



**O.R. TAMBO
DISTRICT MUNICIPALITY**

SUMMARY

DRAFT REVIEWED INTEGRATED DEVELOPMENT PLAN (IDP) 2024/2025

O.R. Tambo District Offices

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

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INTRODUCTION

The municipality reached the mid-term for the 2023/2025 financial year, which is the milestone and baseline for planning. This necessitates the planning for the next financial year 2024/2025 and processes toward the endorsement of the plan. The council adopted a process plan for the IDP, budget, and PMS in August 2024, guiding the approach and the activities to be undertaken. The municipal leadership has convened the Mayoral Lekgotla and the Strategic Planning Session as per the adopted process plan. The report then presents the Draft Integrated Development Plan (IDP) Review for the 2024/25 financial year and Draft Budget for 2024/25 and two outer years.

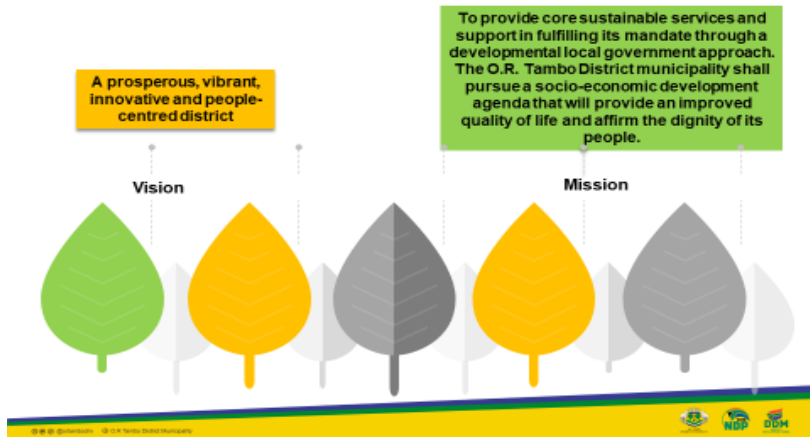
BACKGROUND

The Draft Integrated Development Plan (IDP) Review for the 2024/25 financial year has been prepared in compliance with Local Government: Municipal System Act (MSA), 2000 (Act 32 of 2000 as amended) which compels municipalities to draw up the IDP's as a singular inclusive and strategic development plan. In terms of Section 26 of the MSA, a municipality produces an IDP every five years (reviewed yearly), comprising of the following components:

- i. A municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- ii. An assessment of the existing level of development, which must include an identification of communities which do not have access to basic municipal service;
- iii. The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs.
- iv. The council's development strategies which must be aligned with any national, provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- v. A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- vi. The council's operational strategies;
- vii. Applicable disaster management plans;
- viii. A financial plan, which must include a budget projection for at least the next three years; and
- ix. The key performance indicators and performing targets.

CHATER 1: STRATEGIC OVERVIEW

Vision & Mission



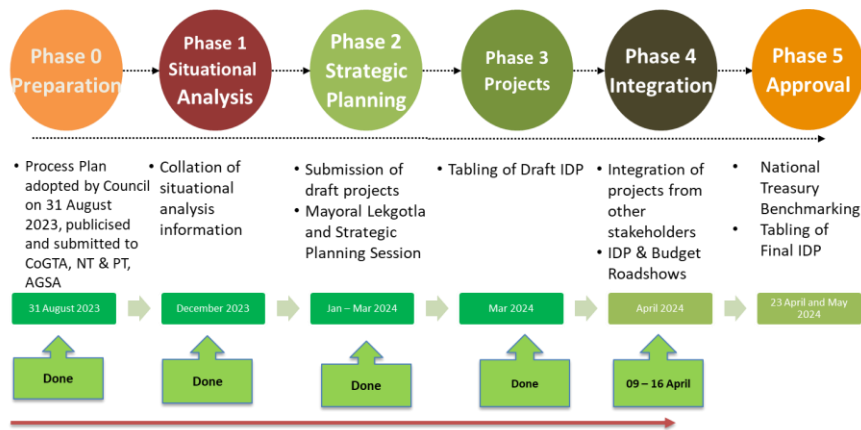
O	Objective
L	Leadership
I	Industrious & Innovative
V	Virtuous
E	Ethical and Excellence
R	Respect, Responsible & Responsive
T	Tenacious & Transparent
A	Accountable
M	Meticulous
B	Bold & Brave
O	Openness

POWERS AND FUNCTIONS OF THE DISTRICT MUNICIPALITY

Water	• Powers and functions are assigned to local government in terms of schedules 4B and 5B of the Constitution.
Sanitation	
Municipal Health	• OR Tambo District Municipality is a Water Services Authority (WSA) and Water Services Provider (WSP).
Fire fighting	
Local Tourism	• OR Tambo District Municipality also performs other functions such as Disaster Management, Tourism etc.
Municipal Airports	
Municipal Planning	
Public Transport	
Disaster Management	

Process followed for the review of the IDP

- The budget process plan was adopted by Council on 31 August 2023
- IDP & Budget Representative forums convened in August & December
- Midterm consolidated and assessment convened
- Departmental strategic planning convened
- Mayoral Lekgotla
- Strategic planning Session



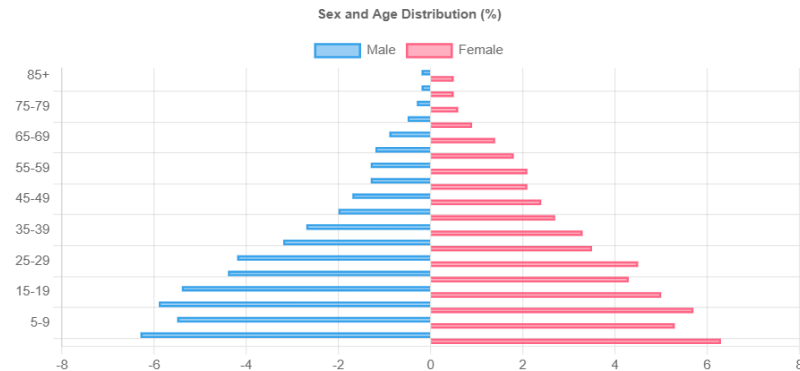
CHATER 2: SITUATION ANALYSIS

2.1 Population & Population Growth

According to the 2022 census results, O.R Tambo is the most populous district in the Eastern Cape Province. It is ranked the fourth most populous district in the country. However, it must be noted that large population size has advantages and disadvantages linked to demand- and supply-side effects of demographic changes.

With 1501 702 in 2022, the O.R Tambo District Municipality account for 2.4% of South Africa’s total population. Between 2011 and 2022, O.R Tambo District population grew up by 9,9% with an average annual population growth rate of 1.03% which is close to

half than the growth rate of South Africa as a whole (1.50%). When comparing with the province, (1.01%), the growth rate in O.R. Tambo's population at 1.03% was very similar than that of the province.



2.2 Households & Dwelling Types

A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within the household. To categorise a household according to population group, the population group to which the head of the household belongs, is used

Since 1996, the O.R Tambo District Municipality’s number of households has been in an upward trend. In 2022, the O.R. Tambo District had a total of 313 536 households, with an average

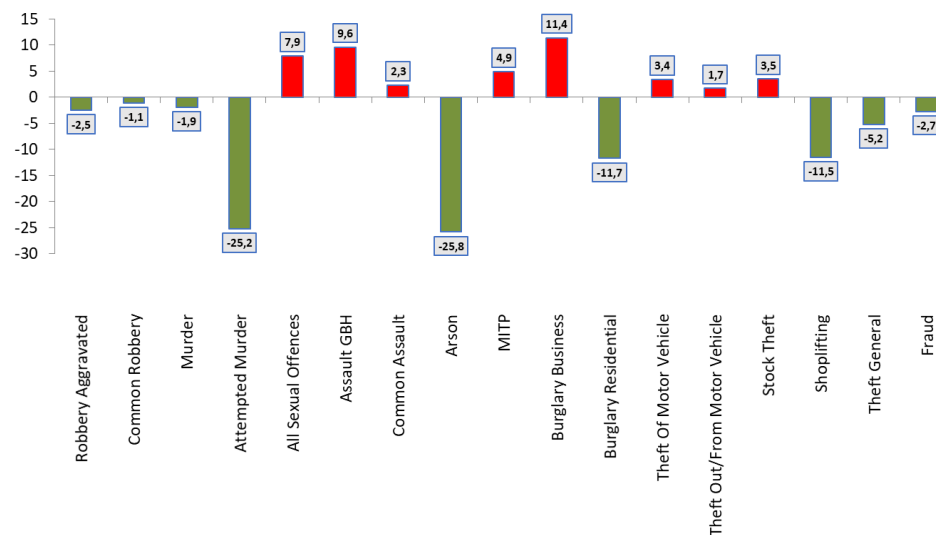
household size of 4,8. Table one (1) below provides the number of households and the average household size in O.R. Tambo District and the local municipalities.

Table 1: Total Number of Households, Average Household Size

Municipality	Number Households		Average Household Size	
	2011	2022	2011	2022
King Sabata Dalindyebo	104 878	114 580	4,3	4,2
Ingquza Hill	56 212	64 051	5,0	5,5
Nyandeni	61 647	60 281	5,1	4,7
Mhlontlo	44 079	43 980	4,3	4,2
Port St Johns	31 713	30 643	4,9	5,9
O.R Tambo District	298 530	313 536	4,6	4,8

Source: StatsSA (Census 2022)

2.3 Crime Statistics



According to the 3rd quarter report that was provided by South African Police Service, there is a decrease in the crimes like Arson, attempted murder, shoplifting, general theft etc. the district is experiencing major challenges in crimes like burglary in businesses, assaults on gender-based violence and homicides, theft on motor vehicles sexual offences etc.

2.4 Current Situation of the Municipality per Key Performance Area

2.4.1 KPA 1 - Basic Service Delivery and Infrastructure

The municipality completed the Lukhwethu Regional Water Supply Scheme that covers four (4) wards under KSDPI funded through RBIG programme will benefit 14 129 people. In addition to that there is

- Completion of the Tsolo Water Waste Treatment Plant and Sewer.
- Blue drop status increased from 41% to 57% (4th in the EC).
- Improved water quality monitoring and measured 99% on quarter 2
- Achieved 88.8% effluent quality – progressive improvement
- On Green drop we moved from 20%-40%
- No Drop Audit we moved from 12% – 51% - 3rd. EC - Average Performance
- Achieved 88.8% effluent quality

Operational Schemes

- Repaired and Refurbished 40 standalone water schemes
- Refurbished 11 water treatment plants
- Protected 3 springs (1 in mhlontlo and 2 in Ingquza Hill)
- Emptied sludge in 988 VIP toilets in KSD

- Constructed extensions of about 10 km of water pipelines in Mhlontlo, Nyandeni and Port St Johns to provide access in households that had no water
- Repaired 2304 burst pipes in the district with KSD at 960 bursts
- Repaired 1899-meter leaks; with KSD at 1835
- Repaired 2595 leakages; with KSD at 1979
- Unblocked 827 sewer blockages: with KSD at 716
- Built New Sewer lines at waterfall, Maiden Farm, Mqanduli about 1km
- Built and raised Manholes for new level around KSD area = 105
- Closed 128 open manholes with lids

Human Settlements

- Completed 3 projects (Ingquza 76 Phase 1 (36), Ingquza 76 Phase 2 (40), Maladini (Mhlontlo) 104.
- The district is implementing 19 projects with 291 completed units with an expenditure of R61m
- 100% of the project beneficiaries have been identified for new projects and 95% projects enrolled, ready for construction.
- 191 of 291 units completed have been handed over to beneficiaries.
- Created 56 job opportunities for local communities.
- Three Houses Built for Social relief interventions for most destitute families
- Developed a district human settlement strategy and is due for approval by council.
- Providing support to Nyandeni LM and Port St Johns LM to develop housing sector plans.

Technical Services

- Implementation of RRAMS – assessment of all sealed and unsealed roads completed
- Analysis of assessment input to come up with interventions required
- Maintenance of buildings (plumbing, mechanical and electrical repairs)
- Construction of the ORTDM Disaster Centre is ongoing with one wing of the centre practically completed

Disaster Management

- Disaster risk assessment and disaster management plan developed.
- Appointment of service provider to facilitate development of disaster risk management framework
- Strengthening of Public Private Partnerships through Disaster Advisory Forum.
- Awareness's and dissemination of early warning information
- Appointment of panel of service providers for availability of response material for immediate response

Fire Services

- Service provider appointed to facilitate & gazette Fire Safety Bylaws.
- Procured fire safety gear for fire fighters.
- Fire Hydrant Layout Plan developed (1 Per Ward),
- Conducted Fire Safety Inspections across the district.

- Procured 4 fire fighting vehicles to augment capacity for fire fighting services for the 4 Local Municipalities (Ingquza Hill, Mhlontlo, Nyandeni & PSJ)

Environmental Management

- Four (4) sector plans adopted by council:
 - Environmental Management Plan (framework Plan)
 - Air Quality Management Plan
 - Biodiversity Sector Plan
 - Integrated Waste Management Plan (IWMP)
- Submission of IWMP to the provincial department for endorsement by the MEC and integration to the provincial IWMP.
- Resuscitated regional recycling program, employing more than 40 support staff to support the cooperatives.

Community Safety & Security Services

- Appointment of four (4) security service providers to safeguard all assets and infrastructures of the Institution.
- Deployment of firearm safe and hand-held metal detectors to all critical ORTDM facilities such as call-center building, Prosperity, government printers, state house, and Myezo building.
- Installation of 28 new closed-circuit television at call-center building.
- Installation of new boom – gate and the manual gate at Myezo-building for access controls.

Special Programmes

- All social cohesion initiatives such as Education, Sports, Arts & Culture, Social Development etc. are coordinated in the office of the Executive Mayor
- Vulnerable groups are supported and empowered across the district

2.4.2 KPA2 - Local Economic Development

Agriculture and Agro-processing

- Established the O.R Tambo Farmers Association (ORTAFA) towards establishment of O.R ambo Farmers Council which is an umbrella body of all farmers associations
- Partnered with other stakeholders, O.R Tambo mechanization centre is being established under Ntinga's custodianship
- Establishment of Mpondoland Cannabis Belt Council made of 5 LMs from O.R Tambo and 3 LMs from Alfred Nzo as co-ordinating body for cannabis development.

Forestry Development

- Partnership with Nyandeni LM, Nyandeni Traditional Leaders, and SAPPI for expansion of forestry development activities.

Co-operative Support Program

- Supported 56 cooperatives across the district

District economy growth programs

- The DM collaborated with Nyandeni LM to host the Investment summit in September 2023 as part of resource mobilization drive.
- Small town revitalization program is being revived to uplift the face of our small towns, and currently, the program is implemented at Mhlontlo LMs by COGTA, collaborating with DM and Mhlontlo LM

Spatial Planning:

- Facilitated the signing of the Service Level Agreement (SLA) between Caguba Community Property Association (CPA) and PSJ LM.
- This paved a way for the start of a Township Establishment project on the PSJ Old Military Base (Erf 646), which aims to develop a mix-use development of about 1000 sites that will serve as an extension of PSJ town.
- Assisted Ingquza Hill and KSD with Precinct Plans
- Re-establishment of Municipal Planning Tribunals (MPTs).

- All LMs have chosen their MPT types and are in a process of re-establishment.

Tourism

- **Tourism Experiences in the District:** 14 Waterfalls, 27 beaches, 05 Nature Reserves-, Hiking Trail (Wild Coast Hiking trail 165km, Adventure, Boat Cruise, Culture – Heritage-historical and museums, Events, meetings& conferences /Hospitality and lighthouses
 - **Tourism Development:** Policy Development, Product Developments.
 - **Tourism Education and Awareness:** Tourism Awareness Campaigns (School Competition, Road show and Events promotion).
 - **Tourism Marketing:** Marketing Programs such as brochures, Maps, trade shows, websites and social media platforms.
 - **Regional Tourism Organization (RTO) District Tourism Organization (DTO) and Local Tourism Organizations (LTO):** assistance tourism related associations such as crafters, Tourists guides, Community, Tourism Forums, Accommodation, Business Chamber and NAFCOC (Hospitality).

2.4.3 KPA 3: Financial Viability and Management Budget and Reporting

- Adopted a funded budget for 2023-2024.
- Monthly section 71, section 52d reports submitted within the legislated periods.
- mSCOA Steering committee resuscitated and sits at least once a quarter.

Annual Financial Statements and Reconciliations

- Preparation and completion of AFS and consolidated AFS
- Submission of adjusted AFS subsequent to elimination of material misstatements

Supply Chain Management

- Reviewed SCM policy in line with the revised PPPFA
- Reduced irregular expenditure in the 2022/23 financial year
- Standardisation of prices for repetitive services.
- Draft price index developed to be fully introduced
- All SCM practitioners have signed declaration of interest forms
- Review of the Standard Operating Procedure for SCM

Revenue Management

- Implementation of Easypay services for customers to make payments at the supermarkets (Pick n Pay, Shoprite, Boxer Superstores, Ok Furnisher shop)
- Peri Urban Community Engagements have been completed
- RDP billing awareness is in progress

Expenditure Management

- Standard operating procedures developed for both payments and payroll
- Grant expenditure invoices paid within 30 days

Asset Management

- Developed a GRAP Compliant Infrastructure and Non-Infrastructure Asset registers.
- 100% Verification of the Asset that still in the Work in Progress (WIP) register

2.4.4 KPA 4: Good Governance and Public Participation

Intergovernmental Relations

- Strengthened both internal and external communications
- Recognition of Comms unit at the National Communicators Forum
- Development of IGR Framework
- Establishment of IGR Clusters

Risk Management and anti-corruption

- Risk Management Policy & Strategy reviewed and adopted
- Risk management is aligned with performance management
- Risk Management Committee established and functional
- Developed and Anti-Fraud and Corruption Plan

Integrated Development Planning and Performance Management

- IDP, PMS & Budget Process Plan adopted for the 2024/25 IDP and Budget Review
- Reviewed and adopted PMS Policy/Framework
- Section 54 & 56 managers signed performance agreements

- Quarter one informal performance evaluations conducted.

Legal Services

- Litigation’s register is updated on a regular basis
- Strategy to ensure reduction in litigation cases

Internal Audit

- Developed Annual & 3-year Risk Based Internal Audit Plan
- Provide internal audit support services to LMs and Ntinga
- Audit committee members appointed for another 3 years
- Management Audit Action Plan developed

Whippery

- Coordination of whippery caucuses
- Whippery outreach programmes and constituency work

Public Participation and Petitions

- Strengthened public participation through various programmes championed by the Speaker

Policy and Research Coordination

- Coordinated development and review of institutional policies

- Support research initiatives within the district

Council and Committees

- Convened SODA
- Council functional and sits as per council calendar
- MPAC functional and has addressed the previous year’s backlogs
- All section 79 portfolio committees functional

Executive Support

- Engagements with sectors
- District initiation forum conducts awareness’s in order to reduce fatalities
- Mayoral imbizos on service delivery issues

Audit outcomes

Name of the Municipality	2019/2020	2020/2021	2021/2022	2022/2023
KSD LM	Qualification	Qualification	Unqualified	Unqualified
Mhlonlo LM	Qualification	Unqualified	Qualification	Qualification
Ingquza Hill LM	Disclaimer	Qualification	Qualification	Qualification
Nyandeni LM	Unqualified	Unqualified	Unqualified	Qualification
PSJ LM	Qualification	Unqualified	Qualification	Qualification
O. R. Tambo LM	Qualification	Qualification	Qualification	Unqualified

2.4.5 KPA 5: Municipal Transformation and Institutional Development

- Council approved the reviewed organisational structure after some extensive consultation across all sectors of the organisation.
- Organisational structure implementation plan developed.
- Placement policy approved by council.
- Employment Equity Plan reviewed and approved by council.
- Skills development and employment equity committee in place and functional.
- Developed IPMS policy and introduced performance plans for managers.
- Minimum service agreement concluded to include disaster as an essential service
- HR related policies reviewed and approved by council
- Appointed a service provider to do network infrastructure upgrade and for configuration and installation of document management system
- Municipal website under development.
- Procured two (2) physical servers to increase infrastructure capacity and performance.
- File plan developed and records management policy under review

- Service provider appointed to address lack of storage as well as digitisation.
- Procured fleet management system with dash cam

CHAPTER 3: DEVELOPMENT PLANS

- District Development Plan
- Spatial Development Framework
- Local Economic Development
- Housing Sector Plan
- Water Service Development
- Integrated Waste Management Plan
- Environmental Management Plan
- Air Quality Management Plan
- Disaster and Risk Management Plan
- Integrated Transport Plan

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

Draft planned projects / programs for 2024-2025 financial year

4.1 KPA 1: Basic Service Delivery and Infrastructure

Department	Priority Area	Strategic Objective	Project	Annual Targets		
				Annual Targets 2024/2025	Annual Targets 2025/2026	Annual Targets 2026/2027
Infrastructure, Water & Sanitation (IWS)	Water Sanitation Services &	1. To provide reliable (quality) water, sanitation, energy and digital services	P001 Water Quality	92%	92%	92%
Infrastructure, Water & Sanitation (IWS)			P002 Effluent Quality	72%	72%	72%
Budget & Treasury Office (BTO)			P003 Free Basic Services	1	1	1
Infrastructure, Water & Sanitation (IWS)		2. To expedite the reduction of water and sanitation backlogs	P004 Access to water services	1000	1250	1500
Infrastructure, Water & Sanitation (IWS)			P005 Access to sanitation services	10000	10000	10000
Infrastructure, Water & Sanitation (IWS)			P006 Water Carting	20	20	20
Infrastructure, Water & Sanitation (IWS)	P007 VIP Sludge Management		3500	4000	5000	
Infrastructure, Water & Sanitation (IWS)	Operations Maintenance &		P008 Maintenance of existing water treatment works	18	16	16
Infrastructure, Water & Sanitation (IWS)			P009 Maintenance/Refurbishment of stand-alone schemes	40	40	40
Infrastructure, Water & Sanitation (IWS)			P088 Water Contracts	15	15	15

Department	Priority Area	Strategic Objective	Project	Annual Targets		
				Annual Targets 2024/2025	Annual Targets 2025/2026	Annual Targets 2026/2027
Infrastructure, Water & Sanitation (IWS)	Water & Sanitation Services		P088 Sanitation Contracts	11	11	11
Infrastructure, Water & Sanitation (IWS)	Water Losses	3. To reduce water losses and non-revenue water	P010 Water Conservation and Demand Management	15	10	10
Infrastructure, Water & Sanitation (IWS)	Call Centre Management	4. To improve response time to complaints raised at the call center	P011 Customer Care	100%	100%	100%
Infrastructure, Water & Sanitation (IWS)	Roads and Transport	5. To coordinate IGR Structures and intervene in the implementation of transport, roads and electricity	P012 Roads Asset Management Program	4	4	4
Infrastructure, Water & Sanitation (IWS)	Facilities Management	6. Provision of new and maintenance of municipal facilities	P013 Building Condition Assessment	N/A	1	1
Infrastructure, Water & Sanitation (IWS)			P014 Facility Management plan	N/A	N/A	N/A
Infrastructure, Water & Sanitation (IWS)			P015 Building Maintenance	3	5	6
Infrastructure, Water & Sanitation (IWS)			P016 District Disaster Management Centre	4	4	4
Infrastructure, Water & Sanitation (IWS)	Integrated Human Settlements	7. Coordination and Provision of Sustainable integrated Human Settlement	P017 Emergency Housing	258	N/A	N/A
Infrastructure, Water & Sanitation (IWS)	Integrated Human Settlements		P018 Human Settlements Strategy reviewed	N/A	N/A	N/A
Infrastructure, Water & Sanitation (IWS)	Integrated Human Settlements		P019 Housing Sector Plans	1	1	1

Department	Priority Area	Strategic Objective	Project	Annual Targets		
				Annual Targets 2024/2025	Annual Targets 2025/2026	Annual Targets 2026/2027
Infrastructure, Water & Sanitation (IWS)	Integrated Human Settlements		P020 Social Relief	2	1	1
Community Services	Community Safety	8. To facilitate support in improving safety and crime reduction within the district	P021 Safety & Crime Prevention Initiatives	24	20	20
Community Services	Community Safety			1	N/A	N/A
Community Services	Community Safety			4	4	4
Community Services	Municipal Health Services	9. To provide quality municipal health services to the population of the district	P022 District Municipal Health & Environmental Plan	11	11	11
Community Services	Municipal Health Services			1	N/A	N/A
Community Services	Disaster Risk Management & Fire Services	10. Promote sustainable livelihood and climate change adaptation by improving community resilience to disaster risks	P023 Disaster Impact Assessment and Relief	100%	100%	100%
Community Services	Disaster Risk Management & Fire Services		P024 Compliance with Structural Fire Incidents	100%	100%	100%
Strategic Planning & Governance	Children & Education	11. To improve the well-being of vulnerable groups and general welfare of O.R Tambo communities	P025 Social Cohesion Programmes	40	50	60
Strategic Planning & Governance	National & International Icons Celebrations		P026 National and International Icons celebration (Nelson Mandela month, OR Tambo month, Youth month etc.)	8	8	8

4.2 KPA 2: Local Economic Development

Department	Priority Area	Strategic Objective	Project	Annual Targets		
				Annual Targets 2024/2025	Annual Targets 2025/2026	Annual Targets 2026/2027
Economic Planning & Development	Rural Development (spatial planning of the region)	1. To assist municipalities enhance land use management & spatial planning to respond to socio-economic issues.	P027 Spatial Development Framework	4	2	2
Economic Planning & Development	Rural Development (spatial planning of the region)		P028 SPLUMA	5	5	6
Economic Planning & Development	Agricultural Development, Agro-Processing and Food Security	2. To boost agricultural contribution, agro-processing and food security.	P029 Agriculture and Agro-Processing Partnerships Programs	16	8	6
Economic Planning & Development	Investment Promotion, Economic Infrastructure Development, and Economic Planning & Research	3. To Promote Investment, Economic Infrastructure Development, and Economic Planning & Research	P031 District Economy Growth Programmes		4	4
Economic Planning & Development	Enterprise and Co-operatives Development	4. To provide Support to Entrepreneurs, Co-operatives, SMMEs and Create Employment Opportunities	P032 Informal Trade, Enterprises, Cooperatives and SMME's Support	18	18	20
Community Services	Environmental and Waste Management	5. To promote a safe and healthy environment through compliance with environmental regulations	P033 Regional Recycling	16	16	16
Community Services	Environmental and Waste Management		P034 Environmental Management	20	18	18
Community Services	Environmental and Waste Management		P035 Environmental Impact Assessment Screening	80	80	80

Department	Priority Area	Strategic Objective	Project	Annual Targets		
				Annual Targets 2024/2025	Annual Targets 2025/2026	Annual Targets 2026/2027
Economic Planning & Development	Rural Development (Tourism development and marketing)	6. To promote tourism development in the district	P036 Tourism Development	36	36	36
Strategic Planning & Governance	Job Creation	7. To create employment opportunities and grow the district economy	P037 Public Employment Programmes	6000	4000	4000

4.3 KPA 3: Financial Viability and Management

Department	Priority Area	Strategic Objective	Project	Annual Targets		
				Annual Targets 2024/2025	Annual Targets 2025/2026	Annual Targets 2026/2027
Budget & Treasury Office (BTO)	Revenue Management	1. To effectively and efficiently manage and grow the district municipality's revenue through a mix of revenue management, enhancement and protection strategies	P038 Collection Rate	71%	71%	95%
Budget & Treasury Office (BTO)			P039 Cost coverage	1-3 months	1-3 months	1-3 months
Budget & Treasury Office (BTO)			P041 Cash Investment	R23 Million	R24.8 million	R14 Million
Budget & Treasury Office (BTO)			P042 Debt Coverage	R 0	R 0	R 0
Infrastructure, Water & Sanitation (IWS)	Expenditure Management	2. To improve the internal control environment and enhance efficiencies in expenditure business processes	P043 Capital Budget	100%	100%	100%
Budget & Treasury Office (BTO)			P044 Payments	100%	100%	100%
Budget & Treasury Office (BTO)	mSCOA Implementation	3. To achieve mSCOA compliance by the district	P045 mSCOA	12	12	12

Department	Priority Area	Strategic Objective	Project	Annual Targets		
				Annual Targets 2024/2025	Annual Targets 2025/2026	Annual Targets 2026/2027
		municipality in line with the National Treasury Regulations and Guidelines				
Budget & Treasury Office (BTO)	Credible Annual Financial Statements	4. To submit credible Annual Financial Statements to the Auditor General by 31 August on an annual basis	P046 Annual Financial Statements	2	2	2
Budget & Treasury Office (BTO)	Supply Chain Management	5. To ensure the effective implementation of demand management, acquisition management, contract management, supplier performance management and SCM risk management	P047 Supply Chain Management	100%	100%	100%
Budget & Treasury Office (BTO)	Budget management	6. To ensure that the annual budget planning and preparation is sustainable, credible, funded and mSCOA compliant	P048 mSCOA compliant Budget	3	3	3
Budget & Treasury Office (BTO)	Asset Management	7. To achieve the required level of service in the most cost-effective manner through the efficient management of the municipality's assets	P049 GRAP Compliant Asset Registers	4	4	4

4.4 KPA 4: Good Governance and Public Participation

Department	Priority Area	Strategic Objective	Project	Annual Targets		
				Annual Targets 2024/2025	Annual Targets 2025/2026	Annual Targets 2026/2027
Strategic Planning & Governance	Public Participation	1. To instil good governance and strengthen public participation through effective communication between municipalities and communities	P050 Mayoral Committee Operations	11	11	11
Strategic Planning & Governance	Public Participation		P051 Sector Engagements	16	16	16
Strategic Planning & Governance	Political Stability		P052 Whippery Programmes	90	83	83
Strategic Planning & Governance	Political Stability		P053 Chief Whip's Operations	4	4	4
Strategic Planning & Governance	Political Stability		P090 Speakers Operations	4	4	4
Strategic Planning & Governance	Public Participation	2. To ensure effective community participation and compliance to legislation	P054 Public Participation	25	20	20
Strategic Planning & Governance	Municipal Oversight	3. To instil good governance in all municipal operations and strengthen relations with stakeholders	P055 Municipal Oversight Model	40	40	40
Strategic Planning & Governance	Compliance with Legislation		P056 Council Operations	88	88	88
Strategic Planning & Governance	Risk Management & Fraud Prevention		P057 District Fraud & Corruption Hotline	N/A	N/A	N/A

Department	Priority Area	Strategic Objective	Project	Annual Targets		
				Annual Targets 2024/2025	Annual Targets 2025/2026	Annual Targets 2026/2027
Strategic Planning & Governance			P091 District Fraud & Corruption Awareness's	4	4	4
Strategic Planning & Governance			P058 Annual Risk & Fraud Implementation Plan	2	2	2
Strategic Planning & Governance			P059 Risk Follow Ups	4	4	4
Strategic Planning & Governance			Inter-governmental Relations	P060 Intergovernmental Relations	32	32
Strategic Planning & Governance	Communications	4. To ensure effective, well-coordinated and integrated district wide communication	P061 Communication Initiatives	20	20	20
Strategic Planning & Governance	Strategic Planning	5. To ensure a district wide coordination of planning, implementation, monitoring and evaluation of the IDP	P062 IDP, PMS & Budget development/review phases	1	1	1
Strategic Planning & Governance	Performance Management		P063 Institutional Performance Reports	7	7	7
Strategic Planning & Governance	Performance Management		P064 Performance Evaluations	2	2	2
Strategic Planning & Governance	Policy, Research & Development	6. To promote innovative municipal research and development to support evidence-based planning, policymaking	P065 Municipal Research	2	2	2
Strategic Planning & Governance			P066 Policy Development	2	2	2

Department	Priority Area	Strategic Objective	Project	Annual Targets		
				Annual Targets 2024/2025	Annual Targets 2025/2026	Annual Targets 2026/2027
		and enhance decision-making.				
Corporate Services	Legal Services	7. To ensure compliance with legislation, policies, regulations and to minimise exposure to avoidable litigations	P067 Litigations	25%	25%	25%
Strategic Planning & Governance	Improved municipal administration	8. To improve audit opinion	P068 Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Clean Audit Opinion
Internal Audit	Improved municipal administration		P069 Audit Findings Follow-ups	4	4	4
Internal Audit	Improved municipal administration		P070 Audit Committee Operations	6	6	6
Internal Audit	Improved municipal administration		P071 Internal Audit Support	3	3	3
Internal Audit	Improved municipal administration		P072 Internal Audit Plans	3	3	3
Internal Audit	Improved municipal administration		P073 Institutional Audits	20	20	20

4.5 KPA 5: Municipal Transformation and Institutional Development

Department	Priority Area	Strategic Objective	Project	Annual Targets		
				Annual Targets 2024/2025	Annual Targets 2025/2026	Annual Targets 2026/2027
Corporate services	Human Resource Development	1. To achieve equity and diversity and EE compliance in the workplace	P074 Employment Equity Plan Reporting	1	1	1
Corporate services	Human Resource Management		P075 Recruitment and Selection	100%	100%	100%
Corporate services	Human Resource Development	2. To ensure a well-trained, motivated and professional workforce	P076 Workplace Skills Plan (WSP) Budget and implement	1	1	1
Corporate services	Human Resource Management	3. To provide effective and efficient human resources and integrated corporate administration support	P077 Leave Management	9	8	8
Corporate services	Human Resource Management		P092 Employee Costs Reduction	5	4	4
Corporate services	Employee Health & Wellness		P078 EAP & OHS Programmes	10	10	10
Corporate services	ICT Enhancement (District Wide)		P079 ICT Risk Assessment	1	1	1
Corporate services			P080 ICT Annual Plan	4	4	4
Corporate services	Labour Relations		P082 Industrial Relations Audits	4	4	4
Corporate services	Labour Relations		P083 Collective Bargaining	23	23	23
Corporate services	Records & Archives Management		P084 Records Management	N/A	1	1

Department	Priority Area	Strategic Objective	Project	Annual Targets		
				Annual Targets 2024/2025	Annual Targets 2025/2026	Annual Targets 2026/2027
Corporate services	Records & Archives Management		P085 Records Management	4	4	4
Corporate services	Organisational Development		P086 Organisational Structure Review	0	1	1
Corporate services	Organisational Development		P087 Change Management	4	4	4
Corporate services	Individual Performance Management		P093 Individual Performance Management	5	4	4
Corporate services	Fleet Management		P094 Fleet Management	7	7	7

CHAPTER 5: FINANCIAL PLAN

The Draft Municipal Budget for the 2024-25 financial year is prepared in accordance with section 21 Chapter 4 of the Municipal Finance Management Act, Act No.56 of 2003 and the MFMA Circulars, including circular 122 and 123. Section 16 of the Municipal Finance Management Act No. 56 of 2003, indicates that:

- The council of the municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

- In order for a municipality to achieve compliance with subsection (1); the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of that budget year.
- The 2024-25 Draft Budget will be presented as the next item

5.1 Revenue

ACCOUNT DESCRIPTION	ORIGINAL BUDGET 2023/2024	ADJUSTED BUDGET FEBRUARY 2024	DRAFT BUDGET 2024/2025	BUDGETED 2025/2026	BUDGETED 2026/2027
Service charges	407,350,858	407,350,858	423,336,179	438,651,051	454,479,111
Service charges Peri Urban	3,790,800	3,790,800	3,975,710	4,158,593	4,349,888
Interest earned - Investments and Debtors	52,030,000	62,530,000	63,294,770	66,206,329	69,251,821
Transfers and subsidies - Operating	1,182,672,216	1,182,792,216	1,200,364,500	1,266,451,627	1,339,032,316
Transfers and subsidies - Capital	1,190,908,557	1,111,610,557	1,326,964,000	1,542,145,000	1,309,026,000
Other revenue	128,776,490.00	128,776,490	230,555	241,161	252,013
TOTAL REVENUE	3,004,089,225	2,935,411,225	3,018,165,715	3,317,853,761	3,176,391,148

Revenue is anticipated to increase by **2.82%** or **R82.7 million** for the 2024/25 financial year when compared to the 2023/24 Adjustments Budget. For the two outer years, revenue will increase by 9.93 and decrease by 4.26% respectively.

Revenue from Grants

Revenue comprises of 85 percent of government grants and transfers recognized being:

- Equitable share – R1.1 billion
- Finance Management Grant – R2 million
- Extended Public Works Program – R3.8 million
- Municipal Infrastructure Grant – R727.5 million.
- Water Services Infrastructure Grant – R100 million
- Regional Bulk Infrastructure Grant – R291.1 million
- Emergency Housing Grant – R205 million
- LGSETA Grant – R524 500.00
- Rural Roads Asset Management – R3.2 million

Own Revenue

Service Charges of 13 percent being: -

- Water and Sanitation - R423.3 million
- Water Services Charges Peri Urban R3.9 million

Interest received of 2 percent being: -

- Interest received from investments – R40.5 million
- Interest received from debtors – R22.7 million

Other own revenue being: -

- Agency fees- R230 555

For the MTREF, gross revenue for services charges amounts to R450.1 million, R466.6 million and R483.7 million respectively. The anticipated debt impairment for 2024/25 MTREF amounts to R107.5 million, R112.4 million and R117.5 million respectively. Resulting in the anticipated collections being R342.5 million, R354.1 million and R366.2 million. The proposed tariff increases for 2024/25 is 4.9% and 4.6 in the two outer years. Peri-urban will be charged a flat rate.

Tariffs

Item	Proposed Tariff		
	2024/25	2025/26	2026/27
SERVICE CHARGES – BASIC WATER			
Domestic/Residential	R62.08	R67.94	R67.92
Business	R109.23	R114.25	R119.51
Government Institutions/ Schools/ Hospitals	R175.52	R183.59	R192.04
SERVICE CHARGES – SEWER			
Domestic/Residential	R105.66	R110.52	R115.60
Business	R210.14	R219.81	R229.92
Government Institutions/ Schools/ Hospitals	R349.28	R365.35	R382.16

Operating Revenue

ACCOUNT DESCRIPTION	ORIGINAL BUDGET 2023/2024	ADJUSTED BUDGET 2023/2024	DRAFT BUDGET 2024/2025	BUDGETED 2025/2026	BUDGETED 2026/2027
Employee related costs	734,317,821.38	734,317,821.38	770,299,394.63	805,733,166.78	841,991,159.28
Remuneration of councillors	25,513,520.80	25,513,520.80	26,763,683.32	27,994,812.75	29,254,579.32
Debt impairment	127,507,623.84	127,507,623.84	107,507,623.84	112,452,974.54	117,513,358.39
Depreciation & asset impairment	176,000,000.00	169,000,000.00	171,000,000.00	178,866,000.00	186,914,970.00
Bulk purchases/Inventory consumed	55,000,000.00	50,000,000.00	50,000,000.00	52,300,000.00	54,653,500.00
Contracted services	146,826,537.70	142,521,816.56	132,101,347.56	138,178,009.55	144,396,019.98
Transfers and subsidies	78,113,214.92	82,531,984.15	77,514,592.85	81,080,264.12	84,728,876.01
Other Material	27,500,000.00	36,428,746.40	36,428,746.40	38,104,468.73	39,819,169.83
Other expenditure	276,609,741.35	286,006,947.86	260,316,275.20	244,944,868.40	233,277,387.48
TOTAL EXEPENDITURE	1,647,388,459.98	1,653,828,460.98	1,631,931,663.80	1,679,654,564.87	1,732,549,020.29

Operating expenditure is projected to decrease by R21.8 million being 1 percent for the 2023/24 financial year when compared to adjustment budget. For the two outer years, operational expenditure will increase by 3 percent, in 2025/26 and increase by 3 percent in 2026/27. Employee costs is projected to increase by R35.9 million which is 5 percent more from the adjustment budget. This is mainly due to the projected 4.9% increment and prioritized posts. Then subsequently increase for the outer years is 4.6%.

Remuneration to Councilors will increase by R1.2 million which is 5% as compared to adjustment budget this is to cater for the upper limits for the remuneration of councilors. Employee related costs in this draft constitute 47% of the total operating expenditure. This is above the norm of 25% to 40% of total operation expenditure.

5.2 Repairs & Maintenance

3. REPAIRS AND MAINTENANCE					
BUILDINGS & INSTALLATIONS	2,500,000.00	3,110,000.00	3,110,000.00	3,253,060.00	3,399,447.70
SURVELLAINCE EQUIPMENT MAINTENANCE	150,000.00	150,000.00	150,000.00	156,900.00	163,960.50
IT EQUIPMENT REPAIRS	-	50,000.00	50,000.00	52,300.00	54,653.50
SEWERAGE TREATMENT WORKS	3,000,000.00	-	-	-	-
SEWERAGE PUMP STATIONS	3,000,000.00	174,057.50	174,057.50	182,064.15	190,257.03
WATER PUMP STATIONS	3,000,000.00	669,596.60	669,596.60	700,398.04	731,915.96
SUPPORT TO STRATEGIC ROADS	2,000,000.00	1,500,000.00	1,500,000.00	1,569,000.00	1,639,605.00
MATERIALS AND STORES	10,000,000.00	15,630,403.40	15,630,403.40	16,349,401.96	17,085,125.04
VIP SLUDGE SUCKING	5,000,000.00	5,000,000.00	5,000,000.00	5,230,000.00	5,465,350.00
SPRING PROTECTION	2,000,000.00	2,000,000.00	2,000,000.00	2,092,000.00	2,186,140.00
TOOLS & EQUIPMENT	-	-	-	-	-
MAINTENANCE OF PIPE LEAKS	5,000,000.00	-	-	-	-
REPAIR OF ELEMENTS ON TREATMENT WORKS	30,342,000.00	8,342,000.00	6,342,000.00	6,633,732.00	6,932,249.94
SEALING OF RESERVOIRS	1,000,000.00	1,000,000.00	1,000,000.00	1,046,000.00	1,093,070.00
MOTOR VEHICLES	2,400,000.00	4,400,000.00	4,400,000.00	4,602,400.00	4,809,508.00
GENERATORS					
TOTAL REPAIRS & MAINTENANCE	69,392,000.00	42,026,057.50	40,026,057.50	41,867,256.15	43,751,282.67

Capital Expenditure

DESCRIPTION	ORIGINAL BUDGET 2023/2024	ADJUSTED BUDGET FEBRUARY 2024	DRAFT BUDGET 2024/2025	BUDGETED 2025/2026	BUDGETED 2026/2027
CAPITAL EXPENDITURE	1,266,106,018	1,184,258,018	1,384,811,461	1,422,883,444	1,562,722,674

Capital expenditure increased by R200.5 million as compared with adjustment budget resulting in 17% increase. The increase is informed by DoRA allocation.

CHAPTER 6: SERVICE DELIVERY PROGRAMMES & PROJECTS FOR 2024/25 FINANCIAL YEAR

6.1 MIG PROJECT IMPLEMENTATION PLAN

Local Municipality	Project Title	Ward and Villages	Registered MIG Funds	2024-2025 Allocation
WATER PROJECTS				
Ingquza Hill LM	Lusikisiki Water Supply	Lusikisiki Town	9,625,730	R 200,000
Ingquza Hill LM	Refurbishment of Flagstaff Regional Water Supply	Flagstaff Town, Ludiwana	118,673,162	R 50,000,000
King Sabatha Dalindyebo LM	Coffee Bay Regional Water Supply scheme 3B	Ward 23 Villages (Now 24 &25)	104,594,808	R 34,800,000
King Sabatha Dalindyebo LM	Coffee Bay Regional Water Supply scheme 3C	Ward 23 Villages (Now 24 &25)	126,312,718	R 43,000,000
King Sabatha Dalindyebo LM	Extension of Upper Mhlahlane Water Supply	Ward 15,31 & 34 to supplement the Upper Mhlahlane Villages	224,775,681	R 20,000,000
King Sabatha Dalindyebo LM	Lukhwethu RWS	Ward 19,35,28	345,540,588	R 34,000,000
Mhlontlo LM	Sidwadweni Water Supply Phase 5 Remainder	Bulembu, Bhongweni, Balasi	203,961,738	R 50,000,000
Mhlontlo LM	Sidwadweni Water Supply Phase 5B Remainder	Bulembu, Bhongweni, Balasi	584,922,342	R 40,000,000
Mhlontlo LM	Mvumelwano Regional Water Supply Planning Phase		23,704,835	R 15,000,000
Nyandeni LM	Rosedale Extension to Libode Water Supply - village reticulation	Bhukwini, Dalaguba, Didi	256,482,994	R 5,000,000
Nyandeni LM	Ntsonyeni Ngqongweni Regional Water Supply Scheme Phase 2A	Darhana, bakaleni, Bholani	970,117,805	R 73,320,536
Nyandeni LM	Dumasi Regional Water Supply	Bantingville, mandlovini, Maqanyeni	366,503,193	R 81,000,000

Local Municipality	Project Title	Ward and Villages	Registered MIG Funds	2024-2025 Allocation
Port St Johns LM	Port St Johns Regional Water Supply Scheme Phase 6	PSJ Ward 12	63,660,359	R 10,000,000
DRY SANITATION (VIP) PROJECTS				
Mhlontlo LM	Mhlontlo Ward 17 Sanitation	Mhlontlo Ward 17	13,580,279	R 4,200,000
Nyandeni LM	Nyandeni Ward 12 Sanitation	Nyandeni Ward 12	14,363,982	R 7,181,991
Nyandeni LM	Nyandeni Ward 5 Sanitation	Nyandeni Ward 5	23,228,524	R 5,000,000
Ingquza Hill LM	Ingquza Ward 6 Phase 2	Ingquza Ward 6	11,631,275	R 11,631,275
KSD LM	KSD Ward 16 Phase 2	KSD Ward 16	17,819,060	R 17,819,060
KSD LM	KSD Ward 20 Phase 3	KSD Ward 20	34,826,154	R 34,826,154
Mhlontlo LM	Mhlontlo Ward 11 Phase 2	Mhlontlo Ward 11	18,927,031	R 18,927,031
Mhlontlo LM	Mhlontlo Ward 14 Phase 2	Mhlontlo Ward 14	20,870,658	R 20,870,658
Nyandeni LM	Nyandeni Ward 28	Nyandeni Ward 28	26,777,922	R 26,777,922
Nyandeni LM	Nyandeni Ward 31	Nyandeni Ward 31	11,396,875	R 11,396,875
Nyandeni LM	Nyandeni Ward 32	Nyandeni Ward 32	12,503,045	R 12,503,045
PSJ LM	PSJ Ward 12 Phase 2	PSJ Ward 12	25,293,437	R 25,293,437
WATERBOURNE SANITATION PROJECTS				
Ingquza Hill LM	Flagstaff sewer and sewerage reticulation Phase 3	Greater Flagstaff	69,349,748	R 52,197,750
Ingquza Hill LM	Lusikisiki Sewers & Wastewater Treatment Works Phase 2	ward 15	136,760,000	R 20,000,000
King Sabatha Dalindyebo LM	Ncambedlana Sewer	Ncambedlana	66,463,972	R 10,000,000
Nyandeni LM	Libode Sewer - Phase 2	Libode Town	226,967,325	R 25,000,000

Local Municipality	Project Title	Ward and Villages	Registered MIG Funds	2024-2025 Allocation
Port St Johns LM	Port St Johns Wastewater Treatment Works Upgrade	PSJ	246,693,151	R 10,000,000
Ingquza Hill LM	Flagstaff Sewers and Sewage Facility	Flagstaff Town	73,445,578	R 19,474,712
Mhlontlo LM	Upgrading of the Tsolo Town Sewer Reticulation	Tsolo Town	120,543,988	R 10,000,000
Mhlontlo LM	Qumbu Wastewater Treatment Plant and reticulation	Qumbu Town	85,342,243	R 30,000,000
Nyandenini LM	Ngqeleni Wastewater Treatment Plant and Conveyances -Planning	Ngqeleni Town	5,210,174	R 500,000
				R 23,871,304

6.2 REGIONAL BULK INFRASTRUCTURE GRANT (RBIG) - 2024-2025 PLANNED PROJECTS

PROJECT DESCRIPTION	NAME OF THE LM	CONTRACT VALUE/ESTIMATE
10ML Megacom & Maydene Farms Reservoirs	Nyandeni	R 14,000,000.00
10ML Misty Mount Reservoir	Nyandeni	R 26,021,243.60
Highbury WTW: Stage 2 (Civils)	KSD LM	R 82,422,756.40
Highbury / Mthatha Dam Raw Water Pstn (Civil)	KSD LM	R 35,000,000.00
Highbury WTW (M&E)	KSD LM	R 10,000,000.00
Nqandu (3 contracts)	KSD / Mhlontlo	R 80,000,000.00
Upgrade of Thornhill WTWto115ML/DAY	KSD	R 70,000,000.00
		R 317,444,000.00

6.3 WATER SERVICES INFRASTRUCTURE GRANT 2024-2025: PLANNED PROJECT LIST

No	Local Municipality	Project Name	Project Type (water, sanitation etc.)	Budgeted Cost	Project
1	Ingquza Hill	Arthur Homes Water Supply	Water	R 13,304,000.00	
2	Mhlontlo	Sikwayini Rural Water Supply Phase 2	Water	R 4,083,145.42	
3	Mhlontlo	Mthonjeni/Engxangasini Water Supply	Water	R 12,000,000.00	
4	Mhlontlo	Nyandeni Village Water Supply	Water	R 10,000,000.00	
5	Nyandeni	Nyandeni Ward 25 Water Supply Phase 2	Water	R 9,950,116.99	
6	Ingquza Hill	Gabanjaba Water Supply	Water	R 17,153,365.68	
7	PSJ	Ngxongweni Water Supply	Water	R 2,500,000.00	
8	Ingquza Hill	Mbono Water Supply and Surroundings	Water	R 2,000,000.00	
9	Ingquza Hill	Magwa - Hombe Water Supply and Surroundings	Water	R 2,500,000.00	
10	PSJ	Ngqwaleni Water Supply	Water	R 2,000,000.00	
11	ORTDM	Ground Water Development9 All 5 LMs)	Water	R 23,582,485.38	
12	KSD	Water Conservation and Demand Management	Water	R 9,988,793.00	
13	KSD	Refurbishments of Sewage Infrastructure in KSD	Sanitation	R 5,424,624.39	
14	KSD	Refurbishment of Mthatha New B Pump Station / Refurbishment of Mthatha WWTW	Sanitation	R 15,513,469.14	
		TOTAL ESTIMATED COST		R 130,000,000.00	

Projects from other sector departments will be collated during phase 4 of the IDP and Budget review process.



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27 March 2024

RESOLUTION EXTRACT OF THE ORDINARY COUNCIL MEETING HELD ON WEDNESDAY, 27 MARCH 2024

AGENDA ITEM : 9.1

REPORT TITLE: DRAFT IDP 2024/25

The Council Resolved –

1. **To Note** the Draft 2024-2025 Reviewed Integrated Development Plan.

**MR. B.P. MASE
MUNICIPAL MANAGER**

**CLLR. N.Y. CAPA
COUNCIL SPEAKER**