



**RAYMOND
MHLABA
MUNICIPALITY**
.....
UMANYANO KUPHHLISO

**DRAFT REVIEWED INTEGRATED DEVELOPMENT PLAN
2021/2022**

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1. CHAPTER 1: BACKGROUND AND SUMMARY

1.1 BACKGROUND

Raymond Mhlaba Local Municipality was established in 2016 and is made of now disestablished Local Councils of Nkonkobe and Nxuba. Alice town is a legislative seat and Fort Beaufort is the administrative head of the municipality, the latter is situated about 140km North West of East London on the R63 and is approximately 200km North East of Port Elizabeth. The Raymond Mhlaba Municipality is situated along the southern slopes of the Winterberg Mountain range and escarpment, and is within the greater Amathole District Municipality in the Province of the Eastern Cape. The municipal area covers approximately 6 474 km², with major towns being Alice, Adelaide, Bedford, Fort Beaufort and Middledrift. Smaller settlements include Hogsback, Seymour, Red, Jumper, Balfour, Blinkwater and Debenek.

A municipal Integrated Development Plan (IDP) serves as an enabler for mutual accountability on the agreed priorities and allocation of resources to contribute to the long-term development of the municipality. It is therefore one of the most critical plans in ensuring effectiveness and efficiency, as well as, community participation at a local government level.

An IDP encourages both short- and long-term planning. In the short term it assists in addressing issues or challenges that may be resolved within the relevant term of office while at the same time it provides space for the long term development of the area in an integrated and coordinated manner.

In terms of section 34 of the Municipal Systems Act 32 of 2000 as amended, a municipal council must review its integrated development plan:

- Annually in accordance with an assessment of its performance measures; and
- To the extent that changing circumstances so demand.

1.2 MUNICIPAL VISION AND MISSION

Raymond Mhlaba Local Municipality's commitment to developing **"A service excellence driven municipality for inclusive economic growth"** will be the focal point of the 2021/2022 IDP. The focus of the 2021/2022 IDP is on **"Providing basic service delivery responsive to the needs of all communities"** that would translate the Municipality's vision into action.

1.3 VALUES

- a) Ubuntu
- b) Accountability
- c) Transparency
- d) Courtesy
- e) Value for money
- f) Consultation
- g) Service Excellence
- h) Integrity
- i) Respect

1.4 KEY INFORMANTS

The IDP/Budget review for 2021/22 financial year has been informed by the consolidation and consideration of the following;

- Ward priorities;
- State of the Nation Address;
- State of the Province Address;
- State of the District Address
- State of the Municipal Address
- 12 Outcomes of Government;
- Sustainable Development Goals;
- The Provincial Growth and Development Plan;
- The National Spatial Development Perspective;
- Spatial Development Plan;
- IDP/Budget Roadshows;
- National Development Plan.

1.4.1 SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The intention of the SDG's is to be a universally shared common, globally accepted vision to progress to a just, safe and sustainable space for all inhabitants. It is based on the moral principle of the Millennium Development Goals that no one or one country should be left behind and that each country has a common responsibility in delivering on the global vision.

1.4.2 AFRICAN UNION 2063 AGENDA

The Agenda 2063 is premised on 7 aspirations, which are as follows:

1. A prosperous Africa based on inclusive growth and sustainable development
2. An integrated continent, politically united and based on the ideals of Pan Africanism and the vision of Africa's Renaissance
3. An Africa of good governance, democracy, respect for human rights, justice and the rule of law
4. A peaceful and secure Africa
5. An Africa with a strong cultural identity, common heritage, values and ethics
6. An Africa where development is people-driven, unleashing the potential of its women and youth
7. Africa as a strong, united and influential global player and partner

1.4.3 BACK TO BASICS

Local government has been a primary site for the delivery of services in South Africa since 1994. A tremendous progress has been noted in delivering the basic services in local government e.g. Water, electricity, sanitation and refuse removal at a local level. 61 Municipalities have committed to implementing the Back to Basics Programme which aims to meet the Back to Basic delivery. The programme is about serving the people at a basic level through the five pillars:



On a monthly basis Raymond Mhlaba Local Municipality reports to COGTA National on the implementation of Back to Basics pillars.

1.5 LEGISLATIVE FRAMEWORK

The section below outlines the legislative framework that guides the development of the Integrated Development Plan and Municipal Budget. Key pieces of legislation that provide guidance and define the nature of integrated development planning include but not limited to the South African Constitution 1996, the Municipal Systems Act 2000, and the Municipal Finance Management Act 2003.

1.5.1 South African Constitution, 1996

Section 151 of the Constitution of the Republic of South Africa provides a legal status of municipalities as thus:

- The local sphere of government consists of municipalities, which must be established for the whole of the Republic.
- The executive and legislative authority of a municipality is vested in the Municipal Council.
- A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.
- The national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions.

Section 152 also provides the objects of local government as thus:

The objects of local government are –

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

A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1) of the Constitution of the Republic of South Africa.

Section 153 provides for developmental duties of municipalities as thus:

- Structure and manage its administrative and budgeting and planning processes to give priority to basic needs of the community, and to promote the social and economic development of the community; and
- Participate in national and provincial development programmes.

1.5.2 Other legislative guidelines for Developmental Local Government include:

- a) White Paper on Local Government, 1998- Introduced a notion of a developmental local government: Defined as: *“Local government that is committed to working with its citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.”*
- b) Municipal Demarcation Act, 1998
- c) Municipal Structures Act, 1998 (Amendment, 2000)
- d) Municipal Systems Act, 2000 regulates core municipal systems
- e) National Environment Management Act, 1998
- f) Municipal Finance Management Act, 2003

1.5.3 Municipal Systems Act, 2000

Section 25 of the Municipal Systems Act 2000, stipulates that each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality. An Integrated Development Plan, adopted by the Council of a municipality, is the key strategic planning tool for the municipality. Section 35 (1) (a) of the Municipal Systems Act 2000, describes an IDP as:

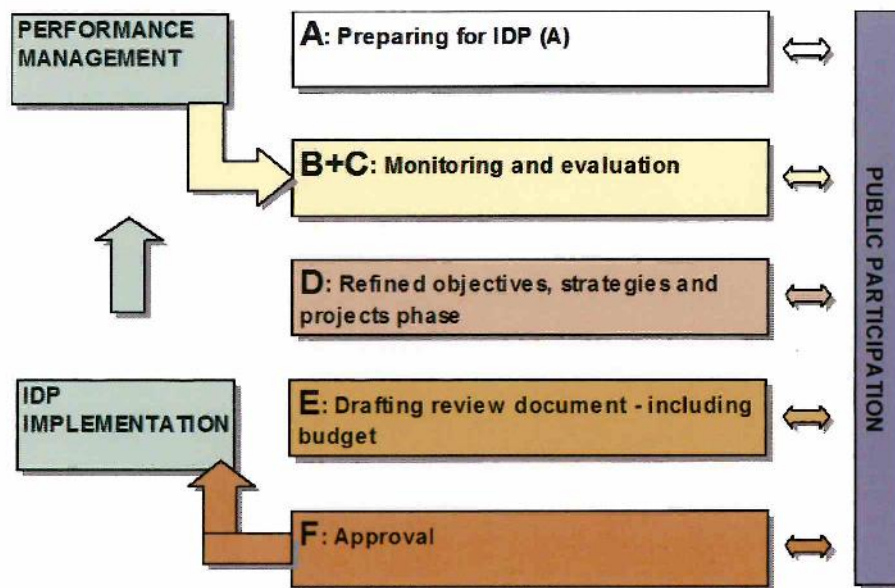
- The principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality;
- Binds the municipality in the exercise of its executive authority.

In terms of section 34 a municipality is required to review its IDP annually. Annual reviews allow the municipality to expand upon or refine plans and strategies, to include additional issues and to ensure that these plans and strategies inform institutional and financial planning. The review and amendment of the IDP thus, further, develops the IDP and ensures that it remains the principal management tool and strategic instrument for the municipality.

1.5.4 Municipal Finance Management Act, 2003

Section 21 (1) (a) of the Municipal Finance Management Act states that the Mayor of a municipality must coordinate the process for preparing the annual budget and for reviewing the municipality integrated development plan and budget for reviewing the municipality's integrated development plan and budget related policies to ensure the budget and integrated development plan are mutually consistent and credible. The act further makes provisions for development of the Service Delivery and Budget Implementation Plan as a mechanism to strengthen alignment between the IDP and Budget.

1.6 PROCESS FOLLOWED IN DRAFTING THE 2021/2022 IDP



Phases of the IDP

PHASE 0: PLANNING
During Phase 0 of the IDP the municipality have to develop an IDP Process Plan that is in line with the District IDP Framework. All organisational arrangements for the development of the IDP should be put in place during this phase.
PHASE 1: ANALYSIS
The Analysis phase is aimed at establishing the current developmental status of the

municipal area. This will be done by comparing community needs with statistical information that is available to be able to identify priority areas, jointly with community.

PHASE 2: STRATEGIES

During the Strategies phase the developmental priorities of identified priorities during the analysis are used as the basis for developing a vision and a mission for the municipality. Thereafter strategic objectives and strategies are developed to ensure that the vision is achieved.

PHASE 3: PROJECTS

During the Projects phase projects are identified in line with the strategies developed during phase 2. These projects have to be prioritised.

PHASE 4: INTEGRATION

During the integration phase all sector plans and programmes are developed *e.g.* Spatial Development Framework, Housing Sector Plan *etc.* Only summaries of these plans are included in the IDP document.

PHASE 5: APPROVAL

During the approval phase of the IDP, the IDP document has to be advertised for 21days to enable all stakeholders and members of the public to give inputs – thereafter, the IDP has to be adopted by council before the commencement of the new financial year.

Internal Institutional Arrangements for the IDP Process

In order to ensure smooth and well organized IDP/Budget processes for 2021 /2022 financial year, the municipality has identified role players to assist and inform the IDP Review Process as well as the roles and responsibilities attached to them.

	Composition	Responsibilities
Council	All Councillors	<ul style="list-style-type: none"> - Final Decision Making in terms of approval - Approval of the Reviewed IDP/PMS and Budget - Consider and approve Process Plan - Approval of budget calendar - Ensure conclusion of management performance agreements
Mayoral Committee	EXCO Members	<ul style="list-style-type: none"> - Chaired by the Mayors - Plays pivotal role in the reviewal of the IDP - Considers community inputs in the IDP and motivate to Council - Involved in quality check of the IDP document before its tabled to Council
Mayor		Ensure that IDP is reviewed annually, and that issues raised by communities find expression in the IDP and re given necessary attention and consideration
Municipal Manager		<ul style="list-style-type: none"> - Preparation of the Process plan - Undertaking the overall management and coordination of the planning process ensuring that (participation and involvement of all different role players; time frames are adhered to; conditions for participation are provided and results of the planning and IDP review process are documented) - Nominating persons in charge of different roles - Adjusting the IDP in according with proposals from the MEC for local Government and

		<p>Traditional Affairs</p> <ul style="list-style-type: none"> - Responding to comments on the draft IDP from the public and other spheres of Government to the satisfaction of the municipal Council - Chairing the IDP Steering Committee
IDP & PMS Manger		<ul style="list-style-type: none"> - Day to day management of the IDP and PMS Process - Ensure that the contents of the IDP and PMS satisfy the legal requirements and the requirement of the District Framework - Consolidate inputs from various stakeholders to the IDP
Managers and Heads of Departments		<ul style="list-style-type: none"> - Managers, with the assistance of officials, will be responsible for coordination and submission of departmental inputs for all phases of the IDP and PMS - Reporting progress with regard to project implementation - Provision of relevant technical and financial information for budget preparation
IDP/BUDGET/PMS Steering Committee	<p>Municipal Manager (Chair); Senior Managers; Middle Managers IDP/PMS (Secretariat)</p>	<ul style="list-style-type: none"> - Serve as working committee of the IDP, PMS and Budget - Ensure integration between the IDP, PMS and Budget by adhering to process Plan - Ensure alignment with Provincial Government and District Municipality Plans.
IDP/PMS/BUDGET Cluster Teams	<p>Chaired by EXCO Members Government Departments</p>	<ul style="list-style-type: none"> - Provide technical assistance in the development of the IDP

1.7 PUBLIC PARTICIPATION

In line with Chapter 4 of the Local Government: Municipal Systems Act 32 of 2000 each municipality has to establish a culture that will promote inclusivity and participation amongst its citizens. In Raymond Mhlaba, public participation is used as a tool of fostering participatory governance and meaningful community engagements.

The structure for public participation is through Public Participation Programmes (Outreaches/Roadshows), Imbizo, Ward Committee Meetings, IDP Representative Forums, IDP Cluster Meetings, Sector Forums. In order to ensure that there is representation of the various organized and unorganized groups within our municipal area, the municipality makes use of the following approach:

- Placing adverts in newspaper(s), Daily Dispatch, in English and isiXhosa
- Municipal Website to publish our notices.
- Community Radio Stations.
- Flyers, posters, ward councillors, announcements through church gatherings and community based organizations, *etc.*
- Making an effort to reach unorganized groups and marginalized groups to ensure that their voices are heard. We will do this by approaching non-governmental organisations and community based organization's that represent the need of such groups.

1.8 INVOLVEMENT OF WARD COMMITTEES AND COMMUNITY DEVELOPMENT WORKERS

Involvement of ward committees is crucial in the promotion of participatory governance as they serve as an extension of council and in communicating council programmes. The Local Government: Municipal Structures Act 117 of 1998 and the Local Government: Municipal Systems Act 32 of 2000 advocates for formation of wards committees in each ward of the municipality.

Ward committees:

- are made up of representatives of a particular ward;
- are made up of members who represent various interests within the ward;
- are meant to be an institutionalized channel of communication and interaction between communities and municipalities;
- give community members the opportunity to express their needs and opinions on issues that affect their lives, and to be heard at the municipal level via the ward councillor; and

- are advisory bodies created within the sphere of civil society to assist the ward councillor in carrying out his or her mandate in the most democratic manner.

The municipality has established ward committees in all twenty wards, and they convene their ward committee meetings on quarterly basis, items and issues raised in ward committee meetings find expressions in Council meetings through the Office of the Speaker – which in most occasions plays the secretariat role in ward committee meetings. Ward Committee meetings are chaired by the Ward Councillor. The ward committees support the ward councillor by providing reports on development, participate in development planning processes and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees function optimally.

The institution has 23 wards, therefore, each ward is supposed to have a community development worker; however, there are those who play a significant role together with their coordinator. This minimum participation by some CDW's thwarts the municipal efforts of participatory governance as CDW's are supposed to directly assist communities and channel their concerns to municipality and various sector departments.

1.9 KEY ISSUES RAISED BY COMMUNITIES

Below is the list of issues raised by community members raised by community members during IDP Consultations;

1. Ageing electricity infrastructure
2. Cemetery sites
3. Fire Station building
4. Maintenance/construction of roads
5. Dam Scooping
6. Electrification of areas without electricity
7. Non-licensed waste disposal sites
8. Installation of high Mast Lights in identified areas
9. Maintenance of Social Amenities (hall, sports fields)
10. Water scarcity/outages
11. Sanitation
12. Construction of Bridges
13. Housing

- 14. Refurbishment of Schools and Clinics
- 15. Health services (mobile clinic particularly in rural and farm areas)
- 16. Fire Services
- 17. Issues relating to Local Economic Development

1.10 MEC COMMENTS

Raymond Mhlaba Local Municipality's IDP was rated high for 2020/2021 IDP assessment. The following were the results per Key Performance Area:

KPA	RATING 2018/2019 IDP REVIEW	RATING IDP 2019/2020	RATING IDP 2020/2021
Spatial Planning, Land, Human Settlement and Environmental Management	High	High	Medium
Basic Service Delivery	Medium	Medium	Medium
Financial Planning and Budgets	High	High	Medium
Local Economic Development	High	igh	High
Good Governance & Public Participation	High	high	High
Institutional Arrangements	High	medium	High
OVERALL RATING	HIGH	HIGH	HIGH

Though the municipality has managed produce a **credible IDP for three consecutive years**, however there is a need to improve in terms of basic service delivery development as this KPA addresses the concerns of the community.

1.11 POWERS AND FUNCTIONS

A municipality has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution. These functions and powers are divided between the District municipality and the local municipalities established within its area of jurisdiction. Section 84(a) to (p) of the Structures Act defines the functions and the powers that are assigned to District and Local

Municipalities. The Minister may authorize (under certain circumstances) a local municipality to perform a district function and power and the Member of the Executive Council for local government may (under certain circumstances) adjust specified functions and powers between the district and a local municipality in its area.

As stipulated in the Constitution of the Republic of South Africa 1996, functions and powers between Amathole District Municipality and Raymond Mhlaba Local Municipality are reflected hereunder.

SCHEDULE 4 B	Amathole DM	Raymond Mhlaba LM
Air Pollution		✓
Building Regulations		✓
Child Care Facility		✓
Electricity		✓
Fire Fighting Services		✓
Local Tourism		✓
Municipal Planning		✓
Stormwater management system		✓
Trading Regulations		✓
Water (potable)	✓	
Sanitation	✓	
SCHEDULE 5 B		
Billboards and display of advertisement in public places		✓
Cemeteries		✓
Cleansing		✓
Control of Public nuisance		✓
Control of undertaking that sells liquor to the public		✓
Fencing and Fences		✓
Local Amenities		✓
Local Sport Facilities		✓
Markets		✓
Municipal Parks and Recreation		✓

Municipal Roads		✓
Noise Pollution		✓
Pounds		✓
Licensing and control of undertakings that sell food to the public	✓	
Public Places		✓
Refuse Removal, Refuse Dumps, Solid waste disposal		✓
Street Trading		✓
Street lighting		✓
Traffic and Parking		✓

The Raymond Mhlaba Local Municipality is performing all the relevant functions as prescribed functions as enshrined in the 1996 Constitution.

CHAPTER 2

DEMOGRAPHIC PROFILE OF RAYMOND MHLABA LOCAL MUNICIPALITY AND ENVIRONMENTAL CHARACTERISTICS

2.1 INTRODUCTION

This section deals with the existing situational analysis of Raymond Mhlaba Local Municipality. It considers the brief description of the municipal area, demographic indicators, socio-economic indicators, infrastructure, land use and related issues, institutional and the physical environment. For any strategic planning process to be outcomes based focused and drive priority based decision making, valid and reliable data is necessary. Related to this is also the objective analysis of data and at the same time the presentation of the results in a non- biased manner. Census 2011 and Community Survey 2016 combined with the 2019 IHS Global Insight results were utilized throughout this document as the primary sources of data.

2.2 Raymond Mhlaba LOCAL MUNICIPALITY PROFILE

Raymond Mhlaba Local Municipality in Context

Raymond Mhlaba Local Municipality was established in 2016 and is made of now disestablished Local Councils of Nkonkobe and Nxuba. Alice town is a legislative seat and Fort Beaufort is the administrative head of the municipality, the latter is situated about 140km North West of East London on the R63 and is approximately 200km North East of Port Elizabeth. The municipality has the following satellite offices – Middeldrift, Hogsback, Alice, Seymour, Adelaide and Bedford. The Raymond Mhlaba area is neighbored by the boundaries of Makana Local Municipality, Blue Crane Local Municipality and the Buffalo City Metropolitan Municipality.

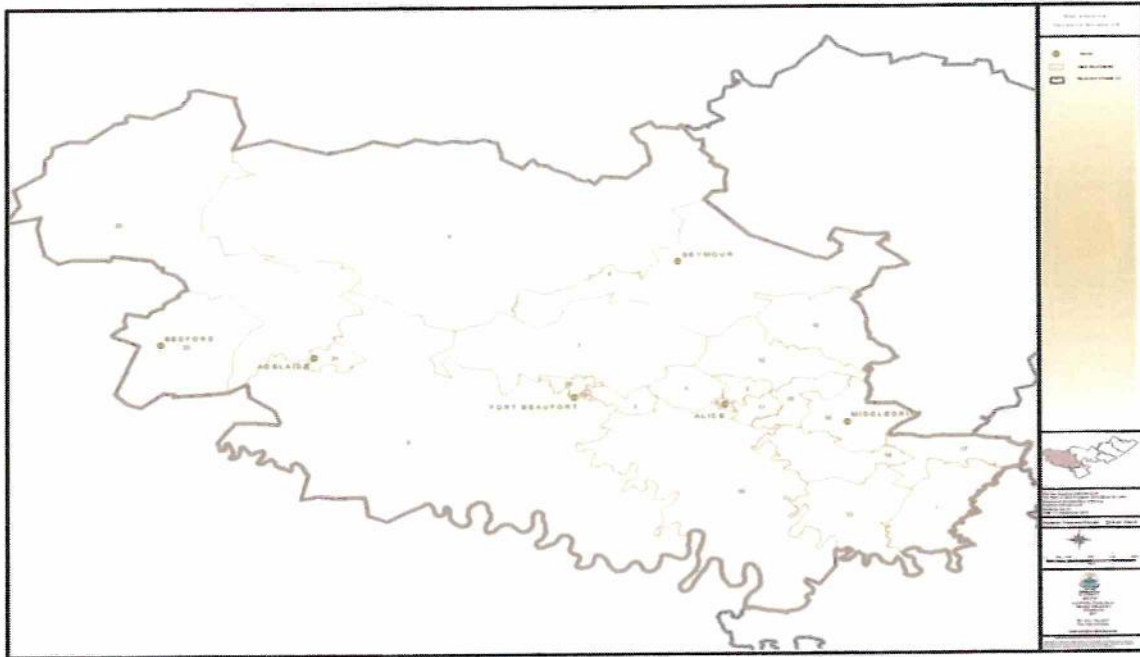


Figure 1: Map of Raymond Mhlaba Local Municipality

2.3 WARD BASED INFORMATION

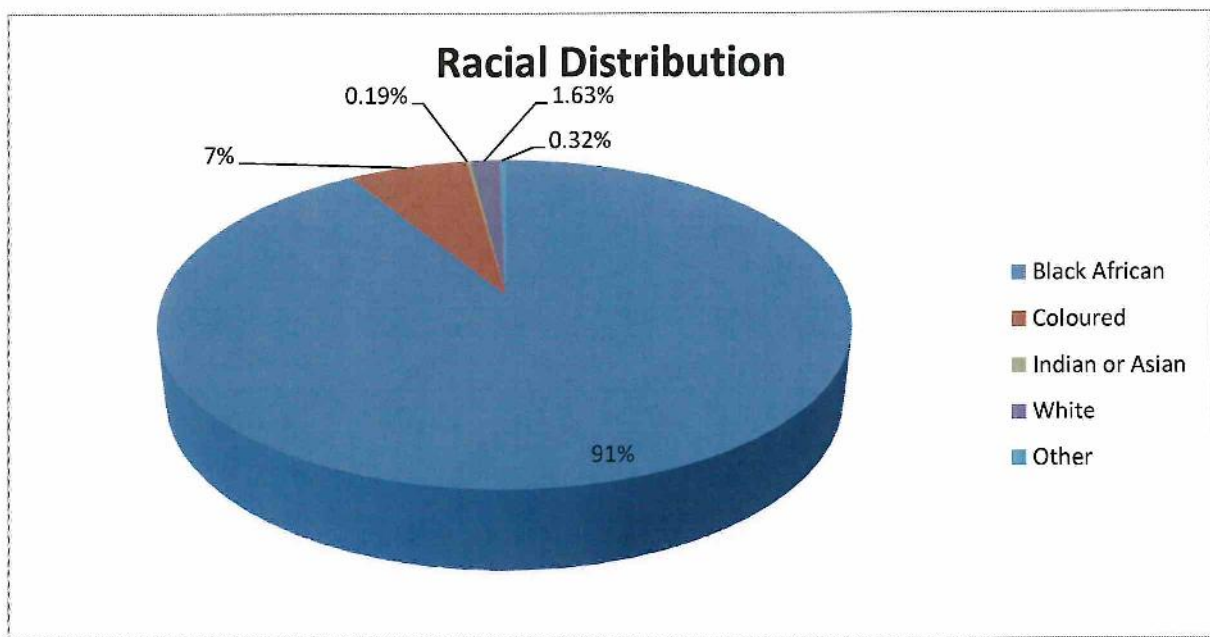
Ward	Villages
1	Qamdobowa; Zigodlo; Ndindwa; Mgxotyeni; Khulile; Nqaba; Xhukwane
2	Township; Ntsela; Gqumashe; Skhutshwane
3	Takalani; Kanana; Mpolo 1-2-3; Nkukwini; Chrishani; Tyoks Valley; Ntlekisa; Sgingqini; Lalini; Skolweni; Memela
4	Seymour; Katkat Valley; Lushington; Lundini/Elukhanysweni; Hogsbag; Hertzog/Tambuksvlei; Platform
5	Ngobe; Ngwabeni; Gaga Sikolweni; Kwameva; Mgquba; Lenge; Nkobonkobo; Mavuso; Roxeni; Nomaqamba
6	Golf Course; Happy Rest; Alice central town; Hillcrest;
7	Rwantsane; Nobhanda; Mabheleni; Lamyeni; Ngwevu; Tyatyora; Luzini; Sikolweni; Mdeni; Cimezile; Tebha; Gontsana; Oakdene; Mancazana; Pikat
8	Fort Beaufort Town; Newtown; Mount Pleasant; Rietsfontein; Sparkington; Hellowoods; Molweni; Wagondrift
9	Balfour; Buxton; Upper Blinkwater; Glenthon; Winterberg country club; Post Retief; Ekuphumleni; Massdorp; Jurieshoek;

	Katberg; Readsdales; Blackwood; Philipton; Fairbairn; Kolomani (Marais; Grafton; Ngikane; Votyiwe; Phathikala; Edika; Dunedin; Cains; Diphala)
10	Gomoro; Machibi; Mpundu; Gilton; Guquka; Sompondo; Khayaletu; Hala; Nothemba; Hopefield; Benfield; Gato; Mathole; Komkhulu; Ngwangwane; Mkhuthuleni; Mdeni; Esphingweni; Machibini; Mqayise; Ndlovurha; Zixinene; Chamama; Mdlankomo
11	Dyamala, Tukul, Upper Gqumashe, Fort Hare, Gubura
12	Msobbomvu; Magala; Ngcothoyi; Bergplaas; Melani; Kwakwa; Upper Ncera; Majwareni; Khwezana; Mazotweni; Macfalani; Wordon; Dis; Mkhobeni; Taylor
13	Zalaze; Qutheni; Fama; Ngcabasa; Ngqolowa; Qhomro; Didikana; Phewuleni; Qhibira; Ndulwini
14	Mfiki; Ngwenya; Njwaxa; Mbizana; Gxadushe; Debe Marele; Faki; Mxumbu
15	Lower Ncera; Tyhali; Zibi; Mbheleni; Tyutyuza; Ngqele 1; Ngqele Lalini; Ncera Skweyiya
16	Anshaw; Town/Gugulethu; Lower Regu; Mfiki; Cwaru; Qawukeni; Cilidara; Ngele; Nothenga; Gudwini
17	Qanda; Trust 1&2; Koloni; Farm Bill; Thafeni; Nonaliti; Debenek; Zihlaheni; Mayiphase; Ntonga
18	Joji; Loyd; Phumlani; Khayamnandi; Thembisa; Xolani; Gwederu; Bhelura; Lalini; Eskolweni; Kwali; Mpozisa; Lower Sheshegu; Nofingxana; Nomtayi; Lokhwe;Jowu; Jimi; Korks Farm; Krwanyini
19	Gontsi; Dudu; Gommagomma; Zwelitsha; Nkukwini; Mike Valley; Kuwait; Group 5; Zwide; Daweti 1&2
20	Hillside; Golf Course; Ndaba; Kwepile; Ntola; Mlalandle
21	Red Location; Lingeletu; Adelaide Town,
22	Bezuidenhoutville; New Area; 7de Laan; Fairholt; Walkersvale, Eilden,
23	Goodwin Park; Nonzwakazi; Bhongweni; Bedford Town, Phola Park, New Bright, Khayelitsha, Ndlovu, Sizakhele and Tyokville

2.4 Demographic Indicators

2.4.1 Total Population

The 2019 IHS Markit Regional eXplorer indicates that the total population in Raymond Mhlaba Municipality is 162 000. The municipality has 23 wards; and it is dominated by large populace which is indigent. The majority of the population of Raymond Mhlaba of just over 70% resides in both villages and farms, and minorities are located in urban dwellings. Urbanisation is mainly concentrated in Alice, Fort Beaufort, Adelaide and Bedford.

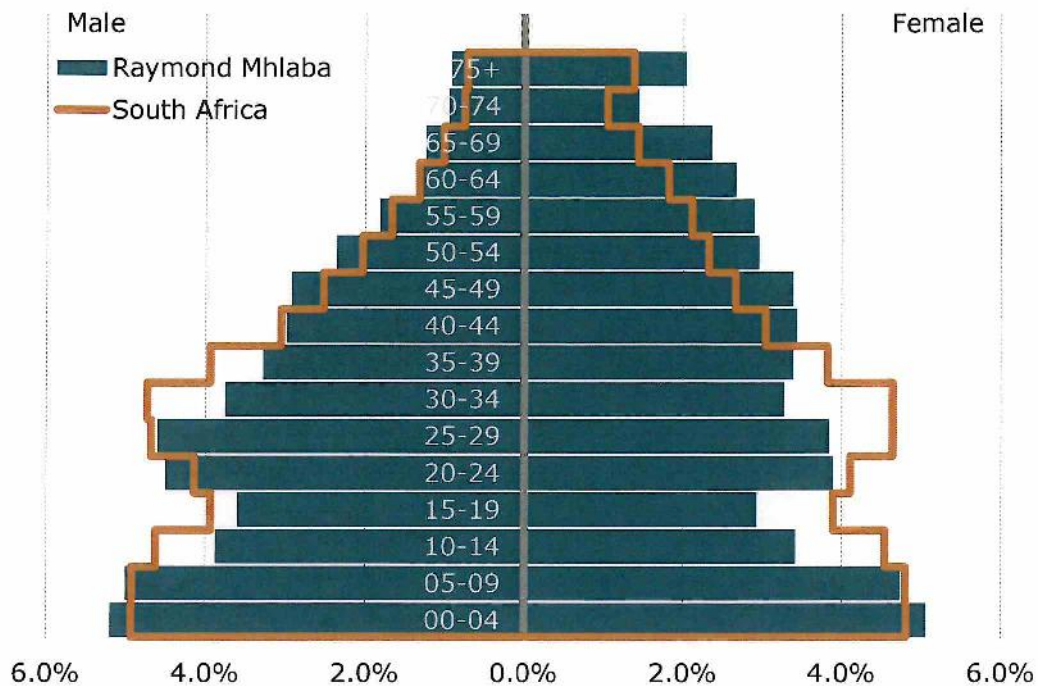


Source: Community Survey, 2016 and 2019 IHS Global Insight

2.4.2 Population Growth Rate

In 2019, population consisted of 91.39% African (148 000), 1.63% White (2 360), 7% Coloured (11 200), 0.26% Asian/Indian, 0.19% (440) people. The largest share of population is within the young working age category (25-44 years) with a total number of 46 200 or 28.5% of the total population. The age category with the second largest number of people is babies and kids (0-14 years) with a total share of 27.3%, followed by the older working age (45-64 years) with 33 000 people. The age category with the least number of people is the retired / old age (65 years and older) with only 14 500 people.

Population structure Raymond Mhlaba vs. South Africa, 2019



Source: IHS Markit Regional eXplorer version 1939

2.4.3 Population Analysis:

The population pyramid above, indicates that the population of Raymond Mhlaba Local Municipality is dominated by youth and women, ages from 25-44. The municipality therefore needs to develop programs and projects that would respond to gender issues.

INTERVENTIONS RELATING TO GENDER MAINSTREAMING:

- a) Enhance access to economic development for vulnerable population groups;
- b) Improve women's and youth earning power;
- c) Reduce vulnerability to social injustice and poverty;
- d) Increase participation of women and vulnerable groups in policy development.

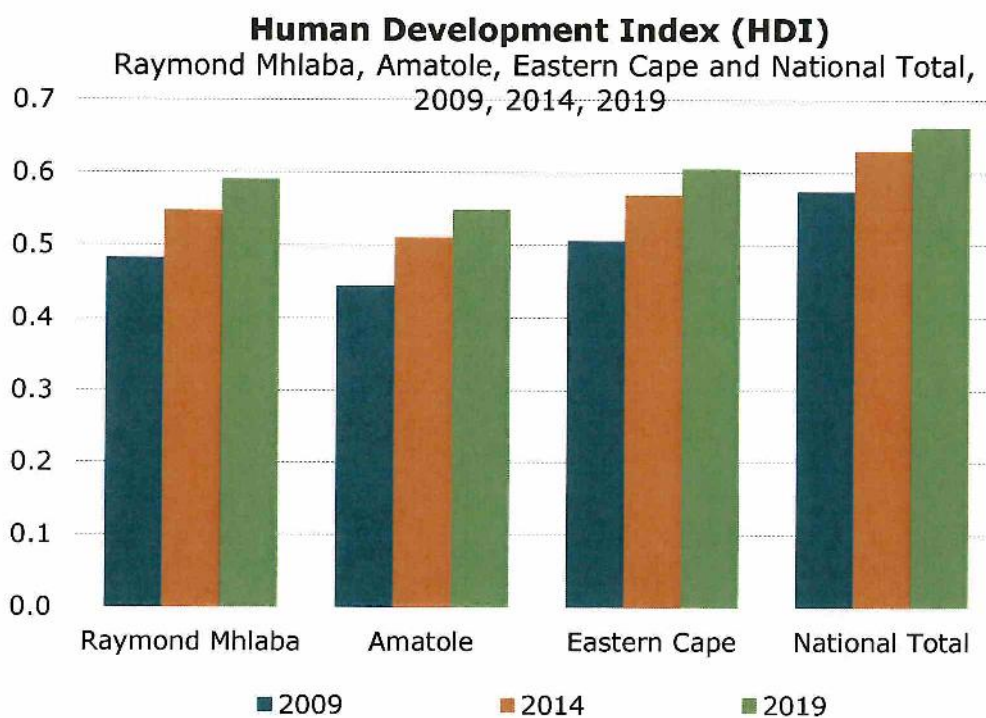
Implication for Economic Growth

Currently the area has a high dependency ratio, as the working age population supports a large number of dependents.

2.5 Development

Human Development Index (HDI)

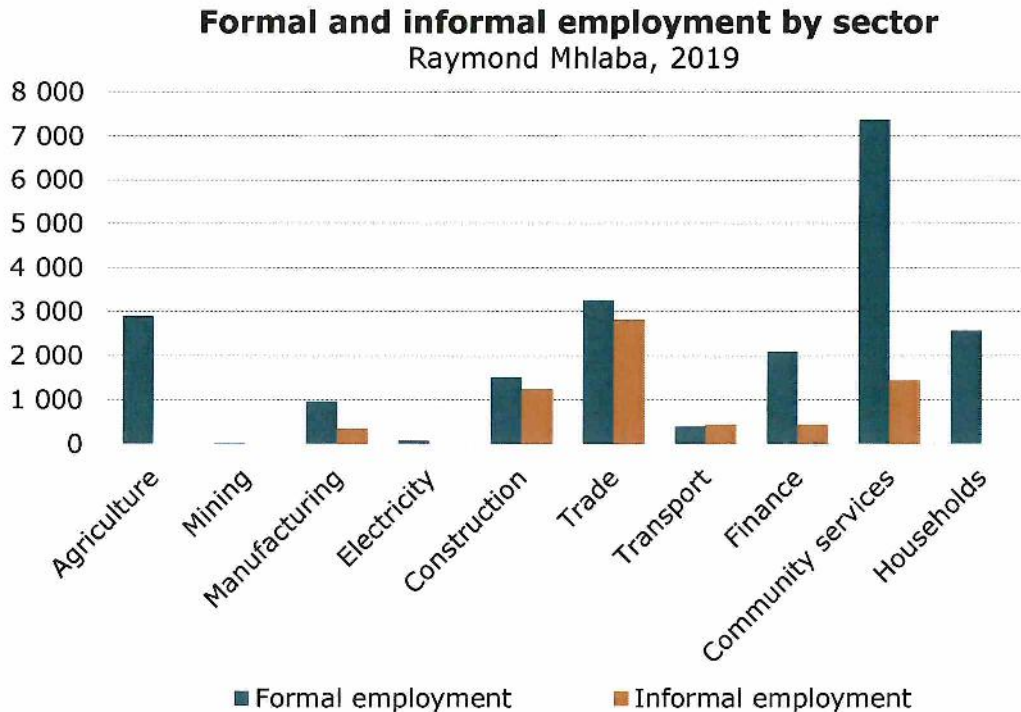
HDI is a summary of composite index that measures a country's average achievements, in the three basic aspects of the human development: longevity knowledge, and decent standard of living. Longevity is a measurement by a combination of adult literacy rate and the combined primary, secondary and tertiary gross enrolment ratio and the standard of living is measured by Gross Domestic Product (GDP) per capital. The Human Development Index (HDI) reported in the HDI report of the United Nations is an indication of where a country is, in terms of development.



Source: IHS Markit Regional eXplorer version 1939

As at Raymond Mhlaba Local Municipality had an HDI of 0.59 compared to the Amatole with a HDI of 0.548, 0.605 of Eastern Cape and 0.662 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2019 when compared to Raymond Mhlaba Local Municipality which translates to worse human development for Raymond Mhlaba Local Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.44% and this increase is lower than that of Raymond Mhlaba Local Municipality (2.04%).

2.6 EMPLOYMENT



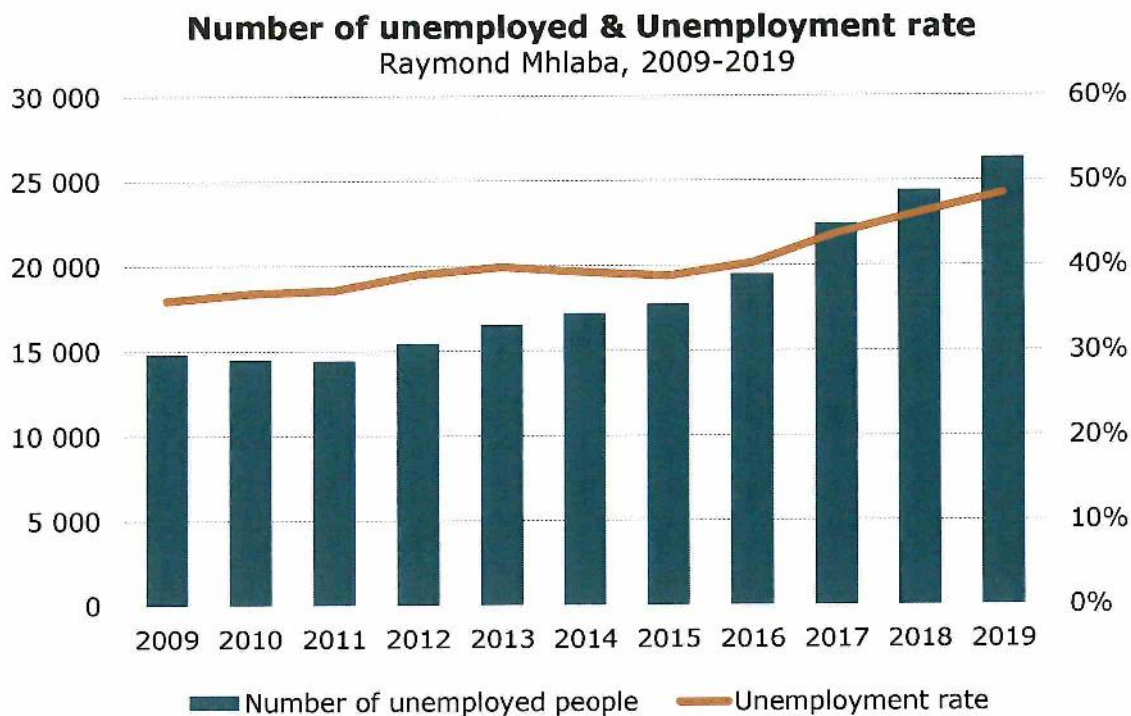
Source: IHS Markit Regional eXplorer version 1939

A total of 27 800 people within the municipality were employed in 2019. The number of formally employed people amounted to 21 100, which is about 75.93% of the total employment, while the number of people employed in the informal sector counted 6 700 or 24.07% of the total employment. Informal employment increased from 6 090 in 2009 to an estimated 6 700 in 2019. Trade sector recorded the highest number of informally employed, with a total of 2 810 employees or 41.97% 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 338 and only contributes 5.05% to total informal employment.

2.6.1 UNEMPLOYMENT

The statistical analysis reveal that unemployed data includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers). In 2019, there were a total number of people unemployed in Raymond Mhlaba, which is an increase of 11 500 from 14 800 in 2009. The municipality had a total number of 26 300 people unemployed which is an increase of 11 500 from 14 800 in 2009. The total number of unemployed people within Raymond Mhlaba Municipality constitutes 28.14% of the total number of unemployed people in Amatole District Municipality. The Raymond Mhlaba Local Municipality experienced an average annual increase of 4.83% in the number of unemployed

people, which is worse than that of the Amatole District Municipality which had an average annual increase in unemployment of 3.92%. Based on the official definition of unemployment the unemployment rate was 45.88%, which is an increase of 10.4 percentage points. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Raymond Mhlaba Local Municipality was higher than that of Eastern Cape which was 34.55%.



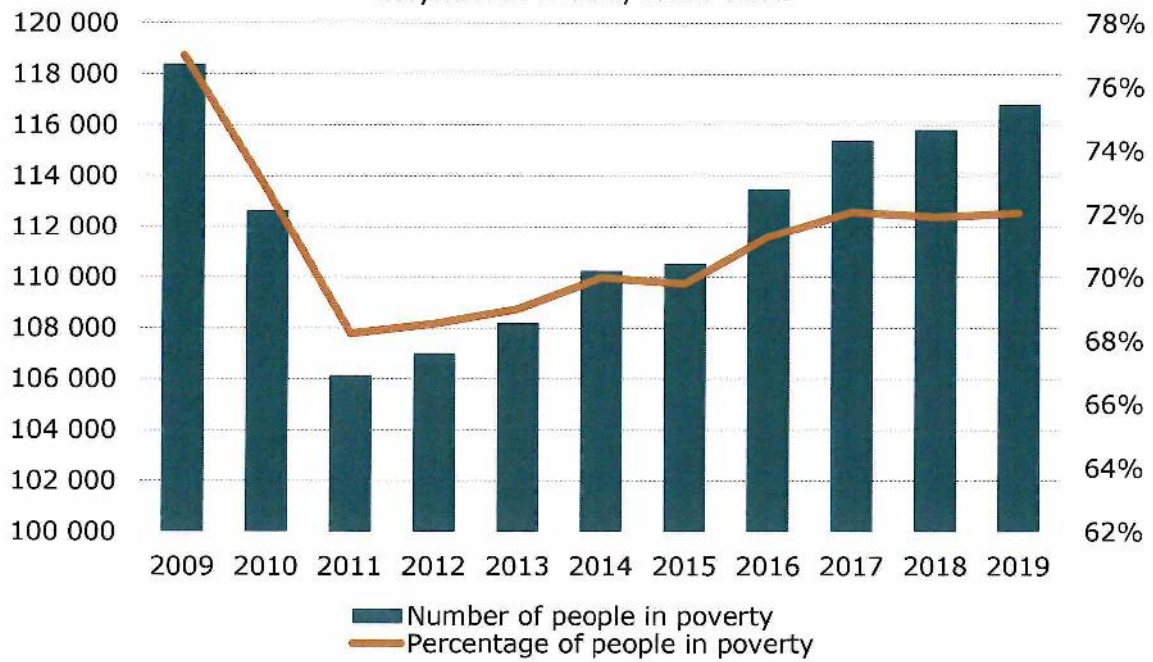
Source: IHS Markit Regional eXplorer version 1939

2.7 POVERTY INDICATORS

The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. Using the upper poverty line definition 117 000 people were living in poverty in 2019, across Raymond Mhlaba Local Municipality - this is 1.33% lower than the 118 000 in 2009. The percentage of people living in poverty has decreased from 76.98% in 2009 to 72.04% in 2019, which indicates a decrease of 4.94 percentage points. This may be attributed to many aspects i.e. social grants offered by national government, seasonal jobs offered in the citrus industry and even contributions done by the municipality in terms of infrastructure development through the Expanded Public Works Programme, Community Work Programmes and through Cooperatives established by the municipality.

Number and percentage of people in poverty

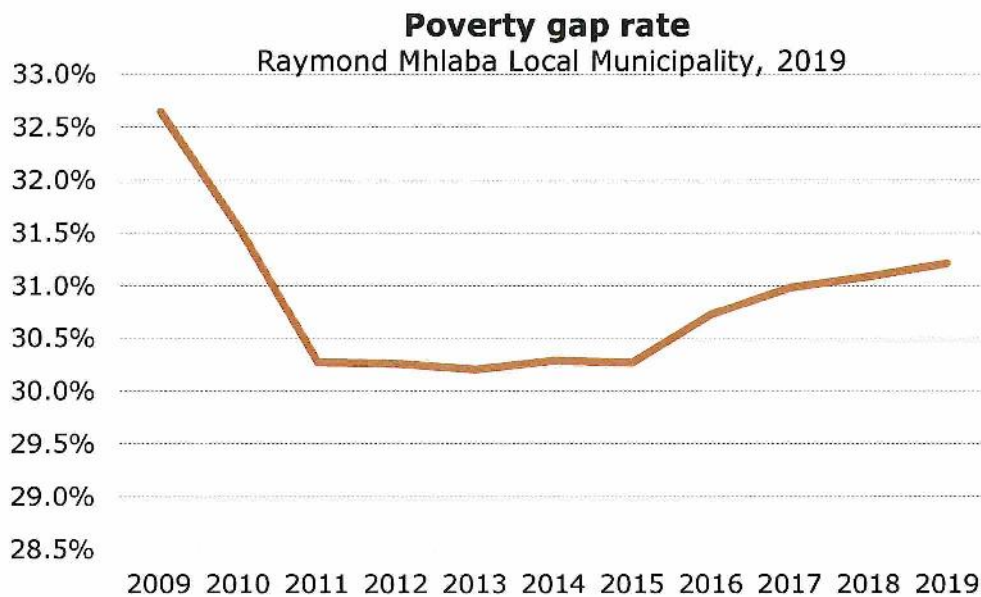
Raymond Mhlaba, 2009-2019



Source: IHS Markit Regional eXplorer version 1939

2.8 POVERTY GAP

The poverty gap rate amounted to 31.2% in 2019 compared to 2009 where it was 32,6%, it can be seen that the poverty gap rate decreased from 2009 to 2019, which means that there were improvements in terms of the depth of the poverty within Raymond Mhlaba Local Municipality.



Source: IHS Markit Regional Explorer version 1939

Interventions to alleviate poverty;

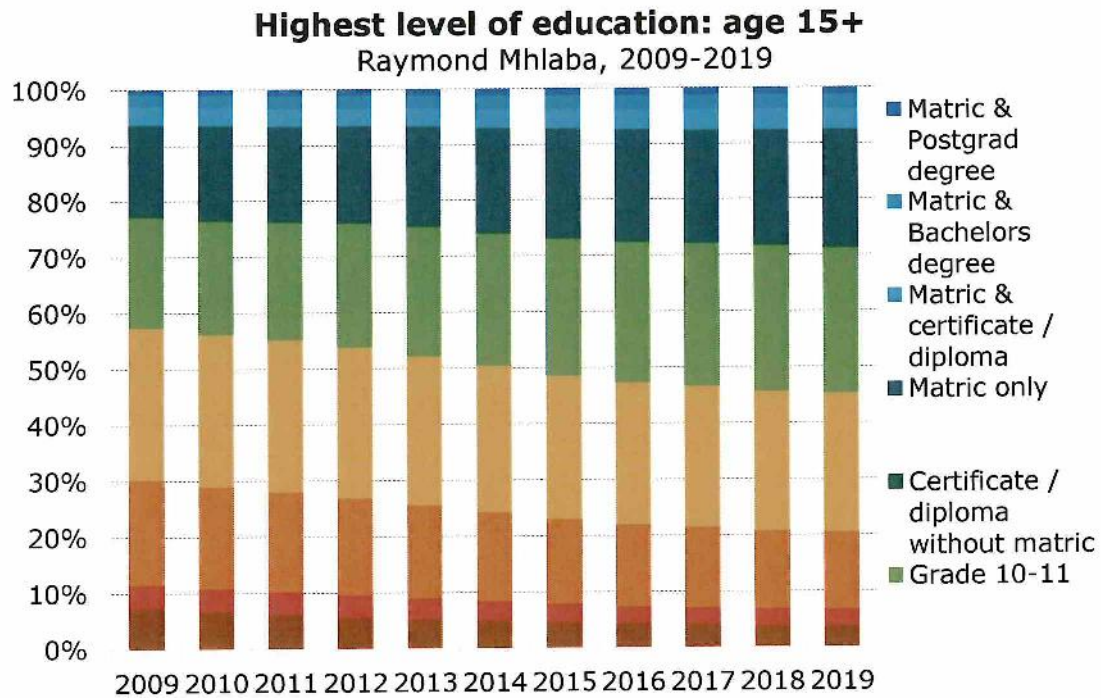
The municipality will;

1. Proactively identify land for development purpose
2. Support in accessing employment opportunities and skills development programs
3. Improve access to basic services
4. Take active steps to ensure that overall economic and social conditions of the community are conducive for employment opportunities
5. Review existing policies and procedures to promote local economic development.

2.9 EDUCATION

Education is a key dimension that directly influences the potential employability of community members is their education background and levels of skills that they possess. The level of education and skills within a region impacts on many factors, including: the productive efficiency of investments (e.g. health, capital), employment potential, the gender gap and productivity and income levels. In view of the foregoing, education is therefore, acknowledged as being inextricably linked to the economic development of Raymond Mhlaba Municipal area and to a growing society at large. The Raymond Mhlaba local Municipality is showing great improvement in terms of education. The number of people without any schooling decreased from 2009 to 2019 with an average annual rate of -5.75%, while the number of people within the 'matric only' category, increased from 15,500 to 22,500. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 2.00%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 3.17%.

Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education. This is reflected in the graph below



In addition to the above, the following table indicates the level of education amongst the population within Raymond Mhlaba Local Municipality.

EDUCATION LEVELS	
Level of education	Total
No schooling	3 090
Grade 0-2	3 250
Grade 3-6	14 800
Grade 7-9	26 600
Grade 10-11	27 800
Certificate /diploma without matric	393
Matric only	22 500

Matric certificate /diploma	3 860
Matric & Bachelor's degree	2 810
Matric & Postgraduate degree	1 350

Interventions relating to Education:

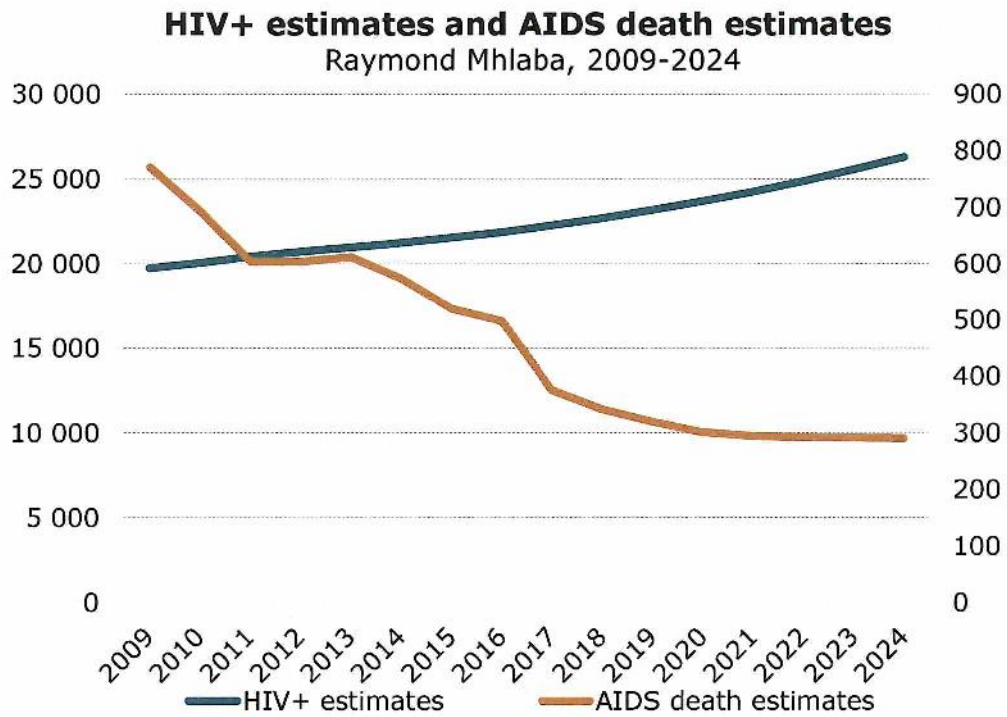
1. More equitable access to technical and vocational education, training and higher education; and the knowledge, skills and values needed to function well and contribute to society.
2. Assist in acquisition of foundational and higher-order skills

Implication for Economic Growth

There has been a gradual improvement in the level of education in Raymond Mhlaba and the population is relatively well educated compared with other municipal areas in the province, however overall education levels are still quite low. There is a large proportion of the population who are unable to be fully economically active members of the community due to the fact that they are unemployable. This impacts on income levels of the community and reduces the potential for economic growth. Another could be the lack of employment opportunities for more skilled workers, which reduces the incentives for further study. Skilled people are more likely to leave the area to look for work or higher paying work elsewhere, reducing the skills available in the area.

2.10 HIV/AIDS

In 2019 it is reported that there were 23 200 people leaving with HIV infections. This reflects an increase at an average annual rate of 1.61% since 2009, and in 2019 represented 14.30% of the local municipality's total population. The Amatole District Municipality had an average annual growth rate of 1.33% from 2009 to 2019 in the number of people infected with HIV, which is lower than that of the Raymond Mhlaba Local Municipality.



Source: IHS Markit Regional eXplorer version 1939

Source: IHS Markit Regional eXplorer version 1870

INTERVENTIONS RELATING TO HIV/AIDS

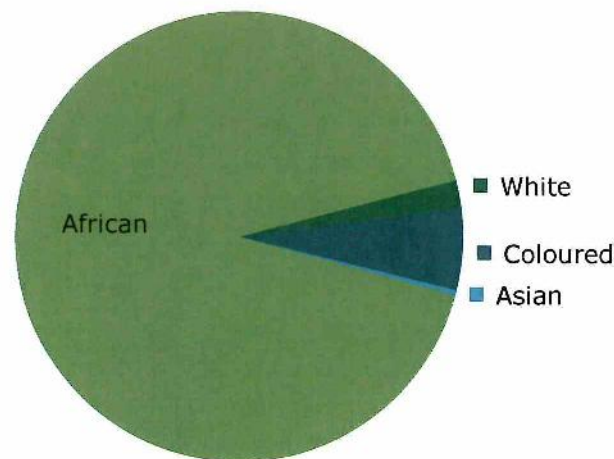
1. Focus on programs that will minimize the risk
2. Facilitate programs with Provincial counterparts to address the issues of HIV/AIDS

2.11 NUMBER OF HOUSEHOLDS AS AT 2019

The Municipality had a total of 44 800 households by the end of 2019. The composition of the households by population group consists of 91.8% which is ascribed to the African population group with the largest amount of households by population group. The Coloured population group had a total composition of 5.9% (ranking second). The White population group had a total composition of 2.0% of the total households. The smallest population group by households is the Asian population group with only 0.4%. The growth in the number of African headed households between 2009 and 2019 was on average of 0.85% per annum, which translates in the number of households increasing by 3 330 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2009 and 2019 at 7.81%. The average annual growth rate in the number of households for all the other population groups has increased by 0.78%.

Number of Households by Population group

Raymond Mhlaba, 2019



Source: IHS Markit Regional eXplorer version 1939

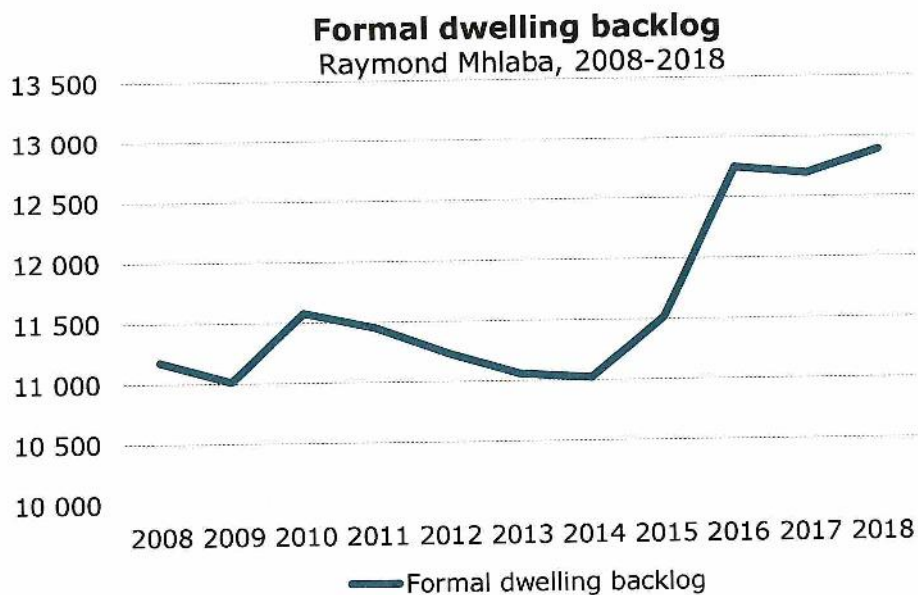
2.11.1 HOUSEHOLD BY INFRASTRUCTURE

The section below deals with number of households by infrastructure type as at 2018.

2.11.1.1. Number of households by type of dwelling unit

Dwelling type	Formal	Informal	Traditional	Other dwelling type	Total
Number of households	32,810	3,310	9,400	142	45,700

2.11.1.2 Number of Households not living in a formal dwelling



Source: IHS Markit Regional Explorer version 1939

From the graph above, it can be seen that in 2008 the number of households not living in a formal dwelling were 11 200 and 12 900 in 2018.

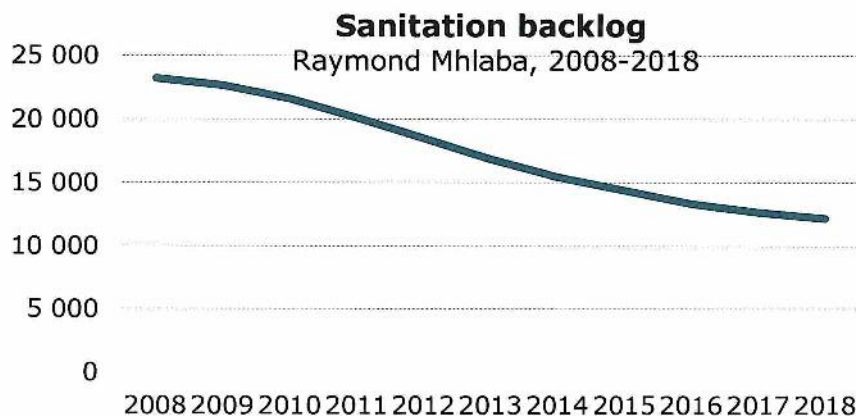
2.11.1.2.1 Households by type of sanitation

The Municipality had a total number of 22 800 flush toilets (49.90% of total households), 10 700 Ventilation Improved Pit (VIP) (23.42% of total households) and 9 710 (21.25%) of total households pit toilets. The figures are broken down on the table below;

Household by type sanitation	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Number of households	22,800	10 700	9 710	866	1 620	45,700

2.11.1.2.2 Sanitation backlog

As illustrated in the graph below, number of households in 2008 without any hygienic toilets in was 23 200, this decreased annually at a rate of -6.23% to 12 200 in 2018 as illustrated in the graph below.



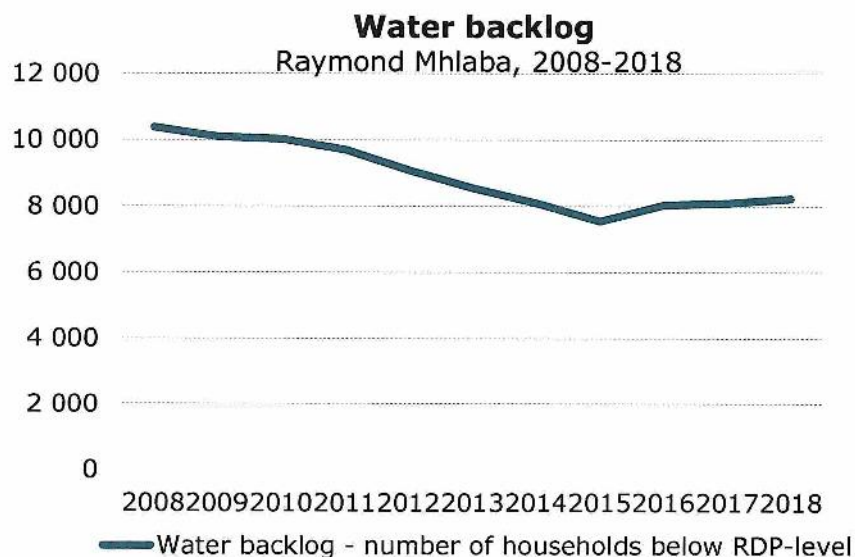
Source: UFS Matiel Regional eXplorer version 1020

2.11.1.3.1 Household by Level of access to water

Type of water	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Number of households	10,000	11,500	15,900	4,480	3,760	45,700

2.11.1.3.2 Water backlog

In 2008 the number of households below the RDP-level were 10 400 within Raymond Mhlaba Local Municipality, this decreased annually at -2.29% per annum to 8 240 in 2018.

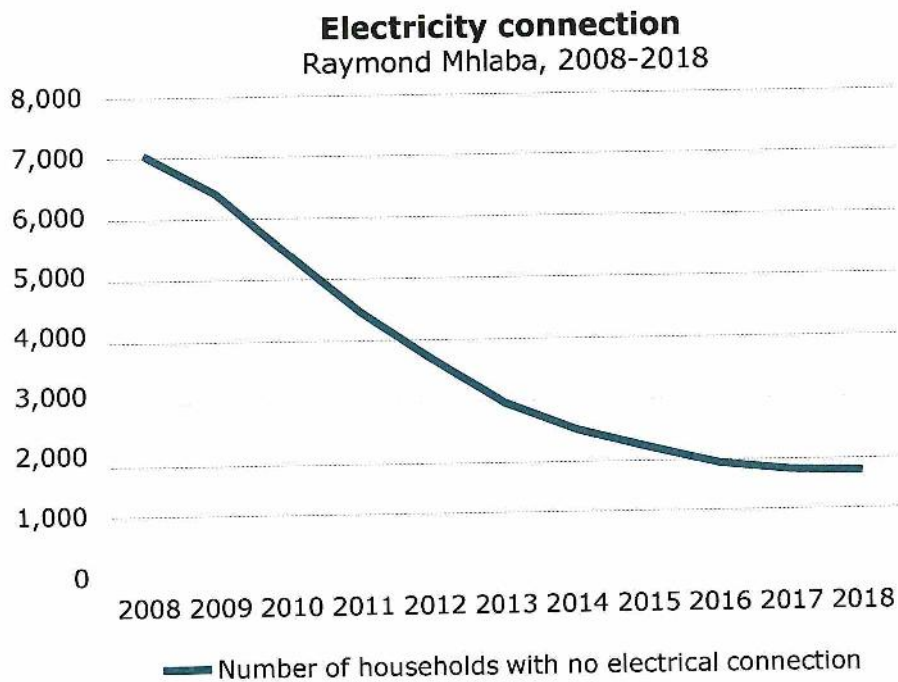


Source: IHS Markit Regional Explorer version 1939

2.11.1.4 Household by Electricity Connection

Type of electrical connection	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Number of households	1 470	42 400	1,810	45,700

Households with no electrical connection



Source: IHS Markit Regional eXplorer version 1870

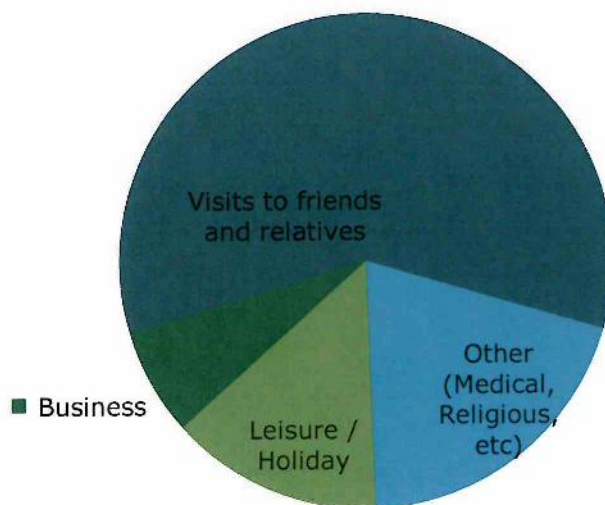
Looking at the table above it can be seen that in 2008 the households without an electrical connection was 7 040, this decreased annually at 12.72% per annum to 1 810 in 2018.

2.12 Economic Potential

Tourism

Tourism in Raymond Mhlaba is one of the key sectors of economic growth. Raymond Mhlaba is renowned of its rich heritage and history. It is the home to the University of Fort Hare, Lovedale College, the Historical Adelaide Gymnasium High School and Healdtown; moreover the municipal area boasts a number of tourism routes. This rich history and heritage however is not yet exploited. Visit to friends and relatives recorded the largest share of 59.11% of the total tourism and Others (Medical, Religious, etc) tourism had the second highest share of 19.97%, followed by leisure / holiday tourism at 13.94% and the Business tourism with the smallest share of 6.97% of the total tourism within Raymond Mhlaba Local Municipality.

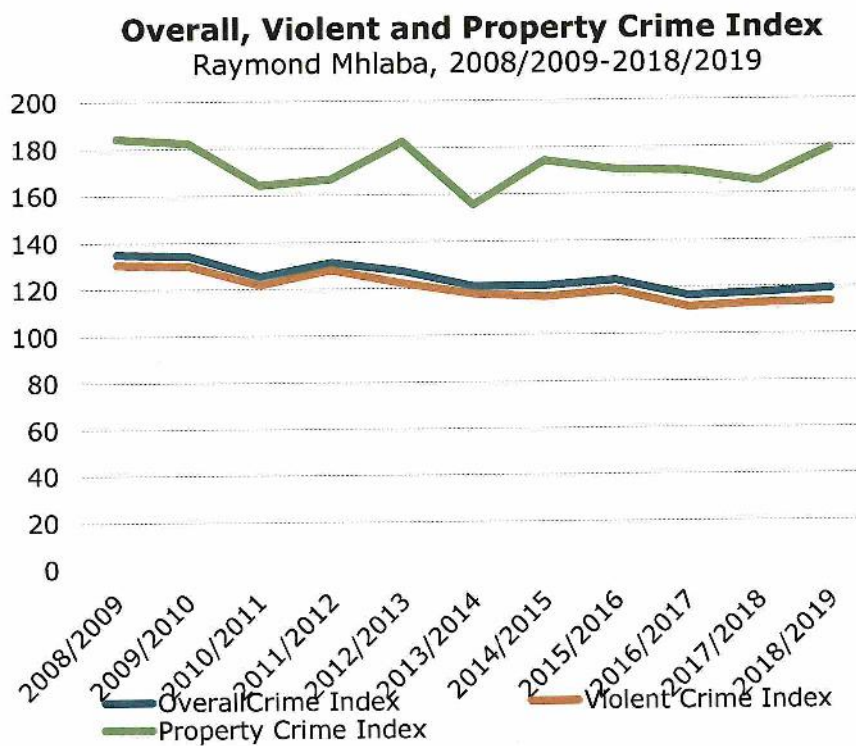
Tourism - trips by Purpose of trip
Raymond Mhlaba Local Municipality, 2019



Source: IHS Markit Regional eXplorer version 1939

2.13 Crime

Like all small towns, Raymond Mhlaba Local Municipality is affected by various forms of crime ranging from, rape, robbery, burglary and assault. For the purpose of this document, four types of crime are happening in the Raymond Mhlaba area have been selected ,namely sexual crimes, common robbery, burglary at residential premises and assault with the intent to inflict grievous bodily harm.



Source: IHS Markit Regional eXplorer version 1939

For the period 2008/2009 to 2018/2019 overall crime has decrease at an average annual rate of 1.25% within the Raymond Mhlaba Local Municipality. Violent crime decreased by 1.38% since 2008/2009, while property crimes decreased by 0.29% between the 2008/2009 and 2018/2019 financial years. In 2018/2019, Raymond Mhlaba Local Municipality had the highest overall crime rate of the sub-regions within the overall Amatole District Municipality .

2.14 ENVIRONMENTAL CHARACTERISTICS

This section provides background on the current status of the Environmental conditions and characteristics within Raymond Mhlaba Local Municipality. Furthermore, this section also reflects the key issues facing the environment within the municipal area.

2.14.1 Physical Attributes

Vegetation Types

- **Amatole Montane Grassland:** Sweet grassland dominated by grasses such as Themeda tiandra, Pennisetum sphacelatum, and Ehrharta calycina. This vegetation is good for cattle and sheep grazing. It is suitable for winter grazing but is vulnerable to transformation to sourveld, Karoo and Grassy Fynbos due to overgrazing.
- **Bedford Dry Grassland:** This grassland is composed of a few Acacia Karoo trees along water courses. It is suitable for grazing, and erratic summer rainfall makes the area high risk for agronomy.
- **Eastern Cape Escarpment Thicket:** The enclosed canopy is up to 6m in height and woody evergreen species are dominant. There is also a great variety of species in this thicket type and it is suitable for grazing of angora and Boer goats.
- **Eastern Cape Thornveld:** Open savannas dominated by Acacia Karoo bush clumps or individuals. They have a strong grassy characteristic, except in areas where overgrazing is present. Fire and grazing are important processes in the extent of this vegetation type.
- **Great Fish Thicket:** This vegetation is characterized by shrubs of an adult height, and dense and tangled shrubs with spines and thorns. On steep valleys it is characterized by tall, succulent tree euphorbias.

2.14.2 Geology and Soils

The Geology of Raymond Mhlaba Local Municipality mainly consists of the Beaufort sediments that are intruded by the Karoo dolerite that have thus penetrated the formation in many areas in the form of sills and dykes. The Beaufort sediments therefore comprise of shale, mudstone and sandstone. The soils in the area are therefore derived from the Beaufort and Molteno series of the Karoo sequence, most of the soils are therefore shallow and poorly developed and rocky.

Alluvium occurs in the river terraces and no mineral deposits are found in the area although there is building stones and gravel that can be obtained from the area.

2.14.3 Topography

Raymond Mhlaba Local Municipality has a landscape that has a character of a flat, regular topography; the Northern Part of the municipality is structured by high mountain ranges, having the highest peak being the Hogsback Region, which has a height level of 1700m- 2000m above the sea. Towards the southern region, the topography starts to have a relatively flat surface and evens out, having some of the southern parts with the heights of less than 200m above sea level. The topography has influenced the distribution of human activities in the area, with most of the settlements occurring at heights of 200m-400m above sea level.

2.14.4 Biodiversity Conservation

Most of the Raymond Mhlaba jurisdiction is undisturbed and untouched environment, therefore the biodiversity in the area is very rich. There are areas that are categorized as those that are of primary environmental sensitivity, and these areas include those that are around the rivers and dams, those that are along wetlands and nature reserves. These areas are those that require environmental policies that are there to protect them and to ensure that they contribute towards the thriving economy of the municipality. In the Raymond Mhlaba Local Municipality the notable areas include:

- A natural corridor, which according to Terrestrial Critical Biodiversity Areas exists in the central portion of the Municipality.
- Water resources, which include Keiskamma River Basin, Koonap River, Baviaans River, Tyume River, Mxhelo River, Kat River Dam, and other rivers.
- Protected areas include the Doubledrift Nature Reserve, the Great Fish River Complex, and the Mpofu Game Reserve.
- Existing forests include the forestry products such as eucalyptus, pine, wattle and indigenous forests.

2.14.5 Climate Change

Climate change is a phenomenon that seems to have effect on everyone and therefore every area is affected by it, this phenomenon therefore has effects as to change climatic conditions,

whether in a positive or negative way, this means that weather conditions are subjected to change because of a phenomenon known as global warming, which therefore lead to temperature increase and change in seasonal patterns within a region. The effects of such are associated with heavy rainfalls, unbearably hot conditions, mudslides due to heavy rainfalls therefore resulting in soil erosion. The result of such implications therefore result in depletion of food security, depletion of water sources therefore resulting in increased poverty to those that are dependent on subsistence farming, and increased prices to consumers that rely on commercial crop production, as it requires the farmers to increase technological efforts to sustain food production.

2.14.6 Water Resources

- **Rivers:** Raymond Mhlaba Local Municipality is well drained by a number of rivers, the major ones thus being the Keiskamma River that is located easterly of the municipality, the Kat River which is located on runs north to south on the western side of the municipality, the Tyume river which runs from the mountainous Hogsback region and proceeds westerly towards Alice and then the southern- easterly to join the Keiskamma river. The Southern edge of the municipality is drained by the Koonap River and the Great Fish River.
- **Dams:** Raymond Mhlaba Municipality is supported by two main dams, which are the Kat River Dam and the Binfield Park Dam. There are also other small dams that are found within the municipal area, and they are known as the pleasant view dam, Hogsback Dam and the Debe Dam. These dams, along with the Sandile Dam that is found in a neighbouring municipality known as the Amahlathi Municipality, serve as main water supply schemes for the area and therefore serve as water supply for both domestic and agricultural use in the area. The municipality has however identified a tourism opportunity with the construction Foxwood dam, north of Adelaide.
- **Waterfalls:** the municipal area has water falls around Hogsback area, which is one of the beautiful resorts around Raymond Mhlaba.

2.14.7 Environmental Sensitivity

As most of the area in Raymond Mhlaba Municipality is undisturbed, the biodiversity in the area is still very rich. Areas of primary environmental sensitivity, mostly along rivers, dams, wetlands and nature reserves are categorized as conservation areas. These areas require sound

environmental policies and practices to ensure a sustained and thriving economy in the municipality. In the Raymond Mhlaba Municipality the notable areas include:

- A natural corridor, which according to Terrestrial Critical Biodiversity Areas exists in the central portion of the Municipality.
- Water resources include Keiskamma River Basin, Kat River Dam, and other rivers.
- Protected areas include the Doubledrift Nature Reserve, the Great Fish River Complex, and the Mpofu Game Reserve.
- Existing forests include the forestry products such as eucalyptus, pine, wattle and indigenous forests.

2.14.8 Ecosystem Status

The ecosystem has guidelines that are attached to it that are intended to inform the land use management processes within the area and they assist with the identification of the need for Environmental Impact Assessment also known as the (EIA) in certain areas within the municipality. Endangered, vulnerable and least threatened areas describe some of the relevant characteristics of the ecosystem status that falls within the municipality.

- **Endangered Areas:** These are areas whose original ecosystem has been so reduced that they functioning and existence is under threat of collapsing. Endangered land cannot withstand loss of natural area through disturbance or development. Portions of endangered areas have been identified mainly in Alice and Fort Beaufort and a small portion in Adelaide.
- **Vulnerable Areas:** Vulnerable areas cover much of their original extent but further destructions could harm their health and functioning. Vulnerable land can only withstand limited loss of the area through disturbance or development. Vulnerable land covers a large extent of the Raymond Mhlaba Local Municipality.
- **Least Threatened Areas:** The ecosystems of the less threatened areas cover up most of their original extent which are mostly intact, healthy and functioning. These areas can withstand some loss to the natural areas through development. A greater portion of Raymond Mhlaba is covered by least threatened eco-system status.

CHAPTER 3

STATUS QUO ANALYSIS PER KEY PERFORMANCE AREA (KPA)

3.1 KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

3.1.1 INTRODUCTION TO ADMINISTRATION

Raymond Mhlaba Local Municipality Council adopted an organisational structure which will ensure attainment of the objectives entailed in the IDP. Alice town is a legislative seat and Fort Beaufort is the administrative head of the municipality. The municipal main offices are at Fort Beaufort, while the Council Chamber is located in Alice. The municipality has satellite offices in Adelaide, Alice, Bedford, Seymour, Middledrift and Hogsback. All these satellite offices have Acting Unit Managers, who are responsible for smooth running and monitoring of municipal satellites. The municipality has a code of conduct for Councillors, as well as, for all employees. The principal-ship of the Raymond Mhlaba Local Municipality's administrative structure lies with the Municipal Manager who administers the Institution with departments and various units reporting directly to him/her.

Functions of the Municipal Manager include:

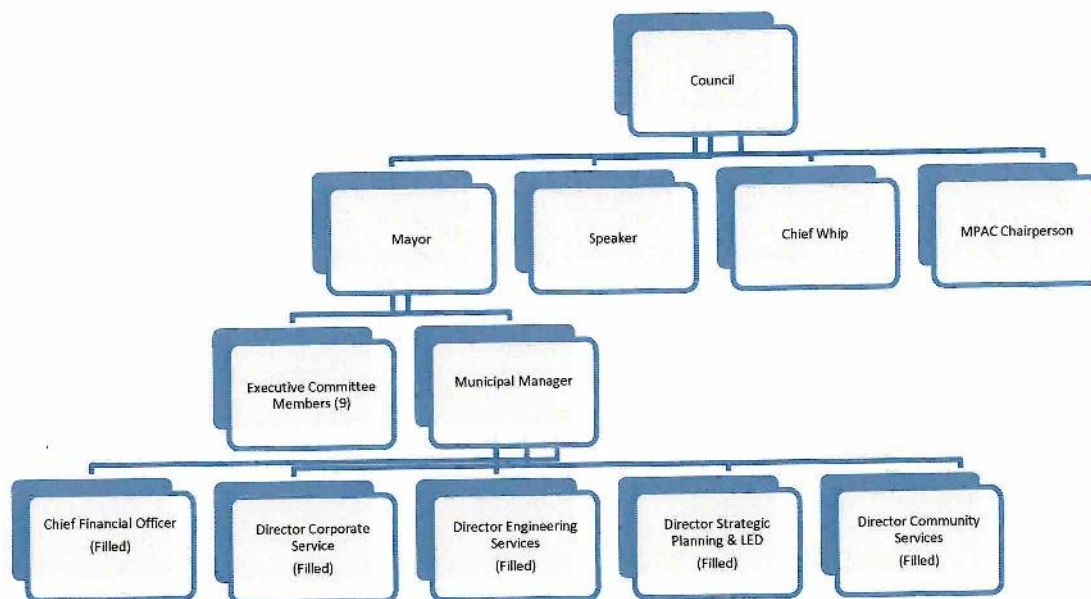
- The management of the Municipality;
- The rendering of Raymond Mhlaba Municipality's administrative Services to the Municipality;
- The rendering of Financial Services to the Municipality;
- The rendering of Corporate Services to the Municipality;
- The rendering of Protection Services;
- The rendering of Engineering Services;
- The rendering of support to the Office of the Mayor.
- The rendering of support to the Office of the Speaker
- The rendering of support to the office of the Chief Whip.

Of the functions identified six (6) departments were established to perform the functions, these being:

- Municipal Manager's Office
- Corporate Services
- Budget & Treasury Office

- Strategic Planning & Local Economic Development
- Engineering Services
- Community Services

Illustration of the Institutional Structure of Raymond Mhlaba Municipality is as follows:



3.1.2 HUMAN RESOURCE STRATEGY

Both former Nxuba and Nkonkobe municipalities had Human Resources Strategies that were developed by Amathole District Municipality through Municipal Support Unit (MSU) for 2013-2017. The human resources strategy was adopted by both municipal Councils in 2013. The HR Strategy considerations focus on building systematic human resource practices that improve employees' motivation and skills. The strategy also focuses more on selecting the right employees to do the job, managing their activities and motivating them to stay with the municipality. The purpose of generating these strategies is to mitigate the threats and weaknesses which human resources and the municipality is faced with by among other things, taking advantage of the identified opportunities and capitalising on the identified strengths. Raymond Mhlaba Municipality is in the process of developing a HR Strategy including HR Plan.

One of the key issues that can make the municipality as the employer of choice is to offer competitive salaries and financial reward which can be viewed as a major differentiation in being an employer of choice.

3.1.3 JOB EVALUATION

The municipality has started a process of Job description writing. A Job Evaluation Committee has been established. The task of the committee is to ensure that departments are developing those job descriptions and also to ensure quality. Job evaluation is being done at a District Job Evaluation Committee and thereafter to the Provincial Audit Committee for confirmation of results.

3.1.4 EMPLOYMENT EQUITY PLAN

The plan seeks to achieve reasonable progress towards affirmative action in the workforce. After the analysis of the existing employee profile of Raymond Mhlaba Municipality it was discovered that the Municipality race is no longer a problem but the main challenges are the:

1. Under-representation of females.
2. Gross under representation of people with disabilities.

The Municipality strives to meet the Employment Equity targets to comply with the Employment Equity Act and redress past imbalances. The institution reports to the Department of Labour on yearly basis around equity targets. The Employment Equity plan was developed and approved by Council in December 2019. Furthermore, in January 2020 the municipality submitted the EEP to Department of Labour as compelled by Employment Equity Act.

Total number of employees (including employees with disabilities) in each of the following occupational levels: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	1	0	0	0	0	0	1
Senior management	3	0	0	0	1	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	9	1	0	1	4	0	0	0	0	0	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	63	2	0	2	28	3	0	0	0	0	98
Semi-skilled and discretionary decision making	80	3	0	0	47	1	0	1	1	0	132

Unskilled and defined decision making	151	18	0	1	71	7	0	0	0	0	248
TOTAL PERMANENT	306	24	0	4	152	11	0	1	1	0	499
Temporary employees	148	0	0	0	40	2	0	0	0	0	190
GRAND TOTAL	748	48	0	4	192	24	0	1	1	0	1018

Total number of employees with disabilities only in each of the following occupational levels: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	0	0	1
Unskilled and defined decision making	1	1	0	0	0	0	0	0	0	0	1
TOTAL PERMANENT	2	0	0	0	1	0	0	0	0	0	3
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	2	1	0	0	1	0	0	0	0	0	4

3.1.5 THE WORKPLACE SKILLS PLAN (WSP)

According to the Skills Development Act, all employers are expected to submit their Workplace Skills Plan and Annual Training Report to their respective SETA's by the 30 April of each year. Employers are also expected to prepare monitoring reports on any training that took place as per the submitted WSP and submit to LGSETA on quarterly basis. Raymond Mhlaba Municipality has developed, adopted and implemented a WSP and submitted it to the LGSETA at a stipulated time. The process of development of the WSP included skills audit that identified training interventions needed especially on critical skills. The following programs are reflected in Raymond Mhlaba Municipality Workplace Skills Plan (WSP).

- National Treasury Minimum Competency Requirement
- Workplace Integrated Learning
- Unit Standard based and Non Unit standard based Trainings
- Skills programs especially critical skills

3.1.6 TRAINING OF OFFICIALS, COUNCILLORS, WARD COMMITTEES AND UNEMPLOYED LEARNERS

Training is currently being conducted in line with the Council approved WSP and an allocated budget for training including funding from SETA's. The training of officials, councillors, ward committees and unemployed learners are also a target in the institutional scorecard of the municipality. Therefore training is one of the areas that is being prioritised by the municipality.

3.1.7 LABOUR RELATIONS

3.1.7.1 Local Labour Forum (LLF)

The above-mentioned structure serves as a consultative structure between Labour and Employer and is functional. The structure is made up of councillors, managers and both two recognized union in the sector as prescribed in the Collective Agreement on Organizational Rights. The LLF deals with matters of mutual interest excluding matters that fall under the purview of the Provincial and National Bargaining Council. The LLF convenes its meeting quarterly.

3.1.7.2 EMPLOYEE WELLNESS AND OCCUPATIONAL HEALTH AND SAFETY

The objectives of the employee wellness and occupational safety are to promote health and wellbeing of employees and Councillors by providing on-going education, information and communication in all health related aspects. They are also encouraged to be proactive about their health and modify their lifestyle for own benefits. The municipality is also ensuring that a safe working environment is created for all the employees at work and visitors during operations. It was identified during the wellness programmes that some employees are suffering from chronic diseases and measures were taken by the municipality to assist those employees. Hospitalisation and counselling of employees is also being undertaken for certain employees. Workshops were held to sensitise employees about conditions that can affect their work and were encouraged to come forward for assistance. Follow ups were done for those employees that were affected by these diseases.

The municipality has a functional Occupational Health and Safety Committee (OHS). This committee has started a process of evaluating the conditions of municipal offices that are occupied and are preparing a report and action plan on correcting defects.

3.1.8 COUNCIL SUPPORT AND RECORDS MANAGEMENT

Raymond Mhlaba Council Support Unit provides administrative support to all Council structures through compilation of items into an Agenda and taking and transcribing of minutes. The Unit is expected to issue out Agendas for meetings in line with Standing Rules of Order of Council.

As part of the support functions for the success of Raymond Mhlaba Municipality in fulfilling its statutory functions outlined in the Municipal Structure Act, it is key that the support mechanisms outlined in the Municipal Systems Act be put in place. The goal of the auxiliary services is to provide an efficient service to both internal and external stakeholders. Records management is a process of ensuring the proper creation, storage, maintenance, use and disposal of records to achieve efficient, transparent and accountable governance. Sound records management implies that records are managed in terms of an organizational records management programme governed by an organizational records management policy.

A File Plan was approved by the Provincial Archives in December 2017. A well-organized File Plan enables an organization to find information easily. Records that are correctly filed and stored are easily accessible, and this promotes transparency, accountability and democracy. The orderly and efficient flow of information enables the organization to perform its functions successfully and efficiently. The National Archives and Records Service of South Africa Act, 1996 provides the legal framework according to which the National Archives and Records Service regulates the records management practices of all governmental bodies.

The municipality runs a registry in compliance with legislative requirements and this facility is supposed to be used efficiently and effectively to promote good governance and service delivery goals of the municipality. The National Archives and Records Services, in terms of its statutory mandate, requires governmental bodies to put the necessary infrastructure, policies, strategies, procedures and systems in place to ensure that records in all formats are managed in an integrated manner. Raymond Mhlaba municipality is in a process of installing an electronic records management system that complies with these legislative requirements. Training of users and review of records management policy need to be done to enhance good use of the facility. Storage of documents is still a challenge. The Municipality is in a process of procuring two containers that will be customized according to Provincial Archives specifications. Document management workshop will be organized and facilitated by the Provincial Archives.

3.1.9 ADMINISTRATION

3.1.9.1 Office Provision

Office provision is a challenge that is prevalent at Raymond Mhlaba municipality as a result the municipality utilizes six buildings within Fort Beaufort town as office space. The municipality also uses three park homes that are situated within the main building in Fort Beaufort. All offices are cleaned and maintained on daily basis.

3.1.9.2 Municipal By-laws

Fourteen Municipal Bylaws were promulgated in February 2019 after full consultation with the community and Council adopted the Municipal Code of Raymond Mhlaba Municipality in December 2018. The fourteen Bylaws were sent to all Magistrate Districts within the Raymond Mhlaba Municipality to conclude and approve the penalty clause. The implementation of these by-laws lies within all Municipal departments, Government and Law enforcement entities.

3.1.9.3 Insurance

The Raymond Mhlaba Municipality appointed Lateral Unison as short-term insurance Brokers with a three years' Service Level Agreement. The insurance covers Councillors, Management and Municipal Assets. This insurance also includes third party liability.

3.1.9.4 FLEET MANAGEMENT

In order for the Council to function and execute its core responsibility, a requirement being a support aid in the form of fleet was identified. This is a support aid which requires both acquiring and maintenance. In the process of ensuring the MFMA provisions are enhanced including asset management process, the municipality must ensure adequate controls. The allocated vehicles must always be accounted for by designated officials within departments. Trip authorities are always a priority in allocation of vehicles and submission of accurate logbooks and petrol slips are non-negotiable. The Municipality has both white and yellow fleet. The white fleet includes leased vehicles from ABSA bank. The Municipality has a fleet maintenance contracts with two service providers. Council has approved the disposal of vehicles that has 15 years and above life span. There is another request going to Council for the disposal of vehicles under 15 years of age whose conditions are opposing risk to users and are uneconomical to maintain.

3.10 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

In November 2012 the cabinet approved the Corporate Governance of Information Communication Technology Policy Framework (CGICTPF). It was noted that the Local Government Sphere's challenges were not adequately addressed by CGICTPF. In 2014 the Cabinet approved a Municipal Corporate Governance of Information Communication Technology Policy Framework to address the Municipal specific challenges.

The Municipal Corporate Governance of ICT Policy Framework provides the Municipal Council and Management with a set of principles and practices that must be complied with, together with an implementation approach to be utilized. The implementation of the Municipal Corporate Governance of ICT Policy Framework followed a three-phase approach:

- a. **Phase 1 – Enabling Environment:** The Corporate Governance of ICT environments will be established in Municipalities through the adoption of this

Municipal Corporate Governance of ICT Policy and its associated policies through Council resolution;

- b. **Phase 2 – Business and Strategic Alignment:** Municipalities will plan and implement the alignment between IDP's, strategic goals and ICT strategy.
- c. **Phase 3 – Continuous Improvement:** Municipalities will enter into an on-going process to achieve continuous improvement of all elements related the Governance of ICT.

Currently Raymond Mhlaba Municipality is on Phase 1 of the MCGICT policy because of the development of the ICT Charter and the ICT Plan which are mandatory as per MCGICT Framework.

3.10.1 OFFICE BACK-UP (CIBECS)

Raymond Mhlaba local municipality is using Cibecs software for office back-ups. Cibecs is the simplest and most efficient software for business laptop and desktop data protection. Cibecs business backup software has been built from the ground up to address organizational challenges around desktop and laptop data backup and recovery, ensuring tangible operational benefits. The municipality is currently using ESET Endpoint antivirus for network and PC protection.

3.10.2 DISASTER RECOVERY PLAN (DRP)

IT Disaster Recovery Plan ("IT DRP") is to provide guidance to Raymond Mhlaba Local Municipality's Information and Communication Technology in recovering the IT infrastructure in the event of a major IT disaster, in line with the Recovery Time Objectives ("RTO") defined by business. However, with the above said Raymond Mhlaba local municipality has a Business Continuity Plan where the RTO (Recovery Time Objectives) should be properly defined. The financial systems depend on service providers for recovery plans. The Municipality is waiting for SEBATA to assess the ICT environment since the internet upgrade project is completed. There was a significant improvement on the internet speed and email access after the upgrade of internet.

3.10.3 WEBSITE

The Raymond Mhlaba municipal website is developed and maintained internally and plans to upgrade the website are in place. Consultations with relevant stakeholders are underway.

3.10.4 GIS Project

The Geographic Information System Shared Services Centre (GIS) provides centralized spatial information management, mapping, analysis and dissemination. The website that was installed

by Amathole District Municipality for the GIS Project is accessible and was tested by ADM and this would not be possible if the Municipality did not upgrade its network.

3.2 KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Service delivery falls within the functional area of a number of different institutions, but all impact on the lives of the community. This KPA deals with the core functions of the municipality by providing the provision of electricity, roads & stormwater, community facilities, refuse removal, emergency services, and Land & Human Settlements.

3.2.1 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The supply of electricity in Raymond Mhlaba Municipality is provided for by two suppliers, i.e. Eskom and the Local Municipality. The municipality has a NERSA license to provide electricity in Adelaide, Bedford and Fort Beaufort and the surrounding townships. Electricity in the other administrative areas of Alice, Middledrift, Hogsback, Seymour, farm areas and all rural villages is supplied by Eskom. In areas supplied by Eskom it is estimated that electricity provision stands at 90% with a backlog of 10% of which most of the areas are extensions that require a line upgrade to electrify the villages, whereas, in areas supplied by the municipality it is estimated that electricity provision stands at 99% with a backlog of 1% which is new connections for extensions, etc. The municipality does not have issues or challenges with the bulk electricity supply within the municipal areas of supply. The municipality has set aside a budget for the maintenance of its reticulation network though in most cases it is found not to be enough. Furthermore, the municipality is piloting a mini-grid project in the Upper Blinkwater area with support and funding from GIZ and DEDEAT contributing towards gas stoves for the community beneficiaries.

The Raymond Mhlaba Municipality completed its Electricity Master Plan end December 2017 however funding is still to implement it is still a challenge. Funding of its recommendations continues to be a challenge and as such the institution should priorities funding while also continuing to source external funding going forward. Funding for the Ailing infrastructure has been granted although its will be done in phases and based on treasury and the department of energy allocations per financial year. The municipality has embarked on the energy saving journey of capacity consumed from Eskom, there is a renewable energy project that is currently underway in Upper Blink Water which is using solar panels to electrify 70 households.

The municipality has also taken into consideration savings in energy consumption within the municipality area of supply. A retrofitting project has started where the municipality is changing streetlights and high mast lights to energy saving lights i.e. LED lights. This project will not only focus on street lightning and high mast, in the near future it will also consider changing internal building lights and air conditioners etc. to energy saving mode. The municipality feels the need of renewable energy and energy saving as a priority and a research is currently being conducted about wind generation as distribution is some areas.

The department of Energy funded the Energy Efficiency and Demand management system (EEDSM) and the following lights were retrofitted

Area or Location	LED Lights	Quantity
Street lights at Adelaide	5178ml LED 40 watts	400
Street lights at Adelaide	5178ml LED 40 watts	200
40m High mast - 6 x 1000Watts HPS Flood Lights at Adelaide	60000ml LED Flood Lights	60
30m High mast - 9 x 400Watts HPS Flood Lights at Adelaide	23400ml LED Flood Lights	36
40m High mast - 6 x 1000Watts HPS Flood Lights at Bedford	60000ml LED Flood Lights	60

Key Challenges:

- Ailing infrastructure
- Panels are very old and need to be replaced.
- No signage on exterior of substations and mini subs
- Links and conductors damaged
- Palisade fencing for mini sub-stations in residential area
- Underground old cable faults which leads to unplanned outages

3.2.2 ROADS AND STORM WATER MANAGEMENT

3.2.2.1 ROADS

The road network within the Raymond Mhlaba Municipal area falls under the jurisdiction of three (3) authorities, namely:

- South African National Roads Agency Limited (**SANRAL**) - responsible the National Route R63 and R67, SANRAL has initiated upgrading of the R63 road and progress currently at Design Stage.
- Eastern Cape Department of Roads and Transport - responsible for the provincial trunk, main, district and minor roads within the area;
- Raymond Mhlaba Local Municipality - responsible for all municipal roads.

The National Department of Transport is currently rolling out the Rural Transport Services and Infrastructure Grant whose objective is to ensure effective and efficient investment on rural roads through development of Road Asset Management System (**RAMS**) with the following methodology in mind:

- **Collection of Road Inventory data including condition assessment and traffic data.**
- **Setting up pavement and bridge management system compatible with national standards.**

The system is currently in place and relevant data and updated in line with conditions of the grant. Municipalities are encouraged to utilise this system when prioritising road project. The National Department of Transport is currently rolling out the Rural Transport Services and Infrastructure Grant whose objective is to ensure effective and efficient investment on rural

roads through development of Road Asset Management System (RAMS) with the following methodology in mind:

- **Collection of Road Inventory data including condition assessment and traffic data.**
- **Setting up pavement and bridge management system compatible with national standards.**

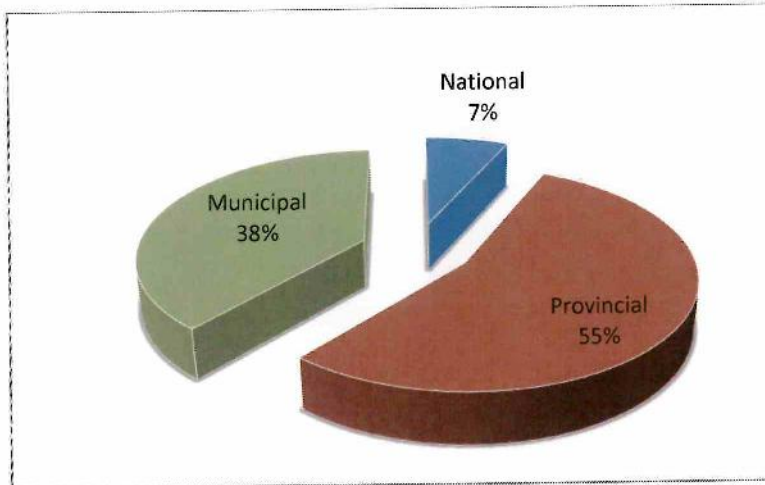
The system is currently in place and relevant data and updated in line with conditions of the grant. Municipalities are encouraged to utilise this system when prioritising road project.

The road network within the Raymond Mhlaba Local Municipality Area, together with the relevant road authority is indicated in table below:

Road network in the Raymond Mhlaba Local Municipal Area

ROAD AUTHORITY	LENGTH
SANRAL	158.35
DRPW	1234.24
RAYMOND MHLABA L.M	878.64
Total	2 280.23

The pie-chart of the road network within the Raymond Mhlaba Local Municipality Area in terms of ownership percentages is reflected below;



CONDITION OF THE SURFACED ROADS:

The surfaced road network was assessed in accordance with the procedure set out in TRH 22. The condition of the roads are summarized in the table below.

ROAD AUTHORITY	LENGTH
SANRAL	158.35
DRPW	1234.24
RAYMOND MHLABA L.M	878.64
Total	2 280.23

The road network has been divided between (EPWP) Expanded Public Works Programme and (MIG) Municipal Infrastructure Grant; this enables the municipality to attend to some of road network challenges.

There are five Taxi ranks in Raymond Mhlaba Municipality namely (Adelaide, Alice, Bedford, Fort Beaufort, and Middledrift), where commuters use them to board the taxis and buses in and around the villages within the municipality, as well as, to surrounding towns. The aforementioned Taxi Ranks are licensed and operate within the regulations set by the municipality and department of transport. Seymour and Balfour, as well as, Debe Nek do not have licensed taxi ranks – even though there is commuting activity taking place in those areas. The Alice Taxi Rank has been rehabilitated by the municipality (Raymond Mhlaba Local Municipality) in partnership with ASPIRE (Development Agency of Amathole District Municipality) as part of the Small Town Regeneration Project and has been operation since March 2019.

The municipal area also has bus shelters around the R63 from Debe Nek to Alice. These shelters play a pivotal role, shielding and providing shade to the commuters against scorching heat and subsequently protecting them on rainy days. There are bus shelters in the rural areas; these were done through the EPWP and Community Works Programme.

The municipality also offers Traffic Services – these officials regulate traffic offences by all road users and ensure that there is tolerance on the road by all who are making use of it. The traffic services unit also provides the following services: Driver's License Testing Stations in Fort Beaufort and Adelaide, only Fort Beaufort offers Driver's license testing, Renewal of Drivers Licenses (Alice and Fort Beaufort), Public Driving Permit, Learners License application and issue (Fort Beaufort), Driver's License application and issue (Fort Beaufort and Adelaide) and Registration and licensing of vehicles (Alice, Adelaide and Fort Beaufort).

3.2.3 STORMWATER

The Stormwater management system is provided for in the town of Adelaide, Alice, Bedford, Fort Beaufort, Middledrift and Seymour. The Municipality has prioritized storm water and storm water management needs. These are to be taken seriously as it becomes very difficult for the communities to access their properties where storm water drainage is not attended. The network has been neglected for some time and this situation has caused major flooding during rainy seasons. This prevailing situation will cause the road network to disintegrate rapidly over the years to come resulting to high maintenance cost.

Areas of prioritized intervention:

- a) Develop a storm water / pavement management system;
- b) Facilitate the improvement of road infrastructure.

3.2.4 LAND AND HUMAN SETTLEMENT

3.2.4.1 Land administration

In terms of land ownership statistics and ownership information, the municipality does not have a comprehensive land audit. The municipality has formulated a general valuation roll which undertakes a similar process to that of a land audit which a preliminary report is done yearly and the valuation roll is being done every 5 years. Raymond Mhlaba LM does not have an established GIS unit, the municipality receives on-going assistance from the ADM GIS unit. In terms of land administration the municipality attends to land ownership identification, land disposals and land leasing.

In the Adelaide area, the municipality in conjunction with the Amathole district Municipality is attending to land reform projects such as the Wortel drift farms as part of land restitution project. Land Restitution and Land Reform Land dispossession and removal of black people in South Africa was formalised through the Land Act of 1913 and the Group Area Act which resulted in black citizens owning only 13% of land and white counterparts owning 87% of land in South African by 1994. As redress to this challenge the South African government developed the Restitution of Land Rights Act 22 of 1994 and the Policy on Land Redistribution for agricultural development (2000).

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

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

At present the municipality does not have a wall to wall scheme but has land use management legislation applicable in its areas. The municipality has appointed a service provider that will assist the municipality in developing a Land Use Scheme. The Land Use Scheme will be in place before end of the next financial year.

3.2.4.2 Housing Developments

The Municipality facilitates the housing projects with the Department of Human Settlements. The majority of households in Raymond Mhlaba Local Municipality live in a formal house on individual stands (66.1%). A relatively large percentage (29.2%) of households still resides in traditional dwellings (hurts/structures made of traditional material). The housing backlog is estimated at 6700 in Raymond Mhlaba Local Municipality.

Rectification was done in Seymour, Middeldrift and now Department of Human Settlements is busy rectifying at Fort Beaufort Hillside (638), Kanana 300 in Newtown (662) there is only 3 outstanding houses. There is a plan to rectify the following projects. Below and overleaf is progress to date.

3.2.4.3 Informal Settlement and Backyard Structures

There are 3 310 households living in informal settlements and 802 in informal structures in backyards. The large majority of these is likely to have incomes of R3 500 or less and would therefore be eligible for housing subsidy. Given the low income levels many would not afford the necessary formal rentals even within subsidized social housing and CRU programmes. In addition the majority are likely to be unemployed or working within the informal sector. Again this would make tenancies in formal rental very difficult. The majority of these households are likely to be eligible for government subsidy this is most achievable through in-situ informal settlement upgrade or Greenfield RDP development. In view of the foregoing, the Housing Sector Plan of the municipality reveals that informal settlements are fewer in Alice, whereas Fort Beaufort is having the high number – and there is evidence of informal settlements in Adelaide, Bedford, Middledrift, Seymour and Hogsback.

3.2.4.4 Rural Housing and Farmworker Housing

Around 9 400 households in Raymond Mhlaba presently live in traditional structures in rural areas 17 008 households (or 95%) earn below R3 200.00 per month. It cannot be assumed that all of these are inadequately housed. More research is required within the district to better understand the actual housing need of these households also differentiating between those on communal land and those living on farms in the commercial farming sector. In the former case the initial emphasis is likely to be on the resolving of some of the tenure issues and then the provision of basic needs water and sanitation services. Consideration can be given to the best approach to supporting improvements of top structures.

In the case of farmworkers there is the need to establish more clearly the conditions and whether provision through Agric-villages will provide tangible improvements in quality of life. The Housing Act in Section 3 provides policy prescripts framework for the Farm Resident Subsidy Programme where the intent is to provide a flexible mechanism which will promote access to adequate housing, including basic services and secure tenure to farm workers. The Comprehensive Plan for the creation of Sustainable Human Settlements approved in September 2014, specifically called for a stronger rural housing development focus through economic, social and institutional sustainability of farm worker settlements. The Housing Sector Plan for the Raymond Mhlaba Local Municipality is currently at draft stage to be adopted by Council by the end of the current financial year.

On the existing information it is difficult to precise such options and more focused research is required by the municipality.

3.2.5 SOLID WASTE MANAGEMENT

Raymond Mhlaba Local Municipality is responsible for waste management which includes street sweeping, collection, transportation and disposal of solid waste. Refuse removal is currently not performed in rural and farm areas due to capacity, shortage and ageing transport system. Raymond Mhlaba Local municipality has three solid waste sites and one refuse transfer stations located in Alice, Bedford, Middledrift and Fort Beaufort. All these waste facilities have permits as issued in terms of the Environment Conservation Act, 1989.

3.2.5.1 WASTE MANAGEMENT COOPERATIVES

The municipality has waste management community cooperatives in Alice Golf Course and Newtown. These cooperatives are intended to improve the standard of the service by the municipality by rendering the following services: refuse collection; litter picking; street sweeping; removals of illegal dumping's and conduct environmental and waste awareness campaigns. The cooperatives were involved to achieve the following:

- render refuse removal service where the municipal cannot
- assist in job creation
- capacity building in communities
- create a sense of ownership among the citizens
- increase awareness on waste related issues

Challenges	Interventions
Shortage and ageing fleet for refuse transportation.	Budget for the procurement of new refuse trucks
Insufficient budget for waste management programmes	Availability of budget for waste management programmes
Non-compliant disposal sites as per NEMWA requirements	Funding of disposal sites through MIG
Non availability of refuse bins per household	Issuing of bin liners to every household
Minimal recycling initiatives	Forge partnerships with recycling co-operatives

3.2.6 ENVIRONMENTAL MANAGEMENT, CLIMATE CHANGE AND AIR QUALITY

The municipal staff establishment does cater for the post of the Environmental Management Officer but currently not filled. These functions are currently performed by partnering with DAFF, DEA, DEDEAT and ADM. The municipality conducts environmental awareness campaigns each and every quarter. Department of Environmental Affairs has provided training to 50 young people on horticulture who will then be responsible for greening of open spaces once the training is complete.

3.2.7 CEMETERIES

Raymond Mhlaba Municipality currently has a total of thirteen (13) cemeteries that are located in urban areas which are being maintained by the municipality through EPWP and CWP. All of the cemeteries are full to capacity and as such the municipality has identified new sites for the establishment of new cemeteries.

The municipality also has a programme of fencing rural cemeteries which are identified by ward councillors in consultation with members of the community in their respective wards in each financial year. The fencing is labour intensive; thus contractual workers are taken from the community.

LOCALITY	NUMBER
Adelaide town	1
Bezuidenhoutville	1
Lingelethu (Old and New)	1
Bedford town	1
Bongweni	1
Colored area	1
Fort Beaufort	4
Alice	1
Middledrift	1
Seymour	1
TOTAL	13

Challenges	Intervention
Conduct Environmental impact assessment (EIA) for the new identified sites	Funding EIA

3.2.8 FIRE FIGHTING

The Municipality is operating the firefighting service on a full time service and as such a building has been renovated and used as a main fire station in Fort Beaufort operating from 08h00 till 17h00. The building does not have all necessary equipment / resources as to enable fire fighters to operate effectively and efficiently. A satellite base in Adelaide has been established .A suitable building has been identified in Alice for the purpose of satellite station, and shall be renovated to meet the minimum required standards. A rapid response vehicle and a new medium sized were procured to improve the fire service. Ten employees are undergoing training to acquire an occupational certificate in firefighting.

3.2.9 DISASTER

The Raymond Mhlaba coordinates the disaster management functions. The disaster management plan has been approved by Council. The plan is inclusive of veld and forest fires, oil spillages and floods.

3.2.10 COMMUNITY SAFETY

Currently the municipality does not have an integrated community safety forum as well the integrated community safety plan, however the municipality is in a process of establishing the forum and the plan.

3.2.11 HALLS AND AMENITIES

The municipality has 18 halls within its area of jurisdiction which are situated in urban areas. All these halls are in a dilapidated state, however the municipality has set aside a target to renovate two halls per financial year. This will also add value to revenue enhancement. The Municipality has 6 parks under its area of jurisdiction. The Department of Environmental Affairs has approved a total amount of 8million to rehabilitate the existing parks. Raymond Mhlaba Municipality has 8 Public Libraries in the CBD areas, namely; Bedford, Adelaide², Alice, Fort Beaufort³ and Seymour. This service is performed on an urgency basis with Department of Sport, Recreation, Arts & Culture. The municipality is requested to submit a business plan which outlines the activities that will be carried out within these libraries .The municipality is also required to enter into a MOU with the Department which outlines the responsibilities of each party, however the DSRAC does not fund 100% for the needs of the Library Services.

The following are the existing sport facilities:

1. Chris Hani in Debe Nek,
2. Wilton Mkwazi Stadium for cricket in Middledrift
3. Alice grounds rugby field and are also utilized for soccer.

4. Ntselamanzi Cricket grounds owned by Alice Cricket Board
5. Victoria East Rugby Union fields in Alice
6. Happy Rest Cricket Fields in Alice
7. Zwelitsha Stadium in Fort Beaufort
8. Gontsi in Fort Beaufort
9. Newtown multipurpose fields
10. Ngumbela park in partnership with Healdtown Cricket Board
11. Old Country Club multipurpose fields in Fort Beaufort
12. Seymour sport field for rugby and soccer
13. Dyamala Sport fields
14. Sakhi sport fields
15. Lower Blinkwater sport fields
16. Wanderes Sport Fields
17. Goodwin Park
18. Nyarha Park

The municipality is responsible for monitoring these community facilities and ensuring that they are kept in a good standard. An audit of all facilities is done annually.

3.2.12 LIBRARY SERVICES

The fundamental principle in Raymond Mhlaba Local Municipality libraries is that its services must be accessible to all its inhabitants. Tertiary material is provided to distance higher learning students.

1. Fort Beaufort Public Library- Fort Beaufort Town
2. Washington Bongco Public Library- Bhofolo location
3. Newtown Public Library- Fort Beaufort, Newtown
4. Alice Public Library- Alice
5. Bezuidenshoutville
6. Bedford Library
7. Adelaide Library

Libraries offer the following services:

- Assist community members by registering them to become members of the library
- Internet access free to all library members
- Give out books and other library material available to all members of the library.
- Provide information services for the benefit of use by the community.
- Promote and encourage the informal self-education of the community people.
- Offer supplementary information to those pursuing formal educational courses.
- Conserve books and other library material.
- Meet the recreational and educational needs of the community and encourage sound use leisure time.

- Design various outreach programs targeted at communities that surrounds the library

3.2.13 HEALTH SERVICES

There are a total of thirty - eight (38) clinics in the entire Raymond Mhlaba Municipal area. Twenty- seven (27) clinics are run by the Provincial Department of Health for Raymond communities. There are four (6) hospitals in the Raymond Mhlaba Municipal area and one (1) Health centre, namely:

- Provincial Hospital
- Tower Hospital in Fort Beaufort
- Winterberg SANTA Hospital in Fort Beaufort
- Victoria Hospital in Alice
- Middledrift Health Centre
- Bedford Hospital
- Adelaide Hospital

Three of these hospitals are in Fort Beaufort and the fourth one is situated in Alice whilst the two are situated in Adelaide and Bedford. Along the R63 to King Williams Town is the Middledrift Health Care Centre. A need for health posts was identified; these should be established more especially in areas like Hogsback and Cangca, due to the financial constraints of the Department these areas are being serviced by Mobile clinics. This sector has got challenges that need to be addressed as a matter of urgency, shortage of staff has been identified and the solution to that challenge was a need to appoint an administrative staff to assist nurses. There is a need to aggressively recruit and train young people to be nurses especially locally based ones. A need to use retired nurses to assist in clinics and hospitals as some of the retired nurses are still interested in serving their communities and an increase of salaries for nurses to prevent them living the country for better salaries.

Out of the 38 Clinics that are at Raymond Mhlaba Municipal area only twenty nine (29) clinics have functional Clinic Committees. Local Aids Council has recently been established, also driven by Councillor, this structure is fully functional.

3.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT

3.1 Local Economic Development

Local Economic Development is one of the cardinal strategies that should be explored by Raymond Mhlaba Local Municipality in order to address socio-economic problems such as poverty and unemployment facing local communities. It is understood that LED is a pivotal local and community driven initiative. The contribution of local government, business and civil sectors aims to impact on individual communities within the Municipal jurisdiction. In short, LED is a bottom-up socio-economic instrument, within a broader IDP, New Growth Path (NGP) to create conducive business environments to improve their competitiveness. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth within a local area is inclusive. Applicable policies have been developed and adopted by Council i.e Tractor Policy and LED funding policy

Policy context for LED

“A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community” Constitution of the Republic of South Africa (1996). The White Paper on Local Government (1998) introduces the concept of ‘developmental local government’, which is defined 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 the quality of their lives”.

GOVERNMENT’S PERSPECTIVE ON MUNICIPAL LED ROLE:

“Local Government is not directly responsible for creating jobs. It is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities” refer to Local Government White Paper (1998). The Local Economic Development, according to LED Guidelines (2005), is not about municipalities or other public bodies financing small local projects from the public purse. Nor is it about Mayors, Councillors or municipal officials trying to run or manage these or even larger projects. All too frequently these have been initiated without real business plans or any serious notion of sustainability and they only last and provide temporal employment for as long as the public grant, which created them, lasts.

Raymond Mhlaba Municipality has through many initiatives strived to strengthen the local economic development within the area as informed by the mentioned legislations.

3.2 SETTING UP THE LED UNIT

The LED unit consists of Agriculture, SMME/Cooperative Development, Informal Traders, Tourism and Heritage. These sections are filled with skilled personnel to perform the LED tasks. The LED Unit specializes on Community Based Projects (CBP), LED Projects which are mainly

soft impact projects (*what is normally referred as quick wins*). In implementing the LED programs and LED Funding policy, the municipality has an entity called Raymond Mhlaba Economic Development Agency (RMDA), this entity focuses mainly on high impact projects and assist the municipality in the implementation of LED projects that are captured in the Municipal IDP. LED Unit/ agencies/forums have appropriate and sufficient powers, functions and resources to enable them to discharge their responsibilities effectively. The setting up of LED institutions and structures are attempts to facilitate an inclusive and robust approach to achieve LED objectives.

INSTITUTIONALISATION OF THE LED

The Raymond Mhlaba municipality has not yet made efforts to institutionalize the LED Unit through holding workshops that encourage participation of various stakeholders for implementation of Local Economic Development objectives.

3.3 LED STAKEHOLDER COMMITTEES

The municipality facilitated the establishment of Business Forum in September 2018, which its meetings sit regularly per cluster. Raymond Mhlaba Agric.-Park Forum which will contribute immensely in value chain i.e Dimbaza Industrial Eco-Park & other markets, Informal Trader Forum and CTOs to facilitate development to move fast and easy. Through IGR LED Cluster meetings, the LED Unit is planning to establish LED forum for all stakeholders to participate in local economic development issues within the area. A long term and shared vision on how to develop and drive a robust and inclusive local economy with a view to create job opportunities and eradicate poverty should be realised by the LED forum.

3.4 LED STRATEGY

Raymond Mhlaba Local Municipality is in a process of developing Local Economic Development (LED) strategy in order to stimulate the local economy and therefore assist in providing sustainable livelihood for the inhabitants of the municipality. There was a technicality on the document that was advertised and it was then agreed that it must be re advertised. As things stand, the specification committee sat as to stipulate the right contents to be included in the document for bidding and it will be advertised in due course.

3.5 RAYMOND MHLABA ECONOMIC DEVELOPMENT AGENCY (RMEDA)

Raymond Mhlaba Economic Development Agency hereinafter referred to as RMEDA was established in the year 2002. It is registered as a Section 21 Company. The Agency was established along the principles of government entity with a primary role of focusing on high impact projects, whilst the municipality's focus would be on medium-term impact projects. The decision was made that the Agency will neither be precinct-based agency or sector focused agency but it would rather be assuming the middle ground. The rationale behind that approach

was the fact that the Agency has been expected to operate in a relatively small area. The implications of the space constraints to the Agency were mainly the bases on its ability to create a critical mass. It has thus looked into projects in all the sectors and geographic pockets of the Raymond Municipal area.

3.6 ALICE REVITALISATION PROGRAMME (ARP)

The Alice Revitalisation Programme initially started as the Alice Rejuvenation Project by local stakeholders and Fort Hare Alumni in the early 2000's. This has evolved with Aspire, RMEDA, Raymond Mhlaba Municipality and Amathole District Municipality playing more prominent roles in formulating the strategy for the regeneration of this forum, in alignment with Aspire's small towns Regeneration Model. A lot has been achieved through the Alice Regeneration Programme, to mention a few, Alice Taxi Rank construction and it was successfully handed over on the 12 April 2019 together with Garden of Remembrance and Foot bridge to Lovedale College. The Alice town streets have been paved and Tyhume road to Victoria Hospital has also been tarred. The Fort Hare Bridge was successfully constructed and the road from this bridge to Victoria Gaga Street has been successfully tarred and SMME's that conducted all the construction work were awarded with certificates.

3.7 AGRICULTURE

Agriculture is one of the mainstays of the region's economic base; it involves the investment of basic infrastructure (water supply) as well as, poverty alleviation programmes such as crop and livestock production. In Raymond Mhlaba, there are three types of agricultural areas, that is:

- **Agriculture and rural development:** the entire Raymond Mhlaba area is regarded as an important as it has a potential for general agricultural purposes.
- **Intensive agriculture:** refers to areas identified for its potential for citrus and/or irrigated crop production. These areas will need to be considered for specialized infrastructure provision and appropriate land development and tenure arrangements.
- **Organic Agriculture :** refers to areas identified for organic agricultural potentials for essential oils production & pharmaceutical plants (to make medicinal herbs & medicines)
- Citrus Production.

All of these have played a big role on the development of the Raymond Mhlaba Municipal area. A large number of communities in various wards of the municipality who were confronted by poverty and unemployment benefited from these projects.

Two catalytic interventions have been identified, which will have the maximum impact in moving Raymond Mhlaba from its current position towards its vision. Focusing attention in these interventions is seen as something that will unlock opportunities and encourage further investments into Raymond Mhlaba, These two catalytic interventions are Ncaza Game

Transformation and Middledrift Chicken Abattoir. Ncaza Game Transformation aims to economically uplift a community in Seymour \Mpofu area through the provision of resources to develop a game \hunting reserve on land owned by the community of Ncaza. The property currently grazes cattle informally. Two years of discussions with DEDEAT Department of Economic Development Environmental Affairs & Tourism and Eastern Cape Parks and Tourism Agency (ECPTA) have convinced the community that this project is where the community want to take this.

Numerous meetings have been held pertaining the refurbishment of the Chicken abattoir in Middledrift. The consultant will develop a comprehensive business plan with financial projections and present it to the Senior Management.

3.8 COMMUNITY BASED PLANNING

The Municipality provides technical, financial and mentoring support programmes to local economic development initiatives. Furthermore, the municipality also partners with other agencies (private and public) in discharging this responsibility. In line with this commitment, the municipality received requests from various commodities within the economic development space. There is a careful assessment that was done before consideration of the identified LED projects. Case studies were built for each LED initiative. The criterion that was used is as follows:

(1) It must be an existing initiative that has been existent for quite some time and is still functional.

(2) Women/ Youth driven initiatives and or people living with disabilities.

- After the identification process was done, an LED activity plan was developed and approved by the Director of Strategic Planning & LED.
- Letters will be issued to the identified projects in due course

3.9 TOURISM

Raymond Mhlaba Municipality prides itself for world - class tourist destinations namely; Hogsback, Katberg, Fort Fordyce and the Double Drift Game Reserves, Maqoma Heritage Route to mention just a few, the battle fields of the Frontier wars, the battles of the Axe and Amalinda, It cuts across water streams of the AmaGqunukhwebe tribe and to the popular sites of our rich heritage like Lovedale College across the Tyhume river and the University of Fort Hare in Alice which have both produced heroes and heroines, great sons and daughters of Africa in Dr. Tengo Jabavu, Prof. Z.K. Matthews, Nelson Mandela, Oliver Tambo, Julius Nyerere, Robert Mugabe, Seretse Kama, Robert Sobukwe, Thabo Mbeki (the list is long).

Raymond Mhlaba Municipality has identified Tourism as one of the catalyst to drive economic growth and development. Tourism alone cannot be exclusively looked at without considering heritage given the historic endowment of the municipal area. The Tourism sector within

Raymond Mhlaba Municipal area is clustered according to accommodation, game reserves, heritage and history, education, outdoor activities, cultural villages, craft and tour guiding. Many studies that have been undertaken in the Raymond Municipal area reveals that the Tourism sector is one of the sectors that seems to possess a strong potential to regenerate the economy of the Raymond Mhlaba Municipal area

The following were identified as tourism products in the area:

- Nature-based attractions and activities; nature reserves, hiking trails, sport tourism.
- Heritage-based attractions and activities; the built heritage (architectural buildings), cultural heritage.

3.9.1 TOURISM SUPPLY

Raymond Local Municipality has a small selection of accommodation available to the visitors/or any prospective visitor. This includes country hotels, town-based guest houses and B&B's, guest farms (farm stays), guest cottages, game farms, lodges and facilities for camping / caravanning. In most categories, there is a relatively limited selection of different establishments. Raymond Mhlaba Municipality has established homestays in Alice, which are made to provide accommodation "home away from home accommodation" and authentic cultural experience for the tourists. Raymond Mhlaba Municipality has supported the homestays with twenty (20) promotional signage and sixteen (16) street directional signage in order to market the homestays project. The municipality is in a process of developing a homestays brochure and website in order to market the homestays. The municipality is planning to facilitate & coordinate capacity building programmes for the homestays & also planning to take the homestays to an educational study tour, in order capacitate the homestays, to create networks and collaborations. The majority (79%) of the accommodation establishments are located in and around Hogsback (54%) and Fort Beaufort (25%). The number of formal tourist beds in Raymond Mhlaba Local Municipality and their measured average bed occupancies, divided into the categories of accommodation.

Raymond Mhlaba Municipality hosted the cultural heritage festival on 25 – 26 September 2019 at Alice Park in order to develop, celebrate and promote heritage in the area. The municipality supported the Bedford Garden Festival with an amount of R150 000.00 for the operational programme which was held on the 18 - 20 October 2019, in Bedford.

3.9.2 VISITOR INFORMATION CENTRES

Raymond Mhlaba Municipality has five visitors information centres "Tourism Information Centres", in Alice, Hogsback, Balfour, Bedford, and Adelaide which serves as tourist information office in order to disseminate tourism information to the visitors. Visitor Information centres can

play multiple roles within a destination. The most crucial of these is the role they play as the visitor's contact with a region / destination whether by telephone, letter, fax, email or in person. They provide a welcome to the area, information on accommodation, places to eat, attractions, outdoor activities, events, transport, tours, craft, cultural villages and other essential services. The Arts and Craft centre, located in the same premises with a Visitor Information Centre in Alice has been converted into Raymond Mhlaba Museum to house the heritage of this area. Raymond Mhlaba Community Tourism Organisations in partnership with the municipality is in a process of decorating and refurbishing the tourism information centres in order to make the offices attractive and provide better services to the local people and visitors.

3.9.4 LOCAL TOURISM ORGANIZATIONS

Raymond Mhlaba Municipality has successfully established the Community Tourism Organisations in Adelaide, Alice, Balfour, Fort Beaufort and Middledrift. The municipality is in a process of engaging and partnering with the stakeholders in Bedford and Hogsback in order to establish the Community Tourism Organisation Committees. The structure is working hand in hand with the municipality and the way it is constructed it includes all sub sectors within the area that have products to offer in the tourism sector. Various tourism development initiatives are originating from the CTO's that will be implemented when the Local Tourism Organisation is established; those activities include annual events and festivals. The main function and role of the LTO is ideally to market the destination, facilitating the development of the tourism products in the destination, establish a sustainable financial model upon which the Visitor Information Centre's can operate, networking and collaboration, route development and research. Raymond Mhlaba Municipality in partnership with the Community Tourism Organisations have developed and designs a tourism market brochure. The purpose of the brochure is to promote the municipality as the leading tourist destination in Amathole District Municipality.

3.9.5 CRAFTERS ASSOCIATION

Raymond Mhlaba Municipality Crafters Association has been established, the structure is comprised of crafters across the area, and each area has a representative on the structure. The structure's role and responsibilities is to develop and promote craft, as the area is one of the unique places whereby craft is linked to the richness of the heritage. Raymond Mhlaba Local Municipality as a host, facilitated the establishment of the structure and is working hand in hand with the structure as a partner by providing monitoring, financial and technical assistance. Raymond Mhlaba Municipality, through Strategic & LED Department has converted and refurbished the Arts and Craft Shop in Alice Tourism Information Centre into an Arts and Craft Curio Shop, whereby all the handmade arts and craft items produced in Raymond Mhlaba will be displayed and sold. The municipality is planning to collaborate with the Raymond Mhlaba Crafters Association in order to monitor the centre operations and customer service.

3.9.6 TOUR OPERATORS

Raymond Mhlaba Local Municipality trained six local youth to become accredited tourist guides in Raymond Mhlaba. The municipality is planning to facilitate and coordinate level three first aid training for the tourist guides in order to capacitate them and meet all necessary tourist guides

national level requirements. The municipality is supporting the tourist guides with promotional material and equipment's in order to promote the tourist guides. The municipality have set aside a space at Alice Visitor Information Centre, which could be utilized by the tourist guides for office work and meeting place for tourist guides activities. The tourist guides has been accredited, they have their own badges, licences and certificates in order for them to operate legally on tourism promotion activities in Raymond Mhlaba. The function of the tourist guides is to promote and conduct historical, cultural and social tours in the area as tourism ambassadors. The brochure is made to promote Raymond Mhlaba in trade fairs, conferences, workshops, tourist information centres, tourism activities and events locally and nationally.

3.10 SMME and COOPERATIVE DEVELOPMENT

Generally, cooperatives in Raymond Mhlaba are black owned, run by the elderly folks and this leaves cooperatives unsustainable even if they are skilled, they suffer from attrition due to old age. Most cooperatives and group enterprises are started with unemployed people, often with low technical skill capacity levels and no prior business experience in economically marginal areas; hence their chances of success is reduced to the absolute minimum.

The Cooperative Act No.14 of 2005 spells out how cooperatives should operate and as such the Municipality has assisted local cooperatives in the form of training and legal registration. However there is new amendment Act No. 6 of 2013 which seeks to address the strengthening of Cooperative governance, adhering to cooperative regulations as per cooperative constitution and also to ensure the effective directorship, leadership and management of the cooperative.

Business licensing process

- Business Licensing to create an enabling environment, not burden to SMME Development
- Technical Legal Framework should form part of things in Business licensing issuing before operational.
- Re-enforcing effect of business licensing must be there in Local Municipalities.
- Correction of misalignment of issuing of Business licensing through guidelines for By-Laws and Business Licensing Bill, 2014
- Customize Business Licensing Bill 2014 to suit individual needs of Raymond Mhlaba
- Each Municipality must have an updated Database formal & informal
- Close look at Legitimate and fronting businesses
- Need for proper training of Business License holders (for obligation, expectations to obtain license)
- Clearance of goods that are not legitimate and illegal traders

The aim is "to repeal the Business Act, 1991 and proclamations, notices, regulations promulgated under that law; and to provide regulations promulgated under law" the theme seek to respond to the expressed need to resolving the Business Licensing issues to create an enabling environment, not burden to SMME Development. The municipality has ensured that

the LED officials and Raymond Mhlaba cooperative forum are well informed with the amendment Act.

Furthermore to enhance the effectiveness and financial viability and stability, Department of Trade and Industry, Eastern Cape Development Corporation, SEDA and DEDEAT have funding for SMME development and the municipality has explored these funding opportunities by assisting SMME in developing their business plans for funding. The municipality is working hand in hand with RMDA for registration of new SMME's.

3.4 KPA 4: MUNICIPAL FINANCIAL VIABILITY

3.4.1 INTRODUCTION TO FINANCIAL VIABILITY

Budget and Treasury department is divided into 5 sub sections namely, Revenue, Expenditure, Supply Chain, Assets and Budget and Treasury sections. The municipality's revenue collection has been improved compared to the previous financial year. The biggest portion of the increase is due to debt collection strategies that were put in place and expenditure increased compared to the prior year. Spending on capital budget in 2018/2019 improved compared to previous years, as a result there is no rollover for the current year. The municipality engaged services of outside service provider to a limited extent when compared to prior years. Most projects were implemented using in-house resources.

The following policies were developed and approved Council:

- Indigent Policy;
- Budget policy;
- Rates Policy;
- Tariff Policy;
- Supply Chain Management Policy;
- Credit Control Policy;
- Debt Collection Policy;

These policies are reviewed on annual basis. Once adopted they are promulgated into by-laws and are used by the institution to control the municipal revenue, as well as, the municipal credit control.

3.4.2 REVENUE

The section mainly deals with collection and management of the municipal revenue, section 64 Municipal Finance Management Act 56 of 2003 clearly states that the municipality must have a revenue collection systems in place consistent with section 95 of the Municipal Systems Act 32 of 2000 and the municipality's credit control and debt collection policy. There has been increasing signs of undecided economic factors that also had an impact on the municipality's cash flow and collection rates. It is against this backdrop the municipality partially has done well in terms of collection and has sustained a firm cash flow. The municipality has a Revenue Enhancement Strategy that is utilised by the municipality to manage its revenue. The municipality bills on monthly basis, in line with the standard of revenue management.

Considerable amount of municipal revenue is obtained from levying rates and services in order for the municipality to determine its stability, efficiency and capacity to finance municipal services into the future. In order to remain financially viable and sustainable, the municipality must generate sufficient resources and balancing these resources is essential to the effective provision of services. As limited scope exists to generate alternative revenue, it is necessary to increase rates and tariffs annually. The determination of tariffs is the responsibility of Council, as per the provision of the Local Government Municipal Systems Act. Affordability is an important factor when considering the rates and tariff increases. Consideration was also given to the alignment between there sources of the municipality, level of service and customer expectations. Below is the classification of services rendered by the municipality.

3.4.3 PROPERTY RATES

The levying of rates in terms of the Municipal Property Rates Act has had an impact in the revenue that is generated by the municipality. Properties are assessed based on the market value (which had substantial gains in value); however, the gains in terms of rates revenue are limited given the rural nature of the municipality. In addition, the impact on the indigent, pensioners, disability grants and lower and middle-income ratepayers was not considered to ensure a limited impact. As it is a major source of municipal revenue all relief measures were projected for the previous financial year as it reflects in the budget as income on the revenue side on rates but the item had remained with low figures collected in relation to the prior year's performance.

3.4.4 ELECTRICITY

The electricity charge rates either increasing or decreasing as it is closely linked to the tariffs that are approved and monitored by National Energy Regulator of South Africa (NERSA). The challenge of the municipality is that it does not have enough electricians and resources, which partly hamper electricity revenue with the followings

- The focus of ensuring that disconnection of services for non-payment of accounts is done immediately and effectively and immediate follow up on those customers that have been disconnected and have not made any arrangements to pay electricity debt.
- Accurate meter readings for billing which results in disputes and late payments
- Monitoring of electricity usage on municipal premises and street lighting that are always on during the day also contributed in the loss.

3.4.5 REFUSE REMOVAL

The municipality is providing this service to all urban areas of its jurisdiction. A business classification form for determining the category that a business falls into has been developed. This form quantifies the volume of refuse produced by the business and then determines the amount to be charged for refuse collection. Currently, the municipality has adequate resources to perform this function on stipulated dates as agreed between the council and the consumers of this service. Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff.

3.4.6 SOCIAL PACKAGE / FBS

Raymond Mhlaba LM has a free basic services unit which is dedicated at ensuring that all indigent households within the jurisdiction of the municipality receive free basic services. There is an indigent policy in place which regulates the whole indigent beneficiary programme. A register of qualifying beneficiaries is maintained and updated on a monthly basis and only person(s) in this register get the subsidy. The services rendered under this programme are as follows;

1. Subsidised electricity
2. Subsidised refuse removal
3. Alternative energy i.e. paraffin
4. Subsidised property rates

3.4.7 IMPLEMENTATION OF CREDIT CONTROL POLICY

The municipality has an approved credit control policy that gets reviewed annually. The policy is applied plainly to all our debtors. After several attempts made to collect the outstanding debt has failed the last option as per the policy is to handover the debt to the collecting attorneys.

The main sources of municipal income are from Grants and own generated revenue such as: property rates refuse removal and the sale of electricity and other. Credit control policy is implemented on a continuous basis. Debt handover to attorneys for recovery is also

implemented as the final step of credit control policy. However, it is worth noting that Raymond Mhlaba municipality jurisdiction area is mainly composed of rural areas where properties are exempt from rates and where majority of the households are indigent

3.4.8 GRAP 17

The municipality is fully compliant with GRAP 17 Both the movable and immovable assets were evaluated. Section 63 of the MFMA No. 56 of 2003 stipulates that “the Accounting officer is responsible for the management of:-

- The assets of the municipality, including the safeguarding and the maintenance of those assets
- Ensure that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality
- That the municipality has and maintains a system of internal control of assets and liabilities including an asset and liabilities register, as may be prescribed”.

3.4.9 SUPPLY CHAIN MANAGEMENT

Raymond Mhlaba Municipality’s Supply Chain Management (SCM) Policy seeks to promote an innovative form of targeted procurement, which will encourage socio-economic transformation within its locality. The SCM policy seeks to empower the Municipality to continue to redress the skewed distribution of wealth. The policy maintains a fair, transparent, equitable, competitive and cost effective procurement practices this is to ensure all procurement processes are expedited to a reason period of one to two months, however service delivery linked procurement are done instantaneously and in line with the MFMA regulations. The SCM unit reports to National Treasury, Provincial treasury all contracts above R100 000 on a monthly basis.

3.4.10 RESOLVING THE OUTSTANDING MATTERS RAISED BY THE AUDITOR GENERAL

The municipality has managed obtained to obtain a qualification in the 2018/2019 financial year. The municipality has effective internal control systems that are utilised to manage day to day operations of the institution .Furthermore, the municipality developed and approved an audit action plan to address all issues raised by Auditor General

FINANCIAL YEAR	2016/2017	2017/2018	2018/2019	2019/2020
AUDIT OUTCOME	Unqualified	Unqualified	Qualified	Awaiting for AG

3.5 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

3.5.1 POLITICAL STRUCTURE OF RAYMOND MHLABA MUNICIPALITY

The principal-ship of Raymond Mhlaba Municipality lies with Council, which operates a number of committees. The Committees listed below are established in terms of Sections 79 and 80 of Local Government Municipal Structures Act (Act no 117 of 1998). Listed below are the committees that assist Council in carrying out its Political responsibilities:

1. Executive Committee
2. Remuneration Committee
3. Audit Committee and Performance Audit Committee
4. Advisory Committee
5. Municipal Public Accounts Committee
6. Risk Management Committee
7. Ethics Committee
8. Women's Caucus

3.5.1.1 COMMITTEES OF COUNCIL:

The Municipality has functional section 79 and 80 committees of which section 80 committees are as follows; Engineering, Finance, Strategic Planning and Local Economic Development, Corporate Services, Community Services, Sport and Recreation Committee headed by Members of the Executive Committee. These Committees are set up to deal with oversight roles, support and performs an advisory role to the Mayor and Council.

The following Councillors are chairpersons of the above mentioned committees:

NO.	NAME	COMMITTEE
1.	Cllr X. Badi	Corporate Services Committee
2.	Cllr S. Mjakuca	Engineering Services
3.	Cllr M Makeleni	Finance Committee
4.	Cllr P Jack	Community Services Committee
5.	Cllr P Sabane	Strategic Planning and LED Committee

6.	Cllr S Kley	Sports and recreation Committee
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3.5.1.2 SECTION 79/OVERSIGHT COMMITTEES:

1. Municipal Public Accounts Committee (MPAC)

This committee exercises oversight responsibilities over the executive responsibilities of Council. It also assists Council to hold the executive and municipal entities to account, and to ensure the economic, efficient and effective use of municipal resources. By doing so the Committee helps to enhance the public awareness on financial and performance matters of Council and its entities, where applicable.

2. Petitions committee

The committee regularly or at intervals not exceeding six months to submit to the Council a report indicating all the petitions received, referred, resolved and a summary of the response to the petitioners or community.

3. Ethics Committee

The committee as mandated by Council in terms of delegated powers must ensure that issues of Councilor's ethical conduct and discipline become key fundamental values that will shape the future of the Council.

4. Rules Committee

The committee exists to create a clear road map in as far as the implementation of rules within the Raymond Mhlaba Municipality. To enforce compliance in all stings and official gatherings of the Council and also to put into place systems that will enhance the development of members of the council in terms of conducting fruitful gathering within council.

5. Women Caucus

The committee oversee/review the alignment, efficiency and effectiveness of gender policy, mainstreaming strategy to implementation, it also oversee and ensure that civic education/awareness programmes, gender analysis and impact assessment are activated within the municipality.

6. AUDIT AND PERFORMANCE MANAGEMENT COMMITTEE

Raymond Mhlaba Municipality has an independent advisory body that advises the institution on matters, amongst other things, relating to performance management and performance

evaluation. The Audit Committee consists of five (5) members listed hereunder and meets as often as it deems necessary as per the approved terms of reference.

Members of Performance Audit Committee and Performance Audit Committee

1. Mr A.Yeboar (**Chairperson of the Audit Committee**)
2. Ms L Smith (**Chairperson of the Performance Audit Committee**)
3. Mr H Marsberg (deceased)
4. Mr M Mafani
5. Dr W Plaatjies

The function of the Audit Committee is primarily to assist the Raymond Mhlaba Municipality in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements. The Committee operates in terms of section 166 of the Municipal Finance Management Act 2003 (MFMA) (Act 56 of 2003), and has endeavored to comply with its responsibilities arising from those requirements. The Committee has performed its duties according to its terms of reference in the form of an Audit Committee Charter which stipulates amongst other issues the primary purpose of the Committee, which is:

- To monitor the integrity of the Council's financial statements and announcements relating to its financial performance, reviewing significant reporting financial reporting judgments.
- To review the effectiveness of the Council's internal controls and risk management systems.
- To monitor the effectiveness of the internal audit function and review its material findings.
- To oversee the relationship with the internal and external auditors, including agreeing the latter's audit fees and terms of engagement, monitoring their independence, objectivity and effectiveness.

The Audit Committee has no executive function and its primary objective is to review and challenge rather than assume responsibility for any matters within its remit. In view of the foregoing, the role of Audit Committee has increased its scope of work and thus focuses also on Performance Audit of the Municipality and its Entity (Raymond Mhlaba Economic Development Agency).

3.5.2 INTERACTION BETWEEN COUNCIL, STAFF AND COMMUNITY

The municipality make uses of various mediums of communication; the institution has a functional website. Even though there is no intranet, there is instant communication that is used on the website to communication critical information. Information on the website gets updated regularly even though there are challenges in that regard, however information that is supposed to be posted on the website in terms of section 75 of the Local Government: Municipal Finance Management Act 2003 (Act 53 of 2003) is regularly updated. Currently the municipality rely

heavily on social media platforms to communicate immediate information to external stakeholders (Residents, Business and Rate payers etc.) .Revitalisation of publication both Internal (Insight) and External Newsletter (Umhlali) is underway. However, due to limited resources it will be electronically but a plan will be put in place to have printed copies in next financial year. This will assist in terms of meeting our constitutional mandate, managing Raymond Mhlaba Municipality Brand and being the pulse of our communities.

3.5.3 CUSTOMER CARE

Raymond Mhlaba Municipality has struggled to have a centralised system to record and process all customer care complaints. The municipality has embarked on Customer Care Strategy project with the assistance GIZ. The project entails customer care system, strategy and change management. The aim of this project is to assist the municipality on improving customer care satisfaction within municipality by placing all communities at the centre of development. This will ensure that whenever a customer has a contact with the municipality, they will consistently experience standards of service excellence. Thus displaying our commitment to our values and main principle of **putting people first** and ensure that service excellence is an integral part of the planning and delivery of all municipal services to the people.

Currently a manual system is used which consist of a spreadsheet for accountable and record keeping. The Unit has identified personnel in all internal departments to undertake the customer care duties while the municipality is in a process of centralising customer care function.

The institution receives complaints/ queries through a dedicate email (customercare@raymondmhlaba.gov.za) and communications Office landline. Once a complaint/ query has been received, officials from customer care acknowledge receipt of the query to the resident / rate payer, then its forwarded to departmental personnel, who investigates and resolves the query and forward update/ action to Customer Care Unit. The Customer Care contacts the resident/ rate payer and provides feedback and once the resident/ rate payer is satisfied with feedback and the query is resolved.

Challenges

- Non-compliance by internal departments in gathering customer care complaints/ queries using the spreadsheet.

- Turn-around time in getting responses from internal departmental in solving the complaints/ queries.
- No dedicated central number to report complaints/ queries.

3.5.4 INTERGOVERNMENTAL RELATIONS FORUM (IGR)

Raymond Mhlaba Local Municipality has fostered Intergovernmental Relations (IGR) to ensure the coordinated delivery of services to citizens. This aligns with the Intergovernmental Relations Framework Act, Act No 13 of 2005, which requires all spheres of Government to coordinate, communicate, align and integrate service delivery to ensure effective access to services. The IGR is a forum that is chaired by the mayor, and includes senior managers of departments in Raymond Mhlaba Municipality as well as senior managers within the municipality. Government departments in this forum present their programmes within the municipal space for the year as well as programmes they want the municipality to be involved in. Non-attendance by sector departments was reported to the office of the Premier as resolved by Council. The office of the Premier advised that all non-cooperative departments should be reported to MEC's responsible for such departments for intervention.

3.5.5 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Municipal Manager seats in the provincial structure called the Ministers and Members of Executive Council meeting (MuNIMEC). This is where all Ministers, MECs, Municipal Managers, Mayors and Heads of Departments sit. In terms of the value obtained from the meetings; it is challenging to quantify it. There are thorny issues that the municipality has over the years raised in the local structures, and these have been escalated to both the DIMAFO (Mayor's forum) and the provincial IGR structure (MuNIMEC).

3.5.6 DISTRICT INTERGOVERNMENTAL STRUCTURES

The Amathole District Municipality's Executive Mayor is Chairperson of the District Mayors Forum which has been established in accordance with the Intergovernmental Relations Framework Act, No. 13 of 2005. This forum meets quarterly and seeks to promote and facilitate intergovernmental relations between the district municipality and the local municipalities in the District. Raymond Municipality participates in this forum and benefits immensely from this involvement by being exposed to good practices in other municipalities and strengthening the

relationship with the district municipality in forging joint partnerships in the interest of good governance and service delivery. The relationship between Raymond Mhlaba Municipality and the District Municipality has dramatically improved particularly in areas such as communication, sharing of resources and capacity building.

3.5.7 PUBLIC PARTICIPATION

Chapter 4 of the Local Government Municipal Systems Act, 32 of 2000 encourages municipalities to create conditions for the local community to participate in the affairs of the municipality. In terms of strengthening public participation, a wide range of communication tools are used to communicate with the community and also to disseminate information. These includes:-

- Newspapers; Winterberg, Times Media, Imbizo's / Road shows,
- Loud hailing,
- Library;
- Notice boards, and
- Municipal Website.
- IGR
- Meetings of CDW's and ward committees
- Suggestion and Complaints boxes
- Forte FM

The office of the Speaker also engages with Traditional Leaders in matters of Public Participation where there are Traditional Councils and with ward councillors to mobilize the ward committee members and community members to attend the meetings.

3.5.8 WARD COMMITTEES

Ward Committees are playing a huge role in the municipality's IDP and budget processes including Community Based Plans. The municipality has established ward committee members in all 23 wards. Ward Committees enjoys a good rapport, during the previous financial year, there were no bad relations reported by community against a ward committee. The ward committees are contributing to development of IDP priorities and do influence the IDP

processes within the municipality. The office of the Speaker coordinates ward committees, as such, ward committee meeting resolutions are handed to Speaker and they are then tabled in Council Meetings through the Speakers Office.

3.5.9 INTEGRATED SERVICE DELIVERY MODEL (ISDM)

The municipality embarked in a process of Integrated Service Delivery Model (ISDM), to provide comprehensive, integrated and transversal services to communities through effective and efficient multi-sectoral partnerships. The objectives of the ISDM are to coordinate and integrate service delivery model of action to address the empowerment of youth and women, social ills of the communities, communities participating in governance and bringing government to the people. To date 20 war rooms have been established to improve access to service delivery by households and communities.

3.5.10 COMMUNITY DEVELOPMENT WORKERS

The Department of Local Government and Traditional Affairs appointed Community Development Workers to assist the municipality to enhance public participation by ensuring that communities are consulted and their problems are communicated through all government departments.

3.5.11 SOCIAL COHESION

Social cohesion is about improving a way the community interacts – ensuring that all its members can participate in social activities and access services without suffering a sense of exclusion based on their ethnic background, faith, disability and or age. It is a way that promotes interaction and understanding between different groups of people in society, and through this generates a sense of trust and community spirit. In promoting a cohesive society in Raymond Mhlaba, the municipality has a number of programmes which includes; Mayors Cup, Community Builder of the Year, Cultural Heritage Festival, Bedford Garden Festival, Ward Championships, various programmes for elderly, disable etc. all these programmes are directed at harnessing people from all races, united in their diversity.

Raymond Mhlaba Municipality designated the month of December on its calendar of events, to hosts the Community Builder of the Year Awards in order to celebrate and honour the extra – ordinary achievements and contributions made by the local heroes and heroines in partnership

with sector departments and local association towards the programme of rebuilding our society to become a better place to live for all the citizens and visitors.

The month of September has been designated as a Heritage and Tourism Month in South Africa. Every year on the month of September, Raymond Mhlaba Municipality has been hosting Cultural Heritage Celebrations in order to develop, promote the cultural diversity, social cohesion, history, tradition and to use heritage richness of the area in order to attract tourists and businesses in our municipality.

3.5.12 SPECIAL PROGRAMMES

The municipality established Special Programmes Unit (SPU) under the office of the Mayor; however, the office now is currently located in the Strategic Planning and Local Economic Department. The focus of the unit is the implementation of youth, disabled, women, elderly and children programmes and projects. The vision of the municipality on special programmes: Raymond Municipality envisages a future for all designated groups which:

- Is free from discrimination
- Promotes enabling environment to build capacity amongst women, youth and people with disability to be active participate in the life of the Raymond Mhlaba municipality with the view to fulfill their potential, hopes, and aspirations.

The Special Programmes Unit (SPU) facilitates the integration and mainstreaming of the designated groups into the development of the Municipality by:

1. Creating the necessary / conducive environment both internal and external through establishment of structures that will promote participation of youth, Woman, Disabled, Children, Elderly and HIV/AIDS infected individuals in our local Municipality.
2. Developing Policies, strategies and plans for the above groups for integration, mainstreaming, and alignment of such policies, plan and strategies into the sector plans of the Local Municipality.
3. Maintaining a mutual relationship between stakeholders in an endeavor to share experiences, align programmes and plans harness resources for better implementation of policies, strategies and plans

The population demographics of the Raymond Mhlaba Municipality show that youth is the dominant group. The municipality entered into partnership with the National Youth Development Agency wherein a Youth Advisory Centre (YAC) was opened in the Municipality, subsequent to that partnership the office was then absorbed by the municipality for sustainability. There are two officers permanently employed responsible for the provision of services in the office. Their main focus is on career counselling and outreach programmes. The office has the mandate of ensuring youth development in the community and the mandate is informed by the lack of skills, high unemployment rate, poverty and crime and scarcity of required resources. The office is located in Alice town one of the municipal units. The targeted group mainly are unemployed youth, entrepreneurs and upcoming entrepreneurs, in & out of school youth, skilled & unskilled and the disabled.

OBJECTIVES OF THE OFFICE

- Dissemination of information to young people on employment (finding work, job preparation, etc.), self-employment (starting your own business, financing, etc.), education and training (career planning, skills development, etc.), citizenship (life skills, rights, community work, etc.), and health and well-being (reproductive health, general health, mental health, etc.).
- Linking young people to entrepreneurship support services (business support and finance).
- Provision of basic career and business counseling and support to young people.
- Placement of young people into exit opportunities.
- Referral of young people to other specialized service providers for follow-up services.

CHAPTER 4

MUNICIPAL STRATEGIC OBJECTIVES AND DEVELOPMENT PROJECTS

4.1. INTRODUCTION

This Chapter entails Raymond Mhlaba Local Municipality's strategic objectives and performance deliverables which give directives to the developmental agenda of the Municipality.

The Municipality is committed to the objectives of local government which are enshrined in section 152 (1) of the Constitution of the Republic of South Africa, 1996 namely:

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

Raymond Local Municipality's strategic objectives are therefore crafted within the context of ensuring that efforts are focused on delivering the expected outcomes of the developmental mandate of the local sphere of government.

4.2 ALIGNMENT OF SELECTED NATIONAL, PROVINCIAL, AND LOCAL STRATEGIES.

Section 24 (1) and (2) of the Local Government: Municipal Systems Act (No: 32 of 2000) stipulates that;

(1) The planning undertaken by a municipality must be aligned with and complement the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of cooperative government contained in Section 41 of the Constitution.

(2) Municipalities must participate in national and provincial development programmes as required in Section 153(b) of the Constitution." Regulation 2(1) (d) further stipulates that "(1) A municipality's integrated development must at least identify-

(d) *all known projects, plans and programmes to be implemented within the municipality by any organ of state.*"

In line with the above legislation, the municipality has developed objectives and strategies aligned to the needs of the community and also to the two spheres of government.

NATIONAL PRIORITY	NATIONAL OUTCOME	PROVINCIAL PRIORITY	NATIONAL DEVELOPMENT PLAN	MUNICIPAL PRIORITY AREA
2. Education	5 A skilled and capable workforce to support an inclusive growth path	4. Strengthen education, skills and Human resource base	Improving Education, training and innovation	Through the implementation of work place skills the municipality will develop skills of the Councillors, municipal workforce and community members
	9 Responsive ,accountable ,effective and efficient local government	7 Building a developmental state and improving the public services, and strengthening democratic institutions	Economic infrastructure	The municipality seeks to ensure that communities have access to safe and well maintained community facilities by 2022.
1 Creation of decent work and sustain-able lively-hood	4. Decent employment through inclusive economic growth	1 Speeding up growth and transformation economy to create decent work and sustain-able lively-hood	Economy and employment	Promote green towns, Trade and investment
	9 Responsive, accountable, effective and efficient local government	7 Building a developmental state and improving the public services, and strengthening democratic institute-ions		Revenue enhancement Supply chain Management Expenditure Management Financial Control
	12 An efficient, effective and development orientated public service and an empowered fair and inclusive. 9 Responsive, accountable,	7 Building a developmental state and improving the public services, and strengthening democratic institutions	An open society, transparency, disclosures and a culture of accountability	Audit and Compliance

	effective and efficient local government			
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4.3 MUNICIPAL SCORECARD

KPA 1: INSTITUTIONAL TRANSFORMATION & ORGANISATION DEVELOPMENT									
REF	PRIORITY AREA	STRATEGIC OBJECTIVE	Outcome Statement	Outcome Based Indicator	Baseline	Means of Verification	ANNUAL TARGET (2019-2022)	2021 - 2022	Indicator Custodian
MTI 1	Human Resources	To ensure effective and efficient workforce by aligning institutional arrangements to the overall strategy to deliver quality services by 2022	Achievement of gender balance / redress within RMLM staff compliment	% of females recruited in line with the employment equity plan	New indicator	Quarterly report reflecting % of female representation	75%	25%	Corporate Service
MTI 2		To ensure effective and efficient workforce by aligning institutional arrangements to the overall strategy to deliver quality services by 2022	Achievement of representative disability staffing profile within RMLM staff compliment	% of people living with disability employed in line with the employment equity plan	New indicator	Quarterly report reflecting % of people living with disability representation	6%	2%	Corporate Service
MTI 3		To ensure implementation, monitoring and evaluation of the Integrated Development Plan by 2022	Productive, effective and efficient workforce	Number of organograms submitted to council	New indicator	Reviewed Organizational Structure submitted to Council	4	1	Corporate Service

MTI 4	Performance Management System	To ensure effective and efficient workforce by 2022	Community driven and accountable Performance management System	Number of organizational performance assessments conducted	New indicator	Quarterly reports with supporting evidence	12	4	Strategic Planning &
KPA 2: BASIC SERVICE DELIVERY									
REF	PRIORITY AREA	STRATEGIC OBJECTIVE	Outcome Statement	Outcome Based Indicator	Baseline	Means of Verification	ACCUMULATIVE ANNUAL TARGET (2017-2022)	2021 - 2022	Indicator Custodian
BSD 1	Community Facilities	To ensure a safe, friendly and sustainable environment by 2022	Acceptable State of community facilities	Number of Community halls renovated	0	Quarterly report with supporting documents	6	2	Community Services
BSD 2	Waste Management	To ensure a safe, friendly and sustainable environment by 2022	Clean and conducive environment	Number of refuse removal collected from formal households	32 800 refuse collected from formal households	Quarterly reports with supporting evidence	32 800	32 800	Community Services
BSD 3		To ensure a safe, friendly and sustainable environment by 2022	Clean and conducive environment	Number of waste disposal facilities rehabilitated	New Indicator	Quarterly report with supporting evidence	1	1	Community Services
BSD 4	Law enforcement	To ensure a safe, friendly and sustainable environment by 2022	Effective and Efficient Functional testing stations	Number functional testing stations	0	Quarterly reports with supporting evidence	6	2	Community Services

BSD 5		To ensure a safe, friendly and sustainable environment by 2022	Road safety	Number of traffic contravention management systems established	New indicator	Quarterly reports with supporting evidence	1	0	Community Services
BSD 6		To ensure the provision and standardization of fire services by 2022	Road safety	Number of traffic enforcement operations to ensure orderly road traffic control	New indicator	Quarterly reports with supporting evidence	432	144	Community Services
BSD 7	Emergency Services	To ensure a safe, friendly and sustainable environment by 2022	Effective and Efficient Functional Fire stations	Number of functional firefighting stations	1	Fully functional Fire base	3	1	Community Services
BSD 8	Cemeteries	To ensure adequate, efficient, sustainable energy supply and infrastructure by 2022	Sufficient burial sites	Number of cemeteries sites established	0	Quarterly reports with supporting evidence	12	3	Community Services
BSD 9	Land and Human Settlements	To ensure a safe, friendly and sustainable environment by 2022	SPLUMA Compliance	Reviewed Spatial Development framework	Spatial development framework	Quarterly reports with supporting evidence	1	1	Engineering Services

BSD 10		To ensure a safe, friendly and sustainable environment by 2022	SPLUMA Compliance	Developed Land use Management Schemes	new indicator	Quarterly reports with supporting evidence	1	1	Engineering Services
BSD 11	Electricity	To ensure adequate, efficient, sustainable energy supply and infrastructure by 2022	Reduced electricity losses and elimination illegal connections	Number of illegal connection audits conducted	new indicator	Quarterly reports with supporting evidence	20	4	Engineering Services
BSD 12		To ensure adequate, efficient, sustainable energy supply and infrastructure by 2022	Electrification of all households within RMLM	% of new connections and reconnections completed	100%	Quarterly reports with supporting evidence	100%	100%	Engineering Services
BSD 13		To ensure adequate, efficient, sustainable energy supply and infrastructure by 2022	Improved electricity infrastructure	% of INEP projects implemented	100%	Quarterly reports with supporting evidence	100%	100%	Engineering Services
BSD 14		Roads	To ensure adequate, efficient, sustainable energy supply and infrastructure by 2022	Proper maintained internal roads	Number of stormwater drainage maintained	100%	Quarterly reports with supporting evidence	500	300

BSD 15	Project Management	To ensure adequate, efficient, sustainable energy supply and infrastructure by 2022	Health, social and economic prosperity for communities	% MIG Capital projects implemented	100%	Quarterly reports with supporting evidence	100%	100%	Engineering Services
BSD 16	Land Use	To ensure adequate, efficient, sustainable energy supply and infrastructure by 2022	SPLUMA Compliance	% compliant land use applications approved	New indicator	Quarterly reports with supporting evidence	50%	50%	Engineering Services
BSD 17	Building Controls	To ensure adequate, efficient, sustainable energy supply and infrastructure by 2022	SPLUMA Compliance	% of compliant building plans approved	New Indicator	Quarterly reports with supporting evidence	50%	50%	Engineering Services
BSD 18	Expanded Public Works	To ensure adequate, efficient, sustainable energy supply and infrastructure by 2022	Health, social and economic prosperity for communities	Number of Expanded Public Works Programme implemented	New Indicator	Quarterly reports with supporting evidence	4	4	Engineering Services
KPA 3: LOCAL ECONOMIC DEVELOPMENT									
REF	PRIORITY AREA	STRATEGIC OBJECTIVE	Outcome Statement	Outcome Based Indicator	Baseline	Means of Verification	ACCUMULATIVE ANNUAL TARGET (2017-2022)	2021 - 2022	Indicator Custodian

LED 1	Unemployment	To ensure sustainable Local Economic Development by 2022	Economically active communities	Number of jobs created through Capital Projects	New indicator	Quarterly reports with supporting evidence	500	200	Engineering Services
LED 2		To ensure sustainable Local Economic Development by 2022	Economically active communities	Number of jobs created through EPWP	New Indicator	Quarterly reports with supporting evidence	200	200	Engineering Services
LED 3		To ensure sustainable Local Economic Development by 2022	Economically active communities	Number of jobs created through LED initiatives	100	Quarterly reports with supporting evidence	500	100	Strategic Planning & LED
LED 4		To ensure sustainable Local Economic Development by 2022	Improved economic growth and development of RMLM area	Number of economic activities supported	New indicator	Quarterly reports with supporting evidence	12	4	Budget and Treasury
LED 5	SMMEs	To ensure sustainable Local Economic Development by 2022	Improved economic growth and development of RMLM area	Number of SMMEs supported by the Municipality	New indicator	Quarterly reports with supporting evidence	30	10	Budget and Treasury
LED 6	Tourism	To ensure sustainable Local Economic Development by 2022	Preferred tourism destination	Number of tourism products supported	0	Quarterly reports with supporting evidence	6	2	Strategic Planning & LED

LED 7	Small Towns Revitalization	To ensure sustainable Local Economic Development by 2022	Promote green towns, Trade and investment	Number of plans to roll over small towns revitalization programmes to other towns	0	1. Concept documents. 2. Report on roll out plans	5	1	Strategic Planning & LED
LED 8	Township economy	To ensure sustainable Local Economic Development by 2022	Promote green towns, Trade and investment	Developed Township Economy Strategy	New indicator	Quarterly reports with supporting evidence	0	0	Strategic Planning & LED

KPA 4: FINANCIAL VIABILITY

REF	PRIORITY AREA	STRATEGIC OBJECTIVE	Outcome Statement	Outcome Based Indicator	Baseline	Means of Verification	ACCUMULATIVE ANNUAL TARGET (2017-2022)	2021 - 2022	Indicator Custodian
MFV 1	Expenditure Management	To ensure the financial sustainability in order to fulfill the statutory requirements by 2022	Full spent of conditional grants to sustain service delivery	% spent on MIG Capital grant	100%	Quarterly reports with supporting evidence	100%	100%	Engineering Services
MFV 2	Expenditure Management	To ensure the financial sustainability in order to fulfil the statutory requirements by 2022	Full spent of conditional grants to sustain service delivery	% spent on INEP Capital grant	100%	Quarterly reports with supporting evidence	100%	100%	Engineering Services

MFV 3	To ensure the financial sustainability in order to fulfil the statutory requirements by 2022	Full spent of conditional grants to sustain service delivery	% spent on EPWP grant	New Indicator	Quarterly reports with supporting evidence	100%	100%	Engineering Services
MFV 4	To ensure the financial sustainability in order to fulfil the statutory requirements by 2022	Full spent of conditional grants to sustain service delivery	% spent on FMG operating grant	100%	Quarterly reports with supporting evidence	100%	100%	Budget and Treasury
MFV 5	To ensure the financial sustainability in order to fulfil the statutory requirements by 2022	Payment of Service Providers including SMME's on time	% of valid invoices paid within 30 days of invoice date	New Indicator	Quarterly reports with supporting evidence	90%	90%	Budget and Treasury
MFV 6	To ensure the financial sustainability in order to fulfil the statutory requirements by 2022	Improved financial management	% of cost containment measures implemented	New Indicator	Quarterly reports with supporting evidence		50%	Budget and Treasury
MFV 7	To ensure the financial sustainability in order to fulfil the statutory requirements by 2022	Increased revenue Collection to enhance efficient service delivery	% of total collection on outstanding debts	72%	Quarterly reports with supporting evidence	90%	90%	Budget and Treasury

MFV 8	To ensure the sustainable Local Economic Development by 2022	Improved Local economy of Raymond Mhlaba.	% of tenders below R200 000 awarded to local SMME's and Vulnerable groups	89%	Quarterly reports with supporting evidence	70%	70%	Budget and Treasury
MFV 9	To ensure the financial sustainability in order to fulfil the statutory requirements by 2022	Improved Local economy of Raymond Mhlaba.	% of tenders awarded to local SMME's and Vulnerable groups	81%	Quarterly reports with supporting evidence	30%	30%	Budget and Treasury

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

REF	PRIORITY AREA	STRATEGIC OBJECTIVE	Outcome Statement	Outcome Based Indicator	Baseline	Means of Verification	ACCUMULATIVE ANNUAL TARGET (2017-2022)	2021 - 2022	Indicator Custodian
GGP 1	Governance	To ensure proper governance, accountability and public participation	Clean governance	% of recurring findings reduced since 2017	2017/2018 Management letter	Management report and audit action plan		100%	Budget and Treasury
GGP 2		To ensure proper governance, accountability and public participation	Clean governance	Audit opinion	2017/2018 Audit Report	Audit Report		Unqualified audit opinion with matters of emphasis addressed	Budget and Treasury

GGP 3	Public Participation	To ensure proper governance, accountability and public participation	Capacitated councillors	Number of capacity building programmes for Councillors	New indicator	Trainings provided: Attendance register/	15	5	Corporate Service
GGP 4		To ensure proper governance, accountability and public participation	An efficient turnaround time to resolve customer complaints	% of formal complaints resolved	New indicator	Quarterly reports with supporting evidence	100%	100%	Strategic Planning & LED
GGP 5		To ensure proper governance, accountability and public participation	Meaningful community engagements	Number of community consultations conducted	New indicator	Quarterly reports with supporting evidence	12	4	Strategic Planning & LED
GGP 6	Risk Management	To ensure proper governance, accountability and public participation	Clean governance	% of fraud, theft and corruption cases investigated	New indicator	Quarterly reports with supporting evidence	100%	100%	Corporate Service
GGP 7	Law enforcement	To ensure proper governance, accountability and public participation	Enhanced law enforcement	Number of by-laws enforced	New indicator	Quarterly reports with supporting evidence	14	14	Community Services
GGP 8	Sport	To ensure proper governance, accountability and public participation	Increased social cohesion	Number of sport programmes implemented	New indicator	Quarterly reports with supporting evidence	9	3	Strategic Planning & LED

GGP 9	Special Programmes	To ensure proper governance, accountability and public participation	Mainstreamed special programmes	Number of vulnerable groups programme implemented	New Indicator	Quarterly reports with supporting evidence	10	5	Strategic Planning &
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4.4 DEVELOPMENTAL PROJECTS:

4.4.1 2021/2022 DEVELOPMENTAL PROJECTS:

NO.	PROJECT TITLE	BUDGET
1	Funinyaniso Day Care Centre	R 1,500,000.00
2	Mbizana Day Care Centre	R 1,500,000.00
3	Lenge Community Hall	R 2,500,000.00
4	Mgxotyeni Day Care Centre	R 1,500,000.00
5	Upgrading of Pounds (Adelaide/Bedford)	R 2,000,000.00
6	Nqgele (Lalini) Day Care Centre	R 1,500,000.00
7	High Mast Lights	R3,000,000.00
8	Kat Valley Community Hall	R2,500,000.00

9	Paving of Jacaranda Street	R 4,000,000.00
10	Paving of Red Location	R 3,000,000.00
11	Bedford Access Road	R 3,000,000.00
12	Seymour Internal Streets	R 3,000,000.00
13	Nonaliti Community Hall (Construction)	R2,500,000.00
14	Makhuzeni Sports Complex	R2,500,000.00
15	Gomma-Gomma, Mike Valley, Kuwait	R3,000,000.00
16	Hillside to Ntoleni (Extension to Police Station)	R1,000,000.00
TOTAL		R38,000,000.00

4.4.2 UNFUNDED: RAYMOND MHLABA ECONOMIC DEVELOPMENT AGENCY (RMEDA)

Project Name	Project Description	Budget
1. Small Towns Revitalization	Sourcing funding and facilitation for project to be rolled in all small towns of Raymond Mhlaba	No budget
2. Block-yard and Quarry	Block yard manufacturing facility and identification of a new quarry or existing quarry to supply the block yard with raw material such as crusher dust.	12million
3. Fresh Produce Hub	Revival of the Alice Fresh produce hub in partnership with private sector	2million
4. Business Support Centre	Provision of business support services to local SMMEs including	1,2million

	reviving and renting out the small business buildings in Middledrift, Seymour and Alice	
5. New Retail Mall Development (Alice)	Supporting the development of a private sector driven 10 000 m2 mall in Alice. The aim is to get the RMDA to be a partner in the development and raise revenue through a city improvement district concept.	No budget
6. Student Accommodation Developments	Partnering with private sector to develop student accommodation in Alice at the back of the MoU signed between Raymond Mhlaba municipality and the University of Fort Hare.	150million by Private Sector
7. Feedlot	Development of a feedlot in Raymond Mhlaba	No budget
8. Aloe Transfer and Processing Facility	Development of an aloe transfer and cultivation project in partnership with the Nondyola community in Fort Beaufort	5million
9. Game Farm	Development of a game farm in the Kat River Valley in partnership with the Private sector.	50 000 for a business plan
10. Community Afforestation	Community afforestation in Kolomani	No budget

4.4.3 AMATHOLE DISTRICT MUNICIPALITY PROJECTS:

1. MUNICIPAL INFRASTRUCTURE GRANT

MIG THREE YEAR CAPITAL PLAN 2021 to 2024	2021/22	2022/23	2023/24
Amathole District Municipality Bucket Eradication COVID 19 Interventions	R 50 000.00	-	-
Bedford & Adelaide Bucket Eradication Programme - Phase 6	R 10 045 083.00	-	-
Bulk Water Supply to Ekuphumleni & 9 Villages - Phase 5	R 1 000 000.00	-	-
Emergency Interventions at Sewage Systems in the Amathole District Municipality – Raymond Mhlaba LM	R 500 000.00	-	-
Fort Beaufort Bulk Water Services Upgrading	R 14 635 007.00	-	-
Hogsback Water Treatment Works and New Reservoir	R 4 821 115.00	-	-
Kolomane Bulk Water Supply Phase 3	R 1 000 000.00	-	-
Nkonkobe Area Wide Sanitation Region 3A	R 1 000 000.00	-	-
Nkonkobe Region 2A Sanitation Project	R 1 000 000.00	-	-
Nxuba - Adelaide and Bedford Bucket Eradication Phase 4: Upgrading of Bedford Waste Water Treatment Works	R 1 247 654.00	-	-
Repairs and Refurbishment of Water Infrastructure: Raymond Mhlaba	R 500 000.00	-	-
West Victoria East Water Supply Phase 4	R 5 000 000.00	-	-

2. ADM: WATER SERVICE INFRASTRUCTURE GRANT

Number	Project Description	2021/22	2022/23	2023/24
1.	Fort Beaufort Waste Water Treatment Works	R 7 900 000	-	-
2.	Refurbishment of Adelaide Canal	R 21 000 000	R 5 000 000	-
3.	Equipping of Adelaide and Bedford Boreholes	R 1 000 000	R5 000 000	R 2 000 000
4.	Assessment of Fish River Intake	R1 000 000	R 10 000 000	R 5 000 000
5.	Non-Revenue Water Loss Control Project: Alice Water Supply Scheme	R7 570 725	-	-
6.	Non-Revenue Water Loss Control Project: Fort Beaufort Water Supply Scheme	-	R 7 500 000	-

SECTOR DEPARTMENTS PROJECTS

1. ESKOM

NO.	PROJECT NAME	BUDGET	PLANNED CONNECTIONS
1.	Alice Extensions	R 3 174 000.00	120
2.	Alice Ext Pre-eng	R 566 375.00	-
3.	Balfour & Seymour Extensions	R 3 967 500.00	150
4.	Debenek Extension	R 2 301 150.00	87
5.	Debenek Ext Pre-eng	R 546 250.00	
7.	Middledrift Extensions	R 3 795 000.00	150
8.	Middledrift Ext Pre-eng	R 560 625.00	-
9.	Schedule 5B Pre-eng	R 572 125.00	-
10	Type 2 Infills	R 1 725 000.00	100

2. DEPARTMENT OF TRANSPORT

NO.	VILLAGE	BUDGET (M)	KM's
1.	Two Springs	R1.2	3
2.	Kwakhulile	R1.6	4
3.	Qanda	R5.2	13
4.	Mxumbu-Sweethome	R0.8	2
5.	Blinkwater-Buxton	R6	42 (15)
6.	Saki-Gqadushe	R2.8	7
7.	Seymour- Katberg	R6.2	15.5
8	KwaMathole	R4.8	12

3. DEPARTMENT OF SAFETY AND LIAISON

NO	PROJECT DESCRIPTION	BUDGET
1.	Social crime prevention programmes	R45 000.00
2.	Unannounced visits at police stations	-
3.	Assess compliance to Domestic Violence Act	-
4.	Conduct policing accountability engagements (Imbizo)	R30 000.00
5.	Capacitate Community Safety Forums	-
6.	Support Community Safety Forums (meetings and programmes)	R20 000.00
TOTAL		R95 000.00

CHAPTER 5

MUNICIPAL SECTOR PLANS & POLICIES

Local government powers and functions are outlined in the Constitution of the Republic of South Africa, 1996, and in the Municipal Structures Act 1998. These sector plans vary from sector to sector and according to provincial discretion on the delegation of functions to municipalities in respect of some sectors. The principle underlying the role of sector planning in the IDP process can be abridged as follows:

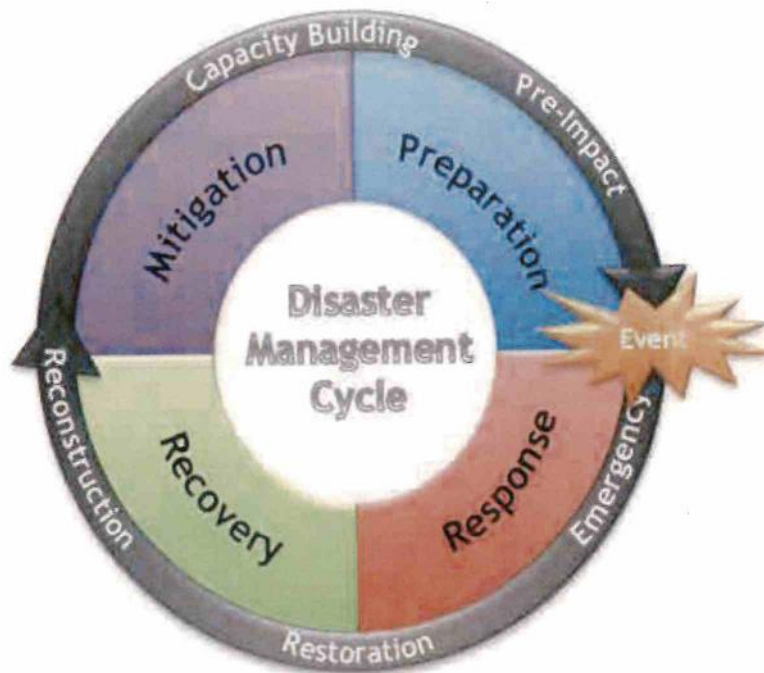
- Specific sectors which fall beyond the ambit of local competencies, such as education, may be directly related to the priority issues identified in a specific municipal area. As the municipality is not the implementation agency, attention will still need to be given to the planning process from analysis to integration; to facilitate alignment and co-ordination with other spheres of government and institutions, in the course of the IDP process. What is propounded is that even for sectors where there are no legally prescribed planning requirements, local government can use the integrated planning process to lever national and provincial sector contributions (funds and support) for development by ensuring compliance with national and provincial policy principles and sector guidelines. Local government can also use the IDP process to lobby provincial sector departments by involving them in the local planning process at appropriate points.
- Sector planning requirements contained in the national sectoral legislation in respect of municipal functions such as water and environment should be dealt with as part of the IDP process, where they are relevant to the local priority issues.

The sections below give a brief summary on the developed sector plans of the Municipality as adopted by Council on 17 April 2019.

5.1 DISASTER MANAGEMENT PLAN

The municipality developed a Disaster Management Plan (All Hazards Contingency Plan) whose primary focus is to confirm the organizational and institutional arrangements to effectively prevent disasters from occurring and to mitigate the impact of those hazards that cannot be avoided. It establishes the operational procedures for risk reduction planning as well as emergency procedures to be implemented in the event of a disaster occurring or threatening to

occur. The purpose of the plan is to outline policy and procedures for both the pro-active disaster prevention and the reactive disaster response and mitigation phases of disaster management. The preventative elements of this plan must be implemented and maintained on a continuous basis.



The illustration above demonstrates the continuum and it should be noted that Disaster Management is not only reactive, but also involves actions aimed at preventing disasters, or mitigating the impact of disasters. Different line functions and departments must contribute in varying degrees to Disaster Management in the various phases of the Disaster Management Continuum.

The emergency or re-active elements of the plan will be implemented whenever a major incident or disaster occurs or is threatening to occur. For the sake of uniformity the sequence of response operations is described in accordance with the national guidelines, for the first four of the six escalating levels of response, starting in the threatened area or community and escalating to a situation that falls within the classification of a local disaster.

5.1.1 INCIDENT RESPONSE LEVEL ZERO

When a disaster occurs or is threatening to occur, there is usually an informal spontaneous response from the survivors living or working in the threatened or affected area or community. This spontaneous and informal response is referred to as response level zero. It is at this stage the ward (or community) emergency preparedness plan must be brought into operation and the relevant emergency and/or essential services must be notified.

During this interim response period the following protocols will apply:

Coordination

As an interim measure the ward or community emergency coordinator establishes an incident coordination post and proceeds to coordinate and manage the activities of the spontaneous responders until such time as the primary agency arrives on the scene at which point the community emergency coordinator, hands over to the primary agency. If required, the community emergency coordinator together with the spontaneous responders continues to serve in a supporting capacity under the command of the primary agency.

Reporting and communication

The ward or community emergency coordinator immediately notifies the relevant primary emergency service agency (police, fire, emergency medical, traffic etc.) or essential service agency (water, power, health, shelter, access routes, social service etc.) as prescribed by the protocols applicable to the situation.

Incident Response Level One

When the primary agency from the emergency services and/or the essential services operating in municipality's area arrives on the scene they provide the initial response using their own agency internal resources (**response level one**).

Command and control

In the case of a response level one, command and control is exercised by the commander of the primary agency on the scene in accordance with own agency internal operating procedures.

Reporting and communication

The commander of the primary agency provides situation reports (Sitreps) to its agency headquarters in accordance with own agency reporting procedures. During these initial stages, it may be necessary for the primary agency to call for assistance from support agencies to deal

effectively with the situation. This is usually done via own agency headquarters and thus triggers the next response level (**response level two**).

5.2 SPATIAL DEVELOPMENT FRAMEWORK

An SDF is a key component of the IDP. The SDF should indicate the nature and location of various activities in a manner that best meets agreed objectives. The SDF has been drafted by Raymond Municipality in accordance with the relevant legislative requirements to guide the future spatial form of the greater Raymond Mhlaba area. It is aimed at developing a binding set of principles that guide development and developmental rights of property owners. Specifically, the SDF aims to:

- achieve shared and inclusive growth;
- increase access to opportunities, particularly for disadvantaged citizens;
- improve sustainability by minimizing ecological footprints; and
- maintain the unique sense of place of the towns and region.

To achieve these outcomes, various factors such as strategic infrastructure needs and requirements, natural resources, housing, agriculture and appropriate land use need to be taken into consideration.

5.3 TRANSPORT PLAN

The National Land Transport Transition Act, 22 of 2000 assigns planning responsibilities for land transport to Municipalities. This is to be executed in conjunction with spheres of Government. In terms of the Local Government Municipal Structures Act, 117 of 1998 as from 1 July 2005, Amatole Municipality (ADM) is responsible for the Municipal Public Transport, which is a shared function with local Municipalities in terms of services and infrastructure provision.

In addition, ADM is responsible for regulation of the passenger transport services in all areas within the District, as of 1st July 2006.

5.3.1 Strategic Intervention

The following areas of strategic intervention have been proposed for Raymond Mhlaba Local Municipality:

5.3.2 Poor road infrastructure

Raymond Mhlaba, because of its rural nature and settlement patterns, is characterized by general lack of good road infrastructure, that essentially forms the backbone of any good public transport system. Access to social services and general mobility (to employment and economic opportunities) is restricted due to poor transport infrastructure and lack of suitable public transport services, particularly in remote rural areas. In many instances / missing road links prevent access to rural areas.

The poor road infrastructure results in mini-bus taxi operators restricting their services to paved roads, whilst LDVS and sedans operate most of the local routes on these gravel roads.

5.3.3 Use of LDVS and un-roadworthy vehicles as public transport

More LDVS and sedans are operated as public transport other than the conventional mini buses, mainly due to poor road conditions and inaccessibility of rural areas. None of these LDVS have been converted to ensure safe transport of passengers and many are un-roadworthy and virtually all these vehicles are operated illegally.

5.3.4 Lack of public transport facilities

Although ADM has over the past two years embarked upon a process of upgrading public transport facilities, many taxi ranks are still operated informally on-street or from vacant off-street areas. Many facilities lack basic infrastructure such as toilets, shelters, paving or informal trading facilities.

5.3.5 Roads and storm water

The provision of and maintenance of roads covers the functional areas of the Department of Public Works and Roads (DPWR), the District Municipality and Raymond Mhlaba Municipality. Raymond Mhlaba is guided by the district-wide Amathole Integrated Transport Plan. The DPWR and SANRAL jointly manage National and Provincial Roads.

The construction and maintenance of access roads and local municipal streets is performed by Raymond Mhlaba local Municipality, who are also responsible for ensuring that storm water is

effectively managed. The Roads Department jointly with extended Public work Programmes have successfully established a Local Roads Forum that will collaborate with Raymond Mhlaba Local Municipality in the prioritisation of roads network maintenance in the municipality. EPWP has established household contractors in Raymond Mhlaba Municipality, this contributing toward poverty reduction in the area by proving as part of Beautification process to support small towns.

5.3.6 Transport services

The municipality has a functional Driving Licence testing centre and Registration and Licence of Vehicles centre, operating from Monday to Friday and is situated in Fort Beaufort. The station in Alice only offers Renewal of Driving Licences and renewal and licencing of motor vehicles. More than 90% of passengers use taxis, with buses serving only a small sector of the population (less than 10% of the daily public transport users). Passenger rail services are non-existent. Existing rail lines are currently used mainly for freight transport and therefore infrastructure for passengers at stations is limited and in most cases non-existent. Stations are only situated in some main towns, with a number of unused sidings located along the main line.

5.4 LIST OF ADOPTED POLICIES

Division per KPA	Approved Policy
Municipal Transformations and Organizational Development	Placement Policy Fleet management Health & Safety Policy Overtime Policy Training and Development Policy Employee Wellness Policy Leave Management Policy Recruitment & Selection Policy Municipal Hall Usage Policy Delegation of powers policy Performance Management Policy
Municipal Financial Viability	Asset Disposal Policy Asset Management Policy Budget Policy Indigent Policy Tariffs Policy Subsistence & Travel Policy Property Rates Policy Credit Control Policy

	Supply chain management policy
Good Governance and Public Participation	Risk Management Policy Communication Strategy

5.5 BY-LAWS

By the legislative powers vested in the Raymond Mhlaba Municipal council, the following By-laws have been developed and gazetted during 2019/2020 financial year.

- a) Cemeteries by-law
- b) Credit Control and Debt Collection by -law
- c) Customer Care and Revenue Management by-law
- d) Dilapidated building and unsightly objects by-law
- e) Fire Brigade by-law
- f) Impounding of animals by-law
- g) Liquor trading hours by-law
- h) Nuisance and animals by-law
- i) Public amenities by-law
- j) Rates by-law
- k) Roads and Streets by-law
- l) Solid waste disposal by-law
- m) Street Trading by-law
- n) Traffic by-law

6.1 INTRODUCTION:

The purpose of this chapter is to summarize a financial plan that supports the long-term financial sustainability of the Raymond Mhlaba Local Municipality (RMLM). The financial plan is necessary to ensure that the municipality is able to effectively and efficiently implement its mandate. The financial plan is prepared to assist in the planning of operating and capital expenditure within the district and in so doing, maintain financial stability and sustainability. The RMLM must make use of its available financial resources in an effective, efficient and economical manner when achieving the targets and objectives of the IDP. Thus the financial strategies specified in the financial plan must play a part in achieving these.

6.8 ASSET MANAGEMENT

RMLM has a fully functioning unit that is responsible for the management of municipal assets. There is consolidated asset register. Since there amalgamation, there is a process underway to ensure that the register is GRAP 17 complaint and complies with GRAP 106. An Asset Management Policy and Asset Disposal Policy will be amended and submitted to council.

6.9 SUPPLY CHAIN MANAGEMENT

That the municipality's supply chain management is implemented in a way that is fair, equitable, transparent, competitive and cost-effective: and that all financial accounts of the municipality are closed at the end of each month and reconciled with its records. SCM Policy will be amended and submitted to council.

Functions of the SCM Unit

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

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

CHAPTER 7

PERFORMANCE MANAGEMENT SYSTEM

7.1 INTRODUCTION

In the local government context, a comprehensive and elaborate system of monitoring performance of municipalities has been legislated. This system is intended to continuously monitor the performance of municipalities in fulfilling their developmental mandate. Central to this is the development of key performance indicators as instruments to assess performance. These indicators help to translate complex socio-economic development challenges into quantifiable and measurable output. They are crucial to improving the quality of life for all.

The Municipal Systems Act (2000) enforces the idea of a local government Performance Management System (PMS) and requires all municipalities to:

- Develop a performance management system
- Set *targets*, monitor and *review performance* based on indicators linked to their IDP
- Publish an *annual report* on performance for the councilors, staff, the public and other spheres of government
- Incorporate and report on a set of *general indicators* prescribed nationally by the minister responsible for local government
- Conduct an *internal audit* on performance before tabling the report.
- Have their annual performance report audited by the Auditor-General
- *Involve the community* in setting indicators and targets and reviewing municipal performance.

The Municipal Planning and Performance Management Regulations (2001) delineates a municipality's performance management system as "a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, report and improvement will be conducted, organised and managed, including

determining the role of the different role players” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Raymond Mhlaba Local Municipality believes that the principles of performance management should:

- Facilitate increased accountability
- Decision-making and resource allocation
- Guiding development of municipal capacity-building programmes
- Creating a culture for best practice, share-learning among municipalities
- Develop meaningful intervention mechanisms and early warning system
- Create pressure for change at various levels
- Contribute to the overall development of the Local Government System
- Improve individual performance

1.2 POLICIES AND LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT

The policy for performance management is informed is informed by the following legislation and policy ;

- The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).
- The White Paper on Transforming Public Service Delivery (Batho-Pele) (1997).
- The White Paper on Local Government (1998).
- The Municipal Systems Act, 2000 (Act 32 of 2000).
- DPLG Performance Management Guidelines 2001.
- Municipal Planning and Performance Management Regulations (2001).
- Municipal Finance Management Act, 2003 (Act 56 of 2003).
- Municipal Performance Regulation for Section s56&57 Employee (2006).

Other legislation that impacts on and relates to performance management includes:

- Labour Relations Act (Act No. 66 of 1995).
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997).
- Employment Equity Act, 1998 (Act No. 55 of 1998).
- The Skills Development Amendment Act (Act 31 of 2003).
- Promotion of Access to Information Act (Act 2 of 2000).

The municipality has developed and implemented a performance management system in accordance with the legislated instruments. The main objective of this system is to guide and manage the performance management of the municipality (as institution) and with intent to make it more effective and [also] cascade it to levels lower than section 56 managers. The issue of cascading performance management can only be achieved once there is a cordial accord/concord between management and unions represented in the local labour forum on on-going dialogues (regarding full implementation of performance management).

7.3 TOOLS AND REPORTING PROCESS

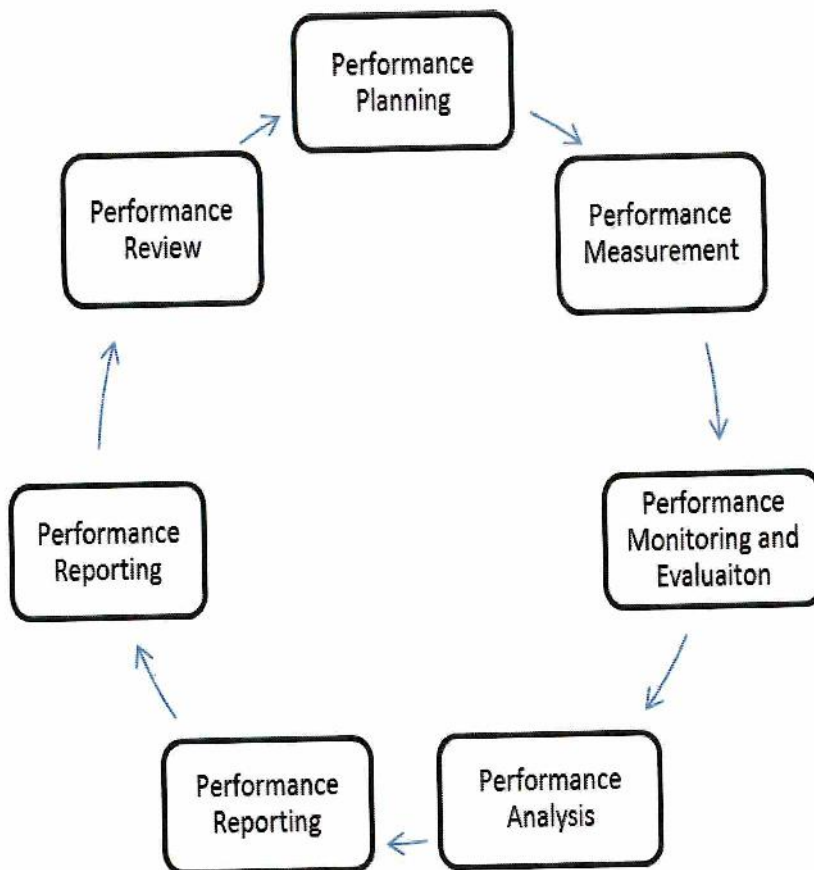
In responding to the above requirements, Raymond Mhlaba Local Municipality developed the following tools aimed at operationalizing its Performance Management System.

1. Performance Management Framework
2. Performance contracts and agreements
3. Service Delivery & Budget Implementation Plan
4. Procedure Manual for Management of Performance Information
5. Accountability agreements and Performance Promises Procedure Manual
6. Reporting templates
 - a. Quarterly performance assessment reports
 - b. Mid-year performance report
 - c. Annual Performance report
7. Performance scoring tool/ Electronic performance system

7.4 COMPONENTS OF PERFORMANCE MANAGEMENT FRAMEWORK

Municipalities must develop as part of the PMS, a framework which deals with how to work with performance information. A performance management framework is the way the municipality collects, presents and uses its performance information. In other words it is a practical plan made up of mechanisms and processes for the municipality to collect, process, arrange and classify, examine and evaluate, audit, reflect on and report performance information.

The following presents annual process of managing organizational performance.



CHAPTER 8

SPATIAL DEVELOPMENT FRAMEWORK

8.1 INTRODUCTION

The spatial fabric of South African society was engineered through Apartheid planning, which led to the unequal distribution of resources, low-density sprawl, the lack of opportunities in disadvantaged areas and too much emphasis on private transport. The Raymond Mhlaba Municipality Spatial Development Framework (SDF) has been designed to address these inequalities and to create a more sustainable spatial environment.

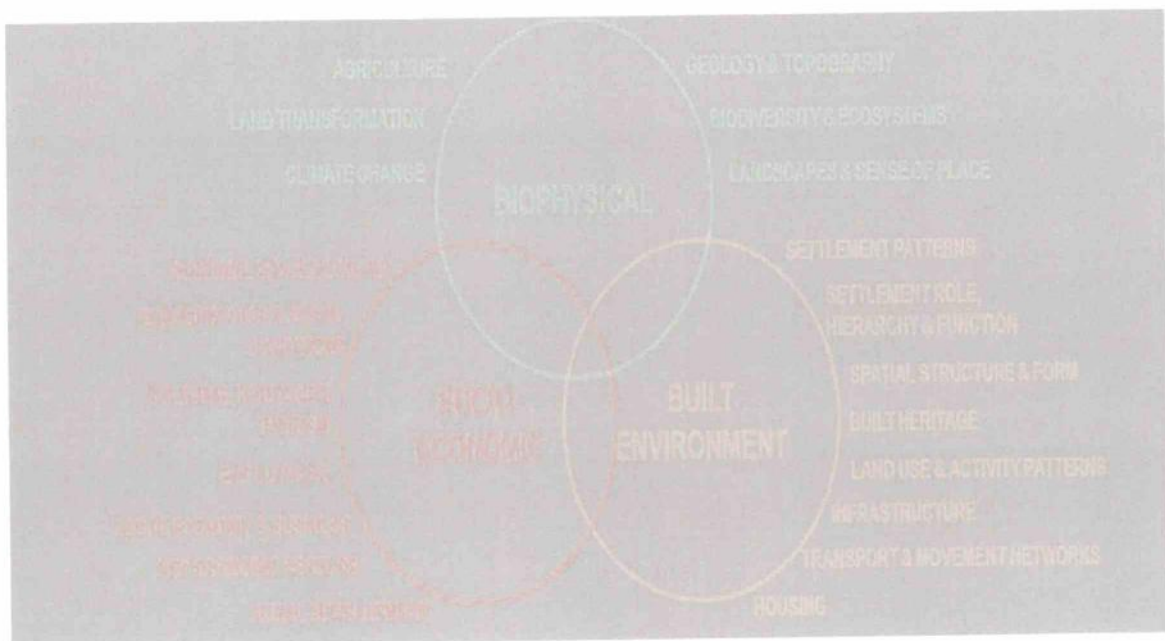
Over the years, guidelines on how to develop Spatial Development Frameworks have been prepared by various National Departments, Provincial Departments and Local Municipalities. All these guidelines worked for the areas they covered, however they never looked at linkages and interaction of adjoining Municipalities Districts, Provinces, *etc.* The latest guidelines developed in the Eastern Cape in 2010, was the Eastern Cape Provincial Spatial Development Plan (ECPSDP) see figure 2, however it was never formally adopted by the Office of the Premier, but it was used as a guide by the authors of SDF's. The ECPSDP developed seven (7) pillars aligned to the Provincial Growth and Development Strategy. In 2014, the Spatial Planning Land Use Management Act (SPLUMA) developed draft regulations and specifically guidelines for SDF's. SPLUMA empowers municipality to take charge of their own planning and this Act also gives municipality more authority on any planning development within its area of jurisdiction. The guidelines identified three (3) pillars as depicted in figure 1 below. The ECPSDP process had extremely wide public participation; we propose integrating the seven (7) pillars of the ECPSDP into the three (3) pillars of the DRDLR spatial development framework guidelines.

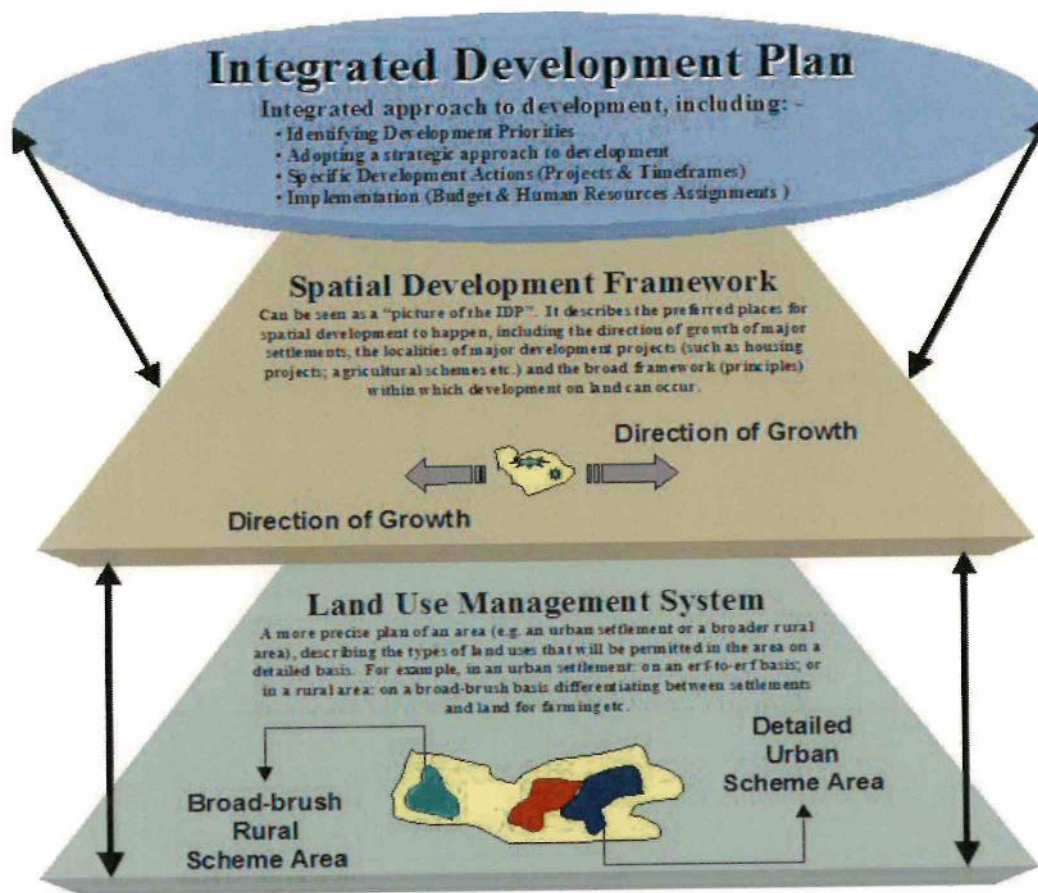
8.2 THE ROLE OF THE SDF

Sections 7, 12 and 21 of Act 16 of 2013 also Spatial Planning Land Use Management Act requires Municipalities must prepare Spatial Development Frameworks. Section 35 (2) of the Municipal Systems Act 32 of 2000 (as amended), stipulates that the SDF, as contained in the IDP, will prevail over a plan defined in Section 1 of the Physical Planning Act 125 of 1991 alias the old guide plans. The SDF therefore has statutory powers once the IDP is adopted by the

Council and will guide all land use management within the municipal area. In terms of section 25 (a) of the act, the SDF, as part of the IDP, must link, integrate and co-ordinate plans (projects from sector and service plans) with spatial implications, and takes into account proposals for the development of the municipality and (b) aligns the resources and capacity of the municipality with the implementation of the plan.

Therefore, it is quite clear that, the purpose of the SDF is not to infringe upon existing land rights but to guide future land uses. No proposals in the plan create any land use right or exempt anyone from his or her obligation in terms of any other act controlling land uses. The maps should be used as schematic representation of the desired spatial form to be achieved by the municipality in the long term. The boundaries created through this process should therefore be left for interpretation and not be scaled.





The formulation of the Spatial Development Framework is a legal requirement, in which, every municipality must adhere to as part of the integrated development planning processes [refer to section 26 Municipal Systems Act]. The Raymond Mhlaba Local Municipality's SDF will be serving as a strategy to interpret and represent the spatial development vision of the municipality. The vision must be designed to enable sustainable development throughout the municipality while the planning process will address the challenge to balance imperatives of economic efficiency, social and environmental integrity. The SDF for Raymond Mhlaba Municipality is currently at draft stage and undergoing workshop proceedings for Councillors and relevant stakeholders in the municipal area.

The SDF was carried out in line with the outcome of the NSDP and ECPSDP 2010 where the following seven spatial frameworks were recommended *i.e. Environmental, Social*

Development and Human Settlements, Rural Development, Infrastructure, Economic Development, Human Resources; and Governance.

The proposed SDF must give effect to the development principles contained in the Spatial Planning & Land Use Management Act (SPLUMA), Act 16 of 2013) including:

- ✓ Spatial Justice;
- ✓ Spatial Sustainability;
- ✓ Efficiency;
- ✓ Spatial Resilience;
- ✓ Good Administration

It is paramount to indicate that the SDF addresses various pertinent issues, for example:

- Settlement
- Natural environment
- Environmental issues
- Land use analysis
- Spatial development proposals

Under Settlement, the SDF looks at the settlement pattern of the municipality which talks about the urban areas and rural areas of the municipality. It also indicates settlement growth trends within the Raymond Mhlaba Municipality. The SDF defines the types of natural environment that characterizes the municipality in terms of topography, soil and geology, water resources climate and vegetation. On environmental issues, the document indicates biodiversity and conservation areas, environmental sensitive areas and ecosystem status. Under land use analysis, the SDF analyses the dominant land uses in the municipality which are Settlement, agriculture and Forestry and conservation. It also identifies the types of land classifications that are found in the municipality. There following classes of land are not found in Raymond Mhlaba, Class 1, Class 11 and class v, all other classes of land can be found.

Spatial structuring elements of the Municipality are clustered into the following main components, namely:

- Development Nodes
- Development Corridors
- Special development Areas
- Environmental management systems

All of these are shown by means of maps within the Spatial Development Framework. As already alluded to, the draft SDF for Raymond Mhlaba Municipality is an existing document and currently undergoing further consultation with all relevant stakeholders towards Council approval. The Raymond Mhlaba Municipality SDF is aimed at addressing the spatial interventions and looking at long-term growth of the Raymond Mhlaba municipal area, these include, housing developments, student accommodation, middle income housing and shopping complex. This kind of development is envisaged to take place in the next 5 – 7 years. The SDF recognizes that any development to take place, issues of infrastructure development should be prioritized, therefore in order to developed, infrastructure should be addressed including (bulk infrastructure for electricity *etc.*), and all these are covered by the spatial development framework of the municipality. The municipality has rezoned land for construction of wind turbines and solar panels as alternative sources of energy, to relieve demand from national grind, and advocating green economy.

8.3 SPATIAL DEVELOPMENT PROPOSALS

The following key spatial structuring elements have been proposed for the Raymond Mhlaba Municipal SDF.

- Settlement nodes and hierarchy
- Hierarchy of corridors
- Priority settlement (cluster) development zones
- Municipal open space systems (MOSS)

8.3.1 Settlement Nodes and Hierarchy

The Raymond Mhlaba SDF identifies certain nodes and settlements in line with levels of investment and hierarchy. The various settlement nodes and hierarchy are as follows:

8.3.1.1 Primary Nodes

Fort Beaufort, Alice and Adelaide are strategically located with the municipal area and play an important role as regional centres for the municipality. They are well located along the main transportation routes that connect these nodes.

Table 1: Proposed Primary Nodes

Node Type	Spatial Development Priorities
<p>Primary Node</p> <ul style="list-style-type: none"> • Fort Beaufort • Alice • Adelaide 	<ul style="list-style-type: none"> • These are existing mixed land use nodes – administrative, social and economic node and concentration of different activities and services for effective functioning of the towns. • They require CBD revitalization and associated precinct /local planning • They need for urban aesthetics. • Infrastructure and social facilities provision and upgrade to cater for existing and future expansion of the towns. • Light industrial development area, focusing on the processing of raw materials from the region • Strengthening of the following activities in three towns: <ul style="list-style-type: none"> ○ Development of commercial activities to service the towns and the entire municipal area. ○ Location of regional and district offices of various government departments and service delivery departments • The need for Sustainable Human Settlement Programme in the form of public-funded housing development (including social housing on

Node Type	Spatial Development Priorities
	<p>vacant land parcels within the CBD and adjoining areas).</p> <ul style="list-style-type: none"> ○ Alice, in addition, requires high density students hotels development in close proximity to the University of Fort Hare and ○ Military Veteran Housing ○ Fort Beaufort – requires mixed-use development towards the Grahamstown-Adelaide Junction. ○ Adelaide – requires formalisation of informal settlement in the townships. ● Proper Land Use Management and Land Administration ● Expansion of Commonage and formulation of Commonage Management Plans.

8.3.1.2 Secondary Nodes

There are four (4) secondary nodes identified by the Raymond Mhlaba SDF. These are Bedford, Middledrift, Seymour and Hogsback (tourist node). These align with the spatial structure proposed in the Amathole District SDF.

Table 2: Proposed Secondary Nodes

Node Type	Spatial Development Priorities
<p>Secondary Node</p> <ul style="list-style-type: none"> ● Bedford ● Middledrift ● Seymour 	<ul style="list-style-type: none"> ● These are “major sub-regional nodes” within RMLM where higher to medium order community facilities such as hospitals, schools etc. should be “focused” or “bundle” in order to ensure that a great number of rural residents are served in a more efficient and effective way. ● Ideally, these “nodes” should be located in close proximity to public

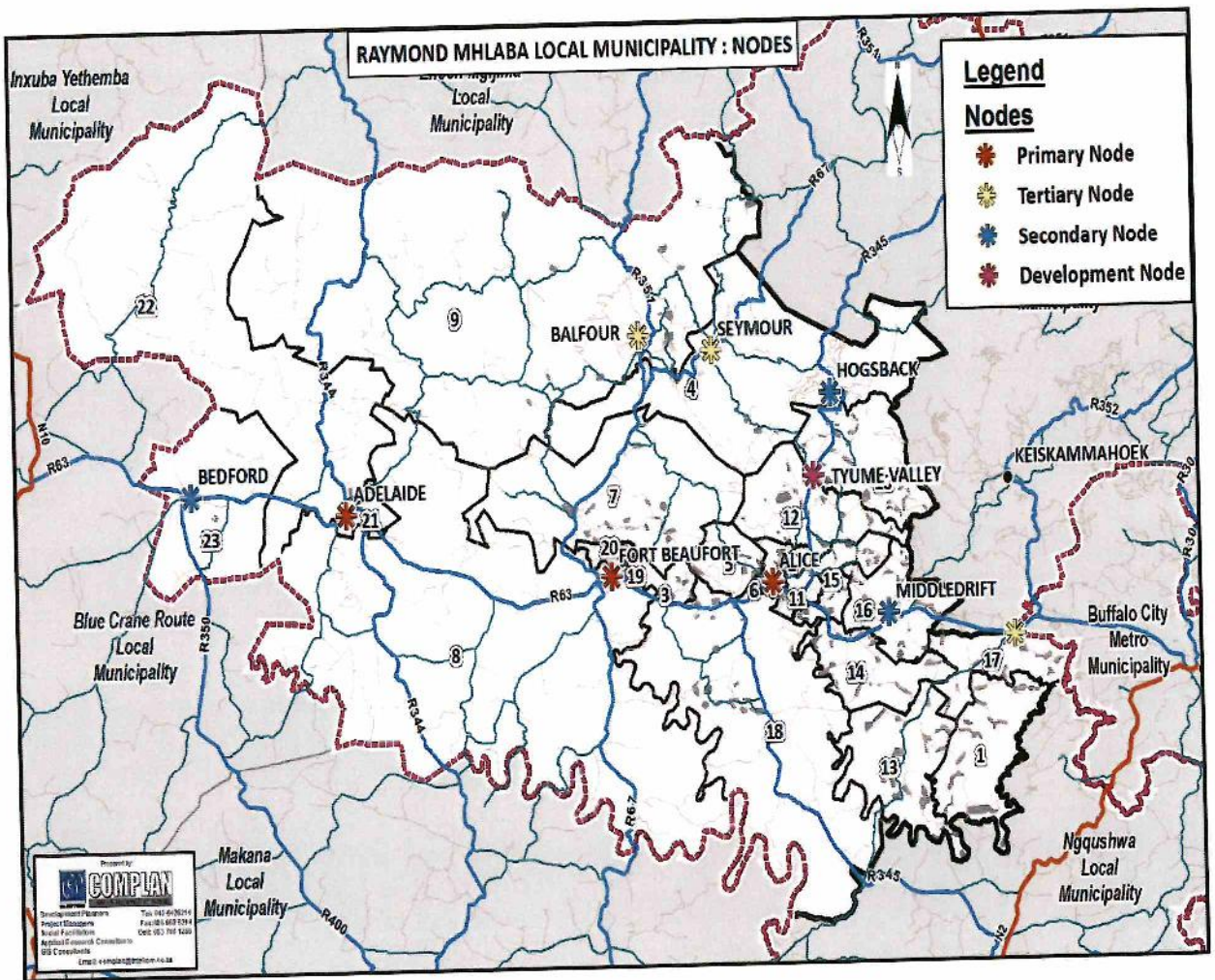
Node Type	Spatial Development Priorities
<ul style="list-style-type: none"> • Hogsback (tourist node) 	<p>transport routes to ensure maximum accessibility to facilities.</p> <ul style="list-style-type: none"> • Commercial activities serving the whole local municipal areas and the surrounding areas (sub-region) • Light industrial development focusing mainly on the processing of raw materials produced within the sub-region and the neighbouring areas – agri-processing centres. • Need for local planning (town regeneration and formalization) to maximize use of resources. • Provision and upgrade of existing infrastructure and social facilities • Provision of public-funded rural housing (including social housing on vacant land parcels within the CBD and adjoining areas). • Strengthening of the following activities in these sub-regional service nodes: <ul style="list-style-type: none"> ○ Development of low-key commercial centre to service the villages and their catchment areas ○ Location of public facilities, such as, multi-purpose community halls, junior and senior primary and senior secondary schools, clinics, sports field, transportation facilities, to serve the villages and their catchment areas. • Local land use scheme to be negotiated. • Environmental Management (protection of natural and cultural resources)

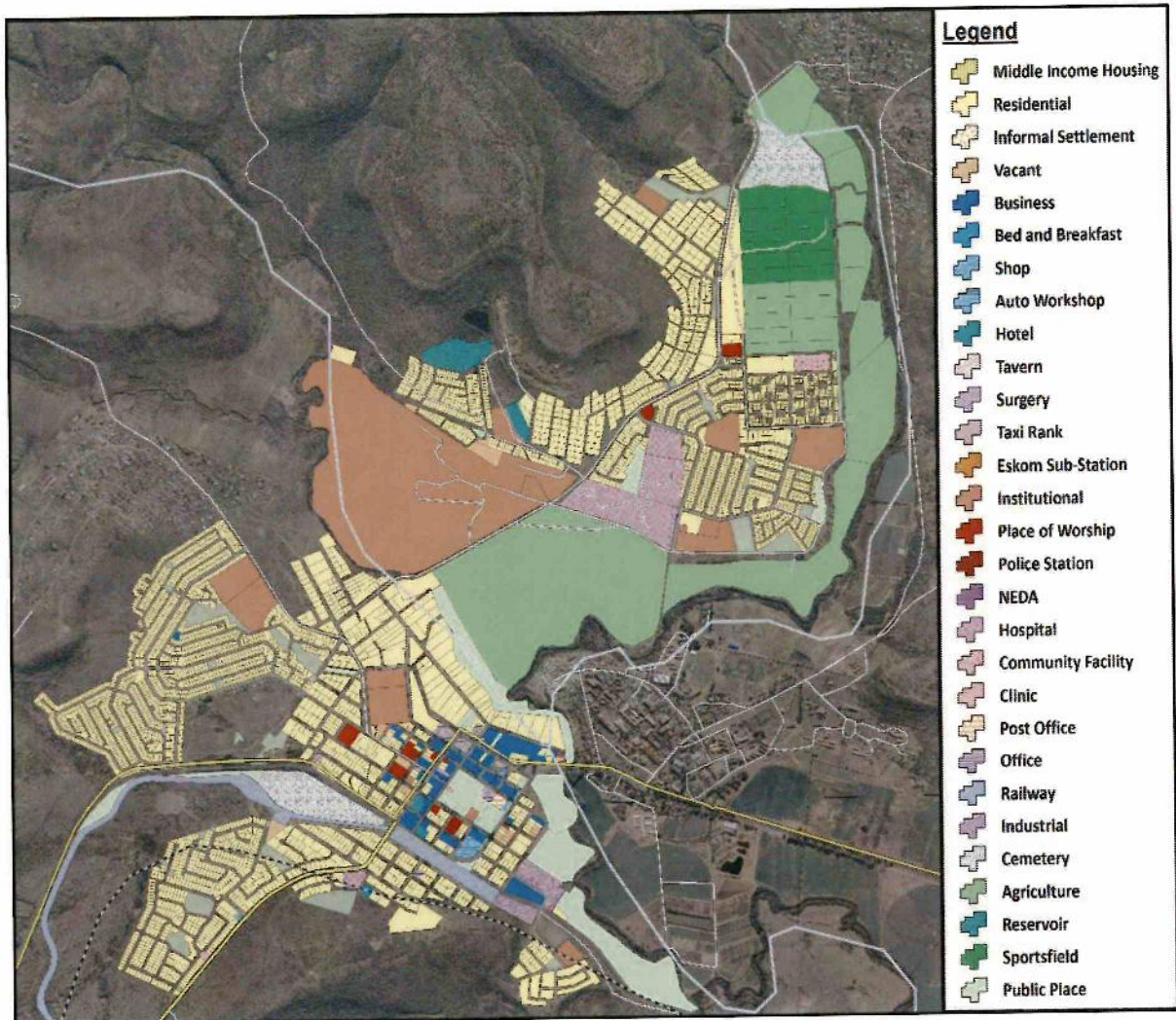
8.3.1.3 Tertiary Nodes

The tertiary nodes identified for the Raymond Mhlaba SDF include the nodes identified in the former Nxuba and Nkonkobe Municipal SDFs; these include Balfour and Seymour.

Table 3 : Proposed Tertiary Nodes

Node Type	Spatial Development Priorities
<p>Tertiary Nodes (Minor Rural Service Centre)</p> <ul style="list-style-type: none"> • Balfour • Debenek 	<ul style="list-style-type: none"> • These are “minor rural service centres” where medium to lower order community facilities can be “focused” or “bundle” in order to ensure that a great number of rural residents are served in a more efficient and effective way. • Local planning to maximize use of resources. • Provision and upgrade of infrastructure. • Public-funded rural housing provision. • Strengthening of the following activities in major rural service nodes: <ul style="list-style-type: none"> ○ Development of low-key commercial centre to service the villages and their catchment areas ○ Location of public facilities, such as, community halls, junior and senior primary schools, senior secondary schools, mobile clinic services, sports field, transportation facilities, to serve the villages and their catchment areas. • Local land use scheme to be negotiated. • Environmental Management (Protection of natural and cultural resources)
<p>Rural Villages</p>	<p>All other existing villages in the RMLM which are areas of greatest need, requiring special investment to upgrade levels of service to the accepted minimum level so as to improve the level of well-being of the communities. It should involve investment in basic infrastructure, poverty alleviation and rural livelihood programmes and projects.</p>





8.4 ENVIRONMENTAL PRINCIPLES

The Municipality's SDF emphasises the need to protect natural resources, to achieve food security by preventing loss of valuable high potential agricultural land; and connect development to the availability of sustainable water resources. Applicable legislation in this regards,

- National Environmental Management Act (NEMA)
- Eastern Cape Biodiversity Conservation Plan (ECBCP)

In general, when considering applications for land development, the following environmental principles should be considered:

- **Landscape quality:** All development proposals must be evaluated in terms of their effects on the landscape quality of the surrounding area. This must consider the visual absorption capacity of the surrounding land and the visual intrusion, which will result from the development.
- **Urban sprawl:** The development should not contribute to urban sprawl as a result of "leap-frogging" thereby promoting secondary development.
- **Carrying capacity:** New tourism developments outside of the urban edge must evaluate the impacts of the proposed influx of tourists on the immediate natural surrounding areas as well as neighbouring natural and urban areas. A value judgment may be required to determine if the development will exceed the ecological carrying capacity of the surrounding area. This should not promote secondary development (service station; shopping centre's etc.) thus creating the need for new a development node.
- **Waste disposal and sanitation:** Any developments outside the urban edge must be self-sufficient and have a detailed plan for solid waste disposal and on-site sanitation. Developments outside of nodes must not be reliant on the municipal sewage systems as these are planned and designed to accommodate treatment volumes from the defined nodal development areas and may not have sufficient capacity to accommodate additional volumes. In all cases the environmental impacts associated with the waste disposal and sanitation systems will need to be assessed as part of the project Environmental Impact Assessment (EIA).

- **Infrastructure requirements:** The impacts on the natural environment from additional infrastructure requirements must be carefully considered and must be assessed as part of the project EIA.
- **Agriculture:** Developments should preferably not be permitted on land designated as “prime and unique” agriculture land or significantly reduce the area of high value agriculture lands, thereby reducing the potential productivity of these areas
- **Biodiversity corridors:** Development must not impact significantly on biodiversity corridors.
- **Pristine habitats:** Developments must not be situated adjacent to rivers designated as being pristine, near pristine or stressed.



RAYMOND
MHLABA
MUNICIPALITY

UMANYANO KUPHULISO

2021/2022
Draft Budget & Tariffs



**RAYMOND
MHLABA**
MUNICIPALITY

.....
UMANYANO KUPHUHLISO

FINAL BUDGET 2021/2022

BACKGROUND

- With the compilation of the 2021/22 Medium-Term Revenue and Expenditure Framework (MTREF), each department had to review its business planning processes taking into account their IDP objectives and individual departmental strategies. Business planning links back to priority needs and master planning, and essentially inform the detail operating budget appropriations and three-year capital programme. National Treasury's MFMA Circular No. 89, 91, 94, 98, 99 and 108 was mainly used to guide the compilation of the 2021/22 MTREF.
- According to Chapter 4 of the MFMA , the municipal council must for each financial year approve an annual budget, 30 days before the start of the financial year



Budget Assumption

These were the budget assumption used to compile the 2020-2021 MTREF:

- Revenue collection of 60% on service charges
- Property rates tariffs – Rates tariffs will remain the same as previous year due to the increase of over 33% in market values of properties for the valuation cycle of 2019-2023. This increase was never absorbed in rate per rand per property category in 2019, however will be absorbed through freezing rates over 2 financial years.
- Refuse tariff increase of 6%
- Salaries increase by 6,25% (Normal Increase) plus 2,5%
- Increase of 5% for Remuneration of Councillors
- Interest on outstanding debtors – Based on the more effective implementation of the credit control and debt management policy it is expected to decrease.
- Arrear debt to be payable over years based on approved payment plan



2021-2022 Final Budget: Operating Income

EC129 Raymond Mhlaba - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	51 230	59 860	73 735	99 029	99 029	99 029	-	106 539	111 520	118 211
Service charges - electricity revenue	2	52 332	57 798	66 369	55 220	55 220	55 220	-	58 533	62 045	65 768
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	10 196	15 331	13 924	21 801	21 801	21 801	-	23 110	24 496	25 966
Rental of facilities and equipment		344	595	335	782	782	782	-	846	888	941
Interest earned - external investments		2 121	2 722	2 683	2 247	2 247	2 247	-	2 382	2 172	2 302
Interest earned - outstanding debtors		20 106	21 437	23 887	23 581	23 581	23 581	-	18 815	14 635	15 513
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		128	89	83	202	202	202	-	214	225	238
Licences and permits		3 516	3 517	4 392	4 270	4 270	4 270	-	4 526	4 700	4 982
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		154 940	204 811	170 535	185 239	185 239	185 239	-	199 160	200 494	202 412
Other revenue	2	3 262	8 100	18 314	22 360	22 360	22 360	-	23 221	24 382	25 845
Gains		1 190	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		299 364	374 259	374 257	414 731	414 731	414 731	-	437 345	445 556	462 179



Operating Revenue

- ❑ Total operating revenue amounts to R501 120 million including Capital transfers of R39 266 million. Total operating revenue has decreased when compared to the 2020/21 Annual Budget.
- ❑ The decrease is mainly due on Capital grants and operation allocation decrease such as:
 - ❑ No allocation for INEP Grant
 - ❑ EPWP Grant allocation decreased
 - ❑ MIG Grant Decreased
 - ❑ Alice revitalisation Grant
- ❑ An increase in anticipated revenue is as a result that the municipality will employ fully its revenue strategies in order to improve cash collection



2021-2022 Final Budget : Operating Expenditure

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type											
Employee related costs	2	115 286	137 041	149 323	164 678	164 678	164 678	-	178 005	188 675	199 891
Remuneration of councillors		13 170	16 574	17 729	23 730	23 730	23 730	-	24 917	26 162	27 732
Debt impairment	3	83 219	27 529	62 189	21 000	21 000	21 000	-	20 500	19 300	20 458
Depreciation & asset impairment	2	31 229	29 722	28 447	27 500	27 500	27 500	-	28 000	28 500	30 210
Finance charges		13 729	16 002	21 583	5 100	5 100	5 100	-	3 151	3 308	3 507
Bulk purchases	2	56 642	63 871	59 305	65 000	65 000	65 000	-	68 250	71 663	75 962
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	32 299	32 299	32 299	-	31 285	32 936	34 912
Transfers and subsidies		8 787	7 578	7 953	14 000	14 000	14 000	-	15 000	15 910	16 864
Other expenditure	4, 5	71 377	88 065	113 670	42 807	42 807	42 807	-	52 295	48 717	51 801
Losses		924	2 680	828	-	-	-	-	-	-	-
Total Expenditure		394 364	389 061	461 027	396 114	396 114	396 114	-	421 402	435 170	461 337



2021-2022 Final Budget : Operating Expenditure

- The table above reflects an overall increase in the final budget for operating expenditure in comparison to 2020/21
- Total operating expenditure budget amounts to R 435 170 million and translates into a surplus budget before capital transfers. When compared to the 2020/21 Annual Budget, operational expenditure has increased in the 2021/22 budget.
- The municipality remains committed to a large capital programme with a significant portion funded by grants from National Government.

- The increase was influenced by following expenditure items: -
 - Employee related costs
 - Remuneration of councillors
 - Debt Impairment
 - Depreciation & asset impairment
 - Transfers and Grants
 - Finance charges
 - Repairs and Maintenance
 - Eskom Bulk Purchase



Capital Income and Expenditure

Vote Description	Ref	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1							
Capital Expenditure - Functional								
Governance and administration		3 000	3 000	3 000	–	–	–	–
Executive and council		–	–	–	–	–	–	–
Finance and administration		3 000	3 000	3 000	–	–	–	–
Internal audit		–	–	–	–	–	–	–
Community and public safety		–	–	–	–	–	–	–
Community and social services		–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–
Economic and environmental services		52 271	52 271	52 271	–	52 037	39 266	42 278
Planning and development		–	–	–	–	–	–	–
Road transport		52 271	52 271	52 271	–	52 037	39 266	42 278
Environmental protection		–	–	–	–	–	–	–
Trading services		16 000	16 000	16 000	–	24 554	–	10 000
Energy sources		16 000	16 000	16 000	–	24 554	–	10 000
Water management		–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	71 271	71 271	71 271	–	76 591	39 266	52 278
Funded by:								
National Government		53 271	53 271	53 271	–	61 591	39 266	52 278
Provincial Government		15 000	15 000	15 000	–	15 000	–	–
District Municipality		–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–	–
Transfers recognised - capital	4	68 271	68 271	68 271	–	76 591	39 266	52 278
Borrowing	6	–	–	–	–	–	–	–
Internally generated funds		3 000	3 000	3 000	–	–	–	–
Total Capital Funding	7	71 271	71 271	71 271	–	76 591	39 266	52 278

Capital Income and Expenditure

- Total capital budget amounts to R 39 266 million. When compared to the 2020/21 Annual Budget, capital expenditure budget has decreased in the 2021/22 budget.
- There is no allocation for 2021/2022 to address electricity backlogs.
- However, the municipality will receive an amount of R10 million in 2022/2023 financial year
- No allocated for the Revitalisation of Alice town for 2021/2022 financial year
- Additional provisions can be made in consultation with other departments to reduce their expenditures and be encouraged where necessary to outsource funding to implement other project.
- No borrowings for capital projects are planned for 2021/2022 financial year. The municipality is still well the limits of its borrowing capacity, but will raise very limited leases in the near future in order to curtail possible rising debt servicing costs.



Overview of Required working Capital

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	19 558	17 241	10 041	(333 614)	(333 614)	(333 614)	-	(17 491)	(49 734)	(75 879)
Other current investments > 90 days		0	-	(0)	342 769	342 769	342 769	-	31 963	66 213	93 347
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		19 558	17 241	10 041	9 155	9 155	9 155	-	14 472	16 479	17 468
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	161 041	137 222	197 081	21 627	12 472	12 472	-	(20 911)	(18 889)	(20 022)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		161 041	137 222	197 081	21 627	12 472	12 472	-	(20 911)	(18 889)	(20 022)
Surplus(shortfall)		(141 484)	(119 982)	(187 040)	(12 472)	(3 317)	(3 317)	-	35 383	35 368	37 490



Overview of Required working Capital

- ❑ The municipality's 2021/22 budget reflects a unfunded budget of R36 million in the above table.
- ❑ This may lead to the municipality not able pay salaries and the arrear Eskom debt. It will also affect the service delivery.
- ❑ It should also be noted the municipality has budgeted the amount that will afford to pay to Eskom for the current year and not the total debt.
- ❑ The municipality will also ensure that the apportionment is part of the repayment plans to our arrear creditors. The remaining balance from arrear creditors will then be payable from 2022/2023 and 2023/2024 revenue collections.
- ❑ The municipality will implement the financial recovery plan and source funding to ensure that the municipality achieves funded budget in future



Overview of Capital and Operating Grants

R Thousand	DoRA Allocation 2021/2022	Other Grants allocation 2021/2022	DoRA Allocation 2022/2023	DoRA Allocation 2023/2024
<u>Operating Grants:</u>				
PMU Grant (MIG 5%)	2 066,65		2 225,10	2 319,75
Municipal Finance Management Grant	2 600,00		2 850,00	2 850,00
EPWP	2 900,00			
MSIG				
Equitable Share	189 927,00		197 337,00	190 591,00
LG-SETA		300 000,00		
<u>Infrastructure/Capital Grants:</u>				
Municipal Infrastructure Grant	39 266,35		42 276,90	44 075,25
INEP			10 000,00	10 000,00
<u>Provincial Government Grants Grants:</u>				
Library Grant		1 700 000,00		
OTP Alice Revitalisation				
Total	236 760,00	2 000 000,00	254 689,00	249 836,00



Overview of Capital and Operating Grants

- ❑ Total capital and operating grants amount to R238 760 million for 2021/ 2022 financial year
- ❑ An allocation of R15 million for INEP has been taken back and the municipality will not received INEP grant for 2021/2022
- ❑ MIG grant allocation decreased in comparison to 20220/2021 allocation



THANK YOU



**RAYMOND
MHLABA**
MUNICIPALITY
UMANYANO KUPHUKHULISO



Description	tariff 2020/2021	PROPOSED 2021/2022
Residential	0.00837	0.00837
industrial	0.01725	0.01725
Business/commercial	0.01725	0.01725
Agriculture	0.00837	0.00837
Satete owned	0.02512	0.02512
Municipal properties	Zero rated	Zero rated
Public service infrastructure	0.00209	0.00209
Privately owned town serviced by the owner	0.00837	0.00837
Public benefit organization	Exempt	Exempt
Properties used for multiple purposes'Vacnt Land	based on predominant use	based on predominant use
Sectional tittle	0.01193	0.01193
	0.008374	0.008374

DRAFT TARIFFS 2021/2022

RAYMOND MHLABA MUNICIPALITY- OTHER TARIFFS- 2021/2022

FINAL TARIFF SCHEDULE CATEGORY	Deposit	FINAL TARIFF 2020/2021	Proposed Tariffs 2021/2022	
			PROPOSED INCREASE@5.4%	
REBATE 100% rebate: INDIGENTS				
VALUATION ROLL		1 006.00	1.054	1 060.32
RATES CLEARANCE CERTIFICATE FEE		299.94	1.054	316.13
VALUATION CERTIFICATE		169.55	1.054	178.71
GIS MAP per page		14.87	1.054	15.68
Gis & SG Enquiries per site		150.90	1.054	159.05
VALUATION ENQUIRIES		61.47	1.054	64.79
INSPECTION FEE		397.43	1.054	418.89
ELECTRICITY CARDS: (PURCHASE)		14.87	1.054	15.68
RECONNECTION FEES				
Reconnection Fees on Debtors Default Fee		506.77	1.054	534.14
Reconnection Fees on Businesses Default Fee		1 621.66	1.054	1 709.23
Reconnection Fees on Government Departments Default Fee		2 533.85	1.054	2 670.68
Call outs of Council Employees				
08H00 - 17H00 per call out: week days		483.94	1.054	510.07
17H00 - 07H00		550.68	1.054	580.41
Weekends and Holidays: per call out		660.81	1.054	696.49
TAMPERING FINES				
First Offence		11 303.42	1.054	11 913.80
Second Offence		16 955.12	1.054	17 870.70
Third Offence		22 606.83	1.054	23 827.60

RESIDENTIAL REFUSE REMOVAL PER MONTH				
domestic refuse -		117.27	1.054	123.61
domestic refuse - ADELAIDE&BEDFORD AREAS		102.24	1.054	107.76
BLOCK OF FLATS				
Refuse Removal: per room		117.27	1.054	123.61
		-		
BUSINESS REFUSE REMOVAL PER MONTH				
Basic charge		-		
ONCE WEEKLY REMOVAL				
Shops Small Volume Class 1		295.66	1.054	311.63
Shops Medium Volume		753.60	1.054	794.29
Shops Large Volume		1 402.84	1.054	1 478.60
TWICE WEEKLY REMOVAL				
Shops Large Volume twice a week: charge shall be per month		2 276.37	1.054	2 399.30
		-		
Refuse: Government Departments				
		-		
Schools Small Volume Lower primary/old age homes		361.93	1.054	381.47
Schools Medium Volume Higher primary with Hostels		903.94	1.054	952.75
Schools Large Volume i.e High School		847.76	1.054	893.54
		-		
District Offices : per office				
		-		
Garden Refuse		479.86	1.054	505.77
Removal without Notice		709.51	1.054	747.82
Dumping sites usage: weekly usage: charge shall be per month		1 083.97	1.054	1 142.50
Removal of building rubble		505.14	1.054	532.42
		-		
SERVICE DEPOSITS				
		-		
Consumer Deposit: Residential		1 054.03	1.054	1 110.95
Consumer Deposit: Business		3 367.36	1.054	3 549.20
Consumer Deposit: township		1 050.21	1.054	1 106.93
Indigent Households				

CEMETERY SERVICES				
Grave Plot - indigent/Township		137.69	1.054	145.12
Grave Plot - other customers		542.78	1.054	572.09
Grave Digging-6ft		1 363.16	1.054	1 436.77
Grave Digging-9ft		1 802.77	1.054	1 900.12
HALL SERVICES (Monday - Sunday)				
Town halls	1 042.27	988.87	1.054	1 042.27
Townships/community halls	663.25	629.27	1.054	663.25
TOWN HALL WITH KITCHEN & SUPPERROOM : RENTAL	1 705.52	1 618.14	1.054	1 705.52
LIBRARY HALL	473.75	449.48	1.054	473.75
SUPPER ROOM ALONE	473.75	449.48	1.054	473.75
SPORT COMPLEXES	297.85	282.59	1.054	297.85
UTENSILS PER DAY				
Crockery	380.53	361.03	1.054	380.53
Wooden/Steel Tables - Deposit per table	59.57	56.52	1.054	59.57
Chair - deposit per chair	23.83	22.61	1.054	23.83
		-		
STATIONERY SERVICES		-		
Photostat Copies: A4		1.70	1.054	1.79
Photostat Copies: A5		1.70	1.054	1.79
AO		118.98	1.054	125.41
		-		
RD CHEQUES - Admin fee		159.95	1.054	168.59
		-		
ADM Tar Costs		-		
ADM will be billed by digging of the municipal roads based on costs incurred by the institution		-		
Water leak in road 7 day repair : private contact + Admin fee 5%		#VALUE!		
RENTAL MUNICIPAL VEHICLES		-		
Tractor Tarriff - DRY		-		

Ripping		1 210.37	1.054	1 275.73
Ploughing		1 129.68	1.054	1 190.68
Discing		806.91	1.054	850.49
Planting		403.46	1.054	425.24
Top dressing/ fertilizer application		403.46	1.054	425.24
Surfacing and granula base				
Asphalt surfacing(40mm layer thickness 50/70 pen bitumen)				
Continuously medium grade asphalt per metre				
Tar stable-tack coat 30% emulsion per litre				
Crushed base G4 type (Backfill)				
TLB/HR		423.88	1.054	446.77
		-	1.054	-
Type of Business licence(Admin fee)		-		
Furniture and Clothing accessories		281.51	1.054	296.71
General Dealer		281.78	1.054	296.99
Other business		281.78	1.054	296.99
Type of Business licence(Annual/licence fee)		-		
Furniture and Clothing accessories		644.29	1.054	679.09
General Dealer		644.29	1.054	679.09
Other business/hawkers		644.29	1.054	679.09
GRAZING TARIFFS		-		
COW per animal		14.87	1.054	15.68
CALF per animal		9.92	1.054	10.45
SHEEP/GOAT per animal		9.92	1.054	10.45
Pound Fee per day		-		
COW per animal		125.75	1.054	132.54
CALF per animal		125.75	1.054	132.54
SHEEP/GOAT per animal		80.48	1.054	84.83
Pig / other		60.36	1.054	63.62
Hearting to Pond fee per km		-		
COW per animal		-		
CALF per animal		POR		
SHEEP/GOAT per animal		POR		

FIRE AND RESCUE TARIFFS		POR		
FIRE LEVY - BASIC CHARGE		POR		
		-		
LAND USE		-		
REZONING, CONSOLIDATION & SUBDIVISIONS		-		
Application fee		654.23	1.054	689.56
Advertising costs		761.04	1.054	802.14
Supply of Valuation /Zoning Certificate per erf		295.77	1.054	311.74
Supply of Clearance Certificate per erf		235.88	1.054	248.61
Application for consent use		2 561.67	1.054	2 700.00
Application for rezoning		3 027.41	1.054	3 190.90
Application for rezoning requiring amendments of structure plan		5 627.89	1.054	5 931.80
Section 15(1)(a)(ii) departures from the land use restrictions- Building line etc		-		
Erven smaller than 250 m ²		291.10	1.054	306.82
Erven smaller than 500 m ²		815.06	1.054	859.08
Erven larger than 500m ²		1 688.37	1.054	1 779.54
Enchroachment per square meter		194.06	1.054	204.54
Subdivision		-		
Into two portions/erven		1 397.27	1.054	1 472.72
Plus per additional portion/erf		135.84	1.054	143.17
Removal of Restrictitions		2 008.58	1.054	2 117.04
Amendment of condition of approval s43(2) of Ord. 15 of 1985		1 445.77	1.054	1 523.85
Approval of Architectural Design Manual, Homeowners Constitution, Environmental Management Plan		1 445.77	1.054	1 523.85
SIGNAGE CONTROL		-		-
Estate agents- Show house boards (per board per annum)		3 006.16	1.054	3 168.49
Estate agents- Show house boards: removal fees(Where estate agents boards not removed within the time allowed		291.71	1.054	307.46
Application fee for advertising signs smaller than 2 m ²		583.43	1.054	614.94
Advertising Posters per week		201.20	1.054	212.06
Banner 1m x2m<		503.00	1.054	530.16

Trailer signs (per board)		583.43	1.054	614.94
Removal charges for loose portable signs		-		
1) First offence (per sign)		218.80	1.054	230.61
2) Second offence (per sign)		364.65	1.054	384.34
3) Third offence (per sign)		583.43	1.054	614.94
BUILDING PLAN FEES		-		
Low Cost Housing		180.05	1.054	189.78
Storage per day in Municipal Yard		100.60	1.054	106.03
CLASS OF BUILDING		-		
Dwelling		2 501.66	1.054	2 636.75
Outbuilding		2 501.66	1.054	2 636.75
Flat, Townhouse and Hotels		3 172.23	1.054	3 343.53
Shops		3 172.23	1.054	3 343.53
Offices		3 172.23	1.054	3 343.53
Carpports*		681.42	1.054	718.22
Pools *		681.42	1.054	718.22
Patios/Pergolas and Sun Decks*		681.42	1.054	718.22
Factories and Warehouses		2 765.68	1.054	2 915.02
Drainage only plans*		681.42	1.054	718.22
That the plan approval fees be calculated on a flat 14.7% of the project value (excl		-		

Notes to Tariffs

. Tariffs have been projected to increase at CPI, currently at 5.4%, should the CPI change before final approval of tariffs such change will be effected

RAYMOND MHLABA MUNICIPALITY PROPOSED PROPERTY RATES TARIFFS -2021/2022

No.	Description	TARIFF- 2021 / 2022
1	Residential	0.00837
2	Industrial	0.01725
3	Business/commercial	0.01725
4	Agriculture properties :	0.00209
5	> State- owned properties-Government	0.02512
6	Municipal properties	ZERO RATED
7	Public service infrastructure	0.00209
8	Privately Owned Town serviced by owner	0.00837
9	Public benefit organization	-
10	Properties used for multiple purposes	based on predominant use of property
11	Vacant Land	0.01193
12	Sectional Title	0.008374

1. DETERMINATION OF RATES

In terms of Section 8 of the Local Government Property Rates Act , 2004 read with the Rates Policy , as amended, and is to be adopted with the current budget , the Municipality may levy different Rates for different categories of Property.

That the rates for the said financial year for the Raymond Mhlaba Municipality, be and is hereby assessed and levied for the following categories at:

2. EXEMPTIONS,REBATES AND REDUCTIONS

The following reductions on the market value of the property and rebates on the rates payable, be and are hereby granted in accordance with the Rates Policy.

2.1. RESIDENTIAL PROPERTY

In addition to the statutory reduction of R15 000, a further reduction of R65 000 be and is hereby approved for all Residential Properties.

2.1.2. PUBLIC BENEFIT ORGANIZATIONS

That on application and approval, only Public Benefit Organizations (PBO) listed in clause 8.2 of the Municipality's Rates Policy shall receive an exemption from rates. PBO falling outside the scope of section 8.2 of the MPRA shall be rated at a business rate and a rebated at 5%.

2.1.3. AGRICULTURAL PROPERTY –

2.1.3.1. AGRI BONA-FIDE

The following reductions on the market value of the property and rebates on the rates payable, be and are hereby granted in accordance with clause 8.2.4 AND 11.1.5 of the Rates Policy and Sec 15.2. of the MPRA(75% MPRA rebate is already effected on the tariff schedule);

Furthermore a drought relief of 3% is hereby applied to Agriculture bona fide category as the RMLM area has been declared a drought stricken area.

An adjustment rebate of 14.6% (tariff adjusting% applied upon amalgamation on Bona fide farms) is also applicable.

2.1.3.2. RESIDENTIAL PROPERTIES-(AGRICULTURE)

All Agri Residential Properties which are deemed to be in special rated areas i.e Hogsback , Katberg are hereby granted a reduction of 75%

2.1.4. MUNICIPAL PROPERTIES

All municipal owned properties are exempted from Property Rates, except trading Services.

2.1.5. PRIVATELY OWNED TOWNS SERVICED BY OWNER

A rebate of 75% be approved for privately owned towns services by the owner.

2.1.6. PROPERTIES USED FOR MULTIPLE PURPOSES

That properties used for multiple purposes be administered in terms of section 9 of the MPRA and paragraph 6.4 of the Municipal Property Rates Policy.

2.1.6. PHASING-IN OF RATES

Phasing in of rates will be dealt with in terms of Sec 21 of the MPRA.

2.1.7. RESIDENTIAL SECTIONAL TITLE

That a rebate of 20% shall hereby apply to residential title schemes

3. FLAT SERVICE CHARGE RATE FOR FORMAL PROPERTIES VALUED BELOW R80 000 AND INFORMAL SETTLEMENTS WHERE REFUSE AND/OR STREET LIGHTS HAVE BEEN PROVIDED

That a flat service charge rate of R25.00 for formal properties valued belowR80 000 and those informal settlements where refuse and/or street lights have been approved.

4. OTHER TARIFFS AND CHARGES

- (1) That other tariffs and charges as circulated with the budget document in terms of section 24(2)(c)(i) and (ii) be approved for the financial year commencing 1 July 2021. An average increase of 5.4% is hereby proposed.

- (2) That NERSA proposed municipal Electricity tariffs guideline increase of 15.57 % be approved by Council. It being recorded that the application supporting this tariff increase is yet to be approved by NERSA.