



**O.R. TAMBO
DISTRICT MUNICIPALITY**

DRAFT INTEGRATED DEVELOPMENT PLAN 2020/21 REVIEW

O.R. Tambo District Offices

The O.R. Tambo District Offices are located in Mthatha, with disaster centres located throughout the District.

O.R. Tambo House

Nelson Mandela Drive

Myezo Park

Mthatha

5100

Tel: 047 501 6400

Fax: 047 532 6518

Website: www.ortambodm.gov.za

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FOREWORD BY THE EXECUTIVE MAYOR

The O.R. Tambo District municipality (ORTDM) had once again embarked on the processes of reviewing its Integrated Development Plan (IDP) 2017 -2022 in line with the Municipal Systems Act (Act no.32 of 2000) and the Municipal Finance Management (Act 56 of 2003). The review followed the consultative processes with the stakeholders to appreciate and understand the socio-economic challenges of the municipality as well as emerging trends. This further inculcated participation of the communities in order to consolidate their views as required by the policies and prescripts guiding the genesis of Local Governance in the Country.

This IDP document therefore is a culmination of a lengthy process of consultation with the stakeholders and it carries the aspirations of the district masses. It is a beacon of hope, directing the municipality in its collective endeavour of building a better life for all. It further serves as a building block for our Vision 2030, the District Development Plan (DDP) adopted by our Council in 2017.

Together with the stakeholders of the region such as civil society, labour, business, and political parties; we identified and recognise the challenges that undermine the democracy breakthrough which are unemployment, poverty and inequality. Over the year we commit to strive and ensure that our Vision of “**A prosperous, vibrant, innovative and people-centred district**” is realised by the people of the district at large.

Embracing the broader municipal Vision the IDP 2017 - 2022 document presents programme and projects aimed at:-

- Providing **Clean Quality Drinking Water** and **Decent Sanitation** services. The municipality as a water services authority commit to implement projects that bring water and sanitation service to its communities which for decades were deprived access to these services;
- Promoting radical economic transformation and creating vibrant communities. The District has embarked on a number of Economic programmes to ensure an Economy that Grows with its People – An Economy for Jobs. The District is also accelerating its efforts to unlock economic development in the three key sectors of **Agriculture, Tourism** and **Manufacturing**;
- Promoting Education, Health, Safety and Social Development Issues. Education is pivotal to economic prosperity, therefore a door to success, and collectively to escape the “poverty trap”;
- Promoting Sports, Recreation, Arts and Culture as means for Social Cohesion. These are diverse programmes enhancing our mandate as a caring sphere of Government;
- Instilling good governance and achieving clean administration. This will ensure that there are functional governance structures of accountability; and
- Building stable institution to deliver services. The district will forge ahead with its strategy to recruit the qualified, competent and skilled staff to execute its agenda. This will further be complemented by skilling the young people for them to be ready to assist in this broader agenda.

As this IDP is the building-block towards achieving the District Development Plan Vision 2030 and beyond it makes the firm commitment to remove/ unblock constraints for project implementation.

The IDP 2020/21 Review takes that into account the urgent need for development, unity and jobs, and hence the theme for this year is – “Sustainable Partnerships and Collaborations to grow O.R. Tambo District together”.

The year 2020 marks 26 years of Democracy and holds great promise for our Country, our Province and our District. We are eager to experience the **New Dawn** as inspired by the President, His Excellency, Mr Cyril Ramaphosa when he stated that “We are one people, committed to work together to find jobs for our youth; to build factories and roads, houses and clinics; to prepare our children for a world of change and progress; to build cities and towns where families may be safe, productive and content. We are determined to build a society defined by decency and integrity, which does not tolerate the plunder of public resources, nor the theft by corporate criminals of the hard-earned savings of ordinary people”.

Therefore, the leadership of the District both political and administratively are taking the heed to the call made by the President during the State of The Nation Address of to continue embracing the spirit of “**Thuma Mina**” in the onward march towards equality, freedom and prosperity for all.

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CLLR T. SOKHANYILE

EXCUTIVE MAYOR

OVERVIEW BY THE MUNICIPAL MANAGER

This Integrated Development Plan 2020/21 Review is a product of a process that took a period of not less than ten (10) months. It started from the adoption of the framework and process plan back in August 2019 as well as robust consultations with stakeholders. The drafting processes happened through stakeholders and communities engagement at various platforms such as strategic planning, IDP representative forums and roadshows. Inputs from these sessions have shaped the municipal focus and its agenda over the financial year. The content of the document lift issues highlighted as requiring attention by both stakeholders and communities. These include:-

- Improvement of Quality of Water & Sanitation Services
- Improve the functionality of water schemes
- Expansion of Water Services to non-serviced areas
- Maintenance of VIP toilets t
- Creation of job opportunities
- Strengthening partnerships
- Agriculture and food production.

The above issues have been embraced and are at the centre of what the district municipality would be executing over the year. As much service delivery had remained the priority for the year under review, the leadership of the district further prioritized issues of governance such as promotion of accountability and sound financial management; instilling a culture of performance and forging relations with its communities. This IDP 2020/21 therefore balances the service delivery and elements of governance. It has the particular focus on clean administration and improving the image of the organization.

In this IDP 2020/21 Review, the OR Tambo District Municipality continues to emphasise and focus on initiatives to unlock basic service delivery in areas of water and sanitation, facilitate primary production in agriculture, stimulate growth in manufacturing and tourism and support to co-operatives and small medium enterprise development. The municipality will implement strategies and commit resources to address the triple challenges of Poverty, Inequality and Unemployment in pursuit of its vision to be a people-centered, vibrant, innovative and a prosperous district.

I also wish to state that, the IDP 2020/21 Review as presented has been assessed by CoGTA and is confirmed that it is aligned to the budget and to other planning instrument such as Spatial Development Framework, Water Service Development Plan, and Integrated Transport Management Plan etcetera.

As the Accounting Officer of the municipality I therefore commit that I will steer the entire management and staff towards the execution of the strategies and priorities outlined in this Plan.

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O.N. HLAZO

MUNICIPAL MANAGER

LIST OF ABBREVIATIONS AND ACRONYMS

A/A:	Administrative Area
AG:	Auditor General
AGSA:	Auditor General South Africa
B2B:	Back to Basics
BCM:	Budget Cycle Matrix
CAA:	Civil Aviation Authority
CBD:	Central Business District
CCMDD:	Central Chronic Medicines Dispensing and Distribution
CDW:	Community Development Worker
CFO:	Chief Financial Officer
CIDB:	Construction Industry Development Board
COGTA:	Cooperative Governance and Traditional Affairs
CPMD:	Certificate in Public Management and Development
CSIR:	Council for Scientific and Industrial Research
DBSA:	Development Bank of South Africa
DCF:	District Communication Forum
DCoG:	Department of Cooperative Governance
DEDEAT:	Department of Economic Development Environmental Affairs and Tourism
DFA:	Development Facilitation Act
DM:	District Municipality
DMP:	Disaster Management Plan
DPSA:	Department of Public Service and Administration
DRA:	Disaster Risk Assessment
DRDAR:	Provincial Department of Rural Development and Agrarian Reform
DRDLR:	National Department of Rural Development and Land Reform
DRM:	Disaster Risk Management
DTI:	Department of Trade and Industry
DWA:	Department of Water Affairs
DWAF:	Department of Water Affairs and Forestry
EAP:	Economically Active Population

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ECD:	Early Childhood Development
ECDC:	Eastern Cape Development Corporation
ECDOT:	Eastern Cape Department of Transport
ECPTA:	Eastern Cape Parks and Tourism Agency
ECSECC:	Eastern Cape Socio Economic Consultative Council
EIA:	Environmental Impact Assessment
ELIDZ:	East London Industrial Development Zone
EMP:	Environmental Management Plan
EMS:	Emergency Medical Services
EPWP:	Expanded Public Works Programme
FDI:	Foreign Direct Investment
FIS:	Focused Intervention Study
FPA:	Fire Protection Area
FY:	Financial Year
GDP:	Gross Domestic Product
GHGs:	Greenhouse Gases
GRAP:	Generally Recognised Accounting Practice
GVA:	Gross Value Added
HDI:	Human Development Index
HLOS:	High Level Operating System
HPRS:	Health Patient Registration System
HR:	Human Resources
HSP:	Housing Sector Plan
ICT:	Information and Communications Technology
IDP:	Integrated Development Plan
IGR:	Inter-Governmental Relations
IPCC:	Intergovernmental Panel on Climate Change
IPTN:	Integrated Public Transport Network
IS:	Information Systems
ITCC:	Integrated Transport Coordinating Committee
ITP:	Integrated Transport Plan
IWMP:	Integrated Waste Management Plan

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KFPM:	Kei Fresh Produce Market
KPA:	Key Performance Area
KPI:	Key Performance Indicator
KSDLM:	King Sabata Dalindyebo Local Municipality
LCC:	Land Capability Classes
LED:	Local Economic Development
LG:	Local Government
LGE:	Local Government Elections
LGSETA:	Local Government Sector Education and Training Authority
LLF:	Local Labour Forum
LM:	Local Municipality
MAAP:	Management Audit Action Plan
MANCO:	Management Committee
MAYCO:	Mayoral Committee
MR:	Mobility Route
MDGs:	Millennium Development Goals
MEC:	Member of the Executive Council
MFMA:	Municipal Finance Management Act
MHS:	Municipal Health Services
MIG:	Municipal Infrastructure Grant
MISA:	Municipal Infrastructure Support Agency
MM:	Municipal Manager
MMC:	Member of Mayoral Committee
MOM:	Municipal Oversight Model
MOA:	Memorandum of Agreement
MOU:	Memorandum of Understanding
MPA:	Marine Protected Area
MPAC:	Municipal Public Accounts Committee
MRM:	Moral Regeneration Movement
MSA:	Municipal Systems Act
mSCOA:	Municipal Standard Chart of Accounts
MTEF:	Medium Term Expenditure Framework

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MTREF:	Medium Term Revenue and Expenditure Framework
MuniMEC:	Intergovernmental body consisting of CoGTA MEC and all Mayors of the Province
MWIG:	Municipal Water Infrastructure Grant
NDP:	National Development Plan
NEMA:	National Environmental Management Act
NEMWA:	National Environmental Management Waste Act
NGO:	Non-Governmental Organisation
NHI:	National Health Insurance
NKPI:	National Key Performance Indicator
NLTA:	National Land Transport Act
NMDC:	National Disaster Management Centre
NMDF:	National Disaster Management Framework
NMT:	Non-motorised Transport
NQF:	National Qualifications Framework
NSDP:	National Spatial Development Perspective
NSDS:	National Skills Development Strategy
NTSS:	National Tourism Sector Strategy
OHS:	Occupational Health and Safety
ORTDM:	O.R. Tambo District municipality
PC:	Primary Corridor
PDP:	Provincial Development Plan
PE:	Performance Enabler
PFMA:	Public Finance Management Act
PHC:	Primary Health Care
PIDS:	Provincial Industrial Development Strategy:
PIPTNMP:	Provincial Integrated Public Transport Network Management Plan
PMO:	Project Management Office
PMS:	Performance Management System
PMU:	Project Management Unit
PN:	Primary Node
PT:	Public Transport
PTA:	Provincial Tourism Authority

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RBIG:	Regional Bulk Infrastructure Grant
RRAMS:	Rural Roads Assessment Management Systems
SAIMSA:	Southern Africa Inter-Municipal Sports Association
SALGA:	South African Local Government Association
SANDF:	South African National Defence Force
SANRAL:	South African National Roads Agency
SAPS:	South African Police Service
SASSA:	South African Social Security Agency
SCM:	Supply Chain Management
SDBIP:	Service Delivery and Budget Implementation Plan
SDF:	Spatial Development Framework
SDGs:	Sustainable Development Goals
SEA:	Strategic Environmental Assessment
SMME:	Small, Medium and Micro Enterprises
SOC:	State Owned Corporation
SONA:	State of the Nation Address
SOPA:	State of the Province Address
SoP:	Separation of Powers
SPLUMA:	Spatial Land Use Management Act
SPU:	Special Programmes Unit
SRACH:	Sports, Recreation, Arts, Culture and Heritage
SR-TF:	Special Routes- Tourism Focus
TN:	Tertiary Node
UNFCCC:	United Nations Framework Convention on Climate Change
VIP:	Ventilated Improvement Pit
WBOT:	Ward Based Outreach Team
WBPIIS:	Ward Based Planning and Information System
WCSEZ:	Wild Coast Special Economic Zone
WMA:	Water Management Area
WSA:	Water Services Authority
WSP:	Water Services Provider
WSDP:	Water Services Development Plan

WWF: World Wildlife Fund

EXECUTIVE SUMMARY

The Integrated Development Plan (IDP) is the principal strategic instrument of a municipality that gives effect to its developmental mandate as enshrined in the Constitution of the Republic of South Africa (1996). The concept of integrated planning has cemented itself as the strategic process within modern day local government as an effective way of ensuring that limited resources of a municipality are being optimised to improve the livelihoods of communities. The external focus of an IDP is to identify and prioritize the most critical developmental challenges of the community whilst organizing internal governance and institutional structures in order to address those challenges.

The IDP is a five-year plan which clearly stipulates the vision, mission and strategic objectives of Council and is reviewed annually to adjust to the changing socio-economic, infrastructural and environmental dynamics and the needs of communities. The IDP guides and informs all planning and development initiatives whilst it forms the basis of the Medium Term Revenue & Expenditure Framework (MTREF) or the Budgeting. One of the key objectives of integrated development planning is to co-ordinate improved integration of programmes and projects across sectors and spheres of government in order to maximize the impact thereof on the livelihoods of the community.

The O.R. Tambo District municipality adopted its IDP for the term beginning 2017 - 2022 in May of 2017. The preparation of the IDP Review is annually preceded by the Council approved the process plan for the IDP and Budget preparation. The process plan serves to guide the developing or review of the IDP and to ensure integration between the development of the IDP and the Budget. It needs to be noted that Budget enables achievement of the IDP objectives and targets as the strategic planning tool of the Municipality. The District IDP realizes the Local Government Key Performance Areas as outlines in the local government strategic agenda. It therefore clustered its priorities in line with the five (5) Key Performance Areas namely Basic Service Delivery, Financial Viability and Management, Local Economic Development, Good Governance and Public Participation and Municipal Institutional Transformation and Development.

The review of IDP and budget at O.R. Tambo District municipality included a number of community consultations through the IDP Representative Forum. The IDP representative forum provided a platform for capturing and consolidating the community and stakeholder inputs during the review of objectives, strategies and targets for the 2020/21 financial year. The Mayoral Lekgotla session held in February 2020, provided a platform for the participation of all local municipality Mayors, portfolio councillors responsible for planning and Municipal Managers, in the review of the District's IDP. Further to that a Strategic Planning Session was convened in February 2020, where Sector Departments and various stakeholders were invited to share their planned projects and programmes to be implemented in the District space for the financial year 2020/21.

The public participation and consultative process was concluded by undertaking district-wide IDP and Budget roadshows **in April 2020**, where the Executive Mayor, Deputy Executive Mayor, Speaker, Chief Whip and Mayoral Committee members and senior officials visited wards and villages throughout the District to outline the service delivery agenda of the Municipality. The roadshows also served as an opportunity to report back to the communities across the five local municipalities on the work that was done during the 2019/20 financial year. This IDP therefore has taken into account the comments/ inputs

from the public. These inputs as well as the commitments made by the District Municipality are central in informing the IDP priorities, objectives, targets and budgeting.

The reviewed IDP embraces the principles for strategic planning at local government. It does this within the auspices of the National Development Plan, the Provincial Development Plan and the District Development Plan. It realizes the Back 2 Basics framework for local government as well as the broader strategic, regulatory and policy framework applicable to local government. It also aligns with the Integrated Urban Development Framework (IUDF), a critical urban policy for the local government sector in South Africa. The long term development agenda and spatial vision of the District is encapsulated in the Spatial Development Framework (SDF) which provides the guidelines for a land use management system to achieve the long term strategic intentions.

The MTREF budget is informed by the IDP and linked to specific Service Delivery & Budget Implementation Plan (SDBIP) targets to ensure that development is achieved in a coordinated manner which works towards a longer term developmental agenda. Lastly, the reviewed IDP appreciates the principles and the format expected in terms of the Municipal Standard Chart of Accounts Regulations (mSCOA) (2014), and therefore provides, seamless linkages with the MTREF Budget and SDBIP

CHAPTER 1 - INTRODUCTION

1.1 BACKGROUND

Local government is that sphere of government closest to the people. Many of the basic services such as water, sanitation, refuse removal, municipal roads and storm water are delivered to the communities directly by municipalities.

The following Legislative and Policy framework is fundamental to good governance within the Local Government Sphere, and therefore provides systems and mechanisms within which Local Government should deliver basic services to its communities.

The Constitution of the Republic of South Africa (1996) Section 152(1) (a)–(e) established local government as a sphere of government comprised of municipalities to achieve the following objectives-

- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisations in the matters of local government.

The Constitution of the Republic of South Africa (1996) herein after referred to as The Constitution mandates municipalities to structure and manage their administration, budgets and planning processes to prioritise the basic needs of the community, in order to promote social and economic development of the community. It further requires municipalities to participate in national and provincial development programmes. To realise the above objectives and mandate, municipalities are required to develop long-term development strategies that would guide the developmental agenda for their respective jurisdictions.

The Local Government: Municipal Systems Act (Act 32 of 2000) (MSA), as amended, established the framework through which a municipality should conduct strategic developmental planning. Section 25 of the Municipal Systems Act stipulates that each Municipal Council must, within a prescribed period after the commencement of its elected term of office, adopt a single, inclusive strategic plan for the development of the municipality this strategic plan should:

- link, integrate and coordinate plans taking into account, proposals for the development of the municipality;
- align the resources and capacity of the municipality with the implementation of the plan;
- forms the policy framework and general basis for the annual budgets;
- comply with the provisions of Chapter 5 of the Act; and
- be compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

In addition, Section 26 of the MSA stipulates that an IDP must include:

- the municipal council's vision, inclusive of critical developmental and transformation need;
- an assessment of the existing level of development in the municipality;
- the council's developmental priorities and objectives, including its local economic development aims;
- the councils' development strategies which must be aligned to national and provincial sector plans;

- a spatial development framework which must include basic guidelines for a land use management system;
- the council's operational strategies;
- applicable disaster management plans;
- a financial plan, which must include a budget projection for the next three years; and
- the municipality's key performance indicators and performance targets.

The Municipal Planning and Performance Management Regulations, published in terms of the Municipal Systems Act (Act 32 of 2000) in August 2001, details the following additional requirements for an IDP:

- an institutional framework for the implementation of the IDP to address the municipality's internal transformation needs;
- the clarification of investment initiatives;
- the specification for developmental initiatives including infrastructure, physical, social and institutional development; and
- all known projects, plans and programmes to be implemented within the municipality by any organ of state.

The Municipal Finance Management Act 56 of 2003 (MFMA) facilitates a municipality to comply with its Constitutional responsibility, ensuring that priorities, plans, budgets, implementation actions and reports are properly aligned. The IDP sets out the municipality's goals and development plans, which need to be aligned with the municipality's available resources. In order to achieve alignment between the IDP and Budget, a range of measures are in place. These include the following:

- aligning the processes of budgets and IDP preparation;
- pursuit of greater credibility in terms of the ability to afford/pay for development proposals put forward in the IDP;
- preparation and approval of a Service Delivery and Budget Implementation Plan (SDBIP) shortly after approval of the budget and the IDP; and
- introduction of links between the IDP, the budget and the performance management contracts of senior officials.

The Municipal Standard Chart of Accounts Regulations (2014) (MSCOA) prescribes the method and format that municipalities should apply to record and classify all expenditure (capital and operating), revenue, assets, liabilities, equity, policy outcomes and legislative reporting. Through this chart, transactions are expected to be recorded across seven (7) segments: project; funding; function; item; region; costing; and standard classification.

1.2 ALIGNMENT WITH NATIONAL AND PROVINCIAL PLANS AND PRIORITIES

1.2.1 The National Development Plan (2030)

The National Development Plan offers a long-term developmental perspective for South Africa. It defines the desired destination and identifies the roles these different sectors of society need to play to reach that goal.

As a long-term strategic plan, it addresses the following four broad objectives:

- provide overarching goals for what is to be achieved by 2030;
- reach consensus regarding key obstacles prohibiting achieving these goals and determine what needs to be done to overcome these obstacles;
- provide a shared long-term strategic framework within which more detailed planning can be done in order to advance the long-term goals set out in the NDP; and
- create a matrix for making choices as to how limited resources can be utilized optimally.

The Plan's objective is to ensure that all South Africans attain a decent standard of living through the elimination of poverty and reduction of inequality.

The core elements of a decent standard of living identified in the plan are:

- housing, water, electricity and sanitation;
- safe and reliable public transport;
- quality education and skills development;
- safety and security;
- quality health care;
- social protection;
- employment;
- recreation and leisure;
- clean environment; and
- adequate nutrition.

The NDP provides 6 inter-linked priorities or strategic pillars, with the objective of eliminating poverty and reducing inequality, through the following:

- uniting all South Africans irrespective of race and class to participate in a common programme, focused on eliminating poverty and reducing inequalities;
- encouraging citizens to become active in their own development, in strengthening democracy and holding the government accountable;
- raising economic growth and promoting exports thereby absorbing labour;
- focusing on key capabilities of both people and the state
- these capabilities include skills, infrastructure, social security, strong institutions and partnerships both within the country and with key international partners; and
- building a capable and developmental state.

A summary of NDP key targets to be reached by 2030 are listed below:

- employment: 13 million people in 2010 to 24 million in 2030;

- raise income from R50 000 a person to R120 000;
- improve the quality of education so that all children receive at least two years of preschool education and can read, write and count in grade 6;
- establish a competitive base of infrastructure, human resources and regulatory frameworks;
- reduce poverty and inequality by raising employment, bolstering productivity and incomes, and broadening the social wage scope;
- ensure that professional and managerial posts reflect the country's demography;
- increase ownership to historically disadvantaged groups;
- provide quality health care while promoting health and well-being;
- establish effective, affordable public transport;
- produce sufficient energy at competitive prices, ensuring access for the poor;
- ensure that all people have access to clean running water in their homes;
- avail high-speed broadband internet available to all at competitive prices;
- realize food trade surplus, with one-third produced by small-scale farmers or households;
- expand the social security system to cover all working people and provide social protection for the poor and other groups in need, such as children and disabled persons;
- play a role towards a developmental, capable and ethical state that treats citizens with dignity;
- ensure that all people live safely, with an independent and fair criminal justice system;
- broaden social cohesion and unity by making use of the talents and resources of all South Africans, while taking firm steps to redress the inequalities of the past;
- play a leading role in continental development, economic integration and human rights.

The NDP highlights the need to strengthen the ability of local government to fulfil its developmental role. IDPs need to be used more strategically to focus attention on critical priorities in the NDP that relate to the mandate of local government such as spatial planning, infrastructure and basic services. The IDPs should therefore be used to focus on aspects of the NDP that fit within a municipality's core responsibilities. In this manner, the IDP process will become more manageable and the participation process more meaningful, thus helping to narrow the gap between the aspirations contained in these documents and what can actually be achieved.

1.2.2 The Eastern Cape Provincial Development Plan (2030)

The Eastern Cape Provincial Development Plan (2030) (PDP) is derived from the NDP (2030) and is intended to provide creative responses to the Eastern Cape's developmental challenges. In 2019, the 6th Administration that took over following the May 2019 Elections, reviewed the Eastern Cape Provincial Development Plan which was initially developed in 2014. The 6th administration formulated a new vision for the province as follows:

“An enterprising and connected province where its people reach their potential”

In pursuance of this vision, the reviewed PDP identifies the following goals for the province.



Figure 1: Provincial Development Plan (2019)

GOAL 1: Innovative and inclusive growing economy

By 2030 we envisage that the Eastern Cape has an innovative, inclusive, growing and more efficient economy which optimally exploits the competitive advantages of the province, increases employment and reduces income and wealth inequalities.

GOAL 2: An enabling infrastructure network

By 2030 we envisage that the province has a well-developed and enabling infrastructure network, with our infrastructure investment responding to spatial aspects of future infrastructure demand in order to progressively undo apartheid geography.

GOAL 3: Rural development and an innovative and high-value agriculture sector

By 2030 we envisage accelerated agricultural development and opportunities for producers across all scales in local, provincial, national and global value chains. The goal is to create more and better jobs, as well as economic self-sufficiency in rural areas through stimulating the growth of rural towns and strengthening the links between them and their rural surroundings.

GOAL 4: Human development

By 2030 we envisage a society with little or no abject poverty, low levels of hunger, improved standards of living, and safer communities which enable all citizens to fulfil their human potential and longer life expectancy. Collaborative and innovative investments remain critical towards the transformation of children and designated groups. Ensuring social value for public expenditure is critical, as the social sector count for more than 70% of the provincial fiscus.

GOAL 5: Environmental sustainability

By 2030, we envisage to have addressed developmental challenges in a manner that ensures environmental sustainability and reduces the effects of climate change, particularly in poorer communities. Investment in skills, technology and institutional capacity is critical to support the development of a more sustainable society and the transition to a low-carbon economy.

GOAL 6: Capable democratic institutions

The vision for 2030 is a much more effective and efficient province in utilising its financial resources, with accountable and capable leadership and institutions that are engaged in sustainable partnerships for provincial development with social actors and the broader citizenry.

1.2.3 Back –to-Basics (B2B) Local Government Strategy

The National and Provincial government introduced a B2B policy imperative which has to be inculcated in government institutions' planning instruments. Municipalities also were required to inculcate 'B2B into their planning instruments and monitor their implementations. The ORTDM council endorsed the B2B document and aligned its IDP five years ago. It further resolved that each municipal Key Performance Areas (KPAS) must be aligned to the B2B priorities and be reported on.

In line with the B2B, heads of departments were assigned responsibilities to ensure the implementation of it. It is in that spirit that the ORDM district municipality's IDP of 2020/21 in its Chapter One ensures that it is aligned to the NDP, the National Outcomes and the B2B priorities. Reports on the implementation of the IDP through the SDBIP realises the B2B model as the policy imperative. The Department of Cooperative Governance (DCoG) assesses the IDP in terms of its alignment to the B2B strategy.

According to the B2B Local Government Strategy) at the most basic level, municipalities are expected to:

- put people and their concerns first and ensure constant contact with communities through effective public participation platforms;
- create conditions for decent living by consistently delivering municipal services to the right quality and standard. This includes planning for and delivery of infrastructure and amenities, maintenance and upkeep, including the budgeting to do this. Ensure no failures in services and where there are, restore with urgency;
- be well governed and demonstrate good governance and administration - cut wastage, spend public funds prudently, hire competent staff, ensure transparency and accountability;
- ensure sound financial management and accounting, and prudently manage resources so as to sustainably deliver services and bring development to communities;
- build and maintain sound institutional and administrative capabilities administered and managed by dedicated and skilled personnel at all levels.

The building blocks for the B2B Strategy are as follows:

- Good Governance - Good governance is at the heart of the effective functioning of municipalities;
- Public Participation -Measures will be taken to ensure that municipalities engage with their communities;
- Financial Management - Sound financial management is integral to the success of local government;
- Infrastructure Services - The planning, implementation and maintenance of basic infrastructure is critical for sustaining basic standards of living and economic activity in our towns and cities; and
- Institutional Capacity - There has to be a focus will be on building strong municipal administrative systems and processes.

1.2.4 The Integrated Urban Development Framework

The Integrated Urban Development Framework was approved by cabinet in April 2016. It is a policy initiative of the Government of South Africa, coordinated by the Department of Cooperative Governance and Traditional Affairs (CoGTA). The framework discusses how the South African urban system can be re-organised, so that our cities and towns become more inclusive, resource efficient and good places to live, shop, work and play as per the vision outlined in the NDP.

The IUDF seeks to foster a shared understanding across government and society and how best to manage urbanization and achieve the goals of economic development, job creation and improved living conditions for our people.

The IUDF responds to Sustainable Development Goals and in particular to Goal 11: making cities and human settlements inclusive, safe, resilient and sustainable. It also responds to various chapters in the NDP especially in Chapter 8, 'Transforming human settlements and the national space economy'.

The IUDF's overall outcome is spatial transformation. It intends reversing the inefficient spatial patterns in a way that promotes both social and economic development while protecting the environment. It proposes an urban growth model of compact, connected and coordinated cities and towns as opposed to fragmented development. Land, transport, housing and jobs are key structuring elements critical for the attainment of the outcome.

The vision of the IUDF is to achieve "liveable, safe, resource-efficient cities and towns that are socially integrated, economically inclusive and globally competitive where residents actively participate urban life".

Its strategic goals are:

- Inclusion and access;
- Inclusive growth;
- Effective governance; and
- Spatial integration

The overall objective of the IUDF is to create efficient urban spaces by:

- Reducing travel costs and distances;
- Aligning land use, transport planning and housing;
- Preventing development of housing in marginal areas;
- Increasing urban densities and reducing sprawl;
- Shifting jobs and investment towards dense peripheral townships; and
- Improving public transport and the coordination between transport modes.

1.2.5 Performance Outcomes of Government

The South African Government has fourteen (14) outcomes embedded in its programmes. These outcomes are derived from the policies of the ruling political party and translated into the medium term plans of government (Medium Term Strategic Framework).

The Presidency monitors and evaluates the progress achieved by the government and its sectors through various instruments including reporting on the Performance Agreements signed between the President of the Republic of South Africa and the various Ministers in Cabinet. The 14 outcomes of government are outlined below.

Table 1: The 14 Outcomes of Government

Outcomes	Description
Outcome 1:	Improved the quality of basic education;
Outcome 2:	Improved health and life expectancy;
Outcome 3:	All People in South Africa are Protected and Feel Safe;
Outcome 4:	Decent Employment through Inclusive Economic Growth;
Outcome 5:	A Skilled and Capable Workforce to Support Inclusive Growth;
Outcome 6:	An Efficient, Competitive and Responsive Economic Infrastructure Network;
Outcome 7:	Vibrant, Equitable and Sustainable Rural Communities and Food Security;
Outcome 8:	Sustainable Human Settlements and Improved Quality of Household Life;
Outcome 9:	A Responsive, Accountable, Effective and Efficient Local Government System;
Outcome 10:	Protection and Enhancement of Environmental Assets and Natural Resources;
Outcome 11:	A Better South Africa, a Better and Safer Africa and World
Outcome 12:	A development orientated public service and inclusive citizenship
Outcome 13:	An inclusive and responsive social protection system
Outcome 14:	Nation building and social cohesion

Provincial Departments of Local Government (LG) and Municipalities are guided by **Outcome 9** and will be monitored on the performance of the 7 outputs of outcome 9, which are as follows:

Table 2: The 7 Outputs for Local Government

Outputs	Description
Output 1:	Implement a differentiated approach to municipal financing, planning and support;
Output 2:	Improving access to basic services;
Output 3:	Implementation of the Community Work Programme;
Output 4:	Actions supportive of the human settlement outcome;
Output 5:	Deepen democracy through a refined Ward Committee model;
Output 6:	Administrative and financial capability
Output 7:	A single window of coordination.

1.2.6 The New Growth Path

The New Growth Path is a macro-economic policy aimed at enhancing growth, employment creation and equity. Central to the New Growth Path is a massive investment in infrastructure as a critical driver of jobs across the economy. This calls for all spheres of government to prioritise job creation by ensuring that all programmes have an element of job creation.

The New Growth Path:

- identifies five key areas for large-scale public investment and job creation, i.e. Energy, Transport, Communication, Water, and Housing;
- regards the infrastructure programme as a trigger to build a local supplier industry for the manufacture of the components for the build-programme;
- identifies specific measures, particularly changes to procurement policy and regulations, to ensure delivery on its targets; and

- highlights as risks the fragile global recovery, competition and collaboration with the new fast-growing economies, and competing domestic interests.

The 5 (five) other priority areas are identified as key contributors to job creation in partnerships between the State and the private sector. These are.

- **Green Economy:** Expansions in construction and the production of technologies for solar, wind and bio-fuels are supported by the draft Energy and Integrated Resource Plan. Clean manufacturing and environmental services are projected to create 300 000 jobs over the next decade;
- **Agriculture:** Jobs will be created by addressing the high input costs and up-scaling processing and export marketing. Support for smallholders will include access to key inputs. Government will explore ways to improve working and living conditions for farm workers. The growth path also commits Government to unblocking stalled land transfers, which constrain new investment;
- **Mining:** This includes a call for increased mineral extraction, improvements in infrastructure and skills development and beneficiation, which can create large-scale employment. It foresees the establishment of a State-owned mining company concentrating on beneficiation and enhanced resource exploitation in competition with a strong private mining sector;
- **Manufacturing:** The focus is on re-industrialisation of the South African economy through innovation, skills development and reduced input costs in the economy. A target of doubling of South Africa's research and development investment to 2% of gross domestic product by 2018 is set; and
- **Tourism and other High-Level Services:** The framework regards these areas as holding significant employment potential, and calls for South Africa to position itself as the higher education hub of the African continent.

1.2.7 Sustainable Development Goals (SDGs)

Following the endorsement and implementation of the MDGs for the period 2005-2015, the United Nations Conference on Sustainable Development outcome 2015 produced the document titled "The future we want", which gave the mandate that the sustainable development goals should be coherent with and integrated into the United Nations development agenda beyond 2015. It reiterates commitment to freeing humanity from poverty and hunger as a matter of urgency, and progress from the work of the MDGs.

Its overarching objectives are poverty eradication and promoting sustainable patterns for the consumption, production, protection and management of the natural resource base of economic and social development. There are 17 goals set that were endorsed to be implemented by 2030. These are:

- end poverty in all its forms everywhere;
- end hunger, achieve food security and improved nutrition and promote sustainable agriculture;
- ensure healthy lives and promote well-being for all at all ages;
- ensure inclusive and equitable quality education and promote lifelong learning;
- opportunities for all;
- achieve gender equality and empower all women and girls;
- ensure availability and sustainable management of water and sanitation for all;
- ensure access to affordable, reliable, sustainable and modern energy for all;
- promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;

- build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation;
- reduce inequality within and among countries;
- make cities and human settlements inclusive, safe, resilient and sustainable;
- ensure sustainable consumption and production patterns;
- take urgent action to combat climate change and its impacts;
- conserve and sustainably use the oceans, seas and marine resources for sustainable development;
- protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss;
- promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels; and
- strengthen the means of implementation and revitalize the global partnership for sustainable development.



Figure 2: Sustainable Development Goals (SDGs)

1.2.8 Eastern Cape Provincial Economic Development Strategy

The Eastern Cape Provincial Economic Development Plan (ECPEDP) was formulated in 2017 to provide a provincial wide economic development framework. The Strategic Framework for the PEDS is intended to deepen and enhance the economic development component of the Provincial Development Plan, which is the overarching provincial integrative framework.

A key element of the PEDS is the strategy's strategic goal. This is the first step to implementing the strategy and thus solving the inherent problems prevalent in the provincial economy.

In alignment with the Provincial Development Plan, the strategic, long-term goal and vision of the PEDS is:

“A growing, inclusive and equitable economy, which is larger and more efficient, and optimally exploits the competitive advantages of the province, increases employment, and reduces inequalities of income and wealth.”

This strategic goal is in accordance with the original problem statement set out for PEDS namely that of **“poverty, inequality and unemployment”** as these are the causes and effects of low economic development.

To give effect to the strategic goal, six strategic objectives have been identified and are designed in such a way as to capture the priority issues impacting on the Eastern Cape economic development. These overarching objectives in turn feed into specific targets, high potential sectors, programmes and projects.

Objective #1: Improve the absorption capability of the provincial economy by growing the number of jobs in the local economy, particularly from a low-skills base and amongst women, youth and people living with disabilities.

Objective #2: Stabilisation of vulnerable and declining sectors because of the economic crisis and deindustrialisation.

Objective #3: Protection and safeguarding productive capacity of existing industries and current jobs.

Objective #4: Diversification of the economy by deliberate efforts geared towards spreading employment and investment over a wide-range of economic activities.

Objective #5: Expansion through increasing the productive capacity of the province by investing in enabling infrastructure and innovation capabilities.

Objective #6: Transformation by broadening the ownership of capital and assets; income distribution; and spatial distribution of industrial activity based on regional competitive and comparative advantages.

In order to achieve the above-mentioned objectives, the province has prioritized six critical economic sectors and these are;

- Agri-industry
- Sustainable energy
- Ocean economy
- Automotive industry
- Light Manufacturing
- Tourism.

The O.R. Tambo District municipality is in a unique comparative advantage wherein the five of the above-mentioned sectors can be supported to grow (with the exception of automotive industry). The O.R. Tambo District municipality has since developed its District Development Plan, which is aligned to the Eastern Cape Provincial Economic Development Strategy.

1.2.9 Eastern Cape Provincial Spatial Development Strategy

The Department of Cooperative Governance and Traditional Affairs (CoGTA) developed the Provincial Spatial Development Framework. Its key objective is to set out a broad framework for investment in a spatially orientated approach to give effect to the successful implementation of the Provincial Development Plan Vision 2030.

At the national sphere, the policy provisions of the Green Paper on Development and Planning (1999), the White Paper on Spatial Planning and Land Use Management (2001) and the National Spatial Development Perspective are the key instruments framing and shaping current spatial planning and development in the

Eastern Cape. These introduced a unitary planning system applicable in both urban and rural areas across South Africa and defined the content of spatial planning and land use management for the purposes of the Municipal Systems Act.

The Provincial Spatial Development Plan intends to achieve the following:

- Provision of a co-ordinating provincial spatial framework to direct public sector investment towards a common vision and set of objectives;
- Provision of a broad policy framework to give direction to all other development agencies in the Province regarding the priorities of government;
- Enable public investment programmes to be more efficient;
- Opportunities to create an environment within which communities and the private sector can operate more effectively to achieve sustainable economic growth in the Province;
- Protection of the natural environmental systems;
- Efficient use of resources at Provincial Level;
- Prevention of duplication of effort by different departments and spheres of government; and
- Enable District Municipalities and Local Authorities to work within a broad policy framework when preparing and updating Integrated Development Plans (IDPs) and Spatial Development Framework Plans (SDFs).

Underpinning the vision of the PSDF are a set of general and overarching core values additional to those contained in the NSDP; identified as the following:

- Environmental integrity and sustainability;
- Safeguarding all natural resources;
- Densification;
- Integrated Land Use;
- Economy and efficiency of development;
- Achieving synergy and linkages between urban and rural areas;
- Participatory community based planning as a basis of going forward; and
- Emphasis being placed on “brownfield” development before adopting “greenfield” development.

The more detailed core values and principles in each spatial framework include:

- Active involvement in planning and development by all stakeholders, including communities and Traditional Leaders;
- Efficiency, sustainability of infrastructure with equal access to basic services for all;
- Infrastructure development to promote socio-economic development, achieve positive cost benefits and economic spin offs;
- Local beneficiation of produce and raw materials from agricultural production;
- Increased economic infrastructure to create an investment friendly environment and enhanced connectivity with the region, nation and global markets;
- Professionalism in human resources achieved through education and capacity building;
- Human resources sustainability through equal opportunities, fairness, support, mentorship and skills transfer;
- Compact integrated human settlements with access to basic services, amenities and social facilities; and
- Integrated spatial development plans (SDFs) which are the principal development management tool for all stakeholders, across the wall to wall municipalities.

In terms of Spatial Development Principles, the provincial spatial planning approach is guided by the District and Local Spatial Development Frameworks (SDFs) and the various Area Based Plans (ABPs) which are prepared and reviewed on a regular basis. It is of crucial importance (to attain integrated delivery) that these

SDFs become the integrated spatial development plans of all municipalities, reflecting all projects within the municipal and government sector plans, providing strategic spatial proposals for the municipality on a 'wall to wall basis'.

1.2.10 State of the Nation Address

In his State of the Nation Address for 2020, the President of the Republic of South Africa, Mr. Cyril Matamela Ramaphosa, inter alia highlighted the following matters that have a direct bearing on Local Government as a sector:

- The implementation of the District Development Model (DDM) as a new approach to ensure effective implementation of government programmes in district municipalities and metros of South Africa. The model is viewed as a unique form of social compacting that involves the key role players in every district so that we can unlock development and economic opportunities.
- Building capacity of the state and in particular, a focus on local government. Accordingly, a broad range of critical work is being done across government to strengthen the capacity of local government, as the sphere of government closest to the people, to achieve its developmental mandate of finding sustainable ways to meet the social, economic and material needs of communities and improve the quality of their lives.
- Provincial and national government will re-double their support and strengthen the capacity of municipalities as required by Section 154 of the Constitution and provide for the monitoring and support of municipalities.
- Dealing effectively with a culture where corruption, nepotism and patronage are not tolerated, and action is taken against those who abuse their power or steal public money.

The President also touches on a variety of issues which will impact on local government and these include:

- The implications of the Fourth Industrial Revolution of the sector (4IR);
- Improving the Ease of Doing Business in South Africa by removing the impediments to investment and growth and ensure that government demonstrates visible progress quickly;
- Focus on youth unemployment; and
- Effectively dealing with all forms of the Gender Based Violence

1.2.11 State of the Province Address

In his State of the Province Address for 2020, the Premier of the Eastern Cape Province, Mr. Lubabalo Oscar Mabuyane, inter alia highlighted the following matters that have a direct bearing on the OR Tambo District Municipality:

- Four inter-regional and inter-modal public transport terminals will be established in Port Elizabeth, East London and Mthatha
- The emerging Cannabis Economy offers boundless opportunities for the revival of the Eastern Cape economy through the development of cannabis for industrial and medicinal use. It is therefore the position of the Eastern Cape government to ensure an inclusive legislative process which must protect the indigenous growers of cannabis.
- The Establishment of the Wild Coast SEZ is progressing very well, and it is intended to unlock the entire agriculture value chain in the eastern side of our province.
- Phenomenal work has been done to develop the Oceans Economy Master Plan, and EXCO has approved it for implementation. This plan is expected to inject a projected R10.4 billion into the

provincial economy and create about 33 000 jobs after the first five years of its implementation. The provincial plans are to establish small harbours in Port St Johns, Hamburg, Port Alfred and Gonubie.

- 8 state of the art clinics have been opened in the OR Tambo District in preparation for the roll out of National Health Insurance. These clinics meet the highest levels of infrastructure and diagnostic equipment.
- Enhanced integrated planning will be achieved through the implementation of the District Development Model and improving intergovernmental relations functionality in the province.

1.2.12 The District Development Model (DDM)

OR Tambo District Municipality (ORTDM) was identified as one of the pilot sites for the implementation of the District Development Model (DDM). The DDM was launched by the President in Lusikisiki, Ingquza Hill Local Municipality on the 17th of September 2019.

The DDM is based on establishing District/Metro Hubs that embody One Plan of government to express the short term, medium term and long-term development objectives of national, provincial and local government in the geographic boundaries of the District/Metro. The One Plan will be strategic in nature expressing the commonly agreed diagnostics, strategies and actions which will be broken down to annual operation plans and five to ten-year implementation plans so as to enhance service delivery and development in each of the 44 districts and 8 metropolitan spaces in South Africa.

Each sphere and sector department will have to elaborate in more detail their own plans and actions within the scope of their mandated powers and functions to give effect to the One Plan as well as execution of their functions. Budgets, including conditional grants and equitable share, will need to be allocated to the extent that spheres and departments execute the One Plan commitments.

The vision of the Model is that of all three spheres and facets of government operate in unison on One Plan, thus enabling coherent, seamless and sustainable service delivery and development with integrated impact on the quality of life and quality of living spaces at local and municipal levels.

In giving effect to the vision of One Plan positively impacting lives at a local level, the DDM is premised on institutionalizing a programmatic approach to Intergovernmental Relations, which enables:

- Improving integrated planning across government through the formulation and implementation of One Plan or Joined-Up Plans for each of the 44 District and 8 Metropolitan geographic spaces or (52 IGR Impact Zones).
- Streamlined and effective Local Government and/or authority's capacity building by consolidating and strategically coordinating capacity building initiatives and programmes at district level.
- Municipalities and authorities to perform their mandated functions and duties effectively and efficiently by mobilizing and making available expertise, key skilled personnel and systems that can be shared between district as well as local municipalities and authorities as needed.
- Monitoring of the effectiveness of government and the spatial and developmental impact on communities in the 52 IGR Impact Zones.

The more specific spatial scale objectives are:

- To focus on the District/Metropolitan spaces as the appropriate scale and arena for intergovernmental planning and coordination.

- To provide both an institutional approach by focusing on local and district municipalities, whilst emphasising the territorial or geographic space as an appropriate ‘landing strip’ to further channel development.
- To focus on the 44 Districts + 8 Metros as developmental spaces (IGR Impact Zones) that will be strategic alignment platforms for all three spheres of government, where there is One Plan for each space which guides and directs all strategic investments and projects to also enable transparent accountability.
- To produce a Spatially Integrated Single Government Plan (as an Intergovernmental Compact) for each of these spaces that guides and directs all strategic investment spending and project delivery across government and forms the basis for accountability.
- To facilitate for harmonised Integrated Development Plans which are interrelated and interdependent with elements of independent development hubs supported by comprehensive plans and anchor projects.

The Plan intends to take development to the communities whilst implementing an inter and intra governmental as well as a society wide and localised social compact based on commonly agreed diagnostics, strategies and actions, which are implementable in the short, medium and longer terms. This is anticipated to bring about enhanced cooperative governance through improving coherence and spatial targeting impact of all three spheres of governance. By acting in unison there will be a common appreciation and understanding by all three spheres of governance of the service delivery and development dynamics, challenges and opportunities in various communities calibrated for practical purposes at a district/metropolitan spatial scale.

The district/metropolitan scale enables national and provincial government to have sufficient consideration of local conditions and contexts so that policies, plans, programmes and projects can be made more responsive to the needs of localities and communities. It also enables municipalities to articulate the strategic support and unlocking required by national and provincial government to improve prioritization, spatial alignment of investment, and implementation.

1.2.13 Summary of convergences and alignment of national, provincial and local government priorities

Table 3 indicates the manner in which the LG Key Performance Areas (KPAs) converge or align to National and Provincial development priorities.

TABLE 3: LOCAL GOVERNMENT KEY PERFORMANCE AREAS

Local Government KPA: Basic Service Delivery and Infrastructure Development.		
National Priorities	Provincial Priorities	Outcomes
Improving health profile of the nation. Comprehensive rural development strategy linked to land and agrarian reform and food security.	Improving the health profile of the province. Rural development, land and agrarian transformation, and food security.	An efficient, competitive and responsive economic infrastructure network. A long and healthy life for all South Africans. Sustainable human settlements and improved quality of household life.

A massive programme to build economic and social infrastructure; Sustainable resource management and use.	A massive programme to build social and economic and infrastructure. Building a Developmental State.	Protected and enhanced environmental assets and natural resources.
Local Government KPA: Local Economic Development		
National Priorities	Provincial Priorities	Outcomes
Speeding up economic growth and transforming economy to create decent work and sustainable livelihoods. Comprehensive rural development strategy linked to land and agrarian reform and food security.	Speeding up growth and transforming the economy to create decent work and sustainable livelihoods. Rural development, land and agrarian reform and food security. A massive programme to build social and economic infrastructure. Building cohesive and sustainable communities. Building a Developmental State.	Decent employment through inclusive economic growth. An efficient competitive and responsive economic infrastructure network. Vibrant, equitable, sustainable rural communities contributing towards food security for all. Sustainable human settlements and improve quality of household life. Protected and enhanced environmental assets and natural resources.
Local Government KPA: Good Governance and Public Participation		
National Priorities	Provincial Priorities	Outcomes
Intensifying the fight against crime and corruption. Building cohesive, caring and sustainable communities. Pursuing African advancement and enhanced international cooperation. Building a Developmental State inter alia by improving public services and strengthening democratic institutions.	Intensifying the fight against crime and corruption. Building cohesive and sustainable communities. Building a Developmental State inter alia by improving public services and strengthening democratic institutions.	Vibrant, equitable, sustainable rural communities contributing towards food security for all. A responsive, accountable, effective and efficient local government system. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenry. A better South Africa, better Africa and a better world.
Local Government KPA: Municipal Transformation and Institutional Development		
National Priorities	Provincial Priorities	Outcome
Strengthening skills and the human resource base. Pursuing African advancement and enhanced international cooperation. Building a Developmental State inter alia by improving public services and strengthening democratic institutions.	A massive programme to build social and economic infrastructure. Strengthening skills and the human resource base. Building a Developmental State inter alia by improving public services and strengthening democratic institutions. Building cohesive, caring and sustainable communities.	Quality basic education. A skilled and capable workforce to support an inclusive growth path. All people in SA are and feel safe. A responsive, accountable, effective and efficient local government system. An efficient, effective and development oriented public service and an empowered fair and inclusive citizenry.
Local Government KPA: Municipal Financial Viability and Management		
National Priorities	Provincial Priorities	Outcome
Intensifying the fight against crime and corruption.	Intensifying the fight against crime and corruption.	A responsive, accountable, effective and efficient local government system.

1.3 THE O.R TAMBO DISTRICT MUNICIPALITY: IDP FRAMEWORK AND PROCESS PLAN

Section 27 of the MSA, 2000, stipulates that the preparation of a DM's IDP must commence with the formulation of a Framework Plan, which has to provide a guiding and coordinating framework for the LM's within its area of jurisdiction, in the preparation of their own IDPs. Once this has been done, municipalities are required to prepare process plans outlining the manner in which the preparation of their IDPs is to be undertaken. This process plan has to include:

- a program with timeframes, specifying the different steps to be followed;
- an outline of the mechanisms, processes and procedures for consultation and participation by communities, traditional leaders, government departments and other role-players in the IDP preparation process;
- the organisational arrangements that are and will be put in place to facilitate the preparation of the IDP;
- any plans and planning requirements that are binding on the IDP preparation process and the IDP itself;
- mechanisms and procedures for alignment between District and Local Municipal IDP preparation processes, as well as with plans, strategies, frameworks and programmes in the national and provincial spheres of government; and
- financial requirements and commitments for the IDP preparation process.

1.3.1. Organisational Arrangements

The Executive Mayor and the Municipal Manager are responsible for managing and drafting the municipality's IDP. In order to ensure the coordination of various inputs into the IDP process, other role-players are also involved.

1.3.2. Process Followed

In order to develop a credible IDP document, the Council approved an IDP process plan. The diagram below depicts an annual high-level process plan towards the development of the IDP. A detailed IDP, PMS and Budget schedule of activities illustrating the key activities that need to be carried out during the preparation of the IDP 2020-2021, is contained in Annexure A

Preparation	Situational Analysis	Strategic Planning	Public Participation	Approval
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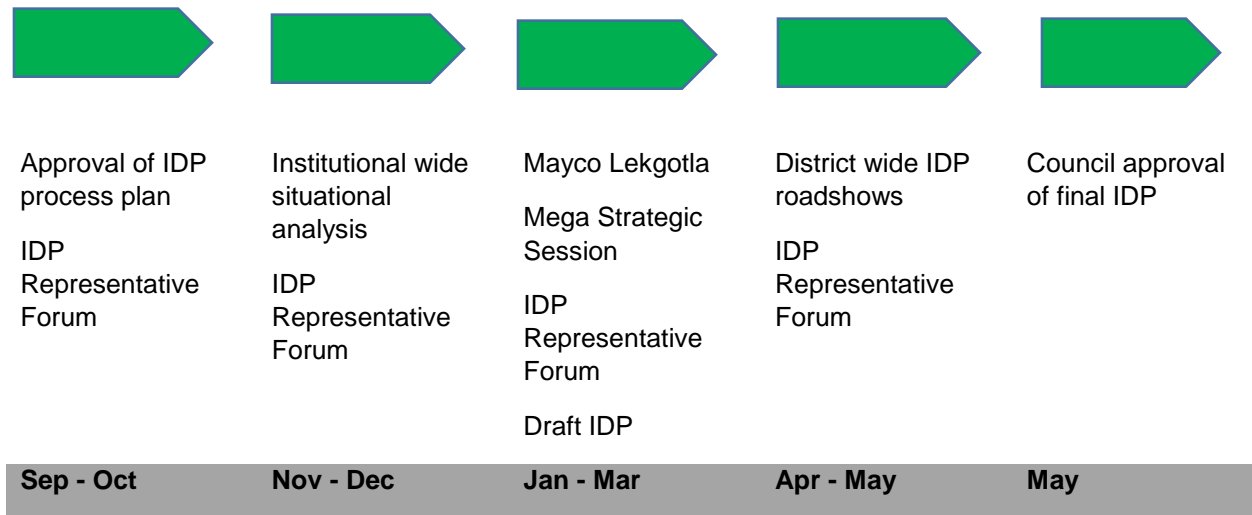


Figure 3: IDP Process Plan

1.3.3. Measures and Procedures for Public Participation

The IDP Representative Forum is the main organisational mechanism for discussion, negotiation and decision-making by stakeholders in the municipal area. The forum includes:

- Councilors, Mayors and Municipal Managers of all constituent municipalities;
- Traditional leaders;
- Representatives of organised role-playing groups and NGOs;
- Senior officials from national and provincial government departments; and
- Municipal Heads of Departments.

The IDP Representative Forum held three (3) meetings since August 2019.

- 26 August 2019
- 30 January 2020
- 27 March 2020

IDP & Budget roadshows are currently planned for the months of April and May 2019 in line with the approved IDP Process Plan. This is however subject to changes which may be provided through guidelines or legislation from the National Government due to the threat posed by the COVID 19 virus.

1.3.4. Summary of issues raised from the previous IDP Roadshows (2019-2020)

Overview

The O.R Tambo District Municipality conducted its IDP and Budget road shows from April 2019 to May 2019. The road shows were in line with the legislative prescripts to ensure that communities have inputs in the municipal planning. It also serves as a mechanism for strengthening performance management and accountability that involves members of society and stakeholders.

In its approach, the municipality collaborated with the five local municipalities in conducting these road shows. This process was intended to ensure that there is integrated and seamless service delivery in the district. Wards were clustered per municipality and various teams led by political leaders and administrative support were established per cluster. Moreover, various government departments were invited to participate as a way of addressing the sector based matters. It also serves as a mechanism to understand the strategic issues that communities want to highlight for the attention of the political leaders.

Methodology

All local municipalities were invited by the district municipality to develop an integrated approach to conduct the IDP road shows. The reason for integration was to share resources and to avail all the stakeholders involved in service delivery. The municipalities present expressed their interests and others presented reasons as to why they cannot integrate with the district municipality. The pertinent reason for not integrating was that the local municipalities conduct their roadshows at a ward based level. The three municipalities that integrated with the district municipality are Mhlontlo, Nyandeni and Port St John's local municipalities. KSD and Ingquza Hill local municipalities did not integrate, however, they were present when the district municipality conducted its roadshows. The political leadership, supported by the technical champions presented the projects planned for the current financial year. After the presentation communities were given an opportunity to raise issues of proposals, issues they needed to be considered and issues that require attention of the municipalities and government departments.

Findings

During the sessions in the various clusters, a number of concerns were raised on behalf of the communities. Amongst others, these concerns include:

- non-functional water schemes ;
- Lack of sanitation services including maintenance of VIP toilets;
- Water infrastructure requirements ;
- Housing development challenges;
- Roads that need major improvements;
- Health infrastructure requirements, including clinics;
- Job creation initiatives to be accelerated;
- Billing, and other systems that need to be improved; and
- Access to education services and facilities.

Based on the issues raised by the communities, some responses were provided whilst commitments were made to ensure that these would form part of the government agenda. Furthermore, an action plan addressing the challenges raised will be developed. An update on the progress made in implementing the set actions will be presented to the Intergovernmental Relations (IGR) structures, in particular the IDP Representative Forum. A report containing a detailed list of concerns raised in the various clusters visited in the local municipalities is attached as Annexure B.

1.3.5. Comments from the MEC of COGTA on the 2019/20 IDP

The MEC for COGTA in terms of the MSA 32 of 2000 as amended provided comment on the credibility of the IDP 2019/20 financial year. Table 4 tabulates the comments from the office of the MEC. In areas where the IDP complies with the assessment criteria, Y (yes) is inserted, where it is not complying N (no) is inserted.

TABLE 4: ANALYSIS AND ASSESSMENT OF O.R TAMBO DISTRICT MUNICIPALITY'S IDP FOR 2019/20

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
1. SPATIAL DEVELOPMENT FRAMEWORK						
Has the council adopted a SDF? When was it adopted? In the case of a local municipality, has it adopted the SDF of the District Municipality, until such time as it adopts its own, unique SDF?	B1/B2/B3/ B4/C1/C2					
Does the IDP contain a statement on whether or not the SDF requires drafting and or review with respect to either / or the municipal-wide SDF, Local SDF, Ward based Plan.	B1/B2/B3/ B4/C1/C2					
Does the SDF cover all relevant environmental concerns and does it describe the environmental issues that must be managed.	B1/B2/B3/ B4/C1/C2					

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Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from Names of officials needs to be added
1.2 Spatial Rationale Do the strategies /policy and maps reflect spatial implication with regard to ward investment in the urban and rural areas?	B1/B2/B3/ B4/C1/C2					
Does the IDP (and SDF) contain maps and/or explanatory text that describe the location of future types of basic services and/or infrastructure investment per specific localities?	B1/B2/B3/ B4/C1/C2					
Does the municipality apply the principles of the NSDP and PSDP to ensure sustainable planning e.g. densification, mixed use as well as mitigation and adaption strategies related to climate change.	B1/B2/B3/ B4/C1/C2					
Is there an Implementation plan to unlock land for future land uses?	B1/B2/B3/ B4/C1/C2					
Are there any SDF priorities that are translated into municipal IDP (budget/ financed) projects?	B1/B2/B3/ B4/C1/C2					

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from
2. FINANCIAL PLANNING AND BUDGETS						
<p>3.1 Compliance</p> <p>Is there a financial plan which includes the cash flow statement/ projections for the financial year and a budget projection for at least the next 2 years in line with section 26(h) of MSA and Treasury Regulations</p>	ALL					
<p>Does the municipality have and implement the prescribed statutory policies regulating:</p> <p>Tariffs;</p> <p>Rates;</p> <p>Credit control and debt collection;</p> <p>Cash management; and Investment</p> <p>Borrowing policy</p> <p>Funding and reserves</p> <p>Long-Term financial plan</p> <p>Supply Chain Management</p> <p>Asset management and disposal policy</p> <p>Infrastructure investment and capital projects</p> <p>Indigent Policy</p>	ALL					
<p>Are these policies yearly reviewed?</p>	ALL					

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Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from
Are these policies promulgated into by-laws and gazetted?	ALL					
Does the municipality have and implement Revenue Enhancement Strategy?	ALL					
Is there a financial recovery plan in place to address cash flow problems?	ALL					
Does the municipality have a GRAP compliant Asset Register?	ALL					
H) Does the municipality have AFS Process plan/ year end preparation plan	ALL					
3.2 Expenditure Does the IDP reflects on the percentage of Municipality's last year's capital budget actually spent? What percentage was spent in the past two financial years? Included a table showing audited results for each year?	ALL					
What is the % of expenditure on grants usage (MIG, MSIG, etc.)?	ALL					

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Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from
What is the percentage of salary budget (councilors' remuneration and employee costs) to operational budget?	ALL					
What is the percentage of repairs and maintenance on total budget?	ALL					
3.3 Revenue Management a) What percentage of budgeted income was realised in the past two years, per category?	ALL					
What is the debtors' turnover rate?	ALL					
What is the creditors' turnover rate?	ALL					
Does the municipality bill consumers on a monthly basis as per norms and standards of revenue management?	ALL					
3.4 Internal Controls a) Does the municipality have an effective internal control system In place?	ALL					
b) Does the municipality conduct risk management on annual basis?	ALL					
Does the municipality maintain filing system and have audit file in place?	ALL					

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Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from
Given the 2017 clean audit target, what is the audit opinion of your municipality in 2014/2015 Financial year?	ALL					
Are there any recurring AGs report issues?	ALL					
What progress has been made to address issues raised in the Audit Report?	ALL					
3.5 Alignment						
Is the draft SDBIP included in the IDP?	ALL					
Does the SDBIP talk to IDP strategic objectives and budget?	ALL					
Is there a reflection of Provincial and National allocations in the IDP?	ALL					
Do DMs reflect their LM's budgets and do LM's reflect their DM's budgets?	ALL					
Valuation Roll						
Does the municipality have an updated valuation roll?	ALL					
Has the municipality implemented an updated valuation roll?	ALL					
Has the supplementary valuation been conducted?	ALL					

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from
<p>3.7 Supply Chain</p> <p>Does the municipality have a functional supply chain unit in compliance with the National standards in terms of BID Committees?</p>	ALL					
<p>What is the turn-over rate of the procurement process?</p>	ALL					
<p>Does the municipality have contract management unit? (have an effective contract management system)</p>	ALL					

Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from
GOOD GOVERNANCE and PUBLIC PARTICIPATION						
<p>5.1 General</p> <p>Has the Municipality adopted an IDP Process Plan and adhering to it?</p> <p>Proof of Council Resolution to be provided</p>	ALL					
<p>Were the recommendations of the previous years IDP assessments taken into account?</p> <p>Also assessment results for past 3FYs to be indicated</p>	ALL					

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Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from
<p>Is IDP Assessment Action Plan available?</p> <p>A summary of the plan to be given</p>	ALL					
<p>Public Participation</p> <p>Is there a Public Participation Strategy/Plan?</p>	ALL					
<p>Are there any challenges with regards to effectively implementing the public participation strategy/plan</p> <p>A summary of challenges to be indicated</p>	ALL					
<p>Does the Municipality display a commitment to public participation in the IDP; Budget design and Development?</p>	ALL					
<p>Is there a stakeholder Communication Strategy?</p> <p>Is the communication strategy effective?</p>	ALL					
<p>Is there a Stakeholder Mobilisation Strategy?</p> <p>Also stakeholder register to be provided</p>	ALL					
<p>Are Ward Committees established throughout the municipality?</p>	METRO and LMS					
<p>Are relations between the Ward Committee and the ward community cordial?</p>	METRO and LMS					

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Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from
Does the Municipality's Ward Committees contribute to the development priorities in the IDP?	ALL					
Are the ward committee resolutions/concerns considered by the Municipal Council	METRO and LMS					
Has the municipality developed ward based plans throughout the municipality?	ALL					
Is the municipal IDP informed by the ward based plans	METRO and LMS					
Where applicable, does the Municipality have strategies to involve traditional leaders and their communities in the IDP process?	N/A					
Social Cohesion Are there any programs/ activities that enhance social cohesion?	ALL					
Do the municipal social cohesion programmes contribute to nation building?						
Are Inter Governmental Relations structures used to facilitate inter-governmental dialogue with relevant national and provincial sector department? Existing programs to be indicated	ALL					

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Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from
<p>Is the municipality engaged in inter-municipal planning programmes?</p> <p>Programmes/project in respect of inter-municipal planning to be indicated</p>	ALL					
<p>Complaints and Fraud Management</p> <p>Is there an institutionalised complaint management system?</p> <p>Provide the complaint management system used</p>	ALL					
<p>Is there a fraud prevention plan?</p> <p>Is the fraud prevention plan effective?</p> <p>Summary must be provided</p>	ALL					
<p>5.2 Audit</p> <p>Is there an audit committee and other governance structures such as S79 and S80 Committees?</p> <p>(i) Is the audit committee functional and effective?</p>	ALL					

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Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from
Does the audit committee have a framework to regularly audit the implementation of the IDP?	ALL					
What were the Audit Opinions for this municipality over the last three years?	ALL					
Is there evidence that the Municipality affords comments from the AG reports due consideration, by putting in place adequate corrective measures	ALL					
Is there an audit action plan to deal with issues raised by the AG? Provide a summary of key issues/issues of emphases	ALL					
5.3 Special Groups Has the SPU been established?	ALL					
Is there a strategy for HIV and AIDS mainstreaming ?						
Is there special focus to promote people with disabilities?	ALL					
Is there evidence indicating that the target group (SPU – women, disabled, youth,etc) issues are mainstreamed in key plans of the Municipality and in sector plans?	ALL					

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Evidential Criteria / KPIs	Applicable to	Y/N	Comments and Improvement Measure	Who will assist the Municipality?	By when?	Comments expected from
Is SPU's beneficiaries (women, youth, disabled) promoted for access to economic opportunity?	ALL					
Populations Issues All statistics issues to be sourced from the latest Stats SA results (2011) Is there a population analysis describing population size, composition, distribution and change?	ALL					
Are sectoral implications of population patterns and trends identified?	ALL					
Does the population analysis reflect population concerns of the Municipality? A summary to be given	ALL					
Is there evidence of sectoral plans addressing population concerns?	ALL					
Do the sector plans take MDGs and 12 Outcomes targets into consideration?	ALL					
Does the municipality have a functional and effective M and E system/Unit	ALL					

CHAPTER 2: SITUATIONAL ANALYSIS

2.1 LOCALITY

The Oliver Reginald Tambo District is one of the six District Municipalities of the Eastern Cape. The others are Alfred Nzo, Chris Hani, Amathole, Joe Gqabi, and Sarah Baartman Districts. The O R Tambo District Municipality incorporates large portions of the former Transkei homeland area of the Eastern Cape Province and is one of the poorest district municipality of the Eastern Cape Province. It is located along the Wild Coast, bordered to the West by Amatole District Municipality while sharing a common border with the KwaZulu Natal Province to the North East. The District measures 15 947 km² in extent with a varied terrain ranging from rolling valleys to broken mountainous ranges and a varied climate that responds to the elevation and distance from the sea.

The O.R. Tambo District Municipality is classified as a Category C2-Municipality, which means an area with a largely rural character. The municipality has limited municipal staff and a small budget relative to its challenges. All of the LM's in the district are category B4 except for KSD LM, which is a category B2 municipality. Each municipality has at least one urban service centre.

Table 5: Local Municipalities in the jurisdiction of OR Tambo District Municipality

Local Municipality	Code	No. of Wards	Urban Service Centre
King Sabata Dalindyebo	EC 157	35 Wards	Mthatha and Mqanduli
Nyandeni	EC 155	31 Wards	Libode and Ngqeleni
Mhlontlo	EC 156	29 Wards	Tsolo and Qumbu
Port St Johns	EC154	22 Wards	Port St Johns
Ingquza Hill	EC 153	31 Wards	Flagstaff and Lusikisiki

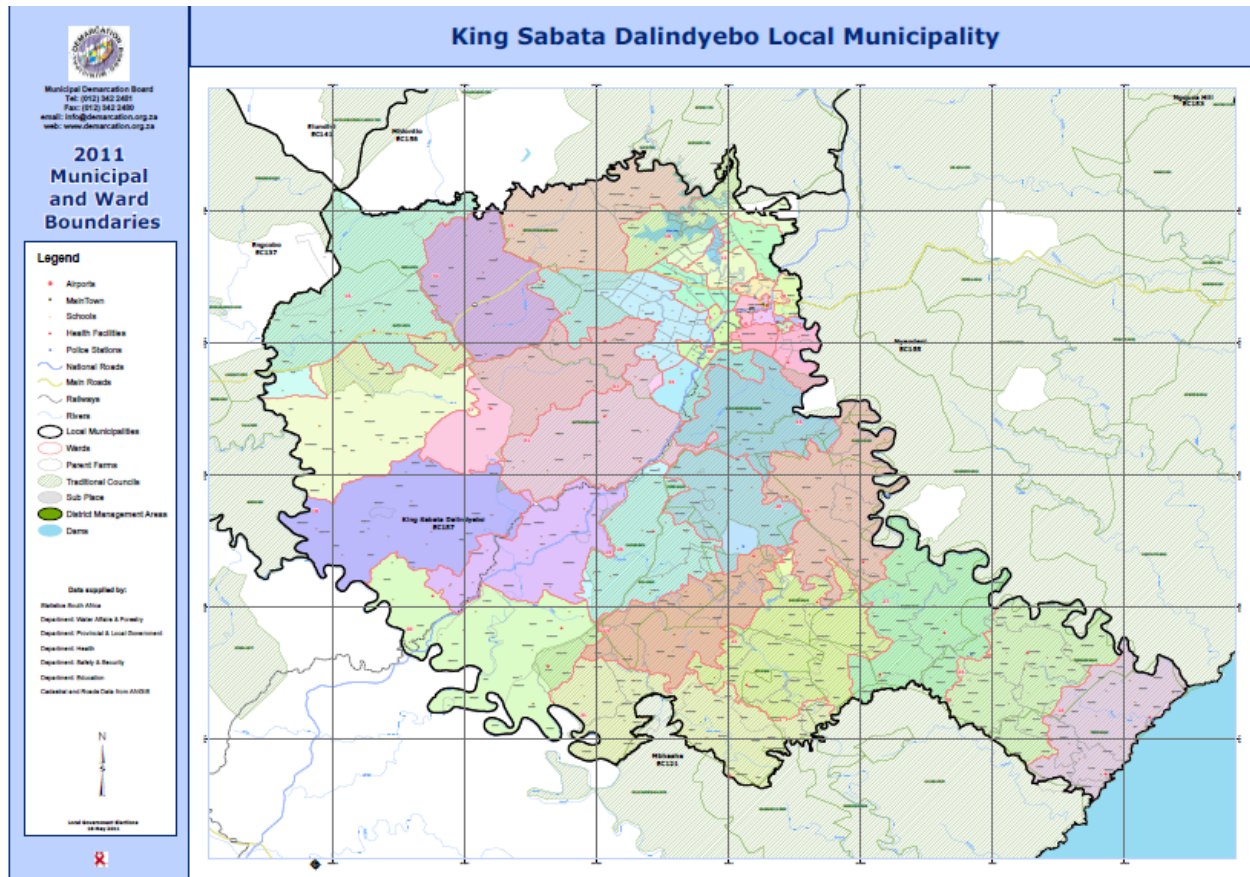
2.1.1 Overview of the Local Municipalities

King Sabata Dalindyebo LM

King Sabata Dalindyebo Local Municipality (KSDLM) is home to Mthatha, the economic centre of the District and the host to both the Local and District Municipality's Offices. The municipality has both an urban and a rural character, including a prominent national urban settlement and regional economic hub, as well as dispersed village-type rural settlements.

KSDLM covers an area of 3 028 km². Situated at the heart of the KSDLM, Mthatha is a major transport and regional service centre, dissected by the N2 running southwest to northeast through the town. As a gateway to a wide range of tourism offerings, Mthatha is a popular stop-over point on the way to tourist attractions like Coffee Bay and Hole-in-the-Wall in the KSDLM and Port St Johns and Mbotyi in neighbouring LMs. The municipality is also home to two of the other economic activities in the District, viz. Forestry and Agriculture.

Figure 1: Map of KSD Local Municipality



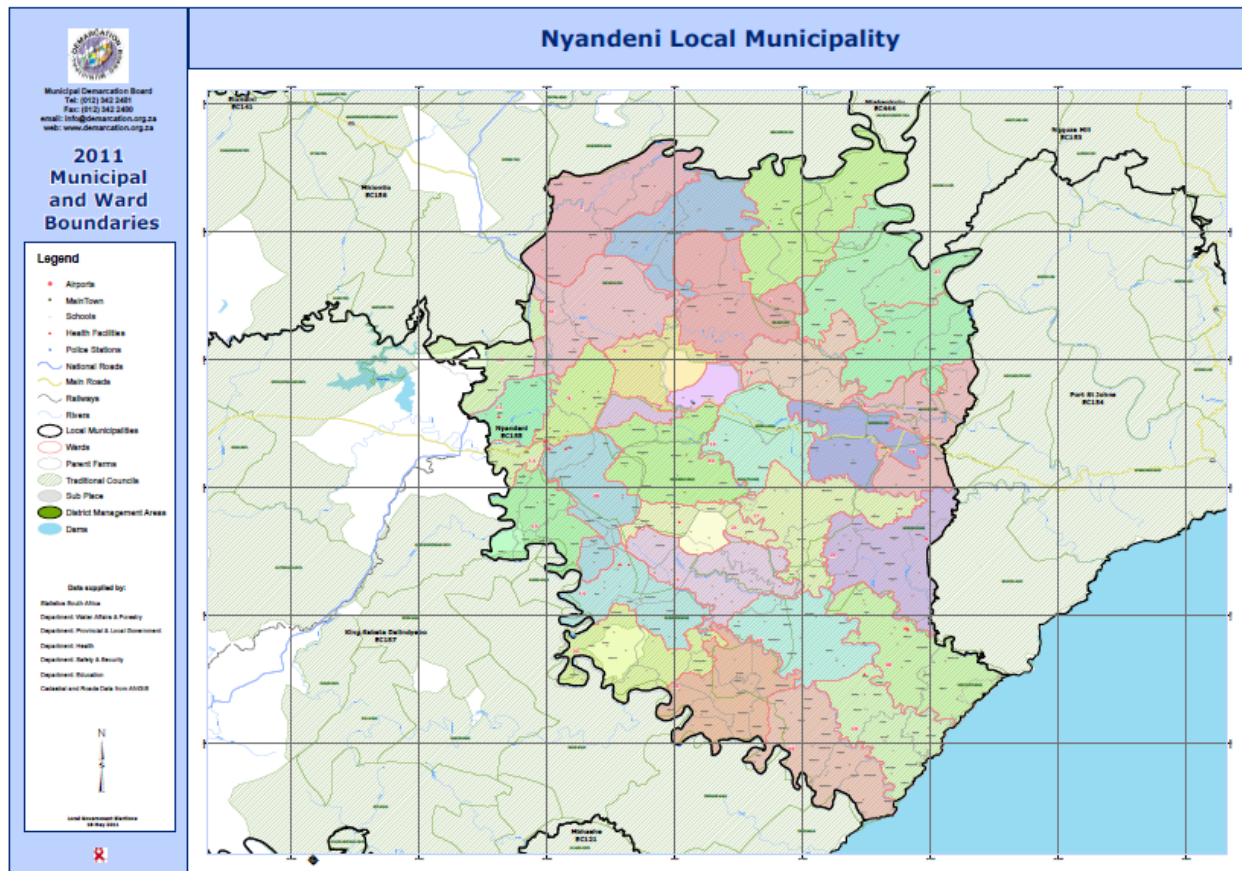
Municipal Demarcation Board (2020)

Nyandeni LM

Nyandeni Local Municipality, like many of the other LMs within the District, is predominantly rural with widely dispersed traditional and village-type settlements. Nyandeni LM is made up of two urban nodes namely Ngqeleni and Libode. According to Stats SA 2016 Community Survey the total population for Nyandeni LM is 309,702 with 61,867 households. The majority of the population reside in rural areas (96.35%) and with only 3.65% residing in the two urban centres mentioned above. Nyandeni LM covers an area of approximately 2 474 km². The main Municipal Office is located in the town of Libode, located approximately 30 km from Mthatha, along the route to the popular tourist destination of Port St. Johns. Most of the inhabitants of the municipality still rely on subsistence agriculture in areas marked by communal tenure. The LM is regarded as having considerable agricultural potential, although there has been limited exploitation of this potential.

The municipality is drained by four perennial rivers, the Mngazi, Mngazana, Mthatha and Mneni Rivers. As for vegetation, valley thicket occurs along the steep slopes of the periphery of the municipal area, while Coastal Bushveld and Grassland characterise the coast. Eastern Thorn Bushveld and Moist Upland Grassland are the common vegetation types found in the interior.

Figure 2: Map of Nyandeni Local Municipality



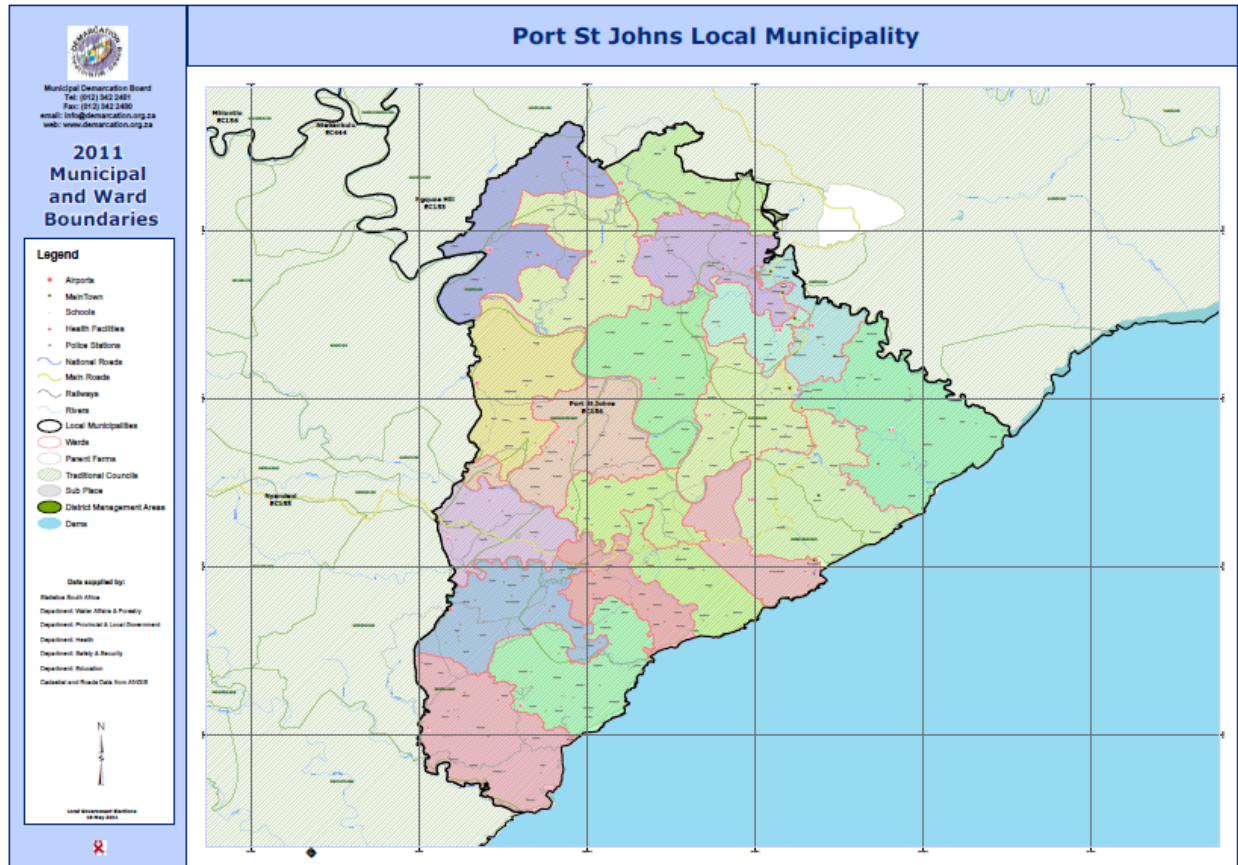
Municipal Demarcation Board (2020)

Port St Johns LM

This municipality is situated along the Indian Ocean coastline. Its most well-known settlement is the town of Port St Johns, which is located at the mouth of the Umzimvubu River, approximately 90km east of Mthatha. Port St Johns LM covers an area of approximately 1 291 km² the municipality has a strong tourism industry, which well-supported by the variety of hills, dunes, rivers, and the mountainous terrain that meet its picturesque beaches.

Nearly 90% of all the dwellings in the municipality are located in traditional tribal settlements. Port St. Johns is the only real urban area and is also the regional economic centre and supply site for the nearby villages and communities. Topographically the area is characterised by a high-lying northern hinterland with undulating plains decreasing in a southern direction to a largely flat coastal belt. Eight rivers traverse the hinterland from north-west to south-east creating prominent valleys, gorges and inaccessible ravines, with the most prominent rivers being the Umzimvubu River, Mzintlaya River and Mnenu River.

Figure 3: Map of PSJ Local Municipality



Municipal Demarcation Board (2020)

Ingquza Hill LM

Formerly known as Qaukeni Local Municipality, Ingquza Hill LM has a high population density and high levels of unemployment, and there are considerable poverty challenges in the area. Ingquza Hill LM is made up of two urban nodes, namely Flagstaff and Lusikisiki. According to Stats SA 2016 Community Survey the total population for Ingquza Hill LM is 303,379 with 60,974 households. The majority of the population about 98.42% reside in rural areas with only 1.58% residing in the two urban centres mentioned above.

The Ingquza Hill LM is characterized by limited coastal settlement and widely dispersed settlement in traditional rural villages at approximately 109 persons/km² in the LM of 2,461 km². The municipal area is furthermore characterised by large forest areas in close proximity to the coastline, with a total of ten rivers flowing through it. The Mkambati Nature Reserve is situated within the coastal zone. The urban and peri-urban nodes of Lusikisiki and Flagstaff are the primary economic hubs of the municipal area.

The LM is believed to hold significant Tourism, Forestry, and Marine Aquaculture potential. The conservation and protection of the many rivers systems in the LM and the coastline are, however, key to the sustainable utilisation of these potentials.

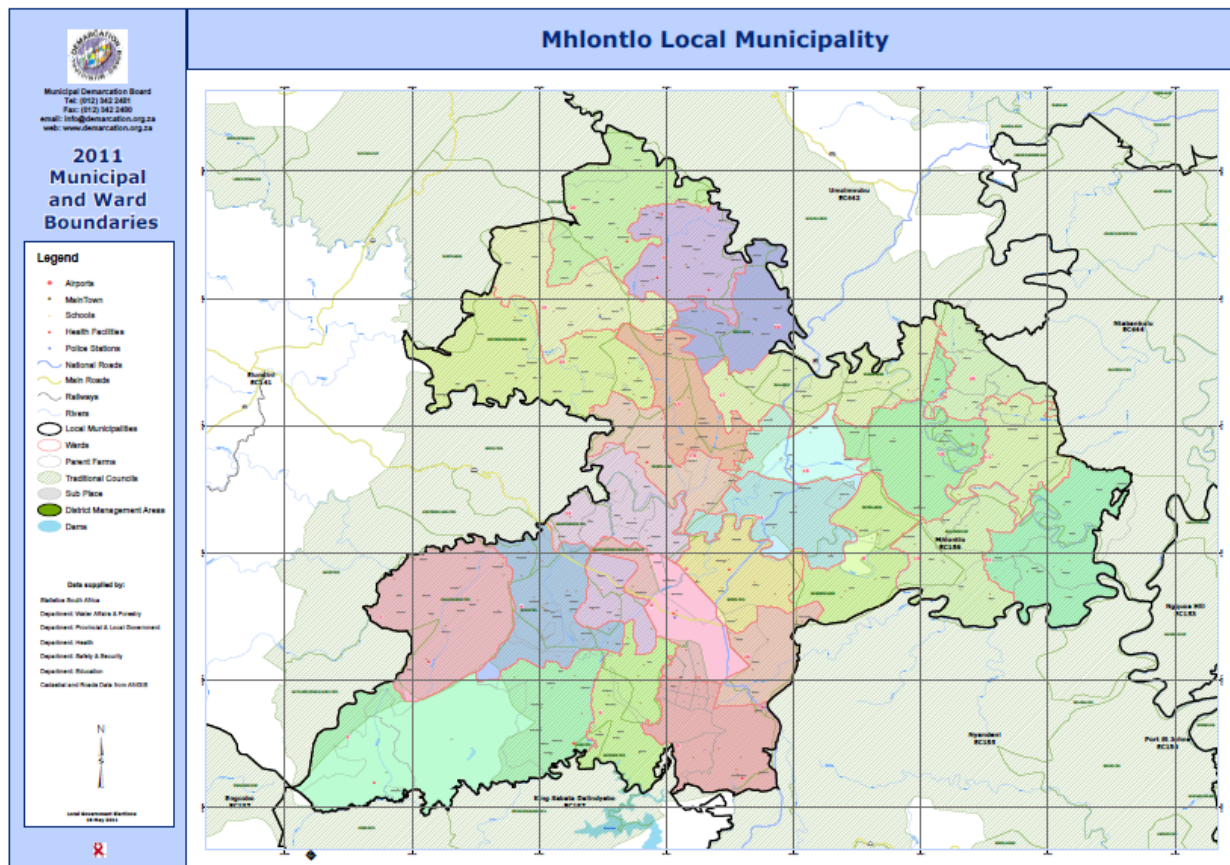
Figure 4: Map of Ingquzval Hill Local Municipality

Mhlontlo LM

The Mhlontlo LM, which is predominantly rural, hosts Tsolo and Qumbu as local service centres, and six rural nodes namely; Sulenkama, St Curthberts, Caba, Shawbury and Langeni Forest. The N2 runs through the municipality from the southwest to the northeast. Mhlontlo LM covers an area of approximately 2 826 km². The closest urban centre is Mthatha, which is situated approximately 40 km west of Tsolo. The majority of the land is used for agricultural purposes and subsistence farming, notably for grazing, in areas marked by communal tenure.

There are approximately 425 villages in the Mhlontlo area ranging in size from 10 to 3600 people. According to Stats SA 2016 Community Survey, the total population for Mhlontlo LM is 86,860 with 41,395 households. The majority of the population resides in rural areas (91.14 %), 1.68% in farms and 7.17% reside in the two urban centres. The area boasts several tourist attractions including the Tsitsa Falls and Tina Falls, the Tina River ribbon and the Mabeleni Dam, which is famous for its trout fishing.

Figure 5: Map of Mhlontlo Local Municipality



Municipal Demarcation Board (2020)

2.2 DEMOGRAPHICS

Demography is concerned with virtually everything that influences or can be influenced by population size, distribution, processes, structure, or characteristics. There is a widespread recognition that demographic changes can have a profound impact on socio-economic development of any society. Demographic changes have ripple effects throughout society in different directions, with multiple consequences. Understanding demographic change is important because it provides a powerful lens for viewing future trends, explaining changes the society is likely to face, and providing an opportunity to create a policy environment that takes maximum advantage of the demographic potential in the society.

2.2.1 Population Overview

OR Tambo is the most populous district in the province. It is ranked the fourth most populous district in the country. However, these people live in extreme poverty. The poverty ranking of South Africa's 44 districts in terms of poverty shows that O R Tambo is ranked first, with the highest number of people living below the minimum subsistence level. Large population size has advantages and disadvantages linked to demand- and supply-side effects of demographic changes.

IHS Global in its 2018 population report estimates that the population of the Eastern Cape is approximately at 7,160,000 which according to Statistics South Africa's mid year population estimates is the fourth highest in the country, following Gauteng, Kwa-Zulu Natal, and the Western Cape. The O.R. Tambo DM accounts for 1,510,000 people according to IHS Global 2018 population report , the highest in the entire Eastern Cape Province. Local Municipalities with the largest populations, are King Sabata Dalindyebo (KSD), followed by Nyandeni and Ingquza Hill.

With 1.51 million people, the O. R Tambo District Municipality housed 2.6% of South Africa's total population in 2018. Between 2008 and 2018 the population growth averaged 1.08% per annum which is close to the growth rate of South Africa as a whole of (1.57%). Compared to Eastern Cape's average annual growth rate (0.98%), the growth rate in O. R Tambo's population at 1.08% was very similar to that of the province.

Ingquza Hill Local Municipality increased the most, in terms of population, with an average annual growth rate of 1.40%, King Sabata Dalindyebo Local Municipality had the second highest growth in terms of its population, with an average annual growth rate of 1.34%.Mhlontlo Local Municipality had the lowest average annual growth rate of -0.11% relative to the other Municipalities within the O. R Tambo District Municipality.

According to Stats SA's 2019 Mid-Year Population Estimates, O R Tambo's population is projected to grow by 5% from 1 505 128 in 2019 to 1 583 954 in 2024. Historically, between 2002 and 2019, it grew by 14%. Of the 1 505 128 people in O R Tambo, 53% are female (a female ratio of 1.13), and 99% are black. According to the United Nations, high population growth poses challenge to the realisation of the regional development goals.

2.2.2 Population Density

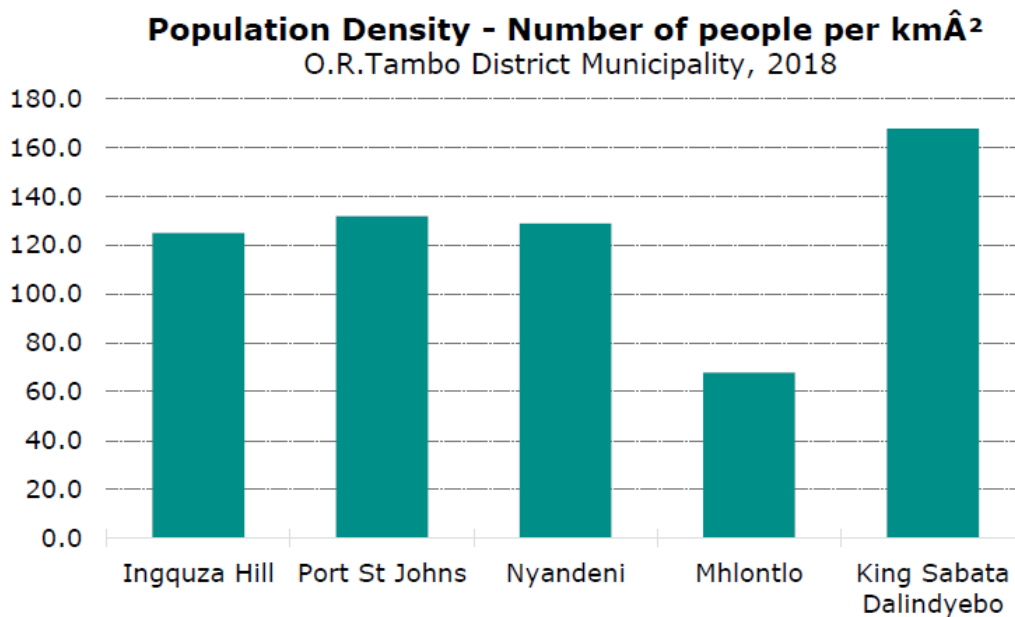
Using population density instead of the actual number provides a basis of comparison between these different places. ORTDM is relatively densely populated compared to most rural municipalities. The higher density has an impact on household infrastructure provision, quality of services and access to resources (medical care, schools, sewage treatment, community centres, etc.). High population density has advantages (easy provision of basic services, economy of scale, infrastructure network and so on) and disadvantages (like congestion and loss of "green-belt" land).

Apart from the Eastern Cape's two metropolises, of the province's six districts, O R Tambo has the highest population density of 123 people to a square kilometre, compared with 8.9/km² in the Sarah Baartman

district. The population density of the various municipalities in the ORTDM is higher than the provincial average of 42 people per square kilometre amongst all the LMs. King Sabata Dalindyebo is the most densely populated.

The district is the second smallest in terms of land mass at about 12 141 square kilometers, representing 7.1% of the Eastern Cape's area. However, the district's rapid population growth makes it the most densely populated area in the province (apart from the two metropolitan areas), with a population density of roughly 123.5/km² in 2018. This figure is more than double the provincial and national figures of 42.8/km² and 47.6/km² respectively, in 2018. An indication of the district's future population is provided by the figures for children (aged 14 and under): 48.4/km², compared with 13.2/km² for the Eastern Cape as a whole.

Figure 6: Population Density



Source: IHS Market Regional eXplorer version 1803

2.2.3 Population Composition

While the size of the population is an integral part of demographic dynamics, the population size usually masks diverse demographic situations among the different age and gender groups. In other words, the structure of the population holds important implications for the community and to policy formulation for all sectors. Also, the age and sex structure of a population is a significant parameter influencing current and future determinants of growth – fertility, mortality and migration.

Statistics of the age distribution of a particular population group is useful in appropriating available resources. The age and sex structure of the population matters because people of different ages and gender interact with the economy differently, altering its performance. Young people require sizeable investments in health and education, the working-age population provides most of the labour, producing far more than they consume, and the elderly require specialised access to healthcare and retirement income. The age distribution of a population provides an important guide for differentiated policy options. Three

different age cohorts can be considered: children (0-14 years), the economically active population, (15-64 years) and dependant people 65 years and older.

The age structure in O R Tambo is characterised by an emerging population of children and young people, as opposed to the emerging ageing population observed in developed countries. Age structures in the 2011 Census and in the 2019 Mid-Year Population Estimates have remained almost the same. In 2019, children (aged 14 and under) accounted for 39% of the total population (second-highest among the districts of the province); working age population (15-64) accounted for 55% of the total population (lowest among the districts of the province); and the elderly (65+) accounted for 6% of the total population.

Age/sex structure of O R Tambo and Eastern Cape. 2019

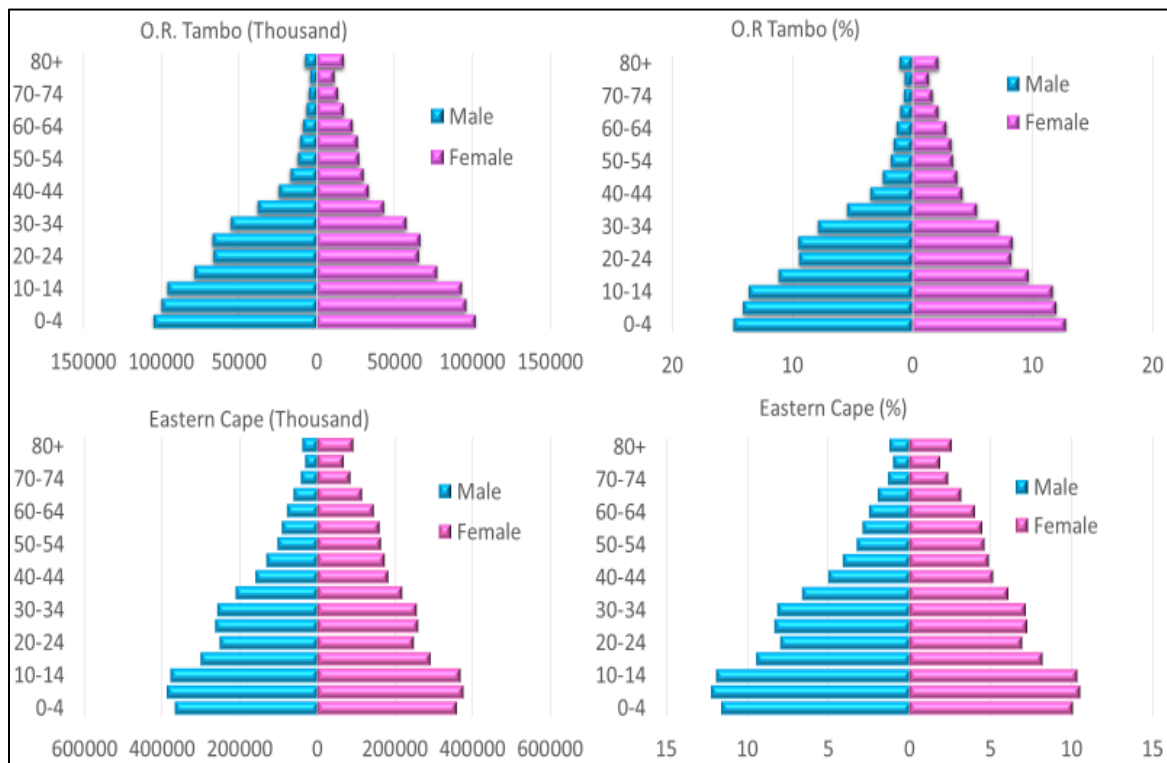


Figure 7: Age/sex structure of O R Tambo and Eastern Cape. Source: Statistics South Africa (2019)

Gender and Age distribution per local municipality

Figure 8: Gender/ Age distribution per Local Municipality

	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	82,800	87,000	104	102	306	381	182	200
05-09	88,500	91,600	82	118	307	347	181	140
10-14	91,900	97,400	74	94	354	357	118	114
15-19	72,200	80,500	181	130	403	306	171	155
20-24	62,200	67,600	141	118	286	372	143	266
25-29	69,000	66,600	114	130	295	384	159	280
30-34	60,600	54,100	95	104	271	273	107	329
35-39	49,000	34,600	72	41	240	277	116	228
40-44	40,200	24,400	98	94	183	207	74	166
45-49	37,300	21,800	104	108	209	214	65	79
50-54	31,100	17,700	102	130	205	251	54	67
55-59	28,000	14,100	57	105	216	241	79	50
60-64	24,800	10,600	56	83	124	97	56	80
65-69	15,800	6,820	60	88	122	78	34	37
70-74	14,200	6,800	33	46	89	72	13	11
75+	25,900	9,580	59	29	107	73	22	4
Total	793,000	691,000	1,430	1,520	3,720	3,930	1,570	2,210

Source: IHS Markit Regional Explorer version 1803

2.2.4 Dependency Ratio

A high dependency ratio means few breadwinners, a small number of taxpayers and a small proportion of the population who are productive – but a high reliance on the fiscus. Household dependency of Government grants is a given in the Eastern Cape. The ORTDM with 75.1% has the highest percentage of households receiving grants in the province, receiving grants. Welfare grants are a very important component of the household incomes and livelihood strategies of the majority of families receiving grants. Grants represent around 20% of the total income in a district. While the District, on the one hand, seeks to maximize access to grants for eligible households, it must also, on the other hand, endeavour to reduce the grant dependency for households by increasing their access to economic opportunities. Figures 12-18 illustrates the number of beneficiaries of Social Welfare Grants per local office.

The dependency ratio is the ratio between the number of dependents, aged 0-14 years and those over the age of 65 years, to the total population aged 15-64, the high number of children in the District leads to high levels of dependency. In 2018, the dependency ratio for the district was 72.97% compared to 80.5% in 2011, this indicates an increase in the economically active population, and however in spite of the decrease in the dependency ratio for the district it is still higher than that of the province. At LM level KSDLM is the only LM with a dependency ration lower than that of the district and the province. In 2018, Port St Johns and Ingquza Hill recorded the highest dependency ratios.

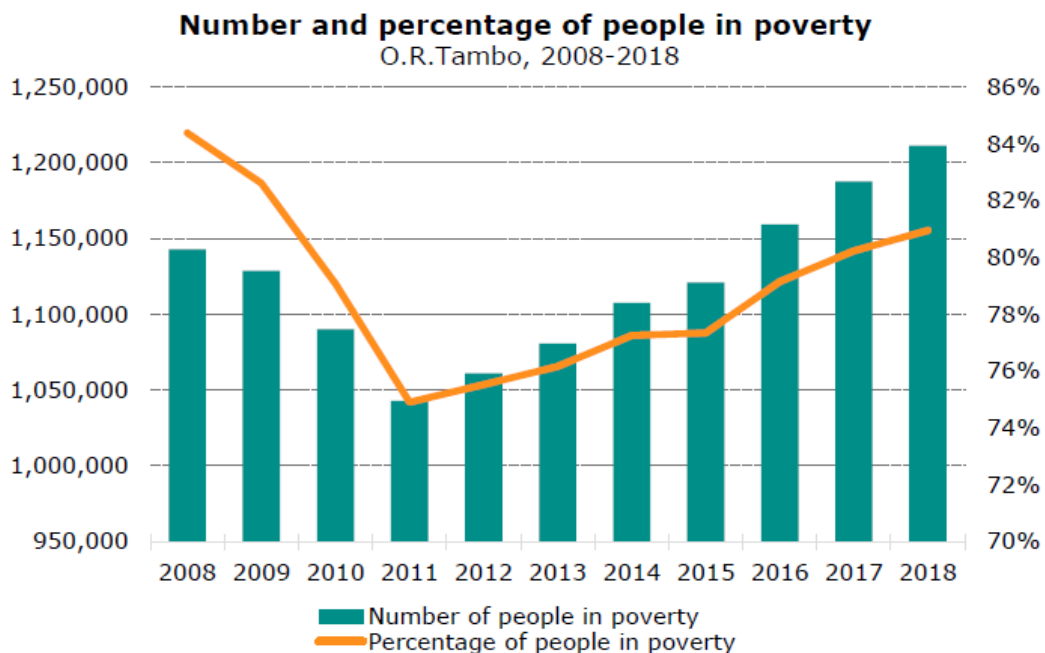
The demographic burden resulting from the high dependency ratio presents long-term societal challenges to the district. The total dependency ratio has risen slightly from 80% (Census 2011) to 81% (2019 Mid-Year Population Estimates). The highest dependency ratio in the province was in the Alfred Nzo District Municipality, followed by the O R Tambo District Municipality.

2.2.5 Poverty Levels

Poverty is multifaceted and can be defined through the following:

- Lack of income
- lack of employment
- lack of basic service
- No or limited ownership of assets
- Social exclusion
- Inability to take part in decision making and
- Inability to afford basic needs

In 2018, there were 1.21 million people living in poverty, using the upper poverty line definition, across O. R Tambo District Municipality - this is 5.97% higher than the 1.14 million in 2008. The percentage of people living in poverty has decreased from 84.28% in 2008 to 80.32% in 2018, which indicates a decrease of 3.96 percentage points.



Source: IHS Markit Regional eXplorer, 2019

In terms of the percentage of people living in poverty for each of the regions within the O. R Tambo District Municipality, Port St Johns Local Municipality has the highest percentage of people living in poverty, using the upper poverty line definition, with a total of 86.7%. The lowest percentage of people living in poverty can be observed in the King Sabata Dalindyebo Local Municipality with a total of 71.7% living in poverty, using the upper poverty line definition.

2.2.6 Inequality

The Gini coefficient measures the inequality among values of a frequency distribution (for example, levels of income). A Gini coefficient of zero expresses perfect equality, where all values are the same (for example, where everyone has the same income). A Gini coefficient of 1 (or 100%) expresses maximum inequality

among values (e.g. for a large number of people, where only one person has all the income or consumption, and all others have none, the Gini coefficient will be very nearly one).

This indicator of inequality indicates that In 2018, the Gini coefficient in O.R Tambo District Municipality was at 0.561, which reflects a marginal decrease in the number over the ten-year period from 2008 to 2018. The Eastern Cape Province and South Africa, both had a more unequal spread of income amongst their residents (at 0.621 and 0.629 respectively) when compared to O. R Tambo District Municipality.

In terms of the Gini coefficient for each of the regions within the O. R Tambo District Municipality, King Sabata Dalindyebo Local Municipality has the highest Gini coefficient, with an index value of 0.591. The lowest Gini coefficient can be observed in the Nyandeni Local Municipality with an index value of 0.516.

2.2.7 Human Development Index (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.

In terms of the HDI for each the regions within the O.R Tambo District Municipality, King Sabata Dalindyebo Local Municipality has the highest HDI, with an index value of 0.566. The lowest can be observed in the Port St Johns Local Municipality with an index value of 0.465.

2.2.8 Unemployment

The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

	O.R.Tambo	Eastern Cape	National Total	O.R.Tambo as % of province	O.R.Tambo as % of national
2008	82,700	499,000	4,340,000	16.6%	1.90%
2009	80,700	494,000	4,370,000	16.3%	1.84%
2010	78,600	493,000	4,510,000	15.9%	1.74%
2011	76,300	500,000	4,600,000	15.3%	1.66%
2012	82,100	524,000	4,730,000	15.7%	1.73%
2013	89,300	559,000	4,900,000	16.0%	1.82%
2014	94,500	585,000	5,110,000	16.1%	1.85%
2015	97,800	602,000	5,350,000	16.2%	1.83%
2016	108,000	653,000	5,710,000	16.5%	1.89%
2017	126,000	736,000	6,020,000	17.1%	2.09%
2018	139,000	786,000	6,120,000	17.6%	2.26%
Average Annual growth					
2008-2018	5.30%	4.66%	3.48%		

Source: IHS Markit Regional eXplorer version 1803

O. R Tambo District Municipality's EAP was 329 000 in 2018, which is 21.80% of its total population of 1.51 million, and roughly 14.72% of the total EAP of the Eastern Cape Province. From 2008 to 2018, the average annual increase in the EAP in the O. R Tambo District Municipality was 2.60%, which is 0.61 percentage points higher than the growth in the EAP of Eastern Cape's for the same period.

2.2.9 Total Employment

In 2018, O. R Tambo employed 186 000 people which is 12.77% of the total employment in Eastern Cape Province (1.45 million), 1.15% of total employment in South Africa (16.1 million). Employment within O. R Tambo increased annually at an average rate of 0.52% from 2008 to 2018.

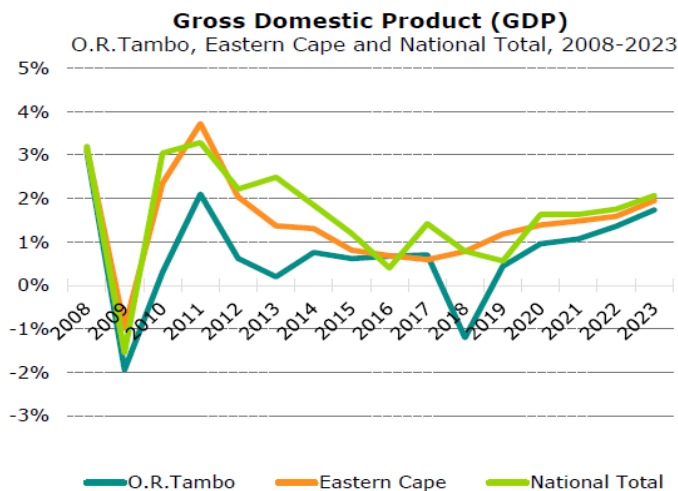
In O. R Tambo District Municipality the economic sectors that recorded the largest number of employment in 2018 were the community services sector with a total of 63 000 employed people or 33.9% of total employment in the district municipality. The trade sector with a total of 45 800 (24.7%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 282 (0.2%) is the sector that employs the least number of people in O. R Tambo District Municipality, followed by the electricity sector with 401 (0.2%) people employed.

The number of formally employed people in O. R Tambo District Municipality counted 138 000 in 2018, which is about 74.19% of total employment, while the number of people employed in the informal sector counted 47 900 or 25.81% of the total employment. Informal employment in O. R Tambo decreased from 50 300 in 2008 to an estimated 47 900 in 2018.

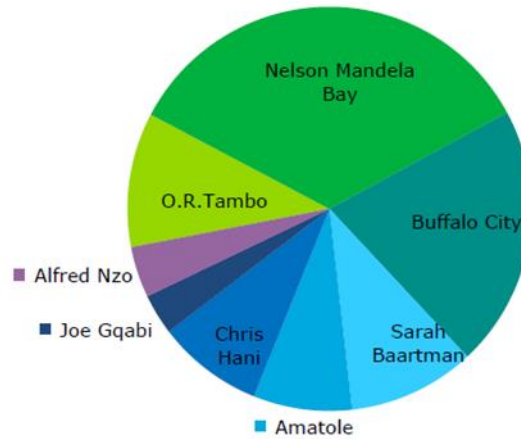
In 2018 the Trade sector recorded the highest number of informally employed, with 19 100 employees or 39.92% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 1 760 and only contributes 3.68% to total informal employment.

2.2.10 Gross Domestic Product

The Gross Domestic Product (GDP) is defined as the total value of all final goods and services produced within the geographic boundaries of a country, for a particular period, usually one year. It is regarded as one of the most important indicators of economic performance and may be applied to compare economies within a country as well as that of countries with each other.



Gross Domestic Product (GDP)
Eastern Cape Province, 2018



KSDLM has the highest contribution to the district's GDP at 65.03%, Ingquza Hill LM has the second highest contribution at 11.58%. The District needs to consider ways of growing its economy, especially in the primary and the secondary sector;

- Enterprise and Co-operatives Development
- Trade and investment promotion
- Rural development (Spatial planning
- Green economy and
- Economic Infrastructure Development

2.2.11 Households

Between 2011 and 2018, the household size of the five (5) LMs in the O.R. Tambo District, Relative to the province, O.R. Tambo District Municipality had a higher average number of households at 4.31 against 3.7 for the Province. The average size of a household has almost remained stagnant for O.R Tambo at 4.3 while that of the province has decreased from 3.9 to 3.7.

Nyandeni and Mhlontlo have shown a decrease in the number of people per household while all the other LMs have shown either a slight increase or have remained stagnant. These figures could suggest that the fluctuations in households, could be due to one or more of the following:

- Migration of people within the province
- Births and,
- Family members moving back to the district.

2.2.12 Migration Patterns

Studies on migration in the province provide important insights into this phenomenon in the district. While it is estimated that 5.6% of economically active individuals in the province migrate, it is 6.2% in the ORTDM. The studies also indicate that more than 80% of migrants from the province are from rural areas. Since the early 1990s, the majority of these migrants headed for the bigger metropolitan areas, especially Cape Town

and Johannesburg, rather than local or regional urban centres. Generally, the pattern in the province indicates an increase in the flow from rural areas directly to major metropolitan areas. Johannesburg is the preferred destination from people from the district.

The estimated provincial migration streams (2016-2021) forecast by Statistics South Africa show that the Eastern Cape Province, including O R Tambo, has the highest net-migration rate in the country. This is primarily driven by the rural nature of the district and the rate of unemployment. O R Tambo is ranked ninth in the country in terms of its high unemployment rate. As the unemployment rate escalates rapidly in the district (28% in 2008 to 38% in 2018), more people, especially young men, out-migrate to seek greener pastures elsewhere.

The studies indicate that migration from rural areas is slowing down and that most of those who had intended to and were able to leave, had already left. Possibly this decline is not due to a lack of desire, but the cost of migration, which had increased, or that opportunities have decreased since the 1990's. Another important local factor could be that since basic services are more readily available, people do not have to move to heavily populated peri -urban and urban areas to access basic services.

Indications are also that there was an increase in the number of women migrating. The figures for the province reflect two women for every three men, compared to the early 1990s when migration was predominantly male. While female are slightly better educated than males, most migrants have relatively low levels of formal education. As women are generally paid less than their male counter-parts they are less likely to remit money. The studies furthermore indicate that:

- Rural areas proportionately contribute more to migration than urban areas with four rural families to one from one in an area;
- Nearly 50% of those migrating are employed while 25% are actively still seeking work.

Monthly, approximately 25% of migrants from all areas send money to their homes, 4% send money weekly and 30% send money regularly, while 10% send money less frequently. The remittance of money is an important comment and relates to one of the basic reasons to migrate, to earn money that could be sent home to family members.

An associated problem with migration is that of service delivery in the area, which attracts migrants. Data on migration also indicates that migration is often more about having access to services in an area where there is development, not necessarily to find employment. This impact heavily on the financial viability of municipalities especially in urban areas like Mthatha.

2.3 BASIC SERVICE DELIVERY

2.3.1 Water Services

ORTDM is both a Water Services Authority and Water Services Provider. Authority is therefore vested in it, in terms of the Municipal Structures Act 118 of 1998 or the ministerial authorisations made in terms of this Act, to ensure that water resources and infrastructure are well managed and maintained so that services may be provided in an equitable, sustainable and efficient manner. Thus the District Municipality is mandated to deliver water services to a population of 1 472 366 within 321 733 households. The KSD LM has the largest population in the District with 494 000 (32.2% of the total District population). It also has the highest population density at 163 persons/km².

ORTDM manages a strong grant funding support, such as RBIG, MIG, WSIG and Drought Relief funds. The ORTDM's capital budget portion of the R3billion in the current financial year (2019/20) is just over R1,2 billion. The vast majority of this budget is focused on addressing the infrastructure backlog.

The primary responsibility for the Water Services Authority includes:

- Ensuring access: To ensure the realisation of the right of access to water services, particularly basic water services (subject to available resources) by seeing that appropriate investment in water services infrastructure are made;
- Planning: To prepare water services development plans to ensure effective, efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development;
- Regulation: To regulate water services provision and Water Services Providers within the jurisdiction of the municipality and within the policy and regulatory frameworks set by Department of Water Affairs through the enactment of by-laws and the regulation of contracts; and
- Provision: To ensure the provision of effective, efficient and sustainable water services (including water conservation and demand management) either by providing water services themselves or by selecting, procuring and contracting with external Water Services Providers.

The Water and Sanitation Services Department consists of the following units:

- Water Services Provision;
- Water Services Authority;
- Project Management Unit;
- Engineering Services; and
- Emergency Response Unit.

The municipality is responsible for the provision/development of Bulk Water Services, Water Reticulation, Waste Water Treatment Plants, Sewer Reticulation and Provision of Rural Sanitation infrastructure. The ORTDM is also responsible for ensuring functional operations and maintenance on all existing infrastructure.

Additionally, the municipality is responsible for ensuring effective, efficient, affordable and sustainable access to water services, and this is achieved through the development of a Water Service Developmental Plan (WSDP), which provides linkages between water service provisions and water resource management.

The municipality manages its water services infrastructure through its local municipalities. This could be associated with the utilisation of the existing resources such as offices, workshops and call-centres. Most water services schemes were designed within the context of servicing particular LMs, and as a result, most of the schemes are still orientated around the LMs

2.3.2 Access to Water

In the O.R. Tambo the minimum service level for water is regarded as water supply facility within 200m of dwelling delivering at least 25liters per person per day 6kl/hh/month in the case of yard or house connections. (Strategic Framework for Water Services, September 2003) The Statistics South Africa: Community Survey 2016 (Stats SA, 2016b), reveals that, 40% of households had access to potable water (household connections, communal stands and water tankers) and 77% had access to flush, Ventilated Pit Latrines and chemical toilets.

2.3.3 Access to Sanitation

The sanitation minimum service level is regarded as easy access safe, reliable, private toilet facility which is protected from the weather, ventilated, low smell, hygienic, minimizing the risk of spreading diseases and enables safe treatment and/or removal of human waste and wastewater in an environmentally sound manner including communicating hygiene.

2.3.4 Water Services Composition

The ORTDM has only one major dam, namely Mthatha Dam with a 1 in 50 year yield of 145,5million m³/a. There are also four small dams serving different parts of the district, namely Corana , Mabheleni, Mhlanga and Magwa with a combined capacity of 6.84 million m³. The rest of the population is served from stand-alone schemes through boreholes, springs and rivers.

The district municipality has twenty five (25) water treatments plants (WTP) and nine wastewater treatments works (WWTW). In addition to this, the municipality attends to water quality aspects under five very largely defined borehole schemes, one per LM. However, the municipality operates several stand-alone borehole/spring schemes. Figure 10 illustrates the status of functionality for all schemes in the district municipality.

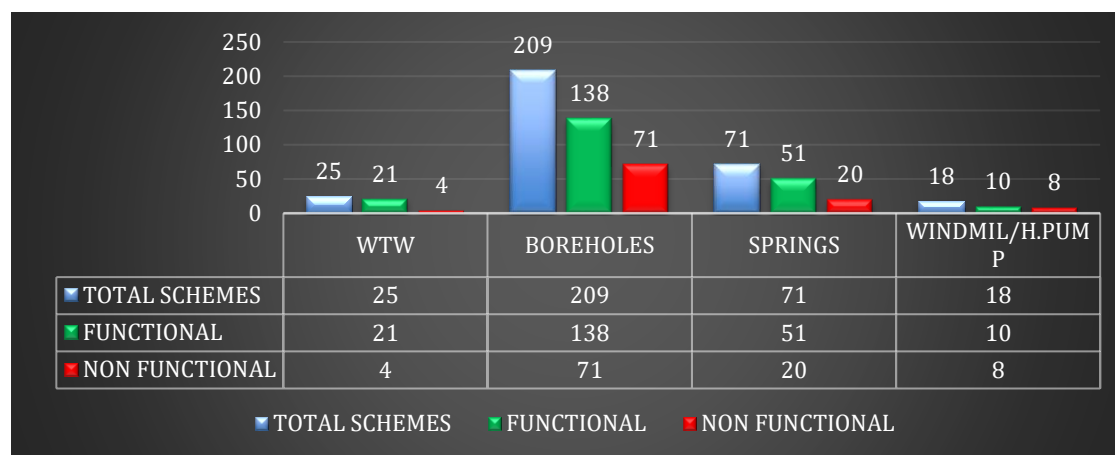


Figure 9: Functional/ non- functional Water Schemes

The turn-around strategy indicates a very high rate of unaccounted-for water as the 2016/17 financials indicate that 54% of the system volume input purchased from DWS from the Mthatha dam became nonrevenue water. Some of these losses can be attributed to serviced-but-unmetered stands and overconsumption of free basic water provision. The municipality, however, has not had adequate water balancing data (from bulk meters) and network system models to be able to thoroughly assess the situation technically. Pressure management, a key mechanism for water loss control, also relies on such data and information for effective implementation.

2.3.5 Bulk and reticulation Alignment

The District Municipality is currently implementing water and sanitation projects within the five local municipalities. The major infrastructure projects are mainly concentrated within the KSD Municipality where the DM is deliberately addressing the MIG / RBIG alignment challenge as relates to the KSD PI. The ORT DM has already developed plans to roll-out the secondary bulk and reticulation infrastructure projects to complete the KSD PI Programme.

2.3.6 Integrated and Long-term Infrastructure Planning

There is a need for a holistic plan that includes all potential developmental aspirations within a geographical space of the District that will unlock the full potential of the regional economic growth.

2.3.7 Economic Infrastructure

The District would require profiling of projects that are catalytic and can unlock economic development within the region while addressing basic service delivery infrastructure. Development and enhancement of economic infrastructure have the added advantage of creating potential revenue base to the District.

2.3.8 Land Claims

A lot of the District's projects (water and waterborne) are delayed or bottlenecked by Land Claims. The Mqanduli WWTW, Nyandeni (Lidobe WWTW) and the Northern Outfall Sewers (Mthatha Town Sanitation) are examples of projects being delayed by land issues.

2.3.9 Operation and Maintenance

The District Municipality needs to develop an Operation and Maintenance Master Plan that would address capacity issues, skills and necessary support equipment and tools to deal with its infrastructure asset base.

2.3.10 Alternative Technologies for infrastructure provision

A differentiated approach needs to be explored on the various service infrastructure technologies that will consider the topography and the vastness of the area. The current conventional infrastructure delivery is expensive, and it requires high levels of capacity for the Municipality to operate and maintain over time. Priority needs to be provided to all projects that are currently implemented to get such projects to completion.

2.3.11 Major projects under the Project Management Unit

- a) **Flagstaff Regional Supply Scheme Phase 1- 3:** The Flagstaff Regional Water Supply Scheme (FSRWSS) was initiated in 2007 with the main objectives of supplying water towards 6, 7, 8 and 9 (ward numbers and boundaries in 2007) of the then Quakeni Local Municipality which became the Ingquza Hill Local Municipality. On completion, the Flagstaff Regional Water Supply Scheme will supply 121 346 people in some 52 villages and Flagstaff town with a guaranteed supply of water. Phase one and two are complete, and part of phase 3 is complete though the functionality of the scheme is not yet realised due to poor quality and vandalism. The project is yielding positive results as 19 Villages currently receives potable Water Supply. The scheme will require another substantial amount to fix vandalised infrastructure.
- b) **Flagstaff Sewer Phase 2:** The construction of Main Pump Station, Pumping Main and Outfall Sewer Project has been Completed
- c) **Lusikisiki Sewer and sewage treatment plant Phase 1:** Construction of 1ML / day plant, bulk sewers, reticulations and booster pump station/s and the project was completed on the 15 November 2019.
- d) **Magxamfu Water Supply:** Construction of Storage Reservoirs, Bulk Distribution mains, and Reticulation lines has been completed with all Villages (764 households) receiving water Supply.
- e) **Port St Johns Regional Water Supply PHASE 5:** Construction of the Off Channel Dam, River abstraction and pump stations the Project has been completed and Phase 6 for installation of M & E is under consideration by BSC for implementation during 19/20 FY.
- f) **Construction of VIP Toilets:** 11 Sanitation Projects were completed equating to the provision of 9000 VIP toilets for the entire District
- g) **Ngojini and Xurana water supply schemes** that have been completed and handed to communities.
- h) **Mthatha Outfall Sewer** project has been connected and completed to improve flow in Mthatha sewer system.

2.3.12 Summary of Water Services Challenges in OR Tambo DM

The table below shows some of the main challenges facing the District Municipality. These challenges are not unique to OR Tambo DM as various municipalities within the country face the same challenges.

Challenges	Possible causes
Shortage of skilled personnel.	High Level of illiteracy within the district, and very low compensation package to attract skilled personnel from other areas due to financial constraints.
Poor Maintenance of existing infrastructure	Low revenue-generation, as many of the District's inhabitants, are indigents, and as such, there is dependence on grants, which are very small.
Lack of funds for infrastructure investment planning.	Due to the rural nature of the District, funds for infrastructure development are only provided through Grant funding.
Late appointment of service providers.	BID Committees not sitting on time.
The inability of some Contractors to perform work.	Some contractors do not have the capacity in projects they have tendered for.
Under-pricing of Bids to win tenders.	Due to inexperience and capacity of emerging contractors
Lack of Water & Sanitation Master Plans.	The Department had a vacancy in strategic positions, which made it impossible to come up with water & sanitation plans.
Huge Backlogs	The topography of the area makes it expensive for some areas to be serviced.
Old Infrastructure	Lack of refurbishment, and as a result, the infrastructure has far outstripped its design life span.
Non-Functional Schemes especially standalone schemes.	Water resource scarcity and reliability. Drought because of climate change.

1.2.13.1 Electricity

The provision of electricity is the responsibility of Eskom, a State Owned Company. The District Municipality is involved in the planning process, with the exception of the KSD LM, where 70% of the households have access to electricity.

Most of the households in these municipalities are dependent on candles and paraffin as their source of energy for lighting. The district has an opportunity of pursuing renewable energy, given its ideal physical and climatic conditions (wind, solar, hydro). Other sources of renewable energy in the District also need to be studied and exploited as and where possible.

1.2.13.2 Roads and Public Transport Infrastructure

The Department of Roads and Transport, together with the DM, have developed an Integrated Transport Plan for the District. In terms of the approved District ITP, 78 projects have been identified that should be

implemented in the ORTDM to address the transport-related needs of the area. The required budget over a period of five years, for the ITP is R 523 million. Detail on the expenditure is provided in the District ITP.

A number of the national, provincial and district roads are currently being upgraded or undergoing major refurbishment. Work continues on the main roads in the District, the N2 road from East London to Durban, and the R61 from Queenstown to Port St Johns. The very low historical investment in the access road network in the DM has resulted in very poor access to the major road routes. This not only isolates already impoverished communities from important livelihood socio-economic opportunities, but also inhibits economic development, making it expensive and difficult to move inputs and outputs from many parts of the District. In the 2019/2020 financial year the technical services department has set aside an amount in excess of R 5.1 Million for the rehabilitation, maintenance and construction of strategic roads within the district.

Table 1: The status of roads in the O.R. Tambo District Municipality

Road Category	Number of Kms in the District	Responsible Authority
National	136	National Roads Agency
Provincial	497	Provincial Dept. of Roads and Public Works
District	2, 792	Regional Dept. of Roads and Public Works
Access Roads	2, 957	District and Local Municipality
Street and Internal	Unconfirmed	Local Municipalities

A specific priority of the district is the construction and maintenance of gravel access roads in rural areas. This category of roads is funded through the Municipal Infrastructure Grant (MIG) and Equitable Share funds.

Rural Roads Asset Management Systems

Rural Roads Asset Management Systems (RRAMS) is the programme currently implemented by the department through grant that is received from National Department of Transport. The intention of the programme is to assist the local municipalities to better manage their roads through systematic intervention by understanding the extent of the road network, its condition, backlog, maintenance budget required etc.

Arrive Alive Programs

Due to an increase in road deaths, the department joined arms with the national government in raising awareness by launching the Arrive Alive Campaign. The campaign is premised on cautioning and training road users on road carnage high risk factors. The campaigns also involved the training of individuals in after-crash care, so as to reduce disabilities and deaths attributed to road accidents.

Improve road safety awareness of vulnerable road users such as pedestrians, passengers and drivers. This road safety awareness is extended to communities through the roll-out of the Community Road

Safety Council operations. The level of participation in these awareness campaigns is strengthened through stakeholder engagement.

Non-motorised Transport

Non-motorised Transport is defined as any form of transport or mobility that does not rely on electrical and/or fuel combustion-driven propulsion mechanisms. It includes modes such as walking, cycling, wheelchairs, handcarts, rickshaws and animal-drawn vehicles (e.g. horse-drawn and donkey carts). In the ORTDM Tambo District Municipality there is generally very little provision for pedestrian and bicycle travel. Sidewalks are generally in a poor condition and full of potholes. The ORTDM includes NMT in its planning by identifying needs in the district ITP, but implementation does not fall within the ambit of the DM.

Railways

A major infrastructure project in the district, is the Kei Rail initiative, aimed at revitalizing the rail line from Mthatha to East London. Substantial investment has been made in re-commissioning this rail line. It is envisaged that this rail line will be the central economic driver underpinning the Kei Development Corridor, i.e. a Developmental Zone within the district.

Airports

Mthatha Airport has fully functional and compliant with Civil Aviation Authority (CAA) safety standards. The airport currently has a 2 kilometer runway which accommodates Boeings 737's aircrafts that can carry 150 passengers. In the current upgrading process of this airport, the first phase includes the construction of a bigger fire station that will accommodate two big fire engines worth R2.5 million.

The inadequacy of the runways at Mthatha Airport requires attention and planning for to accommodate the increased traffic flow that will result from increased commercial activity and tourism in the area. The South African National Defence Force (SANDF) has assumed responsibility for the project as and, initiative to up-grade the airport runway to an international standard which will then make it possible for all kinds of aircraft being able to use the airport.

2.4.1 Human Settlements

The O.R. Tambo DM views housing and related infrastructure delivery as catalysts for development and improved quality of life in previously disadvantaged communities, provide middle income housing, temporal and permanent assistance to people affected by disasters, rental housing and provision of social and economic facilities in the District. Under the Constitution of South Africa, 1996 and within the National Housing Act of 1997, the provincial and local government entities are compelled to provide adequate housing and infrastructure for their areas of jurisdiction.

The predominant settlement pattern in O.R. Tambo District is based upon the rural village with grouped homesteads dispersed along ridge crests in the uplands or in the valleys on flatter land. There is also human settlements developments in urban areas at a smaller scale. Areas along the coastline are sparsely populated due to difficult terrain and the legislation prohibiting people building houses along the coast which result to people tending to locate their homes inland. Migration has contributed to the growth of Mthatha and the service centres of Lusikisiki and Port St Johns. There has also been substantial growth along the N2 corridor from East London through Mthatha to Kokstad.

The district municipality is obligated in terms of section 83 (3) to seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by:

- Ensuring integrated development planning for the district as a whole;
- Promoting bulk infrastructure development and services for the district as a whole;
- Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
- Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

As previously indicated, the district municipality has Five (5) local municipalities with seven (7) towns, of which six (6) are service centres, which are rural in nature. Mthatha Town is the former capital city of the then Transkei Government, thus it inherited better infrastructure and a higher order of services. All these towns are rural with spatial injustices and leap frog human settlements. There is minimal implementation of integrated sustainable human settlements. The towns are challenged by land invasions resulting into the formation of informal settlements, infrastructure problems, extended transit time, land tenure, land availability problems, and land claims.

The municipality is currently implementing the rural subsidy and emergency housing programmes. Other programmes contained in the human settlements policy are less tested; as a result, the local municipalities within the district are still having challenges in relation to rental accommodation, Community Residential Units, Social Housing and Upgrading of Informal Settlements.

2.4.2. Land Needs

The region of the O.R. Tambo District Municipality with the highest number of very formal dwelling units is the King Sabata Dalindyebo Local Municipality with 17 500 or a share of 89.37% of the total very formal dwelling units within O.R. Tambo District Municipality. The region with the lowest number of very formal dwelling units is the Nyandeni Local Municipality with a total of 355 or a share of 1.82% of the total very formal dwelling units within O.R. Tambo District Municipality.

Human Settlements is a provincial competence. The ORTDM submit business plans for the development of Human Settlements in the region. The District is experiencing a backlog of more than 158 000 houses. The DM has experienced a number of disasters in the recent past and the demand for temporary shelters and permanent housing has increased rapidly.

2.4.3. Informal settlements within the District

Majority of the informal settlements are clustered in KSD Municipality, with Chris Hani, Mandela Park, Joe Slovo and Zone 14 being the largest informal settlements in the district. Mthatha is the economic hub of OR Tambo therefore a large number of the informal settlements cluster around the area.

Lusikisiki in Ingquza Hill municipality has also experienced a significant growth in the number of informal settlements, with three informal settlements clustering around the town and one informal settlement at Flagstaff town.

Port St Johns LM also has four informal settlements around Port St Johns town with the majority of the houses located on steep slopes.

Nyandeni Municipality has the lowest number of informal settlement with Ziteneni located to the east of Libode and Nomzamo located to the west of town.

1. Zone 14: King Sabatha Dalindyebo Municipality
2. Chris Hani: King Sabatha Dalindyebo Municipality
3. Emakhaphetshwini: King Sabatha Dalindyebo Municipality
4. Khayelitsha: King Sabatha Dalindyebo Municipality
5. Kwamdala: King Sabatha Dalindyebo Municipality
6. kwaMpuku: King Sabatha Dalindyebo Municipality

7. Kwatembula: King Sabatha Dalindyebo Municipality
8. KwaSigebenga: King Sabatha Dalindyebo Municipality
9. Mandela park, King Sabatha Dalindyebo Municipality
10. Joe Slovo, King Sabatha Dalindyebo Municipality
11. Katilumla: Ingquza Hill Local Municipalities
12. Malizole: Ingquza Hill Local Municipalities
13. Nkululekweni: Ingquza Hill Local Municipalities
14. Unity Park: Ingquza Hill Local Municipalities
15. Zwelitsha: Ingquza Hill Local Municipalities
16. Green's Farm: Port St Johns Municipality
17. Mpantu: Port St Johns Municipality
18. Nonyevu: Port St Johns Municipality
19. Zwelitha: Port St Johns Municipality
20. Nomzamo: Nyandeni Local Municipality
21. Zitenezi: Nyandeni Local Municipality
22. Tsolo Extension: Mhlontlo Local Municipality
23. Qumbu Extension: Mhlontlo Local Municipality
24. Langeni Informal Settlements Mhlontlo Local Municipality

Figure 10: Map depicting Informal Settlements within the District Municipality

2.4.4. Housing Demand Profile

Table 2: Housing Demand in the Eastern Cape. Source; Stats SA Community Survey 2016

District / Metropolitan Municipality	Traditional structure made of traditional material	Dwelling/ made of	Informal dwellings	others	Total
Sara Baartman	3 339		12 967	1 546	17 852
Amathole	86 731		11 951	961	102 815
Chris Hani	72 948		5 562	3 576	81 877
Joe Gqabi	24 475		4116	399	29 069
OR Tambo	170 065		3 989	2 975	176 946
Alfred Nzo	104 679		4 447	3 285	112 415
Buffalo City Metro	8 593		62 363	1 813	69 806
Nelson Mandela Bay Metropolitan Municipality	868		25 490	1 274	27 633
Total	471 698		130 885	15 829	618 413

2.4.4 Housing Delivery Status

The table represents the distribution of households in government-subsidized dwellings.

Table 3: Housing Delivery in the Eastern Cape. Source; Stats SA, Community Survey 2016

District	Government Subsidized Dwellings		Not Government Subsidized Housing		Total
	Number	%	Number	%	
Sarah Baartman	63 752	46,4	73 531	53,6	137 282
Amathole	24 450	11,6	187 136	88,4	213 763
Chris Hani	41 184	21,4	151 529	78,6	194 291
Joe Gqabi	18 879	19,9	76 095	80,1	95 107
OR Tambo	19 730	6,3	40 334	93,7	314 080
Alfred Nzo	12 978	6,6	182 650	93,4	195 975
Buffalo City	59 735	23,9	190 677	76,1	250 412
Nelson Mandela Bay	146 094	42,2	217 101	59,8	363 195
EASTERN CAPE	386 802	22%	1 372 311	78%	1 759 113

Further than this, the municipality provided 50 temporal shelters to destitute families. The municipality has also alleviated distress to eleven families by providing houses as part of the Social Relief programme. As part of improving livelihood for farm workers, the municipality has implemented phase 1 of the Adam Kok Farm workers housing programme. Nine houses were delivered at the completion of Adam Kok Houses Phase 1. Phase 2 will provide fourteen houses under the same programme.

2.4.5. Human Settlements Challenges and Interventions

Challenges	Interventions
Gaining access to developable land in good locations for housing development has proven to be a major challenge in the province due to land claims and invasions. Land values are the highest where development is desirable and the available funding does not cover the acquisition of such prime land for housing development. The result has been that, land has been acquired far away from economic opportunities and thus has resulted in the perpetuation of social segregation and the marginalization, especially for low-income households in the District.	The district municipality is engaging Traditional Leaders, local municipalities and other relevant stakeholders to expedite the process of land acquisition and land transfer.
The rate of response to disasters (temporary shelters) has been slow putting enormous pressure on the District and the LMs	The newly acquired developer status will assist the municipality to have a quick turnaround time to disaster incidents.
There is slow up-take of other forms of Human Settlements in the District e.g. Social Housing, FLISP, Private residential clusters etc., as there is minimal	The municipality is in a process of hosting an investment summit in an attempt to attract and engage private and public

Challenges	Interventions
serviced land in Local Municipalities which contributes negatively to human settlements development, as availability of services is a key requirement in urban development programmes	investors to take up on property development such as mixed use developments.
Most of the available land in LMs is under land claim or land invasions	The district municipality is engaging Traditional Leaders to accelerate the implementation of SPLUMA thereby curbing land invasions and responding to land claims.
Shortage of SABS approved material suppliers within the OR Tambo Region	Forge good working relations with suppliers from other regions and preparing procurement plan to meet the set timeframes
Slow delivery of housing	Partnering well established contractors with emerging contractors to transfer skill and provide cash-flow management.
Poor quality work by emerging contractors	The municipality has opted to advertise bulk delivery of houses. Increased quantities require expertise of more established contractors
Financial planning not in line with priorities	Develop procurement plans that are aligned provincial and municipal budget cycles
Difficult terrain is a major challenge and it results in double and sometimes triple handling of construction materials	Improve intergovernmental relations with the local municipalities in providing and maintaining access roads to improve access.

2.5 Community Services

2.5.1 Social Development

The Department of Community Services was established in order to, among other activities; coordinate social development related matters; hence implementation of socio-economic development programs focusing on capacity building and institutional arrangement in support of vulnerable groups. Social Development is a section that seeks to address social ills through planning, empowerment, implementation & coordination. The exercise is focusing on all vulnerable groups, namely, Women, Children, Youth and Disabled people for the betterment of their livelihood.

2.5.2 Early Childhood Development

Refers to the physical, psychological, cognitive and social development that a child experiences between birth and school-going age. Based on various scientific studies, Early Childhood Development plays a key role in determining whether a child will reach his or her full potential. The events that occur during the early years of childhood have a lasting impact affects a child's growth and development throughout his or her

life. Early Childhood Development has always been the doctrine that did not get a priority focus in coordination fashion. It has been done in a haphazard manner until an initiative by the District Municipality when discoveries of the effects this ignorance may impact in grade 12 Results.

In the process of implementing the Early Childhood Development Summit Resolution of 2015/16 Financial Year: Capacity Building for Practitioners and Centres; For the current financial year 10 childhood centres have been identified to be active practitioners for the children and further be supplied with stimulation material. Two Forum sessions were held to monitor the Summit implementation of resolutions. Graduation of 24 ECD Practitioners is in the pipeline. Walter Sisulu University is the participating stakeholder responsible for research with the aim of establishing. Early Childhood Development Directorate in the University, possibly by 2021. Early Childhood Development program is bias towards females as a vulnerable target group. All 25 in total, 24 due for graduation are females.

2.5.3 Moral Regeneration

Moral Fibre is one of the fundamental elements that govern the principle of UBUNTU. This is conscious state of mind that guides personal distinction between right and wrong doings. Degradation of this social pillar of human conscience has a negative impact on safety, confidence, and reliance of the district on its future generation. Although on a minimal scale, in an attempt to bring forth self - worth, deliberate awareness that conscientious value for existence, the District Municipality embarks on moral resuscitation empowerment programs for youth. Empowerment programmes were provided to two Local Municipalities' Youth (20 youth per Local Municipality on Life Skills).

2.5.4 Child Protection Services

In the interest of protecting Children's Rights as outlined in the Bill of Rights, child protection is viewed as a proactive activity that could be done indirectly and yield positive outcome. In this regard in an attempt to preserve family strings. Training of Foster Parents is the target set key to be performed (15 Foster Parents per LM)

2.5.5 Sport, Recreation, Art Heritage, Culture and Library Services

Library Services

❖ Poor Performing Schools

Various schools were supported with educational learning materials in order to improve pass rate. Schools such as Ngqwala S.S.S. (Mhlontlo LM) and Mtweni S.S.S. (PSJ LM) were supported with learning materials. The Unit also facilitated the delivery and officially handing over of educational material (2017) for Gengqe and Mabalengwe S.S.S. The material was delivered and officially handed over by Portfolio Head: Community Services Hon. Cllr. Mdledle.

Support Mthatha Medium Centre Library - The Unit also support Department of Justice and Correctional Services Special Library for Inmates with Library Materials in the form of periodicals (Newspapers, Daily Dispatch), Books, etc.

❖ Support Literacy Programs

International Literacy, National Book Week & Heritage Day Celebrations that is held annually in various local municipalities. Other programs include the South African Library Week and the Career Exhibition.

Sport and Recreation

The unit is responsible for the coordination and facilitation of the development of sport and recreation initiative and activities within the O.R Tambo district municipality. This is executed in having the cognizance of sport and recreation activities as an instrument for social cohesion, nation building, mass participation, recognition of the marginalized group(people living with disability, women, disadvantaged communities).The aim of the unit is to liaise with the relevant stake holders; various spheres of government, The unit is also responsible for the management of the budget allocated to the unit for delivering the quality services in coordinating the sport and recreation initiatives.

❖ Priority Programmes for Sport and Recreation

- Support to Sport Development program (Mayor's Cup, O.R Tambo GFame3s programme)
- Staging capacity building initiatives for sport and recreation administrators
- Rendering support to sport for the vulnerable groups(people living with disability, women and disadvantaged)
- Facilitate the levelling of sport facilities
- Rendering support to elite sport initiatives for the provincial national and international arena
- Assist in the provision of sport and recreation equipment to various schools, clubs and federations and confederation

2.6 RURAL ECONOMIC DEVELOPMENT AND PLANNING

2.6.1 Local Economic Development

Local Economic Development (LED) is defined as an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area.

As a programme, LED is intended to maximise the economic potential of all municipal localities throughout the O R Tambo District Municipality and, to enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development. The "local" in economic development points to the fact that the political jurisdiction at a local level is often the most appropriate place for economic intervention as it carries alongside it the accountability and legitimacy of a democratically elected body.

2.6.2 Economic Programs

The LED Unit is responsible for the oversight, planning, and development of all the sectors in the district. Some of the key economic sectors programs are detailed below;

❖ Economic infrastructure

While several initiatives are being undertaken to stimulate economic growth ORTDM still faces the challenge of a highly dependent population, The dependency ratios in the table above shows that ORTDM

has a dependency ratio of 80%, This means that 80% of the population depends on 20%. This problem is further exacerbated by migration of the economically active population out of the district, while migration has declined over the years the number of people migrating from the district is too high. The reason for migration is generally sighted as better economic opportunities outside the district.

The district is investing heavily in the development of key catalytic infrastructure that will act as enablers for the economic development in the region. The problem of inadequate infrastructure due to the colonial planning process cannot be ignored if the district is to grow to its potential. Some of the key catalytic infrastructure projects include the Mthatha Airport upgrade, N2 Road, Wild Coast Meander, Wild Coast SEZ, Umzimvubu Dam, Proposed PSJ Small Fish Harbour, R61 Corridor, Vulindlela Industrial Park amongst other strategic projects will position the district at an advantage to grow the economy.

❖ **Wild Coast SEZ**

The land for the proposed Wild Coast SEZ is located around the Mthatha Airport and it is approximately 226 hectares. The key characteristics of this site are:

- It is adjacent to the Mthatha Airport, thus potential for future trans-shipment hub for high value or short shelf-life produce;
- Proximity to high accessibility transport route, R61 connecting to Queenstown and N2;
- Bulk infrastructure is being planned and thus the Wild Coast SEZ's requirements for industrial use can be incorporated;
- The land is almost central point (distance) of the three District Municipalities; and
- The identified land is within the most populated local Municipality in the region compared to others.

The Wild Coast region incorporates three Districts, i.e., Alfred Nzo District Municipality (ANDM), OR Tambo District Municipality (ORTDM) and Amathole District Municipality (ADM) (excluding the Buffalo City Metropolitan Municipality). The development of the proposed Wild Coast SEZ will require funds for upgrading existing and providing new enabling bulk infrastructure. The three primary objectives of the proposed Wild Coast SEZ are to:

- a) Grow the agro-processing sector in the eastern region of the Eastern Cape;
- b) Promote beneficiation and further value addition of the region's agricultural resources, and the development of solid manufacturing capability to enhance its economic competitiveness; and
- c) Revitalise Mthatha and surrounds as a key industrial node.

In achieving these objectives, the Eastern Cape Provincial Government through the Department of Trade and Industry's SEZ policy seeks to create employment, develop a sustainable manufacturing capability to promote economic growth, uplift the Wild Coast region, and attract foreign direct investment and domestic investment. The Eastern Cape Provincial Government in partnership with the DTI has sought to plan and develop the Wild Coast SEZ as one of the key economic development instruments of the Integrated Wild Coast Development Programme (IWCDP).

The primary focus for the IWCDP is to achieve the following objectives:

- To identify industrial linkages for the proposed Wild Coast SEZ to be promulgated in the Wild Coast region for creating sustainable and decent jobs;
- To support the proclamation of new towns and infrastructure projects as a means of reviving the local economy in the identified sectors to achieve industrial development under an Environmental Management Framework;

- To support the Presidential Infrastructure Coordinating Commission (PICC) driven projects under SIP 3 with the identified catalytic projects, namely the Umzimvubu Water Basin Project and the Wild Coast N2 Highway; and
- To designate programmes geared towards the improvement of the quality of life of the poorest and most deprived people in the Wild Coast Region.

Increasing investment and boosting competitiveness are two of the pillars on which the IWCDP is based. The Investment Promotion Programme (IPP) of the Wild Coast SEZ is underpinned by the Provincial Economic Development Strategy (PEDS) goals of poverty reduction through growth stimulation and job creation, primarily focussed on recruitment of agroprocessing investors and provision of fast and efficient logistics solutions to deliver value added to goods to markets. The proposed Wild Coast SEZ seeks to take advantage of existing industrial capacity to promote further integration with local industry and increase value-added production with direct linkages and/or synergies to the primary industries already established in the Eastern Cape. It is against this background that the types of investments being targeted by the proposed Wild Coast SEZ are greenfields (new projects on sites being developed for the first time ever), with new operations to be co-located with existing activities for synergy.

The types of opportunities being sought fall into the following categories:

- Large or medium sized international companies (expansions and new ventures);
- Established South African companies and new ventures seeking to expand (excluding relocations); and
- Multinationals seeking opportunities for clustering to achieve synergy.

The proposed Wild Coast SEZ will contribute immensely to job creation and the development of economic infrastructure in the Eastern Cape Province. The latter will be a strategic driver of industrial development with the potential to contribute boosting manufacturing and employment generation. The relevance of the other Eastern Cape SEZ's and their programmes lies in the extent to which they contribute to regional and provincial objectives.

The proposed Wild Coast SEZ provides the Wild Coast region, in which it operates, with an industrial set-up and manufacturing capability to:

- Leverage existing industrial capacity to stimulate economic development;
- Increase the volume of private sector investments directly;
- Improve the quality and sustainability of investments by targeting specific sectors; and
- Increase the level of overall competitiveness of the Eastern Cape Province and South Africa.

The job creation potential of the selected projects was benchmarked against actual, similar operations elsewhere which gave about 1 840 direct jobs during operations. The operational jobs will be complemented by 3 313 construction jobs, totalling 12 626 for economy wide new jobs. The Wild Coast SEZ Project Management Office (PMO) has engaged extensively with local stakeholders and is already working with them to ensure that the proposed SEZ benefits the local community and existing industry. An Environment Authorisation has been granted by the Department of Environmental Affairs to develop the land as a Special Economic Zone. Master Planning has been concluded and a Land Use application has been submitted to the King Sabata Dalidyebo (KSD) Local Municipality for consideration and approval. The PMO has worked with the owners of the land (who have provided a binding resolution in terms of the Restitution of Land Act, No. 22 of 1994) who have provided the land for development, traditional leadership, local government (both local and district), local business, provincial government departments and entities and other interested parties.

The Wild Coast SEZ is set to address the existing socioeconomic challenges the region faces in terms of 43.7% unemployment rate, acute poverty levels, a declining dependency on the primary sector (agriculture in particular) and a shift towards community services led by government services. The two proposed sectors, namely agro-processing and logistics from the input side, would have adequate support and continue to thrive and contribute positively to economic development, Gross Regional Domestic Product (GRDP) of the province, and specifically job creation in the Wild Coast region and beyond.

❖ **Agriculture & Agro-Processing**

The O. R Tambo District Municipality has developed Agricultural Development Strategy that guides the implementation of agricultural and agro-processing programs in the region. The District Municipality more than 100 cooperatives in the short and medium term with various commodities such as livestock, wool, fruit and vegetable, grain which some of them have started processing. The total amount spend was R28,5 million. These small holder farmers are likely to create an average of five jobs each which will contribute in reducing unemployment and poverty.

The district has established partnerships the District Municipality has embarked on supporting and coordinating medium size projects such RAFI (Rural Agro-Industrial and Financial Initiative), AAP (AMAMPONDO ASEMALANGENI AGRICULTURAL PROJECT) Over a period of two years the District Municipality has directly INESTED an amount of 30 million to roll and pilot RAFI Program. This is effected to boost Grain production in the region in order to support Mqanduli Red Hub and other processing facilities promote value chain. Over the period of three years through partnership with Anglo-Gold Ashanti and O.R Tambo, an amount of 30 million was invested by AGA. Ploughing about 513 ha. However, the story of this project is not good as the harvest was far below than what was expected due damage of the project through theft in the main.

There is also an establishment of special economic zoning (SEZ) located near airport to promote Agriculture and Agro-processing. This facility will stimulate and pull primary production and boost emerging farmers. There are also other partnerships that the District Municipality has with academic institutions such as Tshwane university of Technology and Limpopo where they assist with Technology and facilities for processing. Through this partnership, some of the SMME's are able to produce and supply some retail shops. Our Partnership with sector department has enabled us to strengthen our IGR and sharing use of resources.

❖ **Blue Economy**

The O R Tambo District is endowed with a pristine coastline spanning about 164kms. The sector is relatively new and undeveloped characterised by low levels of HDI operating in the sector. The district has develop an Aquaculture Strategy, through partnership with other stakeholders assisted the formation of 34 Co-operatives and trained these cooperatives on governance. Through the partnership with DAFF have also managed to issue fishing permits to these 34 cooperatives. The district has set aside budget to financially support initiatives by small scale fisheries. There is a forum that was established to look into the need of the sector moving forward and also development of feasibility study towards establishment of fish farms across the district.

❖ **Forestry Development**

Minimal work has been done in this sector previously however in 2017 forestry develop and it was adopted by the council in 2018 as part of the implementing the strategy, the District Municipality has revived forestry sector Forum which sits on quarterly basis. The revival of this forum has helped in bringing together department of forestry, District Municipality, ECRA and Private sector such as MERINSKY, SAPPI and GP Bison. These private sector companies are running programmes in the District creating jobs and supporting SMME's e.g SAPPI to assist in license processing, sponsor seedlings, Interest free loans for SMME's,

technical advice and off take agreements. There is also an opportunity for further investment by these companies.

❖ **Enterprise and Informal Trade Development**

The LED unit has over the years have developed a funding policy which was adopted in 2018 by the council to support development of enterprises. The department is currently using the policy as a framework to support SMME's and Co-operatives. The policy puts an emphasis on 30% of the procurement to be allocated on SMME Development. In Terms of the policy the SMME and co-operatives are supported for an average of three years to ensure sustainability. We have supported 17 SMME's co-operatives in Sewing, Brick making, automotive and welding and ICT industry also the SMME and co-operatives have been trained on Basic Business Management Skills. The District Municipality also conducts awareness programmes on how the Supply Chain Processes and compliance issue unfold. Noting that there has been enormous contribution of informal traders in employment creation, the District Municipality over a period of three years has been conducting an annual Informal Traders Summit to create a platform or dialogue for informal traders for robust engagement to ensure integrated planning. The District Municipality has also supported the informal traders with umbrellas and trading stalls.

❖ **Retail and Trade**

There has been a minimal contribution from the District Municipality to support retails, but the district municipality has seen how the sector has grown and as such it plans to coordinate other sector departments that are participating in developing the retail sector.

❖ **Mining**

The District does not have much of mining, few of mining is centered on quarry, sand and clay mining. In addition, the District Municipality has plans to assist enterprises in this sector to explore and develop deposits available in the district.

❖ **Manufacturing**

The sector has previously not developed to its maximum due to a number of reasons including quality assurance. To develop the sector the district has collaborated with quality assurance testing institutions in TUT University to facilitate product quality testing. The District will focus on product quality enhancement in the sector.

❖ **Green Economy**

It is a relatively new sector which the District has not invested much but has potential to create employment and contribute towards GDP of the District. The District Municipality is engaging stakeholders to bring players into the sector. The focus has been on waste recycling with plans to set up recycling plants in the district. The District Municipality has also to design a plan on bio fuels in the district with essential oil being a target.

❖ **Construction**

The District has not developed the sector to its maximum but they are effects to give the sector by supporting enterprises in the sector. The DM should plan for the engagements with CIBD and allocation of 30% procurements projects in the form of sub construction.

2.6.3 SWOT Analysis

SWOT analysis in the realm of Local Economic Development Strategy planning is based on identification of the following factors:

- Current STRENGTHS (competencies or attributes) that the LED Unit has which it can leverage as the basis for enhancing economic growth and development
- Disadvantages, challenges and other WEAKNESSES that are presently negatively affecting the rate of growth and development
- Areas of potential or OPPORTUNITY that are not currently regional strengths, but may through selected interventions form the basis for future growth and development. These may be based on macro- and meso-level trends
- Trends whose momentum or direction are outside of the scope of control of economic participants in the O.R. Tambo region, but may nonetheless create THREATS in the district economy's structure or performance in the foreseeable future.

Table 6 presents a SWOT analysis synthesis for the district, which provides an indication of major factors affecting LED. The emphasis of the SWOT analysis in Table 1.1 is on primary factors of high importance, which accounts for the absence of any secondary and tertiary strengths, weaknesses, opportunities and threats.

Table 4: SWOT Analysis

STRENGTH	WEAKNESSES
<ul style="list-style-type: none"> • Partnership • Resources • Availability of economic nodes • Availability of sector plans and strategies • Availability of budget for economic development • We are endowed with natural resources • Availability of planning unit • Availability of historical sites • Availability of livestock • HRD Council for skills development 	<ul style="list-style-type: none"> • shortage of staff • inadequate / mis-alignment organizational structure • underperformance of economic drivers • Site mentality/ IGR structure • budget limitation • monitoring and evaluation of co-operatives and SMME's • Inadequate promotion of historical sites • Non adherence of SCM Procurement Plans • Poor Economic Infrastructure
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Unutilized arable lands • Large population • Land for pasteurization • Vast underutilized coastal line • Legalization of cannabis • Availability of underutilized forestry • Catalytic projects e.g SEZ,R61 & N1 	<ul style="list-style-type: none"> • climate change and drought • migration of economically active population • High unemployment rate no skills levels • Community protests and vandalism • Land tenure system • Land claims and invasions • Veld fires and soil conservations

2.6.4 Tourism

Tourism and agriculture were initially identified as the economic potential pillars for rural development in the O.R Tambo Region. It is in this regard that the region in its endeavor and response to rural development prepared the 4 pillars. Moreover, in response to district mandate and alignment with government' s broader strategic priorities, the tourism pillars aims to address what is needed by the Communities of the O.R Tambo region. The section is implementing the following pillars as programs guided by the Tourism White Paper, Tourism Tool kit and National Tourism Sector Strategy.

Tourism Marketing & Promotion

The program is aimed at marketing O.R Tambo as a tourist's destination and local, national and international level. In terms of marketing the section uses international trade shows such as the Tourism Indaba as platform to assist the DM tourism product owners and Local Tourism Organizations from 5 different LMs to market the district and their product offerings and establishments in the national and international annual event. Traditional tourism marketing material by means of a tourism marketing brochure which is being distributed in trade shows, the use of strategic Visitors Information Centers (VICs), and tourism website is also used a marketing and promotional tool.

Tourism Education & Awareness

Campaigns to create awareness focusing on host communities (where there are tourist activities), use of media (print and electronic) to engage learners and public to debate and support the cause for tourism. Tourism Beach Sport tournament is meant to educate the communities about the importance of taking part in tourism development as the domestic tourists in their own areas and how to treat tourists from outside.

It also create the awareness on the importance of keeping our own natural resources like the untapped vegetation for filming industry and unspoiled beaches for tourism sport activities.

Tourism Research & Development

The programme seeks to audit and facilitate the provision infrastructure to and at tourist sites, e.g. roads, signage, water and sanitation, electricity, ablution facilities, viewing sites and amenities, and the overall destination management. Facilitate and coordinates activities and key deliverables associated with tourism support factors.

Arts & Craft Development

The program enables members of the visual arts and craft community to promote their work and showcase their product to national and international markets and it also stimulate and strengthen the local economy. The program also aims at promoting and providing opportunities for visual artists and crafters in all disciplines to develop their art and talent in order to improve economic and other development opportunities. Access to markets is facilitated through the exhibitions, craft hubs, flea market events, cultural events as well as a business linkages program.

Key Tourism Project Proposed

#	Project Name	Description
1.	Nelson Mandela Cultural Precinct	Investment in the cultural precinct around the Nelson Mandela Museum on Owen Street, Linking to Civic Centre and other government offices
2.	Kwa-Tshezi/ Coffee Bay & Hole in the Wall Coastal Nodes Land Release	This project is aimed at facilitating development within these nodes of primary tourism potential through an engagement process with all relevant stakeholders. The proposed facilitation and engagement project will ensure that the development vision is shared by the community and all stakeholders and development is appropriation, taking into consideration the social-cultural, economic, agricultural and conservation value of the area.
3.	Kwa-Tshezi/Coffee Bay & Hole in the Wall Coastal Nodes	Optimise tourism development potential on Wild Coast, community development project, commercial resort development projects, social capital development and a sustainable social facilitation procces to empower local communities and building stability to support development projects.
4.	Port St. John Development	Redevelopment of 2nd beach and Bulolo Caravans Parks, 2 Golf Course Development, sporty facilities, shopping Malls, Adventure Centre, Upgrading of current resort, Conference centre, Regional Patrols and Service Centres.

5.	Mdumbi Hotel & Conference	Development of 43 Log Lodges, 30 bed Hotel and Conference Centres
6.	Lambasi Holiday Resort and Conference Facilities	Development of an up-market resort and conferencing
7.	Ntlangano Nature Conservancy	To establish a nature reserve with tourism facilities including a lodge. Main attraction Tsitsa Falls
8.	Nduli and Lutshaba Nature Reserve	Multi-purpose development to enhance economic & tourism potential of the nature reserve without losing their environmental and ecological value and to address funding constrains with Eastern Cape Parks to manage and facilities. Including the development of Accommodation, Conference centre, Environmental Education.

The O.R Tambo DM LED strategy highlights several strategic developments slated for the District, which will effect major structural changes to the region's economic and spatial configuration. These major projects arise from the national strategic integrated project (SIP 3) interlinked with the provincial integrated Wild Coast Development Programme (IWCDP). The highlighted projects include:

- N2 Wild Coast Toll Road- specifically the new routing between Mthatha and Port Edward;
- Wild Coast Meander- a low-volume road along the Wild Coast linking Port St Johns, Mthatha Mouth and Coffee Bay
- Wild Coast Special Economic zone (SEZ) - the SEZ includes the development of an agro-processing hub/ zone in the vicinity of the Mthatha airport, and a tourism corridor linking Mvezo, Coffee Bay and Mthatha Mouth.
- Formal establishment of Coffee Bay/ Hole in the Wall as a town;

Although the tourism potential of the district is recognized, specifically in the variety of actual and potential tourism assets based on the natural and cultural heritage, the challenge is identified in converting the potential into actual tourism assets with sustainable revenue streams.

Three substantial tourism-based LED projects are included in the LED Strategy:

- **Port St Johns tourism oriented infrastructure upgrades:** The project involves several activities aimed at improving the quality of the urban environment of Port St Johns town has a beach node and for tourism, including improving the tourism-positive basic infrastructure and services in town.
- **Marketing and promotion of the regional tourism assets:** The project includes strengthening the RTO/ LTO network, supporting tourism product development, tourism marketing and promotion, improving tourism-tourism basic infrastructure and services and supporting infrastructure.
- **Coffee Bay node upgrade:** The project includes upgrading the basic infrastructure of Coffee Bay/ Hole in the Wall (access roads, internal road, water supply, electricity, sanitation), managed released of land for development, tourism marketing in development, and attracting investors.

2.6.5 Mthatha Airport Upgrade

The Mthatha Airport is operated by the provincial department of transport, and has over the past several years completed several upgrade projects, including re-construction of the runway, installation of runway lighting, and completion of a new/ upgraded terminal building with car hire facilities. The airport is thus effectively positioned and equipped to handle domestic commercial passenger and freight traffic at a similar

scale has East London and Port Elizabeth airports. Although an increase in the schedule flights (capacity and linkage to other destinations, will be driven by the demand perceived by the airline operators, opportunities which may arise includes:

- Stimulating demand for airlift through destination marketing in the domestic markets;
- Promoting access by charter flights by tour operators and groups

2.6.6 N2 Wild Coast Road Project

The N2 Wild Coast Road project is led by SANRAL and the implementing agent. The overall project entails the re-construction of the 410km stretch of the N2 between East London and the Mtamvuna River on the Eastern Cape / Kwazulu-Natal border, including a 112km Greenfields section between Port St Johns and the Mtamvuna River. It will give easy access to incoming tourists.

2.6.7 Wild Coast Meander

The development of the wild coast meander involves extensive upgrade and improvement to the existing provincial road network from Port St Johns to Kei-Mouth. Once completed, it is intended that the route will be completed surfaced, and will provide improved linkages between the coastal nodes east of Kei Mouth. The development by the Eastern Cape Government as a strategic transport corridor project, and is being led by Eastern Cape department of roads and Public Works. Construction/ rehabilitation work on the road infrastructure has been ongoing in sections since 2014. Further development actions which are planned to improve the tourism impact of the meander include joint branding the wild coast meander in the same manner as the wild route, and erecting route signage (including brand signage, distance indicators, directional signage) to facilitate ease visitor traffic along the route.

2.7 Environmental Management

Environmental governance refers to the processes of decision-making involved in the management and control of the environment and natural resources. South African municipalities perform environmental management functions, allocated to them in terms of the Constitution, the suite of National Environmental Management Acts as well as other sector specific legislations on powers and functions. The National Environmental Management Act (Act No. 107 of 1998) promotes the application of appropriate environmental management tools to ensure the integrated environmental management of activities and sustainable development.

2.7.1 Climate Change

Climate change already causes and will continue to cause a number of challenges for O.R Tambo District Municipality, linked to impacts such as increased temperatures, extreme weather events (e.g. flooding and drought), sea level rise and climate variability. Temperatures in the region are projected to increase by 1.5°C and 2.5°C by 2050 and by 3.0°C and 5.0°C by 2100. Projected annual rainfall changes are projected to include an increase in aggregated rainfall by 2050 with an increase of up to 500 mm by 2100. This increase is likely to manifest as an increase in extreme rainfall events and stream flow intensity across the municipal area, with prolonged dry spells between rainfall events. Sea level rise along the Municipality's coastline is already occurring at 2.7 cm per decade and may accelerate in the future.

To respond to these changes O.R Tambo District Municipality has initiated and developed the Municipal Climate Change strategy and Action Plan. This is a phased programme, which has focused on climate

change adaptation and enhancing the Municipality's ability to cope with climate change impacts. The likely climate change impacts have been assessed and plans, programmes and projects developed to assist the Municipality in dealing with these impacts.

2.8 WASTE MANAGEMENT

Part B of Schedule 5 of the Constitution places overall waste management, refuse removal and cleansing as a function of municipalities. National Environmental Management: Waste Act, 59 of 2008 ("NEM:WA), which is the primary legislation regulating waste in South Africa and National Waste Management Strategy mandates the district municipalities to develop Integrated Waste Management Plan as a guiding municipal policy to deal with all the waste related issues within its jurisdiction.

2.8.1 Programmes under Waste Management

❖ Greenest Municipality Competition

O.R Tambo District Municipality in its endeavor of implementing its mandate as required by the National Environmental Management: Waste Act (NEMWA) has initiated the Greenest Municipality competition which is in line with the initiative of the Department of Environmental Affairs (DEA) and Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), to raise awareness, educate communities and Schools, and give support to Local Municipalities on waste management and related issues.

This program has been developed to work towards a sustainable future, a healthy environment, a strong economy, clean and beautiful state of our environment and a high quality of life for all citizens. This program starts at the District level, Provincial and then escalates to National level. Greenest Municipality program entails the assessment of all towns under each local municipality in waste management, Greening projects, recreational facilities, re-use of waste, job creation from waste, recycling, waste Disposal Facilities, Leisure and Tourism attractions, strategies and equipment for waste management, Budgetary and Personal support. Environmental programs at schools, community awareness's and public participation in environmental issues, enforcement and compliance, Climate Change and Biodiversity, Cooperative Governance, Waste Record Keeping and Reporting, integration of IWMP and other Environmental sector plans in to IDP.

❖ Regional Recycling Program

O.R Tambo District municipality as part of implementation of its Integrated Waste Management Plan (IWMP) has initiated and currently implementing the Regional Recycling Project in an effort to (1) reduce unemployment, (2) Encourage recycling initiatives and cooperatives within the region; (3) Minimize waste going to the landfill site and (4) Promote local economic development. National Waste Management Strategy flags recycling among other things as one of recommended initiatives that local government could embark on to minimize waste going to the landfill site.

2.9 INTEGRATED COASTAL MANAGEMENT

National Environmental Management: Integrated Coastal Management Act, No. 24 of 2008 (ICM Act), and as amended, which is a policy statement for the management of its coastal zone in an integrated manner. Part 3 of Chapter 6 of the ICM Act requires of municipalities to develop Municipal Coastal Management

Programmes (MCMP). Sections 48 and 49 of the ICM Act provide clear instructions and guidance as to: (a) the process for the preparation, adoption and amendment of the MCMP; and (b) the content of each MCMP. A Coastal Management Programme (CMP) is a coherent policy directive for the management of the coastal zone.

O.R Tambo district municipality as mandated by the Coastal Management Act has managed to initiate and conduct a quarterly Municipal Coastal Committee to discuss issues of coastal importance. The committee has been sitting and has managed to resolve among other things the issue of sand mining and coastal erosion in Port St Johns. O.R Tambo celebrates annually the Marine day in the coastal municipalities and also get involved in the annual coastal clean-up campaign that is held in Port St Johns.

2.10 AIR QUALITY MANAGEMENT

Air quality management plan is the policy directive that seeks provide mechanism for management the status of air in a given locality. This Plan seeks to identify and reduce the negative impacts on human health and on the environment; through vigorous implementation, The Air Quality Management Plan should efficiently and effectively drive activities that bring air quality in the District Municipality into sustainable compliance with National, Provincial and Local air quality standards within agreed timeframes. Municipalities are required to include an AQMP as part of its Integrated Development Plan. The AQA makes provision for the setting of ambient air quality standards and emission limits on National level, which provides a means evaluating air quality.

So far, the O.R Tambo district is taking the Air quality management plan for external review. The district has yet done the internal review of the plan. The projects done under Air Quality involve the awareness campaign through the environmental clubs, and also involvement in the provincial Air Quality Forum conducted by the department of Environmental Affairs. The district is also involved in the attending complaints for air quality such as the Ngolo dust storms affecting the community. The district participates in all air quality structures such as Air Quality Lekgotla and working groups on Air Quality.

2.11 BIODIVERSITY MANAGEMENT

O.R Tambo District Municipality has jurisdiction over a diverse range of ecosystems, ranging from coastal dunes, Grassland, Valley thickets, Constitutes the Maputoland-Pondoland Albany hotspot that houses the Pondoland centre of endemism. There are many sensitive and conservation worthy areas within O.R Tambo DM, such as coastal dunes, valley thicket, wetlands, river systems, cultural sites, and medicinal species. Of particular importance, both economically and biophysically, is the 148 km of coastline of which PSJLM boast the longest part of 55 km. While rich in natural, cultural and historical resources, O.R Tambo DM is also faced with a number of challenges, such as redressing past inequities and apartheid legacies, the need for housing especial along the wild coast, unemployment and poor service delivery. The growing needs of the increasing population in O.R Tambo have also resulted in a growing demand for development. O.R Tambo recognises that, although development must be economically and socially acceptable, it is imperative that the development challenges O.R Tambo DM be addressed in an environmentally sustainable manner.

As mandated by the Biodiversity Act O.R Tambo District Municipality has advertised for the development of the Biodiversity Sector Plan that will detail threats, opportunities and advantages of having our biodiversity protected. As much as the district have not done much on the function most of the biodiversity assets are protected through the EIA process and taken care of by the process. However the district have conducted the awareness campaigns on biodiversity ranging from Cycad plant conservation in Tsolo, Medical plants awareness in Lusikisiki and protection of indigenous forests awareness campaign with

DAFF. The O.R Tambo through working for fire is involved in Alien Species removal projects to ensure that the indigenous plants are protected within the region.

2.12 Environmental Impact Management

Since the early years of the implementation of Integrated Environmental Management (IEM) in South Africa, post-Environmental Impact Assessment follow-up and project monitoring has not been done. However, the emphasis of environmental policy is moving towards compliance monitoring. Government departments are also being restructured to focus on compliance, enforcement and the monitoring of project implementation. O.R Tambo EIA monitoring team play an important role in the framework for the monitoring of conditions set in the ROD (Records of Decision) and Environmental Management Plan (EMP) during project implementation and operation.

O.R Tambo has a KPA to monitor at least 20 MIG projects implemented within the district per quarter. So far the district has managed to monitor and assess at least 40 MIG projects implemented. Monitoring is a continuous process and so far the district has not picked the serious environmental implications caused by the construction in projects. All of the projects are still compliant and no project had serious non-compliance to the license conditions.

2.13 Environmental awareness and education

The municipality is also implementing environmental education and awareness in schools and in our communities on all environmental issues. School learners are also assisted to establish their environmental clubs at school and to ensure that their schools are always clean and green and ultimately enter environmental competitions

Currently the district is conducting Environmental Awareness in 12 school across the district, and conducting awareness activities in observation of environmental calendar day in a form of workshops and campaigns. The district has also collaborated with all local municipalities and sector departments in conducting cleaning campaigns and other awareness programs.

2.14 GOOD GOVERNANCE

2.14.1 Functioning of Council and Council Structures

In terms of Section 12 Notice, O.R. Tambo District Municipality (ORTDM) is a category C municipality which having of 59 Councilors following the 2016 LG elections. Councilors are composed as set out in the tables below.

Table 5: TOTAL NUMBER OF COUNCILLORS AT ORTDM

Description	No. Of Councillors
Full time Councillors	17
Part time Councillors	42
Directly elected Councillors	24
Indirectly elected Councillors	35
Females	36
Males	23

TABLE 6: COUNCILORS PER LOCAL MUNICIPALITY POST 2016 LOCAL GOVERNMENT ELECTIONS

Municipality	No. of Councillors
King Sabata Dalindyebo	12
Nyandeni	7
Port St Johns	4
Ingquza Hill	7
Mhlontlo	5

The ORTDM implements a Separation of Powers Model. This Governance Model separates the Legislature from the Executive and is used as a mechanism for oversight and scrutiny at municipal level. The establishment of Council as a “Local Council”, performing the function of a legislative assembly, was critical for the successful implementation of this model, applying its ability as the ultimate authority to hold the Executive and the Administration to account.

2.14.2 The Legislature

The core mandate of the Legislative Arm of Council is focused on five themes:

- Accountability, Oversight and Scrutiny;
- Strengthen capacity of the Legislative Arm of Council;
- Public Participation to safeguard local democratic processes;
- Monitoring and Evaluation; and
- Sound Financial Management.

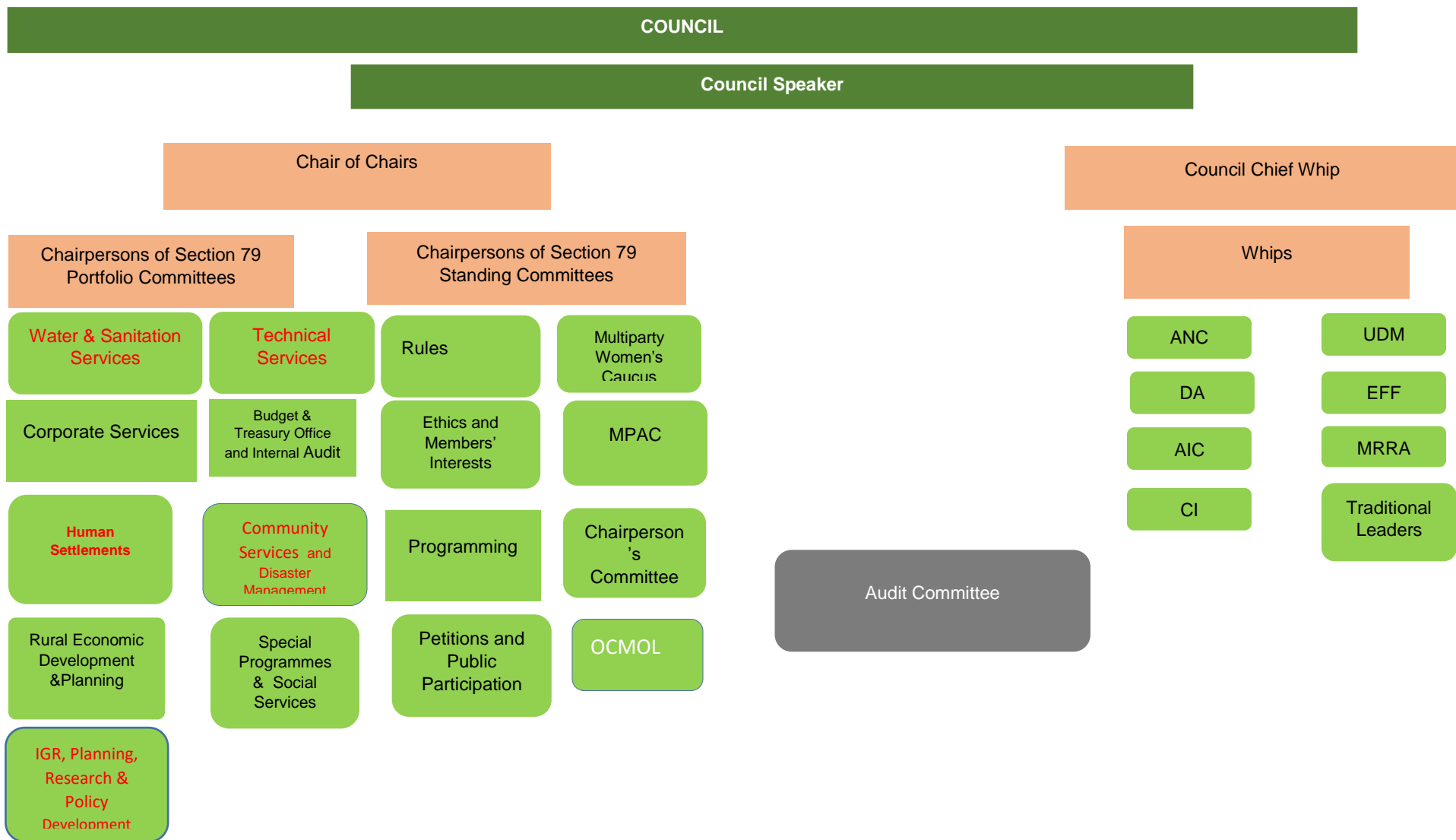
Legislative functions also include the approval of by-laws, policies, budgets, the Integrated Development Plan, tariffs, rates and service charges. Council further considers reports received from the Executive Mayor. It focuses on public participation related to council matters through discussions, stimulates debate in multi-party portfolio committees, and ensures community and stakeholder participation as well as playing an oversight role on the Executive.

The Speaker is the Political Head of the Legislative Arm of Council and has a role to coordinate and manage the Section 79 Standing Committees. Other responsibilities of the Speaker, as legislated, include:

- presiding at meetings of the Council;
- performing the duties and exercising the powers delegated to the Speaker;
- ensuring that the Council meets at least quarterly;
- maintaining order during meetings;
- ensuring compliance with the Code of Conduct by Councilors; and
- ensuring that Council meetings are conducted in accordance with the rules and orders of the Council.

2.14.3 Governance Model

GOVERNANCE MODEL: COUNCIL STRUCTURE (LEGISLATIVE)



2.14.4 Separation of Powers and Municipal Oversight Model

In 2013, the Council of ORTDM took a decision that the municipality should implement Separation of Powers model. The decision was made after the municipality had been identified by the Province to pilot the Separation of Powers Model. The driving force behind this decision was to enhance accountability and eventually improve service delivery.

The Council adopted the guiding instruments for the smooth implementation of the SoP Model in 2014; namely:

- Amended Council Standing Orders;
- Terms of Reference for S79 Standing and Portfolio Committees;
- Roles and Responsibilities Framework as per the SoP model
- Restructuring of Council Committees.

2.14.5 Chairpersons of Section 79 Portfolio Committees

Section 79 Portfolio Committees perform an oversight role by monitoring the delivery and outputs of the Executive. These committees do not have any delegated decision-making powers. Functions include:

- reviewing, monitoring and evaluating departmental policies;
- reviewing and monitoring of district plans and budgets;
- considering quarterly and annual departmental reports;
- examining the links between the strategy, plans and budgets of the District; and
- holding the political Executive accountable for performance against policies and City priorities.

The Council of ORTDM restructured the Section 79 Committees as set out below:

Table 7: Section 79 Committees

Section 79 Standing Committee	Section 79 Oversight Portfolio Committees
1. Rules Committee	1. Special Programmes and Social Services
2. Programming Committee	2. IGR, Planning, Research and Policy Development
3. Chairperson's Committee	3. Human Settlements
4. Municipal Public Accounts Committee (MPAC)	4. Community Services and Disaster Management
5. Ethics and Members Interest Committee	5. Corporate Services
6. Multiparty Women's Caucus	6. Water and Sanitation Services
7. Petitions and Public Participation Committee	7. Technical Services
8. Oversight Committee on Mayor's Office and Legislature (OCMOL)	8. Budget, Treasury and Internal Audit
	9. Rural and Economic Development & Planning.

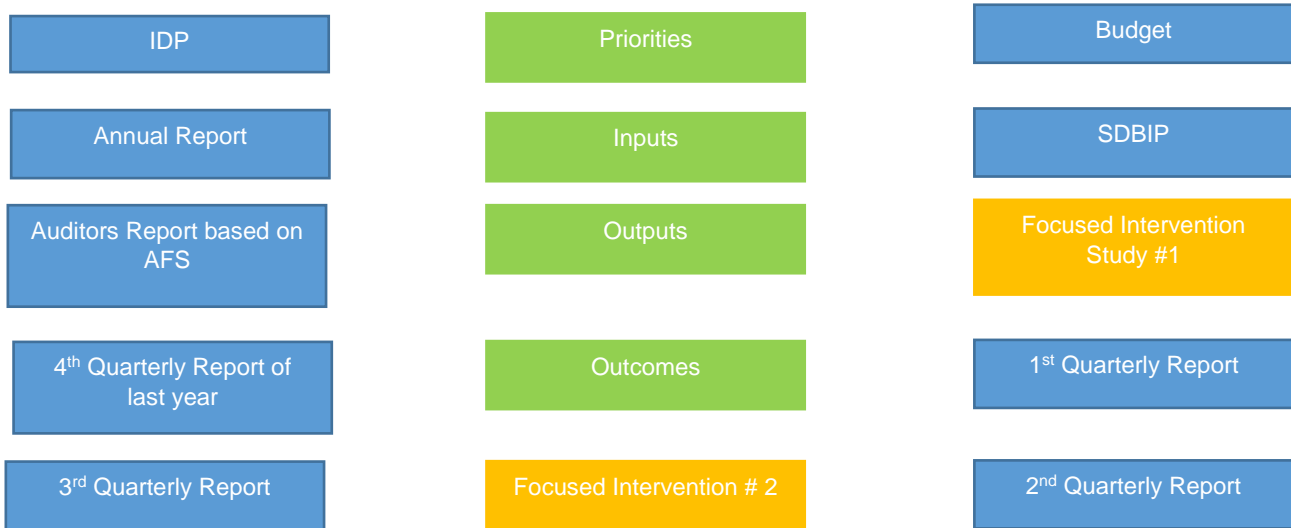
2.14.5 Municipal Oversight Model (MOM)

The Municipal Oversight Model (MOM) was adopted by Council on 30 September 2015 to strengthen the oversight role played by Section 79 Portfolio Committees. This was introduced as an Oversight Model to be used in support of Separation of Powers. The MOM consists of the Oversight Cycle and Oversight Tool used by committees to conduct oversight on the compliance reports tabled to the council, in line with each department's SDBIP and Budget expenditure. Section 79 Portfolio Committees invite the MMC's to account on reported performance and budget expenditure and conduct project verification on the reported performance, reporting to Council as per the MOM cycle. The MMC's are to account for any deviations discovered between the reported performance, actual expenditure and actual work executed.

Furthermore, Section 79 Portfolio Committees conduct Focused Intervention Studies on areas that have direct impact on the service delivery issues and accountability. The MOM is designed to scrutinize the following reports:

- Annual Reports;
- Quarterly Reports;
- Budget and
- Focused Intervention Studies (FIS) as per the following tool:

BUDGET CYCLE MATRIX FOR MUNICIPALITIES



2.14.6 Political Management Committee

The ORDTM aims at ensuring that the political structures within Council operate in harmony in order to fast track and enhance the process of service delivery and ensuring that Local Government functions effectively. This includes striving for the effective and efficient political management of the Council through Multi-party Whippery System that enhances cohesion and consensus among all political parties in the Council. The municipality also aims to provide adequate information to Councilors and political parties in Council to enhance their capacity to influence meaningful decision-making.

Council took a resolution to have a full time Chief Whip and thus institutionalized the Office of the Chief Whip. The Council Chief Whip performs duties as stated in the Council’s delegated authority and as such Council adopted a policy on the functioning of the Office of the Chief Whip.

The Office of the Council Chief Whip established a political committee called Troika, constituted by the Executive Mayor, Speaker and Council Chief Whip. This committee is coordinated and chaired by the Council Chief Whip and can when deemed necessary the Municipal Manager is also invited to the meeting. This committee provides strategic leadership for the district municipality to be able to effectively utilize the resources to achieve its objectives. The main function of this committee is to ensure political stability in the institution.

2.14.7 Whippery Support

Council took a resolution to have a full time Chief Whip and institutionalization of the Office of the Council Chief Whip. Council Chief Whip performs duties as stated in the Council’s delegated authority. The Council Chief Whip meets quarterly with Chief Whips from all five LMs to conduct an audit of service delivery. All whips are also expected to present written reports on service delivery challenges, programs and projects not being executed, achievements and any other issue that may impede service delivery. A policy on the functionality of the Office of the Chief Whip has been developed and adopted by Council.

2.14.8 Challenges in the functioning of council and council structures

The following challenges in the functioning of council and council structures, have been identified:

- capacity gap on the new councilors into oversight responsibilities / particularly council committees;
- role, definition between the executive and legislative committees of council;
- remuneration of political office bearers and
- poor administrative support provided for council structures to exercise oversight responsibilities;
- no framework guiding location and provision of administrative support for traditional leadership in council;
- No funding for the Municipal Oversight Model
- lack of clarity on the role of Whippers in municipalities.

2.14.9 Public Participation

Public participation is rooted in the Constitution of the Republic of South Africa. It grant all citizens a right to meaningful participation in South Africa's affairs and as such a right to shape and determine their own destinies. Local government has been entrusted with the responsibility of ensuring involvement of communities, and community (civic) organisations in local government affairs. Outcome No.9 of 12 National Objectives refers to "A responsive, accountable, effective and efficient local government system". Emphasis will be on Output No. 5, which is intended to "Deepen democracy through a refined Ward Committee Model". The municipality of ORTDM will therefore structure and co-ordinate participation of communities in all municipal programs. It will also ensure and support functionality of all ward committees and CDWs in all Local Municipalities.

In 2016 ORTDM called upon all citizens to exercise their right to actively participate in the municipality's affairs to the fullest of their abilities, endowments and human dignity. The objectives of this approach to public participation were to:

- to create and strengthen the appropriate community structures required for local governance;
- establish an appropriate institutional mechanism to ensure the sustainability of such end-user groups and civil society structures;
- capacitate members of the community structures, relevant end-user groups, councilors and officials to be effectively involved in community participation;
- build the internal capacity within Council to roll-out the training Programme to all community structures; and
- provide support to officials within the DM to ensure implementation of the new way of doing business.

The White Paper on Local Government, 1998, stipulates the vision of "Developmental Local Government", which it defines as: "Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve their quality of lives".

A vehicles provided to involve the public with emphasis on Section 16 of the Municipal Systems Act, 2000, which requires municipalities to develop a culture of community participation and create enabling and supporting mechanisms, processes and procedures. These mechanisms must involve communities in planning, performance management, budgeting, and service delivery. Municipalities are also required to build the capacity of the local community to participate, as well as the capacity of councilors and staff to foster community participation. A Public Participation Policy and Public Participation Strategy have been developed and adopted by council to ensure that communities within the area of jurisdiction of ORTDM participate in the policy formulation and implementation processes. The ORTDM Strategy is also meant to support and translate the vision, mission and objectives into reality of the municipality.

❖ Participation in IDP and Budget Processes

Before the IDP and Budget are approved by Council, roadshows are conducted in each municipality to obtain inputs from the communities. When the IDP is developed, community members participate through the IDP Representative Forum.

❖ **Ward Committees**

Ward Committees are established in terms of Section 73 of Local Government: Municipal Structures Act, Act No. 117 of 1998. They are also referred to as Section 73 Committees. Currently, there are 146 wards throughout ORTDM:

KSD : 36 wards (360 ward committee members)

Mhlontlo : 26 wards (260 ward committee members)

Nyandeni : 32 wards (320 ward committee members)

Port St. Johns : 20 wards (200 ward committee members)

Inngquza Hill : 32 wards (320 ward committee members)

Those with fully established ward committees have been trained to orientate them to local government processes.

❖ **Community Development Workers**

All five Local Municipalities in the ORTDM have Community Development Workers, working with other community structures to ensure that services are delivered to the people. The Community Development Workers (CDWs) are allocated as follows:

Municipality	Functionality	Reporting
Inngquza Hill LM-28 CDW's	Functional and participate in all Municipal Programmes except in Ward 01 and 14.	Reports are not submitted to the Speaker's office
KSD LM-36 CDW's	Functional and Participate in all Municipal Programmes.	The Coordinator is housed in the Speaker's office and participate in the office meetings and report back to CDWs
Mhlontlo LM-23 CDW's	Functional and Participate in all Municipal Programmes	Round table meetings sit every 20 th of the month
Nyandeni LM-29 CDW's	Functional and Participate in all Municipal Programmes	Round table meetings sit every 20 th of the month
Port St Johns LM -20 CDW's	Functional and Participate in all Municipal Programmes	20 CDWS and sit at round tables on 20 th of every month,

The intention was to ensure that every ward has a Community Development Worker but due to limited resources and other logistics there are wards that still have no CDWs

❖ **Support to Local Municipalities**

All Local Municipalities were encouraged to establish oversight committees and were provided with Terms of Reference for such committees. This was agreed upon at the level of the District Speakers Forum, which is the platform coordinated by the Speaker of the DM for all Speakers from the LMs in the District. The support given to the LMs include:

- CDW programmes;
- establishment of a Municipal Public Accounts Committee with sufficient capacity building;

- establishment of an Oversight Committee members;
- policy development; and
- compilation of Council documents.

In addition to the above, a Public Participation Officer has been attached to each local municipality to provide support to Ward Committees and Public Participation related activities.

❖ **Council Meetings**

An approved Council Calendar regulates the sitting of Council meetings and Council Committee meetings. The Office of the Speaker has fully complied regarding the sitting of Council meetings. Since the Council of ORTDM adopted the Separation of Powers Model and Municipal Oversight Model, the sittings of Council meetings are in line with the Municipal Oversight Model. In addition to the compliance report, the Council sits quarterly for the tabling and adoption of Oversight Reports from Section 79 Committees for each department.

❖ **District Speakers' Forum**

The District Speaker's Forum is an IGR structure whose objectives include the:

- building of common understanding from shared experiences;
- coordination of work in areas of common interest; and
- the development and management of municipal programmes between the LMs and the DM.

The ORTDM has the responsibility of coordinating its LMs in a structured manner for information sharing purposes. The Office of the Speaker has a responsibility of hosting one District Speaker's Forum per quarter.

❖ **Commitment to Community Participation**

The ORTDM endeavours to ensure that communities are central to the development of IDPs and that they are aware of their role in local government. To this effect, for every financial year, a number of outreach programmes to the five LMs were held by both the Office of the Executive Mayor and the Office of the Speaker.

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❖ **Challenges to Public Participation**

Despite its benefits and successes, there are also challenges associated with public participation. These are as follows:

- non-sitting of Ward General Meetings especially in ward 13 of Ingquza Hill LM where the ward committee meetings are not sitting at all since the start of the term for 2016 August.
- inconsistency in convening ward Committee Meetings and submission of reports to Offices of Municipal Speakers;
- limited resources for building the capacity of Organs of Civil Society;
- policy on Participation of Traditional Leaders Participating in Council not yet adopted by Council;
- dysfunctional District Moral Regeneration Movement (MRM) Structures except Mhlontlo LM Structure which has awareness programmes to the Communities.;
- lack of feedback to Petitions lodged by communities and community organizations to the municipality and

2.14.10 Petitions and Complaints Management

The Community Complaints and Petitions Handling Policy is the policy that also seeks to encourage community members and stakeholders to exercise their constitutional right to assembly, demonstration, picket and petition in accordance with Section 17 of the Constitution (1996). The District also has dedicated personnel dealing with complaints and related matters received from the Presidential Hotline. This function is currently facilitated through the Office of the Executive Mayor.

2.14.11 Traditional Leadership and Councils

Traditional leadership and Traditional councils have been identified as a critical stakeholder in Local Government and as such, relations between these institutions and the municipalities present opportunities for fast-tracking service delivery. The key issue identified is, that the relations with traditional leadership are currently unstructured/ adhoc, and not formalised. Apart from meetings of Traditional Leaders with the Executive Mayor and the IDP Roadshows, the only platform where they could participate in the IDP processes was through the IDP Representative Forum. This hampered the planning and speed of service delivery and reduction of service delivery backlogs as the attendance to these meetings was poor. During this term of council twelve Traditional Leaders are participating in the Council ORTDM as per Section 82 of the Local Government Municipal Structures Act 117 of 1998 , with the view to accelerate service delivery.

2.14.12 Corporate Performance, Reporting, Monitoring and Evaluation

The performance management system in ORTDM is driven by a Performance Management Policy/Framework that was developed and adopted by the Council together with the Budget related policies in May 2017. This policy framework provides an overarching framework for managing performance in the ORTDM. The District is still in a process of fully implementing the policy framework. The Integrated Development Plan (IDP) is the start of the performance management cycle and the successful implementation of such is driven through the Service Delivery and Budget Implementation Plan (SDBIP).

The ORTDM has made a concerted effort in strengthening the compliance culture within the institution. Various forms of reporting mechanism for information sharing within and across departments in the municipality were introduced. The ORTDM reports on performance formally every quarter through their Quarterly Performance Assessments Reports, Mid-year performance reports as well an Annual Performance Report which forms part of the Annual Report. Reporting templates are given to departments to factor in information on programs as per SDBIP, so that service delivery targets are constantly monitored. Section heads sit with their subordinates on a weekly basis, so as to share information; while Directors sit with section heads on a monthly basis. The meetings with Directors are formal, and the completed reporting templates are to be sent to the PMS unit for monitoring and evaluation monthly.

❖ Challenges

The performance management culture is not yet inculcated in the day-to-day operations of the organisation;

- Actual performance reported not supported by adequate evidence, leading to AG and Internal Audit findings;
- Reasons for deviations and corrective measures for underperformance not provided;
- Underperformance not addressed through indicated corrective measures;
- The middle management and staff below do not view themselves as part of the organizational performance;
- Development plans of section 54 and 56 Managers are not incorporated in the institutional workplace skills plan;
- The organizational structure as against the functional area;
- Lack of personnel resources; and
- Linkage of reporting and performance as against monitoring and evaluation.

2.15 RISK MANAGEMENT

The Municipal Finance Management Act Section 62 (i) (c) requires a Municipality to have and maintain an effective, efficient and transparent system of risk management. The Municipality implements risk management so that it is in a position to take corrective action on possible obstacles towards the attainment of set objectives. In compliance with the legislative framework, O.R. Tambo District Municipality developed a Risk Management Policy. It recognizes that risk management is a function of senior management of the Municipality.

During the 2019/2020 financial year, a strategic risk assessment exercise was conducted to identify and priorities Strategic Risks. Current controls and systems were reviewed and measured for effectiveness and recommendations made for possible improvement to beef up existing control systems. The suggested control improvements were assigned to various officials within the municipality for implementation with Directors assuming ownership for all risks identified. As part of the oversight processes over risk management, management is required to prepare reports at least once a quarter on progress made on the implementation of management actions, and such the risk unit follows up with the respective departments on a quarterly basis and collects portfolio of evidence for all those actions that have been achieved for internal audit and Audit Committee purposes. The Audit Committee has an oversight responsibility over Risk Management.

A Risk Management Strategy has been developed and the policy together with the terms of reference of the Risk and Compliance Committee have been reviewed and shared with Councillors in the strategic workshop. However, the implementation of this is ongoing. The culture of risk management has not yet matured, it is in its initial stage and as such, there has been a positive shift in terms of understanding its importance from the institution. The focus is still at institutional and has not yet reached or addressed departmental assessment and project risk management.

Anti-Fraud and Anti- Corruption

Anti-Fraud and Anti-Corruption Policies are in place. These policies will yield positive results when fully implemented. A policy on declaration of conflict of interest by staff is in place. Incidents of suspected corruption are reported via the Presidential Hotline. Currently the Municipality is developing its fraud hotline and the work on the conceptualisation of this has been initiated during the year under review. The tender for the appointment of a service provider to manage the Fraud Hotline is currently in the Evaluation stage of the SCM process.

The following activities have been undertaken pertinent to fraud management:

- Fraud awareness sessions have been held with various departments who are by nature prone to fraud such as SCM, HR, Human Settlements and Community Services. A plan for fraud prevention has been developed for the 2019/20 financial year and shall be fully implemented;
- Workshops on the policies have been conducted;
- There is a process which is still in progress to ensure that the Risk Management Unit works with Labour Relations to ensure that staff have signed the Code of Conduct;
- The institution has an Internal Audit that on an annual basis conducts audits in areas with high risks, this is also a means of testing the existing controls to ensure that they are strengthened to detect, prevent and mitigate any fraud risks identified. Through internal audit reports, the institution is able to set actions plans to improve the status quo.

The municipality has recently issued a circular on **ACCEPTANCE OF GIFTS, DONATIONS AND SPONSORSHIPS BY OFFICIALS** and the main objectives thereof are;

- To ensure that officials do not compromise the credibility or integrity of the Municipality through the acceptance of gifts, donations, hospitality or sponsorships.
- To ensure that acceptance of any gifts, donations, hospitality or sponsorships by an official does not cultivate a special relationship with service providers or individuals.
- To strengthen capacity measures to prevent corrupt activities and
- To monitor and evaluate compliance with applicable legislation

2.16 INTERNAL AUDIT

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It assists an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The table shows the status of Audit committees.

Table 8: Status of Audit Committees

Name Of The Organization	Audit Committee Status
Ntinga O.R. Tambo Development Agency	Committee is in place
Port St Johns Local Municipality	Committee is in place
Port St Johns Development Agency	Utilises PSJ LM's Audit Committee
King Sabata Dalindyebo Local Municipality	Committee is in place
Ingquza Hill Local Municipality	Committee is in place
Nyandeni Local Municipality	Committee is in place
Mhlonlo Local Municipality	Committee is in place

Table 9: Status of Internal Audit Function

Name Of The Organisation	Internal Status
Ntinga O.R. Tambo Development Agency	Shared with District Municipality i.e. fully supported by the District Internal Audit unit
Port St Johns Local Municipality	Shared with the District Municipality i.e. fully supported by the District Internal Audit unit
Port St Johns Development Agency	Shared with the District Municipality i.e. fully supported by the District Internal Audit unit
King Sabata Dalindyebo Local Municipality	In-house function but supported by the District on an Ad-hoc basis and attendance of Audit Committee meetings
Ingquza Hill Local Municipality	In-house function but supported by the District on an Ad-hoc basis
Nyandeni Local Municipality	In-house function but supported by the District on an Ad-hoc basis and attendance of Audit Committee meetings
Mhlonlo Local Municipality	In-house function(supported with 1 student and attendance of Audit Committee meetings)

2.17 DISTRICT INTER-GOVERNMENTAL RELATIONS (IGR) FORUM

The role of the District Intergovernmental Forum is to serve as a Consultative Forum for the District Municipality, the five Local Municipalities, the Eastern Cape Provincial Government, National Government and State-Owned Enterprises to discuss and consult on matters of mutual interest, which include but not limited to:

- Draft National and Provincial policy and legislation relating to matters affecting Local Government interests in the District;

- the implementation of National and Provincial policy and legislation with respect to such matters in the District;
- matters arising in the Premier Intergovernmental Forum, or MUNIMEC that affect the District;
- mutual support in terms of Section 88 of the Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998);
- the provision of services in the District;
- planning and development in the District;
- the coordination and alignment of the Strategic and performance plans and priorities, objectives and strategies of the Municipalities in the District;
- submission and coordination of allocation of resources to MTRF budget; and
- any other matter of strategic importance which affect the interest of the Municipalities in the District.

The functioning of the Intergovernmental Relations Forum in the District is improving and particularly the various Sector forums, including those linked to the IDP. Some of the outcomes of these improved IGR-functioning in the District the:

- drafting of the Five Year Sector Strategies which form the basis of this document;
- outlining what the district wide priorities as adopted by all the LMs should be; preparation of the Local Government Turnaround Strategy;
- an IGR Policy Framework is in place;
- The framework dictates the establishment of the technical and municipal IGR structures (DIMAFO, MM's Forum, Working Groups)
- It also ensures the interface between the District, the Province and National (PFC, Munimec etc)
- launching of the District IGR as well as IGR roadshows that were conducted district wide.
- In the 2017/18 financial year, three (3) sector forums were established and operationalized to co-ordinate sectorial planning in line with the IDP Process Plan

These are:

- Governance and Administration Cluster
- Social Transformation Cluster
- Economic Development Cluster

❖ Support to Local Municipalities

The various departments in the ORTDM are implementing a number of programmes in support to the five LMs. The major challenge is that a Municipal Support Services is not centrally coordinated by the District Municipality across all the LM's, and as such, these LMs are not monitored. The DM has limited capacity to ensure central coordination of LM support, mainly due to non-compliance with the Municipal Support Service Tool adopted by the Municipal Manager's Forum to improve coordination and reporting on both progress and challenges. Table 2.31 indicates the various LM support programmes implemented by the various departments in the DM:

Table 10: Local Municipalities Support Programs

NAME OF DEPARTMENT	NATURE OF SUPPORT	BENEFICIARY MUNICIPALITIES	KEY MILESTONES/ACHIEVEMENT TO DATE	CHALLENGES
Legislative Services	Support on the Establishment of MPAC and Oversight Committees; Development of Public participation Policy, Public Participation	All LMs	All LMs have been work-shopped on MPAC Terms of Reference; All Local Municipalities have been encouraged to participate in the Speakers and Traditional Leaders' Summit	Inconsistence in attending meetings convened by the DM.

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NAME OF DEPARTMENT	NATURE OF SUPPORT	BENEFICIARY MUNICIPALITIES	KEY MILESTONES/ACHIEVEMENT TO DATE	CHALLENGES
	Strategy and Ward Committee Guidelines; Compilation of Council Documents, Council Minutes and Resolutions register			
Internal Audit	Provide internal audit support to Local Municipalities on a shared service arrangement.	Port St Johns LM, Mhlontlo LM, Ntinga OR Tambo Development Agency and PSJ Development Agency	There has been improvement in audit outcomes with Mhlontlo LM obtaining an unqualified audit opinion in the 2015/16 and 2016/17 financial years. Port St Johns Development Agency has been obtaining an unqualified audit opinion since the 2014/16 financial year	The existing capacity in the district is inadequate to fully service the LMs. Past audit issues are not addressed on time resulting in recurring audit issues.
Office of the Municipal Manager	Coordination of development of IDP and PMS	All LMS	Development of Framework and process plans for both IDP and PMS	Limited capacity (staff complement), in some LMs, the functions of IDP and PMS are co-ordinated by the same people.
Office of the Municipal Manager	Implementation of Operation Masiphathisane	All LMs and DM	Training Workshops on Operation Masiphathisane has been conducted in 4 LM's except KSD LM. 145 out of 146 wards have Ward War Rooms 146 Operation Masiphathisane Pull Up banners have been distributed to all 146 wards. Launch of Operation Masiphathisane has been done in all LMs Each LM has an IGR Officer from the District Municipality that coordinates all IGR, Municipal Support, International Relations and OM Programs though located in the District Municipality	Limited budget for the OM implementation plan Limited/lack of staff dedicated to IGR/OM programmes in LMs
Legal Services	Legal, consultative and sharing of personnel for legal support	Mhlontlo, Nyandeni, Ingquza Hill KSD and Port St Johns LMs	Successfully defended cases for the municipalities' .Shared skills and legal manual.	Structures do not provide for adequate legal staff, too many litigations and less funding. Less

NAME OF DEPARTMENT	NATURE OF SUPPORT	BENEFICIARY MUNICIPALITIES	KEY MILESTONES/ACHIEVEMENT TO DATE	CHALLENGES
				opportunities for meetings
Human Resources	Support for job evaluation , Consultative	Mhlontlo, Nyandeni, Ingquza Hill, KSD and Port St Johns LMs	Job evaluation finalized and implemented in some LMs and in other still in process	Formulation of policies, No uniformity of systems, lack of skilled personnel.
ICTM	Consultation,	Mhlontlo, Nyandeni, Ingquza Hill, KSD and Port St Johns LMs	Three policies have been approved which are: ICT Steering Comm, ICT Policy and Security.	Formulation of policies, No uniformity of systems, lack of skilled personnel.
Rural Planning and Economic development	Planning	Mhlontlo LM Mhlontlo Ward 2 and 13 Port St Johns LM Ward 11	Tsolo Junction SDF being developed. Community Based plans developed, Langeni LSDF Ntabelanga and Laleni Dam LSDF	
Rural Planning and Economic development	Economic Development	All LM's	Support to informal traders, co-operatives and SMME's through capacity building and supply of material and equipment	N/A
Community and Social Services	Capacity building and training	All LMs	Training of community members on Tourism Arts and Craft, Business skills, Poultry management and disease management. Public transport operators trained on conflict management, Customer care and financial management.	
Infrastructure Cluster	Engineering Support	All LMs	Development of standard tender document that complies with CIDB regulations. Purchase of Design Soft Water for Nyandeni LM. Training on General Conditions of Contract in 2010.	Not Applicable

❖ Challenges Identified in IGR:

Despite successes, there are still challenges. The following are some of those that have been noted:

- Ad hoc IGR coordination at Local Municipalities level;
- There is non-compliance with the District IGR Calendar,
- Also, Senior Managers in both the ORTDM and LM don't attend IGR Cluster Meeting which then discourages Sector Departments to attend,
- There are no Political Cluster Meetings which limits accountability on the functioning of Cluster Meetings,
- Municipal Support and International Relations Programmes are not properly coordinated because of decentralized approach,
- Water and Sanitation Department of the District Municipality does not attend any Cluster Meeting except Technical and Political DIMAFO which complicates matters for planning and accountability,
- The ISDM (Operation Masiphathisane) remodeling program implementation is moving at a very slow pace because of some political related challenges and resources,

- Challenges in the full functionality of the War Room System is as a result of reluctance by Senior Managers and Ward Councillors to support fully the implementation of Operation Masiphathisane.
- Limited budget affect the full implementation of Operation Masiphathisane,
- Lack of financial support from the OTP and COGTA on the institutionalization of ISDM is a serious challenge in the DM and LMs,
- Alignment and integration of IGR System, ISDM and District Development Model is beginning to be a source of confusion to government approach on service delivery coordination.

2.17 LEGAL SERVICES

The provision of services by any organ of State is regulated by the legislation. Inherent in the provision of services is a contractual relationship between an organ of State and an independent contractor and section 217 of the Constitution prescribes how these services must be procured.

Litigation is also inherent in the provision of services by local government. Dissatisfied members of the community enjoy a constitutional right to any dispute resolved by application of law decided in a fair public hearing before a court. Decisions of a municipality are therefore subject to a judicial review.

Schedule 4B and schedule 5B of the Constitution provide functional areas and legislative competence for local government. Services must be provided on those functional areas by local government. To ensure effective provision of services, a municipality may be required to develop by-laws. The principle of legality that is entrenched in the Constitution effectively means that a municipality can only provide a service if it is authorized by law to do so. The same goes with utilization of municipal funds, there must be law-authorizing utilization thereof.

In terms of section 2 of the Constitution, the Constitution is the supreme law of the Republic; law or conduct inconsistent with is invalid, and the obligations imposed by it must be fulfilled. Compliance with laws and Constitution is critical in the provision of services by local government. These factors makes the State the biggest consumer of legal services in the Republic. It is therefore imperative for municipalities to have in-house legal personnel to handle provision of legal services in municipalities in order to mitigate risk of non-compliance with laws, manage litigation, development of legally compliant instruments like contracts and development of by laws.

2.18 COMMUNICATIONS

Government Communication is a strategic and planned process aimed at ensuring an effective dialogue between government and communities. As communication is a strategic function, strategizing for communication needs to be a frequent and ongoing exercise in municipalities. Local government is the sphere of government closest to communities. This places a particular onus on municipalities to fulfil a wide range of communication functions, such as media liaison, marketing, advertising and branding, and direct and intensive unmediated communication. O. R. Tambo District Municipality, as a government organ, has an obligation to provide the public with open access to information about its policies, programmes, services and initiatives. The District Information for public use is disseminated and readily available in municipality offices at all times.

Communications Unit also has a mandate to build a community centred and client focused communication system to ensure that communication caters for all dominant official languages used in the district to ensure that communication right across the district is well-integrated, coherent, coordinated and consistent. The Communication Unit ensures that there is meaningful public participation in the affairs of the O.R. Tambo District Municipality for the following reasons:

- To provide feedback to the people about the implementation of District adopted IDP, programmes and policy implementation.
- To promote a consistent corporate identity and marketing of the District to be a preferred tourist destination of choice.
- To ensure consistency and continuous two-way communication between the District Municipality, its communities and stakeholders.
- To ensure that the district operates from a developmental communication paradigm.

2.19 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

2.19.1 RECORDS MANAGEMENT

Records management is a process of ensuring that records are properly created, utilized, maintained, and disposed in a correct and efficient way to promote transparent and accountable governance and it is a COMPLIANCE ISSUE. Records created or received are evidence of business transactions of an organization.

A governmental body keeps records to support its operations and they are a reflection of its activities, as well as to fulfil legal and other obligations. An office creates records within its business context and are kept as evidence of business activity e.g. in the OR Tambo District Municipality you would expect to find amongst other Personal Records, Operational Plans, Strategic Planning, Official General Correspondence and so Forth. Records are kept for evidential purpose.

❖ DISPOSAL OF RECORDS

28 Boxes were listed, sorted and arranged for disposal and sent to Provincial Archives, they came and verified the boxes on the 17th April 2019 and Destruction certificate was issued by Provincial Archives on the 08 October 2019.

❖ RECORDS MANAGEMENT CLASSIFICATION SYSTEMS

- File Plan sent to Provincial Archives for review & approval by EC Provincial Archivist and was approved on 29 January 2018
- Records Management Policy sent to Provincial Archives for review & approval by EC Provincial Archivist and was approved on 29 April 2019
- Registry Procedure Manual was sent to Provincial Archives for review and approval, and it was approved on the 28 November 2017

❖ CENTRALIZATION OF RECORDS

OR Tambo DM records management section managed to centralize its documents by collecting records from Budget and Treasury Department, Corporate Services Department, Legislative Service Department, Office of the Municipal Manager, Office of the Executive Mayor, Internal Audit Department, Technical Services and Technical Services. Other Departments are still keeping records in their offices.

❖ CHALLENGES

- Archives building/ repository
- Insufficient space in the registry strong-room
- Provincial Archives delaying to co-ordinate awareness of Records Management to OR Tambo DM Councillors, Managers and staff

2.19.2 Human Resource Management (HRM)

It is about the coordination of recruitment and selection of the best human capital for the municipality at the right time at the right place, to help fast tracking the municipal service delivery with support staff. Ensuring that all employees are advised with benefits that are due to them such, leave, long-service bonuses.

The mandate is to coordinate the population of the organizational structure and compliance with recruitment and selection policy of the District Municipality. Ensuring that the municipality has support staff for all respective department of the District in respect to the areas of specialization. Compliance of the Collective agreement of SALGBC i.e. divisional condition of services.

The Recruitment and Selection activities add value to the Municipal objectives by supporting strategic objectives through recruitment and selection. The main aim of the section is to attract and retain the interest of suitably qualified applicants and project positive image of the Municipality.

❖ **Strategic objectives of HRM**

The strategic objective of HRM is to effectively and efficiently recruit and retain competent Human Capital for the District Municipality. HRM responds to the priority area of recruitment and selection.

❖ **Challenges**

Shortage of staff in the section (HRM), delays on recruitment and selection by the concerned department of the advertised vacancy and office of the Municipal Manager for approval. Shortage of tools of trade such delays in providing computer equipment and network connection.

❖ **Strengths**

Recruitment of qualified and experienced employees.

❖ **Weakness**

Lead-time. We lack in giving feedback as quickly as we should to employees such as problems on conditions of services.

❖ **ORGANOGRAM**

POSTS AS /ORGANOGRAM	FILLED	VACANT	VACANCY RATE	FEMALES	MALES	
Senior Management	12	0	0	6	6	
Below Senior Management	1249	1103	53%	506	743	
Total	1261	1103	53%	512	749	
Total Number Of Posts As Per Organogram	2352					

CORPORATE SERVICES POLICY

NAME OF POLICY	STATUS	DATE APPROVED
Recruitment & Selection Policy	Approved	27/06/2019
Cellphone Allowance Policy	Approved	27/06/2019
Car Allowance Policy	Approved/ but not Implemented	27/06/2019
Retention Policy	Approved	27/06/2019
Sexual Harassment Policy	Approved	27/06/2019
Training & Development Policy	Approved	27/06/2019
Experiential Training for Interns & Student Trainees	Approved	27/06/2019
Study Assistance/Bursary Policy	Approved	27/06/2019
Orientation And Induction Policy	Approved	27/06/2019
Employment Equity and Affirmative Action Policy	Approved	27/06/2019
Information Security Policy	Approved	27/06/2019
Overtime Policy	Approved	27/02/2019
Attendance & Punctuality Policy	Approved	12/10/2015
Acting Allowance Policy	Approved	12/10/2015
Code of Conduct Policy	Approved	12/10/2015
Termination of Service Policy	Approved	12/10/2015

Subsistence and Travelling Policy	Approved	12/10/2015
Integrated Employee/Employer Wellness Policy	Approved	12/10/2015
Whistle Blowing Policy	Approved	12/10/2015
Information And Communication Policy	Approved	12/10/2015
SALGA Job Evaluation Policy	Approved	2012
Incapacity : Due To Ill Health/Injury Policy	Approved	12/10/2015

2.19.3 Information and Communication Technology

The Information and Communication Technology (“ICT”) section at OR Tambo District with the main objective to manage the planning, development, evaluation, coordination, implementation and maintenance of enterprise wide Information Technology (IT) system initiatives that support organisation in meeting its strategic objectives and goals in service delivery to its employees and external stake holders. The Municipality must go through a major initiative with the intensions to enhance information and Communication Technology services that will be delivered to support its service delivery objectives. Information and Communication Technology (ICT) annual/ improvement plan provides a solid ICT Infrastructure provisioning platform of effective and efficient IT services to our clients (the employees and stakeholders). This platform focuses on Application Architecture, ICT Governance and Compliance, IT Infrastructure Management enhancement, ICT Services Management and Information Security in the OR Tambo District Municipality.

❖ ICT Legislative Guide

An important requirement of the Corporate Governance of ICT Policy Framework is compliance with applicable legislation. Key legislative sources that will influence the implementation of the Corporate Governance of ICT Policy Framework include:

- State IT Agency Act and Regulations (as amended).
- Electronic Communications Act, no 36 of 2005 (“the EC Act” or “the ECA”) and the Electronic Communications Transactions Act, no 25 of 2002 (“the ECT Act” or “ECTA”)
- the Promotion of Access to Information Act (PAIA)

❖ ICT Governance And Compliance Framework

ICT Governance governs how and who is responsible and accountable for ICT Governance in the council structure. The ICT Governance also provide the business with scalable, flexible and highly available infrastructure to increase flexibility of ICT, improve cost efficiency, power a higher speed network to market and increase customer satisfaction.

❖ Information And Communication Technology Policies

All Information and Communication Technology Policies have been adopted and approved by the council on the 27th day of July 2019. We are planning to conduct awareness campaigns on them in this third quarter of 2019/20 Financial year. The implementation is ongoing.

❖ Disaster Recovery Plan

The Disaster Recovery Plan (DRP) was developed and has been approved. The DRP Plan is on the implementation phase this financial year 2019/20 Financial year.

❖ Annual Action Plan

Information and Communication Technology section has developed an ICT Annual Plan for 2019/20 Financial year. The following projects are detailed on the ICT annual Plan as follows: Website design and development, upgrading of all OR Tambo District Municipality ICT network Infrastructure, ICT equipment procurement as 70 percent (%) of the machines has reached end of life and Electronic Records management System that is going to be implemented in 2019/2020 financial year.

❖ Application Architecture

Application Architecture is a structure map of how the systems of the Municipality are structured, designed as a solution to improve the environment for efficiency and effective running of the operations in the OR Tambo District Municipality (ORTDM). OR Tambo District Municipality has the following systems below that support strategic objective of the municipality: Solar Financial System, PAYDAY (payroll for salaries and Human Resources Management), CASHDRAWER (cash payment receipt), Office 365, MS PROJECT, MS VISIO, System Centre Endpoint Protection (antivirus), ACTIVE DIRECTORY (computer users database), FNB ONLINE (payments) and Telephone system network (PABX).

❖ IT Infrastructure Management

The network infrastructure internally is of sound quality, secured and standard. It connects from head office main office Myezo to seven (7) satellite offices via secured Virtual Private Network (VPN) which is upgraded to meet the requirements as to operate and run the business systems/applications. There is a lot of need to improvement still exists as problems such as inefficient, unreliable, inaccessible environment, poorly integrated and non-standard infrastructure in the municipality.

❖ ICT Service Management

The Information and Communication Technology manages end to end of the services like Contract Management, Incident Management and ICT Support services.

❖ Information Security

Information is an asset, it adds value to the organization and consequently requires suitable protection. Major threats that subsequently on the risk management portfolio are identified as:

- Lack of ICT Capacity (resources and skills) to cope with the additional responsibility of information security Management.
- Policies procedures and standards that are not adhere to.
- Lack of formal knowledge of critical information system
- Lack of formal ICT Incident plan and procedures.

❖ Planning and Maintenance

There must be continual benchmarking of local and metropolitan municipalities on innovations and best practices – as well as maximization on twinning agreements for knowledge exchange via ICT and services.

❖ SWOT Analysis

Weakness

- The current organizational structure is outdated in respect of the needs of the City.
- Fragmented ICT systems and weak ICT governance and data recovery impact on performance.
- Turnaround time in respect of responding to consumer queries.
- Lack of appropriate online e-governance systems.
- Insufficient integration of IT systems and workflow processes, to ensure smoother service delivery and reduce time lost through manual processes.

Strength

- There is a reliable internal network and dedicated Information and Communication Technology (ICT) support.
- ICT Improvement Plan initiated in order to address ICT delivery and skills shortage.

Opportunity

- Public-Private Partnership (PPP) process is under way to obtain external service provider to provide WIFI to all communities by means of broadband rollout.

- The use of technology to improve the accessibility of information and communication to all residents and stakeholders.

Threat

The ICT Unit is faced with a number of challenges that hamper the effectiveness on the service delivery of the Municipality.

- **Capacity Development:** ICT is faced with lack of capacity. IT is understaffed with so much responsibility it has on the shoulders.
- **Skill Development:** This one aspect contribute to challenges such as low staff morale, inadequate performance level, inaccuracy of information.
- **Network Infrastructure (Servers, And ICT Related Equipment):** The ICT infrastructure for the whole District has lot of bottlenecks that hamper the stability and the speed of the network therefore there is a greater need of the ORTDM network to be overhauled. There are many old laptops/desktops machines in the municipality network as the maximum life span is three (3) years.
- **Document Management System and Archiving:** Archiving and Document Management is regulated by the Promotion of Access to Information Act (PAIA) and National Archives and Record Services of South Africa and the Records Management Policy and Procedure manual and is such it deals with overall document management of the institution. There is impending need for proper document management has necessitated that the ORTDM must integrate its systems to ensure that there is compliance with relevant acts and that proper document the institutional information assets.

2.19.4 SAFETY AND SECURITY MANAGEMENT

The main purpose of safety and security is the safety protection of municipal employees, personnel, visitors, stakeholders, assets, facilities, municipal projects, events managements. Investigations of internal incidents etc. at Or Tambo District municipality and all Local municipalities.

❖ Strategic objectives of Safety and security

The strategic objective of safety and security effectively and efficiently safety and Security of District Municipality and all Local municipality that are under OR Tambo District Municipalities.

2.20 FINANCIAL VIABILITY AND MANAGEMENT

ORTDM is classified as a high-capacity municipality. This requires the municipality to be fully compliant with Generally Recognized Accounting Practice, MFMA compliance issues and all its related circulars and regulations. The institution has been operating with a fully funded budgeted as from 2011/12 financial to date. Annually, National Treasury (NT) invites the municipality for a benchmarking exercise as one of the non-delegated municipality, where NT analyses the funding and credibility of the budget.

The Budget and Treasury Office is mainly responsible for ensuring adherence to all these requirements. Due to the commitment and hard work of the team, the department has substantially ensured in all material effects, that the duties were carried out to ensure compliance with the relevant legislative framework. The financial management system is also a major limiting factor in terms of financial and management accounting procedures as well as information flow.

The Budget and Treasury Office focuses mainly on the following areas:

- budget preparation, implementation and reporting;
- revenue management;
- supply chain and asset Management;
- expenditure and liability management;
- financial management system support; and
- Financial accounting reporting and Treasury.

Below is a summary of what each focus area is responsible for, followed by the status quo and challenges.

2.20.1 Supply Chain Management

This divisions within BTO ensures efficient and effective logistics management and disposal management, built systems, processes, procedures and implement internal, management controls.

SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • SCM Policy reviewed in line with latest legislation and best practices and adopted by Council on the 30 May 2019 • CSD Regulations implemented fully. • Review and update of existing procurement templates, which have standardized the procurement process for quotations and tenders. • There is a procurement plan for capital projects which is the Project Implementation Plan 	<ul style="list-style-type: none"> • Partial implementation of the SCM Policy. • Disjointed committee system • Continuous processing of transaction that lead to irregular expenditure (non adherence to procurement plans as well as project implementation plans, deviations that do not meet the requirements of Regulation 36). • Lack of SLA for contracts entered to with preferred bidders. • Contract registers not updated regularly and they are not integrated or combined. • Lack of contract management in line with Section 116 of the MFMA (infrastructure projects that are way beyond planned completion periods without any consequence management). • The turnover rate for the procurement process is 90 days, which is a risk factor as some, exceed the expiry date and require to be re-advertised. • Lack of an automated database system that is linked to CSD and that automatically rotates suppliers of goods and services • Lack of systems to identify close family members before awards. • Lack of implementation of turnaround time frames for demand management • Slow process of filling of vacant posts within the SCM Section • The weakness regarding control and safekeeping of bid documents and SCM documents. • Procurement policy for infrastructure projects has not been adopted
Opportunities	Threats
<ul style="list-style-type: none"> • Appointment of service providers through term contracts for recurring expenditure items (rotation to be monitored). • SMME development and targeting through updated PPPFA Regulations. 	<ul style="list-style-type: none"> • Fiscal dumping from other government institutions • Withholding of grant funding

Remedial action for mitigating factors identified above:

- Conduct workshops for SCM policy with municipal officials.
- Implement consequence management in terms of Section 32 of MFMA.
- Strict adherence to the Cost containment regulation and approved policy.
- Procurement of an automated database system that will reduce the manipulation of SCM processes.

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- Provision of proper filling rooms and in collaboration with registry department for the provision of document filling.
- Full implementation of demand management turnaround timeframes.
- Regularly update the contract registers and integration.
- Automation of the demand management system or processes.
- Sign SLA's for all contracts to ensure awarded bidders are monitored properly.
- Council to approve budget only when HOD's submit their procurement plans with realistic PIP's.
- Workshopping of the policy to all stakeholders and implement thereafter.
- Management to review the use of Regulation 32.
- Establishment of contract management unit.
- The functionality of all infrastructure projects to be reviewed and a more efficient procurement strategy be adopted to assist the municipality in ensuring that it is able to attract sufficient service providers.
- Council to approve adhoc portfolio committee meetings between budget and treasury and infrastructure to discuss any bottlenecks on stalled projects and identify root causes to clear those soon
- As part of value add, periodically liaise with AG for the review of the procurement made in order to identify all companies that have close family members through their CAATS systems.
- Fast-tracking of the recruitment process for the filling of vacant posts.
- Introduce purchase requisitions control register for coding of transactions at entry point.
- Introduce Deviations Control Register.
- Introduce tender closing register books.
- Realignment of SCM staff with the SCM structure and SCM processes.
- Introduce bid committee Charters (these will serve as terms of reference for bid committees).
- Introduce Demand planning and expenditure committee (to drive the process of Procurement plans, Implementation and subsequent performance)
- Compulsory implementation of SCM Regulation 49.
- Introduce Threshold forms and checklists for all the transactions.
- Introduce Pre approved lists of accredited supplier.
- Compulsory implementation of PPPFA regulation 4 for all procurement

2.20.2 Financial Reporting and Financial Management System Support

This division with BTO ensures that the Venus Finance Modules are configured to support the accounting and financial system, provide continuous and effective training and support to users, operation of internal controls over all accounting processes, develop reports as required by management and implement appropriate application controls on all software used in accounting processing. It is also the link between the finance and ICT Departments and develops systems required for financial reporting and implementation and customisation of software as and when required.

There is a project to upgrade the Financial Management System in order to be compatible with the requirements of MSCOA. This project will be the update of Venus to SOLAR as well as the roll-out of the MSCOA compliant financial modules.

Status Quo

- The municipality has compiled and submitted Section 71 and 52d Reports
- The municipality has compiled and submitted Section 72 and Yearly Reports.
- Annual financial statements are prepared internally and the institution is not dependent on service providers for the function.
- Slow process of filling of vacant posts within the Treasury Section.
- Limited of understanding of mSCOA budgeting by managers / officials.
- mSCOA committees and implementation plans have been adopted, however, they are not fully functional, as a result issues relating to mSCOA are referred to the BTO, instead of being integrated throughout the institution.
- Limited understanding of SOLAR system resulting in over reliance to the service provider

2.20.3 Revenue Management

This division is responsible for revenue management and identifying sources of new revenue.

Status Quo

- Data cleansing project was finalized on the 30th June 2019 in order to correct the data. Billing system is based on the new data information
- The municipality has a billing system in place. The municipality has a new system for meter reading which will be utilized by March 2020.
- In cleansing data, there was a write-off of bad debt amounting to R382million due to abnormal leakages, incorrect billing (billing of indigent households)
- On average, collection rate for the municipality is 55%. The municipality has sourced the services of a debt collector to improve the collection rate.
- The outsourced services of the debt collector is anticipated to have a positive impact on reducing the debtor's book.
- Mthatha region is the most viable base for billing and collection. Other towns have infrastructure challenges; hence, there is a minimal revenue base.
- Tenders continue to exceed the expiry date due to delays in the procurement processes from specification to awarding, which compromises spending, resulting in decreased VAT refunds.
- Vat refunds are prepared internally with lesser audits from SARS

2.20.4 Free Basic Services

This division deals with the indigent households located in urban areas for billing purposes. The municipality has developed an urban-based free basic services register. It has not been integrated with the LM registers.

2.20.5 Asset Management

This division deals with the management of all municipal assets (movable and immovable). It also deals with insurance cover of all municipal assets.

Status quo

- Asset register of the municipality is GRAP compliant; and
- All municipal assets are fully insured.

SWOT Analysis

Strengths	Weaknesses
Asset Management & Fleet Management Policies reviewed in line with latest legislation and best practices and adopted by Council on the 30 May 2019.	<ul style="list-style-type: none"> • Lack of control with regards to the management of fleet. • Inadequate controls with regards to the logistical management (inventory management). • Decentralised stores • Non-adherence to HR policy relating to travel allowances by persons entitled to subsidy. • No consequence management to all those who abuse the municipal fleet. • Non-adherence to provisions of Section 78 of the MFMA with regards to municipal assets

Remedial action for mitigating factors identified above:

- All HOD's to take responsibility of all fleet allocated to their departments and ensure that qualified and permanently appointed staff operate vehicles.
- Infrastructure department to develop a proper O&M plan to assist the inventory staff to procure only relevant stock.
- Centralise all the stores material and only keep only limited inventory off site to ensure that there is no material loss due to pilferages.

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- All persons entitled to motor vehicle subsidy to be restricted from operating municipal fleet.
- Reported cases of abuse of municipal fleets to be processed fully through the normal disciplinary processes and transgressors charged.
- Management to take responsibility for assets within their departments.
- HOD's to be requested to sign for all the assets under their control and be held responsible for any losses and missing assets.

CHAPTER 3 - DEVELOPMENTAL PLANS

3.1.1. INTRODUCTION

One of the critical components of an Integrated Development Plan is to develop strategies which must be aligned with the national and provincial sectoral plans and planning requirements binding on the municipality in terms of legislation.

This chapter therefore highlights some of the critical development strategies adopted by the OR Tambo Municipality. These strategies seek to address the developmental constraints highlighted in the situational analysis chapter. They guide the institution and its departments on sector specific issues to ensure long term sustainable growth and development.

3.1.2. DISTRICT DEVELOPMENT PLAN (DDP) – VISION 2030

The District developed its long-term vision called the “District Development Plan (DDP) Vision 2030”. The 2030 O.R. Tambo District Development Plan (DDP) is a living document/ plan that encapsulates the desires, hopes, Aspirations and dreams of our communities. The institution thus remains committed to full and successful implementation of the plan and consequently the realization of the vision. The DDP was adopted and launched in November 2017 and its aims to:

- Articulate the development priorities of the District between 2017-2030 & beyond
- Prioritise and fast-track the realisation of various National & Provincial Policies (NDP, PDP, Eastern Cape Infrastructure Plan, & Eastern Cape Provincial Economic Development Plan)
- Embrace a host of current and planned major developments/initiatives in the District
- Build on and complement the OR Tambo DM IDP (2017 – 2022)

The District established a Project Steering Committee that is responsible for monitoring the implementation of the plan. The District ensures that its Integrated Development Plan is aligned to the DDP 2030 pillars. On an annual basis this plan gives tune to the review of the District Integrated Development Plan.

District Development Plan 5 Catalytic Programmes & Projects

DCP 1: District entities repositioned to drive Inclusive Economic Development (including Ntinga OR Tambo Development Agency, PSJ Development Agency and Kei Fresh)

DCP 2: Transformed Land Ownership, Development and Land Management

DCP 3: Agricultural Revitalization in the District

DCP 4: ICT enabled Socio Economic Development

DCP 5: Optimized Management of Water Services (resources and services)

3.1.3. SPATIAL DEVELOPMENT FRAMEWORK

The district Spatial Development Framework outlines the desired spatial development of the district area, as contemplated in Section 25(e) of the Municipal Systems Act (Act 32, 2000). It also highlights priority investment and development areas, and will therefore serve as a guide to decision-makers and investors. It should be emphasised that the SDF is an integral component of the IDP and translates this plan into its spatial implications to provide broad, overall development guidelines. This tool must therefore not be used in isolation, but must support decision-making within the context of the IDP and District-wide Development Strategy.

The SDF should furthermore not be interpreted as a blueprint aimed at managing physical development, but rather as a framework giving strategic guidance in respect of the location and nature of anticipated future

development in the O.R. Tambo District. Desired patterns of land use are indicated, although room still exists for interpretation and further refinement. The SDF is development orientated to allow for growth and changing circumstances and to promote investor confidence. The SDF is aligned with and does not conflict with other development strategies nationally, provincially and regionally. But most importantly, the SDF endeavours to attain the millennium development goals (MDGs) through public investment in public goods and facilities where there is underdevelopment or development is non-existent.

Legislative Requirements

SDF is developed in terms of Section(e) of the Municipal Systems Act, 2000 (Act No. 32 of 2000). SDF is also developed in compliance of Chapter 4, Section 20 to 21 of the Spatial Planning and Land Use Management Act, No. 16 of 2013 (SPLUMA) The SDF must give effect to Development Principles as contained in Chapter 2 of SPLUMA. Those development principles are as follows:

- Principles of spatial justice;
- Principles of sustainability;
- Principles of efficiency;
- Principles of spatial resilience; and
- Principles of good administration.

Nodes and activity corridors

Chapter 8 of the National Development Plan focuses on the country's spatial planning system, and therefore requires that all municipal and provincial SDFs are translated into "spatial contracts" that are binding across national, provincial and local governments. The current planning system should actively support the development of plans that cross the municipal and even provincial boundaries, and every municipality should have an explicit spatial restructuring strategy which must include the identification of priority precincts of spatial restructuring. Therefore the District SDF proposes a number of Nodes and Corridors which are meant to address socio-economic issues of the District with a focus on sustainable economic growth and employment opportunities.

Nodes

The nodes are defined as follows:

- District Centre (DC): These are high order centres providing educational facilities, administrative functions and highest level of access to shopping and social services in the district. Mthatha is the only primary node in the district
- Sub-District Centre (S-DC): These are towns identified as having important local and district level development functions relating to commerce and tourism. Lusikisiki and Port St. Johns are the secondary nodes of the district.
- Local Centre (LC): These towns are seen as lower order service centres where goods and services can be accessed by the local residents and residents of surrounding rural settlement areas. Qumbu, Tsolo, Libode, Ngqeleni, Mqanduli and Flagstaff fall within this category.
- Sub-Local Centre (SLC): These are rural villages where higher order rural-level services are prioritized Tabase, Majola, Zincuka, Gwadana, Bolotwa, Nqadu, Baziya, Kwaaiman, Mvezo, Qolokweni, Nkoso, Mthontsana, Mpeko, Mqhekezweni, Mbotyi, Msikaba are under this category.
- First Order Coastal Nodes: these are settlements where the principal function has been identified as being related to the development of a viable and sustainable Coastal Tourism sector. Coffee Bay, Umtata Mouth, Port St Johns are identified as the first order coastal nodes.
- Second Order Coastal Nodes: these are settlements where it has been identified as being related to the development of a viable and sustainable Coastal Tourism sector. Msikaba, Mbotyi, Umngazi Mouth,

Mngazana, Sinangwana, Presley Bay, Lwandile, Hole in the Wall are identified as the second order coastal nodes.

Corridors

Corridors are defined as follows:

- Primary corridor (PC): High-density development on sections of this corridor. The main mobility route of goods and people through the district. East London/Mthatha–Kokstad N2, Railway Corridor are the primary corridors identified in the District.
- Mobility routes (MB): these routes carry passing traffic and provide access between local areas in the district and centres further afield. N2, R61, Ugie-Langeni Road, R394 and proposed N2 Toll Road are the mobility routes within the district.
- Special Routes-Tourism Focus (SP-TF): these relate to tourism destinations and links between tourism nodes and main mobility routes. Wild Coast Meander, Thunga Thunga Route, Mandela Route, R394-Mthatha via Mqanduli towards the coast fall under this category.

3.1.4. LOCAL ECONOMIC DEVELOPMENT STRATEGY

The ORTDM is classified as a Category C2 municipality, indicating a largely rural character with a low urbanisation rate, as well as limited municipal staff and budget capacity. All local municipalities falling under the ORTDM, with the exception of King Sabata Dalindyebo, are classified as Category B4 (rural, mainly subsistence) reflecting limited institutional capacity and areas characterised by small centres, limited SMMEs and market opportunities, as well as dependence on public support and LED activities that are principally at the level of the small project.

Legislative Requirements

According to the Section 83 (3) of the Municipal Structures Act, a district municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by:

- Ensuring integrated development planning for the district as a whole;
- Promoting bulk infrastructural development and services for the district as a whole;
- Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
- Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

Level of Services for LED Development

The King Sabata Dalindyebo, which includes the district's administrative and economic centre of Mthatha, accounts for the greatest contribution to GDP (59.26%) and to formal employment opportunities (52.35%) within the ORTDM. The economy of the ORTDM is largely driven by the tertiary sector, a sector dominated by community services (National Census 2011). The community services consist of public administration (14.3%), education (23.4%), health and social work (9.2 %), and other community services (4.6 %). The trade sector at 18.5% is the second largest contributor to the economic activity. This is not an ideal economic reality, as for a strong economy to be achieved and sustained, a strong primary sector (comprising agriculture, manufacturing, and other production types) must dominate.

Transport

Road transport is the most used form of transport for commercial and passenger interests. It is thus a priority that this form of transport be optimized in this ability to foster LED benefits to the district. Ongoing maintenance of existing roads is crucial as this influences the future costs of rehabilitation. Similarly, provision of new roads is essential in its role of promoting and attracting investment within and into the region. Railways are an alternate means to transport people and goods that may have positive cost savings for participants in the O.R. Tambo. It is important that linkages to the Kei railway be fully explored and built upon. Air transport can serve the district positively by attracting tourist visitors to the area. A fully functional airport with several operational routes also raises the business profile of the district, and improve perceptions of the region. An Integrated Transport Plan is in place for the district. Gaps that have been identified within the district must be addressed as a matter of urgency.

Water Services

The district has a distinct advantage of being a region with substantial water resources. The district lies within the Umzimvubu, Keiskamma Water Management Area and the Mvoti-Umzimvubu Water Management Area. These are catchment areas with excess runoff of water, which means development of these water resources is possible. Adequate and reliable provision of water is a key form of economic and social infrastructure. Predictability in the quantity and quality of water supplied assists business in planning and influences the overall business climate. Furthermore, provision of sanitation services has implications on the health and welfare of communities, which in turn affects worker productivity. Abstraction and reticulation of water resources in the district to advance economic and social objectives is thus a priority for the district's infrastructure provision functions.

Electricity and Communication

Provision of electricity allows basic strides in the development arena such as the ability to operate businesses after the sun sets, reduced crime, and the ability to introduce automation into business processes. Similarly, the ability to effectively communicate allows wider market access, faster turn-around times for business transactions and an effectively lower cost of doing business in an area. The provision of electricity and communication services is thus imperative in improving the business environment of O.R. Tambo for not only residents of the area, but business operators as well. Such arguments must not be neglected when justifying the high capital investments required for the provision of these services.

CLIMATE

Agricultural specialists advise that a minimum precipitation level of 500mm summer rainfall is required for dry-land cropping. The exceptionally high levels of rainfall in O.R. Tambo allow rain-fed crop production. This is a major advantage for the district, as it means that most of the areas do not require costly irrigation schemes. The temperature profile gives rise to frost-free conditions in the winter, which allow a broader range of plants to be farmed. The climatic conditions of the district thus give the region a distinct advantage in the areas of agriculture and forestry development. The even distribution of rainfall and good weather mean that agriculture and forestry are thus possible in a large part of the district. This allows agriculture to emerge as a rural-based livelihoods provider, when coupled with necessary institutional and infrastructural requirements.

Implementation of the Strategy

The following programs have been achieved:

- MEC signed off Local & Regional Economic Development (LRED Policy in 2018 to support business in the following 6 sector: agro-processing; tourism; manufacturing; automotive; oceans economy and renewable energy.
- Two calls for proposals were issued to potential applicants

- Focus on financial and non-financial business support;
- Financial support through LRED funding R6,067,816 million Sectors funded manufacturing; tourism; agro-processing and Consumer protection

Table 11: District Development Opportunities

OPPORTUNITY	DESCRIPTION
SMME development	The O.R. Tambo economy is characterised by a significant amount of informal activity that transcends sectoral classifications. If this informal activity may be regulated and formalised, the dichotomy between the first and second economies in the district may diminish. This can best be done through prioritized promotion of and support to SMMEs in the district. Examples of activities that could be undertaken by SMMEs include beekeeping, internet cafes and recycling initiatives. Remittances from migrant workers that have relocated to other regions may be used to drive investment in this regard.
Research driven development	Linkages with research institutions such as WSU, TRASLO and ECATU may be explored and utilised as an avenue for development. Research into the role of traditional medications, community based conservancy, alternate energy sources, sustainable villages and other such research topics may provide opportunities for significant economic development in the region. This will spur innovation in production methods and technologies used in the district.
Retail developments	A significant amount of income leakage occurs in the retail sector as a result of the low level of development in this sector. Small shopping centres that target the needs of the district's emerging middle class, whilst facilitating local enterprise growth will reduce the amount of retail-spend that is lost to areas such as Margate, Port Shepstone and Kokstad.
Residential development	The residential property market in the district has a shortage of available capacity. Residential development that is targeted at municipal employees, with concomitant financing mechanisms will play a multi-faceted role of supporting the construction industry, reducing the housing backlog and allowing for a reduction in municipal vacancy rates linked to lack of suitable accommodation.
Institutional strengthening	Institutional training and local government capacitation is an opportunity that applies to the LED arena. This would involve strengthening of relations and working arrangements between different LED stakeholders.
Trade and Investment Promotion & Attraction	Trade & Investment promotion consists of image building and investment generation. The dynamics of each of these elements are often complex and require a focused, targeted, and innovative approach in order to effectively attract investment
Trade & Investment Development, Retention & Expansion	Create an environment conducive to business growth and investment promotion not hampered by many challenges including institutional, regulatory, managerial
Skills Development	Support the development of local skills and encourage the transfer of skills within the district

OPPORTUNITY	DESCRIPTION
Infrastructure Development, Access to land, & Spatial Development	The provision of infrastructure (including bulk services) and access to land are also fundamental in creating an enabling environment for investment.

3.1.5. OCEANS ECONOMY

The Republic of South Africa (South Africa) has made great strides in the last two decades-and-a-half towards the systematic introduction and establishment of key policy frameworks aimed at protecting coastal ecosystems while ensuring the realization of economic growth opportunities offered by its coastline. The ORTDM is located to the east of the Eastern Cape Province, along the Indian Ocean coastline. The ORTDM is one of six district municipalities in this province. To the north, it is bordered by the Alfred Nzo District Municipality, to the northwest by the Joe Gqabi District Municipality, to the west by the Chris Hani District Municipality, and to the southwest by the Amathole District Municipality. All five local municipalities of ORTDM, barring Mhlontlo, are bordered by the coast, endowing the entire district with a shoreline length of approximately 148km, and Port St Johns boasting the longest shoreline in the district – approximately 55km.

Legislative Requirement

- 1) **National Environmental Management:** Integrated Coastal Management Act, No. 24 of 2008 (ICM Act), and as amended, which is a policy statement for the management of its coastal zone in an integrated manner. Part 3 of Chapter 6 of the ICM Act requires of municipalities to develop Municipal Coastal Management Programmes (MCMP). Sections 48 and 49 of the ICM Act provide clear instructions and guidance as to: (a) the process for the preparation, adoption and amendment of the MCMP; and (b) the content of each MCMP. A Coastal Management Programme (CMP) is a coherent policy directive for the management of the coastal zone.
- 2) **Integrated Coastal Management Act:** Section 49 of the ICM Act stipulates that a municipal CMP must: a) be a coherent municipal policy directive for the management of the coastal zone within the jurisdiction of the municipality; and b) Align with the national and provincial CMPs, as well as with the National Estuarine Management Protocol.

Therefore, the purpose of the ORTDM CMP draws from the two ICM Act specifications listed above, and sets out to act as an overarching policy statement for the management of the coastal zone within the jurisdiction of the ORTDM, thereby empowering the municipality with an important and useful tool for coastal management, which will be sensitive to the specific needs of the district, and will be in tune with the broader planning processes of the district municipality.

Situational Analysis

The ORTDM falls within a section of the coast of the Eastern Cape Province known as the Wild Coast (as mentioned in previous section). The Wild Coast stretches 250km from the Kei River in the south, to the Mtamvuma River in the north. The name “Wild Coast” speaks to the ruggedness of the coastline, with a shoreline characterized by a diversity of shore types (sandy beaches, rocky shores), shoreline features (deep narrow gorges, waterfalls) and biomes (grasslands, coastal forests, dune thicket, mangroves, dune fynbos).

Implementation of the Strategy

It has been recently reported that up to 47% of marine and coastal habitat types are threatened, with 17%, 7% and 23% being critically endangered, endangered and vulnerable, respectively (Sink et al 2012). The Eastern Cape is globally recognised for its high biodiversity value and scenic beauty, especially its marine and coastal habitats. For instance, it has the highest biome diversity of any province, with no less than seven biomes: forest,

fynbos, Nama Karoo, savanna, succulent Karoo and thicket (Berliner et al 2007). It is therefore critical that spatial planning interventions are implemented in order to ensure the protection of the natural environment in this region, while still promoting responsible coastal development. It follows that there are provincial level, overarching planning tools that have a direct impact on how local authorities conduct their spatial planning in relation to the coastal zone.

Strategic Projects

- Small Crafts Harbour;
- Small fishing, storage and processing (Aquaculture);
- Property and Commercial development (Waterfront and/or Beachfront Development);
- Tourism; and
- Small town revitalisation

Table 12: Planned Oceans Economic Projects

SMALL HARBOURS DEVELOPMENT	
PROJECT NAME	LOCAL MUNICIPALITY
Port St Johns Harbour	Port St Johns Municipality
Coffee Bay small harbour craft	King Sabata Dalindyebo Municipality
Port Grovenor Small Craft Harbour	Ingquza Hill Municipality
SMALL FISHING, STORAGE AND PROCESSING (AQUACULTURE)	
Mdumbi Cray Fish Farm and Mthakatye Live Fish Tanks	Nyandeni Municipality
Coffee Bay Fishing Industry	King Sabata Municipality
Port St Johns Aquaculture Developments	Port St Johns Municipality
SMALL TOWN REVITALISATION	
Coffee Bay new town	King Sabata Dalindyebo Municipality
Mthatha Mouth small new town	Nyandeni Municipality
Port St Johns revitalisation	Port St Johns Municipality
TOURISM DEVELOPMENT	
Mdumbi Green Destination Tourism Facilities	Nyandeni Municipality- Mdumbi River Mouth
Visitor Information Office and Wild Coast Hiking Trail	Port St Johns to Coffee Bay (PSJ, Nyandeni & KSD)
Mthatha River Mouth Boat Bay and recreational facilities	Nyandeni Municipality
PROPERTY AND COMMERCIAL DEVELOPMENT (WATER FRONT AND/OR BEACH FRONT DEVELOPMENT)	
Port St Johns waterfront & 2nd Beach Tidal Pool	Port St Johns Local Municipality
Coffee Bay World class properties	King Sabata Dalindyebo LM

3.1.6. HOUSING SECTOR PLAN

The ORTDM has a total population size of approximately 1.4 million, of which 96.1% are isiXhosa speakers. Compared to other district municipalities within the Province of the Eastern Cape, and not including metropolitan municipalities, the ORTDM is the most densely populated district. ORTDM occupies only 9.52% of Provincial land, making it the most densely populated district, at around 108 people/km²— second only to the Buffalo City Metropolitan Municipality. Despite its great population size, it still contributes poorly to the Eastern Cape’s GDP.

Akin to its neighbouring districts in this Eastern Cape region, most of the land is either government-owned (national and local), or falls under a tribal authority. Legal forms of land tenure in the district include: freehold (mainly concentrated in the urban centres or townships, certain shops in rural areas, providing security to the owner), Permission-To-Occupy (mainly in the rural owners where there is no right of ownership), leasehold and grazing rights on commonage.

Legislative Requirement

The Housing Act No. 107 of 1997, provides guidance on the general principles applicable to housing development in all spheres of government. It also defines the functions of national, provincial and local governments in respect of housing development and provides for financial arrangements for housing development. The Act also creates the provision for all spheres of government to give priority to the needs of the poor in respect of housing development. The Human Settlements programmes and functional areas are informed by the constitutional and legislative mandate as discussed in Chapter 2 of the Constitution. The National Development Plan: Vision 2030 (NDP) provides direction for meaningful change that leads to a national democratic society. The strategy focuses on integrated planning, prioritisation, and implementation.

The municipality has developed housing and settlement guidelines in order to assist Local Municipalities on making decisions on the optimal arrangement of settlements based on the concepts of the settlement hierarchy policy as described in the SDF. (The comprehensive Settlement Planning and Housing Development Guidelines document is available from the municipality upon request). In essence the housing and settlement guidelines give substance to the settlement hierarchy policy in terms of interventions required in the spatial management of settlements in order to address current development scenarios.

Situational Analysis

The average size of a household in the O.R. Tambo District municipality is 4.6 people. Housing is predominantly located in scattered rural settlements, with the majority of households in the district living in traditional dwellings. According to the Community Survey 2016, 43.4% of households occupied formal dwellings in 2011, and by 2016, this had grown to 43.6%. At the same time, while 54.3% of households in the district were living in traditional dwellings in 2011, this had decreased to 54.2% by 2016. The table below shows the housing situation in 2016.

Table 13: Type of Dwellings in the five Local Municipalities

MUNICIPALITIES	TRADITIONAL DWELLINGS %	FORMAL DWELLINGS %	INFORMAL DWELLINGS %	OTHER DWELLINGS %
Ingquza	57	40	1.2	1.8
Nyandeni	62.1	36.8	0.4	0.6
PSJ	62.2	36.9	0.7	0.1
Mhlonlto	54.7	41.5	2.9	0.8
KSD	45.9	51.8	1.3	1.0

Other dwellings include rental accommodation on privately owned and state-owned property like ECDC Flats. Other accommodation is provided by private institutions like WSU for its own staff and government flats that

provide accommodation for persons working in the public sector. There are many individuals providing accommodation for persons working in private organisations in the ORT region.

3.1.7. WATER SERVICES DEVELOPMENT PLAN (WSDP)

Water is critical to our economy, environment and our communities. A healthy environment and safe, affordable and reliable water services are essential for people, jobs and a thriving economy. The district is mandated by legislative prescripts to prepare water services development plans to ensure effective, efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development.

Legal Requirements

Section 13 of the Water Services Act (Act 108 of 1997) makes it compulsory for every Water Services Authority (WSA) to compile a Water Services Development Plan (WSDP). The “Regulations relating to Compulsory National Standards and Measures to Conserve Water”, as published in terms of sections 9 (1) and 73 (1) (j), requires that a WSA must:

- include a water services audit in its annual report on the implementation of its WSDP as required in terms of section 18(1) of the Act
- include details for the previous financial year and if available, comparative figures for the preceding two financial years, of the quantity of water services provided the levels of services rendered cost recovery meter installation and meter testing water quality sampling programme water conservation and demand management

Situational Analysis

Under the Municipal Structures Act (No 117 of 1998), O.R. Tambo District municipality was appointed as the Water Services Authority (WSA) and in this capacity inherited the powers and functions of both the Water Service Authority and the Water Service Provider (WSP). Under these expanded responsibilities, the Water Service Authority has a duty to all consumers, or potential consumers, in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water and sanitation services.

To achieve this, the Water Services Authority must take a leading role in planning:

- Service Level Objectives
- Water Resources
- Water Conservation and Demand Management
- Bulk Infrastructure
- Institutional Arrangements
- Organisational Support
- Financial Management & Tariff Policy

In general terms, as a WSA, the district municipality must focus on establishing services provider capacity and bringing basic services to consumers in their areas. The Water Services Development Plan (WSDP) is a key tool in achieving this objective. The WSDP also feeds information into the Integrated Development Plan (IDP), which is the annual multi-sectoral plan of the municipality.

The municipality has produced the following versions of its Water Services Development Plan since it was designated as a Water Services Authority in 2004:

Table 14: Water Services Development Plan Document History

Description	Date Approved:
Water Services Development Plan 2013	June 2013
Water Services Development Plan 2015	June 2015
Water Services Development Plan 2017-22	May 2018

As the Water Services Authority, OR Tambo District Municipality is responsible for complying with regulatory reporting and planning legislation in a number of areas. Further to the WSDP, the municipality has developed water services related policies listed below:

Table 15: Water and Sanitation Policies applicable in 2019/2020

Policy Description	Date of effective policy	Status
Free Basic Services Policy	June 2017	Approved
Indigent policy	June 2017	Approved
Water use policy	June 2017	Approved
Water Conservation and Demand Management Policy		Under review
Water & Sanitation By-laws	2003	Under review
Development Charge Policy	2016/2017	Approved
Customer Care Policy	2016/2017	Still in draft

3.1.8. WATER SERVICE LEVELS AND WATER REQUIREMENTS

ORTDM has only one major dam, namely Mthatha Dam with a 1 in 50year yield of 145,5million m³/a. There are also four small dams serving different parts of the district namely Corana, Mabeleni, Mhlanga and Magwa with a combined capacity of 6.84 million m³. The rest of the population is served from stand-alone schemes through boreholes, springs and rivers.

The district municipality has mixed forms of water services provided:

- Formal, high level of service (adequate)
- Informal, temporary level of service including water tankers (inadequate)
- Informal, below basic RDP level of service (inadequate)
- No services (inadequate)

The extent of the water supply backlog within the O R Tambo District Municipality is 28,2 % with the majority of the households that still have no access to any water supply infrastructure. The majority of the backlogs reside within Port St Johns LM (52%) and Ingquza Hill LM (62%) respectively.

Table 16: ORTDM Water Security

	O.R. Tambo	King Sabata Dalindyebo	King Mhlontlo	Ngquza Hill	Nyandeni	Port St Johns
Groundwater (No. of BH with yield >5ℓ/s)	27	10	11	4	1	1
Surface water (No. of dams)	6	1	1	0	3	1
Water Demand (Mℓ/Day)						
2015	135.85	66.13	16.64	19.79	21.78	11.52
2020	174.35	78.51	19.86	29.39	30.21	16.38
2025	214.26	91.36	23.19	39.38	38.93	21.41
2030	229.32	97.55	23.54	43.14	41.96	23.13
2035	243.81	103.72	23.72	46.81	44.80	24.75

Water Conservation and Demand Management

The municipality currently does not have Water Conservation and Demand Management Strategy so to be able to have holistic approach in dealing with water losses and unaccounted water challenges. However, OR Tambo has initiated to processes to ensure that the water loss and uncounted water is monitored are:

- Determination of water loses
- Implementation of Water Meter Replacement Programme
- Status of Bulk Water Meters

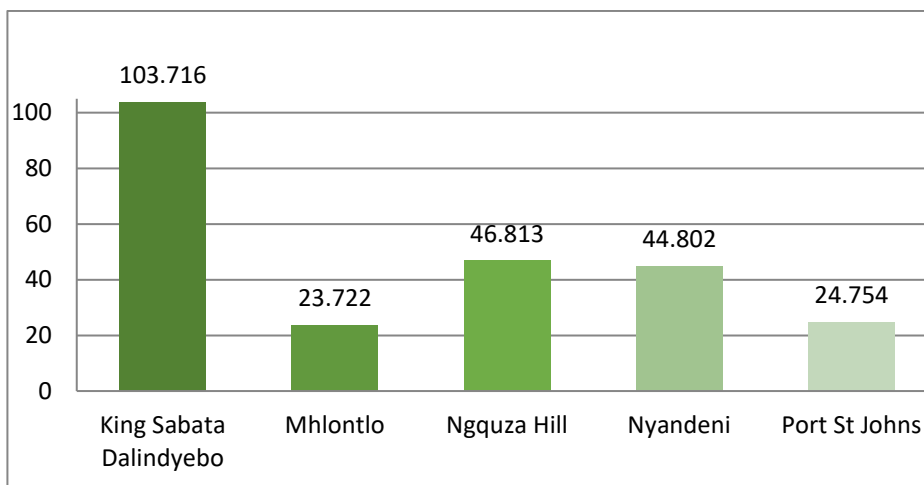


Figure 11: Water Demand for 2035 per Local Municipality

Status of Bulk Water Meters

The current status of bulk water meters has been recently verified by the Response Team with the intension to attend to the recommendations.

Associated Services

The water and sanitation levels of service for education and health facilities are indicated in this section. It is however, the responsibility of the Department of Education to apply for services for educational facilities where there are no water or sanitation services present. The Department of Basic Education (DBE), through its program Accelerated Schools Infrastructure Delivery Initiative (ASIDI) has the objective to eradicate the basic safety norms backlog in schools without water, sanitation and electricity and to replace those schools constructed from inappropriate material.

It is also the responsibility of the Department of Health to apply for services for health facilities where there are no services. Eastern Cape Province has 992 health facilities that are made up of 164 non-fixed, 721 fixed clinics and 41 Community Health Centres whilst the hospitals are 66 (ECDOH Annual Performance Plan 2015/16). The associated services for OR Tambo District Municipality are as follows:

- 182 health facilities made up of 11 mobiles,
- 135 fixed clinics,
- 10 Community Health Centres,
- 9 district hospitals,
- Regional hospitals,
- 1 tertiary hospital,
- 1 Orthopaedic hospital and
- Victim Empowerment Centres,
- private health facilities made up of 2 private hospitals and 3 non-medical sites,
- 1 EMS main base in Mthatha and 7 satellite stations that have been distributed throughout the District.

This makes up 18.3% of the total health facilities in the Eastern Cape. The majority of the hospitals in the District Municipality are generally in the rural areas with only 2 out of 12 hospitals that are in the urban area. Only 4 out of 145 Primary Health Care facilities are in the urban area whilst 141 are in the rural area.

3.1.9. INTEGRATED WASTE MANAGEMENT PLAN

The National Environmental Management: Waste Act (No 59 of 2008) asserts the roles of both national and provincial government in waste management. National governments competence to legislate is established in line with section 44 of the Constitution on the grounds of the need to maintain essential national standards, establish uniform norms and standards, and to promote and give effect to the right to an environment that is not harmful to health and well-being. The Act establishes a national framework for waste planning, regulation and management with roles for all spheres of government, specifically:

National government is tasked with establishing a national waste management strategy, including norms, standards and targets. National norms and standards may cover all aspects of the waste value chain, from planning to service delivery. Of particular importance from an intergovernmental perspective are the powers of national government with respect to norms and standards for:

Regionalization of Waste Management Services

Tariffs for waste services provided by municipalities, including providing for tariffs to be imposed to provide for waste management infrastructure or facilities and ensuring that funds obtained from the provision of waste services are used for the delivery of these services.

Provincial governments are tasked with the implementation of the national waste management strategy and national norms and standards, and may set additional, complementary provincial norms and standards. The Waste Act notes that these norms and standards —must amongst other things facilitate and advance regionalization of waste management services.

Local governments are required to ensure the universal and sustainable delivery of services, subject to national and provincial regulation. In particular, they are required to maintain separate financial statements, including a balance sheet of the services provided.

Waste Transfer Stations and Materials Recovery Facilities

The approach to waste transfer is one that combines both waste transfer and material recovery thereby reducing waste to landfill, while increasing potential for recycling, job creation and economic empowerment.

The following options for waste transfer and materials recovery may be explored:

- 1) Transfer Station can be defined as a facility at which solid waste is transferred from one solid waste vehicle to another solid waste vehicle for transportation to another waste handling facility either a recycling centre, waste treatment facility or a waste deposal site (landfill site). This definition does not allow for any recovery of materials from the incoming waste stream, therefore a transfer station may not perform any material recovery operations.
- 2) Material Recovery Facility (MRF) is defined as a solid waste facility, such as a transfer station, which is designed and operated to process non-hazardous general waste by utilizing manual and/or mechanical methods to separate useful materials from the incoming waste stream for recycling i.e. return to the economic mainstream for use as raw materials or products. This facility allows for the non-recyclable materials to be transferred from this facility to other facilities either for recycling, treatment, or disposal.

The need and choice of waste transfer station or material recovery facility must be should be justified, for example by demonstrating that it will:

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- Reduce costs for transportation of waste
- Increase resource recovery
- Reduce the amount of waste disposed to landfill
- Improve transport efficiencies of refuse and recovered resources
- Restrict access to operating landfill sites
- Reduce the number of landfills operating in the region
- Provide a safe environment that is supervised or controlled by suitably trained staff.
- Increased Service Delivery
- Job Creation and economic empowerment

Based on the Status Quo Analysis, and Goals and Objectives for waste management within OR Tambo DM, this IWMP proposes that Material Recovery Facilities (MRF), be established and developed to form an integral part of the Waste Management System within the District. Although this IWMP stops short of a detailed feasibility assessment that should be undertaken by a professional waste management expert in consultation with the relevant Local Municipalities' and other stakeholders in Waste Management. In the IWMP, a preliminary identification of potential suitable areas for Material Recovery Facilities has been done. This preliminary identification has considered existing and planned waste management facilities, the level of service expected by the local community, potential resource recovery increases, State and regional waste management programs and targets, and broad economic impacts.

The proposed alternatives are as follows:

- Rural Areas and Coastal Resorts: Coastal Areas and Resorts like Coffee Bay, the logic behind this is to limit waste disposal by landfill within the sensitive coastal belt of the Wild Coast. Waste from these areas can be collected, compacted at the Waste Transfer Stations, and transported using larger compactor vehicles.
- Small Towns: Waste from smaller towns and rural areas such as Libode, Qumbu and Lusikisiki could be handled by Small to Medium sized Material Recovery Facilities (MRF) depending on the size of waste stream and Waste from these areas can be collected, compacted and transported using larger compactor vehicles to a Large regional Transfer Station to be located in a more central location. The Local facilities can be run as manual stations with limited automation or mechanization in order to create employment and can also be run by local municipalities.
- Large Urban Centre (Mthatha): A Large Regional Materials Recovery Facilities (MRF) is proposed for Mthatha, which is the largest and most urban centre within the District and region. This facility can be fed by received waste from the Local MRFs, and recyclable materials from this facility can easily be sent off to ready markets in the cities such as East London, Durban and Port Elizabeth. Mthatha is suitable for this primarily because of its central location, level of urbanization, readily available power supply, water supply and road access especially since it is located along the proposed N2 Toll Road. The Regional MRF should ideally be operated by a specialized waste recycling entity such as Buyisa-e-bag or waste contractor in order for the system to be run efficiently and profitably. The Regional MRF should be fairly mechanized and automated in order for it to handle large volumes of waste efficiently.

Table 17: GIS Analysis of Waste Transfer Stations

3.1.10. ENVIRONMENTAL MANAGEMENT PLAN

An Environmental Management Plan (EMP) is aimed at contributing to a healthy environment by ensuring that urgent environmental issues are adequately addressed and that proposed projects have no negative impact on the natural environment. The purpose of the EMP is to provide a Municipality with a decision support tool to evaluate its outcomes in terms of its environmental implications. An Environmental Management Plan (EMP) is defined as a plan which organizes and coordinates mitigation, rehabilitation and monitor measures in order to guide the implementation of the proposal. Philosophy that prescribes a code of practice for ensuring that environmental considerations are fully integrated into all stages of the development and decision making process.

The IEM philosophy (and principles) is interpreted as applying to the planning, assessment, implementation and management of any proposal (project, plan, programme or policy) or activity – at local, national and international level – that has a potentially significant effect on the environment. Implementation of this philosophy relies on the selection and application of appropriate tools for a particular proposal or activity. These may include environmental assessment tools (such as strategic environmental assessment and risk assessment), environmental management tools (such as monitoring, auditing and reporting) and decision-making tools (such as multi-criteria decision support systems or advisory councils).

Legal Requirements

- 1) The Constitution of South Africa (1996): Section 24 recognises not only that everyone has a right to an environment that is not harmful to our health or well-being, but it also recognises the notion of sustainable development and its supporting principles.
- 2) National Environmental Management Act (Act no 107 of 1989) : National Environmental Management Act, 1998 (NEMA) gives legislative effect to the principles of the Constitution and the White Paper on a National Environmental Policy. NEMA also creates the institutions and procedures needed for cooperative governance and integration between spheres of government for environmental management. The Act also imposes a number of duties on the various spheres of government in terms of environmental management, including local government. Municipalities are mandated by NEMA to develop and implement EMP. The Act further defines the concept of sustainability, to ensure that any social or economic development will take place in such a way as to preserve the Environment for present and future generations and it also takes into account the pollution principles.

Situational Analysis

Despite O.R Tambo being seen as having a potential in Agriculture and Tourism within the province, but a number of threats to the environment can be identified within the area of Jurisdiction, including:

- Destruction of indigenous forests;
- Uncontrolled settlement on valuable agricultural soils and sensitive coastal habitats;
- Spread of invasive alien plants;
- Poor solid waste management;
- Inadequate application of Integrated Environmental Management procedures; and
- Over-use of intertidal and marine resources.

Table 18: Environmental Management Plan Action Plan

THEME	RESPONSIBLE
Water monitoring: rivers and wetlands	Water services, Environmental
Waste water effluent monitoring	Water services
Monitoring of terrestrial and aquatic biodiversity	Water services, Environmental
Urban edge delineation	Spatial planning
Identification, delineation and planning of key natural resources	Spatial planning, Environmental
Monitoring programme for reporting on compliance	Environmental
Conservation planning	Spatial planning, LED, Environmental

3.1.11. AIR QUALITY MANAGEMENT PLAN

Air Quality Management Plan (AQMP) is the policy directive that seeks provide mechanism for management the status of air in a given locality. This Plan seeks to identify and reduce the negative impacts on human health and on the environment; through vigorous implementation, The Air Quality Management Plan should efficiently and effectively drive activities that bring air quality in the District Municipality into sustainable compliance with National, Provincial and Local air quality standards within agreed timeframes. Municipalities are required to include an AQMP as part of its Integrated Development Plan. The AQA makes provision for the setting of ambient air quality standards and emission limits on National level, which provides a means evaluating air quality.

Legislative Requirements

According to Section 156(1) of the Constitution, a municipality has the executive authority in respect of, and has the right to, administer the local government matters (listed in Part B of Schedule 4 and Part B of Schedule 5) that deal with air pollution. Section 156(2) makes provision for a municipality to make and administer by-laws for the effective administration of any matters which it has the right to administer as long as it does not conflict with national or provincial legislation. The Municipal Systems Act as read with the Municipal Financial Management Act requires municipalities to budget for and provide proper atmospheric environmental services.

The National Environmental Management: Air Quality Act 39 of 2004 (AQA) requires Municipalities to introduce Air Quality Management Plans (AQMP) that set out what will be done to achieve the prescribed air quality standards. Air pollution management is the Constitutional responsibility of local government, and municipalities are the primary interface between the public and government around air pollution management. In terms of the Municipal Structures Act, the responsibility for integrated development planning, which includes the development of air quality management plans, lies with district municipalities. Municipalities influence air quality governance through the introduction of by-laws, which are legally enforceable within the municipality's jurisdiction. The main objective of the Air Quality Act is the protection of the environment and human health, in a sustainable (economic, social and ecological) development framework, through reasonable measures.

Key focuses in respect of air quality management:

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- Addressing climate change;
- The transfer of authority to and capacity development of district municipalities that have been identified as having poor or potentially poor air quality;
- Continuing and escalating compliance monitoring and enforcement activities by EMI's in the municipal sphere;
- Ensuring that all municipalities with poor or potentially poor air quality have prepared air quality management plans;
- Implementing priority area air quality management plans;
- Improving municipal air quality monitoring facilities and capacity; and
- The creation of sufficient municipal capacity through the training of municipal officials in atmospheric emission licensing and the designation of municipal air pollution control officers.

Municipality roles and responsibilities in relation to Air Quality Management;

- Designate a municipal AQO from its administration.
- Develop an AQMP for inclusion in its Integrated Development Plan (IDP) in accordance with Chapter 5 of the Municipal Systems Act.
- Prepare an annual report including progress regarding the implementation of the AQMP and compliance with the plan.
- Perform Atmospheric Emission licensing
- Develop implement emission reduction strategies
- Establish ambient emission standards and emission inventory
- Monitor adherence to the emission standards and record exceedance for reporting
- Report progress on implementation of AQMP to the provincial AQO.

3.1.12. DISASTER AND RISK MANAGEMENT FRAMEWORK PLAN

This plan fulfils the legal requirement as set out in the Disaster Management Act and the Policy Framework for Disaster Management in South Africa and confirms the arrangements for managing disaster risk and for preparing for and responding to disasters within the O.R. Tambo District municipality. The Disaster Management Act, 2002, mandates each province as well as each district and metropolitan municipality, in terms of sections 28 and 42 to “establish and implement a framework for Disaster Risk Management (DRM) aimed at ensuring an integrated and uniform approach to DRM” in its jurisdiction by all provincial and municipal organs of state, etc. The ORTDM is in a process of developing a new Disaster Management Plan, an external service provider has been appointed to compile the plan, because of the extensive research that needs to be conducted the plan will unfortunately not be adopted in May 2020 with the IDP.

Disaster Management Centre

The focal point of all efforts in disaster risk management lies in the Disaster Management Centre. The centre is required to fulfil numerous important disaster risk management functions; namely planning, resource management, reporting etc. The O.R. Tambo District Municipality shall entirely execute, facilitate and promote an integrated, coordinated and uniform approach to the disaster management continuum (prevention, mitigation and recovery) in its area of jurisdiction. This disaster management approach involves and will take into cognizance of national, provincial and municipal organs of state, statutory functionaries, private sector, communities and other role players involved in disaster management.

Disaster Management Advisory Forum

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The O.R. Tambo District Municipality has established and has a fully functional Disaster Advisory Forum as per the requirements of the ct. This is a body in which the municipality and other disaster management role-players consult one another and coordinate their actions on matters relating to disaster management within the area of jurisdiction of the municipality. At least the following persons/organizations serve on the above forum:

- Head of District Disaster Management Centre;
- Representatives of line function departments in the municipality;
- Traditional leaders;
- Councillors responsible for disaster management;
- Non-Governmental Organizations (NGOs);
- Community Based Organizations (CBOs);
- Private Sector E.g. Chamber of Business; and
- Institutions that can provide scientific and technological advice

The roles and functions of the Disaster Management Advisory Forum can be summarized as follow:

- To be the point of coordination for all the role players;
- To facilitate cooperation amongst disaster management role-players;
- To develop the capacity and understating about disaster management amongst the key role- players;
- To develop resources sharing arrangements around financing including the delivery of emergency services and responding to emergencies or disasters;
- To report to key-stakeholders including the municipal council, district municipality, provincial and national government of matters of disaster management.

The structure of the Disaster Management Plan is also explained and linked to the Key Performance Areas and Enablers of the Policy Framework for Disaster Management in the District, also known as the OR Tambo Disaster Risk Management Policy Framework (ORT DRMPF).

Addresses requirements for the establishment of integrated institutional capacity for Disaster Risk Management within the O.R. Tambo District. The plan outlines the institutional capacity required for effective Disaster Risk Management, which includes the establishment of a District Disaster Risk Management Advisory Forum, Technical Committees and a Disaster Risk Management Centre, which should incorporate a 24-hour emergency control and communications facility (CCC).

The risk profile of the District is provided based on the disaster risk assessment conducted between October and December 2013 in all five local municipalities of O.R. Tambo District Municipality. The high risks identified within the District include: human disease, hydro meteorological hazards such as severe storms, drought and flooding, fire hazards, civil unrest (crime), road transportation hazards and infrastructure/service delivery failure.

The plan addresses Disaster Risk Reduction strategies to reduce those risks identified in the previous chapter. Disaster Risk Reduction project proposals have been formulated for priority risks and a risk reduction process is described in the beginning of the chapter. These proposals will remain guidelines which will need to be adapted to the specific prevailing circumstances when they are put into use.

Response and recovery issues are highlighted. Preparedness plans for priority risks are introduced and the preparedness capacity of the District is described which leads to the identification of certain gaps and recommendations. Subsequently, an Any-Hazard Response procedure is presented that form the basis of response to all major incidents and disasters. Additional hazard-specific contingency plans are listed after which the declaration of a state of disaster and disaster classification is discussed. The chapter concludes with the identification of additional gaps and recommendations. The remaining chapters contain arrangements for the review and maintenance of the plan, a summary of the plan, as well as several annexures including contact details and additional descriptions of corporate responsibilities for Disaster Management.

This plan must be implemented as a working guideline by all municipal departments and entities for Disaster Risk Management in the district. In summary, several sections of the plan contain implementation actions that are required to ensure the effective implementation of this Plan. The most important of these are summarized below:

- A 24-hour Communication Control Centre (Disaster Operations Centre/Central Communication Centre) must be established to monitor emergency and essential services' communications and early warning

information systems and identify developing emergencies and disasters so that appropriate response can be activated during major incidents and disasters;

- The municipality must institute the compulsory consideration of Disaster Management in the planning and execution stages of all IDP projects. This will ensure the integration of Disaster Management into the IDP, and will ensure that all plans and projects are focused on contributing to Disaster Risk Reduction and Disaster Preparedness – thus reducing the impact of disasters on lives, property, community activities, the economy and the environment in the district municipality;
- The municipality must maintain a Disaster Management Advisory structure, whether this is a separate formally constituted Advisory Forum as discussed in the OR Tambo Disaster Risk Management Policy Framework, or another suitable body that fulfils the role of Advisory Forum;
- The O.R. Tambo Municipal Council must adopt a formal policy for the declaration of a local state of disaster. Such a policy will replace this section of the plan, which provides a general description of issues surrounding the declaration of a state of disaster;
- The municipality must regularly review and update its Plan, as required by Section 48 of the Disaster Management Act, No. 57 of 2002. O.R. Tambo Disaster Risk Management Centre is responsible for the review of the municipal Disaster Risk Management Plan on an annual basis and must provide guidance to municipal departments, Ntinga O.R. Tambo and Local Municipalities in the area of the district.

3.1.13. INTEGRATED TRANSPORT PLAN

The Constitution of the Republic of South Africa Act, 1993 (Act 200 of 1993) replaced by the Act of 1996 (Act 108 of 1996), states that the Department of Transport (DOT) is responsible for maximizing the contribution of transport to the economic and social development goals of society by providing fully integrated transport operations and infrastructure.

The National Land Transport Act No. 5 of 2009 (NLTA) stipulate that all district municipalities must develop the District Integrated Transport Plans. Generally, a DITP is considered as the mechanism by which an authority can plan to, develop, manage, integrate and promote public transport. More specifically, section 26(1) of the NLTTA states that a DITP must be prepared with a view to determining and specifying the public transport services, provided in terms of the matters listed in sections 23(3)(a) and (b) of the Act. The latter refer to:

- All the scheduled and unscheduled services that are operated in the area concerned, as well as the public transport services; operating across the boundaries of neighbouring authorities; and all the facilities and infrastructure currently being developed, or already utilized.

O. R. Tambo District Municipality (ORTDM) has two of the extensively used road networks in the Eastern Cape Province. These roads are used by formal and informal transport operators including mini bus taxis, buses, LDVs and animals drawn carts. Since the development of the last District Integrated Transport Plan (DITP), many aspects of public transport in the district have changed. The changes that occur are being attributed to fast growing population and economic opportunities presented by the district. These change therefore require a review of existing situation including public transport in order to align the demand to the offer.

The NDP acknowledges transport as an enabler of getting South Africa to work. It states that the ultimate goal to be achieved by 2030 is a situation whereby the transport system supports economic development, job creation and growth while providing equitable access to opportunities, services and reducing poverty. It further indicates that more emphasis should be placed on the total system and efficiency to maximize the strength of different modes. It suggests that public transport and non-motorised modes may foster a different culture i.e. social interaction, health practices and street-level movement resulting in a sense of place as well as social inclusion that the country needs. It further indicates that in areas such as Ingquza Hill, where people have settled in isolated rural settlement which are far away from economic opportunities the aim should be to focus on basic needs which include access roads and schedule public transport services to ensure access to public health care and other service points, however subsidized services should be limited to such places.

Situational Analysis

The review of Integrated Transport Plans prepared by local municipalities within the jurisdiction of the ORT District Municipality suggested the following:

- Ingquza Hill: The majority of roads within the municipality are district roads and are poorly maintained. These roads are characterised by potholes, water pooling and cracks; lack of drainage system etc. Most of the access roads are made of gravel and lack basic road sign and road markings. Basic infrastructure such as loading and off-loading facilities for passengers and goods are lacking, hence creating congestion and threat to passengers' life.
- King Sabata Dalindyebo: Although KSD is striving to ensure adequate public transport for the public, the main concerns remain the condition of the roads (despite some upgrade that have been observed), congestion, lack of adequate infrastructure and spurious maintenance. Some areas are still lacking proper access roads, and where these are available, they are not accommodating for certain types of vehicular.
- Mhlontlo: The ITP highlights a number of challenges pertaining the public transport. These include the general poor condition and lack of maintenance of all roads, poor access to areas, facilities and services of the municipality and traffic safety.
- Nyandeni: While some of improvements are being observed, the LITP highlight a number of challenges faced by commuters and transport operators. A number of proposals for improvement are being suggested and some of these are being implemented.
- Port St Johns: Despite effort by local authorities to implement a number of strategies related to public transport, PSJ LM is facing a number of challenges including the upgrade and maintenance of roads, and the provision of adequate public transport infrastructure that respond commuters' needs.

Challenges of Transportation

Although ORTDM is striving to provide better public transport services, many challenges are hampering this vision. Further to the transport operators and commuters satisfaction, another survey was conducted to document the main transport problems and their related causes.

Infrastructure: these issues are those related to the provision, availability and condition of public transport infrastructure. In terms of provision, the investigation looked at whether the infrastructure required was provided where needed;

Public transport services: problems are mainly related to organisation and coordination of public transport activities including traveling time, schedule, crowd management etc.

Safety, security and law enforcement: relate to the way commuters and operators are feeling when using a public transport;

Awareness and promotion: relate to the issues of traffic education and promotion of alternative transport modes to alleviate congestion and overcrowding; and

Planning and administration: refer to the problems faced by transport operators to obtain license and way the transport portfolio (at LM and DM levels) manage public transport in general.

CHAPTER 4: DEVELOPMENT STRATEGIES AND PERFORMANCE MANAGEMENT FRAMEWORK – INSTITUTIONAL SCORECARD

4.1 INTRODUCTION

This Chapter provides a summary on how performance management is implemented within the ORTDM.

The Local Government: Municipal Systems Act No. 32 of 2000 as amended, requires municipalities to:

- establish and develop a performance management system;
- monitor and review the performance management system;
- set appropriate key performance indicators and measurable targets;
- establish a process of regular reporting;
- involve the community in the development, implementation and review of the performance management system;
- include general key performance indicators prescribed by the Minister;
- make performance indicators and targets known internally and to the general public;
- ensure that results are audited; and
- prepare an annual performance report.

The performance management system adopted by ORTDM supports the statutory requirements set out in accordance with this Act and various applicable legislation and as set out in the National Treasury directives and standards.

4.2 LEGISLATIVE FRAMEWORK

At local government level, performance management is established through the legislative requirements on the performance management process for local government. The following section sets out the principle legislative policy instruments and related requirements implicit for the establishment of a PMS at South African municipalities.

a) The White Paper on Local Government (1998)

The White paper on Local Government proposes a process for the development of a PMS for local government. It further suggests ways in which municipalities can engage citizens and community groups in the affairs of the municipality.

b) Batho Pele White Paper (1998)

The White Paper on Transforming Public Service Delivery (Batho Pele) puts forward eight principles for good public service that should be encapsulated in a municipal PMS, namely:

Consultation: Citizens should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services that are provided;

Service standards: Citizens should know what standard of service to expect;

Access: All citizens should have equal access to the services to which they are entitled;

Courtesy: Citizens should be treated with courtesy and consideration;

Information: Citizens should be given full and accurate information about the public services they are entitled to receive;

Openness and transparency: Citizens should know how departments are run, how resources are spent, and who is in charge of particular services;

Redress: If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response; and

Value-for-money: Public services should be provided economically and efficiently in order to give citizens the best possible value-for-money.

The Batho Pele White Paper (1998) notes that the development of a service-oriented culture requires the active participation of the wider community.

c) The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)

According to this Act, Municipal Councils must strive within its capacity to achieve the objectives set out in section 152 of the Constitution. In this regard, Municipal Councils must annually review-

- The needs of the community;
- Its priorities to meet those needs;
- Its processes for involving the community;
- Its organisational and delivery mechanisms for meeting the needs of the community; and
- Its overall performance in achieving the objectives referred to in subsection 4 of this document.

The Municipal Council must further develop mechanisms to consult the community and community organisation in performing its functions and exercising its powers.

d) The Constitution of the Republic of South Africa, 1996

The Constitution (1996), Section 152, dealing with the objects of local government, paves the way for performance management with the requirement for an “accountable government”.

The values and principles in terms of Section 195(1) of the constitution (1996) are also linked with the concept of performance management, with reference to the principles of, inter alia, the promotion of efficient, economic and effective use of resources, accountable public administration, to be transparent by providing accessible and accurate information, to be responsive to the needs of the community, and to maximise human potential.

e) The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

Chapter 6 of the MSA deals with performance management. The Act requires municipalities to:

- Develop a performance management system (s.39);
- Monitor and review the PMS (s.40)
- Set appropriate key performance indicators with measureable targets (s.41).
- Include community involvement (s.42)
- Report (s.46) and
- Audit (s.45) of all performance measures.

f) Municipal Planning and Performance Management Regulations (2001)

The Municipal Planning and Performance Management Regulations (No 796, 24 August 2001) set out in detail requirements for municipal Performance Management Systems. Each component of the proposed framework in this document is strongly informed by these Regulations.

The Regulations deal with provisions for the following aspects of the Performance Management System:

- The framework that describes and represents the municipality’s cycle and processes for the Performance Management System and other criteria and stipulations, and the adoption of the Performance Management System;
- The setting and review of Key Performance Indicators (KPI’s);
- The seven (7) General KPI’s
- The setting of performance targets, and the monitoring, measurement and review of performance;
- Internal Auditing of performance measurements; and
- Community participation in respect of performance management.

g) The Municipal Financial Management Act, 2003 (Act 56 of 2003)

The Municipal Finance Management Act (MFMA) contains various important provisions related to municipal performance management. It requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP). The MFMA further requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the SDBIP.

h) Regulations for Municipal Managers and Manager directly reporting to Municipal Managers (2006)

These regulations describe the process of how the performance of municipal managers and managers directly reporting to the Municipal Manager will be uniformly directed and monitored. They address the job description, employment contract, as well as the performance agreement that is to be entered into between respective municipalities, municipal managers and managers directly accountable to municipal managers.

i) Framework for Managing Programme Performance Information (2007)

This Framework aims to enhance knowledge of performance information in the public sector. It is also the intention of this framework to improve structures, systems and processes required to manage performance information.

j) The King III Report

The King Report on Corporate Governance for South Africa has been developed in an attempt to keep standards of governance applicable in South Africa current with changing circumstances, both internationally and at national level. In its third issue, King III (2009) broadened the scope of corporate governance with its core philosophy revolving around leadership, sustainability and corporate citizenship.

Some of the requirements introduced by King III include:

- The need for an annual integrated report that focuses on the impact of the institution in the economic, environmental and social spheres;
- A statement by the audit committee to the board and shareholders on the effectiveness of internal financial controls to be included in the integrated report;
- The consideration of the strategic role of IT and its importance from a governance perspective;
- The positioning of internal audit as a strategic function that conducts a risk-based internal audit and provides a written assessment of the institution's system of internal control, including internal financial controls; and
- The governance of risk through formal risk management processes.

k) Regulations on Appointment and Conditions of Employment of Senior Managers (2014)

These regulations repeal certain regulations of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Government Gazette No. 29089 of 1 August 2006.

The focus is on the appointment of senior managers, which is a component of individual performance management.

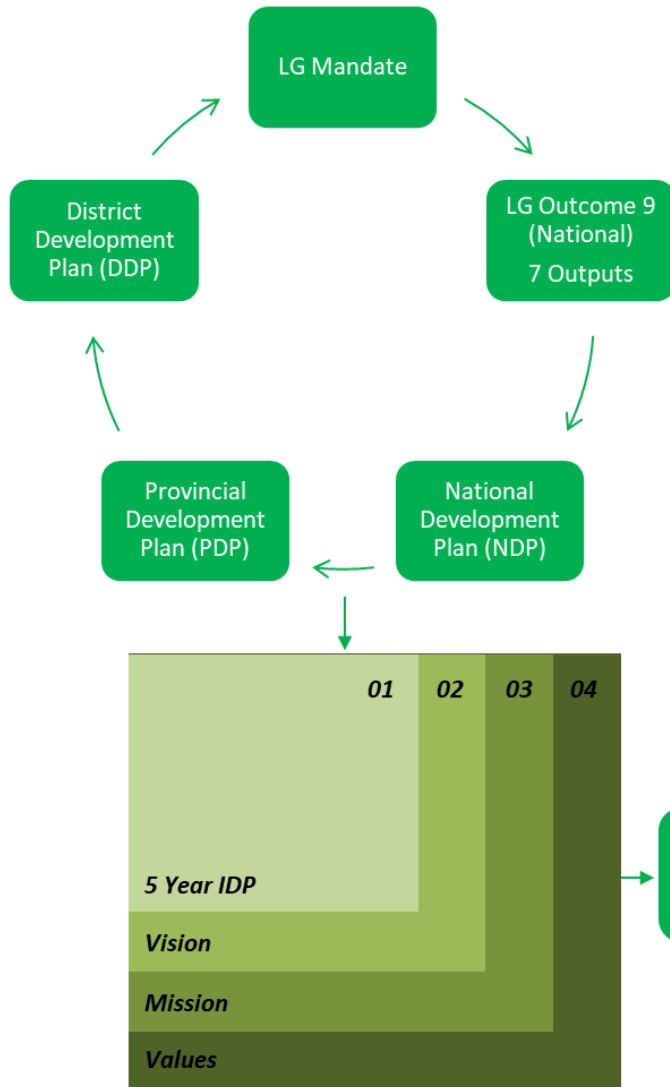
Annexure A, of the regulations provides a competency framework and describes the leading and core competencies applicable to senior managers.

4.3 PERFORMANCE MANAGEMENT MODEL

A performance management model can be defined as the grouping together of performance indicators into logical categories or groups (often called perspectives), as a means to enhance the ability of an organisation (municipality) to manage and analyse its performance. The model provides a common framework for measuring and managing performance using a balanced set of measures that represent an all-inclusive and

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integrated assessment of the municipality. ORTDM makes use of the Key Performance area (KPA) model (see diagram below) as it is easily understood and the aligned to district, provincial and national objectives are made possible



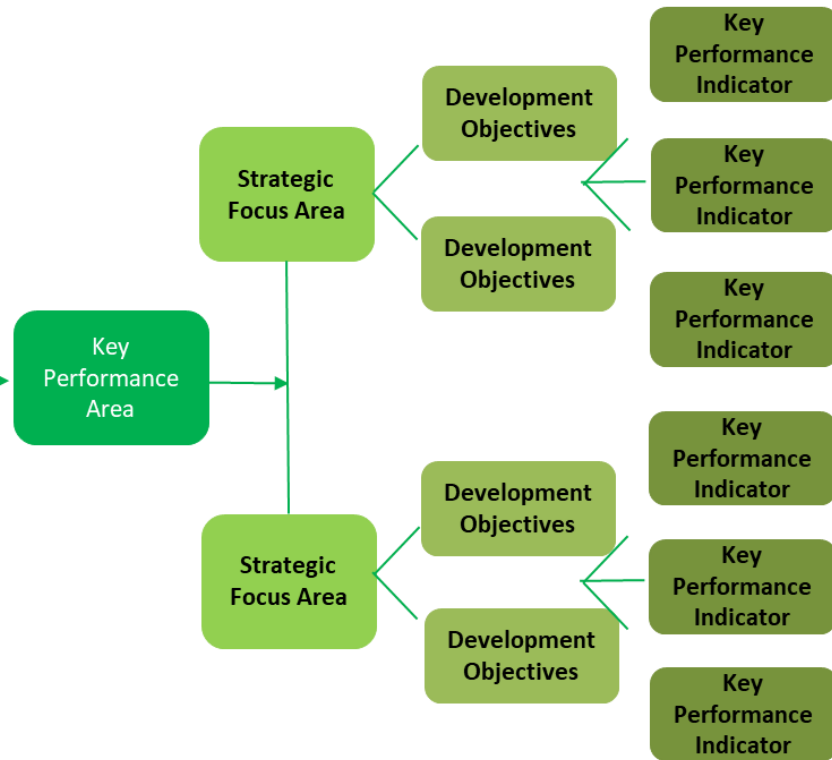
The KPA Model

The strategic objectives of the municipality flow from its constitutional mandate, community priorities and national and provincial objectives.

Each KPA split into Key Focus Areas (KFA's) which form a logical category for performance indicators.

Key Advantages

- Easy to understand
- Direct alignment to IDP through KPAs
- Based on National Local Government KPA's



4.4 COMPONENTS OF THE PERFORMANCE MANAGEMENT SYSTEM

4.4.1 Strategic Implementation

A Municipality must measure its success in achieving the strategic objectives of the municipality through the implementation of the IDP. This is known as the implementation of strategy and therefore it measures municipal performance at the strategic level. It informs the municipality of what it is doing, the right things to produce, the desired outcome or impact through its operational actions to achieve its vision. It focuses on measuring the on-going and long-term operations of the municipality, linked with its annual operational plan i.e. the Service Delivery Budget Implementation Plan (SDBIP).

The SDBIP is a management, implementation and monitoring tool which guides the Administration on the commitments made in the IDP.

In addition, the SDBIP details activities relating to programmes within the municipality regarding the what, where, by whom and when activities will be performed.

4.4.2 Monitoring & Evaluation

Monitoring and Evaluation is a continuous process of measuring, assessing, analysing and evaluating performance information. Monitoring and evaluations aims to achieve the following:

- Tracks the progress of a project in terms of inputs, activities and outputs against the pre-determined plans.
- To demonstrate that the programmes efforts have had a measurable impact on the expected outcomes and have been implemented effectively.
- Assists managers, planners, implementers, policy makers and donors to acquire the information and understanding they need to make informed decisions about programme operations.
- It also helps with identifying the most valuable and efficient use of resources.
- It is essential for developing objective conclusions regarding the extent to which programmes can be judged as a success or failure.

The ORTDM implements monitoring and evaluation partially as the focus is still on measuring, assessment and analysis of programmes.

4.4.3 Institutional Performance

Institutional performance reporting serves as a mechanism to ensure that the ORTDM adheres to the statutory and compliance requirements that promote corporate governance. In this regard, the ORTDM engages on the compliance reporting process by following the quarterly, in-year and annual reporting process in line with the legislative framework. Key to this process is the compliance with the regulated timelines and observing the performance information standards and requirements. In the main, this component of the performance management system responds to and expresses the accountability and transparency obligations of the municipality to all its stakeholders which amongst others include the general public, provincial and national government and external oversight bodies (Office of the Auditor General, National Treasury etc.). The main operations in this regard include:

- Continuous implementation of clear guidelines and standards, customised controls and protocols for managing performance information;
- Implementation of change management activities in the form of sensitisation workshops or information sessions and tailored training interventions to influence the right discipline and culture as key success factors for the maturity of the performance management system; and
- Report writing and distribution.

4.4.4 Operational Service Delivery

It is important that the council and management have access to the appropriate information for considering and making timeous interventions to uphold or improve the capacity of its delivery systems relating to the functional services they are rendering.

The performance of the ***municipality as a service delivery mechanism*** is fundamentally determined by factors enabling it to perform its Constitutional and functional statutory mandates. It is important that causal and contributory factors for performance excellence at the municipality be measured to determine performance gaps timeously with the objective to respond with appropriate remedial interventions.

4.4.5 Status of Performance Management Committee

The ORTDM Council in 2010 took a decision to dissolve the Performance Audit Committee. Since the Municipality has been operating without a Performance Audit Committee. In 2016 the Council took a decision to include in the Audit Committee a specialist on performance management.

On a quarterly basis, the Audit Committee reviews the municipal performance.

4.4.6 Individual Performance

Individual Performance Management deals with performance on the level of the individual employee. Individual performance targets are also formulated during the business planning process. Employee performance provides council and management with appropriate information on the behaviour of staff and outcomes in the workplace. Reviewing staff performance at regular intervals will provide the council and management with appropriate information and performance gaps or excellence.

The ORTDM at the moment has not fully implemented its PMS Policy/Framework as the individual performance management is implemented only at the level of section 54 and 56 managers. However, even at this level individual performance management is not implemented as it should be as legislated and as per the approved policy/framework. Section 54 and 56 managers sign performance agreements. The management of the municipality took a decision to start informal individual evaluation during the 2018/19 financial year. At the moment, the municipality is working towards the establishment of the evaluation panel for the 2018/19 annual and 2019/20 mid-year evaluations.

4.5 STATUS OF PERFORMANCE MANAGEMENT AT ORTDM

The performance management system in ORTDM is driven by a Performance Management Policy/Framework that was developed and adopted by the Council together with the Budget related policies in May 2017. This policy/framework provides an overarching framework for managing performance in the ORTDM. Strategically, the performance management system used by the ORTDM focuses on supporting the realisation of the Municipality's development objectives, the achievement of predetermined results and promoting compliance with the statutory requirements.

The ORTDM has continued to inculcate a culture of performance management and accountability, through various instruments such as trainings and workshops. The municipality has developed a performance management systems specific to departmental functions in order to assist departments to realize their mandates.

The performance of the municipality is monitored on the pursuit of targets set and departments are advised on contingency plans and acceleration where the need arises. Performance Systems of the municipality has matured enough to be able to flag mal performance and come up with remedial strategies in order to achieve set targets.

Through the use of reporting templates, the municipality facilitates reporting on a quarterly, bi-annually and annual basis in order to validate institutional performance. Accountability within departments is instilled through encouraging the sitting of monthly departmental meetings to decipher on SDBIP indicators and targets. This, the municipality, utilizes as an information sharing session to not only track departmental performance but to create a sense of validity on SDBIP indicators and targets.

The municipality has firmly instilled performance within top management by enforcing accountability which is validated during performance evaluations as conducted by the Municipal Manager. Performance evaluations are the instrument by which the institution will introduce performance appraisals as performance gradually improves.

4.6 PRIORITY AREAS AND STRATEGIC OBJECTIVES LINKED TO NATIONAL, PROVINCIAL AND DISTRICT OUTCOMES AND PRIORITY AREAS

The table overleaf provides further detail as to how the five KPA's and seven Goals, have been translated into key priority areas. Strategic Objectives have been developed to address all priority areas and explain what the ORTDM wants to achieve over the medium term. ORTDM has numerous strategies and plans which provide further detail as to how these objectives will be realised.

ORTDM presents in the same Chapter, details of how its organisational Goals and Strategic Objectives will address Priority Issues through the tracking of progress via Key Performance Indicators and Targets. Project Information aligned to this Chapter, can be found in Chapter 6. Section 25 (1) (e) of the Municipal Systems Act states that an IDP adopted by a Municipal Council must be aligned with national and provincial development plans in terms of the relevant legislation. The synergy, alignment and coordination between the various development plans and strategic imperatives of the three spheres of government (i.e. IDP, PDP, NSDP, National Outcomes Approach, etc.) is imperative in order to achieve coordination and alignment of development initiatives within the district. **Table 80** indicates the alignment of ORTDM Goals and Strategic Objectives to national, provincial and district priorities and outcomes.

Table 19: Priority Areas and Strategic Objectives Linked to Provincial and National Outcomes

Key Performance Area (KPA)	Municipal Goal	Priority Area	Strategic Objective	DDP 2030 Strategic Pillars/Fundamental Planks	Strategy	Provincial Development Plans' Goal	Integrated Urban Development Framework	IUDF Code	National Development Plan's Goal	National Outcomes	MTSF Codes	Back to Basics
										(MTSF)		
Basic Service Delivery and Infrastructure	To promote integrated sustainable community livelihoods	Social Development	1. To improve the well-being of vulnerable groups and general welfare of O.R Tambo communities	Human Development	Early Childhood Development Strategy	An educated, empowered, and innovative citizenry	Growth	3	Improving education, training and innovation	Inclusive and responsive social protection system	13	Put people and their concerns first
Basic Service Delivery and Infrastructure	To promote integrated sustainable community livelihoods	Children and Education	1. To improve the well-being of vulnerable groups and general welfare of O.R Tambo communities	Human Development	Human Development & Social Cohesion Strategy	An educated, empowered, and innovative citizenry	Growth	3	Improving education, training and innovation	Quality basic education	13	Put people and their concerns first
Basic Service Delivery and Infrastructure	To promote integrated sustainable community livelihoods	Livelihood Improvement and Greater Household Transformation	1. To improve the well-being of vulnerable groups and general welfare of O.R Tambo communities	Human Development	Human Development & Social Cohesion Strategy	An educated, empowered, and innovative citizenry	Growth	3	Improving education, training and innovation	Nation building and social cohesion	14	Put people and their concerns first
Basic Service Delivery and Infrastructure	To promote integrated sustainable community livelihoods	Community Safety	2. To provide support in the reduction of crime in the District on an annual basis	Human Development	District Crime prevention Strategy	An educated, empowered, and innovative citizenry	Growth	3	Build safer communities	All people in South Africa are protected and feel safe	3	Put people and their concerns first

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Key Performance Area (KPA)	Municipal Goal	Priority Area	Strategic Objective	DDP 2030 Strategic Pillars/Fundamental Planks	Strategy	Provincial Development Plans' Goal	Integrated Urban Development Framework	IUDF Code	National Development Plan's Goal	National Outcomes	MTSF Codes	Back to Basics
										(MTSF)		
Basic Service Delivery and Infrastructure	To promote integrated sustainable community livelihoods	Municipal Health Services	3. To provide the best possible municipal health and environmental services to the population of the District	Human Development	National environmental Health Strategy	A healthy population	Inclusion and Access	2	Health care for all	A long and healthy life for all South Africans	2	Create conditions for decent living by consistently delivering municipal services to the right quality and standard.
Basic Service Delivery and Infrastructure	To promote integrated sustainable community livelihoods	Sports, Recreation, Arts, Cultural Affairs and Heritage	4. To provide support to sports, recreation, arts, cultural affairs and heritage development and practice	Human Development	Human Development & Social Cohesion Strategy	A vibrant and equitably enabled communities	Inclusion and access	2	Broaden social cohesion and unity, while redressing the inequities of the past	An efficient, effective development orientated public service	12	Put people and their concerns first
Basic Service Delivery and Infrastructure	To promote integrated sustainable community livelihoods	Disaster Risk Management and Fire Services	5. To promote a sustainable and integrated approach to Disaster Risk Management across the District	Human Development	Disaster Risk Management Strategy	A vibrant and equitably enabled communities	Inclusion and access	2	Improve environmental sustainability and resilience	Protection and enhancement of environmental assets and natural resources	10	Put people and their concerns first
Basic Service Delivery and Infrastructure	To promote integrated sustainable community livelihoods	Disaster Risk Management and Fire Services	6. To ensure that fire and emergency incidents are responded to within the required turnaround times	Human Development	Fire emergency Strategy	Capable, conscientious and accountable institutions	Effective governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient local government system	9	Put people and their concerns first

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Key Performance Area (KPA)	Municipal Goal	Priority Area	Strategic Objective	DDP 2030 Strategic Pillars/Fundamental Planks	Strategy	Provincial Development Plans' Goal	Integrated Urban Development Framework	IUDF Code	National Development Plan's Goal	National Outcomes	MTSF Codes	Back to Basics
										(MTSF)		
Basic Service Delivery and Infrastructure	To promote integrated sustainable community livelihoods	National and International Icons Celebrations	7. To instill a sense of community through the organisation of special events	Human Development	Human Development & Social Cohesion Strategy	Vibrant, equitably enabled communities	Inclusion and access	2	Broaden social cohesion and unity while redressing the inequities of the past	Nation building and social cohesion	14	Put people and their concerns first
Basic Service Delivery and Infrastructure	To promote integrated sustainable community livelihoods	Social Relief Housing	8. To ensure the provision of Human Settlements Programs within the District	Human Development	District Human Settlements Strategy and Spatial Development Framework	Vibrant, equitably enabled communities	Inclusion and access	2	Broaden ownership of assets to historically disadvantaged groups	Sustainable human settlements and improved quality of household life	8	Create conditions for decent living
Basic Service Delivery and Infrastructure	To promote integrated sustainable community livelihoods	Environmental and Waste Management	9. To recycle 70% of all waste	Inclusive Economic Development	Environmental Management Plan and Integrated Waste Management Plan	Vibrant, equitably enabled communities	Growth	3	Improve environmental sustainability and resilience	Protection and enhancement of environmental assets and natural resources	10	Create conditions for decent living
Basic Service Delivery and Infrastructure	To provide conducive, adequate and accessible infrastructure	Accelerate Planning and Delivery of Municipal Infrastructure Programmes	10. To coordinate IGR Structures and intervene in the implementation of transport, roads and electricity	Infrastructure & Basic Services	District Integrated Transport Plan	Vibrant and equitably enabled communities	Inclusion and access	2	Economic infrastructure	An efficient, competitive and responsive economic infrastructure network	6	Create conditions for decent living

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Key Performance Area (KPA)	Municipal Goal	Priority Area	Strategic Objective	DDP 2030 Strategic Pillars/Fundamental Planks	Strategy	Provincial Development Plans' Goal	Integrated Urban Development Framework	IUDF Code	National Development Plan's Goal	National Outcomes	MTSF Codes	Back to Basics
										(MTSF)		
Basic Service Delivery and Infrastructure	To provide water and sanitation to every village/community	Quality of Water & Sanitation Services	11. To provide reliable water and sanitation services	Infrastructure & Basic Services	Water Services Development Plan & Infrastructure Plan	Vibrant and equitably enabled communities	Inclusion and access	2	Ensure that all South Africans have access to clean, running water in their homes	Protection and enhancement of environmental assets and natural resources	10	Create conditions for decent living first
Basic Service Delivery and Infrastructure	To provide water and sanitation to every village/community	Expansion of Water Services	12. To expedite the reduction of water and sanitation backlogs	Infrastructure & Basic Services	Water Services Development Plan	Vibrant and equitably enabled communities	Growth	3	Ensure that all South Africans have access to clean, running water in their homes	A responsive, accountable, effective and efficient developmental local government system	9	Put people and their concerns first
Basic Service Delivery and Infrastructure	To provide water and sanitation to every village/community	Maintenance and Refurbishment of Non-functional Schemes (O&M)	12. To expedite the reduction of water and sanitation backlogs	Infrastructure & Basic Services	Water Services Development Plan	Vibrant and equitably enabled communities	Inclusion and access	2	Ensure that all South Africans have access to clean, running water in their homes	An efficient, competitive and responsive economic infrastructure network	6	Create conditions for decent living
Basic Service Delivery and Infrastructure	To provide water and sanitation to every village/community	Reduction of Water Losses	13. To reduce water losses from 27% to 20%	Infrastructure & Basic Services	Water Conservation and Demand Management	Capable, conscientious and accountable institutions	Growth	3	Building a capable and developmental state	An efficient, competitive and responsive economic infrastructure network	6	Ensure sound financial management resources

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										(MTSF)		
Basic Service Delivery and Infrastructure	To provide water and sanitation to every village/community	Data Management	14. To improve access to spatial information and data management for planning and service delivery	Infrastructure & Basic Services	Spatial Development Framework and Water Services Development Plan	Capable, conscientious and accountable institutions	Spatial integration	1	Building a capable and developmental state	A responsive, accountable, effective and efficient local government system.	9	Put people and their concerns first
Basic Service Delivery and Infrastructure	To provide water and sanitation to every village/community	Improve Effectiveness of Call Centre (customer care center)	15. To improve response time to complaints raised at the call center	IDP Objectives and Alignment to DDP	Communication Strategy	Capable, conscientious and accountable institutions	Inclusion and access	2	Building a capable and developmental state	A responsive, accountable, effective and efficient local government system.	9	Put people and their concerns first
Basic Service Delivery and Infrastructure	To promote integrated sustainable community livelihoods	District Human Settlements Strategy	16. To establish the necessary support structures to improve the provision of Human Settlements on a continuous basis	Human Development	District Human Settlements Strategy and Spatial Development Framework	Vibrant, equitably enabled communities	Inclusion and access	2	Broaden ownership of assets to historically disadvantaged groups	Sustainable human settlements and improved quality of household life	8	Create conditions for decent living
Basic Service Delivery and Infrastructure	To promote integrated sustainable community livelihoods	Environmental and Waste Management	17. To ensure that at least 80% of projects comply with environmental regulations	Inclusive Economic Development	Environmental Management Plan	Capable, conscientious and accountable institutions	Growth	3	Improve environmental sustainability and resilience	Protection and enhancement of environmental assets and natural resources	10	Be well governed

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Key Performance Area (KPA)	Municipal Goal	Priority Area	Strategic Objective	DDP 2030 Strategic Pillars/Fundamental Planks	Strategy	Provincial Development Plans' Goal	Integrated Urban Development Framework	IUDF Code	National Development Plan's Goal	National Outcomes	MTSF Codes	Back to Basics
										(MTSF)		
Local Economic Development	To promote rapid and sustainable economic growth within the limits of available natural resources	Capacitation of Communities, Youth and Emerging Contractors	1. To capacitate 400 emerging contractors	Human Development	Local Economic Development Strategy	An educated, innovative and empowered citizenry	Growth	3	Improving education, training and innovation	A skilled and capable workforce to support inclusive growth	5	Put people and their concerns first
Local Economic Development	To promote rapid and sustainable economic growth within the limits of available natural resources	Rural Development (spatial planning of the region)	2. To assist all municipalities in the district to be SPLUMA compliant	Inclusive Economic Development	Spatial Development Framework	Capable, conscientious and accountable institutions	Spatial integration	1	Develop an inclusive rural economy	Sustainable human settlements and improved quality of household life	8	Create conditions for decent living
Local Economic Development	To promote rapid and sustainable economic growth within the limits of available natural resources	Green Economy	3. To establish a fully functional value chain recycling programme	Inclusive Economic Development	Integrated Waste Management Plan	Vibrant, equitably enabled communities	Growth	3	Improve environmental sustainability and resilience	Protection and enhancement of environmental assets and natural resources	10	Capable, conscientious and accountable institutions
Local Economic Development	To promote rapid and sustainable economic growth within the limits of available natural resources	Environmental and Waste Management	4. To improve air quality and environmental management in the district	Inclusive Economic Development	Air Quality Management Plan	Vibrant and equitably enabled communities	Growth	3	Improve environmental sustainability and resilience	Protection and enhancement of environmental assets and natural resources	10	Capable, conscientious and accountable institutions

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										(MTSF)		
Local Economic Development	To promote rapid and sustainable economic growth within the limits of available natural resources	Tourism Development and Marketing	5. To promote tourism in the District	Inclusive Economic Development	Local Economic Development Strategy and Communication Strategy	A growing, inclusive, equitable economy	Growth	3	Promote improvement in the economy and increase employment	Decent employment through inclusive economic growth	4	Create conditions for decent living
Local Economic Development	To promote rapid and sustainable economic growth within the limits of available natural resources	Economic Infrastructure Development	6. To boost agriculture contribution and improve food security in the District	Inclusive Economic Development	Local Economic Development Strategy	A growing, inclusive, equitable economy	Growth	3	Develop an inclusive rural economy	Vibrant, equitable and sustainable rural communities and food security	7	Create conditions for decent living
Local Economic Development	To promote rapid and sustainable economic growth within the limits of available natural resources	Blue Economy, Enterprise and Cooperatives Development, Forestry Development, Afforestation and Processing,	7. To provide support to entrepreneurs, create employment opportunities and boost investment to grow the district economy	Inclusive Economic Development	Local Economic Development Strategy	A growing, inclusive, equitable economy	Growth	3	Improve environmental sustainability and resilience	Decent employment through inclusive economic growth	4	Create conditions for decent living

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										(MTSF)		
Local Economic Development	To promote rapid and sustainable economic growth within the limits of available natural resources	Enterprise and Cooperatives Development	7. To provide support to entrepreneurs, create employment opportunities and boost investment to grow the district economy	Inclusive Economic Development	Local Economic Development Strategy	A growing, inclusive, equitable economy	Growth	3	Improve environmental sustainability and resilience	Decent employment through inclusive economic growth	4	Put people and their concerns first
Financial Viability and Management	To manage the financial viability of the O.R Tambo District Municipality through sound management and good governance	Revenue Management	1. To effectively and efficiently manage and grow the district municipality's revenue through a mix of revenue management, enhancement and protection strategies	Infrastructure & Basic Services	Tariff Policy, Investment Policy, Debt Collection Policy, Cash Management Policy & Credit Control and Debt Collection Policy	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Ensure sound financial management
Financial Viability and Management	To manage the financial viability of the O.R Tambo District Municipality through sound management and good governance	Expenditure Management	2. To improve the internal control environment and enhance efficiencies in expenditure management	Institutional Transformation - Governance and Capacity of Government	Expenditure Management Policy	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Ensure sound financial management

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										(MTSF)		
Financial Viability and Management	To manage the financial viability of the O.R Tambo District Municipality through sound management and good governance	mSCOA Implementation	3. To achieve mSCOA compliance by the district municipality in line with the National Treasury Regulations and Guidelines	Institutional Transformation - Governance and Capacity of Government	mSCOA Implementation Plan	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Ensure sound financial management
Financial Viability and Management	To manage the financial viability of the O.R Tambo District Municipality through sound management and good governance	Credible Annual Financial Statements	4. To submit credible Annual Financial Statements to the Auditor General by 31 August on an annual basis	Institutional Transformation - Governance and Capacity of Government	GRAP Accounting Policies	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Ensure sound financial management
Financial Viability and Management	To manage the financial viability of the O.R Tambo District Municipality through sound management and good governance	Supply Chain Management	5. To ensure the effective implementation of demand management, acquisition management, contract management, supplier performance management and SCM risk management	Institutional Transformation - Governance and Capacity of Government	Supply Chain Management Policy	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Be well governed

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										(MTSF)		
Financial Viability and Management	To manage the financial viability of the O.R Tambo District Municipality through sound management and good governance	Budget management	6. To ensure that the annual budget planning and preparation is sustainable, credible, funded and mSCOA compliant	Institutional Transformation - Governance and Capacity of Government	mSCOA Implementation Plan	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Ensure sound financial management
Financial Viability and Management	To manage the financial viability of the O.R Tambo District Municipality through sound management and good governance	Asset Management	7. To achieve the required level of service in the most cost effective manner through the efficient management of the municipality's assets	Infrastructure & Basic Services	Asset Management Policy	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Ensure sound financial management
Good Governance and Public Participation	To build a coherent district that is responsive, accountable and promotes clean governance	Public Participation	1. To instill good governance and strengthen public participation through effective communication between Municipalities and communities	IDP process alignment, consultation and stakeholder management	Public Participation Strategy	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Put people and their concerns first

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										(MTSF)		
Good Governance and Public Participation	To build a coherent district that is responsive, accountable and promotes clean governance	Municipal Oversight	2. To instill good governance in all municipal operations and strengthen relations with stakeholders	IDP process alignment, consultation and stakeholder management	Municipal Oversight Model	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Be well governed
Good Governance and Public Participation		Policy and research	2. To instill good governance in all municipal operations and strengthen relations with stakeholders	IDP process alignment, consultation and stakeholder management	Municipal Oversight Model	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Be well governed
Good Governance and Public Participation	To build a coherent district that is responsive, accountable and promotes clean governance	Compliance with Legislation	2. To instill good governance in all municipal operations and strengthen relations with stakeholders	IDP process alignment, consultation and stakeholder management	Municipal Oversight Model/Public Participation Strategy	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient local government system	9	Be well governed
Good Governance and Public Participation	To build a coherent district that is responsive, accountable and promotes clean governance	Political Stability	2. To instill good governance in all municipal operations and strengthen relations with stakeholders	IDP process alignment, consultation and stakeholder management	Municipal Oversight Model	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient local government system	9	Be well governed

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										(MTSF)		
Good Governance and Public Participation	To build a coherent district that is responsive, accountable and promotes clean governance	Risk Management and Fraud Prevention	2. To instill good governance in all municipal operations and strengthen relations with stakeholders	IDP Objectives and Alignment to DDP	Risk Management Strategy	Capable, conscientious and accountable institutions	Governance	4	Fighting corruption	A responsive, accountable, effective and efficient developmental local government system	9	Be well governed
Good Governance and Public Participation	To build a coherent district that is responsive, accountable and promotes clean governance	Inter-governmental Relations	2. To instill good governance in all municipal operations and strengthen relations with stakeholders	IDP Objectives and Alignment to DDP	IGR Policy	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Be well governed
Good Governance and Public Participation	To build a coherent district that is responsive, accountable and promotes clean governance	Communications	2. To instill good governance in all municipal operations and strengthen relations with stakeholders	IDP Objectives and Alignment to DDP	Integrated Communications Strategy	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Be well governed

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										(MTSF)		
Good Governance and Public Participation	To build a coherent district that is responsive, accountable and promotes clean governance	Performance Management, Monitoring and Evaluation	4. To ensure a district wide coordination of implementation, monitoring and evaluation of the IDP	IDP Objectives and Alignment to DDP	Performance Management Policy and Framework	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Be well governed
Good Governance and Public Participation	To build a coherent district that is responsive, accountable and promotes clean governance	Planning	4. To ensure a district wide coordination of implementation, monitoring and evaluation of the IDP	IDP Objectives and Alignment to DDP	Performance Management Policy and Framework	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Be well governed
Good Governance and Public Participation	To build a coherent district that is responsive, accountable and promotes clean governance	Legal Services	5. To ensure compliance with legislation, policies, regulations and to minimise exposure to avoidable litigations	IDP Objectives and Alignment to DDP	Good Governance & Compliance	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Be well governed

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										(MTSF)		
Good Governance and Public Participation	To build a coherent district that is responsive, accountable and promotes clean governance	Internal Auditing	6. To obtain a clean audit opinion	IDP Objectives and Alignment to DDP	GRAP Accounting Policies & Internal Audit Plan	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Ensure sound financial management
Municipal Transformation and Institutional Development	To develop, transform and capacitate the O.R Tambo District Municipality and its local municipalities to ensure effective and efficient resource utilisation making it capable of delivering its mandate.	Recruitment and Selection	1. To effectively and efficiently recruit and retain competent Human Capital	Institutional Transformation – Governance and capacity of government	Employment Equity Plan	Capable, conscientious and accountable institutions	Governance	4	Promote improvement in the economy and increase employment; Nation building and social cohesion	A skilled and capable workforce to support an inclusive growth path	5	Be well governed; Build and maintain sound institutional and administrative capabilities

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Key Performance Area (KPA)	Municipal Goal	Priority Area	Strategic Objective	DDP 2030 Strategic Pillars/Fundamental Planks	Strategy	Provincial Development Plans' Goal	Integrated Urban Development Framework	IUDF Code	National Development Plan's Goal	National Outcomes	MTSF Codes	Back to Basics
										(MTSF)		
Municipal Transformation and Institutional Development	To develop, transform and capacitate the O.R Tambo District Municipality and its local municipalities to ensure effective and efficient resource utilisation making it capable of delivering its mandate.	Human Resource Development	2. To ensure a well-trained, motivated and professional workforce	Institutional Transformation – Governance and capacity of government	Workplace Skills Plan	An educated, innovative and empowered citizenry	Governance	4	Improving education, training and innovation	A skilled and capable workforce to support an inclusive growth path	5	Build and maintain sound institutional and administrative capabilities
Municipal Transformation and Institutional Development	To develop, transform and capacitate the O.R Tambo District Municipality and its local municipalities to ensure effective and efficient resource utilisation making it capable of delivering its mandate.	Employment Equity	3. To increase the number of people from employment equity target groups in the three highest levels of management	Institutional Transformation – Governance and capacity of government	Employment Equity Plan	Capable, conscientious and accountable institutions	Governance	4	Promote improvement in the economy and increase employment	A skilled and capable workforce to support an inclusive growth path	5	Be well governed

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Key Performance Area (KPA)	Municipal Goal	Priority Area	Strategic Objective	DDP 2030 Strategic Pillars/Fundamental Planks	Strategy	Provincial Development Plans' Goal	Integrated Urban Development Framework	IUDF Code	National Development Plan's Goal	National Outcomes	MTSF Codes	Back to Basics
										(MTSF)		
Municipal Transformation and Institutional Development	To develop, transform and capacitate the O.R Tambo District Municipality and its local municipalities to ensure effective and efficient resource utilisation making it capable of delivering its mandate.	Employee Wellness (District Wide)	4. To provide effective and efficient human resource, corporate administration support and internal safety and security	Institutional Transformation – Governance and capacity of government	Employee Wellness Policy	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A skilled and capable workforce to support an inclusive growth path	5	Build and maintain sound institutional and administrative capabilities
Municipal Transformation and Institutional Development	To develop, transform and capacitate the O.R Tambo District Municipality and its local municipalities to ensure effective and efficient resource utilisation making it capable of delivering its mandate.	ICT Enhancement (District Wide)	4. To provide effective and efficient human resource, corporate administration support and internal safety and security	Institutional Transformation – Governance and capacity of government	Information Communication and Technology Strategy	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Be well governed

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										(MTSF)		
Municipal Transformation and Institutional Development	To develop, transform and capacitate the O.R Tambo District Municipality and its local municipalities to ensure effective and efficient resource utilisation making it capable of delivering its mandate.	Employee Relations (Institutional)	4. To provide effective and efficient human resource, corporate administration support and internal safety and security	Institutional Transformation – Governance and capacity of government	Labour Relations Strategy	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient local development government system	9	Be well governed; Build and maintain sound institutional and administrative capabilities
Municipal Transformation and Institutional Development	To develop, transform and capacitate the O.R Tambo District Municipality and its local municipalities to ensure effective and efficient resource utilisation making it capable of delivering its mandate.	Records Management (Institutional)	4. To provide effective and efficient human resource, corporate administration support and internal safety and security	Institutional Transformation – Governance and capacity of government	Records Management Policy	Capable, conscientious and accountable institutions	Governance	4	Building a capable and developmental state	A responsive, accountable, effective and efficient developmental local government system	9	Be well governed

4.7. MUNICIPAL SCORECARD

4.7.1. Basic Service Delivery and Infrastructure

KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE (40%)

Goal(s): To promote integrated sustainable community livelihoods
 Goal(s): To provide conducive, adequate and accessible infrastructure
 Goal(s): To provide water and sanitation to every village/community

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
COMMUNITY SERVICES	1. To improve the well-being of vulnerable groups and general welfare of O.R Tambo communities	1_1_1_P00 1	3	13	1. Number of early childhood development centres supported	P001 Early Childhood Development	R 1 092 364	10	15	N/A	Signed reports on ECDC's supported with Annexures	Director: Community Services
	2. To provide support in the reduction of crime in the	1_2_1_P00 2	3	3	1. Number of life guards, coastal and water falls patrollers recruited	P002 Coastal and Falls Safety Programmes	R 2 479 627	80	90	90	Signed contracts Assumption of duty forms Reports	Director: Community Services

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KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE (40%)

- Goal(s): To promote integrated sustainable community livelihoods
 Goal(s): To provide conducive, adequate and accessible infrastructure
 Goal(s): To provide water and sanitation to every village/community

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
	District on an annual basis	1_2_2_P003	2	3	2. Number of crime and safety programmes conducted	P003 School safety and crime prevention programme	R 255 494	4	8	4	Signed report on crime and safety programmes conducted with annexure	Director: Community Services
		1_2_3_P090	3	3	3. Number of Local Municipalities assisted with the development of Community Safety Plans	P090 Community Safety Plans		1	2	1	Signed reports on initiatives conducted towards the development of Community Safety Plans with annexures	Director: Community Services
	3. To provide the best possible municipal health and environmental services to the population of the District	1_3_1_P004	2	2	1. Number of programmes implemented as per Environmental Health Scope of Practice and National Environmental Health Norms and Standards	P004 District Municipal Health and Environmental Plan	R 1 720 237	11	11	11	Signed report on District Municipal Health and Environmental Health Programmes Implemented with annexures	Director: Community Services
	4. To provide support to sports, recreation, arts, cultural affairs and heritage	1_4_1_P005	2	12	1. Number of sports, recreation, arts, heritage and libraries information & education services initiatives implemented/supported	P005 Sports, Recreation, Arts, Culture, Heritage, Libraries Information and Education Services	R 1 742 330	9	25	21	Signed report on Sports, Recreation, Arts, Cultural Affairs and Heritage	Director: Community Services

KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE (40%)

Goal(s): To promote integrated sustainable community livelihoods
 Goal(s): To provide conducive, adequate and accessible infrastructure
 Goal(s): To provide water and sanitation to every village/community

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
	development and practice										Initiatives with annexures	
	5. To promote a sustainable and integrated approach to Disaster Risk Management across the District	1_5_1_P006	2	9	1. Percentage of destitute households supported due to disaster	P006 Disaster Impact Assessment and Relief	R 1 642 131	100%	100%	100%	Signed preliminary report and assessment report, Signed Relief Distribution Form/referral communication	Director: Community Services
1_5_2_P109		2	9	2. Number of District Disaster Risk Profiles revised	P109 District Disaster Risk Profiles	New Indicator		N/A	1	District Disaster Risk Profiles revised	Director: Community Services	
1_5_3_P007		3	10	3. Number of a localised severe weather early warning systems upgraded	P007 Localised Severe Weather Early Warning System	R 2 259 081	0	3	2	Signed project report with annexures	Director: Community Services	
1_5_4_P091		2	10	4. Number of monthly reports generated on functionality of the localised severe weather early warning system	P091 Localised Severe Weather Early Warning System Monitoring		6	12	12	Monthly reports on meteorological warnings issued to communities	Director: Community Services	

KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE (40%)

Goal(s): To promote integrated sustainable community livelihoods
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 Goal(s): To provide water and sanitation to every village/community

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
	6. To ensure that fire and emergency incidents are responded to within the required turnaround times	1_6_1_P008	4	9	1. Percentage compliance with the attendance time for firefighting incidents	P008 Response time to fire incidents	R 3 137 482	100%	100%	100%	Database of fire incidents reported Fire Incident Report	Director: Community Services
EXECUTIVE MAYORAL SERVICES	1. To improve the well-being of vulnerable groups and general welfare of O.R Tambo communities	1_1_2_P009	3	13	2. Number of learners financially supported to access education	P009 Financial Aid Assistance	R 2 419 795	N/A	69	69	Database of students supported and annual reports on financial academic programme Proof of payment	Director: Executive Mayoral Services
		1_1_3_P010	3	13	3. Number of support initiatives provided for schools to improve matric results in the district	P010 Schools Support		5	5	5	Programme narrative quarterly and annual reports signed by the Dir: EMS	Director: Executive Mayoral Services
		1_1_4_P011	3	14	4. Number of programmes implemented from coordinated multi-stakeholder/ institutional interventions through the	P011 Livelihood Improvement and Greater Household Transformation	R 3 043 940	10	20	20	Signed programme narrative quarterly	Director: Executive Mayoral Services

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KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE (40%)

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 Goal(s): To provide water and sanitation to every village/community

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
					rollout of LIGHT programme						report(s) with annexures	
	7. To instil a sense of community through the organisation of special events	1_7_1_P01 2	3	14	1. Number of National and Internationally aligned programmes implemented in recognition of iconic figures	P012 National and International Icons celebration	R 2 828 390	12	13	13	O.R Tambo Month and Nelson Mandela month Reports signed by Director: EMS	Director: Executive Mayoral Office
HUMAN SETTLEMENTS	8. To ensure the provision of Human Settlements programmes within the District	1_8_1_P01 3	2	8	1. Number of houses built for emergency housing situations	P013 Emergency Housing	R 42 768 165	22	205	20	Emergency Housing Report with annexures	Director: Human Settlements
		1_8_2_P01 4	2	8	2. Number of Housing Consumer Education Workshops conducted	P014 Housing Consumer Education	R 214 780	12	12	12	Signed Reports by Director (with annexures)	Director: Human Settlements
		1_8_3_P01 5	2	8	3. Number of housing units for Adam Kok farm workers constructed	P015 Adam Kok Farm Housing		0	7	N/A	Adam Kok Farm Housing Project report with annexures	Director: Human Settlements
		1_8_4_P01 6	2	8	4. Number of temporal structures distributed within ORTDM	P016 Temporal Structures		12	6	5	Signed Report on temporal shelters distributed with annexures	Director: Human Settlements

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Goal(s): To promote integrated sustainable community livelihoods
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Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
	16. To establish the necessary support structures to improve the provision of Human Settlements on a continuous basis	1_16_1_P092	2	8	1. Number of District Human Settlements Strategies reviewed and adopted by Council	P092 District Human Settlements Strategy	R 340 266	N/A	1	1	Copy of District Human Settlements Strategy Proof of Council Approval	Director: Human Settlements
		1_16_2_P110	2	8	2. Number of Local Municipalities supported to develop Housing Sector Plans	P110 Housing Sector Plans		New Indicator	1	4	Draft Housing Sector Plan	Director: Human Settlements
		1_16_3_P111	2	8	3. Number of milestones completed towards township establishment for middle and high income settlements	P111 Township Establishment		New Indicator	4	3	Township Establishment report with annexures	Director: Human Settlements
		1_16_4_P112	2	8	4. Number of Human Settlements Policies developed	P112 Human Settlements Policies		New Indicator	1	1	Draft Human Settlements Policy	Director: Human Settlements
RURAL ECONOMIC AND DEVELOPMENT PLANNING	9. To recycle 70% of all waste	1_9_1_P017	3	10	1. Tons of waste recycled	P017 Landfill Management		479 tons	1000 tons	1000 tons	Signed Waste Information Report by Director (with annexures)	Director: REDP
	17. To ensure that at least 80% of projects comply with	1_17_1_P093	3	10	1. Number of MIG projects monitored and evaluated on Environmental Impact	P093 Environmental Impact Assessment Compliance		20	20	20	Signed Monitoring and Evaluation Reports by	Director: REDP

KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE (40%)

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 Goal(s): To provide conducive, adequate and accessible infrastructure
 Goal(s): To provide water and sanitation to every village/community

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
	environmental regulations				Assessment (EIA) implementation						Director with annexures	
TECHNICAL SERVICES	10. To coordinate IGR Structures and intervene in the implementation of transport, roads and electricity	1_10_1_P018	2	6	1. Number of Local Municipalities with roads assessed	P018 Alignment and coordination of RAMS with SANRAL programmes		N/A	Project completed in 2017/18 financial year		Approved RAMS Plan	Director: Technical Services
		1_10_2_P019	2	6	2. Kilometres of new sidewalks constructed	P019 Non-motorised transport		0km	2km	2km	Progress Report with annexures	Director: Technical Services
		1_10_3_P020	2	6	3. Kilometres of roads upgraded (unsurfaced)	P020 Upgrade of Roads	R 9 252 206	9252206	3,8km	3,8km	Close-out Report with annexures	Director: Technical Services
		1_10_4_P021	2	6	4. Number of milestones completed for the surfacing of roads	P021 Road Surfacing		0	N/A	N/A	Close-out Report with annexures	Director: Technical Services
		1_10_5_P086	2	6	5. Percentage Completion of Libode Community Hall	P086 Libode Community Hall	R 6 178 040	0%	N/A	100%	Progress Reports with annexures	Director: Technical Services
		1_10_6_P087	2	6	6. Number of milestones completed on renovating Prosperity Building	P087 Prosperity Building		9%	3	N/A	Progress Reports with annexures	Director: Technical Services
		1_10_7_P088	2	6	7. Percentage Completion of Renovations for Wonkumntu Offices	P088 Wonkumntu Offices		100%	Project completed in 2018/19 financial year		Progress Reports with annexures	Director: Technical Services

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Goal(s): To promote integrated sustainable community livelihoods
 Goal(s): To provide conducive, adequate and accessible infrastructure
 Goal(s): To provide water and sanitation to every village/community

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
		1_10_9_P094	2	6	9. Number of milestones completed on renovating OR Tambo Offices	P094 OR Tambo Offices		0	4	N/A	Progress Reports with annexures	Director: Technical Services
		1_10_8_P089	2	6	8. KM's of gravel access roads assessed	P089 Rural Road Asset Management System	R 2 962 000	1489km	1500	300km	Progress reports with annexures	Director: Technical Services
		1_10_10_P107	2	6	10. Number of Integrated Transport Plan reviewed and submitted to Mayco	P107 Integrated Transport Plan		0	1	N/A	Integrated Transport Plan submitted to Mayco	Director: Technical Services
		1_10_11_P108	2	6	11. Number of Integrated Energy Plan developed and submitted to Mayco	P108 Integrated Energy Plan		0	1	N/A	Integrated Energy Plan submitted to Mayco	Director: Technical Services
	5. To promote a sustainable and integrated approach to Disaster Risk Management across the District	1_5_5_P022	3	10	5. Number of milestones completed for the construction of Disaster Management Centre	P022 District Disaster Management Centre	R 15 000 000	1	8	6	Site Progress/Close-out reports with annexures	Director: Technical Services
WATER AND SANITATION	11. To provide reliable water	1_11_1_P023	2	10	1. Percentage compliance of Drinking water quality	P023 Water Quality	R 1 187 250	0%	93%	93%	IRIS system report	Director: Water and Sanitation

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Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
	and sanitation services	1_11_2_P024	2	10	2. Percentage compliance of waste water effluent quality	P024 Effluent Quality		0%	90%	50%	IRIS system report	Director: Water and Sanitation
	12. To expedite the reduction of water and sanitation backlogs	1_12_1_P026	3	10	1. Number of water tanks provided to communities	P026 Rain water harvesting	R 2 261 640	0	125	250	Happy Letters signed by the ward councillor and beneficiaries	Director: Water and Sanitation
		1_12_2_P027	3	10	2. Purified mega litres of water carted and delivered to communities.	P027 Water Carting	R 20 000 900	51	200	300	Tally sheets Job cards signed by beneficiaries	Director: Water and Sanitation
		1_12_3_P028	3	9	3. Number of households with access to basic level of water services	P028 Access to Water Services		0	3193	N/A	Signed report with annexures (if necessary)	Director: Water and Sanitation
		1_12_4_P029	3	9	4. Number of households with access to basic level of sanitation services	P029 Access to Sanitation Services		4026	7000	7000	Signed report with annexures (if necessary)	Director: Water and Sanitation
BUDGET & TREASURY OFFICE		1_12_5_P030	3	9	5. Number of households earning less than R3200 per month with access to free basic services	P030 Free Basic Services	R 0	2200	2200	22000	Indigent Report Indigent Register	Chief Financial Officer
WATER AND SANITATION		1_12_6_P031	3	10	6. Number of water projects completed	P031 Water Projects		8	16	8	Signed Close-out Report Practical Completion Certificate	Director: Water and Sanitation

KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE (40%)

Goal(s): To promote integrated sustainable community livelihoods
 Goal(s): To provide conducive, adequate and accessible infrastructure
 Goal(s): To provide water and sanitation to every village/community

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
		1_12_7_P032	2	6	7. Number of Water Treatment Works and Waste Water Treatment Works (WTW) refurbished/maintained	P032 Refurbishment of existing water treatment works	R 2 375 344	3	7	18	Signed Report on Refurbishment and maintenance of water treatment works with Annexures	Director: Water and Sanitation
		1_12_8_P033	2	6	8. Number of stand-alone schemes refurbished/maintained	P033 Refurbishment of stand-alone schemes	R 39 664 015	11	30	N/A	Signed Report on Refurbishments and maintenance with Annexures	Director: Water and Sanitation
		1_12_9_P034	3	9	9. Number of Ventilated Improved Pit (VIP) toilets provided	P034 Eradication of sanitation backlog		4026	7000	7000	Beneficiary List Happy Letters	Director: Water and Sanitation
		1_12_10_P035	3	9	10. Number of public toilet facilities constructed/refurbished	P035 Construction/Refurbishment of ablution facilities		3	4	N/A	Pictorial Evidence Signed Completion Report	Director: Water and Sanitation
		1_12_11_P036	3	9	11. Number of households with sludge removed	P036 VIP Sludge Management	R 10 972 500	3996	2500	6000	Signed report on the volumes of sludge removed Happy Letters	Director: Water and Sanitation

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KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE (40%)

Goal(s): To promote integrated sustainable community livelihoods
 Goal(s): To provide conducive, adequate and accessible infrastructure
 Goal(s): To provide water and sanitation to every village/community

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
		1_12_12_P037	3	10	12. Number of sanitation projects completed	P037 Sanitation Projects		0	2	N/A	signed close-out report Practical Completion Certificate	Director: Water and Sanitation
	13. To reduce water losses from 27% to 20%	1_13_1_P038	3	6	1. Number of Water Treatment Works with bulk meters installed	P038 Water Conservation and Demand Management		6	6	N/A	Signed Reports	Director: Water and Sanitation
	14. To improve access to spatial information and data management for planning and service delivery	1_14_1_P039	3	9	1. Number of Local Municipalities spatial databases developed	P039 Development of spatial database in the District		0	2	N/A	Maps ARCGIS - attribute table (spreadsheet)	Director: Water and Sanitation
	15. To improve response time to complaints raised at the call centre	1_15_1_P095	2	9	1. Average response time to complaints raised at the call centre	P095 Call Centre Management	R 1 351 664	8 hours	8 hours	8 hours	Signed Complaints register (with annexures)	Director: Water and Sanitation

4.7.2 Local Economic Development

KEY PERFORMANCE AREA (KPA) 2: LOCAL ECONOMIC DEVELOPMENT (20%)

Goal(s): To promote rapid and sustainable economic growth within the limits of available natural resources

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
HUMAN SETTLEMENTS	1. To capacitate 400 emerging contractors	2_1_1_P040	3	5	1. Number of trainings conducted on building regulations	P040 Community Capacity Building on Building Regulations	R 214 780	1	2	2	Signed Training Reports by Director with annexures	Director: Human Settlements
RURAL, ECONOMIC AND DEVELOPMENT PLANNING (REDP)	2. To assist all municipalities in the district to be SPLUMA compliant	2_2_1_P041	1	8	1. Number of Local Spatial Development Frameworks developed/reviewed	P041 Spatial Development Frameworks	R 660 858	0	3	N/A	Draft SDF/LSDF documents, Signed Report by Director with Annexures	Director: REDP
		2_2_2_P042	1	8	2. Number of SPLUMA initiatives conducted	P042 SPLUMA Initiatives	R 927 323	2	4	4	Minutes of meetings Attendance Register Draft MFMRUDP	Director: REDP
	3. To establish a fully functional value chain	2_3_1_P096	3	10	1. Number of programmes implemented on Regional Recycling	P096 Regional Recycling		5	8	9	Regional Recycling programme	Director: REDP

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KEY PERFORMANCE AREA (KPA) 2: LOCAL ECONOMIC DEVELOPMENT (20%)

Goal(s): To promote rapid and sustainable economic growth within the limits of available natural resources

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
	recycling programme										Reports with annexures	
	4. To improve air quality and environmental management in the district	2_4_1_P043	3	10	1. Number of Environmental management projects implemented	P043 Environmental Management	R 3 006 883	5	17	17	Signed Environmental and Waste Management programmes report with annexures	Director: REDP
	5. To promote tourism in the District	2_5_1_P044	3	4	1. Number of tourism development initiatives and events supported/conducted	P044 Tourism development	R 3 850 959	14	17	17	Signed Tourism Development Reports by Director (with Annexures)	Director: REDP
	6. To boost agriculture contribution and improve food security in the District	2_6_1_P045	3	7	1. Number of Agri-Park facilities and Value chain programmes supported through sector coordination.	P045 Agri-Parks & Agro-Processing	R 8 099 586	4	Programme has been transferred to Ntinga O.R. Tambo Development Agency			
		2_6_2_P046	3	7	2. Number of Rural Agro-Industrial programmess developed & implemented	P046 RAFI (Rural Agro-industrialisation Finance Initiative) Implementation	R 7 830 185	2	14	14	Signed Social Compact Agreement; Nyandeni Pilot Quarterly Reports, Ncise Pilot Quarterly Report; Land mapping report and Quarterly	Director: REDP

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KEY PERFORMANCE AREA (KPA) 2: LOCAL ECONOMIC DEVELOPMENT (20%)

Goal(s): To promote rapid and sustainable economic growth within the limits of available natural resources

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
											Community Consultations Reports (Signed with Annexures)	
		2_6_3_P097	3	7	3. Number of partnership programmes implemented for Agro-processing sector	P097 Agro-Processing Sector Partnership Programmes	R 8 099 586	2	8	3	Report on Agro-Processing Sector Partnership Programmes implemented with annexures	Director: REDP
		2_6_4_P098	3	7	4. Number of programmes implemented on aquaculture and forestry	P098 Aquaculture and Forestry Development		3	7	7	Report on Aquaculture and Forestry Development programmes with annexures	Director: REDP
	7. To provide support to entrepreneurs, create employment opportunities and boost investment to grow the district economy	2_7_1_P047	3	4	1. Number of programmes/initiatives implemented to support Informal trade, Enterprises, Cooperatives and SMME's	P047 Informal trade, Enterprises, Cooperatives and SMME support	R 12 328 125	6	17	17	Signed Programme Reports by Director (with Annexures)	Director: REDP
		2_7_2_P048	3	4	2. Number of jobs opportunities created	P048 Employment Creation		2021	3998	4004	Signed Contracts with Identity Document	Director: Technical Services

KEY PERFORMANCE AREA (KPA) 2: LOCAL ECONOMIC DEVELOPMENT (20%)

Goal(s): To promote rapid and sustainable economic growth within the limits of available natural resources

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
					through Expanded Public Works Programme						copies, Signed Report by Director	

4.7.3 Financial Viability & Management

KEY PERFORMANCE AREA (KPA) 3: FINANCIAL VIABILITY AND MANAGEMENT (15%)

Goal(s): To manage the financial viability of the OR Tambo District Municipality through sound management and good governance

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
BUDGET & TREASURY OFFICE (BTO)	1. To effectively and efficiently manage and grow the district municipality's revenue through a mix of revenue management, enhancement and protection strategies	3_1_1_P049	4	9	1. Percentage Collection Rate	P049 Collection Rate	R 1 077 595	60%	78%	95%	Debtors Age Analysis	Chief Financial Officer
		3_1_2_P050	4	9	2. Cost coverage Rate	P050 Cost coverage		4 months	1 - 3 Months	1 - 3 Months	Bank Statements / Debtors Aged Analysis	Chief Financial Officer
		3_1_3_P051	4	9	3. Revenue collected against projections	P051 Revenue Collection		R109.8 Million	R285 Million	R237 Million	Section 52d Report	Chief Financial Officer
		3_1_4_P052	4	9	4. Projected returns in high-earning future investments	P052 Cash Investment	R 0	R15.1 Million	R26 Million	R24 Million	Bank statements / Investments reconciliations	Chief Financial Officer

KEY PERFORMANCE AREA (KPA) 3: FINANCIAL VIABILITY AND MANAGEMENT (15%)

Goal(s): To manage the financial viability of the OR Tambo District Municipality through sound management and good governance

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
					31 August & 30 September							
OFFICE OF THE MUNICIPAL MANAGER	5. To ensure the effective implementation of demand management, acquisition management, contract management, supplier performance management and SCM risk management	3_5_1_P058	4	9	1. Percentage of bids awarded within 90 days after closing date	P058 Supply Chain Management	R 0	100%	100%	100%	Tracking Register & Contract Register	Municipal Manager
BUDGET & TREASURY OFFICE (BTO)	6. To ensure that the annual budget planning and preparation is sustainable, credible, funded and mSCOA compliant	3_6_1_P059	4	9	1. Number of mSCOA compliant Budgets submitted to MAYCO	P059 mSCOA compliant Budget	R 2 000 000	0	2	2	Budget Proof of Receipt by Mayoral Committee	Chief Financial Officer

1.2.1 4.7.4 Good Governance & Public Participation

KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)

Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
EXECUTIVE MAYORAL SERVICES	1. To instil good governance and strengthen public participation through effective communication between Municipalities and communities	4_1_1	4	9	1. Number of Mayoral committee meetings held	N/A	R 735 777	3	12	12	Minutes of meetings Attendance Register	Director: Executive Mayoral Office
		4_1_2	4	9	2. Number of Sector focused engagements and Mayoral Imbizo's held	N/A	R 5 522 249	8	16	16	Sectoral engagement narrative quarterly and annual reports signed by the COS IDP Roadshows and SODA narrative quarterly and annual reports signed by the COS Mayoral Imbizo narrative quarterly and annual reports signed by the COS	Chief of Staff
		4_1_3_P061	4	9	3. Number of District Growth and Development Initiatives/ programmes facilitated/ coordinated through District Ambassadors	P061 O.R Tambo Ambassador Development Initiatives	R 0	2	Targets measured under sector focused engagements			

KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)

Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
LEGISLATIVE SERVICES	2. To instil good governance in all municipal operations and strengthen relations with stakeholders	4_2_1_P062	4	9	1. Number of oversight research reports developed in line with Municipal Oversight Model (MOM)	P062 Municipal Oversight Model	R 2 203 921	26	44	44	Oversight Research Reports (in line with MOM)	Director: Legislative Services
		4_2_2	4	9	2. Number of Ordinary, Open Council and Committee meetings held	N/A	R 829 486	59	88	88	Minutes of meetings/ Attendance Register	Director: Legislative Services
		4_2_3	4	9	3. Number of reports submitted to council on petitions raised	N/A	R 2 641 753	2	4	4	Petitions Reports / Proof of submission to Council/resolutions register	Director: Legislative Services
		4_2_4_P100	4	9	4. Number of Speaker's outreach programmes conducted	P100 Speakers Outreach		8	20	20	Speakers Outreach Programmes Reports	Director: Legislative Services
		4_2_5	4	9	5. Number of Whippyery caucuses conducted	N/A	R 1 506 288	48	50	50	Notices / attendance registers	Director: Legislative Services
		4_2_6_P101	4	9	6. Number of whippyery constituency	P101 Whippyery Constituency		6	10	10	Constituency Programmes Reports	Director: Legislative Services

KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)

Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
					programmes conducted							
OFFICE OF THE MUNICIPAL MANAGER	2. To instil good governance in all municipal operations and strengthen relations with stakeholders	4_2_5_P063	4	9	5. Number of Risk Management Charters reviewed and submitted to MM	P063 Risk Management Charter	R 260 797	1	1	1	Risk Management Charter Proof of submission to Mayo	Director: Office of the MM
		4_2_6_P064	4	9	6. Number of district risk assessment conducted	P064 Implementation of Risk Strategy		2	1	1	Risk Assessment Report Risk Register Attendance Register/s	Director: Office of the MM
		4_2_7_P102	4	9	7. Number of quarterly risk assessment follow ups conducted	P102 Risk Management		3	4	3	Quarterly Risk Assessment Follow Up Reports	Director: Office of the MM
		4_2_8_P065	4	9	8. Number of quarterly reports on number of cases reported through the District Fraud hotline	P065 District Fraud Hotline		0	3	4	Signed quarterly reports on cases reported	Director: Office of the MM
		4_2_9	4	9	9. Number of quarterly reports on functionality of IGR	N/A	R 965 436	2	4	4	Signed Narrative Quarterly Report on IGR functionality	Director: Office of the MM

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KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)

Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
		4_2_10_P103	4	9	10. Number of IGR Strategies developed for the Local Municipalities	P103 IGR Coordination		4	1	N/A	Draft copies of IGR Strategy Attendance register of Local Municipal Participants	Director: Office of the MM
		4_2_11_P104	4	9	11. Number of reports on ISDM Implementation	P105 ISDM Implementation		4	4	4	Signed ISDM Implementation Report	Director: Office of the MM
		4_2_12_P105	4	9	12. Number of Municipal Support Framework reviewed	P104 Municipal Support Framework	R 715 900	1	1	1	Approved Municipal Support Framework	Director: Office of the MM
		4_2_13_P066	4	9	13. Number of reports on support provided to Municipalities	P066 Municipal Support		2	2	2	Singed Summative Reports on municipal support provided	Director: Office of the MM
	3. To ensure effective, well-coordinated and integrated district wide communication	4_3_1_P106	4	9	1. Number of Integrated Communications Policy and Strategy reviewed	P106 Integrated Communications Policy and Strategy	R 3 950 405	1	1	1	Approved Integrated Communications Strategy	Director: Office of the MM
		4_3_2_P067	4	9	2. Number of quarterly communication Initiatives implemented	P067 Communication Initiatives		8	16	16	Signed Summative quarterly performance reports with annexures	Director: Office of the MM

KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)

Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
	4. To ensure a district wide coordination of implementation, monitoring and evaluation of the IDP	4_4_1_P068	4	9	1. Number of municipal institutional performance reports submitted to Council	P068 Institutional Performance		3	7	7	Proof of submission to AG, Signed Performance Reports, Council Notice & Council Minutes/Council Tracking Register	Director: Office of the MM
		4_4_2_P069	4	9	2. Number of formal Performance Evaluation(s) of Section 54 and 56 Managers conducted	P069 PMS Policy & Framework Implementation		0	2	2	Evaluation Sheets	Director: Office of the MM
		4_4_3_P070	4	9	3. Number of mSCOA compliant IDP's adopted by council	P070 mSCOA compliant IDP		0	1	1	mSCOA Compliant IDP Council Resolution	Director: Office of the MM
		4_4_4_P071	4	9	4. Number of reports on implementation of District Development Plan (DDP) vision 2030	P071 District Development Plan Initiatives	R 4 411 195	0	2	N/A	Signed Reports on DDP initiatives	Director: Office of the MM
		4_4_5_P072	4	9	5. Number of Service Delivery Budget and Implementation	P072 Service Delivery Budget and		0	1	1	SDBIP endorsed by the Mayor	Director: Office of the MM

KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)

Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
					Plan(s) SDBIP approved by the Executive Mayor	Implementation Plan						
	5. To ensure compliance with legislation, policies, regulations and to minimise exposure to avoidable litigations	4_5_1_P073	4	9	1. Annual percentage reduction in litigation cases	P073 Litigations	R 7 330 310	0	25%	25%	Litigations Report	Director: Office of the MM
	6. To obtain a clean audit opinion	4_6_1_P074	4	9	1. Audit Opinion	P074 Audit Opinion	R 0	Qualified	Unqualified	Clean Audit	AG Report	Municipal Manager
		4_6_2_P075	4	9	2. Number of follow-up quarterly reports on Internal Audit and Auditor-General issues compiled	P075 Follow-up audit	R 0	2	4	4	Dated and signed quarterly follow-up quarterly report on Internal Audit and Auditor-General issues	Director: Internal Audit
		4_6_3	4	9	3. Number of Audit Committee meetings held	N/A	R 20 900	3	6	6	Signed Minutes of meetings Attendance Registers	Director: Internal Audit
		4_6_4_P076	4	9	4. Number of organisations provided with Internal Audit support	P076 Internal Audit Support	R 0	7	7	7	Signed Summative report per entity supported. Service Level Agreement Audit Committee	Director: Internal Audit

KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)

Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
											Minutes Internal Audit Reports	
		4_6_5_P077	4	9	5. Number of risk-based internal audit plan, internal Audit charter and Audit Committee charter reviewed	P077 Risk Based Internal Audit Plan	R 0	1	1	1	Signed Audit Committee minutes. Approved Risk-Based Internal Audit Plan and internal audit Charter by Audit Committee. Signed Audit committee charter by Council.	Director: Internal Audit
		4_6_6_P113	4	9	6. Number of audits conducted	P113 Institutional Audits	R 399 946	New Indicator	16	16	Signed review reports	Director: Internal Audit

4.7.5 Municipal Transformation & Institutional Development

KEY PERFORMANCE AREA (KPA) 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (10%)

Goal(s): To develop, transform and capacitate the OR Tambo District Municipality and its local municipalities to ensure effective and efficient resource utilisation making it capable of delivering its mandate.

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
CORPORATE SERVICES	1. To effectively and efficiently recruit and retain competent Human Capital	5_1_1_P078	4	5	1. Average number of days taken to fill posts	P078 Recruitment and Selection	R 729 984	73 days	90 days	90 days	Copy of Adverts Appointment Letters of the previous quarter	Director Corporate Services
	2. To ensure a well-trained, motivated and professional workforce	5_2_1_P079	4	5	1. Percentage of a municipality's budget actually spent on implementing its workplace skills plan	P079 Workplace Skills Plan (WSP) Budget	R 5 829 722	0	0,4%	0,4%	Municipal Budget Workplace Skills Plan Training Budget Report to Standing Committee	Director Corporate Services
		5_2_2_P080	4	5	2. Percentage of Training Budget Spent	P080 WSP Training Programmes		59%	100%	100%	Municipal Budget Workplace Skills Plan Training Budget Report to Standing Committee	Director Corporate Services
	3. To increase the number of people from employment equity target groups in the three highest levels of management	5_3_1_P081	4	5	1. Number of employment equity plans reviewed	P081 Employment Equity Plan	R 0	0	1	1	Expenditure Report from Finance Report on Training Programmes	Director Corporate Services
		5_3_2_	4	5	2. Number of Employment Equity reports submitted to Department of Labour	P107 Employment Equity Plan Implementation	R 0	4	1	1	Acknowledgement letter for DoL	Director Corporate Services

KEY PERFORMANCE AREA (KPA) 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (10%)

Goal(s): To develop, transform and capacitate the OR Tambo District Municipality and its local municipalities to ensure effective and efficient resource utilisation making it capable of delivering its mandate.

Department	Strategic Objective	Indicator Code	IUDF Code	MTSF Code	Key Performance Indicator (KPI)	Project	Budget 20/21	Annual Targets			Means of Verification	Custodian
								Baseline 19/20	2020/2021	2021/2022		
	4. To provide effective and efficient human resources and corporate administration support	5_4_1_P082	4	9	1. Number of employee wellness and occupational health and safety programmes implemented	P082 EAP & OHS Programmes	R 1 107 711	1	8	8	Signed OHS Report Signed Wellness Programme Reports with annexures	Director Corporate Services
		5_4_2_P083	4	9	2. Number of ICT Risk Assessments conducted	P083 ICT Risk Assessment	R 2 831 526	2	1	1	ICT Risk Assessment Document	Director Corporate Services
		5_4_3_P108	4	9	3. Number reports on implementation of ICT Annual Plan	P108 ICT Annual Plan		8	4	4	Signed report on the implementation of ICT Annual Plan	Director Corporate Services
		5_4_4_P084	4	9	4. Number of municipal buildings maintained/upgraded on security	P084 Safety & Security	R 2 168 597	2	5	5	Confirmation of visits to municipal sites and maintenance report	Director Corporate Services
		5_4_5	4	9	5. Number of Local Labour Forum meetings held	N/A	R 182 496	2	4	4	Attendance Register Minutes of meetings	Director Corporate Services
		5_4_6_P085	4	9	6. Number of Departments with updated records at the registry	P085 Records Management	R 88 289	4	4	4	File Inventories	Director Corporate Services

CHAPTER 5 - FINANCIAL PLAN

5.1.1. INTRODUCTION

The purpose of this chapter is to outline a comprehensive multi-year financial plan that will ensure long-term financial sustainability for O.R Tambo District Municipality. The Financial Plan is essential to ensure that the Municipality continues to implement its mandate effectively without eroding its capital base and to move towards self-sufficiency in meeting the growing demands of service delivery.

A Medium-term Revenue and Expenditure Framework (MTREF) is prepared for a planning period of five years, paying particular attention to new and replacement infrastructure investment, which is an important developmental component of the IDP. O.R Tambo District Municipality's Long-term Financial Outlook is looking at a long-term horizon into the future with the focus on greater financial health and sustainability making collaboration of capital investment projects with other levels of government and private sector investors much easier.

This Financial Plan will also focus on the expansion of O.R Tambo's revenue sources in relation to its costs to ensure that the Municipality stays a financial viable and sustainable going concern. The O.R Tambo District Municipality must utilise available financial resources in an effective, efficient and economical way to ensure that outputs have the desired outcomes as set out in Chapter 4 of the IDP. The financial strategies detailed in this plan must contribute to the achievement of these objectives.

Budgets in terms of National Treasury's Municipal Budget and Reporting Regulations only need to cover a planning period of the next financial year and the two outer financial years thereafter. However, the MTREF and the multi-year sustainable financial plan will cover key budget focus areas over the next five years and even longer. It will also cover the current financial year's information as well as the previous three financial years' audited information.

A discussion will now follow on key focus areas consisting of a financial framework, financial strategies, financial policies, budget assumptions, operating revenue, operating expenditure, capital expenditure, capital expenditure funding, and long-term financial sustainability ratios.

5.1.2. ALIGNMENT WITH NATIONAL AND PROVINCIAL PRIORITIES

The budget must be aligned with the National and Provincial Priorities. The following key policy parameters are considered in the development of the MTREF Budget for the Municipality.

- National Development Plan (overarching development vision for the country)
- State of the Nation Address
- National Budget Speech
- State of the Province Address
- Provincial Budget Speech
- Sector Departments (National and Provincial) Budget Speeches
- Division of Revenue Act
- National Treasury Budget Assumptions (MFMA Circular 93)

In order to ensure integrated and focused service delivery between all spheres of government it was therefore important for the District Municipality to align its budget priorities with those of national and

provincial government. All spheres of government place a high priority on infrastructure development, economic development job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

The following budget principles and guidelines directly informed the compilation of the 2019/20 MTREF:

- The 2019/20 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2020/2021 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs; and
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors. As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities.
- The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.
- The collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the District Municipality's cash levels. In addition to this, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

The 2020/21 MTREF BUDGET has therefore been directly informed by the IDP process and the following tables provide the "reconciliation" of the IDP strategic objectives with operating revenue, operating expenditure and capital expenditure.

5.1.3. MEDIUM TERM EXPENDITURE AND REVENUE FRAMEWORK

The planning of the budget preparation process involved consideration of all factors, which had far-reaching implications on the annual budget of the municipality. These were:

- External Economic factors;
- National and Provincial priorities;
- Policies on tariffs and service charges;
- Determination of prudent levels of cash reserves;
- Development of financial performance measures; and
- An analysis of performance trends in terms of operational and capital budget components.

5.1.4. FUNDING OF THE BUDGET

In terms of Section 18 of Chapter 4 of the MFMA, an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in Section 17 (2).

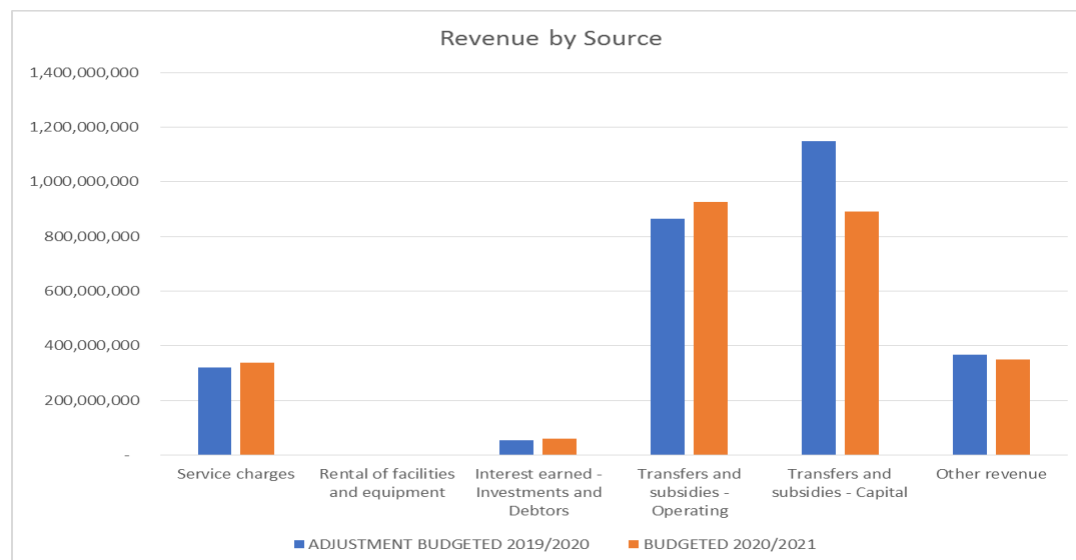
Own revenue constituting 29% of overall revenue being:

- Service charges of 13% comprised of:
 - Water and sanitation- R 339.7 million
- Interest received of 2% being:
 - Interest received from investments- R29.5 million
 - Interest received from debtors- R31.8 million
- Other revenue of 14% being:
 - Reserves- R79.3 million
- Ntinga Revenue-

Table 20: Sources of Revenue

ACCOUNT DESCRIPTION	ORIGINAL BUDGET 2019/2020	ADJUSTED BUDGET 2019/2020	BUDGETED 2020/2021	BUDGETED 2021/2022	BUDGETED 2022/2023
Service charges	307,474,028	320,474,028	339,702,470	360,084,618	381,689,695
Rental of facilities and equipment	60,984	60,984	64,278	67,749	70,865
Interest earned - Investments and Debtors	66,882,200	53,882,200	61,315,576	72,607,639	76,419,503
Transfers and subsidies - Operating	863,952,000	863,952,000	927,508,000	991,629,000	1,059,277,000
Transfers and subsidies - Capital	982,905,001	1,149,755,731	891,519,000	882,465,000	988,437,000
Other revenue	337,654,220.53	367,829,381.39	349,361,374.75	306,712,123.86	280,061,035.80
TOTAL REVENUE	2,558,928,435	2,755,954,325	2,569,470,699	2,613,566,130	2,785,955,099

Figure 12: Graphic Illustration of revenue



Revenue comprises of 71 percent of government grants and transfers recognized being:

- Equitable share – R918.9 million
- Finance Management Grant – R2 million
- Extended Public Works Program – R6.5 million
- Municipal Infrastructure Grant – R628.8 million.
- Water Services Infrastructure Grant – R90 million
- Regional Bulk Infrastructure Grant – R129.6 million
- Rural Roads Asset Management – R2.9 million
- Emergency Housing Grant- R40 million

Service Charges of 13 percent being:-

- Water and Sanitation - R339.7 million

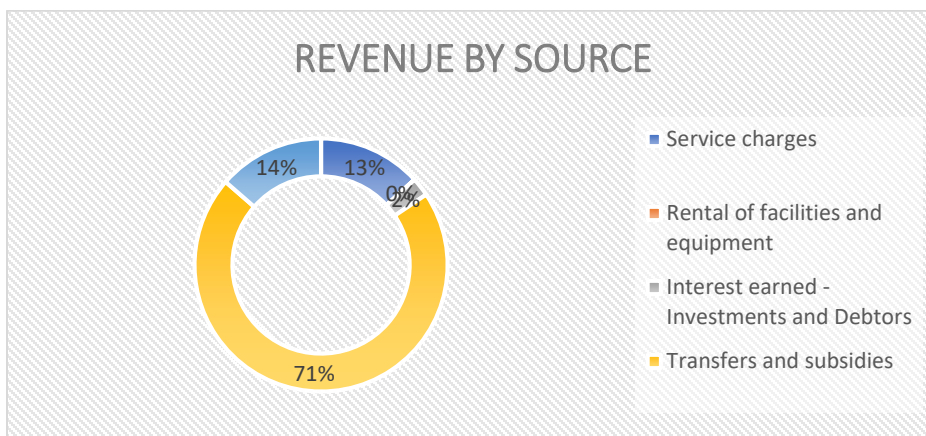
Interest received of 2 percent being:-

- Interest received from investments – R29.5 million
- Interest received from debtors – R31.8 million

Other own revenue of 14 percent being:-

- Reserves – R79.3 million
- Hall hire fees – R64 278.00
- VAT refund – R 140 million
- Proceeds on old debtors – R130 million
- VAT refunds – R140 million

Figure 13: Total Revenue



The municipality is reliant on government grants and subsidies being 71 percent of revenue as depicted above.

Figure 14: Sources of funding

DESCRIPTION	ORIGINAL BUDGET 2019/2020	ADJUSTED BUDGET 2019/2020	BUDGETED 2020/2021	BUDGETED 2021/2022	BUDGETED 2022/2023
OWN REVENUE	1,567,614,434	1,597,789,594	1,669,434,699	1,729,001,130	1,795,418,099
GRANT REVENUE	991,314,001	1,158,164,731	900,036,000	884,565,000	990,537,000
TOTAL REVENUE	2,558,928,435	2,755,954,325	2,569,470,699	2,613,566,130	2,785,955,099

Figure 15: Service Charges Collection

ACCOUNT DESCRIPTION	ORIGINAL BUDGET 2019/2020	ADJUSTED BUDGET 2019/2020	BUDGETED 2020/2021	BUDGETED 2021/2022	BUDGETED 2022/2023
Service charges	307,474,028	320,474,028	339,702,470	360,084,618	381,689,695
Interest earned-Debtors	30,000,000	30,000,000	31,800,000	33,708,000	35,730,480
Gross Service Charges	337,474,028	350,474,028	371,502,470	393,792,618	417,420,175
Less: Debt Impairment	- 92,405,456	- 92,405,456	- 164,430,386	- 171,994,184	- 179,905,916
	245,068,572	258,068,572	207,072,084	221,798,434	237,514,259

The gross revenue for service charges in original equals to R307.4 million and adjustment budget equals to R320.4 million relating to 2019/20 with interest on outstanding debtors of R30 million resulting in the gross service charges anticipated to be R337.4 million in original budget and R350.4 million in adjustment budget. For the 2020/21 MTREF, the gross revenue for services charges amounts to R371.5 million, R393.7 million and R417.4 million respectively. The anticipated debt impairment for 2020/21 MTREF amounts to R164.4 million, R171.9 million and R180 million respectively. Resulting in the anticipated collections being R207 million, R221.7 million and R237.5 million being 56 percent in 2020/21, and 2021/22 while 2022/23 is 57 percent collection rate. Furthermore, old debt of R130 million is included in the budget as part of revenue and should be collected with assistance of the contracted debt collector

5.1.4.1. Tariffs

Cartegories	2020/21	2021/22	2022/23
Households	6%	6%	6%
Business	6%	6%	6%
Government	6%	6%	6%

The propose tariff increase is 6 percent for residential, 6 percent for business and 6 percent for government during 2019/20.

Table 21: Operating expenditure comprises of the following

ACCOUNT DESCRIPTION	ORIGINAL BUDGET 2019/2020	ADJUSTED BUDGET 2019/2020	BUDGETED 2020/2021	BUDGETED 2021/2022	BUDGETED 2022/2023
Employee related costs	579,709,961.80	584,968,432.48	633,043,787.31	672,438,892.57	714,288,365.85
Remuneration of councillors	22,659,099.25	22,659,099.25	24,075,292.95	25,579,998.76	27,178,748.69
Debt impairment	92,405,456.35	92,405,456.35	164,430,386.09	171,994,183.85	179,905,916.31
Depreciation & asset impairment	165,748,000.00	165,748,000.00	173,206,660.00	181,174,166.36	189,508,178.01
Bulk purchases	41,145,000.00	35,745,000.00	37,353,525.00	39,071,787.15	40,869,089.36
Contracted services	213,751,991.01	193,413,463.27	163,034,255.87	164,803,831.64	165,407,807.90
Transfers and subsidies	71,524,656.55	86,958,630.18	97,813,836.36	102,313,272.83	107,019,683.38
Other materials	24,758,781.45	24,258,781.45	25,350,426.62	26,516,546.24	27,736,307.37
Other expenditure	221,540,795.94	258,136,907.14	241,339,997.74	253,179,637.65	266,936,299.13
TOTAL EXPENDITURE	1,433,243,742.35	1,464,293,770.13	1,559,648,167.95	1,637,072,317.06	1,718,850,396.00

Operating expenditure is projected to increase by R95.3 million being 7 percent for the 2020/21 financial year when compare to adjustment budget. For the two outer years, operational expenditure will increase by 5 percent, in 2021/22 and 5 percent in 2022/23.

The analysis as per line items is explained as follows:

5.1.4.2. Personnel Expenditure

Employee costs is projected to increase by R48 million which is 8 percent from the adjustment budget. This is mainly due to the increment of 6.25 percent being projected. The budgeting for the filling of critical vacant posts was already included in the adjustment budget therefore the increase of 6.25 percent has also been effected in the budget for critical posts. Then subsequently increase for the outer years is 6.25 percent respectively.

Remuneration to Councillors increased by 6.25 percent as compared to adjustment budget this is to cater for the upper limits since remuneration of councillors was not adjusted the adjustment budget of 2019-2020.

5.1.4.3. Bulk Purchases

Bulk purchases (water) increased by R1.6 million from R35.7 million to R37.3 million which is 5 percent.

5.1.4.4. Repairs and Maintenance

Repairs and maintenance increased by R2.7 million as compared to adjustment budget for 2019/20. The main item in the Repairs and maintenance are:

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DESCRIPTION	ORIGINAL BUDGET 2019/2020	ADJUSTED BUDGET 2019/2020	BUDGETED 2020/2021	BUDGETED 2021/2022	BUDGETED 2022/2023
3. REPAIRS AND MAINTENANCE					
BUILDINGS & INSTALLATIONS	10,953,786	8,853,786	6,178,040	6,462,230	6,759,492
SURVEILLANCE EQUIPMENT MAINTENANCE	562,294	562,294	587,597	614,627	642,900
IT EQUIPMENT REPAIRS	582,124	582,124	608,320	636,302	665,572
LAND & FENCES	254,254	254,254	265,696	277,918	290,702
SEWERAGE RETICULATION	4,790,051	1,131,432	1,182,346	1,236,734	1,293,624
SEWERAGE TREATMENT WORKS	2,217,616	-	-	-	-
SEWERAGE PUMP STATIONS	1,663,212	-	-	-	-
WATER PUMP STATIONS	10,415,354	10,415,354	10,884,045	11,384,711	11,908,408
SUPPORT TO STRATEGIC ROADS	5,112,000	5,912,000	9,252,206	9,677,807	10,122,986
MATERIALS AND STORES	10,761,182	10,761,182	11,245,435	11,762,725	12,303,811
REPAIRS TO BULK WATER METERS	3,326,424	-	-	-	-
VIP SLUDGE SUCKING	11,088,080	10,500,000	10,972,500	11,477,235	12,005,188
SPRING PROTECTION	970,207	4,296,631	4,489,979	4,696,518	4,912,558
TOOLS & EQUIPMENT	1,054,000	1,054,000	1,101,430	1,152,096	1,205,092
MAINTENANCE OF PIPE LEAKS	3,370,144	-	-	-	-
REPAIR OF ELEMENTS ON TREATMENT WORKS	1,164,248	-	-	-	-
SEALING OF RESERVOIRS	1,136,528	1,136,528	1,187,672	1,242,305	1,299,451
MOTOR VEHICLES	3,689,000	3,689,000	3,855,005	4,032,335	4,217,823
TOTAL REPAIRS & MAINTENANCE	73,110,504	59,148,585	61,810,272	64,653,544	67,627,607

The percentage of Repairs and maintenance in relation to Capital expenditure is 6 percent. The norm that National Treasury recommends is 8 percent of repairs and maintenance to capital expenditure. The operating and maintenance includes the items which are classified under the general expenditure and not in the repairs but they form part of the operating and maintenance. The items included in the general expenditure are:

- Water purification chemicals amounting to R12.7 million
- Electricity on water schemes – R37.3 million

When the above items which form part of operating and maintenance are included, the total amount of O&M amounts to R111.8 million which is 11 percent of capital expenditure which is above the recommended norm moreover depreciation of R173.2 million is budgeted for which sets aside funds for planning for the future maintenance of the infrastructure.

5.1.4.5. Contracted Services

This comprises of security fees paid to contracted security companies guarding the properties of the municipality together with the water schemes in various local municipalities and professional fees for consultants. Contracted services decreased by R30.3 million being 16 percent of the adjustment budget. This is mainly due to decrease in items such as consultants and catering.

5.1.4.6. Grants and Subsidies paid

Comprises of transfers to Ntinga Development Agency and allocation, support to local municipalities and programs for the benefit of the local communities. Increase of R10.8 million being 12 percent. The increase is due to increase in water carting and social relief budget as compared to the adjustment budget.

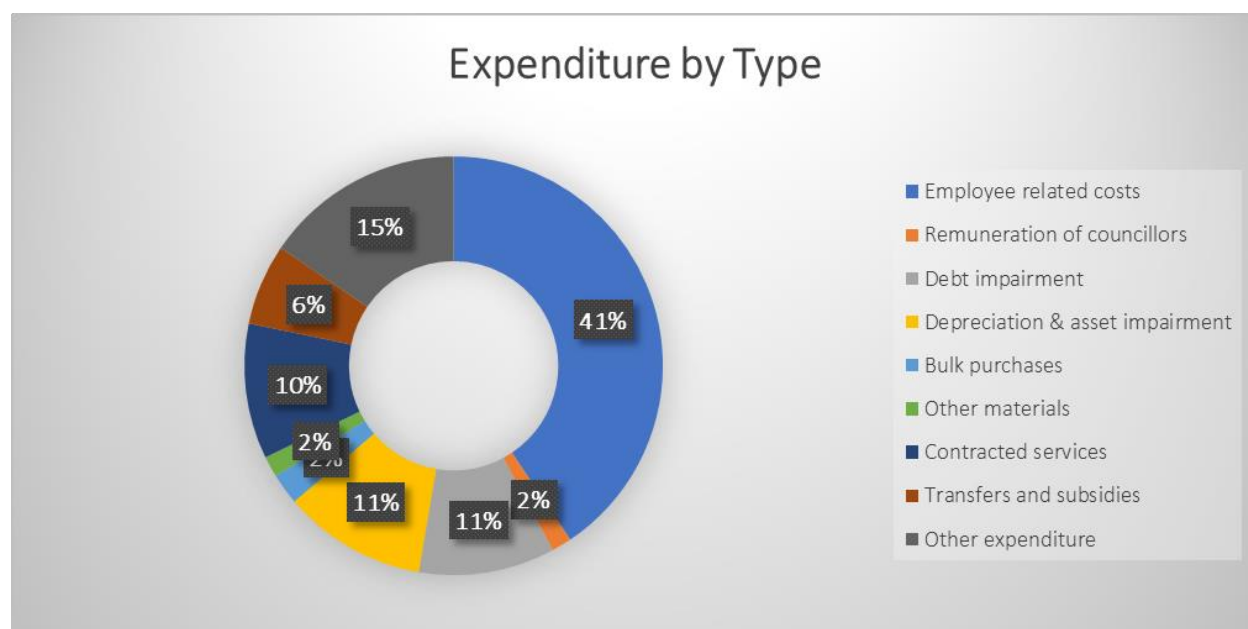
5.1.4.7. Other Expenditure

Other expenditure decreased by R16.8 million which resulted in 7 percent decrease as compared to adjustment budget. This is mainly due to decrease Hire charges etc and cutting of non-core expenditure.

Table 22: Other Expenditure

DESCRIPTION	ORIGINAL BUDGET 2019/2020	ADJUSTED BUDGET 2019/2020	BUDGETED 2020/2021	BUDGETED 2021/2022	BUDGETED 2022/2023
AUDIT FEES	10,013,000	10,013,000	10,463,585	10,944,910	11,448,376
DEPRECIATION	165,748,000	165,748,000	173,206,660	181,174,166	189,508,178
ELECTRICITY PURCHASES	35,699,191	35,699,191	37,305,654	39,021,714	40,816,713
VEHICLE FUEL & OIL	7,759,759	11,509,759	12,027,698	12,580,972	13,159,697
HIRE- EQUIPMENT & MACHINERY	6,346,661	6,346,661	4,632,261	4,845,345	5,068,231
WATER PURIFICATION CHEMICALS	12,191,478	12,191,478	12,740,094	13,326,138	13,939,141
TELEPHONE	18,469,242	18,469,242	16,300,358	17,050,174	17,834,482
SUBSISTENCE & TRAVELLING	27,566,122	38,834,076	33,819,260	35,374,946	37,002,194
COMMISSION PAID- DEBT COLLECTION	20,000,000	7,000,000	10,450,000	5,930,700	1,433,512
CO-OPERATIVE SUPPORT	8,540,000	11,050,000	10,547,250	11,032,424	11,539,915
AGRI-PARKS	7,750,800	7,750,800	8,099,586	8,472,167	8,861,887
RURAL AGRO INDUSTRIAL SUPPORT	8,013,000	7,493,000	7,830,185	8,190,374	8,567,131
REGIONAL INDUSTRIAL DEVELOPMENT PLAN	4,970,000	4,020,000	4,200,900	4,394,141	4,596,272
	333,067,252	336,125,207	341,623,491	352,338,172	363,775,728

Figure 16: Expenditure by Type



Capital expenditure is mainly comprised of :-

New Assets -

- Municipal Infrastructure Grant - R628.8 million
- Regional Bulk Infrastructure Grant – R129.6 million
- Water Services Infrastructure Grant – R90 million
- Motor Vehicles – R8 million
- Buildings - R10 million
- Fire Fighting Equipment - R5.5 million
- Disaster facilities – R15 million
- Provision of public toilets – R1.5 million

Asset Renewal (replacement) –

- Refurbishment of Water Schemes – R39.6 million
- Water Meters – R3 million
- Sewerage Reticulation – R8.7 million
- Water Pump Stations – R4.3 million
- Element of Treatment Works - R1.2 million

Figure 17: Capital Expenditure

DESCRIPTION	ORIGINAL BUDGET 2019/2020	ADJUSTED BUDGET 2019/2020	BUDGETED 2020/2021	BUDGETED 2021/2022	BUDGETED 2022/2023
CAPITAL EXPENDITURE	1,123,227,533	1,288,999,369	1,002,522,118	968,317,351	1,057,947,065

Figure 18: Grant Allocation over 2020/2021 MTREF

DESCRIPTION	ORIGINAL BUDGET 2019/2020	ADJUSTED BUDGET 2019/2020	BUDGETED 2020/2021	BUDGETED 2021/2022	BUDGETED 2022/2023
EQUITABLE SHARE	855,543,000.00	855,543,000.00	918,991,000.00	989,529,000.00	1,057,177,000.00
FMG	2,115,000.00	2,115,000.00	2,000,000.00	2,100,000.00	2,100,000.00
EPWP	6,294,000.00	6,294,000.00	6,517,000.00	-	-
MIG	633,395,001.00	633,395,001.00	628,864,000.00	687,340,000.00	730,131,000.00
RBIG	246,398,000.00	246,398,000.00	129,693,000.00	100,000,000.00	160,000,000.00
WSIG	100,000,000.00	219,600,000.00	90,000,000.00	92,000,000.00	95,000,000.00
EMERGENCY HOUSING GRANT	-	47,250,730.00	40,000,000.00	-	-
RRAMS	3,112,000.00	3,112,000.00	2,962,000.00	3,125,000.00	3,306,000.00
	1,846,857,001	2,013,707,731	1,819,027,000	1,874,094,000	2,047,714,000

5.1.5. PAST FINANCIAL PERFORMANCE

2018/2019 Audited Results

The municipality obtained a **Qualified Audit Opinion** in the 2018/19 financial year.

2019/20 Mid-Year Performance Results

The mid-year performance results are as follows:

Table 23: Capital Expenditure

Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Mid Year Projection	Actual Outcome	Mid Year Variance	Mid Year Variance %
MIG	633,395,000	633,395,000	312,472,292	253,858,286	312,472,292	253,858,286	58,614,006	18.76%
Other Capital Expenditure	489,832,533	537,083,263	239,960,610.40	162,669,160	239,960,610	162,669,159.93	77,291,450	32.21%
Total	1,123,227,533	1,170,478,263	552,432,902	416,527,446	552,432,902	416,527,446	135,905,456	24.60%

Table 24: Operating Expenditure

Description	Original Budget	Adjustment Budget	YTD Projection	YTD Actual Outcome	Mid Year Projection	Actual Outcome	Mid Year Variance	Mid Year Variance %
Employee Costs	583,634,805	583,634,805	292,280,216	313,305,653	292,280,216	313,305,653	-21,025,436	-7.19%
Councillor Remuneration	22,659,099	22,659,099	11,329,550	9,562,684	11,329,550	9,562,684	1,766,866	15.60%
Bulk Purchases	41,145,000	41,145,000	20,572,500	4,742,004	20,572,500	4,742,004	15,830,496	76.95%
Other Materials	24,758,781	24,758,781	12,109,207	11,000,682	12,109,207	11,000,682	1,108,525	9.15%
Contracted Services	206,422,329	206,422,329	102,748,351	78,076,759	102,748,351	78,076,759	24,671,592	24.01%
Grants and Subsidies	74,024,657	74,024,657	37,012,328	40,298,957	37,012,328	40,298,957	-3,286,629	-8.88%
Other Expenditure	480,599,069	480,599,069	136,487,138	121,972,680	136,487,138	121,972,680	14,514,458	10.63%
Total	1,433,243,740.43	1,433,243,740.43	612,539,290	578,959,418	612,539,290	578,959,418	33,579,872	5.48%

5.1.6. OVERVIEW OF BUDGET RELATED POLICIES

5.1.6.1. *Budget Adjustment Policy*

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the District Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

5.1.6.2. *Budget and Virement Policy*

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the District Municipality's system of delegations. The Budget and Virement Policy will be approved by the council during the financial year.

5.1.6.3. *Cash Management and Investment Policy*

The aim of the policy is to ensure that the District Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash-equivalents required at any point in time and introduce timeframes to achieve certain benchmarks.

5.1.6.4. *Tariff Policies*

The District Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been reviewed and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years. The proposed tariff increase is 6% for the 2020/21 financial year. With the introduction of MSCOA costing methodology as prescribe by the National Treasury, the municipality is in a process of determining the cost of providing services which will used as the basis of determining the new tariffs. Once this process is completed a tariff implementation plan will be developed and approved by the council.

5.1.6.5. *Asset Management, Infrastructure Investment and Funding Policy*

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the District Municipality's revenue base. However due to limited resources and existing low revenue base, the district municipality is financially constrained in the operation and maintenance of infrastructure. With the approximate depreciation and impairment of assets at R173.2 million, the District Municipality requires this amount (R173.2 million) and more to adequately meet the need for maintenance of all assets in order to provide sustainable services to the communities. During the year under review, the District Municipality has allocated a funds for of R61.8 million for asset renewal. As the District Municipality is experiencing huge infrastructure backlog, there is a need for funding for operation and maintenance of the existing and future infrastructure investment. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation.

CHAPTER 6 – SERVICE DELIVERY PROGRAMMES AND PROJECTS 2020/21

6.1.1. INTRODUCTION

This chapter contains details on all projects identified to give effect to the objectives and strategies in the Integrated Development Plan. Emerging from the Strategic Planning Session that was held by the leadership of the District and its broader stakeholders, there are key projects and programmes that were identified as strategic for the panning of 2019/2020 financial year. These programmes and projects were consolidated as per the Key Performance Areas of Local Government. In their broader context they serve to address the socio economic challenges that have been identified in the situational analysis (refer to chapter 2). The programmes and projects are futher articulated in the Municipal Scorecard whilst some have been captured by sector departments in their plans. These are holistic initiatives aimed at realising development in the District in an integrated manner. The projects are categorized as follows:

- ORTDM Draft Project Implementation Plan
- Strategic Catalytic Projects
- Emerging Catalytic Projects
- Key Institutional Strategic Programmes
- National and Provincial Sector Departments and Entities – Projects
- Ntinga O.R. Tambo Development Agency Projects

6.1.2. DRAFT PROJECT IMPLEMENTATION PLAN

PROJECT TITLE	WARD/ AREA	EPWP Y/N	MIG CATEGOR Y (B,P OR E)	PROJECT TYPE (WATER, SANITATION ETC)	PROJECT STATUS	TOTAL PROJECT COST FOR 2020/2021
Sidwadweni Water Supply Phase 5 Remainder	Bulembu ,Bhongweni, Balasi	Yes	B	Water	Design	55,000,000.00
Libode Secondary Bulk Water Supply	Empangala,Mamfen gwini, Ngxokweni	Yes	B	Water	Construction	8,000,000.00
Ngqeleni Secondary Bulk Water Supply	Bomvini, Lutsheko, Polini	Yes	B	Water	Construction	54,500,000.00
Ntsonyeni Ngqongweni Regional Water Supply Scheme Phase 2A	Darhana, bakaleni, Bholani	Yes	B	Water	Construction	50,200,000.00
Dumasi Regional Water Supply - Study	Bantingville, mandlovini, Maqanyeni	Yes	B	Water	Construction	34,500,000.00
Port St Johns Regional Water	PSJ Ward 12	Yes	B	Water	Construction	32,400,000.00

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PROJECT TITLE	WARD/ AREA	EPWP Y/N	MIG CATEGORY (B,P OR E)	PROJECT TYPE (WATER, SANITATION ETC)	PROJECT STATUS	TOTAL PROJECT COST FOR 2020/2021
Supply Scheme Phase 6						
Lusikisiki RWS - Planning		Yes	B	Water	Technical Report	4,100,000.00
						-
Ingquza Hill Ward 8 Sanitation	Ward 8	Yes	B	Sanitation	Construction	5,310,000.00
Ingquza Hill Ward 15 Sanitation	Ward 15	Yes	B	Sanitation	Construction	5,350,000.00
Ingquza Hill Ward 29 Sanitation	Ward 29	Yes	B	Sanitation	Construction	7,190,000.00
KSD Ward 18 Sanitation	Ward 18	Yes	B	Sanitation	Construction	5,550,000.00
Mhlontlo Ward 21 Sanitation	Ward 21	Yes	B	Sanitation	Construction	5,260,000.00
Mhlontlo Ward 22 Sanitation	Ward 22	Yes	B	Sanitation	Construction	2,900,000.00
Port St Johns Ward 5 Sanitation	Chaguba, qhaka, Sicambeni	Yes	B	Sanitation	Construction	6,900,000.00
Port St Johns Ward 18	Ward 18	Yes	B	Sanitation	Construction	1,470,000.00
Port St Johns Ward 8	Ward 8	Yes	B	Sanitation	Construction	2,550,000.00
Extension of Flagstaff Eradication of Bucket System Phase 2	Greater Flagstaff	Yes	B	Water Borne Sanitation	Construction	4,640,000.00
Lusikisiki Sewers & Waste Water Treatment Works Phase 2	ward 15	Yes	B	Water Borne Sanitation	Tender and Design	19,000,000.00
Tsolo Waste Water Treatment Works and Raw Sewerage Pump Station	Ward 6-Tsolo Town	Yes	B	Water Borne Sanitation	Contraction	10,200,000.00
Libode Sewerage Treatment works Phase 1	Ward 7-Libode Town	Yes	B	Water Borne Sanitation	Construction	3,640,000.00
Port St Johns Town Sewer Reticulation Upgrade		Yes	B	Water Borne Sanitation	Design	32,900,000.00
Libode Sewer - Phase 2		Yes	B	Water Borne Sanitation	Design	500,000.00

PROJECT TITLE	WARD/ AREA	EPWP Y/N	MIG CATEGORY (B,P OR E)	PROJECT TYPE (WATER, SANITATION ETC)	PROJECT STATUS	TOTAL PROJECT COST FOR 2020/2021
PMU - Admin						28,800,000.00
						671,322,000.00

6.1.3. STRATEGIC CATALYTIC PROJECTS

Proposed Programme/Project	Project Status	Responsible Department	Estimated Costs
N2 Wild Coast Highway	Project in the construction phase, with a focus on the Mtentu & Msikaba mega bridges	Transport	Not yet available
Mthatha Airport	Terminal Building, runway and apron projects complete	Transport	Not yet available
Mzimvubu Multipurpose Project	Feasibility study completed in 2014, EIA approved in 2015. No budget allocated. Project being re-conceptualised	DWS	Not yet available
Wild Coast Meander road	Attending to matters raised from NT arising from BFI (Budget Facility for Infrastructure) application	Transport	Not yet available
Wild Coast SEZ	Feasibility study and Business Plan completed. A 50-year lease on land next to the airport has been signed. Four investors have already indicated their interest. Not yet promulgated as an SED by DTI	DEDEAT	Not yet available

6.1.4. EMERGING CATALYTIC PROJECTS

Proposed Programme/Project	Project Status	Responsible Department	Estimated Costs
Magwa-Majola Agri & Eco-Tourism	The concept is complete; the Masterplan will be concluded in March 2020 & a model for the development is complete	DRDAR	Not yet available

PSJ Small Harbour & Town Development	Feasibility for harbour by NDoT. NPW to follow up on the recommendations of the study. PSJ Masterplan developed by DPW, OTP implementing	OTP	Not yet available
N2 by-passes (R72, KWT, Butterworth, Dutywa & Mthatha)	BCM & SANRAL not yet reached agreement on the R72 & KWT. Butterworth, Dutywa & Mthatha in planning phase by SANRAL	Transport	Not yet available
Renovations of shared facility at Lusikisiki (College of Education)	Renovations of shared facility at Lusikisiki (College of Education)	Public Works	Not yet available
Botha Sigcau building – Eternal Renovations	Botha Sigcau building –External renovations	Public Works	Not yet available
Botha Sigcau	Botha Sigcau building –Second Floor Open Plan	Public Works	Not yet available

6.1.5. DEPARTMENT OF HEALTH

Proposed Programme/Project	Project Status	Locality	Estimated Costs
Flagstaff CHC Phase-2.	New building including site works and build services.	IHLM	R120 M
St Elizabeth Hospital	Phase 1A & B Lilitha college, student centre, paediatrics, kitchen & laundry	IHLM	R246 919 350
St Elizabeth Hospital	Health Professional Accommodation 15 x 2 bedroom units	IHLM	R32 M
ST Barnabas Hospital	New building including site works and bulk services	Nyandeni LM	R114 058 282
St Barnabas	Hospital Water & Sanitation	Nyandeni LM	R6 713 219
St Barnabas & Holy Cross Hospitals	Relocatable Health Professional Accommodation- Phase 2	Nyandeni LM	R9 M
St Barnabas Hospital	MOU Upgrade	Nyandeni LM	R15 M
Holy Cross Mental Unit	Replacement of previous non-compliant unit	Nyandeni LM	R85 M
Holy Cross	Accommodation	Nyandeni LM	R90 M
St Barnabas & Holy Cross Hospitals	Relocatable Health Professional Accommodation – Phase 2	Nyandeni LM	R9 M

Proposed Programme/Project	Project Status	Locality	Estimated Costs
Holy Cross Hospital	MOU Upgrade	Nyandeni LM	R15 M
Canzibe Hospital	Repairs & Renovations	Nyandeni LM	R12 487 258
Canzibe Hospital	Phase 2-Health Professional Accommodation (736 sqm) 8 x 2 bedroom units	Nyandeni LM	R103 550 000
Nessie Knight Hospital	Phase-3 construction of new health professional accommodation	Mhlontlo LM	R105 303 830
Nessie Knight Hospital Upgrade	Phase-4 Renovations & Refurbishments	Mhlontlo LM	R41 420 000
Nessie Knight	Construction of a replacement clinic	Mhlontlo LM	R41 420 000
Nessie Knight Gateway Clinic	Construction of a replacement clinic	Mhlontlo LM	R25 M
Nessie Knight Hospital	Upgrade Phase 5	Mhlontlo LM	R250M
Dr Malizo Mpehle & Zitulele Hospital	Relocatable Health Professional Accommodation – Phase 1	Mhlontlo LM	R9M
Dr Malizo Mpehle	Health Professional Accommodation	Mhlontlo LM	R80 M
Dr Malizo Mpehle	Neo-Natal Upgrade	Mhlontlo LM	R15 M
St Lucy Hospital	Water Supply & Storage Water Tanks	Mhlontlo LM	TBA
Isilimela Hospital	Phase 1 Health Professionals Accommodation	PSJ LM	R24 781 153
Isilimela Hospital	Phase 2 Upgrade & New Staff Accommodation	PSJ LM	R90 M
Mthatha General Hospital	Rehabilitation of Mthatha Nursing Accommodation & Depot	KSD LM	R108 495 000
Mthatha General Hospital	Repairs & renovations to MOU, TB, Laundry, Kitchen, OPD, Pharmacy, A& E.	KSD LM	R128 620 000
Mthatha Regional	Lilitha College	KSD LM	R18 M
Mthatha Regional	MOU Upgrade	KSD LM	R15M
Nelson Mandela Academic Hospital	Fencing at various staff accommodations	KSD LM	R9 893 168
Nelson Mandela Academic & Mthatha General Hospitals	Scheduled Maintenance to Medium Voltage Facilities	KSD LM	R7 181 302
Bedford Hospital	Orthopeadics Unit Repairs & Renovations	KSD LM	R16 M
Nelson Mandela Academic Hospital	Oncology	KSD LM	R650 M
Nelson Mandela Academic Hospital	MOU Upgrade	KSD LM	R15 M

Proposed Programme/Project	Project Status	Locality	Estimated Costs
Nelson Mandela Academic Hospital	Theatre HVAC Upgrade	KSD LM	R15 M
Nelson Mandela Academic, Mthatha Regional & Bedford Hospitals	Replacement of kitchen & laundry	KSD LM	R15 M
Nelson Mandela Academic Hospital	Upgrade of Access Control	KSD LM	R15 M
	Modification & Additions to 51 existing clinics	ORTDM (46C + 5 CHC)	TBA
Zithulele Hospital Phase 2	Renovations and refurbishments of existing level 1 facility and gateway clinic	Mhlontlo LM	R480 M
Zithulele Hospital Phase 2	Renovations and refurbishments of existing level 1 facility and gateway clinic	Mhlontlo LM	R441 M

6.1.6. DEPARTMENT OF RURAL DEVELOPMENT & AGRARIAN REFORM (DRDAR)

Proposed Programme/Project	Project Status	Locality	Estimated Costs
Ingquza Hill Productive Areas	Supply delivery & erection of fencing for arable lands totaling to 36 kilometres	IHLM	R7 021 000
KSD Productive Areas	Supply delivery & erection of fencing for arable lands totaling to 50,3 kilometres	KSD LM	R4 527 000
Nyandeni Productive areas	Supply delivery & erection of fencing for arable lands totaling to 17,917 kilometres	Nyandeni LM	R3 960 000
PSJ Productive Areas	Supply delivery & erection of fencing for arable lands totaling to 10,4 kilometres	PSJ	R936 000
Mhlontlo Productive Areas	Supply delivery & erection of fencing for arable lands totaling to 32,78 kilometres. Provision of Maize Silo.	Mhlontlo LM	R2 950 000
O.R. Tambo Dipping Tanks	Renovation of 20 dipping tanks	ORTDM	R3 M
O.R. Tambo New Dipping Tanks	Construction of new dipping tanks	ORTDM	R5 M
O.R. Tambo stock water damd & Boreholes	Desilting of 1 stock dam Borehole construction	ORTDM	
Ntshongwe irrigation scheme	Revitalization of irrigation system totaling to 28 HA for fodder production		R3 920 000

Nyandeni Milling Plant	Planning for establishment of feed milling plant	Nyandeni	R1 M
OR Tambo Woolclip Commercialization	Construction of 6 fully equipped shearing shed & Fenced. Establishment of a wool processing plant	ORTDM	R7,2 M R1M
Ingquza Hill Small Irrigations	Installation of irrigation systems, drilling of a borehole, fencing and connection of electricity covering 62 HA in various sites	IHLM	R8 680 000
KSD Small Irrigations	Installation of irrigation systems, drilling of a borehole, fencing & connection of electricity covering 62 HA.	KSD	R4,5 M
Ort ST Johns Small Irrigations & Packhouse	Installation of irrigation systems, fencing, pump house and connection of electricity covering 26 HA & Construction of a Packhouse	PSJ	R4,5 M
Masibazise Irrigation Scheme	Installation of irrigation systems, fencing, pump house and connection of electricity covering 14HA		

6.1.7. DEPARTMENT OF SPORT, RECREATION, ARTS, & CULTURE (DSRAC)

Proposed Programme/Project	Project Status	Locality	Estimated Costs
Qumbu Library		Mhlontlo LM	R200 000
Ndimakude Library	Upgrade of Ndimakude Library	IHLM	R500 000
PSJ Library & Museum	Refurbishment of PSJ Library & Museum	PSJ LM	R50 000
Wild Coast Museum	Refurbishment of Library and Museum	PSJ LM	R100 000
Sport District, Provincial & National Champions	School Sport District, Provincial & National Champions	DoE & All Municipalities	R26 348 000
Rural Sport Development Programme	Pilot project- Club development	COGTA, DoE, Identified LM's (IHLM) Traditional Council	R3 231.000
Local leagues	Club development	ECSC, District Sport Confederations; Sport Federations & Municipalities	R9 694.000
Recreation	Women, youth, aged & people with disabilities.	Provincial & Recreation structures (incl. girl guides & scouts) Local Municipalities; Dept of Social Development.	R13 455.000
Sport	Sport partnership tourism events	DEDEAT(ECPTA, ECGB); ECSC, Sport Federations & LM's	R5 653. 000
Heritage	Preservation & conservation of heritage	LM's, DEDEAT (ECPTA,ECGB);ECPHRA	R25 851. 000
Arts & Culture	Arts & Culture festivals	LM's, DEDEAT	R32 868.00

Proposed Programme/Project	Project Status	Locality	Estimated Costs
		(ECPTA, ECGB)	

6.1.8. DEPARTMENT OF TRANSPORT

Proposed Programme/Project	Project Status	Locality	Estimated Costs
N2 Wild Coast Highway Upgrade.	Project Design is complete and commencement in 2019	Ndwalane to Mtamvuna River	R7 578 656.00
DNNS2: N2WCR – New singleway carriageway road	Project Commencement in February 2020	IHLM – Msikaba to Mtentu bridges	R1 132 121 505.00
DNNS2: N2WCR – New singleway carriageway road	Project Commencement in February 2020	Mbizana Local Municipality – Kulumbe to Mtavuna	R853 038 075.00
DNUSC: Mtentu Community Programme – Upgrading of gravel road to surface road	Project Commencement in February 2020	Mbizana Local Municipality - Mtentu	R150 M
DNUSC: DR08120 & DR08121 – Upgrading of gravel road to surface road	Project Commencement in February 2020	Mbizana Local Municipality – Road sections: DR08120 & DR08121	R488 M
Household Contractor Road Maintenance		KSD LM	R326 M
Implementation of Shova kalula Network plan			R700 000.00
Implementation of integrated road transport infrastructure and public transport service		ORTDM	R4 100 100.00

6.1.9. SANRAL

Proposed Programme/Project	Project Status	Locality	Estimated Costs

Proposed Programme/Project	Project Status	Locality	Estimated Costs
R61 Baziya – Mthatha Airport	Road Strengthening project	KSD LM	R545 M
R61 Mthatha Airport to Mthatha CBD	New facilities	KSD LM	R900 M
N2 Viedgesville to Mthatha CBD	New facilities	KSD LM	R800M
N2 Mthatha Southern Ring Road	New facility	KSD LM	R900 M
R61 Misty Mountain (17.5) to Mafini	Road Improvement project		R375 M
N2/18 Tetyana – Sitebe Komkulu	Road Strengthening project	KSD LM	R430 M
R61/8 Majola Tea Junction to Tombo	New Facilities	PSJ L	
N2 – Nqadu to Mbokotwana	Rehabilitation	Mhlontlo LM	
N2 Qumbu town to Mzeke River	Road improvement	Mhlontlo LM	
N2 Mbokotwana to Qumbu	Road improvement	Mhlontlo LM	
N2 Mthatha to Brookes Nek RRM	Routine road maintenance		R81 M
N2 Mthatha to East London RRM	Routine road maintenance		R78 M
R61 Queenstown to PSJ RRM	Routine road maintenance		R120 M
N2 Wild Coast Road (N2 WCR) Mtentu Bridge	New bridge facility		R2 Billion
N2 WCR: Msikaba Bridge	New Facility		R1.65 Billion
N2 WCTR Bambisana to Lingeni	New facilities 4 & 2 lane highway		R700 M
N2 WCR Ndwalane I/C to Ntafufu I/C	New facilities 4,3 & 2 lane highway		R1 Billion
N2 WCR Mtentu River to Kulumbe	New facilities 2 &3 lane highway		R900 M
N2 WCR Kulumbe to Mtamvuna River	New facilities		R700M
N2 Lingeni to Msikaba bridge	New facilities 2 &3 lane highway		R800M
N2 WCR Msikaba to Mtentu bridge	New facilities 2 &3 lane highway		R850 M
N2 WCR – R61 Ntafufu to Lusikisiki	Road Improvement: 4 lane highway		R1.8 Billion
R61/9 Mbotyi to Mazizi pedestrian facilities	New facilities		R60 M
R61/9 Service Roads (KM 0-20)	Road Improvement		

Proposed Programme/Project	Project Status	Locality	Estimated Costs
N2/R61 Mzamba, Madatya CAR	New facilities – Community Development project		R45 M
N2 WCR –N2/R61 Mzamba-Makhwantini	New facilities – Community Development project		R45 M
N2 WC Mtentu CD projects	3 community development projects: Baleni, Xolobeni-Madatya & Mkamela		R150 M

6.1.10. DEPARTMENT OF SOCIAL DEVELOPMENT

Proposed Programme/Project	Project Status	Locality	Estimated Costs
Masiphumelele Dev. Project	Household Food Garden	Mhlontlo	R20 000.00
Sikuyo Women Project	Household Food Garden	Nyandeni LM	R20 000.00
Amaqhawe Household Food Garden	Household Food Garden	PSJ LM	R20 000.00
Kwam Sewing Project	Sewing	Mhlontlo LM	R41 785.00
Futye CNDC	CNDC	KSD LM	R537 887.00
Siyazondla Food Garden	Food Garden	KSD LM	R15 000.00
Zinceba Poultry Project		KSD LM	R12 000.00
Sinelizwi CNDC	CNDC	Mhlontlo LM	R537 887.00
Bholani	CNDC	PSJ LM	R202 600.00
Mhlobo Wenene	Food Garden	PSJ LM	R140 000.00
			R11 600.00
Masiphathisane Dedeni Soap	Household Food Gardens Soap Manufacturing	Mhlontlo LM PSJ LM	R15 000.00 R50 000.00
Hlongwane Vegetable Primary Crop	Crop Production	Nyandeni LM	R180 000.00
Sijonge Mpambili Weaving Coop	Weaving	KSD LM	R220 000.00
Kwa Gcuda	Household Food Garden	IHLM	R34 000.00
Sikhona Disabled	Sewing	IHLM	R45 476.00
Ndzondelelo women coop	Bakery	IHLM	R45 000.00
Parlmeton Bakery	Bakery	IHLM	R90 000.00