### DEMOGRAPHIC

#### CHALLENGES
- High HIV prevalence in the district
- HIV and TB co-infection
- High defaulter rate
- Inadequate supply of home based care goods e.g. shortage of nutritional porridge, disposable napkins
- Poor functionality of Support groups
- Access to health facilities
- Unemployment
- High poverty rate

#### PROJECTS 2015/15
- Medical Male circumcision campaign in partnership with the Department of Health
- Anti-Sugar Daddy Campaign
- Dialogue on HIV and AIDS and other social ills
- Wonder Pot Project
- One home one garden project
- Community gardens
- Reed Dance Maidens Programme as part of HIV and AIDS Prevention Strategy
- Dialogue on HIV and AIDS and other social ills

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### C3.0 MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT ANALYSIS

#### C3.1 INSTITUTIONAL ARRANGEMENTS

**Table 34: Institutional Arrangements**

<table>
<thead>
<tr>
<th>VOTE</th>
<th>DEPARTMENT</th>
<th>SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Municipal Manager</strong></td>
<td></td>
</tr>
<tr>
<td>Executive &amp; Council</td>
<td>Board General Expenses</td>
<td></td>
</tr>
<tr>
<td>Executive &amp; Council</td>
<td>Department of the Municipal Manager</td>
<td></td>
</tr>
<tr>
<td>Planning &amp; Development</td>
<td><strong>Economic Development</strong></td>
<td></td>
</tr>
<tr>
<td>Planning &amp; Development</td>
<td>Economic Development</td>
<td></td>
</tr>
<tr>
<td>Planning &amp; Development</td>
<td>Planning Shared Services</td>
<td></td>
</tr>
<tr>
<td>Planning &amp; Development</td>
<td>Development Planning &amp; Environment</td>
<td></td>
</tr>
<tr>
<td>Planning &amp; Development</td>
<td>Fresh Produce Market</td>
<td></td>
</tr>
<tr>
<td>Planning &amp; Development</td>
<td>Executive Division – Planning &amp; Development</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VOTE</th>
<th>DEPARTMENT</th>
<th>SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Services</td>
<td>Executive Division - Community &amp; Social Services</td>
<td></td>
</tr>
<tr>
<td>Community Services</td>
<td>Community Services Division</td>
<td></td>
</tr>
<tr>
<td>Community Services</td>
<td>Technical Facility - Cemetery</td>
<td></td>
</tr>
<tr>
<td>Public Safety</td>
<td>Fire Fighting Services (Shared Services)</td>
<td></td>
</tr>
<tr>
<td>Public Safety</td>
<td>Disaster Management</td>
<td></td>
</tr>
<tr>
<td>Municipal Health</td>
<td>Municipal Health Services</td>
<td></td>
</tr>
</tbody>
</table>

**Corporate Services**

| Executive & Council   | Executive Division – Corporate Services |                                    |
| Executive & Council   | Administrative Services Division         |                                    |
| Finance & Administration | Management Services/Human Resources     |                                    |
| Finance & Administration | Information & Communication Technology  |                                    |
| Finance & Administration | Auxiliary Services – uThungulu House    |                                    |
In terms of Circular 8/2008: 2008/09 Capacity Assessments and Recommendations:
Adjustment of Powers and Functions between District and Local Municipalities in terms of
Section 85 of the Local Government: Municipal Structures Act 1998, uThungulu District
Municipality has the following powers and functions to fulfil:

### Table 35: uThungulu Powers and Functions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th>UDM</th>
<th>uMfolozi</th>
<th>uMhlathuze</th>
<th>Ntambanana</th>
<th>uMlalazi</th>
<th>Mthonjaneni</th>
<th>Nkandla</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>S84(1)(a)</td>
<td>Integrated Development Planning for District as a whole</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>S84(1)(a)</td>
<td>Potable Water Supply Systems</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>3</td>
<td>S84(1)(c)</td>
<td>Bulk supply of electricity</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>4</td>
<td>S84(1)(d)</td>
<td>Domestic waste-water and sewage disposal system</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>5</td>
<td>S84(1)(e)</td>
<td>Solid waste disposal sites serving the area of the District Municipality as a whole</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>6</td>
<td>S84(1)(f)</td>
<td>Municipal roads which form an integrated part of a road transport system for the area of the district municipality as a whole</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>7</td>
<td>S84(1)(g)</td>
<td>Regulation of passenger transport services</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>8</td>
<td>S84(1)(h)</td>
<td>Municipal airport serving the area of the district</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>municipality as a whole</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>9</td>
<td>S84(1)(i)</td>
<td>Municipal health serving the area of the district municipality as a whole</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>10</td>
<td>S84(1)(j)</td>
<td>Fire Fighting services for district municipality as a whole</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>11</td>
<td>S84(1)(k)</td>
<td>Fresh produce markets and (Abattoirs) serving the area of the district municipality as a whole</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>12</td>
<td>S84(1)(l)</td>
<td>Cemeteries and Crematoria</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>13</td>
<td>S84(1)(m)</td>
<td>Promotion of local tourism for the District Municipality</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>14</td>
<td>S84(1)(n)</td>
<td>Municipal public works relating to any of the above function or and other functions assigned to the district municipality</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>S84(1)(o)</td>
<td>the receipt, allocation and if applicable distribution of grants made to the district municipality</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>16</td>
<td>S84(1)(p)</td>
<td>The implementation and collection of taxes, levies and duties as related to the above functions or may be assigned to the District Municipality in terms of National</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>18</td>
<td>Sched 4 B</td>
<td>Building Regulations</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>✓</td>
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<tr>
<td>22</td>
<td>Sched 4 B</td>
<td>Local Tourism</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Sched 4 B</td>
<td>Air Pollution</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>40</td>
<td>Sched 5 B</td>
<td>Licencing and control of undertakings that sell food to the public</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>50</td>
<td>Sched 5 B</td>
<td>Refuse removal, refuse dumps, solid waste disposal and cleaning services</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
</tbody>
</table>

**KEY**

- Function Performed by the Municipality ×
- Allocated Functions to the District ✓

**Note:** Functions performed by Ntambanana will continue to be provided by the relevant LM after demarcation.
C3.2 DEPARTMENTAL FUNCTIONS

C3.2.1 OFFICE OF THE MUNICIPAL MANAGER:

VISION, MISSION AND CORE VALUES

VISION
“A municipal manager’s office that promotes an economically sound district with effective infrastructure and a district that empowers people, protects the environment and demonstrates leadership excellence.

MISSION
To develop and maintain effective and efficient managerial processes and practices to ensure the creation of a prosperous district by:
- Managing the provision of a high standard of essential basic services;
- Ensuring management practices that support sustainable local economic development;
- Promoting the encouragement of committing participation in service delivery projects.

CORE VALUES
- To promote the value of integrity among officials;
- To promote transparency in the way that the municipality conducts its business;
- To foster a culture of commitment in respect of service delivery within the municipality’s servicing area;
- To ensure a spirit of cooperation within the municipality, among municipalities within the district, with other districts as well as with provincial and national spheres;
- To promote a culture of innovation in the carrying out of functions and delivery of services to the communities within the servicing area of the district.

RESPONSIBILITIES
The Accountable Officer in terms of prevailing local government legislation and responsible as Chief Executive Officer for the effective and efficient operations of uThungulu District Municipality as an institution remains the Municipal Manager.

It is the responsibility of the Municipal Manager as “Accountable Officer” to:
- Promote sound financial management throughout the municipality;
- Be responsible for all income and expenditure, all assets and the discharge of all liabilities;
- Ensure compliance with the Municipal Finance Management Act (MFMA) No. 56 of 2003;
- Prevent fruitless and wasteful expenditure;
• Disclose all information on debts;
• Ensure the development and implementation of the Integrated Development Plan (IDP), which consists of eleven development strategies upon which the annual budget is based.
• Ensure the further development and implementation of a Performance Management System to measure service delivery in terms of performance indicators of each Key Performance Area (KPA) under the eleven development strategies.
• Co-ordination of Operational Activities within uThungulu District Municipality;
• The promotion of Intergovernmental Relations.

PUBLIC RELATIONS MANAGER
The Public Relations Manager is responsible for the following:
• To promote community participation in local government;
• To promote synergies with the private and public sector to market the district;
• To improve the municipality’s public image by communicating in a transparent, effective and pro-active manner;
• Batho Pele and Intergovernmental Relations
• District Communications Forum

PERFORMANCE
• Managing the SDBIP, Organizational Performance Management System (OPMS), as well as the Individual Performance Management System for Section 56 Managers;

RISK
• Managing the Strategic Portfolio of Risk Management inclusive of Fraud Prevention within the municipality by coordinating and facilitating all joint actions by departments
C3.2.2 PLANNING AND ECONOMIC DEVELOPMENT

THE EXECUTIVE DIVISION OF THE DEPUTY MUNICIPAL MANAGER:
Planning and Economic Development is responsible for the following strategic portfolios:

- Managing the Strategic Portfolio of Local Economic Development by facilitating new investments and new developments within the district in respect of the sectors of Tourism, Agriculture, Business & Industry and SMME Development.
- Managing uThungulu District Municipality Shared Services Support to participating local municipalities within the district, in respect of Development Planning and Organizational Performance Management Functions.
- Managing all actions and initiatives in respect of the state of Statutory- Development - and Spatial Development Planning and Environmental Management (The Environmental Officer is an employee of DEDTEA seconded to the district and support the family of municipalities);
- Managing and review of the uThungulu District Growth and Development Plan.

ECONOMIC DEVELOPMENT AND PLANNING

Objectives

- Promote Local Economic Development;
- Promote the District as a preferred investment destination;
- Promote Local Tourism Development and coordination;
- Promote Agricultural development and implementation;
- Promote SMME Business & Industrial Developments;
- Development Planning support function for District Municipality;
- Integrated Development Planning;
- Statutory Planning
- Environmental Planning and Management.

ECONOMIC DEVELOPMENT

Key Performance Areas

- Facilitation of the Local Economic Development initiatives in the District;
- Facilitate and co-ordinate LED Capacity, Institutional & Operational Support initiatives;
- Marketing of the District as a preferred investment destination;
- Implementation of LED & Tourism projects within the district;
- Marketing of District as a Tourism Destination;
- Promotion, coordination and implementation of Agriculture initiatives in the District;
Objectives

- Ensuring Economic Growth in the District;
- Attracting Investment to the District;
- Improving the Socio-Economic conditions of residents in the District;
- Establishing the District as a preferred destination for Tourism and Business Investment

Key Performance Indicators

- Improving institutional and operational support to SMME’s;
- Strengthening the Tourism, Agricultural and Business Sectors in the District;
- Marketing the competitive advantages of investing in uThungulu District;
- Facilitation of the investment process for investors to the District.
- Implementation of specific catalytic intervention projects in the sectors of Agriculture and Tourism

DEVELOPMENT PLANNING

Key Performance Areas

- Development Planning Function of the District Municipality;
- Ensure compliance with applicable legislation in Development Planning;
- Co-ordination of the 5 year IDP compilation process and the IDP Review Process;
- Undertake alignment of IDP Processes with municipalities, National and Provincial sectoral departments and interested and affected parties.
- Shared Services Planning function;
- Statutory Planning function of the District Municipality as well as Statutory Planning functional support to the family of municipalities.

Objectives

- Ensure that Strategic Integrated Development Planning takes place within the District;
- Ensure successful implementation of the Development Planning Shared Services within the District;
- Ensure development takes place within the legislative framework;
- Facilitation of an Integrated Development approach throughout the District.
- Ensure that development complies with Environmental Management legislation.

Key Performance Indicators

- Management and implementation of Development Planning Shared Services;
- Compliance with applicable legislation in development planning;
- Ensuring that development takes place according to Spatial Framework;
- Ensuring Performance Management, Budget and IDP alignment;
- Compilation and annual review of District IDP.
- Compliance with Environmental Management legislation.
C3.2.3 FINANCIAL SERVICES

The overall objectives of the Financial Services Department is the;
- Management of Municipal Budgets and Reporting
- Management of Supply Chain Management
- Management of Municipal Expenditure
- Management of Municipal Assets
- Management of Municipal Revenues
- Annual preparation of Annual Financial Statements

BUDGET

Key Performance Areas
- Compliance with legislation
- Administration of Council’s Standard Chart of Accounts
- Implementation of sound internal controls and Risk Management
- Implementation and the annual review of the District’s:
  - Budget policy
  - Virement policy
- Sound Financial Planning
- Sound financial reporting mechanism for the above functions
- Compilation of Financial implications for items serving at all Council Structures
- Compilation of the Budget, Adjustment Budget and midyear review in terms of the MFMA and the Municipal Budget & Reporting Regulations
- Providing Budgetary advice to all departments

Objectives
- Preparation of an outcome based budget and enhanced budgetary controls
- Compilation of reports and returns to national, provincial government and the council structures
- Administration of Councils Insurance
- An accurate and effective financial management system
- Monitoring the budget and providing guidance regularly
- Preparation and Champion MSCOA

Key Performance Indicators
- Annual review and implementation of Budget related policies
- Co-ordination of budget process in line with Budget Regulations
- Compile and submit monthly, quarterly and annual reports
- Monitor and report of the insurance administration
- Compliance to all legislation, circulars and practice notes
- Issuing compliance guidance to departments
- Compilation of the budget per the regulations
- Compiling the chart of accounts per mSCOA
• Updating the risk register quarterly and ensuring internal controls are strengthened and maintained at all times

REVENUE MANAGEMENT

Key Performance Areas
• Compliance with legislation and implementation of proper internal controls
• Management of risk inclusive of Business Continuity Plan and implementation of proper internal controls
• Develop sound financial reporting mechanism for the above functions
• Implementation and the annual review of the District’s:
  • Credit and Debt control policy
  • Indigent policy
  • Incentive policy
  • Tariff policy
• Reporting on the above policies
• Monitoring of all grant funding as Gazette by National and Provincial departments
• Submission of financial information for AFS preparation
• Prompt responses to internal and external audit queries
• Community awareness campaigns
• Monthly reporting to Cogta on the state of Government debt

Objectives
• To maintain credit and debt by-laws
• Establishment and maintenance of the indigent register
• Enhance revenue collection and accountability through proper receipting
• Improve the collection of unpaid monies
• Ensure effective and efficient customer service
• Ensure that all grant funding as Gazetted are received and reported.
• An accurate and effective financial management system

Key Performance Indicators
Annual revision of:
• Credit and debt control policy
• Indigent policy
• Incentive policy
• Tariff policy
• Reporting on the above policies
• Improved debtors collection per targets
• Monthly reporting of grants as gazetted
• Improved debtors collection per targets
• Monthly reporting of grants as gazette and liaise with funding departments
• Implementation of proper internal controls and risk management
• Interact with Technical Services to ensure that all consumers are billed
• Interact with community to promote Revenue related policies and enhance debt collection

**Supply Chain Management and Logistics**

*Key Performance Areas*

• Compliance with legislation
• Management of risk inclusive of Business Continuity Plan and implementation of proper internal controls
• Develop and implement sound internal controls
• Review, amend and implement the District’s Supply Chain Management policy annually and effect changes if applicable
• Implementation of sound internal controls
• Monitoring and controlling of stock counts
• Submission of financial information for AFS preparation
• Prompt responses to internal and external audit queries
• Provide SCM guidance to the organisation

*Objectives*

• The implementation and monitoring of the supply chain management policy
• Ensure the effective and efficient management of logistics
• An accurate and effective financial management system

*Key Performance Indicators*

• Annual review of Supply Chain Management Policy
• Submit reports per Supply Chain Management policy and regulations
• Control and monitor quarterly stock counts
• Control and monitor logistics
• An accurate and effective financial management system
• Implementation of proper internal controls and risk management
• AFS
• Compilation of standard operating procedures for the section
• Provide advice and guidance on SCM policy to all users of the policy

**Asset Management**

*Key Performance Areas*

• Compliance with legislation and implementation of proper internal controls
• Management of risk inclusive of Business Continuity Plan and implementation of proper internal controls
• Develop sound financial reporting mechanism for the above functions
• Implementation and the annual review of the District’s Property, Plant & Equipment (PPE) policy
• Submission of financial information for AFS preparations
• Prompt responses to internal and external audit queries
• Administration of Council’s Insurance Portfolio
• Proper planning and control over assets
• Provide input and guidance on the capital plan of the municipality

**Objectives**

• The implementation and monitoring of the PPE policy
• Ensure an asset register is maintained by updating regularly
• An accurate and effective financial management system

**Key Performance Indicators**

• Annual review of PPE policy
• Administration of the asset register through updating and verification
• Reporting on the asset register
• Implementation of proper internal controls and risk management
• An accurate and effective financial management system
• Ensuring timely payment for capital projects
• Fleet Control is responsible for the internal control and allocation of Councils fleet vehicles.

**Expenditure**

**Key Performance Areas**

• Compliance with legislation
• Management of risk inclusive of Business Continuity Plan and implementation of proper internal controls
• Develop sound financial reporting mechanism for the above functions
• Prompt payment of all categories of creditors
• Prompt payment of staff salaries and councillor allowances
• An accurate and effective financial management system
• Submission of financial information for AFS preparation
• Prompt responses to internal and external audit queries

**Objectives**

• Ensure accurate and timeous payment of all categories of creditors
• Ensure accurate and timeous payment of salaries and councillor allowances inclusive of statutory payments
• An accurate and effective financial management system inclusive of statutory payments

**Key Performance Indicators**

• Monitoring of timely payments of all categories of creditors and salaries
• Monitoring of timely payments of staff salaries and councillor allowances, inclusive of statutory payments
**Management Accounts**

**Key Performance Areas**
- Compliance with legislation
- Management of risk inclusive of Business Continuity Plan and implementation of proper internal controls
- Implementation of sound internal controls
- Implementation and the annual review of the District’s:
  - Investment and Banking policy
  - Borrowing policy
  - Develop sound financial reporting mechanism for the above functions
- Preparation of the Annual Financial Statements for Council and its entities
- Investment portfolio administration
- OPMS for finance department
- Submission of financial information for AFS preparation
- Prompt responses to internal and external audit queries

**Objectives**
- Compliance with legislation
- Preparation of the Annual Financial Statements
- Cash flow management strategy linked to an investment portfolio
- Reports on loans & investments
- An accurate and effective financial management system

**Key Performance Indicators**
- Preparation of Annual Financial Statements for Council and its entities
- Maintain an Investment Register and report thereon
- Maintain a Loan Register and report thereon
- Reporting on financial departments performance (OPMS)
- Management of contracts
- Reporting on Investments and Loans

**C3.2.4 Department: Technical Service**

The Department: Technical Services consists of various sections:
- Water Service Authority
- Municipal Infrastructure Implementation
- Municipal Infrastructure Operations and Maintenance
- Auxiliary Infrastructure Services
- Water Use Efficiency
- Building Control
**Overall Objectives**

- Research and development of new projects
- Preparation of short, medium and long term water development plans and implementation strategies
- Operation and maintenance of water and sanitation schemes
- Implementation of all capital projects of the municipality
- Approval of building plans for Nkandla Local Municipality.
- Operation and management of the Regional Solid Waste site
- Operation and management of the Regional Cemetery site
- Coordination and support of the local municipalities in among other things developing and updating the:
  - Energy Sector Plans,
  - Waste Management Plans
  - Road Asset Management System (RAMS)

An overview and analysis of the functions of per directorate within the Technical Department:

**Water Service Authority**

**Key Performance Areas**

- Preparation of the Water Services Development Plan
- Formulation and update of water by-laws
- Communicating council policies to the communities
- Formulation of technical guiding principles for tariff formulation and review
- Compilation of the water and sanitation master plan
- Formulation of the survival water distribution plan and strategy
- Water quality management performance assessment
- Formulation and implementation of the water conservation and water demand management strategy

**Objectives**

- Monitor the reduction of water services backlog
- Update the water services master plans
- Align projects and budget to the IDP frame
- Ensure that project expenditure is aligned to the cash flows
- Ensure that communities understand the council policies and procedures related to water services operation

**Key Performance Indicators**

- Compilation and updating of the WSDP
- Compilation of the water and sanitation master plan
- Doing project feasibility studies (Research and Development)
- Compilation of project business plans
• Formulation of the water services by-laws
• Communicating council policies with the public and other sectors
• Verifying and aligning the KZN infrastructural development projects (housing and industrial) with the WSDP and advise council accordingly of these projects
• Designing of small water project and giving comments to all designs received from the consultants
• Managing and updating project budgets and cash flows and reporting to the external funders
• Preparation of the survival water distribution plan
• Management of water related reports and ensure compliance with the applicable legislation

Municipal Infrastructure Implementation

Key Performance Areas
• Planning, designing and construction of Landfill Sites
• Planning, designing and construction of Regional cemeteries
• Oversight role of the Energy Sector Plan
• Implementation of new water and sanitation projects
• Approval of building plans for Nkandla Local Municipality
• Management and operation of the Regional Landfill Site
• Management and operation of the Regional Cemetery Site

Objectives
• To successfully implement the backlog reduction strategy of council related to water services infrastructure
• To successfully implement and complete approved projects in time and within budget
• To support the local municipalities with quality service in terms of the building plan approval and to give proper and accurate guidance related to building inspectorate function
• To oversee the implementation of a comprehensive energy sector plan for the District and proper planning of electricity distribution within the municipalities

Key Performance Indicators
• Managing the construction of both water and sanitation projects
• Responsible for the implementation of both the bulk and reticulation networks
• Preparing project progress reports
• Interpretation of drawings
• Preparation of the construction programme for the SMME’s
• Approving the material requisitions for the SMME’s
• Sourcing and interviewing the newly established SMME’s
• Allocating work to the SMME’s
• Managing the SMME’s and giving feedback on their performance
• Coordinating training in terms of the EPWP requirements
• Approving payments for the SMME’s
• Doing project inspections and supporting the site technicians
• Design and construction of all council’s approved infrastructural projects and ensuring the following:
  ▪ Construction methods are environmentally sound
  ▪ Construction methods promotes local economic development
  ▪ All projects meet the municipality’s objectives in terms of level of service, supply areas (project footprint), construction timeframes
  ▪ Project is constructed in accordance with all standard details of council
  ▪ Progress reports and cash flows are updated and submitted timeously to the relevant committees of council and to the respective Provincial and National government departments
• Building control function for Nkandla Local Municipality
• Operations and maintenance of the Regional Landfill site
• Operations and maintenance of the Regional Cemetery

**Municipal Infrastructure Operations and Maintenance**

**Key Performance Areas**

• Management of council water services infrastructure (assets)
• Management of the service support agent executing the water service provider function for rural areas and management of other service providers appointed within the directorate
• Management of the council’s survival water distribution programme
• Management of borehole development programme of the municipality
• Management of the drinking water quality programme and ensuring compliance with applicable legislation
• Management of the wastewater quality programme and ensuring compliance with applicable legislation
• Implementation of the tanker reduction strategy of the municipality
• Implementation of the water conservation and water demand management strategy of the municipality
• Ensure that the water services infrastructure complies with all OHS act requirements
• Management of the water services call centre

**Objectives**

• To keep all the municipality’s water and sanitation schemes in good operational conditions
• To ensure that the municipality gets value for money with the appointment of external service providers and that all performance targets in terms of the service level agreements are achieved
• To provide effective management to the water survival programmes and keep all water supply points operational
• To locate new cluster of communities with water that qualifies for the new boreholes and hand-pump and to ensure that all existing hand pumps are operational

Key Performance Indicators
• Operation and maintenance of all water services infrastructure which includes the following:
  ▪ Ensuring that all rural water schemes are functional
  ▪ Water production is in terms of the applicable specifications and national guidelines
  ▪ Ensuring that all town water networks are functional and without leaks
  ▪ Ensuring that the sewage systems and plants are operational and maintained in accordance with the prevailing legislation
  ▪ Ensuring that water quality tests are done and checked against the SANS 241 specifications
• Responsible for the water loss management
• Responsible for the emergency and drought relief programmes of the municipality which includes the following:
  ▪ Drilling, testing and equipping of new boreholes
  ▪ Repairs and maintenance of hand pumps
  ▪ Spring development and protection
  ▪ Provision of water through the water tankers

Water Use Efficiency

Strategy, planning and implementation
Provide a detailed water resource balance diagram complete with:
• current demand,
• available supply as per WUL or SLA,
• projected (5 year) demand estimates with and
• Without implementing WDM.

Provide MONTHLY and ANNUAL composite IWA water balance diagrams and supporting documents for the complete system as part of the water audit (as a component in the WSDP) as per Reg 509 of 2001 Clause 10 of the Water Supply Regulations. Balance diagram to specify as a minimum the main components of the IWA balance including Water Losses broken down into:
• System input volumes,
• Billed metered and unmetered usage
• Unbilled Authorized Consumption,
• Water losses broken down into Real and Apparent Losses,
• Free Basic Water, and
• Non-Revenue Water and to be supported by a schematic showing bulk meters, zones and main infrastructure components.
Evidence must be provided of a Council approved WDM strategy and business plan consisting of at least the following:
- Background and Context
- Situation Assessment including a Needs Statement
- Key Issues and Challenges
- Focus Areas of Intervention
- List of Proposed Interventions
- Set targets for demand, NRW, commercial and real losses.
- Budget and Multi-year Implementation Timeline

Percentage of customers who are metered including those who have been supplied with a measuring control device as calculated from the data presented in the summary section:
- Number of customers billed against installed meters

Households billed on a flat rate or on a deemed consumption method as a percentage of all households (not only metered households) in order to indicate percentage or rate of unconfirmed billing.

Provide copy of all water use tariffs:
- for past three years
- Indicating rising block tariff that would discourage high water use (highest tariff at least double lowest tariff).

Water balances for multiple years in line with Reg 509 of 2001 Clause 10
Provide details of household leak repair programme including:
- Households visited
- Methodology
- Policy
- Costs (audited)

**Auxiliary Infrastructure Services**
Although due to financial constraints this function has not taken off completely, its function is to support the local municipalities in several infrastructural related activities pertaining to:
- Transportation;
- Energy
- Housing
- Sports infrastructure
- Waste management
- Building control is responsible for the upkeep and maintenance of council’s buildings.
C3.2.5 DEPARTMENT OF COMMUNITY SERVICES
DEPUTY MUNICIPAL MANAGER: T MNGUNI

The Community Services Directorate is responsible for the following services:
- Disaster Management
- Municipal Health Services
- Community & Social Services
- Cemetery & Crematoria

**Overall Objectives**
- Provision of Community Services in the District
- Promotion of social development in the District
- Crime prevention and awareness in the District
- Community awareness on diseases in the District
- Sound co-ordination of the Disaster Management function
- Rendering of Fire Fighting Services
- Environmental Health implementation and monitoring
- Establishment and expansion of Regional Cemetery

**Key Performance Areas**
- Fire Fighting Services
- Disaster Management
- Environmental Awareness and Community education on diseases
- Marginalised Groups
- Community Awareness and education on HIV/Aids
- Expansion of Regional Cemetery

**Key Performance Indicators**
- Rendering of Fire Fighting and Disaster Management services
- Fire Fighting and monitoring
- Management of the Disaster Management Centre
- Maintenance of a safe, healthy and hygienic environment
- Monitor and report on crime
- Celebration of Women’s day
- Youth day celebration
- Celebrate Heritage day
- Empowerment of disabled people
- Annual prayer day
- Educate community on HIV/AIDS
- Management of Regional Cemetery
C3.2.6 DEPARTMENT: CORPORATE SERVICES

The Department: Corporate Services consists of the following sections:

- Administrative Services
- Human Resource Management
- Information Technology

**ADMINISTRATIVE SERVICES**

This section is responsible for the smooth and efficient operation of Council and the provision of general administrative services.

**Key Performance Areas**

- **Committee/Secretariat Services**
  This Section is responsible for the compilation of agendas, minutes, reports, etc. of Council, EXCO, Portfolio Committees and ad-hoc committees.

- **Registry and Records**
  Registry and records keeps and maintains all records of Council, both physical and electronic records.

- **Councillor Support**
  This section provides a support service to councillors.

- **Delivery Services**
  This section is responsible for the internal and external delivery and distribution of council’s communication material, be it agendas, reports, letters, notifications, etc.

- **Printing and Photocopy Services**
  All communication material is reproduced in this section.

- **Fleet Control**
  This section is responsible for the internal control and allocation of Councils fleet vehicles.

- **Building Control**
  Building control is responsible for the upkeep and maintenance of council’s buildings.

**Key Performance Indicators**

- Ensure that the access to information manual is revised and updated as per legislation;
- Provision of efficient and effective General Administrative Services

**MANAGEMENT SERVICES**

- **Recruitment and Selection**
  This section is responsible for the recruitment and selection of staff.

- **Organisational Development**
  The achievement of the Employment Equity Plan of the organization is coordinated by this section. Coordination of the Job Evaluation is also
responsible for the reviewing and updating of the organizational structure on monthly basis. Identification of personal growth of each employee in the Municipality

- **Skills Development and Training**
  This section formulates the WSP and equips staff with the necessary skills to meet the demands of their jobs. The section also coordinates the formulation of the annual Skills Audit, compiles and submits the Workplace Skills Report. All training and development events, including Bursaries, Learner ships, and Learning Programs are handled by this section, as is all contact and liaison with external Providers.

- **Human Resource Administration**
  HR Administration provides a service to its internal customers and assists with issues such as benefits, leave, allowances, subsidies, etc. The Section also ensures that all Human Resources Policies and Procedures are updated from time to time to ensure compliance with extant legislation and HR best practice.

- **Occupational Health and Safety**
  This section monitors compliance with legislation and ensures that measures for a safe and healthy environment for employees are in place. It focuses on implementing corrective measures to eliminate hazards in the workplace.

- **Employee Assistance**
  This program takes care of the emotional, physical, psychological, wellbeing of employees. It is a program that assists employees to deal with problems whether it is experienced at work or at home.

- **Industrial Relations**
  This section concerns itself with ensuring the existence of healthy labour relationships by: being pro-active in resolving employee grievances/issues, professional handling of disciplinary or misconduct matters, and by championing dialogue through consultation and collaboration.

**Key Performance Indicators**

- Rollout and maintenance of Employee Assistance Programme
- Implementation and compliance with Occupational Health and Safety
- Election and training of Safety Reps
- Skills Development and implementation
- Timeous handling of Grievances and Discipline
- Updated Policies
- Skills shortages identified and addressed

**INFORMATION TECHNOLOGY**

This section provides the IT infrastructure and systems to help the organization realize its goals and objectives by aligning IT services with the Integrated Development Plan.
**Key Performance Areas**

- Email, Internet, Intranet and Document Management Services (DMS)
- Help-desk services
- Provision of software and hardware
- Disaster Recovery Systems
- IT strategy and Master Systems Plan (MSP)

**Key Performance Indicators**

- Up-time of 90%+ for email, Internet, Intranet and DMS
- Provide friendly, effective and efficient help-desk services
- Reduce software licensing costs by 20% by introducing less costly systems
- Effective recovery of data after any disaster within 48 hrs
- The IT strategy and MSP is refreshed and aligned with the current IDP

**LEGAL SERVICES UNIT**

The Legal Services Unit is responsible for the following:

- To manage the provision of comprehensive, efficient and effective legal services to the municipality
- To safeguard the municipality’s interests in all legally related matters
- To ensure that the municipality’s operations are conducted with the parameters of applicable legislation
- To provide various legal opinions to the municipality
- Is involved in the drafting and vetting of various agreements
- Conducts on-going research to advise the municipality on the latest developments in the legal space
- Plays a vital role in the drafting and the on-going of review of by-laws and attends to legal formalities in respect of the promulgation of same.

**C3.3 HUMAN RESOURCES**

**C3.3.1 ORGANISATIONAL INDICATORS**

uThungulu District Municipality currently has a projected number of 435 (476 including Councillors) staff for the year as at April 2015. During the budget process positions required by departments were reviewed in terms of available funding, savings identified in other accounts, a specific allocation of grant funding, a legislative requirement for the position, and if the position was within the 2016/17 approved multi-year budget.
Table 36: uThungulu Institutional Analysis

<table>
<thead>
<tr>
<th>Summary of Personnel Numbers</th>
<th>2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipality</td>
<td></td>
</tr>
<tr>
<td>Councilors (Political Office Bearers plus Other)</td>
<td>41</td>
</tr>
<tr>
<td>Snr Managers (Incl. MM)</td>
<td>6</td>
</tr>
<tr>
<td>Other Managers</td>
<td>13</td>
</tr>
<tr>
<td>Technical/Professional</td>
<td>128</td>
</tr>
<tr>
<td>Other Staff (clerical, laborers etc)</td>
<td>288</td>
</tr>
<tr>
<td><strong>Total Personnel Numbers</strong></td>
<td><strong>476</strong></td>
</tr>
</tbody>
</table>

Source: Corporate Services – Figures as at 30 April 2016

C3.3.2 ORGANISATIONAL STRUCTURE

In order to implement the programmes under the 5 key Development Strategies, the administration of uThungulu District Municipality, is organized into 6 Service Units:

- The Office of the Municipal Manager
- The Department: Economic Development and Planning
- The Department: Financial Services
- The Department: Technical Services
- The Department: Community Services
- The Department: Corporate Services

NOTE: Full UDM Organogram – Annexure 7
Table 37 uThungulu District Municipality Organogram

As adopted by Council 22 October 2015  UDMC2712/2015
### Table 38: Staff Complement indicates the current staff complement and vacancies as per each section/vote for permanent and contract staff as at 30 April 2016

<table>
<thead>
<tr>
<th>DEPT</th>
<th>SECTION (Sub Votes)</th>
<th>BUDGETED STAFF</th>
<th>CURRENT STAFF</th>
<th>VACANCIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of the Municipal Manager</td>
<td>Department of the Municipal Manager - 111004</td>
<td>17</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>Department of Deputy Municipal Manager Economic Development &amp; Planning</td>
<td>Executive Division - Planning &amp; Development - 113006</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Economic Development- 113001</td>
<td>9</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Planning Shared Services - 113003</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Development Planning &amp; Environment - 113004</td>
<td>5</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Fresh Produce Market - 113005</td>
<td>0</td>
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<td>0</td>
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<tr>
<td>Department of Community Services</td>
<td>Executive Division - Community &amp; Social Services - 14004</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Community Services Division - 114001</td>
<td>18</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Technical Facility Services - Cemetery - 114003</td>
<td>9</td>
<td>9</td>
<td>0</td>
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<tr>
<td></td>
<td>Fire Fighting Services (Shared Services) - 116001</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Environmental Health Services: Municipal Health Services - 117001</td>
<td>31</td>
<td>30</td>
<td>1</td>
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<td></td>
<td>Public Safety  Disaster Management - 114002</td>
<td>7</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Department of Corporate Services</td>
<td>Executive Division - Corporate Services - 111002</td>
<td>11</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Administrative Services Division - 111003</td>
<td>22</td>
<td>21</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Management Services / Human Resources - 112001</td>
<td>24</td>
<td>18</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Information &amp; Communication Technology - 112010</td>
<td>8</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Auxiliary Services - uThungulu House - 112005</td>
<td>15</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Property Services - Satellite Offices - 112006</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Department of Financial Services</td>
<td>Executive Division – Financial - 112002</td>
<td>6</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Expenditure - 112004</td>
<td>13</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Procurement (SCM Unit) - 112011</td>
<td>23</td>
<td>22</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Budget - 112008</td>
<td>8</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Finance Interns - 112009</td>
<td>5</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Management Accounts &amp; Reporting - 112012</td>
<td>2</td>
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<td>0</td>
</tr>
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<td></td>
<td>Consumer Billing &amp; Credit Control - 124003</td>
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<td>41</td>
<td>1</td>
</tr>
<tr>
<td>Department of Technical Services</td>
<td>Executive Division Technical - 115001</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Municipal Infrastructure – Operations &amp; Maintenance - 115002</td>
<td>26</td>
<td>22</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Municipal Infrastructure Implementation - 115003</td>
<td>11</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Project management Unit – MIG - 115007</td>
<td>17</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Water Services Authority Division -124001</td>
<td>11</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Water Services Authority Division -SSA  124002</td>
<td>68</td>
<td>67</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Operations &amp; Maintenance - Western Region (KZ285 &amp; KZ286) – 124004</td>
<td>15</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Operations &amp; Maintenance - Southern Region</td>
<td>34</td>
<td>29</td>
<td>5</td>
</tr>
</tbody>
</table>
### C3.3.4 MUNICIPAL INSTITUTIONAL CAPACITY & STATUS OF CRITICAL POSTS

#### Table 39: Critical Posts – As at 30 April 2016

<table>
<thead>
<tr>
<th>POST VACANT</th>
<th>DEPT</th>
<th>STATUS VACANCY OCCURRED</th>
<th>DATE POST VACANT</th>
<th>RECRUITMENT PROGRESS REPORT COMMENTS AS AT 30 APRIL 2016</th>
<th>REASONS POST NOT FILLED WITHIN THREE MONTHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Manager MII</td>
<td>Technical</td>
<td>2015/2016</td>
<td>28-Oct-15</td>
<td>Panel recommendations to be submitted to Municipal Manger for approval.</td>
<td>Recruitment Process is underway, candidate to assume duties during June 2016 should all recommendations be approved.</td>
</tr>
<tr>
<td>Senior Manager Design</td>
<td>Technical</td>
<td>Turn Over Post 2015/2016</td>
<td>02-Dec-15</td>
<td>Position will be re-advertised externally on 04 May 2016 closing date will be 18 May 2016</td>
<td>The position will be re-advertised at Provincial media due to non-suitable candidates in the first attempt of advertisement</td>
</tr>
</tbody>
</table>

2 Critical Positions Vacant: 18.16%, 435 Positions filled: 87%

- All section 54/56 positions are filled
ADDITIONAL SUPPORT PROVIDED

Environmental Officer – An Environmental Officer has been deployed by the National Department of Environmental Affairs: Local Government Support to support the uThungulu DM & the family of Local Municipalities with environmental management planning and issues.

C3.3.5 EMPLOYMENT EQUITY PLAN

UDM has an Employment Equity Plan which was adopted in 30 September 2014 and will be in implementation from 2015 until 2017. The main objective of the Employment Equity Plan is mainly on achieving transformation and equality in the workplace by promoting equal opportunity and fair treatment in the employment through the elimination of unfair discrimination.

C3.3.6 EMPLOYMENT OF DISABLED EMPLOYEES

As per the requirement from the Department of Labour, employers are required to employ a total of 2% disabled persons. Council currently has 18 known disabled employees. In order to attract people with disabilities, positions which are suitable for people with disabilities are to be identified and will be stated as such on the advertisements.

C3.3.7 LABOUR RELATIONS

The main focus of Labour Relations is to manage and strengthen relations between Organised Labour and Management.

Local Government Bargaining Council (SALGBC).

All disciplinary processes and grievance processes are dealt with in terms of the Collective Agreements agreed upon by SALGA and Organised Labour. Appeals are also dealt with in terms of the same Collective Agreement until cases are referred to the Bargaining Council. Labour Relations also represents Council with cases which appear before the Bargaining Council and the CCMA.

The Labour Relations section is also responsible for the following:

- Facilitation of preparation meetings for Local Labour Forum (LLF prep);
- Attending of Local Labour Forum meetings;
- Assisting Employee Assistance Programme (EAP) with drug and alcohol awareness sessions with employees;
- Workshop disciplinary process and procedures with employees;
- Foster better relationships between management and Organised Labour;
- Assist and advise line management and employees on good line management.
C3.3.8 HUMAN RESOURCE STRATEGY
A human resource strategy is a long-term plan of action based on the human resource priorities. The plan must ensure that employees have the right skills and motivation as a contribution to future of the municipality. The strategy requires a knowledgeable and experienced workforce with excellent leadership.

The review of the Human Resources Strategy commenced in the 2014/15 financial year and the first phase of the strategy development (work study) was adopted by Council in June 2015. The second phase is underway and it was supposed to be completed in December 2015, due to time constraints it will be finalized at the end of 2015/16 financial year.

There is a view on the Human Resources Development proposition and its contribution towards achieving the municipality’s outcome. The strategic role of HRD is to facilitate improvement in performance through its personnel and involves the following:

- Facilitate business transformation by developing leaders through succession programmes, building capacity in operational planning and forecasting future needs, attract and retain the key skills for development purposes.
- Build the capacity of line managers to manage effectively and efficiently
- Ensure that the HRD strategy is aligned to and supports the business strategy
- Ensure the development of sustainable skills which includes critical skills for the ever-changing and demanding environment.

C3.3.9 HUMAN RESOURCES DEVELOPMENT
Investment in employee development and training is a focus to support UDM employees. The strategy will empower the human talent and enhance their knowledge base and to maximize their performance. UDM believe that the focus on building capacity through developing all levels of employees can create a sustainable environment.

UDM currently employs 435 employees excluding councilors and 476 including councilors and is commitment to employee development.

C3.3.10 HUMAN RESOURCE DEVELOPMENT PLAN
- **Convert strategy**
  This strategy will be used where critical skills in the municipality can be redirected through training and development of existing employees using internal skills development strategies (mentoring, coaching, on job training). The convert strategy will focus on core scarce and critical skills through retraining. This will be achieved through learnerships, training interventions and recognition of prior learning.

- **Create Strategy**
  Create strategy will be used to create a skills pool that would address future skills demands in the municipality. This will be achieved through capacitating existing employees within the identified areas of critical and scarce skills. The assessment,
reviews and mentorship programme will be undertaken to assess its success as a skill
development and retention strategy. The municipality has plans to provide a range of
training for managers to equip them to coach, empower and lead staff effectively and
provide an environment which motivates staff.

- **Integrated Talent Management Program includes**
  - Leadership Development;
  - Management Advance Program (MAP); and
  - Learnership Programmes
  - Emerging Managers
  - Municipal Finance Management Program (February – January 2017)
  - Public and Development Sector Monitoring and Evaluation (1 April – July 2016)
  - Local Government Accounting Certificate (March – August 2016)

- **Succession Development Plan**
The Succession Development Plan is a programme with the focus on general
management development, the development of specific competencies based on a
thorough candidate assessment, team development and various other organization
competencies

**C3.3.11 HUMAN RESOURCE ADMINISTRATION**

Human resources strategy provides oversight to each of the functional units, and provides
guidance and advice to management on personnel matters such as salary and benefits,
employee data management and recording of turnover. The municipality has moved from
the manual capturing of leave to the Electronic Self Service (ESS).

- **Human Resources Development Plan (WSP)**
The workplace skills plan for 2015/2016 Financial Year is in place, it was submitted to the
Local Government SETA on 22 April 2015. The municipality is promoting that all
employees need to acquire structured trainings that are NQF aligned, it will also (RPL)
those with experience in the Water Plants to acquire relevant qualifications.

- **Councillors Intervention:**
Councillors will undergo induction program after the new term of office, they will also be
registered in the structured courses.

- HRA Administration strategy provides oversight to each of the HRA functional
  units, and provides guidance and advice to management on personnel matters,
such as organizational structure, salary and benefits, employee data management,
training and development, performance management and recording of terminations.
- The personnel policies and practices, proposed legislation, improvement of
  personnel systems and processes are other important responsibilities.
- The unit is also responsible for the establishment and maintenance of classification
  for all positions in the municipality.
HRA serves as the liaison on personnel matters with various sections and departments within the municipality.

C3.3.12 HUMAN RESOURCE POLICIES AND LEGISLATION

**Code of Conduct**

Councilors and staff members are required to sign a Code of Conduct and Declaration of Financial Interest form on an annual basis, which must be certified by a Commissioner of Oaths. These records are kept for internal and external audit purposes.

**HR Development Plan (Workplace Skills Plan)**

A Workplace Skills Plan is in place and it focuses, inter alia, on the following:

- Employment profile
- Employee qualification profile
- Strategic objectives
- Annual training and skills priorities
- Education and training interventions required to achieve training and skills development priorities
- Number of beneficiaries to be trained
- Learner ship skills programmes and apprenticeships
- Quality assurance - Providers to be used for planned training and development activities
- Employment Equity Plan

The Focal Areas of uThungulu Employment Equity Plan are as follow:

- Job Grading
- Communication
- Culture
- Recognition
- Succession Planning
- Recruitment & Selection
- Set Numerical Targets per Employment Category
- Employment of people with disabilities

C3.3.13 Employee Assistance Programme (EAP)

UDM values employees as the most important asset to sustain the organisation. UDM takes responsibility for helping employees to deal with pressures of life. Thus, this organization has undertaken to provide its employees with an Employee Assistance Programme (EAP).

EAP is a work based intervention programme aimed at an early identification and resolving of the employees personal and work related problems, which may have an adverse effect in their work performance.
The total wellbeing of employees adds up to the wellbeing of the municipality. Therefore, the EAP came up with as a solution to the Municipality’s commitment to assist employees to deal with their social and emotional pressures in order to sustain effective performance and remain productive members. This may enhance the municipality’s profitability by reducing absenteeism, turnover, tardiness, accidents, medical claims and thus, improving service delivery.

The Employee Assistance Programme (EAP) section works tirelessly to assist employees and their family members in need of counselling assistance. Some of their achievements are noted hereunder:

- EAP Supervisory and Managers Training
- Employee Wellness Day/S (Health Screening Day/S)
- Health and Wellness Service Provider’s Certificates of Appreciation Ceremony
- The section conducted basic counselling and trauma debriefing sessions and assisted employees during 2015/16 financial year.
- The section coordinated financial literacy education training workshops facilitated by Liberty Life. Facilitators which were mainly focusing on the importance of budgeting and saving.
- Alcohol and drug abuse awareness sessions were held throughout the Municipality in collaboration with other HR sections (Labour Relations and SHE Risk) and SANCA to alert employees about the dangers of alcohol abuse and the consequences of drinking on duty.
- The EAP section is continually motivating staff through The EAP Motivational Corner, an informative and topical column in the organisation’s internal newsletter.

C3.3.14 OCCUPATION HEALTH AND SAFETY (OHS)

The vision of the OHS Section is to create a work environment where hazards and associated risks are eliminated and / or mitigated through our OHS solutions, support and training, thereby ensuring that all employees and contractors are equipped to work together in order to achieve a safe and healthy working environment for all.

The following are strategic priorities for the OHS Section.

- To build "Sensible Health and Safety" in to Council’s health and safety culture.
- To ensure that Council is a "learning" organisation by improving the way health and safety incidents are recorded, investigated and how lessons learnt from internal and external organisations are communicated.
- To improve the way that health and safety performance is measured and monitored.
- To develop leadership skills for managers to improve health and safety performance.
- To ensure that all people involved in delivery of Council services have the appropriate levels of competency to address their health and safety responsibilities.
• To ensure that where Council contracts out work to other organisations or works in partnership with other organisations the occupational health and safety risks are properly and satisfactorily addressed.

C3.4 ICT GOVERNANCE FRAMEWORK
The District Municipality updated its ICT Governance Charter in line with DSPA recommendations as of June 2015. In respect of the Framework that is already in place, the Auditor General in their audit of the 2014-15 year found that the ICT Policy Framework is already in line with the DPSA requirements. The Municipality is also aware of Circular 29 of 2014 - ICT Policy Framework and the possible ramifications it may have on the current framework going forward. The Municipality will ensure that the already compliant ICT Policy Framework remains aligned with DPSA requirements as and when changes are forthcoming.

In terms of the IT Strategy, this too was found by the Auditor General to be compliant and aligned with the current IDP. In order to ensure that the Municipal Leadership, both political and administrative, reviews will be held annually to ensure that the Strategy is updated and supportive of the IDP.

C3.5 POLITICAL COMMITTEES
The municipality has a council led by Cllr AH Mthembu – Speaker and consisting of 41 members

The executive committee is led by the Mayor (Cllr. TVB Mchunu) and consists of 7 members. Council established the following committees in terms of section 80 of the Municipal Structures act:
• Corporate Services
• Community Services
• Technical Services
• Financial Services
• Planning Committee

Council established the following committees in terms of section 129 of the Municipal Finance Management Act, and sections 33 and 79 of the Municipal Structures Act.
• Rules Committee
• Municipal Public Accounts Committee (MPAC)
• Audit Committee
• Performance Audit Committee

C3.6 AUDITOR GENERAL (AG) CONCERNS
No AG concerns mentioned.
C3.7 MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT: SWOT ANALYSIS

Municipal Transformation in uThungulu is the development of institutional systems and processes to support the District’s development strategies and initiatives. Municipal transformation deals with transforming the organisation into a sustainable high performance organisation, in which employees are developed, valued, empowered and motivated, quality management, is embedded in all managerial practices and processes, and service delivery in terms of the IDP takes priority.

**STRENGTHS AND OPPORTUNITIES**

- Back to Basic in Place
- Well-functioning EXCO and Council structures
- Communication Strategy approved by Council annually
- IDP Alignment processes take place on a quarterly basis
- Implementation of the UDM Economic Development Framework:
  - Towards a Green Economy by the LED Structures created further opportunities for growth and development
- Functional GIS section
- Planning Shared Services
- HR Development Plan and Employment Equity Plan in place
- Compliance with financial requirements and submission deadlines according to all procedures and policies in place
- Compliance with SCM requirements
- No Auditor General concerns

**WEAKNESS AND THREATS**

- Programmes on hold due to lack of funding. The UDM is predominantly dependant on financial grants.
- Lack of skills within the organisation remains a huge challenge
- The portfolio committees are functional with limited instances where meetings are postponed due to the absence of quorum. In those limited instances the Municipal Whip convenes meeting with party whips to discuss Councillor attendance as a measure to reduce instances of meetings that are postponed due to the lack of quorum.
C4.0 SERVICE DELIVERY & INFRASTRUCTURE ANALYSIS

C4.1 WATER & SANITATION

uThungulu District Municipality, in terms of the Water Services Act, is the Water Services Authority in respect of its area of jurisdiction, apart from the City of uMhlathuze.

The WSA has a duty to all consumers, or potential consumers, in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water supply and sanitation (collectively referred to as water services). As a WSA, uThungulu District Municipality focuses on water services and on providing at least a basic level of service to consumers in its area of jurisdiction.

C4.1.1 WATER

uThungulu District Municipality as WSA has a number of initiatives underway, notably:

- Water loss management strategy
- Water meter installation
- Water quality improvement interventions

The Water Services Development Plan (WSDP) is an important tool in achieving set objectives and feeds information into the Integrated Development Plan (IDP).

According to the 2011 census, there has been an increase in the number of households with water inside their yards and well as access to communal stands. The following table comparing the 2001 and 2011 census results is provided:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Piped water on communal stand</td>
<td>4.7</td>
<td>17</td>
<td>18.8</td>
<td>4.7</td>
<td>17</td>
<td>18.8</td>
<td>4.7</td>
<td>17</td>
<td>18.8</td>
</tr>
<tr>
<td>No Access</td>
<td>66.2</td>
<td>44.9</td>
<td>16.2</td>
<td>66.2</td>
<td>44.9</td>
<td>16.2</td>
<td>66.2</td>
<td>44.9</td>
<td>16.2</td>
</tr>
</tbody>
</table>

Source: 2011 Census

Graph 25: Access to Water
Map 33: Water Services – With Piped Water
Table 41: Survey of Rivers within the District

<table>
<thead>
<tr>
<th>KZ</th>
<th>RIVER NAME</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>281</td>
<td>uMfolozi Municipality</td>
<td></td>
</tr>
<tr>
<td>281</td>
<td>uMfolozi River</td>
<td>Currently Dry</td>
</tr>
<tr>
<td>281</td>
<td>Small localized dams throughout the Municipality</td>
<td>Dry</td>
</tr>
<tr>
<td>282</td>
<td>uMhlathuze</td>
<td></td>
</tr>
<tr>
<td>282</td>
<td>Nsezi</td>
<td>Partially Dry</td>
</tr>
<tr>
<td>282</td>
<td>uMhlathuze</td>
<td>Partially Dry</td>
</tr>
<tr>
<td>282</td>
<td>Lake Chubu</td>
<td>Partially Dry</td>
</tr>
<tr>
<td>282</td>
<td>Lake Mzingazi</td>
<td>23%</td>
</tr>
<tr>
<td>283</td>
<td>Ntambanana</td>
<td></td>
</tr>
<tr>
<td>283</td>
<td>Mfule River</td>
<td>Dry</td>
</tr>
<tr>
<td>283</td>
<td>Hlambanyathi</td>
<td>Dry</td>
</tr>
<tr>
<td>284</td>
<td>uMlalazi</td>
<td></td>
</tr>
<tr>
<td>284</td>
<td>Mhlathuzana</td>
<td>Dry</td>
</tr>
<tr>
<td>284</td>
<td>Ruth Ledge</td>
<td>16% capacity</td>
</tr>
<tr>
<td>284</td>
<td>Sihlangu</td>
<td>20% capacity</td>
</tr>
<tr>
<td>284</td>
<td>Ntenjane</td>
<td>Dry</td>
</tr>
<tr>
<td>284</td>
<td>Matigulu Rover</td>
<td>15% capacity</td>
</tr>
<tr>
<td>284</td>
<td>Phobane Lake</td>
<td>Currently at 35%</td>
</tr>
<tr>
<td>284</td>
<td>Ndlovini</td>
<td>Dry</td>
</tr>
<tr>
<td>284</td>
<td>Thukela River</td>
<td>40% capacity</td>
</tr>
<tr>
<td>284</td>
<td>9. Melmoth Dam</td>
<td>5% capacity</td>
</tr>
<tr>
<td>285</td>
<td>Mthonjaneni</td>
<td>1. No Rivers</td>
</tr>
<tr>
<td>286</td>
<td>Nkandla</td>
<td></td>
</tr>
<tr>
<td>286</td>
<td>1. Mhlathuze River</td>
<td>Partially Dry</td>
</tr>
<tr>
<td>286</td>
<td>2. Nsuze River</td>
<td>Partially Dry</td>
</tr>
<tr>
<td>286</td>
<td>3. Thukela River</td>
<td>40% capacity</td>
</tr>
</tbody>
</table>

All of the above is the result of expenditure in water and related infrastructure. Such expenditure is guided by the Water Services Development Plan (WSDP) and O&M Plan.

<table>
<thead>
<tr>
<th>PLAN</th>
<th>PHASE</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>WSDP</td>
<td>Phase 1</td>
<td>Under Review</td>
</tr>
<tr>
<td></td>
<td>Phase 2</td>
<td>Under Review</td>
</tr>
</tbody>
</table>

Phase 1 of the WSDP was completed in July 2015 and drafts are under review.

Subsequent to this, DWS implemented a web based system of WSDP (Phase 2), which then resulted in UDM extending the appointment of consultants to complete this exercise. The first draft of the WSDP (Phase 2) has been received by Technical Services – WSA office and is presently being circulated to other departments for comments.

The following tasks were accepted as the project plan, with final delivery of the WSDP in March 2016. The main task team has been assembled to assist with the capturing/updating of the WSDP digitally:
• Training/mentorship of UDM staff is a priority; enable UDM to own the WSDP.
• Confirm MTEF projects.
• Assess sector plans and incorporate their needs into WSDP.
• Update demographics component.
• Update service level component.
• Update Water Services Infrastructure management 1 & 2 component.
• Update WCWDM component
• Update water Master-plan perspective

The focus of the WSDP being as follow:
• Reflection of current levels of services experienced by communities.
• Revised need for water services by all communities in the district.
• Prioritized projects for development of water services, coupled with budgets and time frames.
• Strategies regarding technical, social and financial principles of water sources.

The WSDP also deals with issues pertaining to the provision of sanitation services. The eradication of water backlogs have been addressed since the 2001/2002 financial years. The backlogs for water and sanitation (as the main expenditure items on the municipal budget) relate to the following RDP standards:
• The minimum RDP level of water supply is 25 litres per capita per day within a walking distance of 200m.
• The minimum RDP level of sanitation supply is 1 VIP per household, detached from the household, inclusive of superstructure.

The following are the new UDM Strategies relating to water and sanitation provision:
• Low Cost Housing Projects
  ▪ The UDM will install basic water infrastructure (reticulation and bulk)
  ▪ Rural: Metered connection within 200 m from dwelling (funded from housing subsidy)
  ▪ Urban: Metered connection on plot boundary
  ▪ Households have a choice of minimum free basic or metered above 6 kl/month stepped tariffs
  ▪ Developer to construct basic on-site sanitation (VIP’s)
• Upper Income Housing Developments
  ▪ The developer constructs all water and sanitation infrastructure, including bulk where there is not sufficient capacity, at own cost
  ▪ UDM to approve design standards
  ▪ Households billed on metered stepped tariffs
• Industrial Developments
  ▪ The developer constructs all water and wastewater infrastructure, including bulk where there is not sufficient capacity, at own cost
  ▪ UDM to approve design standards
  ▪ Water consumption billed on metered fixed tariff
New policy to be developed regarding wastewater disposal of large wet industries – incentives to do pre-treatment

• Metering System
  • Proposed metering of inlets/outlets of all bulk water infrastructure, WTW, pump stations, reservoirs, for water balancing purposes
  • All connections, including communal stand pipes to be metered
  • New design created for metered yard connections

• Implementation of SMME programmes including EPWP
  • Strategy document to implement Small contractor development on water reticulation projects
  • Involves Level 1 contractors registered with the CIDB
  • Various disciplines to train, support and develop the contractors
  • Assistance from Department of Public Works required regarding the EPWP

The strategy to eradicate backlogs is summarized as follow:

As a first objective to provide at least 90% of the backlog population with a water volume of 5l/capita/day within a 1000m walking distance, and; as a second objective to provide at least 35% of the backlog population with water to the RDP level of service, i.e. 25l/capacity/day.

Table 42: Water Catchments

<table>
<thead>
<tr>
<th>SUPPLY AREA</th>
<th>SUB-SUPPLY AREA</th>
<th>LOCAL MUNICIPALITY</th>
<th>SURFACE WATER SOURCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goedertrouw</td>
<td>Greater Mthonjaneni</td>
<td>uMlalazi/ Ntambanana/Mthonjaneni</td>
<td>Goedertrouw Dam</td>
</tr>
<tr>
<td></td>
<td>Kwahlokohloko</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middledrift</td>
<td>Eshowe</td>
<td>uMlalazi/ Nkandla</td>
<td>Tugela River</td>
</tr>
<tr>
<td>Vutshini-Nkandla</td>
<td>Vutshini</td>
<td>Nkandla</td>
<td>Nsue River</td>
</tr>
<tr>
<td>Upper Nseleni</td>
<td>Kandel</td>
<td>Ntambanana/ UMslozi</td>
<td>uMhlathuze City (lake Mzingazi, Nsezi)</td>
</tr>
<tr>
<td>Mhlana</td>
<td></td>
<td>uMfolozi</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>uMhlathuze City (lake Mzingazi)</td>
<td></td>
</tr>
</tbody>
</table>

Source: WSDP

In addition to the above, there are about 200 small, stand-alone supply schemes in the District that supply water to many rural areas. At least 125 of these schemes are fed by boreholes or springs. However, these groundwater resources are either not reliable of too low-yielding to be relied upon for the establishment of bulk supply systems. For this reason surface water resources are relied upon to a greater degree to feed the bulk water systems while groundwater resources are used in the interim to maintain existing services levels and provide a survival level of service in remote and drought affected areas in the District.
Water Backlogs

Backlog information that the municipality has is not 100% accurate as this information was based on the historical data from TLCs as well as Census 2011 figures. The municipality will be undertaking a backlog study report in the coming financial year (2016/17) to get the accurate and complete picture of the backlogs within the district. The results of the backlog study will also be used in ensuring that the district receives the equitable share it deserves. This document will also inform future planning and budgeting of infrastructure projects.

Table 43: Water Supply Backlog in uThungulu District

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>uMfolozi (KZ281)</td>
<td>12664</td>
<td>97%</td>
<td>25 584</td>
<td>18 454</td>
<td>7 130</td>
<td>31%</td>
</tr>
<tr>
<td>Ntambanana (KZ283)</td>
<td>9528</td>
<td>81%</td>
<td>12 826</td>
<td>5 897</td>
<td>6 929</td>
<td>35%</td>
</tr>
<tr>
<td>uMlalazi (KZ284)</td>
<td>34484</td>
<td>82%</td>
<td>45 062</td>
<td>24 339</td>
<td>20 723</td>
<td>32%</td>
</tr>
<tr>
<td>Mthonjaneni (KZ285)</td>
<td>6056</td>
<td>78%</td>
<td>10 433</td>
<td>7 609</td>
<td>2 824</td>
<td>24%</td>
</tr>
<tr>
<td>Nkandla (KZ286)</td>
<td>21085</td>
<td>72%</td>
<td>22 463</td>
<td>14 442</td>
<td>8 021</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>82817</td>
<td>81%</td>
<td>116 367</td>
<td>70 741</td>
<td>45 627</td>
<td>29.4%</td>
</tr>
</tbody>
</table>

Source: UDM Technical Services
Map 34: Water Backlogs
Map 35: Water Backlogs (Without piped water)
C4.1.2 SANITATION

Provide basic health hygiene to at least 90% of the backlog population and to provide at least 25% of the population with sanitation facilities in the form of a VIP latrine.

Planning for future requirements has been done on the basis of a master planning study that investigated various options on the basis of their economic, technical, environmental, social suitability and cost. The master planning produced revised design criteria and updated areas of coverage for bulk and reticulation infrastructure. The supply zones were simplified into 5 supply areas for the district in order to distinguish logical water supply catchments as indicated in the following table;

The following table provides a detailed summary of progress made in respect of the eradication of backlogs in sanitation provision.
Table 44: Sanitation Backlogs in uThungulu District

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>uMfolozi KZ281</td>
<td>12664</td>
<td>99.00%</td>
<td>25584</td>
<td>20328</td>
<td>5256</td>
<td>21%</td>
</tr>
<tr>
<td>Ntambanana (KZ283)</td>
<td>9528</td>
<td>76%</td>
<td>12826</td>
<td>13187</td>
<td>0</td>
<td>INFILLS</td>
</tr>
<tr>
<td>uMlalazi (KZ284)</td>
<td>34484</td>
<td>85%</td>
<td>45062</td>
<td>35891</td>
<td>9171</td>
<td>22%</td>
</tr>
<tr>
<td>Mthonjaneni (KZ285)</td>
<td>6056</td>
<td>95%</td>
<td>10433</td>
<td>11069</td>
<td>0</td>
<td>INFILLS</td>
</tr>
<tr>
<td>Nkandla (KZ286)</td>
<td>21085</td>
<td>94%</td>
<td>22463</td>
<td>21415</td>
<td>7582</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82817</strong></td>
<td><strong>89%</strong></td>
<td><strong>116368</strong></td>
<td><strong>102433</strong></td>
<td><strong>13935</strong></td>
<td><strong>12%</strong></td>
</tr>
</tbody>
</table>

Source: UDM Technical Services

Graph 27: Survey of Access to Sanitation

Source: Census 2011
Map 37: Households with No Sanitation
C4.2 SOLID WASTE MANAGEMENT

A Regional Solid Waste site at Empangeni was established in 2004. The Regional Solid Waste site licence has been amended to incorporate recycling activities and the feasibility study has commenced. Waste transfer stations at Mtnzini, Ntambanana and KwaMbonambi towns were constructed to transport waste to the regional site. Other completed transfer stations are at Melmoth and Eshowe. The Nkandla Landfill site is currently under development. On the other hand, the Regional Solid Waste refuse Cell number 1 and the Eshowe old Landfill Site are under rehabilitation.

The overall collection of solid waste is done by Local Municipalities and transported through the regional landfill for disposal. Therefore, the District is not involved with the collection activities.

The review of the IWMP was budgeted for during the financial year 2015/16. The specification document has been finalized and will be serving in relevant committees for final approval and the appointment of the service provider will be finalised. It however be noted that IWMP was last reviewed in 2009/10 financial year, hence the need to review such plan.

C4.3 CEMETERIES

uThungulu District Municipality is responsible for regional projects whilst local cemeteries remain the responsibility of the local municipalities.

The development of uThungulu Regional cemetery at Empangeni was completed in 2006. The 2nd phase for another 6000 graves is currently being implemented. Local and Traditional Authorities have traditionally taken responsibility for burials in rural areas which are predominantly being within the household grounds as it is a traditional practice. Many areas cannot afford to continue to accommodate burials on residential plots due to land availability constraints.

The only crematorium in the area is located at Eshowe, which may need to have its capacity extended to cope with the regional demand.

The process of evaluation of the sites has commenced for the purpose of authorization applications and establishment of Mandawe Cemetery.

C4.4 POLICY DEVELOPMENT AND BYLAWS

Every WSA being a municipality like UDM should build capacity to develop policies and bylaws. UDM has tariff, debt collection and credit control policies in place. However there are challenges with debt collection as well as credit control.

Currently, the operation and maintenance (O&M) as well as the asset management functions are decimally underfunded. This is partly because cost recovery is made
impossible by the fact that 80% of UDM is rural and indigent. It is also worth noting that UDM does not receive grants for O&M.

One area that UDM needs to focus on is Water Conservation and Water Demand Management (WC/WDM). This study is being conducted and will be finalized in June 2015, in order to determine the water losses especially in our rural areas of supply. Due to lack of meters at strategic points in our networks particularly in rural areas, it is difficult to detect leaks or illegal connections. The district has started installing metres in most / high density areas, where revenue generation is possible.

The gaps in level of services include a rural/urban national design standard; which affects the rural area more and more because the level of service required in the rural area increases annually and the actual level of service cannot keep up with the demand and this is likely to will continue until service levels are equalised. Aged water and sanitation infrastructure, lack of capacity of key treatment plants continues to be a challenge and results in many interruptions and service delivery challenges. The municipality has further conducted a Section 78 assessment for water provision in terms of the Municipal Systems Act (32 of 2000). The municipality remains the Water Services Authority (WSA) irrespective of the structure of its service delivery mechanism, which could be internal, external or a combination of both. The assessment was aimed at developing options to be considered in decision making as to which option would be viable and will be most appropriate. The Regional Master planning that will be completed during 2015/2016 financial year will attempt to correct the lack of planning in the rural areas and shift the focus towards the implementation of more sustainable regional water schemes.

First draft copy of the Master Plan was submitted at the end of June 2015. Final edits were made and submitted in January 2016 to all relevant structures for adoption.

Operations and Maintenance had a working session with the consultants updating the location of UDM boreholes, schemes, reservoirs and pipe schemes etc. The UAP phase2 project currently underway by Umgeni Water who are dealing specifically with GeoData/GIS data, and they have been tasked to update this data digitally.

Geo-database has been developed and model 2 tabs being populated. Task is two months behind due to DWS not uploading GDB. UDM staff inputs are essential to finalise. Final deliverables are expected by 31 March 2016.

**Existing Water Infrastructure**

The WSDP that was developed indicates that the existing water infrastructure suggests that the formal urban areas have well developed bulk infrastructure and networks and historically was the main focus for infrastructure development in the District, with the potential to generate revenue. Infrastructure development in the rural areas was historically done in a disorganized manner and this resulted in a number of stand-alone rural water schemes that many times are supplied from unsustainable water sources.
Water Delivery Standards
The water supply to the District is derived from dams, rivers, ground water and bulk purchases from the City of Mhlathuze. The water is then treated at several treatment plants, owned by the district before being distributed to households. In terms of the demographics, a huge number of populations are rural, with a small portion of formal urban settlements and these are dealt differently when planning for the provision of water services.

Approach to water and sanitation provision
The municipality has developed a WSDP, which in being reviewed currently. The municipality has further adopted a free water basic services policy and indigent policy. The developmental approach and motivation of various levels of service offered is clearly defined in the policy. The free basic services policy is based on the same approach and subject to affordability and economic viability, so the municipality may review the policy based on practical realities with regards to consumption and financial viability of metering and billing from time to time. The municipality has started installing water metres in the areas that are highly possible to contribute towards revenue generation, and this will be extended to other areas later on, depending on the capacity as well as funding.

C4.5 SWOT ANALYSIS

Threats
- Severe drought conditions which has resulted in water sources running completely dry
- Aging infrastructure
- Unaccounted water (non-revenue water)
- Challenges in meeting the blue and green drop requirements
- Failure to collect revenue in rural areas
- Failure to retain technical staff due to salary packages offered
- Poor quality of water coming from boreholes drilled
- Inadequate funding to address the backlogs

Weaknesses
- the limited yield of the water sources for the localized schemes is hindering their extension to neighbouring communities
- The Section 78 study has revealed that uThungulu District Municipality did not have sufficient capacity to manage and operate the water services infrastructure under its care. Hence a WSSA was appointed to assist with the O&M function of the rural schemes. The urban schemes are operated and maintained by uThungulu District Municipality internal staff.
- Inadequate capacity to manage the WSSA contract
- Lack of very important functions that Technical Services should be performing is also observed. A good example is the WC/WDM
• Blue & Green drop requirements not met due to the ageing infrastructure of the WTW & WWTW within the district

**STRENGTHS**

• The municipality started intensifying on the drive to construct bulk cross boundary water schemes. Nevertheless, with the current level of funding, it will take many years to eradicate the backlogs
• Technical capacity available to execute the tasks (implementation)
• Senior manager Water use efficiency has been appointed to address the issue of water loss
• Most critical positions are being filled
• Improvement plan has been developed as is being implemented to deal with GD & BD non-compliance issues

**OPPORTUNITIES**

• Grant funding received from the national government, i.e. RBIG, MIG & MWIG assists in ensuring that services are delivered and hence more job opportunities are created
• EPWP funding used to create more jobs and in turn uplift the economy of the district
Map 39: Landfill Sites
Map 40: Transportation Infrastructure
C4.6 TRANSPORTATION INFRASTRUCTURE

The District Municipality is not responsible for any roads.

In terms of the National Land Transportation Act 2009 Districts are the designated planning authorities for areas of jurisdiction, however the District currently does not have an updated District Integrated Transport Plan (DITP) due to budget and capacity constraints. The District last updated its Integrated Transport Plan in 2005. Efforts to secure funding to capacity the District to develop this critical plan are being perused and it is hoped that the plan will be developed in the future. Rural Access roads have the most impact for future development of the district.

Refer to Section H for Department of Transport projects

C4.7 ELECTRICITY / ENERGY

Refer to Section H

C4.7.1 OTHER RENEWABLE ENERGY INITIATIVES

The district with the support of its social partners like COGTA is currently implementing innovative renewable and clean energy projects in the rural areas. The most notable projects in UDM are the Biogas and Wonderpot projects. Funding for these projects has been secured from COGTA and efforts to secure more funding will be intensified due to the success of the pilot projects.

C4.8 COMMUNITY FACILITIES

The Community Facilities Plan entailed an audit of 626 facilities in the district during 2005. Of the 626 Facilities visited, only 59 had no infrastructure or services problems. Some of the report findings are summarized hereunder: (no reports have been done since 2005)

The majority of problems at facilities related to the following:

- No infrastructure (particularly at the majority of “kick-around” sport fields)
- No shelter or ablution facilities at Pension Pay-out Points
- No Electricity
- No Water
- Problems with sanitation connections
- Problems with water connections
- Problems with electricity connections
- Infrastructure that has been vandalized (broken windows)
- Damaged / stolen fencing
- Damage to roofs
- Poor workmanship (cracked walls)

As a result of the high number of facilities that will require funding for new or improved infrastructure and/or services, it was decided to focus on the District, Primary, Secondary and Tertiary Nodes (as per the then UDM IDP Spatial Framework Plan), in the preparation
of the Community Facilities Plan. Facilities within a certain radius of District, Primary, Secondary and Tertiary Nodes were identified (as per the then UDM Spatial Development Plan). Hereunder, a table is attached summarizing the results:

Table 45: Funding Required for Upgrading of Community Facilities

<table>
<thead>
<tr>
<th>FACILITY</th>
<th>FUNDING REQUIRED (R '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>KZ284</td>
</tr>
<tr>
<td>Child Care</td>
<td>194</td>
</tr>
<tr>
<td>Sport</td>
<td>710</td>
</tr>
<tr>
<td>Pension Pay-out Points</td>
<td>332</td>
</tr>
<tr>
<td>Cemeteries</td>
<td>175</td>
</tr>
<tr>
<td>Community Halls</td>
<td>167</td>
</tr>
<tr>
<td>Market Stores</td>
<td>8</td>
</tr>
<tr>
<td>Historical Sites</td>
<td>0</td>
</tr>
<tr>
<td>Totals</td>
<td>1586</td>
</tr>
</tbody>
</table>

The greatest financial need is for the upgrading of sport facilities and child care facilities; and there is also a need for the provisioning of shelters and ablution facilities at Pension Pay-out Points. The more densely populated areas in the southern part of Mthonjaneni LM and the western part of Ntambanana LM don’t seem to have Community Halls available and it is recommended that this situation be further investigated.

Please note that community facilities are not the responsibility of the District Municipality but rather that of the LMs and respective sector departments where applicable.

Table 46: Facilities per LM

<table>
<thead>
<tr>
<th>Type of Facility</th>
<th>Number of facilities per Local Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mfolozi</td>
</tr>
<tr>
<td>Primary Schools</td>
<td>61</td>
</tr>
<tr>
<td>Secondary Schools</td>
<td>27</td>
</tr>
<tr>
<td>Training Colleges</td>
<td>2</td>
</tr>
<tr>
<td>Tertiary Institutions</td>
<td>0</td>
</tr>
<tr>
<td>Library</td>
<td>7</td>
</tr>
<tr>
<td>Clinics</td>
<td>8</td>
</tr>
<tr>
<td>Community Health Centres</td>
<td>1</td>
</tr>
<tr>
<td>District Hospital</td>
<td>1</td>
</tr>
<tr>
<td>Regional Hospital</td>
<td>1</td>
</tr>
<tr>
<td>Police Station</td>
<td>1</td>
</tr>
<tr>
<td>Sports facilities</td>
<td>1</td>
</tr>
<tr>
<td>Community Halls</td>
<td>2</td>
</tr>
<tr>
<td>Airport</td>
<td>1</td>
</tr>
</tbody>
</table>
Map 41: Community Facilities

Legend:
- Primary Node
- Secondary Node
- District Municipal Boundaries
- Local Municipal Boundaries
- Proposed 2016 Local Municipal Boundaries
- Waterbodies
- Main Roads
- Police Station
- Cemeteries
- Courts
- Community Halls
- Sports Fields
- Post Office
- Tribal Courts
C4.9 HUMAN SETTLEMENTS

The District recently finalised a Human Settlements Strategy which was adopted concurrently with the Spatial Development Framework and (SDF) and Strategic Environmental Assessment (SEA). The exact status quo and effective strategies to deal with human settlements particularly informal and rural settlements will be guided by this plan going forward.

The Comprehensive Plan shifts the focus to improving the quality of housing and housing environments by integrating communities and settlements, hence a shift from housing to creating sustainable environments through the integration of services to improve living environments. It also sets new minimum standards for housing products improving privacy and sustainability by providing for the development of a range of social and economic facilities in housing projects. Key focus area on creating new sustainable settlements, where communities have ease of access to socio-economic opportunities. The Comprehensive Plan also focuses on Informal Settlement Upgrading to meet the Sustainable Development Goals (SDGs) of the United Nations to improve the lives of slum dwellers.

This plan is already assisting in the planning, alignment and mapping of necessary infrastructure and facilities.

C4.9.1 DETERMINING THE HOUSING DEMAND

<table>
<thead>
<tr>
<th>House or brick/concrete block structure on a separate stand or yard or on a farm</th>
<th>Traditional dwelling/hut/structure made of traditional materials</th>
<th>Flat or apartment in a block of flats</th>
<th>Cluster house in complex</th>
<th>Townhouse (semi-detached house in a complex)</th>
<th>Semi-detached house</th>
<th>Informal dwelling (shack; in backyard)</th>
<th>Informal dwelling (shack; not in backyard; e.g. in an informal settlement or on a farm)</th>
<th>Room/flatlet on a property or larger dwelling/servants quarters/granny flat</th>
<th>Caravan/tent</th>
<th>Other</th>
<th>Unspecified</th>
<th>Not applicable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>121,758</td>
<td>54,380</td>
<td>12,869</td>
<td>1,410</td>
<td>1,337</td>
<td>290</td>
<td>3,209</td>
<td>2,521</td>
<td>2,235</td>
<td>1,175</td>
<td>247</td>
<td>1,545</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Source: Census 2011*

It is notable that 59,136 households live in traditional dwellings and informal dwellings. This is the households that need to benefit from the programmes of the Department of Human Settlements and can be taken as the baseline for determining the housing backlog in the municipal area.
THE STATUS OF THE MUNICIPAL HUMAN SETTLEMENT PLANS (HSS) ARE AS FOLLOWS:

Table 48: Municipal Human Settlement / Housing Plan Status

<table>
<thead>
<tr>
<th>LOCAL MUNICIPALITY</th>
<th>YEAR ADOPTED</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>uThungulu</td>
<td>2016</td>
<td>Adopted</td>
</tr>
<tr>
<td>Nkandla</td>
<td>In progress</td>
<td></td>
</tr>
<tr>
<td>Ntambanana</td>
<td>2014</td>
<td>Adopted</td>
</tr>
<tr>
<td>Mthonjaneni</td>
<td>Draft</td>
<td></td>
</tr>
<tr>
<td>uMfolozi</td>
<td>2014</td>
<td>Current</td>
</tr>
<tr>
<td>uMhlathuze</td>
<td>Draft</td>
<td></td>
</tr>
<tr>
<td>uMlalazi</td>
<td>2014</td>
<td>Adopted</td>
</tr>
</tbody>
</table>

The Current Situation in Municipalities

- Capacity issues in municipalities;
- Working in Silos internally in municipalities;
- HSP done for compliance;
- No integration of identified projects with services;
- No integration with other government spending patterns;
- No HSP thus no delivery

Provincial projects refer to Section H

C5.0 LOCAL ECONOMIC & SOCIAL DEVELOPMENT ANALYSIS

C5.1 LOCAL ECONOMIC DEVELOPMENT ANALYSIS

Amongst others, this section of the report will be informed by the following components of uThungulu district’s economy:

- DGDP goals and priorities
- Main Economic Sectors
- Employment and Income Levels
- Local Economic Development
- Agriculture
- Tourism
- Other sectors such as mining, construction and manufacturing

The LED Strategy was recently reviewed and adopted during 2015/17 financial year
C5.1.1 FEATURES OF THE ECONOMY

Other than the substantial economy that has developed in Richards Bay and Empangeni as a result of activities relating to the port, uThungulu is also well-endowed with natural resources. Its competitive advantages in this regard include:

- A good climate that opens up avenues for productive agricultural and tourism development;
- Agriculture with irrigation infrastructure in place; and
- A scenic environment and coastal terrain which create opportunities for tourism development.

uThungulu’s unique qualities set it apart from many other regions in South Africa. It boasts the largest deep-water port on the African continent, which imports the most bulk cargo of all African ports. It has double the capacity of the Port of Durban to its south and handles in excess of 75 million tons of cargo annually. The development of the harbour facilities at Richards Bay has promoted the development of the manufacturing sector, such that the manufacturing sector is one of the largest economic contributors to the gross geographic product in uThungulu.

uThungulu offers highly favourable agricultural conditions as it has extremely fertile soils, good rainfall and enjoys an excellent, frost-free climate all year round. A wide variety of bio-climatic conditions are on offer across the district, from the mountainous area of Nkandla down to the coastline. The agricultural sector is a dual economy, consisting of commercial agriculture on one hand and traditional agriculture on the other.

The commercial agricultural economy is based on the sugar and forestry industries. Traditional agriculture is practiced on most of the tribal lands in the district and is said to have “enormous potential for growth”.

uThungulu District Municipality allocates the majority of its annual income to capital infrastructure projects in its three “newly-established, local municipalities”: Mfolozi, Ntambanana and Nkandla, where the vast majority of residents live in rural homesteads and unemployment is high. A lack of scarce skills has negatively affected the employment conditions, as industries have been forced to source labour outside of the region, to the detriment of local workers.

With manufacturing being the biggest contributor, due to strategic industrial concerns such as Hillside Aluminium, Mondi, Foskor and Tata Steel, there is still room for growing this sector considering several locational advantages.

The establishment of the IDZ/SEZ in Richards bay is one such example of catalytic projects aimed at ensuring that the manufacturing and export potential of the district is enhanced.
Table 49: Sectoral Contributions to Economy

<table>
<thead>
<tr>
<th></th>
<th>KZN</th>
<th>UTHUNGULU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>3.9%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Mining</td>
<td>1.1%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>19.7%</td>
<td>32.1%</td>
</tr>
<tr>
<td>Electricity</td>
<td>1.7%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Construction</td>
<td>2.7%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Trade</td>
<td>13.2%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Transport</td>
<td>12.0%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Finance</td>
<td>18.1%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Community Services</td>
<td>17.0%</td>
<td>11.9%</td>
</tr>
<tr>
<td>Total Industries</td>
<td>89.3%</td>
<td>88.1%</td>
</tr>
<tr>
<td>Taxes less Subsidies on products</td>
<td>10.7%</td>
<td>11.9%</td>
</tr>
<tr>
<td>Total (Gross Domestic Product - GDP)</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Census 2011

The DGDP is in place; however, the institutional framework to monitor DGDP implementation is not yet established due to capacity constraints within the family. As such there is currently no family representation at the 18 Provincial Action Working Groups.

C5.1.2 EMPLOYMENT AND INCOME LEVELS

Unemployment is high in uThungulu district. The results of the 2011 Census provides the following information pertaining to the number of dependents per person employed.

Table 50: Comparative Dependency Ratio

<table>
<thead>
<tr>
<th></th>
<th>Dependency Ratio per 100 (15-64)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
</tr>
<tr>
<td>SOUTH AFRICA</td>
<td>58.7</td>
</tr>
<tr>
<td>KWAZULU-NATAL</td>
<td>65.4</td>
</tr>
<tr>
<td>DC28: Uthungulu</td>
<td>74.5</td>
</tr>
<tr>
<td>KZN282: uMhlathuze</td>
<td>55.8</td>
</tr>
<tr>
<td>KZN286: Nkandla</td>
<td>99.2</td>
</tr>
<tr>
<td>KZN281: Mfolozi</td>
<td>80.2</td>
</tr>
<tr>
<td>KZN283: Ntambanana</td>
<td>85.7</td>
</tr>
<tr>
<td>KZN284: uMlalazi</td>
<td>81.5</td>
</tr>
<tr>
<td>KZN285: Mthonjaneni</td>
<td>78.2</td>
</tr>
</tbody>
</table>

Source: Census 2011

It has to be borne in mind that income levels are also very low as can be seen from the following inset.
Graph 28: Households Earning Less than R1600 per Month

<table>
<thead>
<tr>
<th>Income Levels</th>
<th>0</th>
<th>10000</th>
<th>20000</th>
<th>30000</th>
<th>40000</th>
<th>50000</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Income</td>
<td>27843</td>
<td>9931</td>
<td>18155</td>
<td>41622</td>
<td>42254</td>
<td>23218</td>
</tr>
<tr>
<td>R 1 - R 4800</td>
<td>9931</td>
<td>18155</td>
<td>41622</td>
<td>42254</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R 4801 - R 9600</td>
<td>1157</td>
<td>17316</td>
<td>8320</td>
<td>2332</td>
<td>594</td>
<td>415</td>
</tr>
<tr>
<td>R 9601 - R 19600</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R 19 601 - R 38 200</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R 38 201 - R 76 400</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R 76 401 - R 153 800</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R 153 801 - R 307 600</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R 307 601 - R 614 400</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R 614 001 - R 1 228 800</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R 1 228 801 - R 2 457 600</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R 2 457 601 or more</td>
<td>415</td>
<td>594</td>
<td>415</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Census 2011

Table 51: Income Levels

<table>
<thead>
<tr>
<th>Income Levels</th>
<th>27843</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Income</td>
<td>27843</td>
</tr>
<tr>
<td>R 1 - R 4800</td>
<td>9931</td>
</tr>
<tr>
<td>R 4801 - R 9600</td>
<td>1157</td>
</tr>
<tr>
<td>R 9601 - R 19 600</td>
<td></td>
</tr>
<tr>
<td>R 19 601 - R 38 200</td>
<td></td>
</tr>
<tr>
<td>R 38 201 - R 76 400</td>
<td></td>
</tr>
<tr>
<td>R 76 401 - R 153 800</td>
<td></td>
</tr>
<tr>
<td>R 153 801 - R 307 600</td>
<td></td>
</tr>
<tr>
<td>R 307 601 - R 614 400</td>
<td></td>
</tr>
<tr>
<td>R 614 001 - R 1 228 800</td>
<td></td>
</tr>
<tr>
<td>R 1 228 801 - R 2 457 600</td>
<td></td>
</tr>
<tr>
<td>R 2 457 601 or more</td>
<td>415</td>
</tr>
</tbody>
</table>

Total 202972

Source: Census 2011

Given the above, it is very important that an appropriate economic development strategy for the district is derived and that adequate attention is given to Small, Medium and Micro Enterprise (SMME) development as a means of promoting emerging entrepreneurs who will initiate labour intensive job growth. Furthermore, the strategy should aim to provide support to the informal sector as it is recognized that it currently provides many households with an income and it is anticipated to play an increasingly more important role in the future.

The following information relating to unemployment and means of making a living is noted:
Even though, as can be seen from the above figure, there appears to have been some decline in unemployment levels from 2001 (50.3%) to 2011 (34.7%), this is not a significant improvement considering the levels of poverty within the district and hence more initiatives to reduce unemployment need to be pursued.

Table 52: How People Make a Living in Formal Sector
The majority of population in the district depend on Government a grant which is not a sustainable means of living. Several projects to change the picture are being implemented in the district. The impact thereof will be revealed by the Citizen satisfaction/Customer survey currently being conducted once it’s finalised.

**Graph 30: Age Breakdown of Unemployment KZN/uThungulu**
Map 42: Household Income
Map 43: Population Density VS Poverty
Map 44: Unemployment

UTHUNGULU DISTRICT MUNICIPALITY: INTEGRATED DEVELOPMENT PLAN 2016/2017

Legend

- District Municipal Boundaries
- Local Municipal Boundaries
- Proposed 2016 Local Municipal Boundaries
- Waterbodies
- Main Roads

% OF HH Unemployment

- 1.61 - 2.50
- 2.51 - 5.00
- 5.01 - 7.50
- 7.51 - 10.0
- 10.1 - 12.5
- 12.6 - 15.0
- 15.1 - 17.5
- 17.6 - 20.8
C5.1.3 SMME’S

Graph 31: SMME’s in uThungulu

![Graph 31: SMME's in uThungulu](image)

**Source:** uThungulu Business Support Strategy 2010

Graph 32: Categorisation of SMME’s

![Graph 32: Categorisation of SMME's](image)

**Source:** uThungulu Business Support Strategy 2010

Developing new and sustainable SMMEs are instrumental in boosting economic growth and development in South Africa. It is also critical in economically empowering previously disadvantaged individuals and communities and thereby redressing the economic imbalances of the past in South Africa. Business support facilities that service SMMEs have
increased the sustainability of SMMEs throughout the world. These facilities include business information kiosks, service centres, hives/clusters, and incubators.

It has been identified that SMMEs in uThungulu add a disproportionately small contribution to the local economy due to the presence of large manufacturers and exporters. Government support has been focussed on large investments, with only modest assistance offered to develop and support SMMEs in uThungulu, especially in the rural and underdeveloped areas. Private and non-governmental support has been fragmented and uncoordinated. This has created the problem of the “missing middle” between local based raw/bulk material producers and local retailers, with many local SMMEs becoming unsustainable. This gap is currently filled by national and international suppliers.

uThungulu District Municipality is in a process of developing a SMME support implementation plan.

The report should contain the following projects/activities for implementation:

- Newly established District Economic Development forum
- To develop a common SMME database in the district using among other means, the provision of an online registration and the provision of a simple and single form (that includes the tender processes, application form, letter of good standing and other required forms)
- Regular workshops grouping Supply Chain Managers from the district and local municipalities to review the MFMA, SCMP, CIDB and PPPFA; and to lobby for the National Treasury and the National Department of Works to amend and make provision to these regulations
- To organise small SMME fairs in each local municipality
- Current LED staff (from the district as well as local municipalities) to undergo an extensive SMME development related trainings
- DEDT One Stop Shop needs to improve the facilitation processes for SMMEs to easily access ABSA/Standard Bank/Ithala SMME fund
- To prioritise the service provision to rural SMMEs before providing to urban SMMEs.
- To provide training to SMMEs via DEDT One Stop Shop and uMfolozi College
- The district and local municipalities to facilitate SMMEs in the rural areas to form joint ventures in order to reduce the transport cost of the raw materials.
- District and local municipalities to facilitate the easy access to land for SMME development
- To provide a SMME incubator in the district
- Mentorship programme need to be developed and rolled out by the current SMME satellites.
- Project of Mobile Entrepreneurs under the Informal Economy Chamber to uplift the informal economy traders with mobile containers
Based on the above mentioned projects / activities it is exciting to report about the progress made to date as follows:-

- Establishment of a District SMME Support Working Group in October 2010. This committee is comprised of institutions such as local municipalities, government departments, government agencies, tertiary institutions and private sector. All these institutions render various kinds of support to the SMMEs. uThungulu District Municipality is the facilitator of this committee, which is designed to establish a communication platform amongst various sectors, thus assists in avoiding duplication of services and the like.

- One of the projects identified by the members of the SMME Support Working Group includes the design of an SMME Brochure, which contains useful information such as contact details and services rendered by different institutions. This project has been completed successfully, through the active participation of the above mentioned members of the committee. All representatives of the committee have received an opportunity to market their services in the brochure at no charge, as the brochure was funded by uThungulu District Municipality. SMMEs on the other hand will benefit in receiving a variety of useful information in one brochure.

- The SMME Stakeholders committee held a workshop on 14 May 2014, to amend its Terms of Reference which will assist in strengthening its existence. Identification of new members was also made on the day and potential projects and initiatives that the committee needs to undertake in future. It has since been resolved that these meetings be held on quarterly basis as also reflecting on the SDBIP.

- In support to the local municipalities, uThungulu District Municipality has also supported a number of events hosted by uMhlathuze Local Municipality, including the annual SMME Fair 2011 and uMhlathuze Agricultural Market Day 2011. In 2016 the SMME Fair will be hosted by the Zululand trade fair and uThungulu District Municipality will be partnering for the benefits of our local SMMEs.

- uThungulu District Municipality has since 2013 resolved to hold Annual Economic Development Symposiums. The symposiums are held under different themes, where SMMEs are invited and the crafters are included to showcase their work.

- SMME Database project has been completed, the SMME Database registration form has been designed by Urban Econ Consultants and members of the SMME Support Working Group have contributed to the final form which is available circulated widely to the SMMEs.

- The SMME Database is being updated accordingly, using the information of attendance registers of SMMEs who attends different events such as trainings, meetings, seminars etc. To date the total number of SMMEs reflecting in the database is 1906 as at March 2016.

- The KZN Department of Economic Development & Tourism, together with SALGA have developed an informal economy policy and has encouraged all municipalities to implement such policy in order to support the Informal Traders also known as Informal Economy Actors.
According to the policy, the term “informal economy” is preferable to “informal sector” because the workers and enterprises in question do not fall within any one sector of economic activity, but cut across many sectors. However, the term “informal economy” tends to downplay the linkages, grey areas and interdependencies between formal and informal activities.

As a way of implementing the policy uThungulu District Municipality has contributed to the establishment of the Local Municipal Informal Economy Chambers at all six local municipalities, followed with a District Informal Economy Chamber.

The District Chamber is a structure established at District level for purposes of acting as a unified for all informal economy actors in the province of KwaZulu Natal within the District mandate. This structure constitutes representatives from the Municipality Informal Traders Chamber plus LED officials dealing with Informal Economy.

Other than the above mentioned achievements uThungulu LED Section is keeping in touch with various stakeholders in order to ensure that there is information and assistance that could be helpful to the SMMEs operating within the district.

Mobile Entrepreneurs the informal economy traders with mobile containers project is underway and mobile toilets, kitchens and fridges is in progress.

**STRENGTHS / OPPORTUNITIES**

- Significant growing contribution to local economies by SMMEs, following national trends
- Growing support and commitment to SMME development from the district and municipalities, technical,
- Supply chain and other departments
- Fair support for SMME development in Richards Bay, Empangeni and Eshowe
- Expansion and development of infrastructure in urban areas of the district
- LED units with relevant development strategies
- Direct access to the export market for local SMMEs
- Opportunities exist in different LED units to recruit more LED advisors
- Tender portal – Trade World
- Skills transfer programme
- Opportunity to create strong partnerships with SEDA, ZCCI, BEE Forum and other bodies
- Introduction of the new Companies Act 71 of 2008 (that will alleviate the regulatory and other red tape burdens)
- There is an opportunity for urban SMMEs to learn from current large corporates
- There is an opportunity for SMMEs and their service providers in uThungulu to replicate the national and
- Provincial SMME Programmes at the local level
Weaknesses/Threats

- Red tape from Supply Chain Management Act/Policy, CDB, Preferential Procurement Policy Framework and MFMA
- Lack of business support unit in the district, with SEDA having only a periodic presence in other municipalities outside uMhlathuze
- Lack of a database of SMMEs and SMME service providers’ in the district
- Limited qualified staff in most of the LED units throughout the district
- Weak SMME support network in rural areas (this leaves SMMEs vulnerable with limited ability to grow)
- Lack of sector specific SMME programmes in the district
- SMMEs lack access to markets, raw materials, finance, business premises and land (these are worse in the rural areas)
- Skills shortages, including business skills, human resources skills, business management skills, financial or bookkeeping skills, IT skills and technical or sector specific skills
- Lack of access to mentorship
- Limited access to information and advisory services (for urban SMMEs) and lack of access to information and advisory services for rural SMMEs
- Lack of exposure or market visibility
- Local and provincial government too focused on establishing / attracting large investment into uThungulu
- Increasing and high competition from national and international firms in the urban areas

C5.1.4 AGRICULTURE

Agricultural activity is more concentrated in the former Lower uMfolozi magisterial district than in any of the other areas in the district. The agricultural sector is of a dual nature, i.e. commercial and traditional agriculture. The commercial agriculture is based on two main monocrops, namely sugar cane and forestry. The cane and forestry sectors have been at the forefront of assisting emerging farmers. Traditional agriculture is practiced on most of the Traditional Council lands in the district. The development of this sector is hindered by a low skills base and a lack of organized bodies to provide financial assistance, access to markets and market channels.

A consultant has been appointed in February 2016 to conduct an agricultural support feasibility study. The objective of the Agricultural Development Plan is to identify specific programmes and projects to address rural poverty and stimulate job creation. The consultant is working closely with local municipalities and the UFPM. The focus is on:

- Status Quo Analysis
- Vision
• Objectives and Strategies
• Programmes with associated Projects

The Reviewed uThungulu Development Plan has the following vision: “To develop the agricultural potential of uThungulu through “climate-smart”, ecologically sustainable policies, practices and financing at the levels of food security production, small farmer and commercial agricultural production, processing and marketing, so that agriculture regains its position as an essential contributor to economic and social stability within the district.”

The issue of climate change has been included in the vision.

The Reviewed Agricultural Development Plan has the following objectives:

• To create an enabling policy and institutional environment at local level to facilitate climate-smart and ecologically sustainable agriculture
• To encourage the adoption of agricultural systems and practices that are responsive to the challenges of climate change and the need for environmental and ecologically sustainable futures
• To investigate financial and investment opportunities and mechanisms to assist farmers at all three levels of production to adopt climate-smart and ultimately financially and economically smart agricultural practices
• To promote training, capacity building and mentorship in order to improve skills levels in agriculture amongst farmers, extension officers and all other relevant stakeholders with the aim of optimising information, understanding and knowledge of environmentally, ecologically and socially sustainable agricultural practices;
• To promote processing and marketing of produce in uThungulu.
• To facilitate access to production inputs and transport for farmers at all three levels of production*

In order to achieve the objectives the following programmes have been identified:

• Programme 1: Institutional Framework for District Agriculture
• Programme 2: Turnaround for Land Reform
• Programme 3: Ingonyama Trust: Developing Productive Land
• Programme 4: Climate Smart, Environmental Sustainable Agriculture
• Programme 5: Logistics: Inputs, Processing and Marketing

A package of projects has been identified under each programme as listed in the Reviewed uThungulu Agricultural Development Plan.

Also, uThungulu district has proceeded with the establishment of their Agricultural Development Forum. The concept was proposed by the KZN Department of Agriculture to improve service delivery, communication and liaison.
In consultation with key agricultural role players an appropriate institutional structure will be established to ensure the implementation of the Reviewed uThungulu Development Plan.

C5.1.4.1 Fresh Produce Market
One of the primary aims and objectives of uThungulu Municipality is to create sustainable economic growth for both the Municipality and all relevant stakeholders, a mandate and principle that has recently come to be deemed as underperforming and of little significance to the progress of the Northern Kwa-Zulu Natal Region.

The decline in agricultural output is more evident in the decreasing number of “small scale” farmers who develop and become self-sustaining. This phenomenon is a result of many factors but more evident is maybe the municipality’s inability to provide such farmers with the adequately required trading facilities that will enable them to trade and grow their farms as well as the overall agricultural produce of the region.

The municipality’s initiative to establish a fully functioning fresh produce market that will house both the commercial (established) and communal (small scale- developing) farmers has been completed.

The Fresh Produce Market is 100% owned by uThungulu District Municipality and has a board of directors and the CEO who overlook the proper functioning of the market.

C5.1.4.2 District Development Agency
uThungulu District Municipality being primarily a rural municipality focusing on agriculture started with the development of uThungulu Fresh Produce Market (UFPM) which is anticipated to run as an entity on its own.

The UFPM however does not replace the need for a development agency. The district has received the conceptual report and council’s approval is required for the process towards the formation of the Development Agency during 2016/17.

C5.1.4.3 Job Creation
The Led Strategy was reviewed in 2015 and adopted by council in 2016

Table 54: Summary of Strategies and Interventions Proposed

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>INTERVENTIONS</th>
<th>KEY DRIVERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBJECTIVE 1: BUILD LED CAPACITY</td>
<td>Build district LED Capacity</td>
<td>District Municipality</td>
</tr>
<tr>
<td></td>
<td>Establish District LED Agency</td>
<td>District Municipality</td>
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<tr>
<td></td>
<td>Improve Effectiveness of District LED</td>
<td>District Municipality</td>
</tr>
<tr>
<td>STRATEGY</td>
<td>INTERVENTIONS</td>
<td>KEY DRIVERS</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>---------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Forum</td>
<td>Grow the District LED Knowledge Base</td>
<td>UNIZUL Zululand Chamber</td>
</tr>
<tr>
<td><strong>OBJECTIVE 2: EXPAND ECONOMIC INFRASTRUCTURE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy: Facilitate Rural Town / Village Establishment</td>
<td>Rural Town / Village Establishment</td>
<td>District Municipality Local Municipalities COGTA Sector Departments</td>
</tr>
<tr>
<td>Strategy: Facilitate Strategic Infrastructure Development</td>
<td>Port Expansion</td>
<td>Portnet</td>
</tr>
<tr>
<td></td>
<td>Airport Redevelopment</td>
<td>District Municipality uMhlathuze Local Municipality ACSA</td>
</tr>
<tr>
<td></td>
<td>ICT / Broadband Infrastructure Development</td>
<td>Telkom Private Sector</td>
</tr>
<tr>
<td><strong>OBJECTIVE 3: BUILD SMALL BUSINESSES IN 'ALTERNATIVE' SECTORS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy: Build Informal Economy / SMMEs</td>
<td>Establishing a Conducive Environment for SMME Growth</td>
<td>District Municipality Local Municipalities</td>
</tr>
<tr>
<td></td>
<td>Creating Space / infrastructure for Informal Economy Growth</td>
<td>District Municipality Local Municipalities Private Sector</td>
</tr>
<tr>
<td></td>
<td>Informal Economy Capacity Building / Skills Development</td>
<td>DEDA Unizulu Private Sector</td>
</tr>
<tr>
<td>Strategy: Support Small Scale Agriculture</td>
<td>Providing Production Support through Agricultural Hubs</td>
<td>Dept Of Agriculture SASA Private Sector</td>
</tr>
<tr>
<td></td>
<td>Support Agricultural Produce Marketing with focus on Collective Marketing</td>
<td>District Municipality Private Sector</td>
</tr>
<tr>
<td></td>
<td>Access to Agri-processing Facilities</td>
<td>Dept. of Agriculture Dept economic Development and Tourism</td>
</tr>
<tr>
<td></td>
<td>Support Land Access and Reform Processes</td>
<td>Dept. of Rural Development and Land Reform</td>
</tr>
<tr>
<td></td>
<td>Develop Agricultural Infrastructure (Irrigation Plan Focus)</td>
<td>Dept. of Agriculture</td>
</tr>
<tr>
<td>Strategy: Create Business and Employment Opportunities in Construction</td>
<td>Promote Skills Development</td>
<td>FET Colleges District Municipality Sector Departments</td>
</tr>
<tr>
<td>STRATEGY</td>
<td>INTERVENTIONS</td>
<td>KEY DRIVERS</td>
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<tr>
<td>----------</td>
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<td>-------------</td>
</tr>
<tr>
<td>Establish Contractor Development Programme</td>
<td>District Municipality Public Sector Departments delivering Infrastructure / Facilities / Housing</td>
<td></td>
</tr>
<tr>
<td>Guiding the Expanded Public Works Programme</td>
<td>COGTA</td>
<td></td>
</tr>
<tr>
<td>Strategy: Support the Heritage Sector</td>
<td>Assess economic development opportunities relating to the Heritage Sector</td>
<td>District Municipality Film Office KZN Tourism Authority AMAFA KZN</td>
</tr>
<tr>
<td>Strategy: Grow the Green Economy</td>
<td>Green Economy Promotion and Facilitation</td>
<td>Infrastructure Agencies Private Sector Opportunity Identification</td>
</tr>
</tbody>
</table>

**OBJECTIVE 4: SUPPORT ESTABLISHED ECONOMY**

| Strategy: Grow Agriculture | Facilitate the Establishment of Agri-processing Facilities | District Municipality Private Sector Dept of Agriculture |
| Establishing a Conducive Environment for Agriculture | Department of Agriculture |
| Strategy: Market Tourism and Expand Product | Marketing District Tourism | District Municipality KZN Tourism Authority |
| Strategic Product Development | Private Sector Ezemvelo KZN Wildlife District Municipality DWA |
| Infrastructure Development | Portnet |
| Strategy: Build Formal Retail / Commerce | Rural Retail / Commerce Opportunity Identification | Local Municipalities |
| Retail Investment Facilitation | District Municipality Local Municipalities TIKZN |
| Implement Retail development | Private Sector |
| Strategy: Attract Major Industries | Facilitate Investment Promotion | Richards Bay IDZ / SEZ TIKZN |
| Industrial land development | Richards Bay IDZ / SEZ uMhlathuze LM uMfolozi LM uMlalazi LM Private Sector |
| Coordinate the Expansion of Economic Infrastructure (for major industries) | Transnet Portnet SANRAL DOT |
## District Rural Projects

### Table 55: District Rural Projects

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>IMPLEMENTATION ORDER</th>
<th>RESPONSIBLE AGENT</th>
<th>FUNDING/DEVELOPMENT AGENT</th>
<th>COMMENTS</th>
</tr>
</thead>
</table>
| Energy: Hot-bag program | 1 | uThungulu District Municipality | IDC Green Fund TIKZN | **An energy hot bag also known as wonderpot project has been identified through our Community Services department.**
**To date a total number of 100 representatives from all 6 local municipalities have been trained on the production of wonderpots through the Community Services department.**
**A total number of 30 representatives were selected from the total 100 to be trained on the financial management training, facilitated by uMfolozi FET College during 2013/14 FY.**
**The selection of these 30 representatives was made up of 5 people from all 6 local municipalities.**
**These representatives will be assisted by the municipality to register as Cooperatives, in order for them to become entrepreneurs.** |
| Water: Tanks program | 2 | uThungulu District Municipality | IDC Green Fund TIKZN | |

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### District Urban Projects

#### Table 56: District Urban Projects

<table>
<thead>
<tr>
<th>URBAN PROJECTS</th>
<th>DESCRIPTION</th>
<th>IMPLEMENTATION ORDER</th>
<th>RESPONSIBLE AGENT</th>
<th>FUNDING/DEVELOPMENT AGENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling Program</td>
<td>1</td>
<td>Richards Bay Empangeni</td>
<td>IDC Green Fund TIKZN eThekwini Municipality</td>
<td></td>
</tr>
<tr>
<td>Energy Efficiency Program</td>
<td>2</td>
<td>Richards Bay Empangeni</td>
<td>IDC Green Fund TIKZN Energy Efficiency Association SA</td>
<td></td>
</tr>
<tr>
<td>Solar Water Heater Program</td>
<td>3</td>
<td>Richards Bay Empangeni</td>
<td>IDC Green Fund TIKZN eThekwini Municipality (Shisa Solar Program)</td>
<td></td>
</tr>
</tbody>
</table>

The Municipality identified Uwanca Agricultural Project as a permaculture project to be supported. Uwanca Agricultural Project is a co-operative run project based in Macekane under Ntambanana Local Municipality. The Municipality identified Agricultural Eco-Tunnel as the best form of support for Uwanca Agricultural Project, to help maximize production yields.
Map 45: Agriculture Potential VS Poverty
C5.1.5 TOURISM

During 2003, a Local Tourism Master Plan was originally prepared to provide clear guidelines to achieve sustainable tourism development within uThungulu area by setting and achieving implementable, realistic goals and objectives as well as tourism project implementation plans. This Tourism Master Plan was reviewed in 2010 and the tourism strategies as identified are focused to improve tourism products which will add value to tourism within the district. Projects as identified from the strategies are in line with National and Provincial strategies and programmes, and will assist economic development and investment in uThungulu.

The main project findings and tourism vision alluded to the following key recommendations:

- Agreement to the principle to develop uThungulu, manage, brand and market the areas as a “unique tourism destination” within the existing provincial tourism branding, thereby increasing the number of domestic and foreign tourism visits.
- uThungulu District Municipality is to be responsible for the overall management and marketing of uThungulu district tourism sector. This includes liaison and coordination with the six Local Municipalities in terms of setting up and operations of Community Tourism Associations as well as communication with representatives of the private sector.

During the 2009/10 review of the Tourism Master Plan the following is a list of the Product and Infrastructure Strategies.

Table 57: Tourism Product and Infrastructure Strategies

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>DESCRIPTION</th>
<th>PRIORITY</th>
</tr>
</thead>
</table>
| 1 Develop the Coastline for Tourism purposes  | • Improve Accessibility  
• Reclaim Coast for Tourism  
• Accommodation Development                  | High         |
| 2 Pursue Big5 Game Reserve in District        | • Provide Support for Private game reserve projects  
• Interact with KZN wildlife                  | High         |
| 3 Encourage Cruise ship Tourism in Richards Bay| • Construct dedicated passenger liner terminal  
• Improve linkages with Region’s attractions for cruise tourists               | High / Medium|
| 4 Extensively develop the Route 66 product     | • Encourage Tourism related SMME’s to locate on Route  
• Product Development  
• Standardize signage                         | High         |
| 5 Develop great forests of Zululand Experience | • Construct campsites/ cabins  
• Develop paths  
• Package great forest Tours                  | Medium       |
<p>| 6 Develop contemporary African Cultural Tourism| • Add to existing cultural attractions and being developing urban African Tourism | Medium       |
| 7 Improve accessibility                       | • Tar strategically important access                                  | High         |</p>
<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>DESCRIPTION</th>
<th>PRIORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategies to improve signage</strong></td>
<td>• Improve signage to remove area</td>
<td>Medium</td>
</tr>
<tr>
<td><strong>Develop adventure tourism in District</strong></td>
<td>• Promote adventure sports</td>
<td>High</td>
</tr>
<tr>
<td><strong>Ensure Tourism safety in volatile areas</strong></td>
<td>• Create safe tourist precincts</td>
<td>Medium</td>
</tr>
<tr>
<td><strong>Promote more family attractions and facilities</strong></td>
<td>• Develop child friendly and family oriented attractions in the District</td>
<td>Medium</td>
</tr>
<tr>
<td><strong>Nodal Tourism Development Strategy</strong></td>
<td>• Identify and define area in which local economic development efforts should focus on Tourism</td>
<td>High / Medium</td>
</tr>
<tr>
<td><strong>Kings Experience</strong></td>
<td>• Intensive marketing campaign focusing on product development and using T.V. as a medium of marketing</td>
<td>High</td>
</tr>
</tbody>
</table>

**TOURISM ATTRACTIONS**

This section of the report provides an extract of some of the tourism attractions in the district.

**Liberation Route**

The uThungulu District Municipality is embarking on the development of the Liberation Route.

The uThungulu District Municipality has a proud heritage history, which is integral to the role that it plays as an institution of local government. It is therefore that the district embodies a culture and vision that is both service and people-orientated. The district is embarking on a process to rename and rebrand itself to honour the legacy of the indigenous people who were born and bred here.

Liberation Heritage is a shared value demonstrating the exchange of values, dialogue among people, cultures and experiences. It presents a moment to reboot memories, celebrate triumphalism while seeking the universal comprehension of the road that was travelled to attain peace, democracy, reconciliation and development in South Africa.

**The primary objective of the Route**

- To identify and package cultural tourism resources through which culture and heritage can be packaged as an economic commodity;
- Contribute significantly to the branding of uThungulu as a Zulu Cultural and heritage destination;
• Increase Tourism Revenue Yield in rural areas lacking formal economic opportunities;
• Provide the opportunity for Previously Disadvantaged Individuals and groups in the ownership and operation of tourism plant.

**DEVELOPMENT OF THE R66 HERITAGE ROUTE**

uThungulu District Municipality Tourism Development Plan identified the development of the R66 as one of the priority projects for the District. The Route is located along the R66 from the junction of the N2 and R102 at Gingindlovu to eMakhosini.

This project received funding from the Corridor Development Programme was utilized for the development of this project. Progress on the projects has been made on stakeholder interaction, research and investigations.

**Projects Completed**

- The R66 participation at various shows including the Indaba
- Printing of R66 Map and folder
- Upgrading of Fort Nongqayi (repainting, interpretive signage and floodlights);
- Upgrade of road to Maqhamusela heritage site;
- 12 students completed their Tour Guide training successfully; and
- Road signage
- Lake Phobane day visitor facilities upgrade
- Formation of a R66 institutional structure
- Route 66 signage
- Upgrade of Lake Phobane

**PASSENGER LINERS (CRUISE TOURISM) – MOBILE INFO UNIT**

The number of Passenger liners to the Port of Richards Bay has increased from previous years. A mobile unit, as an information office on wheels, which can entertain any enquiries is used when passenger liners dock in Richards Bay harbour and any other outdoor tourism activities.

During November and December 2015 12 Passenger liners used Richards Bay harbour as port of call. Another 10 passenger liners are expected for January and February 2016.

Assistance and marketing are being provided by the uMhlathuze tourism association and the uThungulu District Municipality.

**FILM OFFICE**

The Film Office was established in 2010 as a contract project funded by KZN COGTA for two years. It has since 2013 been solely funded by uThungulu District Municipality.
The Film Office is primarily divided in three main components namely training, marketing and servicing:

- The training programme component includes workshops reaching out to all corners of the North Coast Region forging a link between the market needs and the film producers. The training enables emerging film producers to establish themselves as businesses and produce quality films to be showcased.
- The marketing component aims to place the district on the map through filming and creating an awareness of the potential of the North Coast Region.
- To act as a “one stop shop” for production companies to obtain advice, assistance, location scouting, permits and the like.

- The Role of the Film Office
  - Manage the filming approval process on behalf of respective authorities and stakeholders; Issuing filming permits to filmmakers
  - Facilitate between film producers, local government and local communities about film productions
  - Market and promote the District as “The ULTIMATE FILM DESTINATION”
  - Maintain effective communication between national and provincial departments, filming agencies, private landowners, business, tourists and residents of affected areas to support filming activity
  - Encouraging film producers and production companies to operate in an environmentally sound and sustainable manner

- The main activities of the Film Office are:
  - To develop databases: Filmmakers, Services, Locations;
  - Supply onsite support to production crews;
  - Assist with issuing of permits and obtaining permissions for filming;
  - Attracting of productions to the area through exhibitions, festivals and industry networking sessions.
  - Development of Local Talent

Objectives for 2016/17:

- To expand the Film Office to cater for the Creative and Performing Arts sector widely so as to cater for the gap market i.e. People without skills, without any formal or minimal education but with talent and willing to be trained.
- To establish a Creative and Performing Arts Academy incorporating all forms of arts working together with other players in the industry
- The Academy to also incubate its learners and provide them with entrepreneurial, financial and business management skills
• Establish formal relations with the SETAs, National Department of Arts and Culture, Provincial Department of Culture, Sports and Recreation
• Establish linkages with production houses such as the SABC, ETV, etc.

• **ZULULAND BIRDING ROUTE**

In February 2010, The Northern Zululand Birding Route was reconstituted as a self-standing association to co-ordinate and manage the on-going development of birding tourism projects in KwaZulu Natal. The Zululand Birding Route Mission is to promote and develop birding based tourism in KwaZulu-Natal for the benefit of avid tourists, communities and birds. ZBR has been successful in re-establishing itself and extending the route towards Ballito (Lembe District Municipality) and North towards the Mozambique border (uMkhanyakude District Municipality). It is imperative that the route ensures higher returns on input costs, greater levels of private sector support and self-generated income activities.

The following are proposed as key actions to work towards:

- Integrating with other routes and harness spin off benefits
- Increase private sector support
- Increased ownership and buy in from community bird guides
- Partnerships with tour operators

• **CRAFT DEVELOPMENT**

Craft development is an important part of local economic development. During the second quarter tourism reached a peak due to the holiday season. Crafters were assisted to promote their goods at every possible opportunity for example, tourism month celebrations in the shopping Mall in Richards Bay. Crafters were given exhibition space at the various events and when passenger liners dock in Richards Bay harbor.

A number of 56 craft groups had the opportunity to sell their handcraft. The crafters reported good sales during those times and appreciated the assistance from the district.

• **FORESTS OF ZULULAND**

The “Great Forests of Zululand” is an important tourism product of uThungulu District and has been identified as a tourism nodal point that needs to be further developed. In partnership with Ezemvelo KZN Wildlife (EKZNW), the access road to the birders camp was upgraded from an untraversable road only accessible to 4 x 4 drive vehicles to a road allowing all vehicles access. Additional funding was raised by the Zululand Birding Route from Foskor for the upgrading of the Birders Camp in the Forest. Further development of the Ongoye forest is planned in terms of the provision of facilities, signage and marketing.
• **KwaBulawayo Tourism Development**

This catalytic project development aims to create a tourism attraction based on historical significance and is situated in rural Bhekeshowe. The Tribal Authority consists of seven sub-wards in a 15km area. The actual site of the King Shaka KwaBulawayo Military Capital is the focus of the attraction, surrounded by a wealth of historical and cultural tourism sites. Phase 1 of the project is complete and will be operated as a day facility.

The actual site of King Shaka’s Military capital, KwaBulawayo is a treasure trove of archaeological, historical, heritage, cultural and eco-tourism. uThungulu District Municipality, in partnership with the Department of Cooperative Governance and Traditional Affairs, have spent over R8-million transforming the military capital into a tourism attraction of note.

The Kwabulawayo Tourism Development is an initiative of the Kwabulawayo community with an objective of creating employment opportunities for members of the community. Taking into consideration the objective of the project, services where supplied by the local Community Trust, in order to demonstrate the economic benefit of the infrastructure.

• **Kings Experience**

The Kings Experience is the districts branded annual tourism marketing campaign which was first launched in 2014.

The aim of the campaign is to attract tourists from all over South Africa, to visit the district especially during the festive season.

Further marketing took place in Sandton promoting events such as the Last Dance and Beach Festival in Sandton. Potential visitors were informed and accommodation establishments promoted to attract more visitors to the area.

• **Port Festival**

uThungulu District Municipality partnered with various organizations and municipalities to support events that took place during the November and December 2015 holiday season.

A partnership with Transnet National Ports Authority in hosting the Port Festival and World Maritime week was established. The district will be in a partnership from the 2015/16 to the 2017/18 financial year. This event is in line with the District’s current and future program i.e. skills development in the Maritime Sector, exploring the district role in Operation Phakisa, SMME support programmes, Supplier Development and exposing cooperatives and small businesses to opportunities in the maritime sector.
**THE BEACH FESTIVAL**

The Beach Festival took place the weekend of the 16th of December 2015 and was well attended. uThungulu District Municipality partnered with the City of uMhlathuze on this event. The aim of the Beach Festival was to entertain and educate families of all ages and genders – a social cohesion exercise. The event had performers entertaining crowds, sports activities, local arts and crafts, and fun for the young children. The Beach Festival has become a key annual event in the district, creating a boost for tourism.

**THE LAST DANCE MUSIC FESTIVAL**

The uThungulu Last Dance New Year’s festival was initiated in 2010 as part of the 2010 FIFA world cup. In 2011 the event grew to another level and was declared as the annual event due to its success and potential. The 2016 event took place on 31 December 2015 at the uMhlathuze Sports Complex and a “Giving Back Picnic” was held on 1 January 2016 at Alkantstrand.

The event organizing company for this event is Mbawula Investments in collaboration with the partners for the event.

The target market for this event is mainly for the young and upcoming market. The festival contributes positively towards promoting the district during the festive season.

The 2016 event went very well and proceeds from the event will be helping 1000 school kids with 500 school uniforms and 500 pairs of school shoes.
**C5.1.6 MANUFACTURING (INDUSTRIAL)**

The biggest sector in uThungulu is the manufacturing sector. The manufacturing activities in uThungulu are metals, metal products and equipment, chemical products, wood and paper. The sector is highly specialized and focuses on exports. Manufacturing activities are concentrated mainly in the areas like uMhlathuze forming part of primary manufacturing centre and uMlalazi forming the secondary manufacturing centre.

In Mthonjaneni there are predominantly small scale ventures while uMfolozi is dominated by Sappi and Mondi manufacturing industries. Metals and related products are the biggest industries in the district contributing more than 40% to the district economy followed by the petroleum, rubber, plastics and chemical industries which contributes 18% and the wood, paper and printing industry that contributed 13%. The manufacturing of food, beverages and tobacco products, transport equipment products, and furniture products, contributed more than R350 million each to uThungulu economy. The prospects of IDZ in uThungulu represent opportunities for manufacturing goods targeting the local and global economies.

**C5.1.7 MINING**

The district is home to two mining giants who have capitalised on the mineral-rich land in uThungulu. Richards Bay Minerals (RBM) is a leading producer of titanium minerals, high purity iron and zircon, found in the coastal sands of the region. It supplies most of SA’s needs and exports the remaining products across the globe. Exxaro KZN Sands is SA’s flagship empowerment mining company, involved in the mining, beneficiation and smelting of mineral sands, mainly to produce titanium slag from smelting ilmenite. Other products include zircon, rutile, leucoxene and low manganese pig iron.

**C5.1.8 PORT SERVICES SECTOR**

As the third most important town in KZN, Richards Bay boasts the presence of the port of Richards Bay. The harbour is the deepest and second largest export coal terminal in the world. The recent expansion given its land area of 2.157 hectares and 1.495 hectares of water area now makes this port one of the largest ports in the world. Richards Bay Coal Terminal Company limited will see the coal terminal’s capacity expanded to in excess of 75-million tons of cargo annually. The bulk-handling facilities of the harbour are world-class and the trade links with international economies through the port have been the prime impetus for large-scale industrialisation in the area.

**C5.1.9 GREEN ECONOMY**

The district with the support of its social partners like COGTA is currently implementing innovative renewable and clean energy projects in the rural areas. The most notable projects in UDM are the Biogas and Wonderpot projects. Funding for these projects has been secured from COGTA and efforts to secure more funding will be intensified due to the success of the pilot projects (See Section I).
C5.1.10 LOCAL ECONOMIC DEVELOPMENT INITIATIVES

Weakness/Threats

- Impact of HIV and AIDS on labour
- Brain drain to more urbanised locations
- Lack of funding for SMME’s
- Lack of capacity in terms of skills in LED sections of Local Municipality
- Lack of funding and business skills for SMME’s
- Lack of access to markets

Strengths/Opportunities

- Availability of labour in the district
- Broad based tourism appeal
- Strong agricultural sector
- Good transportation networks (roads and rail)
- Availability of relevant sector plan (LED strategy)
- Effective IGR structures

C5.2 SOCIAL DEVELOPMENT ANALYSIS

Social and community development deals with issues ranging from environmental health services to education and the provision of community facilities. As such, community upliftment and awareness in matters of gender, HIV/AIDS communicable diseases are of importance here.

Within the district, there is a need to develop recreational facilities such as sports facilities for the youth as there is a lack of such in the majority of the communities. Development of such facilities will allow for the exploration of youth talent in sport, music and other cultural activities. However, the major constraints to investment are the lack of financial resources and the general sentiment that such developments are not a priority. There is a high demand for health services. The municipal health function (environmental health) has been transferred to the District.

Disaster Management is regarded as a key issue due to the fact that the district is prone to fires and floods that cause severe damage and require large financial resources to correct damage done at any given time. uThungulu District Municipality has completed its Disaster Management Plan. The preparation of the plan was not funded from external sources although the district receives assistance with disaster relief in the form of grants and provisions from the Provincial Authorities. The phase 1 report concluded that four of the local municipalities in the district, i.e. Nkandla, Ntambanana, uMfolozi and Mthonjaneni require technical assistance for the preparation of their respective phase 2 and 3 disaster management reports.
In addition to the above, the district has commenced, and completed, the preparation of the following sector plans to inform social and community development. These include:

- Environmental Health Plan
- Community Services Plan
- Crime Prevention Plan
- Policy for the Marginalized
- Gender Equality
- HIV/Aids Policy

The focus of the remainder of this section will be on access to community facilities, the impact of HIV/AIDS as well as improved community awareness.

### C5.2.1 EDUCATION

The municipal area is well provided with Schools and the facilities are reasonably well distributed. No information exists regarding the standard of the facilities or the availability of water and sanitation at the Schools.

It is notable and extremely concerning that, according to the 2011 census, there are 3 wards in the municipal area where more than 20% of the population have no schooling while there are schools facilities available in the area. This trend need to be investigated by the relevant authorities and attended to as a matter of urgency. The following wards are indicated:

- Mthonjaneni LM Ward 3
- Nkandla LM Wards 9 and 13.

#### Table 58: Access to Primary School Facilities

<table>
<thead>
<tr>
<th>Facility</th>
<th>Current Population</th>
<th>Threshold Population</th>
<th>Threshold Distance to Facility</th>
<th>Population Residing within Threshold Distance to Facility</th>
<th>Population Residing outside Threshold Distance to Facility</th>
<th>Preschool Number of Facilities</th>
<th>Existing Number of Facilities</th>
<th>Additional Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>uMhlatuze LM</td>
<td>334 459</td>
<td>3 500</td>
<td>1.5Km</td>
<td>288 185</td>
<td>46 274</td>
<td>06</td>
<td>70</td>
<td>26</td>
</tr>
<tr>
<td>Nkandla LM</td>
<td>114 417</td>
<td>3 500</td>
<td>1.5Km</td>
<td>63 638</td>
<td>50 779</td>
<td>33</td>
<td>120</td>
<td>0</td>
</tr>
<tr>
<td>Mdumbi LM</td>
<td>122 788</td>
<td>3 500</td>
<td>1.5Km</td>
<td>74 247</td>
<td>48 541</td>
<td>35</td>
<td>62</td>
<td>0</td>
</tr>
<tr>
<td>Nkambanka LM</td>
<td>72 338</td>
<td>3 500</td>
<td>1.5Km</td>
<td>37 252</td>
<td>35 666</td>
<td>21</td>
<td>38</td>
<td>0</td>
</tr>
<tr>
<td>uMzalo LM</td>
<td>213 602</td>
<td>3 500</td>
<td>1.5Km</td>
<td>127 150</td>
<td>86 452</td>
<td>61</td>
<td>135</td>
<td>0</td>
</tr>
<tr>
<td>Mthonjaneni LM</td>
<td>47 818</td>
<td>3 500</td>
<td>1.5Km</td>
<td>10 821</td>
<td>27 067</td>
<td>14</td>
<td>27</td>
<td>0</td>
</tr>
<tr>
<td>uThungulu DM</td>
<td>905 422</td>
<td>3 500</td>
<td>1.5Km</td>
<td>610 233</td>
<td>295 129</td>
<td>200</td>
<td>452</td>
<td>0</td>
</tr>
</tbody>
</table>
### Table 59: Access to Secondary School Facilities

<table>
<thead>
<tr>
<th>Facility</th>
<th>Current Population</th>
<th>Threshold Population</th>
<th>Threshold Distance to Facility</th>
<th>Population Residing within Threshold Distance to Facility</th>
<th>Population Residing outside Threshold Distance to Facility</th>
<th>Prescribe Number of Facilities</th>
<th>Existing Number of Facilities</th>
<th>Additional Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>uMhlathuze LM</td>
<td>334 459</td>
<td>7 000</td>
<td>2.25Km</td>
<td>204 142</td>
<td>40 317</td>
<td>48</td>
<td>42</td>
<td>6</td>
</tr>
<tr>
<td>Nkandla LM</td>
<td>114 417</td>
<td>7 000</td>
<td>2.25Km</td>
<td>63 262</td>
<td>51 155</td>
<td>16</td>
<td>48</td>
<td>0</td>
</tr>
<tr>
<td>Mfolozi LM</td>
<td>122 788</td>
<td>7 000</td>
<td>2.25Km</td>
<td>69 651</td>
<td>53 137</td>
<td>18</td>
<td>28</td>
<td>0</td>
</tr>
<tr>
<td>Ntambanana LM</td>
<td>72 338</td>
<td>7 000</td>
<td>2.25Km</td>
<td>36 292</td>
<td>36 046</td>
<td>10</td>
<td>18</td>
<td>0</td>
</tr>
<tr>
<td>uMlalazi LM</td>
<td>213 602</td>
<td>7 000</td>
<td>2.25Km</td>
<td>122 976</td>
<td>90 626</td>
<td>31</td>
<td>57</td>
<td>0</td>
</tr>
<tr>
<td>Mthethweni LM</td>
<td>33 618</td>
<td>7 000</td>
<td>2.25Km</td>
<td>24 003</td>
<td>23 815</td>
<td>7</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>uThungulu DM</td>
<td>905 422</td>
<td>7 000</td>
<td>2.25Km</td>
<td>610 326</td>
<td>285 696</td>
<td>130</td>
<td>100</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: uThungulu DGDP

### C5.2.2 DEPT OF EDUCATION PROJECTS

Refer to Section H
Map 50: Educational Facilities
C5.2.2 HEALTH

C5.2.2.1 Impact of HIV/AIDS, STIs and Tuberculosis

- **Epidemiological Overview of HIV and AIDS in uThungulu District and KwaZulu-Natal:**
  The Province of KwaZulu-Natal continues to have the highest HIV prevalence, compared to other provinces in South Africa. This is according to the 2012 South African National HIV Prevalence, Incidence and Behaviour Survey Report of the Human Sciences Research Council (HSRC).

  The Survey reveals that although the province is turning the tide against the disease, there are people who are still getting infected. According to this report, HIV prevalence is at 27.9% among people of reproductive ages between 15 and 49 years. However, if one zooms at the 15 to 24 years group, HIV prevalence has declined, going from 16.1% in 2005, to 12% in 2012.

  Medical male circumcision is said to be playing a role in the reduction of infections. The KwaZulu-Natal provincial government’s decision to undertake medical male circumcision drive is bearing some fruit although the numbers of circumcised males are still relatively low in the province. Dr Khangelani Zuma of the HSRC says that more effort needs to be put into encouraging people to get medically circumcised.

  The Report also highlights the fact that although HIV prevalence is still high, the availability of antiretroviral treatment has drastically cut down the number of people dying and the mother-to-child transmissions.

- **Impact of HIV/AIDS on development**
  Typical impacts of AIDS include decreased productivity of workers, increased absenteeism and additional costs of training of new workers. It also represents a greater demand and pressure on health facilities and as the statistics gathered from antenatal clinics indicate a very real problem of AIDS orphans and child (minor) headed households. These factors must be taken cognizance of when devising local economic development strategies.

- **uThungulu District TB and HIV prevalence:**
  The HIV prevalence for uThungulu District, just as that of the KZN province, is high. uThungulu District is therefore also prioritized in the initiatives to combat the spread of the infections. The high TB and HIV prevalence in uThungulu demands that interventions being put in place go beyond obvious, extra ordinary community driven solutions by committed individuals should define the destiny of uThungulu communities.

- **The District comprehensive approach in the war against HIV and AIDS:**
  A multi-stakeholder involvement is needed to build a strong preventative, treatment, caring and supportive environment in the fight against HIV and AIDS. Employers, unions, religious groups, civil society organisations, ward councillors, political leaders, Amakhosi, IziNduna, Traditional Health Practitioners, Sport Bodies, Business Sector, Community Care...
Givers, CDWs, Youth Ambassadors and other relevant stakeholders have to provide the type of leadership and direction that will lead to real change in people's attitudes and behaviour at ward level. Without a massive joint effort, our district and its people will be shattered by this disease.

- **Functionality of the District AIDS Council and its Local AIDS Councils:**
  uThungulu District AIDS Council is functional and is committed to addressing HIV and AIDS issues with the aggressiveness it deserves. All six Local Municipalities under uThungulu District Municipality have established Local AIDS Councils. The functionality of all six Local AIDS Councils is an uncompromised mandate for uThungulu District Municipality; it is in the Multi-Sectoral District Strategic Plan for HIV and AIDS, STI and TB 2012-2016 to ensure a homogeneous integration and a unified approach between the Local AIDS Councils (LAC's) and the DAC to responding to HIV and AIDS issues.

- **The Multi-Sectoral District Strategic Plan for HIV and AIDS, STI and TB 2012-2016:**
  The District Strategic plan focuses on the following Five Priority Areas aiming at ensuring comprehensive and coherent response to HIV/AIDS:

  - **Priority Area One: Prevention of HIV, STI and TB (HAST):**
    - **Goals:**
      - To prevent the spread of HIV, STI and TB infections
    - **Objectives:**
      - To reduce new HIV infections to less than 1% by 2016.
      - To reduce new smear positive TB infections to less than 200 per 100 000 population by 2016.
      - To reduce STI incidence to less than 0.5% by 2016.

  - **Priority Area Two: Sustaining Health and Wellness:**
    - **Goals:**
      - To ensure sustenance of health and wellness by those infected and affected by HIV, STI and TB
    - **Objectives:**
      - To reduce mortality, sustain wellness and improve quality of life of at least 80% of those infected and affected by 2016.
      - To reduce morbidity and improve quality of life of those infected and affected by 2016.

  - **Priority Area Three: Promotion of Human Rights and Promotion to Access to Justice:**
    - **Goals:**
      - To ensure protection of human rights and promotion of access to justice for those infected and affected by diseases
      - A supportive political environment with a proactive multi-sectoral HIV and AIDS response to protect the rights of those infected and affected
• **Objectives:**
  - To ensure that a legal framework exists and is used to protect the rights of people living with HIV and AIDS by 2016
  - To halve the stigma related to HIV, STI and TB by 2016.
  - To strengthen political and public commitment in order to create a visible, decisive and effective leadership within all sectors by 2016

**Priority Area Four: Reducing Structural Vulnerability — Social and Cultural Norms and Values Towards HIV, STI and TB:**

• **Goals:**
  - To reduce structural vulnerability relating to social and cultural norms towards HIV, STI and TB due to poverty, socio-cultural norms and gender imbalance

• **Objectives:**
  - To reduce vulnerability to HIV, STI and TB due to poverty, socio-cultural norms and gender imbalance by 2016.
  - To ensure that infected and affected people are empowered with appropriate coping skills by 2016.

**Priority Area Five: Coordination, Monitoring Evaluation and Research:**

• **Goals:**
  - To monitor the effectiveness of the response to HIV and AIDS, STI and TB
  - Providing effective coordinated local response to HIV and AIDS that is informed by monitoring, evaluation and research.

• **Objectives:**
  - To have a well-coordinated district response to HIV, STI and TB that is informed by an effective M&E system by 2016
  - To ensure updates of HIV and AIDS profile; develop evidence based comprehensive multi-sectoral action plans; monitors the implementation of the Action Plan through quarterly reporting and quarterly meeting in which at least 60% of designated members attend; disburse and monitor usage of resources according to plans

There is a need for more strategic and driven HIV/AIDS awareness programmes as the level of AIDS related deaths, especially amongst the youth are unacceptable. It is imperative that there is buy-in from communities if the programmes and campaigns are to be successful.

The following effect of HIV/AIDS socially should be noted:

• Poorer households are more vulnerable and the epidemic is likely to deepen poverty and compromise upward mobility
• A greater demand for health care facilities
• A greater demand for financial and welfare support for orphans
The effect of HIV/AIDS economically is:

- A shift from savings to current expenditure, thus limiting fixed investment and economic growth
- Possibility of “technological deepening” of the economy as a result of higher absenteeism rates
- Withdrawal of healthy workers to care for ill family members
- Fundamental erosion of South Africa’s two key weaknesses: savings and skills shortage
- Increased spending on pharmaceuticals and funerals

The likely effect of HIV/AIDS on planning:

- Population growth and the structure of the population will change in terms of age and gender
- Demand for services such as schools, housing and health care facilities will change
- Provincial and national enrolment
- Impact on development i.e. physical and economic
- Impact on skilled and unskilled labor force;
- Impact on resources and environment;
- Impacts on capacity of institutions;
- Impact on the local economy; and
- Spatial implications

It should be acknowledged that a very big percentage of the people with HIV/AIDS are actually now on anti-retrovirals and therefore are living longer. The death rate is no longer as high as it was before. It is also true that new infections still do take place in spite of the programmes to educate people about HIV that have been in place for some time. It is therefore necessary that we double our efforts on our awareness campaigns. As is obvious, the health facilities play the key role in the fight against HIV and AIDS. uThungulu Community has at its disposal various health facilities from clinics to hospitals.

### Table 60: HIV prevalence among antenatal clients

<table>
<thead>
<tr>
<th>Year</th>
<th>HIV Prevalence</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>30</td>
</tr>
<tr>
<td>2002</td>
<td>35.4</td>
</tr>
<tr>
<td>2003</td>
<td>38.9</td>
</tr>
<tr>
<td>2004</td>
<td>41.1</td>
</tr>
<tr>
<td>2005</td>
<td>40.6</td>
</tr>
<tr>
<td>2006</td>
<td>34.6</td>
</tr>
<tr>
<td>2007</td>
<td>36</td>
</tr>
<tr>
<td>2008</td>
<td>36.2</td>
</tr>
<tr>
<td>2009</td>
<td>37.7</td>
</tr>
<tr>
<td>2010</td>
<td>36.9</td>
</tr>
<tr>
<td>2011</td>
<td>33.4</td>
</tr>
</tbody>
</table>

*Source: District Health Barometer 2012*
Table 61: HIV prevalence among clients tested (excluding antenatal)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>UTHUNGULU</th>
<th>UDM HAS BUDGETED R1 200 000 FOR</th>
<th>MTHONJANENI</th>
<th>NKANDLA</th>
<th>NTAMBANANA</th>
<th>UMHLATHUZE</th>
<th>UMHLAJAZI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>19.2</td>
<td>19.5</td>
<td>17.9</td>
<td>12.9</td>
<td>11.1</td>
<td>22.6</td>
<td>20.1</td>
</tr>
<tr>
<td>2011</td>
<td>17.5</td>
<td>15.5</td>
<td>14.1</td>
<td>7.5</td>
<td>16.8</td>
<td>24.6</td>
<td>15.9</td>
</tr>
<tr>
<td>2012</td>
<td>15.5</td>
<td>14.9</td>
<td>9.2</td>
<td>8.7</td>
<td>15.4</td>
<td>20.9</td>
<td>13.8</td>
</tr>
<tr>
<td>2013</td>
<td>13.4</td>
<td>10.4</td>
<td>8.3</td>
<td>7.3</td>
<td>12.1</td>
<td>18.8</td>
<td>13.4</td>
</tr>
</tbody>
</table>

Source: DHIS

The Department of Health from 2010 started with an extensive HCT campaign and an HIV prevention strategy. This marked the introduction of Medical Male Circumcision and an accelerated condom distribution plan. As a result there is the decrease in HIV prevalence rate as was at 19.2 in 2010 and 13.4 in 2013. uMhlathuze sub district is still having the highest prevalence rate of 18.8 in 2013 and Nkandla has the lowest prevalence rate of 7.3.

- **Hospitals in uThungulu District**

The District has two Regional hospitals, six District Hospital, 57 fixed Clinics, 1 CHC and 14 mobile Clinics with 66 mobile stopping points. The District also has six local authority Clinics.

- **Regional Hospitals**
  - **Ngwelezane Hospital**
    Ngwelezana Hospital is a 554 bedded hospital. It provides District, Regional and Tertiary Services to communities from uThungulu, Umkhanyakude and Zululand Districts. It is situated at Ngwelezana Suburb which is 5km’s away from Empangeni. Empangeni is about 20km’s from Richards Bay Industrial area, Harbour and Beaches and Airport.

  - **Eshowe Hospital**
    The Eshowe hospital is a 460 bed hospital and has a staff of over five hundred members, which include twenty doctors, (Eshowe Hospital is accredited for training interns), four pharmacists and 290 nurses. Facilities include an emergency room, an endoscopy room, four fully-equipped operating theatres, a small physiotherapy department and a radiology department capable of doing a variety of investigations including contrast studies and ultrasound examinations.

- **District Hospitals**

District Hospitals include Catherine Booth hospital, Ekcombe hospital, Mbongolwane hospital, Nkandla hospital, and KwaMagwaza hospital. Indeed the hospitals and the clinics provide an accessible, integrated, high quality health service to the community, which includes HIV/AIDS treatment.
Table 62: Health Facilities per Municipality

<table>
<thead>
<tr>
<th>LOCAL MUNICIPALITY</th>
<th>NON FIXED FACILITIES</th>
<th>CLINICS</th>
<th>HOSPITALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Health Post</td>
<td>HTA Sites</td>
<td>Mobile Teams</td>
</tr>
<tr>
<td>uMfolozi</td>
<td>0</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Mthonjaneni</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Nkandla</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Ntambanana</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>uMhlathuze</td>
<td>0</td>
<td>24</td>
<td>4</td>
</tr>
<tr>
<td>uMlalazi</td>
<td>0</td>
<td>23</td>
<td>6</td>
</tr>
<tr>
<td>uThungulu</td>
<td>2</td>
<td>62</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: Dept of Health

According to the information in the table above and map 36 below it seems that the district is well provided for in terms of health care facilities, especially in the light of availability of hospital facilities in the uMhlathuze area.

It is indicated that the total population of UDM is within 100km’s of a hospital.

C5.3 DEPT OF HEALTH PROJECTS

Refer to Section H
C5.2.3 SAFETY AND SECURITY

Crime Awareness Campaigns, through the Community Policing Forums with co-operation of the local SAPS and the Regional Security Cluster, are being undertaken.

Table 63: Protection Services

<table>
<thead>
<tr>
<th>POLICE STATIONS</th>
<th>NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>uMfolozi</td>
<td>1</td>
</tr>
<tr>
<td>Mthonjaneni</td>
<td>1</td>
</tr>
<tr>
<td>Nkandla</td>
<td>1</td>
</tr>
<tr>
<td>Ntambanana</td>
<td>1</td>
</tr>
<tr>
<td>uMhlathuze</td>
<td>5</td>
</tr>
<tr>
<td>uMlalazi</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: UDM GIS

C5.3 NATION BUILDING AND SOCIAL COHESION

All the Community Services programmes are generally geared to have an impact on nation building and social cohesion, for example:

C5.3.1 SPORT

Sport brings people together and encourages cooperation. Each athlete in a team has to work closely with other athletes for the success of the team.

C5.3.2 PROGRAMMES FOR THE MARGINALISED

Forums have been established for all the marginalized groups. These forums serve the purpose of discussing and coming up with solutions on the various problems affecting the groups and the society in general. For example, we have the Youth Council, Disability Forum, Senior Citizens Forum, Men’s Forum, etc.; all of these Forums meet regularly and discuss issues pertinent to each group and the society as a whole. Solutions to various social ills are sought through these structures.

C5.4 COMMUNITY DEVELOPMENT WITH PARTICULAR FOCUS ON VULNERABLE GROUPS

The vulnerable groups are taken care of through Community Development Interventions that are identified by the Groups themselves. Vulnerable Groups in their Forum meetings identify their needs and suggest possible interventions required. The vulnerable groups include disabled people, youth, children, senior citizens, HIV positive people and the affected people. The interventions cover a range of issues such as health, education, food security, skills development, etc.

C5.5 YOUTH DEVELOPMENT


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C5.6 DEVELOPMENT OF PEOPLE WITH DISABILITIES

The initiatives for the development of people with disabilities focus on:
- Viable/functional structures/forums at local municipalities and ward levels;
- Functional disabled support groups;
- Empowerment of parents of children with disabilities;
- Community workshops on disability management;
- Sign language;
- Health issues;
- Commemoration of International Day and Parliament for people with disabilities.

C5.7 DEVELOPMENT OF WOMEN

The interventions for the development of women cover the issues:
- Gender abuse and violence,
- Human Rights issues,
- Entrepreneurship and business management,
- Health issues,
- Education issues;
- Agriculture/farming projects including One Garden One Home and;
- Strengthening of functional structures/forums at local municipalities and ward levels.

C5.8 EARLY CHILDHOOD DEVELOPMENT

The programme Children’s Rights takes care of the Early Childhood development (ECD) initiative whereby the focus is on supporting centres for early child development as per their unique identified needs, such as educational material, toys for cognitive development and tools & equipment for centres. The conducting of Children’s Rights Awareness Campaigns on ECD centres is part of the development intervention for the children.

C5.9 SOCIAL DEVELOPMENT SWOT ANALYSIS

STRENGTHS AND OPPORTUNITY

- **Sport, youth & culture programmes**
  - Potential to enhance Sport & Youth Development
  - Promotion of cultural activities
  - Each programme to have a dedicated officer
- **Environmental & Health**
  - Devolution of environmental health services from province to district municipalities
  - Finalization of Devolution of EHS will enhance service delivery
- **Special Programmes**
  - Strengthening of awareness campaigns at ward level on vulnerability matters
  - Alignment of programmes with Provincial and national guidelines
- **Crime Prevention**
  - Budget availability to implement crime prevention strategies
- Function has a potential for growth to enhance crime awareness
- UDM advisory forum to be established

**Weakness and Threats**

- **Disaster Management**
  - Personnel: Inadequate
  - Building: OHM Compliance, old building, office space
  - Equipment: Out-dated, insufficient
  - Financial resources
  - Poor or limited service delivery

- **Sport, youth & culture programmes**
  - Inadequate financial resources
  - Fragmentation not well coordinated plans for this programme
  - Sport only concentrate on SALGA Games
  - The sport budget is mainly used for SALGA Games- annual event

- **Environmental & Health**
  - Shortage of staff rendering EHS thus hampering service delivery
  - EHS funds being used for non-environmental health matters
  - Delay in the Air Quality Management Plan
  - Insufficient rendering of EHS could result in health hazards and epidemics

- **Special Programmes**
  - Shortage of staff
  - Limited resources e.g. laptops
  - Non adherence to work plans or programmes

- **Crime Prevention**
  - No dedicated official
  - No programmes
  - Increase in crime activities within the district

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**C6.0 MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT ANALYSIS**

**C6.1 FINANCIAL VIABILITY & MANAGEMENT ANALYSIS**

**C6.1.1 MAIN SOURCES OF REVENUE**

The municipality’s main sources of revenue are:

- Grants and Subsidies from national and provincial governments;
- Equitable share from national government;
- Service charges from water, sanitation solid waste and cemetery services provided by the District;
- Interest from investing the municipality’s funds and interest charged for services not paid on time by consumers; and
C6.1.2 INDIGENT SUPPORT (INCLUDING FREE BASIC SERVICES)

The District Municipality in its composition is predominately rural, with the more significant portion of the population concentrated outside the formalised urban areas. Reaching these residents in the rural areas has provided logistical challenges in that due to funding and capacity constraints, portable piped water and water borne sewerage systems are not available. These consumers are serviced through other mechanisms which often prove to be more costly than traditional piped water reticulation systems and include water delivery methods such as tanker delivery, stand pipes, communal jojo's, boreholes and un-metered yard connections. Ideally all consumers whether living in urban development or rural developments should receive the basic level of service at no cost, and with the exception of a declining percentage of backlogs, the municipality is rapidly ensuring that all consumers receive basic services. It is acknowledged that in servicing these consumers, costs associated thereto are in excess of EQS and hence supplemented though internal funding. This is however due to historical data on population and the actual beneficiaries of services. The District's population has grown over the past years and in this regard an in depth backlog study is being initiated to establish a more realistic indication of the number of poor beneficiaries to free basic services. With this information which should be finalised in due course, a more substantiated and quantitative analysis could be provided on free basic services for the poor (indigent).

uThungulu District Municipality has an Indigent Policy in place; the indigent package is as follows:

- Reduced Sewer services
- No refundable deposits
- 10 kilolitres free water.

As 29 February 2016 of the total of 39007 consumers, 2780 were registered as indigent with a book debt of R1 391 870.34. As 30 June 2012 of the total of 27 466 consumers, 3291 were registered as indigent with a book debt of R 3,435,552.59.

The household income beneficiary threshold qualification for indigent support is equivalent to two times the monthly old age state grant. The register of Indigent consumers is limited to consumers who have made application and have been accepted, subject to the ward councillor vetting the application. However some consumers have not applied even though they qualify for the Indigent Programme. This is mostly due to a lack of knowledge about the programme, and reluctance due to perceived stigma about indigent status.

The revenue department does conduct revenue workshops within the suburbs to assist consumers to register for indigent programs.
In addition to allowing domestic consumers a free monthly allocation of 6kl of water, all registered indigent consumers are allocated a further 4kl. This was considered after an analysis of poor households revealed that many have a significant number of occupants, and the allocated 6kl of water is seldom sufficient.

The municipality commenced with the process of implementing intelligent/smart meters which will assist in ensuring that consumers buy water in advance and also restricted consumers to receive water up to the free basic service level and nothing more. It be noted that since the activation of smart meters in 2015 in some areas, notable improvements have been recorded with regard to the spiralling debt as well as water conservation.

The key elements of Councils Indigent policy are summarised as follows:

**Purpose**
Council has identified that there is a vast number of residents within the district who cannot afford to pay for municipal services. In this regard Council has identified free and subsidized services that may be offered to the poor.

**Classification**
Council sets minimum criteria for the classification of an indigent, the key aspects of which are as follows:
- Property value to not exceed R 250 000.00.
- Total household income to not exceed the equivalent of two state pensions.
- Property owner to not own other properties.

**Universal Approach**
- All residential consumers within the District shall be entitled to 6kl of water per month at no cost.
- All sewers for residential consumers shall be capped at rates determined by Council, irrespective of the value of the property.

**Targeted Approach**
Consumers who are identified as indigent shall receive the following benefits;
- 10kl of free water per month.
- Exempt from the payment of water service charges.
- Exempt from the payment of refundable deposits.
- Rebate on sewer charges.

**Water**
- The first 10 kl’s of water per month will be supplied free of charge, thereafter the tariffs as promulgated for domestic tariffs shall be applicable.
- The registered indigent consumer shall be exempted from payment of the service fee for water which is applicable to any domestic consumer who consumes in excess of 6kl of water per month
- The consumer may be fitted with a prepaid water meter

**Burials**
- Subject to the burial policy, Costs associated with the collection, removal and subsequent internment of the body

**Sanitation**
- 50% rebate on the total charge applicable for the said property. The rebate shall not be applicable to any property valued at greater than R 250 000.00 per the latest available published valuation roll.
Irrespective of the value of the indigent consumer’s property as published in accordance with the MPR act No 6 of 2004, Council will levy a fixed subsidised fee for indigent consumers, which shall be determined annually.

NOTE: Indigent Policy - See annexure 6

C6.1.3 GRANTS & SUBSIDIES

Grants are a very necessary part of the municipality’s planning process and the following grants were received from the National and Provincial Government in the past financial year.

- Equitable Share R 185 mil
- Levy Replacement Grant R 197 mil
- Municipal Infrastructure Grant (MIG) R 144 mil
- Municipal Water Infrastructure Grant (MWIG) R37 mil
- Regional Bulk Infrastructure Grant (RBIG) R115 mil
- Finance Management Grant
- Municipal Systems Improvement Grant
- Rural Transport Services and Infrastructure grant
- EPWP Incentive Grant, and
- Water Services Operating Subsidy Grant (Grant in kind)

The following extract from the municipal budget indicate the breakdown of all grants and Subsidies

Table 64: Grants and Subsidies

<table>
<thead>
<tr>
<th>Description</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Current Year 2015/16</th>
<th>2016/17 Medium Term Revenue &amp; Expenditure Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>R thousand</td>
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<td>Audited Outcome</td>
<td>Audited Outcome</td>
<td>Audited Outcome</td>
<td>Original Budget</td>
<td>Adjusted Budget</td>
</tr>
<tr>
<td>RECEPTS: Operating Transfers and Grants</td>
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<tr>
<td>National Government:</td>
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<td>426 664</td>
<td>490 599</td>
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<td>RSC Levy Replacement</td>
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<td>NT-Finance Management</td>
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<tr>
<td>COGTA - Municipal Systems Improvement</td>
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<td>934</td>
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<td>940</td>
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<tr>
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<td>–</td>
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<tr>
<td>EPWP INCENTIVE</td>
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<td>1 600</td>
<td>6 639</td>
<td>6 639</td>
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<td>54 673</td>
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<td></td>
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<td><strong>Participation</strong></td>
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<tr>
<td><strong>UMHLATUZE</strong></td>
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<tr>
<td><strong>Other grant providers:</strong></td>
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<tr>
<td><strong>Foskor</strong></td>
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<tr>
<td><strong>EU</strong></td>
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<td>9</td>
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<tr>
<td><strong>Eyethu Engineers</strong></td>
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<td></td>
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<tr>
<td><strong>Bell Equipment</strong></td>
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<tr>
<td><strong>BHP Billition</strong></td>
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<tr>
<td><strong>NEDBANK</strong></td>
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<td><strong>Total Operating Transfers and Grants</strong></td>
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<td>427 693</td>
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<td>489 275</td>
<td>455 837</td>
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<tr>
<td><strong>National Government:</strong></td>
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<td>153 609</td>
<td>106 448</td>
<td>120 657</td>
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<td><strong>Municipal Infrastructure Grant</strong></td>
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<td>32 164</td>
<td>73 056</td>
<td>275 000</td>
<td>247 062</td>
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<td><strong>DWAF - Regional Bulk</strong></td>
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<td>39 478</td>
<td>37 412</td>
<td>88 118</td>
<td>88 118</td>
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<tr>
<td><strong>DWAF- Municipal Water Infrastructure Grant</strong></td>
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<td>115 500</td>
<td>73 000</td>
<td></td>
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</tr>
<tr>
<td><strong>DWAF- Water Services Infrastructure Grant</strong></td>
<td>195 223</td>
<td>153 609</td>
<td>106 448</td>
<td>120 657</td>
<td>120 657</td>
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<tr>
<td><strong>DWAF-ACIP</strong></td>
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<td><strong>DWAF - Water Services Ops - Boreholes</strong></td>
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<tr>
<td><strong>Public Works</strong></td>
<td>3 737</td>
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<td></td>
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<tr>
<td><strong>DWS - Drought Relief</strong></td>
<td></td>
<td>5 500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Provincial Government:</strong></td>
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<td>19 000</td>
<td>1 000</td>
<td></td>
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<tr>
<td><strong>COGTA - Fresh Produce</strong></td>
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<td>18 000</td>
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<tr>
<td><strong>COGTA - Municipal Excellency Awards</strong></td>
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<td>1 000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>District Municipality:</strong></td>
<td>236 168</td>
<td>226 751</td>
<td>220 653</td>
<td>489 275</td>
<td>455 837</td>
</tr>
<tr>
<td><strong>UMHLATUZE</strong></td>
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<tr>
<td><strong>Other grant providers:</strong></td>
<td>238</td>
<td>91</td>
<td>29</td>
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<td>28</td>
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<tr>
<td><strong>Foskor</strong></td>
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<td><strong>ITHALA</strong></td>
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<td><strong>EU</strong></td>
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<td><strong>Eyethu Engineers</strong></td>
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<td><strong>Bell Equipment</strong></td>
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<tr>
<td><strong>BHP Billition</strong></td>
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<td><strong>NEDBANK</strong></td>
<td></td>
<td>20</td>
<td></td>
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</tr>
<tr>
<td><strong>Total Capital Transfers and Grants</strong></td>
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<td>245 751</td>
<td>221 653</td>
<td>489 275</td>
<td>458 337</td>
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<tr>
<td><strong>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</strong></td>
<td>582 043</td>
<td>648 844</td>
<td>649 346</td>
<td>980 124</td>
<td>935 729</td>
</tr>
</tbody>
</table>

Source: UDM Budget
C6.1.4 MUNICIPALITY’S CREDIT RATING

A credit rating is an opinion with a focus on the ability and willingness of a debt issuer (a borrower) to repay its obligations in full and on time. It is an opinion on credit worthiness. The opinion is expressed through rating symbols and each symbol has its own definition.

The ratings are divided into two categories namely:

- **Short Term Debt Rating Scale** – rates an organisation’s general unsecured credit worthiness over the short term (i.e. over a 12 month period). Such a rating provides an indication of the probability of default on any unsecured short term obligations, including commercial paper, bank borrowings.

- **Long Term Debt Rating Scale** – rates the probability of default on specific long term debt instruments over the life of the issue. It is possible that different issues by a single issuer could be accorded different ratings, depending on the underlying characteristics of each issue (e.g. is it a senior or subordinated debt instrument, is it secured or unsecured and, if secured, what is the nature of security).

The key findings of the rating for UDM expressed by Global Credit Rating Co. can be summarized as follows:

The municipalities credit rating has remained the same in both the short (A rating) and long term debt (A1) rating scales as well as the rating outlook of stable. The rating’s awarded to the Municipality for the six previous financial years are summarized in the following table:

**Table 65: Credit Rating**

<table>
<thead>
<tr>
<th>SECURITY CLASS</th>
<th>MEANING</th>
<th>08/09</th>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
<th>12/13</th>
<th>13/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Term</td>
<td>Very high certainty of timely payment. Liquidity factors are excellent and supported by good fundamental protection factors. Risk factors are minor.</td>
<td>A1-</td>
<td>A1-</td>
<td>A1-</td>
<td>A1</td>
<td>A1</td>
<td>A1</td>
</tr>
<tr>
<td>Long Term</td>
<td>High credit quality. Protection factors are good. However, risk factors are more variable and greater in A- periods of economic stress.</td>
<td>A-</td>
<td>A-</td>
<td>A-</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
</tbody>
</table>
C6.1.5 EMPLOYEE RELATED COSTS (INCLUDING COUNCILLOR ALLOWANCES)

The annual increase in salaries is 6% in line with the 2015 salary and wage agreement entered into between SALGA, the employer body, and the organized labour. The budget for Councillors allowances has also been increased by 6%. The average CPI from February 2015 and January 2016 was 4.73% and therefore deemed to be 5% in terms of the agreement.

The budget for Councillors allowances has also been increased by 6%. To be noted that this is calculated in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils which is usually published yearly in December by the Department of Cooperative Governance.

Despite the proposed increase in staffing numbers, there has been a minimal increase in the employee related costs budget, this is attributable to the fact that the overtime budget has been aligned to the overtime policy, where provision is made only to those employees earning below the threshold and those that are deemed as emergency or essential services employees.

For the year 2016/2017 the total employee cost = 28.45% of the budget

Table 66: Employee Related Costs

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>REF</th>
<th>2013/12</th>
<th>2014/15</th>
<th>2015/16 MEDIUM TERM REVENUE &amp; EXPENDITURE FRAMEWORK</th>
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</thead>
<tbody>
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<td>R thousand</td>
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<tr>
<td>Audited Outcome</td>
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<td>Audited Outcome</td>
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<tr>
<td>Original Budget</td>
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<tr>
<td>Adjusted Budget</td>
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<tr>
<td>Full Year Forecast</td>
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<td>Budget Year 2016/17</td>
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<td>Budget Year +1 2017/18</td>
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<tr>
<td>Budget Year +2 2018/19</td>
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<tr>
<td>Employee related costs</td>
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<td>111,559</td>
<td>132,210 175,275 158,890 158,890 190,458 203,700 216,806</td>
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<tr>
<td>Remuneration of councillors</td>
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<td>8,814</td>
<td>9,395</td>
<td>11,411 11,411 11,411 11,411 11,411 12,153 12,943</td>
</tr>
</tbody>
</table>

Source: UDM Budget

• Contact Services

Actual Contracted Services 13/14 financial year was R82 515 037, total operating expenditure was R 517 163 294 with the total contract services budget being R 87 260 81. The Actual Contract Services for the 14/15 financial year was R 90 364 164, total operating expenditure was R 632 311 333 and the total contract services budget was R 90 576 647.

C6.1.6 SUPPLY CHAIN MANAGEMENT (SCM)

The SCM policy has been reviewed and addresses the current needs of the municipality. This policy was part of all the financial policies that went through the finance portfolio
committee. The Policy gives effect to the principles of Broad Based Black Economic Empowerment.

The policy sets the parameters for the procurement of goods and services from external parties. It also controls Logistics Management, Disposal of Assets and indicates the role of Council in the SCM process.

Mandatory criteria for suppliers:
All suppliers must make the following available to the Council;
- Valid original tax certificate.
- CIDB registration for construction companies.
- Business licence for catering service providers.
- Letter from health department for catering service providers.
- Fax number and/or e-mail address.
- Certificate from Local Municipality if business operates from a residential property.
- Completed Declaration of Interest forms.
- Completed Declaration of Service Provider’s past SCM practices.
- Completed EFT forms.

**C6.1.7 AUDIT COMMITTEE**

uThungulu District Municipality Audit Committee has been established by Council as an independent committee in terms of section 166 of the Municipal Finance Management Act (MFMA), Act No 56 of 2003, and the Municipal Systems Act (MSA), Act 32 of 2000. The committee has adopted a formal Audit Committee Charter, as approved by Council.

**PURPOSE**

The audit committee serves as an independent body which advises the municipal council, the political office bearers, accounting officer and the management staff of the municipality on matters relating to;
- Internal financial control and internal audits
- Risk management
- Adequacy, reliability and accuracy of financial reporting and information
- Effective governance
- Compliance with the Municipal Finance Management Act No 56 of 2003, the annual Division of Revenue Act and any other applicable legislation.
- Any issues referred to it by the municipality.

In addition, the committee must review the annual financial statements to provide council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with applicable municipal legislation.
**AUDIT COMMITTEE MEMBERS AND ATTENDANCE**

The Committee’s Charter requires a minimum of three members and consists of the members listed below. The charter requires that a minimum of four meetings should be held per annum to give effect to the responsibilities assigned to the Committee in its charter. During the year under review 6 meetings were held.

**Table 67: Audit Committee Members**

<table>
<thead>
<tr>
<th>MEMBERS NAME</th>
<th>DESIGNATION</th>
<th>MEETING ATTENDANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>M Nkopane</td>
<td>Chairperson</td>
<td>25 July 2013 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>28 Aug 2013 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26 Sept 2013 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>04 Dec 2013 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20 Feb 2014 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>29 May 2014 V</td>
</tr>
<tr>
<td>I Simjee</td>
<td>Member</td>
<td>25 July 2013 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>28 Aug 2013 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26 Sept 2013 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>04 Dec 2013 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20 Feb 2014 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>29 May 2014 V</td>
</tr>
<tr>
<td>Prof L de Clercq</td>
<td>member</td>
<td>25 July 2013 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>28 Aug 2013 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26 Sept 2013 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>04 Dec 2013 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20 Feb 2014 V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>29 May 2014 V</td>
</tr>
</tbody>
</table>

The MPAC Chairperson, Municipal Manager, Deputy Municipal Manager, all directors who served in an acting capacity and representatives from both external and internal auditors attends the committee meetings.

**EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROLS**

An internal audit plan was developed and approved by the Audit Committee. The Audit plan encompasses the scope of work to be undertaken by the external service provider. The committee reports that Pricewaterhousecoopers fully executed its audit plan for the 2013/2014 year. From the various reports of the Internal Auditors, the audit report of the annual financial statements, and the management letter of the Auditor General, it is noted that no significant material or non-compliance with prescribed policies and procedures have been reported. Accordingly, the audit committee can report that the system of internal controls for the period under review appears efficient and effective.

The municipalities system of internal controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are effectively managed. In line with Municipal Finance Management Act and the King 11 and 111 Reports on Governance requirements, Internal Audit and the Auditor General’s report provide the Audit Committee and management with assurance that the internal controls of the Municipality are appropriate and effective. This is achieved by means of a risk review process, testing of controls, as well as identification of corrective actions and suggested enhancements to controls and processes.
**Review of Annual Financial Statements**

The Audit Committee has noted the unqualified opinion with no emphasis on matters expressed by the Auditor-General in his report on the Annual Financial Statements and commends management with regard to the preparation and presentation of these financial statements for the year under review. The audit committee envisages a harmonized relationship between internal auditors and external auditors which will ensure that their work compliments each other and there will be no duplications of efforts. The committee encourages interactions between auditors.

The audit committee has also;

- Reviewed and discussed the audited Annual Financial Statements, to be included in the annual report, with the Auditor General, management and the accounting officer.
- Reviewed the Auditor Generals management letter and management responses thereto;
- Reviewed changes in accounting policies and practices, and
- Concluded that the going concern premise is appropriate in preparing the Annual Financial Statements.

**Note:** Financial Statement – Annexure 4

**Risk Assessment and Management**

The committee appreciates and is encouraged by efforts and commitment of management in putting in place effective strategies which are based on annual risk management reviews. Reports pertaining to the risk register and risk management strategy were presented to the committee. The committee further takes note of Councils intention to establish a risk management unit, which would also deal with anti-corruption and fraud prevention processes. The audit committee urges the Municipality to increase its efforts in ensuring the practices of risk management are embedded in the operational processes of the organization. This will ensure that the risks impacting the achievement of the Municipalities objectives are identified in a timely manner and mitigated appropriately. This management responsibility will continue to be monitored on an on-going basis by the Committee.

**Performance Management**

The committee acknowledges that the Municipality has a performance management system in place and processes are in place to report on the performance information. It is also noted that with appreciation that the Municipality has included in its internal audit plan, quarterly audits of the performance objectives. The issue of compliance with all regulatory requirements on performance information and management actions in addressing these matters will be monitored closely by the Committee. The committee shall further commit to guiding the management in developing effective structures and mechanisms to mitigate any potential weakness in the performance management process.
C6.1.8 DEPARTMENTAL POLICIES

Table 68: Finance Department Policies

<table>
<thead>
<tr>
<th>NAME OF POLICY</th>
<th>DATE OF COUNCIL ADOPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff</td>
<td>May 2017</td>
</tr>
<tr>
<td>Credit control and debt collection bylaws</td>
<td>May 2017</td>
</tr>
<tr>
<td>Incentive</td>
<td>May 2017</td>
</tr>
<tr>
<td>Supply chain Management Policy</td>
<td>May 2017</td>
</tr>
<tr>
<td>Indigent</td>
<td>May 2017</td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>May 2017</td>
</tr>
<tr>
<td>Budget Policy</td>
<td>May 2017</td>
</tr>
<tr>
<td>Long Borrowing Policy</td>
<td>May 2017</td>
</tr>
<tr>
<td>Investment and Banking</td>
<td>May 2017</td>
</tr>
<tr>
<td>Virement</td>
<td>May 2017</td>
</tr>
</tbody>
</table>

Source: UDM Finance Department

C6.2 AUDITOR GENERAL REPORT

2014/15

A copy of the Auditor General Report 2014/15 together with the municipality’s response thereto is available as Annexure 5 to this document. The AG provided the following opinion:

“In my opinion, the financial statements present fairly, in all material aspects, the consolidated and separate financial position of uThungulu District Municipality and as at 30 June 2015, and their financial performance, and cash flows for the year ended in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.”

Note: Full report is available - Annexure 3

Previous Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Audit Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14</td>
<td>Clean Audit</td>
</tr>
<tr>
<td>2012/13</td>
<td>Clean Audit</td>
</tr>
<tr>
<td>2011/12</td>
<td>Clean Audit</td>
</tr>
</tbody>
</table>
C6.3 FINANCIAL VIABILITY & MANAGEMENT ANALYSIS

C6.3.1 CAPABILITY OF THE MUNICIPALITY TO EXECUTE CAPITAL PROJECTS

The capital spend in the 13/14 financial year was 56% (Actual spend was R 218,316,931 and the budget was R 391,228,791). The capital spend in the 14/15 financial year was 69% (Actual spend was R 245,016,771 and the budget was R 353,511,400).

C6.3.1.1 Capital Budget Analysis

From the table below it is evident that the bulk of all capital expenditure is to address the services backlogs with the bulk of funding going towards water provision.

Table 69: Capital Expenditure by Standards Classification

<table>
<thead>
<tr>
<th>Vote Description</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Current Year 2015/16</th>
<th>2016/17 Medium Term Revenue &amp; Expenditure Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Audited Outcome</td>
<td>Audited Outcome</td>
<td>Audited Outcome</td>
<td>Original Budget</td>
<td>Adjusted Budget</td>
</tr>
<tr>
<td>Capital Expenditure - Standard</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governance and administration</td>
<td>6,038</td>
<td>5,151</td>
<td>3,927</td>
<td>3,860</td>
<td>6,970</td>
</tr>
<tr>
<td>Executive and council</td>
<td>195</td>
<td>1,554</td>
<td>651</td>
<td>850</td>
<td>1,360</td>
</tr>
<tr>
<td>Budget and treasury office</td>
<td>354</td>
<td>530</td>
<td>292</td>
<td>1,660</td>
<td>2,208</td>
</tr>
<tr>
<td>Corporate services</td>
<td>5,489</td>
<td>3,067</td>
<td>2,984</td>
<td>1,350</td>
<td>3,402</td>
</tr>
<tr>
<td>Community and public safety</td>
<td>436</td>
<td>471</td>
<td>3,853</td>
<td>3,965</td>
<td>13,126</td>
</tr>
<tr>
<td>Community and social services</td>
<td>420</td>
<td>471</td>
<td>3,784</td>
<td>2,265</td>
<td>10,712</td>
</tr>
<tr>
<td>Sport and recreation</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Public safety</td>
<td>16</td>
<td>69</td>
<td>1,700</td>
<td>2,014</td>
<td>2,014</td>
</tr>
<tr>
<td>Housing</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Health</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Economic and environmental services</td>
<td>–</td>
<td>142</td>
<td>12,683</td>
<td>170</td>
<td>170</td>
</tr>
<tr>
<td>Planning and development</td>
<td>142</td>
<td>12,683</td>
<td>170</td>
<td>170</td>
<td>170</td>
</tr>
<tr>
<td>Road transport</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Environmental protection</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>
### Operational Budget Analysis

#### Table 70: Budgeted Financial Performance

<table>
<thead>
<tr>
<th>Standard Classification Description</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Current Year 2015/16</th>
<th>2016/17 Medium Term Revenue &amp; Expenditure Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R thousand</td>
<td>Audited Outcome</td>
<td>Audited Outcome</td>
<td>Audited Outcome</td>
<td>Original Budget</td>
</tr>
<tr>
<td>Revenue - Standard</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governance and administration</td>
<td>385 894</td>
<td>458 693</td>
<td>498 336</td>
<td>797 907</td>
<td>846 346</td>
</tr>
<tr>
<td>Executive and council</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
C6.3.1.3 Operating Expenditure

The municipality’s operating expenditure is steadily increasing, but it can be noted that there is no specific large increases with the exception of depreciation where the adjusted budget for 2015/2016 indicates R52 920 mil and the 2016/2017 R64 000 – there is a 8% increase which is mainly due to the rapid rollout of infrastructure. Employee related cost is made up of the annual increase as per the wage agreement which is 6%, as well as the provision of additional staff in the Technical Services department which was deemed to be of critical importance.
### Table 71: Operating Expenditure

<table>
<thead>
<tr>
<th>Description</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Current Year 2015/16</th>
<th>2016/17 Medium Term Revenue &amp; Expenditure Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Audited</td>
<td>Audited</td>
<td>Audited</td>
<td>Original Budget</td>
<td>Adjusted Budget</td>
</tr>
<tr>
<td></td>
<td>Outcome</td>
<td>Outcome</td>
<td>Outcome</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R thousand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Employee related costs</strong></td>
<td>99 493</td>
<td>111 559</td>
<td>132 210</td>
<td>175 275</td>
<td>158 890</td>
</tr>
<tr>
<td>Remuneration of councillors</td>
<td>8 523</td>
<td>8 814</td>
<td>9 395</td>
<td>11 411</td>
<td>11 411</td>
</tr>
<tr>
<td>Debt impairment</td>
<td>4 190</td>
<td>4 330</td>
<td>10 260</td>
<td>3 637</td>
<td>3 637</td>
</tr>
<tr>
<td>Depreciation &amp; asset impairment</td>
<td>50 917</td>
<td>48 971</td>
<td>48 881</td>
<td>52 920</td>
<td>52 920</td>
</tr>
<tr>
<td>Finance charges</td>
<td>19 376</td>
<td>13 637</td>
<td>12 672</td>
<td>16 656</td>
<td>16 656</td>
</tr>
<tr>
<td>Bulk purchases</td>
<td>29 466</td>
<td>32 471</td>
<td>39 224</td>
<td>40 533</td>
<td>43 841</td>
</tr>
<tr>
<td>Other materials</td>
<td>503</td>
<td>427</td>
<td>427</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracted services</td>
<td>65 270</td>
<td>82 515</td>
<td>90 364</td>
<td>109 793</td>
<td>110 708</td>
</tr>
<tr>
<td>Transfers and grants</td>
<td>11 127</td>
<td>12 233</td>
<td>7 181</td>
<td>12 563</td>
<td>7 563</td>
</tr>
<tr>
<td>Other expenditure</td>
<td>182 879</td>
<td>203 369</td>
<td>282 124</td>
<td>220 768</td>
<td>309 092</td>
</tr>
<tr>
<td>Loss on disposal of PPE</td>
<td>265</td>
<td>193</td>
<td>1 406</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>471 506</td>
<td>518 092</td>
<td>633 717</td>
<td>644 059</td>
<td>715 145</td>
</tr>
</tbody>
</table>

Source: UDM Budget

### C6.3.2 REVENUE ENHANCEMENT AND PROTECTION STRATEGIES

The municipality has Credit Control and debt Collection Policy in place as well as incentive schemes to encourage prompt payment of debtor accounts.

- **Incentive Policy**
  
The key elements of Councils Incentive policy are summarised as follows;

- **Purpose**
  
The policy has been formulated to write off old outstanding debt deemed as irrecoverable and at the same time to rehabilitate defaulting consumers so as to ensure that the cost of bad debt in the future years would decrease considerably.

- **Approach**
  
Council, in identifying individual consumers with long outstanding debts, shall enter into a binding agreement with such consumer whereby the following obligations and benefits shall emanate:

  a) Council shall “park” a determined amount of outstanding debt and such debt shall incur no interest charges nor shall it be subject to any credit control actions.

  b) The consumer shall commit to making all future payments in full on or before due date.

  c) On receipt of 4 consecutive month’s payments, Council shall write off 1/9 of the outstanding debts.
• **Aim**

  In adopting this policy it is Council’s intention that a debtor will after 36 months, have his outstanding debts written off in full and furthermore the said debtor would have become accustomed to making regular payment for municipal services which furthermore secures long term sustainable revenue.

In conjunction with the implementation of policies to enhance revenue, the billing itself is of most important function where data input is accurate. It is for this reason that the municipality went through a process of data cleansing, so as to make sure that correct customers are billed and receiving correct information on their statements. A Service Provider was appointed for the “Data cleansing and revenue enhancement strategy development and implementation. Included in the scope of work were the following deliverables:

• Municipal system data cleansing so as to ensure the authenticity of information and accurate billing of customers.
• Debt collection targeting the recoverable debtors and establishing/developing appropriate debt collection processes & procedures.
• Identification and consolidation of duplicated customer profiles/accounts.
• Identification of potential municipal consumers not being billed.
• Training of municipal officials and other relevant stakeholders to ensure that the database remains accurate and credible.

The intention of this exercise was to ensure that the current and available consumer database is accurate and reliable as successful billing and revenue collection relies on the accuracy of the data input into the system, which also includes the categorisation of debtors. The project has been completed and the information gained is being incorporated into municipal financial system. Such information includes updated debtor details, sourcing of ID numbers where previously not available and hence will provide a data that is more credible and inevitably assist in revenue enhancement as well as mitigating potential risks of bad debts.

Furthermore the installation of an intelligent water meter system (prepaid meters) was rolled out in 2013/2014 financial period in areas where collection was considered a challenge and the project was completed in 2014/2015. Since the conversion to prepaid smart meters, the debt arising from water services has since been reduced as the customers are managing their water usage within their free 6kl allocation and furthermore these smart meters have assisted in supporting water conservation.

**Credit Control and Debt Collection**

• **Policy Aim**

  An approved Credit Control policy is in operation within the District of uThungulu. The policy stipulates the processes to be followed in the recovery of debt. The application of the policy has produced positive results, even with due
consideration to the worldwide economic crises and the high unemployment rates within the district.

- **Tariff Policy**
  One of the primary functions of council is to provide services to the people resident within its municipal area. The funding of these services is made possible by charging for municipal services rendered. Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality. These are calculated dependent on the nature of service being provided. They may be set in a manner so as to recover the full cost of the service being provided or recover part of the costs or bring about surplus that can be utilized to subsidise other non-economical services.

- **Objective**
  The objective of the tariff policy is to ensure that:
  - The tariffs of the Municipality comply with the legislation prevailing at the time of implementation.
  - The Municipal services are financially sustainable, affordable and equitable.
  - The needs of the indigent and aged are taken into consideration.
  - There is consistency in how the tariffs are applied throughout the municipality and;
  - The policy is drawn in line with the principles as outlined in the MSA

- **Chargeable services rendered**
  - **Water**
    Tariffs are applied on a sliding scale basis whereby the rates per kilolitre of water consumed increase with volume consumed. All residential consumers are provided with free water equivalent to 6kl per month.
  - **Sanitation**
    The calculation of sewerage tariffs is based on the valuation of the property per the latest available valuation roll. For billing purposes sewer charges are calculated as an annual amount and proportioned over a twelve month period.
  - **Waste**
    The Council may permit the usage of its waste site to any domestic or commercial consumers. Such usage shall be chargeable on a per ton basis.
  - **Other Tariffs**
    - Cemetery
    - Tenders flows.

### C6.3.3 MUNICIPAL CONSUMER DEBT POSITION

From the below table it can be seen that the municipality is managing the consumer debts effectively and that there is no provision for any large increases which will negatively influence the municipality.
### Table 72: Municipal Assets (including Debts)

<table>
<thead>
<tr>
<th>Description</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Current Year 2015/16</th>
<th>2016/17 Medium Term Revenue &amp; Expenditure Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R thousand</td>
<td>Audited Outcome</td>
<td>Audited Outcome</td>
<td>Audited Outcome</td>
<td>Original Budget</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>75 848</td>
<td>38 756</td>
<td>78 309</td>
<td>24 782</td>
<td>24 782</td>
</tr>
<tr>
<td>Call investment deposits</td>
<td>370 000</td>
<td>480 000</td>
<td>350 000</td>
<td>320 000</td>
<td>320 000</td>
</tr>
<tr>
<td>Consumer debtors</td>
<td>37 791</td>
<td>44 203</td>
<td>81 990</td>
<td>11 702</td>
<td>11 702</td>
</tr>
<tr>
<td>Other debtors</td>
<td>14 502</td>
<td>20 413</td>
<td>69 881</td>
<td>10 433</td>
<td>10 433</td>
</tr>
<tr>
<td>Current portion of long-term receivables</td>
<td>38</td>
<td>39</td>
<td>44</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td>Inventory</td>
<td>7 269</td>
<td>6 552</td>
<td>8 615</td>
<td>8 986</td>
<td>8 986</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>505 448</td>
<td>589 964</td>
<td>588 839</td>
<td>375 944</td>
<td>375 944</td>
</tr>
</tbody>
</table>

Source: UDM Budget

#### C6.3.4 MUNICIPAL INFRASTRUCTURE ASSETS & MAINTENANCE (Q&M)

It can be seen from the table below that the municipality budgeted an amount of R55, 272 million for repairs and maintenance to municipal infrastructure in the 2016/17 financial year, increasing to R60, 755 million in the outer year of the MTREF.

### Table 73: Repairs and Maintenance expenditure by asset class

<table>
<thead>
<tr>
<th>Description</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Current Year 2015/16</th>
<th>2016/17 Medium Term Revenue &amp; Expenditure Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R thousand</td>
<td>Audited Outcome</td>
<td>Audited Outcome</td>
<td>Audited Outcome</td>
<td>Original Budget</td>
</tr>
<tr>
<td><strong>Repairs and maintenance expenditure by Asset Class/Sub-class</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>43 985</td>
<td>51 076</td>
<td>75 298</td>
<td>44 976</td>
<td>66 446</td>
</tr>
<tr>
<td>Infrastructure - Road transport</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Roads, Pavements &amp; Bridges</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Storm water</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Infrastructure - Electricity</td>
<td>–</td>
<td>–</td>
<td>–</td>
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</tr>
<tr>
<td>Generation</td>
<td>–</td>
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<tr>
<td>Table: UTHUNGULU DISTRICT MUNICIPALITY: INTEGRATED DEVELOPMENT PLAN 2016/2017</td>
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</tr>
<tr>
<td><strong>Transmission &amp; Reticulation</strong></td>
<td></td>
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<tr>
<td><strong>Street Lighting</strong></td>
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<tr>
<td><strong>Infrastructure - Water</strong></td>
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</tr>
<tr>
<td><strong>Dams &amp; Reservoirs</strong></td>
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<tr>
<td><strong>Water purification</strong></td>
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<tr>
<td><strong>Reticulation</strong></td>
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<tr>
<td><strong>Infrastructure - Sanitation</strong></td>
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<tr>
<td><strong>Sewerage purification</strong></td>
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<td><strong>Dams &amp; Reservoirs</strong></td>
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<td><strong>Water purification</strong></td>
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<td><strong>Reticulation</strong></td>
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<tr>
<td><strong>Infrastructure - Other</strong></td>
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<tr>
<td><strong>Waste Management</strong></td>
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<tr>
<td><strong>Transportation</strong></td>
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<tr>
<td><strong>Gas</strong></td>
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<tr>
<td><strong>Other</strong></td>
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<tr>
<td><strong>Community</strong></td>
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<tr>
<td><strong>Parks &amp; gardens</strong></td>
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<tr>
<td><strong>Sportsfields &amp; stadia</strong></td>
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<tr>
<td><strong>Swimming pools</strong></td>
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<tr>
<td><strong>Community halls</strong></td>
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<tr>
<td><strong>Libraries</strong></td>
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<tr>
<td><strong>Recreational facilities</strong></td>
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<tr>
<td><strong>Fire, safety &amp; emergency</strong></td>
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<tr>
<td><strong>Security and policing</strong></td>
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<tr>
<td><strong>Buses</strong></td>
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<td><strong>Clincs</strong></td>
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<tr>
<td><strong>Museums &amp; Art Galleries</strong></td>
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<tr>
<td><strong>Cemeteries</strong></td>
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<tr>
<td><strong>Social rental housing</strong></td>
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<tr>
<td><strong>Other</strong></td>
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</tr>
<tr>
<td><strong>Heritage assets</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>Buildings</strong></td>
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<tr>
<td><strong>Other</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>Investment properties</strong></td>
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<tr>
<td><strong>Housing development</strong></td>
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<td><strong>Other</strong></td>
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<tr>
<td><strong>Other assets</strong></td>
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<tr>
<td><strong>General vehicles</strong></td>
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</tr>
<tr>
<td><strong>Specialised vehicles</strong></td>
<td></td>
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<td></td>
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<tr>
<td><strong>Plant &amp; equipment</strong></td>
<td></td>
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<tr>
<td><strong>Computers - hardware/equipment</strong></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

## 6.3.5 CURRENT & PLANNED BORROWINGS

It needs to be noted that the municipality resolved that there will be no future borrowing over the medium Term.

**Table 74: Current & Planned Borrowings**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2016/17 Medium Term Revenue &amp; Expenditure Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Audited Outcome</td>
<td>Audited Outcome</td>
<td>Audited Outcome</td>
<td>Original Budget</td>
</tr>
<tr>
<td>R thousand</td>
<td></td>
<td></td>
<td></td>
<td>Budget Year 2016/17</td>
</tr>
<tr>
<td>才</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank overdraft</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowing</td>
<td>10 595</td>
<td>6 938</td>
<td>9 529</td>
<td>15 531</td>
</tr>
<tr>
<td>Consumer deposits</td>
<td>9 114</td>
<td>9 661</td>
<td>9 698</td>
<td>9 521</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>168 870</td>
<td>216 028</td>
<td>225 292</td>
<td>115 559</td>
</tr>
<tr>
<td>Provisions</td>
<td>16 926</td>
<td>4 561</td>
<td>1 384</td>
<td>6 754</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>205 505</td>
<td>237 188</td>
<td>245 903</td>
<td>147 365</td>
</tr>
</tbody>
</table>
C6.4 FINANCIAL VIABILITY & MANAGEMENT: SWOT ANALYSIS

**Strengths and Opportunities**

- The staff in the expenditure section has remained constant over the years.
- Budgeting and reporting legislation has been enhanced to ensure credible, accurate and reliable reporting.
- As GRAP is aligned to IAS continuous amendments are forthcoming and it is imperative that the organization is in a position to interpret and apply in order to ensure the attainment of clean audits.
- Every individual within the organization understands that they are contributors towards the goal of clean audit.
- Requisitioning of goods and services has been automated thereby ensuring effective tracking thereof.
- Automated orders are forwarded to the respective departments to ensure an effective and efficient SCM process.
- Exploration of annual tenders to decrease the number of deviations.
- Continuous enhancement to improve the use of Financial Management System
- Strategy to incorporate rural service providers into the SCM database.
- Investigate the use of unemployed communities for provision of services.
- The rolling out of smart meters will assist in improving collections.
- Address all regular payment defaulters by changing their meters to smart.
- Tracing “bad” debtors with online tracing tools.
- HOD’s and section managers must ensure that all staff are made aware and comply with all policies and procedures of the Council.
- All legislative matters must be addressed correctly, be valid, be accurate and within due date (CAR).
- To facilitate the audit process (internal and external), audit requests for information to be submitted within the required period and must consider CAR.
- Departments must review all previous internal and external audit reports to ensure issues are addressed.
- Formulate a policy which entitles the municipality to fix water leaks that are not resolved within 3 months and to charge the consumer for the repairs – 30 days after notification.
- The roll out of the prepaid meters will relieve the administrative burdens and eliminate the need for additional credit controllers. The implementation of this process would eliminate the need for the 2 requested credit controllers which would save an estimated R600 000 p.a.
• All meter readings for rural schemes be facilitated by community appointed agents. This processes firstly creates income earning opportunities for the unemployed and also addresses resistance/hostility from communities

• The roll out of the smart meters will relieve the administrative burdens and eliminate the need for additional credit controllers.

**Weakness**

• There is a need to increase the number of staff

• Asset care centre – There are complicated and technical requirements in terms of GRAP and some aspects of the function would need to be outsourced due to the skill required.

• Compliance with new regulations has proven to be difficult with the current staff complement which results in overtime being worked by staff in order for compliance to be met.

• Due to month end financial system processes it is often difficult to meet item closing dates set by Admin Services.

• Lack of insurance cover for large infrastructure items such as weirs, dam walls etc.

• The staff in SCM should be trained on the SCM policy and the SCM processes refined in order to address the challenges of long outstanding invoices where necessary.

**Threats**

• Suppliers do not send statements monthly, invoices are received late and queries are therefore not resolved timeously

• In certain instances SCM is expected to procure in very limited time.

• Specification on requisitions is not clear which cause delays.

• Electronic communication in the rural component of the district remains a challenge.

• Service Providers filling tender documents incorrectly or submitting incorrect documents.

• DIMS limitation

• Service Providers are “Tenderpreneurs”.

• Service Providers not updating their information on regular basis.

• Unable to confirm the correctness of the SARS Clearance Certificate.

• Challenges with regards to collections are more evident in the towns of Nkandla, Thubalethu, Mpumhini Park, Sunnydale, Kingdizulu, Slovos, Sabokwe, Nzalabantu and Kwamagwaza.

• The quality of water is affecting collection

• With regards to rural water schemes collections average only 10% of billed revenue.

• Households in the non-urbanized areas are both scattered in nature and are not formally identified (registered lot number) and complicated further by the fact there are no street names, etc.

• Furthermore the “non formalized” location of the meters creates a hindrance.

• No credit control and inaccurate meter information in the town of King Dinizulu.

• The main contributing factor is that the infrastructure has been installed at the back of the yards and access is almost

• The district does not have electricity as a leverage to collect outstanding arrears.
• Water leaks within the property cause excessive accounts which the resident cannot afford.
• Leaks also contribute to the wasteful loss of the district's precious commodity.
• Illegal water connections and meter bypasses cost Council in lost revenue and infrastructure damage.
• Staff in the finance section are experiencing low work morale due to policies of council which are governed by national legislation limiting fringe benefits and pay scales.
• Unable to attract and retain staff.
• Possible redetermination of boundaries affecting revenue from consumers and equitable share allocations.

The municipality's Credit Control and Debt Collection Policy as well as Incentive Schemes has in so many ways assisted in prompt payment of debtor accounts. However, the current infrastructure in some of our areas makes it cumbersome to implement these policies, such as restrictions due to meters installed inside customers' properties, moreover some of the installed meters do not have restrictor valves. These challenges contribute to the spiralling debts over the years.

The municipality have commenced with the procurement process of upgrading the water system network and installation of smart meters in one of the problematic area and such is anticipated to be completed within 18 months period, therefore the reduction of debt is expected in the near future.

In addition, the Revenue section is currently busy with procurement process of appointing a service provider to provide online debtor tracing and monitoring as well as indigent verification. It is anticipated that this intervention shall curb the spiralling debt especially from the domestic sector.

In supporting the municipality's plight to reduce government debt Cogta have initiated a programme to intervene in this regard, it is therefore hoped that their effort will bear noticeable outcome.

The table below depicts the Municipal's consumer debt position for the last three years.

### Table 75: Consumer Grouping Analysis

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>49.3</td>
<td>43.9</td>
<td>35.5</td>
</tr>
<tr>
<td>Business</td>
<td>4.9</td>
<td>5.6</td>
<td>6.1</td>
</tr>
<tr>
<td>Government</td>
<td>2.2</td>
<td>5.1</td>
<td>4.8</td>
</tr>
<tr>
<td></td>
<td><strong>56.4</strong></td>
<td><strong>54.6</strong></td>
<td><strong>46.4</strong></td>
</tr>
</tbody>
</table>
C7.0 GOOD GOVERNANCE & PUBLIC PARTICIPATION ANALYSIS

C7.1 GOOD GOVERNANCE ANALYSIS

Good Governance measures how the local government sphere aligns and integrates with the Provincial and National spheres of government on cross cutting issues. Programmes to demonstrate how the community participates and are consulted empowered in government programmes; particularly the establishment and functionality of ward committees and community development workers. It also deals with the involvement of Traditional Councils in municipal affairs. It also relates to the following:

- Functional ward committees and other committees;
- Linkages with other governance structures;
- Sector engagements;
- Community informed IDP;
- Annual Report and Annual Performance Report submitted

Good governance requires the district to provide the highest quality of service to its constituents and to ensure that all the strategies and objectives are adhered to, resulting in a productive and sustainable district.

The district Employment Equity Plan (EEP) and Skills Development Plan (SDP) have already been prepared. In addition, the district is in the process of undertaking an organizational review in compliance with the prevailing legislative framework which governs the local government sphere.

The following is listed:
All programmes and projects will be designed to meet the principles of the EPWP with regards to, inter alia, and labour intensive construction methods and capacity building.
UDM Tenders comply with the MFMA regulations. The Supply Chain Management Policy and a Procurement Policy are in place. In section F, the district budget is outlined in some detail.

C7.2 SUKUMA SAKHE

The purpose of Operation Sukuma Sakhe aims to rebuild the fabric of society by promoting human values, fighting poverty, crime, diseases, deprivation and social ills, ensuring moral regeneration, by working together through effective partnerships. Partnerships include civil society, development partners, communities and government departments, to provide a comprehensive integrated service package to communities. The objective of Operation Sukuma Sakhe is to create and maintain functional task teams at provincial, district, local, and ward levels to deliver integrated services to individuals, households and communities.
C7.3 PORTFOLIO COMMITTEES

The Portfolio Committee structures are in place and meeting are scheduled as follows, however some of these meetings do not convene due to lack or quorum from councillors. Dates are also subject to change.

Table 77: Portfolio Meetings Planning and Economic Development Schedule

<table>
<thead>
<tr>
<th>MONTH</th>
<th>TIME OF MEETING</th>
<th>DATE OF MEETING</th>
<th>CLOSING DATE FOR ITEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>JULY</td>
<td>10H00</td>
<td>21/07/2016</td>
<td>07/07/2016</td>
</tr>
<tr>
<td>AUGUST</td>
<td>10H00</td>
<td>26/08/2016</td>
<td>12/08/2016</td>
</tr>
<tr>
<td>SEPTEMBER</td>
<td>12H00</td>
<td>22/09/2016</td>
<td>08/09/2016</td>
</tr>
<tr>
<td>OCTOBER</td>
<td>10H00</td>
<td>21/10/2016</td>
<td>07/10/2016</td>
</tr>
<tr>
<td>NOVEMBER</td>
<td>12H00</td>
<td>25/11/2016</td>
<td>11/11/2016</td>
</tr>
<tr>
<td>FEBRUARY</td>
<td>10H00</td>
<td>09/02/2017</td>
<td>26/01/2017</td>
</tr>
<tr>
<td>MARCH</td>
<td>12H00</td>
<td>31/03/2017</td>
<td>17/03/2017</td>
</tr>
<tr>
<td>APRIL</td>
<td>10H00</td>
<td>21/04/2017</td>
<td>07/04/2017</td>
</tr>
<tr>
<td>MAY</td>
<td>10H00</td>
<td>26/05/2017</td>
<td>12/05/2017</td>
</tr>
<tr>
<td>JUNE</td>
<td>10H00</td>
<td>23/06/2017</td>
<td>09/06/2017</td>
</tr>
</tbody>
</table>

Table 78: Portfolio Meetings Community Services Schedule

<table>
<thead>
<tr>
<th>MONTH</th>
<th>TIME OF MEETING</th>
<th>DATE OF MEETING</th>
<th>CLOSING DATE FOR ITEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>JULY</td>
<td>10H00</td>
<td>14/07/2016</td>
<td>30/06/2016</td>
</tr>
<tr>
<td>AUGUST</td>
<td>10H00</td>
<td>19/08/2016</td>
<td>05/08/2016</td>
</tr>
<tr>
<td>SEPTEMBER</td>
<td>10H00</td>
<td>15/09/2016</td>
<td>01/09/2016</td>
</tr>
<tr>
<td>OCTOBER</td>
<td>10H00</td>
<td>14/10/2016</td>
<td>30/09/2016</td>
</tr>
<tr>
<td>NOVEMBER</td>
<td>12H00</td>
<td>17/11/2016</td>
<td>03/11/2016</td>
</tr>
</tbody>
</table>
Table 79: Portfolio Meetings Technical Services Schedule

<table>
<thead>
<tr>
<th>MONTH</th>
<th>TIME OF MEETING</th>
<th>DATE OF MEETING</th>
<th>CLOSING DATE FOR ITEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>JULY</td>
<td>10H00</td>
<td>16/02/2017</td>
<td>02/02/2017</td>
</tr>
<tr>
<td>AUGUST</td>
<td>10H00</td>
<td>16/03/2017</td>
<td>02/03/2017</td>
</tr>
<tr>
<td>SEPTEMBER</td>
<td>12H00</td>
<td>21/04/2017</td>
<td>07/04/2017</td>
</tr>
<tr>
<td>OCTOBER</td>
<td>10H00</td>
<td>18/05/2017</td>
<td>04/05/2017</td>
</tr>
<tr>
<td>NOVEMBER</td>
<td>12H00</td>
<td>15/06/2017</td>
<td>01/06/2017</td>
</tr>
</tbody>
</table>

Table 80: Portfolio Meetings Financial Services Schedule

<table>
<thead>
<tr>
<th>MONTH</th>
<th>TIME OF MEETING</th>
<th>DATE OF MEETING</th>
<th>CLOSING DATE FOR ITEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>JULY</td>
<td>11H00</td>
<td>22/07/2016</td>
<td>08/07/2016</td>
</tr>
<tr>
<td>AUGUST</td>
<td>10H00</td>
<td>26/08/2016</td>
<td>12/08/2016</td>
</tr>
<tr>
<td>SEPTEMBER</td>
<td>12H00</td>
<td>15/09/2016</td>
<td>01/09/2016</td>
</tr>
<tr>
<td>OCTOBER</td>
<td>10H00</td>
<td>13/10/2016</td>
<td>29/09/2016</td>
</tr>
<tr>
<td>FEBRUARY</td>
<td>10H00</td>
<td>10/02/2017</td>
<td>27/01/2017</td>
</tr>
<tr>
<td>MARCH</td>
<td>11H00</td>
<td>31/03/2017</td>
<td>17/03/2017</td>
</tr>
<tr>
<td>APRIL</td>
<td>10H00</td>
<td>20/04/2017</td>
<td>06/04/2017</td>
</tr>
<tr>
<td>MAY</td>
<td>12H00</td>
<td>26/05/2017</td>
<td>12/05/2017</td>
</tr>
<tr>
<td>JUNE</td>
<td>10H00</td>
<td>22/06/2017</td>
<td>08/06/2017</td>
</tr>
<tr>
<td>JULY</td>
<td>11H00</td>
<td>28/07/2016</td>
<td>14/07/2016 (Key deadlines)</td>
</tr>
<tr>
<td>AUGUST</td>
<td>10H00</td>
<td>25/08/2016</td>
<td>11/08/2016 (Rollover &amp; AFS)</td>
</tr>
<tr>
<td>SEPTEMBER</td>
<td>11H00</td>
<td>22/09/2016</td>
<td>08/09/2016 (Consolidated AFS)</td>
</tr>
<tr>
<td>OCTOBER</td>
<td>11H00</td>
<td>27/10/2016</td>
<td>13/10/2016</td>
</tr>
<tr>
<td>NOVEMBER</td>
<td>11H00</td>
<td>25/11/2016</td>
<td>16/11/2016</td>
</tr>
<tr>
<td>DECEMBER</td>
<td>10H00</td>
<td>08/12/2016</td>
<td>24/11/2016</td>
</tr>
<tr>
<td>JANUARY</td>
<td>10H00</td>
<td>20/01/2017(sp)</td>
<td>06/01/2017 (Mid year review)</td>
</tr>
<tr>
<td>JANUARY</td>
<td>10H00</td>
<td>27/01/2016</td>
<td>18/01/2017</td>
</tr>
<tr>
<td>FEBRUARY</td>
<td>11H00</td>
<td>23/02/2017</td>
<td>09/02/2017 (Adjustment Budget)</td>
</tr>
<tr>
<td>MARCH</td>
<td>10H00</td>
<td>23/03/2017</td>
<td>09/03/2017 (Draft Budget)</td>
</tr>
<tr>
<td>MARCH</td>
<td>11H00</td>
<td>30/03/2017</td>
<td>16/03/2017</td>
</tr>
<tr>
<td>APRIL</td>
<td>11H00</td>
<td>28/04/2017</td>
<td>13/04/2017</td>
</tr>
<tr>
<td>MAY</td>
<td>10H00</td>
<td>25/05/2016</td>
<td>11/05/2017 (Final Budget)</td>
</tr>
<tr>
<td>JUNE</td>
<td>10H00</td>
<td>29/06/2017</td>
<td>15/06/2017</td>
</tr>
</tbody>
</table>
C7.4 AUDIT COMMITTEE

The Audit Committee structures are in place and meetings are scheduled as follows:

Table 82: Audit Committee Meeting Schedule

<table>
<thead>
<tr>
<th>MONTH</th>
<th>TIME OF MEETING</th>
<th>DATE OF MEETING</th>
<th>CLOSING DATE FOR ITEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUGUST</td>
<td>12H00</td>
<td>23/08/2016</td>
<td>08/08/2016 (AFS)</td>
</tr>
<tr>
<td>SEPTEMBER</td>
<td>13H00</td>
<td>21/09/2016</td>
<td>07/09/2016 (Consolidated AFS)</td>
</tr>
<tr>
<td>NOVEMBER</td>
<td>12H00</td>
<td>10/11/2016</td>
<td>27/09/2016</td>
</tr>
<tr>
<td>DECEMBER</td>
<td>12H00</td>
<td>06/12/2016(sp)</td>
<td>22/11/2016</td>
</tr>
<tr>
<td>FEBRUARY</td>
<td>12H00</td>
<td>24/02/2017</td>
<td>10/02/2017</td>
</tr>
<tr>
<td>MAY</td>
<td>12H00</td>
<td>24/05/2017</td>
<td>10/05/2017</td>
</tr>
</tbody>
</table>

C7.5 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Municipal Public Accounts Committee (MPAC) structures are in place and meeting are scheduled as follows:

Table 83: MPAC Meeting Schedule

<table>
<thead>
<tr>
<th>MONTH</th>
<th>TIME OF MEETING</th>
<th>DATE OF MEETING</th>
<th>CLOSING DATE FOR ITEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>JULY</td>
<td>10H00</td>
<td>28/07/2016</td>
<td>14/07/2016</td>
</tr>
<tr>
<td>AUGUST</td>
<td>12H00</td>
<td>25/08/2016</td>
<td>11/08/2016 (AFS)</td>
</tr>
<tr>
<td>SEPTEMBER</td>
<td>11H00</td>
<td>23/09/2016</td>
<td>09/09/2016 (Consolidated AFS)</td>
</tr>
</tbody>
</table>
C7.6 RULES COMMITTEE

Table 84: Rules Committee Schedule

<table>
<thead>
<tr>
<th>MONTH</th>
<th>TIME OF MEETING</th>
<th>DATE OF MEETING</th>
<th>CLOSING DATE FOR ITEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>JULY</td>
<td>10H00</td>
<td>29/07/2016</td>
<td>15/07/2016</td>
</tr>
<tr>
<td>OCTOBER</td>
<td>10H00</td>
<td>28/10/2016</td>
<td>14/10/2016</td>
</tr>
<tr>
<td>FEBRUARY</td>
<td>12H00</td>
<td>10/02/2017</td>
<td>27/01/2017</td>
</tr>
<tr>
<td>MAY</td>
<td>12H00</td>
<td>19/05/2017</td>
<td>05/05/2017</td>
</tr>
</tbody>
</table>

C7.7 IGR FORUMS

UThungulu District Municipality received grant funding from the KZN Department of Cooperative and Traditional Affairs to prepare an Integrated Development Plan Commitment Charter to ensure alignment and commitment of the relevant Sector Departments and Service Providers to uThungulu IDP. In addition, IDP Sector and Services Alignment Forum were established to address alignment of plans, budgets and projects.

The main aim of the project is to ensure that a uniform, mutually agreed upon, aligned and structured process is followed by all sector departments and service providers in identifying, prioritizing and implementing their projects in UThungulu district for coordinated, efficient and effective service delivery by all spheres of government with the main tool being the Integrated Development Plans of the municipalities in the district.

The following Objectives apply to support the District Municipality to strengthen institutional and co-operative governance in the district area through an improved institutional framework, including but not limited to:

- Promote implementation of appropriate structures and IGR protocols;
- Improving intergovernmental relations between the district and local municipalities, between two or more local municipalities and stakeholders;
- Ensuring that improved IGR protocols and structures will support coordinated planning, prioritization and delivery of services in the district;
- Ensure that the IDPs of the district and local municipalities are recognized and utilized as the main tool to achieve the above;
To ensure appropriate level of stakeholder involvement in IGR and the IDP processes. The implementation of Section 81 of the Municipal Structures Act, Act 117 of 1988 that provides for the participation of traditional leaders in Municipal Councils is now underway.

The Gazette identifying the names of Traditional Leaders that are to serve in Municipalities was published in April 2013 (Provincial Gazette No 926 Vol. 7). The Traditional leaders that are to serve in uThungulu District Municipality Council are as follows:

<table>
<thead>
<tr>
<th>NAME OF TRADITIONAL LEADER</th>
<th>IDENTITY NUMBER</th>
<th>TRADITIONAL COMMUNITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victoria Thembelihle Dube</td>
<td>5308120336088</td>
<td>Kholweni</td>
</tr>
<tr>
<td>Bonginkosi Shilo Mthembu</td>
<td>7104065297080</td>
<td>Somopho</td>
</tr>
<tr>
<td>Zakhe Davidson Mpungose</td>
<td>7405065426086</td>
<td>Mpungose</td>
</tr>
<tr>
<td>Sifisi Regional Biyela</td>
<td>8103035664089</td>
<td>Mombeni</td>
</tr>
<tr>
<td>Velemandleni Biyela</td>
<td>3802085197081</td>
<td>Yanguya</td>
</tr>
<tr>
<td>Bhekisabelo Sithembiso Shezi</td>
<td>7505275719082</td>
<td>Chube</td>
</tr>
<tr>
<td>Muziwami Thembinkosi Zuma</td>
<td>7106166485084</td>
<td>Nxamalala</td>
</tr>
<tr>
<td>Mandal Mbeki Mkhwanazi</td>
<td>6410106978088</td>
<td>Mkhwanazi</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DATE</th>
<th>TIME</th>
<th>FORUM</th>
<th>DATE</th>
<th>TIME</th>
<th>FORUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>JANUARY 2016</td>
<td></td>
<td>APRIL 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>10h00</td>
<td>DPPF</td>
<td>01</td>
<td>10h00</td>
<td>Mayors Forum</td>
</tr>
<tr>
<td>26</td>
<td>12h00</td>
<td>Finance IGR</td>
<td>06</td>
<td>11h00</td>
<td>MM Forum</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>14</td>
<td>09h00</td>
<td>IDP Rep Forum</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>19</td>
<td></td>
<td>Communication Forum</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>20</td>
<td>13h00</td>
<td>Infrastructure Forum</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>24</td>
<td>12h00</td>
<td>Mayors Forum</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>25</td>
<td>12h00</td>
<td>Finance IGR</td>
</tr>
<tr>
<td>FEBRUARY 2016</td>
<td></td>
<td>MAY 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03</td>
<td>11h00</td>
<td>MM Forum</td>
<td>05</td>
<td></td>
<td>Communication Forum</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DPPF</td>
<td>19</td>
<td></td>
<td>Communication Forum</td>
</tr>
<tr>
<td>11</td>
<td>10h00</td>
<td>Planners Forum</td>
<td>20</td>
<td>13h00</td>
<td>Infrastructure Forum</td>
</tr>
<tr>
<td>18</td>
<td></td>
<td>Communication Forum</td>
<td>24</td>
<td>12h00</td>
<td>Mayors Forum</td>
</tr>
<tr>
<td>19</td>
<td></td>
<td>Corporate Forum</td>
<td>25</td>
<td>12h00</td>
<td>Finance IGR</td>
</tr>
<tr>
<td>19</td>
<td>13h00</td>
<td>Infrastructure Forum</td>
<td>24</td>
<td></td>
<td>Mayors Forum</td>
</tr>
<tr>
<td>25</td>
<td>12h00</td>
<td>Finance IGR</td>
<td>25</td>
<td></td>
<td>Finance IGR</td>
</tr>
<tr>
<td>MARCH 2016</td>
<td></td>
<td>JUNE 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>02</td>
<td></td>
<td>Speakers Forum</td>
<td>03</td>
<td>11h00</td>
<td>MM Forum</td>
</tr>
<tr>
<td>03</td>
<td>11h00</td>
<td>MM Forum</td>
<td>09</td>
<td>10h00</td>
<td>Community Forum</td>
</tr>
<tr>
<td>17</td>
<td>10h00</td>
<td>Community Forum</td>
<td>10</td>
<td>09h00</td>
<td>Planner Forum</td>
</tr>
</tbody>
</table>
C7.8 COMMUNICATION STRATEGY

VISION AND MISSION

The communication programme of uThungulu Communication Strategy adopted by Council is centred on the programme of action of the government and the priorities of this district Council. This is done in relation to the five-year IDP Projects and the Vision and Mission statement of the municipality.

OBJECTIVES

The strategic objective of uThungulu Communications Section is to provide an integrated and coordinated communication service within uThungulu District and its six local municipalities.

Key to this strategy is the recognition that Government communication will be driven by coherent messages under an over-arching five year theme: “WORKING TOGETHER WE CAN DO MORE”

Communication within the spheres of government is no longer fragmented but has largely been influenced by the greater level of coordination between government departments and municipalities in KwaZulu-Natal.

C7.9 STATUS OF MUNICIPAL POLICIES

The list of Policies that apply to the Municipality and adopted by council are as follows:

FINANCE POLICIES

Table 87: Finance Policies

<table>
<thead>
<tr>
<th>POLICY</th>
<th>DATE APPROVED</th>
<th>DATE OF NEXT REVIEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff Policy</td>
<td>May 2016</td>
<td>May 2017</td>
</tr>
<tr>
<td>Incentive Policy</td>
<td>May 2016</td>
<td>May 2017</td>
</tr>
<tr>
<td>Indigent Policy</td>
<td>May 2016</td>
<td>May 2017</td>
</tr>
<tr>
<td>The Credit Control and Dept Collection Policy</td>
<td>May 2016</td>
<td>May 2017</td>
</tr>
<tr>
<td>Budget Policy</td>
<td>May 2016</td>
<td>May 2017</td>
</tr>
<tr>
<td>Delegations Policy</td>
<td>May 2016</td>
<td>May 2017</td>
</tr>
<tr>
<td>Investment and Banking Policy</td>
<td>May 2016</td>
<td>May 2017</td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>May 2016</td>
<td>May 2017</td>
</tr>
<tr>
<td>Supply Chain Management Policy</td>
<td>May 2016</td>
<td>May 2017</td>
</tr>
<tr>
<td>Virement Policy</td>
<td>May 2016</td>
<td>May 2017</td>
</tr>
<tr>
<td>Borrowing Policy</td>
<td>May 2016</td>
<td>May 2017</td>
</tr>
<tr>
<td>Retention Policy</td>
<td>May 2016</td>
<td>May 2017</td>
</tr>
<tr>
<td>Credit Card Policy</td>
<td>May 2016</td>
<td>May 2017</td>
</tr>
</tbody>
</table>
### Table 88: Human Resource Policies

<table>
<thead>
<tr>
<th>POLICY</th>
<th>DATE APPROVED</th>
<th>DATE OF NEXT REVIEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment &amp; Selection</td>
<td>2008</td>
<td>The review of the policy is in progress, the policy will be reviewed in relation to Succession and Retention, Employment Equity, Training and Development</td>
</tr>
<tr>
<td>Succession &amp; Retention</td>
<td>12/03/2008</td>
<td>To be reviewed in 2017</td>
</tr>
<tr>
<td>OHS</td>
<td>09/03/2015</td>
<td>The review of the policy is in progress</td>
</tr>
<tr>
<td>Substance Abuse</td>
<td>09/03/2011</td>
<td>The review of the policy is in progress</td>
</tr>
<tr>
<td>Smoking</td>
<td>12/03/2008</td>
<td>The review of the policy is in progress</td>
</tr>
<tr>
<td>Training &amp; Development</td>
<td>12/03/2008</td>
<td>The review of the policy is in progress</td>
</tr>
<tr>
<td>Employee Assistance</td>
<td>27/09/2013</td>
<td>To be reviewed in 2019 however, if any legal amendments are required it will be reviewed before the said date</td>
</tr>
<tr>
<td>Employment Equity</td>
<td>12/03/2008</td>
<td>The review of the policy is in progress it is with the Employment Equity Committee</td>
</tr>
<tr>
<td>Overtime</td>
<td>5/12/2015</td>
<td>To be reviewed in 2018, except if any changes in the Municipal Conditions of Services Agreement KZN Division and amendments are required it will be reviewed before the said date</td>
</tr>
<tr>
<td>Subsistence &amp; Travel</td>
<td>05/06/2012</td>
<td>To be reviewed in 2018, except if any binding amendments are required it will be reviewed before the said date</td>
</tr>
<tr>
<td>Official Housing Assistance</td>
<td>09/09/2012</td>
<td>To be reviewed in 2018, except if any changes in the Municipal Conditions of Services Agreement KZN Division and amendments are required it will be reviewed before the said date</td>
</tr>
<tr>
<td>Rental</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R250.00 Rental Scheme</td>
<td>09/03/2011</td>
<td>To be reviewed in 2018, except if any changes in the Municipal Conditions of Services Agreement KZN Division and amendments are required it will be reviewed before the said date</td>
</tr>
<tr>
<td>Exit Interview</td>
<td>12/09/2007</td>
<td>Policy to be reviewed in 2017</td>
</tr>
<tr>
<td>Long Service</td>
<td>20/11/2013</td>
<td>To be reviewed in 2018, except if any changes in the Municipal Conditions of Services Agreement KZN Division and amendments are required it will be reviewed before the said date</td>
</tr>
<tr>
<td>Sexual Harassment</td>
<td>12/03/2008</td>
<td>The review of the policy is in progress</td>
</tr>
<tr>
<td>Internship</td>
<td>12/03/2008</td>
<td>The review of the policy is in progress it is reviewed together with the training and development policy</td>
</tr>
<tr>
<td>Relocation</td>
<td>11/11/2009</td>
<td>To be reviewed in 2017, except if any binding amendments are required it will be reviewed before the said date</td>
</tr>
<tr>
<td>Leave</td>
<td>28/06/2014</td>
<td>To be reviewed in 2018, except if any changes in the Municipal Conditions of Services Agreement KZN Division and amendments are required it will be reviewed before the said date</td>
</tr>
<tr>
<td>Maternity Leave</td>
<td>28/06/2014</td>
<td>To be reviewed in 2018, except if any changes in the Municipal Conditions of Services Agreement KZN Division and amendments are required it will be reviewed before the said date</td>
</tr>
<tr>
<td>Pool Motor Vehicle</td>
<td>25/08/2010</td>
<td>To be reviewed in 2017, except if any binding amendments are required it will be reviewed before the said date</td>
</tr>
<tr>
<td>Motor Vehicle Scheme</td>
<td>25/08/2010</td>
<td>To be reviewed in 2017, except if any binding amendments are required it will be reviewed before the said date</td>
</tr>
</tbody>
</table>
C7.10 MUNICIPAL RISK MANAGEMENT

The municipality has a risk management policy and strategy in place, the relevant structures to implement the policy is also in place.

Table 89: Risk Management Policies

<table>
<thead>
<tr>
<th>POLICY</th>
<th>DATE APPROVED</th>
<th>RENEWAL DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Management Strategy</td>
<td>28 May 2014</td>
<td>28 May 2016</td>
</tr>
</tbody>
</table>

The risks identified by the municipality are reflected hereunder.

C7.10.1 FRAUD RISK

- Misappropriation of municipal funds
- Conflict of interest
- Unauthorised use of receipt books
- Abuse of overtime
- Theft of municipal time
- Unauthorised access to information on the server
- Tampering with meters and illegal connections
- Disclosure of confidential information
- Unauthorised water deliveries, unrecorded sales and illegal water connections
- Unauthorised use of user names and password using spyware
- Theft of stock/replaced equipment
- Diesel theft – water projects
- Manipulation of the SCM policy and procedures
- Abuse of Authority for personal gain
- Inflated mileage claims by contractors
- Unauthorised changes to the payroll data
- Theft of consumables and theft/vandalism of assets
• Abuse of garage/fleet cards
• Inflated mileage claims by staff
• Unauthorised use of municipal vehicles
• Assets not returned by staff who terminate their services
• Ghost employees may be paid
• Fuel theft - municipal fleet

C7.10.2  IT RISK
• Inadequate DRP procedures
• Unavailability and/or unreliability of IT systems
• Lack of IT Governance framework
• Unauthorised amendments to programs or databases
• Loss of/inaccessibility to key records/poor records management
• Loss/compromise of key data
• Unauthorised/unrestricted access to the computerised system
• Failure of IT service providers to deliver in terms of service level agreement
• ICT not an enabler for the achievement of strategic objectives
• IT skills shortage
• Lack of integration of systems across the organisation
• Legal compliance of IT with relevant legislation not assured
• Unauthorised use of usernames and passwords using spyware
• Documents on Hummingbird inaccessible
• Inadequate management of mobile devices
• Failure to comply with the IT governance framework review and implementation

C7.10.3  INHERENT RISK
• Constraints on tariff increases
• Water and Sanitation Infrastructure failure/breakdown/deterioration
• Financial viability of the District
• BCP (organisational) not in place
• Lack of external funding allocation for the implementation of IDP projects
• Inability to collect revenue/debtors due to the Municipality
• Unsustainability of water sources.
• Strike action by employees/contractors (national and local)
• Inadequate response to environmental health incidents
• Failure to attract and retain critical skills
• Security threats to personnel/contractors
• Limited external funding allocation for the implementation of IDP projects
• Poor service delivery
• Reduction/withholding of grant funding
• Unsustainability of water sources
• Excessive water losses
• Service delivery backlog
• Failure to achieve clean audit
• Inadequate response to disaster
• Failure to achieve transformation targets to the implementation of BBBEE
• Misuse and damage of assets
• Budget cost overruns
• Lack of community buy-in in new projects
• Inability to implement all programmes relating to marginalised groupings
• Inadequate participation of Local Municipalities at intergovernmental level
• Strike action by employees
• Strike action by contractors (national and local)

C7.11 GOOD GOVERNANCE & PUBLIC PARTICIPATION: SWOT ANALYSIS

Weakness and Threats

- The communities need to be engaged with and given an opportunity to participate in the service delivery process.
- There is a need to keep the public regularly informed of our efforts and programmes which seek to meet the needs of service delivery and unemployment.
- The District has been obligated to cut its expenditure on publicity and marketing activities in recent years, as mandated by National Treasury.
- These financial constraints pose a challenge as we attempt to prioritise communication over basic needs such as water, sanitation, houses and roads.
- The challenge is doing more with less, and finding ways of communicating more cheaply, by visiting people in their own areas instead of advertising or transporting them to event.

Opportunities and Strengths

uThungulu utilises the following channels to engage the public:

- Rural communities: Newspapers, Radio, Newsletters, display advertising, social media, pension pay points, letters sent with bills, religious groups and senior citizens forums.
- Business community: Mainstream media, financial publications, events (sporting events).
- Employees: Internal publications, emails, posters, workshops, notice boards, staff meetings.
- The local municipalities in the district, national and provincial government: Intergovernmental forums and izimbizo.
- Broader public: magazine and news publications, TV, radio, flyers, posters, events (roadshows) and sporting events (District Games).
MEDIA PLAN INCLUDES:
- Issuing of press releases and reporting on municipal events, Exco meetings and handovers
- Regular radio slots on community radio stations to keep communities informed of municipal programmes
- Publication of monthly newsletters and annual Service Charter
- Promote the use of the municipal website
- Public participation programmes that help to maintain awareness of the municipality’s programmes and projects.

KEY CAMPAIGNS INCLUDE:
- Project handovers
- Roadshows: Budget and IDP public engagement
- Visits by MEC’s and Ministers for project launches
- Community meetings
- Sukhuma Sakhe programme
- Publicising of events linked to specific programmes: Agriculture, Economic Development, Women
- Key provincial events: Youth Day, World AIDS Day, Parliament to the People
- Customer satisfaction survey
- Communications and Public Relations Strategy updated annually.

C8.0 COMBINED SWOT ANALYSIS

C8.1 SPATIAL AND ENVIRONMENTAL: SWOT ANALYSIS

STRENGTHS AND OPPORTUNITIES
- The towns have comparatively good levels of infrastructure and services.
- The coastal topography and the N2 have added to improved urban access along the eastern portions of uThungulu District.
- Richards Bay has been identified as a provincial Secondary Node in the PGDS and thus an urban center with good existing economic development and the potential for growth and services to the regional economy.
- Richards Bay, as a harbor and industrial town, attracts people from surrounding towns, rural settlements and from beyond the district.
- Eshowe, Nkandla, Melmoth and Buchanana are identified as quaternary nodes. These nodes are mainly centers which should provide service to the sub-regional economy and community needs. Key strategic interventions specifically targeted at these nodes and their directly surrounding areas are supported by the Province.
• Empangeni’s role as an industrial, commercial and service center to the settlements of Esikhaleni, Eshowe, Nkandla, Ntambanana and other rural settlements attracts many people to the range of higher order services available in the town.
• A good climate that opens up avenues for productive agricultural and tourism development
• Agriculture with irrigation infrastructure in place
• A scenic environment and the coastal terrain thus creating more opportunities for tourism development
• The district’s location within KwaZulu-Natal that is reputable for its African Experience.
• UDM Area has large tracts of Biodiversity 1 and 3 designated areas with a large number of protected and environmentally sensitive areas.

**Weakness and Threats**

• The social needs of people in uThungulu along the southern coastal areas of uMhlathuze, the southern portions of uMlalazi abutting the Tugela River and extensive portions of Nkandla are considered to be high.
• Urban accessibility is a limiting factor in the western portions of the Nkandla Municipality in particular. Urban accessibility generally improves in an easterly direction towards the coast.
• The Southern and western parts of the Municipal area are mountainous with slopes of 1:3 and steeper. The slopes decrease (become less steep) towards the eastern sector of the Municipal Area
• Large inequality exists in the levels of development through the Municipal area between the rural and urban environments
• Low potential soils occur along the Tugela River as well as along portions of the Mhlatuze River
• Air quality capacity in certain areas in the District has been reached and it is highly unlikely that the situation will change (especially in the Richards Bay area)
• Dust pollution from open cast mining needs to be addressed.
• The burning of waste in the absence of waste services are major air pollution sources in rural areas which need to be addressed.

**C8.2 Disaster Management: SWOT Analysis**

**Strengths and Opportunities**

• The Municipality has a Level 2 Disaster management Plan in Place
• UDM have established the foundation institutional arrangements, and are building the essential supportive capabilities needed to carry out comprehensive disaster risk management activities.
• There are Disaster Management Advisory Forums in the District Municipality, uMhlathuze, uMlalazi and Mthonjaneni
• Current disaster risk profile is based on a detailed disaster risk assessment process
• The risk profile for uThungulu District Municipality is based on the data received from the workshop consultations
• A number of risk reduction measures have been identified related to the highest rated identified risks.
• Communication and stakeholder participation in disaster risk management in uThungulu District Municipality is executed through a consultative process, education and public awareness, initiated by uThungulu District Municipality disaster management function

WEAKNESS AND THREATS
• Hazard-specific disaster contingency plans still need to be developed
• Limited capacity currently exists in uThungulu District Municipality and specifically in its local municipalities to fulfil all the functions required by the Act
• The resources associated with performing disaster management related functions in the UDM are rated between ‘insufficient’ and ‘sufficient’.
• There is a need for increased investment in capacity and resilience building in each of the local municipalities

C8.3 MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT: SWOT ANALYSIS

STRENGTHS AND OPPORTUNITIES
• Back to Basics in place
• Well-functioning Portfolio, EXCO and Council structures.
• Communication Plan and IDP Alignment processes in place.
• Implementation of the UDM Economic Development Framework: Towards a Green Economy by the LED Structures created further opportunities for growth and development
• Functional GIS section.
• Planning Shared Services in place.
• HR Development Plan and Employment Equity Plan in place
• Compliance with financial requirements and submission deadlines
• Compliance with SCM requirements

WEAKNESS AND THREATS
• Unfunded Mandates
• Staff Shortage
C8.4 GOOD GOVERNANCE & PUBLIC PARTICIPATION: SWOT ANALYSIS

**Strengths and Opportunities**

uThungulu utilises the following channels to engage the public:

- Rural communities: Newspapers, Radio, Newsletters, display advertising, social media, pension pay points, letters sent with bills, religious groups and senior citizens forums.
- Business community: Mainstream media, financial publications, events (sporting events).
- Employees: Internal publications, emails, posters, workshops, notice boards, staff meetings.
- The local municipalities in the district, national and provincial government: Intergovernmental forums and izimbizo.
- Broader public: magazine and news publications, TV, radio, flyers, posters, events (roadshows) and sporting events (District Games)

**Media Plan includes:**

- Issuing of press releases and reporting on municipal events, Exco meetings and handovers
- Regular radio slots on SABC radio and community radio stations to keep communities informed of municipal programmes
- Publication of monthly newsletters and annual Service Charter
- Promote the use of the municipal website
- Public participation programmes that help to maintain awareness of the municipality’s programmes and projects.

**Key Campaigns include:**

- Project handovers
- Roadshows: Budget and IDP public engagement
- Visits by MEC’s and Ministers for project launches
- Community meetings
- Sukhuma Sakhe programme
- Publicising of events linked to specific programmes: Agriculture, Economic Development, Women
- Key provincial events: Youth Day, World AIDS Day, Parliament to the People
- Customer satisfaction survey currently undergoing bid processes.
- Communications and Public Relations Strategy updated annually.

**Weakness and Threats**

- The communities need to be engaged with and given an opportunity to participate in the service delivery process.
- It is our duty as communicators to ensure that we keep the public regularly informed of our efforts and programmes which seek to meet the needs of service delivery and unemployment.
- The District has been obligated to cut its expenditure on publicity and marketing activities in recent years, as mandated by National Treasury.
• These financial constraints pose a challenge as we attempt to prioritise communication over basic needs such as water, sanitation, houses and roads.
• The challenge is doing more with less, and finding ways of communicating more cheaply, by visiting people in their own areas instead of advertising or transporting them to event.

C8.5 SOCIAL DEVELOPMENT SWOT ANALYSIS

Strengths and Opportunities

• Disaster Management
  ■ Compliance DM acts:
    - Disaster Centre
    - Disaster Management Framework
    - Disaster Management plan
    - Annual Report
    - Enhance services delivery

• Sport, youth & culture programmes
  ■ A position existing to service these programmes
    - SALGA Games implementation annually
  ■ Potential to enhance Sport & Youth Development
  ■ Promotion of cultural activities
  ■ Each programme to have a dedicated officer

• Environmental & Health
  ■ Devolution of environmental health services from province to district municipalities
  ■ Finalization of Devolution of EHS will enhance service delivery

• Special Programmes
  ■ The programmes are driven by two coordinators
  ■ Each programme to have a dedicated officer
  ■ Strengthening of awareness campaigns at ward level
  ■ Alignment of programmes with Provincial and national guidelines

• Crime Prevention
  ■ Budget availability to implement crime prevention strategies
  ■ Function has a potential for growth to enhance crime awareness
  ■ UDM advisory Forum to be established

Weakness and Threats

• Disaster Management
  ■ Personnel
    - Inadequate
  ■ Building
    - OHS Compliance
    - Old Building
    - Office Space
• Equipment
  - Out-dated
  - Insufficient
• Financial Resources
  - Poor or limited service delivery

• Sport, youth & culture programmes
  - Inadequate financial resources
  - Fragmentation not well coordinated plans for this programme
  - No programme/plans make his designation fully functionally.
  - Sport only concentrate on SALGA Games
  - The sport budget is mainly used for SALGA Games- annual event
  - Noncompliance with the UDM IDP

• Environmental & Health
  - Shortage of staff rendering EHS thus hampering service delivery
  - Delay in the devolution process of EHS
  - EHS funds being used for non-environmental health matters
  - Non standardization of working tools – e.g. inspection books
  - Delay in the Air Quality Management Plan
  - Insufficient rendering of EHS could result in health hazards and epidemics

• Special Programmes
  - Shortage of staff
  - No dedicated pool vehicle – problematic in cases of emergency
  - Limited resources e.g. laptops
  - Monitoring and evaluation of projects
  - Non adherence to work plans or programmes

• Crime Prevention
  - No dedicated official
  - No programmes
  - Increase in crime activities within the district

C8.6 FINANCIAL VIABILITY & MANAGEMENT: SWOT ANALYSIS

STRENGTHS AND OPPORTUNITIES
• The staff in the expenditure section has remained constant over the years.
• Budgeting and reporting legislation has been enhanced to ensure credible, accurate and reliable reporting.
• As GRAP is aligned to IAS continuous amendments are forthcoming and it is imperative that the organization is in a position to interpret and apply in order to ensure the attainment of clean audits.
• It is imperative that every individual within the organization understands that they are contributors towards the goal of clean audit.
• Processes have been put in place to ensure that process of orders to be forwarded to individuals be forthcoming. Possibility of signing an annual deviation for certain issues to cut down on number of deviations
• Improve the use of Financial Management System
• Come up with the strategy on how to advertise so that rural areas can be reached. This will need buy in from LM, the plan is to discuss it as CFO Forum
• As communities know their areas well we should consider training and using unemployed members of the communities to deliver a package of services inclusive of reading meters, delivering statements/notices and possibly effecting restrictions and openings
• New water infrastructure needs to be considered which will allow the meters to be easily read and allow for the implementation of the credit control policy
• Council has already approved the installation of prepaid meters for indigent households. Technical department is exploring alternatives in this regard address all regular payment defaulters by changing their meters to prepaid
• Tracing “bad” debtors with online tracing tools
• HOD’s and section managers must ensure that all staff are made aware and comply with all policies and procedures of the Council
• All legislative matters must be addressed correctly, be valid, be accurate and within due date (CAR)
• To facilitate the audit process (internal and external), audit requests for information to be submitted within the required period and must consider CAR
• Departments must review all previous internal and external audit reports to ensure issues are addressed
• Formulate a policy which entitles the municipality to fix water leaks that are not resolved within 3 months and to charge the consumer for the repairs – 30 days after notification
• The roll out of the prepaid meters will relieve the administrative burdens and eliminate the need for additional credit controllers. The implementation of this process would eliminate the need for the 2 requested credit controllers which would save an estimated R600 000 p.a.
• All meter readings for rural schemes be facilitated by community appointed agents. This processes firstly creates income earning opportunities for the unemployed and also addresses resistance/hostility from communities

Weakeness and Threats

• Suppliers do not send statements monthly, invoices are received late and queries are therefore not resolved timeously
• There is a need to increase the number of staff
• Asset care centre – There are complicated and technical requirements in terms of GRAP and some aspects of the function would need to be outsourced due to the skill required.
• Compliance with new regulations has proven to be difficult with the current staff complement which results in overtime being worked by staff in order for compliance to be met.
• Due to month end financial system processes it is often difficult to meet item closing dates set by Admin Services.
• Lack of insurance cover for large infrastructure items such as weirs, dam walls etc.
• In certain instances SCM is expected to procure in very limited time.
• The increase of deviations which are causing MFMA challenges.
• Specification on requisitions is not clear which cause delays.
• Shortage of staff resulting in shortage of time to follow up on outstanding orders, preparation of recons.
• Unable to reach the service providers operating in rural areas.
• Service Providers filling tender documents incorrectly or submitting incorrect documents.
• Stores at Mthonjaneni are not electronically linked to Finance Management System which poses balancing challenges.
• Redundant materials which is always dumped at Empangeni store.
• DIMS limitation
• Unannounced interruptions/downtime.
• Service Providers are “Tenderpreneurs”.
• Service Providers not updating their information on regular basis.
• Unable to confirm the correctness of the SARS Clearance Certificate.
• Challenges with regards to collections are more evident in the towns of Nkandla, Thubalethu, Mpushini Park, Sunnydale, Kingdizulu, Slovos, Sabokwe, Nzalabantu and Kwamagwaza.
• With regards to rural water schemes collections average only 10% of billed revenue.
• Households in the non-urbanized areas are both scattered in nature and are not formally identified (registered lot number) and complicated further by the fact there are no street names, etc.
• An investigation into the number of monthly unread indicates that on average 10 – 15% of meters are not read and therefore averages are then applied.
• The main contributor for this is that meters underground and inaccessible.
• Furthermore the “non formalized” location of the meters creates a hindrance.
• No credit control and inaccurate meter information in the town of King Dinizulu.
• The main contributing factor is that the infrastructure has been installed at the back of the yards and access is almost impossible.
• Although 3 000 debtors per controller appears fair, the nature of our debtors include large number of poor households.
• The district does not have electricity as a leverage to collect outstanding arrears.
• The roll-out of metered connections in the non-urbanized areas is increasing the numbers and for the past 3 years the staff compliment has not been adjusted accordingly.
• In the past 2 years the following areas have been converted to full connections, that of Nzalabantu, Slova’s and Kwamagwaza etc.
• Currently the staff have the capacity to process readings, however, the subsequent variances and follow ups are not been done.
• Greater Mthonjaneni will be commissioned soon and we will not have the capacity to service these new connections.
• Currently no infrastructure is in place to assist these customers to stay within the free allocation of 10 kl.
• Many of the areas transferred to the district have the “old Kent meter installation”. This installation can only be restricted by stripping the meter and installing a 5c coin. The process is cumbersome and takes approximately 45 minutes to complete.
• Water leaks within the property cause excessive accounts which the resident cannot afford.
• Leaks also contribute to the wasteful loss of the districts precious commodity.
• Illegal water connections and meter bypasses cost Council in lost revenue and infrastructure damage.
• Current monitoring mechanisms e.g. water balancing does not effectively detect areas where there is possible tampering.
• Tampering is only detected when reported by concerned residents or identified by field staff.

C8.7 BASIC SERVICE DELIVERY

**Threats**

• Severe drought conditions which has resulted in water sources running completely dry
• Aging infrastructure
• Unaccounted water (non-revenue water)
• Challenges in meeting the blue and green drop requirements
• Failure to collect revenue in rural areas
• Failure to retain technical staff due to salary packages offered
• Poor quality of water coming from boreholes drilled
• Inadequate funding to address the backlogs

**Weaknesses**

• the limited yield of the water sources for the localized schemes is hindering their extension to neighbouring communities
• The Section 78 study has revealed that UDM did not have sufficient capacity to manage and operate the water services infrastructure under its care. Hence a WSSA was appointed to assist with the O&M function of the rural schemes. The urban schemes are operated and maintained by UDM internal staff.
• Inadequate capacity to manage the WSSA contract
• Lack of very important functions that Technical Services should be performing is also observed. A good example is the WC/WDM
• Blue & Green drop requirements not met due to the ageing infrastructure of the WTW & WWTW within the district
**STRENGTHS**

- The municipality started intensifying on the drive to construct bulk cross boundary water schemes. Nevertheless, with the current level of funding, it will take many years to eradicate the backlogs
- Technical capacity available to execute the tasks (implementation)
- Senior manager Water use efficiency has been appointed to address the issue of water loss
- Most critical positions are being filled
- Improvement plan has been developed as is being implemented to deal with GD & BD non-compliance issues

**OPPORTUNITIES**

- Grant funding received from the national government, i.e., RBIG, MIG & MWIG assists in ensuring that services are delivered and hence more job opportunities are created
- EPWP funding used to create more jobs and in turn uplift the economy of the district

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**C9.0 KEY CHALLENGES**

**C9.1 KEY CHALLENGES FACED BY LOCAL MUNICIPALITIES WITHIN UTHUNGULU**

**C9.1.1 UMFOLOZI LM**

- Productive use of arable land
- Viable agribusiness development
- Establishment of facilities for value added agricultural products.
- Consistent support to co-operatives
- Harnessing opportunities presented by coastal location of Municipality
- Fostering eagerness of community to participate in community development projects
- Identifying opportunities linked to the Port of Richards Bay, the N2 and the Dube Tradeport.
- Ensuring services and supporting infrastructure to schools and clinics
- Identifying opportunities linked to timber and forestry
- Ensuring uMfolozi Municipality becomes involved with the roll-out and implementation of the KZN Growth Fund
- Identifying cultural opportunities in the municipal area and its hinterland.
- Consistent liaison with provincial development institutions such as Ithala, KZNTA, TIK etc.
• Creating employment opportunities linked to waste management.
• Ensuring tourism opportunities presented to the municipality are developed.
• Ensuring continued momentum in housing delivery processes.
• Implementing the recommendations of the adopted Women, Disabled, Youth and Aged Plan.
• Protecting the indigenous coastal forests.
• Successful establishment of Catchment Management Agencies (CMAs) in terms of the National Water Act.
• Implementation of the strategy document on small contractor development.
• Reducing poverty and underdevelopment
• Reducing high levels of illiteracy and lack of skills base by targeting appropriate organizations for support
• Improving coordination between service providers and/or development agencies.
• Timeous responding to communities vulnerable to disasters.
• Improving access to community facilities as well as information technology.
• Improving facilities for pensioners at pay-out points.
• Providing formal waste disposal in the Traditional Authority areas in particular.
• Implementing risk management as well as fraud/corruption prevention plans.
• Ensuring efficient and effective public participation around planning and development processes.
• Effective implementing of the HR and IR Policies
• Effective implementation of the municipal PMS.
• Ensuring effective operations of the Ward Committees.
• Access to Water and Sanitation, Management & maintenance.
• Water Infrastructure (Capital)
• Access to electricity, management and maintenance.
• Refuse Removal and solid waste disposal
• Formalization of informal settlements
• Public / Community Participation Strategy
• Functionally of Ward Committees
• Section 57 with signed Performance Agreements
• Administration (Workplace Skills Plan (WSP) & Annual Training Report (ATR
• Revenue Enhancement Strategy

C9.1.2 UMHLATHUZE LM

• Sustainable Financial Management and Cash Flow Management
• Low Levels of Skills Development and Literacy
• Limited access to basic household and Community Services
• High rates of unemployment and low economic growth
• High levels of poverty
• Welfare dependency on grants
• Limited access to basic household and Community Services
• Unsustainable developmental practices
• Ensuring adequate energy and water supply
• High levels of crime and risk
• Increased incidents of HIV/AIDS and communicable diseases
• Infrastructure degradation
• Climate change
• Access to Water and Sanitation, Management & maintenance.
• Water Infrastructure (Capital)
• Access to electricity, management and maintenance.
• Refuse Removal and solid waste disposal
• Formalization of informal settlements
• Public / Community Participation Strategy
• Functionally of Ward Committees
• Section 57 with signed Performance Agreements
• Administration (Workplace Skills Plan (WSP) & Annual Training Report (ATR)
• Revenue Enhancement Strategy

C9.1.3 NTAMBANANA LM
• Access to Water and Sanitation, Management & maintenance.
• Water Infrastructure (Capital)
• Access to electricity, management and maintenance.
• Refuse Removal and solid waste disposal
• Formalization of informal settlements
• Public / Community Participation Strategy
• Functionally of Ward Committees
• Section 56 with signed Performance Agreements
• Administration (Workplace Skills Plan (WSP) & Annual Training Report (ATR
• Revenue Enhancement Strategy

Ntambanana will disbanded after the elections but all the challenges therein will be apportioned to the receiving Local municipalities accordingly in line with the resolutions of the various CMC engagements in that regard.

C9.1.4 UMLALAZI LM
• To build on the good twinning relationship between the Geel local authority in Belgium and the uMlalazi Municipality.
• To transfer all community facilities to the Municipality.
• To facilitate the use of suitable community halls for multi-purpose uses.
• To ensure that the current 8 rural housing projects and 4 urban projects are completed successfully.
• To investigate how cell phones can be used as a communication tool to further improve communication between communities and the Municipality.
• To focus on rural tourism development in which the Municipal Areas biodiversity, cultural heritage, opportunities offered along the Tugela River, cross-border tourism opportunities and the tourism development opportunities offered by the Goedertrouw / Phobane Dam, are exploited in a sustainable manner.
• To focus on agricultural development in which, amongst others, the establishment of co-operatives and agri industries are investigated.
• To find innovative ways in which inclusive LED can be realised.
• To ensure that officials and councillors are fully capacitated to deliver effectively and efficiently on the Municipality’s development mandate in a sustainable manner.
• To ensure continued improvement in inter-departmental and external communication (including IGR) in planning and development processes and delivery.
• To ensure proper spatial planning (and the roll-out of wall-to-wall rural planning schemes) in order that informed decisions can be taken with regards to development / investment through which the provision of community facilities, infrastructure and services, community development, economic development and human settlement, can happen in a sustainable manner.
• The addressing of all backlogs in respect of water and sanitation provision, electricity provision and solid waste removal taking due cognizance of the need to focus development and investment in areas where there is economic growth or the potential for economic growth.
• To ensure that in areas where there are no economic potential, investment will be focused on the provision of basic water and sanitation at RDP standards, with a greater focus on human capital investment through education and training. This will provide people residing in such areas with a greater range of skills and education in order to provide them with the means to seek opportunities elsewhere.
• To promote industrial development at Eshowe and Gingindlovu.
• To eradicate alien vegetation whilst at the same time creating temporary jobs in doing so.
• To reduce unemployment by 5% by 2014 through the participation in Extended Public Work Programmes and the War against Poverty initiative.
• To facilitate the provision and maintenance of essential rural access roads.
• To embrace all government and other programmes that is aimed at providing both temporary and permanent employment.

C9.1.5 MTHONJANENI LM

• Protecting municipal buildings.
• The percentage of people without access to electricity is still high.
• Inadequate infrastructure
• Providing infrastructure to settlements that are on steep and wet areas
• Attracting of experienced staff.
• Lack of internal departmental communication.
• Lack of staff
• Dependency on equitable share.
• Debts collection
• Poor attendance in IDP road shows.
• Enforcing of municipal bylaws.
• IGR not functioning as it is supposed to.
• Lack of cooperation from sector departments.
• Corruption
• Dependency on Agricultural
• High level of poverty and unemployment.
• Unavailability of budget to prepare land use scheme
• Access to Water and Sanitation, Management & maintenance.
• Water Infrastructure (Capital)
• Access to electricity, management and maintenance.
• Refuse Removal and solid waste disposal
• Formalization of informal settlements
• Public / Community Participation Strategy
• Functionally of Ward Committees
• Section 56 with signed Performance Agreements
• Administration (Workplace Skills Plan (WSP) & Annual Training Report (ATR
• Revenue Enhancement Strategy

C9.1.6 NKANDLA LM
• Grant dependency
• Poor rate of revenue collection
• High unemployment rate
• Weaknesses in systems documentation
• Poor spatial planning of the primary node
• Lack of enforcement of town planning by-laws and building regulations
• Aging & poor infra-structure
• Land ownership is not registered appropriately
• High distribution losses
• Poor management of town open spaces
• Poor enforcement of municipal by-laws
• Potential sources of revenue that have not been explored
• Land within the municipal jurisdiction is highly arable
• Potential revenue on electrical services
• Good relations with Amakhosi who are custodians of a large portion of land
• High staff turnover
• High back-logs in basic services
• Municipal land ownership is minimal (2% of 1828km)
• Dispersed settlement patterns make it expensive to deliver services
• Ambiguous classification of certain settlements entails
• Potential investors may be deterred by poor implementation of spatial planning regulations
• Households that are mostly indigent
• Negative media coverage of Nkandla, may deter government investments
• Poor political oversight over municipal by-laws
• Low morale of staff
• Lack of transfer of skills by consultants

C9.2 **KEY CHALLENGES FACED BY UTHUNGULU**

• Ensuring filling of critical vacant posts
• Implementing of Recruitment and Retention Policies
• Implementing Workplace Skills Plan
• Maintaining of EDMS system thereby ensuring accurate record keeping
• Ensuring Water & Sanitation tariffs are cost reflective
• Ensuring that drinking water and waste water management meets the required quality standards at all times
• Ensuring effective monitoring of water balance in rural areas
• Committing and implementing approved MIG business plans for roll-out of water and sanitation services in the district
• Improving rural road network to ensure improve linkages between settlements, rural nodes and municipal centres
• Supporting meaningful Local Economic Development (LED) initiatives that foster micro and small business opportunities and job creation
• Supporting the LED sub-forums to maintain critical functioning
• Diversifying the district’s economy.
• Supporting of tourism initiatives
• Securing the health of our asset base (especially the municipality’s revenue generating assets) by increasing spending on repairs and maintenance
• Ensuring borrowed funds are invested in revenue generating assets as part of the Capital programme
• Ensuring that the capital budget reflects consistent efforts to address the backlogs in basic services and the renewal of the infrastructure of existing network services
• Ensuring continued compliance with legal financial requirements
• Ensuring indigent policy remains updated and relevant
• Maintaining functionality of Council structures
• Ensuring alignment and coordination between DM and LM’s
• Implementing of PMS
• Ensuring continued support of climate change effects
• Ensuring effective support to Spatial Planning and Development
• Ensuring compliance with SPLUMA and PDA
• Ensuring disaster management forums remain functional
• Protecting the poor
• Ensuring Water & Sanitation tariffs are cost reflective
• Ensuring that drinking water and waste water management meets the required quality standards at all times;
• Protecting the poor;
• Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;
• Securing the health of our asset base (especially the municipality’s revenue generating assets) by increasing spending on repairs and maintenance; and
• Ensuring borrowed funds are invested in revenue generating assets as part of the Capital programme.
• Ensuring that the capital budget reflects consistent efforts to address the backlogs in basic services and the renewal of the infrastructure of existing network services.
• Maintaining functionality of Council structures
• Maintaining of EDMS system thereby ensuring accurate record keeping.
• Effective support to the LED sub-forums to continue functioning.
• Ensuring continued compliance with legal financial requirements.
• Diversifying the district’s economy.
• Effective support of tourism initiatives.
• Improving rural road network to ensure improve linkages between settlements, rural nodes and municipal centres
• Ensuring indigent policy remains updated and relevant.
• Ensuring effective monitoring of water balance in rural areas.
• Committing and implementing approved MIG business plans for roll-out of water and sanitation services in the district.
• Ensuring disaster management forums remain functional
• Ensuring alignment and coordination between DM and LM’s