



**2026/27**

**2026/27 INTEGRATED  
DEVELOPMENT PLAN (IDP)**



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### A. MAYOR'S FOREWORD

Amahlathi Local Municipality has made serious strides shaping itself towards a resilient, sustainable and people-centred municipality. This new order was preceded by a terrifying past characterised by violent service delivery protests, political instability and covid 19. It took visionaries, think tanks and active citizenry to reach the current state of the municipality. Amahlathi Local Municipality is not totally out of the bush as we still face serious challenges such as the Eskom debt.



The municipality's major revenue source still remains the equitable share and municipal infrastructure grant. These are complemented by the Integrated National Electricity Programme (INEP) Grant, Municipal Disaster Relief Grant (MDRG) and the Small Towns Revitalization (STR) Grant. The revenue collection efforts yield below 85% target of the billed income collected from municipal rates and taxes. The council is convinced that the developmental trajectory ahead requires sound management of the current financial resources and the establishment of new revenue sources.

It is for this reason that during the process of developing the 2026/27 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 reclaim our position of being the pioneers of local economic development in the rural South Africa. This means, the council, administration, and our people must work together to fulfil the constitutional mandate of local government and the great vision of Amahlathi. 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 Vision 2030 and the prevailing social needs of our locality. The five KPA's being:

- **S**ervice Delivery and Infrastructure Development
- **M**unicipal Finance Viability
- **L**ocal Economic Development
- **G**ood Governance and Public Participation
- **M**unicipal Transformation and Institutional Development

As the sixth Amahlathi Local 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 determined 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, national and global economic platforms. We have smoothened the ground by passing the municipal preferential procurement policy whose agenda is to create tender preferences that favour historically disadvantaged individuals in accordance with the PPPFA framework.

This is the last review of our 2022 – 2027 IDP. Our aim is to deliver on the promises we made in 2022 and the subsequent years of this IDP. We want the public to actively participate in the development of this IDP so that all gaps are identified and plugged. Our people must be actively 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 2026/27 Draft IDP as the last review of 2022 - 2027 IDP. This 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 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 the municipal council to annually review the IDP in accordance with an assessment of its performance and to the extent that changing circumstance so demand.

It is therefore my pleasure to present this Draft IDP of Amahlathi Local Municipality for the period 2026/27 to the Council, the communities of Amahlathi Local Municipality, the National and Provincial Treasury, the Local Government and the stakeholders.



**Cllr. N.C. Nongqayi**

**Her Worship, the Mayor**

**Amahlathi Local Municipality**

### B. MUNICIPAL MANAGERS' MESSAGE

As the Accounting Officer of the Amahlathi Local Municipality, it gives me great pleasure to share the story behind this IDP review as the message for our 2026/2027 Integrated Development Plan (IDP). In the previous year we consolidated our thoughts around a theme that said “*bathini abantu*” translated as “what do people say”. The phrase that searches the needs of our people at grassroots level. After the 12-months of interactions with our people on the ground on the matters of their development we came up with this year’s strategic planning theme that says “**ABANTU KUQALA**” which is translated as “people first”.



We considered the constitutional objects on local government and saw it fit to frame our thoughts around putting the people first. The philosophy of the concept of people first underscores the ranking of human dignity, their wellbeing and empowerment. It is both a leadership mindset and an ethical framework that claims that the municipality thrives when the people in the form of employees, customers, and communities are treated as the most valuable pillar of the municipal system. The municipality system is a triangle of people, administration and council. The people first philosophy regards the people side of the triangle as the most important one and this is the mindset in the political and administrative leadership.

That is the theory behind the 2026/27 IDP. Our core business is underpinned and guided by *Batho Pele* principles, Back-To-Basics and King’s Codes of good governance. The people-centered approach envisioned at the beginning of the term of council serves as a foundation for this call of people first and it also drives our efforts towards a robust public participation as an essential element to ensure that this IDP is credible. Section 152 of the Constitution of the Republic of South Africa, 1996 mandates the involvement of citizens in the affairs of the municipality.

This is the last review of the 2022-2027 IDP. The approach taken in the planning was to identify gaps in the promises made in 2022 and match those with priority needs as raised by the people on the ground. This IDP therefore plugs the gaps in manner determined by the people. Our political leadership assisted by making legal and political environments conducive for this undertaking. This is complemented by a fully committed administration with both expertise and institutional memory.

This 2026/27 IDP seeks to provide solutions to pressing issues such as the reconstruction of dilapidated roads, reducing electricity losses, spatial transformation, increasing provision of bulk electricity, integrated SMME support, erecting pro-safety infrastructure and the ensuring inclusive economic outlook. One may ask a question that says

how is this possible in an environment characterized by serious financial limitations such as that of Amahlathi Local Municipality.

Our municipal values inculcate a culture of accountability and transparency which elementary objects of sound financial management practices. These will help us avoid unauthorized, irregular, fruitless and wasteful expenditure placing us where each rand is fully accounted for and evidence on the ground show value for money. This will also guarantee that the envisioned clean administration normally declared by Auditor General as an unqualified audit opinion with no findings.

I have a full complement of senior management even though they are not yet permanent except for the Chief Financial Officer. This positions the municipality in an administratively stable environment. This IDP is centered around a vision shared by the people, council, administration and employees equally. We also place our hopes to the other spheres of government that also function within Amahlathi to complement our development efforts to ensure the realization of the vision of a resilient, sustainable and people-centered local municipality.



**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 2026/27 Integrated Development Plan (IDP) that will be tabled to Council end of May 2026 and this IDP is the last review of the five-year IDP (2025 – 2027). This document is substantially based on the format and layout of its predecessor. This IDP 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 28<sup>th</sup> of August 2025, 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 2025 to its completion in June 2026. 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 2026-2027 is scheduled for the council of May 2026. In order to ensure the IDP is fully compliant, after the IDP assessment the comments received from the MEC will be forwarded to the management as a basis for improving quality and credibility of this 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	14 October 2025	Cathcart Town Hall	11H00	Cathcart Cluster
	17 October 2025	Mlungisi Community Hall	11h00	Stutterheim Cluster
	21 October 2025	Border Post Community	11H00	King Kei Cluster
	23 October 2025	Springbok Hall	11H00	Keiskammahoek Cluster
Representative Forum	15 August 2025	<ul style="list-style-type: none"> <li>Mzwandile Fanti recreational hall</li> </ul>	10H00	Stutterheim Cluster
	26 November 2025	<ul style="list-style-type: none"> <li>Mzwandile Fanti recreational hall</li> </ul>	10H00	Stutterheim Cluster

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

	31 March	<ul style="list-style-type: none"> <li>Mzwandile Fanti Recreational Hall</li> </ul>	10H00	Stutterheim Cluster
Annual Report Roadshow Agenda	11 November 2025	<ul style="list-style-type: none"> <li>Springbok Community Hall</li> </ul>	11H00	Keiskamahoe Cluster
	12 November 2025	<ul style="list-style-type: none"> <li>Border Post Community Hall</li> </ul>	11H00	King Kei Cluster
	13 November 2025	<ul style="list-style-type: none"> <li>Mzwandile Fanti Recreational Hall</li> </ul>	11H00	Stutterheim Cluster
	1 December 2025	<ul style="list-style-type: none"> <li>Ndumangeni Community Hall</li> </ul>	11H00	Cathcart Cluster
Ward Based Planning	09 September 2025	<ul style="list-style-type: none"> <li>Cathcart Library</li> </ul>	11H00	Cathcart Cluster
	20 October 2025	<ul style="list-style-type: none"> <li>Keiskamahoe Taxi Rank</li> </ul>	11H00	Keiskamahoe Cluster
	31 October 2025	<ul style="list-style-type: none"> <li>Border Post Community Hall</li> </ul>	11H00	King Kei Cluster
IDP/Budget/PMS	15 April 2026	<ul style="list-style-type: none"> <li>Border Post Community Hall</li> </ul>	10H00	King Kei Cluster
	17 April 2026	<ul style="list-style-type: none"> <li>Mlungisi Community Hall</li> </ul>	10H00	Stutterheim Cluster
	17 April 2026	<ul style="list-style-type: none"> <li>Kwazidenge Community Hall</li> </ul>	10H00	Stutterheim Cluster
	17 April 2026	<ul style="list-style-type: none"> <li>Cathcart Town Hall</li> </ul>	10H00	Cathcart Cluster
	17 April 2026	<ul style="list-style-type: none"> <li>Springbok Community Hall</li> </ul>	10H00	Keiskamahoe Cluster

### **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:

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

DEVELOPMENT SECTOR CLUSTER	SECTORS OR AREAS OF INTERVENTION INCLUDED
<b>Basic Service Delivery and Infrastructure</b>	Roads & Stormwater, Electricity, Housing, Land Reform, Spatial Planning, Land Use Management, Community Facilities etc.
<b>Local Economic Development and Environment</b>	Tourism, Agriculture & Forestry, Food Security, Small Business and Local Enterprise Development, Environment, small towns regeneration etc.
<b>Good Governance and Public Participation</b>	Education, Disaster Management, Fire Services, Protection Services, Internal Audit, etc.
<b>Municipal Financial Viability and Management</b>	Administrative and Financial Management matters etc.
<b>Municipal Transformation and Institutional Development</b>	<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		11. Create a better South Africa, better Africa and a better world		

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

KEY PERFORMANCE AREAS	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	14 OUTCOMES	NDP (Vision 2030) Pillars	SUSTAINABLE DEVELOPMENT GOALS
	strengthening democratic institutions				
Municipal Financial Viability and Management	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	9. Responsive, accountable, effective and efficient Local Government system		
Municipal Transformation and Institutional Development	Strengthen skills and human resource base	Strengthen education, skills and human resource base.	1. Quality basic education	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		3. All people in SA are and feel safe	Social protection (Chapter 11)	
			9. Responsive, accountable, effective and efficient Local	Crete a better South Africa, a better Africa and a better	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

KEY PERFORMANCE AREAS	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	14 OUTCOMES	NDP (Vision 2030) Pillars	SUSTAINABLE DEVELOPMENT GOALS
	democratic institutions		Government system	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 development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	2. A long and healthy life for all South Africans	Raising economic 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)

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

KEY PERFORMANCE AREAS	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	14 OUTCOMES	NDP (Vision 2030) Pillars	SUSTAINABLE DEVELOPMENT GOALS
	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 towards food security for all		

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

KEY PERFORMANCE AREAS	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	14 OUTCOMES	NDP (Vision 2030) Pillars	SUSTAINABLE DEVELOPMENT GOALS
		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 2026/27-2027/28 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 2026/27-2029/30 financial year as well as the 3 Year Capital Plan.

**CHAPTER 9: MAPS/ DEVELOPMENT PLANS**

**CHAPTER 10: IDP PROCESS PLAN**

**ANNEXURE A: ORGANOGRAM**

**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**

**A**ccountability

**M**odel

**A**ccessibility

**H**ealthy

**L**oyalty

**A**uthentic

**T**rust

**H**onesty

**I**ntegrity

**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 4266.21km<sup>2</sup> 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 Wiggleswade 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, forestry, construction, and transport. The Amahlathi Municipality comprises of 15 wards centered in four clusters. The clusters is characterized by a small towns with a range of settlement patterns and associated land uses, including formal urban areas, townships and informal settlement areas, villages and extensive, privately owned farmland.

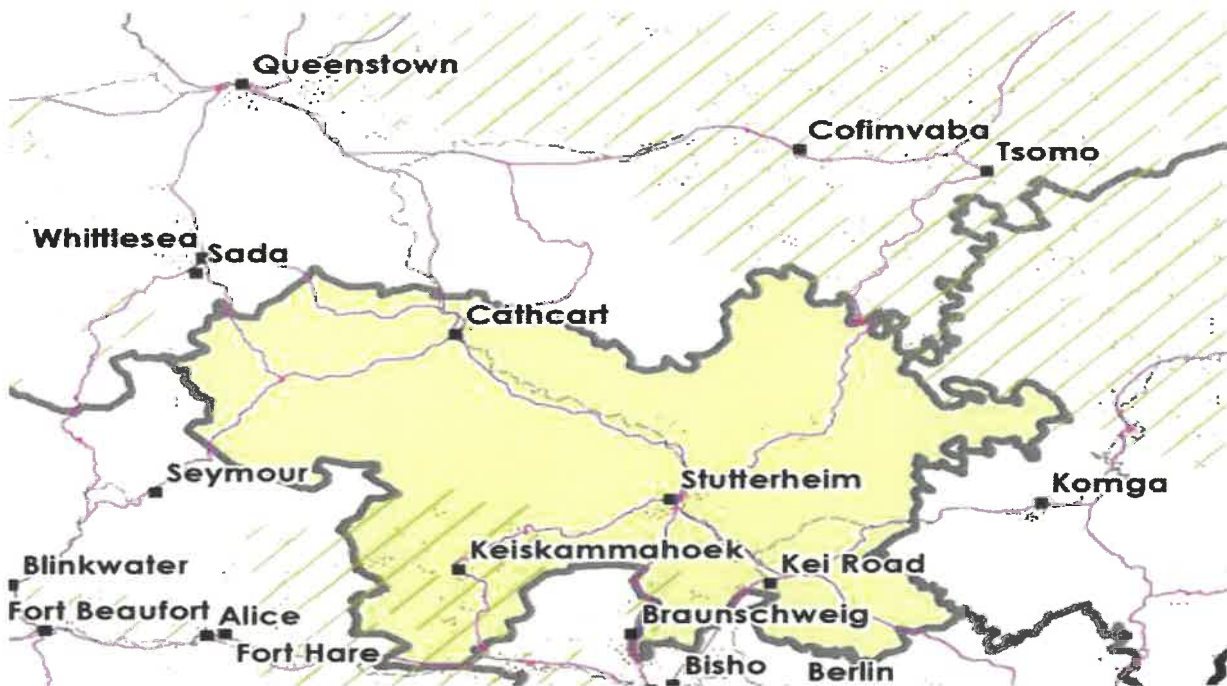


Figure 1: The Map showing the context of Amahlathi Municipality (Source: MDB 2018 Capacity Assessment)

## 2.2. SOCIO-ECONOMIC INDICATORS

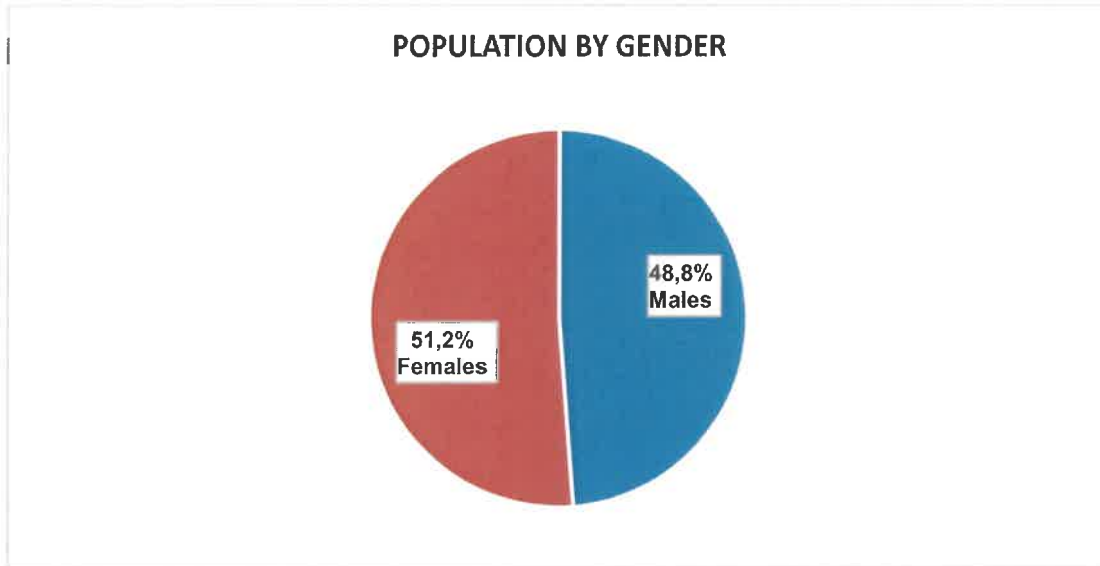
### 2.2.1 DEMOGRAPHIC PROFILE

#### 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**

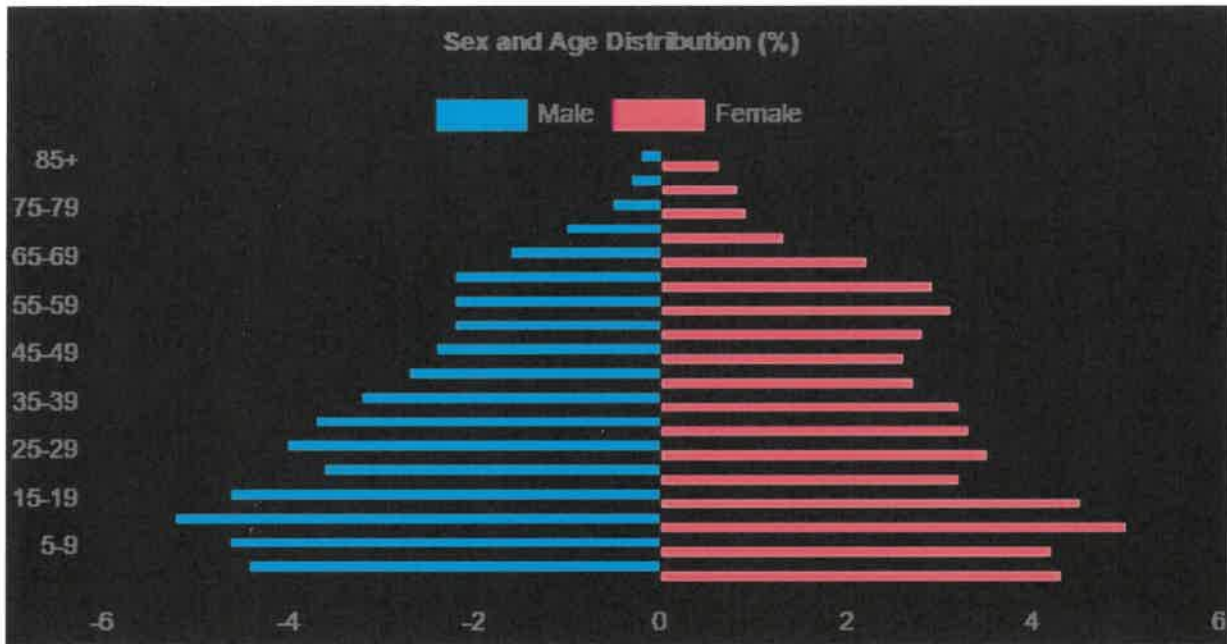
The population's sexual distribution reflects the following composition.



**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

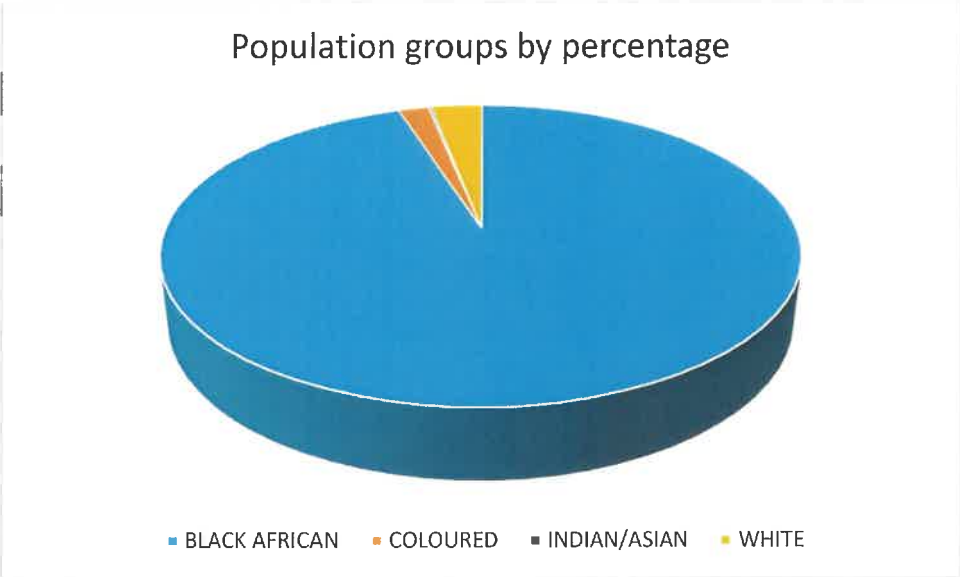
**POPULATION GROUP**

Group	Number	%
Black African	109 333	94.5%
Colored	2094	1.8%
Indian or Asian	252	0.2%

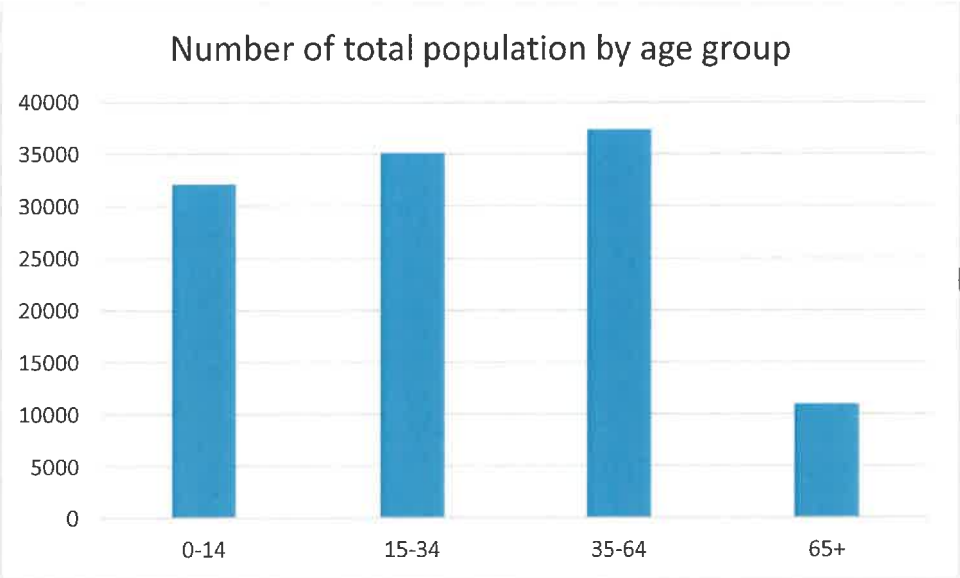
**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

White	3452	3.0%
<b>Total</b>	<b>115 703</b>	<b>100%</b>

**Source: Census Stats SA 2022**



**Source: Census Stats SA 2022**



**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 Colored population with a total of 2 094 (1.8%) and Indian/Asian with a total population of 252 (0.2%).

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

### NUMBER OF HIV+ PEOPLE - AMAHLATHI, AMATOLE, EASTERN CAPE, AND NATIONAL TOTAL, 2013-2023 [NUMBER AND PERCENTAGE]

Year	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
2013	12,600	101,000	759,000	6,770,000	12.5%	1.66%	0.19%
2014	12,600	102,000	772,000	6,910,000	12.4%	1.64%	0.18%
2015	12,700	103,000	786,000	7,050,000	12.4%	1.62%	0.18%
2016	12,900	104,000	799,000	7,200,000	12.3%	1.61%	0.18%
2017	13,000	106,000	815,000	7,360,000	12.3%	1.60%	0.18%
2018	13,300	108,000	830,000	7,530,000	12.3%	1.60%	0.18%
2019	13,500	110,000	847,000	7,710,000	12.3%	1.59%	0.17%
2020	13,700	112,000	863,000	7,900,000	12.3%	1.59%	0.17%
2021	14,000	114,000	879,000	8,090,000	12.3%	1.59%	0.17%
2022	14,400	117,000	899,000	8,300,000	12.3%	1.60%	0.17%
2023	14,800	120,000	922,000	8,530,000	12.3%	1.60%	0.17%
<b>Average Annual growth 2013-2023</b>	<b>1.63%</b>	<b>1.78%</b>	<b>1.96%</b>	<b>2.34%</b>			

Source: South Africa Regional eXplorer v2471.

Data compiled on 7 Apr 2024.

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In 2023, 14 800 people in the Amahlathi Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.63% since 2013, and in 2023 represented 14.42% of the local municipality's total population. The Amatole District Municipality had an average annual growth rate of 1.78% from 2013

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

to 2023 in the number of people infected with HIV, which is higher than that of the Amahlathi Local Municipality

*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, 2013-2023 [R BILLIONS, CURRENT PRICES]

Year	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
2013	3.8	24.8	309.6	3,868.6	15.3%	1.22%	0.10%
2014	4.0	26.5	330.8	4,133.9	15.3%	1.22%	0.10%
2015	4.3	28.4	354.1	4,420.8	15.2%	1.22%	0.10%
2016	4.6	30.5	379.0	4,759.6	15.2%	1.22%	0.10%
2017	4.9	32.5	403.4	5,078.2	15.1%	1.22%	0.10%
2018	5.1	34.0	420.9	5,363.2	15.0%	1.21%	0.10%
2019	5.3	35.5	437.2	5,625.2	14.9%	1.21%	0.09%
2020	5.2	35.2	430.3	5,568.0	14.8%	1.21%	0.09%
2021	5.7	38.8	472.9	6,208.8	14.7%	1.21%	0.09%
2022	6.0	41.1	501.0	6,628.6	14.6%	1.20%	0.09%
2023	6.4	43.7	531.9	6,970.2	14.6%	1.20%	0.09%

Source: South Africa Regional eXplorer v2471.

Data compiled on 7 Apr 2024.

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With a GDP of R 6.36 billion in 2023 (up from R 3.78 billion in 2013), the Amahlathi Local Municipality contributed 14.57% to the Amatole District Municipality GDP of R 43.7 billion in 2023 increasing in the share of the Amatole from 15.27% in 2013. The Amahlathi Local Municipality contributes 1.20% to the GDP of Eastern Cape Province and 0.09% the GDP of South Africa which had a total GDP of R 6.97 trillion in 2023 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2013 when it contributed 0.10% to South Africa, but it is lower than the peak of 0.10% in 2014.

**ECONOMIC GROWTH FORECAST**

It is expected that Amahlathi Local Municipality will grow at an average annual rate of 1.10% from 2023 to 2028. The average annual growth rate in the GDP of Amatole District Municipality and Eastern Cape Province is expected to be 1.60% and 1.51% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.82%, which is higher than that of the Amahlathi Local Municipality.

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

The Amahlathi Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its value added produced in the local economy.

Definition: Gross value added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

**Gross value added (GVA) by broad economic sector - Amahlathi Local Municipality, 2023 [R billions, current prices]**

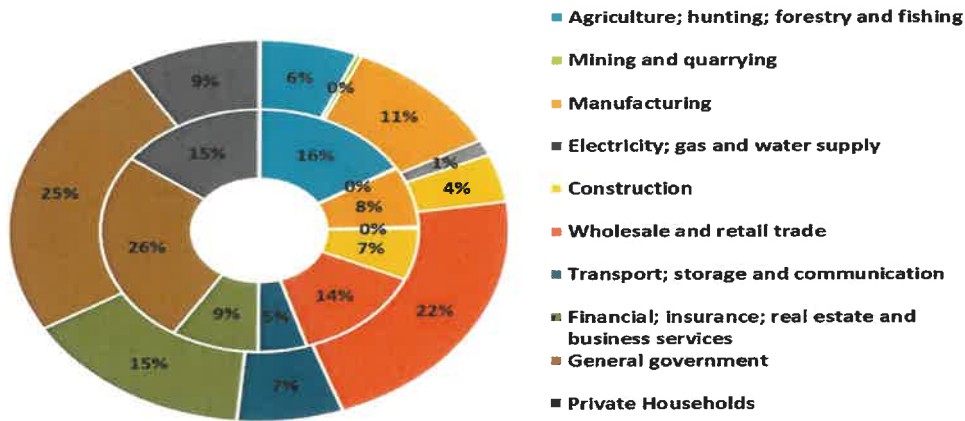
Sector	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
Agriculture	0.2	1.2	10.6	176.1	14.1%	1.57%	0.09%
Mining	0.0	0.1	1.3	440.8	6.2%	0.42%	0.00%
Manufacturing	0.7	3.5	71.9	900.6	20.3%	0.99%	0.08%
Electricity	0.1	1.1	10.3	216.2	8.1%	0.88%	0.04%
Construction	0.1	0.8	12.3	155.0	18.7%	1.18%	0.09%
Trade	0.8	7.1	81.8	877.4	11.2%	0.97%	0.09%
Transport	0.2	1.5	25.7	487.2	16.6%	0.97%	0.05%
Finance	0.9	6.4	85.1	1,462.0	14.6%	1.09%	0.06%
Community services	2.7	18.5	183.6	1,563.1	14.7%	1.48%	0.17%
<b>Total Industries</b>	<b>5.8</b>	<b>40.0</b>	<b>482.6</b>	<b>6,278.4</b>	<b>14.5%</b>	<b>1.20%</b>	<b>0.09%</b>

Source: South Africa Regional eXplorer v2471.

Data compiled on 7 Apr 2024.

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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**

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

### Gross value added (GVA) by broad economic sector - Amahlathi Local Municipality, 2023-2028 [R millions, constant 2010 prices]

Sector	2023	2024	2025	2026	2027	2028	Average Annual growth
Agriculture	94.6	95.8	96.6	98.0	99.6	101.0	1.31%
Mining	2.5	2.5	2.5	2.5	2.6	2.6	0.62%
Manufacturing	420.4	416.4	419.3	419.4	422.6	425.9	0.26%
Electricity	39.4	39.0	39.3	39.9	40.8	41.6	1.14%
Construction	103.1	107.1	108.5	110.9	113.7	116.9	2.54%
Trade	501.1	497.3	506.3	503.9	507.1	509.6	0.34%
Transport	208.2	210.9	214.6	219.5	225.0	230.7	2.07%
Finance	712.5	720.6	733.3	751.0	771.3	793.0	2.16%
Community services	1,923.5	1,921.4	1,923.0	1,940.5	1,970.0	2,005.7	0.84%
<b>Total Industries</b>	<b>4,005.4</b>	<b>4,011.0</b>	<b>4,043.5</b>	<b>4,085.6</b>	<b>4,152.5</b>	<b>4,227.0</b>	<b>1.08%</b>

Source: South Africa Regional eXplorer v2471.

Data compiled on 7 Apr 2024.

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The construction sector is expected to grow fastest at an average of 2.54% annually from R 103 million in Amahlathi Local Municipality to R 117 million in 2028. The community services sector is estimated to be the largest sector within the Amahlathi Local Municipality in 2028, with a total share of 47.5% of the total GVA (as measured in current prices), growing at an average annual rate of 0.8%. The sector that is estimated to grow the slowest is the manufacturing sector with an average annual growth rate of 0.26%.

### C. LABOUR

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

**Working age population in Amahlathi, Amatole, Eastern Cape and National Total, 2013 and 2023**

	Amahlathi		Amatole		Eastern Cape		National Total	
	2013	2023	2013	2023	2013	2023	2013	2023
15-19	9,780	8,710	94,900	90,300	702,000	718,000	4,870,000	5,300,000
20-24	10,300	6,780	92,500	66,500	769,000	596,000	5,390,000	4,590,000
25-29	8,730	7,230	70,300	63,700	655,000	635,000	5,370,000	5,060,000
30-34	6,470	8,560	49,700	71,300	471,000	701,000	4,400,000	5,590,000
35-39	4,530	7,650	34,900	64,600	325,000	602,000	3,550,000	5,380,000
40-44	4,420	6,930	31,200	48,900	277,000	435,000	3,030,000	4,260,000
45-49	4,540	5,050	32,500	36,000	264,000	299,000	2,630,000	3,330,000
50-54	4,950	4,660	35,900	32,400	267,000	254,000	2,290,000	2,800,000
55-59	4,510	4,350	33,700	31,400	240,000	240,000	1,910,000	2,380,000
60-64	3,400	3,670	29,100	32,400	198,000	236,000	1,530,000	2,020,000
<b>Total</b>	<b>61,600</b>	<b>63,600</b>	<b>505,000</b>	<b>538,000</b>	<b>4,170,000</b>	<b>4,720,000</b>	<b>35,000,000</b>	<b>40,700,000</b>

Source: South Africa Regional eXplorer v2471.

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The working age population in Amahlathi in 2023 was 63 600, increasing at an average annual rate of 0.31% since 2013. For the same period the working age population for Amatole District Municipality increased at 0.64% annually, while that of Eastern Cape Province increased at 1.24% annually. South Africa's working age population has increased annually by 1.53% from 35 million in 2013 to 40.7 million in 2023.

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

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### Economically active population (EAP) - Amahlathi, Amatole, Eastern Cape and National Total, 2013-2023 [number, percentage ]

	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
2013	25,300	165,000	1,830,000	19,300,000	15.3%	1.38%	0.13%
2014	26,700	175,000	1,920,000	20,100,000	15.2%	1.39%	0.13%
2015	27,700	184,000	2,000,000	20,800,000	15.1%	1.39%	0.13%
2016	29,000	194,000	2,090,000	21,500,000	14.9%	1.39%	0.14%
2017	30,500	206,000	2,180,000	22,000,000	14.8%	1.40%	0.14%
2018	31,200	213,000	2,240,000	22,300,000	14.7%	1.39%	0.14%
2019	32,600	225,000	2,330,000	22,700,000	14.5%	1.40%	0.14%
2020	32,500	224,000	2,330,000	22,100,000	14.5%	1.40%	0.15%
2021	33,400	232,000	2,390,000	22,200,000	14.4%	1.40%	0.15%
2022	34,600	241,000	2,470,000	23,100,000	14.3%	1.40%	0.15%
2023	35,300	246,000	2,520,000	24,100,000	14.4%	1.40%	0.15%
<b>Average Annual growth</b>							
2013-2023	<b>3.41%</b>	<b>4.10%</b>	<b>3.25%</b>	<b>2.26%</b>			

Source: South Africa Regional eXplorer v2471.

Data compiled on 7 Apr 2024.

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Amahlathi Local Municipality's EAP was 35 300 in 2023, which is 34.45% of its total population of 102 000, and roughly 14.36% of the total EAP of the Amatole District Municipality. From 2013 to 2023, the average annual increase in the EAP in the Amahlathi Local Municipality was 3.41%, which is 0.69 percentage points lower than the growth in the EAP of Amatole's for the same period.

#### **b. TOTAL EMPLOYMENT**

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

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

### I. Total employment - Amahlathi, Amatole, Eastern Cape and National Total, 2013-2023 [numbers]

	Amahlathi	Amatole	Eastern Cape	National Total
2013	22,100	120,000	1,270,000	14,400,000
2014	23,500	128,000	1,340,000	15,000,000
2015	24,600	135,000	1,400,000	15,500,000
2016	25,200	139,000	1,430,000	15,800,000
2017	25,300	140,000	1,440,000	16,000,000
2018	24,900	138,000	1,440,000	16,200,000
2019	24,300	136,000	1,430,000	16,200,000
2020	22,300	124,000	1,350,000	15,400,000
2021	21,000	117,000	1,300,000	14,800,000
2022	22,400	126,000	1,370,000	15,300,000
2023	24,400	138,000	1,460,000	16,300,000
<b>Average Annual growth 2013-2023</b>	<b>1.02%</b>	<b>1.39%</b>	<b>1.36%</b>	<b>1.19%</b>

Source: South Africa Regional eXplorer v2471.

Data compiled on 7 Apr 2024.

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In 2023, Amahlathi employed 24 400 people which is 17.73% of the total employment in Amatole District Municipality (138 000), 1.68% of total employment in Eastern Cape Province (1.46 million), and 0.15% of the total employment of 16.3 million in South Africa. Employment within Amahlathi increased annually at an average rate of 1.02% from 2013 to 2023.

### II. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR

#### Total employment per broad economic sector - Amahlathi and the rest of Amathole, 2023 [Numbers]

	Amahlathi	Mbhashe	Mnquma	Great Kei	Ngqushwa	Raymond Mhlaba	Total Amatole
Agriculture	2,890	917	917	1,630	1,520	3,090	10,968
Mining	10	43	23	5	9	6	96
Manufacturing	1,740	775	1,440	990	1,240	1,140	7,324
Electricity	59	48	96	46	41	62	351
Construction	2,130	2,660	2,770	1,010	1,310	2,010	11,893
Trade	4,910	6,470	8,820	2,550	3,330	5,050	31,125
Transport	1,130	1,200	2,030	548	633	776	6,319
Finance	2,630	2,470	4,070	1,320	1,980	2,320	14,792
Community services	7,080	8,880	13,900	2,860	4,350	8,380	45,461

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Households	1,840	1,350	2,160	1,060	1,100	1,930	9,440
<b>Total</b>	<b>24,400</b>	<b>24,800</b>	<b>36,200</b>	<b>12,000</b>	<b>15,500</b>	<b>24,800</b>	<b>137,769</b>

Source: South Africa Regional eXplorer v2471.

Data compiled on 7 Apr 2024.

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Amahlathi Local Municipality employs a total number of 24 400 people within its local municipality. The local municipality that employs the highest number of people relative to the other regions within Amatole District Municipality is Mquma local municipality with a total number of 36 200. The local municipality that employs the lowest number of people relative to the other regions within Amatole District Municipality is Great Kei local municipality with a total number of 12 000 employed people.

In Amahlathi Local Municipality the economic sectors that recorded the largest number of employments in 2023 were the community services sector with a total of 7 080 employed people or 29.0% of total employment in the local municipality. The trade sector with a total of 4 910 (20.1%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 9.9 (0.0%) is the sector that employs the least number of people in Amahlathi Local Municipality, followed by the electricity sector with 59.3 (0.2%) people employed.

### III. FORMAL AND INFORMAL EMPLOYMENT

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

#### **Formal and informal employment by broad economic sector - Amahlathi Local Municipality, 2023 [numbers]**

Sector	Formal employment	Informal employment
Agriculture	2,890	N/A
Mining	10	N/A
Manufacturing	1,270	475
Electricity	59	N/A
Construction	1,150	978
Trade	2,680	2,230

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

Transport	339	790
Finance	1,990	641
Community services	5,780	1,300
Households	1,840	N/A

Source: South Africa Regional eXplorer v2471.

Data compiled on 7 Apr 2024.

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The number of formally employed people in Amahlathi Local Municipality counted 18 000 in 2023, which is about 73.76% of total employment, while the number of people employed in the informal sector counted 6 410 or 26.24% of the total employment. Informal employment in Amahlathi increased from 5 470 in 2013 to an estimated 6 410 in 2023. In 2023 the Trade sector recorded the highest number of informally employed, with a total of 2 230 employees or 34.77% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 475 and only contributes 7.41% to total informal employment.

### c. UNEMPLOYMENT

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

#### Unemployment (official definition) - Amahlathi, Amatole, Eastern Cape and National Total, 2013-2023 [Number percentage]

	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
2013	7,880	57,900	540,000	4,850,000	13.6%	1.46%	0.16%
2014	8,220	61,200	565,000	5,060,000	13.5%	1.46%	0.16%
2015	8,450	63,300	583,000	5,300,000	13.3%	1.45%	0.16%
2016	9,360	70,200	636,000	5,670,000	13.3%	1.47%	0.17%
2017	10,800	81,300	718,000	5,990,000	13.3%	1.51%	0.18%

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2018	11,900	89,600	782,000	6,100,000	13.3%	1.53%	0.20%
2019	13,800	103,000	885,000	6,450,000	13.3%	1.56%	0.21%
2020	15,300	113,000	964,000	6,710,000	13.5%	1.59%	0.23%
2021	17,300	127,000	1,070,000	7,470,000	13.6%	1.61%	0.23%
2022	17,300	128,000	1,080,000	7,810,000	13.5%	1.60%	0.22%
2023	16,600	123,000	1,040,000	7,880,000	13.5%	1.59%	0.21%
<b>Average Annual growth</b>							
2013-2023	<b>7.72%</b>	<b>7.79%</b>	<b>6.77%</b>	<b>4.96%</b>			

Source: South Africa Regional eXplorer v2471.

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In 2023, there were a total number of 16 600 people unemployed in Amahlathi, which is an increase of 8 690 from 7 880 in 2013. The total number of unemployed people within Amahlathi constitutes 13.51% of the total number of unemployed people in Amatole District Municipality. The Amahlathi Local Municipality experienced an average annual increase of 7.72% 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 7.79%.

### **Unemployment rate (official definition) - Amahlathi, Amatole, Eastern Cape and National Total, 2013-2023 [Percentage]**

	<b>Amahlathi</b>	<b>Amatole</b>	<b>Eastern Cape</b>	<b>National Total</b>
2013	31.2%	35.2%	29.6%	25.2%
2014	30.8%	34.9%	29.4%	25.2%
2015	30.5%	34.4%	29.2%	25.5%
2016	32.2%	36.1%	30.5%	26.4%
2017	35.6%	39.4%	32.9%	27.2%
2018	38.2%	42.1%	35.0%	27.4%
2019	42.2%	46.0%	38.0%	28.4%
2020	47.1%	50.7%	41.5%	30.3%
2021	51.7%	54.9%	44.9%	33.6%
2022	50.1%	53.2%	43.8%	33.7%
2023	46.9%	49.9%	41.3%	32.6%

Source: South Africa Regional eXplorer v2471.

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In 2023, the unemployment rate in Amahlathi Local Municipality (based on the official definition of unemployment) was 46.92%, which is an increase of 15.7 percentage points. The unemployment rate in

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

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 41.32%. The unemployment rate for South Africa was 32.64% in 2023, which is a increase of - 7.49 percentage points from 25.15% in 2013.

### C. DISTRIBUTION OF HOUSEHOLD INCOME

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

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

#### Households by income category - Amahlathi, Amatole, Eastern Cape and National Total, 2023 [Number Percentage]

	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
0-2400	2	16	139	1,240	10.5%	1.20%	0.13%
2400-6000	18	162	1,390	11,400	10.8%	1.26%	0.15%
6000-12000	122	1,100	9,100	71,000	11.1%	1.35%	0.17%
12000-18000	406	3,590	29,000	222,000	11.3%	1.40%	0.18%
18000-30000	1,530	13,400	104,000	761,000	11.4%	1.47%	0.20%
30000-42000	2,410	21,000	160,000	1,140,000	11.5%	1.51%	0.21%
42000-54000	2,650	22,900	169,000	1,210,000	11.6%	1.56%	0.22%
54000-72000	4,020	33,900	242,000	1,740,000	11.9%	1.66%	0.23%
72000-96000	4,260	35,600	257,000	1,950,000	12.0%	1.65%	0.22%
96000-132000	3,910	31,900	238,000	1,960,000	12.3%	1.64%	0.20%
132000-192000	3,590	29,800	232,000	2,060,000	12.0%	1.55%	0.17%
192000-360000	3,480	29,300	261,000	2,630,000	11.9%	1.33%	0.13%
360000-600000	1,500	12,900	138,000	1,580,000	11.7%	1.09%	0.10%
600000-1200000	1,150	9,430	122,000	1,560,000	12.2%	0.95%	0.07%

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

1200000-2400000	327	2,460	40,200	558,000	13.3%	0.81%	0.06%
2400000+	50	283	7,390	112,000	17.6%	0.67%	0.04%
<b>Total</b>	<b>29,400</b>	<b>248,000</b>	<b>2,010,000</b>	<b>17,600,000</b>	<b>11.9%</b>	<b>1.46%</b>	<b>0.17%</b>

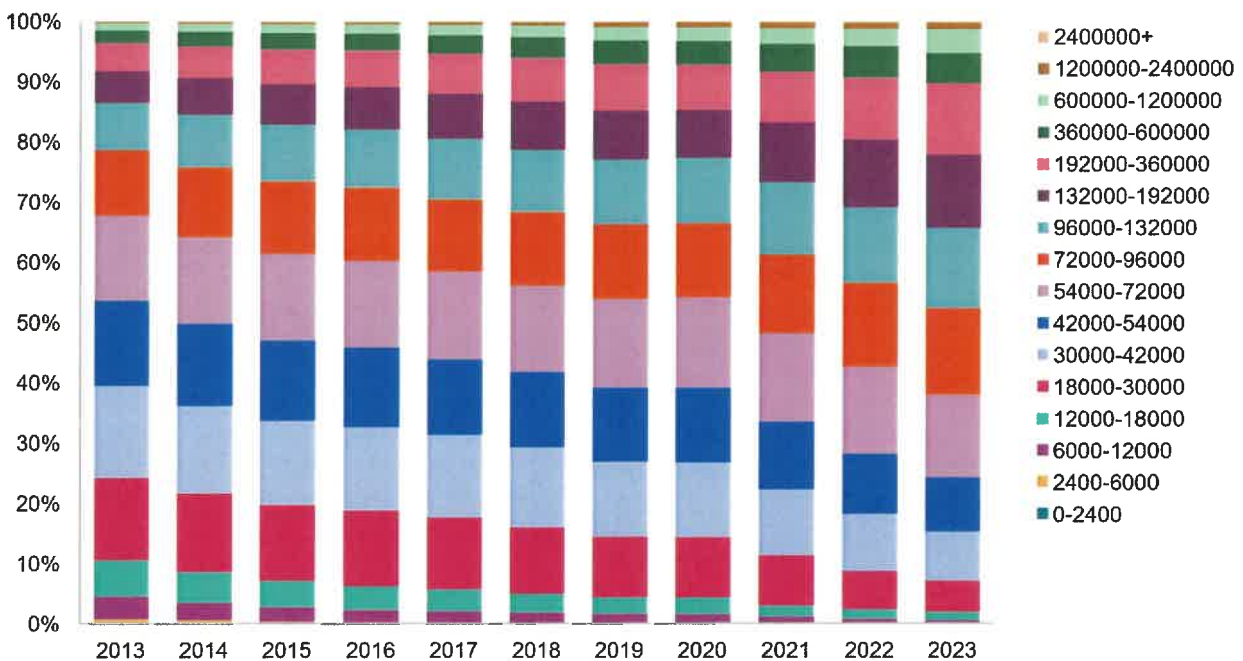
Source: South Africa Regional eXplorer v2471.

Data compiled on 7 Apr 2024.

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It was estimated that in 2023 7.07% of all the households in the Amahlathi Local Municipality, were living on R30,000 or less per annum. In comparison with 2013's 24.23%, the number is more than half. The 72000-96000 income category has the highest number of households with a total number of 4 260, followed by the 54000-72000 income category with 4 020 households. Only 1.7 households fall within the 0-2400 income category.

**Households by income bracket - Amahlathi Local Municipality, 2013-2023 [Percentage]**



Source: South Africa Regional eXplorer v2471.

Data compiled on 7 Apr 2024.

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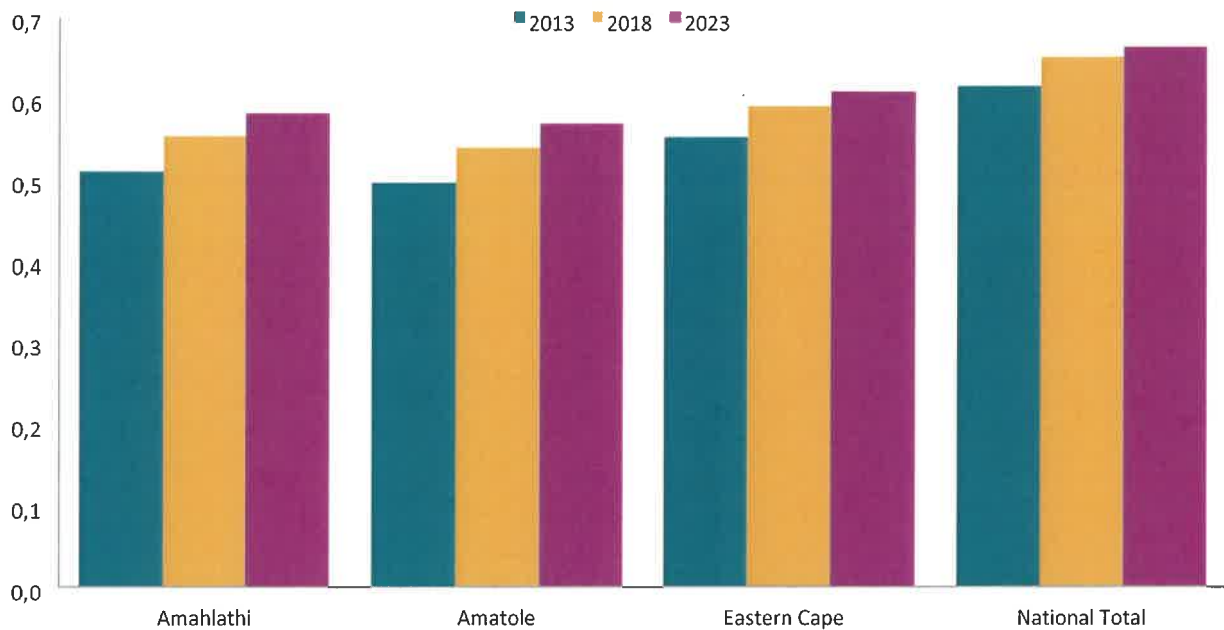
**D. DEVELOPMENT**

**A. Human Development Indicator (HDI)**

The human development index (HDI) is a composite relative index used to compare human development across population groups or regions.

HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

**Human development index (HDI) - Amahlathi, Amatole, Eastern Cape and National Total, 2013, 2018, 2023 [Number]**



Source: South Africa Regional eXplorer v2471.

Data compiled on 7 Apr 2024.

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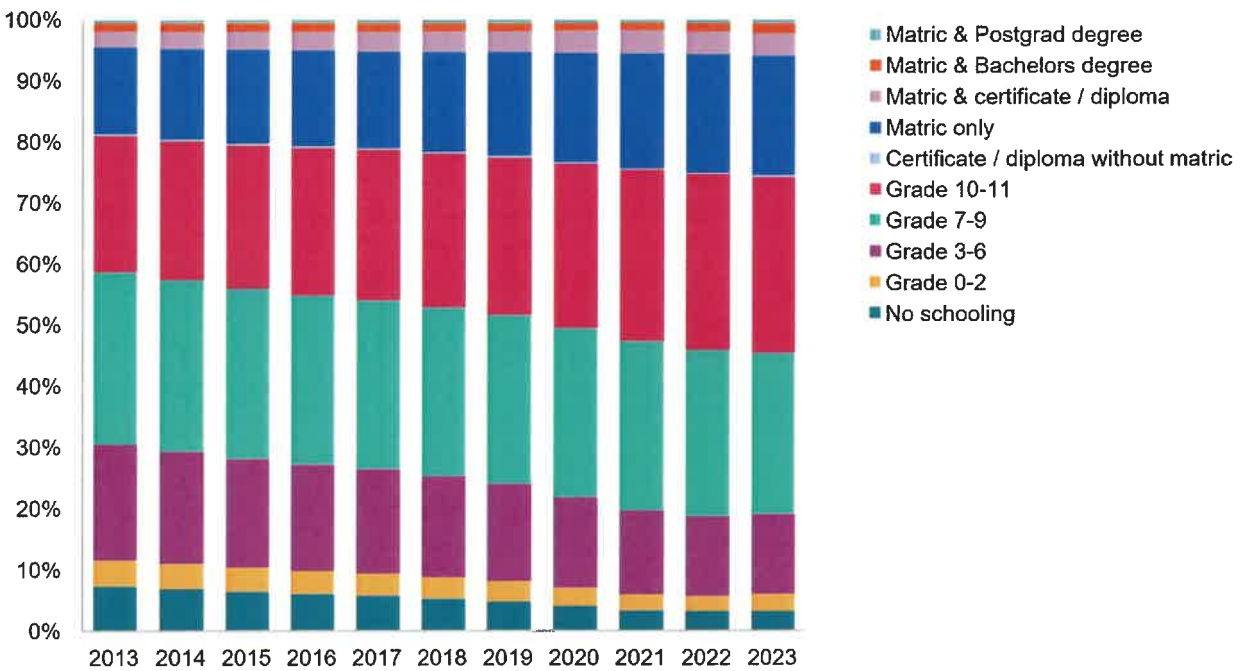
In 2023 Amahlathi Local Municipality had an HDI of 0.582 compared to the Amatole with a HDI of 0.569, 0.608 of Eastern Cape and 0.662 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2023 when compared to Amahlathi Local Municipality which translates to worse human development for Amahlathi Local Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 0.75% and this increase is lower than that of Amahlathi Local Municipality (1.32%).

**E. EDUCATION LEVELS**

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required.

The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. S&P Global uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

**Highest level of education: age 15+ - Amahlathi Local Municipality, 2013-2023 [Percentage]**



Source: South Africa Regional eXplorer v2471.

Data compiled on 7 Apr 2024.

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Within Amahlathi Local Municipality, the number of people without any schooling decreased from 2013 to 2023 with an average annual rate of -7.29%, while the number of people within the 'matric only' category, increased from 8,380 to 12,400. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of

4.01%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 2.73%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

## 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
<b>Main source of drinking water</b>				
Access to piped water	26 269	92.0%	30 561	91%
No access to piped water	2 278	8%	3060	9%
<b>Access to Sanitation</b>				
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%
<b>Energy for lightning</b>				
Electricity	24 919	87.4%	31 878	94,80%
Other	3 590	12.6%	1 781	5.2%
<b>Energy for Cooking</b>				
Electricity	20 577	72.3%	23 323	69.4%
Other	7 880	27.7%	10298	30.50%
<b>Access to refuse removal</b>				
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%

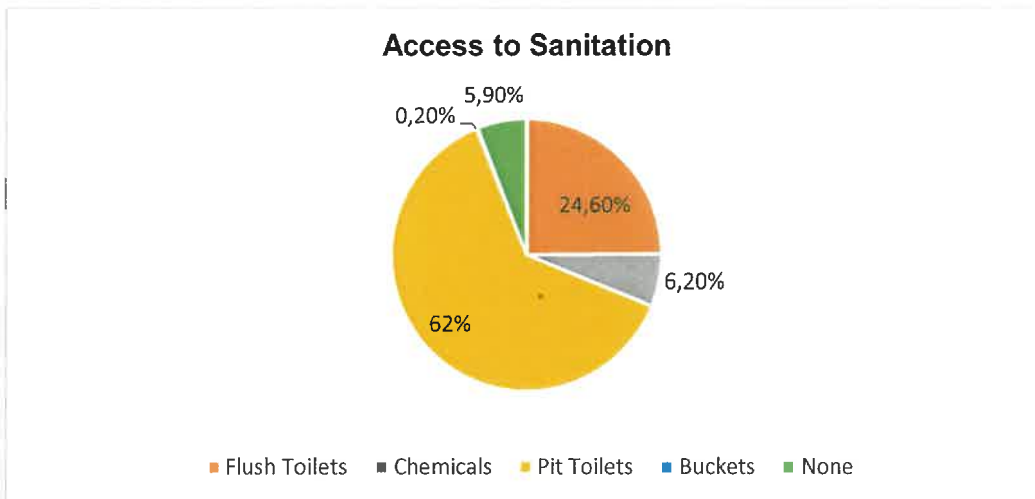
Source: Stats SA Community Survey 2016, own calculations

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 2022 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	7

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 Masinedane 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.

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200200367	Lower Emnyameni PS	Sanitation	Donation by Assupol	Practical Completion achieved.
200200871	Ulana SSS	Sanitation	TMT	Practical Completion achieved
200200001	A M S Sityana SSS	Sanitation	TMT	Works Completion achieved
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

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

### SUMMARY OF INFRASTRUCTURE NEEDS

PROGRAM	AMAHLATHI 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.

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

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.	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.	3 Practitioners with NQF Level 5 3 Practitioners with National Diploma in ECD
5 Not Registered Centres		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.	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.	

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

**Primary and Secondary schools**

The Schools Rationalisation Programme is still underway within Amahlathi Municipality.

**(d) PUBLIC PARKS AND SPORTS FACILITIES**

The Municipality has public parks in Cathcart and Stutterheim towns although these need to be upgraded and maintained. Sports facilities in all clusters and maintained by the municipality through grass cutting. A state-of-the-art sport facility has been constructed and practically completed at Mlungisi township.

**(e) LIBRARIES**

To promote culture of reading and effective use of library resources the municipality has 05 libraries of which 01 (Mgwali library) is not operating due to security issues which are being attended to. Library slims system is active at Stutterheim, Cathcart and Katikati libraries. Library activities are guided by DSRAC calendar of events.

**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:

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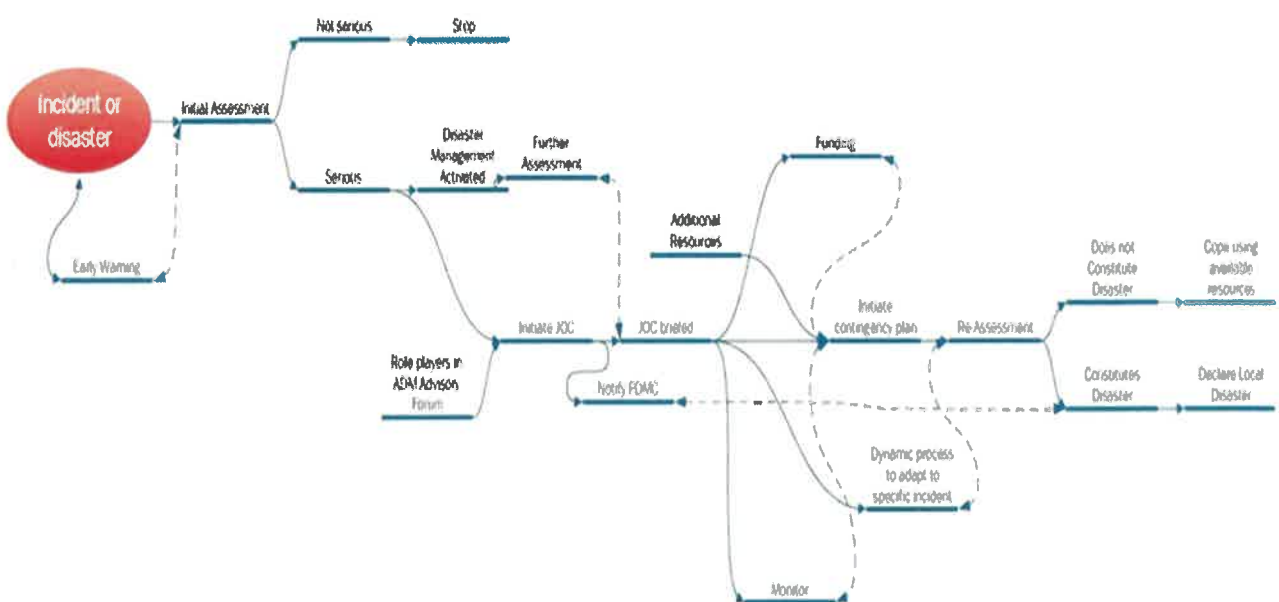
- The Constitution of the Republic of South Africa, Act No. 108 of 1996.
- The Disaster Management Act, No. 57 of 2002.
- Local Government: Municipal Systems Act, No. 32 of 2000.
- National Disaster Management Framework, Government Notice 654 of 2005.

The Municipal Manager through the Director Community Services activates the contingency plan and emergency procedures of the local municipality and convenes the establishment of the Joint Operations Centre (JOC). The JOC is established and operates in accordance with the Standard Operating Procedures contained in the All-Hazards Contingency Plan.

The amended Disaster Management Act, Act 16 of 2015 requires LMs to draft their own Disaster Management plans, of which the Municipality has been part of the development of the ADM Disaster Management Plan although it is in the process of developing the Level 1 Disaster Management Plan through the support of the district. Budget for disaster risk assessments and awareness campaigns is built into other municipal operations as resources already existing are utilized. The annual risk assessment process takes into cognizance issues relating to disaster management as the area is prone strong winds, heavy rains and floods. Draft disaster management by – laws are being developed with other municipal by laws to be published and gazette.

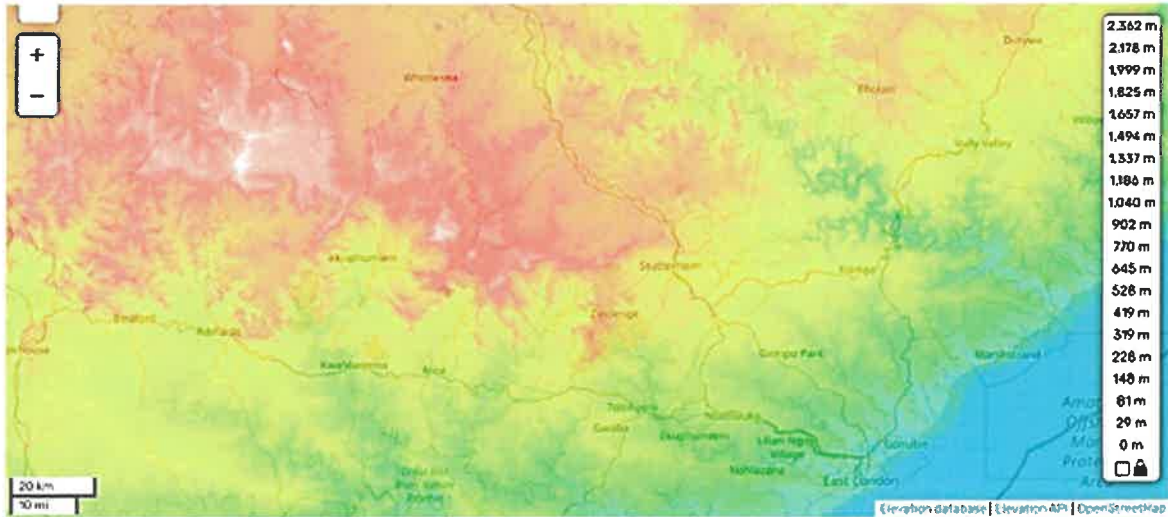
On receipt of an Alert and on the instruction of the JOC Coordinator, the municipality proceeds directly to the Local Joint Operations Centre and executes responsibilities for the coordination of municipal business continuity operations.

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



*Process Flow*

The municipality is vulnerable to various environmental issues, including increasing temperatures, changes in rainfall patterns, and potential for more frequent and intense storms and flooding. These vulnerabilities can negatively impact water and food security, as well as agricultural production.



Amahlathi Local Municipality topographic map

**Key Environmental Vulnerabilities**

The municipality is experiencing higher annual average temperatures, which negatively impact water and food security. Evaporation rates also increase, potentially reducing agricultural outputs. There is increased rainfall variability, making it difficult to predict future rainfall patterns. The area has more frequent and intense storms and flooding events, which lead to infrastructure damage and displacement. The municipality is already experiencing droughts and land degradation, which can further exacerbate environmental vulnerabilities and there is increased water scarcity due to temperature increases and rainfall decreases, which is particularly detrimental to agricultural producers. Reduced vegetation cover affects groundwater recharge due to increased evaporation and land surface temperature changes.

**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

<b>Hazard Category</b>	<b>Amahlathi</b>
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**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

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
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

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

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**

Amahlathi Local Municipality has established a Disaster Management Advisory Forum as prescribed by Section 51 of the Act. Meetings are convened quarterly and when required. The members of the forum consist of representatives from Sector Departments, ward councillors, traditional leader's representatives from the umbrella organisations for women, children, the elderly, people with disabilities, as well as experts in disaster management. Weather alerts on inclement weather conditions received from South African Weather Services (SAWS) are communicated with JOC, Ward Councillors through WhatsApp and Facebook page to disseminate with ward committees to Communities.

Amahlathi LM was severely affected by heavy rains in December 2021 and January 2022, leading to the Municipality declaring a local state of disaster. From February 2023 annually the Municipality has been affected by severe weather conditions 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 through JOC meetings 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. ADM Disaster management Centre facilitated for the provision of Humanitarian aid from Hope Africa and Gift of the Givers. The municipality has over the last past three financial years benefited from the Municipal Disaster Response Grant and the Disaster Recovery Grant.

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, trainings, and the distribution of information materials. Local communities, ward committee members, and traditional leaders are actively involved in disaster preparedness and response planning. Capacity building sessions for ward committees are conducted through assistance from the District Disaster

Management Centre and Sector Departments on data collection and role clarification. The District Disaster Risk Management plan has been developed by SRK Consulting, the plan being inclusive of Amahlathi LM. The Municipality has an All-Hazard Contingency Plan that sets out the corporate arrangements and emergency procedures for responding to local disasters that occur in the Council's area of jurisdiction.

### **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 an Integrated Community Safety Plan developed with the support from Amathole District Municipality and Department of Community Safety tabled at the Disaster and Community Services Forum for endorsement, prior being adopted by Council. Community Safety Forums are held on a quarterly basis to prepare a plan of action to be implemented and monitored 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. 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. Community Safety Department held an Imbizo at Mgwali community hall in May 2026.

### **3.1.4 TRAFFIC & LAW ENFORCEMENT**

There is a functional traffic department at Amahlathi Local Municipality with 20 staff members, 11 traffic officers 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. Festive Season statistics 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 is 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. Due to public participation process challenges the levy was stopped in the 25/ 26 financial year after a High Court ruling. There is a full-time fire service operating under a Platoon Commander and 04 fire fighters augmented by fire volunteers during fire season. Subsequent to Council approval in October 2025, the municipality has a signed an Agreements with the Eastern Cape Umbrella Fire Protection Association (**ECUFPA**).

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.

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 programs are also noted in the Integrated waste management plan.

The recently developed ADM Disaster Management Plan - Level 2 has according to a risk assessment done in the municipal area, identified veld/forest fires, disasters caused by weather conditions and climate as predominant hazards.

### 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](http://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.

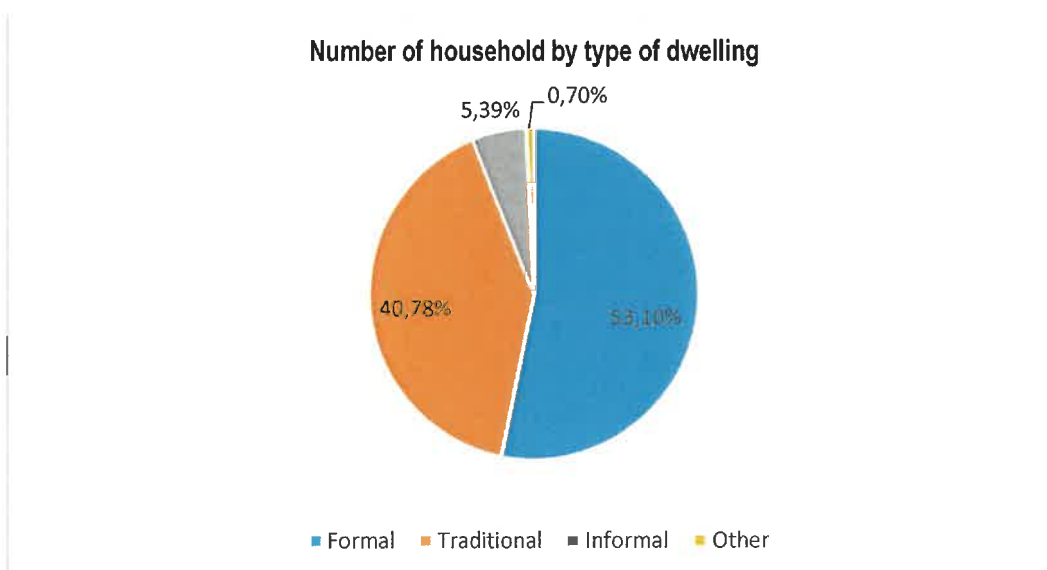
As redress to this challenge, the South African government developed the Restitution of Land Rights Act 22 of 1994 and the Policy on Land Redistribution for agricultural development (2000). The aforementioned legislation saw the establishment of the Land Claims court and commission.

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%

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	1.Mlungisi 169 2. Ndakana 1300	1. Mthonjeni 80 2. Goshen 100	1.Mbaxa 2.Nothenga 3.Gubevu 4.Ethembeni	Xholora 700

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

7. Gasela 75 8. Katikati 300 9. Squashville 153			5.Ndlovini(PHASE 2) 6.Mgwali 7.Border post	
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*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
Bhongolethu/lzidenge	713	Municipal	Interim Services	N/A	R213 651 876
Upper Izele	544	Municipal	Interim Services	N/A	163010688

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

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.	- Pursue land acquisition and land release processes. - Provide interim services	None

	- Settlements are located on public land		
--	--	--	--

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-Lay 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/>.

### 3.1.10 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.

South Africa regulates alien invasive species under the National Environmental Management Biodiversity Act, Act 10 of 2004 and the Alien and invasive species regulations, which require landowners and municipalities to manage, and control listed invasive species.

### **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. DFFE has appointed two environmental officers to work in the municipality to assist with the development of Environmental Management plans. The climate change response strategy has been developed by Amathole DM through DFFE, Amahlathi LM as a beneficiary to the plan has fully participated in the process. 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 and vegetation clearing. More needs to be done in relation to fossil fuels and electricity to mention a few. The Municipality has a relationship with ADM, Environmental Management Unit and DFFE.

### **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.

Biodiversity offers an immense opportunity to support the municipality's development path by providing many free goods and services which contribute to municipal service delivery, water and food security, and quality of life. Wetland ecosystems have many benefits to society, such as purifying water, controlling erosion and providing habitat for wetland dependent species. Wetlands however remain South Africa's most threatened ecosystems and continue to be poorly managed and destroyed. This is largely due to their benefits being poorly understood, resulting in an urgent need to increase awareness of wetland importance and to incorporate natural wetland resource considerations into municipal governance mechanisms and planning. The number of type of wetlands across Amathole District Municipality varies because of the climate, topography and vegetation types across the landscape. The highest concentration and largest wetlands are found in the wet Amathole and Tsomo Grassland areas of Amahlathi and Raymond Mhlaba Local Municipalities and include important valley-bottom wetlands and wetland seeps. A smaller concentration of depression wetlands and wetland flats can be found within the thicket areas. Most of the wetland ecosystems have been severely or moderately modified from their natural condition.

Invasive alien plants pose a significant challenge to environmental sustainability within Amahlathi. They invade natural ecosystem, river systems, agricultural land, and urban open spaces, displacing native plants, decreasing water availability and raising the risk of wildfires. These alien invasive species are animals, plant and micro-organisms that are introduced outside their natural distribution range and that

threaten the ecosystems, habitats, biodiversity and human livelihoods. Due to the lack of natural predators in their new habitat, these species frequently spread quickly.

Invasive species have been identified by the Municipality and therefore Amahlathi Local Municipality is required to develop and implement control plan for invasive species listed under section 70 of NEM:BA 10 of 2004 and the Alien and Invasive Species.

The Municipality should prioritize environmental sustainability through targeted wetland rehabilitation, climate change adaptation, agriculture and forestry management to ensure clean, healthy, and resilient environments.

## **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 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 Municipality 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.

The plan lists projects which will be implemented under the Municipality's Municipal Infrastructure Grant (MIG) programme. The lists include roads projects that covers planning from the 2026/2027 financial year until the 2028/2029 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 2026/27 financial year budget that will be approved by Council.

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 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. During the 2026/27 financial year the unit completed disaster grant funded projects. 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 Sutterheim 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 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 Premiere.

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 tempering 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 municipality receives INEP Grant to cater for electricity upgrades intended by the municipality.

## 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 Policy

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 2026/2027 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 R5m (2025/26) 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 R7m (2026/27) and R3m (2025/26) 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. Financial Improvement Plan**

The municipality is implementing a Financial Improvement Plan (FIP) 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. This document is a product of a Council decision to merge (or combine) Revenue Enhancement Strategy and the Financial Recovery Plan (which was voluntary) into one document as they had a lot of similarities between them. The FIP is looking at ensuring that resources are focused and directed and ensuring maximised revenue collection whilst at the same time the municipality is cutting on the unnecessary expenditure incurred. This is seen to be crucial in ensuring that the municipality finds itself in a position where it adopts a funded budget and being able to deliver quality service delivery in a sustainable manner

### **3.2.3 Annual Financial Statements and GRAP Asset Register**

The 2024/25 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 2024/25 financial year. The reports are prepared monthly and quarterly, submitted to the transferring officers in line with Dora requirements and conditions.

<b>Grant</b>	<b>Percentage</b>
Municipal Infrastructure Grant	100%
Finance Management Grant	100%
Expanded Public Works Grant	100%
Disaster Management Grant	100%
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 has been implemented since July 2025. There has also been two supplementary valuations that have been implemented by the municipality in its July 2025 general valuation. The valuation process was done in line with the provisions of the Municipal Property Rates Act and a valuer has been designated. valuation roll was published to allow for objections as required by MPRA. The valuer has been appointed for a period of 5 years and he will assist the municipality in maintaining the general valuation through supplementary valuations to give effect to the changes that occur in properties.

The Rates By-Law has been promulgated in line with MPRA (Provincial Gazette No 4076). The budget for the supplementary valuation is R50 000. The resolution for levying rates was promulgated as well in line with the MPRA (Provincial Gazette No 5454).

### **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 SCM 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. 2026/2027 budget was also be prepared using the latest version 7.1 of A schedule as guided by treasury.

### 3.3 KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

#### 3.3.1 PROCESS FOLLOWED

On 29/08/2025 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 2025 to its completion June 2026.

#### 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 2025/26 for priority needs identification, 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 2025/26 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 were conducted during the month of April 2026 to all clusters for the presentation of the draft IDP and Budget to solicit inputs from the community. The inputs were therefore incorporated to the IDP and discussed in Council and the Rep forum earmarked for the 4<sup>th</sup> 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 2026.

### 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.

<b>NUMBER</b>	<b>EMPLOYER COMPONENT</b>	<b>NUMBER</b>	<b>LABOUR COMPONENT</b>
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.	Senior HR Officer	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 R1000.00 across all municipalities. Each municipality depending on its affordability may increase the stipend. The council of Amahlathi Local Municipality added R350.00 and another R75.00 in 2024/25, thus increasing the stipend to R1 425.00

## 2026/27 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.)

During 2025/26 financial year the all-ward committees were capacitated on their roles and responsibilities to strengthen community participation and governance at ward level. The workshop was divided into two sessions:

SESSION	DATE	VENUE	CLUSTER
Session 1	09 September 2025	Stutterheim	Stutterheim,Cathcart and King kei
Session 2	10 September 2025	Keiskamahoeok	Keiskammahoeok

Cluster	No Of Wards	Wards Established	No Of WC members
Keiskammahoeok	5	5	50
Cathcart	2	2	20
Stutterheim	5	5	49
King Kei	3	3	28
<b>Total</b>	<b>15</b>	<b>15</b>	<b>147</b>

### 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 Mach 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.

The municipality managed to develop ten ward-based plan drafts during second quarter period (October 2025 to December 2025).Initially, they identified five wards (4,5,7,8 and 12) from Cathcart and King Kei Cluster. Five additional wards-based plan draft are developed (ward 1,2,3,10 and 11) from Keiskammahoeok Cluster. The draft submissions by ward councillors and ward committees were scheduled as follows:-

Cathcart cluster -28 October 2025-Cathcart Library

King Kei cluster-31 October 2025 –Border post Community hall

Keiskammahoeok-20 November 2025-Springbok Community hall

### **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 councilors 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, eight wards (ward 1, 3,5, 7,8,9,14 and 15) out of fifteen are operating without CDWs. There are seven CDWs in our municipality.

### **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 Masiphathisane (War Room)**

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

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 3 members listed hereunder and meet 4 times per annum as per its approved terms of reference.

NUMBER	SURNAME AND INITIAL
1.	Mr Chumani- <b>Chairperson</b>
2.	Ms Nosipho Ngewu
3.	Ms. Nosipho Mabuza Hermanus

The Municipality has a functional Performance Audit Committee with 3 members.

**AUDIT COMMITTEE CHARTER**

The Audit and Performance Committee has a 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 and 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 2026.

The quarterly audit and performance 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**

#### **Overview**

The Information and Communication Technology (ICT) Unit plays a strategic role in supporting the Amahlathi Local Municipality (ALM) to achieve its business goals by aligning technology systems with departmental objectives and those of the community through the Digitalisation Strategy. The unit is responsible for managing ICT infrastructure, ensuring system stability, strengthening governance, and enabling digital transformation across the locality. Continuous performance monitoring is undertaken to maintain the reliability and integrity of business systems.

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#### **Strategic Alignment and Governance**

ALM continues to embed ICT governance as an integral part of its broader corporate governance system.

#### **Key Governance Milestones**

- The ICT Governance Framework, originally approved in September 2015, is reviewed annually to ensure continued alignment with legislative and operational requirements.
- The ICT Master Plan, developed in partnership with Amathole District Municipality and Ceenex, provides long-term strategic direction for ICT planning and governance. Implementation is ongoing; however, budget limitations continue to delay full execution.
- The Digital Transformation Strategy has been approved and adopted by Council, strengthening ALM's shift toward modernized and digital service delivery in the locality.
- The ICT Strategy is currently under review to incorporate changes achieved over recent years and to realign with updated technologies and business needs.
- The ICT Steering Committee convenes on a quarterly basis. An independent Chairperson has been appointed to ensure impartial oversight and compliance with corporate governance principles.

#### **Policy Framework**

The municipality maintains a comprehensive suite of ICT policies, reviewed annually and approved by the Municipal Council. These include:

- ICT Acceptable Use Policy
- ICT Governance Framework
- ICT Governance Charter Policy
- ICT Change Management Policy
- Backup Procedure Manual

- ICT Disaster Recovery Plan
  - Information and Systems Security Policy
  - Communication Technology Management Policy
  - Software Installation Policy
  - Password Policy
- 

### ICT Human Resources

The ICT Unit consists of:

- Two permanent ICT staff members
- Two ICT interns, appointed in **September 2024** and **May 2025**, respectively.

The unit is greatly short staffed whilst being solely responsible for managing ICT resources, providing user support, maintaining infrastructure, and administering networks and systems across all municipal departments and Community connectivity challenges.

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### Infrastructure and Operations

- All municipal buildings are connected to the Amahlathi LM network, with full access to the Internet, VoIP, and soft phone capabilities.
  - An ISP has been appointed to enhance internet connectivity, resulting in improved service levels and the introduction of Wi-Fi network installations.
  - Wi-Fi hotspots have been rolled out across all ALM buildings, except for Keiskammahoek, which remains pending until the completion of the newly built recreational center and fire station buildings.
  - ICT services extend across all operational sites, including Stutterheim, Keiskammahoek, Kei Road, and Cathcart.
- 

### Data Management, Security, and Business Continuity

- ALM has an approved Disaster Recovery Plan.
- Cibecs backup software is deployed to back up and restore data, including for third-party service providers responsible for hosting municipal servers. Optimal LAN performance is required for effective backup operations.
- ALM has migrated email and productivity tools to Microsoft 365 (M365), improving collaboration, security, and business continuity.
- Municipal servers are hosted at a secure data centre in East London, ensuring system stability and reduced downtime.

- A dedicated enterprise-grade firewall enhances ALM's cybersecurity posture by protecting the network from external threats.

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### Power Backup and Continuity of Operations

- UPS systems have been installed at the newly built **Mzwandile Fanti Recreational Centre** for the 2025/26 financial year.
- A phased rollout is planned to replace outdated and faulty UPS units across all municipal buildings to ensure uninterrupted network service during load-shedding and power outages.

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### Key Strengths

- Strong ICT Governance supported by a robust policy and regulatory framework.
- Adoption of cloud-based tools (Microsoft 365) that improve productivity and collaboration.
- Comprehensive Disaster Recovery and Backup Strategy, including offsite hosting and reliable backup systems.
- Improved Connectivity Infrastructure, strengthened by enhanced ISP services and expanded Wi-Fi coverage.
- Enhanced Cybersecurity through deployment of an enterprise-grade firewall.
- Regular Policy Reviews and Dedicated Support, ensuring ICT relevance, compliance, and operational effectiveness.

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### Key Challenges

- Budget constraints limit full implementation of the ICT Master Plan.
- Limited ICT staffing, affecting scalability and response times.
- Connectivity gaps in outlying or rural sites such as Keiskammahoek.
- Dependence on LAN performance for effective data backup.
- Aging power and server infrastructure requiring modernization.

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### Recommendations

- Prioritize the migration of remaining physical servers to cloud-hosted environments to improve resilience and reduce maintenance costs.
- Allocate a dedicated budget for the full review and implementation of the ICT Master Plan.
- Complete Wi-Fi rollout across all municipal buildings, including outstanding satellite sites.
- Expand ICT staff capacity or outsource specialized technical services to improve support coverage.

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

- Implement continuous monitoring of LAN performance to ensure the reliability of Cibecs backup operations.
- Fast-track UPS replacements in critical municipal facilities to maintain service continuity during power disruptions.

### 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	RATINGS 2025/26
Spatial Development Framework	High	Medium	Medium	Medium	High
Service Delivery	High	Medium	Medium	Basic	Medium
Financial Viability	High	High	High	High	High
Local Economic Development	High	High	High	High	High
Good Governance & Public Participation	High	High	High	Medium	High
Institutional Arrangements	High	High	High	High	High
Overall Rating	High	High	High	Medium	High

### 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.

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

ACTION PLAN FOR 2025/26 IDP ASSESSMENT

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
<b>KPI 1 SPATIAL PLANNING</b>					
<b>1.5 Environmental management</b>					
<b>1.5.2 Climate Change</b>					
a) Does the municipality have a climate change response strategy or activities that respond to climate change?	No climate change strategy. DFFE has appointed two environmental graduates this financial year to work in the municipality.	Develop a climate change response strategy through assistance from ADM and DFFE	Workshops towards development of climate change strategy are attended and organised by ADM and DFFE.  Activities towards climate are however being done by the LM	June 2026	Director of Community Services
<b>1.5.3 Natural environment analysis</b>					

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
n) Is there a summarized of the natural environment including assets and threats?	Information provided is very scanty, and therefore the environmental departments will help beef it up.	Develop a climate change response strategy through assistance from ADM and DFFE	Workshops towards development of climate change strategy are attended and organised by ADM and DFFE.  Activities towards climate are however being done by the LM	June 2026	Director of Community Services
q) Is there a functional environmental unit/ environmental official in place to implement environmental plans and programmes?	No functional unit. Reflected in the organogram but no warm bodies. A dedicated person needs to be appointed.	Amended on 2026/27 draft situation analysis	Amended on 2026/27 draft situation analysis	June 2026	Director of Community Services
s) Are there any enforced environmental by-laws in place?	Analyses not mentioned in the IDP.	Request assistance from DEFF on placement of Youth Graduate programme	Two Youth graduates have been received from DFFE doing Environmental Management functions from August 2025 – August 2027.		Director of Community Services

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
<p>u) Is there evidence indicating an attempt to develop environment planning tools such as State of the Environment Report (SOER), Environmental Management Frameworks (EMFs) Coastal Management Plans, aquatic ecosystem, ecological infrastructure, wetlands bioregional plans and associated Environmental Management Plans (EMPs)?</p>	<p>Not reflected in the IDP</p>	<p>Through assistance of the youth graduates, EMP are in the process of being developed i.e Air Quality Management Plan Wetland Rehabilitation Plan</p>		<p>2026-2027</p>	<p>Director of Community Services</p>
<p>b) Has the Disaster Management Plan of the municipality been coherently integrated into the IDP?</p>	<p>Amended Disaster Management Act 16 of 2015 requires LMs to draft their own Disaster Management plans.</p>	<p>Develop a Disaster Management plan through assistance from ADM.</p>	<p>In progress with extracts from the recently developed Disaster Management plan by ADM</p>	<p>June 2026</p>	<p>Director Community Services</p>

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
k) Does the municipality have disaster early warning systems, procedures or plans?	The municipality must reflect on Early Warning Systems the IDP document.	To be reflected in the 2026 /2027 IDP	Reflected in the updated Situational analysis extract		Director Community Services
<b>2. SERVICE DELIVERY AND INFRASTRUCTURE PLANNING</b>					
o) Has the local municipality developed capacity to implement its DMPs?	The Municipality must develop capacity to draft a Level 1 Disaster Management Plan.	Develop a Disaster Management plan through assistance from ADM.	In progress with extracts from the recently developed Disaster Management plan by ADM	June 2026	Director Community Services
p) Has the municipality budgeted for ongoing disaster risk assessments?	The municipality must reflect a budget that is adequate to for disaster risk assessments.	Built into the municipal operational budget			Director Community Services

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
q) Has the municipality budgeted for the implementation of disaster public awareness and advocacy campaigns?	The municipality must prioritize budget disaster public awareness and advocacy campaigns.	Built into the municipal operational budget			Director Community Services
g) Does the municipality have electricity by-laws?	The municipality does not have the Electricity By-laws in place.	The Municipality has requested assistance from National Treasury under the RT29 smart meter grant to assist in developing bylaws.	Awaiting feedback from National Treasury regarding the development of bylaws.	30 June 2028	Director of Service Delivery and Infrastructure planning
h) Does the municipality have a major electricity disruption contingency plan?	The municipality is currently drafting the Electricity master plan in 2025/2026 FY. So, the electricity disruption contingency plan is included and will be developed.	The major electricity disruption contingency plan will be included in the Master Plan being developed by DBSA for the Municipality	A draft existing situational assessment has been presented	30 June 2026	Director of Service Delivery and Infrastructure planning
<b>3. FINANCIAL PLANNING AND BUDGETS</b>					

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
<p>1. Expenditure</p> <p>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?</p>	<p>The maintenance plan remains under 8% due to financial constraints.</p>	<p>2024/25 FY Audited Property, Plant and Equipment amount to R451 million. 8% amount to R36 million. The municipality currently has an unfunded budget and is not able to fund it. If you look at the expenditure line items per the 2024/25 FY Audited AFS, only Bulk Purchases and Employee related costs were more than R36 million, further indicating the significant deficit that the municipality will have to be able to fund in order to meet the 8%</p>	<p>The municipality has an unfunded budget. The municipality has however budgeted for a budget surplus for the second consecutive year. Cutting cost is therefore the priority in order to achieve a funded budget. The Asset Management division has drafted a Asset Management Recommendation document for approval by Management which will assist with the Asset Management and repairs and maintenance considering the municipality's limited resources</p>		<p>CHIEF FINANCIAL OFFICER</p>

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
c) Did the municipality manage to spend 100% of their capital budget?	The municipality spent 91% of their budget.	None required. Due to the requirement of Treasury that the Capital Budget relating to the Grant funded must equal the total funding, resulting in the budget including VAT. The actual expenditure captured are captured excluding VAT. The difference relating to VAT per the reporting will therefore always create an underspending.	None required		CHIEF FINANCIAL OFFICER
h) Does the municipality service its creditors in terms of financial norms and standards	The municipality does not pay its creditors within 30 days due to cash flow challenges.				CHIEF FINANCIAL OFFICER
<b>4. LOCAL ECONOMIC DEVELOPMENT</b>					
g) Does the economic analysis capture income inequality in the municipal economy?	Personal income by race and Gini coefficient.	ECSECC to assist with the updated statistics.	Municipality to request statistics from ECSECC	February 2026	Director of Local Economic Development
h) Does the economic analysis capture poverty levels of the municipality?	Poverty levels will be provided when consulting the LM.	ECSECC to assist with the updated statistics.	Municipality to request statistics from ECSECC	February 2026	Director of Local Economic Development

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
n) Are the LED priorities in the IDP document aligned with the national, provincial and district objectives?	Provincial and District priorities need to be included in the matrix. The Provincial development pillars as well as district priorities must captured.	The recently adopted LED strategy is developed in line with the Provincial and District Priorities.	LED Strategy is being finetuned in line with the priorities and pillars	March 2026	Director of Local Economic Development
<b>5. GOOD GOVERNANCE &amp; PUBLIC PARTICIPATION</b>					
<b>5.2 Public Participation</b>					
Has the municipality developed ward based plans for all wards?	The municipality should develop ward-based plans	In October 2024, the Municipality conducted a comprehensive capacity-building training session for all Ward Committees and Ward Councillors. The training aimed to enhance the understanding and execution of WBP processes, improve coordination, and build technical capacity among key stakeholders. This intervention laid a solid foundation for more effective ward-level planning and participatory development. During the training, ward	About Five Ward Plans were completed developed during the 2024/2025 financial year and are updated annually. These are for the wards within the Sutterheim Cluster.  In the current Financial Year (2025/2026) the plan is to complete another five ward-based plans. These are for the wards in the	July 2025-June 2026	General Manager

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
		committees and ward councillors were provided with Templates to work on in developing their ward-based plans.	King Kei and Cathcart Cluster.  Building on this momentum, it is possible to see wards in the Keiskammahoek Cluster drafting their plans too even though formally these are planned for the 2026/27 financial year.		
<b>5.5 Council and other Governance Structures</b>					
b) Does the municipal have a resolution tracking mechanism that gives an indication on the status of the implementation of such resolution?	The municipality should reflect on the IDP the mechanisms of tracking resolutions.	The mechanisms of tracking resolutions will reflect on 2026/27 IDP	Amendments will be done in 2026/27 IDP	2026/27 financial year	Director of Corporate Services
<b>6.1 General Corporate Administration</b>					
Does the municipality indicate its political and administrative seat?	The municipality needs to reflect the council seat and administrative	Council seat and administration will reflect on the 2026/27 IDP	Amendments will be done in 2026/27 IDP	2026/27 financial year	Director of Corporate services

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
Where applicable, does the municipality have mechanisms for proper management of satellite offices?		Proper management of Satellite offices will reflect on the 2026/27 IDP	Amendments will be done in 2026/27 IDP	2026/27 financial year	Director of Corporate services
<b>6.2 Organizational Development</b>					
e) Does the municipality reflect on the critical and scarce skills that are a challenge to the municipality?	No reflection.	Critical and scarce skills will reflect on the 2026/27 IDP	Amendments will be done in 2026/27 IDP	2026/27 financial year	Director of 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**

The municipality has a communications strategy in place and was last reviewed in 2022. 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, SMMEs, Rate Payers and the Business Sector and to bridge the information gap between Amahlathi and its stakeholders through the established war rooms. The communication strategy will be reviewed again in 2027 in accordance with the new term of council and the new IDP.

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 accordingly. Municipal account-related customer care enquiries and complaints received through the Budget and Treasury Office are also attended to and systems are put in place to ensure that turnaround times are improved.

The Communication Strategy embodies a blueprint for how the municipality will convey messages and improve public engagement. The implementation of the strategy has been based on the following factors which are key again in the 2026/27 financial year:

- **Adequate budget** allocation to promote and market municipal programmes, projects, campaigns and community initiatives effectively across various communication platforms.
- **Provision of appropriate tools of trade** to enable communications officials to perform their duties efficiently and professionally.
- **Procurement of modern communication and multimedia equipment** to capture municipal activities and events to the best possible standard for public awareness, transparency and documentation purposes.
- **Reinforcement of staffing capacity** within the Communications Unit, as the unit currently operates with only two officers, resulting in operational constraints and increased workload pressures.
- Allocation for overtime compensation, as communications officials regularly support municipal activities conducted after hours, during weekends and on public holidays.
- **Provision of dedicated transport** for the Communications Unit to ensure timely attendance and coverage of municipal activities, including unplanned events that may not appear on the municipal events calendar or the Mayor's program.

### 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, GBVF 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.
- In 2025, GBVF was declared as a National Disaster inline with the National Council on Gender Based Violence and Femicide Act 9 of 2024.

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 review. 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,

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

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 2024/25 financial year and it will be reviewed by June for implementation in 2025/26.

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

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

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:

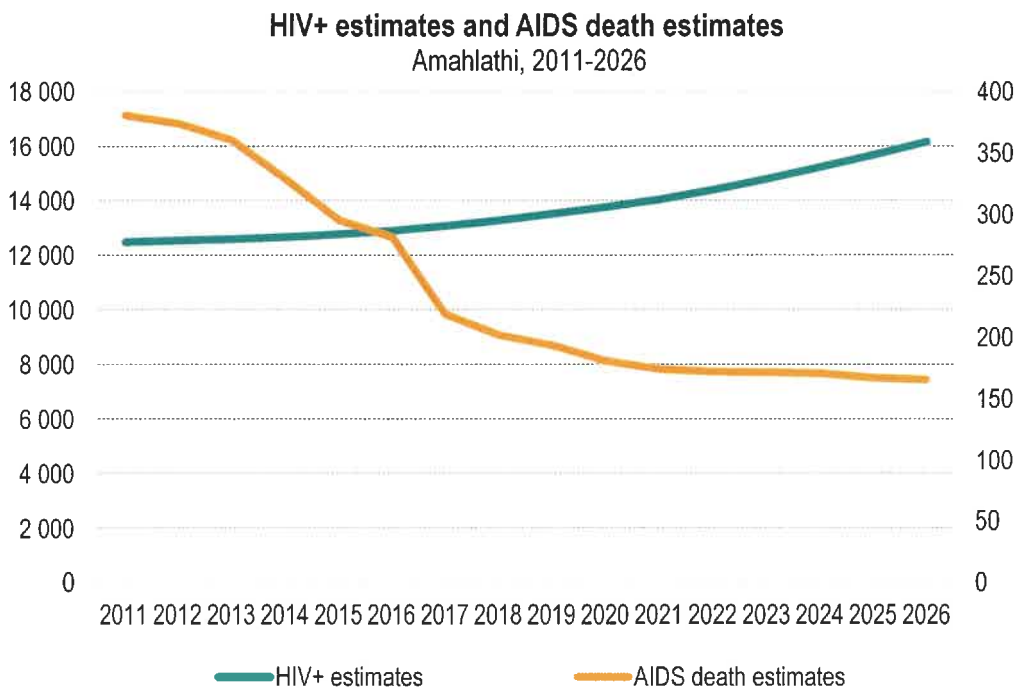
VALUE	MEANING
ACCOUNTABILITY	All councillors and employees, regardless of their position, take responsibility for their actions, decisions, and performance, contributing to a culture where everyone is held accountable for their work and expected to deliver results, fostering trust and high-performing 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%.



*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.

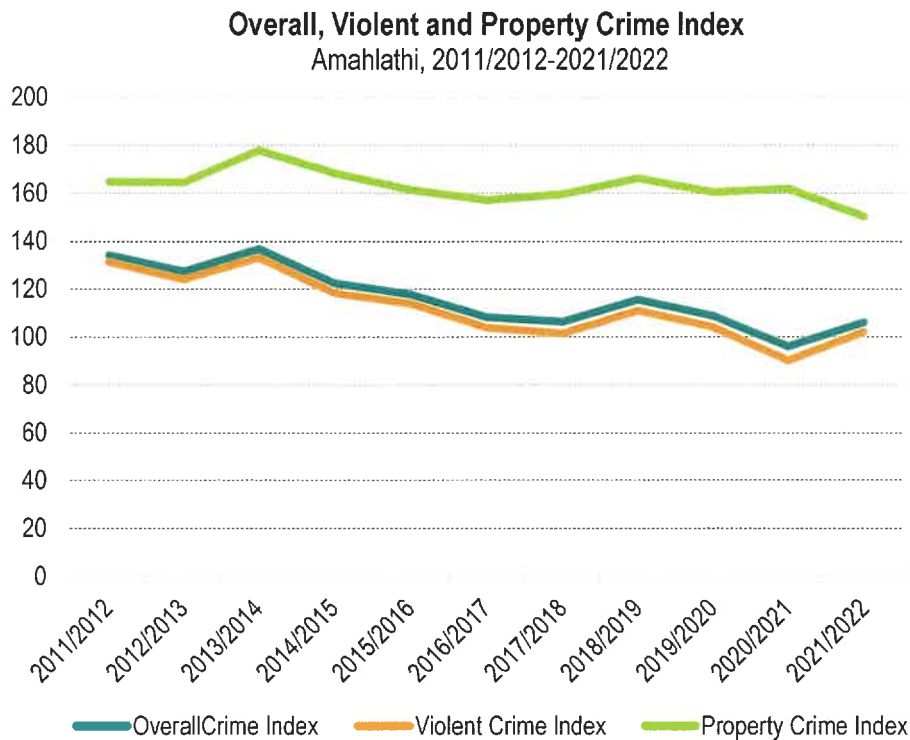
### **IHS COMPOSITE CRIME INDEX**

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

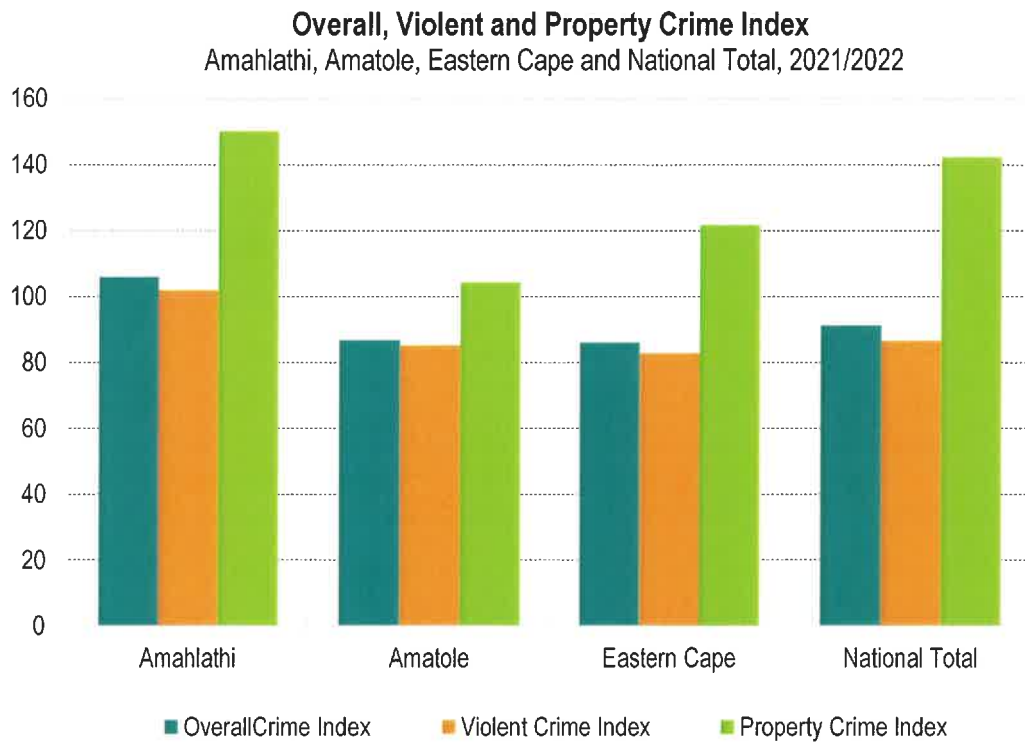
For the period 2011/2012 to 2021/2022 overall crime has decrease at an average annual rate of 2.32% within the Amahlathi Local Municipality. Violent crime decreased by 2.50% since 2011/2012, while property crimes decreased by 0.93% between the 2011/2012 and 2021/2022 financial years.

**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
<b>Average Annual growth</b>	
2011/2012-2021/2022	<b>-2.32%</b>

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%.



*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).

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

**3.3.9 AMAHLATHI MUNICIPALITY AUDIT ACTION PLAN 2025/26 FINANCIAL YEAR**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 001	Human Resources	1 Non-submission of information requested	1	It is recommended that management ensures that the information requested in the above mentioned RFIs is submitted on or before the due date of this communication of audit finding. Management should further ensure that proper record managements is implemented, and information requested for audit is submitted within the timeline agreed upon as contained on the engagement letter.	Inadequate quality checks for RFI submission	1. Update Audit Steering Committee to commence of Directors and not from Managers and Supervisory staff. 2. All RFIs should be reviewed by relevant Director.	30/06/2026	Budget and Treasury	Not Yet Started	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 002	AFS	1. Annual Financial Statements	0	Management should ensure that adequate reviews are performed prior to the submission of the annual financial statements to the auditors as required by the legislated date.	Preparer did not perform casting, cross casting and transfers on final set prior to submission	1. Include sufficient time in the AFS plan for review of AFS by Internal Audit;2. Conduct a full review on the final set of Annual Financial Statements, after final changes were made (casting, cross casting and transfers). The review will be done by the CFO, Budget and Treasury Managers and Internal Audit	28/08/2026	Budget and Treasury	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 003	Internal Audit	1. Audit Committee	0	Management should ensure that all requirements in line with the MFMA, MFMA Circulars, Global Internal Audit Standards, Public Sector Audit Committee Forum and the Municipal Planning and Performance Management Regulations are adhered and compliant with for the operational effectiveness of the Audit Committee.	<ol style="list-style-type: none"> <li>1. Difficult auditor</li> <li>2. Virtual presentations was previously not allowed by Council</li> <li>3. Selected sections of circular included in the audit charter.</li> </ol>	<p>1. Circular 127 will be submitted to the council for adoption. 2. The Internal Audit Plan will be presented to APC in a Special APC meeting scheduled for 24 June 20263. The next quality assurance will be performed within the next 5-year period or at the request of the APC, whichever occurs first. A plan for the external quality assessment before the actual quality assurance review. 4. Quality Assurance Report will be presented to the Audit and Performance Committee before 30 June 20265. Annual Report</p>	30/06/2026	Executive Services	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 003	Human Resources	2. Training Policy	1	The municipality should ensure that there is a Training Policy in place which directs the processes taken to improve and maintain core skills and competencies of the personnel within the municipality.	Inadequate policy review	<p>scheduled for tabling in a Special APC meeting to be held on 27 Jan 2026.6.</p> <p>Performance Report of the APC has been submitted at least twice to Council during 2025/26.</p> <p>Review the Training Policy, present during policy workshop and table to council</p>	30/06/2026	Corporate Services	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 004	Human Resources	Performance Management	1	Management should ensure that the Performance Management Policy in place is implemented to comply with the applicable legislation.	Performance management policy not implemented	1. Appoint a HR Manager 2. Cascade performance assessments to task grades 1 - 11	01/04/2026	Corporate Services	Not Yet Started	
COAF 005	SCM	SCM CAATs	1	Management should ensure that: <ul style="list-style-type: none"> <li>Timely follow ups on previously identified exceptions are done, and all municipal officials make honest declarations of interest and conduct more awareness programmes of what constitutes interest.</li> <li>The suppliers that form part of ongoing contracts and panels are required</li> </ul>	Annual declarations was not completed for all staff	1. Timely review if previous identified CAATs exceptions have been corrected 2. Communicate the importance of completing a declaration of interest form 3. Management to decide on an annual deadline date for all annual declaration of interest forms to be completed and submitted 4. SCM must include a	30/06/2026	Budget and Treasury	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 007	SCM	PPR Calculation	0	Management should ensure that there are adequate reviews of the allocation of the Preferential Procurement Points calculations, to avoid any potential risks of inaccurately awarding a supplier, which would lead to Irregular Expenditure.	Inadequate filling system. Bidders file did not remain intact and documentation proof of points claimed submitted by the Bidder got misplaced and filled incorrectly	1. Allocate sufficient space to the Supply Chain Management Unit to file all SCM related documents. 2. Review SCM documents prior to submission to AG	30/06/2026	Budget and Treasury	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 008	Human Resources	1. Allowances - Policy Non compliance	0	Ensure that allowance payments are made strictly in line with the municipality's approved allowance policy, employment contracts, and relevant legislative requirements.	Inadequate policy review	Review the Travel allowance Policy (update to include exclusion of Managers appointed prior to the establishment of the policy), present during policy workshop and table to council	30/06/2026	Corporate Services	Not Yet Started	
COAF 008	Expenditure	2. Difference between AFS and payroll reconciliation		The amount in the AFS should be adjusted to reflect the amount payroll reports each individual payroll line items affected	Monthly salary reconciliation was not completed	A final alignment reconciliation must be done at year end to ensure that the employee related costs disclosed agrees to the line items per payroll report	18-Jul-26	Budget and Treasury	Completed	
COAF 009	SCM	1. Contracts not monitored on a monthly basis	1	1. Update business process to indicate that contracts are monitored prior to payment and/or upon completion of the project. 2. End user to complete a performance	Inadequate contract management (done quarterly and not monthly)	Contract Management must include monthly contract monitoring report	31/03/2026	Budget and Treasury	Completed	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comments
COAF 009	SCM	2. Extensions and variations not done in line with SCM Regulations	0	Management should ensure that all variations or extensions to contracts are approved in accordance with the MFMA, SCM Regulations and the municipality's policy.	<ol style="list-style-type: none"> <li>Lack of understanding of relevant regulations</li> <li>Variations done in isolation by end user departments</li> </ol>	<ol style="list-style-type: none"> <li>Prepare checklist of contract variations and contract extensions.</li> <li>Completed checklist must accompany all variations or extensions</li> </ol>	31/03/2026	Budget and Treasury	Completed	
COAF 009	SCM	3. No penalties identified on underperformance of supplier	1	Management should penalise or terminate the service of service providers who do not perform in terms of the general conditions of the contract.	Inadequate performance reviews	Contract Management must include contract performance evaluation	31/03/2026	Budget and Treasury	Completed	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 009	SCM	4. Contracts with no contract end date	0	Management should ensure that the contracts entered into with the municipality have set limits in or order to avoid ongoing contracts.	Inadequate review of appointment letters	1. Appointment letters to be reviewed by SCM Manager and CFO to ensure inclusion of contract end date prior to submission for Accounting Officer's signature	31/03/2026	Budget and Treasury	Completed	
COAF 010	SCM	Non-submission of information requested	1	Management should ensure that the information requested in the above mentioned RFIs is submitted on or before the due date of this communication of audit finding. Management should further ensure that proper record managements is implemented, and information requested for audit is submitted within the timeline agreed upon as contained	Commitment register not updated/revised	Compile a commitments register on a quarterly basis. Ensuring that all supporting documents (appointment letters and payment vouchers) are appropriately filed.	30/06/2026	Budget and Treasury	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comments
COAF 011	SCM	Non-submission of information requested	1	<p>on the engagement letter.</p> <p>Management should ensure that the information requested in the above mentioned RFIs is submitted on or before the due date of this communication of audit finding. Management should further ensure that proper record managements is implemented, and information requested for audit is submitted within the timeline agreed upon as contained</p>	<p>1. All invoices/statements received in time.</p> <p>2. Completeness of Creditors reconciliations</p>	<p>1. Request procurement to stop (except for emergencies) to enable end users to receive all invoices and statements.</p> <p>2. Perform monthly reconciliations on all creditors</p>	30/06/2026	Budget and Treasury	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 012	AFS	Cashflow differences	1	<p>on the engagement letter.</p> <p>Management should make sure that calculations relating to receipts and payments is properly done taking into account all elements relating to cash flow items.</p> <p>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</p>	Difficult auditors	<p>1. Prepare cashflow working paper with analysis of variances with two methods used by AG during 2023/24 and 2024/25 audit (to test for materiality)</p> <p>2. Submission of workings with the Financial Statements to Internal Audit for review.</p>	22-Aug-26	Budget and Treasury	Completed	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comments
				required by the MFMA.						

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comments
COAF 013	SCM	1. Quotations not approved in line with SCM Regulations	0	Management should ensure that all Request for Quotations where less than 3 quotes were obtained, the reasons for not obtaining 3 quotes is documented and approved by the Chief Financial Officer.	Report prepared did not indicate that the municipality did not received 3 quotations for the relevant request for quotations (advertised for 7 days)	SCM Manager to document instances where less than 3 quotations was obtained for Requests For Quotations issued in report submitted to Accounting Officer	31/03/2026	Budget and Treasury	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comments
COAF 013	SCM	2. Contract payments in excess of the Contract Amount	0	Management should ensure that payments made in relation to contracts, do not exceed their contract amounts without appropriate approvals as per the SCM Regulations so as to avoid irregular expenditure being incurred.	Inadequate contract management	Contract Management must include monthly contract monitoring. Cost to date must form part of this monitoring	31/03/2026	Budget and Treasury	Completed	
COAF 013	SCM	3. Deviations	0	Management should ensure that deviations are approved only under the stipulated instances on SCM Regulation 36. Normal procurement processes should be followed for all instances where SCM Regulation 36 does not apply.	Lack of understanding of relevant regulations	1. Prepare checklist for deviations in line with Regulation 36. 2. Completed checklist must accompany all deviation requests	31/03/2026	Budget and Treasury	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF 014	SCM	1. Completeness of Contracts Register	0	Management should ensure that internal controls such as the review process of the contract register are implemented to ensure that all awarded contracts are included in the registers.	Inadequate contract management	Review the following registers on a quarterly basis:- Contract Register;- Quotations Register; and- Deviations Register. Review to include the following for completeness:- Review suppliers paid during the year to the registers. - Review requests and transaction per the General Ledger to the registers. All unmatched or missing items should be investigated by SCM officials.	31/03/2026	Budget and Treasury	In Progress
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**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 014	SCM	2. Difference in irregular expenditure written off	0	Management should ensure that all the Council Debt Write Off is recorded at an accurate amount as indicated on the MPAC minutes.	MPAC report not cross references to irregular registers	Review MPAC reports and compare to Irregular Expenditure Register	31/03/2026	Budget and Treasury	Completed	
COAF 015	AFS	Incomplete Identification of Reportable Segments in terms of GRAP 18	0	Review and update the GRAP 18 segment assessment to ensure all activities meeting the criteria in GRAP 18.5(a)–(b), including Roads and Property Rates, are properly identified and disclosed. Ensure that the basis for identifying reportable segments is supported by documented	Inadequate implementation of GRAP 18	Review GRAP 18 and ensure that all segments are accurately reported per the Mid-year AFS	31/01/2026	Budget and Treasury	Completed	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 016	Revenue	Revenue from construction projects was recorded twice on the statement of financial performance	0	evidence (such as Section 71 reports, IDP, and MIG data) and approved by the Accounting Officer. Implement a review process before year-end to verify that all qualifying segments are included in the financial statements and that the disclosure aligns with the internal management reporting structure. Management should ensure that all amounts recorded on the Annual Financial Statements should be supported by relevant, reliable and accurate documentation and the correct standard is applied for	Breakdown of in-house project costs not available till finding was issued	1. Prepare SOP for in-house projects based on the auditor's conclusion. 2. Prepare in-house project workings. File the auditor's conclusion for future audits	31/03/2026	Engineering / Budget and Treasury	Completed	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comments
				revenue recognised.						
COAF 017	Receivables	Inconsistencies on the impairment of Debtors	0	<p>Management should:</p> <ul style="list-style-type: none"> <li>develop and implement a formal impairment policy approved by council and methodology aligned with GRAP 104, defining assessment criteria, data sources, and calculation methods used by the municipality and perform the assessment and confirm that the assumptions used are still in line with the standards on an annual basis.</li> <li>conduct a</li> </ul>	No clear step by step methodology for the provision for doubtful debts	1. Review and update credit control policy to include a section for provision for doubtful debts	31/03/2026	Budget and Treasury	Completed	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
				comprehensive review of all debtor balances, including government debtors, to assess whether objective evidence of impairment exists. <ul style="list-style-type: none"> <li>ensure impairment calculations to ensure formulas and assumptions are accurate and consistently applied.</li> </ul>						
COAF 018	Revenue	1. Other revenue: Insurance refund income was recognized; however no supporting documentation was provided.	0	Management should ensure that all amounts disclosed on the Annual Financial Statements are supported by relevant, reliable	Bank reconciliations was not completed monthly. Transfer from Insurance call account was	1. Bank Reconciliations must be performed on a monthly basis. 2. Accurately review Bank Reconciliations	31/03/2026	Budget and Treasury	Completed	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 018	Revenue	2. Service charges- refuse: Inconsistent application of the tariff on domestic customers	1	and accurate documentation provided timeously to eliminate delays that might impact audit fees. Management should update the tariff policy to include clear guidelines for charging refuse removal fees for properties with multiple units or bins. Additionally, management should review accounts billed under this approach to determine if adjustments or refunds are required.	captured as an insurance refund  Clear documentation was not available on how refuse removal are charged for residents with more than one occupant	Update Tariff policy to document how refuse removal are charged for residents with more than one occupant	31/03/2026	Budget and Treasury	Completed	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comments
COAF 019	SCM	Commitments - Inaccurate amount recorded	1	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	Commitment register not updated/reviewed	Update commitments register on a quarterly basis Review commitments register quarterly, by comparing the Committed amount to the appointment letters and the payments made to date to payment vouchers, retentions register and General Ledger	15/08/2026	Budget and Treasury	In Progress	
COAF 020	Contingent liabilities	Non-submission of information requested	0	Management should ensure that legal case information disclosed in the financial statements is regularly updated with the latest information from the legal department/lawyers of the municipality.	Lawyer did not submit legal confirmation to AG	1. Request legal confirmation from lawyers. 2. Prepare Contingent liability register. 3. Request lawyers to submit the same confirmation "content" to the Auditor General as submitted to the	15/08/2026	Executive Services	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comments
COAF 021	Contingent liabilities	Accuracy and completeness - Contingent liabilities	0	Management should ensure that legal case information disclosed in the financial statements is regularly updated with the latest information from the legal department/lawyers of the municipality.	Lawyers submitted different confirmation to AG / Updated legal confirmation letters were not requested and the contingent liability register was not updated at year end	1. Request legal confirmation from lawyers. 2. Prepare Contingent liability register. 3. Request lawyers to submit the same confirmation "content" to the Auditor General as submitted to the municipality previously	15/08/2026	Executive Services	In Progress	
COAF 022	Cash and cash equivalents	Reconciliation	0	Management should exercise due care and ensure that the annual financial statements balances notes are fairly presented and all the information that should be disclosed is included in the note.	Bank reconciliations was not completed monthly	1. Bank Reconciliations must be performed on a monthly basis. 2. Accurately review Bank Reconciliations	31/03/2026	Budget and Treasury	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 023	Purchases and Payables	1. Expenditure – Payments not made within the prescribed 30 days after the receipt of the invoice from suppliers.	4	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 and head of procurement to ensure municipal officials are aware	Unfavourable cashflow	1. In instances, where supplier invoices will not be paid within 30 days, contact suppliers and make relevant payment arrangements 2. Hoult procurement when cashflow projections are not favourable. 3. Establish weekly payroll runs, including invoice submission date. 4. Prepare monthly order to invoice reconciliations to identify orders not invoices for follow up. 5. Prepare monthly invoice to payment reconciliations to identify invoices not paid for follow up. 6. Ring fence funds for	30/06/2026	Budget and Treasury	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
				of the control measures and service providers informed before any orders are placed or approved		operational creditors7. Budget to be cash-backed to ensure that once service provider invoices, they get paid. Compliance to s18 of the MFMA. 8. Negotiate discounts for long outstanding creditors				
COAF 023	SCM	2. Fruitless and wasteful expenditure - Reasonable steps were not taken to prevent fruitless and wasteful expenditure	0	Management should put controls in place to ensure fruitless and wasteful expenditure is prevented	Unfavourable cashflow	1. Management must put controls in place to ensure fruitless and wasteful expenditure is prevented 2. Hoult procurement when cashflow projections are not favourable	30/06/2026	Budget and Treasury	In Progress	
COAF 023	Budget	2. Budget Management	2	Management should ensure adequate controls are in place to prepare a budget that has realistic	Significant trade creditors	Management must ensure adequate controls are in place to prepare a budget that has realistic revenue	31/03/2026	Budget and Treasury	Completed	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 024	Purchases and Payables	Trade payables differences	0	<p>revenue projections based on realistic anticipated revenues collected and implement strategies on the funding strategy, including other forms of revenue generation strategies to address current or future unfunded budgets.</p> <p>Management should record the creditor's balance at year end based on the invoices raised to reflect the balance as per supplier statements.</p>	<p>1. All invoices/statements was not received in time.</p> <p>2. Completeness of Creditors reconciliations</p>	<p>projections based on realistic anticipated revenues collected and implement strategies on the funding strategy, including other forms of revenue generation strategies to address current or future unfunded budgets.</p> <p>1. Creditors Reconciliations must be performed on a monthly basis.</p> <p>2. Accurately review Creditors' Reconciliations</p>	31/03/2026	Budget and Treasury	Completed	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 026	Contingent liabilities	Accuracy and completeness - Contingent liabilities	0	Management should ensure that legal case information disclosed in the financial statements is regularly updated with the latest information from the legal department/lawyers of the municipality.	Lawyers submitted different confirmation to AG / Updated legal confirmation letters were not requested and the contingent liability register was not updated at year end	<ol style="list-style-type: none"> <li>1. Request legal confirmation from lawyers.</li> <li>2. Prepare Contingent liability register.</li> <li>3. Request lawyers to submit the same confirmation "content" to the Auditor General as submitted to the municipality previously</li> </ol>	15/08/2026	Executive Services	In Progress	
COAF 027	AFS	Unauthorised Expenditure Schedule	0	Management should ensure that adequate reviews are performed on the schedules and AFS Notes disclosure(s) affected.	Inadequate review of note to the annual financial statements	<ol style="list-style-type: none"> <li>1. Avoid incurring unauthorised expenditure</li> <li>2. Adequate time for the review of Annual Financial Statements to Lead Schedules and supporting</li> </ol>	18-Jul-26	Budget and Treasury	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comment
COAF 027	AFS	Incorrect Narration disclosed on the Note 51	0	management should ensure that every narrative disclosed in the AFS is accurate, complete and valid.	Inadequate review of note to the annual financial statements	documents with sign-off. 3. Submission of AFS to Internal Audit for review. 4. Allow sufficient time to for Reviewal AFS in the Audit Plan 1. Avoid incurring unauthorised expenditure 2. Adequate time for the reviewal of Annual Financial Statements to Lead Schedules and supporting documents with sign-off. 3. Submission of AFS to Internal Audit for review. 4. Allow sufficient time to for Reviewal AFS in the Audit Plan	18-Jul-26	Budget and Treasury	In Progress	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comments
COAF 029	Consequence Management	1. Investigation of prior year unauthorised expenditure	1	Management should take appropriate steps to promptly investigate any identified unauthorized expenditure, enabling its recovery or, if deemed irrecoverable, obtaining council approval for a write-off.	Unauthorised expenditure not submitted to MPAC	Budget Division must prepare an item for Council. Item should include supporting documents for the total unauthorised expenditure incurred to date.	31/03/2026	Budget and Treasury	Completed	
COAF 029	Consequence Management	2. Investigation of prior year irregular expenditure	1	Management should take appropriate steps to promptly investigate any identified unauthorized expenditure, enabling its recovery or, if deemed irrecoverable, obtaining council approval for a write-off.	Irregular expenditure reports submitted to MPAC, did not include all irregular expenditure	SCM Division must prepare an item for Council. Item should include supporting documents of all irregular expenditure incurred to date.	31/03/2026	Budget and Treasury	Completed	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

COAF No.	CAT	Audit Finding	Reported in Previous Year	Recommendation	Root Cause	Action Plan	Time Frame	Department	Implementation progress	Comments
		Material Irregularity: Cathcart Waste Landfill	2	The Auditor General communicated the Material Irregularity to the Municipality. Management are invited to make a written submission in response to this notification within 20 working days of delivery of the notification.	Cathcart landfill site operated without a licence	<ol style="list-style-type: none"> <li>1. Obtain licence for closure</li> <li>2. Allocate R2,5 million for landfill site closure</li> <li>3. Implement basic assessment report recommendations.</li> </ol>	<ol style="list-style-type: none"> <li>1. 30/04/2026</li> <li>31/08/2026</li> </ol>		In Progress	

### 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 by Council on the 25 May 2025.

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 first adopted by the Council in May 2015 and is reviewed on annual basis or when the need arises. Last review was on 25 May 2025.

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.

Risk and Compliance Management Unit is conducting Fraud Awareness Campaigns twice a year and action plans responding to the issues raised at the fraud awareness's are developed 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 Council resolved to separate the Risk Management Unit from the Internal Audit Unit with effect from 01 September 2025.

Risk and Compliance Management activities are now performed independently within a dedicated unit and are no longer undertaken by Internal Audit staff. This separation strengthens governance, accountability, and the independence of both functions in line with good governance principles.

The municipality has an approved Risk Management Policy adopted by Council, which was reviewed in May 2025 to ensure continued alignment with the municipality's strategic objectives, legislative requirements, and best practices in risk management.

The Risk Management Policy assists the municipality by:

- Providing management with established risk management tools that support decision-making processes and the management of key risks affecting the achievement of municipal goals and objectives.
- Ensuring that risk management processes operate within an environment of continuous monitoring, feedback, and improvement; and
- Enabling the municipality to effectively manage uncertainty, risks, and opportunities to enhance institutional value and service delivery.

The municipality has established a Risk Management Committee comprising Directors and Managers. The Committee sits on a quarterly basis and is chaired by an Independent Chairperson from Amathole District Municipality.

The Committee provides oversight on the implementation and effectiveness of risk and compliance management processes within the municipality.

Risk assessments are conducted annually to identify and assess emerging and existing risks, while Risk Registers are reviewed and updated quarterly to monitor progress on the implementation of mitigation measures and management action plans.

The municipality maintains the following categories of Risk Registers to ensure comprehensive identification, assessment, monitoring, and mitigation of risks across all areas of the institution:

1. **Strategic Risk Register** – captures risks that may impact the achievement of the municipality’s strategic objectives and service delivery priorities.
2. **Fraud Risk Register** – records risks relating to fraud, corruption, unethical conduct, and other irregular activities that may negatively affect the municipality.
3. **Litigation Risk Register** – contains risks associated with legal matters, claims, disputes, and potential litigation involving the municipality.
4. **Information and Communication Technology (ICT) Risk Register** – identifies risks relating to information systems, cybersecurity, data management, ICT infrastructure, and technology service continuity.
5. **Operational Risk Registers** – maintained by each department to identify and manage risks arising from day-to-day operational activities, processes, systems, and service delivery functions within their respective areas of responsibility.

**TOP 10 STRATEGIC RISKS RELATING TO THE MUNICIPALITY**

#	Risk Description	Root causes	Consequences	Management Actions
1 - SD1.1	Electricity Distribution Losses above the norm of 12% or less.	<ol style="list-style-type: none"> <li>1. Illegal connections and tampering (non-technical losses)</li> <li>2. Failure to check readings on bulk meters</li> <li>3. Insufficient funding</li> <li>4. Ageing infrastructure (technical losses)</li> <li>5. Lack of preventative maintenance plan</li> <li>6. Eskom historic debt hinderance to increase capacity</li> <li>7. Inadequate safeguards of electricity infrastructure</li> <li>8. Inadequate resources such as vehicles (Crane Truck) and personnel</li> <li>10. Lack of electricity bylaws</li> <li>11. Noncompliance with NERSA regulations</li> </ol>	<ol style="list-style-type: none"> <li>1. Loss of revenue</li> <li>2. Electricity outage</li> <li>3. Damage to properties &amp; loss of life</li> <li>4. Litigation</li> <li>5. Polychlorinated biphenyls (PCB) contamination from transformers that were installed before 1990</li> <li>6. Community unrest</li> </ol>	<ol style="list-style-type: none"> <li>1. Finalization and approval of the SOP's</li> <li>2. Finalization and approval of the Electricity Maintenance plan</li> <li>3. Conduct awareness sessions</li> <li>4. Follow up meeting with National Treasury about assistance for drafting of electricity bylaws</li> <li>5. Installation of smart meters</li> <li>6. Development of electricity master plan</li> <li>7. Implementation of action plan based on NERSA compliance audit</li> <li>9. Establish customer care center</li> </ol>

#	Risk Description	Root causes	Consequences	Management Actions
2 - SDI 2.2	Inadequate provision and maintenance of basic service delivery infrastructure	<ol style="list-style-type: none"> <li>1. Financial constraints to maintain infrastructure.</li> <li>2. Aged Plant and Machinery</li> <li>3. Inadequate contract management for maintenance of yellow fleet.</li> <li>4. Lack of infrastructure Master Plans</li> <li>5. Inadequate capacity to design and maintain infrastructure</li> <li>6. Inadequate contract management of service providers.</li> <li>7. Aged infrastructure</li> <li>8. Inadequate implementation of Integrated Waste Management Plan (Strategy)</li> <li>9. Insufficient development, maintenance and monitoring of electricity infrastructure.</li> <li>10. Failure to fill critical vacancies</li> <li>11. Natural Disasters</li> </ol>	<ol style="list-style-type: none"> <li>1. Negatively affects economic development and economic growth</li> <li>2. Service Delivery related protests.</li> <li>3. Inability to easily access communities</li> <li>4. Inability to effectively render services</li> <li>5. Litigation arising from civilian claims</li> <li>6. Loss of lives</li> </ol>	<ol style="list-style-type: none"> <li>1. Develop an infrastructure master plan</li> <li>2. Develop an infrastructure maintenance plan</li> <li>3. Review contract management policy to ensure that it includes contract management for the maintenance of yellow fleet.</li> <li>4. Professional Registration of personnel to the Engineering Council of South Africa.</li> <li>5. Development of business plans to source funding for the upgrading of infrastructure.</li> <li>6. Develop and implement a plan for integrated waste management (aligned to Integrated Waste Management Plan / Strategy)</li> <li>7. Procurement of external audit services for landfill sites for compliance.</li> <li>8. Submission of motivation to recruit for critical engineering positions</li> </ol>

#	Risk Description	Root causes	Consequences	Management Actions
3 - MFV 2.1	Inability to meet current and future financial obligations	<ol style="list-style-type: none"> <li>1. Inadequate revenue collection and declining revenue sources.</li> <li>2. High employee costs</li> <li>3. Weak cash flow position</li> <li>4. Loss of Wards through demarcation.</li> <li>5. Inadequate periodical review of the implementation of cost containment policy</li> <li>6. Ineffective implementation of financial management strategies</li> </ol>	<ol style="list-style-type: none"> <li>1. Inability to achieve IDP strategies</li> <li>2. Poor service delivery</li> <li>3. Reduced public confidence</li> <li>4. Loss of investors</li> <li>5. Dysfunctional municipality</li> <li>6. Inability to comply with regulated deadlines</li> <li>7. High number of litigations against the municipality</li> <li>8. Unfunded Budget</li> </ol>	<ol style="list-style-type: none"> <li>1.1 Change Management</li> <li>1.2 Job Descriptions</li> <li>1.3 Job Evaluation</li> <li>1.4 Person to post matching</li> </ol> <p>Organizational redesign &amp; re-engineering (structure).</p> <ol style="list-style-type: none"> <li>2. Installation of smart meters</li> <li>3. Monitor the implementation of 10% contribution to the Municipal Revenue</li> </ol>
4 - MTI 5.1	Inability to leverage on fleet as a strategic resource for service delivery.	<ol style="list-style-type: none"> <li>1. Old and Dilapidated Municipal Fleet</li> <li>2. Decentralized fleet management.</li> <li>3. Ineffective implementation and monitoring of fleet management policy and SOP's</li> <li>4. Misuse of municipal fleet</li> </ol>	<ol style="list-style-type: none"> <li>1. Poor service delivery to communities</li> <li>2. High Fleet operational costs</li> <li>3. Community unrest</li> <li>4. Compromised safety of the public and employees.</li> </ol>	<ol style="list-style-type: none"> <li>1. Procurement of fleet management system (Cameras, fuel anti-theft device)</li> <li>2. Referral of Fleet Management Committee Reports to MANCO.</li> <li>3. Review of Fleet Management policy and SOPs</li> <li>4. Review and implementation of Fleet Management Committee terms of reference.</li> <li>5. Development of maintenance plan for municipal Fleet</li> </ol>

#	Risk Description	Root causes	Consequences	Management Actions
5 - GGP 3.1	Ineffective implementation of communication strategy	<ul style="list-style-type: none"> <li>5. Ineffective fleet management committee</li> <li>6. Lack of maintenance plan of municipal Fleet</li> <li>7. Lack of security management for the municipality fleet.</li> <li>8. Nonattendance of awareness of fleet management policy and SOP's</li> </ul>	<ul style="list-style-type: none"> <li>1. Reputational damage</li> <li>2. Community protests</li> <li>3. Litigations</li> <li>4. Dissemination of inaccurate information</li> </ul>	<ul style="list-style-type: none"> <li>6. Coordination of departmental fleet management policy and SOPs workshop</li> </ul>
		<ul style="list-style-type: none"> <li>1. Poor understanding of communication processes internally and externally.</li> <li>2. Human resources capacity constraints.</li> <li>3. Insufficient tools of trade.</li> <li>4. Inadequate internal awareness sessions.</li> <li>5. The absence or inadequacy of sharing information on municipal accomplishments (including service delivery).</li> </ul>	<ul style="list-style-type: none"> <li>1. Communication Capacity building for Councillors</li> <li>2. Submission of needs analysis for tools trade to IT.</li> <li>3. Development of a Schedule for ward meetings</li> <li>4. Communication Capacity building to extended management to be cascaded down to other employees</li> <li>5. Conduct Communication's Awareness Sessions</li> <li>6. Submission of municipal information to ICT for publication in Municipal website.</li> <li>7. Review of the communication strategy</li> </ul>	

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

#	Risk Description	Root causes	Consequences	Management Actions
6 – GGP 3.2	Non-Compliance with laws, regulations and statutory prescripts.	<p>6. Inadequately designed communication strategy</p> <p>1. Non-adherence to approved council calendar and internal reporting timelines.</p> <p>2. Lack of Standard Operating Procedures</p> <p>3. Non-adherence to procurement plan</p> <p>4. Poor contract management</p> <p>5. Lack of bylaws</p> <p>6. Outdated bylaws</p> <p>7. Inadequate understanding of laws and regulations</p> <p>8. Lack of awareness of disciplinary code of conduct</p> <p>9. Silo mentality</p> <p>10. Insufficient funding</p> <p>11. Ineffective oversight structures</p> <p>12. Lack of continuous professional development</p>	<p>1. UIFWE</p> <p>2. Negative audit opinion</p> <p>3. Litigations</p> <p>4. Reputational damage</p> <p>5. Poor Performance</p>	<p>1. Reporting to standing committee on implementation of institutional calendar. In case of standing committee not sitting, then report to the municipal manager. (Quarterly sitting of Standing Committees as per departmental calendar)</p> <p>2. Institutional development of standard operating procedure manuals</p> <p>3. Reporting to MANCO the implementation of procurement plan.</p> <p>4. Establishment of contract management committee</p> <p>5. Develop a list of all new bylaws to be developed</p> <p>6. Development of new bylaws</p> <p>7. Develop a list of existing bylaws to be reviewed</p> <p>8. Review existing bylaws</p> <p>9. Conduct institutional policy awareness sessions</p> <p>10. Conduct awareness on disciplinary code of conduct</p>

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

#	Risk Description	Root causes	Consequences	Management Actions
				<ul style="list-style-type: none"> <li>11. Interdepartmental (municipal) engagement sessions.</li> <li>12. Development of business plans for sourcing funds (Service delivery departments).</li> <li>13. Monitor implementation of oversight structure resolutions</li> </ul>
7 - GGP 3.3	Inadequate Business Continuity Management within the municipality	<ul style="list-style-type: none"> <li>1. Cashflow problems.</li> <li>2. Lack of business continuity and disaster recovery plan</li> <li>3. Lack of a registry unit</li> <li>4. Inadequate space for the storage of physical documents</li> <li>5. Lack of systems for the management of manual documentation</li> <li>6. Non-availability of Disaster Centre</li> </ul>	<ul style="list-style-type: none"> <li>1. Reputational damage</li> <li>2. Low staff morale.</li> <li>3. Loss of investor confidence or potential donor opportunities.</li> <li>4. Loss of revenue</li> <li>5. Negative audit outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>1. Development of Business Continuity Plan</li> <li>2. Construction of new Municipal Offices with ample storage facilities (registry)</li> <li>3. Procuring filing cabinets</li> </ul>
8 – LED 4.1	Inability to create a conducive environment for economic prosperity.	<ul style="list-style-type: none"> <li>1. Ineffective IGR Structure</li> <li>2. Non-compliant spatial development framework (SDF)</li> </ul>	<ul style="list-style-type: none"> <li>1. Poor revenue enhancement and revenue collection</li> </ul>	<ul style="list-style-type: none"> <li>1. Development Small Town Revitalization Strategy (Cathcart)</li> </ul>

#	Risk Description	Root causes	Consequences	Management Actions
		<ol style="list-style-type: none"> <li>3. Outdated LED strategy</li> <li>4. Inadequate infrastructure to support economic growth</li> <li>5. Historic Reputational damage</li> <li>6. Land invasions by communities</li> <li>7. Ineffective public-private relations</li> <li>8. Failure by the municipality to recognize investment opportunities.</li> </ol>	<ol style="list-style-type: none"> <li>2. High unemployment and crime rate</li> <li>3. Haphazard Planning</li> <li>4. Litigation due to land invasions</li> <li>5. Stagnant economic growth</li> <li>6. Inability to attract investments</li> <li>7. Decline in economic living standards</li> </ol>	<ol style="list-style-type: none"> <li>2. Review and implement the spatial development framework.</li> <li>3. Review and Implement LED strategy</li> <li>4. Develop and adhere to calendar for cluster IGR meetings</li> <li>5. Coordination of LED forum meetings</li> <li>6. Review and implement human settlements sector plans</li> <li>7. Review and implement land invasion policy.</li> <li>8. Develop and implement terms for public-private partnerships</li> </ol>
9 – MTI 5.2	Unsound labour relations between employer and employee	<ol style="list-style-type: none"> <li>1. Ineffective communication between employee and employer component</li> <li>2. Non sitting of LLF</li> <li>3. Perceived unfair treatment</li> <li>4. Inconsistency in application or implementation of policies</li> </ol>	<ol style="list-style-type: none"> <li>1. Low staff morale</li> <li>2. Reputational Damage</li> <li>3. Service Delivery backlogs and protests</li> <li>4. Financial loss</li> <li>5. Industrial strikes</li> </ol>	<ol style="list-style-type: none"> <li>1. Conduct regular employee satisfaction and engagement surveys.</li> <li>2. Process plan for LLF sittings and implementation status</li> <li>3. Conduct awareness on Grievance procedures and disciplinary handling processes</li> </ol>

#	Risk Description	Root causes	Consequences	Management Actions
10 -- MFV 2.2	Ineffective implementation of UIFWE Strategy (Unauthorized, Irregular, Fruitless and Wasteful Expenditure)	<p>5. Misunderstanding/misinterpretation of policies and Collective agreements</p> <ol style="list-style-type: none"> <li>1. Non-compliance with legislative frameworks such as the MFMA, SCM Regulations etc</li> <li>2. Financial Constraints</li> <li>3. Inadequate implementation and interpretation of the approved SCM Policy</li> <li>4. Inadequate standard operating procedures relating to SCM processes</li> <li>5. Inadequate training and awareness of procurement processes</li> <li>6. Inadequate oversight and monitoring of procurement processes</li> <li>7. Inadequate implementation of UIFW Strategy.</li> </ol>	<ol style="list-style-type: none"> <li>6. Incline on disciplinary cases</li> <li>7. Incline on abuse of leave</li> <li>8. High Staff turnover</li> <li>1. Financial loss</li> <li>2. Negative Audit Outcomes</li> <li>3. Reputational damage</li> <li>4. Reduced Stakeholder confidence</li> <li>5. Compromised service delivery</li> <li>6. Service delivery protests</li> <li>7. Possible litigations</li> </ol>	<ol style="list-style-type: none"> <li>4. Conduct awareness campaigns on approved municipal policies, especially those dealing with incentives e.g. overtime, standby allowances, leave etc</li> <li>1. Prepare a Comparative Quarterly Report on UIFW Expenditure</li> <li>2. Submit UIFWE reports to MPAC for investigations after end of each quarter</li> <li>3. Resuscitate Financial Disciplinary Board by monitoring sitting of FDB</li> </ol>

#	Risk Description	Root causes	Consequences	Management Actions
		8. Inadequate implementation of Consequence Management 9. Ineffective Financial Disciplinary Board 10. Political influence on administration		

**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, serves 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 four years were as follows:

2021/22	2022/23	2023/24	2024/25
UNQUALIFIED	QUALIFIED	UNQUALIFIED	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.

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

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 benefited.
- **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.

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

<b>PROJECT NAME</b>	<b>INFRASTRUCTURE TYPE</b>	<b>SIZE/EXTENT</b>	<b>LOCALITY</b>	<b>PROJECT STATUS</b>
Mpayipheli	Broiller 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
Sinemihlali	Irrigation system	Irrigation	Stutterheim	Farming active

## **AGRICULTURE 2025/26 INFRASTRUCTURE PLAN**

### **Livestock Production**

<b>Animal stock numbers</b>	<b>Total at Amahlathi</b>	<b>Programs conducted by DRDAR</b>
Large stock	33215	Dipping Blantrax

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

		Brucellosis Test for TB and CA
Sheep	19489	Sheep scab Testing of rams from NWGA
Goats	19723	No program except when need attention
Domestic animal	12000	Rabbis vaccine
Horses	878	No program except out breaks Castration Deworming
<b>Animal stock numbers</b>	<b>Total at Amahlathi</b>	<b>Programs conducted by DRDAR</b>

**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"> <li>• The challenge is the structure.</li> <li>• Market</li> <li>• Abattoir</li> </ul>

**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"> <li>• Market price versus communal price</li> <li>• Recommended piggery structure- as swine fever is a threat</li> </ul>

**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

**2026/27 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 ESTABLISHMENT AND 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. Amahlathi Local Municipality is a category B Municipality situated in the Amathole District of the Eastern Cape Province. The municipality has its political seat in Stutterheim where the main offices and council chamber are situated. It has a Cathcart and Keiskammahoek Satellite offices which are managed by Unit Managers, and a Kei Road satellite is managed by a Unit Supervisor due to its small size.

- **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; -

- a) Municipal Public Accounts Committee
- b) Audit & Performance and Audit Committee
- c) 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 29 May 2025. A new council calendar is to be tabled by the Speaker in the Ordinary Council meeting of 28 May 2026. The municipality developed Council Resolution Register that is monitored and reported on a quarterly basis through Council Structures.

### **MEETING SCHEDULE**

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

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.

MEETING	DATE CONVENED	CONSIDERATION
Ordinary Exco and Council Meeting	August 2026	IDP/Budget & PMS Process plan, 2025/2026 AP Report and Draft AFS.
Ordinary Council Meeting	October 2026	1 <sup>st</sup> Adjustment budget for 2026/2027 and Quarter 1 report on PMS.
Ordinary Exco and Council Meeting	December 2026	Municipal Closure
Ordinary Exco and Council Meeting	January 2027	Compliance Reports and Quarter 2 report on PMS
Ordinary Exco and Council Meeting	March 2027	2 <sup>nd</sup> Adjustment budget for 2026/2027.
Ordinary Exco and Council Meeting	April 2027	Compliance Reports and Quarter 3 report on PMS
Ordinary Exco and Council Meeting	May 2027	Council Calendar approval for 2027/28
Ordinary Exco and Council Meeting	July 2027	Compliance Reports and Quarter 4 report on PMS

### **MEMBERS OF THE COUNCIL**

The Council consists of 30 members (PR and Ward Councilors) and 2 Traditional Leaders.

### **STRUCTURES OF THE COUNCIL**

The executive committee consist of 6 standing Committees.

Following are the Standing Committees and their representatives: -

#### **1) BUDGET AND TREASURY**

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

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 form different departments and reported to MANCO as critical positions.

### INSTITUTIONAL COHESION

The municipality through various programmes endeavors towards creating a culture of institutional cohesion such that an employee satisfaction survey was introduced to take stock of how the employees

identify with the institution through various programmes that are implemented for a cohesive culture in the organization. Whilst the reversal of standardization threatened the cohesiveness of the municipality, progressively with the following initiatives, the municipality is seen to have progressively weathered the storms in some areas and levels of operation.

## **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. The process begins with Units and Directorates making their operational inputs which are submitted to Corporate Services to facilitate the Technical policy workshop, attended by All Managers including the Corporate Services Policies which begin at LLF. The process is finalised at the Institutional Workshop wherein Councillors and Management and Labour further deliberate on the Policies in preparation for Council approval.

### **(b) Sound Employee Relations**

Amahlathi Local Labor Forum consists of 16 members (8 for labor 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 Labor 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 include 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 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 could not implement the Municipal Pound refurbishment due to financial constraints, however the municipal fleet is current kept very safe at the Mzwandile Fanti yard which is resources with day and night guards. The Institution has an effective vehicle's tracker system for all its fleet including a comprehensive reporting mechanism for petrol utilisation per fleet monthly. 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 still remains very limited given the number of very old vehicles as against the newly bought fleet after the auction of the old. This gradually shows an elevated municipal services to the community, especially in the community and engineering services departments.

#### **(e) Employment Equity Plan**

The 5-year EEP (2025-2030) 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**. 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 Corporate Services employee files was completed in the 2022/23 financial year and the unit currently scans the SCM and Traffic Services records. The stable ICT network assisted greatly with the project although a new contract to obtain scanners is now required to ensure that the quality of the scanned records is professional enough for later retrieval.

#### **(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. Training has been conducted for employees from TG 9 to TG 19 on 923 October 2025, 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**

There is currently no available budget by the municipality for training except for the Skills Development budget which consists of the LGSETA Mandatory and Discretionary grants. This effectively says that the elaborate Workplace Skills Plan (WSP) and skills audit are documents of compliance in as far as the non-existence of an internal budget. Training is therefore offered to staff on a prioritised basis as determined by each Department from external funding, virtual sessions and/or free training events. The municipality consistently makes submission to the LGSETA for grant funding on a yearly basis, however since the municipality is a small institution, preference is always directed at the District Municipality which only offers Interns that they could not accommodate in their offices. Only in the 2023/24 financial that the municipality was granted learnerships and some short courses that employees were taken through, to study qualifications in areas of their current and future operation.

**(d) Scarce Skills**

A few scarce skills positions are filled despite the moratorium to recruit by the municipality. Many areas of performance have since been filled by Interns, offering an opportunity to learn real work skills for easy job applications and success.

**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**

Staff promotions were put on hold by the municipality in await of the Migration and Placement, envisaged for completion at the beginning of the new financial year, 2026/27.

**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
<b>Municipal Manager's Office</b>	Municipal Manager	1	
	Office Support M.M	25	35
<b>TOTAL</b>		<b>26</b>	<b>35</b>

<b>Corporate Services</b>	Director	1	
<b>TOTAL</b>	Support Staff	36	7
		<b>37</b>	<b>7</b>

<b>Budget and Treasury</b>	Chief Financial Officer	1	
<b>TOTAL</b>	Support Staff	22	4
		<b>23</b>	<b>4</b>

<b>Development and Town Planning</b>	Director	1	
	Support Staff	14	10
<b>TOTAL</b>		<b>15</b>	<b>10</b>

<b>Community Services</b>	Director	1	
<b>TOTAL</b>	Support Staff	62	41
		<b>63</b>	<b>41</b>

<b>Engineering Services</b>	Director	1	
<b>TOTAL</b>	Support Staff Electricity	61	1
		<b>62</b>	<b>1</b>

**TOTAL NO OF PERMANENT EMPLOYEE = 225      NUMBER OF VACANT POSITIONS = 98**

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

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

#### 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.

THEME	ISSUE
Basic Service Delivery and Infrastructure development	List Water, sanitation, roads, and electricity related issues here  <ol style="list-style-type: none"> <li>1. Community halls</li> <li>2. Road construction</li> <li>3. Bridges</li> <li>4. Water and Electricity</li> <li>5. Sports fields</li> <li>6. Fencing of graveyards</li> <li>7. Highmast lights</li> <li>8. Transport</li> <li>9. Clinics</li> </ol>
Human Settlements	List issues relating to RDP houses  <ol style="list-style-type: none"> <li>1. Housing</li> <li>2. Toilets</li> </ol>
Community Safety	List public safety issues  <ol style="list-style-type: none"> <li>1. Fire station</li> <li>2. Disaster housing</li> </ol>
Good governance and public participation	List issues relating to Bylaws, public hearing  <ol style="list-style-type: none"> <li>1. Bylaws regarding budget of town administration</li> </ol>
Economic Development and Job creation	List all issues relating to employment and economic development  <ol style="list-style-type: none"> <li>1. SMMEs support</li> <li>2. Tourism programmes</li> <li>3. Fixing of sites</li> </ol>
Environmental Management and Agriculture	<ol style="list-style-type: none"> <li>1. Agriculture</li> <li>2. Cattle Dipping sites</li> </ol>
Youth and Skills Development	<ol style="list-style-type: none"> <li>1. Youth Learnership</li> <li>2. Tvet college</li> </ol>
Financial Sustainability and Institutional Capacity	<ol style="list-style-type: none"> <li>1. Rubish and waste disposal</li> <li>2. Better placement or equipment in town</li> <li>3. Wi-Fi</li> </ol>

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

WARD	COMMUNITY NEEDS
1	<ul style="list-style-type: none"> <li>• Keiskammahoek (Town) Town Revitalization</li> <li>• Vaaldraai Paving of internal roads</li> <li>• Masincedane Graveling of internal roads</li> <li>• Upper Zingcuka Graveling of internal roads</li> <li>• Sophumelela Paving of internal roads</li> <li>• Bomapass Graveling of internal roads</li> <li>• Keiskammahoek (Town) High must lights</li> <li>• Vaaldraai High must lights</li> <li>• Sophumelela High must lights</li> <li>• Masincedane High must lights</li> <li>• Masincedane, Sophumelela, Ngxondorheni, Upper Zingcuka, Bumbane Community Hall</li> <li>• Bridge between Lower Gxulu and Masincedane.</li> <li>• Bridge between Burnshill and Ngxondorheni.</li> <li>• Bridge at Upper Zingcuka</li> <li>• RDP &amp; Disaster Houses - Sophumelela, Lower Gxulu, Ngxondorheni, Upper Zingcuka, Peters Farm, Masincedane, Bomapass</li> <li>• Graveyard Fencing- Peters Farm, Ngxondorheni, Upper Zingcuka, Bomapass, Bumbane, Masincedane</li> </ul>
2	<p><u>INTERNAL ROADS</u></p> <ul style="list-style-type: none"> <li>• Cata, Upper Mnyameni, Lower Mnyameni, Khayelitsha,</li> <li>• Drayini-Ngqudela</li> </ul> <p><u>ACCESS ROADS</u></p> <ul style="list-style-type: none"> <li>• Cata Road - DR07377, DR07381, DR07384</li> <li>• Upper Mnyameni - DR073378, Lower Mnyameni - DR073380,</li> <li>• Ngxalawe - Nothenga - DR07388 Ngxalawe -DR07387</li> </ul>

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> <li>• Ngqudela - DR12803</li> </ul> <p><u>COMMUNITY HALLS</u></p> <ul style="list-style-type: none"> <li>• Phumlani, Kom, Ngqudela, Bumbane, and Ngxalawe</li> </ul> <p><u>WATER TAPS</u></p> <ul style="list-style-type: none"> <li>• Ngxalawe, Cata extensions, Upper Gxulu extensions,</li> <li>• Ngqudela extensions, Kom Extensions</li> </ul> <p><u>FENCING OF GRAVESITES</u></p> <ul style="list-style-type: none"> <li>• Kom, Khayelitsha, Phumlani, Cata, and Ngqudela</li> </ul> <p><u>DIPPING TANKS</u></p> <ul style="list-style-type: none"> <li>• Cata, Ngqudela</li> </ul> <p><u>SPORTS FIELDS</u></p> <ul style="list-style-type: none"> <li>• Cata, Lower Mnyameni, Upper Gxulu, Phumlani, Ngqudela,</li> <li>• Ngxalawe</li> </ul> <p><u>CLEANING OF HIKING TRAILS</u></p> <ul style="list-style-type: none"> <li>• Cata and Upper Mnyameni</li> </ul> <p><u>YOUTH AND WOMEN LEARNERSHIP PROGRAMMES</u></p> <ul style="list-style-type: none"> <li>• Bumbane, Khayelitsha, Ngxalawe, Kom, Phumlani, and Ngqudela</li> </ul> <p><u>AGRICULTURAL PROGRAMMES SCHEMES</u></p> <ul style="list-style-type: none"> <li>• Upper Mnyameni, Lower Mnyameni, Upper Gxulu, Cata</li> </ul> <p><u>HOME GARDENS</u></p> <ul style="list-style-type: none"> <li>• Bumbane, Kom, Khayelitsha, Ngqudela, Ngxalawe, and Phumlani</li> </ul> <p><u>SMME SUPPORT</u></p> <ul style="list-style-type: none"> <li>• Bee Keeping, Sewing, Beading, Piggery, Poultry</li> <li>• Cata, Upper Mnyameni, Lower Mnyameni, Upper Gxulu, Kom,</li> <li>• Khayelitsha, Ngxalawe, Phumlani, Ngqudela, Bumbane</li> </ul>

WARD	COMMUNITY NEEDS
3	<p><u>Gwili- Gwili</u></p> <ul style="list-style-type: none"> <li>• Internal Roads</li> <li>• Bridge</li> <li>• RDP houses</li> <li>• Sport Field maintenance</li> </ul> <p><u>Dontsa Village</u></p> <ul style="list-style-type: none"> <li>• Internal Roads</li> <li>• RDP houses</li> <li>• Community hall</li> <li>• Fencing of graveyards</li> <li>• Sport field</li> </ul> <p><u>Ndlovini</u></p> <ul style="list-style-type: none"> <li>• RDP houses</li> <li>• Internal Roads</li> <li>• Bridge</li> <li>• Graveyard fencing</li> <li>• Sport field fencing</li> </ul> <p><u>Mqukwane Village</u></p> <ul style="list-style-type: none"> <li>• Internal Roads</li> <li>• Community hall</li> <li>• RDP houses</li> <li>• Bridge</li> </ul> <p><u>Ngcobo tent</u></p> <ul style="list-style-type: none"> <li>• Internal roads</li> <li>• RDP houses</li> <li>• Community hall</li> <li>• Water</li> <li>• Electricity</li> </ul>

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

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

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> <li>• Fencing of graze land in Bhongolwethu</li> <li>• Fencing of cemeteries</li> <li>• Greed gate in Bhongolwethu</li> <li>• Sportsfield in Bhongolwethu</li> <li>• Creation of jobs for Joe Lentz residents</li> <li>• Request for mobile clinic in Joe Lentz</li> <li>• Access and Internal roads in Joe Lentz</li> <li>• Creation of jobs for Amatolaville/ Newrest residents</li> <li>• RDP Houses in Amatollaville/Newrest</li> <li>• Request for a school in Amatollaville</li> <li>• Streetlights at Amatolaville are aging</li> <li>• Renovations of the Amatollaville Community hall</li> <li>• Issue of sanitation in Amatollaville</li> </ul>
7	<ul style="list-style-type: none"> <li>• RDP houses</li> <li>• Recreation Centre (Library, youth facilities and hall)</li> <li>• Highmast Lights</li> <li>• Bridge (Emeria &amp; Nciya, Foot bridge and storm water construction on gravel roads)</li> <li>• Sport Centre (Grandstand, Ablutions, Change rooms and showers)</li> </ul>
8	<p><u>Nonkululeko</u></p> <ul style="list-style-type: none"> <li>• Electricity (Etafeni)</li> <li>• Roads (Etafeni)</li> <li>• Water (Taps)</li> <li>• Roads</li> </ul> <p><u>Khayelitsha</u></p> <ul style="list-style-type: none"> <li>• Community hall</li> <li>• Electricity</li> </ul>

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> <li>• Bridges (3 bridges around the village)</li> </ul> <p><u>Border Post</u></p> <ul style="list-style-type: none"> <li>• RDP Houses</li> <li>• Electricity</li> <li>• Roads</li> </ul> <p><u>Nompadlana</u></p> <ul style="list-style-type: none"> <li>• Electricity</li> <li>• Roads</li> <li>• RDP Houses</li> <li>• Community</li> </ul> <p><u>Kei Road</u></p> <ul style="list-style-type: none"> <li>• Houses</li> <li>• High mast lights</li> <li>• Renovations and fencing of community hall</li> <li>• Fencing of graveyards</li> </ul> <p><u>Kei Road Northern Node</u></p> <ul style="list-style-type: none"> <li>• Electricity/ Electrification</li> <li>• Streetlights</li> <li>• Fencing of graveyard</li> <li>• Fencing of Community Hall</li> </ul>
9	<ul style="list-style-type: none"> <li>• Mgwali housing project</li> <li>• Construction of Stutterheim to Tsomo Road</li> <li>• Electricity Extension</li> <li>• Mgwali no 3,4 &amp; 5 village internal roads</li> <li>• Internal roads for Ndakana villages: Stanhope, Freshwater, Jerseyville and Gasela</li> <li>• Rockdale internal roads</li> <li>• High mast lights in all villages</li> </ul>

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> <li>• Renovations of Ndakana Community Hall</li> <li>• Renovations of Mgwali cultural village</li> <li>• Amabele Community Hall</li> <li>• Community hall for no 4 &amp; 5 villages</li> <li>• Police station for Ndakana village</li> <li>• Surfacing of the access road from N6 Amabele via Ndakana to Nonkululeko village (DR844)</li> <li>• Job creation for all ward 9 residents</li> <li>• Fencing of graveyards in all villages</li> <li>• Fencing of grazing land</li> <li>• Ward 9 sport field facilities</li> <li>• Skills development for all ward 9 residents</li> <li>• Renovation of dip tanks for all ward 9 residents</li> <li>• Water extension for the whole ward</li> <li>• Greed gate for Gasela area</li> <li>• Training of SMMEs cooperatives for the whole ward</li> <li>• Renovation of Masiphumle Primary School</li> <li>• Cultivation of grazing land (amasimi)</li> <li>• Site allocation for ward 9 community</li> <li>• Graveyard space for Amabele, Gasela and Rockdale</li> <li>• EPWP jobs for ward 9 residents</li> <li>• Wattle eradication for ward 9</li> <li>• Signages from N6 to Ndakana villages</li> <li>• Repairing of High mast lights in Amabele</li> <li>• Repairing of water taps for the whole ward.</li> <li>• Bridges for the ward</li> <li>• Scholar transport for Mgwali no 4 &amp; 5 villages and surrounding farms</li> </ul>

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> <li>• Mgwali clinic to be operational 24 hours.</li> <li>• Creches for the whole ward 9 villages</li> <li>• Ndakana phase two RDP Houses</li> <li>• Learnership programmes for ward 9</li> <li>• Temporal structures for ward 9</li> </ul>
10	<p><u>Ngcamngeni Location</u></p> <ul style="list-style-type: none"> <li>• RDP Houses</li> <li>• Internal and external Roads</li> <li>• Community Hall</li> <li>• Shearing Shed</li> <li>• Fencing of graveyards</li> <li>• Cleaning of Dams</li> </ul> <p><u>Rabe Location</u></p> <ul style="list-style-type: none"> <li>• Community Hall</li> <li>• RDP Houses</li> <li>• High mast Lights</li> <li>• Fencing of graveyards</li> <li>• Cleaning of Dams</li> </ul> <p><u>Madubela Location</u></p> <ul style="list-style-type: none"> <li>• RDP Houses</li> <li>• Community Hall</li> <li>• Internal &amp; External Roads</li> <li>• Sports facilities</li> <li>• Cleaning of Dams</li> <li>• Fencing of graveyards</li> </ul> <p><u>Burnshill</u></p> <ul style="list-style-type: none"> <li>• RDP Houses</li> </ul>

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> <li>• Youth Development Programmes</li> <li>• Job creations</li> <li>• Fencing of graveyards</li> <li>• Cleaning of Dams</li> <li>• High mast lights</li> <li>• Roads</li> </ul> <p><u>Lenye Village</u></p> <ul style="list-style-type: none"> <li>• Community Hall</li> <li>• RDP Houses</li> <li>• Cleaning of Dams</li> <li>• Internal Roads</li> <li>• Fencing of graveyards</li> <li>• Sport facilities</li> </ul> <p><u>Zanyokwe Location</u></p> <ul style="list-style-type: none"> <li>• RDP Houses</li> <li>• Community Hall</li> <li>• Health facilities</li> <li>• Cleaning of Dams</li> <li>• Fencing of graveyards</li> <li>• Sport Facilities</li> </ul>
11	<p><u>Tshoxa</u></p> <ul style="list-style-type: none"> <li>• RDP houses (Needy and Elderly)</li> <li>• Water (New sites &amp; Marikana – water tanks as short-term solution)</li> <li>• Electricity (Extensions or new sites, Infills)</li> <li>• Roads -Marikana</li> </ul> <p><u>Rabula Upper &amp; Lower</u></p> <ul style="list-style-type: none"> <li>• RDP houses</li> </ul>

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

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

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

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

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<p><u>Frankfort Village</u></p> <ul style="list-style-type: none"> <li>• Internal Roads</li> <li>• RDP Houses (Addition)</li> <li>• Electrification (Extension)</li> <li>• Community hall (renovation)</li> <li>• Main road – Maintenance</li> <li>• Fencing of Graveyard</li> <li>• EPWP (Land Care)</li> <li>• Drainage at the cross junction joining Frankfort, Hokan, Malindana and Thembeni</li> </ul> <p><u>Gubevu</u></p> <ul style="list-style-type: none"> <li>• Internal Roads</li> <li>• Maintenance – Main Roads</li> <li>• RDP houses</li> <li>• Upgrading of water supply</li> <li>• Community hall</li> <li>• Fencing of graveyard</li> <li>• Upgrading of sport field</li> <li>• EPWP (Land care)</li> <li>• Electricity (Extension)</li> <li>• Revive Community Garden</li> <li>• Fencing of grazing land</li> <li>• Fixing the dam (Reservoir of water)</li> </ul> <p><u>Nothenga</u></p> <ul style="list-style-type: none"> <li>• Internal Roads</li> <li>• Main Road (Maintenance)</li> <li>• RDP houses</li> <li>• Bridges (Construction)</li> </ul>

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

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

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> <li>• Provincial access road via Mgwali and Heckel villages</li> <li>• Mgwali Community Hall</li> <li>• Kologha Community Hall</li> <li>• Renovations of Heckel Community Hall</li> <li>• Dip</li> <li>• Fencing of graveyard</li> <li>• Dam scooping</li> </ul>
14	<ul style="list-style-type: none"> <li>• RDP Houses in Mzamomhle</li> <li>• Community Hall in Mzamomhle</li> <li>• Internal roads in Mzamomhle</li> <li>• High mast lights in Mzamomhle</li> <li>• Paving on the road to Sikhulule School</li> <li>• Clinic in Mzamomhle</li> <li>• Graveyard in Mzamomhle</li> <li>• Dip</li> <li>• RDP Houses that were no finished in ward 14</li> <li>• Internal roads in Mbulelo Location</li> <li>• Toilets</li> <li>• Streetlights</li> <li>• Renovation of Mjojweni Stadium</li> <li>• Fencing of Graveyard in ward 14</li> <li>• Road to the graveyard in ward 14</li> <li>• Internal roads in Nkqenkqenkqe</li> <li>• Drains (unblock)</li> <li>• Waste Truck</li> <li>• Sewer pipes</li> <li>• Water</li> </ul>

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

### 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.

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2026/27	CUSTODIAN
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 paving of 1.5km roads in Amabele	R3 390 000	100% progress achieved on the paving of 1.5km roads in Amabele	Director Engineering Services
			% progress achieved on the gravelling of 5km of internal road in Keilands	R 5 5 00 000	100% progress achieved on the gravelling of 5km of internal road in Keilands.	Director Engineering Services
			% progress achieved on the surfacing of 3km of roads in Stutterheim Town.	R 3 718 069	30% progress achieved on the surfacing of 3km of roads in Stutterheim Town.	Director Engineering Services
			% progress achieved on the paving of 4km roads with storm water drains in Keiskamahoek Town under the MIG Funding	R 3 261 149	30% progress achieved on the paving of 4km roads with storm water drains in Keiskamahoek Town under the MIG Funding.	Director Engineering Services
			% progress achieved on the development of one infrastructure register for Amahlathi Municipality.	R 400 000	100% progress achieved on the development of one infrastructure register for Amahlathi Municipality.	Director Engineering Services

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IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2026/27	CUSTODIAN
			Number of potholes achieved.	R 400 000	300 potholes repaired as inspected.	Director Engineering Services
			Number of progress reports on implementation of 3km surfaced roads with stormwater in Keiskammahoeek Town drainage under STR Funding.	STR	04 progress reports on implementation of 3km surfaced roads with stormwater in Keiskammahoeek Town drainage under STR Funding.	Director Engineering Services
			% progress achieved on the paving of 1km of road with stormwater drainage in Upper Zingcuka under the Disaster Grant.	R15 500 000	100% progress achieved on the paving of 1km of road with stormwater drainage in Upper Zingcuka under the Disaster Grant.	Director Engineering Services
			% progress achieved on the paving of 2km of road with stormwater drainage in Cenyu Village under the Disaster Grant.	R14 255 000	100% progress achieved on the paving of 2km of road with stormwater drainage in Cenyu Village under the Disaster Grant.	Director Engineering Services

2026/27 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 2026/27	CUSTODIAN
			% progress achieved on the construction of the culvert crossing in Cenyu Village under the Disaster Grant.	R1 700 000	100% progress achieved on the construction of the culvert crossing in Cenyu Village under the Disaster Grant.	Director Engineering Services
		Implementation of Monitoring and Evaluation Policy	Number of reports on the implementation of MIG Funded Project submitted to mayor's office.	Opex	4 reports on the implementation of MIG Funded Project submitted to mayor's office.	Municipal Manager
1.2	To ensure provision of sustainable public facilities by 2027	Facilitate construction, maintenance and upgrade of sport fields, community halls, hawkers stalls, cemeteries and recreational facilities	% progress achieved towards upgrading of Cathcart Town Hall	R3 000 000	15% progress achieved towards upgrading of Cathcart Town Hall	Director Engineering Services
			% progress achieved towards planning of the Stutterheim Recreational Park Revamping.	R400 000	100% progress achieved towards planning of the Stutterheim Recreational Park Revamping	Director Engineering Services
1.3	To ensure sustainable supply of electricity by developing new infrastructure while upgrading and maintaining existing	Improve electricity infrastructure and reduce losses	% progress on construction work of the 11KV main intake SwS Upgrade phase 4	R6 656 000	100% progress on construction work of the 11KV main intake SwS Upgrade phase 4	Director Engineering Services
			% progress on construction works 3 – 5 MVA 22/11KV Cathcart Substation Upgrade Phase 4.	Opex	100% progress on construction works 3 – 5 MVA 22/11KV Cathcart Substation Upgrade Phase 4.	Director Engineering Services

2026/27 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 2026/27	CUSTODIAN
	networks by 2027		Number of progress reports submitted to the standing committee on implementation of the Stutterheim Public Lighting under the STR Grant (Mlungisi, Amatolaville and Stutterheim Town)	Opex	4 progress reports submitted to the standing committee on implementation of the Stutterheim Public Lighting under the STR Grant (Mlungisi, Amatolaville and Stutterheim Town)	Director Engineering Services
			Number of progress reports submitted to the standing committee on implementation of the Keiskammahoek Public Lighting under the STR Grant (Sophumelela and KKH Town).	Opex	4 progress reports submitted to the standing committee on implementation of the Keiskammahoek Public Lighting under the STR Grant (Sophumelela and KKH Town).	Director Engineering Services
			Number of solar powered micro-grid house connections	R4 500 000	43 solar powered micro-grid house connections	Director Engineering Services
			% progress on the upgrade of public lighting and building lighting under EEDSM in Amahiathi	R4 000 000	100% progress on the upgrade of public lighting and building lighting under EEDSM in Amahiathi	Director Engineering Services

2026/27 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 2026/27	CUSTODIAN
1.4	To promote safety and security in the municipality by 2027	Implementation of the Community Safety Plan	No of tickets issued on law enforcement by June 2027.	R360 000	500 tickets issued on law enforcement by June 2027.	Director Community Services
			No of operations on Execution of unpaid traffic fines and warrants by June 2027	R1 500 000	4 operations on Execution of unpaid traffic fines and warrants by June 2027.	Director Community Services
			No of roadblocks conducted	MIG budget	40 roadblocks conducted.	Director Community Services
			No. of paintable streets with faded road marking's painted by June.	Opex	8 paintable streets with faded road marking's painted by June.	Director Community Services
			Number of progress reports on reported disaster incidents submitted to development and planning	R 700 000	4 progress reports on reported disaster incidents submitted to development and planning.	Director Community Services
			Number of fire awareness campaigns conducted by June 2027	Opex	14 fire awareness Campaigns conducted by 2027	Director Community Services

2026/27 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 2026/27	CUSTODIAN
		Implementation of IWMP	No of reports on solid waste programs implemented submitted to the Standing Committee (street cleaning, waste collection and disposal).	Opex	4 reports on solid waste programs implemented submitted to the Standing Committee (street cleaning, waste collection and disposal).	Director Community Services
			Number of waste awareness campaigns conducted by June 2027.	Opex	4 waste awareness campaigns conducted by June 2027.	Director Community Services
1.5	To promote the culture of reading and effective use of library resources	Library Services	No of Library awareness campaigns conducted per cluster by June 2027.	Opex	12 Library awareness campaigns conducted per cluster by June 2027.	Director Community Services
1.6	To facilitate a balanced spatial development form for the Municipality	Provide guidance on land use and development in accordance with the Spatial Development Framework (SDF)	Number of land use reports on compliance with SPLUMA submitted to the standing committee	Opex	4 land use reports on compliance with SPLUMA submitted to the standing committee	Director Development & Town Planning

2026/27 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 2026/27	CUSTODIAN
1.7	To facilitate access to housing relief	To monitor the progress and implementation on housing applications submitted to Department of Human Settlements	Number of reports on housing implementation status submitted to the standing committee	Opex	4 reports on housing implementation status submitted to the standing committee.	Director Development & Town Planning
<b>KPA 2: MUNICIPAL FINANCIAL VIABILITY (WEIGHT 15%)</b>						
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	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.	Chief Financial Officer
2.2	To maintain an accurate and complete fixed asset register that is compliant with GRAP by 2027	Maintain a fixed asset register that comply with GRAP	No. of material audit queries raised on the asset register raised by AG	Opex	0 material audit queries raised on the asset register raised by AG by the 15th day after end of the quarter.	Chief Financial Officer

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Indicator (KPI)	Performance	Budget	Target 2026/27	CUSTODIAN
2.3	To ensure 100% expenditure of capital budget by 2027	Monitoring and reporting on the spending (MIG/INEP grants)	% expenditure of capital budget	% expenditure of capital budget	Opex	100% expenditure of capital budget	Director Engineering Services
2.4	To improve collection of income due from consumer debtors annually.	Billing	% of billed income collected	% of billed income collected from the unlicensed areas	Opex	85% of billed income collected from the municipality licensed areas 05% of billed income collected from the unlicensed areas	Chief Financial Officer Chief Financial Officer
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	No. of Monthly financial reports (Sec 71 and sec 52 reports) submitted to Mayor and Treasury on the 10th working day of each month. 4 section 52 reports submitted to mayor and Treasury within 30 days after the end of each quarter.	Opex	12 Monthly financial reports (Sec 71 and sec 52 reports) submitted to Mayor and Treasury on the 10th working day of each of each month. 4 section 52 reports submitted to mayor and Treasury within 30 days after the end of each quarter.	Chief Financial Officer
		Adherence to Service Level Agreement signed with Department of Transport	No weekly reports on motor vehicle registration submitted to Department of Transport within 3	No weekly reports on motor vehicle registration submitted to Department of Transport within 3	Opex	46 weekly reports on motor vehicle registration submitted to Department of Transport	Chief Financial Officer

2026/27 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 2026/27	CUSTODIAN
			working days after the end of each week		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	Chief Financial Officer
		Financial Viability as expressed by ratios	% Cost coverage (B+C) +D	Opex	To maintain a cost average ratio of 0.2% by June 2027	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 developmental imperatives in the IDP	2026/2027 budget prepared and submitted to council for approval on by 31st May each year	Opex	2026/2027 budget prepared and submitted to council for approval by 31st May 2027	Chief Financial Officer

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Indicator (KPI)	Performance Indicator (KPI)	Budget	Target 2026/27	CUSTODIAN
<b>KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>							
<b>3.1</b>	To strengthen democracy through improved public participation.	Public Participation Action Plan	No. of reports analyzing public participation trends	No. of reports analyzing public participation trends	Opex	4 reports analyzing public participation trends	Municipal Manager
<b>3.2</b>	To capacitate Satellite offices as one stop shops for service delivery by 2027.	Implementation of Public Participation Policies	No. of quarterly petition Management status reports submitted to Council	No. of quarterly petition Management status reports submitted to Council	Opex	4 Petition Management Status Report submitted to Council	Municipal Manager
<b>3.3</b>	To regularly coordinate provision of a comprehensive and integrated package of services by all spheres of government.	Ensuring Cluster Wide Comprehensive Development	No. of Ward Based Service Delivery Plans reviewed.	No. of Ward Based Service Delivery Plans reviewed.	Opex	15 Ward Based Service Delivery Plans reviewed.	Municipal Manager
<b>3.3</b>	To regularly coordinate provision of a comprehensive and integrated package of services by all spheres of government.	Strengthening of IGR structures	Number of IGR meetings convened	Number of IGR meetings convened	Opex	4 IGR meetings Convened	Municipal Manager

2026/27 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 2026/27	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 overdue) submitted to the Risk & Compliance Management Unit within 3 working days after the end of each quarter.	Opex	4 risk management reports reflecting a total of 80% implementation of risk management action plans (actions due and actions overdue) submitted to the Internal Audit unit within 3 working days after the end of each quarter.	Municipal Manager
		Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	Number of risk committee meetings and risk assessments coordinated during 2026/27 financial year.  % implementation of top layer activities in the internal audit operational plan	Opex	4 risk committee meetings and 1 strategic, operational and fraud risk assessments coordinated during 2026/27 financial year.  80% implementation of top layer activities in the internal audit operational plan during 2026/27 Financial Year	Municipal Manager
			No. of audit committee meetings convened	R450 000	4 audit committee meetings convened by 30 June 2027	

2026/27 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 2026/27	CUSTODIAN
			% of internal audit requests for information and communications of audit findings adequately responded to by management within 3 working days.	Opex	80% of internal audit requests for information and communications of audit findings adequately responded to by management within 3 working days by 30 June 2027.	Municipal Manager
3.5	Ensure effective & efficient resolution of legal matters	Development of compliance register and compliance plan	No. of compliance reports developed by HODs and submitted to Risk and Compliance Management Unit within 3 working days after the end of each quarter.	Opex	4 compliance reports developed by HODs and submitted to the Risk and Compliance Management Unit within 3 working days after the end of each quarter	Municipal Manager
		Status report of legal matters	Number 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.	Municipal Manager
3.6	To ensure quality life through integrated welfare services	Implementation of Strategy on Special Programmes	No. of programs on vulnerable groups supported as per program	Opex	4 programs on vulnerable groups supported as per program of action submitted to the standing committee	Municipal Manager

2026/27 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 2026/27	CUSTODIAN
	for the children, women, youth, elderly, people with disability, HIV and AIDS by 2027		of action submitted to the standing committee			
3.7	To ensure proactive and effective communication	Building and positioning well the municipality brand	No. of newsletters developed and published on website and municipal facebook page	Opex	4 quarterly newsletters developed and published on website and municipal facebook page	Municipal Manager
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	Director Corporate Services
3.9	To ensure compliant, effective and efficient customer	Modernise the telephone system for customer care and productivity improvement	Internal customer service excellence and shortened Turn-around time to attend to logged faults and system related queries	Opex	60% service excellence rating with an average of 3 working hours to attend to logged faults and system related queries by users.	Director Corporate Services

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Indicator (KPI)	Performance Indicator (KPI)	Budget	Target 2026/27	CUSTODIAN
	management by 2027.	Implementation and monitoring of controls to ensure security of information and business continuity	No. of reports on ICT systems implemented with itemised usage and expenditure reports submitted to ICT Steering committee		Opex	4 reports on ICT systems implemented with itemized usage and expenditure reports submitted to ICT Steering committee	Director Corporate Services
		Provide on-going support to users on system related queries	% of reported system related queries resolved		Opex	95% of reported system related queries resolved	Director Corporate Services
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	Director Corporate Services
<b>KPA: 4 LOCAL ECONOMIC DEVELOPMENT</b>							
4.1	To improve implementation of the government intervention programme to eliminate poverty by 2027	Implementation of the EPWP and municipal job creation programme especially linked to areas of scarce skills and temporal local jobs created during the roll out of capital projects	No of temporary local jobs (Work Opportunities) created		Opex	550 Work Opportunities created	Director Development and Town Planning

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Indicator (KPI)	Performance Indicator (KPI)	Budget	Target 2026/27	CUSTODIAN
4.2	To ensure holistic and economic growth and development by 2027	Subcontracting of the work to SMMEs residing at Amahlathi LM  Support and development of SMMEs	No. of Sub-contract agreements signed by the main contractor and sub-contractor	No. of Sub-contract agreements signed by the main contractor and sub-contractor	Opex	7 Sub-contract agreements signed by the main contractor and sub-contractor	Director Development and Town Planning
			% of the Amahlathi expenditure to benefit SMMEs	% of the Amahlathi expenditure to benefit SMMEs	Opex	25% of the Amahlathi expenditure to benefit SMMEs	Director Development and Town Planning
			No of SMMEs supported to access government Support Programs	No of SMMEs supported to access government Support Programs	Opex	70 SMMEs supported to access SMME Support Programs	Director Development and Town Planning
			Number of businesses with new trading permits	Number of businesses with new trading permits	Opex	70 businesses with new trading permits	Director Development and Town Planning
			No of businesses that renewed their trading permits	No of businesses that renewed their trading permits	Opex	122 businesses renewed their trading permits	Director Development and Town Planning
		Strengthen relationship with other Strategic Partners	Number of reports on implementation of signed twinning agreements submitted to the standing committee.	Number of reports on implementation of signed twinning agreements submitted to the standing committee.	Opex	4 reports on implementation of signed twinning agreements submitted to the standing committee	Director Development and Town Planning

2026/27 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 2026/27	CUSTODIAN
4.3	Promotion of Tourism through identification of Tourist arrears.	Finalise the tourism Infrastructure Improvement Process Plan	No. of tourist attractions promoted	Opex	8 tourist attractions promoted	Director Development and Town Planning
			No. of trainings conducted for LTOs and CTOs	Opex	3 support interventions for LTOs and CTOs	Director Development and Town Planning
4.4	To Stimulate local economy through Agricultural development by 2027	Provision of capacity building programs to support existing farmers	No. of farmers supported with capacity building	Opex	50 farmers to be supported with capacity building	Director Development and Town Planning
			Number of outreach programs to promote access to market for emerging farmers	Opex	2 outreach programs to promote access to market for emerging farmers	Director Development and 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	No. of support interventions on timber cooperatives	Opex	6 support interventions on timber cooperatives	Director Development and Planning

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Indicator (KPI)	Performance	Budget	Target 2026/27	CUSTODIAN
4.6	To ensure development of the economic infrastructure required to enable increased economic growth	Source funding for a catalytic project	No. of funding application submitted to potential funders		Opex	4 funding application submitted to potential funders	Director Development and Town Planning
4.7	To building resilient smart towns	Marketing the towns of Amahlathi Municipality	Number of publications made to promote the towns of the municipality.		Opex	4 publications made to promote the towns of the municipality (1 for each towns)	Director Development and Town Planning
<b>KPA: 5 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b>							
5.1	To attract, retain, build capacity and maximise utilisation of Amahlathi Human Capital	Implementation of the approved organisational structure.	No of Local Job Description Writers Committee Meeting convened		Opex	4 Local Job Description Writers Committee Meetings Convened	Director Corporate Services
			No of HR Dashboard reports on HR Plan Implementation		Opex	4 HR Dashboard reporting on HR Plan Implementation	Director Corporate Services

2026/27 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 2026/27	CUSTODIAN
5.2	Promote sound Labour Relations for a conducive work environment through education and legislative compliance	Strengthening systems and mechanisms relating to governance processes, risks management and internal control	No. of EAP programmes implemented as per approved plan	Opex	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	Director Corporate Services
		Implementation of the approved EEP	No. of quarterly reports prepared on compliance with EEP annual targets submitted to Training and Employment Equity Committee (TEEC)	Opex	4 quarterly reports prepared on compliance with EEP annual targets	Director Corporate Services
			Local Labour Form (LLF) meetings and Labour Relations information sessions held	Opex	4 LLF meetings	Director Corporate Services
Develop and implement a blended learning and development programme strategy	No of LR information sessions / training held	Opex	4 LR information sessions / training held	Director Corporate Services		
	No of trainings organized for employees	Opex	8 trainings organized for employees	Director Corporate Services		
			No. of reports on PMDS implementation by	Opex	4 reports on PMDS implementation by	Director Corporate Services

2026/27 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 2026/27	CUSTODIAN
			Departments up to Institutional Moderation		Departments up to Institutional Moderation	
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 implementation of fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	Opex	4 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	Director Corporate Services
5.4	To ensure compliant and prudent safeguarding and preservation of institutional memory by 2027	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 and Clean Desk Policy	Opex	4 implementation reports on File plan for active and archived documents and Clean Desk Policy	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.	Director Corporate Services

2026/27 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 2026/27	CUSTODIAN
5.6	To ensure adequate and improved working environment	Upgrading of offices	No. of funding proposal submitted to potential funders for construction of Amahlathi Municipal offices in Stutterheim submitted to potential funders	Opex	1 funding proposal for construction of Amahlathi Municipal offices in Stutterheim submitted to potential funder	Director Engineering Services
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 submitted to Standing committee	Opex	4 progress reports on Implementation of approved IDP/Budget/PMS process plan submitted to Standing committee	Municipal manager
			No. 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	All HODs

**CHAPTER 5: PROJECTS**

PROJECT NAME	GRANT	26/27	27/28	28/29
Mlungisi sportfield	MIG			
Izidenge Internal Roads	MIG			
Langdraai Community Hall	MIG			
Phumlani Community Hall	MIG			
Nqenqe Internal Roads	MIG			
Waste Collection Compactor Truck	MIG			
Paving of Xholorha Internal Roads	MIG			
Amahlathi Municipal Offices	MIG			
Construction of Keiskammahoek f Multi-purpose Recreational centre ( budget maintenance)	MIG	R3 000 000,00		
Infrastructure plans	MIG	R1 700 000,00		
Amabele Paving	MIG	R3 390 000,00		
Keilands Roads	MIG	R5 500 000,00		
Stutterheim Town Roads and storm water structures	MIG	R8 000 000,00	R10 000 000,00	R10 000 000,00
Keiskammahoek Town Roads and storm water structures	MIG	R7 198 300,00	R8 900 000,00	R10 000 000,00
Cathcart Town Hall Upgrade	MIG	R3 600 000,00	R9 091 050,00	R3 000 000,00
Stutterheim Recreational Park Revamping	MIG	R400 000,00	R4 000 000,00	R3 000 000,00
Izidenge Internal Roads Phase 2	MIG		R2 100 000,00	
Kei Road Town Hall	MIG	R	R500 000,00	R1 000 000,00
Greenfields internal roads	MIG	R	R500 000,00	R1 278 895,00
Khayelitsha Community Hall	MIG	R	R500 000,00	R4 000 000,00

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

Mzamomhle Community Hall	MIG	R	-	R500 000,00	R5 000 000,00
PMU 5%	MIG	R1 725 700,00		R1 918 950,00	R1 842 105,00
<b>TOTAL PROJECT COST</b>	<b>MIG</b>	<b>R34 514 000,00</b>		<b>R38 010 000,00</b>	<b>R39 121 000,00</b>
<b>PROJECT NAME</b>	<b>GRANT</b>	<b>26/27 - Allocation TBC</b>	<b>27/28-Allocation TBC</b>		
Xholorha Paving and Stormwater	MDRG				
Ngcamngeni Roads and Storm Water	MDRG				
Upper Zingcuka roads-paving	MDRG				
Cenyu Village Culvert Crossing and Paving	MDRG				Feb 2023 - Disaster Approval
Cenyu village roads paving	MDRG				R19 145 000,00
Vaaltraai Douglas road Paving	MDRG	R7 140 000,00			June 2025 - Disaster Approval
Mqukwane/Greenfields internal road paving	MDRG	R22 450 000,00			R32 000 000,00
Jerseyvale Internal roads paving	MDRG	R15 240 000,00			
Lower Mnyameni internal roads paving	MDRG			R1 650 000,00	
Masinedane Internal Roads Paving	MDRG			R920 000,00	
Peterfarm Roads	MDRG			R1 450 000,00	
Gwili-gwili internal roads paving	MDRG			R800 000,00	
Mthwaku Internal Roads Paving	MDRG			R13 750 000,00	
Keiroad Town Road Paving	MDRG			R14 340 000,00	
<b>TOTAL PROJECT COST</b>	<b>MDRG</b>	<b>R44 830 000,00</b>		<b>R32 910 000,00</b>	
<b>PROJECT NAME</b>	<b>GRANT</b>	<b>26/27 - Allocation TBC</b>	<b>27/28-Allocation TBC</b>		<b>28/29 - Allocation TBC</b>
Expanded Public Works Programme	EPWP				
<b>TOTAL ALLOCATION FOR THE YEAR</b>	<b>EPWP</b>	<b>R</b>	<b>-</b>	<b>R</b>	<b>R</b>

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

PROJECT NAME	GRANT	26/27	27/28	28/29
Small Towns Revitalisation	STR			
Keiskammahoek Roads	STR			
Stutterheim Street Lighting	STR			
Keiskammahoek Street Lighting	STR			
<b>TOTAL PROJECT COST</b>	<b>STR</b>			

PROJECT NAME	GRANT	26/27	27/28	28/29
Construction of Cathcart substation	INEP	R6 742 824,98		
Copnstruction of Stutterheim substation	INEP	R7 006 000,00		
3MVA Industrial Substation	INEP			
11 KV Lower Olhosen Line	INEP			
Xhologha Substation upgrade	INEP			
Electrification of farm dwellers	INEP			
Upgrade of overloaded mini-sub in Cathcart and Stutterheim	INEP			
11 KV Overhead line construction feeding Xhologha	INEP			
Electrification of Xhologha and Kati Kati Townships	INEP			
Construction of micro grid for new connections in Greenfields	INEP			
Pre Engineering for electrification rollout for 27/28 and 28/29	INEP			
<b>TOTAL ALLOCATION FOR THE YEAR</b>	<b>INEP</b>	<b>R7 543 000,00</b>	<b>R7 790 000,00</b>	

PROJECT NAME	GRANT	26/27	27/28	28/29
Replacement of Street and building lighting fittings	EEDSM	R4 000 000,00	R4 000 000,00	
RT29 Smart Meter Installation	RT29	TBC	TBC	

<b>PIPELINE OF CATALYTIC PROJECTS</b>				
<b>NO.</b>	<b>PROJECT NAME</b>	<b>PROJECT DESCRIPTION</b>	<b>LOCATION</b>	<b>BUDGET</b>
1.	<b>Furniture Incubation</b>	<ul style="list-style-type: none"> <li>• Inspired by the defunct Abenzi-wood house initiative but now focused on the concept rather the failed business</li> <li>• A collaboration between the ALM,DEDEAT &amp; the ECDC</li> <li>• Will also contribute to the strengthening the local forestry value-chain – manufacturing focus</li> <li>• ECDC has committed to assisting with the Feasibility Study and is in the process of appointing a Service Provider for this.</li> </ul>	Stutterheim	None
2.	<b>Middle Income Housing</b>	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		
3.	<b>Stutterheim Master &amp; Precinct Plan</b>	<p>This will entail the following:</p> <ul style="list-style-type: none"> <li>• A master plan for the regeneration of town and its surrounding areas</li> <li>• A precinct plan for a retail facility and new offices for the Municipality                             <ul style="list-style-type: none"> <li>• A Business Plan towards mobilising resources for the implementation of the Precinct Plan</li> </ul> </li> </ul>	Various Stutterheim based location being considered for the Municipal Office and Retail precincts	None

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

PIPELINE OF CATALYTIC PROJECTS				
NO.	PROJECT NAME	PROJECT DESCRIPTION	LOCATION	BUDGET
4.	SA Fine-Tuned Wildlife Project	It's a Department of Environmental Affairs funded Wildlife Farming project, which entails the following: <ul style="list-style-type: none"> <li>• Improvement of livelihoods and the environment through job creation and biodiversity awareness creation</li> <li>• Rehabilitation of degraded agricultural land</li> <li>• Utilisation of underutilised renewable natural resources to stimulate the local economy</li> </ul> Empowerment of Communities adjacent to the project site	Bolo, in Ward 5	R20m
5.	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

**PROJECTS BY AMATHOLE DISTRICT MUNICIPALITY  
MUNICIPAL INFRASTRUCTURE GRANT THREE YEAR CAPITAL PLAN 2026||2029**

PROJECT NAME	PROJECT TYPE	PROJECT CATEGORY	CAPITAL BUDGET FOR 2026/2027	CAPITAL BUDGET FOR 2027/2028	CAPITAL BUDGET FOR 2028/2029
<b>AMAHLATHI</b>					
Completion of backlog-Amahlathi area wide sanitation project	Sanitation	New	4 000 000	-	-
Stutterheim Sewer Pipe Replacement Programme	Sanitation	Upgrade	5 000 000	-	-
Stutterheim Water Pipe Replacement Programme	Water	New	3 000 000	-	-
Carthcart Bulk Services Upgrade	Water	New	20 000 000	25 499 184	28 499 184
Rhabula Water Supply Extensions	Water	Upgrade	24 400 400	5 000 000	5 360 650

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

**WATER SERVICES INFRASTRUCTURE GRANT CAPITAL PLAN 2026||2029**

PROJECT TITLE	REGION	BUDGET 2026  2027	BUDGET 2027  2028	BUDGET 2028  2029
Drilling and Testing of Mbashe, Mquma and Great Kei Boreholes	ADM: WHOLE DISTRICT	8 000 000	8 000 000	-
Refurbishment of Sewage Systems in Amathole DM	ADM: WHOLE DISTRICT	-	-	-
Non Revenue Water Loss Control Project: Amahlathi	EC124 AMAHLATI	9 000 000	10 000 000	15 000 000
Dontsa Water Supply	EC124 AMAHLATI	5 000 000	-	-
Refurbishment of Amahlathi Water Retaining Structures	EC124 AMAHLATI	2 000 000	10 000 000	10 000 000

**1. DEPARTMENT OF HUMAN SETTLEMENTS PROJECTS**

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

**AMATHOLE REGION PLANNED TARGETS FOR 26/27 FINANCIAL YEAR**

PLANNED HOUSES	PLANNED SERVICES	PLANNED RECTIFICATION	PLANNED TITLE DEEDS	TARGETED EPWP	ANNUAL BUDGET
521	269	57	0	704	R 145 651 293

**AM AHLATHI PLANNED TARGETS FOR 25/26 FINANCIAL YEAR**

PLANNED HOUSES	PLANNED SERVICES	PLANNED RECTIFICATION	PLANNED TITLE DEEDS	TARGETED EPWP	ANNUAL BUDGET
128	128	0	0	275	R 41 300 000

## INDIVIDUAL PERFORMANCE FOR AMAHLATHI LM

PROJECT NAME	IMPLEMENTING AGENT	SERVICE PROVIDER & CONTRACTS DATES	SCOPE	DELIVERY TO DATE AS AT END MAY 2025	REMAINING BALANCE	UNITS AT VARIOUS STAGES	CHALLENGES/RISKS	REMEDIAL ACTIONS /STATUS
- Katikati 300	Mahiri Construction (Contractor)  BMK Group (PSP)	Start Date 13 Aug 24 End Date 13 Aug 26  Start Date 06 Oct 22 End Date 06 Oct 25	300 sites  300 units	Water – 92% Sewer – 60% Roads – 76% Storm – 10%  Units - 0	300 units	0	Funding constraints	Contractor is currently busy with installation of services

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

Goshieni 3100	Black Top Civil (Contractor) Tech Engineers (PSP)	Start Date 18 Jan 25 End Date 18 Jan 27 Start Date 03 Oct 23 End Date 18 Jan 27	100	Complete -0	100	Finishes - 5 Roofs - 0 Wall plates - 15 Foundations - 8 Not started - 72	No challenge	Construction work has commenced. Cutting of platforms underway
Squashville 467	Bonz Investment Pty LTD (Contractor)  Sagient Consulting Engineers (PSP)	Start Date 20 Mar 23 End Date 15 Aug 27  Start Date 15 Aug 24 End Date 15 Aug 27	153	Complete - 153	0	0	No challenge	Construction work is progressing well
Northern Node 421 (200)	Norland Construction	Start Date 26 Jan 23 End Date 26 Jan 24  Start Date 06 Oct 22 End Date 06 Oct 25	421 services  200 Houses	421 services  200 Houses	0	0	No challenge	Contractor busy with project Close out

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

Mthonjeni - 201 subs -	Ntando Thando (contractor)	Start Date 24 Jan 25 End Date 24 Jan 27	80 units	Complete - 10	80	Wall plates -10 Foundations - 30 Not started -40	No challenge	NHBRC Enrolment approved on 30/05/25  Site Establishment is underway
Frankfurt - 300 subs -	MBSA Consulting Engineers (PSP)	Start Date 24 Jan 25 End Date 24 Jan 27	300	294	6	0	Units for disabled - 2 Left the site -2 Refused new plots- 2	An established sub- contractor has been engaged to assist the MSMES
Gasela 75 subs -	GS United (Turnkey Contractor)	Start Date 01 Mar 22 End Date 31 Jul 25	75	75	0	0	No challenge	Scope has been increased by 12 units
- Kubusie 304 units	Bendolite Trading (Turnkey)	Start Date 07 Feb 24 End Date 07 Feb 27	110 units	238	66	46	Slow delivery	Contractor was put on terms and has since increased capacity on site

2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

Keiskammahoek - Masinedane 200 (99)-Destitutee	VZ Developers (Turnkey Contractor)	Start Date 13 Dec 22 End Date 30 Nov 25  Start Date 24 Jan 25 End Date 24 Jan 27	97 units	184	16	14	Slow delivery.	Contractor has appointed an established sub-contractor
Cenyulands 692 subs - -	Kentha Constructiom	Start Date 29 Mar 19 End Date 30 Nov 25	692	561	66	30	Unavailability of beneficiaries	Project scope will be reduced by 66 units
Cenyu Village 450	Real Deal Investments	Start Date: 29/03/19 End Date: 29/03/21 Revised Date: 30/09/25	450	398	13	13	Unavailability of beneficiaries	Project scope will be reduced by 40 units

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

**DEPARTMENT OF FORESTRY FISHERIES AND THE ENVIRONMENT**

<b>PRIORITY AREA</b>	<b>NDP OUTCOME</b>	<b>TARGET: 23/24</b>	<b>Budget</b>	<b>MUNICIPALITY</b>
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**

**Amahlathi Local Municipality 2025 - 2026 Plan**

<b>Row Labels</b>	<b>Sum of TOTAL Planned CAPEX</b>	<b>Sum of Capex YTD Actual</b>	<b>Sum of TOTAL Planned Connections</b>	<b>Sum of Conn YTD Actual</b>	<b>Comments</b>
Amahlathi phase 1	R14 400 000	R8 442 250.92	330	154	Construction in progress
Amahlathi Pre-engineering Sch 5B	R40 000	R0.00	0	0	0
Amahlathi Ward Extension Ph1 26/27	R180 000	R88 275.00	0	0	Engineering fees
Yellowood LL Pre-Eng	R400 000	R0.00	0	0	Engineering fees
Kei Road Housing Development	R508 842	R210 308.17	0	0	Engineering fees

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

26/27(Amahlathi Housing Development Pre-Eng)					
<b>Current</b>	<b>R15 528 842</b>	<b>R8 740 834.09</b>	<b>330</b>	<b>154</b>	

**2026 -2027 Plan**

<b>Project Name</b>	<b>Project Type</b>	<b>DoE TOTAL Planned CAPEX Excl 15% VAT</b>	<b>DoE TOTAL Planned CAPEX Incl 15% VAT</b>	<b>HH</b>	<b>Beneficiaries</b>
Kei Road Housing Development	Households	R13 500 000.00	R16 301 250.00	350	Kei Road, Nompandlana, Nonkululeko
Kei Road link line 22km from Yellowwoods SS	Infrastructure - Line	R10 800 000.00	R13 041 000.00		
Amahlathi ward ext. Ph1	Households	R7 600 000.00	R9 177 000.00	200	Kubusie, New Zone, Nkandla, Langdraai, Thembeni
Amahlathi Infills	Infills	R1 680 000.00	R 2 028 600.00	160	
Amahlathi Schedule 5B Pre-engineering (2027/28 Plan)	Pre-Engineering	R50 000.00	R60 375.00		
Cathcart Pre-Eng	Pre-Engineering	R300 000.00	R362 250.00		
Stuterheim Pre-Eng	Pre-Engineering	R300 000.00	R362 250.00		
Keiskammahoek Pre-Eng.	Pre-Engineering	R300 000.00	R362 250.00		
		<b>R34 530 000.00</b>	<b>R41 694 975.00</b>	<b>710</b>	

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

**Amahlathi Local Municipality- 27/28 Draft Plan**

<b>Project Name</b>	<b>Project Type</b>	<b>DoE TOTAL Planned CAPEX Excl 15% VAT</b>	<b>DoE TOTAL Planned CAPEX Incl 15% VAT</b>	<b>TOTAL Planned Connections</b>
Amahlathi Ext LL Upgrade	Infrastructure - Line	R 7 262 500	R 8 769 469	
Amahlathi Type 1 Infills	Infills	R 2 660 000	R 3 211 950	200
		<b>R 9 922 500</b>	<b>R 11 981 418</b>	<b>200</b>

**PROJECTS BY DEPARTMENT OF TRANSPORT**

**PLANNED PROJECTS FOR 2026/2027 FINANCIAL YEAR**

Expended Public Works Programme

<b>Project Name</b>	<b>No. of Participants Per Project</b>	<b>Project Description</b>	<b>Annual Budget</b>
Household Contractors	355	Routine Road Maintenance	4,362,240
Scholar Transport Monitors	20	Safety Of Learners	614,400
Community Development Support	1	Administration	60,000
Supervisors	24	Supervision and M&E	1,146,240
Road Rangers	31	Safety of road users	1,087,200
Road Maintenance 7 Youth Brigades	35	Routine Road Maintenance	1,283,520
<b>Total</b>	<b>466</b>		<b>8,553,600</b>

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

### AM AHLATHI 2026-2027 BUDGET SUMMARY

LOCAL MUNICIPALTY	PLANT HIRE (BLADING)	DISASTER	FRAMEWORK		TOTAL (R)
			SURFACE	GRAVEL	
Amahlathi	NIL	R20,000,000	R3,000,000	R3,000,000	R26,000,000
Total		R26,000,000			

### ESTIMATED BUDGET FOR 2026/2027 FINANCIAL YEAR

Gravel	R3 000 000		
Disaster	R20 000 000		
RRM: Surface	R3 000 000 (Pothole Patching &	Vegetation control)	

TOTAL R26 000 000

- It is worth to note that the estimate number of kilometers will be based on the rates.
- The number of roads to be re-gravelled will be done in consultation with the Municipality.

### PROJECTS BY DEPARTMENT OF AGRICULTURE FOR 2026/27

AREA	DESCRIPTION OF PROJECT	BUDGET
LAND USE MANAGEMENT		
Amahlathi - langdraai	Land Use Management – Amahlathi – Langdraai additional 8, 2km fence	R680 000
Amahlathi	awareness campaigns on Landcare to promote conservation of natural resources	Entire Amathole District - R322 000
Amahlathi	59 beneficiaries practicing sustainable production technologies and practices for improved livelihoods	N/A

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

Amahlathi	17 people employed in green jobs	Entire Amathole District R751 000	
<b>INFRASTRUCTURE</b>			
Amahlathi	CONSTRUCTION OF STRUCTURE FOR 1000 BROILERS- Mpayipeli	1 200 000	
Upper Zingcuka	Renovation of Stock Dipping Tank	R550 000	
Seven Stars Dairy	Refurbishment of Processing Facility	R1 000 000	
Mlowa Multi-purpose	Equipping Borehole for Irrigation	R550 000	
<b>SUB-PROGRAM 2.1: ENGINEERING SERVICES FOR AMATHOLE</b>			
Amahlathi	2 commercial producers supported.	N/A	
Amahlathi	290 smallholder producers supported.	N/A	
<b>FOOD SECURITY</b>			
Amahlathi	820 Household producers supported	District budget - R10,877,145	
Amahlathi	1380 hectares of irrigated land put under production	N/A	
Amahlathi	300 hectares planted for production of field crops.	N/A	
<b>SPRING WATER PROJECTS</b>			
Amahlathi:	Amahlathi: Ward 2 - Mnyameni	N/A	
<b>VETERINARY SERVICES</b>			
<b>LIVESTOCK NUMBERS</b>			
Amahlathi	Cattle	30 513	N/A
	Sheep	19 154	
	Dogs/cats	10 254	

**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

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*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)

<b>Level</b>	<b>Terminology</b>	<b>Description</b>
<b>5</b>	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 <b>PA</b> and Performance plan and maintained this in all areas of responsibility throughout the year.
<b>4</b>	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 <b>fully</b> 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:

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

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			

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People Management	<ul style="list-style-type: none"> <li>Human Capital Planning and Development</li> </ul>	Superior	8.3		
	<ul style="list-style-type: none"> <li>Diversity Management</li> </ul>	Advanced			
	<ul style="list-style-type: none"> <li>Employee Relations Management</li> </ul>	Competent			
	<ul style="list-style-type: none"> <li>Negotiation and Dispute Management</li> </ul>	Basic			
Programme and Project Management	<ul style="list-style-type: none"> <li>Program and Project Planning and Implementation</li> </ul>	Superior	8.3		
	<ul style="list-style-type: none"> <li>Service Delivery Management</li> </ul>	Advanced			
	<ul style="list-style-type: none"> <li>Program and Project Monitoring and Evaluation</li> </ul>	Competent			
Financial Management	<ul style="list-style-type: none"> <li>Budget Planning and Execution</li> </ul>	Superior	8.3		
	<ul style="list-style-type: none"> <li>Financial Strategy and Delivery</li> </ul>	Advanced			
	<ul style="list-style-type: none"> <li>Financial Reporting and Monitoring</li> </ul>	Competent			
		Basic			
Change Leadership	<ul style="list-style-type: none"> <li>Change Vision and Strategy</li> </ul>	Superior			
	<ul style="list-style-type: none"> <li>Process Design and Improvement</li> </ul>	Advanced			
	<ul style="list-style-type: none"> <li>Change Impact Monitoring and Evaluation</li> </ul>	Competent			
	<ul style="list-style-type: none"> <li>Policy Formulation</li> </ul>	Basic			
	<ul style="list-style-type: none"> <li>Policy Formulation</li> </ul>	Superior	8.3		

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Governance Leadership	<ul style="list-style-type: none"> <li>Risk and Compliance Management</li> </ul>	Advanced			
	<ul style="list-style-type: none"> <li>Cooperative Governance</li> </ul>	Competent			
		Basic			
<b>CORE COMPETENCIES</b>	<b>Achievements Levels</b>	<b>Weight</b>	<b>SELF-SCORING-HOD</b>	<b>FINAL SCORE MM</b>	
<b>Moral Competence</b>	Superior	8.3			
	Advanced				
	Competent				
	Basic				
<b>Planning and organising</b>	Superior	8.3			
	Advanced				
	Competent				
	Basic				
<b>Analysis and Innovation</b>	Superior	8.3			
	Advanced				
	Competent				
	Basic				

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<b>Knowledge and Information Management</b>	Superior	8.3		
	Advanced			
	Competent			
	Basic			
<b>Communication</b>	Superior	8.3		
	Advanced			
	Competent			
	Basic			
<b>Results and Quality focus</b>	Superior	8.3		
	Advanced			
	Competent			
	Basic			
<b>Total</b>	<b>100%</b>			

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:

Rating (score)	Rating (%)	Rating Definition	<i>Non-financial rewards</i>
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 &amp; 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	25/26
	2. Credit Control Policy	28 May 2015	25/26
	3. Indigent Policy	28 May 2015	25/26
	4. Rates Policy	28 May 2015	25/26
	5. Virement Policy	28 May 2015	25/26
	6. Tariff Policy	28 May 2015	25/26
	7. Petty Cash Policy	28 May 2015	25/26
	8. Housing and Rental Policy	28 May 2015	25/26
	9. Customer Care Policy	28 May 2015	25/26
	10. Supply Chain Management Policy	28 May 2015	25/26
	11. Asset Policy	28 May 2015	25/26
	12. Cash Management and Investment Policy	28 May 2015	25/26
	13. User Account Management Policy	28 May 2015	25/26

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	14. Fruitless and Wasteful Expenditure	28 May 2015	25/26
	15. Irregular Expenditure Policy and Procedure Manual	28 May 2015	25/26
Corporate Services	16. Recruitment and Selection Policy	29 May 2026	25/26
	17. Leave Policy	29 May 2026	25/26
	18. Acting Allowance Policy	29 May 2026	25/26
	19. Overtime and Shift Allowance Policy	29 May 2026	25/26
	20. Migration and Placement Policy	29 May 2026	25/26
	21. Travel Allowance Scheme for Managers	29 May 2026	25/26
	22. Training and Development Policy	29 May 2026	25/26
	23. Employee Assistant Policy	29 May 2026	25/26
	24. Occupational Health and Safety Policy	29 May 2026	25/26
	25. Telephone and Cellular Phone Usage Policy	29 May 2026	25/26
	26. Job Evaluation Policy	29 May 2026	25/26
	27. Exit and Retirement Policy	29 May 2026	25/26
	28. Bereavement Policy	29 May 2026	25/26
	29. Substance Abuse Policy	29 May 2026	25/26
	30. Sleep Out Allowance Policy	29 May 2026	25/26
	31. Housing Rental Allowance Policy	29 May 2026	25/26
	32. Subsistence and Travel Policy	29 May 2026	25/26
	33. Fleet Management Policy	29 May 2026	25.26
	34. Relocation and Sleepout Policy	29 May 2026	25/26

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	35. Performance Management and Development System Policy Framework	29 May 2026	25/26
	36. Code of Conduct for Municipal Employees Policy	29 May 2026	25/26
	37. ALM Experiential Training Policy	29 May 2026	25/26
	38. Political Office Bearer Policy	29 May 2026	25/26
	39. File Plan for Amahlathi Local Municipality	29 May 2026	25/26
	40. Backup Procedure Policy	29 May 2026	25/26
	41. Email Acceptable Policy	29 May 2026	25/26
	42. ICT Change Management Policy	29 May 2026	25/26
	43. ICT Patch Management Policy	29 May 2026	25/26
	44. Information and Systems Password Policy	29 May 2026	25/26
	45. Software Installation Policy	29 May 2026	25/26
	46. Backup Procedure	29 May 2026	25/26
	47. 3G Card Policy	29 May 2026	25/26
	48. Communication Technology Management Policy	29 May 2026	25/26
	49. Information and Systems Security	29 May 2026	25/26
Community Services	50. Environmental/Commonage Management Plan	2015	Adopted
	51. Integrated Waste Management Plan	May 2006	2023
	52. Cemetery Policy	2015	Adopted
	53. Pauper Burial Policy		24/25

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	54. 55. Environmental/Commonage Management Plan	2015	Adopted
Development And Planning	56. Amahlathi Spatial Development 57. Framework (	2022	2027
	58. Tourism Master Plan	2008	Currently being reviewed.
	59. Led Strategy	2012	2023
	60. Housing Sector Plan	2013	2023
	61. 62. Land Invasion Prevention Policy and By-law	2014	2015
	63. Agricultural Plan	2011	-
	64. SMME Strategy	2016	-
	65. Street Trading Policy	2013	-
	66. Tourism Master Plan	2008	Currently being reviewed.
Strategic Management Services	67. Performance Management Systems Policy Framework	June 2011	23/24
	68. Communication Strategy	2015	23/24
	69. Communication Policy	2016	23/24
	70. Public Participation Policy	June 2014	23/24
	71. Petitions Framework	June 2014	23/24
	72. Petitions Policy	2016/17	23/24
	73. Social Media Policy	Currently being developed	23/24

	74. Functionality of Ward Committees		23/24
	75. Special Programmes Strategy Covering; <ul style="list-style-type: none"> <li>• Youth</li> <li>• Children</li> <li>• Disabled</li> <li>• Women</li> <li>• Elderly</li> <li>• HIV/AIDS</li> </ul>	16/17	
	76. Sport Policy	Currently being developed	
Office Of the Municipal Manager	77. Audit Committee Charter	May 2011	23/24
	78. Internal Audit Charter		23/24
	79. Risk Management Policy		23/24
	80. ALM Fraud Prevention & Anti-Corruption Policy		22/23
	81. Fraud Prevention Plan		23/24
	82. Monitoring and Evaluation Policy	2023/24	
Engineering Services	83. Private Protection Equipment (PPE) for electricity	Currently being reviewed	20/21
	84. Electricity By Law		
	85. Bush Clearance & Maintenance Within Power line & Servitudes		
	86. By-law Standard Bush Clearance		
	87. Planting, Pruning, Removal and Treatment of Street Trees		
	88. Roads Maintenance Policy		
	89. Building Control Policy	Currently being developed	20/21
	90. 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 program 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 and is due for review in 2028. The IWMP is a strategic document that will then guide municipal waste operations to ensure compliance with waste regulations and is reported on annually to DEDEAT on implementation. 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 forum established in May 2024 sitting quarterly. Terms of reference have been approved by the forum stakeholders.

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 has been 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.

The Final Basis Assessment Report for closure and rehabilitation submitted to DEDEAT for approval.

The Municipality has developed a Leachate Management Plan for the Stutterheim landfill site to outline systematic procedures for safely collecting, storing, treating, and disposing of liquid waste generated in landfill. Its primary goal is to protect public health and the environment by preventing toxic contaminants from leaching into groundwater or soil.

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 refuse compactor truck has been procured through MIG and delivered in September 2025. Landfill operations remain being a challenge as there are no specialised vehicles at the waste sites to assist with daily covering and compaction. An application has been submitted to DEFF for recommendations to procure the vehicle through MIG to meet the conditions of the waste site permit.

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.

The 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 89 EPWP participants in all clusters. Both programs have had a positive impact as the general cleanliness and outlook of our towns has improved. EPWP participants 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 and seats quarterly.

#### **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 1<sup>st</sup> 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 2026/27 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 2026/27 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.

**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 2026/27 to 2028/29 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)**

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	35 913	47 462	63 735	72 499	79 999	78 999	50 668	93 867	102 531	108 683
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	11 107	11 658	11 734	14 362	11 380	11 380	5 761	10 080	10 665	10 591
Sale of Goods and Rendering of Services		5 355	5 898	6 435	7 303	2 575	2 575	1 409	8 229	1 967	2 106
Agency services		1 266	1 321	800	2 005	1 493	1 493	687	1 549	1 642	1 740
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		5 438	7 704	9 497	8 505	8 566	8 566	7 005	11 363	12 044	12 767
Interest earned from Current and Non Current Assets		1 613	3 456	3 421	4 063	4 063	4 063	123	4 307	4 705	5 136
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		221	246	286	209	221	221	209	315	325	336
Licence and permits		2 349	2 543	1 549	3 045	2 217	2 217	1 151	2 302	2 440	2 586
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		1 578	11 903	3 507	891	4 869	4 869	122	5 049	5 216	5 383
<b>Non-Exchange Revenue</b>											
Property rates	2	23 331	24 169	22 003	28 350	28 079	28 079	19 815	29 764	31 544	33 435
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		20	12	26	18	18	18	80	126	134	142
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		130 339	138 142	146 326	145 328	146 305	146 305	144 813	142 223	137 378	147 526
Interest		5 900	7 471	7 763	7 955	7 955	7 955	5 770	35 836	9 839	10 429
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		1 208	4 723	29 834	26 554	26 554	26 554	26 557	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and cont</b>		<b>225 638</b>	<b>266 611</b>	<b>306 914</b>	<b>322 008</b>	<b>323 296</b>	<b>323 296</b>	<b>264 169</b>	<b>345 010</b>	<b>320 471</b>	<b>340 860</b>

**(Expenditure by Type)**

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<b>Expenditure</b>											
Employee related costs	2	135 383	136 206	124 980	126 195	127 275	127 275	84 875	129 048	133 197	138 459
Remuneration of councillors		13 662	13 595	14 006	15 111	15 692	15 692	9 209	16 634	17 632	18 609
Bulk purchases - electricity	2	43 194	51 809	59 230	65 349	65 349	65 349	47 039	71 296	73 649	76 006
Inventory consumed	8	170	178	261	324	17	17	246	1 208	918	948
Debt impairment	3	-	-	-	20 385	20 385	20 385	(2 140)	26 532	27 407	28 284
Depreciation and amortisation		26 030	25 940	41 062	23 217	23 217	23 217	-	24 076	24 870	25 666
Interest		10 047	15 524	7 069	2 000	1 500	1 500	2 162	1 034	1 068	1 103
Contracted services		13 345	14 677	17 729	13 003	13 375	13 375	12 484	21 219	17 284	17 779
Transfers and subsidies		10	10	-	-	-	-	-	-	-	-
Irrecoverable debts written off		29 142	24 703	28 602	-	-	-	-	-	-	-
Operational costs		25 682	21 901	22 771	24 330	24 741	24 741	12 707	17 736	15 367	16 215
Losses on disposal of Assets		-	454	1 681	-	-	-	-	-	-	-
Other Losses		196	(8)	(10)	1	1	1	-	1	1	1
<b>Total Expenditure</b>		<b>296 863</b>	<b>304 998</b>	<b>317 281</b>	<b>289 915</b>	<b>291 552</b>	<b>291 552</b>	<b>166 562</b>	<b>309 783</b>	<b>311 394</b>	<b>323 158</b>

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

**(Grants and subsidies)**

**EC124 Amahlathi - Supporting Table SA18 Transfers and grant receipts**

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year #1 2027/28	Budget Year #2 2028/29
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		<b>144 613</b>	<b>180 181</b>	<b>209 874</b>	<b>143 505</b>	<b>143 505</b>	<b>143 505</b>	<b>140 400</b>	<b>137 378</b>	<b>147 346</b>
EPWP Incentive	-	5 595	6 905	8 418	1 799	1 799	1 799	1 949	-	-
Finance Management	-	8 735	10 935	13 135	2 200	2 200	2 200	2 400	2 900	2 600
Local Government Equitable Share	-	124 987	131 533	136 370	137 520	137 520	137 520	134 325	132 977	142 790
Municipal Drought Relief	-	5 290	30 808	49 953	-	-	-	-	-	-
Municipal Infrastructure Grant	-	-	-	-	1 986	1 986	1 986	1 726	1 901	1 956
<b>Provincial Government:</b>		<b>15 225</b>	<b>16 536</b>	<b>18 377</b>	<b>1 823</b>	<b>1 823</b>	<b>1 823</b>	<b>1 823</b>	<b>-</b>	<b>-</b>
Sport and Recreation	-	15 225	16 536	18 377	1 823	1 823	1 823	1 823	-	-
	-	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other grant providers:</b>		<b>1 153</b>	<b>1 403</b>	<b>1 801</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Unspecified_Specify (Replace with the name of the		1 153	1 403	1 801	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	<b>160 991</b>	<b>198 120</b>	<b>230 053</b>	<b>145 328</b>	<b>145 328</b>	<b>145 328</b>	<b>142 223</b>	<b>137 378</b>	<b>147 346</b>
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		<b>132 217</b>	<b>162 987</b>	<b>205 250</b>	<b>74 322</b>	<b>106 322</b>	<b>106 322</b>	<b>57 262</b>	<b>47 900</b>	<b>45 307</b>
Municipal Infrastructure Grant (MIG)	-	132 217	162 987	200 360	37 737	37 737	37 737	32 768	36 110	37 165
Energy Efficiency and Demand Side Management C	-	-	-	3 000	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	1 860	17 440	17 440	17 440	24 474	11 790	8 142
Municipal Disaster Relief Grant	-	-	-	-	19 145	51 145	51 145	-	-	-
<b>Provincial Government:</b>		<b>-</b>	<b>-</b>	<b>2 656</b>	<b>15 000</b>	<b>15 977</b>	<b>15 977</b>	<b>20 000</b>	<b>-</b>	<b>-</b>
Eastern Cape_Capacity Building and Other_RECEIPTS	-	-	-	-	-	977	977	-	-	-
Eastern Cape_Infrastructure_Infrastructure_RECEIPTS	-	-	-	2 656	15 000	15 000	15 000	20 000	-	-
	-	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Unspecified_Specify (R		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	<b>132 217</b>	<b>162 987</b>	<b>207 906</b>	<b>89 322</b>	<b>122 299</b>	<b>122 299</b>	<b>77 262</b>	<b>47 900</b>	<b>45 307</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>293 207</b>	<b>361 106</b>	<b>437 959</b>	<b>234 650</b>	<b>267 627</b>	<b>267 627</b>	<b>219 485</b>	<b>185 277</b>	<b>192 653</b>

### 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.

#### Financial Ratios:-

<b>FINANCIAL VIABILITY ASSESSMENT</b>			
		<b>As at 30 June 2025</b>	<b>As at 30 June 2024</b>
<b>Expenditure management</b>			
1.1	Creditor-payment period	357.8 Days	476 Days
<b>Revenue management</b>			
2.1	Debt-collection period (after impairment)	225.1 Days	240 Days
2.2	Debt-impairment provision as a percentage of accounts receivable	69%	71.36%
	· Amount of debt-impairment provision	R 174 017 362,00	R 142 731 001,00
	· Amount of accounts receivable	R 250 494 960,00	R 200 004 603,00
<b>Asset and liability management</b>			
3.1	A deficit for the year was realised (total expenditure exceeded total revenue)	Yes	Yes
	· Amount of the surplus / (deficit) for the year	R 67 290 389	R7 691 186
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	R59 457 631	R128 617 308

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	· Amount of the net asset / (liability) position	R331 394 491,00	R264 104 102,00
<b>Cash management</b>			
4.1	The year-end bank balance was in overdraft	No	No
	· Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft)	R12 554 267,00	R22 980 213,00
4.2	Cash plus investments less applications	R12 554 267,00	R 7 197 245,00
	Amount of total investments (short and long term)	R0,00	R0,00
	Less: Amount of cash applications/commitments	R0,00	R15 782 968,00
4.3	Cash coverage	0.5	0.3
	Amount of monthly expenditure	R26 440 924,92	R25 561 839,42

**Budgeted Cash Flow Table: -**

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

**EC124 Amahlathi - Table A7 Budgeted Cash Flows**

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	-	31 710	31 710	31 710	31 710	38 173	48 543	52 257
Service charges		-	-	-	76 998	95 361	95 361	95 361	105 533	108 749	118 557
Other revenue		-	-	-	14 338	8 796	8 796	8 796	11 804	11 842	12 494
Transfers and Subsidies - Operational	1	74 454	171 521	226 121	145 328	145 328	145 328	145 328	142 223	137 378	147 309
Transfers and Subsidies - Capital	1	-	-	-	89 322	89 322	89 322	89 322	57 262	47 900	45 307
Interest		2	3	18	12 629	12 629	12 629	12 629	22 647	23 752	24 887
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		10 704	10 704	10 704	(251 385)	(255 068)	(255 068)	(255 068)	(283 290)	(279 539)	(288 450)
Interest		-	-	-	(2 000)	(2 000)	(2 000)	(2 000)	(1 500)	(1 800)	(1 600)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>85 160</b>	<b>182 228</b>	<b>236 843</b>	<b>116 932</b>	<b>126 079</b>	<b>126 079</b>	<b>126 079</b>	<b>92 912</b>	<b>96 824</b>	<b>110 772</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	1 500	1 500	1 500	1 500	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		-	(1)	(370)	(91 874)	(94 334)	(94 334)	(94 334)	(81 312)	(47 400)	(40 307)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>(1)</b>	<b>(370)</b>	<b>(91 874)</b>	<b>(92 834)</b>	<b>(92 834)</b>	<b>(92 834)</b>	<b>(79 812)</b>	<b>(47 400)</b>	<b>(40 307)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short-term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long-term financing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>85 160</b>	<b>182 228</b>	<b>236 473</b>	<b>25 058</b>	<b>33 245</b>	<b>33 245</b>	<b>33 245</b>	<b>13 100</b>	<b>49 425</b>	<b>70 465</b>
Cash/cash equivalents at the year begin:	2	1 560	1 569	1 559	30 825	30 825	30 825	30 825	30 825	43 925	93 350
Cash/cash equivalents at the year end:	2	86 718	183 786	238 032	55 883	64 070	64 070	64 070	43 925	93 350	163 815

The operating budget produces an annual operating surplus and will therefore 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 2026/2027 financial year: -

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

Description	Funding	Final Budget 2026/2027	Final Budget 2027/2028	Final Budget 2028/2029
Infrastructure plans	MIG Funding	1 840 850		
Amabele Paving	MIG Funding	3 400 000		
Keilands Roads	MIG Funding	5 500 000		
Stutterheim Streets Paving	MIG Funding	12 000 000	10 000 000	8 000 000
Keiskammahoek Town Paving	MIG Funding	6 024 818	9 649 450	12 164 950
Cathcart Town Hall Upgrade	MIG Funding	3 622 632	10 460 050	2 000 000
Stutterheim Recreational Park Revamping	MIG Funding	400 000	4 000 000	5 000 000
Kei Road Town Hall	MIG Funding	-	500 000	-
Greenfields internal roads	MIG Funding	-	500 000	-
Khayelitsha Community Hall	MIG Funding	-	500 000	5 000 000
Mzamomhle Community Hall	MIG Funding	-	500 000	5 000 000
<b>Total MIG Funded Projects</b>		<b>32 788 300</b>	<b>36 109 500</b>	<b>37 164 950</b>
Computer Equipment	Own Funding	400 000	-	-
Furniture & Office Equipment	Own Funding	250 000	-	-
Vehicles	Own Funding	2 400 000	-	-
Machinery and equipment	Own Funding	50 000		
Hall and building refurbishments	Own Funding	850 000		
Waste Site Rehabilitation	Own Funding	2 400 000	-	-
<b>Total Own Funded Projects</b>		<b>6 350 000</b>	<b>-</b>	<b>-</b>
11 kV Stutterheim Main Intake SwS Upgrade Phase 2	INEP Grant	6 656 000	-	-
3-5 MVA 22/11kV Cathcart Substation Upgrade Phase 2	INEP Grant	9 318 000		
Solar Powered Microgrids for 73 households	INEP Grant	4 500 000		
EEDSM Project	INEP Grant	4 000 000		
Breakdown required	INEP Grant		11 790 000	8 142 000
<b>Total INEP Funded Projects</b>		<b>24 474 000</b>	<b>11 790 000</b>	<b>8 142 000</b>
STR KKH Roads	STR	6 000 000	0	0
STR KKH Electricity	STR	6 000 000	0	0
STR Stutterheim Electricity	STR	4 000 000	0	0
STR Stutterheim Roads	STR	4 000 000	0	0
<b>Total Small Town Revitalisation Projects</b>		<b>20 000 000</b>	<b>0</b>	<b>0</b>
		<b>83 612 300</b>	<b>47 899 500</b>	<b>45 306 950</b>

## **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 grant funded capital expenditure for the past two years.

Detail	Year 2024/25	Year 2023/24
Capital Expenditure	91%	93%

**8.2.5 Operational Financing Strategies**

At the end of the 2024/2025 financial year, the payroll costs including remuneration of councillors were 43.8% of the total expenditure. The total expenditure, excluding capital expenditure, amounted to R317m for 2024/2025 financial year and R309m in the 2026/2027 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 45% grant income, 6% debt relief and 48% own revenue. The municipality implemented a new general valuation roll effective 1<sup>st</sup> 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 2026/27 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 2026/27 MTREF has essentially been refined and further aligned incorporating key measurable objectives and targets to ensure the planning process translates into actual performance.

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	35 913	47 462	63 735	72 499	78 999	78 999	50 668	93 857	102 531	108 583
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	11 107	11 559	11 734	14 362	11 380	11 380	5 761	10 080	10 885	10 581
Sale of Goods and Rendering of Services		5 355	5 898	6 435	7 363	2 575	2 575	1 409	8 229	1 987	2 106
Agency services		1 266	1 321	800	2 005	1 493	1 493	687	1 549	1 642	1 740
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		5 438	7 704	9 497	8 566	8 566	8 566	7 006	11 363	12 044	12 767
Interest earned from Current and Non Current Assets		1 613	3 456	3 421	4 063	4 063	4 063	123	4 307	4 705	5 136
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		221	246	296	209	221	221	209	315	325	336
Licence and permits		2 349	2 543	1 549	3 845	2 217	2 217	1 151	2 302	2 440	2 586
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		1 578	11 903	3 507	891	4 859	4 869	122	5 049	5 218	5 383
<b>Non-Exchange Revenue</b>											
Property rates	2	23 331	24 189	22 003	26 350	28 079	28 079	18 615	29 754	31 544	33 436
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		20	12	26	18	18	18	80	126	134	142
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		130 339	138 142	146 325	145 328	146 305	146 305	144 813	142 223	137 378	147 526
Interest		6 900	7 474	7 763	7 855	7 955	7 955	5 770	26 838	9 839	10 429
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		1 208	4 723	29 834	25 554	26 554	26 554	26 557	-	-	-
<b>Discontinued Operations</b>											
<b>Total Revenue (excluding capital transfers and contributions)</b>											
		225 638	256 611	306 914	322 808	323 296	323 296	264 168	345 010	320 471	348 868
<b>Expenditure</b>											
Employee related costs	2	135 383	136 205	124 980	126 195	127 275	127 275	84 875	129 049	133 197	138 456
Remuneration of councillors		13 652	13 585	14 005	15 111	15 692	15 692	9 209	16 634	17 632	18 689
Bulk purchases - electricity	2	43 194	51 809	59 230	65 349	66 349	65 349	47 039	71 296	73 649	75 006
Inventory consumed	8	170	178	281	324	17	17	248	1 208	918	948
Debt Impairment	3	-	-	-	20 385	20 385	20 385	(2 140)	26 532	27 407	28 264
Depreciation and amortisation		26 030	25 940	41 062	23 217	23 217	23 217	-	24 076	24 870	25 686
Interest		10 047	15 524	7 069	2 000	1 500	1 500	2 162	1 034	1 068	1 103
Contracted services		13 345	14 677	17 729	13 093	13 375	13 375	12 484	21 219	17 284	17 778
Transfers and subsidies		10	10	-	-	-	-	-	-	-	-
Irrecoverable debts written off		29 142	24 703	28 802	-	-	-	-	-	-	-
Operational costs		25 682	21 901	22 771	24 330	24 741	24 741	12 707	17 735	15 367	15 215
Losses on disposal of Assets		-	454	1 581	-	-	-	-	-	-	-
Other Losses		195	(9)	(10)	1	1	1	-	-	-	-
<b>Total Expenditure</b>											
		296 683	304 998	317 291	289 915	291 552	291 552	166 582	388 783	311 394	323 150
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary)	5	(71 225)	(38 387)	(10 387)	32 093	31 743	31 743	97 588	36 227	8 977	17 710
Transfers and subsidies - capital (in-kind)	5	-	46 078	77 857	89 322	92 104	92 104	46 488	57 252	47 500	45 307
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>											
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>											
Share of Surplus/Deficit attributable to Joint Venture		(38 978)	7 691	67 298	121 415	123 848	123 848	146 074	93 489	56 976	63 917
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>											
Share of Surplus/Deficit attributable to Associates	7	(38 978)	7 691	67 298	121 415	123 848	123 848	146 074	93 489	56 976	63 917
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>											
	1	(38 978)	7 691	67 298	121 415	123 848	123 848	146 074	93 489	56 976	63 917

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

**Capital Budget**

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>	<b>1</b>										
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Executive & Council		528	91	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		2 274	(1 692)	(8 775)	-	-	-	-	-	-	-
Vote 3 - Corporate Services		389	202	3 507	2 800	4 495	4 495	4 485	1 650	-	-
Vote 4 - Community Services		(212)	24 205	5 600	-	-	-	-	2 400	-	-
Vote 5 - Planning and Development		-	58	-	-	-	-	-	900	-	-
Vote 8 - Engineering Services		30 942	26 583	52 391	89 322	89 839	89 839	89 939	78 882	47 900	45 307
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>33 921</b>	<b>48 428</b>	<b>52 722</b>	<b>92 122</b>	<b>94 334</b>	<b>94 334</b>	<b>94 334</b>	<b>83 612</b>	<b>47 900</b>	<b>45 307</b>
<b>Total Capital Expenditure - Vote</b>		<b>33 921</b>	<b>48 428</b>	<b>52 722</b>	<b>92 122</b>	<b>94 334</b>	<b>94 334</b>	<b>94 334</b>	<b>83 612</b>	<b>47 900</b>	<b>45 307</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>3 191</b>	<b>(1 390)</b>	<b>(5 289)</b>	<b>2 800</b>	<b>4 495</b>	<b>4 495</b>	<b>4 495</b>	<b>1 650</b>	<b>-</b>	<b>-</b>
Executive and council		528	91	-	-	-	-	-	-	-	-
Finance and administration		2 663	(1 490)	(5 289)	2 800	4 495	4 495	4 485	1 650	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>893</b>	<b>16 315</b>	<b>1 932</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 400</b>	<b>-</b>	<b>-</b>
Community and social services		893	16 315	1 932	-	-	-	-	2 400	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>30 725</b>	<b>25 448</b>	<b>47 406</b>	<b>66 382</b>	<b>66 382</b>	<b>66 382</b>	<b>66 382</b>	<b>43 298</b>	<b>36 110</b>	<b>37 165</b>
Planning and development		16 683	1 874	6 074	37 737	37 737	37 737	37 737	33 288	36 110	37 165
Road transport		14 043	23 576	41 332	28 645	28 645	28 645	28 645	10 000	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>(688)</b>	<b>8 062</b>	<b>8 653</b>	<b>22 940</b>	<b>23 458</b>	<b>23 458</b>	<b>23 458</b>	<b>36 274</b>	<b>11 790</b>	<b>8 142</b>
Energy sources		217	173	4 985	22 940	23 458	23 458	23 458	36 274	11 790	8 142
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		(905)	7 889	3 668	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>33 921</b>	<b>48 428</b>	<b>52 722</b>	<b>92 122</b>	<b>94 334</b>	<b>94 334</b>	<b>94 334</b>	<b>83 612</b>	<b>47 900</b>	<b>45 307</b>
<b>Funded by:</b>											
National Government		31 485	39 881	52 903	74 322	74 839	74 839	74 839	57 282	47 900	45 307
Provincial Government		-	-	3 958	15 000	15 000	15 000	15 000	22 400	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>31 485</b>	<b>39 881</b>	<b>56 861</b>	<b>89 322</b>	<b>89 839</b>	<b>89 839</b>	<b>89 839</b>	<b>79 682</b>	<b>47 900</b>	<b>45 307</b>
<b>Borrowing</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>2 436</b>	<b>8 548</b>	<b>(4 139)</b>	<b>2 800</b>	<b>4 495</b>	<b>4 495</b>	<b>4 495</b>	<b>3 950</b>	<b>-</b>	<b>-</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>33 921</b>	<b>48 428</b>	<b>52 722</b>	<b>92 122</b>	<b>94 334</b>	<b>94 334</b>	<b>94 334</b>	<b>83 612</b>	<b>47 900</b>	<b>45 307</b>

## CHAPTER 9: AMAHLATHI DEVELOPMENT PLANS

### THERE ARE FOUR SPATIAL DEVELOPMENT PLANS: -

1. Draft Municipal Spatial Development Framework, 2026
2. Draft Human Settlements Sector Plan, 2025
3. Cathcart Revitalization Plan, 2025
4. Stutterheim Master & Precinct Plan, 2022

### SPATIAL DEVELOPMENT FRAMEWORK (SDF)

Amahlathi Local Municipality embarked on a process of reviewing the Municipal Spatial Development Framework. A service provider was appointed in August 2025 to review the Municipal SDF. The review process involved informing the public about the municipality's intention to review the SDF, calling on all interested and affected parties to register to be part of the project steering committee. Furthermore, the review process involved the establishment of the project steering committee which was comprised of different relevant internal and external stakeholders from both the public and the private sector. The process involved meetings with the project steering committee wherein each completed milestone according to the adopted project implementation was presented to the committee for comments and inputs.

One of the crucial milestones established as part of the project implementation plan; is the public participation process. This was successfully conducted in collaboration with the IDP roadshows, wherein the draft SDF was presented in all four towns within the municipal jurisdiction for comments, inputs and objections. Furthermore, a media notice was published calling on the public to submit their comments and inputs on the completed draft SDF for consideration into the final SDF. In addition, the completed draft SDF has been tabled for approval by the Council during the May 2026 Council meeting.

**LINK BETWEEN THE SDF AND THE IDP**

SDFs are Frameworks that influence the overall spatial distribution of current and future land use within a municipality to give effect to the vision, goals and objectives of the municipal IDP.

In support of the SDF, the IDP needs to provide a clear strategic vision, aims and objectives of the municipality. Furthermore, the IDP needs to identify which of the municipality's present challenges can be addressed in the long-term spatial plan of the municipality, and provide a priority financial allocation indicator.

The SDF is required to assist in integrating, coordinating, aligning and expressing development policies emanating from the various sectors of the spheres of government as they apply within the municipal area.

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.

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 Development Environment	Economic &	(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**

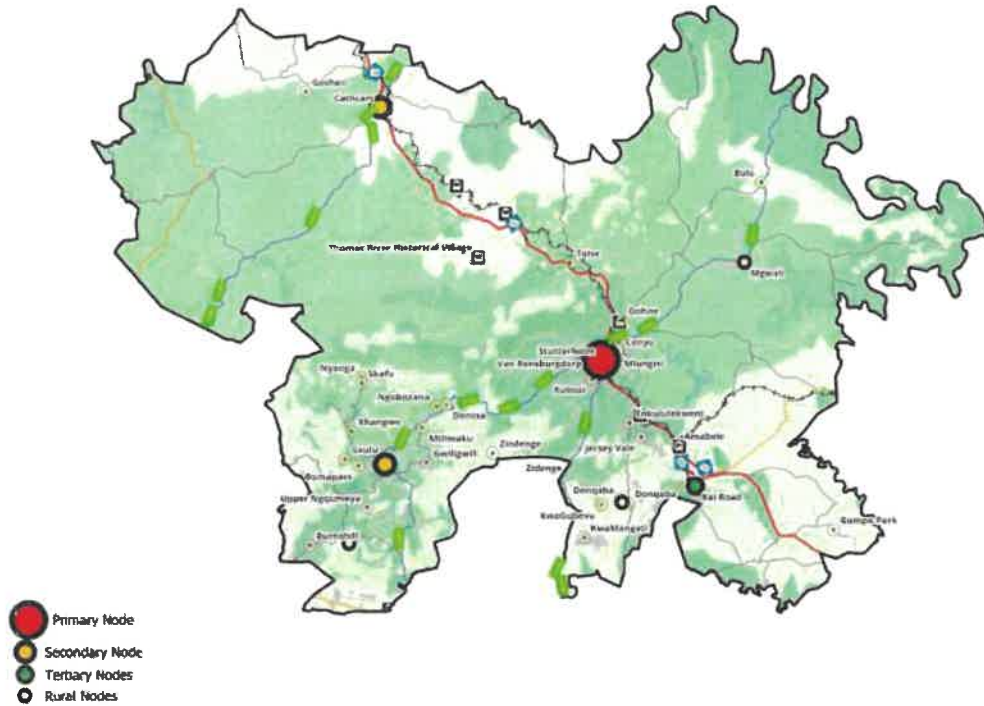
To plan efficiently, there needs to be a focus on investing resources in areas of opportunity to create maximum impact. There needs to be certain structuring elements to give guidance to develop and spatial planning. In Amahlathi Local Municipality there are Spatial Structuring Elements that can guide spatial development and decision-making in the municipality.

Spatial restructuring elements are necessary to address spatial injustices and restructure development in the municipality. To ensure sustainable, high-quality human settlements, these structuring elements should be applied practically

#### **1. Establishment of a hierarchy of Nodes**

The nodal strategy establishes a hierarchy of nodes to guide spatial development within Amahlathi Local Municipality. Nodes are designated based on the intensity of economic, social, environmental, and infrastructure activities, serving as focal points for municipal development. This approach enables the municipality to optimise resource allocation, facilitate access to services, support

economic growth, and enhance employment opportunities. It also aims to reduce spatial fragmentation in low-density areas by promoting development intensification.



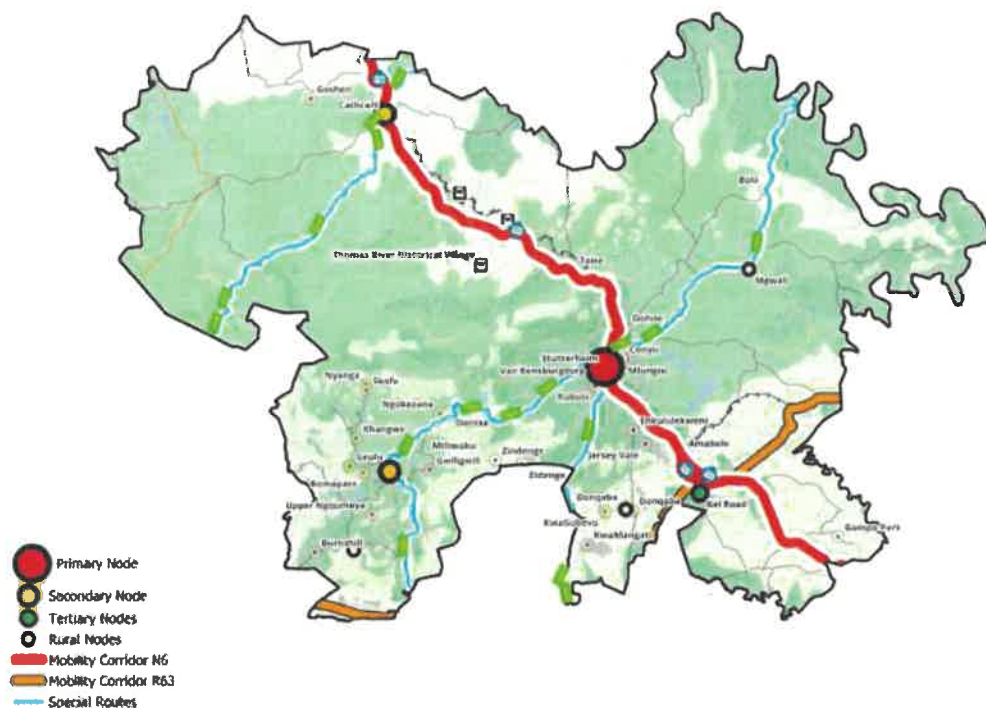
Map: Hierarchy of Nodes

To promote efficiency and effective utilisation of existing resources, the municipality prioritises areas that can generate the greatest developmental impact. Accordingly, the hierarchy of nodes within Amahlathi Local Municipality is categorised into primary nodes, secondary nodes, and tertiary nodes. Pages 94-95 of the Draft Municipal SDF classifies the different nodes found within the Amahlathi municipal area.

## 2. An Efficient and Integrated Movement Network and Connectivity

The effective functioning of identified nodes within the municipality is contingent upon their integration into a well-connected and accessible movement network. This principle emphasises the optimisation of movement patterns both within and between nodes, thereby facilitating efficient spatial linkages that enhance the mobility of residents and the circulation of goods and services. A central objective is to channel development along the movement network through strategic investment in road infrastructure, thereby supporting public transport systems and non-motorised transport (NMT)

modes. The Spatial Development Framework (SDF) identifies priority networks that are critical for the movement of people, goods, and services within the municipality and to areas beyond its jurisdiction.



Map: Proposed Corridors

Pages 94-95 of the Draft Municipal SDF classifies the different corridors (mobility routes, special routes-tourism focus routes) found within the Amahlathi municipal area.

### 3.Containment Using the Urban Edge Concept

The urban edge serves as a strategically defined development boundary intended to guide and manage spatial growth over a specified planning horizon. Its primary purpose is to prevent uncontrolled, fragmented, and inefficient settlement expansion that can undermine the spatial integrity of the municipality and significantly increase the cost of providing infrastructure and services. By delineating the extent of permissible urban growth, the urban edge functions as a regulatory tool to promote orderly, efficient, and sustainable development aligned with municipal planning objectives and guidelines. In accordance with sound spatial planning principles, development should be prioritised within the established urban edge before any consideration is given to expansion beyond

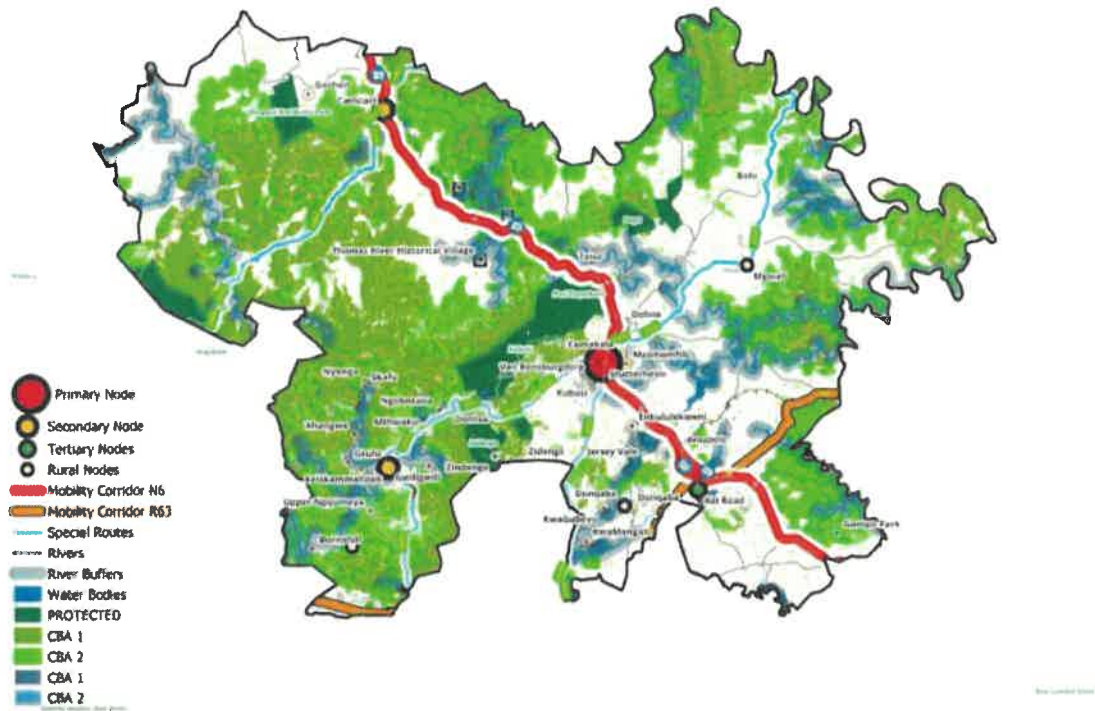
it. Should the land within the boundary be deemed insufficient to accommodate projected growth or strategic development needs, proposals for development outside the urban edge may be entertained. However, such proposals will be subjected to a rigorous assessment by the local authority.



Urban Edges within Amahlathi

#### 4. Protection of Natural Resources Concept

The preservation and protection of the natural environment are fundamental to ensuring the long-term sustainability of communities within Amahlathi Local Municipality. While economic, industrial, and social development are critical for improving livelihoods, such development must be balanced with measures to safeguard the natural environment. It is essential that efforts to enhance the quality of life for residents are integrated with strategies to conserve natural resources. The municipality is endowed with a variety of natural assets that require careful consideration and protection in the planning and implementation of development initiatives.

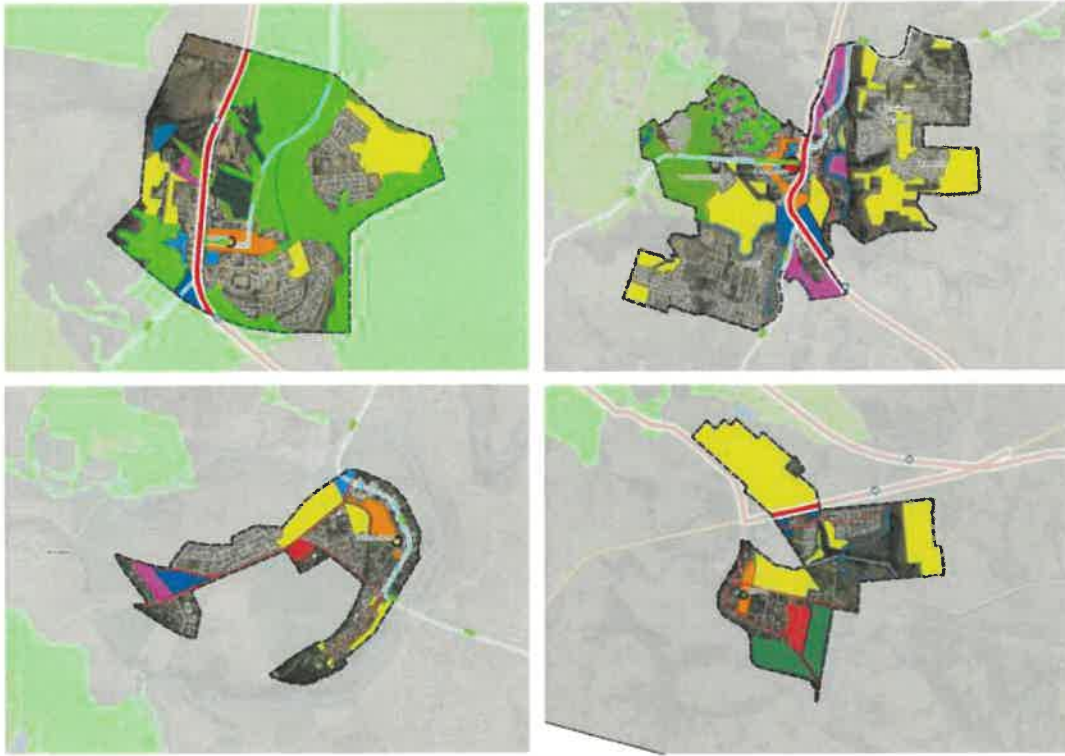


Map: Biophysical Environment

Sustainable natural resource management involves the rational use, skilful management, and preservation of environmental resources. To achieve this, the municipality must adopt integrated approaches and management strategies that simultaneously support developmental objectives and environmental conservation.

### 5. Infill and Densification Concept

Integrated human settlements focus on infill development within existing urban areas to optimise land use, infrastructure, and services. This approach promotes growth in well-served areas, reduces urban sprawl, and protects surrounding natural and agricultural land.



The primary objectives of infill development include promoting efficient land use, maximising infrastructure utilisation, stimulating local economic activity, enhancing accessibility to services and employment, and fostering social integration. Infill projects also contribute to environmental sustainability by reducing the need for new infrastructure and minimising the environmental footprint of urban expansion. When properly planned, they create compact, vibrant, and well-connected communities that support mixed-use development.

Effective implementation of infill projects requires careful planning and management. Key strategies include aligning development with municipal spatial frameworks and urban edge policies, assessing and upgrading existing infrastructure, engaging communities, providing incentives for developers, and phasing implementation to manage resources effectively. Monitoring and evaluation are also essential to ensure that infill development achieves its intended economic, social, and environmental outcomes.

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

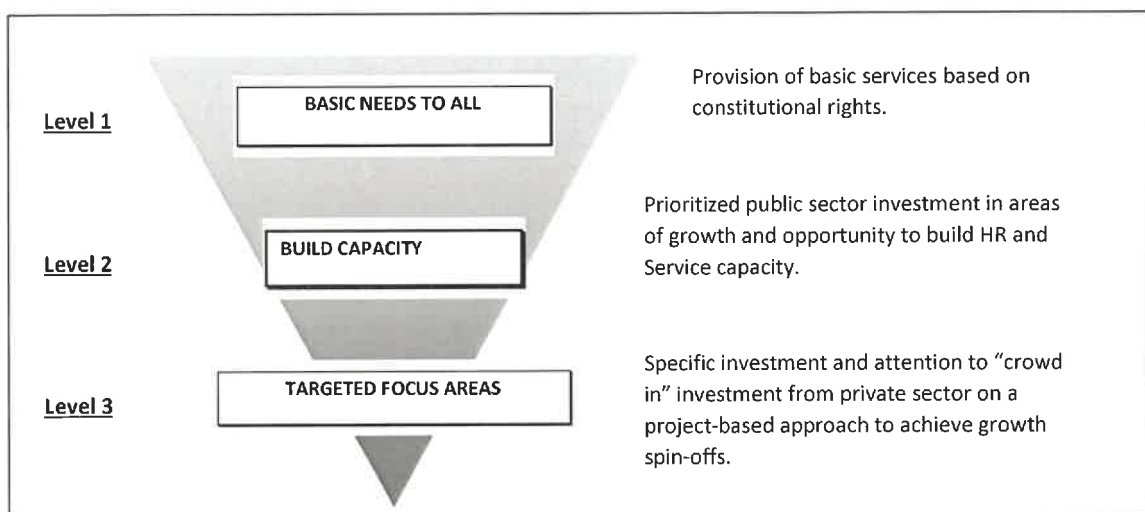
The adoption of the above philosophy and strategic approach means that the Amahlathi Municipality falls in line with the Provincial direction on these matters and will apply policies of investment and development facilitation at three levels to achieve the most significant results.

**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

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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**

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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)
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### 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"> <li>▪ 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.</li> <li>▪ Consolidate and integrate spatial development by developing land in proximity to public transport routes and existing services.</li> <li>▪ Develop infill areas within fragmented settlement areas, where appropriate.</li> </ul>
2. To manage land development in line with a structured approach to ensure sustainability	<ul style="list-style-type: none"> <li>▪ Manage land development in line with land use management guidelines related to identified spatial structuring elements and special development areas within Amahlathi.</li> <li>▪ Support a land reform and settlement development programme by identifying zones of opportunity for land development</li> </ul>
3. To adhere to environmental law and protect environmentally sensitive areas	<ul style="list-style-type: none"> <li>▪ Implement the principles of Integrated Environment Management (IEM).</li> </ul>
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"> <li>▪ Implement the provisions of the Section 8 Zoning Scheme Regulations in terms of the Land Use Planning Ordinance (15 of 1985).</li> <li>▪ Apply for funding for a programme to develop an appropriate new Zoning Scheme for Urban and</li> </ul>

	Rural areas, in line with the direction of new legislation, when promulgated.
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### 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	<b>Stutterheim</b>	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: - <ul style="list-style-type: none"> <li>▪ Investment in infrastructure to increase services capacity.</li> </ul>

NODE TYPE	AREA/LOCALITY	DESCRIPTION
		<ul style="list-style-type: none"> <li>▪ Development of public-funded housing areas.</li> <li>▪ Development of regional social goods and facilities, including educational institutions, and sports and recreational facilities</li> <li>▪ Land use management that focuses on the integration of disparate settlement elements in the town.</li> </ul>
Level 2 Secondary Nodes	<b>Keiskammahoek</b>	<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"> <li>▪ Investment in infrastructure to services capacity.</li> <li>▪ Appropriate Land use management and, infrastructural support to develop the Agricultural sector in the area.</li> </ul>
	<b>Cathcart</b>	<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"> <li>▪ Investment in infrastructure to increase services capacity.</li> <li>▪ Appropriate development of new residential and public-funded housing to meet local demand.</li> <li>▪ Land use management that focuses on the improvement of the aesthetic character of the town.</li> </ul>
Level 1 Tertiary Node	<b>Kei Road</b>	<p>As a minor service center, Kei Road should be targeted for:</p> <ul style="list-style-type: none"> <li>▪ Extension of public-funded housing area to meet local demand as proposed in the Yellowwoods Kei Road Settlement Project</li> <li>▪ Investment in Infrastructure</li> </ul>
<b>RURAL NODES</b>		

Rural Development Nodes	<b>Frankfort</b>	Proposed as a rural nodal settlement with prioritization of higher order facilities development.
<p>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.</p> <p>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.</p>		

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
<b>Mobility Routes – Municipal level</b>	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	
<b>Special Routes – Tourism Focus</b>	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

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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 Genyu

**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"> <li>▪ Existing urban areas within the urban edge.</li> <li>▪ Identified tourism nodes.</li> </ul>	<ul style="list-style-type: none"> <li>▪ All land not classified as a No Development Area and Development node (Urban Edge)</li> <li>▪ Existing areas of degraded/modified agricultural land.</li> <li>▪ Areas where development could ensure future environmental benefits.</li> <li>▪ Transitional Zone areas adjacent to defined Urban Edges.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Proclaimed nature reserves.</li> <li>▪ STEP Protected, Process and Critically Endangered areas.</li> <li>▪ Rivers, estuaries and undisturbed riparian zones of rivers</li> <li>▪ Diverse montane grassland and afro-montane forest vegetation types</li> </ul>

## SUSTAINABLE DEVELOPMENT GOALS

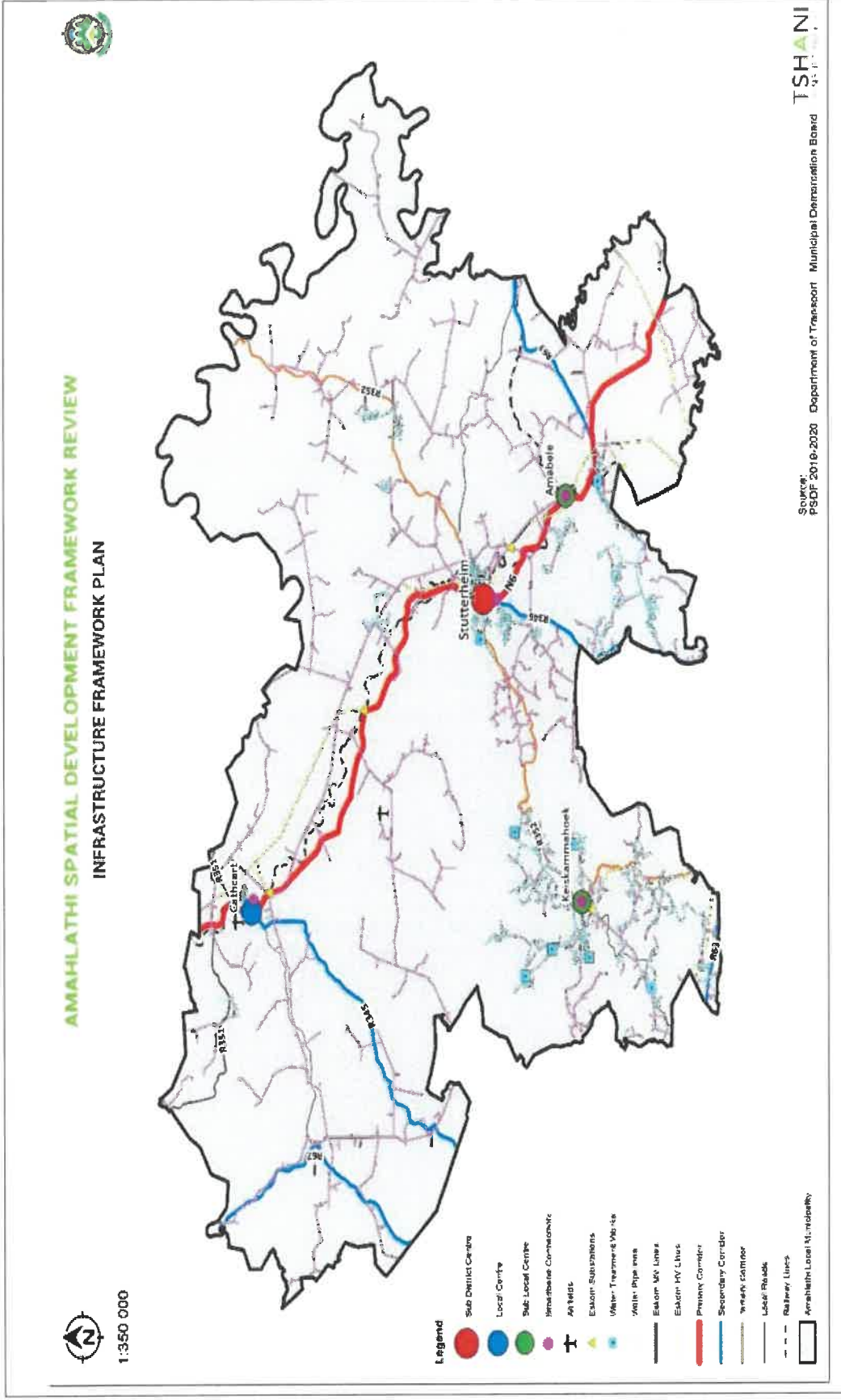
The Era Millenium Development Goals (MDGs) came to an end in 2015. It was replaced by the sustainable Development Goals, Vision 2030.

Amahlathi Local Municipality has received the opportunity of participating in the Sustainable Development Goals (SDGs) with both hands. In 2023, Amahlathi entered a partnership with an international Municipality. In her partnership with Lamspringe Municipality in Lower Saxony in Germany, the municipality has entered the following SDGs:

SDGs Number	Definition	Activity
1.	No Poverty	<ul style="list-style-type: none"> <li>Working on appointment of Agricultural Expert</li> <li>Quarterly round table meeting between Emerging farmers and German Farmers</li> </ul>
2.	Zero Hunger	<ul style="list-style-type: none"> <li>Identified agriculture as an economic driver</li> <li>Innovative ways of fighting poverty.</li> </ul>
4	Quality Education	<ul style="list-style-type: none"> <li>Proposed learner exchange.</li> <li>Adoption of a school</li> </ul>
17	Partnerships	<ul style="list-style-type: none"> <li>Both Municipalities have entered into a partnership funded by German Economic Development Bank (BNZ).</li> </ul>

However, the South African Local Government Association (SALGA) opened an opportunity on Sustainable Development Goals where the Municipality applied through the Expression of interest. Amahlathi Local Municipality was selected to participate in the Programme. The Municipality has since developed a Draft Voluntary Local Review (VLR) wherein several Sustainable Development Goals were identified and adopted by Council. The Municipality has adopted the following SDGs:

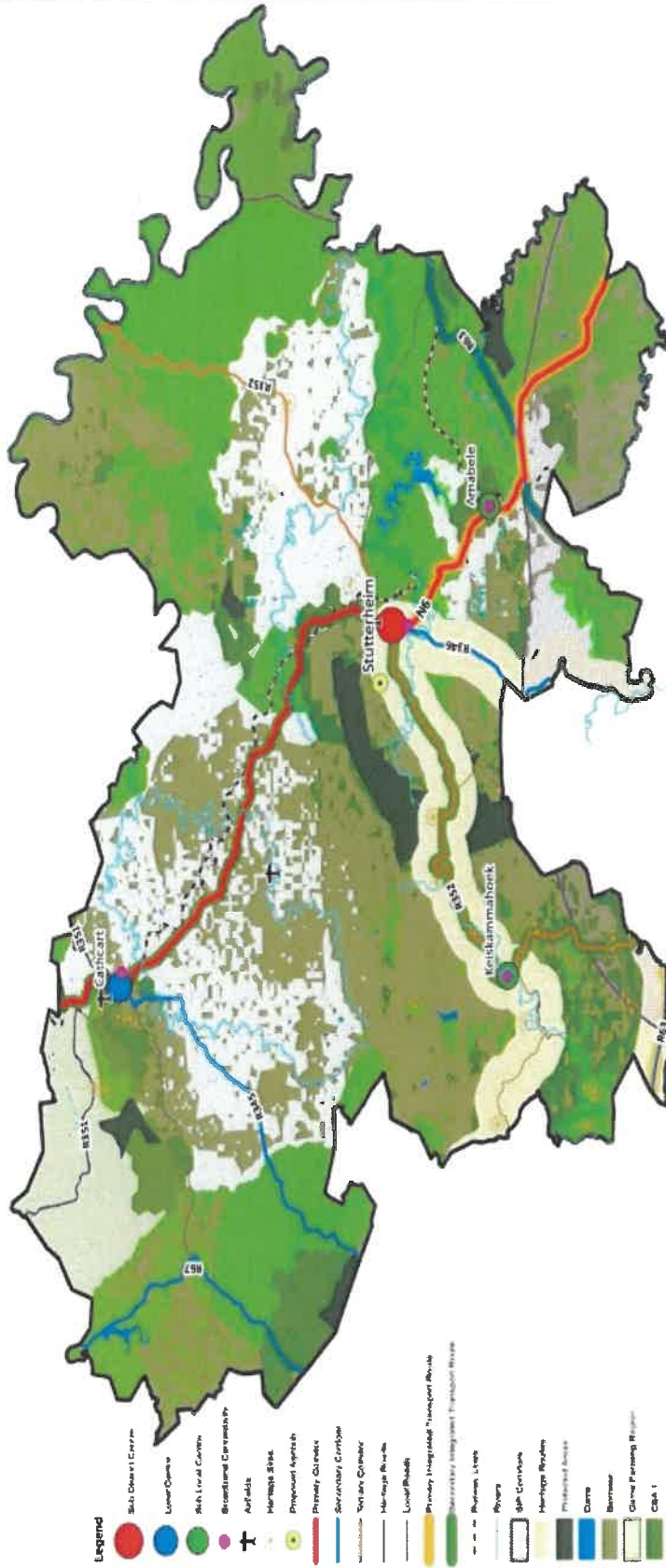
SDGs Number	Description	Activity
SDG 7	Affordable and Clean Energy	<ul style="list-style-type: none"> <li>Indicators in line with energy have been crafted</li> </ul>
SDG 11	Sustainable Cities and Communities	<ul style="list-style-type: none"> <li>Indicators developed</li> </ul>
SDG 13	Climate Action	<ul style="list-style-type: none"> <li>Newly added SDG</li> </ul>
SDG 15	Life on Land	<ul style="list-style-type: none"> <li>Forms part of the VLR</li> </ul>
SDG 17	Partnerships for the Goals	<ul style="list-style-type: none"> <li>ALM is implementing this SDG with a variety of Partners.</li> </ul>



AMAHLATHI SPATIAL DEVELOPMENT FRAMEWORK REVIEW  
 SPATIAL DEVELOPMENT FRAMEWORK PLAN



1:350 000



Legend

- Rich District Centre
- Lower Centre
- Rich Local Centre
- Standard Centre
- Aftakke
- Heritage Site
- Physical Assets
- Primary Centre
- Secondary Centre
- Tertiary Centre
- Heritage Route
- Local Road
- Primary Integrated Transport Route
- Secondary Integrated Transport Route
- River
- 4th Corridor
- Heritage Route
- Proposed Route
- Dam
- Dam
- Game Farming Region
- CMA 1
- CMA 2
- Penetration
- Pasture
- Arable (Practical Land) Capable of Use
- Arable (Low) Capable

Source: PSDP 2019-2020 Department of Transport Municipal Demarcation Board



## 1. INTRODUCTION

On the 29<sup>th</sup> May 2025, Amahlathi Municipality adopted its 2025/26-2026/27 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 the 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.

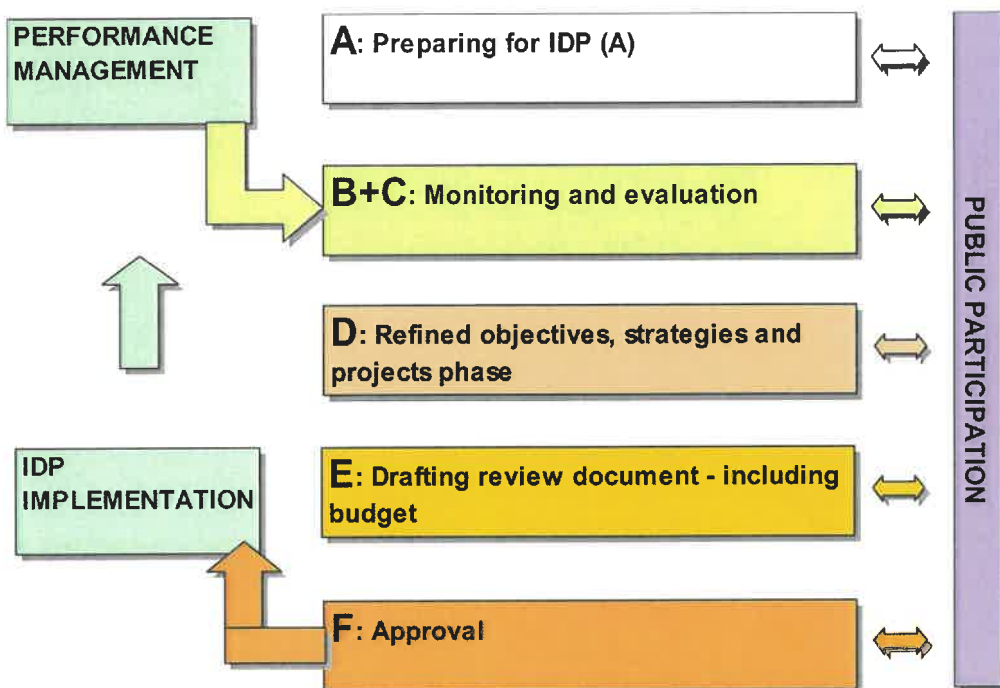
The significant development, which in all probabilities will have a huge impact on the IDP, is the Community Based Planning. The Community Based Planning is a planning instrument, which is geared towards the enhancement of the community participation component of the IDP. Of particular concern has been 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 expects 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

- 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:

<b>2026/27 IDP,BUDGET &amp; PMS PROCESS ACTION PROGRAM</b>			
<b>PHASE</b>	<b>Activities</b>	<b>Timeframe</b>	<b>Responsible Department</b>
<b>A</b>	<b>Preparation phase / Pre-planning</b>		
<b>IDP AND BUDGET</b>			
1.	Signing of Performance Agreements	31 July 2025	Executive Services- IDP/PMS
2.	Development of Framework Plan Process Plan (IDP & Budget), later submitted to the Council for Approval	28 August 2025	Executive Services / BTO / Corporate Services

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

3.	Submit adopted Framework and Process Plans with Council resolution to MEC - COGTA	04 September 2025	Executive Services-IDP/PMS
4.	Advertise IDP Framework and IDP/Budget Process Plan	04 September 2025	Executive Services-IDP/PMS
5.	Intergovernmental Relations (IGR) Meeting	10 September 2025	MM's office - IGR
6.	IDP REP Forum Meeting	15 September 2025	Mayor's Office
<b>PERFORMANCE MANAGEMENT</b>			
7.	Submit 4th quarter report for 23/24 financial year to Council	Within 30 days after the end of each Quarter 24 July 2025	Executive Services-IDP/PMS
8.	Signing and Publicize Performance Agreements no later than 14 days after approval Submission to MEC COGTA	31 July 2025	Executive Services-IDP/PMS
9.	Development and Consolidation of Draft Annual Report (Section 127 report) and submit to Internal Audit for review	04 August 2025	Executive Services-IDP/PMS
10.	Submit annual performance report to Internal Audit Committee	19 August 2025	Executive Services-IDP/PMS
11.	Mayor tables the Draft 2024/25 Annual Report in Council	28 August 2025	Office of the Mayor/ Municipal Manager
12.	Council to submit tabled draft annual report to MPAC for vetting and verification of council's directive on service delivery and the committee to evaluate Senior Managers' performance against agreement entered into	29 August 2025	Executive Services-IDP/PMS
13.	Annual Evaluations sessions: Head of Departments and Accounting Officer	22 August 2025	Executive Services-IDP/PMS
<b>B+C</b>	<b>Analysis Phase / Monitoring and evaluation</b>		
<b>IDP AND BUDGET</b>			
14.	*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	September-November 2025	All Departments

## 2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)

	*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)		
15.	Ward based planning (Mayoral Imbizo's for priority needs identification)	14-21 October 2025	Executive Services- IDP/PMS Mayor's Office
16.	Intergovernmental Relations (IGR) Meeting	19 November 2025	MM's office - IGR
17.	IDP REP Forum Meeting	26 November 2025	Executive Services- IDP/PMS Mayor's Office
<b>PERFORMANCE MANAGEMENT</b>			
18.	Quarter 1 Performance reporting (July - Sept)	Within 3 working days of the next month after the end of each Quarter 03 October 2025	Heads of Departments
19.	Submit Quarter 1 Performance Report to Council (Section 52d)	Within 30 days after the end of each Quarter. 30 October 2025	Executive Services – IDP/PMS
20.	Annual Report public hearings	11-13 November 2025	Mayor's Office & MPAC
<b>ANNUAL REPORT</b>			
21.	Mayor tabled Annual Report and Audit Report to Council	11 December 2025	Office of the Mayor/MM/
22.	Council adopts Oversight report	22 January 2026	MPAC/ Executive Services
23.	Annual Report and Oversight report made public e.g. posted on municipality's website	26 January 2026	Executive Services
24.	Oversight report is submitted to Legislator, Provincial /National Treasury and COGTA	30 January 2026	Executive Services
<b>MID TERM PERFORMANCE ASSESSMENT</b>			
25.	Quarterly & Mid-term Performance Report	Within 3 working days of the next month after the end of each Quarter 06 January 2026	Heads of Departments

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

26.	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 09 January 2026	Executive Services- IDP/PMS
27.	Mid-year Evaluations sessions: Head of Departments and Accounting Officer	15 January 2026	Executive Services- IDP/PMS
28.	Submit Quarter 2 and mid-year performance assessment report for 2025/26 to Council	22 January 2026	Municipal Manger/Strategic Planning/BTO/Corporate Services

**IDP AND BUDGET**

<b>D</b>	<b>Strategies Phase / Refined objectives, strategies, programs and projects phase</b>		
29.	Refine strategies, programs and draft projects as necessary for MTREF period, with key performance indicators and targets (as per strategic plan outcome)	Dec 2025- Jan 2026	All Departments
30.	Budget hearings to be held between HODs and MM to assess budgets that exceed funding envelopes	January 2026	Municipal Manager
31.	Technical Strategic Planning Session	03-05 February 2026	Executive Services- IDP/PMS
32.	Consolidate all inputs including sector plan information and prepare draft IDP and Budget	February - March 2026	Executive Services / BTO
33.	Budget Steering Committee to consider adjustment Budget allocations (IDP/ Budget link)	11 February 2026	Budget & Treasury Office
34.	Institutional Strat Plan .Adopt proposed programs and projects - agree on key financial issues	19-20 February 2026	Executive Services- IDP/PMS
35.	Mid-year Performance engagements with Treasury	16 February 2026	Executive Services/Budget & Treasury Office
36.	Council to adopt Budget and SDBIP adjustments	26 February 2026	Executive Services/Budget & Treasury Office
37.	Finalize Parameters for MTREF using guidelines from Treasury and outer year budgets	06 March 2026	Budget & Treasury Office
38.	Intergovernmental Relations (IGR) Meeting	11 March 2026	Executive Services - IGR

**2026/27 INTEGRATED DEVELOPMENT PLAN (IDP)**

39.	Budget Steering Committee to present the draft IDP and Budget	12 March 2026	Executive Services/Budget & Treasury Office
40.	IDP REP Forum Meeting to present the draft IDP	13 March 2026	Mayor's Office/ Executive Services- IDP/PMS
41.	Council approval of the draft IDP & Budget and noting of the SDBIP	26 March 2026	Executive Services/BTO/ Corporate Services
42.	Draft IDP and Draft Budget published - Advertise for public comment (21days)	02 April 2026	Executive Services- IDP/PMS
43.	Budget and Benchmarking Engagements with Treasury	24 April 2026	Budget & Treasury Office
<b>PERFORMANCE MANAGEMENT</b>			
44.	Quarterly Performance Report submitted to IDP/PMS unit	Within 3 working days of the next month after the end of each Quarter 03 April 2026	Heads of Departments
45.	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 2026	Executive Services- IDP/PMS
46.	Submit Quarter 3 Performance Report to Council (Section 52d)	Within 30 days after the end of each Quarter. 23 April 2026	Executive Services – IDP/PMS
<b>E</b>	<b>Reviewed IDP document (Integration/ program implementation and operational plan)</b>		
<b>IDP AND BUDGET</b>			
47.	IDP/Budget Public Hearings	10-15 April 2026	Executive Services/ Budget & Treasury Office Mayor's Office
48.	Incorporate relevant comments to the Draft final reviewed IDP	April- May 2026	Executive Services- IDP/PMS
49.	Intergovernmental Relations (IGR) Meeting	14 May 2026	Executive Services - IGR
50.	Budget Steering Committee (Considering Final IDP and Budget)	14 May 2026	Executive Services/ Budget & Treasury Office
<b>F</b>	<b>Approval phase</b>		

IDP AND BUDGET			
51.	IDP REP Forum Meeting	19 May 2026	Mayor's Office/ Executive Services-IDP/PMS
52.	Council Approval of IDP & Budget	28 May 2026	Executive Services/BTO/ Council Support Services
53.	Submit IDP and Budget to MEC - COGTA, Provincial and National Treasury	04 June 2026	Executive Services-IDP/PMS
54.	Final IDP and Budget published	Within 14 days of approval) (17 June 2026)	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 29<sup>th</sup> 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"> <li>• Local Economic Development Strategy</li> <li>• Forestry Strategy</li> <li>• SMME Strategy</li> <li>• Tourism Master Plan</li> <li>• Agricultural Plan</li> </ul>	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: All Hazard Contingency Plan	Occupational Health and Safety Plan	Fraud Prevention 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

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## SECTION TWO: BUDGET PROCESS PLAN

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### 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 2025 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 <b>31 August</b>
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 <b>25<sup>th</sup> January</b> , Consolidate Adjusted Budget Proposals
February	Revised Budget approved by council not later than <b>28<sup>th</sup> February</b>
February	Consolidation Draft Budget Inputs and Prepare Draft Budget
March	Tabling the Draft budget to Council not later than <b>31<sup>st</sup> March</b>
April – May	Public Consultation on the IDP and Budget ; Council Approval not later than <b>30<sup>th</sup> May</b>
June	Submission to National Treasury within <b>10 days</b>

### 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 framework<sup>2</sup>

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
<b>AUG 2025</b>	<ul style="list-style-type: none"> <li>• Preparation of the Draft IDP and PMS Process Plan.</li> <li>• Present IDP Process Plan to IDP/Budget Steering Committee</li> <li>• IDP Process Plan tabled to Council for approval.</li> <li>• Self-assessment to identify gaps in the IDP process.</li> <li>• Council Meeting (Budget &amp; IDP Process Plan, Annual Performance Report, Financial Statements and Draft Annual Report)</li> <li>• Submissions to AG, MEC and Treasury etc. (Annual Performance Report, Annual Financial Statements and Draft Annual Report)</li> </ul>	<ul style="list-style-type: none"> <li>• Publicizing Approved SDBIP for inspection and information</li> <li>• Signing of new performance contracts for Section 57 Managers</li> <li>• 2025/26 Final S57 Managers' Performance Assessments.</li> <li>• Submission of Q4 SDBIP Reports</li> <li>• Quarter 4 performance report submitted to Council</li> <li>• Submission of Performance Agreements to EC- Cogta</li> <li>• Submission of the Annual Performance Reports prepared in terms of s46 of MSA 2000 to Council</li> <li>• Quarterly Audit Committee meeting (for the last quarter of 16/17) MFMA Sect 166 &amp; MPPR Reg. 14(3)(a)</li> </ul>	<ul style="list-style-type: none"> <li>• Preparation of the Draft Budget Process Plan.</li> <li>• Present the Budget Process Plan to the IDP/Budget Steering Committee</li> <li>• Budget Process Plan tabled to Council for approval</li> </ul>

MONTH	ACTIVITIES			BUDGET
	IDP	PMS		
SEPT 2025	<ul style="list-style-type: none"> <li>▪ Advertisement of the IDP and PMS Process Plan</li> <li>▪ Review and updating of the IDP Vision, Mission and Objectives.</li> <li>▪ IDP/Budget Steering Committee Meeting</li> <li>▪ Advertise to resuscitate the IDP Rep Forum</li> <li>▪ IDP Rep Forum meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluation Panel Audit Committee meeting (for the last quarter of 2023/24) MFMA Sect 166 &amp; MPPR Reg. 14(3)(a)</li> <li>• Evaluation Panel Audit Committee meeting (for evaluation of Sect 57 Managers final assessments) MPPR Reg. 14(3)(b)</li> <li>• Submission of draft annual report (MFMA Circular 63)</li> <li>▪ Reminder to be sent to HOD's to submit their Q1 SDBIP Reports in terms of s41 MSA</li> </ul>	<ul style="list-style-type: none"> <li>▪ Advertisement of the Budget Process Plan and submission to Provincial and National Treasury.</li> </ul>	
OCT 2025	<ul style="list-style-type: none"> <li>▪ IDP/Budget Steering Committee Meeting</li> </ul>	<ul style="list-style-type: none"> <li>▪ Submission of Q1 Reports by HOD's</li> <li>▪ Q1 Reports tabled to Council (for first quarter of 25/26) <b>MPPR Reg. 14</b></li> </ul>		

MONTH	ACTIVITIES			BUDGET
	IDP	PMS		
	<ul style="list-style-type: none"> <li>▪ Process Plan and the role of the Steering Committee</li> <li>▪ Develop agenda for Rep forum</li> <li>▪ Priority needs assessment (Ward Community visits)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sect 57 Managers' quarterly informal assessments</li> </ul>		
<b>NOV 2025</b>	<ul style="list-style-type: none"> <li>▪ IDP/Budget Steering Committee Meeting</li> <li>▪ Rep forum meeting</li> <li>▪ Budget Assumptions &amp; Strategies</li> <li>▪ Identification of priority needs.</li> <li>▪ Departments to submit situation analysis and or status quo for IDP review</li> <li>▪ Commencement of Departmental Strat plans</li> </ul>	<ul style="list-style-type: none"> <li>▪ Quarterly Audit Committee meeting (for the first quarter of 24/25) MFMA Sect 166 &amp; MPPR Reg. 14(3)(a)</li> <li>▪ Annual Report Public hearings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Set parameters for the next three years based on market trends and circular issued by National Treasury.</li> <li>▪ Determine the funding/revenue potentially available for next three years in Dora.</li> <li>▪ Review and update pricing strategies of National Regulators e.g. NERSA</li> </ul>	
<b>DEC 2025</b>	<ul style="list-style-type: none"> <li>▪ Submit Situation Analysis to Council with Community priority needs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reminder to be sent to HOD's to submit their Q2 SDBIP Reports in terms of s41 MSA</li> </ul>	<ul style="list-style-type: none"> <li>▪ Departments to submit Budget proposals for Adjustment and next 3 year MTREF Budget.</li> </ul>	

MONTH	ACTIVITIES			BUDGET
	IDP	PMS		
		<ul style="list-style-type: none"> <li>▪ Council adopts Final Annual Report and Oversight report</li> <li>▪ Final Annual report and oversight report submitted to Treasury and Cogta</li> </ul>		
<b>JAN 2026</b>	<ul style="list-style-type: none"> <li>▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets.</li> <li>▪ IDP/Budget Steering Committee Meeting</li> </ul>	<ul style="list-style-type: none"> <li>▪ Submission of Q2 Reports by HOD's</li> <li>▪ Sect 57 Managers' <b>formal</b> quarterly assessments (for second quarter of 25/26 on the 17<sup>th</sup> of January)</li> <li>▪ Municipal Manager submits Midterm/Midyear Report to the Mayor with recommendations (in terms s72 MFMA)</li> <li>▪ Midyear Reports submitted to Treasury (provincial and National)</li> <li>▪ Midterm/Midyear Report is published</li> </ul>	<ul style="list-style-type: none"> <li>▪ Review Tariffs and Charges and develop options for changes to be included in draft budget.</li> <li>▪ Prepare and submit Mid-year performance review to council by <b>25th January</b>.</li> <li>▪ Consolidate Adjusted Budget Proposals and prepare Adjustment Budget.</li> </ul>	
<b>FEB 2026</b>	<ul style="list-style-type: none"> <li>▪ Continuous Review of Municipal Strategies, Objectives, KPA's, KPI's and targets.</li> <li>▪ Institutional Strategic Planning Session</li> </ul>	<ul style="list-style-type: none"> <li>▪ Quarterly Audit Committee meeting (for the second quarter of 25/26) MFMA Sect 166 &amp; MPPR Reg. 14(3)(a)</li> <li>▪ Review PMS policy framework</li> <li>▪ Review SDBIP and publicize any amendments</li> </ul>	<ul style="list-style-type: none"> <li>▪ IDP/Budget Steering Committee for Adjustment Budget</li> <li>▪ Submit Adjustments Budget for current year to Council not later than the <b>28th February</b>.</li> <li>▪ Submit Adjustment Budget to National and Provincial Treasury.</li> </ul>	

MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
	<ul style="list-style-type: none"> <li>IDP/Budget Steering Committee Meeting</li> <li>Technical Strategic Planning Session</li> </ul>		<ul style="list-style-type: none"> <li>Publicize Adjustment Budget within 10 working days of approval.</li> <li>Consolidate Draft Budget proposals and prepare Draft Budget</li> </ul>
<b>MARCH 2026</b>	<ul style="list-style-type: none"> <li>IDP/Budget Steering Committee</li> <li>IDP Rep Forum</li> <li>Submission of draft IDP and Budget 2026/27 to council</li> <li>Submit Strategic Session Report to Council</li> </ul>	<ul style="list-style-type: none"> <li>Draft SDBIP's for 2026/27 developed and for incorporation into draft IDP 2026/27 FY</li> <li>Reminder to be sent to HOD's to submit their Q3 SDBIP Reports in terms of s41 MSA</li> </ul>	<ul style="list-style-type: none"> <li>Review and workshop all budget related policies</li> <li>IDP/Budget Steering Committee for Draft Budget</li> <li>Table Draft Budget to Council by <b>31 March</b>.</li> </ul>
<b>APRIL 2026</b>	<ul style="list-style-type: none"> <li>Publicize tabled IDP (Invite Local Community to make written comments in respect of the IDP)</li> <li>IDP/Budget Steering Committee</li> <li>Public participation process launched through series of public hearings on the IDP and Budget</li> </ul>	<ul style="list-style-type: none"> <li>Submission of Q3 Reports by HOD's</li> <li>Sect 57 Managers' <b>informal</b> quarterly assessments</li> <li>Quarter 3 performance report submitted to Council</li> </ul>	<ul style="list-style-type: none"> <li>Publicize tabled Budget, inviting comments and undertake community consultation on tabled Budget.</li> <li>Receive and analyze additional inputs from community and other stakeholders.</li> <li>Incorporate feedback from community and other stakeholders and if required revise the budget previously tabled to Council.</li> </ul>

MONTH	ACTIVITIES			BUDGET
	IDP	PMS		
	<ul style="list-style-type: none"> <li>Review written comments in respect of the Budget and IDP</li> </ul>			
<b>MAY 2026</b>	<ul style="list-style-type: none"> <li>IDP/Budget Steering Committee</li> <li>Rep forum meeting</li> <li>Adoption of the 2026/27 IDP by Council.</li> </ul>	<ul style="list-style-type: none"> <li>Community input into organization KPIs and targets</li> </ul>	<ul style="list-style-type: none"> <li>IDP/Budget Steering Committee for Final Budget</li> <li>Municipal council approves budget, tariffs and revised budget related policies by <b>31 May</b>.</li> </ul>	
<b>JUNE 2026</b>	<ul style="list-style-type: none"> <li>Publicize Approved IDP</li> <li>Submission of the Final IDP to EC- Cogta, Treasury (National and Provincial)</li> </ul>	<ul style="list-style-type: none"> <li>Reminder to be sent to HOD's to submit their Q4 SDBIP Reports in terms of s41 MSA</li> <li>Submission of final SDBIP to The Honorable Mayor for approval s53 MFMA</li> </ul>	<ul style="list-style-type: none"> <li>Publicize Approved Budget and Tariffs</li> <li>Submission of Final Budget to National and Provincial Treasury</li> <li>Complete and submit the budget returns required by National Treasury.</li> <li>Email Approved Budget to All Departments</li> </ul>	

**APPENDIX A: SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN**

**APPENDIX B: CIRCULAR 88**

**APPENDIX C: ORGANOGRAM**

