

To: Amathole District Municipality – Executive Mayor - Mr Anele Ntsangani,
CC: Amathole District Municipality IDP Manager
idpcomments@amathole.gov.za.

Submission for the prioritisation of service delivery concerns of wards 18, 19 and 28 in Mbhashe local municipality in the Amathole District municipality IDP review.

21 April 2023

Dear Mr Anele Ntsangani, Executive Mayor, Amathole District Municipality

1. This submission is made on behalf of the Mncwasa Water Scheme Community Advisory Committee constituting Vuyolwethu Jaxa on behalf of the Elliotdale Stakeholders Forum; Councillor Phumelele Methu of Ward 19, Councillor Phumzile Msaro of Ward 28 and Councillor Lungisa Mahobe of Ward 18; Community Development Worker, Vuyisa Malangeni; and the Nosintu Gwebindlala Foundation; Viva con Agua; and the Equality Collective] (together ‘the parties’).
2. Together we undertake projects in the Amathole District Municipality (ADM) jurisdiction focused on the right to water and serve communities in the ADM region.
3. Together we represent the interests of community members from wards 18, 19 and 28 falling within the Mbhashe Local Municipality within the Amathole District Municipality.
4. Our direct experience concerning water service delivery primarily falls within the supply area of the Mncwasa Water Scheme which supplies water to approximately 33 000 people.
5. We are writing to make a submission to provide input into the Amathole District Municipality review of the Integrated Development Planning (IDP) for 2023/24. By making this submission, we hope to ensure that public participation processes are improved within the municipality; that maintenance expenditure is increased by the Municipality; that clear plans are made to strengthen the planning department within the Municipality; and to ensure that the refurbishment of the Mncwasa Water Scheme is adequately budgeted for.

THE SUBMISSION

6. The submission will deal with five key areas:
 - a. Public participation;
 - b. Water infrastructure maintenance;
 - c. Improving access to free basic water to poor households;
 - d. Planning and managing under expenditure; and
 - e. The Mncwasa Water Scheme.

PUBLIC PARTICIPATION

7. An integral component of the IDP review process is public participation. Public participation is a legal requirement and serves as the key consultative tool that ensures that projects are implemented to meet people-centric service delivery objectives.
8. ADM's public consultation process has been inadequate for the foremost reason that the draft IDP for 2023/24 does not appear to have been published on any of ADM's online platforms. We managed to access this document only through the National Treasury GoMuni website.
9. Of deep concern, and in breach of section 21B of the Local Government Municipal Systems Act, is the fact that the website for the ADM has been down for much of this year.
10. Further, as far as we could see, the public documentation on Facebook does not provide details of where or how submissions can be made to ADM. Further, the date for written submissions has not been clearly communicated to affected communities.
11. **We recommend that ADM:**
 - a. **urgently fix and publish its website;**
 - b. **provide a commitment to improve public participation processes with the communities it serves;**
 - c. **ensure that the draft IDP for 2023/24 is published across its live platforms.**

WATER INFRASTRUCTURE MAINTENANCE AND REPAIRS

12. The Municipality is spending poorly on maintenance and repairs. The draft IDP for 2023/24 does not detail what the maintenance and repairs budget allocation will be for the 2023/2024 year. For the 2022/23 financial year, the repairs and maintenance budget was planned to be 0.27% of the asset carrying value. This is in stark contrast to a National Treasury Circular which requires that municipalities budget for repair and maintenance an annual sum equivalent to a norm of 8% of the 'carrying value' of 'property, plants and equipment (PPE) and investment property'.¹
13. Furthermore, since 2016/17, the ADM has been qualified in its financial audit outcomes for issues related to PPE, which makes it difficult to appropriately manage an asset base.
14. The IDP recognises the allocation for repairs and maintenance is insufficient. While we understand that it may not be feasible to increase the expenditure from 0.27% to 8% of the carrying value of property, plants and investment property immediately, we believe that it is necessary to have a clear plan in place to achieve this goal by x year.
15. The dire financial situation of the municipality is affecting its ability to maintain its existing assets which is negatively impacting on service delivery. **We recommend that this must be remedied over a time with a clear plan in place linked to express timeframes.**

IMPROVING ACCESS TO FREE BASIC WATER TO POOR HOUSEHOLDS

16. As per the local government equitable share formula, the ADM receives funding from the equitable share to provide free basic water (FBW) to approximately 162,922 households.² However, according to the ADM IDP, only 45,045 households are registered as indigents for FBW support. While the equitable share calculation of indigent households is an estimate, the ADM still receives funding for FBW to 162,922 households but are only providing FBW to approximately 28% of this number. As a result, one can confidently assume that there is a large "exclusion error" in identifying indigent households for FBW support in the ADM. In other words, households that

¹ National Treasury, MFMA Circular No. 71 Municipal Finance Management Act No. 56 of 2003 (2014), at p. 4.

² National Treasury, 2023 Local Government Equitable Share Municipal Demonstration Sheet: http://mfma.treasury.gov.za/Media_Releases/LGESDiscussions/Pages/default.aspx

should be receiving FBW are currently not receiving such support. Related to this, on page 263 of the draft IDP for 2023/24, the municipality incorrectly states that '(T)he low level of indigent registration has a negative impact on the level of equitable share allocated to ADM'. This statement is incorrect, as the equitable share subsidy for FBW to indigent households is calculated by a formula and is unrelated to the municipality's own indigent household identification process. Indeed, the ADM is currently receiving funding for the provision of FBW to more households than what it is actually spending on FBW.

17. Exclusion errors can create several issues for the municipality. The primary concern should be that there are several households in the municipality that require social support through the FBW policy but are currently not receiving such support. Given that these households are not recognised as indigent results in such households being charged for the water service. Charging households that cannot afford to pay for water results in an increasing municipal debtor book and contributes to the poor revenue collection across the municipality.
18. We note and commend the ADM for the initiative taken to engage with its local municipal counterparts to align the indigent registers of all the municipalities in the district. This has contributed significantly to increasing the number of households that are registered for indigent support and decreases the exclusion error. We further commend the efforts taken to avoid duplication in the indigent registration process across both the district and the local municipalities. A household should have to register with either the ADM or one of the local municipalities to be considered indigent.
- 19. Related to the point above, we recommend that the ADM engages with the South African Social Security Agency, the Provincial Department of Social Development and the South African Revenue Service to align the databases that inform the roll out of social grants and support from national and provincial government to improve the identification of indigent households within the district municipality.**
- 20. Requiring households to register for indigent status is the "self-identification" approach to poverty targeting. As per the National Framework and Guidelines for the Implementation of Municipal Indigent Policies, there are other targeting methods available to municipalities to identify poor households. We recommend the ADM to use more than one targeting method to improve its ability to identify**

indigent households and should put a plan in place to ensure that all households are identified within a clear timeframe.

PLANNING AND MANAGING UNDER EXPENDITURE

21. In the 2021/22 financial year, ADM lost a sizable amount of money from national grants due to chronic and concerning under expenditure of the Municipal Infrastructure Grant.
22. The planning department within the Municipality must be urgently strengthened to ensure that this does not occur in the upcoming years.
23. **We recommend that a clear plan on how the Municipality will tackle the under-expenditure of the national conditional grants, so as to avoid this issue arising again, be included in the IDP for 2023/24.**

MNCWASA WATER SCHEME

24. We have previously made submissions to ADM on the state of the Mncwasa Water Scheme (the Scheme).
25. We have been working in partnership with the Municipality where we have 33 active volunteers monitoring the Scheme to try and improve its functionality. We share daily, weekly and monthly reports with ADM on the state of the Scheme. We do this with a commitment to support ADM to become better capacitated and responsive to reported incidents and to build a culture of active citizenry in the region.
26. Unfortunately, this year alone we have had 92 days since the Scheme last had water. We know that consultants have recently been appointed and that they have been on site to get the water treatment works up and running again. However, 92 days without water is totally unacceptable and has caused significant hardship for community members.
27. Upon reviewing the ADM IDP, we note that the Mncwasa Water Scheme is listed as a project, funded by the Water Services Infrastructure Grant (WSIG), for a targeted intervention described as a bulk water upgrade and is listed as a 'moderate priority'. This is a welcomed inclusion although we submit it should be listed as a 'high priority'.
28. However, the funding allocated to the project is insufficient to properly refurbish the Scheme. In the 2023/24 financial year at least R6,000,000 is required for the

refurbishment of the Scheme. Currently only R441,304 has been allocated. This amount should be increased to at least R6,000,000.

- 29. We recommend that the IDP for 2023/24 allocates sufficient funds to the refurbishment of the Mncwasa Water Scheme and designates the refurbishment of the Scheme as a 'high priority' issue.**

CONCLUSION

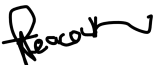
30. In conclusion, we urge the Amathole District Municipality to take our submissions into account. We believe that our recommendations are in line with the vision and mission of the Municipality and that they will contribute to the sustainable provision of services across the district.

31. We appreciate the opportunity to participate in this review process and we look forward to hearing from you soon.

Thank you for your shared commitment to achieving the development goals of our district municipality.

Yours in local development

Sincerely,



Tess Peacock
Director, Equality Collective

Representing the other Mncwasa Water Scheme Advisory Committee Members:

Vuyolwethu Jaxa
**Secretary of the Elliotdale Stakeholders
Forum
Nosintu Gwebindlala Foundation**

Phumzile Msaro
Councillor of Ward 28

Vuyisa Malangeni
Community Development Worker

Lungisa Mahobe
Councillor of Ward 18

Phumelele Methu
Councillor of Ward 19

Ajay Paul
Director, Viva con Agua

