAVELING KUBUSIE GRAVEL ROAD FROM AREA 5 TO MAHANJANE	DISASTER GRANT	525 000	-	-	-	-
2023/25 ROLLED OVER PROJECTS	DISASTER GRANT	14 232 199	-	-	-	-
XHOLOGHA PAVING PHASE 2	DISASTER GRANT	-	15 0000	-	-	-

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

NGAMNGENI ROADS AND STORMWATER			4 145 000		
TOTAL DISASTER PROJECTS		33 377 199	19 145 000	-	-
SMART METER GRANT – ALLOCATION IN KIND	SMART METER GRANT	-	47 000 000	-	-
TOTAL SMART METER GRANT PROJECTS		-	47 000 000	-	-
TOTAL GRANT FUNDED PROJECTS		140 846 351	121 321 850	46 429 150	48 250 050

2023/24 TO 2026/27 INEP THREE YEAR CAPITAL PLAN

Grant (Source of Funding)	Project Name	Ward No.	Total MTEF Project Allocation	2023/24 Allocation	2024/25 Allocation	2025/26 Allocation
INEP	3-5MVA 22/11kV Cathcart Substation Upgrade	4	R 4 750 000	R4 750 000,00		
	11kV Slutterheim Main intake SWS upgrade Phase 2	13	R 360 000	R360 000,00		
				R1 500 000,00		
	Indicative as per DoRA			R8 250 000,00		
	Indicative as per DoRA					R7 453 000,00
	TOTAL PROJECT COST		R 22 313 000	R 6 610 000,00	R8 250 000,00	R 7 453 000,00
	PMU Costs					
MTEF Total Allocation				R 6 610 000	R 8 250 000	R 7 453 000

PIPELINE OF CATALYTIC PROJECTS				
NO.	PROJECT NAME	PROJECT DESCRIPTION	LOCATION	BUDGET
1.	Furniture Incubation	<ul style="list-style-type: none"> Inspired by the defunct Abenzi-wood house initiative but now focused on the concept rather the failed business. A collaboration between the ALM, DEDEAT & the ECDC Will also contribute to the strengthening the local forestry value-chain – manufacturing focus. ECDC has committed to assisting with the Feasibility Study and is in the process of appointing a Service Provider for this. 	Stutterheim	None
2.	Keiskammahoek Rural Market Centre	<ul style="list-style-type: none"> DRDAR/ADM/ALM collaboration Pilot for an EC wide Initiative, KKH chosen site in line with the KKH STR – Agricultural node. ALM has availed Ervin 140 & 141 in KKH ADM has set aside R1m. DRDAR has set aside R8m for the project. 	Keiskammahoek	R9m
3.	Middle Income Housing	110 plots	New Town	None
		65 plots	Keiskammahoek (Next to Magistrate Court)	
		54 plots	Cathcart (next to hospital)	
		54 plots	Next to Stutterheim Hospital	
		Included in the support proposal to the EC-COGTA's Municipal Support Programme's PMU. This is towards completing various township establishment related activities and bringing this project to bankability		
	Stutterheim Master & Precinct Plan	<p>This will entail the following:</p> <ul style="list-style-type: none"> A master plan for the regeneration of town and its surrounding areas 	Various Stutterheim based location being considered for the	None

PIPELINE OF CATALYTIC PROJECTS				
NO.	PROJECT NAME	PROJECT DESCRIPTION	LOCATION	BUDGET
		<ul style="list-style-type: none"> A precinct plan for a retail facility and new offices for the Municipality A Business Plan towards mobilising resources for the implementation of the Precinct Plan 	Municipal Office and Retail precincts	
	SA Fine-Tuned Wildlife Project	<p>It's a Department of Environmental Affairs funded Wildlife Farming project, which entails the following:</p> <ul style="list-style-type: none"> Improvement of livelihoods and the environment through job creation and biodiversity awareness creation Rehabilitation of degraded agricultural land Utilisation of underutilised renewable natural resources to stimulate the local economy. Empowerment of Communities adjacent to the project site 	Bolo, in Ward 5	R20m
	Amathole Biosphere Reserve	It is a program implemented by Department of Forestry, Fisheries and Environment. It traverses three Local Municipalities: Ngqushwa, Raymond Mhlaba, and Amahlathi.	Ward 1	DFFE

1. DEPARTMENT OF HUMAN SETTLEMENTS PROJECTS

Below is the list of projects (in various stages) that are implemented across Amahlathi Local Municipality.

1. RUNNING PROJECTS

PROJECT NAME	NO. OF SUBS.	DELIVERY PLANNED	STATUS	PROJECT BUDGET	EXPENDITURE	CHALLENGES	PROGRESS TO DATE
CENYU VILLAGE	450	Completion of 150 outstanding units	Running	R 80,162,861.56	R 65,321,679,11	Delay in NHBRC Enrolment due to inadequate stormwater drainage for internal roads	370 units are complete. 80 are still not started
CENYULANDS	692	Completion of 343 outstanding units	Running	R 128,035,138.00	R 101,793,101,88	Delay in NHBRC Enrolment due to lack of stormwater drainage on internal Roads.	551 units are complete. 141 are still not started
FRANKFURT	300	Completion of all 300 units	Running	R 48,082,200.00	R 43,527,352.50	None	267 units are complete. 19 are at roofs. 4 are at Wall Plates 10 units are at foundations

MASINCEDANE 200 DESTITUTE	200	Completion of all 79 outstanding units	Running	R 34,176,056.00	R 1,871,681.00	Slow pace of progress on site.	121 completed units, 13 at foundations, 8 are wall plates, 5 are at roofs, and 42 are not yet started. 11 units were completed by beneficiaries
KUBUSI 304	304	Completion of 152 outstanding units, 289 VIP toilets,	Running	R 19,625,552.55	R 7,371,380.82	Slow pace of progress on site.	197 completed houses, 0 are at Finishing, 15 are at roofs, 47 are at wall plates, 22 units are at foundations, 13 still not yet started, 10 completed by beneficiaries, and 15 VIP toilets (281 vandalised).

Kei Road Northern Node	421	Installation of internal services to 421 new erven and construction of 200 houses with VIP toilets.	Running	R 52 688 357.15	R 51,347,926.69	None	All services are complete. All 200 contracted units and VIP toilets are complete
Gasela 75	75	Construction of 75 new units	Running	R 15 741 195.00	R 15 145 337.65	None	All 75 units are complete, Only snags are being attended to currently
KATIKATI 300	300	Installation of internal services to 300 new erven. Construction of 100 units.	Running	R 93 336 138.95	R 4,231,988.95	None	Site Establishment is done. Site Clearance is done. Setting out of services is done. Pip Laying on Water Lines is underway.
Squashville 467	153	Construction of 10 new units	Running	R 86 187 334.44	R338,573.12	None	Preparations of platforms has started.

2. BLOCKED PROJECTS

PROJECT NAME	NO. OF SUBS.	DELIVERY PLANNED	STATUS	CHALLENGES	INTERVENTION	PROGRESS TO DATE
MLUNGISI 270	169	Construction of 25 new units	Blocked	Contractor left the site because of outstanding payment. Items being claimed appear to have been paid before.	The Department is still making various attempts to find a solution to the matter.	No progress has been achieved yet.
NDAKANA	1300	Construction of 35 units	Blocked	Progress is stalled by the NHBRC Enrolments of replacement beneficiaries.	Contractor procurement is underway to start soon.	1265 units are complete

3. PLANNED PROJECTS

PROJECT NAME	NO. OF SUBS.	DELIVERY PLANNED	STATUS	PROJECT BUDGET	EXPENDITURE	CHALLENGES	PROGRESS TO DATE
Mthonjeni 201	80	Complete Planning and Design Stage. Construction of 20 new units.	New	R 37 095 619.32	R 92,000.00	Availability of building space within the plots	Project planning is completed. NHBRC Enrolment is underway.
Goshen	100	Complete Planning and Design Stage	New	R 21 478 266.00	R 129 600	None	Project planning is completed. NHBRC Enrolment is underway.

4. CLOSEOUT PROJECTS

PROJECT NAME	NO. OF SUBS.	CHALLENGES	PROGRESS TO DATE	INTERVENTION
XHOLORHA	700	Lack of information	Conditional Approval issued	Will be closed when all the required Project Information becomes available

5. NEW PROJECTS APPLICATIONS

PROJECT NAME	NO. OF SUBS.	DELIVERY PLANNED	STATUS	PROJECT BUDGET	EXPENDITURE	CHALLENGES	PROGRESS TO DATE
MBAXA	Unknown	Planning and Designs	New	NONE	NONE	Financial Constraints	Has not been included in the Business Plan. Community Profiling is underway. Procurement of a service providers will be done in 2025/2026 financial year.
NOTHENGA	Unknown	Feasibility Study	New	NONE	NONE	Financial Constraints	Has not been included in the Business Plan. Community Profiling is still required.
GUBEVU	Unknown	Feasibility Study	New	NONE	NONE	Financial Constraints	Has not been included in the Business Plan.

ETHEMBENI	Unknown	Planning and Designs	New	NONE	NONE	Financial Constraints	Community Profiling is still required. Has not been included in the Business Plan. Community Profiling is underway. Procurement of a service providers will be done in 2025/2026 financial year.
NDLOVINI (PHASE 2)	Unknown	Feasibility Study	New	NONE	NONE	Financial Constraints	Has not been included in the Business Plan. Community Profiling is still required.
MGWALI	Unknown	Feasibility Study	New	NONE	NONE	Financial Constraints	Has not been included in the Business Plan. Community Profiling is still required.
BORDER POST	Unknown	Feasibility Study	New	NONE	NONE	Financial Constraints	Has not been included in the Business Plan. Community Profiling is underway. Procurement of a service providers will be done in 2025/2026 financial year.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

**AMATHOLE DISTRICT MUNICIPALITY - MUNICIPAL INFRASTRUCTURE GRANT THREE YEAR
CAPITAL PLAN 2025||2028**

PROJECT NAME	PROJECT CATEGORY	2025 2026 BUDGET ALLOCATION	2026 2027 BUDGET ALLOCATION	2027 2028 BUDGET ALLOCATION
AMAHLATHI				
Completion of backlog- Amahlathi area wide sanitation project	New	7 958 600	-	-
Stutterheim Sewer Pipe Replacement Programme	Upgrade/ Rehab	1 500 000	1 061 382	-
Stutterheim Water Pipe Replacement Programme	Upgrade/ Rehab	3 427 400	-	-
Carthcart Bulk Services Upgrade	New	4 000 000	15 033 478	25 499 184
Rhabula Water Supply Extensions	New	22 369 850	18 715 476	-

**AMATHOLE DISTRICT MUNICIPALITY - WATER SERVICES INFRASTRUCTURE GRANT THREE YEAR
CAPITAL PLAN 2025||2028 MTREF**

PROJECT NAME	PROJECT CATEGORY	2025 2026 BUDGET ALLOCATION	2026 2027 BUDGET ALLOCATION	2027 2028 BUDGET ALLOCATION
AMAHLATHI				
Non-Revenue Water Loss Control Project: Amahlathi	RENEWAL	5 000 000	9 000 000	9 500 000
Dontsa Water Supply	UPGRADING	15 000 000	-	-
Refurbishment of Amahlathi Water Retaining Structures	RENEWAL	-	5 000 000	10 000 000

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

DEPARTMENT OF FORESTRY FISHERIES AND THE ENVIRONMENT

PRIORITY AREA	NDP OUTCOME	TARGET: 23/24	Budget	MUNICIPALITY
Biodiversity Economy	Economic Growth and Employment	Fine Tune: To establish Game ranching facility through the erection of a game fence, water supply, admin building and a lodge	20 000 000 00	Amahlathi
		Construction of Lappia Javanica processing facility in partnership with UFS	10 000 000 00	Amahlathi
		Establishment of Game breeding/ ranching facility with a game meat processing plant. Rehabilitation of water supply infrastructure, roads, fencing and lodge	8 000 000 00	Amahlathi

PROJECTS BY ESKOM

2025/2026 ELECTRIFICATION PLAN – AMAHLATHI LM

Project Name	Project Type	DoE TOTAL Planned CAPEX Excl 15% VAT	DoE TOTAL Planned CAPEX Incl 15% VAT	TOTAL Planned Connections
Amahlathi Housing Development Pre-Eng	Pre-Engineering	R 350,000.00	R 422,625.00	
Cathcart Ward Ext Pre-Eng	Pre-Engineering	R 350,000.00	R 422,625.00	
Amahlathi Pre-engineering Sch 5B	Pre-Engineering	R 350,000.00	R 422,625.00	
Total		R 16,250,000.00	R 19,621,875.00	389

KEILANDS MICROGRIDS UPDATE

- The project is required to connect customers who have not been connected in previous financial years. It was indicated that the terrain was bad, the village was not accessible, the area is predominately rocky and has high cost per connection and cannot be connected through the conventional manner.
- Job 1: The scope for Keilands village is to construct and energise LV reticulation lines for 112 household connections.
- Job 2: The infrastructure comprises 7 x 6m microgrid containers with associated PV panels which are installed separately from the container.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

- The project was initially going to be funded by National Treasury through Department of Mineral Resources and Energy Electrification Programme.
- Due to high cost and budget cuts no funding was allocated therefore Eskom management decided to scrub from some of Eskom's projects to ensure this project is done successfully as previously identified and presented to Amahlathi Municipality.
- The project is required to be completed by June 2025, initially planned for March 2025.
- 4 Contractors have been appointed for the Infrastructure Job (Microgrid) (Managed by Masake Nweba) i.e. Masiqame Construction doing 2 containers, Hlumisa Construction doing 2 containers, Kalima Construction doing 2 containers, Zulu Construction doing 1 container (No Employment from the community will be done under the microgrids as this is a specialized work)
- 7 Containers have been delivered already - Construction is in progress – installation of panels.
- 2 Contractors have been appointed for the LV work (Managed by Siliziwe Nikani)
- Qhayiya Construction – doing 55 Connections – 8 People will be employed from the community.
- VME Construction – doing 55 Connections 8 People will be employed from the community.
- Both contractors are pending safety file approval before coming for site establishment
- In total 17 people will be employed – CLO to be shared by both contractors

DEPARTMENT OF TRANSPORT BUDGET SUMMARY 2025/26

LOCAL MUNICIPAL AREA	MAINTENANCE COST
1. Framework	R7 693 725.00
2. Amahlathi- Plant hire	R4 700 000.00
3. Disaster Fund	R 5 075 924 .00
TOTAL	R17 469 649.00

EPWP PROGRAMME: 2025/26

No.	Project Name	No. Of Participants per project	Project Description	Annual Budget
1	Household Contractors	385	Routine Road Maintenance	R4 583 040,00
2	Scholar Transport Monitors	25	Safety of Learners	R744 000,00
4	Community Development Support	1	Administration	R60 000,00
5	Supervisors	26	supervision and M&E	R1 241 760,00

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

6	Road Rangers	28	Safety of road users	R950 400,00
7	Road Maintenance Youth Brigades	35	Routine Road Maintenance	R 1 283 520,00
TOTAL		500		R 8 862 720,00

CONTRACTED SERVICES- MAYIBUYE TRANSPORT CORPORATION

LOCAL MUNICIPALITY	ROUTES	BENEFICIARIES
AMAHLATHI MUNICIPALITY	1. Mkhubiso- KK Hoek	2 832
	2. Qonce-KKHoek	
	3. Rabula-Lower Ngqumeya	
	4. Rabula-Qonce	
	5. Qonce-Nothenga	
	6. Qonce - Lenye	
	7. Qonce - Ngqumeya	

EPWP WORK OPPORTUNITIES

PUBLIC BODY	WORK OPPORTUNITIES TARGET	FULL TIME EQUIVALENT (FTE) TARGET
AMAHLATHI LM	361	124

PROGRAMS BY DEPARTMENT OF COMMUNITY SAFETY

Activity	Venue and timeframe	Budget
Social Crime prevention programme (crime awareness programmes)	Keiskammahoek and Steve Vukile Tshwete	R89 000
Assess Community Police Forum (CPF) on functionality	Steve Vukile Tshwete	No Cost Implication

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Assess Community Safety Forum (CSF) on functionality	Amahlathi	R10 000
Support municipality with functioning of CSF	CSF will be supported as per invitation from the municipality.	
Implement Court Watching Brief programme (assess SAPS inefficiencies in relation to cases withdrawn or struck off the roll) focusing on GBVF and Stock Theft	Keiskammahoek Magistrate Court: April 2025 – March 2026	No Cost Implication
Unannounced visits (assess service delivery at the Client Service Centres)	Bolo, Kei Road, Keiskammahoek, Kubusiedrift and Steve Vukile Tshwete	No Cost Implication
Assess compliance to Domestic Violence Act by SAPS	Stutterheim, Cathcart and Thomas River	No Cost Implication
Policing Accountability Engagement (imbizo focusing of police service delivery)	Cathcart	R29 000

DEPARTMENT OF SOCIAL DEVELOPMENT- 2025/26 COMMITMENTS

RESIDENTIAL FACILITIES		
MUNICIPALITY	PROJECT NAME	ALLOCATION
AM AHLATHI		
	Amatola Haven (Stutterheim)	R395,520
	Callie Evens (Cathcart)	R370,800
SERVICE CENTRES		
AM AHLATHI	Nonqaba Service Centre of the aged	R90,000
	Umbono Service Centre of the aged	R 195,000
	SA Council for the aged	R 105,000
	Sinethemba Service club for the aged	R114,000
	Cathcart Service Centre	R195,000
	Makukhanye Service Centre of the aged	R 114,000

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

	Khulani Care Centre	R102,000
	Enkazimulweni Service Centre	R114,000
	Siyazama Development Organisation	R120,000
	Masonwabe Oldies Club	R120,000
HIV/AIDS		
AMAHLATHI	Kusile mzantsi community development	R301 353.00
	Likhayaletumba	R301 353.00
SPECIAL NEEDS (OLDER PERSON)		
Amahlathi	Care and support services to families	R1 135 227 .00
VICTIM EMPOWERMENT PROGRAMME		
AMAHLATHI	Ikhwezi Women Support Centre	R456,196.00
WHITE DOOR CENTRES OF HOPE		
AMAHLATHI	Kusile Women Empowerment	R176,783.00
	Kologha White Door Centre	R176,783.00
	Toise White Door Centre of Hope	R176,783.00
	Frankfort White Door Centre of Hope	R176,783.00
	Ethembeni White Door Centre of Hope	R176,783.00
	Eluncedweni Communiy Based Support Centre	R176,783.00
WOMEN DEVELOPMENT PROJECTS		
AMAHLATHI	Nkosi Johnson CNDC	R510,345
	Sebetha Primary Co-operative	R50,000
WOMEN DEVELOPMENT PROJECTS		
AMAHLATHI	Zee Yola Fashion Taylors (Sewing)	R130,000

CHAPTER 6: PERFORMANCE MANAGEMENT SYSTEM**6.1 INTRODUCTION:**

Amahlathi Local Municipality is committed (in line with the Local Government: Municipal Systems Act No 32 of 2000) to pursuing its vision through meeting the municipal objectives framed in its IDP document. In so doing, it seeks to harvest synergies through aligning the activities and developing the relevant competencies of its employees through the setting, monitoring, assessment and rewarding of the achievement of municipal objectives. The municipality seeks to maximize, in a sustainable way, delivery in terms of these set outcomes, the growth of talent and capabilities and fairly rewarding exceptional performance while taking corrective measures where set performance standards are not met. The Municipality commits itself to providing a fair and transparent mechanism to guide the activities of each employee, identifying, and creating opportunities for staff development, and implement a seamless performance measurement structure through which performance shall be assessed at all three levels, namely, municipal, departmental as well as individual levels.

Amahlathi Local Municipality shall at the outset of each performance cycle which shall coincide with the financial year, develop and/or populate an institutional balanced score card with municipal objectives derived from the municipality's IDP and/or SDBIP. The objectives shall include timeframes, quality requirements and measurable milestones. The measured deliverables will be clustered under Balanced Score Card dimensions. Section 56 Managers shall account individually and collectively for progress on the set objectives. While performance bonuses for employees on fixed-term contract shall primarily be based on their individual performance contracts, institutional performance shall be an important factor in the final determination of the employees' performance bonuses. The municipality has developed Performance Management System Policy Framework which was adopted in 2011 and is reviewed annually in line with IDP processes.

6.2 Performance Agreement and Accountability Agreements

A Performance Agreement is a strategic document signed on by the performing employee and the employer. It shall reflect the linking of an individual performance plan to the goals of Amahlathi Local Municipality and an analysis of what will be required to achieve effective performance.

Once organizational objectives and targets have been set, these will be cascaded down to the relevant departments and subsequently to individuals.

- Section 56 Managers shall develop and sign performance agreements and plans that will contribute towards the achievement of the municipality's objectives and targets.
- Employees from Task Grade 12 upwards shall sign Accountability Agreements (AA), Performance Plans as well as Personal Development Plans (PP).

- Employees from Task Grade 1 to 11 shall sign Performance Promises (PP), Action Plans as well as Personal Development Plans.

6.3 Purpose of the Performance Management System:

This Performance Management System seeks to establish a systematic way through which both organizational and individual performance appraisal is to be done. The municipality is under pressure to perform due to scarcity of resources, community accountability and customer expectations. While the organizational performance is to be assessed, it is in fact the people inside the organization, working together towards a common goal who are responsible for the achievement of the organizational targets.

These are components of the same system that have to complement each other, failing which the system will not be stable and will not hold together.

The municipality performance targets are cascaded to constitute the performance targets of the municipal manager who by order of delegation develop these into performance targets of each manager.

The adopted approach of Score Cards will make use of the following perspectives: -

- ♦ Municipal Transformation and Institutional Development
- ♦ Service Delivery and Infrastructure Development
- ♦ Municipal Financial Viability
- ♦ Good Governance and Public Participation.
- ♦ Local Economic Development.

The scorecard approach will be used at the municipal / organizational level, which will level the strategic priorities, as determined by the council from year to year.

At the second level the scorecard will capture the performance of the relevant Department, and this will be a service scorecard. The service scorecard will show a comprehensive picture of the performance of the department.

At the municipal level it will be more a governance perspective that will be portrayed while at department level will be stakeholder related to simplify the reporting system to the Manager. The components of the service scorecards will be:

1. Service outcomes, which sets out the developmental outcomes that the department is to impact upon.
2. Service deliverables, which sets out the products and services that the department will deliver.

3. Resource management, which sets out how the department will manage its human and financial resources, information, and infrastructure.
4. Stakeholder relations, which set out how the department will improve its relationship with the stakeholders.

6.4 Performance Assessment

Performance review meetings are an integral part of the monitoring process. These reviews must take place as often as is practical and or required by circumstances. Performance at the individual level must be continuously monitored to enable the identification of performance barriers and changes and to address development and improvement needs as they arise, as well as to:

- a) Determine progress and/or identify obstacles in achieving objectives and targets.
- b) Enable supervisors and employee to deal with performance-related problems.
- c) Identify and provide the support needed.
- d) Modify objectives and targets; and
- e) Ensure continuous learning and development.

I. The Assessment shall be performed as follows: Section 56 Managers

- a. Quarterly performance assessment shall be conducted for all contracted employees within 14 working days after the end of the last month of the quarter for which the assessment is being done – in accordance with the following schedule:

INTERVAL	PERIOD	ASSESSMENT DEADLINE
Mid-Term	(July – December)	18 of January
Annual	(January – June)	18 of August

- b. In cases of section 56 Managers, the midterm and annual assessments shall be performed between the Employee and the Municipal Manager (or Mayor in the case of MM), IDP/PMS unit to provide technical support during the session, HR unit to provide secretariat services on the session.
- c. The assessment shall be based on actual achievement of the indicators agreed for each deliverable or output.
- d. The standard of performance of each employee shall be assessed from the evidence of delivery, defined as the indicator, on the following scale:

II. The Assessment shall be performed as follows: Employees below Section 56 Managers

- i. Quarterly performance assessment shall be conducted for all employees from task grade 12 upwards within 3 working days after the end of the last month of the quarter for which the assessment is being done – in accordance with the following schedule:

INTERVAL	PERIOD	ASSESSMENT DEADLINE
First quarter (July	(July – September)	03 of October 2025
*Second quarter	(October – December)	05 of January 2026
Third quarter	(January – March)	03 of April 2026
*Fourth (last) quarter	(April – June)	03 of July 2026

- ii. The quarterly assessment shall be performed between the Employee and his/her immediate superior, Human Resource unit to provide technical support during the session, departmental PMS Champion to provide secretariat services on the session.
- iii. The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified as per **SDBIP/JOB DESCRIPTION**, which are linked to the Key Performance Areas (KPA's), and relevant Competency Requirements respectively.
- iv. The standard of performance of each employee shall be assessed from the evidence of delivery, defined as the indicator, on the following scale:

PERFORMANCE SCORING SUGGESTED BY THE REGULATIONS (2021)

Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above

		fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and Indicators as specified in the PA and Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

6.5 LINKING PERFORMANCE TO A REWARD SYSTEM

6.5.1 Rewarding Employee Performance – Municipal Manager and section 56 Managers

A performance bonus, based on affordability may be paid to the employees, after:

1. the annual report for the financial year under review has been tabled and adopted by the municipal council.
2. an evaluation of performance in accordance with the provisions of the Regulation

3. approval of such evaluation by the municipal council as a reward for a level of performance deserving of a performance bonus in terms of the bonus criteria

The evaluation of the manager's performance shall form the basis for rewarding outstanding performance and correcting below par performance.

- a. In recognition of outstanding performance, a performance bonus ranging from **5% to 14%** of the all-inclusive remuneration package may be paid to a Municipal Manager and Managers directly accountable to him or her.
- b. The performance bonus percentages are determined by calculating the overall rating using the applicable assessment rating calculator.
- c. The quantum of the bonus payable shall be as follows:

If (Bonus Score > = 130 - 133) bonus = 5%
If (Bonus Score > = 134 -137) bonus = 6%
If (Bonus Score > = 138 -141) bonus = 7%
If (Bonus Score > = 142 - 145) bonus = 8%
If (Bonus Score > = 146 - 149) bonus = 9%
If (Bonus Score > = 150 - 153) bonus = 10%
If (Bonus Score > = 154 - 157) bonus = 11%
If (Bonus Score > = 158 - 161) bonus = 12%
If (Bonus Score > = 162 - 165) bonus = 13%
If (Bonus Score > = 166 - plus) bonus = 14%

The combined KPA and CCR assessment scores, weighted 80% and 20% respectively, will make up the overall assessment of the individual manager's score. Where the KPA portion is the organizational performance score from the Organizational scorecard, and CCR is the result of an assessment on its own. The following table depicts the split as follows:

Component	Weighting	Source
Score for departmental performance	80%	SDBIP scorecard score
CCR score of a manager	20%	CCR appraisal result

A. Core Competency requirements

- The competency framework further involves six (6) core competencies that act as drivers to ensure that the leading competencies are executed at an optimal level.
- There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. All competencies must therefore be considered as measurable and critical in assessing the level of a senior manager's performance.
- The competency framework is underscored by four (4) achievement levels that act as benchmark and minimum requirements for other human capital interventions, which are, recruitment and selection, learning and development, succession planning, and promotion.

COMPETENCY FRAMEWORK FOR SENIOR MANAGERS					
LEADING COMPETENCIES:		Achievement Level	Weight	SELF SCORING SCORE (HOD)	FINAL SCORE MM
Strategic Direction and Leadership	• Impact and Influence	Superior	8.3		
	• Institutional Performance Management	Advanced			
	• Strategic Planning and Management	Competent			
	• Organisational Awareness	Basic			
People Management	• Human Capital Planning and Development	Superior	8.3		
	• Diversity Management	Advanced			
	• Employee Relations Management	Competent			
	• Negotiation and Dispute Management	Basic			
Programme and Project Management	• Program and Project Planning and Implementation	Superior	8.3		
	• Service Delivery Management	Advanced			

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

	<ul style="list-style-type: none"> Program ad Project Monitoring and Evaluation 	Competent			
		Basic			
Financial Management	<ul style="list-style-type: none"> Budget Planning and Execution 	Superior	8.3		
	<ul style="list-style-type: none"> Financial Strategy and Delivery 	Advanced			
	<ul style="list-style-type: none"> Financial Reporting and Monitoring 	Competent			
		Basic			
Change Leadership	<ul style="list-style-type: none"> Change Vision and Strategy 	Superior			
	<ul style="list-style-type: none"> Process Design and Improvement 	Advanced			
	<ul style="list-style-type: none"> Change Impact Monitoring and Evaluation 	Competent			
		Basic			
Governance Leadership	<ul style="list-style-type: none"> Policy Formulation 	Superior	8.3		
	<ul style="list-style-type: none"> Risk and Compliance Management 	Advanced			
	<ul style="list-style-type: none"> Cooperative Governance 	Competent			
		Basic			
CORE COMPETENCIES	Achievements Levels	Weight	SELF-SCORING-HOD	FINAL SCORE MM	
Moral Competence	Superior	8.3			
	Advanced				

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

	Competent			
	Basic			
Planning and organising	Superior	8.3		
	Advanced			
	Competent			
	Basic			
Analysis and Innovation	Superior	8.3		
	Advanced			
	Competent			
	Basic			
Knowledge Information Management	Superior	8.3		
	Advanced			
	Competent			
	Basic			
Communication	Superior	8.3		
	Advanced			
	Competent			
	Basic			

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Results and Quality focus	Superior	8.3		
	Advanced			
	Competent			
	Basic			
Total	100%			

1.1 Achievement Levels: CCRs

- The achievement levels indicated in the table below serve as a benchmark for appointments, succession planning and development interventions.
- Individuals falling within the Basic range are deemed unsuitable for the role of senior manager, and caution should be applied in promoting and appointing such persons.
- Individuals that operate in the Superior range are deemed highly competent and demonstrate an exceptional level of practical knowledge, attitude, and quality. These individuals should be considered for higher positions and should be earmarked for leadership programs and succession planning.

ACHIEVEMENT LEVELS	RATING	ACHIEVEMENT LEVELS
Basic	1-2	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
Competent	3	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
Advanced	4	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses
Superior	5	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

B. Performance Evaluation Committee for S54/56 Managers

The Evaluation Panel Committee evaluates Section 56 employees' (including the Municipal Manager's) performance through approval of their final performance ratings, based on the Performance Evaluation Committee's recommendations.

The 2006 Municipal Performance Regulations prescribe the composition of the Evaluation Panel and also stipulates in detail how the evaluation process should be undertaken.

For purposes of evaluating the annual performance of the Municipal Manager (Organization), The Honorable Mayor must establish an evaluation panel, herein referred to Honorable Mayor's Review Panel, constituted of the following persons:

- Honorable Mayor.
- Chairperson of the Audit committee
- Member of the Executive Committee
- Mayor and/or municipal manager from another municipality; and
- Member of a ward committee as nominated by the Honorable Mayor.

For purposes of evaluating the annual performance of managers directly accountable to the municipal manager (HoD /Department), the Municipal Manager must establish an evaluation panel, herein referred to Municipal Manager's Review Panel, constituted of the following persons:

- Municipal Manager.
- Chairperson of the Performance audit committee
- Member of the Executive Committee
- Municipal Manager from another municipality.

The Evaluation Panel committee will then prepare a report with the recommendations to the Honorable Mayor for the payment of Bonuses of the Municipal Manager and S56 Managers.

6.5.2 Rewarding Employees below Section 56 Managers

The Employee's assessment will be based on his or her performance in terms of the outputs / outcomes (performance indicators) identified as per **SDBIP/JOB DESCRIPTION**, which are linked to the Key Performance Areas (KPA's), and relevant Competency Requirements respectively. The combined KPA and CCR assessment scores, weighted 80% and 20% respectively, will make up the overall assessment of the individual manager's score. Where the KPA portion is the organizational performance score from the organizational scorecard, and CCR is the result of an assessment on its own.

a. Exceeding Expectation

Employees who consistently exceed the set standards and deliver exceptional work shall be rewarded in the manner to be determined by the Municipal Council as follows:

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Rating (score)	Rating (%)	Rating Definition	Non-financial rewards
1-2	100%	Basic	Bronze Medal and 2 special leave days
3	101-116	Competent	Silver Medal and 3 special leave days
4	117-132	Advanced	Gold Medal and 4 special leave days
5	132+	Superior	Platinum Medal and 5 special leave days

b. Performing Below Expectation

Employees who consistently perform below the required standard which in this case is below 100% shall be assisted in boosting their competence through training, close coaching, supervision etc. Should their performance not improve, counselling shall be undertaken.

c. Dealing with Unacceptable Performance

In the case of unacceptable performance, the municipality shall:

- a. Provide systematic remedial and/or developmental support to assist the employee to improve his/her performance; and
- b. If after appropriate performance counselling has been undertaken, the necessary guidance and/or support provided and reasonable time allowed for improvement, performance still does not improve, the municipality may consider invoking incapacity proceedings against the employee which may result in the termination of the employee's contract of employment.

6.6 DISPUTE RESOLUTION MECHANISM

Any dispute about the nature of the employee's Performance Agreement, whether it relates to the key responsibilities, priorities, methods of assessment and/or salary increment in the agreement, must be mediated as follows:-

In the event that consensus between the parties cannot be reached, the fact of non-consensus together with the necessary evidence shall be referred as follows:

- a. In the case of the Municipal Manager, the MEC for Local Government in the province within thirty (30) days of receipt of a formal dispute from the employee.
- b. In the case of Section 56 Managers reporting directly to the Municipal manager, the Mayor, within thirty (30) days of a formal dispute from the employee.
- c. The MEC for Local Government and the Mayor, respectively, shall have the final say with regard to the Municipal Manager's and the Section 56 Managers' assessment respectively.
- d. In the case of staff other than the Municipal Manager or the Section 56 Managers, the fact of non-consensus together with the necessary evidence shall be escalated in line with the municipality's dispute resolution mechanism as embodied in the relevant Collective Agreement.

6.7 INPUT TO INDIVIDUAL DEVELOPMENT PLAN

- a. The gaps between actual performance and the expected level of performance shall be reviewed by the employee and immediate superior from the perspective of identifying opportunities for training and skills development.
- b. Where such opportunities are identified, they shall be documented and submitted to the Director of Corporate Services, who shall make recommendations to the immediate superior for suitable training interventions to address such skills gaps.
- c. These recommendations will then be processed in terms of the Municipality's Training Policy.

6.8 INPUT TO SUCCESSION PLAN

- a. Each Department will be required to compile a Succession Plan, identifying those employees with the demonstrated potential to advance to more senior positions and estimated timeframes within which the identified employees will be suitably skilled and experienced to take on the additional responsibility of more senior positions.
- b. Only employees whose performance scores are either 4 or 5 must be put on a succession planning programme.
- c. The relevant Section 56 Manager shall liaise with the Corporate Services Director to identify areas where the skills of the employee concerned can be utilized, and strategies to be followed in accommodating the aspirations of the employee within the municipal requirements.

6.9 ROLE OF COUNCIL

In line with the Municipal Systems Act (Act No. 32 of 2000), the Municipal Council commits to participating in the development of its performance management system through the Executive Committee and shall:

- a. Oversee the development of the municipality's performance management system.
- b. Assign responsibilities in this regard to the Municipal Manager who shall submit the proposed system to the Municipal Council for adoption and establish mechanisms to monitor and review the performance management system.

6.10 MONITORING, REVIEW AND REPORTING

Entails reporting Quarterly to the Audit Committee, Council and the public. In addition, a quarterly report and evidence files are also prepared and sent to Internal Audit to be audited, prior it being sent to council and the performance audit committee.

Reviews/auditing - is a key element of the monitoring and evaluation process. This involves verifying that the measurement mechanisms are accurate and that proper procedures are followed to evaluate and improve performance. According to section 45, of the Systems Act, results of the performance measurement must be audited as part of the municipality's internal auditing process and annually by the Auditor-General. The Municipality will therefore have to establish frameworks and structures to evaluate the effectiveness of the municipality's internal performance measurement control systems.

CHAPTER 7: PROGRAMME INTEGRATION

7.1 SECTORAL PLANS & PROGRAMMES

There are a number of sector plans, policies and by laws that have been developed for the Municipality which have been adopted by the council of Amahlathi municipality. An analysis that was done found others to be still relevant and the municipality is in the process of reviewing those which were found to be outdated.

List of Adopted Sector Plans

DEPARTMENT	PLAN	STATUS	
		YEAR ADOPTED	REVIEW YEAR
Budget Treasury and Office	1. Budget Policy	28 May 2015	23/24
	2. Credit Control Policy	28 May 2015	23/24
	3. Indigent Policy	28 May 2015	23/24
	4. Rates Policy	28 May 2015	23/24
	5. Virement Policy	28 May 2015	23/24
	6. Tariff Policy	28 May 2015	23/24
	7. Petty Cash Policy	28 May 2015	23/24
	8. Housing and Rental Policy	28 May 2015	23/24
	9. Customer Care Policy	28 May 2015	23/24
	10. Supply Chain Management Policy	28 May 2015	23/24
	11. Asset Policy	28 May 2015	23/24
	12. Cash Management and Investment Policy	28 May 2015	23/24
	13. User Account Management Policy	28 May 2015	23/24
	14. Fruitless and Wasteful Expenditure	28 May 2015	23/24

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

	15. Irregular Expenditure Policy and Procedure Manual	28 May 2015	23/24
Corporate Services	16. Recruitment and Selection Policy	29 May 2025	24/25
	17. Leave Policy	29 May 2025	24/25
	18. Acting Allowance Policy	29 May 2025	24/25
	19. Overtime and Shift Allowance Policy	29 May 2025	24/25
	20. Migration and Placement Policy	29 May 2025	24/25
	21. Travel Allowance Scheme for Managers	29 May 2025	24/25
	22. Employee Assistant Policy	29 May 2025	24/25
	23. Occupational Health and Safety Policy	29 May 2025	24/25
	24. Telephone and Cellular Phone Usage Policy	29 May 2025	24/25
	25. Job Evaluation Policy	29 May 2025	24/25
	26. Exit and Retirement Policy	29 May 2025	24/25
	27. Bereavement Policy	29 May 2025	24/25
	28. Substance Abuse Policy	29 May 2025	24/25
	29. Housing Rental Allowance Policy	29 May 2025	24/25
	30. Subsistence and Travel Policy	29 May 2025	24/25
	31. Fleet Management Policy	29 May 2025	24/25
	32. Relocation and Sleepout Policy	29 May 2025	24/25
	33. Performance Management and Development System Policy Framework	29 May 2025	24/25
	34. Code of Conduct for Municipal Employees Policy	29 May 2025	24/25
	35. ALM Experiential Training Policy	29 May 2025	24/25
	36. Political Office Bearer Policy	29 May 2025	24/25
	37. File Plan for Amahlathi Local Municipality	29 May 2025	24/25

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

	38. Backup Procedure Policy	29 May 2025	24/25
	39. Email Acceptable Policy	29 May 2025	24/25
	40. ICT Change Management Policy	29 May 2025	24/25
	41. ICT Patch Management Policy	29 May 2025	24/25
	42. Information and Systems Password Policy	29 May 2025	24/25
	43. Software Installation Policy	29 May 2025	24/25
	44. Backup Procedure	29 May 2025	24/25
	45. 3G Card Policy	29 May 2025	24/25
	46. Communication Technology Management Policy	29 May 2025	24/25
	47. Information and Systems Security	29 May 2025	24/25
	48. ICT Governance Charter	29 May 2025	24/25
	49. Corporate Governance of ICT Framework	29 May 2025	24/25
Community Services	50.		
	51. Environmental/Commonage Management Plan	2015	Adopted
	52. Integrated Waste Management Plan	May 2006	2023
	53. Cemetery Policy	2015	Adopted
	54. Pauper Burial Policy		23/24
Development And Planning	55.		
	56. Environmental/Commonage Management Plan	2015	Adopted
	57. Amahlathi Spatial Development Framework (2022	2027

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

	59. Tourism Master Plan	2008	Currently being reviewed.
	60. Led Strategy	2012	2023
	61. Housing Sector Plan	2013	2023
	62. 63. Land Invasion Prevention Policy and By-law	2014	2015
	64. Agricultural Plan	2011	-
	65. SMME Strategy	2016	-
	66. Street Trading Policy	2013	-
	67. Tourism Master Plan	2008	Currently being reviewed.
Strategic Management Services	68. Performance Management Systems Policy Framework	June 2011	23/24
	69. Communication Strategy	2015	23/24
	70. Communication Policy	2016	23/24
	71. Public Participation Policy	June 2014	23/24
	72. Petitions Framework	June 2014	23/24
	73. Petitions Policy	2016/17	23/24
	74. Social Media Policy	Currently being developed	23/24
	75. Functionality of Ward Committees		23/24
	76. Special Programmes Strategy Covering; <ul style="list-style-type: none"> Youth Children Disabled Women Elderly HIV/AIDS 	16/17	
	77. Sport Policy	Currently being developed	

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Office Of the Municipal Manager	78. Audit Committee Charter	May 2011	23/24
	79. Internal Audit Charter		23/24
	80. Risk Management Policy		23/24
	81. ALM Fraud Prevention & Anti-Corruption Policy		22/23
	82. Fraud Prevention Plan		23/24
	83. Monitoring and Evaluation Policy	2023/24	
Engineering Services	84. Private Protection Equipment (PPE) for electricity	Currently being reviewed	20/21
	85. Electricity By Law		
	86. Bush Clearance & Maintenance Within Power line & Servitudes		
	87. By-law Standard Bush Clearance		
	88. Planting, Pruning, Removal and Treatment of Street Trees		
	89. Roads Maintenance Policy		
	90. Building Control Policy	Currently being developed	20/21
	91. OHS Toolkit PPE Policy		20/21

This chapter outlines the key strategic priorities of the Amahlathi Municipality, as they have been “translated” into priority projects and programs for implementation.

It is important to understand that these sectoral plans and programs relate directly to the main developmental issues of concern to the Amahlathi Municipality (as outlined in Chapter Two), and the Objectives and Strategies for development that were formulated in response to the identified issues. Of note, too, is the fact that the Municipal Performance Management System is guided by the Municipality's Objectives and Strategies in structuring assessments, as well as the achievement / implementation of projects and programme actions.

The following Programmes and Sector Plans are addressed in this Chapter: -

1. Housing sector Plan
2. Disaster Management Plan
3. Integrated waste Management Plan

7.3 INTEGRATED WASTE MANAGEMENT PLAN

Amahlathi Municipal Integrated Waste Management Plan (2022 – 2027) was approved by Council in January 2023 and endorsed by the MEC - DEDEAT in August 2023. The IWMP is a strategic document that will then guide municipal waste operations to ensure compliance with waste Regulations. The municipality has a designated Waste Management Officer (WMO) as required by the National Environmental Management Waste Act to perform waste management functions and ensure implementation and reporting on the IWMP. Waste Management forum stakeholders have been identified and terms of reference developed with the Waste management fora established in May 2024 sitting quarterly. Terms of reference have been approved by the forum stakeholders on the first sitting and second sitting was on the 5th of December 2024.

There are 3 landfill sites and one transfer station which are as follows:

- Stutterheim is licensed and operational.
- Keiskammahoek is licensed and operational.
- Cathcart Transfer Station is licensed and in the process of being operationalized through local recyclers.
- Cathcart Waste site is not permitted and the license for closure and rehabilitation lapsed and issued compliance notice for illegal operations. The Municipality has initiated the closure process with a call for professional Service Providers to conduct a basic assessment as part of the waste management license application for the closure and rehabilitation of the site.

In all waste disposal sites hazardous waste is not permitted. Department of Health, private doctors and funeral undertakers have a contract with a service provider for the collection of hazardous waste.

The Municipality has developed operational plans for all waste disposal sites to monitor and ensure compliance with permits. The Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) supported the Municipality by providing funding for waste management interventions over a three-year cycle period i.e., 2020 – 2022. A total of 6.6 million was allocated for the Restoration of Stutterheim waste disposal facility in the 2020/201 financial year and was registered under the Expanded Public Works Programme Abantu Environmental Consultants were appointed in October 2020 for implementing the project which was completed in June 2021. An amount of R 3.3 million was allocated for continuation of the Stutterheim waste site which is currently underway with 30 beneficiaries in the 22/23 financial year. Due to a constant breakdown in refuse collection vehicles, there is non-adherence to collection schedule and as such the service is interrupted resulting in illegal dumping which negatively impacts on the environment. A recommendation to procure specialised waste vehicles through MIG was received from DEFF in September 2023.

There is a by-law relating to solid waste disposal currently implemented by the Solid waste section, enforced by the Waste officer which is currently under review. It addresses the issue of illegal dumping and compliance with the National Environmental Management Waste Act No.59 of 2008.

There Municipality conducts awareness campaigns, which focus on conducting recycling and awareness and/or Clean-up and clearing of illegal dumping hotspots campaigns to address the waste management challenges in Amahlathi Municipality. Door to Door awareness campaign is conducted to seek and analyze the environmental challenges experienced by the communities and businesses and verification on the rendering of waste services. Adopt-A-Spot programme has been initiated to address and mitigate the challenge of the identified illegal dumping hotspots in communities.

The Municipality is a beneficiary to cleaning programs by COGTA through the town beautification program participants and DEFF through the cleaning and mopping programme with 123 EPWP participants in all clusters. Both programs have had a positive impact as the general cleanliness and outlook of our towns has improved. In collaboration with the limited number of municipal employees, street sweeping is being conducted, clearing of illegal dumping area and vegetation around pavements and cleaning of street gutters. Grass cutting is done in all clusters although not to satisfaction due to limited resources.

There are SALGA, Provincial and District waste forums attended by the waste management section. Local waste forum has been established with terms of reference.

7.4 DISASTER MANAGEMENT PLAN

In terms of the current assignment of powers and functions, the Amahlathi Municipality is required to administer and manage the disaster management function. However, given the current capacity constraints, the Amahlathi Municipality actively participates in disaster management processes and procedures within the framework of disaster management with support provided by the Amathole District Municipality. Communication between the two Municipalities is therefore a critical element in the current disaster management procedures.

In line with the District Municipality's role to capacitate Local Municipalities, a Sub-Regional Disaster Control Centre is to be developed in Amahlathi Municipality. Premises for this Centre have been identified in Stutterheim. In the interim, the Amathole District Municipality has completed the 1st Phase of a District Disaster Management Plan, which will point the way forward for the Amahlathi Municipality in this regard. Due to budget constraints the Municipality will rely on the plan to be developed by the district. However, a disaster risk management all hazards contingency plan is in place and is reviewed periodically. Disaster Management Fora is functional and sits on a quarterly basis. In the 24/25, ADM is developing the District Disaster Risk Management Plan by SRK Consulting, plan being inclusive of Amahlathi LM.

7.5 POVERTY ALLEVIATION PROGRAMME

It is noted that several initiatives are critically to the essence of poverty alleviation in the local area. These include the implementation of the Consolidated Land Restitution Program in Keiskammahoek and the resuscitation of irrigation schemes in the Amahlathi Municipal area. It is important to note that Local Economic Development within Amahlathi is currently greatly improved in the implementation of economic development initiatives.

CHAPTER 8: FINANCIAL PLAN

The purpose of this chapter is to outline the financial plan that supports the long-term financial sustainability of the Amahlathi Municipality. The financial plan is necessary to ensure that the municipality is able to effectively and efficiently implement its mandate; it is prepared to assist in the planning of operating and capital expenditure within the municipality and in so doing, maintain financial stability and sustainability. The municipality must make use of its available financial resources in an effective, efficient and economical manner when achieving the targets and objectives of the IDP.

The IDP is the guiding document for the 2025/26 budget planning process. The outcome of this Integrated Development Plan is the alignment of the planning process and resource allocations to the imperatives of the strategic direction. Thus, compilation and approval of the 2025/26 Medium-term Revenue and Expenditure Framework (three-year budget) was a direct product aligned to the imperatives and strategic direction of the Amahlathi. The link between Government's priorities and spending plans is not an end in itself, but the goal should be to enhance service delivery aimed at improving the quality of life for all the people within the municipality.

In terms of National Treasury's Municipal Budget and Reporting Regulations, the budget of a municipality is required to encompass 3 years of audited information; the current year; the next financial year and the two outer financial years. The funding of the annual budget has been calculated taking into account the following:

-

- Rates and Service Charges
- Interest on outstanding debtors
- Interest expected to be received from investments.
- Grants as guided by the division of revenue act (DORA).

8.1 FINANCIAL FRAMEWORK

The uniqueness of the area in which the municipality has jurisdiction, in comparison to other municipalities, must be considered when assessing its financial viability and sustainability. The Amahlathi can be categorized as a rural municipality and thus requires significant additional resources and funding to accomplish expected development and service delivery. From a financial perspective the financial viability and sustainability of the municipality remains priority.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

8.1.1 Sufficient Revenue base

The ALM requires access to sufficient revenue sources from both its own operations and from government transfers and subsidies in order to perform its duties and responsibilities. The timing of the receipt of the 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. The DORA sets out the funding that will be received from National Government for the 2025/26 to 2027/2028 financial years. The debtors' collection rate is monitored on a monthly basis. This information assists the municipality in determining its financial position more accurately and can be used to make decisions pertaining to levels of borrowing if required. Below is the table showing anticipated operating revenue:

(Revenue by source)

EC124 Amahlathi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	38 857	35 913	46 291	49 465	68 168	68 168	68 168	72 499	75 152	79 662
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	10 856	11 107	11 558	13 469	13 469	13 469	13 469	14 362	14 635	15 062
Sale of Goods and Rendering of Services		5 052	5 395	5 898	6 185	7 053	7 053	7 053	7 363	7 694	7 886
Agency services		986	1 266	1 321	1 918	1 151	1 151	1 151	2 005	2 095	2 147
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		4 086	5 438	7 704	7 779	8 205	8 205	8 205	8 566	8 951	9 175
Interest earned from Current and Non Current Assets		366	1 613	3 456	3 892	3 892	3 892	3 892	4 063	4 246	4 352
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		851	221	246	366	200	200	200	209	218	224
Licence and permits		1 854	2 349	2 543	3 066	1 841	1 841	1 841	3 845	4 018	4 118
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		16	1 578	11 903	133	853	853	853	891	931	954
Non-Exchange Revenue											
Property rates	2	22 178	23 331	24 169	26 746	26 746	26 746	26 746	28 350	30 051	31 855
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		12	20	12	29	17	17	17	18	19	19
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		121 776	130 339	138 142	145 505	146 285	146 285	146 285	145 321	140 816	147 158
Interest		4 096	5 900	7 474	7 620	7 620	7 620	7 620	7 955	8 331	8 521
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	26 554	26 554	26 554	26 554	26 554	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		946	1 208	4 723	-	-	-	-	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and com		211 230	225 638	265 440	288 172	312 055	312 055	312 055	322 001	323 772	311 134

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

(Expenditure by Type)

EC124 Amahlathi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Expenditure											
Employee related costs	2	123 339	135 383	136 206	141 493	131 521	131 521	131 521	126 195	131 038	134 314
Remuneration of councillors		11 533	13 662	13 595	15 031	15 031	15 031	15 031	15 692	16 395	16 808
Bulk purchases - electricity	2	42 658	43 194	51 809	57 965	57 965	57 965	57 965	65 349	68 852	73 114
Inventory consumed	8	405	170	178	231	281	281	281	324	338	347
Debt impairment	3	-	-	-	26 000	26 000	26 000	26 000	20 385	20 666	21 258
Depreciation and amortisation		26 049	26 030	25 940	24 186	24 186	24 186	24 186	23 217	23 685	25 626
Interest		2 536	10 047	15 524	3 000	2 500	2 500	2 500	2 000	1 800	1 600
Contracted services		12 743	13 549	14 341	17 491	17 472	17 472	17 472	13 163	10 700	9 703
Transfers and subsidies		-	10	10	-	-	-	-	-	-	-
Irrecoverable debts written off		(7 489)	29 142	25 872	-	-	-	-	-	-	-
Operational costs		21 542	25 478	22 177	22 958	23 347	23 347	23 347	24 170	18 413	18 935
Losses on disposal of Assets		(40)	-	454	-	-	-	-	-	-	-
Other Losses		-	196	-	-	1	1	1	1	-	-
Total Expenditure		233 275	296 863	306 107	308 355	298 303	298 303	298 303	290 497	292 090	301 705

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

(Grants and subsidies)

EC124 Amahlathi - Supporting Table SA18 Transfers and grant receipts

2012/13 Annual Report - Supporting Table GR10 - Transfers and grant receipts										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		479 671	622 609	658 177	143 651	143 951	143 951	143 505	140 818	147 158
EPWP Incentive	-	4 027	5 595	6 905	1 211	1 511	1 511	1 799	-	-
Finance Management	-	6 535	8 735	10 935	2 200	2 200	2 200	2 200	2 400	2 500
Local Government Equitable Share	-	115 504	124 987	131 533	138 370	138 370	138 370	137 520	136 575	142 739
Metro Informal Settlements Partnership Grant	-	353 009	477 996	477 996	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)	-	596	5 296	30 808	1 870	1 870	1 870	1 986	1 841	1 919
Other transfers/grants (insert description)										
Provincial Government:		-	-	-	2 184	2 184	2 184	1 823	-	-
Eastern Cape Capacity Building and Other_Specify					1 792	1 792	1 792	1 823	-	-
LG Sets					330	330	330			
Human Settlement					62	62	62			
District Municipality:		-	-	-	-	-	-	-	-	-
(insert description)										
Other grant providers:		904	1 153	1 403	-	-	-	-	-	-
Unspecified_Specify (Replace with the name of the	-	904	1 153	1 403	-	-	-	-	-	-
Total Operating Transfers and Grants	5	486 576	623 742	659 580	145 635	146 135	146 135	145 328	140 818	147 158
Capital Transfers and Grants										
National Government:		196 516	132 217	162 987	59 538	73 770	73 770	74 322	46 429	48 250
Municipal Infrastructure Grant (MIG)	-	100 516	132 217	162 987	35 533	35 533	35 533	37 737	34 976	36 460
Energy Efficiency and Demand Side Management	-				3 000	3 000	3 000	-	4 000	4 000
Integrated National Electrification Programme Grant	-				1 860	1 860	1 860	17 440	7 453	7 790
Municipal Disaster Relief Grant	-				19 145	33 377	33 377	19 145	-	-
Other capital transfers/grants (insert desc)										
Provincial Government:		-	-	-	-	-	-	15 000	-	-
Other capital transfers/grants (insert description)								15 000	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
(insert description)										
Other grant providers:		-	-	-	-	-	-	-	-	-
Unspecified_Specify (R										
Total Capital Transfers and Grants	5	100 516	132 217	162 987	59 538	73 770	73 770	89 322	46 429	48 250
TOTAL RECEIPTS OF TRANSFERS & GRANTS		581 091	755 979	822 566	205 373	219 905	219 905	234 650	187 245	195 408

8.1.2 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. Amahlathi operates in an environment of limited resources and must therefore make use of the available resources in an effective, efficient, and economical manner. The debtors' turnover days has a significant impact on the liquidity/availability of the cash of the municipality 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 days. This implies that cash is flowing out at a faster rate than it is flowing into the municipality. The following depicts the audited financial ratios for the past two years.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Financial Ratios:-

FINANCIAL VIABILITY ASSESSMENT			
		As at 30 June 2024	As at 30 June 2023
Expenditure management			
1.1	Creditor-payment period	476 Days	492 Days
Revenue management			
2.1	Debt-collection period (after impairment)	240 Days	199 Days
2.2	Debt-impairment provision as a percentage of accounts receivable	71.36%	74.29%
	· Amount of debt-impairment provision	R 142 731 001,00	R 121 116 831,00
	· Amount of accounts receivable	R 200 004 603,00	R 163 019 653,00
Asset and liability management			
3.1	A deficit for the year was realised (total expenditure exceeded total revenue)	Yes	No
	· Amount of the surplus / (deficit) for the year	R 5 929 929	(R39 691 251)
3.2	A net current liability position was realised (total current liabilities exceeded total current assets)	Yes	Yes
	· Amount of the net current assets / (liability) position	R136 961 931	R126 513 195
3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	· Amount of the net asset / (liability) position	R255 323 098,00	R249 393 169,00
Cash management			
4.1	The year-end bank balance was in overdraft	No	No
	· Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft)	R22 980 213,00	R15 637 585,00
4.2	Cash plus investments less applications	R 7 197 245,00	R 8 411 477,00
	Amount of total investments (short and long term)	R0,00	R0,00
	Less: Amount of cash applications/commitments	R15 782 968,00	R 7 226 108,00
4.3	Cash coverage	0.3	0.3
	Amount of monthly expenditure	R25 620 075,00	R25 154 032,00

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Budgeted Cash Flow Table: -

EC124 Amahlathi - Table A7 Budgeted Cash Flows

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		12 057	10 733	21 943	22 670	29 971	29 971	29 971	24 098	25 544	27 076
Service charges		53 954	34 854	52 910	57 411	80 138	80 138	80 138	73 831	76 370	80 515
Other revenue		3 296	2 997	12 315	12 987	11 172	11 172	11 172	14 330	14 975	15 349
Transfers and Subsidies - Operational	1	121 776	130 339	138 309	146 250	146 285	146 285	146 285	145 321	140 816	147 158
Transfers and Subsidies - Capital	1	28 300	36 401	61 970	59 538	79 092	79 092	79 092	89 322	46 429	48 250
Interest		8 548	12 952	3 710	13 947	19 660	19 660	19 660	4 063	4 246	4 352
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(203 054)	(179 852)	(213 369)	(233 173)	(259 049)	(259 049)	(259 049)	(255 786)	(251 671)	(268 221)
Interest		(2 536)	(10 047)	(7 247)	(3 000)	(2 500)	(2 500)	(2 500)	(2 000)	(1 800)	(1 600)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		22 340	38 375	70 541	76 629	104 769	104 769	104 769	93 180	54 909	52 880
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(26 160)	(32 713)	(75 497)	(71 240)	(86 346)	(86 346)	(86 346)	(92 122)	(46 429)	(48 250)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(26 160)	(32 713)	(75 497)	(71 240)	(86 346)	(86 346)	(86 346)	(92 122)	(46 429)	(48 250)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short-term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		625	(191)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		625	(191)	-	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	13 426	10 232	15 702	15 702	15 702	15 702	15 702	34 125	35 183	43 663
Cash/cash equivalents at the year end:	2	10 232	15 702	10 746	21 092	34 125	34 125	34 125	35 183	43 663	48 293

The operating budget produces an annual operating surpluses and will therefor improve the cash reserves.

However, the municipality is currently experiencing financial challenges relating to high trade payables.

Settlement of these trade payables remains a financial strain on Amahlathi's revenue sources. The current

budget is not fully funded and is not cash-backed, due to the high trade payables. However, there is a financial improvement plan that is being implemented to improve the current financial position. Services are to be provided at an affordable and sustainable level.

8.1.3 Accountability and transparency

The Amahlathi is accountable to the taxpayers and communities, who are the providers of the resources, of how resources are utilized, managed and safeguarded. Hence the IDP and budget processes are open to public participation. The Amahlathi has reporting procedures to produce accurate financial information for both management and oversight decision purposes.

8.1.4 Development and investment

Below is a table depicting the extent of the investment made by the municipality in terms of capital projects to be implemented in the 2025/2026 financial year: -

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Description	Funding	Adjusted 2024/2025	Budget 2025/2026	Budget 2026/2027	Budget 2027/2028
Izidenge Internal Roads	MIG Funding	-	3 326 149	-	-
KKH recreation Centre	MIG Funding	4 600 000	-	-	-
Langdraai Community Hall	MIG Funding	-	4 701 288	-	-
Mbaxa Community Hall	MIG Funding	2 300 000	-	-	-
Mlungisi Sportfield	MIG Funding	5 400 000	5 600 000	-	-
Nqenge Internal Roads	MIG Funding	-	3 718 069	-	-
Paving of Xholofa Internal Roads	MIG Funding	13 232 850	-	-	-
Phumlani Community Hall	MIG Funding	2 000 000	5 151 162	-	-
Municipal Offices	MIG Funding	8 000 000	8 000 000	-	-
Waste Collection Compactor Truck	MIG Funding	-	3 500 000	-	-
Stutterheim Streets Paving	MIG Funding	-	400 000	-	-
Keiskammahoek Town Paving	MIG Funding	-	400 000	-	-
Amabele Paving	MIG Funding	-	387 332	-	-
Keilands Roads	MIG Funding	-	700 000	-	-
Khayelitsha Community Hall	MIG Funding	-	-	-	-
Cathcart Town Hall Upgrade	MIG Funding	-	400 000	-	-
Infrastructure plans	MIG Funding	-	1 452 850	-	-
No approved list available	MIG Funding	-	-	34 976 150	36 460 050
Total MIG Funded Projects		35 532 850,00	37 736 850,00	34 976 150,00	36 460 050,00
Vehicles (Comm Services)	Own Funding	600 000	-	-	-
Computer Equipment	Own Funding	178 000	200 000	-	-
Furniture & Office Equipment	Own Funding	950 000	500 000	-	-
Vehicles	Own Funding	2 150 000	1 100 000	-	-
Vehicles (Engineering)	Own Funding	1 400 000	1 000 000	-	-
Equipment	Own Funding	560 000	-	-	-
Waste Trucks	Own Funding	1 416 500	-	-	-
Total Own Funded Projects		7 254 500	2 800 000	-	-
11 kV Stutterheim Main Intake SwS Upgrade Phase 2	INEP Grant	360 000	-	-	-
3-5 MVA 22/11kV Catchart Substation Upgrade Phase 2	INEP Grant	1 500 000	17 440 000	-	-
No approved list available				7 453 000	7 790 000
Total INEP Funded Projects		1 860 000	17 440 000	7 453 000	7 790 000
Landfill Site	Waste Grant	1 471 802	-	-	-
Total Waste Grant Projects		1 471 802	-	-	-
STR KKH Roads	STR	1 500 000	550 000	-	-
STR KKH Electricity	STR	500 000	150 000	-	-
STR Stutterheim Electricity	STR	1 000 000	400 000	-	-
STR Stutterheim Roads	STR	1 000 000	400 000	-	-
Total Small Town Revitalisation Projects		4 000 000	15 000 000	0	0
No approved list available	EEDSM	0	-	4 000 000	4 000 000
Demand side project	EEDSM	2 850 000	-	-	-
Total EEDSM Projects		2 850 000	-	4 000 000	4 000 000
Regraveling Cenyu Village Internal Roads	Disaster Grant	3 500 000	-	-	-
Regraveling Goshen Internal Roads	Disaster Grant	2 970 000	-	-	-
Regraveling Emagcumeni Village	Disaster Grant	1 450 000	-	-	-
Regraveling Pumlani Village, Bumbane & Kom Internal Road	Disaster Grant	4 000 000	-	-	-
Regraveling Road from Peer to Nxawe & Road from Matsa to Nxawe	Disaster Grant	3 200 000	-	-	-
Regraveling Road to Sophumelele & Ngxondorheni Village	Disaster Grant	3 500 000	-	-	-
Regraveling Kubusie gravel road from area 5 to Mahanjane	Disaster Grant	525 000	-	-	-
2023/25 Rolled over projects	Disaster Grant	14 232 199	-	-	-
No approved list available	Disaster Grant	-	19 145 000	-	-
Total Disaster Grant Projects		33 377 199	19 145 000	-	-
		86 346 351	92 121 850	46 429 150	48 250 050
Smart Meter Grant – Allocation in kind	Smart Meter Grant	-	47 000 000	-	-

8.2 FINANCIAL STRATEGIES

The financial improvement plan of the municipality is intended to enhance the financial sustainability and viability through the following strategic financial objectives:

- Revenue raising strategies.
- Asset management strategies.

- Financial management strategies.
- Capital financing strategies; and
- Operational financing strategies.

8.2.1 Revenue Raising Strategies

Some of the significant programs and projects that the municipality is implementing are as follows:

The implementation of the reviewed and approved Rates Policy, Tariff policy, Debt collection and Credit Control policy, Indigent Policy, Budget policy Investment policy etc. These policies outline the relevant procedures of levying tariffs, credit control, debt collection and indigent support. The indigent policy also defines the qualification criteria for indigent status. The tariff policy endeavors to levy affordable and sustainable service charges for services rendered to all consumers within the municipal area. The municipality has also developed a Financial Improvement Plan which is currently being implemented.

8.2.2 Asset Management Strategies

The municipality continues to ensure the safeguarding of its assets as well as sound management of its assets. This is mainly achieved by the following:

- Implementation of the reviewed Asset Management Policy. This policy outlines the processes for the recognition, measurement and disposal of assets, including the preparation of a GRAP compliant asset register.
- With regards to safeguarding of assets the municipal assets are insured in an effort to transfer and share the risk in the event of an occurrence.

8.2.3 Financial Management Strategies

Some of the more significant programmes include the following:

- Integration of all computerized systems to ensure accurate, relevant and timely reporting to all stakeholders.
- Continue the implementation of public participation in the budget process.

8.2.4 Capital Financing Strategies

The grant funding received from the national government has a significant influence on the capital investment programs of the municipality. Improved planning is required to ensure that municipal projects are implemented as planned and that spending is fast-tracked in order to increase the allocation. The table below indicates the percentages of capital expenditure for the past two years.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Detail	Year 2023/24	Year 2022/23
Capital Expenditure	91%	98%

8.2.5 Operational Financing Strategies

At the end of the 2023/2024 financial year, the payroll costs excluding remuneration of councillors were 44% of the total expenditure. The total expenditure, excluding capital expenditure, amounted to R307m for 2024 and R298m in the 2025 budget. The repairs and maintenance expenditure as a percentage of total operating expenditure remains below 8%. The municipality remains grant dependent with its revenue base comprised of 57% grant income and 43% own revenue. The municipality will implement a new general valuation roll effective 1st July 2025. The valuation roll will be effective for a period of 5 years, will be updated through supplementary rolls.

8.3 THREE (3) 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 2024/25 MTREF, each strategic department had to review the business planning process, setting of priorities and targets. The extensive business planning process as undertaken with the compilation of the 2024/25 MTREF has essentially been refined and further aligned incorporating key measurable objectives and targets to ensure the planning process translates into actual performance.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

EC124 Amahlathi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	38 857	35 913	46 291	49 465	68 168	68 168	68 168	72 499	75 152	79 662
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	10 856	11 107	11 558	13 469	13 469	13 469	13 469	14 362	14 695	15 062
Sale of Goods and Rendering of Services		5 052	5 355	5 898	6 185	7 053	7 053	7 053	7 363	7 694	7 886
Agency services		986	1 266	1 321	1 918	1 151	1 151	1 151	2 005	2 095	2 147
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		4 086	5 438	7 704	7 779	8 205	8 205	8 205	8 566	8 951	9 175
Interest earned from Current and Non Current Assets		366	1 613	3 456	3 892	3 892	3 892	3 892	4 063	4 246	4 352
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		151	221	246	366	200	200	200	209	218	224
Licence and permits		1 854	2 343	2 543	3 066	1 841	1 841	1 841	3 845	4 018	4 118
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		16	1 578	11 903	133	853	853	853	891	931	954
Non-Exchange Revenue											
Property rates	2	22 178	23 331	24 169	26 746	26 746	26 746	26 746	28 350	30 051	31 855
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		12	20	12	29	17	17	17	18	19	19
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		121 776	130 339	138 142	145 505	146 285	146 285	146 285	145 321	140 816	147 158
Interest		4 096	5 900	7 474	7 620	7 620	7 620	7 620	7 955	8 331	8 521
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	26 554	26 554	26 554	26 554	26 554	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		946	1 208	4 723	-	-	-	-	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		211 230	225 638	265 440	266 172	312 055	312 055	312 055	322 001	323 772	311 134
Expenditure											
Employee related costs	2	123 339	135 383	136 206	141 493	131 521	131 521	131 521	126 195	131 038	134 314
Remuneration of councillors		11 533	13 682	13 595	15 031	15 031	15 031	15 031	15 692	16 398	16 808
Bulk purchases - electricity	2	42 658	43 194	51 809	57 965	57 965	57 965	57 965	65 349	68 852	73 114
Inventory consumed	8	405	170	178	231	281	281	281	324	338	347
Debt impairment	3	-	-	-	26 000	26 000	26 000	26 000	20 385	20 866	21 258
Depreciation and amortisation		26 049	26 030	25 940	24 186	24 186	24 186	24 186	23 217	23 685	25 626
Interest		2 536	10 047	15 524	3 000	2 500	2 500	2 500	2 000	1 800	1 600
Contracted services		12 743	13 549	14 341	17 491	17 472	17 472	17 472	13 163	10 700	9 703
Transfers and subsidies		-	10	10	-	-	-	-	-	-	-
Irrecoverable debts written off		(7 489)	29 142	25 872	-	-	-	-	-	-	-
Operational costs		21 542	25 478	22 177	22 958	23 347	23 347	23 347	24 170	18 413	18 935
Losses on disposal of Assets		(40)	-	454	-	-	-	-	-	-	-
Other Losses		-	196	-	-	1	1	1	1	-	-
Total Expenditure		233 275	296 863	306 107	308 355	298 303	298 303	298 303	290 497	292 090	301 705
Surplus/(Deficit)		(22 045)	(71 225)	(40 666)	(42 182)	13 752	13 752	13 752	31 504	31 682	9 428
Transfers and subsidies - capital (monetary)	6	28 300	32 255	46 187	59 536	79 092	79 092	79 092	89 322	46 429	48 250
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		6 255	(38 970)	5 520	17 356	92 844	92 844	92 844	120 826	78 111	57 678
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		6 255	(38 970)	5 520	17 356	92 844	92 844	92 844	120 826	78 111	57 678
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		6 255	(38 970)	5 520	17 356	92 844	92 844	92 844	120 826	78 111	57 678
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		6 255	(38 970)	5 520	17 356	92 844	92 844	92 844	120 826	78 111	57 678

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

EC124 Amahlathi - Table A7 Budgeted Cash Flows

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		12 057	10 733	21 943	22 670	29 971	29 971	29 971	24 098	25 544	27 076
Service charges		53 954	34 854	52 910	57 411	80 138	80 138	80 138	73 831	76 370	80 515
Other revenue		3 296	2 997	12 315	12 987	11 172	11 172	11 172	14 330	14 975	15 349
Transfers and Subsidies - Operational	1	121 776	130 339	138 309	146 250	146 285	146 285	146 285	145 321	140 816	147 158
Transfers and Subsidies - Capital	1	28 300	36 401	61 970	59 538	79 092	79 092	79 092	89 322	46 429	48 250
Interest		8 548	12 952	3 710	13 947	19 660	19 660	19 660	4 063	4 246	4 352
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(203 054)	(179 852)	(213 369)	(233 173)	(259 049)	(259 049)	(259 049)	(255 786)	(251 671)	(268 221)
Interest		(2 536)	(10 047)	(7 247)	(3 000)	(2 500)	(2 500)	(2 500)	(2 000)	(1 800)	(1 600)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		22 340	38 375	70 541	76 629	104 769	104 769	104 769	93 180	54 909	52 880
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(26 160)	(32 713)	(75 497)	(71 240)	(86 346)	(86 346)	(86 346)	(92 122)	(46 429)	(48 250)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(26 160)	(32 713)	(75 497)	(71 240)	(86 346)	(86 346)	(86 346)	(92 122)	(46 429)	(48 250)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		625	(191)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		625	(191)	-	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD											
		(3 195)	5 471	(4 956)	5 389	18 423	18 423	18 423	1 058	8 480	4 630
Cash/cash equivalents at the year begin:	2	13 426	10 232	15 702	15 702	15 702	15 702	15 702	34 125	35 183	43 663
Cash/cash equivalents at the year end:	2	10 232	15 702	10 746	21 092	34 125	34 125	34 125	35 183	43 663	48 293

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

Capital Budget

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 10 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		(49)	528	91	400	650	650	650	-	-	-
Vote 2 - Finance and Admin		(3 562)	2 663	(1 554)	950	1 128	1 128	1 128	2 800	-	-
Vote 3 - Internal Audit		(221)	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		10 969	693	2 154	-	-	-	-	-	-	-
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	1 500	1 500	1 500	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning & Development		(15 551)	16 683	15 609	54 678	49 765	49 765	49 765	52 737	34 976	36 460
Vote 9 - Road Transport		24 707	14 043	23 575	-	21 145	21 145	21 145	19 145	-	-
Vote 10 - Energy Sources		1 651	217	173	5 560	8 110	8 110	8 110	17 440	11 453	11 790
Vote 11 - Waste Management		4 028	(905)	7 889	560	4 048	4 048	4 048	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		21 971	33 921	47 937	62 148	86 346	86 346	86 346	92 122	46 429	48 250
Total Capital Expenditure - Vote		21 971	33 921	47 937	62 148	86 346	86 346	86 346	92 122	46 429	48 250
Capital Expenditure - Functional											
Governance and administration		(3 832)	3 191	(1 462)	1 350	1 778	1 778	1 778	700	-	-
Executive and council		(49)	528	91	400	650	650	650	-	-	-
Finance and administration		(3 562)	2 663	(1 554)	950	1 128	1 128	1 128	700	-	-
Internal audit		(221)	-	-	-	-	-	-	-	-	-
Community and public safety		10 969	693	2 154	-	1 500	1 500	1 500	-	-	-
Community and social services		10 969	693	2 154	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	1 500	1 500	1 500	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		9 156	30 725	39 183	54 678	70 910	70 910	70 910	71 882	34 976	36 460
Planning and development		(15 551)	16 683	15 609	54 678	49 765	49 765	49 765	71 882	34 976	36 460
Road transport		24 707	14 043	23 575	-	21 145	21 145	21 145	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		5 878	(688)	8 082	6 120	12 158	12 158	12 158	19 540	11 453	11 790
Energy sources		1 651	217	173	5 560	8 110	8 110	8 110	18 440	11 453	11 790
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		4 028	(905)	7 889	560	4 048	4 048	4 048	1 100	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	21 971	33 921	47 937	62 148	86 346	86 346	86 346	92 122	46 429	48 250
Funded by:											
National Government		20 376	31 268	39 152	59 538	73 620	73 620	73 620	89 322	46 429	48 250
Provincial Government		-	-	-	-	6 072	6 072	6 072	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Deparm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	20 376	31 268	39 152	59 538	79 692	79 692	79 692	89 322	46 429	48 250
Borrowing	6	358	-	-	-	-	-	-	-	-	-
Internally generated funds		1 236	2 653	8 785	2 810	6 655	6 655	6 655	2 800	-	-
Total Capital Funding	7	21 971	33 921	47 937	62 148	86 346	86 346	86 346	92 122	46 429	48 250

CHAPTER 9: AMAHLATHI DEVELOPMENT PLANS

THERE ARE FOUR SPATIAL DEVELOPMENT PLANS: -

1. Amahlathi Spatial Development Framework was adopted in 2022, Gazetted in November 2022
2. SPLUMS By-Law which was adopted and gazetted in 2016
3. Stutterheim Master and Precinct plan developed in 2022.
4. Amahlathi Land Use Scheme gazetted in 2023.

SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The municipality also undertakes spatial planning in terms of the legislation especially the Municipal Systems Act 32 of 2000 section 26 (e) which mentions the specific core components of an Integrated Development Plan.

Amahlathi municipality adopted the Spatial Development Framework in August 2022 and was then Gazetted in November 2022. However, due to a variety of guidelines that the SDF is not complying with, the SDF is being reviewed in-house with the assistance of MISA.

Thus, the SDF is regarded as a spatial representation of the municipal integrated development plan. It shows the areas of desired aims, the SDF act as a guide for future development to ensure that the municipality maximizes co-ordination of planned activities within its area of jurisdiction.

In order to ensure that the SDF represents the IDP, the municipality had to consider the municipal vision as stated in the IDP as well as the main development priority clusters of infrastructure, local economic development and environment, social development, institution and finance.

In order to guide the formulation of the Amahlathi Spatial Development Framework, the spatial implications of the Amahlathi Municipality's IDP Development Goals are interpreted as follows: -

IDP Goals	Spatial Implications
A. Infrastructure	(i) Basic Needs Considerations
	(ii) Managing Land Development & Settlement Trends
B. Local Economic Development & Environment	(i) Basic Needs Considerations (roads and infrastructure)
	(ii) Need for focus on Land Use Management (to ensure orderly development)

	(iii)	Need for focus on environmental management to enhance environmental qualities and ensure attractive environment for tourism development
C. Social Development	(i)	Need to manage investment by identifying spatial structure of settlement pattern and strategic nodes for development of facilities and public-funded housing (Spatial Structuring Elements)
D. Institution and Finance	(i)	Managing Land Development & Settlement Trends
	(ii)	Focus on Land Use Management
	(iii)	Commitment to Environmental Management

Related to the implications of spatial planning that have been drawn from the Amahlathi Municipality's IDP, the following are noted as fundamental concepts guiding the spatial planning approach adopted for the Amahlathi Spatial Development Framework.

Spatial Structuring Elements

Spatial Structuring Elements are concepts or "planning tools" that are used to identify areas or special features of areas that enable the Amahlathi Municipality to carry out spatial planning and land use management in an ordered or structured manner that is, in line with the identified spatial objectives and associated strategies, these spatial structuring elements enable the Municipality to identify areas where different types of land uses would be permitted and/or discouraged and thus form the building blocks that guide future planning in the Amahlathi area.

The Amahlathi Spatial Development Framework proposes to make use of four spatial structuring elements, as follows: -

- The concept of **Development Nodes**
- The concept of **Development Corridors**
- The concept of **Urban Edges**
- Areas where **Environmental Constraints** apply.

In order to provide the IDP Objectives related to infrastructure, roads, housing and facilities development with a clear mechanism to guide investment in geographic localities, spatial structuring elements within the settlement pattern in Amahlathi need to be identified so that: -

- The continuity of development, as opposed to fragmentation, functionally integrate development areas.

- Land development and investment in infrastructure and facilities can be programmed in an integrated manner, to ensure that development does not occur in an un-managed and inefficient way and that adequate services capacities are in place to ensure sustainable development.
- Scarce (higher order) resources such as hospitals, community health centers and secondary schools are situated where there will be optimum usage and accessibility. Duplication of these resources must be avoided.
- Environmental factors and constraints are taken into account in the development of land and the delivery of services.
- The conservation and appropriate use of existing natural and cultural heritage resources is considered.
- The support of the Land Reform Process is maintained.

The ALM SDF has sought both horizontal as well as vertical alignment in terms of higher order development plans (e.g., National Spatial Development Perspective, Eastern Cape Provincial Spatial Development Plan, ADM SDF) as well as local municipality development plans (e.g., neighboring municipality spatial development frameworks that including Buffalo City, Enoch Mgijima LM, Raymond Mhlaba LM, Great Kei LM, Mquma LM, Intsika Yethu LM).

In summary the following informants to the formulation of proposals of the Spatial Development Framework are stated below: -

- A conceptual approach to spatial development and associated key concepts have been identified, based on the guidance of the Amahlathi Municipality's Integrated Development Plan.
- Further strategic guidance is taken from the National Spatial Development Perspective and the Draft Provincial Spatial Development Plan in regard to the categorization of areas for different levels of investment in development goods.
- Both the Provincial SDF and Amathole District Municipality's SDF have been utilized to ensure that Spatial Development Framework proposals for the Amahlathi area are in alignment with the district's strategies; and
- The Neighboring Local Municipalities Spatial Development Framework and associated Spatial Plans — have been consulted to ensure alignment in the approach adopted by the Amahlathi Spatial Development Framework.

Principles Contained in the EC Spatial Development Plan

The Amahlathi Municipality has sought direction to guide its strategies on the management of development and the prioritization of capital investment within the context of the spatial arrangement of different forms of land uses and settlement types in the area. Following the lead of the Amathole District Municipality, the Municipality has adopted the direction given by the Eastern Cape Provincial Spatial Development Plan (October 2010). The following applies: -

Guidelines to Direct the Management of Socio-Spatial Development

- There is a need to **focus on rationalizing the rural economy**.
- There is a need to **properly conceptualize the hierarchical position, relative importance and sustainability of settlements**, and their **inter-relationships** amongst each other and with their hinterlands.
- There is a need to **focus on what is achievable in developmental terms** and how this relates to spatial development proposals (the Spatial Development Framework).

The Preferred Approach to Management of Socio-Spatial Development

At the outset, it is accepted that it is every South African Citizen's constitutional right to receive basic services and to have their developmental needs met within the limits of available resources. Therefore, the preferred approach to manage spatial development and the direction of capital investment needs to be a compromise, which recognises the limits of available resources but proposes targeted and phased development in an effort to address basic needs and create the environment for local economic development (whether in a rural or urban context).

This strategy is termed an **Integrated Spatial Development Strategy** as follows:

- ❑ Focus investment and upgrade existing rural settlements, villages and towns on a phased basis according to available resources and development priorities.
- ❑ Reinforce development nodes and development areas through building on strengths and bulk infrastructure; and
- ❑ Focus on economic upliftment and employment creation through LED, Agriculture, SMME's and industrial programmes.
- ❑ The ALM has also been identified by EC-COGTA as a pilot site for the new EC Small Town's Regeneration Framework, which could provide resources towards new Master Plans for the development of its Small Towns.

One of the fundamental principles of this strategic approach is the need to set criteria for investment in services, infrastructure and housing, based on a choice amongst differential levels of services. Such criteria would result in focused investment in areas where settlement could be encouraged and less investment in areas where settlement should be discouraged.

Proposed Spatial Development Policies and Principles

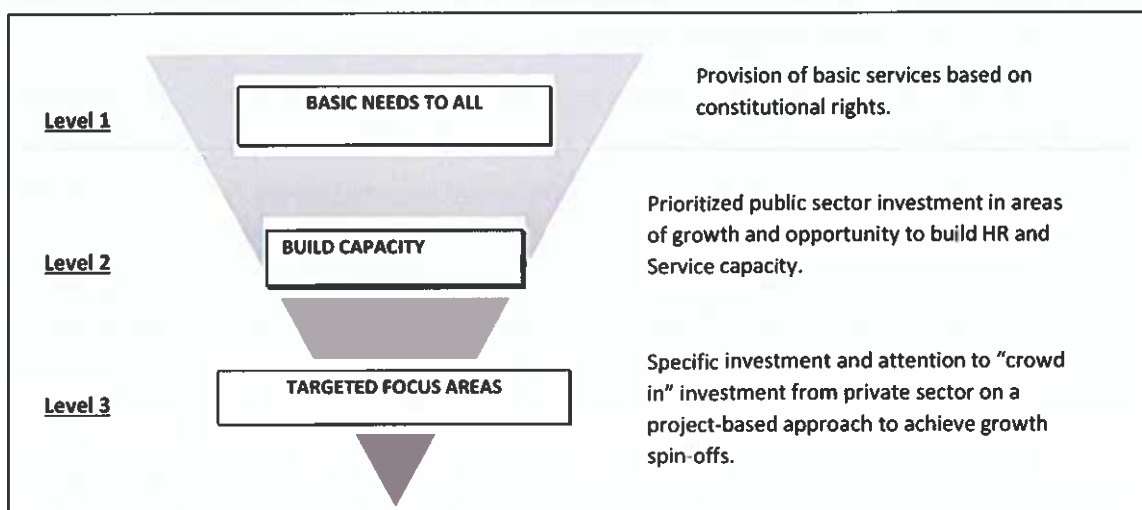
The adoption of the above philosophy and strategic approach means that the Amahlathi Municipality falls in line with the Provincial direction on these matters and will apply policies of investment and development facilitation at three levels to achieve the most significant results.

Level 1 would fulfil basic human rights in the provision of basic services to both urban and rural areas, at a minimum level, according to available resources. This would be guided by backlogs in these areas, the proximity of existing bulk services and special priorities identified in the IDP.

Level 2 will ensure the managed investment of public sector funding in urban and rural areas in order to strengthen current local capacity, build on the strengths and opportunities which exist and to maximize potential from the existing infrastructure and settlement system. Capacity building would also include institution building, training, and skills transfer and community empowerment.

Level 3 would involve the provision of adequate funding to strategically targeted development zones, which have development potential. These will represent areas, nodes or areas of opportunity, where a special focus of effort and investment will attract interest from the private sector to invest; either in joint ventures with Government or independently, in order to develop economic growth opportunities and potential which already exists.

The above principles and strategic approach are illustrated below: -



Adapted from the draft Eastern Cape Provincial Spatial Development Plan (Nov 2001)

These principles are, together with the General Principles contained in Chapter I of the DFA, taken as the primary informants in the formulation of the Spatial Development Framework to guide socio-spatial development and land use management in the Amahlathi Municipal area.

The above strategic framework for level of services and investment type is interpreted in the Amahlathi Municipality's context as follows: -

- A) **Level 1: Basic Needs to All** – means the provision of municipal infrastructure at a basic level that is at least in line with the minimum acceptable level of service adopted by the Amathole District IDP Framework Committee.
- B) **Level 2: Build Capacity** – implies investment at a higher level in middle order services, infrastructure and needs (secondary schools, marketplaces, taxi ranks, capacity training etc.).
- C) **Level 3: Targeted Focus Areas** – implies investment at a still higher level in higher order services and infrastructure and this includes “non-essential” needs, including sports stadiums, tertiary and specialized education facilities, as well as the facilitation of investment that is likely to generate significant socio-economic developmental spin-offs.

ELEMENTS OF THE SPATIAL DEVELOPMENT FRAMEWORK

The following elements make up the forward planning component of the Amahlathi SDF:

Spatial Development Issues, Objectives & Strategies

These purify the key issues to be dealt with by the Spatial Development Framework and set out objectives and strategies in relation to these issues.

A) Spatial Structuring Elements

These are concepts or “planning tools” that are used to identify areas or special features of areas that enable the Amahlathi Municipality to carry out spatial planning and land use management in an ordered or structured manner. That is, in line with the identified spatial objectives and associated strategies, these spatial structuring elements enable the Municipality to identify areas where different types of land uses would be permitted and/or discouraged and thus form the building blocks that guide future planning in the Amahlathi area.

The Amahlathi Spatial Development Framework proposes to make use of four spatial structuring elements, as follows: -

i. The concept of **Development Nodes**

- ii. The concept of **Development Corridors**
- iii. The concept of **Urban Edges**
- iv. Areas where Environmental Constraints apply.

B) Special Development Areas

Special Development Areas (SDAs) are geographical areas where, in order to achieve both the objectives of the Amahlathi Integrated Development Plan and the related objectives of the Spatial Development Framework, the Amahlathi Municipality would need to prioritize its development efforts and capital expenditure.

SPATIAL DEVELOPMENT ISSUES, OBJECTIVES & STRATEGIES

This section sets out the spatial development issues that are seen to be the main challenges to the Amahlathi Municipality in practicing wise spatial planning and land use management. Related to these, a number of spatial development objectives and strategies are proposed to enable the Municipality to better focus its resources when dealing with land development and spatial planning, in general.

A) Key Spatial Development Issues

The following are identified as the Key Spatial Development Issues to be addressed by the Amahlathi Spatial Development Framework: -

Key Spatial Development Issues	
Spatial Fragmentation vs Basic Needs	This issue highlights the problems inherent in attempting to provide housing and a basic level of service to all residents, whilst dealing with the reality of a spatially fragmented settlement and economic development pattern. The challenge to sustainability is significant.
Land Development Trends & Urbanization	This refers to the current problem of informal settlement formation in both urban and in peripheral or rural settlement areas. The challenge here is to manage spatial development so as to permit development at scale in areas where services and facilities can be delivered on a more sustainable basis and implies focusing on a coherent service policy in tandem with an applied land use management approach.
Environmental Management	This refers to the sustainable use of the natural environment and the protection/conservation of environmentally sensitive areas.
Land Use Management	This issue highlights the need to ensure that the policies and institutional structures are set in place to allow the Amahlathi Municipality to practice wise land use management in both the urban and rural areas under its jurisdiction.

B) Spatial Development Objectives

The following objectives are proposed in response to the key Spatial Development Issues

Key Spatial Development Issues	Proposed Spatial Development Objectives
Spatial Fragmentation vs Basic Needs	To fulfil basic needs obligations and address spatial integration within available means
Land Development Trends & Urbanization	To manage land development in line with a structured approach to ensure sustainability
Environmental Management	To adhere to environmental law and protect environmentally sensitive areas
Land Use Management	To manage land development in line with the General Principles of the Development Facilitation Act and the provisions of the Land Use Planning Ordinance (15 of 1985)

C) Spatial Development Strategies

The following spatial development strategies are proposed to correspond with the spatial development objectives outlined above.

Key Spatial Development Objectives	+Proposed Spatial Development Strategies
1. To fulfil basic needs obligations and address spatial integration within available means	<ul style="list-style-type: none"> ▪ Ensure efficiency and sustainability of basic services, by promoting the integration of sprawling settlements in both urban and rural areas, and the consolidation of larger settlements at nodal points. ▪ Consolidate and integrate spatial development by developing land in proximity to public transport routes and existing services. ▪ Develop infill areas within fragmented settlement areas, where appropriate.
2. To manage land development in line with a structured approach to ensure sustainability	<ul style="list-style-type: none"> ▪ Manage land development in line with land use management guidelines related to identified spatial structuring elements and special development areas within Amahlathi. ▪ Support a land reform and settlement development programme by identifying zones of opportunity for land development

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

3. To adhere to environmental law and protect environmentally sensitive areas	<ul style="list-style-type: none"> Implement the principles of Integrated Environment Management (IEM).
4. To manage land development in line with the General Principles of the Development Facilitation Act and the provisions of the Land Use Planning Ordinance (15 of 1985)	<ul style="list-style-type: none"> Implement the provisions of the Section 8 Zoning Scheme Regulations in terms of the Land Use Planning Ordinance (15 of 1985). Apply for funding for a programme to develop an appropriate new Zoning Scheme for Urban and Rural areas, in line with the direction of new legislation, when promulgated.

SPATIAL STRUCTURING ELEMENTS

This section focuses on the four basic **Spatial Structuring Elements** that guide spatial development decision-making in the Amahlathi area: these elements are used to manage and guide development into certain patterns or arrangements, which are intended to promote more efficient future development.

A) Development Nodes of Importance

Development nodes are categorized as those towns or places where a significant number of functions commonly deemed to be urban are found. These functions would include public administration facilities/institutions, business activities, social and recreational facilities and other existing or potential economic enterprises (including tourism-related enterprises). Such nodes are often located on main transport routes to provide maximum access and act as catalysts for new growth and development. As such, they are areas where the following should be prioritized: -

- Appropriate levels of development investment in infrastructure.
- Appropriate land use management to promote preferred development outcomes.

The following classes of node have been identified and/or are proposed for Amahlathi:

NODE TYPE	AREA/LOCALITY	DESCRIPTION
URBAN NODES		
Level 3 Primary Node	Stutterheim	<p>As the main Administrative, Service and Industrial Centre of Amahlathi Municipality as well as an important place of residence for approximately 60% of the Urban Municipal population, Stutterheim should be targeted for the following: -</p> <ul style="list-style-type: none"> Investment in infrastructure to increase services capacity. Development of public-funded housing areas.

NODE TYPE	AREA/LOCALITY	DESCRIPTION
		<ul style="list-style-type: none"> Development of regional social goods and facilities, including educational institutions, and sports and recreational facilities Land use management that focuses on the integration of disparate settlement elements in the town.

Level 2 Secondary Nodes	Keiskammahoek	<p>As a secondary Administrative Centre and Service Centre to a large number of surrounding peri-urban and rural settlements as well as an area with eco-tourism and agricultural potential, Keiskammahoek should be targeted for: -</p> <ul style="list-style-type: none"> Investment in infrastructure to services capacity. Appropriate Land use management and, infrastructural support to develop the Agricultural sector in the area.
	Cathcart	<p>As a service center of Amahlathi Municipality as well as an area with tourism development potential, Cathcart should be targeted for: -</p> <ul style="list-style-type: none"> Investment in infrastructure to increase services capacity. Appropriate development of new residential and public-funded housing to meet local demand. Land use management that focuses on the improvement of the aesthetic character of the town.
Level 1 Tertiary Node	Kei Road	<p>As a minor service center, Kei Road should be targeted for:</p> <ul style="list-style-type: none"> Extension of public-funded housing area to meet local demand as proposed in the Yellowwoods Kei Road Settlement Project Investment in Infrastructure
RURAL NODES		
Rural Development Nodes	Frankfort	Proposed as a rural nodal settlement with prioritization of higher order facilities development.

No other rural nodes are specifically proposed at present. The rural areas of Keiskammahoek sub-district (Ward No's 1, 2, 3, 10 and 11) designated as Special Development Areas due to their unique opportunities and/or special development needs.

In the course of more detailed spatial planning in these areas, it is anticipated that consensus with local communities is important to identify nodal settlements.

B) Development Corridors of Importance

Development corridors are described in planning terms as roads or railway routes that are usually associated with the movement of people between places. This function of facilitating movement of people along a route also means that these "movement corridors" have the potential to accommodate development of different levels of intensity and a mix of land uses at certain points along the route.

Different categories of Development Corridors can be described as follows (adapted from the Buffalo City Spatial Development Framework: SETPLAN et al, 2003):

- **Mobility Route:** is a road with limited access that principally carries traffic between major nodes.
- **Activity Corridor:** Is a band of high-density urban development up to 800m wide along a public transportation route. Typically, activity corridors link areas of greater intensity of land use (nodes) and are usually found in larger urban areas.
- **Activity Street:** is usually defined as a local street that is located within the sphere of influence of an activity corridor and reinforces it. To be classified as an activity street, vehicle and pedestrian access to a mix of land uses is a priority.

In addition to the above types of development corridor commonly defined, the particular circumstances within Amahlathi warrant the identification of **Special Routes**, which are, in this instance, related to tourism development.

The following corridors are identified within the municipality: -

TYPE	AREA/DESCRIPTION OF LOCALITY	FUNCTION
Mobility Routes – Municipal level	N6 - East London-Queenstown	These routes carry passing traffic and provide access between local areas in Amahlathi and centers further afield
	R63 - Komga – Kei Road - KWT	
Special Routes – Tourism Focus	Sandile Heritage Route	These routes relate to tourism destinations. In the case of the Sandile Heritage Route, a number of Heritage Sites are identified
	R345 - Cathcart - Hogback	

C) Urban Edges (Refer to Plan 5.1 Nodes and Routes)

D) Environmental Elements

As spatial planning has come to appreciate the fundamental importance of environmental management and the conservation and protection of environmentally sensitive areas, so the identification of environmental constraints has become a key structuring element in forward planning. Accordingly, the Amahlathi Spatial Development Framework has incorporated a number of inputs from a variety of sources in order to identify environmental constraints. The following applies: -

- The Strategic Environmental Assessment (SEA) undertaken together with the Spatial Development Framework has identified conservation-worthy areas as well as constraints and opportunities to development. These include.
 - The Thomas River Conservancy
 - The Amathole Complex
 - Amathole Biosphere Reserve
- Using a digital terrain model based on available 20m contour intervals, an indicative slope analysis was undertaken to illustrate areas where steep sloping landforms are likely to represent constraints to land development.
- Finally, a key consideration and structuring element has been the data and accompanying documentation provided by the Sub-Tropical Thicket Ecosystem Planning (STEP) Programme. The most important STEP categories regarded as being indicative potential constraints to land development incorporated in the SDF as structuring elements include:
 - Protected Areas, which include proclaimed state-owned nature reserves and forest reserves (e.g., Kubusi Indigenous Forest, Driebos, Umfulane Forest, Quacu Nature Reserve).
 - Critically Endangered Areas, which denote areas where indigenous fauna and/or flora are coming under increasing pressure and are under threat of extinction (Cape Parrot Conservancy).
 - Process Areas, which denote areas where ecological processes occur that are essential to the survival of natural ecosystems; and
 - Conservancy Networks, which are defined as areas contain systems of natural pathways for conservation-worthy plants and animals that ensure these species survival.

With regard to the above structuring elements, it is important to note that all elements, including the STEP data are regarded as indicative and not definitive in nature. That means that their illustration is not meant to indicate a clear and definite restriction to development as illustrated but merely to highlight the probability that environmental factors could represent a constraint to development in the areas illustrated.

SPECIAL DEVELOPMENT AREAS

In order to give a focus for the organizational activities of the Municipality as it strives to achieve its developmental goals, several specific areas (or geographic localities) have been identified as Special Development Areas (SDAs). These are: -

A) New Public-Funded Housing Development Areas

Stutterheim

There are seven proposed areas for future public housing development. These are listed below.

No.	Description
HD1	West of Town (Undeveloped portion of the Golf Course Camp)
HD2	South of the Keiskammahoek road and west of Amatolaville
HD3	Infill development around Amatolaville
HD4	North of the Keiskammahoek road and west of Kologha Township
HD5	Extension to Mlungisi/ Mzamomhle south of the existing development
HD6 &7	An extension North and West of Cenyu

Cathcart

In the short-term future, the demand for housing in Cathcart can be absorbed by the vacant surveyed erven in Daliwe and South of Cathcart. The number of vacant erven is listed below.

No.	Description
HD1	South of Cathcart
HD2	NW Extension of Daliwe
HD3	South Extension of Daliwe

Keiskammahoek

The vacant erven within the Keiskammahoek town meets the current short-term housing demands. Should the demand for housing increase the area described below has been identified to accommodate this demand.

No.	Description
HD1	Northern section of Keiskammahoek (Between the Cata River and Intensive Agriculture lots)

Should the areas planned within the urban edge of Keiskammahoek reach capacity and further residential extension is needed, then the township settlement of Masincedane (Elukhanyweni) should be considered. This is due to the infrastructure already in place and ease of resolving land issues.

B) Rural Development Areas

Rural Settlement Upgrade Areas

The Yellowwoods Kei Road Zone

This Zone Plan was completed in 2001 and set out clear spatial proposals for further settlement development (Model 2) as well as development of local farming projects (Model 3). This process should be supported with LED programmes and the upgrading of infrastructure and facilities in the settlements, as well as road access within the areas themselves.

C) Land Reform Zone

Keiskammahoek Land Restitution Zone

As proposed in the Amathole District Municipality's LR&SP, the Keiskammahoek Development Support Zone comprises of a number of successful land claims. These processes are of significant because of the financial resources flows that they generate to local areas. Further this area boasts extensive eco-tourism and forestry potential, which may require that appropriate land management systems and land reform be implemented in the area.

D) Priority Basic Needs

Tourism Zones

The areas with potential for tourism growth have been divided into 5 Zones listed below.

- Tourism Zone 1
Kologha Forest and Escarpment (Eco and Nature Tourism Potential)
- Tourism Zone 2
Keiskammahoek and surrounding area (Cultural and Heritage Tourism Potential)
- Tourism Zone 3
Elukhanyisweni and surrounding area (Cultural and Historical Tourism Potential)
- Tourism Zone 4
South Eastern section of Amahlathi LM (Eco-Tourism Potential)
- Tourism Zone 5
Thomas River Conservancy (Eco and Nature Tourism Potential)

E) Agricultural Zones

Irrigation Schemes

- Zanyokwe
- Horseshoe
- Keiskammahoek

Forestry Potential

The forestry potential surrounds the existing plantations which were previously established and managed by DWAF and SAFCOL but are now being managed under concession by Amathole Timber Holdings. There are 8 102 ha of 'good' and 26 396 ha of 'moderate' commercial forestry potential, with a total of 34 498 ha. Reducing further by 85% to allow for subsistence livelihoods and a range of forestry specific considerations such as slope and terrain features, the total commercial forestry potential is between 5 175 ha (15%) and 10 349 ha (30%).

Land Use Management System Guidelines

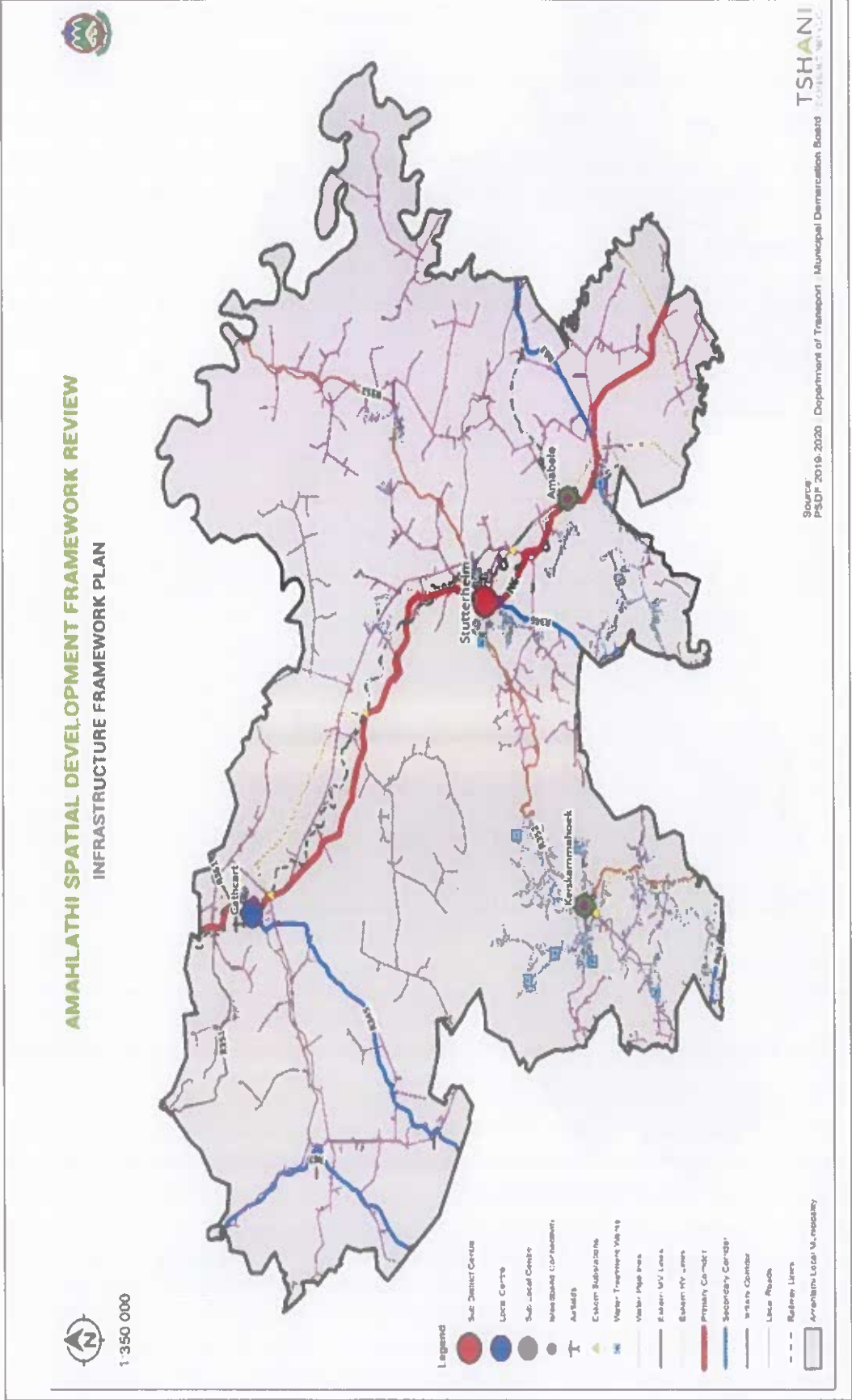
In terms of the draft Land Use Management Bill, it is anticipated that the Amahlathi Municipality will be required to formulate an integrated Land Use Management System within the next 5-year planning period. As already indicated the ALM is finalizing a Wall-to-Wall Zoning Scheme to provide a more comprehensive tool on Land Use related issues.

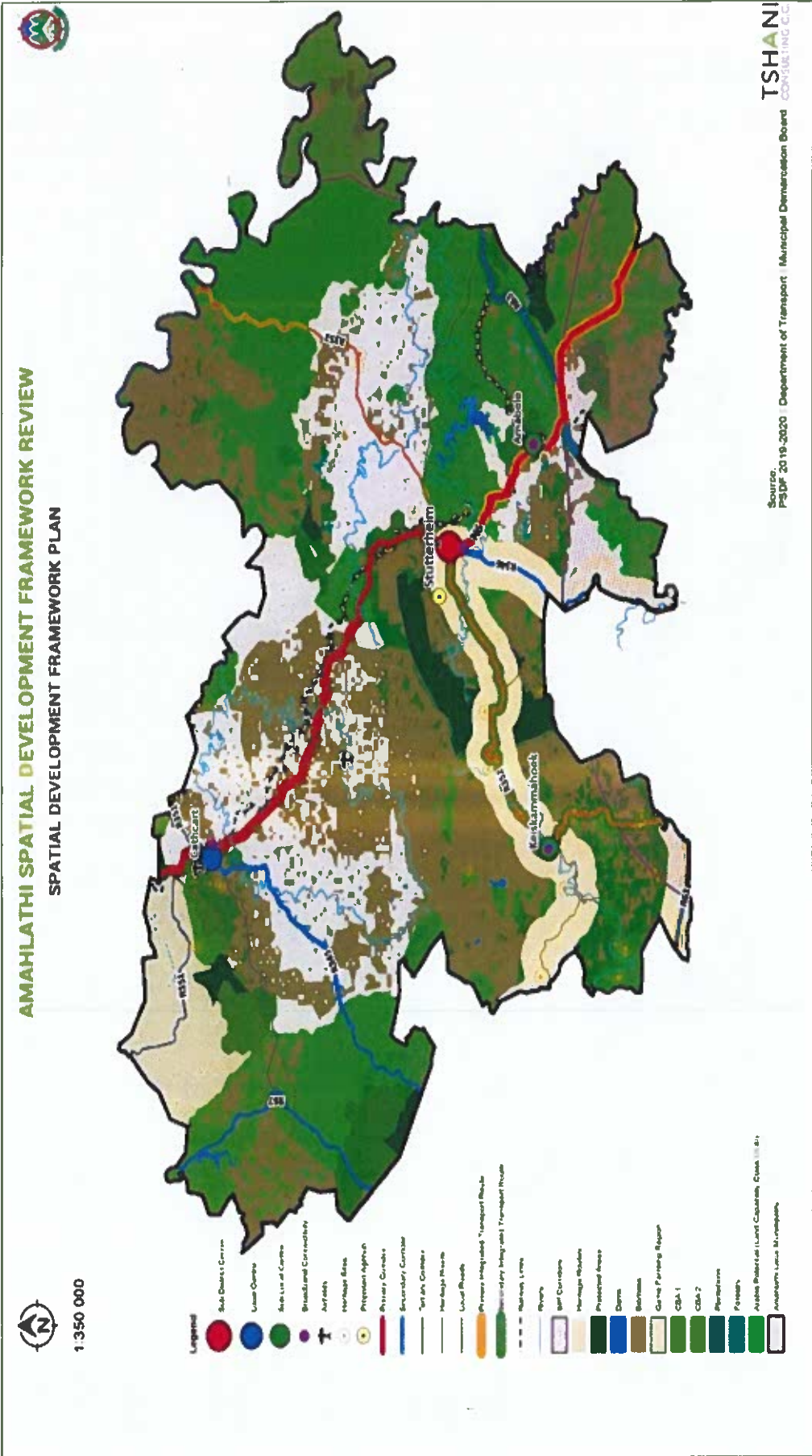
For the purpose of the SDF, the Municipality has established Land Use Management Guidelines in respect of:

- o Urban Nodes (so-called GO-BUT Zones)
- o Limited (Managed) Development Areas (also GO-BUT)
- o Restricted Development Areas (NO-BUT Zones)

Table: Macro-zoning categories for Amahlathi Local Municipality

Urban Nodes (GO-BUT)	Limited Development Areas (GO-BUT)	No Development Areas (NO-BUT)
<ul style="list-style-type: none"> ▪ Existing urban areas within the urban edge. ▪ Identified tourism nodes. 	<ul style="list-style-type: none"> ▪ All land not classified as a No Development Area and Development node (Urban Edge) ▪ Existing areas of degraded/modified agricultural land. ▪ Areas where development could ensure future environmental benefits. ▪ Transitional Zone areas adjacent to defined Urban Edges. 	<ul style="list-style-type: none"> ▪ Proclaimed nature reserves. ▪ STEP Protected, Process and Critically Endangered areas. ▪ Rivers, estuaries and undisturbed riparian zones of rivers ▪ Diverse montane grassland and afro-montane forest vegetation types





CHAPTER 10: IDP & BUDGET PROCESS PLAN

SECTION ONE: IDP PROCESS PLAN

1. INTRODUCTION

On the 23rd May 2024, Amahlathi Municipality adopted its 2024/25-2026/27 Integrated Development Plan (IDP) for the municipality which will be reviewed annually. The IDP was developed in accordance with requirements set out in the Municipal Systems Act (32 of 2000) and Local Government Municipal Planning and Performance Management Regulations (2001).

Section 28 (1) of the Municipal Systems Act no. 32 of 2000 states that each municipal council must, within a prescribed period after the start of council's elected term, adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP. The way in which the IDP process will be undertaken is outlined in Process Plans which all municipalities must prepare. These Process Plans need to comply with this Framework Plan to ensure alignment and co-ordination between district and local municipalities as stipulated in the Municipal Systems Act.

The Local Government: Municipal Planning and Performance Management Regulation, 2001 provides elaborately on the contents of the Integrated Development Plan and the processes the Municipality must subject the IDP process into when doing its development or review.

1.1 Legal context

According to Section 27(2) of the Municipal Systems Act, the framework plan binds both the district municipality and the local municipalities. The Act states that the framework plan must at least cover the following issues:

- Identify plans and planning requirements binding in terms of national and provincial legislation on the district municipality and the local municipalities or on any specific municipality.
- Identify matters to be included in the integrated development plans of the district municipality and the local municipalities that require alignment.
- Specify the principles to be applied and co-ordinate the approach to be adopted in respect of those matters; and
- Determine procedures:
 - i) For consultation between the district municipality and the local municipalities during the process of drafting their respective integrated development plans; and
 - ii) To effect essential amendments to the framework.

The Municipal Finance Management Act (MFMA) is very clear in respect to timeframes for the IDP and the budget. The MFMA requires the budget and IDP schedule (or the IDP Process Plan) to be adopted by Council by the end of August, the budget and IDP to be tabled before the council in March and Budget and IDP to be adopted by council in May (section 21 and 24).

1.2 Elements of IDP Reviewal Process

The IDP reviewal process is mainly geared towards picking up on early-warning sign for corrective action whenever it is required. The Performance Indicators are flowing from the IDP and constitute the heart of the Performance Management System. The above lay the basis for the review of the Integrated Development Plan.

Aside from the statutory imperative, it is necessary for Amahlathi Municipality to review its IDP in order to:

- Ensure the IDP's relevance as the municipality's strategic plan.
- Inform other components of the municipal business processes, including institutional and financial planning and budgeting.
- Inform the cyclical inter-governmental planning and budget processes.

In the IDP review cycle changes to the IDP may be required from these main sources:

- Comments from the MEC, if any.
- Incorporation of the most recent descriptive data
- Review and refinement of the objectives and strategies
- Review and refinement of the projects
- Amendments in response to changing circumstances; and
- Improving the IDP process and content.

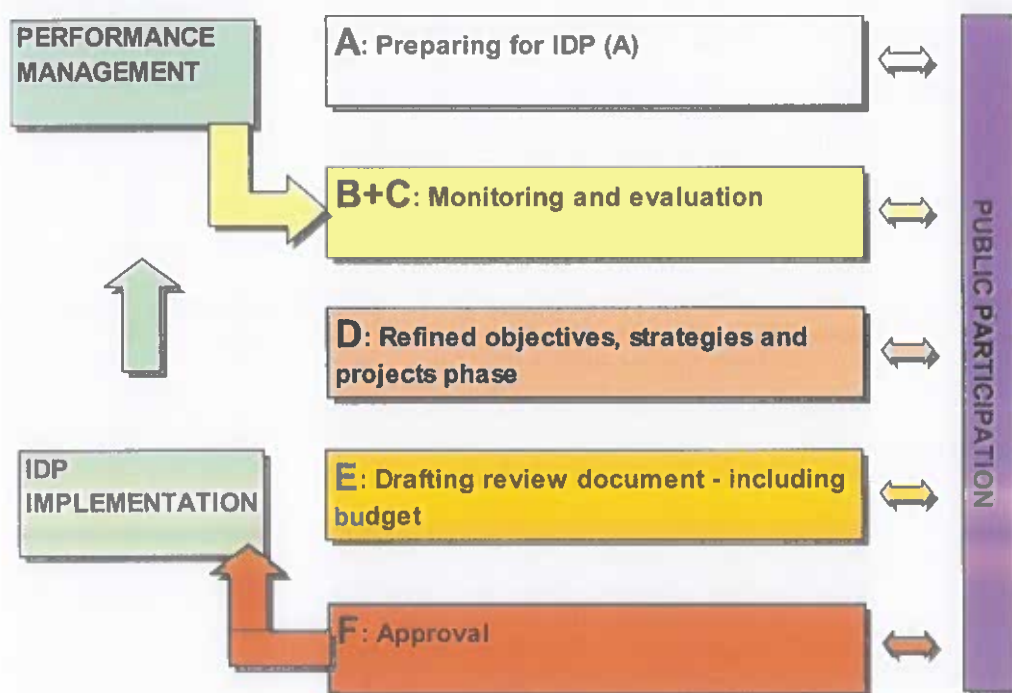
The significant development, which in all probabilities will have a huge impact on the IDP, is the Community Based Planning. The Community Based Planning is a planning instrument, which is geared towards the enhancement of the community participation component of the IDP. Of particular concern has been the inability of the IDP to translate community participation into an organic process.

The main output is a 5-year strategic document. This strategic document is likely to comprise a number of components, including:

- Institutional Plan
- Financial Plan
- Spatial Development Framework,
- Performance Management Framework
- Various Sector Plans,
- List of programs and projects,
- Service Delivery and Budget Implementation Plan.

1.3 IDP Process

This process describes a continuous cycle of planning, implementation and review as can be seen in the 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 developed IDP has been adopted, implementation as well as situational changes will continue to occur, which is again monitored throughout the year and evaluated for consideration in the next IDP review (DPLG, IDP Guide Pack, Guide IV).



Each of these steps is reflected in the Action Plan which outlines the time frames and activities within which these steps should take. Because the roll out of the PMS is part of the review process, it is also included in the Action Plan.

2. ORGANISATIONAL ARRANGEMENTS

Three structures will guide the IDP Process within the Amahlathi Municipal Area

- 2.1 IDP & Budget Steering Committees
- 2.2 Inter-Governmental Relations
- 2.3 IDP Representative Forums

2.1 IDP & Budget Steering Committee

The Mayor of a municipality must establish a Budget Steering committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act (MFMA). The Budget Steering Committees shall be comprised as follows guided by MBRR.

- (a) the councilor responsible for financial matters.
- (b) the municipal manager.
- (c) the chief financial officer.
- (d) the senior managers responsible for at least the three largest votes in the municipality.
- (e) the manager responsible for budgeting.
- (f) the manager responsible for planning and any technical experts on infrastructure.
- (g) The manager responsible for internal auditing.

An IDP & Budget Technical Working Committee (Task Team) that would function as a technical working team consists of the following members:

- Municipal Manager – Chairperson
- General Manager office of the MM
- Director Planning & Development
- Chief Financial Officer
- Director Engineering Services
- Director Corporate Services
- Director Community Services
- Senior Manager Budget
- IDP & PMS Manager
- Senior Accountant Budget and Reporting, to provide secretariat.
- IDP Officer to assist secretariat.
- Senior and middle management

The steering committee would provide a technical support to the IDP Driver to ensure a smooth planning process. It is supposed to guide the process. This means that amongst other things it will be responsible for:

- Establishment of the Representative Forum
- Define criteria to choose members of the Forum.

- Inform public about the establishment of the forum, request submissions of applications from stakeholders and communities (indicate objectives, activities and number of members)
- Identify additional stakeholders from unorganized groups, e.g., potential academics, advocates, doctors and resource persons.
- Submit proposed groups/ members to the Council for consideration.

2.2 Inter-Governmental Relations

The main objective of the Amahlathi Local Municipality IGR Forum is to enhance coordinated, integrated and aligned development and consider priorities in the entire municipal area. Additional objectives include the following:

- h) Development of a Local Government Program of Action in relation to the National and Provincial Programs.
- i) To facilitate the coordination, integration and alignment of provincial and municipal strategic planning and to put in place mechanisms and procedures that will ensure that provincial strategic planning informs and is informed by the IDP of the Amahlathi Local Municipality.
- j) To consult on policy issues that materially affects Local Government.
- k) To develop and provide mechanisms to engage Provincial Government and the Office of the Premier on IGR related matters and/or challenges.
- l) To consider such other matters of mutual interest as either party may place on the agenda of a meeting from time to time.
- m) To promote economic growth and development through trade, investment and tourism.
- n) To share knowledge and expertise in local governance generally or in agreed functional areas.

The goal of the Amahlathi Local Municipality IGR Forum is to ensure that the decisions reached are implemented by:

- d) Sharing of information on/and understanding of the respective programs of all stakeholders.
- e) A clearer understanding of mutual strategic priorities and how these complement each other.
- f) A commitment to collaborate, engage continually and share information on policy implementation, success stories and co-ordinate activities.

Role of Amahlathi Local Municipality in the IGR Forum

The Amahlathi Local Municipality IGR Forum is a consultative forum for Amahlathi Local Municipality to discuss and consult with stakeholders on matters of mutual interest, including:

- i. Coordinating, overseeing and monitoring the implementation of national, provincial and district governance policies and legislations relating to matters affecting local government interests in Amahlathi Local Municipality.
- j. Matters arising in the District Mayors Forum (DIMAFO), Provincial MUNIMEC and the Premier's Coordinating Forum affecting Amahlathi Local Municipality.
- k. Mutual support in terms of the section 88 of Local Government Municipal Structures Act 117 of 1998.

- l. The provision of services in Amahlathi Local Municipality as well as the performance of the Amahlathi Local Municipality in the provision of services in order to detect failures and to initiate supportive, preventive or corrective action when necessary.
- m. Coherent planning and development in Amahlathi Local Municipality.
- n. The coordination and alignment of the strategic and performance plans and priorities, objectives and strategies between the Amahlathi Local Municipality, District Municipality and other spheres of government.
- o. Any other matters of strategic importance which affects the interests of Amahlathi Local Municipality
- p. Coordination of IGR cluster forums that are aligned to Key Performance Areas of local government.

2.3 Integrated Development Plan Representative Forum

The most critical structure established for this process, especially for purposes of ensuring maximized participation of different interest groups and sectors, is the IDP Representative Forum. The rationale behind the establishment of this committee is to ensure that communication channels are kept smooth and efficiently.

The function of the IDP Representative Forum includes the following:

- To ensure that every activity and decisions taken in the IDP development process are communicated to the communities.
- To monitor and ensure that all decisions that are taken with regards to routes that the IDP must take from time to time are followed to the latter.
- To reflect and safeguard the community inputs. This means that they are the mouthpiece of the communities.
- To represent the interests of their communities.
- To provide an organizational mechanism for discussion, negotiation and decision making between stakeholders including the municipal government.
- To participate in the process of setting and monitoring key performance indicators.

Ward/PR Councilors, Traditional Leaders and Ward Committees:

Their responsibility is to ensure that at all times their mandate in the Integrated Development Forum comes from communities which they represent particularly on issues affecting them. The Ward/PR Councilors, Traditional Leaders and ward Committees are further expected to communicate deliberations of the IDP Representative Forum and always ensure that feedback is given to the communities on progress registered. The minutes on the forums convened are always reported to the Council for considerations.

District Municipality:

The main role of the Amathole District Municipality is to provide technical inputs and assistance on the processes.

2.4 PROGRAMME OF ACTION

The action program will be broken into five phases.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

- Preparation phase
- Monitoring and evaluation phase
- Objectives, Strategies, Projects phase and Scorecards
- Consolidate Reviewed IDP and Budget
- Approval phase

In addition, various activities are required for the IDP Review Process:

2025/26 IDP, BUDGET & PMS PROCESS ACTION PROGRAM			
PHASE	Activities	Timeframe	Responsible Department
A	Preparation phase / Pre-planning		
IDP AND BUDGET			
1.	Signing of Performance Agreements	31 July 2024	Executive Services- IDP/PMS
2.	Development of Framework Plan Process Plan (IDP & Budget), later submitted to the Council for Approval	29 August 2024	Executive Services / BTO / Corporate Services
3.	Submit adopted Framework and Process Plans with Council resolution to MEC - COGTA	04 September 2024	Executive Services- IDP/PMS
4.	Advertise IDP Framework and IDP/Budget Process Plan	04 September 2024	Executive Services- IDP/PMS
5.	IDP REP Forum Meeting	18 September 2024	Mayor's Office
PERFORMANCE MANAGEMENT			
6.	Submit 4th quarter report for 23/24 financial year to Council	Within 30 days after the end of each Quarter 25 July 2024	Executive Services- IDP/PMS
7.	Signing and Publicize Performance Agreements no later than 14 days after approval Submission to MEC COGTA	31 July 2024	Executive Services- IDP/PMS
8.	Development and Consolidation of Draft Annual Report (Section 127 report) and submit to Internal Audit for review	05 August 2024	Executive Services- IDP/PMS
9.	Submit annual performance report to Internal Audit Committee	20 August 2024	Executive Services- IDP/PMS
10.	Mayor tables the Draft 2023/24 Annual Report in Council	29 August 2024	Office of the Mayor/ Municipal Manager
11.	Council to submit tabled draft annual report to MPAC for vetting and verification of councils' directive on service delivery and the committee to evaluate Senior Managers' performance against agreement entered into	29 August 2024	Executive Services- IDP/PMS
12.	Annual Evaluations sessions: Head of Departments and Accounting Officer	23 August 2024	Executive Services- IDP/PMS

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

B+C	Analysis Phase / Monitoring and evaluation		
IDP AND BUDGET			
13.	*Assessment of existing level of development - Situational analysis *Prepare analysis information on existing services, current backlogs and identification of development priorities *Collect data from other sources, analyze impact of new information and unexpected events *Evaluate achievement of objectives and strategies *Get inputs from Sector Plan information *Assess implementation progress, overview of funding available per department (both from savings as well as internal budget and external funds)	September-November 2024	All Departments
14.	Ward based planning (Mayoral Imbizo's for priority needs identification)	15-22 October 2024	Executive Services- IDP/PMS Mayor's Office
15.	Intergovernmental Relations (IGR) Meeting	20 November 2024	MM's office - IGR
16.	IDP REP Forum Meeting	27 November 2024	Executive Services- IDP/PMS Mayor's Office
PERFORMANCE MANAGEMENT			
17.	Quarter 1 Performance reporting (July - Sept)	Within 3 working days of the next month after the end of each Quarter 03 October 2024	Heads of Departments
18.	Submit Quarter 1 Performance Report to Council (Section 52d)	Within 30 days after the end of each Quarter. 30 October 2024	Executive Services – IDP/PMS
19.	Annual Report public hearings	01-14 November 2024	Mayor's Office & MPAC
ANNUAL REPORT			
20.	Mayor tabled Annual Report and Audit Report to Council	12 December 2024	Office of the Mayor/MM/
21.	Council adopts Oversight report	23 January 2025	MPAC/ Executive Services
22.	Annual Report and Oversight report made public e.g., posted on municipality's website	23 January 2025	Executive Services
23.	Oversight report is submitted to Legislator, Provincial /National Treasury and COGTA	31 January 2025	Executive Services
MID TERM PERFORMANCE ASSESSMENT			
24.	Quarterly & Mid-term Performance Report	Within 3 working days of the next month after the end of each Quarter	Heads of Departments

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

		06 January 2025	
25.	Consolidated Directorates Quarterly & Mid-Year Performance Reports and later submitted to Internal Audit	Within 10 working days of the next month after the end of the Quarter 08 January 2025	Executive Services- IDP/PMS
26.	Mid-year Evaluations sessions: Head of Departments and Accounting Officer	16 January 2025	Executive Services- IDP/PMS
27.	Submit Quarter 2 and mid-year performance assessment report for 2024/25 to Council	23 January 2025	Municipal Manager/Strategic Planning/BTO/Corporate Services

IDP AND BUDGET

D	Strategies Phase / Refined objectives, strategies, programs and projects phase		
28.	Refine strategies, programs and draft projects as necessary for MTREF period, with key performance indicators and targets (as per strategic plan outcome)	Dec 2024- Jan 2025	All Departments
29.	Budget hearings to be held between HODs and MM to assess budgets that exceed funding envelopes	January 2025	Municipal Manager
30.	Technical Strategic Planning Session	05-07 February 2025	Executive Services- IDP/PMS
31.	Consolidate all inputs including sector plan information and prepare draft IDP and Budget	February - March 2025	Executive Services / BTO
32.	Budget Steering Committee to consider adjustment Budget allocations (IDP/ Budget link)	14 February 2025	Budget & Treasury Office
33.	Institutional Strat Plan. Adopt proposed programs and projects - agree on key financial issues	19-21 February 2025	Executive Services- IDP/PMS
34.	Mid-year Performance engagements with Treasury	18 February 2025	Executive Services/Budget & Treasury Office
35.	Council to adopt Budget and SDBIP adjustments	26 February 2025	Executive Services/Budget & Treasury Office
36.	Finalize Parameters for MTREF using guidelines from Treasury and outer year budgets	28 February 2025	Budget & Treasury Office
37.	Intergovernmental Relations (IGR) Meeting	12 March 2025	Executive Services - IGR
38.	Budget Steering Committee to present the draft IDP and Budget	13 March 2025	Executive Services/Budget & Treasury Office
39.	IDP REP Forum Meeting to present the draft IDP	14 March 2025	Mayor's Office/ Executive Services- IDP/PMS
40.	Council approval of the draft IDP & Budget and noting of the SDBIP	27 March 2025	Executive Services/BTO/ Corporate Services

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

41.	Draft IDP and Draft Budget published - Advertise for public comment (21days)	03 April 2025	Executive Services- IDP/PMS
42.	Budget and Benchmarking Engagements with Treasury	25 April 2025	Budget & Treasury Office
PERFORMANCE MANAGEMENT			
43.	Quarterly Performance Report submitted to IDP/PMS unit	Within 3 working days of the next month after the end of each Quarter 03 April 2025	Heads of Departments
44.	Consolidated Directorates Quarterly Performance Reports and later submit to Internal Audit	Within 10 working days of the next month after the end of the Quarter 10 April 2025	Executive Services- IDP/PMS
45.	Submit Quarter 3 Performance Report to Council (Section 52d)	Within 30 days after the end of each Quarter. 24 April 2025	Executive Services – IDP/PMS
E	Reviewed IDP document (Integration/ program implementation and operational plan)		
IDP AND BUDGET			
46.	IDP/Budget Public Hearings	11-16 April 2025	Executive Services/ Budget & Treasury Office Mayor's Office
47.	Incorporate relevant comments to the Draft final reviewed IDP	April- May 2025	Executive Services- IDP/PMS
48.	Intergovernmental Relations (IGR) Meeting	14 May 2025	Executive Services - IGR
49.	Budget Steering Committee (Considering Final IDP and Budget)	15 May 2025	Executive Services/ Budget & Treasury Office
F	Approval phase		
IDP AND BUDGET			
50.	IDP REP Forum Meeting	20 May 2025	Mayor's Office/ Executive Services-IDP/PMS
51.	Council Approval of IDP & Budget	29 May 2025	Executive Services/BTO/ Council Support Services
52.	Submit IDP and Budget to MEC - COGTA, Provincial and National Treasury	05 June 2025	Executive Services- IDP/PMS
53.	Final IDP and Budget published	Within 14 days of approval) (18 June 2025)	Executive Services- IDP/PMS

3. MECHANISMS AND PROCEDURES FOR PUBLIC PARTICIPATION

The following public participation mechanisms are proposed for each and every milestone.

Preparation Phase	Notices on the Municipal Website
	Notices on Municipal Facebook Page
	Notices on Notice Boards
	Flyers
	Announcements on Local Radio Stations
Monitoring and Evaluation Phase	Representative Forum Meetings
	Public Hearings
Objectives, strategies and Projects Phase	Representative Forum Meetings
Reviewed IDP Phase	Public Hearings
	Representative Forum Meetings
Approval Phase	Notices on the Municipal Website
	Notices on Municipal Facebook Page
	Announcements on Local Radio Stations
	Representative Forum Meetings

3.1 Public Participation Strategy

In the 2022/2023 financial year a Public Participation Strategy has been developed and it has been approved by council on the 29th of June 2023. The purpose of the Public Participation Strategy is to provide for mechanisms by which the public may participate in the affairs of the Municipality and to clarify roles and responsibilities of all the role players and interested parties. It will therefore be used to report back and account to residents about council decisions, plans and budgets and also inform people of new services, tariffs, developments and policies. The strategy will ensure full and proper accountability to the people of Amahlathi Local Municipality and create an enabling environment for civil society to find a platform upon which they can voice their concerns and take part in the fundamental decision-making issues that affect them and communities at large.

The Municipality has a Public Participation Policy that was adopted by Council it is reviewed annually. In accordance with Municipal systems Act 2000, the municipality holds regular IDP/PMS/ Budget Representative Forum meeting in drafting IDP and Budget. Forum meetings are be convened quarterly in preparation of each phase.

The following forms are used in calling the interested parties.

- Website, Facebook, Notice Boards to publish our notices.
- Community Radio Stations to reach those parts of our community that do not read newspaper.
- Posters, pamphlets, ward councillors, ward committees, Community Development Workers (CDW) and announcements through community gatherings and community-based organizations
- Loud hailing

Other structures used to enhance public participation is through Ward Committee Meetings, LED Forums and SPU Forums and Local Communicator's forum which are convened quarterly.

To ensure that the needs of unorganized groups are represented as well, advocacy groups and Non-Governmental Organizations (NGOs) are used as well for communication. Meetings of the Representative Forum will be held in any appropriate Municipal buildings and the preferable languages that we use during these sessions are:

- English
- Xhosa

4. SECTOR PLANS

The Municipality have identified and developed a number of strategies and plans as reflected in the IDP. New sector plans are developed and/or existing ones reviewed during the IDP process.

It is important to note that all Sector Plan studies were conducted on the local space and as such covers the entire Amahlathi local area.

Following is the list of sectors that the municipality has developed:

ECONOMIC DEVELOPMENT	LAND CARE DEVELOPMENT	SOCIAL AND HEALTH SERVICES	GOVERNANCE OPERATIONS	FINANCIAL VIABILITY
<ul style="list-style-type: none"> • Local Economic Development Strategy • Forestry Strategy • SMME Strategy 	Spatial Development Framework	Integrated Waste Management Plan	Employment Equity Plan	Revenue Enhancement Strategy
		Community Safety Plan	Communications Strategy	
		Employee Assistance Plan	Performance Management and Development	Financial Recovery Plan
	Disaster Management Plan:	Occupational Health and Safety Plan	Fraud Prevention Plan	

<ul style="list-style-type: none"> • Tourism Master Plan • Agricultural Plan 	All Hazard Contingency Plan	Special Programme Strategy	Recruitment Plan
	Housing Sector Plan	Integrated Fire Management Plan	Human Resources Development Strategy
			Fleet Management Strategy
			Workplace Skills Plan

5. MECHANISM AND PROCEDURE FOR ALIGNMENT

The district framework plan was provided as the guiding document to the municipality. The municipality was part of the process of drawing up the framework plan together with other Municipalities that are under the Amatole District Municipality. The municipality participates in the District Wide Planning Forum that aims to strengthen Intergovernmental planning through mechanisms to ensure the full participation of local municipalities in IDP processes. The Inter-Governmental Forum will also be used to ensure that beneficial alignment of programs and projects occur with other spheres of government.

6. EXISTING DOCUMENTS

- Legally Binding Documents
 - Municipal Systems Act
 - Municipal Finance Management Act
- Other Documents
 - Spatial Development Framework
 - Amahlathi LED Strategy
 - Tourism Strategy
 - Indigent Policy
 - Integrated Waste Management Plan
 - Agricultural Plan
 - Housing Sector Plan
 - Employment Equity Plan
 - Workplace Skills Plan
 - Employee Performance Management Policy Framework
 - Community Safety Strategy
 - Disaster, Risk Management and All Hazards Contingency Plan
 - Tariffs Policy
 - Rates Policy
 - Credit Control and debt write-off Policy

- Cash Management and Investment Policy
- Asset Management Policy
- Budget Policy
- Customer Care Policy
- Supply Chain Management Policy
- Communication Strategy
- Petition Policy
- Public Participation Policy

SECTION TWO: BUDGET PROCESS PLAN

1. INTRODUCTION

The concept of a 3-year budget is now well-entrenched in the Council's budgeting process and has been improved upon over the last number of years. Guidelines issued on budget processes by National Treasury from time to time have helped to refine and improve our systems.

The budget proposals for the 2021 MTREF should be informed by Council's Integrated Development Planning Process, particularly in terms of objectives, outputs and targets envisioned for the next 3 years. In this way, budget proposals and the Integrated Development Plan will be properly aligned.

Better budgeting enhances service delivery. This is the main message underlying the Municipal Finance Management and Budgeting Reform Program. Integrated planning, budgeting and monitoring of service delivery performance strengthens the link between the services that departments provide and the benefits and costs of these services. The performance management system gives effect to the emphasis on improved transparency and accountability for the management and use of public resources.

The *Budget Process Plan* is issued to the Council, Executive Committee, Municipal Manager and various departments for the preparation of their 2024 MTREF budget proposals. It sets out the tasks to be performed and timeframes for each process. It is imperative that the timeframes are strictly adhered to in order to finalize the budget on time.

2. BUDGET PROCESS

The Medium-Term Revenue and Expenditure Framework (MTREF) details 3-year rolling expenditure and revenue plans for Amahlathi Municipality. The MTREF budget process is designed to match the overall resource envelope, estimated through 'top-down' macroeconomic and fiscal policy processes, with the bottom-up estimation of the current and medium-term cost of existing departmental plans and expenditure programs.

The budget process allows Council to:

- **Strengthen and evaluate the alignment between medium and long-term plans and funding proposals.**
- **Revise its policy priorities, macroeconomic framework and resource envelope.**
- **Evaluate departmental plans and allocate available resources in line with policy priorities.**
- Obtain the required authority from Council to spend [service delivery]
- Align parameter setting with budget outcomes and resource allocations.
- Link the Integrated Development Planning Process with the budget process.

The purpose of the 2025 budget process will be the completion of a medium-term expenditure framework that apportions resources in line with Council's policy priorities for the next three years. How this will be achieved is described below.

2.1.1 Matching policy priorities and resources

Deciding and agreeing on the best allocation of scarce resources to fund Council's many social, economic and political goals is the main purpose of the budget process.

Drafting these three-year plans will guide the policy prioritization and budgeting process for the 2025/2026 to 2028 MTREF.

Formulating an MTREF that has a three-year outlook will be put together by various role-players who interact at various stages of the budget process.

2.1.2 Medium term policy review

The budget process starts early in the year with a review of the IDP and budget processes of the previous year. Additional resources for funding new priorities arise from a review of the overall budget framework, including fiscal policy considerations, overall spending growth, inflation assumptions, and debt interest projections [if applicable at this stage].

The allocation of resources to the different sections and departments will be largely determined by Council's policies and priorities, which are reviewed during the process of developing the MTREF/budget and will take into account the various departments responsibilities for service delivery.

The timeline for critical budget decisions in the policy review stage of the process is outlined in table 1.

Table 1: Process plan timeline

July – August	Establishment of Budget Steering Committee, IDP and budget process plan review and table to council before 31 August
November - December	Setting budget parameters Consideration of the revision of the Council's establishment plan – meeting the HR capacity needs and the cost application of such capacity (functions to be considered)
December - January	Mid-year review process, Costing of personnel requirements, Submission of Budget Proposals
January	Mid- year review approved by council not later 25th January , Consolidate Adjusted Budget Proposals
February	Revised Budget approved by council not later than 28th February
February	Consolidation Draft Budget Inputs and Prepare Draft Budget
March	Tabling the Draft budget to Council not later than 31st March
April – May	Public Consultation on the IDP and Budget; Council Approval not later than 30th May
June	Submission to National Treasury within 10 days

3. COMPILING MTREF BUDGET PROPOSALS

3.1.1 Budget Principles

Budgeting within the Medium-Term Revenue and Expenditure Framework is based on a set of core principles that relate to:

- Fiscal policy and the budget framework
- Policy priorities and public expenditure
- Political oversight of the budget process

Budgeting for service delivery

3.1.2 Fiscal policy and the budget framework2

Medium-term spending plans of the various clusters for the period 2025/2026 to 2027/2028 will be prepared within the context of Council's macroeconomic and fiscal framework.

As part of a three-year rolling budget process, the budget framework is revised each year. Additional resources for new expenditure will form part of the macroeconomic forecast. Growth in external funding particularly for capital projects is important if Council is to meet the objectives established in the IDP. Council is dependent on the Equitable Share to provide free basic services and support to the indigent in terms of council's Indigent support Policy.

The various role-players will have to examine the fiscal implications of new spending pressures and match them to available resources.

3.1.3 Policy priorities and public expenditure

Strengthening the link between Council policy priorities and expenditure is at the core of medium-term budgeting. Expenditure allocation translates policy priorities into the delivery of services to communities and is therefore a key tool for accomplishing Council's goals.

3.1.4 Political Oversight of the Budget Process

The key to strengthening the link between priorities and spending plans lies in enhancing political oversight of the budget process. The Mayor has established a Budget Steering Committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA.

Political oversight of the budget process is essential to ensure that:

- The political executive is responsible for policy and prioritization.

Policy priorities are linked to cluster spending plans and the delivery of quality services.

The Budget process commences with parameter and policy assessment and formulation.

Budgeting is primarily about the choices and trade-offs that Council has to make in deciding how to meet the agreed set of policy objectives through better service delivery. Political oversight of the budget process allows Council to manage the tension between competing policy priorities and fiscal realities.

3.1.5 Budgeting for Service Delivery

Strengthening the link between Council's priorities and spending plans is not an end in itself. The goal is to improve delivery of services and ultimately the quality of life of people throughout Amahlathi.

Better budgeting, as mentioned in the introduction, leads to enhanced service delivery. In particular, integrated planning, budgeting and monitoring of service delivery performance strengthens the link between the services that departments provide and the benefits and costs of these services. It is important to emphasize the role of performance management which serves to monitor performance against measurable performance objectives that are informed by service delivery targets as captured in the IDP.

The municipality must develop and approve measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's IDP. These measurable performance objectives must inform the Service Delivery and Budget Implementation Plan which must be approved by the Mayor within 28 days after the approval of the budget.

ACTION PLAN FOR IDP/PMS/BUDGET

MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
AUG 2024	<ul style="list-style-type: none"> Preparation of the Draft IDP and PMS Process Plan. Present IDP Process Plan to IDP/Budget Steering Committee IDP Process Plan tabled to Council for approval. Self-assessment to identify gaps in the IDP process. Council Meeting (Budget & IDP Process Plan, Annual Performance Report, Financial Statements and Draft Annual Report) Submissions to AG, MEC and Treasury etc. (Annual Performance Report, Annual Financial Statements and Draft Annual Report) 	<ul style="list-style-type: none"> Publicizing Approved SDBIP for inspection and information Signing of new performance contracts for Section 57 Managers 2024/25 Final S57 Managers' Performance Assessments. Submission of Q4 SDBIP Reports Quarter 4 performance report submitted to Council. Submission of Performance Agreements to EC-Cogta Submission of the Annual Performance Reports prepared in terms of s46 of MSA 2000 to Council Quarterly Audit Committee meeting (for the last quarter of 16/17) MFMA Sect 166 & MPPR Reg. 14(3)(a) Evaluation Panel Audit Committee meeting (for the last quarter of 2023/24) MFMA Sect 166 & MPPR Reg. 14(3)(a) 	<ul style="list-style-type: none"> Preparation of the Draft Budget Process Plan. Present the Budget Process Plan to the IDP/Budget Steering Committee Budget Process Plan tabled to Council for approval.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
		<ul style="list-style-type: none"> • Evaluation Panel/Audit Committee meeting (for evaluation of Sect 57 Managers final assessments) MPPR Reg. 14(3)(b) • Submission of draft annual report (MFMA Circular 63) 	
SEPT 2024	<ul style="list-style-type: none"> ▪ Advertisement of the IDP and PMS Process Plan ▪ Review and updating of the IDP Vision, Mission and Objectives. ▪ IDP/Budget Steering Committee Meeting ▪ Advertise to resuscitate the IDP Rep Forum ▪ IDP Rep Forum meeting 	<ul style="list-style-type: none"> ▪ Reminder to be sent to HOD's to submit their Q1 SDBIP Reports in terms of s41 MSA 	<ul style="list-style-type: none"> ▪ Advertisement of the Budget Process Plan and submission to Provincial and National Treasury.
OCT 2024	<ul style="list-style-type: none"> ▪ IDP/Budget Steering Committee Meeting ▪ Process Plan and the role of the Steering Committee ▪ Develop agenda for Rep forum. ▪ Priority needs assessment (Ward Community visits) 	<ul style="list-style-type: none"> ▪ Submission of Q1 Reports by HOD's ▪ Q1 Reports tabled to Council (for first quarter of 24/25) MPPR Reg. 14 ▪ Sect 57 Managers' quarterly informal assessments 	

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
NOV 2024	<ul style="list-style-type: none"> IDP/Budget Steering Committee Meeting Rep forum meeting Budget Assumptions & Strategies Identification of priority needs. Departments to submit situation analysis and or status quo for IDP review. Commencement of Departmental Strat plans 	<ul style="list-style-type: none"> Quarterly Audit Committee meeting (for the first quarter of 24/25) MFMA Sect 166 & MPPR Reg. 14(3)(a) Annual Report Public hearings 	<ul style="list-style-type: none"> Set parameters for the next three years based on market trends and circular issued by National Treasury. Determine the funding/revenue potentially available for next three years in Dora. Review and update pricing strategies of National Regulators e.g., NERSA
DEC 2024	<ul style="list-style-type: none"> Submit Situation Analysis to Council with Community priority needs. 	<ul style="list-style-type: none"> Reminder to be sent to HOD's to submit their Q2 SDBIP Reports in terms of s41 MSA. Council adopts Final Annual Report and Oversight report. Final Annual report and oversight report submitted to Treasury and Cogta 	<ul style="list-style-type: none"> Departments to submit Budget proposals for Adjustment and next 3-year MTREF Budget.
JAN 2025	<ul style="list-style-type: none"> Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. 	<ul style="list-style-type: none"> Submission of Q2 Reports by HOD's Sect 57 Managers' formal quarterly assessments (for second quarter of 24/25 on the 10th of January) 	<ul style="list-style-type: none"> Review Tariffs and Charges and develop options for changes to be included in draft budget. Prepare and submit Mid-year performance review to council by 25th January.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
	<ul style="list-style-type: none"> IDP/Budget Steering Committee Meeting 	<ul style="list-style-type: none"> Municipal Manager submits Midterm/Midyear Report to the Mayor with recommendations (in terms s72 MFMA) Midyear Reports submitted to Treasury (provincial and National) Midterm/Midyear Report is published. 	<ul style="list-style-type: none"> Consolidate Adjusted Budget Proposals and prepare Adjustment Budget.
FEB 2025	<ul style="list-style-type: none"> Continuous Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. Institutional Strategic Planning Session IDP/Budget Steering Committee Meeting Technical Strategic Planning Session 	<ul style="list-style-type: none"> Quarterly Audit Committee meeting (for the second quarter of 21/22) MFMA Sect 166 & MPPR Reg. 14(3)(a) Review PMS policy framework Review SDBIP and publicize any amendments 	<ul style="list-style-type: none"> IDP/Budget Steering Committee for Adjustment Budget Submit Adjustments Budget for current year to Council not later than the 28th of February. Submit Adjustment Budget to National and Provincial Treasury. Publicize Adjustment Budget within 10 working days of approval. Consolidate Draft Budget proposals and prepare Draft Budget
MARCH 2025	<ul style="list-style-type: none"> IDP/Budget Steering Committee IDP Rep Forum Submission of draft IDP and Budget 2025/26 to council Submit Strategic Session Report to Council 	<ul style="list-style-type: none"> Draft SDBIP's for 2025/26 developed and for incorporation into draft IDP 2025/26 FY Reminder to be sent to HOD's to submit their Q3 SDBIP Reports in terms of s41 MSA. 	<ul style="list-style-type: none"> Review and workshop all budget related policies. IDP/Budget Steering Committee for Draft Budget Table Draft Budget to Council by 31 March.

2025/26 INTEGRATED DEVELOPMENT PLAN (IDP)

MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
APR 2025	<ul style="list-style-type: none"> Publicize tabled IDP (Invite Local Community to make written comments in respect of the IDP) IDP/Budget Steering Committee Public participation process launched through series of public hearings on the IDP and Budget Review written comments in respect of the Budget and IDP 	<ul style="list-style-type: none"> Submission of Q3 Reports by HOD's Sect 57 Managers' informal quarterly assessments Quarter 3 performance report submitted to Council. 	<ul style="list-style-type: none"> Publicize tabled Budget, inviting comments and undertake community consultation on tabled Budget. Receive and analyze additional inputs from community and other stakeholders. Incorporate feedback from community and other stakeholders and if required revise the budget previously tabled to Council.
MAY 2025	<ul style="list-style-type: none"> IDP/Budget Steering Committee Rep forum meeting Adoption of the 2025/26 IDP by Council. 	<ul style="list-style-type: none"> Community input into organization KPIs and targets 	<ul style="list-style-type: none"> IDP/Budget Steering Committee for Final Budget Municipal council approves budget, tariffs and revised budget related policies by 31 May.
JUNE 2025	<ul style="list-style-type: none"> Publicize Approved IDP Submission of the Final IDP to EC- Cogta, Treasury (National and Provincial) 	<ul style="list-style-type: none"> Reminder to be sent to HOD's to submit their Q4 SDBIP Reports in terms of s41 MSA. Submission of final SDBIP to The Honorable Mayor for approval s53 MFMA 	<ul style="list-style-type: none"> Publicize Approved Budget and Tariffs Submission of Final Budget to National and Provincial Treasury Complete and submit the budget returns required by National Treasury. Email Approved Budget to All Departments

APPENDIX A: SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

APPENDIX B: CIRCULAR 88

APPENDIX C: ORGANOGRAM

