

# INTEGRATED DEVELOPMENT PLAN (IDP) 2015/16



**UTHUKELA DISTRICT MUNICIPALITY**

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## 1 TABLE OF CONTENTS

|          |  |           |
|----------|--|-----------|
| <b>1</b> | <b>INTRODUCTION.....</b>   | <b>7</b>  |
| 1.1.1    | PURPOSE.....   | 7         |
| 1.1.2    | WHO ARE WE.....  | 7         |
| 1.1.3    | WARDS AND TRADITIONAL AUTHORITY.....   | 10        |
| 1.1.4    | AMALGAMATION OF MUNICIPALITIES.....  | 10        |
| 1.1.5    | ECONOMIC PROFILE.....  | 12        |
| 1.2      | LONG TERM VISION.....  | 13        |
| 1.3      | HOW THE IDP WAS DEVELOPED.....   | 13        |
| 1.3.1    | PUBLIC PARTICIPATION.....  | 16        |
| 1.3.2    | SECTOR DEPARTMENT INVOLVEMENTS.....  | 17        |
| 1.3.3    | ALIGNMENT WITH THE FAMILY OF MUNICIPALITIES.....   | 18        |
| 1.4      | KEY CHALLENGES FACED BY UTHUKELA AND ITS FAMILY OF MUNICIPALITIES.....   | 19        |
| 1.5      | WHAT THE DISTRICT MUNICIPALITY IS DOING TO UNLOCK THE KEY CHALLENGES.....  | 22        |
| 1.6      | WHAT TO EXPECT FROM THE DISTRICT, IN TERMS OUTPUTS, OUTCOMES AND DELIVERABLES, OVER THE NEXT (5) FIVE YEARS..... | 23        |
| 1.7      | HOW PROGRESS WILL BE MEASURED.....   | 23        |
| <b>2</b> | <b>PLANNING AND DEVELOPMENT PRINCIPLES.....</b>  | <b>25</b> |
| 2.1.1    | NSDP PRINCIPLES.....   | 25        |
| 2.1.2    | CRDC PRINCIPLES.....   | 25        |
| 2.1.3    | BREAKING NEW GROUND – HUMAN SETTLEMENTS.....   | 25        |
| 2.1.4    | SPATIAL PLANNING AND LAND USE MANAGEMENT ACT (SPLUMA).....   | 26        |
| 2.2      | GOVERNMENT POLICIES AND IMPERATIVES.....   | 30        |
| 2.2.1    | NATIONAL DEVELOPMENT PLAN.....   | 30        |
| 2.2.2    | THE MILLENNIUM DEVELOPMENT GOALS 2015.....   | 32        |
| 2.2.3    | STRATEGIC INFRASTRUCTURE PROGRAMME (SIPS).....   | 32        |
| 2.2.4    | THE STATE OF THE NATION ADDRESS – 2015.....  | 33        |
| 2.2.5    | STATE OF THE PROVINCE ADDRESS (SOPA).....  | 37        |
| 2.2.6    | THE 14 NATIONAL OUTCOMES.....  | 38        |
| 2.2.7    | LOCAL GOVERNMENT OUTCOME 9.....  | 43        |
| 2.2.8    | THE PROVINCIAL GROWTH & DEVELOPMENT STRATEGY (PGDS).....   | 43        |
| 2.2.9    | OPERATION SUKUMA SAKHE (OSS).....  | 45        |
| 2.2.10   | BACK TO BASICS POLICY.....   | 46        |
| 2.2.11   | GOVERNMENT POLICIES AND IMPERATIVES AND HOW THE MUNICIPALITY APPLIES.....  | 48        |
| 2.2.12   | UTHUKELA MTAS.....   | 49        |
| <b>3</b> | <b>SITUATIONAL ANALYSIS.....</b>   | <b>52</b> |
| 3.1.1    | DEMOGRAPHIC CHARACTERISTICS.....   | 52        |
| 3.1.2    | TOTAL POPULATION AND GROWTH RATE.....  | 52        |
| 3.1.3    | POPULATION DISTRIBUTION.....   | 54        |
| 3.1.4    | POPULATION GROUPS.....   | 55        |
| 3.1.5    | AGE STRUCTURE & GENDER.....  | 55        |
| 3.1.6    | MIGRATION (INTERNAL / EXTERNAL).....   | 56        |

|        |   |     |
|--------|---|-----|
| 3.1.7  | DEPENDENCY RATIO .....  | 56  |
| 3.1.8  | HIV/AIDS .....  | 57  |
| 3.1.9  | MORTALITY RATE .....  | 59  |
| 3.1.10 | EDUCATION PROFILE.....  | 61  |
| 3.1.11 | INCOME LEVELS .....   | 64  |
| 3.1.12 | GVA CONTRIBUTION PER SECTOR.....  | 66  |
| 3.1.13 | EMPLOYMENT PROFILE.....   | 66  |
| 3.1.14 | POVERTY LEVELS .....  | 68  |
| 3.1.15 | KEY FINDINGS.....   | 69  |
| 3.2    | SPATIAL ANALYSIS .....  | 70  |
| 3.2.1  | REGIONAL CONTEXT .....  | 70  |
| 3.2.2  | ADMINISTRATIVE ENTITIES .....   | 72  |
| 3.2.3  | TRADITIONAL AUTHORITIES AREAS .....                                       | 73  |
| 3.2.4  | STRUCTURING ELEMENTS.....   | 74  |
| 3.2.5  | EXISTING NODES AND CORRIDORS .....  | 76  |
| 3.2.6  | STATUS OF LAND REFORM.....  | 82  |
| 3.2.7  | LAND OWNERSHIP PATTERN .....  | 83  |
| 3.2.8  | PROPOSED INDUSTRIAL DEVELOPMENT.....                                      | 84  |
| 3.2.9  | PROTECTION AND CONSERVATION OF AGRICULTURAL LAND.....                     | 87  |
| 3.2.10 | LAND USE PATTERN .....  | 88  |
| 3.2.11 | ENVIRONMENTAL ANALYSIS .....  | 91  |
| 3.2.12 | STRATEGIC ENVIRONMENTAL ASSESSMENT (SEA) .....                            | 99  |
| 3.2.13 | SPATIAL AND ENVIRONMENTAL TRENDS .....                                    | 99  |
| 3.2.14 | SPATIAL AND ENVIRONMENTAL: SWOT ANALYSIS .....                            | 101 |
| 3.2.15 | DISASTER MANAGEMENT .....   | 102 |
| 3.3    | MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT.....               | 107 |
| 3.3.1  | MUNICIPAL TRANSFORMATION.....   | 107 |
| 3.3.2  | ORGANIZATIONAL DEVELOPMENT .....  | 107 |
| 3.3.3  | ORGANIZATIONAL STRUCTURE / ORGANOGRAM .....                               | 111 |
| 3.3.4  | MUNICIPAL INSTITUTIONAL CAPACITY AND STATUS OF CRITICAL POSTS .....       | 119 |
| 3.3.5  | HUMAN RESOURCE STRATEGY .....   | 119 |
| 3.3.6  | MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT SWOT ANALYSIS ..... | 122 |
| 3.4    | BASIC SERVICE DELIVERY AND INFRASTRUCTURE ANALYSIS .....                  | 124 |
| 3.4.1  | WATER AND SANITATION .....  | 124 |
| 3.4.2  | SOLID WASTE MANAGEMENT.....   | 130 |
| 3.4.3  | TRANSPORTATION INFRASTRUCTURE .....                                       | 135 |
| 3.4.4  | STATUS OF COMMUNITY FACILITIES.....                                       | 142 |
| 3.4.5  | HUMAN SETTLEMENTS .....   | 144 |
| 3.4.6  | SERVICE DELIVERY & INFRASTRUCTURE SWOT ANALYSIS .....                     | 146 |
| 3.5    | LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT ANALYSIS.....           | 147 |
| 3.5.1  | LOCAL ECONOMIC DEVELOPMENT ANALYSIS.....                                  | 147 |
| 3.5.2  | INCOME LEVEL .....  | 149 |
| 3.5.3  | MAIN ECONOMIC CONTRIBUTORS .....  | 151 |
| 3.5.4  | EXTENDED PUBLIC WORKS PROGRAMME (EPWP) .....                              | 159 |
| 3.5.5  | LED SWOT ANALYSIS .....   | 160 |

|          |  |            |
|----------|--|------------|
| 3.5.6    | <i>SOCIAL DEVELOPMENT</i> .....  | 161        |
| 3.6      | <b>MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS</b> .....                 | 171        |
| 3.6.1    | <i>FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS</i> .....                           | 171        |
| 3.6.2    | <i>FINANCIAL VIABILITY &amp; MANAGEMENT: SWOT ANALYSIS</i> .....                   | 178        |
| 3.7      | <b>GOOD GOVERNANCE &amp; PUBLIC PARTICIPATION ANALYSIS</b> .....                   | 179        |
| 3.7.1    | <i>NATIONAL AND PROVINCIAL PROGRAMMES</i> .....                                    | 179        |
| 3.7.2    | <i>INTERGOVERNMENTAL RELATIONS (IGR) STRUCTURES OPERATING IN UTHUKELA DM</i> ..... | 182        |
| 3.7.3    | <i>MUNICIPAL STRUCTURES</i> .....  | 183        |
| 3.7.4    | <i>COMMUNICATION STRATEGY</i> .....  | 188        |
| 3.7.5    | <i>STATUS OF MUNICIPAL POLICIES</i> .....  | 189        |
| 3.7.6    | <i>MUNICIPAL BYLAWS</i> .....  | 190        |
| 3.7.7    | <i>MUNICIPAL RISK MANAGEMENT</i> .....   | 190        |
| 3.7.8    | <i>PUBLIC PARTICIPATION ANALYSIS</i> .....   | 191        |
| 3.7.9    | <i>ALIGNMENT OF UTHUKELA IDP WITH LOCAL MUNICIPALIT'S IDP</i> .....                | 192        |
| 3.7.10   | <i>GOOD GOVERNANCE AND PUBLIC PARTICIPATION SWOT ANALYSIS</i> .....                | 192        |
| 3.7.11   | <i>COMBINED SWOT ANALYSIS</i> .....  | 194        |
| 3.7.12   | <i>KEY CHALLENGES FACED BY UTHUKELA AND ITS FAMILY OF MUNICIPALITIES</i> .....     | 198        |
| <b>4</b> | <b>MUNICIPAL VISION, GOALS AND STRATEGIC OBJECTIVES</b> .....                      | <b>201</b> |
| 4.1      | <b>MUNICIPAL VISION</b> .....  | <b>201</b> |
| 4.1.1    | <i>MUNICIPAL MISSION STATEMENT</i> .....   | 201        |
| 4.1.2    | <i>CORE VALUES</i> .....   | 201        |
| 4.2      | <b>IDP STRATEGIC OBJECTIVES</b> .....  | <b>202</b> |
| <b>5</b> | <b>STRATEGIC MAPPING</b> .....   | <b>223</b> |
| 5.1.1    | <i>ENVIRONMENTAL SENSITIVE AREAS</i> .....   | 223        |
| 5.1.2    | <i>AGRICULTURAL POTENTIAL</i> .....  | 225        |
| 5.1.3    | <i>DISASTER RISK PROFILE</i> .....   | 227        |
| 5.1.4    | <i>DESIRED SPATIAL FORM</i> .....  | 229        |
| 5.1.5    | <i>DESIRED SPATIAL FORM AND LAND USE</i> .....                                     | 231        |
| 5.1.6    | <i>SPATIAL RECONSTRUCTION OF THE MUNICIPALITY</i> .....                            | 235        |
| 5.1.7    | <i>LOCATION AND NATURE OF DEVELOPMENT WITHIN THE MUNICIPALITY</i> .....            | 237        |
| 5.1.8    | <i>SPATIAL ALIGNMENT WITH NEIGHBOURING MUNICIPALITIES</i> .....                    | 240        |
| 5.1.9    | <i>PUBLIC AND PRIVATE LAND DEVELOPMENT AND INFRASTRUCTURE INVESTMENT</i> .....     | 242        |
| 5.1.10   | <i>STRATEGIC INTERVENTION</i> .....  | 245        |
| 5.1.11   | <i>AREAS WHERE PRIORITY SPENDING IS REQUIRED</i> .....                             | 246        |
| 5.1.12   | <i>TOURISM</i> .....   | 249        |
| <b>6</b> | <b>IMPLEMENTATION PLAN</b> .....   | <b>251</b> |
| 6.1.1    | <i>THREE YEAR INVESTMENT PROGRAMME</i> .....                                       | 267        |
| 6.1.2    | <i>LOCAL MUNICIPALITIES PROJECTS AND PROGRAMMES (INTERNAL FUNDED)</i> .....        | 293        |
| 6.2      | <b>SECTOR INVOLVEMENT</b> .....  | <b>307</b> |
| 6.2.1    | <i>Department of Environmental Affairs</i> .....                                   | 307        |
| 6.2.2    | <i>Department of Human Settlements</i> .....                                       | 309        |
| 6.2.3    | <i>Department of Transport</i> .....   | 318        |

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|           |  |            |
|-----------|--|------------|
| 6.2.4     | <i>Department of Rural Development and Land Reform</i> .....             | 322        |
| <b>7</b>  | <b>FINANCIAL PLAN</b> .....  | <b>327</b> |
| 7.1       | OVERVIEW OF THE MUNICIPAL BUDGET .....                                   | 327        |
| 7.1.1     | <i>FINANCIAL STRATEGIES OVERVIEW</i> .....                               | 334        |
| 7.1.2     | <i>DETAILED FINANCIAL ISSUES AND STRATEGIES</i> .....                    | 338        |
| 7.1.3     | <i>REVENUE RAISING STRATEGIES</i> .....                                  | 339        |
| 7.1.4     | <i>POLICY DEVELOPMENT AND REFINEMENT STRATEGY</i> .....                  | 340        |
| 7.1.5     | <i>KEY SUPPORT PROGRAMMES</i> .....                                      | 340        |
| 7.1.6     | <i>SUMMARY OF AG REPORTS AND RESPONSES</i> .....                         | 342        |
| <b>8</b>  | <b>ANNUAL OPERATIONAL PLAN (DRAFT SDBIP)</b> .....                       | <b>343</b> |
| <b>9</b>  | <b>ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM</b> ..... | <b>343</b> |
| 9.1       | HOW THE OPMS IS APPLIED IN THE MUNICIPALITY .....                        | 343        |
| 9.2       | IDP, BUDGET, PMS INTEGRATION THROUGH SDBIP'S .....                       | 344        |
| 9.3       | INSTITUTIONAL PERFORMANCE MANAGEMENT SYSTEM (SECTION 57 CONTRACTS) ..... | 345        |
| 9.4       | ANNUAL PERFORMANCE REPORT OF THE PREVIOUS YEAR.....                      | 345        |
| <b>10</b> | <b>ANNEXURES</b> .....   | <b>346</b> |

# SECTION A: EXECUTIVE SUMMARY

## 1 INTRODUCTION

### 1.1.1 PURPOSE

This document presents an Integrated Development Plan (IDP) for uThukela district municipality (UTDM). The IDP is prepared in compliance with the requirements of Chapter 5, particularly Section 25 of Local Government Municipal Systems Act (32 of 2000), which obliges a municipal council to adopt a single, all inclusive and strategic plan for the development of the municipality, within a prescribed period after the start of its elected term. It outlines a development agenda for the municipality for the period 2015 to 2020. The uThukela IDP informs the budget and tries to respond to community needs. The document set the level of economic growth for the District thereby identifying economic opportunities and areas of investments.

### 1.1.2 WHO ARE WE

uThukela district municipality (DC23) is one of ten district municipalities in the Province of KwaZulu-Natal. uThukela district municipality derives its name from one of the major rivers in the Province of KwaZulu-Natal, the uThukela River that rises from the Drakensberg Mountains and supplies water to a large portion of KZN and as well as Gauteng. uThukela district municipality has three district municipalities bordering onto it within the Province of KwaZulu -Natal, namely Amajuba, uMzinyathi and UMgungundlovu.

uThukela district municipality consists of five local municipalities namely:

- ⇒ Indaka (KZ233);
- ⇒ Emnambithi/Ladysmith(KZ232);
- ⇒ Umtshezi (KZ234);
- ⇒ Okhahlamba(KZ235);
- ⇒ Imbabazane (KZ236)

The size of uThukela district municipality is approximately 11500 km<sup>2</sup>. Emnambithi is occupying 2,965.92km<sup>2</sup>, Indaka is on 991.71km<sup>2</sup>, Umtshezi 2130.85km<sup>2</sup>, Okhahlamba is which is the largest and is occupying 3540.63km<sup>2</sup>, Imbabazane is on 827.74km<sup>2</sup>. It is located in the western boundary of Kwazulu-Natal. uThukela district municipality is 75 % rural and the local municipalities, Indaka and Imbabazane, having no formal towns and mainly comprising of traditional areas.

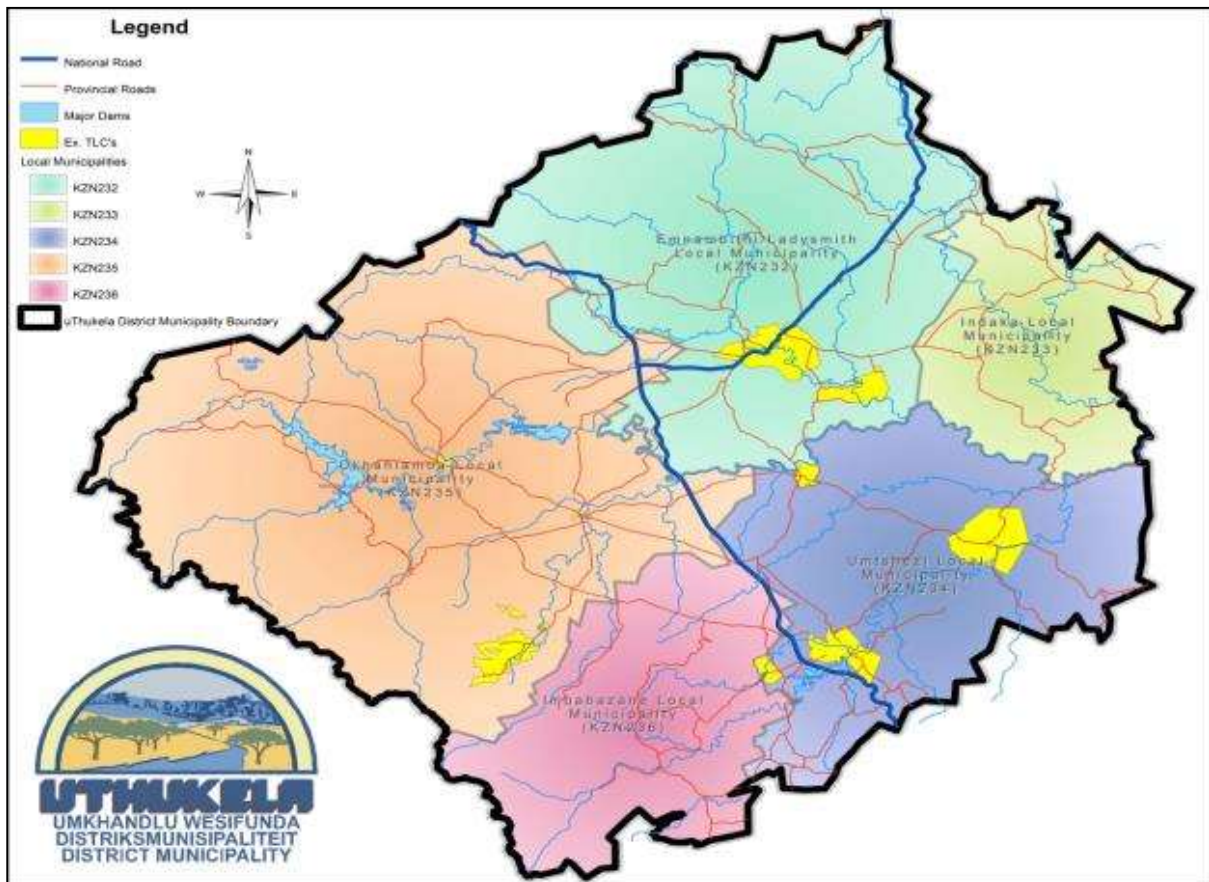
Total population in the UTDM is estimated at 668,848 people spread unevenly among the seventy three (73) wards. The 2% growth in population is noticeable from 2001 to 2011 as per the 2011 Statistics SA. uMtshezi municipalities experienced the highest increase (38.4%) followed by Emnambithi/ Ladysmith (1.69%). The number of people between 15-64 age is increased to 391,369. Females are more than male and are occupying 55% in this category whereas male are on 45%. The dependency ratio in uThukela declined from 76.4 to 70.9 between 2001 and 2011. Dependency ratio is high (93.8%) in Indaka municipality compared to all other municipalities within uThukela. Okhahlamba and Imbabazane also have high dependency ratio (79% and 72.7% respectively).

Generally, uThukela District experienced a decline in its dependency ratio between 2001 and 2011. However, the ratio is still high compared to the provincial (65.4%) and national (58.7%) averages. The majority of the people that lives in uThukela district municipality are Africans and Coloureds are minority

The main tourism hub is the Cathkin Park, which falls within the Cathkin Park node, and another node located near the Royal Natal National Park, called Babangibone Development Node. The Ladysmith town is a significant historical tourism destination and offers a number museums and historical sites while Bergville and Winterton towns are located within the vicinity of the Drakensberg and derive some benefits from the tourism industry. uThukela district municipality has a good climate and abundance of natural resources like water. The intrinsic beauty of the area enhances the tourism opportunities in the district. Below are the maps of uThukela district municipality, wards and tribal authorities.

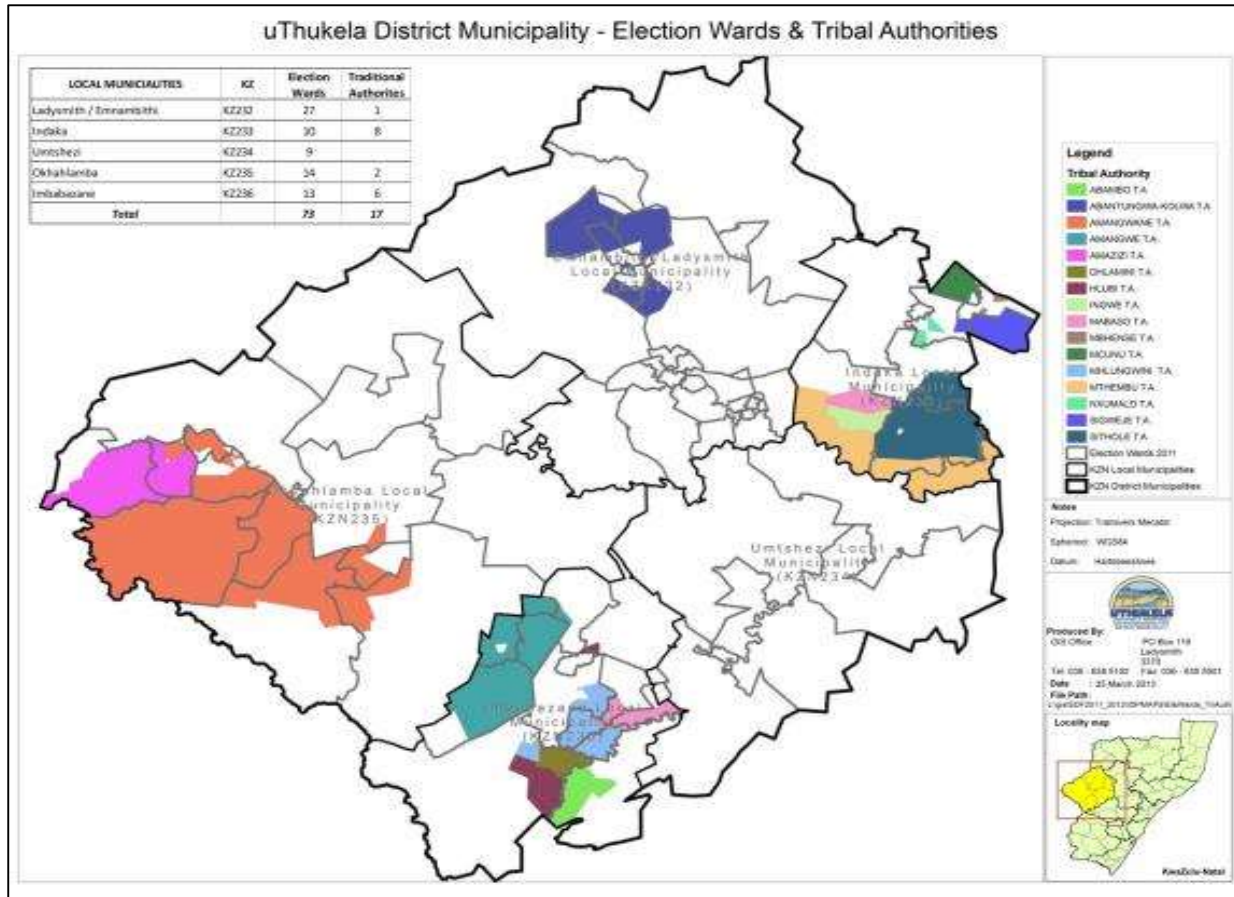


Figure 1: uThukela DM Map



### 1.1.3 WARDS AND TRADITIONAL AUTHORITY

Figure 2: Wards and Tribal Authority Map



### 1.1.4 AMALGAMATION OF MUNICIPALITIES

The Municipal Demarcation Board announced their intention to amalgamate some of the municipalities within country. Four municipalities will be affected by this amalgamation within UThukela District Municipal Area. These are Umtshezi, which will be amalgamated with Imbabazane Local Municipality as well as Ennambithi/ Ladysmith, which will be amalgamated with Indaka Local Municipality. On the 16<sup>th</sup> of October 2013, the KwaZulu-Natal MEC for Co-operative Government and Traditional Affairs (Honourable Nomusa Dube -Ncube) announced that her Department has welcomed this amalgamation with mixed feelings. She then cited that the logic behind were as follows:

- The current model of local government is not very effective and flexible since most of the deep rural municipalities depend on conditional grant funding for their survival since they lack a viable rates base.
- Many non-viable municipalities have evolved into entities in which operational expenditure on salaries for municipal officials has routinely crowded out service delivery to a point where such municipalities only exist as a source of employment without providing essential services to their communities.
- The other advantages for amalgamation includes the fact that bigger municipality delivers better economies of scale in the provision of its services and the requisite bureaucracy to support it.

Strategic meetings through Change Management Committee (CMC) are taking place in ensuring that the amalgamation processes are run smoothly.

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#### 1.1.4.1 AMALGAMATION OF UMTSHEZI AND IMBABAZANE

Although the areas fell in different administrative authorities, Imbabazane has always depended on Umtshezi for commercial and other regional social services. Spatial integration of these two municipalities is critical to enhance economic efficiency, facilitate the provision of affordable services, reduce the costs households incur through commuting, and enable social development. Spatial integration is also central to nation building, to addressing the locational disadvantages which apartheid imposed on the black population, and to building an integrated society and nation.

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#### 1.1.4.2 AMALGAMATION OF INDAKA AND EMNAMBITHI/LADYSMITH

The strategic location of Ladysmith has a strong influence on regional channels of investment, movement and the structuring of the regional spatial framework for growth and development. The area boasts a viable infrastructure necessary for the needs of a diverse range of stakeholders, from government to big business to small enterprises. However, the economic strength of Ladysmith is derived not simple from within the area, but complex interdependencies between the town and its hinterland.

Other administrative centres that will be incorporated into the proposed new municipal area, particularly Ekuvukeni will play a major role in the regional economy as link points between the Ladysmith and its rural hinterland. They will serve as transport interchange areas, service centres and even administrative centres. However, Ladysmith has over the years performed as too inward

oriented and internally focused. One of the strongest implications in terms of this amalgamation is that Integrated Development Planning will continue within the affected areas in a manner that has better logic.

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#### 1.1.5 ECONOMIC PROFILE

Economic development is uneven across the district, with large disparities across local municipalities. Emnambithi/Ladysmith local municipality dominates, with smaller towns being less developed. Outside the urban areas, are areas of rural poverty and some wealthier commercial farming areas especially in Okhahlamba. In terms of employment and GVA, Okhahlamba is predominantly agricultural followed by Indaka. Community services consistently dominate in terms of employment in all local municipalities besides Emnambithi/Ladysmith where manufacturing is neck to neck with community services.

Emnambithi local municipality that remains the economic hub of uThukela district municipality dominates the spatial economy of the district. Manufacturing is concentrated in Ladysmith. Limited industrial activities are also found in Estcourt. The other municipalities have relatively small economies that are dependent on community services. Okhahlamba has a window of opportunity to improve in agriculture and tourism economies.

Major players in the manufacturing sector in Ladysmith are Zorbatex, Appolo rubber products formerly known as Dunlop and the Defy plant. Estcourt has manufactures like Nestle, Sasko Milling, Eskort meat factory and Clover SA. There is also a Masonite Africa (wood products) glass manufactures (Glamosa Glass) and Karbotek. Okhahlamba has Ukhahlamba Drakensberg World Heritage site and Emnambithi is linked to the popular Battlefields products. There is an opportunity to exploit economic opportunities in the tourism sector in Okhahlamba and Emnambithi local municipalities.

## 1.2 LONG TERM VISION

The UTDM long-term development vision was developed within the framework of the national and provincial vision statements as outlined in the National Development Plan (NDP) and the Provincial Growth and Development Strategy (PGDS). It reflects a joint commitment by the local leadership, municipal administration and the local communities to make uThukela district municipality a better place and improve the quality of life for those who work and/or live within the jurisdiction of uThukela.

The District Long-term Vision reads:

“A stable, sustainable and prosperous district with committed servants who serve with excellence in governance, service delivery and economic development”

## 1.3 HOW THE IDP WAS DEVELOPED

The uThukela district municipality IDP Review for 2015/2016 is prepared in accordance with the requirements of the Municipal Systems Act and the related regulations, which stipulate the following:

Section 25 (1) of the Municipal Systems Act

*(2000)Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plans for the development of the municipality which:*

- a) links integrates and coordinates plans and takes into account proposals for the development of the municipality;*
- b) Aligns the resources and capacity of the municipality with the implementation of the plan;*
- c) Complies with the provisions of this Chapter; and*
- d) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.*

The IDP Review of uThukela district municipality is predicted to serve as a strategic guide for government department's investment and development generally. It is based on the issues expressed by all stakeholders and is informed by the national and provincial development obligations. Its objectives are as follows:

- ✓ To involve communities and other key concerned and affected parties in municipal matters, predominantly continuous integrated development process.
- ✓ To inform budgets and service delivery programs of various government departments and service organizations.
- ✓ To position the district municipality to make a meaningful contribution towards meeting the provincial development targets and priorities.
- ✓ To guide decision making in respect of service delivery and investment.
- ✓ To play a coordinating role on activities of several service delivery
- ✓ To ensure that the needs of the community are addressed in the IDP.

The following table shows the activity programme of the uThukela district municipality IDP for 2015/2016 financial year.

Table 1: IDP Review and Budget Activity Schedule

| <b>MONTH</b>                   | <b>IDP REVIEW</b>  | <b>BUDGET</b>  |
|--------------------------------|--|--|
| <b>July &amp;<br/>Aug 2014</b> | <ul style="list-style-type: none"> <li>• Drafting of the IDP framework and Process plan</li> <li>• Alignment of IDP and budget process plans</li> <li>• Submission of the draft Process and Framework Plan to COGTA</li> <li>• Advertisement of the IDP framework and process plan</li> <li>• 1<sup>st</sup> IDP Supporting Structure Committee Meeting</li> <li>• 1<sup>st</sup> IDP Steering Committee Meeting</li> <li>• Adoption of IDP Framework and Process Plan</li> <li>• Submission of the adopted Process plan to COGTA</li> </ul> | <p>Drafting of the Budget Process plan<br/>Alignment of Budget process plan with IDP process plan<br/>Annual Financial reports to Council<br/>Finance to provide incomes allocation (DORA)</p> |
| <b>Sept 2014</b>               | <ul style="list-style-type: none"> <li>• Review Municipal Vision</li> <li>• Develop Objectives and Strategies</li> <li>• Identify outstanding Sector Plans</li> <li>• Integrate sector plans.</li> <li>• IDP input into provincial adjustment budgets</li> </ul>   | Addressing the policy issues   |
| <b>Oct 2014</b>                | <ul style="list-style-type: none"> <li>• Review of Spatial Development Framework</li> <li>• Projects identification and prioritization</li> <li>• Develop KPI's targets, timeframes etc. where impacted upon by reprioritization.</li> <li>• Align with draft budget estimates</li> </ul>  | Departments submit their budgets as per allocation   |
| <b>Nov 2014</b>                | <ul style="list-style-type: none"> <li>• Municipal alignment meeting</li> <li>• Alignment meeting between DM &amp; Province to revised 3 year MTEF</li> <li>• Alignment between DM, LMS and SDF</li> <li>• Alignment meeting with family of municipalities</li> <li>• SDF Alignment between the bordering district municipalities</li> </ul>   | Auditor General to complete audit within 3 months of receiving financial statements  |
| <b>Dec 2014</b>                | <ul style="list-style-type: none"> <li>• IDP best practice conference</li> </ul>   |  |
| <b>Jan 2015</b>                | <ul style="list-style-type: none"> <li>• IDP Steering Committee meeting</li> <li>• IDP Representative Forum</li> <li>• Adoption of the SDF</li> </ul>  | <p>Mayor to table the adjusted budget<br/>Mayor to table annual report to Council</p>  |

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|-------------------|--|---|
| <b>Feb 2015</b>   | <ul style="list-style-type: none"> <li>• Updating of municipal CIP and MTEF based on Draft DORA allocations</li> <li>▪ Meeting COGTA and municipalities on IDP Review assessments</li> <li>▪ Updating of municipal CIP and MTEF based on Draft DORA allocations</li> <li>▪ IDP Coordinating committee meeting(IDP Managers)</li> <li>• IDP Representative Forum meeting</li> </ul> | MM of the DM to notify LM's of capital allocations 120 days before start of budget year   |
| <b>Mar 2015</b>   | <ul style="list-style-type: none"> <li>• Submission of the Draft 2015/2016 IDP to COGTA</li> </ul>   | Mayor tables the budget to Council at least 90 days before the start of the budget year<br><br>Council to consider the report   |
| <b>April 2015</b> | <ul style="list-style-type: none"> <li>• Decentralized IDP assessment forums</li> <li>• IDP/Budget Road shows</li> </ul>   | IDP/Budget roadshows<br>Mayor to get views of local community on budget between 30-90 days of budget approval.MM to table the report<br>Acc.Officer to publicize<br>Gazetting of Dora allocations |
| <b>May 2015</b>   | <ul style="list-style-type: none"> <li>• IDP feedback session</li> <li>• Advertise IDP for 21 days for public participation and incorporate comments where possible including comments raised in the analysis.</li> <li>• Exco approval, recommend to Council</li> <li>• Council Approval of the IDP</li> </ul>  | Approval of the budget by 29 May 2015   |
| <b>June 2015</b>  | <ul style="list-style-type: none"> <li>• Submission of the adopted IDP to the MEC</li> <li>• Advertise the Adopted IDP in the local newspaper within 14 days of the approval</li> </ul>  |   |

### 1.3.1 PUBLIC PARTICIPATION

Public participation in the review of the 2015/2016 uThukela IDP and budget unfolded as follows:

| DATE       | LOCAL MUNICIPALITY | TIME  | VENUE                   | ACTIVITY                        |
|------------|--------------------|-------|-------------------------|---------------------------------|
| 14-04-2015 | Umtshezi LM        | 10h00 | Wembezi Sports Field    | Community Consultation Roadshow |
|            |                    | 13h00 | Weenen Taxi Rank        |                                 |
| 16-04-2015 | Indaka LM          | 10h00 | Sigweje Sports Field    | Community Consultation Roadshow |
|            |                    | 13h00 | Gcinalishona (Mhlumayo) |                                 |



|            |                   |                |  |   |
|------------|-------------------|----------------|--|---|
| 17-04-2015 | Emnambithi LM     | 10h00<br>13h00 | Driefontein Sports field<br>Ezakheni D section<br>(Enyokeni Sports Field)    | Community Consultation<br>Roadshow  |
| 18-04-2015 | Imbabazane LM     | 10h00<br>13h00 | Ntabamhlophe Opposite<br>Municipal Offices)<br>Mqedandaba next to<br>(Motel) | Community Consultation<br>Roadshow  |
| 19-04-2015 | Okhahlamba LM     | 10h00<br>13h00 | Woodford next to<br>Community Hall<br>Winterton (Khethani Sport<br>Ground)   | Community Consultation<br>Roadshow  |
| 21-04-2015 | Uthukela District | 13h00          | Uthukela Boardroom   | Stakeholder Engagement<br>(Traditional Leadership)  |
| 22-04-2015 | District wide     | 10h00<br>17h30 | Ladysmith Utility Hall<br>Royal Hotel Ladysmith                              | Stakeholder Engagement<br>(CCG's, CDW'S and Ward<br>Committees)<br>Stakeholder<br>Engagement(Sector<br>Departments) |

### 1.3.2 SECTOR DEPARTMENT INVOLVEMENTS

Participation of Sector Departments in Municipal IDP's is still a challenge. There is no effective legislation that enforce all sector departments to align their budgets with municipal budgets and allocate resources using the prioritization list available from municipalities after through discussions with communities. In the 2014 /2015 IDP Review, KZN COGTA had a series of alignments between sector departments and municipalities in the province. The alignment of Sector departments with the uThukela family of municipalities were held on the 14 November 2013, and the level of participation was not satisfactory.

In preparation for the 2015/2016 financial year, the family of uThukela municipalities also used the IDP Service Providers Forum, but it was not effective enough because of inconstancy of attending meetings. The municipality strongly believes that "IDP is a plan for all Government" so therefore, all sector departments must be part of the IDP process, uThukela district municipality and its family of

municipalities came up other mechanism of involving sector departments through a strategy of “one on one process”. The following were departments that believe that IDP is not only for municipalities but is a plan for all Government and that is why they took part.

- ✓ Department of Human Settlement
- ✓ Department of Transport
- ✓ Department of Rural Development
- ✓ Department of Co-Operative Governance and Traditional Affairs (COGTA)
- ✓ ESKOM
- ✓ Department of Health
- ✓ Department of Economic Development and Tourism
- ✓ Department of Environmental Affairs
- ✓ Statistics SA.

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### 1.3.3 ALIGNMENT WITH THE FAMILY OF MUNICIPALITIES

Strategic meetings were held involving the district and family of municipalities with the primary objective of aligning this IDP with those of the local municipalities. The primary aim of having the session with the family of municipalities was to align our programmes with local municipalities. uThukela is utilising the IDP Supporting Committee that is comprises of all the IDP Managers and COGTA and the objective of the Committee is to ensure that the IDP’s of the family are talking to each other and is coordinated at the district level but meetings are circulated to all the municipalities of the family. The alignment started at initial stages where all the IDP managers met to discuss the process to be followed in the review. The process was instrumental in ensuring that the 2015/2016 IDP review is holistic and addresses issues of integrated planning and development. For example, all identified projects for 2015/2016 financial year, as listed in this IDP, emanated from discussions held with family of municipalities.

## 1.4 KEY CHALLENGES FACED BY UTHUKELA AND ITS FAMILY OF MUNICIPALITIES

Considering the current economic climate and global recession, significant strides have been made to address the key development challenges in the municipality. There is however, some distance to go towards addressing the following challenges

### Municipal Transformation & Organizational Development Key Challenges

#### MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

##### KEY CHALLENGE

- ◆ Skills Development
- ◆ Institutional Knowledge
- ◆ Workflow – information and decision making
- ◆ Development Agencies
- ◆ Image and Organizational Culture
- ◆ Systems and procedures
- ◆ High number of unskilled staff;

### Basic Service Delivery & Infrastructure Key Challenges

#### BASIC SERVICE DELIVERY AND INFRASTRUCTURE

##### KEY CHALLENGE

- ◆ Service Backlog (water and sanitation)
- ◆ Replacement of ageing Infrastructure
- ◆ Infrastructure Maintenance,
- ◆ Expenditure on infrastructure grants
- ◆ Strategic Planning for infrastructure development - Outdated plans
- ◆ Public transport
- ◆ Water Quality
- ◆ Water losses

### Local Economic Development & Social Development Key Challenges

#### LOCAL ECONOMIC AND SOCIAL DEVELOPMENT

##### CHALLENGE

- ◆ Coordination of LED initiatives
- ◆ High level of unemployment
- ◆ Lack of economic diversity and competitiveness of small towns
- ◆ HIV/AIDS prevalence
- ◆ Agriculture and tourism potential not fully exploited
- ◆ Economic stagnation
- ◆ Lack of SMME Support & development

|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>◆ Alignment with provincial and national economic development initiatives</li> <li>◆ No sufficient tertiary education institutions leading to disjuncture between skills &amp; growing sector</li> <li>◆ High Poverty rate</li> <li>◆ Lack or poor Economic infrastructure</li> <li>◆ Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation</li> <li>◆ Lack of Marketing of the District as a Tourism destination and Investment destination</li> </ul> |
|--|---|

### Financial Viability & Financial Management Key Challenges

#### FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT

|                  |  |
|------------------|--|
| <b>CHALLENGE</b> | <ul style="list-style-type: none"> <li>◆ poor infrastructure</li> <li>◆ high indigent rate,</li> <li>◆ tariffs not covering water cost,</li> <li>◆ inherent loans</li> <li>◆ water loss</li> <li>◆ Grant dependency</li> <li>◆ Illegal connections</li> <li>◆ Non billing of consumers – Ezakheni and Indaka</li> <li>◆ Rural based municipalities do not have income to improve service delivery</li> </ul> |
|------------------|--|

### Good Governance & Public Participation Key Challenges

#### GOOD GOVERNANCE AND PUBLIC PARTICIPATION

|                      |   |
|----------------------|---|
| <b>KEY CHALLENGE</b> | <ul style="list-style-type: none"> <li>◆ IGR not functioning as it is supposed to</li> <li>◆ Functionality of Portfolio Committee</li> <li>◆ Legal compliance</li> <li>◆ Welfare dependency on grants</li> <li>◆ Increased incidents of HIV/AIDS and communicable diseases</li> <li>◆ High levels of crime and risk</li> <li>◆ Lack of cooperation from sector departments</li> </ul> |
|----------------------|---|

**Cross Cutting Issues Key Challenges****CROSS-CUTTING ISSUES****KEY CHALLENGE**

- ◆ Lack of human capacity to assist with environmental issues
- ◆ Lack of environmental compliance and enforcement
- ◆ Outdated disaster management Plan
- ◆ Outdated enforcement by-laws
- ◆ Disasters due to climate change
- ◆ Lack of environmental planning tools to govern natural environment

## 1.5 WHAT THE DISTRICT MUNICIPALITY IS DOING TO UNLOCK THE KEY CHALLENGES

To unlock the challenges the municipality is committed to pay more attention on the following:

**Good governance and public participation:** The municipality is committed in conducting its public affairs and manage public resources in a responsible and accountable manner and in line with the provisions of the rule of law for the benefit of the citizens served and the realization of human rights. The key attributes for good governance are transparency, responsibility, accountability, participation and responsiveness to the need of the people. Consultation with stakeholders is a continuous process within uThukela district municipality, in compliance with the stipulation in Chapter 4 of the MSA of 2000.

**Municipal transformation and organisational development:** The municipality is committed in establishing effective systems that will enable them to delivery services effectively and efficiency and this include amongst other things the retaining and attracting qualified, experienced and dedicated staff.

**Service delivery and infrastructure development:** It is the duty of the local government to provide basic services to communities. uThukela district municipality as one of the sphere is committed to deliver the services to all the community of uThukela and also to play a coordinating in services that do not fall within its mandate.

**Local economic development:** The municipality has a responsibility to create a conducive atmosphere for investment. As such, the municipality is committed to work with other government agencies and departments to deliver state of the art economic infrastructure that will facilitate development of effective service and industrial sectors. In addition to that, the uThukela district municipality is in the process of establishing the Development agency.

**Municipal financial viability and management:** uThukela district municipality will make certain that is able to generate sufficient funds to be able to deliver services and facilitate development. Most importantly, the municipality will ensure the public funds are managed and utilized in an accountable manner.

**Spatial integration and environmental sustainability:** The focus will be on development of systems and procedures for effective land use management and environmental management. The development of the comprehensive SDF that is in line with SPLUMA as well as the Environmental Management Framework.

## **1.6 WHAT TO EXPECT FROM THE DISTRICT, IN TERMS OUTPUTS, OUTCOMES AND DELIVERABLES, OVER THE NEXT (5) FIVE YEARS**

UThukela is part of the Global Economy and is striving to become competitive, not only locally or nationally but internationally. The emphasis will be on retaining industry and commercial activities in Ladysmith and Estcourt. The District Municipality will strive to spread the economic activities to the previously disadvantaged areas of the region. The natural beauty of UThukela should be enhanced through marketing and maintenance of the existing infrastructure. The regional Development that will be applied to UThukela District is the establishment of the Industrial Park that aims to concentrate in one area a number of high technology industrial firms that will provide jobs and skills and which will eventually generate enough income and demand to sustain economic growth. The development of the LED agency will also play a significant role in uplifting the economy of the District.

## **1.7 HOW PROGRESS WILL BE MEASURED**

The uThukela district municipality has an Operational Performance Management System (OPMS) to monitor the implementation of the IDP and to provide for corrective measures where there is unsatisfactory progress. The OPMS indicates targets for each municipal department that have to be achieved per quarter. The targets are set per Key Performance Area (KPA) and these are assessed after every quarter. This system is what the municipality is using to measure its progress through SDBIP, Quarterly performance reviews, Performance contracts which include performance plans for all section 57 employees and annual report

**SECTION B:  
PLANNING AND DEVELOPMENT  
PRINCIPLES AND GOVERNMENT  
POLICIES AND IMPERATIVES**



## 2 PLANNING AND DEVELOPMENT PRINCIPLES

The following are the planning and development principles that the District Municipality consulted while reviewing this document:

### 2.1.1 NSDP PRINCIPLES

The NSDP Principles stipulate the following:

- Development / investment must only happen in locations that are sustainable;
- Basic services (water, sanitation, access and energy) must be provided to all households;
- Development / investment should be focused on localities of economic growth and/or economic potential;
- In localities with low demonstrated economic potential, development / investment must concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes;

### 2.1.2 CRDC PRINCIPLES

The CRDC Principles stipulate the following:

- Development should be within limited resources (financial, institutional and physical). Development must optimize the use of existing resources and infrastructure in a sustainable manner;
- Land development procedures must include provisions that accommodate access to secure tenure;
- Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilized;

### 2.1.3 BREAKING NEW GROUND – HUMAN SETTLEMENTS

The Breaking New Ground Human Settlement Principles stipulates:

- Low-income housing must be provided in close proximity to areas of opportunity

#### 2.1.4 SPATIAL PLANNING AND LAND USE MANAGEMENT ACT (SPLUMA)

The role of local government in spatial planning has been re-energized through the introduction of the Spatial Planning and Land Use Management Act No. 16 of 2013 (commonly known as SPLUMA). The intention of this national legislation is to introduce the norms and standards for spatial planning and to specify the relationship between spatial planning and land use management. This is intended to create uniformity and consistency on the manner in which both spatial planning and land use management is practiced within the whole country. Chapter 4 of SPLUMA stipulate the need to prepare Spatial Development Frameworks (SDFs) by all municipalities including the Districts. Part D (19) stipulates that the regional spatial development framework must cover the following minimum issues:

- (a) give effect to the development principles and applicable norms and standards set out in Chapter 2 (see box insert);
- (b) give effect to national and provincial policies, priorities, plans and planning legislation;
- (c) reflect the current state of affairs in that area from a spatial and land use perspective of the region;
- (d) indicate desired patterns of land use in that area;
- (e) provide basic guidelines for spatial planning, land development and land use management in that area;
- (f) propose how the framework is to be implemented and funded; and
- Comply with environmental legislation

##### **Box 1: Norms and Standards to reflect:**

- (a) National policy, priorities, programmes relating to land use management & development*
- (b) Social inclusion, spatial equity, desirable settlement patterns, rural revitalisation, urban regeneration & sustainable development.*
- (c) Ensure that land development, land use management processes (incl. applications), procedures & timeframes are efficient & effective.*
- (d) Include (i) land use pattern analysis, (ii) framework for desired land use pattern, (iii) existing & future land use plans, programmes & projects and (iv) mechanisms for identifying strategically located vacant or under-utilized land and providing access to & use of such land.*
- (e) Standardize symbols of all maps & diagrams at an appropriate scale.*
- (f) Differentiate between geographic areas, types of land*

**Table 2: Planning and Development Principles**

|                     | PLANNING AND DEVELOPMENT PRINCIPLES   | APPLICATION OF PRINCIPLES   |
|---------------------|---|---|
| NSDP                | Development / investment must only happen in locations that are sustainable   | The capital investment plan and the SDF directs where sustainable developments should occur   |
| DFA                 | Balance between urban and rural land development in support of each other   | SDF identifies various nodes-urban/rural with development potential and the HSP and LED Strategy identified potential projects that address the DFA aspect                              |
| DFA                 | Discouragement of urban sprawl by encouraging settlement at existing and proposed nodes and settlement corridors, whilst promoting densification. Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or that link the main growth centres | Capital Investment Plan and the Infrastructure Plan guide the development and implementation of infrastructure projects that address basic service backlogs and promote economic growth |
| DFA                 | The direction of new development towards logical infill areas   | DFA Principles were incorporated in the 2015 DM SDF Review  |
| DFA                 | Compact urban form is desirable   | DFA Principles are used when assessing development applications.  |
| DFA<br>CRDP<br>NSSD | Development should be within limited resources (financial, institutional and physical). Development must optimize the use of existing resources and infrastructure in a sustainable manner.   | Sustainability, resources and cost is part of the criteria used to assess development applications.   |
|                     | Stimulate and reinforce cross boundary linkages.  | When required developments close to boundaries will be advertised in neighboring newspapers.  |
| NSDP                | Basic services (water, sanitation, access and energy) must be provided to all households  | The municipality is trying by all means to ensure that every households in the district has access to basic services  |
| NSDP                | Development / investment should be focused on localities of economic growth and/or economic potential   | LED Strategy and other sector plans focus on unleashing areas with economic growth potentials   |

|  |   |   |
|--|---|---|
| <b>NSDP</b>  | In localities with low demonstrated economic potential, development / investment must concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes   | Municipal SDF and LED addresses this aspects  |
| <b>CRDP</b>  | Land development procedures must include provisions that accommodate access to secure tenure  | The uThukela SDF addresses this aspects   |
|  | Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilized  | The SDF and the EMF are key district documents that take care of these aspects                            |
|  | Engagement with stakeholder representatives on policy, planning and implementation at national, sectoral and local levels is central to achieving coherent and effective planning and development.  | LED Strategy: integrative approach that includes all local role players as well as all internal structure |
| <b>Housing Policy- Breaking New Ground</b>                   | If there is a need to low-income housing, it must be provided in close proximity to areas of opportunity  | The local municipalities Housing Sector Plans addresses this aspect                                       |
| <b>National Strategy on Sustainable Development)</b>         | During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy, must be promoted   | The SDF and the EMF are key district documents that take care of these aspects                            |
| <b>KZN PGDS National Strategy on Sustainable Development</b> | Environmentally responsible behavior must be promoted through incentives  | Environmental Management Framework addresses this aspects   |
| <b>KZN PGDS</b>  | The principle of self-sufficiency must be promoted. Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally. Furthermore, the principle is underpinned by an assessment of each areas unique competencies towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency | The HSP, LED Strategy, SDF and the EMF are key district documents that take care of these aspects         |

**KZN PGDS**

Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities

PGDP addresses this aspect

## 2.2 GOVERNMENT POLICIES AND IMPERATIVES

### 2.2.1 NATIONAL DEVELOPMENT PLAN

The aim of the National Development Plan was to respond quickly to South African's aspirations and ensure that inclusive economic growth was the main agenda for development. The National Development vision is outlined in various national policy documents, and consolidated in the National Development Plan (NDP). In May 2010, President Jacob Zuma appointed the National Planning Commission to create a vision and National Development Plan for the Republic of South Africa. The National Planning Commission created the National Vision Statement that reads as follows: *We, the people of South Africa, have journeyed far since the long lines of our first democratic election on 27 April 1994, when we elected a government for us all. Now in 2030 we live in a country which we have remade.....*

The national development plan is offered in 15 chapters, addresses the major thematic areas in detail, and provides clear recommendations and clear implementation frameworks. The plan focuses on the critical *capabilities* needed to transform the economy and society. Achieving these capabilities is not automatic, nor will they emerge if the country continues on its present trajectory. Rising levels of frustration and impatience suggest that time is of the essence: failure to act will threaten democratic gains. In particular, South Africa must find ways to urgently reduce alarming levels of youth unemployment and to provide young people with broader opportunities.

The National Development Plan set out clear objectives and targets that read as follows:

- The unemployment rate should fall from 24.9% in June 2012 to 14% by 2020 and to 6% by 2030. This requires an additional 11 million jobs. Total employment should rise from 13 million to 24 million.
- Broaden the expanded public works programme to cover 2 million fulltime equivalent jobs by 2020.
- The labour force participation rate should rise from 54% to 65%. Reduce the cost of living for poor households and cost of doing business through microeconomic reforms.
- The proportion of people with access to the electricity grid should rise to at least 90% by 2030, with non-grid options available for the rest.

- A comprehensive management strategy including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.
- Create regional water and wastewater utilities, and expand mandates of the existing water boards.
- An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro processing and related sectors by 2030.
- Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.

The National Development Plan requires the local government to play a meaningful and active role in ensuring the implementation of the vision 2030. The plan compels the local government to be service delivery oriented in ensuring that the following is achieved:

- A comprehensive management strategy including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.
- Create regional water and wastewater utilities, and expand mandates of the existing water boards .
- An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro processing and related sectors by 2030.
- Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.
- Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, service to small and micro farmers, a review of mining industry commitments to social investment, and tourism investments
- Strong and efficient spatial planning system, well integrated across the spheres of government.
- Upgrade all informal settlements on suitable, well-located land by 2030.
- More people living closer to their places of work and Better quality public transport.
- More jobs in or close to dense, urban townships

- Develop a strategy for densification of cities and resource allocation to promote better-located housing and settlements.
- In 2030 people living in South Africa feel safe and have no fear of crime. They feel safe at home , at school and at work, and they enjoy an active community life free of fear.
- Women can walk freely in the street and the children can play safely outside.

### 2.2.2 THE MILLENNIUM DEVELOPMENT GOALS 2015

The Millennium Development Goals summarize the development goals agreed on at international conferences and world summits during the 1990s. At the end of the decade, world leaders distilled the key goals and targets in the Millennium Declaration (September 2000). The Millennium Development Goals, to be achieved between 1990 and 2015, are:

- Halving extreme poverty and hunger;
- Achieving universal primary education;
- Promoting gender equality;
- Reducing under-five mortality by two-thirds;
- Reducing maternal mortality by three-quarters;
- Reversing the spread of HIV/AIDS, malaria and TB;
- Ensuring environmental sustainability;
- Developing a global partnership for development, with targets for aid, trade and debt relief

In addressing the above millennium goals, the District Municipality through its Local Municipalities has initiated **poverty eradication** programmes. Likewise, there are numerous programmes to assist with reversing the spread of **HIV/AIDS** and support to the families that are affected by the pandemic. To ensure **environmental sustainability** the municipality is working closely with its local municipalities to ensure that all developments are environmental friendly and sustainable.

### 2.2.3 STRATEGIC INFRASTRUCTURE PROGRAMME (SIPS)

Government adopted an Infrastructure Plan that is intended to transform the economic landscape of South Africa, create a significant numbers of new jobs, strengthen the delivery of basic services to the people of South Africa and support the integration of African economies.



The Presidential Infrastructure Coordinating Commission (PICC) with its supporting management structures has been established to integrate and coordinate the long-term infrastructure build.

The plan is based on an objective assessment of the infrastructure gaps through spatial mapping that analyses future population growth, projected economic growth and areas of the country that are not served with water, electricity, roads, sanitation and communication. Based on this work, seventeen Strategic Integrated Projects (SIPs) have been developed and approved to support economic development and address service delivery in the poorest provinces. Each SIP comprise of a large number of specific infrastructure components and programmes.

Among the 17 projects are the initiatives to improve the movement of goods through the Durban-Free State-Gauteng logistics and industrial corridor by prioritising a range of rail and port improvements, supported significantly by a R300-billion investment programme by Transnet over the coming seven years. One of the rail links targeted for upgrading runs through uThukela and is the main Durban Johannesburg link. Following to this, is the upgrade and expansion of N11 road linking the City of EThekweni in Durban to Johannesburg and Mpumalanga province. These infrastructure programs are meant to boost the economy of the country in order to achieve the vision 2030.

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#### 2.2.4 THE STATE OF THE NATION ADDRESS – 2015

The President outlined further national government priorities for this financial year in the State of the Nation Address. The President reported on progress made since the last State of the Nation Address and also to outline a programme of action for 2015. These are the synopsis of the state of the nation address:

##### **SMALL BUSINESSES**

Government will set aside 30% of appropriate categories of State procurement for purchasing from SMMEs, cooperatives as well as township and rural enterprises. Government will continue to promote opportunities for the youth. The National Youth Development Agency (NYDA) has disbursed R25 million to 765 youth-owned micro enterprises in the last financial year nationally. The NYDA has partnered with the Industrial Development Corporation and the Small Enterprise Finance Agency to create a R2,7-billion fund for young people.

**INFRASTRUCTURE**

The National Infrastructure Development Programme continues to be a key job driver and catalyst for economic growth. Water is a critical resource for economic growth and a better life. Several projects aimed at providing water for industrial and household use are in the implementation or planning phases around the country. Major projects include Umzimvubu Water Project in the Eastern Cape, Jozini Dam in Umkhanyakude in KwaZulu-Natal and projects in Bushbuckridge in Mpumalanga and phase one of the Mokolo Crocodile Water Augmentation in Limpopo. Progress is being made to improve the water supply to areas that had been affected by shortages, such as Makana District Municipality in the Eastern Cape, Ngaka Modiri Molema District Municipality in North West and Giyani in Limpopo, where water was delivered to 55 villages in October 2014.

**BROADBAND ROLLOUT**

The year 2015 marks the beginning of the first phase of broadband rollout. Government will connect offices in eight district municipalities. These are Dr Kenneth Kaunda in North West, Gert Sibande in Mpumalanga, OR Tambo in the Eastern Cape, Pixley ka Seme in the Northern Cape, Thabo Mofutsanyane in the Free State, Umgungundlovu and Umzinyathi in KwaZulu-Natal, and Vhembe in Limpopo. Government has designated Telkom as the lead agency to assist with broadband rollout.

**WATER CONSERVATION**

Government has urged all people in the country to conserve water. Every drop counts. The country loses R7 billion a year to water losses. The Department of Water and Sanitation will train 15 000 artisans or plumbers who will fix leaking taps in their local communities.

**ROADS INFRASTRUCTURE**

The Department of Transport will spend about R9 billion on the Provincial Roads Maintenance Grant or the Sihamba Sonke Programme. A further R11 billion will be spent on upgrading and maintaining roads that are not tolled. Over R6, billion will be spent in 13 cities on planning, building and operating integrated public transport networks during this financial year.

**SCHOOL INFRASTRUCTURE**

Government will continue to improve the infrastructure in schools and higher-education institutions to create a conducive environment for learning and teaching. Through the Accelerated School

Infrastructure Delivery Initiative, which is part of the National Infrastructure Plan, 92 new schools have been completed to date and 108 are under construction. About 342 schools have received water for the first time, 351 have received decent sanitation and 288 have been connected to electricity. Government has identified 16 sites for the construction of 12 new Technical, Vocational Education and Training College campuses, and the refurbishment of two existing campuses. Work is also continuing to establish the three brand new universities, Sol Plaatjie in the Northern Cape, the University of Mpumalanga and the Sefako Makgatho Allied and Health Sciences University in Gauteng.

### **HOUSING THE NATION**

Government continues to deliver houses to the people. By 30 September 2014, more than 50 000 houses were delivered in the subsidy and affordable housing segments. Government will also provide 5 000 housing to military veterans. It will also work to eradicate the backlog of title deeds for pre and post-1994 housing stock.

### **OPERATION PHAKISA**

Government launched some innovative programmes to implement the National Development Plan. Operation Phakisa is a results-driven laboratory approach to planning and executing programmes. Operation Phakisa on the ocean economy is aimed at unlocking opportunities in the shipping, fisheries, and aquaculture, mining, oil and gas, biotechnology and tourism sectors. Government has committed R9, 2 billion investment in gas and oil exploration in the port of Saldanha as part of the Operation Phakisa initiative. Operation Phakisa on Scaling up the Ideal Clinic Initiative is aimed at promoting efficiency, effectiveness and professionalism in clinics. Government will now explore Operation Phakisa in the mining sector and collaborate with the mining sector to develop win-win solutions to benefit the country's mineral resources.

### **HEALTH**

Over the past five years, government has scored significant gains in healthcare. This year, government will launch a massive programme to turn the tide against tuberculosis, with a special focus on three communities, offenders at Correctional Services facilities, mineworkers and communities in mining towns. In fighting the scourge of HIV and AIDS, the state-owned pharmaceutical company, Ketlaphela, has been established and will participate in the supply of anti-retroviral to the Department of Health.

## **FIGHTING CRIME AND CORRUPTION**

Progress has been made in fighting crimes against women and children. The South African Police Service's (SAPS) Family Violence, Child Protection and Sexual Offences Investigation Unit has secured 659 life sentences against perpetrators of crimes against women and children. Although the democratic State recognises communities' right to protest, it appealed that these protests should be within the ambit of the law and must be peaceful as stated in the Constitution. The police successfully brought under control 13 575 recorded public order incidents, comprising 1 907 unrest-related and 11 668 peaceful incidents.

## **CORRUPTION**

The Anti-Corruption Inter-Ministerial Committee continues to intensify the fight against corruption. Government has introduced seven anti-corruption institutions and 17 pieces of legislation intended to combat corruption. In the 2013/14 financial year, 52 persons were convicted in cases involving more than R5 million. In the first quarter of 2014/15, a total of 31 public servants were convicted and freezing orders to the value of R430 million were obtained.

To prevent corruption and promote ethical governance, President Zuma signed the Public Administration and Management Act of 2014 into law, which among others prohibits public servants from doing business with the State.

## **BORDER CONTROL AND SMART ID CARD**

Government has made substantial progress in establishing a Border Management Agency, to manage all ports of entry and improve security. To further improve access to identity documents, citizens will from this year be able to apply for the new Smart ID Card at their local bank due to partnership between the Department of Home Affairs and some banks in the country.

## **BUILDING A DEVELOPMENTAL AND CAPABLE STATE**

In the 2014 SONA, President Zuma said government would continue to advance and improve the lives of people with disabilities. In December 2014, Cabinet released the draft National Disability Rights Policy for public comments. Cabinet has since approved the Integrated Urban Development Framework announced in the SoNA in June 2014.

### 2.2.5 STATE OF THE PROVINCE ADDRESS (SOPA)

The Premier outlined further provincial government priorities for this financial year in the state of the province Address. He reported on progress made since the last Stat of the Provincial Address and also to outline a programme of action for 2015. The Premier indicated that in the 2014, he had recommitted the Government of KwaZulu- Natal to remain resolute in our commitment and dedication to the vision, goals and targets set in the National Development Plan (NDP) and our own Provincial Growth and Development Plan (PGDP). The Province have Strengthened the alignment with the NDP and the 14 Outcomes expressed in the Medium Term Strategic Framework (MTSF). The following are synopsis of the Province address: The focus was on the issue of radical economic transformation, to align with the recently identified 7 National Priority Economic Interventions namely:

Priority intervention 1: Resolving the energy crises and enhancing the energy mix

Priority Intervention 2: Moderating workplace conflict

Priority Intervention 3: Revitalising the agriculture value chain

Priority Intervention 4: Targeted support for the metals/engineering value chain

Priority Intervention 5: Economic Development and Private Sector Investment

Priority Intervention 6: Unlocking SMMEs and co-operatives potential

Priority Intervention 7: Consolidating ICT through the Telecommunications Sector – Rollout of broadband.

The Premier indicated on the issues of Good Governance related to the vacancy rate in our Provincial Departments was below 9% and within the national norm of 10% and a significant improvement in the municipal audit outcomes for 2013/2014 with 13 municipalities receiving clean audits, 40 receiving unqualified audits, 5 qualified and only 3 received disclaimers.

Supporting the implementation of the Operation Back to Basics, which is aimed at strengthening local government by focussing on issues such as:

- Putting people first, let's listen and communicate;
- Adequate and community-oriented service provision;
- Good governance and transparent administration;
- Sound financial management and accounting; and
- Robust institutions with skilled and capable staff.

The Premier eluded on the percentage of households where supply of 75 litres of water per person per day was secured. It declined from 86% to 85% from 2010 to 2014. This situation is being addressed in a number of ways. However, most importantly by investigating options of desalination as well as augmenting storage capacity through the following measures:

- The Spring Grove Dam, which was commissioned and completed in 2014. This will provide an additional system yield of 60 million cubic meters per annum into the Umgeni River System;
- The raising of the Hazelmere Dam, which has unfortunately had some setbacks, but is now scheduled for completion by the end of 2016. This will provide additional 20 cubic meters of water per annum into uMdloti River system;
- Phase 1 of the Smithfield Dam on the uMkhomazi River, is undergoing a detailed feasibility study. This is obviously a longer term solution which will yield 250 cubic meters of water per annum at a projected cost of R14 billion; and
- The Lower uThukela Regional Bulk Scheme. This will provide additional 40 million cubic meters per annum. Phase 1 of this project is scheduled for completion later this year.

## 2.2.6 THE 14 NATIONAL OUTCOMES

The table following details the National Outcomes that each government sphere strives to achieve.

**Table 3: The National Outcomes**

| OUTCOME 1: IMPROVE THE QUALITY OF EDUCATION  |   |   |
|--|---|---|
| Outputs  | Key Spending Programmes   | Role of Local Government  |
| <ol style="list-style-type: none"> <li>1. Improve quality of teaching and learning;</li> <li>2. Regular Assessments to track progress;</li> <li>3. Improve early childhood development;</li> <li>4. A credible outcomes-focused accountability system</li> </ol> | <ul style="list-style-type: none"> <li>▪ Assess every child in grades 3, 6 and 9 every year;</li> <li>▪ Improve learning and teaching materials to be distributed to primary schools in 2014;</li> <li>▪ Improve math and science teaching</li> </ul> | <ul style="list-style-type: none"> <li>▪ Facilitate the building of new schools;</li> <li>▪ Participating in needs assessments;</li> <li>▪ Identifying appropriate land;</li> <li>▪ Facilitating zoning and planning processes;</li> <li>▪ Facilitate the eradication of municipal service backlogs in schools by extending appropriate bulk infrastructure and installing connections</li> </ul> |

| <b>OUTCOME 2: IMPROVE HEALTH AND LIFE EXPECTANCY</b>   |  |  |
|--|--|--|
| <b>Outputs</b>   | <b>Key Spending Programmes</b>   | <b>Role of Local Government</b>  |
| <ol style="list-style-type: none"> <li>1. Increase life expectancy to 58 for males and 60 for females;</li> <li>2. Reduce maternal and child mortality rates to 30-40 per 1000 births;</li> <li>3. Combat HIV/Aids and TB;</li> <li>4. Strengthen health services effectiveness</li> </ol>   | <ul style="list-style-type: none"> <li>▪ Revitalize primary health care;</li> <li>▪ Increase early antenatal visits to 50%;</li> <li>▪ Increase vaccine coverage;</li> <li>▪ Improve hospital and clinic infrastructure;</li> <li>▪ Accredite health facilities;</li> <li>▪ Extend coverage of new child vaccines;</li> <li>▪ Expand HIV prevention and treatment;</li> <li>▪ Increase prevention of mother-to-child transmission;</li> <li>▪ School health promotion increase school visits by nurses from 5 to 20%;</li> <li>▪ Enhance TB treatment</li> </ul> | <ul style="list-style-type: none"> <li>▪ Many municipalities perform health functions on behalf of provinces;</li> <li>▪ Strengthen effectiveness of health services by specifically enhancing TB treatments and expanding HIV and AIDS prevention and treatments;</li> <li>▪ Municipalities must continue to improve Community Health;</li> <li>▪ Services infrastructure by providing clean water sanitation and waste removal services</li> </ul> |
| <b>OUTCOME 3: ALL PEOPLE IN SOUTH AFRICA ARE PROTECTED AND FEEL FREE</b>   |  |  |
| <b>Outputs</b>   | <b>Key Spending Programmes</b>   | <b>Role of Local Government</b>  |
| <ol style="list-style-type: none"> <li>1. Reduce overall level of crime;</li> <li>2. An effective and integrated criminal justice system;</li> <li>3. Improve investor perceptions and trust.</li> <li>4. Effective and integrated border management;</li> <li>5. Improve perception of crime among the population;</li> <li>6. Integrity of identity of citizens and residents secures;</li> <li>7. Cyber-crime combated</li> </ol> | <ul style="list-style-type: none"> <li>▪ Increase police personnel;</li> <li>▪ Establish tactical response teams in provinces;</li> <li>▪ Upgrade IT infrastructure in correctional facilities;</li> <li>▪ ICT renewal in justice cluster;</li> <li>▪ Occupation-specific dispensation for legal professionals;</li> <li>▪ Deploy SANDF soldiers to South Africa's borders.</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Facilitate the development of safer communities through better planning &amp; enforcement of municipal by-laws;</li> <li>▪ Direct the traffic control function towards policing high-risk violations – rather than revenue collection.</li> </ul>   |
| <b>OUTCOME 4: DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH</b>  |  |  |
| <b>Outputs</b>   | <b>Key Spending Programmes</b>   | <b>Role of Local Government</b>  |
| <ol style="list-style-type: none"> <li>1. Faster and sustainable inclusive growth;</li> <li>1. More labor-absorbing growth;</li> <li>2. Strategy to reduce youth unemployment;</li> <li>3. Increase competitiveness to raise net exports and gross trade;</li> <li>4. Improve support to small business and cooperatives;</li> </ol>   | <ul style="list-style-type: none"> <li>▪ Invest in industrial development zones; Industrial sector strategies: automotive industry; clothing and textiles;</li> <li>▪ Youth employment incentive;</li> <li>▪ Development training and system improve procurement;</li> <li>▪ Skills development and training;</li> <li>▪ Reserve accumulation;</li> <li>▪ Enterprise financing support;</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Create an enabling environment for investment by streamlining planning application process;</li> <li>▪ Ensure proper maintenance and rehabilitation of essential services infrastructure;</li> <li>▪ Ensure proper implementation of the EPWP at municipal level;</li> </ul>  |

| 5. Implement expanded public works programme.   | <ul style="list-style-type: none"> <li>▪ New phase of public works programme.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Design service delivery processes to be labor intensive;</li> <li>▪ Improve procurement systems to eliminate corruption and ensure value for money;</li> <li>▪ Utilize community structures to provide services.</li> </ul>  |
|---|---|---|
| <b>OUTCOME 5: A SKILLED AND CAPABLE WORKFORCE TO SUPPORT INCLUSIVE GROWTH</b>   |   |   |
| Outputs   | Key Spending Programmes   | Role of Local Government  |
| <ol style="list-style-type: none"> <li>1. A credible skills planning institutional mechanism;</li> <li>2. Increase access to intermediate and high-level learning programmes;</li> <li>3. Increase access to occupational specific programmes ;</li> <li>4. Research, development and innovation in human capital</li> </ol>  | <ul style="list-style-type: none"> <li>▪ Increase enrolment in FET colleges and training of lectures;</li> <li>▪ Invest in infrastructure and equipment in colleges and technical schools;</li> <li>▪ Expand skills development learnerships funded through sector training authorities and National Skills Fund;</li> <li>▪ Industry partnership projects for skills and technology development;</li> <li>▪ National Research Foundation centres excellence, and bursaries and research funding.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Development and extend intern and work experience programmes in municipalities;</li> <li>▪ Link municipal procurement to skills development initiatives.</li> </ul>  |
| <b>OUTCOME 6: AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK</b>  |   |   |
| Outputs   | Key Spending Programmes   | Role of Local Government  |
| <ol style="list-style-type: none"> <li>1. Improve competition and regulation;</li> <li>2. Reliable generation, distribution and transmission of energy;</li> <li>3. Maintain and expand road and rail network, and efficiency, capacity and competitiveness of sea ports;</li> <li>4. Maintain bulk water infrastructure and ensure water supply;</li> <li>5. Information and communication technology;</li> <li>6. Benchmark each sector.</li> </ol> | <ul style="list-style-type: none"> <li>▪ An integrated energy plan successful independent power producers;</li> <li>▪ Passenger Rail Agency: Acquisition of rail rolling stock, and refurbishment and upgrade of motor coaches and trailers;</li> <li>▪ Increase infrastructure funding for provinces for the maintenance of provincial roads;</li> <li>▪ Complete Gauteng Freeway;</li> <li>▪ Improvement Programme;</li> <li>▪ Complete De Hoop Dam and bulk distribution;</li> <li>▪ Nandoni pipeline;</li> <li>▪ Invest in broadband network infrastructure.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Ring-fence water, electricity and sanitation functions so as to facilitate cost-reflecting pricing of these services;</li> <li>▪ Ensure urban spatial plans provide for commuter rail corridors, as well as other modes of public transport;</li> <li>▪ Maintain and expand water purification works and waste water treatment works in line with growing demand;</li> <li>▪ Cities to prepare to receive the devolved public transport function;</li> <li>▪ Improve maintenance of municipal road network.</li> </ul> |
| <b>OUTCOME 7: VIBRANT, EQUITABLE AND SUSTAINABLE RURAL COMMUNITIES AND FOOD SECURITY</b>  |   |   |
| Outputs   | Key Spending Programmes   | Role of Local Government  |
| 1. Sustainable agrarian reform and improved access to markets for small farmers;  | <ul style="list-style-type: none"> <li>▪ Settle 7000 land restitution claims;</li> <li>▪ Redistribute 283 592ha of land use by 2014;</li> <li>▪ Support emerging farmers;</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Facilitate the development of local markets for agricultural produce;</li> </ul>   |



| <p>2. Improve access to affordable and diverse food;</p> <p>3. Improve rural services and access to information to support livelihoods;</p> <p>4. Improve rural employment opportunities;</p> <p>5. Enable institutional environment for sustainable and inclusive growth.</p>   | <ul style="list-style-type: none"> <li>▪ Soil conservation measures and sustainable land use management;</li> <li>▪ Nutrition education programmes;</li> <li>▪ Improve rural access to services by 2014: <ul style="list-style-type: none"> <li>▪ Water: 92% to 100%.</li> <li>▪ Sanitation: 69% to 100%.</li> <li>▪ Refuse removal: 64% to 75%.</li> <li>▪ Electricity: 81% to 92%.</li> </ul> </li> </ul>   | <ul style="list-style-type: none"> <li>▪ Improve transport links with urban centres so as to ensure better economic integration;</li> <li>▪ Promote home production to enhance food security;</li> <li>▪ Ensure effective spending of grants for funding extension of access to basic services.</li> </ul>   |
|--|---|--|
| <b>OUTCOME 8: SUSTAINABLE HUMAN SETTLEMENTS &amp; IMPROVED QUALITY OF HOUSEHOLD LIFE</b>   |   |  |
| Outputs  | Key Spending Programmes   | Role of Local Government   |
| <p>1. Accelerate housing delivery;</p> <p>2. Improve property market;</p> <p>3. More efficient land utilization and release of state-owned land</p>  | <ul style="list-style-type: none"> <li>▪ Increase housing units built from 220 000 to 600 000 a year;</li> <li>▪ Increase construction of social housing units to 80 000 a year;</li> <li>▪ Upgrade informal settlement: 400 000 units by 2014;</li> <li>▪ Deliver 400 000 low-income houses on state-owned land;</li> <li>▪ Improve urban access to basic services: <ul style="list-style-type: none"> <li>✓ Water: 92% to 100%;</li> <li>✓ Sanitation: 69% to 100%;</li> <li>✓ Refuse removal: 64% to 75%;</li> <li>✓ Electricity: 81% to 92%.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>▪ Cities must wait to be accredited for the housing function;</li> <li>▪ Develop spatial plans to ensure new housing developments are in line with national policy on integrated human settlements;</li> <li>▪ Participate in the identification of suitable land for social housing;</li> <li>▪ Ensure capital budgets are appropriately prioritized to maximum existing services and extend services.</li> </ul>                                    |
| <b>OUTCOME 9: A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM</b>   |   |  |
| Outputs  | Key Spending Programmes   | Role of Local Government   |
| <p>1. Differentiate approach to municipal financing, planning and support;</p> <p>2. Community work programme;</p> <p>3. Support for human settlements;</p> <p>4. Refine ward committee model to deepen democracy;</p> <p>5. Improve municipal financial administrative capability;</p> <p>6. Single coordination window</p> | <ul style="list-style-type: none"> <li>▪ Municipal capacity-building grants;</li> <li>▪ Systems improvement;</li> <li>▪ Financial management unqualified audits partnership grant;</li> <li>▪ Increase urban density;</li> <li>▪ Informal settlements upgrades.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Adopt IDP planning processes appropriate to the capacity and sophistication of the municipality;</li> <li>▪ Implement the community work programme;</li> <li>▪ Ensure Ward Committees are representative and fully involved in community consultation processes around the IDP, budget and other strategic service delivery issues;</li> <li>▪ Improve municipal financial and administrative capacity by competency norms and standards</li> </ul> |

| <b>OUTCOME 10: PROTECTION AND ENHANCEMENT OF ENVIRONMENTAL ASSETS AND NATURAL RESOURCES</b>   |   |  |
|---|---|--|
| <b>Outputs</b>  | <b>Key Spending Programmes</b>  | <b>Role of Local Government</b>  |
| <ol style="list-style-type: none"> <li>1. Enhance quality and quantity of water resources;</li> <li>2. Reduce greenhouse gas emissions;</li> <li>3. Mitigate climate change impacts and improve air quality;</li> <li>4. Sustainable environmental management;</li> <li>5. Protect biodiversity.</li> </ol> | <ul style="list-style-type: none"> <li>▪ National water resource infrastructure programme;</li> <li>▪ Expanded public works environmental programmes;</li> <li>▪ Biodiversity and conservation</li> </ul>                                 | <ul style="list-style-type: none"> <li>▪ Develop and implement water management plans to reduce water losses;</li> <li>▪ Ensure effective maintenance and rehabilitation of infrastructure;</li> <li>▪ Run water and energy saving awareness campaigns;</li> <li>▪ Ensure development does not take place on wetlands.</li> </ul>            |
| <b>OUTCOME 11: A BETTER SOUTH AFRICA, A BETTER AND SAFER AFRICA AND WORLD</b>   |   |  |
| <b>Outputs</b>  | <b>Key Spending Programmes</b>  | <b>Role of Local Government</b>  |
| <ol style="list-style-type: none"> <li>1. Enhance Africa agenda and sustainable development;</li> <li>2. Enhance regional integration;</li> <li>3. Reform global governance institutions;</li> <li>4. Enhance trade and investment between South Africa and partners</li> </ol>                             | <ul style="list-style-type: none"> <li>▪ Proposed establishment of South African Development Partnership Agency;</li> <li>▪ Defense: peace support mechanisms;</li> <li>▪ Border control: upgrade inland ports of entry.</li> </ul>       | <ul style="list-style-type: none"> <li>▪ Ensuring basic infrastructure is in place and properly maintained;</li> <li>▪ Creating an enabling environment for investment</li> </ul>  |
| <b>OUTCOME 12: A DEVELOPMENT ORIENTATED PUBLIC SERVICE AND INCLUSIVE CITIZENSHIP</b>  |   |  |
| <b>Outputs</b>  | <b>Key Spending Programmes</b>  | <b>Role of Local Government</b>  |
| <ol style="list-style-type: none"> <li>1. Improve government performance;</li> <li>2. Government wide performance and monitoring;</li> <li>3. Conduct comprehensive expenditure review;</li> <li>4. Celebrate cultural diversity</li> </ol>   | <ul style="list-style-type: none"> <li>▪ Performance monitoring and evaluation;</li> <li>▪ Stats SA, Census 2011: Reduce undercount;</li> <li>▪ Sports and Recreation: Support mass participation and school sport programmes.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Continue to develop performance monitoring and management system;</li> <li>▪ Comply with legal financial reporting requirements;</li> <li>▪ Review municipal expenditures to reduce wastage;</li> <li>▪ Ensure Municipal Councils behave in ways that restore trust in local government.</li> </ul> |
| <b>OUTCOME 13: SOCIAL PROTECTION</b>  |   |  |
| <b>Outputs</b>  | <b>Key Spending Programmes</b>  | <b>Role of Local Government</b>  |
| Spatial equity  | Defense: peace support mechanisms   | <ul style="list-style-type: none"> <li>▪ Coordinated development.</li> </ul>   |
| <b>OUTCOME 14: NATION BUILDING AND SOCIAL COHESION</b>  |   |  |
| <b>Outputs</b>  | <b>Key Spending Programmes</b>  | <b>Role of Local Government</b>  |
| Spatial equity  |   | <ul style="list-style-type: none"> <li>▪ Coordinated development.</li> </ul>   |

### 2.2.7 LOCAL GOVERNMENT OUTCOME 9

The national government has adopted an Outcomes Based Approach to development as a means to focus government initiatives and manage public expectations. Based on the Medium Term Expenditure Framework (MTEF), 12 outcomes have been identified. Outcome 9 deals with local government and touches uThukela district municipality and its family of municipalities unswervingly. It moves from a premise that local government is a key part of the reconstruction and development effort in South Africa, and that aims of democratizing society and growing the economy inclusively can only be realized through a responsive, accountable, effective and efficient local government system that is part of a developmental state. Municipalities are guided by outcome 9, which has the following seven (7) outputs:

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

### 2.2.8 THE PROVINCIAL GROWTH & DEVELOPMENT STRATEGY (PGDS)

The Provincial Growth and Development Strategy (PGDS) is a vehicle to address the legacies of the apartheid space economy, to promote sustainable development and to ensure poverty eradication and employment creation.

The PGDS offers a tool through which national government can direct and articulate its strategy and similarly for local government to reflect the necessary human, financial and fiscal support it needs to achieve these outcomes. It facilitates proper coordination between different spheres of government and aims to prevent provincial departments from acting out of concert with local municipalities. It enables intergovernmental alignment and guides activities of various role players and agencies (provincial sector departments, parastatals, district and municipalities). The PGDS will enhance service delivery.

It is a framework for public and private sector investment, indicating areas of opportunities and development priorities. It addresses key issues of implementation blockages whilst providing strategic direction.

The PGDS on the one hand involves preparing policies, strategies and guidelines and on the other hand, it involves preparing mechanisms to align and facilitate the implementation, monitoring and evaluation of key growth and development priorities.

Attention is also given to the provision of infrastructure and services, restoring the natural resources, public sector leadership, delivery and accountability, ensuring that these changes are responded to with resilience, innovation and adaptability. The uThukela district municipality's IDP is reviewed within the framework of the PGDS and is fully aligned with the provincial development goals.

The PGDS identifies 7 strategic goals and 30 strategic objectives designed to move the KwaZulu-Natal Province progressively towards the attainment of the 2030 development vision. These goals and objectives are as relevant for uThukela district municipality and its family of municipalities as they form part of the KwaZulu-Natal Province. Goal three (3) to goal seven (7) all forms an integral part of local government agenda and focus areas for uThukela district municipality. The following diagram shows the strategic goals and strategic objectives:



### 2.2.9 OPERATION SUKUMA SAKHE (OSS)

Operation SukumaSakhe (OSS) is a strategy to integrate departmental programmes and deliver jointly on outcomes since success depends on several departments cooperating. It has ensured that services are brought together at the level of communities in the wards and empowers communities to discuss with various government officials who do not necessarily work at ward levels in a venue designated as WAR ROOM. This strategy has been implemented to coordinate the efforts of various sectors and mobilize society for a common purpose.

OSS was launched in July 2009, under the campaign “One Home One Garden one product one village”, with the following objectives:

- Making meaningful household intervention on poverty;
- Behavioral Change to address HIV and AIDS, Crime, Substance Abuse, road accidents, abuse;
- Addressing the needs of the most vulnerable and deprived communities and households;
- Making rural development a realizable vision;

- Creating opportunities for skills development and employment;
- Ensuring cooperative governance for better & faster service delivery

OSS delivery model is designed to address the critical areas of community participation, integrated services delivery, behavior change, economic empowerment and environmental care. In the OSS model, coordination of services delivery at the ward level is centered around the “war room”. Each war room has a dedicated team that include community care givers, who provide services at household level; Youth Ambassadors, who promote behavior change and healthy lifestyle and; community development workers (CDWs), who provide secretariat functions and monitor interventions initiated through the war rooms.

All government departments have been mandated to align their operational plans with OSS and have indeed translated the mandate into action and aligned their operations to OSS. At the district and local levels, mayors and councilors are the champions for the OSS approach and provide support and oversight to the activities. Meanwhile the MEC and HOD are champions and oversee OSS implementation in uThukela district. All the outputs and outcomes of OSS initiatives are reported to WAC, LAC, DAC and ultimately to the PCA. The review of this IDP for uThukela district municipality has adopted the principles of Sukuma Sakhe by establishing partnerships with local communities and getting involved into the War Rooms.

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#### 2.2.10 BACK TO BASICS POLICY

The recent launch of the Back to Basics approach is designed to ensure that all municipalities perform their basic responsibilities and functions without compromise and the programme is built on 5 pillars, which are the following:

- Putting people and their concerns first
- Demonstrating good governance and administration
- Delivering municipal services
- Sound financial management and accounting
- Sound Institutional and administrative capabilities

This is the essence of ‘back to basics’ approach is that things must be done differently if we want different solutions. The situation needs a change of paradigm that focuses on serving the people and not political elites and organizations. Back to Basic emphasises the development and finalization of a

set of indicators as per the pillars of the Back to Basics approach. These indicators will measure whether municipalities are performing in terms of the basics.

At the most basic level, municipalities are expected to:

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

Each functionary needs to understand the core mandate and orientation, understand their specific role in delivering the local government vision as envisaged in the White Paper and act in a manner that ensures that local government primarily serves its people by delivering basic services. Back to Basics will ensure that in every municipality, traffic lights work, potholes are filled, water is delivered, refuse is collected, electricity is supplied, and refuse and waste management takes place,”

uThukela and its family of municipalities has started implementing the Back to Basics policy by ensuring that the above mentioned 5 pillars are adhered to especially when we were developing our Integrated Development Plans for 2015/2016. The reports that talks to the service delivery are prepared on monthly basis.

## 2.2.11 GOVERNMENT POLICIES AND IMPERATIVES AND HOW THE MUNICIPALITY APPLIES / ADDRESSES THEM

The following table demonstrates the Government Policies and Imperatives and how uThukela is applying them.

**Table 4: Government Policies and how the Municipality is applying / addressing them**

| Government Policy                    | Applications by Municipality  |
|--------------------------------------|---|
| Millennium Goals                     | <ul style="list-style-type: none"> <li>▪ The municipality has initiated a number of projects aligned to the Millennium Goals;</li> </ul>  |
| 14 National Outcomes (Outcome 9)     | <ul style="list-style-type: none"> <li>▪ uThukela has adopted the IDP planning processes and that has been the guiding tool throughout the review process;</li> <li>▪ The municipality has implemented a number of community work programmes addresses the Outcome 9;</li> </ul>  |
| 5 KZN Priorities                     | <ul style="list-style-type: none"> <li>▪ uThukela strives to achieve the 5 KZN Priorities in all its developmental programs. This means that, all projects that are implemented are within the 5 provincial priorities and this is evident with the project lists provided in the IDP</li> </ul>  |
| State of the Nation Address(SONA)    | <ul style="list-style-type: none"> <li>▪ EPWP implementation, implementation of infrastructure projects., creation of jobs</li> <li>▪ Water conservation measures to save water</li> <li>▪ Implementation of HIV/AIDS programme</li> </ul>  |
| State of the Province Address (SOPA) | <ul style="list-style-type: none"> <li>▪ All Infrastructure and social projects that the District is implementing in one way or the other addressing the challenges or goals of the States of the Province Address</li> <li>▪ IDP addresses the Gender, Senior Citizens and People with Disabilities in the District under Social Services among others: gender advocacy sessions, implementation of policies pertaining to older persons.</li> <li>▪ IDP address the pillars of the Back to Basics</li> <li>▪ The municipality is aligning its PGDP with 14 national outcomes</li> </ul> |
| KZN PGDS                             | <ul style="list-style-type: none"> <li>▪ All Infrastructure and social projects that the District is implementing in one way or the other addressing the KZN GDS goals</li> </ul>   |
| BACK TO BASIC POLICY                 | <p>uThukela district municipality to furnish the Minister of COGTA with information on a monthly basis to assist him in his analysis of the state of local governance in our country, and afford COGTA the opportunity to make an informed assessment to support and intervene where needed in municipalities.</p> <p>Every month, municipal council must consider and then endorse a report on the degree to which it is meeting its governance obligations and the actual delivery of basic services being undertaken</p>   |



### 2.2.12 UTHUKELA MTAS

Government assessed the state of Local Government as a critical sphere at the coalface of service delivery in 2008, and came to a determination that, conservatively, there was room for improvement. Subsequently, a Turn Around Strategy was developed in 2009, with the objective to build confidence between the people and Government through creating an effective, efficient and developmental Local Government system capable to deliver in the areas of Service delivery, good governance, financial management, infrastructure development and promotion of ethics. The following table displays the uThukela Municipality Turn Around Strategy with the progress as of December 2014.

| <b>CHALLENGE</b>   | <b>PROGRESS DECEMBER 2014</b>   |
|--|---|
| IGR between the District and Local municipality is not functioning                 | The IGR forums established and are meeting. The schedule of meetings are distributed quarterly. No all meetings convened as scheduled. It was noted that the Management at the municipality were newly appointed. However, they were committed to leading the IGR processes within the District |
| Some By-laws are outdated and is an absence of some By-laws                        | There has little progress with the review of the by-laws. The by-laws relating to the water services were submitted to Council Although the expert was appointed at the District. Certain processes were to be followed with the by-laws relating to water                                      |
| The organogram is not well aligned to allocated powers and functions               | The organogram was reviewed and aligned to powers and functions and was approved by Council. The meeting agreed that the challenge be closed.   |
| There is a high vacancy rate in critical positions including section 56 positions. | All Section 56 Managers have been appointed. This is no longer a challenge  |
| Lack of performance agreements for employees below section 57 and 56               | The municipality has appointed PMS staff and the service provider that will assist in addressing this challenge   |
| The SCM policy has not been accepted by councillors                                | The amended SCM policy was presented and adopted by Council and is no longer a challenge  |

|  |  |
|--|--|
| To improve the efficiency and effectiveness of fleet management  | Trackers have been installed on all municipal vehicles in order to monitor usage and curtail abuse. Fleet Manager has been appointed               |
| Lack of asset register and asset management plans  | Asset management policy is in place. Asset Manager has been appointed.   |
| There is no indigent register  | Council approved the indigent policy. Alignment of the registers was progressing.<br>▪Data cleansing was finalised. However, there were challenges |
| There is no revenue enhancement strategy   | Revenue Strategy was developed and adopted by Council. This is no longer an issue since the strategy is there.                                     |
| The grant register is in place and updated and payments are made but delivery of goods / services are not verified | ▪Register is being updated   |
| There is a high rate of water loss   | A water demand conversation programme is in place to address the challenge but is still a challenge.   |
| Lack of preparedness for disasters / lack of disaster management (Fire prevention, etc.)                           | The municipality is in the process of finalising the Disaster Management Centre. The Disaster Manager has been appointed                           |

# SECTION C: SITUATIONAL ANALYSIS

### 3 SITUATIONAL ANALYSIS

Imminent improvement within uThukela district municipality and in the family of municipalities should respond directly to the development trends, patterns, needs and objectives of those who live and/or work within the jurisdiction. It must be significant to the local context while also contributing to the attainment of the provincial and national development obligations. This section tries to provide a detailed analysis of the current development situation within uThukela and its surrounding. It is structured as per the Key Performance Areas (KPA), but also considers issues that are relevant to uThukela district municipality. The national KPA's are as follows:

- Municipal Transformation and Institutional development
- Local economic development and social development.
- Basic service delivery.
- Financial viability and management
- Good governance and public participation.
- Spatial planning and Environment

#### 3.1.1 DEMOGRAPHIC CHARACTERISTICS

The population of uThukela District Municipality forms part of the ultimate objective of the development process, as well as being a subject in the process, since the people provide labour and entrepreneurship for production also consume the output of production. Likewise, demographic **processes** e.g. fertility, mortality and migration determine the demographic **outcomes** such as size, age-sex structure and spatial distributions of the population which affect the functioning of **socio-economic processes** of land use, labour absorption, consumption and expenditure which in turn define the **socio-economic outcomes** in terms of income, employment, education, health, housing etc. In short, this analysis will shade some light on the dynamics of uThukela District population, which can then be used to develop strategic interventions.

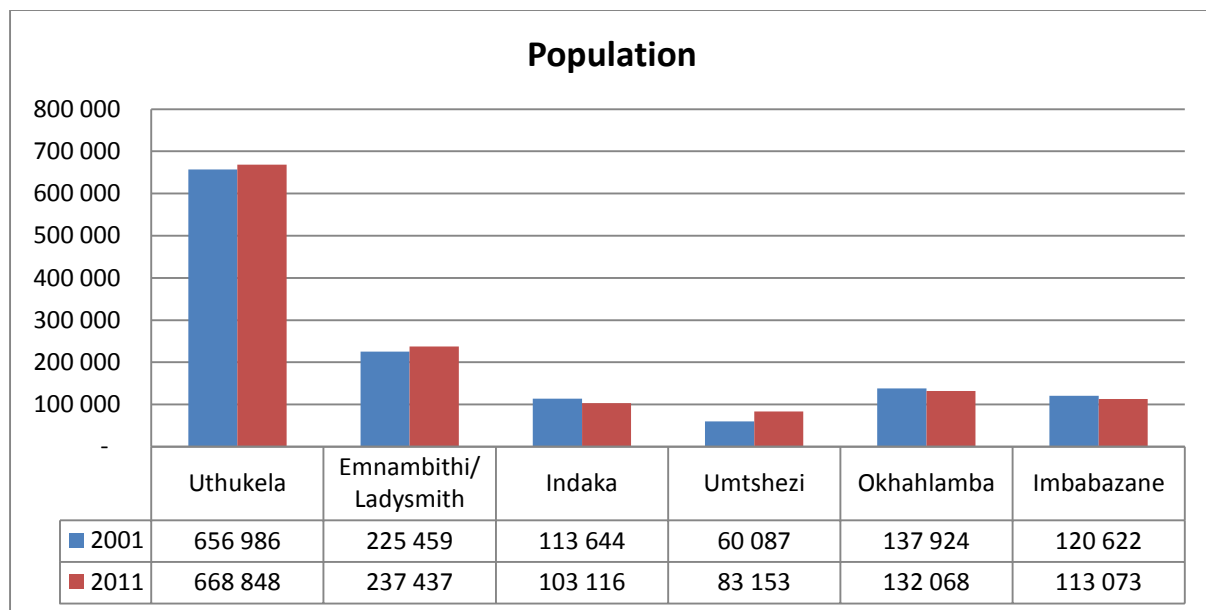
#### 3.1.2 TOTAL POPULATION AND GROWTH RATE

The population of uThukela District increased from 657,736 in 2001 to 668,848 in 2011 recording approximately 2% growth, which translates to an annual growth rate of 0.17% during the period. UMTshezi municipality experienced the highest increase (38.4%) followed by Emnambithi / Ladysmith

(1.69%). Indaka, Okhahlamba and Imbabazane both experienced a decline in its population recording 9.3%, 4.2% and 6.3% respectively between 2001 and 2011.

The decline of the population in uThukela district is attributed by amongst other factors the impact of HIV/AIDS- related deaths and migration. The following figure indicates the population size of uThukela district and its family of municipalities:

**Figure 3: Population Size**



**Source: Statistics SA, Census 2011**

### 3.1.3 POPULATION DISTRIBUTION

The population of uThukela district municipality is unevenly distributed. The largest population is in Emnambithi/Ladysmith local municipality and the small population is in Umtshezi local municipality.

The table below shows the number of wards in uThukela and how the population is distributed from the 2001 to 2011 Census

**Table 5: Population Distribution**

| Municipality            | Wards     | 2001<br>census | Percentage       | 2007<br>survey | 2011<br>census | Percentage              |
|-------------------------|-----------|----------------|------------------|----------------|----------------|-------------------------|
| <b>Emnambithi</b>       | 27        | 225 459        | 34,3 of district | 236 748        | 237 437        | <b>33% of district</b>  |
| <b>Okhahlamba</b>       | 14        | 137 525        | 20,9 of district | 151 441        | 132 068        | <b>21% of district</b>  |
| <b>Imbabazane</b>       | 13        | 119 925        | 18,3 of district | 140 745        | 113 073        | <b>20% of district</b>  |
| <b>Indaka</b>           | 10        | 113 644        | 17,3 of district | 101 557        | 103 116        | <b>14% of district</b>  |
| <b>Umtshezi</b>         | 9         | 59 921         | 9,1 of district  | 83 906         | 83 153         | <b>12% of district</b>  |
| <b>Total population</b> | <b>73</b> | <b>656986</b>  | <b>100</b>       | <b>714 909</b> | <b>668 848</b> | <b>7.0% of province</b> |

*(Source: Statistics SA: Census 2001 and 2011 and Community survey 2007)*

### 3.1.4 POPULATION GROUPS

The majority of the people that lives in uThukela district municipality are Africans and Coloureds are minority. The following table shows the population breakdown of the uThukela district municipality. This breakdown is showing the Africans, Coloureds, Indians and Whites.

**Table 6: Population Groups (Race)**

| Group          | 2001 census    | %             | 2007 survey    | %             | 2011 census    | %             |
|----------------|----------------|---------------|----------------|---------------|----------------|---------------|
| <b>African</b> | 620 733        | 94.48         | 681998         | 95.4          | 636 394        | <b>95.15</b>  |
| <b>Colored</b> | 4 055          | 0,62          | 2231           | 0.3           | 3 923          | <b>0.59</b>   |
| <b>Indian</b>  | 17 156         | 2.61          | 23200          | 3,2           | 16 023         | <b>2.40</b>   |
| <b>White</b>   | 15 042         | 2,29          | 7482           | 1,0           | 11,437         | <b>1.71</b>   |
| <b>Total</b>   | <b>656 986</b> | <b>100.00</b> | <b>714,909</b> | <b>100.00</b> | <b>668 848</b> | <b>100.00</b> |

*Source: Statistics South Africa: Census 2001, 2011 and Community Survey 2007*

### 3.1.5 AGE STRUCTURE & GENDER

According to the Census 2011, the number of people between 15-64 age is increased to 391,369. Females are more than male and are occupying 55% in this category whereas male are on 45%. With regards to 0-14, males are leading with 51% while females are sitting in 49%. The last category which is 65-120, females are more with 69% and males are in 31%. compare to males.

The breakdown below shows age and gender of uThukela district municipality.

| AGE    | MALES   | %   | FEMALES | %   | TOTAL   |
|--------|---------|-----|---------|-----|---------|
| 0-14   | 124,497 | 51% | 121,712 | 49% | 246,209 |
| 15-64  | 177,056 | 45% | 214,314 | 55% | 391,369 |
| 65-120 | 9,631   | 31% | 21,638  | 69% | 31,269  |

*Source: Statistics South Africa, Census 2011*

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### 3.1.6 MIGRATION (INTERNAL / EXTERNAL)

The population movement in the district follows the concentration of economic and employment opportunities. These are located mainly in the town of Ladysmith followed by the smaller industrial town of Estcourt in Umtshezi. Ladysmith has a high concentration of social and economic infrastructure resulting in a development imbalance compared to other towns in the district. Smaller towns and rural settlements in Okhahlamba, Umtshezi, Imbabazane and Indaka flock to Ladysmith for a number of activities beyond employment.

The same trend is noticed with small towns and rural settlements of UMzinyathi district municipality coming to Ladysmith. This could be influenced by the number of regional government offices located in Ladysmith and serving both uThukela and uMzinyathi district municipalities. Consequently, this puts pressure on Ladysmith suggesting strain on local and physical infrastructure. Few economic and employment opportunities in the district pulls people to larger urban areas in the district. The N11 leads them to Newcastle and Johannesburg, while the N3 corridor leads them to the north of Gauteng, Pietermaritzburg and Durban in the south.

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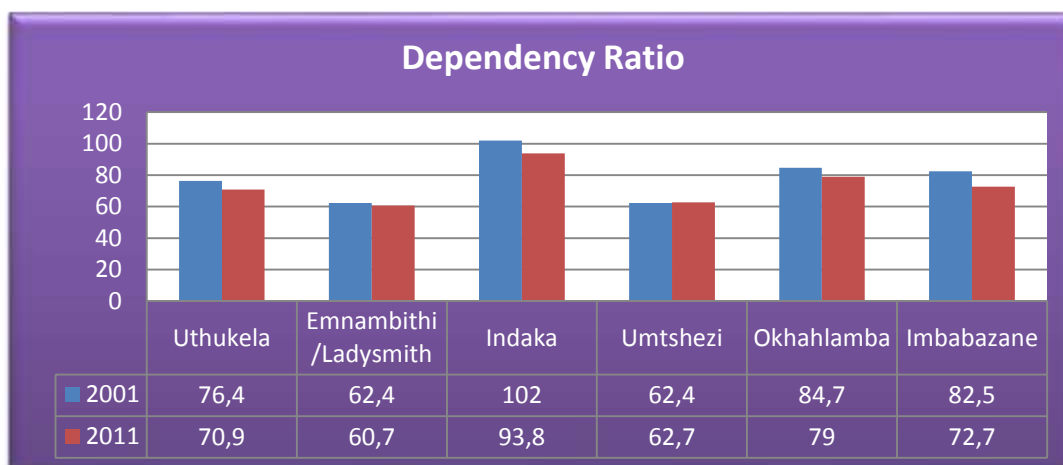
### 3.1.7 DEPENDENCY RATIO

Dependency ratio defines the number of dependents (i.e. people under the age of 15 and over the age of 65 years) per 100. A high dependency ratio is a challenge to guardians who in many instances are unemployed particularly in rural parts of uThukela. The dependency ratio in uThukela declined from 76.4 to 70.9 between 2001 and 2011. Dependency ratio is high (93.8%) in Indaka Municipality compared to all other municipalities within uThukela. Indaka is a village economy without any core economic source, hence the high dependency ratio. Okhahlamba and Imbabazane also have high dependency ratio (79% and 72.7% respectively).

Generally, uThukela District experienced a decline in its dependency ratio between 2001 and 2011. However, the ratio is still high compared to the provincial (65.4%) and national (58.7%) averages. The following diagram illustrates.



Figure 4: Dependency Ratio



Source: Statistics South Africa, Census 2011

### 3.1.8 HIV/AIDS

HIV and AIDS have had a major impact on both the quality of life of communities and families and on the economy. Number initiatives have been implemented through the National Department of Health to combat the current epidemic however, major challenges remain. In the uThukela district municipality, the number of people with HIV has increased from 36.7% in 2010 to 37.1% in 2012. Umzinyathi still has the lowest prevalence, decreased from 31.1% in 2010 to 30.1% in 2012.

In 2010 five districts in KZN viz: UGu, UMkhanyakude, eThekwini, ILembe and uMgungundlovu recorded HIV prevalence estimates of above 40%. The 2012 survey has recorded prevalence rate over 40% in UMgungundlovu. The provincial overall on HIV prevalence remains at 37.4%, which is above the national prevalence. Sisonke, UMkhanyakude, uGu, Zululand and Amajuba have recorded a decrease from 2011 to 2012. uThungulu, eThekwini, iLembe and uMgungundlovu shows some increase between 2011 to 2012. The table below shows the HIV prevalence in the KZN Districts from 2010 to 2012.

Figure 18: HIV Prevalence Trends among antenatal Women by district KZN 2010 - 2012

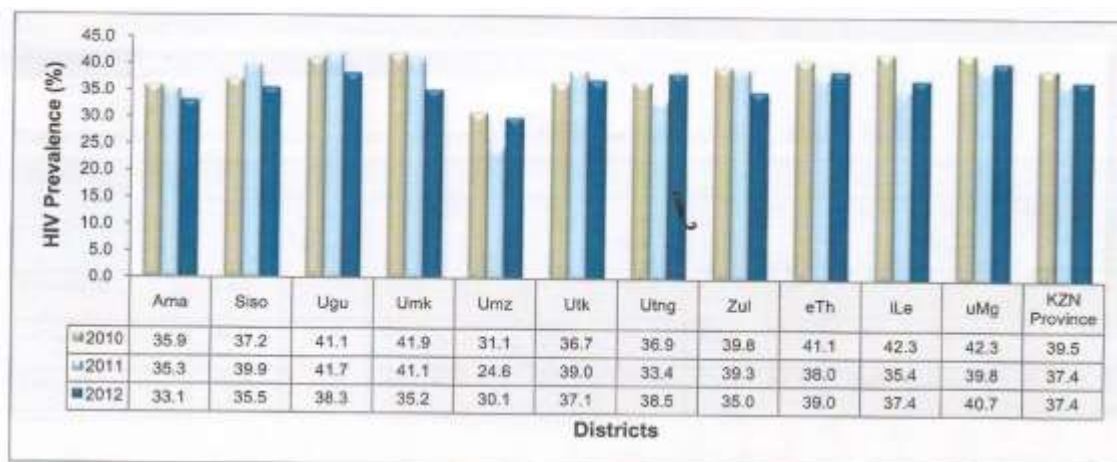


Figure 26: HIV prevalence trends among antenatal women, KwaZulu-Natal, 2010 to 2012. (Source: NDoH, 2013)

Ama = Amajuba; Siso = Sisonke; Um = uMkhanyakude; Umz = uMzinyathi; Utng = uThungulu; Utk = uThukela; Zul = Zululand; eTh = eThekweni; iLe = iLembe; uMg = uMgungundlovu.

### 3.1.8.1 UTHUKELA DISTRICT AIDS COUNCIL (DAC)

UTDM has established a co-ordinating forum for HIV/AIDS issues involving all stakeholders and role-players called uThukela District Aids Council to fulfil the following functions as outlined under the terms of reference.

- Development of the District AIDS Plan;
- Monitor the implementation of the District AIDS Plan quarterly;
- Review and evaluate the implementation of the District AIDS Plan annually;
- Facilitate the establishment of Local AIDS Councils;
- Facilitate multi-sectoral and interdepartmental collaboration in the campaign against AIDS;
- Facilitate capacity building on HIV related issues;
- Mobilise financial and technical resources for the campaign against HIV/AIDS and ensure equitable distribution of such resources;
- Commission relevant research and review statistics and other research reports relating to the District;
- Serve as the leading District public advocate to create an enabling environment for HIV/AIDS prevention, care and support;
- Report to the Provincial AIDS Council quarterly and annually on the progress made and challenges, which need to be addressed to combat HIV/AIDS in the District.

### 3.1.8.2 HIV STRATEGY

uThukela district municipality has developed the HIV/AIDS strategy for both the community and for the workplace. In the strategy there are number of projects identified for 2012/2016 in mitigating the impact of HIV/AIDS such as awareness programmes.

## 3.1.9 MORTALITY RATE

### 3.1.9.1 PERINATAL MORTALITY RATE (PNMR)<sup>1</sup>

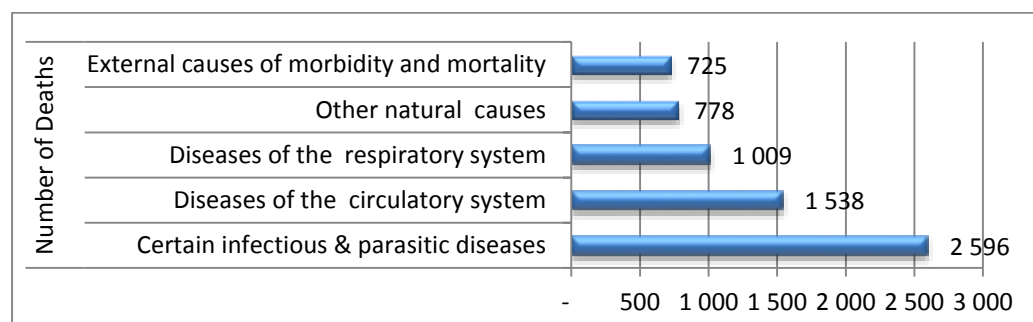
The perinatal mortality rate is the number of perinatal deaths per 1000 live births. The perinatal period starts as the beginning of foetal viability (28 weeks gestation or 1000g) and ends at the end of the 7th day after delivery. Perinatal deaths are the sum of stillbirths plus early neonatal deaths. The PNMR is the most sensitive indicator of obstetric care. For developed countries, the rate for babies over 1000g is usually less than 6/1000 births, whereas for developing countries PNMR ranges from 30-200.

The average PNMR rate for uThukela District is approximately 37 per 1000 which is slightly above the SA average (34.5 per 1000)

### 3.1.9.2 LEADING CAUSES OF DEATH

Certain infectious & parasitic, diseases of the circulatory system and diseases of the respiratory system are the main group causes of death in the district accounting 2,596, 1, 38 and 1,009 deaths in 2010. The diagram below illustrates the number of deaths by main groups of causes of death

Figure 14: Number of deaths by main groups of causes of death



### 3.1.9.3 THE 10 LEADING UNDERLYING NATURAL CAUSES OF DEATH<sup>2</sup>

Other natural causes and tuberculosis (A15 A19) are the top two (2) leading underlying natural causes of death in the district accounting for 32,7% and 15,8% of the deaths reported in the district. The table that follows illustrate.

**Table 7: The 10 leading underlying natural causes of death**

| No |   | Number       | %           |
|----|---|--------------|-------------|
| 1  | Tuberculosis (A15 A19)**                                      | 1 349        | 15,8        |
| 2  | Intestinal infectious diseases (A00-A09)                      | 648          | 7,6         |
| 3  | Influenza and pneumonia (J09-J18)                             | 644          | 7,5         |
| 4  | Cerebrovascular diseases (I60-I69)                            | 598          | 7,0         |
| 5  | Other forms of heart disease (I30-I52)                        | 429          | 5,0         |
| 6  | Diabetes mellitus (E10-E14)                                   | 358          | 4,2         |
| 7  | Certain disorders involving the immune mechanism (D80-D89)    | 340          | 4,0         |
| 8  | Ischemic heart diseases (I20-I25)                             | 229          | 2,7         |
| 9  | Inflammatory diseases of the central nervous system (G00-G09) | 223          | 2,6         |
| 10 | Hypertensive diseases (I10-I15)                               | 214          | 2,5         |
| 11 | Other natural causes  | 2 792        | 32,7        |
| 12 | Non-natural causes  | 725          | 8,5         |
|    | All causes  | <b>8 549</b> | <b>100%</b> |
|    |   |              |             |

**Source: Department of Health**

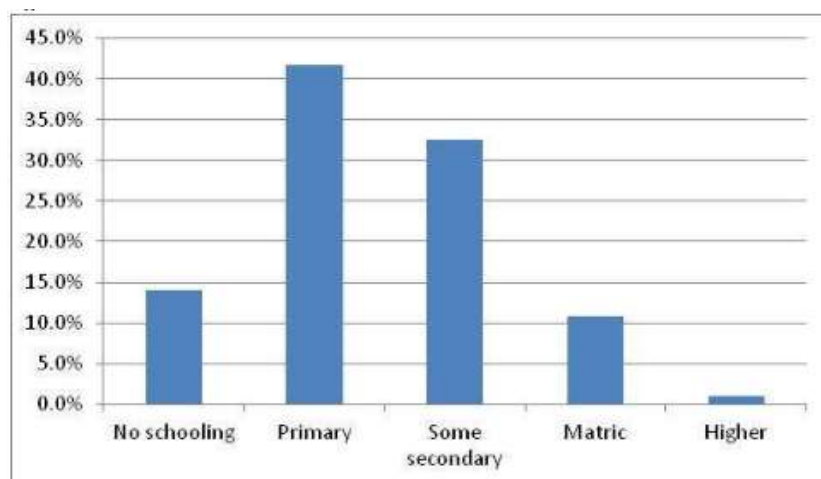
### 3.1.10 EDUCATION PROFILE

Education serves as the means to bring about the desired change in society, to develop a generation of virtuous individuals and thus contribute to the development of good human beings. The importance of education is that it empowers individuals to take better care of themselves and their children. Education also serves as a gate to higher economic growth through higher level of skilled society. This is why the provision of good education and educational resources remains a high priority for uThukela district municipality. The department of education in uThukela district is playing a vital role in ensuring that the education is given the priority.

#### 3.1.10.1 LEVEL OF EDUCATION

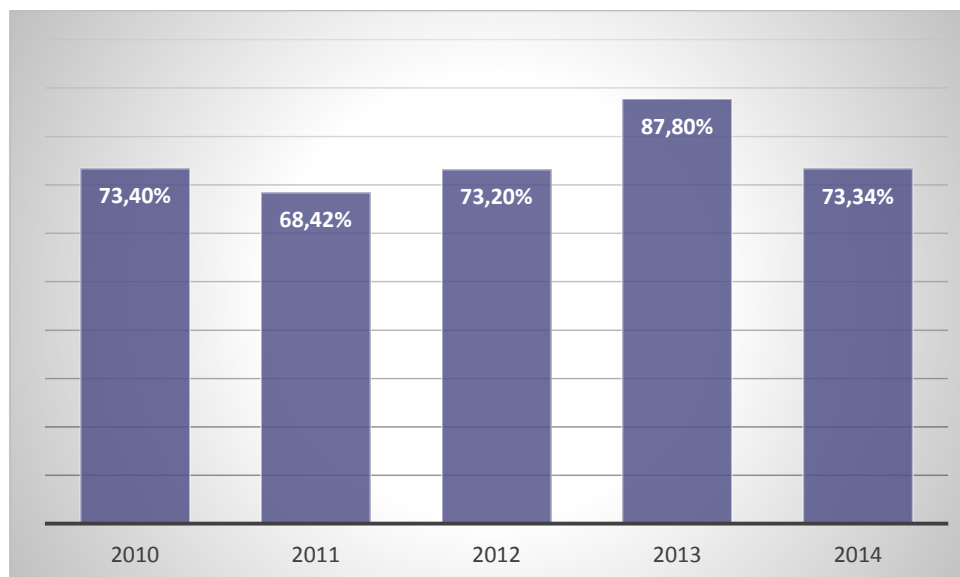
A small percentage of the population in the district has post-matric qualifications at only 1%, whilst 14% of the population has no schooling whatsoever. 41% have primary school education and 33% have some secondary schooling, whilst only 10.9% achieved matric. This means that there is a limited pool of skilled labour in the municipality and that basic education needs to be addressed in order to improve skills levels in the future. Basic education is considered fundamental to the future success of the local economy.

**Figure 16: Education Level**



**Source: Statistics South Africa, Census 2011**

The matric results has declined from 87.8% in 2012 to 73.34% in 2014 and this translate that the matric results has increased by 14.46%. The graph below shows the performance of uThukela district (education) from 2010 to 2014.



**Source: Department of Education**

### 3.1.10.2 AVERAGE EDUCATION ATTAINMENT

The number of people with no schooling dropped between 2005 and 2010 with a further decline between 2010 and 2011 in uThukela, while the number of those people with grade 0-11 shows a significant increase over the period under review. The number of people with matric only has shown a large increase. The tables below show the average education attainment of uThukela and its family of municipalities from 2001 to 2010 and the recently released by the statistics South Africa in 2011.

Table 8: Average Education Attainment

| HIGHEST EDUCATION LEVEL                             | KZN               | UTHUKELA       | EMNAMBITHI     | INDAKA         | UMTSHEZI      | OKHAHLAMBA     | IMBABAZANE     |
|---|-------------------|----------------|----------------|----------------|---------------|----------------|----------------|
| Grade 0   | 351,701           | 20,129         | 8,563          | 4,556          | 3,345         | 5,190          | 4,475          |
| Grade 1 / Sub A                                     | 337,208           | 25,522         | 7,722          | 4,516          | 3,086         | 5,465          | 4,734          |
| Grade 2 / Sub B                                     | 334,645           | 25,197         | 7,796          | 4,355          | 2,954         | 5,615          | 4,478          |
| Grade 3 / Std 1/ABET 1/Kha Ri Gude;SANLI            | 342,542           | 26,036         | 7,975          | 4,671          | 3,104         | 5,834          | 4,451          |
| Grade 4 / Std 2                                     | 392,225           | 29,405         | 9,318          | 5,006          | 3,459         | 6,343          | 5,280          |
| Grade 5 / Std 3/ABET 2                              | 384,132           | 27,847         | 9,153          | 4,790          | 3,226         | 5,931          | 4,747          |
| Grade 6 / Std 4                                     | 397,690           | 28,320         | 9,316          | 4,919          | 3,431         | 5,801          | 4,853          |
| Grade 7 / Std 5/ ABET 3                             | 471,585           | 33,651         | 11,520         | 5,599          | 3,987         | 6,796          | 5,743          |
| Grade 8 / Std 6 / Form 1                            | 619,449           | 40,467         | 15,189         | 6,190          | 4,765         | 7,442          | 6,882          |
| Grade 9 / Std 7 / Form 2/ ABET 4                    | 630,018           | 34,714         | 12,533         | 5,480          | 4,108         | 6,928          | 5,664          |
| Grade 10 / Std 8 / Form 3                           | 732,789           | 47,127         | 18,102         | 6,699          | 5,208         | 8,950          | 8,168          |
| Grade 11 / Std 9 / Form 4                           | 788,117           | 48,272         | 18,657         | 6,779          | 5,860         | 9,048          | 8,937          |
| Grade 12 / Std 10 / Form 5                          | 1,934,771         | 100,496        | 43,857         | 10,634         | 12,980        | 16,458         | 16,567         |
| NTC I / N1/ NIC/ V Level 2                          | 15,273            | 753            | 406            | 44             | 109           | 80             | 115            |
| NTC II / N2/ NIC/ V Level 3                         | 11,388            | 434            | 252            | 15             | 82            | 35             | 51             |
| NTC III/N3/ NIC/ V Level 4                          | 15,606            | 617            | 321            | 35             | 121           | 63             | 77             |
| N4 / NTC 4  | 12,001            | 440            | 261            | 19             | 76            | 45             | 38             |
| N5 / NTC 5  | 10,537            | 399            | 241            | 16             | 56            | 35             | 51             |
| N6 / NTC 6  | 13,255            | 514            | 284            | 32             | 84            | 57             | 57             |
| Certificate with less than Grade 12 / Std 10        | 12,248            | 502            | 270            | 30             | 33            | 61             | 108            |
| Diploma with less than Grade 12 / Std 10            | 14,499            | 599            | 260            | 44             | 118           | 76             | 101            |
| Certificate with Grade 12 / Std 10                  | 90,427            | 4,346          | 2,430          | 177            | 527           | 553            | 659            |
| Diploma with Grade 12 / Std 10                      | 119,312           | 5,795          | 3,325          | 360            | 962           | 718            | 429            |
| Higher Diploma                                      | 100,777           | 3,521          | 1,814          | 183            | 677           | 575            | 272            |
| Post Higher Diploma<br>Masters; Doctoral<br>Diploma | 17,305            | 564            | 295            | 31             | 102           | 70             | 67             |
| Bachelors Degree                                    | 80,354            | 2,524          | 1,451          | 109            | 484           | 310            | 169            |
| Bachelors Degree and<br>Post graduate Diploma       | 32,913            | 979            | 511            | 74             | 176           | 153            | 65             |
| Honours degree                                      | 34,948            | 1,121          | 687            | 33             | 223           | 126            | 53             |
| Higher Degree Masters /<br>PhD                      | 24,019            | 564            | 314            | 32             | 80            | 88             | 51             |
| Other   | 16,632            | 791            | 504            | 42             | 114           | 59             | 71             |
| No schooling  | 720,791           | 34,503         | 12,716         | 11,236         | 8,650         | 12,195         | 9,706          |
| Unspecified   | -                 | -              | -              | -              | -             | -              | -              |
| Not applicable                                      | 1,308,143         | 95,694         | 31,386         | 16,416         | 10,968        | 20,968         | 15,956         |
| <b>GRAND TOTAL</b>                                  | <b>10,267,300</b> | <b>668,848</b> | <b>237,437</b> | <b>103,116</b> | <b>83,153</b> | <b>132,068</b> | <b>113,073</b> |

### 3.1.11 INCOME LEVELS

#### 3.1.11.1 HOUSEHOLD INCOME

Household income can be used as a proxy for economic well-being of household and individuals, as it determines their consumption and savings potentials. Changes in the income by households is one of the direct indicator available that can be used to establish who benefits from economic development and by how much are the beneficiaries benefiting. Furthermore, data on household income can be used to inform poverty analysis.

In uThukela the R1-R4, 800 and R, 4801-R9600 household income categories have increased considerably throughout the years; this can be an indication of improvement in the socio-economic status of the households in the district. The number of households in the upper end income categories (i.e.R1 228 801-R 457 600) have decreased throughout the years. The table below shows the households income of uThukela district municipality and KZN province in 2011.

| INCOME CATEGORY 2011      | KZN 2011         | UTHUKELA 2011  |
|---------------------------|------------------|----------------|
| No income                 | 387,240          | 22,150         |
| R 1 - R 4800              | 125,843          | 8,876          |
| R 4801 - R 9600           | 217,220          | 17,024         |
| R 9601 - R 19 600         | 494,870          | 32,817         |
| R 19 601 - R 38 200       | 500,449          | 31,121         |
| R 38 201 - R 76 400       | 300,450          | 15,365         |
| R 76 401 - R 153 800      | 210,595          | 9,339          |
| R 153 801 - R 307 600     | 158,363          | 6,174          |
| R 307 601 - R 614 400     | 98,245           | 3,271          |
| R 614 001 - R 1 228 800   | 30,829           | 638            |
| R 1 228 801 - R 2 457 600 | 9,201            | 253            |
| R 2 457 601 or more       | 6,017            | 254            |
| Unspecified               | 107              | 3              |
| <b>Grand Total</b>        | <b>2,539,429</b> | <b>147,286</b> |

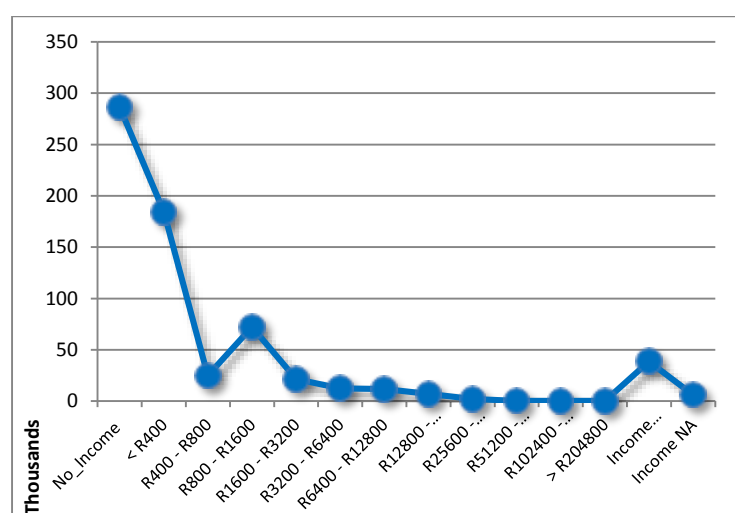
Source: (Statistics South Africa: Census 2011)



### 3.1.11.2 INDIVIDUAL INCOME

Approximately 286, 410 (i.e. 42.8%) of the population has no source of income and about 184, 170 (i.e. 27.5%) earn less than R400 per month which translate to almost 70.3% of the population live below the poverty line. Approximately 2,894 of the population in uThukela earn over R25, 600 per month. These people work around Ladysmith, Estcourt, and Bergville in senior management and professional positions in government and private institutions. The diagram and table below illustrate the status of the individual monthly income in uThukela district as per the 2011 statistics South Africa.

| INDIVIDUAL MONTHLY INCOME |        |
|---------------------------|--------|
| No Income                 | 286410 |
| < R400                    | 184170 |
| R400 - R800               | 24891  |
| R800 - R1600              | 72182  |
| R1600 - R3200             | 21541  |
| R3200 - R6400             | 12597  |
| R6400 - R12800            | 11936  |
| R12800 - R25600           | 7149   |
| R25600 - R51200           | 2022   |
| R51200 - R102400          | 347    |
| R102400 - R204800         | 273    |
| > R204800                 | 252    |
| Income Unspecified        | 38808  |
| Income NA                 | 6247   |



Source: Statistics South Africa, Census 2011

### 3.1.12 GVA CONTRIBUTION PER SECTOR

The most significant sector in 2011 was manufacturing which contributed 21% to the district's total GVA. This was followed by wholesale and retail trade, catering and accommodation at 17%; and then finance, insurance, real estate and business services at 15%. The least important sector in terms of GVA in 2011 was mining and quarrying at 1%.

From a growth perspective, construction grew at an average of 11% per annum between 2001 and 2011, followed by finance, insurance, real estate and business services at 10% per annum. The largest sector, manufacturing, grew at 4% per annum. Mining and quarrying showed a negative average growth rate over the period of 2% per annum. The table shows the GVA contribution per sector in constant prices for the uThukela district municipality from 2001-2011.

**Table 9: GVA Contribution per Sector**

|  | 2001  | 2006  | 2011  | Average annual growth 2001-2011 |
|--|-------|-------|-------|---------------------------------|
| Agriculture, forestry and fishing                      | 425   | 619   | 946   | 8%                              |
| Mining and quarrying                                   | 90    | 75    | 76    | -2%                             |
| Manufacturing  | 1 917 | 2 389 | 2 857 | 4%                              |
| Electricity, gas and water                             | 333   | 378   | 402   | 2%                              |
| Construction   | 184   | 249   | 394   | 11%                             |
| Wholesale and retail trade, catering and accommodation | 1 116 | 1 688 | 2 342 | 8%                              |
| Transport, storage and communication                   | 806   | 1 326 | 1 873 | 9%                              |
| Finance, insurance, real estate and business services  | 833   | 1 433 | 2 069 | 10%                             |
| Community, social and personal services                | 475   | 617   | 730   | 4%                              |
| General government                                     | 1 116 | 1 334 | 1 784 | 5%                              |

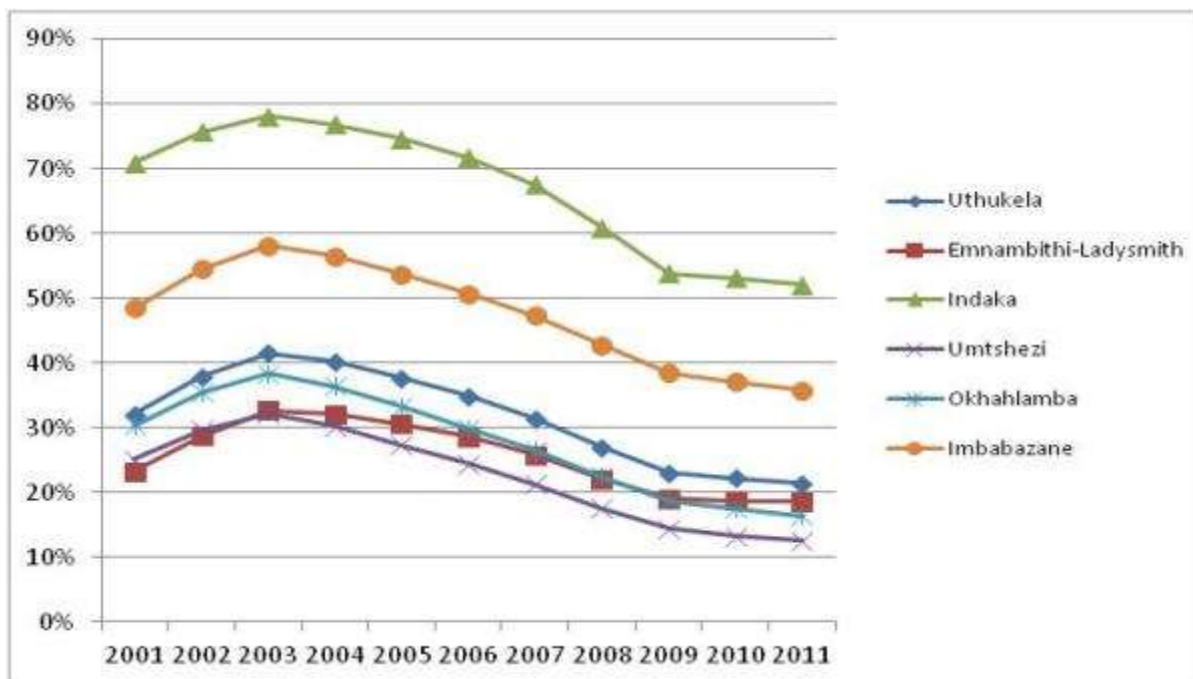
**Source: (Statistics South Africa: Census 2011)**

### 3.1.13 EMPLOYMENT PROFILE

The unemployment rate in the municipality decreased from 32% in 2001 to 22% in 2011. The level of unemployment in the district is similar to that of the province, which was 32% in 2001 and 22% in 2011. Indaka local municipality has the highest levels of unemployment with the rate being 52% in 2011, whilst the lowest unemployment rate in 2011 was in Umtshezi local municipality at 13%. The number of people who are not economically active increased from 207 830 in 2001 to 268 503 in 2011 (29% increase), compared to an increase in employed people of 21%.

The diagram presents the unemployment rate for the district and each of its local municipalities from 2001-2011.

Figure 10: Unemployment Levels in uThukela District & its Local Municipalities



Source: uThukela LED strategy

Table 10: Employment Levels in the uThukela District

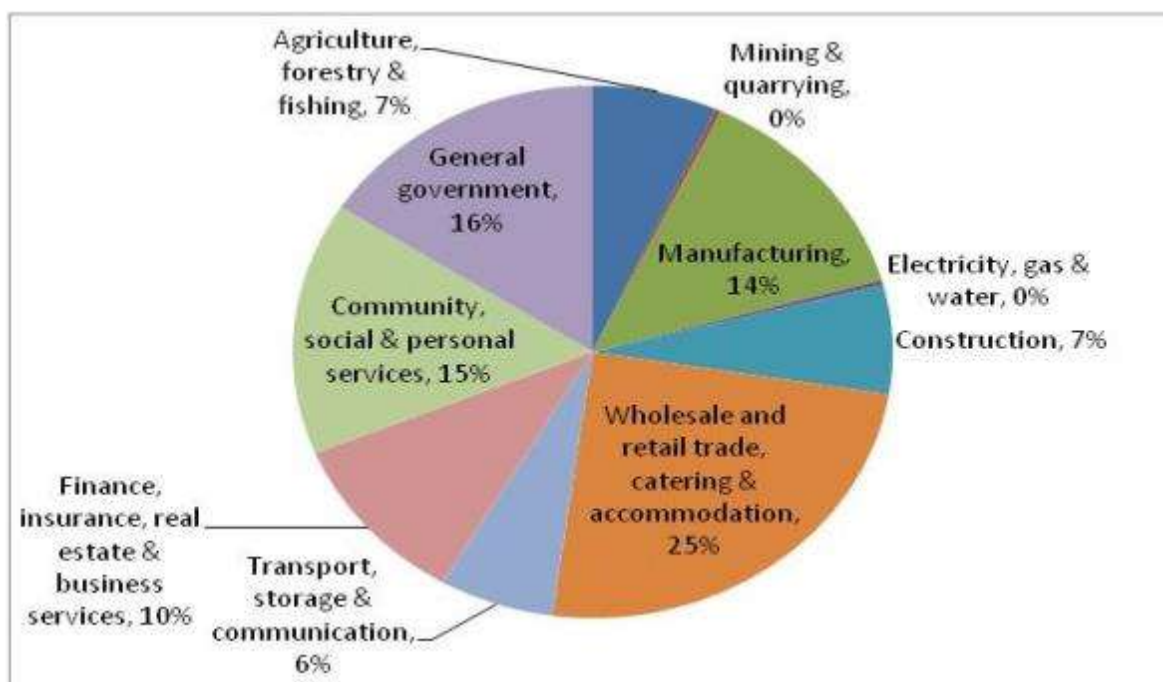
|      | Total population | Population - Working age | Total employed | Unemployed | Not economically active | Unemployment Rate | Labour Force Participation Rate |
|------|------------------|--------------------------|----------------|------------|-------------------------|-------------------|---------------------------------|
| 2001 | 656986           | 351 530                  | 97 545         | 46 155     | 207 830                 | 32%               | 41%                             |
| 2006 | 699 941          | 384 081                  | 112 228        | 60 079     | 211 774                 | 35%               | 45%                             |
| 2011 | 668,848          | 418 990                  | 118 190        | 32 297     | 268 503                 | 22%               | 36%                             |

Source: uThukela LED strategy

### 3.1.13.1 EMPLOYMENT BY SECTOR

The main source of employment within the district in 2011 was wholesale and retail trade, catering and accommodation at 25%. This was followed by government at 16% and community, social and personal services at 15%. Employment in the primary sector comprised around 7% of total employment in the district in 2011.

Figure 11: Employment per Sector



Source: uThukela LED strategy

From an employment growth perspective, the agriculture; manufacturing; and electricity, gas and water sectors showed an average decrease in employment of 5%, 2% and 1% respectively between 2001 and 2011. The biggest employment gains were in mining and quarrying (6% growth); finance, insurance, real estate and business services; transport, storage and communications; and general government (all 5% growth respectively).

### 3.1.14 POVERTY LEVELS

The overall proportion of people living in poverty in uThukela is about 65.7% in 2010. The table below shows the total number of people living in Poverty in KZN and uThukela 2001, 2005 and 2010 and the indications is that number of people living in poverty is increasing in uThukela.

Within the district context, the most poverty-stricken areas are found in the rural municipalities that is Indaka and Imbabazane. The overwhelming majority of people living in poverty are from the black community. The three measures of poverty and social inequality clearly show that poverty is concentrated in the Black communities and that inequality are widening over time.

### Total number of people living in Poverty in KZN and uThukela 2001, 2005 and 2010

|                      | 2001                          |                   | 2005              |                   | 2010              |                   |
|----------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                      | Number of<br>People living in | % share of people | Number of people  | % share of people | Number of people  | % share of people |
|                      | poverty                       | Living in poverty | Living in poverty | Living in poverty | Living in poverty | Living in poverty |
| KwaZulu-Natal        | 5 477 226                     | 57.1%             | 5 513 551         | 55.2%             | 5 174 062         | 49.6%             |
| Uthukela             | 467 655                       | 71.7%             | 495 871           | 70.7%             | 494 537           | 65.7%             |
| Emnambithi/Ladysmith | 123 526                       | 54.9%             | 147 052           | 58.2%             | 157 635           | 56.4%             |
| Indaka               | 96 463                        | 86.0%             | 96 189            | 81.6%             | 91 479            | 73.6%             |
| Umtshezi             | 38 105                        | 64.6%             | 44 008            | 66.3%             | 45 856            | 62.3%             |
| Okhahlamba           | 117 591                       | 86.1%             | 122 729           | 84.2%             | 121 440           | 78.1%             |
| Imbabazane           | 91 969                        | 76.9%             | 85 895            | 72.3%             | 78 126            | 65.3%             |

#### 3.1.15 KEY FINDINGS

- ⇒ The population of uThukela District increased from 657,736 in 2001 to 668,848 in 2011 recording approximately 2% growth;
- ⇒ uMtshezi municipality experienced the highest increase (38.4%) followed by Emnambithi / Ladysmith (1.69%);
- ⇒ The population of uThukela district municipality is unevenly distributed;
- ⇒ The number of people between 15-64 age is increased to 391,369;
- ⇒ Females are more than male and are occupying 55% in this category whereas male are on 45%;
- ⇒ The dependency ratio in uThukela declined from 76.4 to 70.9 between 2001 and 2011;
- ⇒ Dependency ratio is high (93.8%) in Indaka municipality compared to all other municipalities within uThukela;
- ⇒ Okhahlamba and Imbabazane also have high dependency ratio (79% and 72.7% respectively);
- ⇒ Generally, uThukela District experienced a decline in its dependency ratio between 2001 and 2011. However, the ratio is still high compared to the provincial (65.4%) and national (58.7%) averages;
- ⇒ The average PNMR rate for uThukela District is approximately 37 per;
- ⇒ Certain infectious & parasitic, diseases of the circulatory system and diseases of the respiratory system are the main group causes of death in the district accounting 2,596, 1,38 and 1,009 deaths in 2010;
- ⇒ Other natural causes and tuberculosis (A15 A19) are the top two (2) leading underlying natural causes of death in the district accounting for 32,7% and 15,8% of the deaths reported in the district;
- ⇒ The majority of the people that lives in uThukela district municipality are Africans and Coloureds are minority

## 3.2 SPATIAL ANALYSIS

uThukela district municipality boundaries were delineated in terms of the Municipal Demarcation Act taking into account a number of factors including physical features of the area, population movement patterns, economic trends and social organisation of communities. As such, the boundaries are not simple administrative, but also provide a framework for regional economic development planning. This section provides a broad spatial analysis and it should be appropriate if it reads together with the uThukela district municipality Spatial Development Framework.

During the process, the principles that direct the preparation of the uThukela SDF and its implementation is summarized hereunder:

- Spatial development principles as founded in the Millennium Development Goals, National Spatial Development Perspective (NSDP), National Development Plan (NDP), Provincial Growth and Development Strategy (PGDS), District Growth and Development Plan (DGDP) Spatial Land Use Management Act (SPLUMA) and Provincial Spatial Economic Development Strategy (PSEDS)

### 3.2.1 REGIONAL CONTEXT

UThukela is located within the middle west of KwaZulu-Natal Province. The district comprises of five local municipalities, namely:

- Indaka (KZ233);
- Emnambithi/Ladysmith(KZ232);
- Umtshezi (KZ234);
- Okhahlamba(KZ235);
- Imbabazane (KZ236)

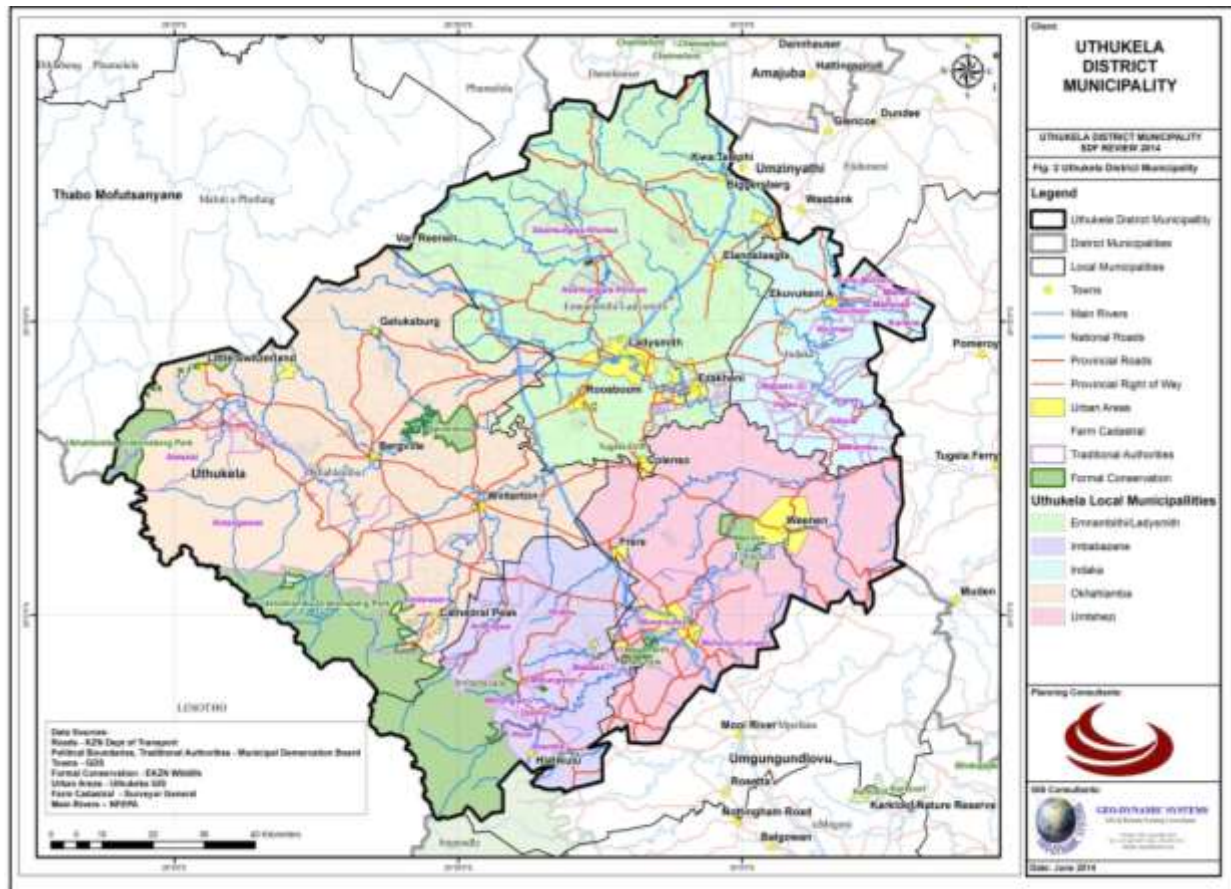
It is strategically positioned within the centre of Durban and Johannesburg, which are the national hubs within the country in terms of trade of commerce. It also largely comprises of Ukhahlamba Drakensberg Park that is a declared World Heritage Site and this places the area as global interest. The district is anchored around Ladysmith Town, which serves as a service and administrative centre, and a commercial hub for UThukela District and beyond. However, the role and function of Ladysmith commercial centre cannot be exaggerated a regional scale given the fact that it is a relatively smaller town when a comparison is drawn from the nearest regional centres such as Newcastle and Pietermaritzburg.

Therefore, Ladysmith can be classified as a sub-regional centre and not a regional centre that serves as a feeder for smaller towns that are located between 100km to 200km away from it. Although UThukela does not boast with a notable regional centre, it is strategically located at the intersection of two major national and provincial development corridors and trade routes that is:

- The N11 which runs in a north- south direction linking KwaZulu-Natal with Mpumalanga Province; and
- The N3, which runs in an east west direction linking Durban and Johannesburg Metropolitan areas.

The railway line linking KwaZulu-Natal with Gauteng and Mpumalanga Provinces runs through the UTDM. As such, the UTDM is highly accessible at both regional and national level. The size of the Municipality is approximately 11,500km<sup>2</sup> and is located along the western boundary of KwaZulu-Natal. It is predominately rural, with three of the five Local Municipalities, being rural in nature. The Municipality is characterised by socio-economic challenges such as a low revenue base, poorly maintained infrastructure and limited access to social and other services. High levels of poverty, unemployment, skills shortage, a lack of resources and low levels of education is also prevalent. The settlement patterns are disbursed, which resulted in underdeveloped land and settlement patterns that make it challenging and expensive to deliver effective services.

## uThukela Regional Context



### 3.2.2 ADMINISTRATIVE ENTITIES

Most parts of UThukela District Municipality are farmlands, which are managed in terms of the Agricultural Act 70 of 1970. Under the KwaZulu-Natal Planning and Development Act No. 06 of 2008 (PDA), these areas are also subjected to land use controls when the municipalities develop the Wall-to-Wall Land Use Management Schemes. In the case of land that is under Ingonyama Trust there are additional local structures that have the influence in terms of land allocation. These include tribal chief, their headman and sub-headmen.

The local municipalities have expressed challenges in terms of managing land allocation within the tribal council areas. There are instances whereby the municipality communicates with the tribal chiefs during the IDP processes about land allocations. This affords the municipality a platform to advise the traditional council if their land allocation issues are not ideal. This may soon be resolved if all the

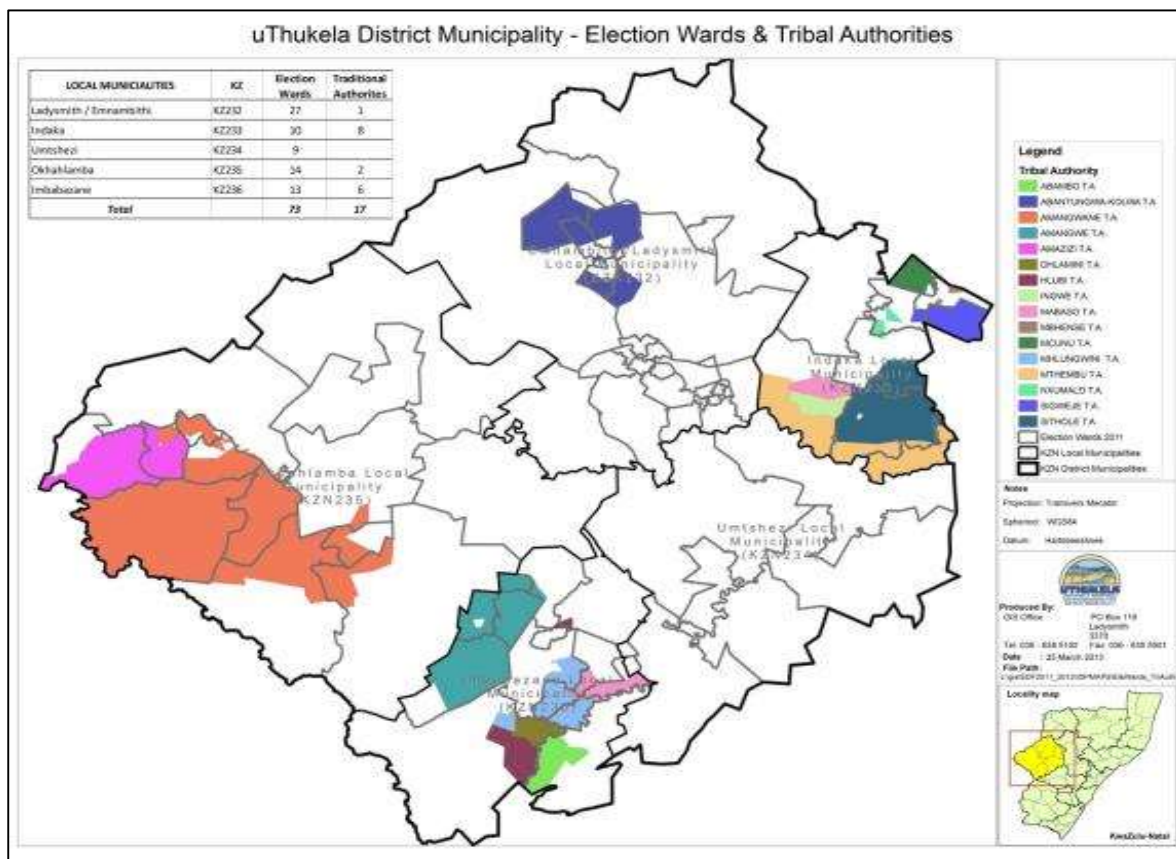


municipality manage to ensure that the recommendation of the PDA (to have wall-to-wall Land Use Management Scheme) is indeed implemented.

### 3.2.3 TRADITIONAL AUTHORITIES AREAS

The traditional authority areas account for 18% (2078 km<sup>2</sup>) of the whole district. These areas comprises of settlements, subsistence agricultural land and limited social and economic activities. The composition of these areas is as follows:

| Name                 | TA Area km <sup>2</sup> | % TA Area km <sup>2</sup> |
|----------------------|-------------------------|---------------------------|
| Emnambithi-Ladysmith | 170                     | 8                         |
| Okhahlamba           | 931                     | 45                        |
| Imbabazane           | 448                     | 22                        |
| Indaka               | 529                     | 25                        |
| Umtshezi             | 0                       | 0                         |
| <b>Total</b>         | <b>2078</b>             | <b>100</b>                |



### 3.2.4 STRUCTURING ELEMENTS

#### 3.2.4.1 THE ROLE OF N3 AND N11

The National Routes (i.e. N3 and N11) runs through the municipal area and these are the most visible man-made structuring elements within the district. N3 runs from south to north and vice versa. It transverses the area centrally and it is the busiest route with limited access points. N11 adjoins N3 via R103 in Ladysmith Urban Centre. This route proceeds to Newcastle and beyond. It is also a busy corridor in the province and a major link between the national industrial hubs of Johannesburg. It can be considered as the primary route within the area. This route is however, largely a movement corridor between the different areas of UThukela.

Due to the high volumes of traffic along this road, and the fact that it is largely being utilised as a main route by trucks and other freight vehicles, many opportunities exist for development that can

capitalize on the existence of this route. Due to the limited access nature of this road, opportunity points exist at key intersections or off-ramps along its route.

#### 3.2.4.2 INFLUENCE OF MAJOR RIVERS AND BOUNDARY DERMACATION

The biggest rivers that are found within UThukela are Tugela River, Kip River, Ngogo River, Ngwenyana, Sand River, Bosman River, Bloukrans River, Sikhehlenga River and Wasbank River. These rivers are the most visible natural structuring elements of the district area such that the Municipal Demarcation Board used these to demarcate some of the boundaries between the Local Municipal Areas.

#### 3.2.4.3 INFLUENCE OF UKHAHLAMBA MOUNTAINOUS AREAS

Ukhahlamba Drakensberg as well as mountainous areas on the north presents the very strong natural structuring elements. These areas were used by the Municipal Demarcation Board to demarcate the boundaries for UThukela District Municipality. Ukhahlamba Drakensberg acts as the physical bearer between UThukela District and the Kingdom of Lesotho while the mountainous areas towards the north were used to separate UThukela District Municipality from Thabo Mofutsanyana District Municipality (Free State Province) and Amajuba District Municipality (KwaZulu-Natal Province). The mountainous areas form a “C-shaped” belt that meanders from the south to west and eventually to north of the district municipal area.

#### 3.2.4.4 INFLUENCE OF EARLY APARTHEID SPATIAL PLANNING LEGACY

The historically spatial planning practices had a profound impact on the spatial structure on UThukela. Apartheid policies gave rise to fragmented communities, marginalised the poor from the economic activities and undermined their participation in the economy. A review of the structure and form of the municipal area reveals a low-density urban sprawl that was engineered by segregation policies. Ezakheni/ St Chads are one of the spatial footprints of the apartheid past that will take long to eliminate.

It changed by crisis search for land by the past authorities for segregation purposes hence the location of Ezakheni some 30km outside of Ladysmith. It presents the municipality with a serious challenge to transform the area from being a dormitory suburb into a functional, integrated and generative spatial system. The other segregated urban settlements include the R293 Townships such as Wembezi and Ekvukeni. The notion and location around the introduction of these areas was similar to Ezakheni. Therefore, these also became the fragmented urban settlements for both Ladysmith and Estcourt.

### 3.2.4.5 IMPACT OF POST APARTHEID SPATIAL PLANNING LEGACY

The end of apartheid marked what was initially perceived as a new chapter for spatial planning. The new spatial planning concepts were recently introduced and these encouraged compact and integrated urban environment. Such an environment is pursued by local planning instruments which are intended to encourage a dignified environment (i.e. sustainable human settlements) for every member of society to reside in. However the concept of sustainable human settlements has not truly materialized. The urban environments within UThukela have not become compact and integrated. In fact what has since transpired is as follows:

- The location of new low cost housing projects still took place in peripheral areas away from urban opportunities. The majority of these are found either in Ezakheni/St Chads area or just outside Steadville.
- Speculative sprawl has taken place that involves higher income people seeking to privatize amenity. The majority of this occurs just outside Ladysmith, particularly western suburbs.
- Urban management approach, which promotes anti-city values of suburbia – single storey houses on a large plot of land as a symbol of ‘good’ urban living.
  - The illegal occupation of land by those who either cannot find space in designated housing development areas or seek locations closer to urban opportunities but want to maintain their rural base(circular migration)
  - In addition, the growth of dislocated settlements (former black spots and land reform settlements) either in peri-urban areas or commercial farmlands

## 3.2.5 EXISTING NODES AND CORRIDORS

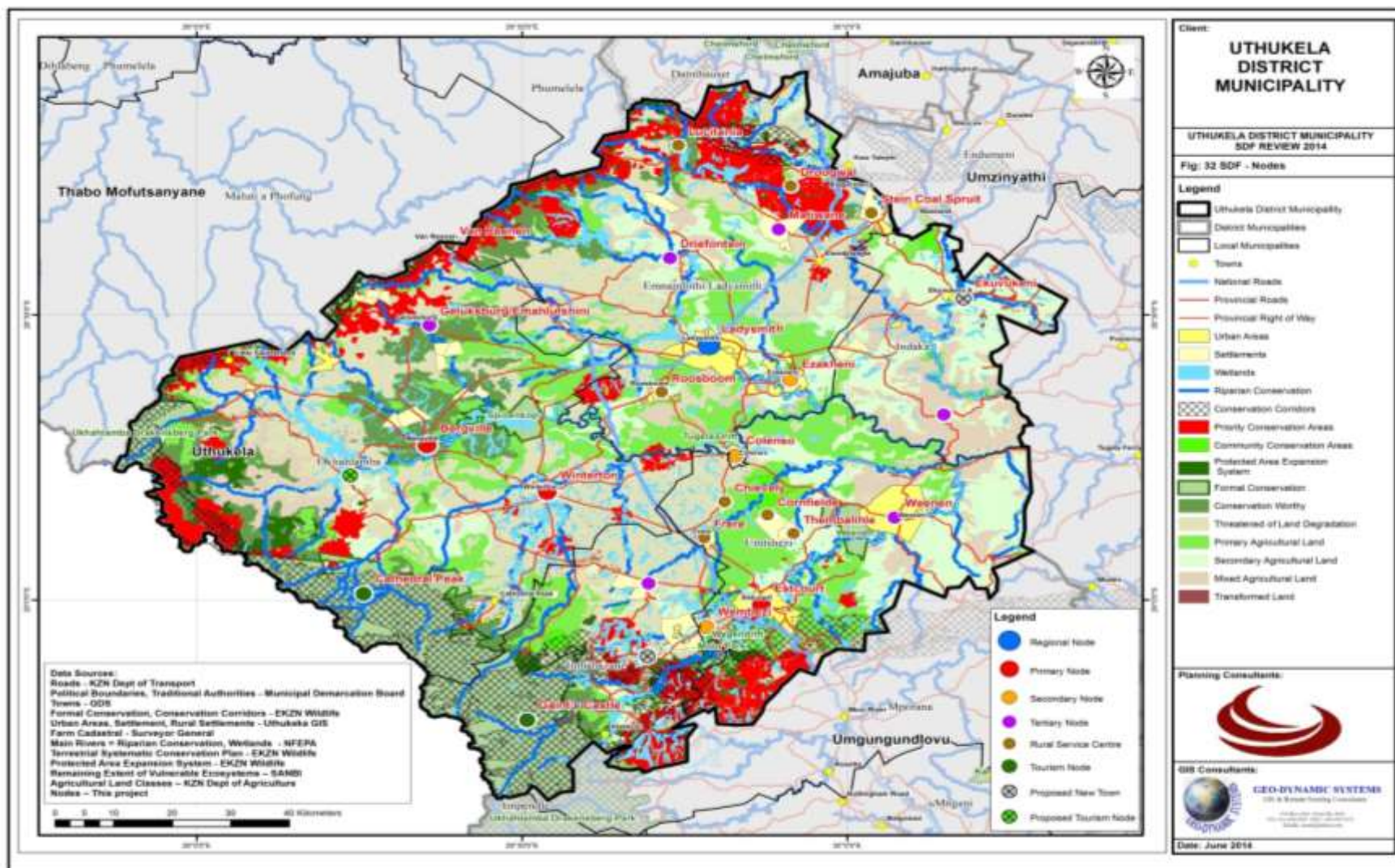
### 3.2.5.1 SYSTEM OF ACTIVITY NODES

The main issues facing UThukela Municipality is a poor settlement pattern, which manifests in the form of the dominance of small towns as a regional service centres and economic hubs, as well as the expansive farming areas and a general rural character of the area. The net effect of this is the inability to decentralise and coordinate service delivery at a localised level. As a means to address this, there is a need to facilitate the evolution of a system of nodes incorporating primary, secondary, tertiary/

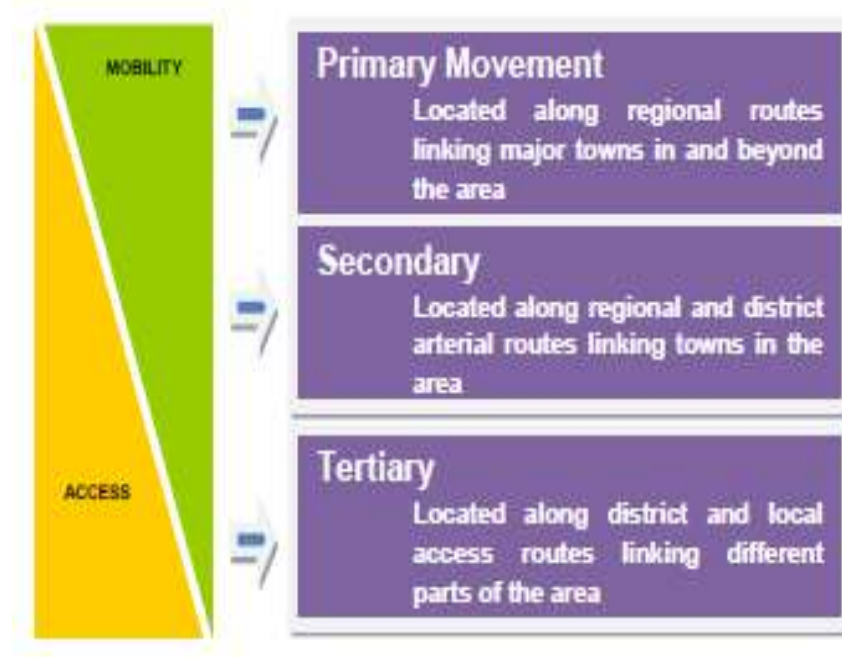
incipient and rural service nodes. An activity node is a place of high accessibility onto which both public and private investments tend to concentrate.

An activity node offers the opportunity to locate a range of activities, from small to large enterprises, often associated with mixed-use development. They are generally located along or at the cross-section of development corridors. Activity nodes have the potential to be an important sub-regional structuring device. They serve as points in the spatial structure where potentially access to a range of opportunities is greatest, where networks of association create diversity and where people are able to satisfy the broadest range of their day-to-day needs. Being points of maximum economic, social and infrastructure investment, as well as representing established patterns of settlement and accessibility, these nodes must be regarded as primary devices on which to anchor the structure of the sub-regional spatial system. Application of a system of development nodes in UThukela District is indicated on map below.

- Regional/ District Node (Ladysmith) – it has a much diversified economy that is mainly driven by the manufacturing which is value adding and creates many jobs. This regional economic centre still boost with a lot of potential for investment and further growth. It forms part of the provincial spatial systems and is identified in the PSEDS as one of the economic hubs.
- Primary Nodes are Estcourt, Bergville and Winterton.
- Secondary Nodes are Ekuvukeni, Wembezi, Ezakheni Town Centre and Colenso Town and Sobabili
- Tertiary Nodes are Driefontein Node, Matiwane Node, Ezitendeni – Msusimpi Complex, Limehill Complex, Weenen, Zwelisha, Dukuza Complex, Emmaus, Geluksburg and Emahlutshini.
- Rural Nodes are Lucitania, Drooval, Steincoal Spruit, Van Reenen, Roosboom, Thembalihle, Cornfields, Frere, Chively, Rensbergdrift, Nhlawe, Amabolwane – Okhalweni Complex, Sahlumbe, Mhlumayo, Bhekuzulu and Emhlabathini
- Tourism Node are Cathkin Park, Babangibone, Giants Castle and Injisuthi



### 3.2.5.2 HIERACHY OF DEVELOPMENT CORRIDORS



Development corridors in UThukela District Municipality occur at different scales depending on function and categorization of the transportation route that forms the basis of the corridor. They carry the flows of people and trade between two points (origin and destination) and encourages nodal development at strategic point. Corridor development as a spatial structuring element, and a tool for economic growth, seeks to create functional linkages between areas of higher thresholds (levels of support) and economic potential, with those that have insufficient thresholds. This will enable areas that are poorly serviced to be linked to areas of opportunity and benefit with higher thresholds.

Corridors constitute an effective form of decentralization and enables larger and smaller activities to form a relationship. Linear systems can handle growth and change well. They are an effective means for breaking down fragmentation and increasing integration and spatial transformation. System of development corridors in UThukela has been developed based on the levels of mobility and access routes, intensity of use and role in the regional spatial economy. Figure above summarizes the relationship between these two concepts and provides a framework for the three levels of corridors in the UThukela District Municipality.

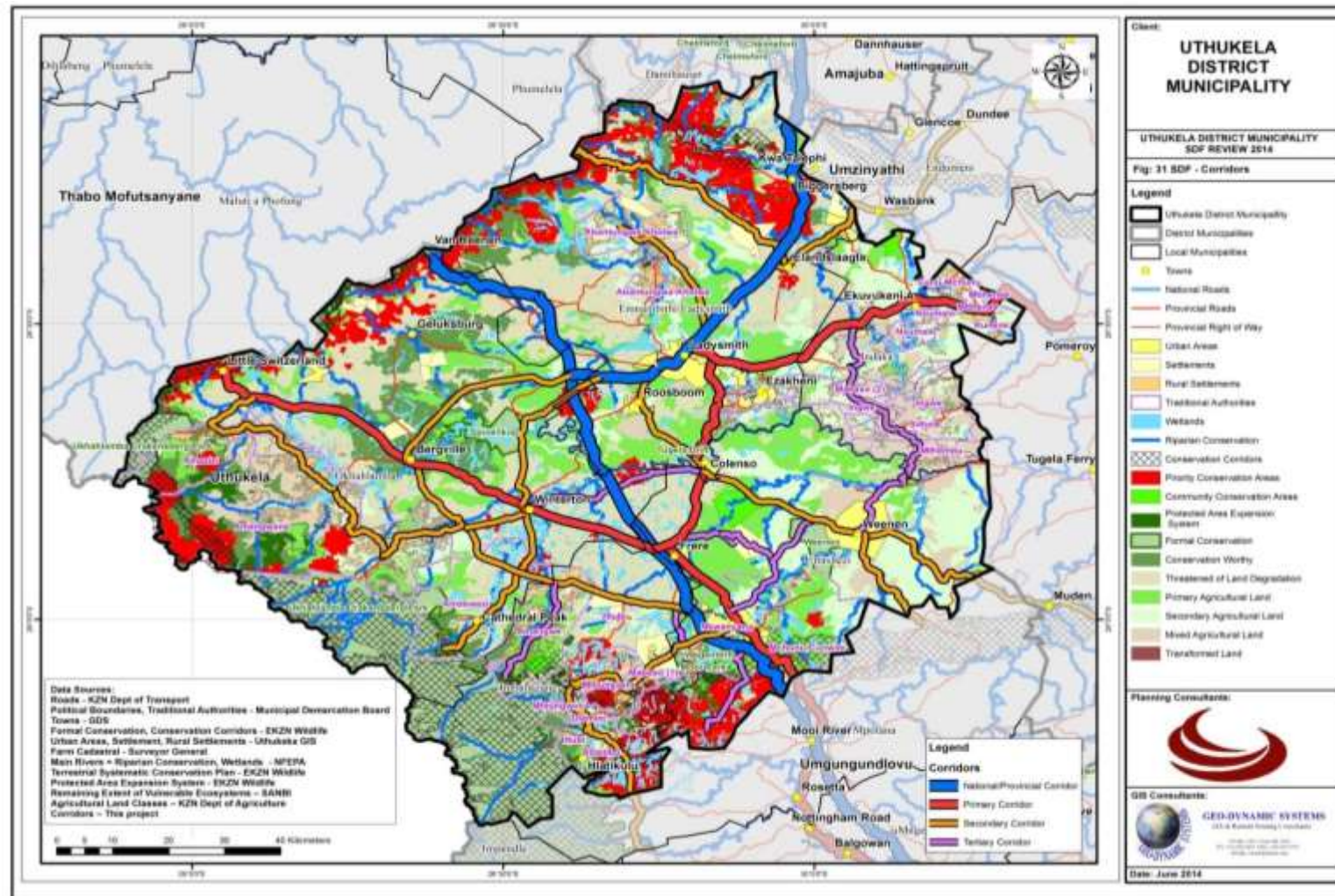
Upgrade and road maintenance projects on corridors that leads to development opportunity areas such as rural service centres, high potential agricultural land and tourism nodes should be prioritized

as this will encourage investment, improve accessibility and enhance mobility. This principle supports the phased approach to development, targeting areas of greatest potential first. Development corridors are effective in linking infrastructure and economic development as towns and structures connect to each other in a functionally effective manner. The system of development corridors has been identified as follows:

- National/ Provincial Corridor – N2 and N11
- Primary Corridor – R103, R74 & P32, roads linking Ekuvukeni with Ladysmith and Dundee/ Glencoe.
- Secondary Corridors – P176, R600, R616, P189, P33, P326, P263, Giant Castle to Weenen Nature Reserve Corridor, Regional road from Colenso in the west through Weenen to Greytown and beyond (east-west axis).
- Tertiary Corridor – P237, Road from Winterton to Colenso running along the western boundary of Umtshezi Municipality, P170-D385 corridor from Wagendrift dam through Estcourt town to Weenen running along the eastern boundary of the municipal area, D489 – D721(Cornfields-Thembalihle Corridor), P179 from Loskop road through Wembezi to Wagendrift Dam and the surrounding proposed conservation areas, P179 from Loskop road through Wembezi to Wagendrift Dam, The corridor from Pomeroy to Majaqula attempt to link Indaka with areas across uMzinyathi and The corridor to Dundee through Ebomvini



**CORRIDORS**



### 3.2.6 STATUS OF LAND REFORM

An extensive amount of the land within UThukela Municipality is classified as freehold as it belongs to the individuals and farmers. This gears the focus of land reform on two aspects that are land tenure reform and restitution reform. Land tenure reform is mainly pursued to strengthen the security of tenure amongst the farm dwellers that in many instances are the farm labours.

It also recognizing people's right to own land and therefore control it. Land restitution reform acknowledges the black people who were forcefully removed from the land that they owned following the Native Lands Act of 1913. The government takes a leading role in ensuring that the forcefully removed individuals are compensated (monetary) but when this approach proved to be unsuccessful, the policy shifted to redistribution.

The redistribution of land worked on the premise of willing buyer and willing seller. In this instance, the willing buyer is government and the willing seller is the landowner (farmer). The government under the auspices of the Department of Rural Development and Land Reform buys the land for distributing it to the individuals who were forcefully removed from it.

#### 3.2.6.1 STATUS OF LAND CLAIMS

A total of 205 261 ha of land is under claims within UThukela District Municipality. This involves 176 950 ha which is under restitution claims, 21 000 ha which is under redistribution claims and 7 311 ha which is under tenure reform. The majority of these claims are located within Umtshezi Municipal Area (143 245 ha) followed by Emnambithi/ Ladysmith Municipal Area (33 016 ha) and Indaka Municipal Area (29 311).

| PROGRAMME             | Size (Ha)  | Settled (Ha) | Pending (Ha) |
|-----------------------|------------|--------------|--------------|
| <b>Restitution</b>    | 176 950 ha | 66 840 ha    | 110 110 ha   |
| <b>Redistribution</b> | 21000 ha   | 1215 ha      | 19 785 ha    |
| <b>Tenure Reform</b>  | 7311 ha    | 7103ha       | 208 ha       |
| <b>TOTAL</b>          | 205 261 ha | 75 158 ha    | 130 103 ha   |

Only 75 158 ha of land under claims has been transferred which implies that there are still 130 103 ha of land that is under pending claims. This is a strong indication that a lot of work is required in order to settle these outstanding claims.

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### 3.2.7 LAND OWNERSHIP PATTERN

The pattern of land ownership within UThukela District Municipality demonstrates multiple tenure rights that range from freehold to communal and state land.

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#### 3.2.7.1 PRIVATELY OWNED LAND

The majority of the land in UThukela Municipality is in private ownership. This includes extensive commercial agricultural land and plots developed for a range of land uses. The majority of the farmland with high agricultural potential and strategically located urban areas within the town is in the hands of white people. Farming areas with less potential for agriculture such as Driefontein, Lucitania, etc. as well as economically inactive urban area such as Ezakheni and Steadville townships are in the hands of the black people.

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#### 3.2.7.2 STATELAND

There are a number of land parcels that belong to government within the urban and rural areas. These include the large tracks of land that exists on the outskirts of some of the urban areas including Colenso and Ekuvukeni that belong to the municipality. Ezakheni Township on the other hand is surrounded by large tracks of land that are administered by the Department of Rural Development and Land Reform while some are registered in the name of the municipality. There are fewer properties within the towns, which belong to the municipality and government.

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### 3.2.7.3 INGONYAMA TRUST

There are huge tracks of land that are registered under Ingonyama Trust and these exist within Okhahlamba, Imbabazane and Indaka. This land was previously registered under KwaZulu Government and it is now occupied and controlled by the tribal councillors. Land allocation is therefore not undertaken by the municipalities, but traditional structures.

Traditional leaders undertake Land allocation. However, this allocation is generally driven by indigenous knowledge of their areas with minimally influence and resources to identify development limitations e.g. environmental context, mineral potential and servitudes. Ingonyama Trust Board on the other hand issues a short-term lease for up to two years to enable developers to obtain planning and environmental consents and to secure finance for the development. Thereafter a lease for a term of up to forty years with an option to renew for a further forty years is normally granted once the requirements of the short term lease have been met.

According to the board shorter term leases are granted for agricultural uses and for short to medium term developments. Unless there are exceptional cases the Board charges a market related rent and lessees are responsible for all outgoings including assessment rates and other Municipal charges and for obtaining any necessary environmental or development planning consents. However the board follows its own process in the issuing of leases and tenure rights. Applicants for tenure rights on Trust land are required to complete and return a Tenure Option Application Form. It is a requirement of the Ingonyama Trust legislation that the formal consent of the relevant Traditional Council be obtained before a tenure rights application can be processed. The formal consent is only required where the subject site falls within a proclaimed Traditional Council area.

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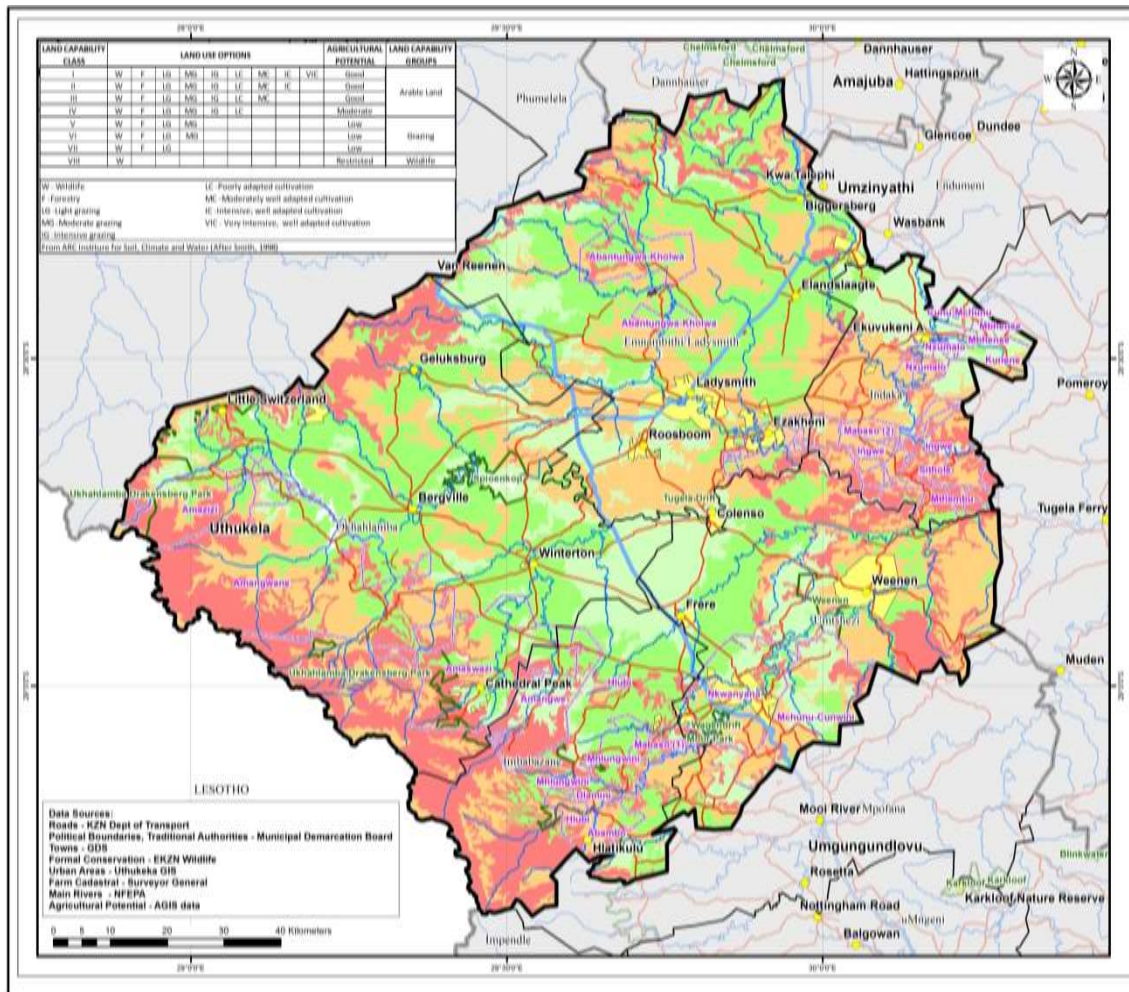
### 3.2.8 PROPOSED INDUSTRIAL DEVELOPMENT

The existing and established industries within UThukela are mainly found in Emnambithi/ Ladysmith and Umtshezi Local Municipalities. Ladysmith is considered to be the Primary Industrial Hub with three main industrial areas that are Danskraal, Nambithi and Ezakheni. Estcourt is considered to be a Primary Agri-processing Hub. According UThukela Investment Promotion and Attraction Strategy, there is still demand for manufactured products in uThukela such as clothing and textile, footwear, furniture, food, beverages and building material. Further, UThukela local economy is dominated by primary sectors, which implies that there is availability of raw material to a certain extent. However, because the

manufacturing sector is not developed and all its full potentials are not yet utilised, in most instances raw material is transported to other centres outside the district for processing. The areas that are seen as the potential for further industrial development that is worth exploration are as follows:

- Ladysmith and Estcourt – Existing Industrial Hubs;
- Bergville – Primary industrial area for maize mill and agro-processing;
- Weenen – Agricultural produce packaging and processing;
- Loskop – Leather production, clothing, textile; and
- Colenso – Charcoal Plant.

## AREAS FOR INDUSTRIAL DEVELOPMENT



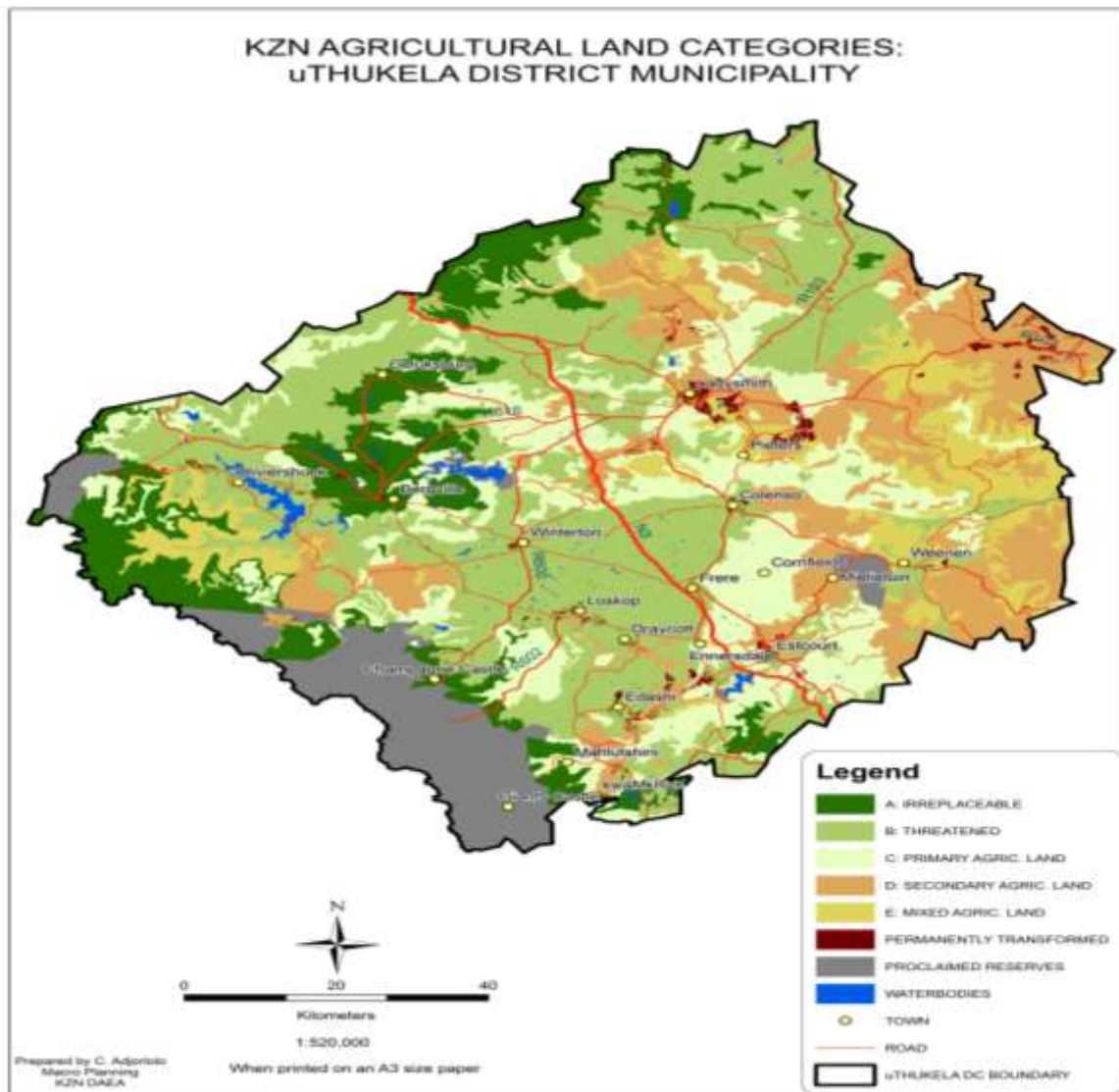
### 3.2.9 PROTECTION AND CONSERVATION OF AGRICULTURAL LAND

The Provincial Department of Agriculture, Environmental Affairs and Rural Development have a responsibility to protect agricultural land from development that leads to its alienation from its primary purpose or to diminished productivity. Poor resource (veld) management such as overstocking, the development of land for settlement (mainly in land reform projects) and other non-agricultural uses has led to the loss of significant areas of good agricultural land. Land degradation is now widely regarded as one of the greatest challenges facing certain parts of UThukela Municipality. Protection of good agricultural land should be based on the following policy principles:

- Any proposal for non-agricultural development on agricultural land is subject to an application made to, and assessed by, the Department of Agriculture in terms of the Sub-division of Agricultural Land Act, (Act No. 70 of 1970).
- The preparation of planning schemes should include an evaluation of alternative forms of development, and significant weight should be given to those strategies that minimise the impacts on good quality agricultural land.
- The Land Use Scheme should aim to minimise cases where incompatible uses are located adjacent to agricultural operations in a manner that inhibits normal farming practice. Where such instances do arise, measures to ameliorate potential conflicts should be devised.

The land use scheme should provide for a hierarchy of agricultural zones based on the agricultural development potential and impact of non-agricultural activities on agricultural land. Non-agricultural activities such as agri-tourism, game farms with themed estates or lodges, resort developments, etc. should be located on land with low agricultural potential.

- High potential agricultural land should be used for mainly agricultural activities. However, limited non-agricultural uses may be permitted especially along the corridors and within the designated development nodes. Conservation should form part of a drive to protect and enhance the quality of agricultural land. Irrigated land along the river corridors should be protected equally.
- Low potential agricultural land should be subjected to tourism and low intensity agricultural uses. Most of it is degraded and prone to soil erosion.



### 3.2.10 LAND USE PATTERN

The current land use pattern within the district has evolved due to a number of issues. These include economic opportunities, genesis of settlements, the natural environment, regional access routes and uniqueness of particular areas. The following broad land use categories are found in UThukela District Municipality:

- Urban nodes are Ladysmith, Colenso, Ezakheni, Estcourt, Wembezi, Weenen, Bergville, Winterton and Ekuvukeni. Each of these plays a different role in the space economy. Some of these are the



major commercial nodes such as Ladysmith and other smaller towns like Estcourt, Bergville and Winterton. The others are mainly dormitory suburbs.

- A sizeable portion of the municipal area comprises commercial agricultural areas. There are extensive and intensive farming activities throughout this area. They include crop production (primarily in irrigated areas), game farming, forestry and livestock farming.
- Traditional Authority Areas – there are several tribal areas with dense rural settlement, which are mainly located in Imbabazane and Indaka.
- Rural settlement areas that are not located within proclaimed tribal areas. They include settlements such as Driefontein, Matiwanoskop, Jononoskop, Lucitania, Nkunzi, Frere, Chiveley, Cornfields and Thembalihle. The management of these areas in terms of land use activities remains a critical challenge.
- Conservation areas include Ukhahlamba Drakensberg Park, nature reserves (namely the Weenen, Wagendrift and Moor Park Nature Reserves), game farms and heritage sites.

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#### 3.2.10.1 URBAN AREAS

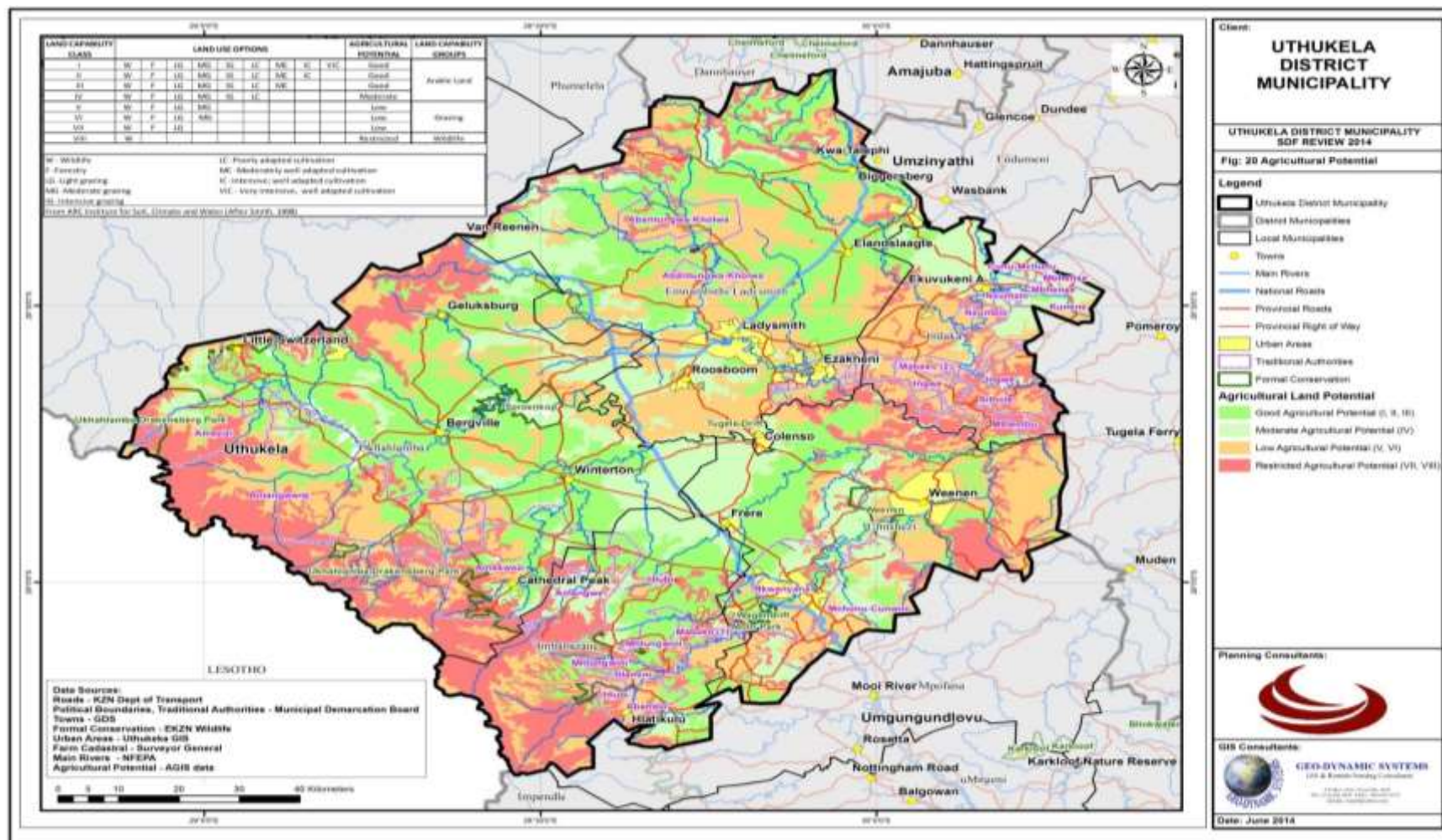
The urban areas occupy 259 km<sup>2</sup> of the total surface area within the district and this only accounts for 2,2% of the total district. These are the highest development intensity areas for integrated land use management including the introduction of comprehensive planning schemes.

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#### 3.2.10.2 COMMERCIAL AGRICULTURE

The dominant land use within UThukela is commercial agriculture, which covers 6852 km<sup>2</sup> or 60% of the geographic area of the district municipality. Existing commercial agriculture is represented by commercial crops and commercial forestry that accounts for a smaller fraction of the municipal area. The potential commercial agriculture category refers to grassland, which covers most of the municipal area. The map below shows the agricultural potential in uThukela

### AGRICULTURAL POTENTIAL



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### 3.2.10.3 RURAL SETTLEMENTS

Settlements represent 2% of the land uses in UThukela, which is a small percentage of geographical space. Land uses within the main urban centres include residential, commercial, industrial and a range of other complementary land uses. These areas also provide a high level of social and infrastructural services. Other settlements, which are significant in size but are not formalised urban areas, include Driefontein complex, Matiwane complex and Roosboom, which is to the south of Ladysmith. Other smaller settlements are scattered within the municipal landscape and include, Lucitania, Blue Bank Settlement, St. Joseph's Mission, Droogval Settlement, Steincoal Spruit (Nkunzi) and the Van Reenen.

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### 3.2.11 ENVIRONMENTAL ANALYSIS

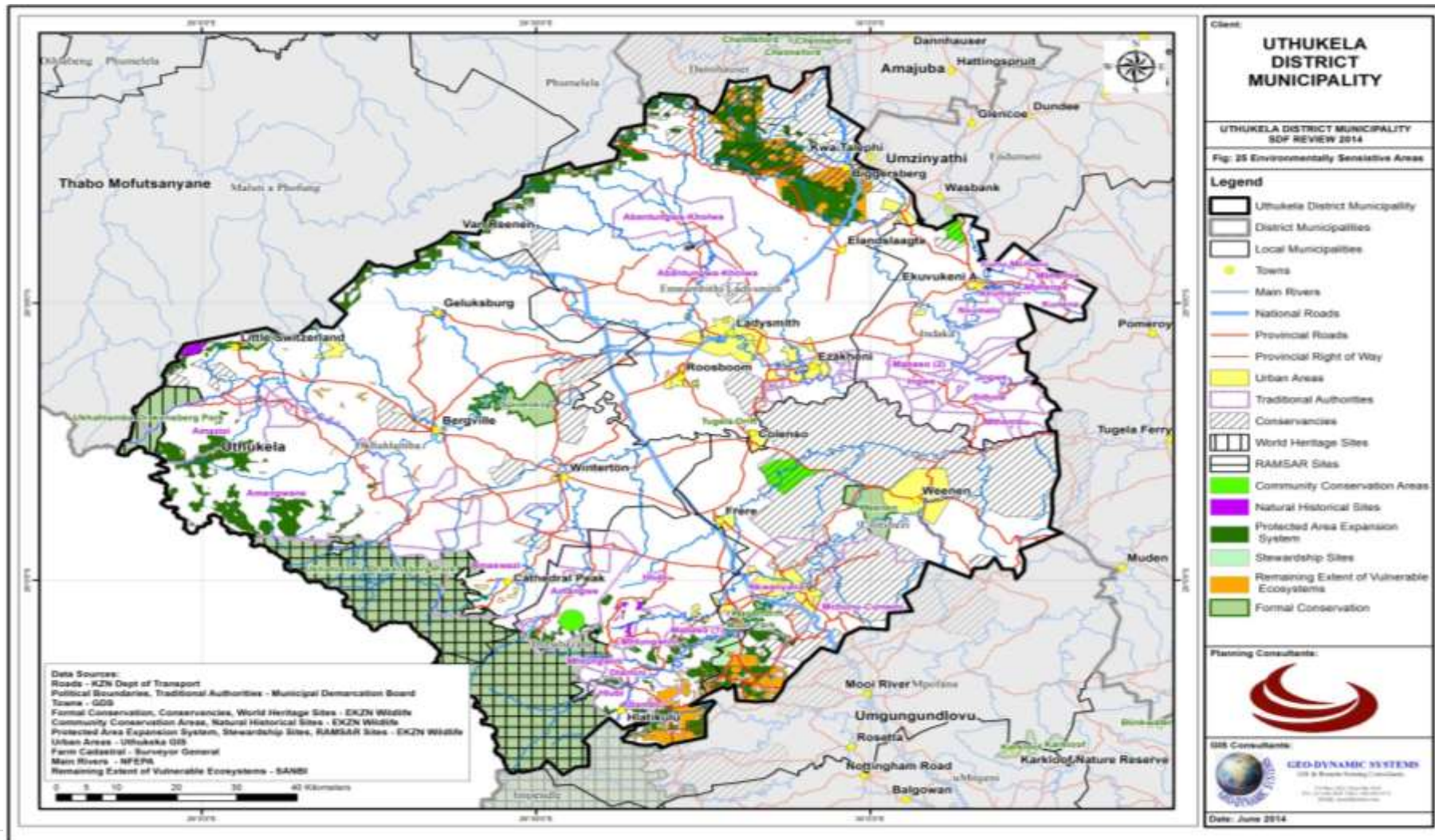
uThukela is committed to sustainable development to all projects linked to integrated development plan. Sustainable development is defined as the integration of social, economic, and environmental factors into planning, implementation and decision-making to ensure that development serves present and future generations. Environmental management leads to sustainable development through application of NEMA (act no. 108 of 1996) in all phases of integrated development Plan for uThukela district namely: Analysis, Vision & Strategies, Projects, and Integration. NEMA provides a set of detailed environmental principles to which subsequent Environmental legislation has to be adhered to.

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#### 3.2.11.1 ENVIRONMENTAL SENSITIVE AREAS

There is a range of environmentally sensitive areas within uThukela and include amongst others natural resources such as the important species sites, sites of intrinsic biodiversity value, watercourses and steep slopes. The greater central plateau and river valleys, such as the Sundays and Tugela River are some of the natural resources that should be protected. The most important environmental value associated with these valleys, are their value as catchments areas. The prevalence of dongas and soil erosion are also an indication of poor environmental management and there is therefore a need to develop and adopt an environmental management approach. The maps below shows the environmental sensitive areas within uThukela.

The Environmental Sensitive areas



### 3.2.11.2 BIODIVERSITY (INCLUDING PROTECTED AREAS)

The District comprises predominantly endangered and vulnerable vegetation types, and contains exceptionally rich floral and faunal species diversity. At least 180 and 61 Red data plant and animal species are found within the District, respectively (Biodiversity Sector Plan). Half of the 18 vegetation types in the municipality are classified as Endangered or Vulnerable, respectively comprising 20.5% and 61.4% of the District's land surface area. The uThukela District Municipality therefore contains a disproportionately large percentage of area classified Endangered and Vulnerable (81.9%). The demarcation and appropriate management of the best parcels of land within the uThukela District Municipality is therefore critically important for the conservation of these vegetation types in KZN.

In terms of Flora, only one formally conserved area called the Nambiti Conservancy. The lack of protected areas in the remaining areas of the Districts prevents the conservation of biodiversity in these areas. Natural vegetation cover is largely impacted by the continued urban sprawl taking place in the rural areas. There is a need for protected areas as the District contains critical vegetation biodiversity areas, including wetlands and grasslands that are a habitat for rare and often endangered plant species. There are four rare priority species were identified, namely *Barleria greeii*, *Barleria argillicola*, *Hemiziga bulosii* and *Calpurnia woodii*.

The fauna that inhabit the District comprises of various mammals, arachnids, various reptile species, insects species, amphibians and various bird species. Important bird species were identified and their roosting and nesting sites were identified as critical biodiversity area. Crane critical biodiversity areas were identified within the District north and southwest of the Ladysmith Town. The proposed interventions are as follows:

- Alien plant eradication programmes to be implemented (incl. private and Working for Water).
- Wetland rehabilitation programmes to be formulated and implemented (incl. private and Working for Wetlands).
- Appropriate burning regimes to be formulated and communities need to be educated in respect to burning of velds (incl. private and Working for Fire).
- Appropriate livestock and game stocking densities (adhering to agricultural norms)
- Sustainable harvesting of biodiversity resources
- Protection of nesting and roosting sites
- Vultures: protect nesting and roosting sites from any form of disturbance

- Quality control of carcasses offered in vulture restaurants
- Environmental education re persecution of Vultures and Ground Hornbill
- Expansion of Crane Custodian Programme
- Employ recognised procedures as per Crane Foundation and EKZNW
- Expansion of Oribi Custodian Programme

Figure 5: District Vegetation Types

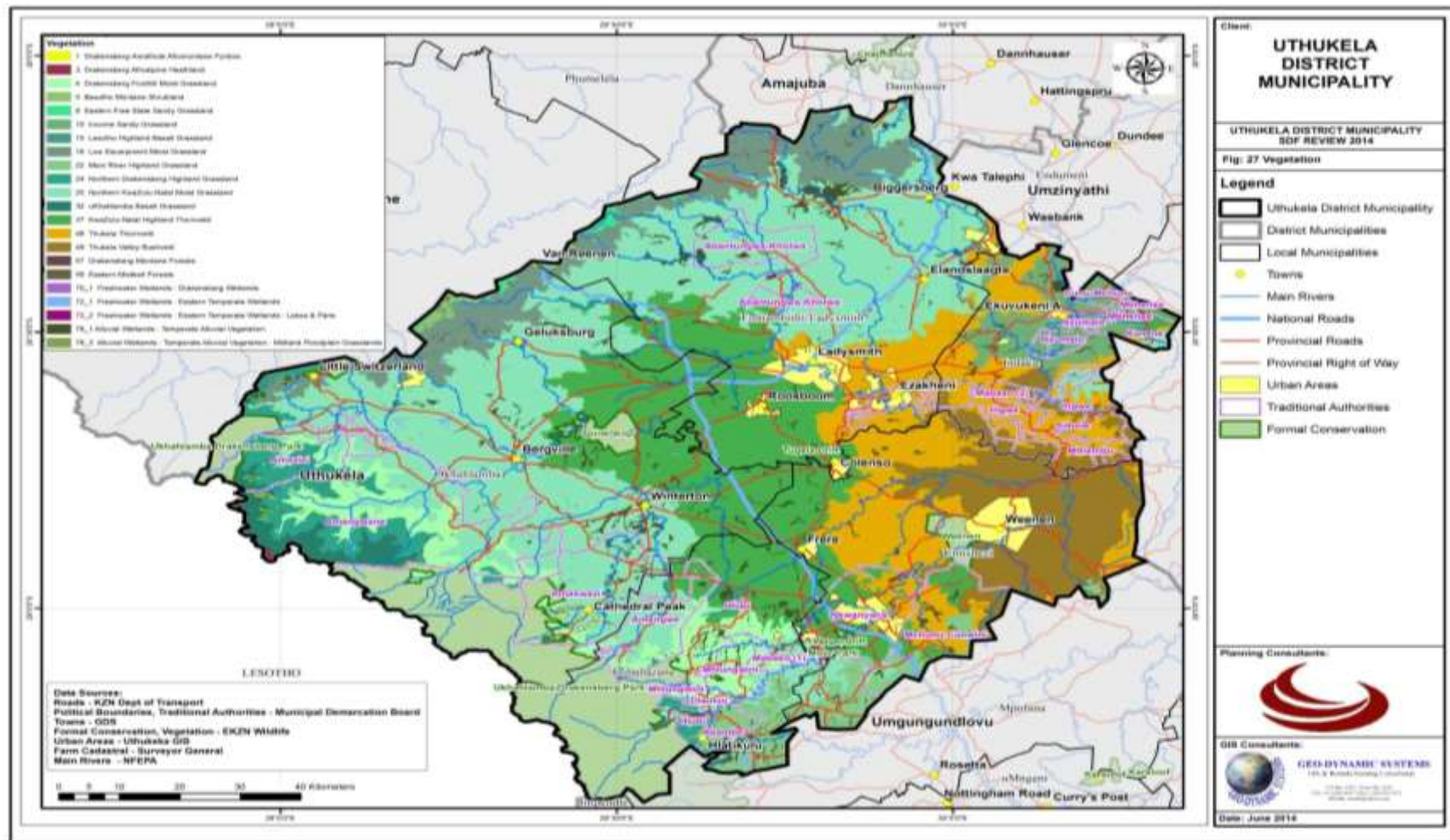
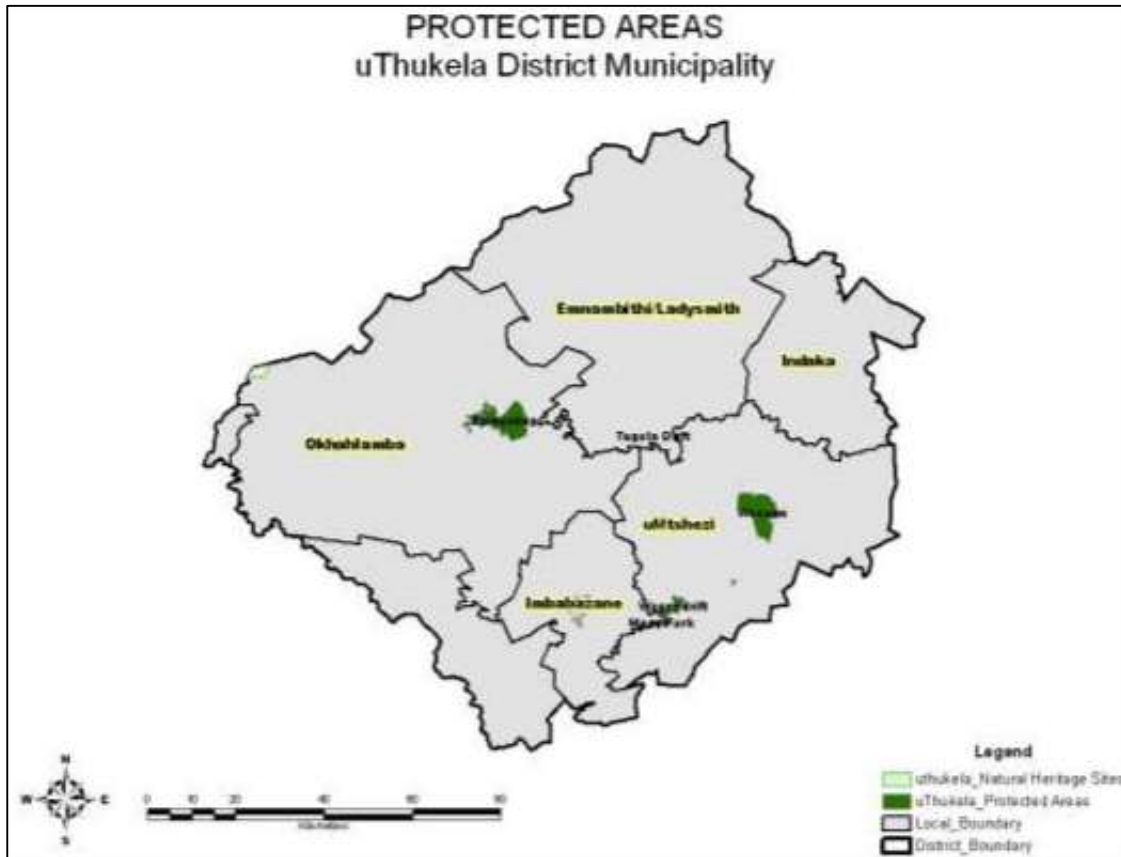


Figure 6: Protected Areas



Source: uThukela Integrated Environmental Plan



### 3.2.11.3 HYDROLOGY

uThukela district municipality core function is the provision of water and sanitation, therefore it has a commitment to lead water conservation initiatives around uThukela district. The following are the water sources of the district:

- UThukela River that rises from the Drakensberg Mountains and supplies water to a large portion of Kwazulu-Natal. Other main rivers include Klip River, Sundays River, Little Tugela, Boesmans River, and Sterkspruit Rivers;
- The Rivers and associated wetlands with the District, particularly upper catchment wetlands, are of national importance

### 3.2.11.4 AIR QUALITY

In terms of National Environmental Management, Air Quality Act (No. 39 of 2004), municipalities have a critical role to play in protecting the environment by providing reasonable measures for the prevention of pollution, ecological degradation, and for securing ecologically sustainable development while justifiable economic and social development.

The table that follows shows the provincial emission results from point, non-point and mobile sources, based on the KZN Baseline Emission Inventory Report (2007).

**Table 11 : Provincial Emissions in tons per annum**

| Districts       | CO <sub>2</sub>  | CO                | SO <sub>2</sub> | NO <sub>x</sub>  | PM              | LEAD        | VOCs             |
|-----------------|------------------|-------------------|-----------------|------------------|-----------------|-------------|------------------|
| Umgungundlovu   | 114747.33        | 89030.52          | 1593.16         | 13281.12         | 4655.99         | 0.00        | 16092.34         |
| Amajuba         | 36197.00         | 22045.40          | 2756.55         | 3351.73          | 9091.20         | 0.00        | 4117.83          |
| Umkhanyakude    | 20890.00         | 51341.31          | 319.62          | 4910.99          | 2872.51         | 0.00        | 6783.55          |
| Ugu             | 208674.00        | 44017.25          | 500.82          | 11920.30         | 1339.74         | 0.03        | 6748.69          |
| Zululand        | 7154.00          | 25952.49          | 206.75          | 4158.09          | 1299.11         | 0.00        | 4777.80          |
| Uthungulu       | 103395.00        | 183156.67         | 27629.36        | 9417.30          | 4045.17         | 0.94        | 9595.49          |
| Ilembe          | 0.00             | 7845.67           | 2525.37         | 1586.61          | 1054.98         | 1.03        | 873.84           |
| Sisonke         | 0.00             | 1937.41           | 15.33           | 620.69           | 70.51           | 0.00        | 359.67           |
| Ethekwini       | 3747.17          | 368544.69         | 34309.67        | 84250.69         | 16679.08        | 1.25        | 67610.10         |
| <b>Uthukela</b> | <b>0.00</b>      | <b>35117.08</b>   | <b>1296.43</b>  | <b>5045.97</b>   | <b>1652.62</b>  | <b>0.00</b> | <b>6501.20</b>   |
| Umzinyathi      | 0.00             | 14411.34          | 117.14          | 1778.19          | 343.22          | 0.00        | 2663.45          |
| <b>TOTAL</b>    | <b>494804.50</b> | <b>1389292.32</b> | <b>71270.21</b> | <b>246478.28</b> | <b>87692.98</b> | <b>5.53</b> | <b>187629.84</b> |

*Source: uThukela District Environmental Management Framework*

Due to its largely rural nature, UTDM only contributes 3.4 % of the total emissions in the province with the highest emissions being CO. Most of the emissions recorded for UThukela are for mobile-sources. This means that vehicle emissions are the chief contributor to air pollution in the district with industrial and agricultural sources playing a smaller role in air quality. Industrial sources of air pollution are concentrated in Ladysmith, with limited industrial activities also occurring in Estcourt. UTDM has an Air Quality Management Plan in place, and there is an air quality monitoring station in Estcourt.

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#### 3.2.11.5 CLIMATE CHANGE

Global warming is the increase in the average temperature of the earth near surface, air and oceans. The effects of climate change will be felt sooner than scientist realized and the world must learn to live with the effects. The destructive changes in temperature, rainfall and agriculture would worse affect vulnerable people such as the old and the poor.

uThukela district municipality is consciously aware that climate change poses critical threats to socio-economic development, in areas as diverse as water and sanitation, food security, health and energy. uThukela District Municipality has engaged itself in numerous initiatives aimed at capacitating communities on global warming and climate change.

The municipality supplies schools with garden tools to support food gardens initiative. The municipality also supports “green events” in their municipal activities. This is achieved through green procurement when organizing municipal events, waste management plan designed solely for the event, inviting Department of environmental Affairs to raise environmental awareness to communities during the day of an event e.g. distributing environmental education material to communities. uThukela district municipality is committed to understanding water resources, strategies & methods of utilizing water more efficiently & effectively going forward. *The climate change response plan is attached as an annexure*

The recently adopted organogram of uThukela district municipality shows the position of the environmentalist that is intended to be appointed in the financial year that will start in July 2015. The environmentalist will perform environmental management functions. Currently, uThukela district municipality gets environmental management support from Assistant Directors deployed to municipalities (National Department of Environmental Affairs) & also receive support from Assistant Managers-Municipal Support (Provincial Agriculture, Environmental Affairs &, Rural Development)

section) since there is no environmental management capacity in all municipalities within the family of uThukela.

The municipality has appointed a designated waste management officer & air quality management officer as to comply with the requirements of the Waste Act & Air Quality Act. The role of the waste management officer is to coordinate & account on matters pertained to waste management whilst air quality management accounts on air quality management matters.

### 3.2.12 STRATEGIC ENVIRONMENTAL ASSESSMENT (SEA)

The Municipal Systems Act (MSA) requires that part of each municipality's IDP must have Spatial Development Framework. The act also suggests an environmental layer, in the form of Strategic Environmental Assessment (SEA), must inform that development framework. It is necessary to address the environmental resources and assets of an area and consider its sustainability. It is under this premise that the District developed an Integrated Environmental Plan (IEP). The primary role of the IEP is to provide the high-level environmental analysis for the district including the local municipalities. Secondly, the plan is used to guide strategic and project level development and planning decision-making. The IEP contributes to a healthy environment by ensuring that strategic environmental issues are identified, as well as potential environmental requirements for future projects are taken into account during decision making.

### 3.2.13 SPATIAL AND ENVIRONMENTAL TRENDS

| ISSUE  | DRIVER  | INTEVENTION   |
|--|---|---|
| Threats to biodiversity and ecosystem functioning (especially catchment and watershed functioning) | Soil erosion due to lack of trail maintenance, paths by tourists and criminals, burning of trace lines for fire breaks<br>Uncontrolled and unplanned fire inability to control fires particularly entering from neighbouring areas<br>Overgrazing by livestock (cattle) entering from neighbouring area<br>Lack of funds for proper management (e.g. current IAP budget covers 5% of WHS area)<br>External pressures (e.g. land development by groups put pressure on resources; no compliance with the law even when an EA has been issued | Overgrazing by livestock (cattle) entering from neighbouring areas<br>Overarching intervention:<br>Follow and implement WHS management plans already in place<br>Improved grazing management<br>Coordination of different stakeholders / agencies for funding.<br>Improved law enforcement; awareness and education |

|   |  |  |
|---|--|--|
| Loss of cultural heritage   | Damage and destruction of rock art   | Follow and implement WHS management plans already in place   |
| Degradation of grasslands   | Inappropriate burning practice winter burning by thieves / poachers to encourage livestock / game to graze distant areas for poaching or theft<br>inappropriate burning practice annual as opposed to biennial burns<br>Soil erosion due to overgrazing, uncontrolled tracks   | Fire Management<br>Fire Management<br>Footpath planning and maintenance<br>Cross slope barriers contour burns, terraces  |
| Loss of biodiversity  | Alien plant infestation<br>Invasive control measures<br>Poaching of wildlife<br>Overharvesting of native plants  | Enforcement and awareness<br>Raising<br>Enforcement and awareness<br>Raising<br>Clearing of indigenous species<br>Enforcement and awareness raising  |
| Destruction of wetlands   | Overgrazing / livestock movement<br>Alien plant infestation<br>Poor burning regimes  | Grazing mgmt. herders; alternative fodder; stock reduction<br>Invasive control measures<br>Fire management   |
| Decline in water quality  | Leaching / runoff of agricultural chemicals due to lack of buffers on waterways and / or buffers between croplands and waterways<br>Riparian areas being lost to croplands resulting in siltation<br>High use of pesticides and fertilizers, which is leaching into water resources  | Integrated pest management to reduce pesticide use; improved fertilizer management to reduce leaching run off.<br>Buffer zones around waterways / riparian areas<br>Enforcement and awareness<br>All riparian areas in Buffer  |
| Loss of biodiversity  | Expansion of commercial agriculture<br>Alien plant infestation   | Ensure proper applications and permitting Alien Removal programmes   |
| Uncontrolled water abstraction impacting on water quality and quantity in rivers  | Uncontrolled and random construction of weirs and pipelines to meet domestic and agricultural water needs  | Rainwater harvesting focus on household / rooftop rainwater harvesting for domestic use and livestock watering (Minimal value in infield RWH due to high rainfall in area)   |
| Water pollution in rivers and groundwater   | Pollution with detergents from washing laundry in rivers due to insufficient water and sanitation services developed in the area   | Service provision by DM proper sanitation  |
| Litter and pollution Degradation of grasslands (increased erosion and declining biodiversity) grazing management issues | Poor solid waste management.<br>Illegal dumping (especially problem of disposable nappies in river.<br>Overgrazing large herds for cultural /traditional reasons.<br>Localized overgrazing livestock kept close to homestead to avoid theft.<br>Overgrazing large herds "hiding" drug money.<br>Regular movement of large number of livestock between kraals and grazing lands.<br>Cross slope barriers trash lines, vegetation strips | Service provision by DM Recycling; education and awareness campaigns<br>Policing of pollution controls.<br>Identification of illegal dumping hotspots.<br>Grazing mgmt. herders; alternative fodder; stock.<br>Reduction all communal grazing lands in buffer zone.<br>Rehabilitation of dongas gully plugging, gully cutting and vegetation |

### 3.2.14 SPATIAL AND ENVIRONMENTAL: SWOT ANALYSIS

The following table summarizes the Spatial and Environmental SWOT Analysis

**Table 12: Spatial & Environmental SWOT Analysis**

| Strengths  | Opportunities  |
|--|--|
| <ul style="list-style-type: none"> <li>◆ Aesthetically pleasing landscape with habitat diversity, large wetlands and important biodiversity areas with high tourism attraction</li> <li>◆ The area is good for a research development of certain organizations; the Ukhahlamba Drakensberg Heritage Site has Buffer restrictions to restore its own sense of place.</li> <li>◆ There are conservancies formed for conservation of species, habitat and biotic organisms</li> <li>◆ The Ukhahlamba Drakensberg mountain range is a World Heritage Site and forms part of the Maloti-Drakensberg Transfrontier Peace Park (MDTP) between Lesotho and South Africa. This has a competitive advantage</li> <li>◆ The area has much of protected areas that contribute to economic growth</li> <li>◆ The utilities sector has become increasingly important due to the establishment in the 1970s and 1980s of the Tugela-Vaal Augmentation Scheme (TUVA).</li> </ul> | <ul style="list-style-type: none"> <li>◆ IDP identified the need for a regional airport and the development of the N3 corridor;</li> <li>◆ The KZN Provincial Spatial Economic Development Strategy (PSEDS) identifies Okhahlamba as one region with massive potential for growth in agriculture and agro processing;</li> <li>◆ Integration of social, economic and environmental factors into planning, implementation and decision making this leads to sustainable development;</li> <li>◆ Sustainable Tourism , Revenue generation, Economic growth through sustainable development, Environmental awareness in the area;</li> <li>◆ Creation of green job opportunities through conservation of environment; this contributes to green economy</li> </ul>  |
| Weaknesses   | Threats  |
| <ul style="list-style-type: none"> <li>◆ Lack of economic diversity &amp; competitiveness of small towns;</li> <li>◆ Economy is dependent on government services;</li> <li>◆ Agriculture and tourism potential not fully exploited;</li> <li>◆ No sufficient tertiary education institutions leading to disjuncture between skills &amp; growing sector;</li> <li>◆ Ability to fully leverage location factors – transport, warehousing &amp; logistics;</li> <li>◆ The municipality is characterized by the ageing water and sanitation infrastructure;</li> <li>◆ Lack of initiatives to identify areas that need to be rehabilitated in the District;</li> <li>◆ Lack of environmental compliance and enforcement; this weakens management of the natural environment;</li> <li>◆ Lack of environmental management strategies, projects and key interventions to monitor &amp;</li> </ul>   | <ul style="list-style-type: none"> <li>◆ On-going environmental degradation impacting the ecotourism, leading to a reduction of resources available for conservation aspects;</li> <li>◆ Low economic growth and increasing rate of unemployment in major economic sectors;</li> <li>◆ Alien infestation may lead in marked declines in stream flow, transformation of vegetation composition &amp; structure; alteration of patterns nutrient cycle &amp; fire regime; also impact on Tourism &amp; Agricultural production;</li> <li>◆ High potential agricultural land, potential forestry areas and areas likely to experience settlement expansion this poses greatest threats to identified Critical Biodiversity Areas (CBAs);</li> <li>◆ Excessive harvesting of indigenous trees for firewood, cutting thatch grass for roofing purpose, use of river sand and soil for buildings;</li> </ul> |

|  |  |
|--|--|
| <p>manage biodiversity as well as ecological footprint;</p> <ul style="list-style-type: none"> <li>◆ Lack of important environmental plans to execute the core function of the local municipality (waste management) i.e. IWMP;</li> <li>◆ Poor participation in environmental related forums;</li> <li>◆ Lack of environmental planning tools to govern natural environment;</li> <li>◆ No alignment between district wide environmental plans with the local municipalities</li> </ul> | <ul style="list-style-type: none"> <li>◆ Farming in traditional areas is seriously underdeveloped and suffers from a range of constraints to its future growth;</li> <li>◆ Limited benefits derived from international and national assets situated in the district;</li> <li>◆ Lack of environmental education in general</li> <li>◆ The effects of climate change due to poor environmental management;</li> </ul> |
|--|--|

### 3.2.15 DISASTER MANAGEMENT

uThukela district municipality is concerned about the human suffering and economic loss due to the result of disasters. uThukela district municipality is affected by numerous disasters that include Veldfires, Floods, Strong Winds and hailstorm.

Disaster management is everybody's business. The disaster management plan was outdated and the municipality took an initiative of reviewing it so that it remains relevant, the reviewed plan aims to guide the family of municipalities to minimize, reduce and eradicate any risk that the area may face due to disasters. This plan indicates that a disaster can be caused by humans or nature since these are events that are sometimes unpredictable. The natural disasters include floods and lightning while the human induced disasters may include fires and accidents. *The reviewed plan is attached for easy reference.*

The district municipality has also established the Disaster Management Advisory Forum that is comprises of local municipalities, NGO's, and other relevant stakeholders. The committee meets four times per year. uThukela district is concerned with preventing disasters whenever possible and reducing the impact on the lives of the people of any disasters that do occur.

#### 3.2.15.1 MUNICIPAL INSTITUTIONAL CAPACITY

The Municipality has appointed a Disaster Manager on implementing the Disaster. In terms of District Disaster Management Centre, the municipality with the assistance from COGTA Disaster Management have started with the construction of the fully-fledged centre that is compliant to the Disaster

Management Act that will respond swiftly to disasters. The uThukela Disaster Management Centre is now 80% complete.

### 3.2.15.2 RISK ASSESSMENT

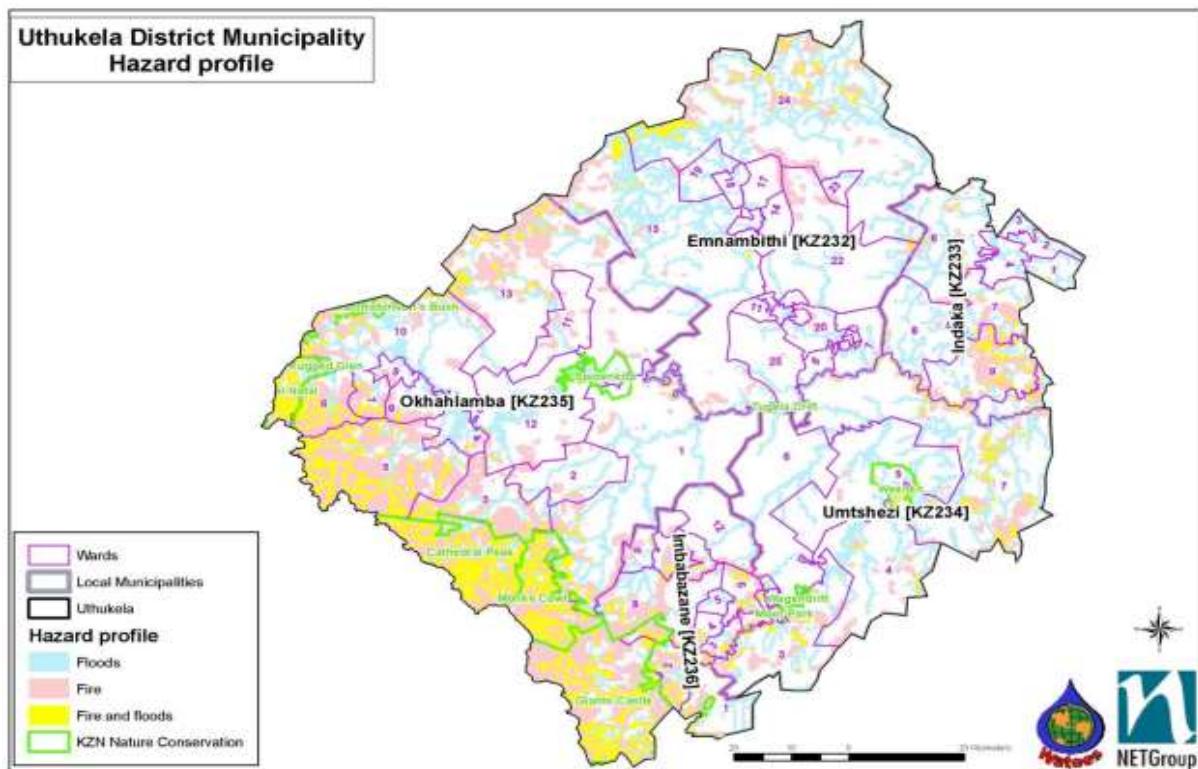
#### 3.2.15.2.1 RISK PROFILE OF THE UTHUKELA DISTRICT MUNICIPALITY

The table following depicts a summary of the risks / hazards in uThukela District whereas the attached disaster management plan is detailed on the identified hazards.

**Figure 7: Identified Hazards for uThukela District Municipality**

|  |
|--|
| Lightning  |
| Strong Winds   |
| Chlorine leakage or an hazcem incident (esp. in Ladysmith) |
| Large industrial fires, bulk depots spillages or fires     |
| Lightning  |
| Fires  |
| Railway Accidents (railway passes dam wall)                |
| Strong winds and storms                                    |
| Soil Erosion   |
| Environmental Degradation                                  |
| Floods   |
| Snow   |
| Hazmat   |
| Air Pollution (CO <sub>2</sub> , Acid rain, Plants)        |
| Water contamination  |
| N3 or N11 incidents  |
| Possible dam failure (Thukela and Bushman intersect)       |

It was possible to compile appropriate GIS profile maps Using the detail disaster hazard, vulnerability and risk assessments of UDM. These GIS-profile maps summarise the disaster hazard, vulnerability and risk analysis of UDM. Hence, these profile maps indicate the risk profile of the UDM area of jurisdiction. When floods and veld fires (which received the highest threshold value during the risk assessment) were combined, it was possible to compile a disaster hazard profile map for UDM (Map below ). The blue colour indicates the location of possible flooded areas, red indicates the location of possible fire hazard zones, while the yellow colour indicates the combination of both fire and flooded areas in UDM area of jurisdiction.



### 3.2.15.3 RISK REDUCTION AND PREVENTION

Disaster prevention refers to actions that provide “outright avoidance” of the adverse impact of hazards and related environmental, technological and biological disasters. Strategies applicable to preventive intervention are inter alia (see Disaster Management Plan Appendix in the IDP for detail list):

- ⇒ Effective land-use planning;
- ⇒ Basic public works and
- ⇒ Effective municipal services that factor in the frequency and severity of natural or other hazards as well as human actions.

Examples are:

- ⇒ Replanting indigenous grasses or trees on a recently burned slope near roads or dwellings to stabilise the soil and prevent damaging land subsidence;
- ⇒ Locating critical rail: Road and telecommunications structures behind a coastal “setback” line in areas exposed to storm surges to prevent disruption to critical services during violent summer or winter storms;
- ⇒ Careful positioning of storm water drainage and its on-going maintenance, along with protection of natural wetlands, to prevent destructive flooding during heavy rain



It is not possible to completely prevent all disaster events. Their severity can be reduced, however, through on-going disaster mitigation efforts.

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#### 3.2.15.4 RISK REDUCTION AND PREVENTION

Disaster Mitigation refers to structural and non-structural measures that are undertaken to limit the adverse impact of natural hazards, environmental degradation and technological hazards on vulnerable areas, communities and households. These efforts can target the hazard or threat itself e.g. a firebreak that stops a fire spreading close to residential areas. This is often referred to as structural mitigation, since it requires infrastructure or engineering measures to keep the hazard away from those at risk.

Disaster mitigation efforts can also target people who are at risk, by reducing their vulnerability to a specific threat, e.g. promoting community responsibility for controlling fire risk in an informal settlement. This is often called “non-structural” mitigation, as it promotes risk-avoidance behaviours and attitudes. A shift from structural to non-structural measures took place worldwide. The main reason for this is mainly the non-contribution of structural measures to sustainable development objectives. In most cases, structural measures only reduce disaster damage and the level of risk remains the same. Hence, structural measures only create a false sense of security for communities.

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#### 3.2.15.5 RESPONSE AND RECOVERY

The municipality is playing a coordinating role in terms of response and recovery. The family of local municipalities are the ones that are dealing directly with response and recovery. In March 2014, one of the areas in Okhahlamba local municipality was attacked by storm that damaged houses as well as hospital in the area and the municipality supplied with tents and blankets.

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#### 3.2.15.6 TRAINING & AWARENESS

Disaster management must be sustainable. This means that the issues must be kept alive. Two useful approaches to keep the issues in the public mind are training and public awareness programmes. Training cannot only take place when money is available or once every five years. Therefore, the training process must be integrated and ensure that people are being trained on a regular basis so

that people can know what their responsibilities are in the implementation of disaster management programmes. In the same way, public awareness can contribute to sustainability. "On-going public awareness, with the momentum shifting to community representatives, can lay the foundations of this ownership". Public awareness must be a two way process which establishes dialogue, rather than focused too much on officials passing on to communities what they feel communities should know (Westgate, 1999).

### 3.2.15.7 FUNDING ARRANGEMENTS

In the 2015/2016 financial year, uThukela district municipality put aside some funding for relief material in case of a disaster since the majority of the areas in the district are prone to disasters. It is foreseen that every financial year more funding will be pumped in to deal with the issues of disasters in a swift manner.

### 3.2.15.8 DISASTER MANAGEMENT SWOT ANALYSIS

**Table 13: Disaster Management SWOT Analysis**

| Strengths  | Opportunities  |
|--|--|
| <ul style="list-style-type: none"> <li>◆ Draft Disaster management plan in place</li> <li>◆ Appointment of a Disaster Manager</li> <li>◆ Practitioner's forum in place</li> <li>◆ Disaster management Fleet to respond swiftly to incidents</li> <li>◆ Political will from Mayoral Office</li> </ul> | <ul style="list-style-type: none"> <li>◆ Lacks leadership, no head of centre</li> <li>◆ Lacks organisational structure; no clear lines of reporting</li> <li>◆ Lacks resources (human &amp; material)</li> <li>◆ Very limited or no budget at all</li> <li>◆ Lacks expertise – out sourced</li> </ul>  |
| Weaknesses   | Threats  |
| <ul style="list-style-type: none"> <li>◆ Support from provincial and national centres</li> <li>◆ Support from local NGO's and business organisations</li> </ul>  | <ul style="list-style-type: none"> <li>◆ Non-compliance with legislative mandates – reporting</li> <li>◆ Deeply rural, agrarian and poverty stricken communities</li> <li>◆ Political volatility and social tensions</li> <li>◆ Lack of co-operation from supported municipal centres (sharing &amp; exchanging of information)</li> <li>◆ Lacks political will from supported structures</li> </ul> |

### 3.3 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

#### 3.3.1 MUNICIPAL TRANSFORMATION

Municipal transformation and organisational development relates to a fundamental and significant change in the way the municipalities perform their functions and the calibre of human resources used in the delivery of quality services to the communities served. Service delivery planning has changed from municipal centred approach to community participatory approach.

Transformation is part of the municipality's strategy and has to be driven from the highest level of management and leadership. Municipalities need to enhance management skills to facilitate team players who will cascade the transformation assignment to the lowest levels of staff.

#### 3.3.2 ORGANIZATIONAL DEVELOPMENT

Organizational development is a deliberately planned effort to increase an organization's relevance and viability. Organisational refers as the future readiness to meet change thus a systemic learning and development strategy intended to change the basics of beliefs, attitudes and relevance of values, and structure of the current organization to better absorb disruptive technologies, shrinking or exploding market opportunities and ensuing challenges and chaos.

Organizational development is the framework for a change process designed to lead to desirable positive impact to all stakeholders and the environment. It can design interventions with application of several multidisciplinary methods and research besides traditional organizational development approaches.

##### 3.3.2.1 INSTITUTIONAL ARRANGEMENTS

Sub-structures such as the Executive Committee, Finance Sub-Committee, Human Resources & Sound Governance Sub-Committee, Infrastructure & Community Services Sub-Committee and, Economic Development & Planning Sub-Committee) have been established to carry out the decision-making and oversight functions of the uThukela Council. In addition to these sub-structures the district has the MPAC (Municipal Public Accounts Committee) and Audit Committees that also oversee the administrative undertakings. As far as the municipal administrative structure is concerned, there are

six main municipal departments namely the budget and treasury office, corporate services, municipal health and water service authority, Technical services, water services and social and Economic services that report directly to the Office of the Municipal Manager.

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### 3.3.2.2 POWERS AND FUNCTIONS OF MUNICIPALITY

The following are the powers and functions of our municipality:

- ⇒ To provide community & citizen services;
- ⇒ Water supply and sanitation services;
- ⇒ Municipal Health services;
- ⇒ Solid waste disposal sites;
- ⇒ Municipal roads;
- ⇒ Regulation of passenger transport services;
- ⇒ Municipal airports serving the area of the whole district;
- ⇒ Fire fighting serving the whole District;
- ⇒ Establishment and control of fresh produce markets;
- ⇒ Establishment, conduct and control of cemeteries;
- ⇒ Promotion of local tourism for the area of the district municipality;
- ⇒ Municipal public works relating to any of the above functions or any functions assigned to the district municipality

The table following elaborates the functions of the municipal departments:

Table 22: Municipal Departments and some of their Functions

| OFFICE OF THE MUNICIPAL MANAGER  | CORPORATE SERVICES  | TECHNICAL SERVICES  | BUDGET & TREASURY OFFICE   | STRATEGIC PLANNING, & LED  | WATER SERVICES AND WSA  |
|--|---|---|--|--|---|
| <p><u>FUNCTIONS</u></p> <ul style="list-style-type: none"> <li>• The management of the municipality's administration.</li> <li>• The implementation of the IDP and monitoring of the plan.</li> <li>• The implementation of National and Provincial Legislation applicable to the municipality.</li> <li>• The management of the provision of services to communities in a sustainable manner.</li> <li>• Advising the Municipal Council and other political structures as well</li> </ul> | <p><u>FUNCTIONS</u></p> <ul style="list-style-type: none"> <li>• Advising Council and its committees on standing orders, code of conduct and applicable Legislation;</li> <li>• Advises the Council, its Committees and Heads of Departments on Human Resource Policy and labour relations</li> <li>• Acts as a Municipal Manager during his absence</li> <li>• Approves all agendas and minutes compiled by his staff</li> <li>• Ensuring a sound Information</li> </ul> | <p><u>FUNCTIONS</u></p> <ul style="list-style-type: none"> <li>• Responsible for the entire technical liaison between UTDM National and Provincial Government Departments</li> <li>• Responsible for rendering technical support services to local authorities within the UThukela area, where such needs exist</li> <li>• Responsible for the approval of the prioritization of projects after technical evaluation</li> <li>• Project administration services including capital budgeting and control of consultants</li> </ul> | <p><u>FUNCTIONS</u></p> <ul style="list-style-type: none"> <li>• Implementing the Financial Regulations</li> <li>• Acting as the direct link between the Council and the Auditor General</li> <li>• Acting as Consultant to Local councils in the region for the administration of projects funded by the Council</li> <li>• Compiling the annual budget and financial statements</li> <li>• Controlling the bank account and arrangement</li> </ul> | <p><u>FUNCTIONS</u></p> <ul style="list-style-type: none"> <li>• Prepares the Disaster Management Plan for Council.</li> <li>• Develop and implement social programmes;</li> <li>• Develop youth in the District;</li> <li>• Develop and promote sports; and</li> <li>• Promote gender equality</li> <li>• Identify LED opportunities;</li> <li>• Develop the LED Plan;</li> <li>• Source funding for LED projects;</li> </ul> | <p><u>FUNCTIONS</u></p> <ul style="list-style-type: none"> <li>• Ensuring compliance with all Water Service Authority functions contained in the Water Service Act 108 of 1997</li> <li>• Ensuring that water service policy including the by-laws and tariffs are in place</li> <li>• Monitoring and evaluating all Water Service Providers delivering services within the council jurisdiction</li> </ul> |

|                                       |  |  |                                       |   |   |
|---------------------------------------|--|--|---------------------------------------|---|---|
| <p>officials of the municipality,</p> | <p>Technology system within UTDM</p> <ul style="list-style-type: none"> <li>• Contract management</li> </ul> |  | <p>of transfers between accounts.</p> | <ul style="list-style-type: none"> <li>• Promote tourism; and</li> <li>• Management of all planning related functions within UTDM;</li> <li>• Ensuring that development occurs in terms of UTDM's Spatial Development Framework;</li> <li>• Ensuring a sound and operational GIS within UTDM;</li> <li>• Drafting and day-to-day management of the IDP</li> <li>• Environmental management</li> </ul> | <ul style="list-style-type: none"> <li>• Ensuring that the WSDP is in place</li> <li>• Managing and overseeing any programme linked to the Water Service Authority function such as ISWIP</li> <li>• Every water services authority has a duty to all consumers or potential consumers in its area of jurisdiction to progressively ensure efficient, affordable, Economical and sustainable access to water services.</li> </ul> |
|                                       |  |  |                                       |   |   |

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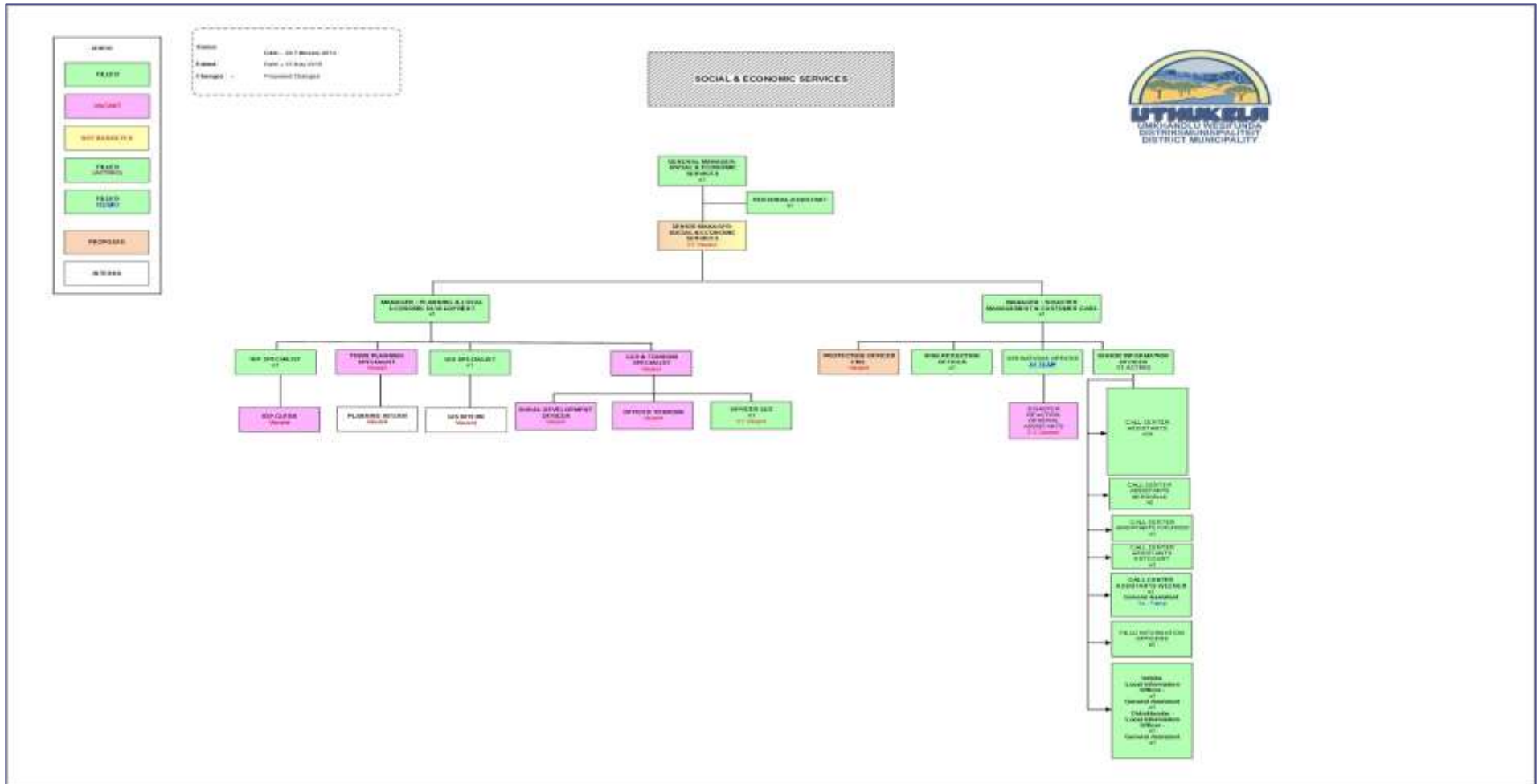
### 3.3.3 ORGANIZATIONAL STRUCTURE / ORGANOGRAM

uThukela district municipality has reviewed the organizational structure to ensure that is aligned to the Powers and Functions assigned to the district municipality and implementation of the IDP. The organizational structure was prepared and workshopped with all councilors and it was presented to EXCO and adopted by Council on the 19 May 2015. The District Municipality is having ± 510 permanent staff members and ±140 part time staff members. The following is the adopted organogram of uThukela district municipality. The attached organogram might not be visible enough because of the size but the A3 copies are attached as annexures for easy reference.

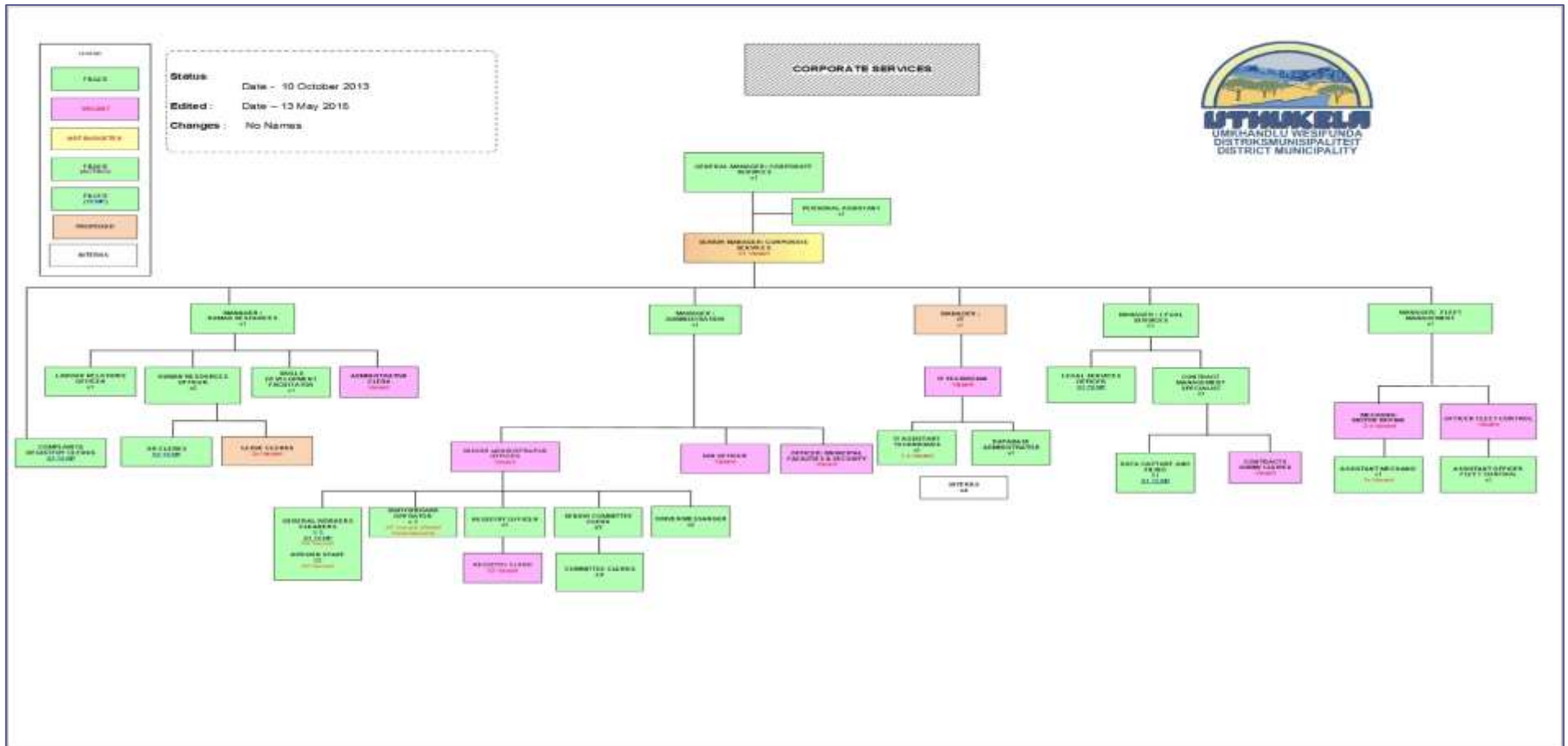




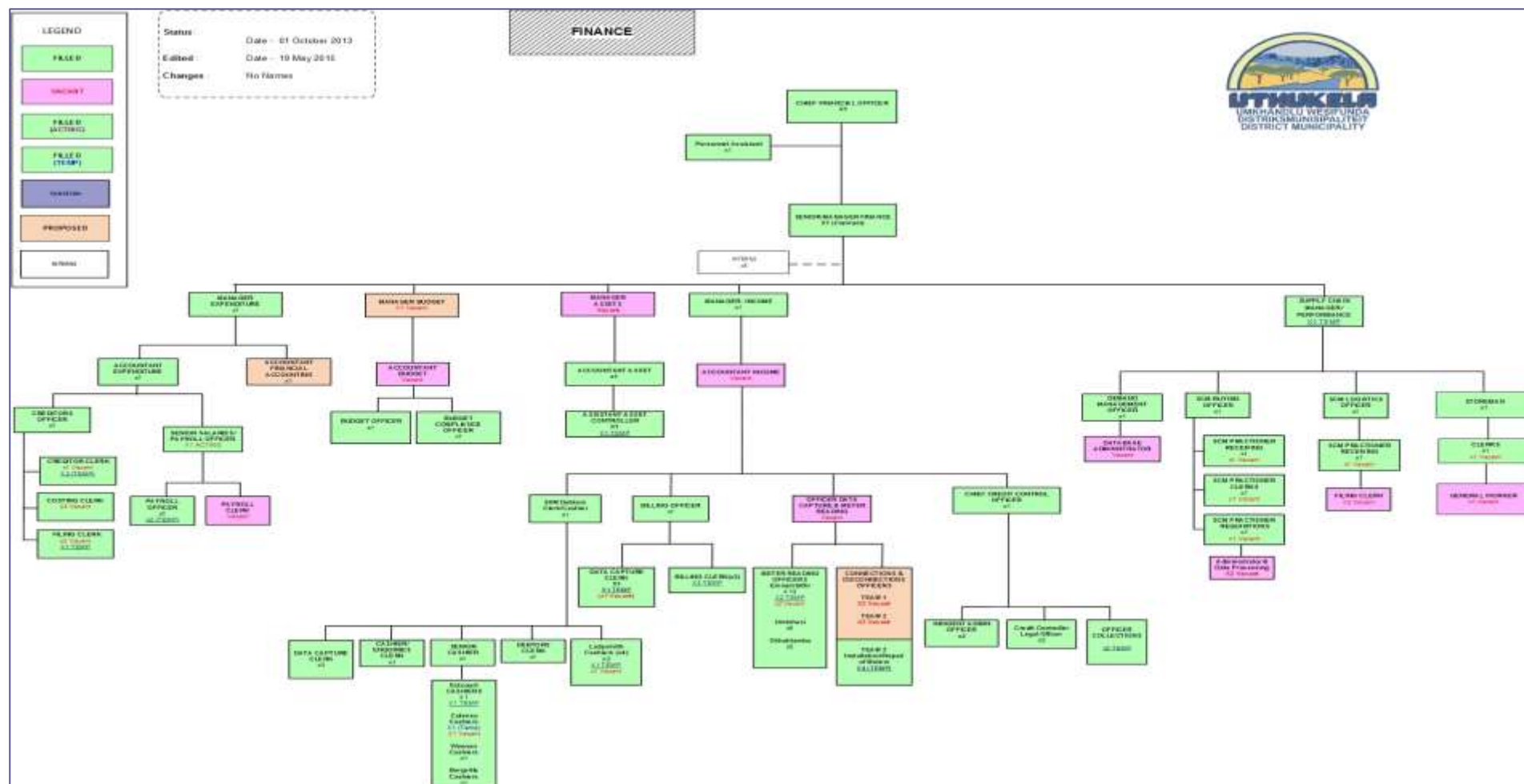
3.3.3.2 DEPARTMENT OF SOCIAL & ECONOMIC SERVICES



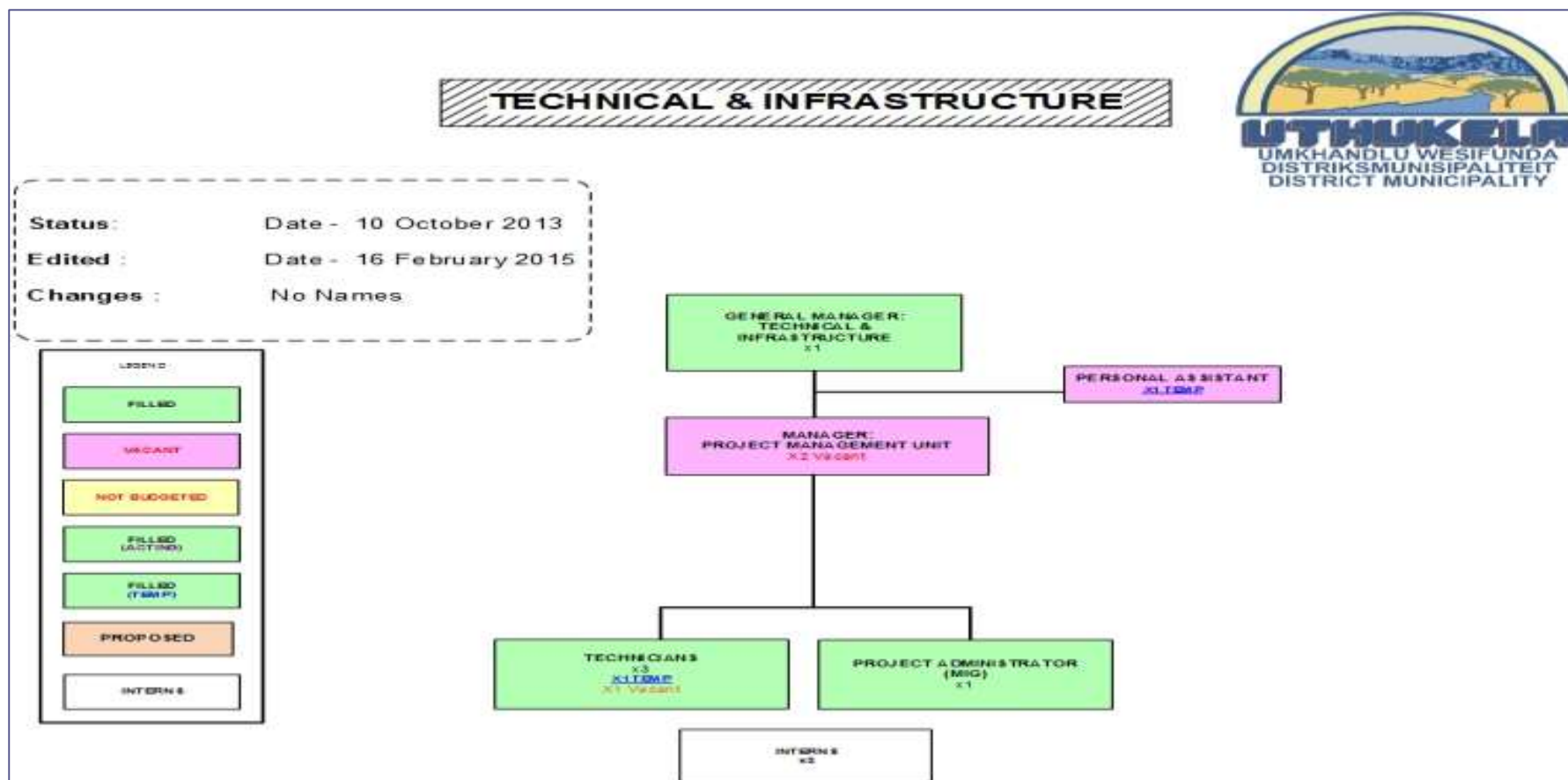
3.3.3.3 DEPARTMENT OF CORPORATE SERVICES



### 3.3.3.4 BUDGET AND TREASURY DEPARTMENT

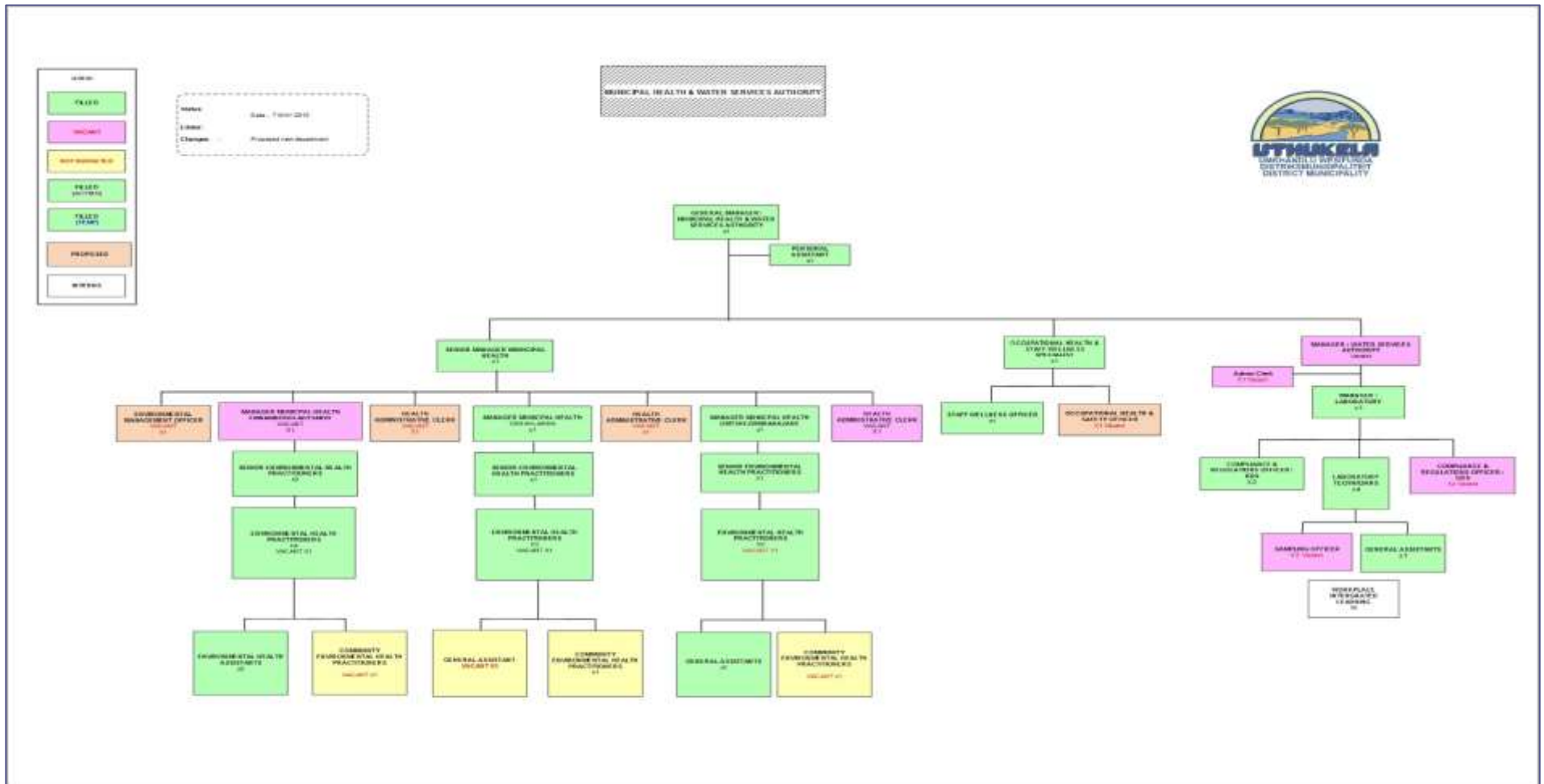


3.3.3.5 DEPARTMENT OF TECHNICAL SERVICES





### 3.3.3.7 DEPARTMENT OF MUNICIPAL HEALTH AND WATER SERVICE AUTHORITY



### 3.3.4 MUNICIPAL INSTITUTIONAL CAPACITY AND STATUS OF CRITICAL POSTS

#### 3.3.4.1 INSTITUTIONAL CAPACITY

The District has the institutional capacity to undertake powers and functions. The district is equipped with well-trained managers that are capable of achieving the municipal set targets. The current vacancy rate is sitting at **11%**.

#### 3.3.4.2 CRITICAL POSTS (MM & SECTION 56 POSTS)

The following table illustrates the status of critical positions in the municipality.

**Table 14: Critical Posts**

| NAME                              | DEPARTMENT  | STATUS                             | GENDER |
|-----------------------------------|---|------------------------------------|--------|
| S N Kunene                        | Municipal Manager   | Filled                             | Male   |
| M F Hadebe                        | General Manager: Corporate Services                           | Filled                             | Male   |
| (vacant)resigned in December 2014 | General Manager: Water Services Operation                     | Vacant, but it has been advertised |        |
| P H Z Kubheka                     | Chief Finance Officer   | Filled                             | Female |
| M V Radebe                        | General Manager :Technical services                           | Filled                             | Male   |
| N Z Khuzwayo                      | General Manager: Social and Economic Services                 | Filled                             | Male   |
| B K Khoza                         | General Manager: Municipal health and water service authority | Filled                             | Male   |

### 3.3.5 HUMAN RESOURCE STRATEGY

uThukela district municipality has drafted the human resource strategy; the strategy has not yet adopted by Council is still on a draft stage. On the other hand, the municipality have compiled and adopted the Human Resource Policies in an enabling spirit and sets out the policy relating to employment within the municipality. These policies are the enabling tool to facilitate human resources management within the municipality. In compiling the uThukela District Municipality Human Resource Policies, reference was made to documents such as the Employment Equity Act No.55 of 1998, the Labour Relations Act No.66 of 1995, the Skills Development Act No97 of 1998, the Municipal Finance Management Act No.56 of 2003, White Paper on Affirmative Action in the Public Service and the White Paper on Human Resource Management in the Public Service. uThukela district municipality has developed and adopted the following HR policies.

- ⇒ Promotion policy;
- ⇒ Placement Policy;
- ⇒ Employment policy;
- ⇒ Employment Equity policy;
- ⇒ Leave policy;
- ⇒ Recruitment, Skills Retention and Selection policy;
- ⇒ Permanent employment policy;
- ⇒ Temporal employment policy;
- ⇒ HIV/AIDS policy;
- ⇒ Smoking policy;
- ⇒ Sexual Harassment policy;
- ⇒ In service Training policy;
- ⇒ Communication policy;
- ⇒ Training and Development policy;
- ⇒ S&T policy

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#### 3.3.5.1 EMPLOYMENT EQUITY PLAN

In terms of the Employment Equity Act, 1998, it is the duty of uThukela district municipality to consult, draft and implement the Employment Equity Plan in order to achieve equity in the workplace. uThukela district municipality has developed an Employment Equity Plan that is promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination.

In drafting of the Employment Equity Plan all, the relevant stakeholders were involved including the Local Labour Forum. One of the objectives of the Plan is to focus on the development of present staff and an affirmative action programme aimed at specifically addressing the training and advancement needs of previously disadvantaged groups.

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#### 3.3.5.2 WORK SKILLS PLAN

Skills planning are central to the improvement of the overall skills level of the municipal officials as well as the unemployed in the uThukela district municipality. The municipality identifies what skills are required and develop strategies, tasks and schedules to ensure that we build those skills in order to deliver on our Integrated Development Plan strategic objectives.

uThukela district municipality do comply with Skills Development Act. The District has developed and implementing workplace skills development plan in order to enhance the skills of the staff and thereby improve their competencies. The Workplace Skills Plan is developed on annual basis and adopted by



Council. After the adoption, it is then submitted to LGSETA for accessing funds. However, the funding that was received was insufficient to meet the needs of the District. uThukela workplace skills plan outlines the training and development for the municipality. It also addresses the gaps and shortfalls in skills required and identified positive ways of addressing them.

In the financial year 2014/2015, the municipality has put aside R2 million for training. Fifty six (56) employees received formal training in the total cost of R 1 157 696.00. The municipality also offers bursaries to the employees with the focus on critical scarce skills areas such as finance, human resources, artisan and engineering.

The municipal employees also have a bursary scheme wherein about 05- 10 employees benefited from it in this past year. The municipality is currently engaged in the following skills development programmes namely: - Graduate training program in partnership with the National Treasury; the internship program with the Provincial Economic Development and Tourism.

Twenty one (21) water and wastewater process controllers are currently engaged in the NQF2/NQF 3 Process Control Learner ship facilitated by Umsizi Consulting, which is at the initial stage and will resume in April 2015. The municipality has budgeted an amount of R 1 million towards bursaries for different institution. Fifty two (52) students were awarded bursaries in January 2015.

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#### 3.3.5.3 RECRUITMENT AND SELECTION POLICY

The municipality developed and adopted the Recruitment and Selection Policy, which is being implemented. Recruitment and selection in the municipality is done according to the documented municipal policy.

The recruitment policy highlights that all posts shall be analysed to determine realistic person and post requirements that meet the needs of the job and which do not privilege people with higher qualifications than those needed for the position. The selection policy emphasises that first preference will be given to the best candidate as per the interview results regardless of whether the applicant is internal or external.

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#### 3.3.5.4 RETENTION AND EXIT POLICY

The municipality has developed a Retention Policy and Exit Policy. The policy has been adopted and is under implementation.

### 3.3.5.5 ICT GOVERNANCE FRAMEWORK

The municipality has developed and adopted the ICT Governance Framework in 2015. The framework is in the implementation stage.

### 3.3.5.6 HUMAN RESOURCE CAPACITY FOR ENVIRONMENTAL MANAGEMENT

The recently adopted organogram of uThukela district municipality shows the position of the environmentalist that intends to be appointed in the financial year that will start in July 2015. The environmentalist will perform environmental management functions. Currently, uThukela district municipality gets environmental management support from Assistant Directors deployed to municipalities (National Department of Environmental Affairs) & also receive support from Assistant Managers-Municipal Support (Provincial Agriculture, Environmental Affairs & Rural Development) section) since there is no environmental management capacity in all municipalities within the family of uThukela.

The municipality has appointed a designated waste management officer & air quality management officer as to comply with the requirements of the Waste Act & Air Quality Act. The role of the waste management officer is to coordinate & account on matters pertained to waste management whilst air quality management accounts on air quality management matters.

## 3.3.6 MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT SWOT ANALYSIS

**Table 15: Municipal Transformation & Organizational Development SWOT Analysis**

| Strengths  | Threats   |
|--|---|
| <ul style="list-style-type: none"> <li>◆ All senior management positions are filled except for water services manager who resigned in last year;</li> <li>◆ Approved organogram indicating re-alignment of functions;</li> <li>◆ Efficient financial and information management system;</li> <li>◆ Incorporation of critical positions in the approved budget</li> </ul> | <ul style="list-style-type: none"> <li>◆ Constant changes in legislation and national policies;</li> <li>◆ Changes in the formula for the allocation of government grants including equitable share</li> </ul>                      |
| Opportunities  | Weaknesses  |
| <ul style="list-style-type: none"> <li>◆ Local Government support from COGTA;</li> <li>◆ Signed MOU with EThekweni emphasising support initiatives.</li> </ul>   | <ul style="list-style-type: none"> <li>◆ High number of unskilled staff;</li> <li>◆ Number of policies not approved by Council;</li> <li>◆ Lack of commitment of IGR structures;</li> <li>◆ Dominance of males in senior</li> </ul> |

|  |   |
|--|---|
|  | <p>management;</p> <ul style="list-style-type: none"><li>◆ Misplacement of staff;</li><li>◆ Lack of linkage of skills audit and plan to skills needed to perform functions effectively;</li><li>◆ Low staff morale;</li><li>◆ Non-adherence to best practices</li></ul> |
|--|---|

### 3.4 BASIC SERVICE DELIVERY AND INFRASTRUCTURE ANALYSIS

uThukela district municipality is the Water Service Authority (WSA). The core function of uThukela district municipality is the provision of water and sanitation services. The primary objective is to extend portable water and sanitation services throughout the district by eliminating the backlogs and also to maintain and ensure sustainability of the existing water and sanitation infrastructure.

Almost half of the district municipality had access to basic services in 2011 at 49.5% this is up from 44.2% from 2001. The lowest levels of access to basic services are in Imbabazane local municipality at 30%, followed by Indaka local municipality at 34%. The municipalities with the highest levels of access to basic services are uMtshezi at 65% and Emnambithi/Ladysmith at 64% in 2011.

#### 3.4.1 WATER AND SANITATION

The core function of uThukela district municipality is the provision of **water** and **sanitation** services. The main objective of the municipality is to ensure the quality of drinking water in the region is improved in as far as the blue and green drop is concerned.

##### 3.4.1.1 STATUS OF WATER SERVICES

67 drinking water sampling points were monitored in uThukela Region. Chemical and Physical analysis were conducted over a period of 12 months by qualified and experienced Laboratory Technicians. Analysis is done to ensure that the water supplied to the public is fit for human consumption.

The overall microbiological compliance rate for uThukela district municipality was 94.7%. This percentage is reflected on the Department of Water Affairs' Blue Drop website. Results are compared with the SANS-241 drinking water quality standard for South Africa. The total number of samples taken from the 13 water purification works including reservoirs and reticulation points was 2 143.

uThukela district municipality's Water Treatment Works and Waste Water Treatment Works performances are evaluated according to the Blue Drop and Green Drop criteria. The Blue Drop and Green Drop Status scores for uThukela district municipality are low. While a score of 57.39% for BDS is not regarded as a poor performance, the uThukela DM was the lowest scoring municipality in KwaZulu-Natal for both BDS and GDS. The Green Drop score was < 30%. uThukela district municipality is still not on par with the expectations of the Blue Drop and Green Drop regulatory programme as per compliance and best practices requirements.

It is hoped that the abovementioned water supply challenges will be addressed if all relevant role players namely, the community, private sector and spheres of government co-operate and play their respective roles in supporting uThukela district municipality in managing water services. The implementation of effective interventions to address water and sanitation challenges will not only improve the quality of water and sanitation services delivery in the district but also improve the Blue Drop and Green Drop scores.

#### 3.4.1.1.1 WATER QUALITY

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67 drinking water sampling points were monitored in uThukela Region. Chemical and Physical analysis were conducted over a period of 12 months by qualified and experienced Laboratory Technicians. Analysis is done to ensure that the water supplied to the public is fit for human consumption.

The overall microbiological compliance rate for uThukela district municipality was 74.4%. This percentage is reflected on the Department of Water Affairs' Blue Drop website. Results are compared with the SANS-241 drinking water quality standard for South Africa. The total number of samples taken from the 13 water purification works including reservoirs and reticulation points was 1936.

#### 3.4.1.1.2 BLUE DROP / GREEN DROP STATUS

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The uThukela district municipality is involved in the Department of Water and Sanitation regulatory Blue drop/Green drop process. This involvement is intended to achieve optimum compliance, operating and process controls. Blue Drop System and Green Drop System scores for uThukela district municipality are low. The Blue Drop System (BDS) score is currently sitting at 57.39% and the Green Drop System (GDS) score is currently sitting at 33.9%.

It is hoped that the abovementioned water supply challenges will be addressed if all relevant role players namely, the community, private sector and spheres of government co-operate and play their respective roles in supporting uThukela district municipality in managing water services. The municipality has put aside an amount of 22 million to address the challenge of Blue and Green drop. The implementation of effective interventions to address water and sanitation challenges will not only improve the quality of water and sanitation services delivery in the district but will also improve the Blue Drop and Green Drop scores.

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#### 3.4.1.1.3 WATER TREATMENT

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The uThukela district municipality currently operates 9 waste water treatment plants namely Ladysmith, Colenso, Estcourt, Bergville, Winterton, Ekuvukeni, Wembezi and the Weenen Ponds. The wastewater treatment plants purify domestic grey water and industrial effluent. The above wastewater works are operated within the guidelines and general standards issued by Department of Water and Sanitation.

#### 3.4.1.1.4 WATER SERVICES DEVELOPMENT PLAN

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As a Water Services Authority, uThukela district municipality has developed and adopted the Water Services Development Plan (WSDP). This plan was prepared in accordance with the Department of Water Affairs and (DWA) preparation guide. The Water Services Plan (WSDP) was reviewed in 2014 to ensure that it talks to needs of the uThukela and its family of municipalities. *The WSDP is attached for further information.*

According to the recently reviewed WSDP the DM has a wealth of surface water resources, however much of the dammed water is transferred to Gauteng Province as part of the Tugela-Vaal scheme. Most surface water is abstracted from the Tugela River or one of its tributaries, such as the Klip, LittleTugela or Bushmans. Council has also resolved a free basic water concept, to help the plight of indigent persons with lower levels of services. In rural areas, free water is supplied to communities, under a policy of free communal water provision.

The district strategies on water conservation and demand management are a priority and started implementing it. Through the Implementation of Sustainable Water Services Institutions Programme (ISWIP), the DM is assisted to attain the necessary capacity to perform these WSA functions. Water services infrastructure is more developed in the urban areas supplying a higher level of service, as opposed to the rural areas. Each urban area generally has its own water and wastewater treatment facility. The challenge that is facing the municipality is that some water infrastructure is dilapidated; the date of construction of some components is unknown.

3.4.1.2 WATER BACKLOGS

Water supply backlog as at the end of June 2011 was 28.75. This translates that 40146 households do not have access to safe water supply and 99 492 households have access to water supply in uThukela district municipality.

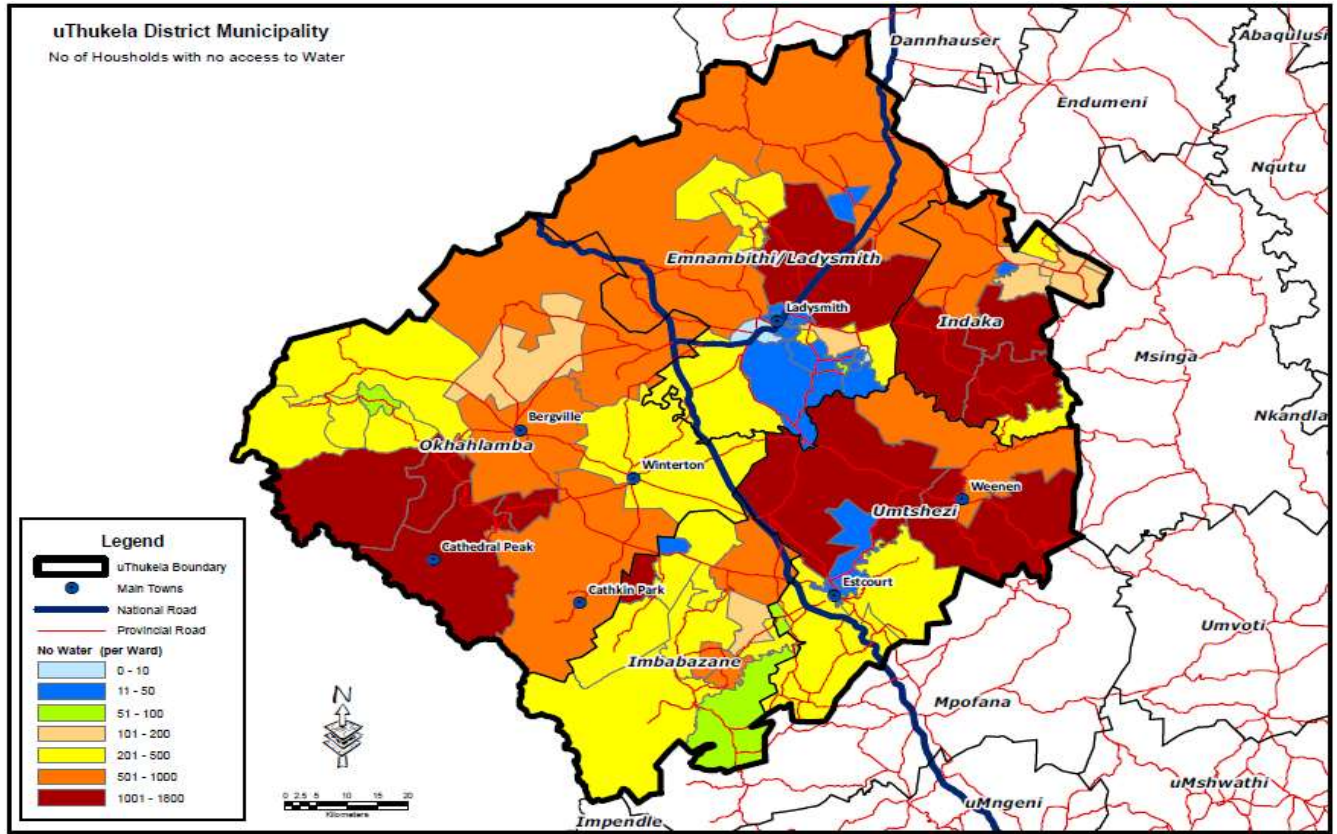


Table 16: Status of Water Supply Backlog per local municipality

| Municipality         | Total number of Households | Households with access to safe water supply | Households without access to safe water supply | Percentage water backlog |
|----------------------|----------------------------|---|--|--------------------------|
| Emnambithi/Ladysmith | 50 258                     | 42 421                                      | 7 837  | 15.59%                   |
| Indaka               | 21 082                     | 16 372                                      | 4 710  | 22.34                    |
| uMtshezi             | 15 232                     | 11 343                                      | 3 889  | 25.53%                   |
| Okhahlamba           | 28 508                     | 15 941                                      | 12 567   | 44.08%                   |
| Imbabazane           | 24 558                     | 13 415                                      | 11 143   | 45.37%                   |
| uThukela             | <b>139 638</b>             | <b>99 492</b>                               | <b>40 146</b>                                  | <b>28.75%</b>            |

(Source: AB Projects) June 2011

### 3.4.1.3 WATER NEEDS AND PRIORITIES

Access to water is considered to be a major challenge within UThukela District Municipality. The water needs and priorities in the uThukela district municipality is highlighted in the following areas:

- Mhlumayo and Sahlumbe;
- Pepsworth and Elandslaagte;
- Frere and Cornsfield;
- Cathedral Peak; and
- Loskop.

These areas have between 1001 – 1800 households that lack access to adequate water supply. This is followed by a number of areas that have between 501 – 1000 households that lack access to water. These areas are mainly found around the rural areas that surround Bergville.



#### 3.4.1.4 STATUS OF SANITATION

Sanitation is one of the core functions of uThukela district municipality. In the previous financial year, 6 504 new households were provided with appropriate sanitation services in form of VIP Latrines. During the implementation of sanitation projects, 5 298 local community people were employed for the duration of the projects and some of them were empowered with new skills such as building and project management. It is proper to say that in the whole of uThukela , there are no bucket systems as it was incorrectly stated in the 2011 statistics.

#### 3.4.1.5 SANITATION BACKLOG

There are a number of rural areas that lack access to appropriate sanitation facilities. The appropriate sanitation services backlog as at the end of June 2011 was 22.85 %. This translates to 31 907 households not having appropriate sanitation services.

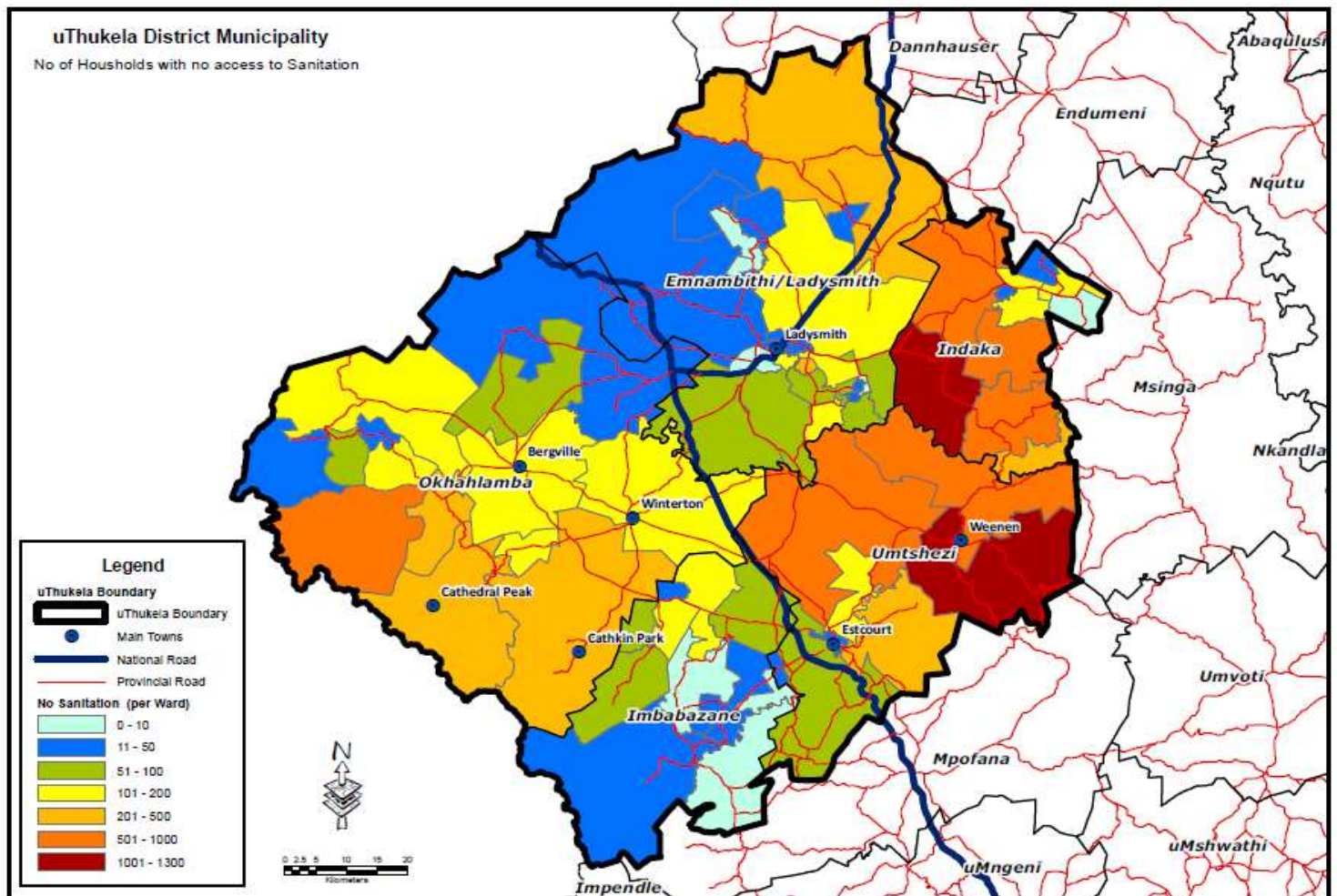


Table 17: Sanitation Backlog

| Municipality         | Total number of Households | Households with access sanitation | Households without access to appropriate sanitation | Percentage sanitation backlog |
|----------------------|----------------------------|-----------------------------------|---|-------------------------------|
| Emnambithi/Ladysmith | 50 258                     | 41 554                            | 8 704   | 17.31%                        |
| Indaka               | 21 082                     | 15 639                            | 5 443   | 25.81%                        |
| uMtshezi             | 15 232                     | 10 912                            | 4 320   | 28.36%                        |
| Okhahlamba           | 28 508                     | 22 073                            | 6 435   | 22.57%                        |
| Imbabazane           | 24 558                     | 17 553                            | 7005  | 28.52%                        |
| uThukela             | <b>139 638</b>             | <b>107 731</b>                    | <b>31 907</b>                                       | <b>22.85%</b>                 |

Source: AB Projects June 2011

#### 3.4.1.6 SANITATION NEEDS AND PRIORITIES

Concerning sanitation needs, uThukela district municipality will spend most of its resources in areas such as Mhlumayo and Weenen. Each one of these areas has 1001 – 1300 households that lack access to sanitation facilities. The other areas that experience a level of hardship are Sahlumbe, Frere & Cornfield and Injisuthi Area. These areas have between 501 – 1000 households without sanitation.

#### 3.4.1.7 COORDINATION OF WATER AND SANITATION BETWEEN DEPARTMENTS

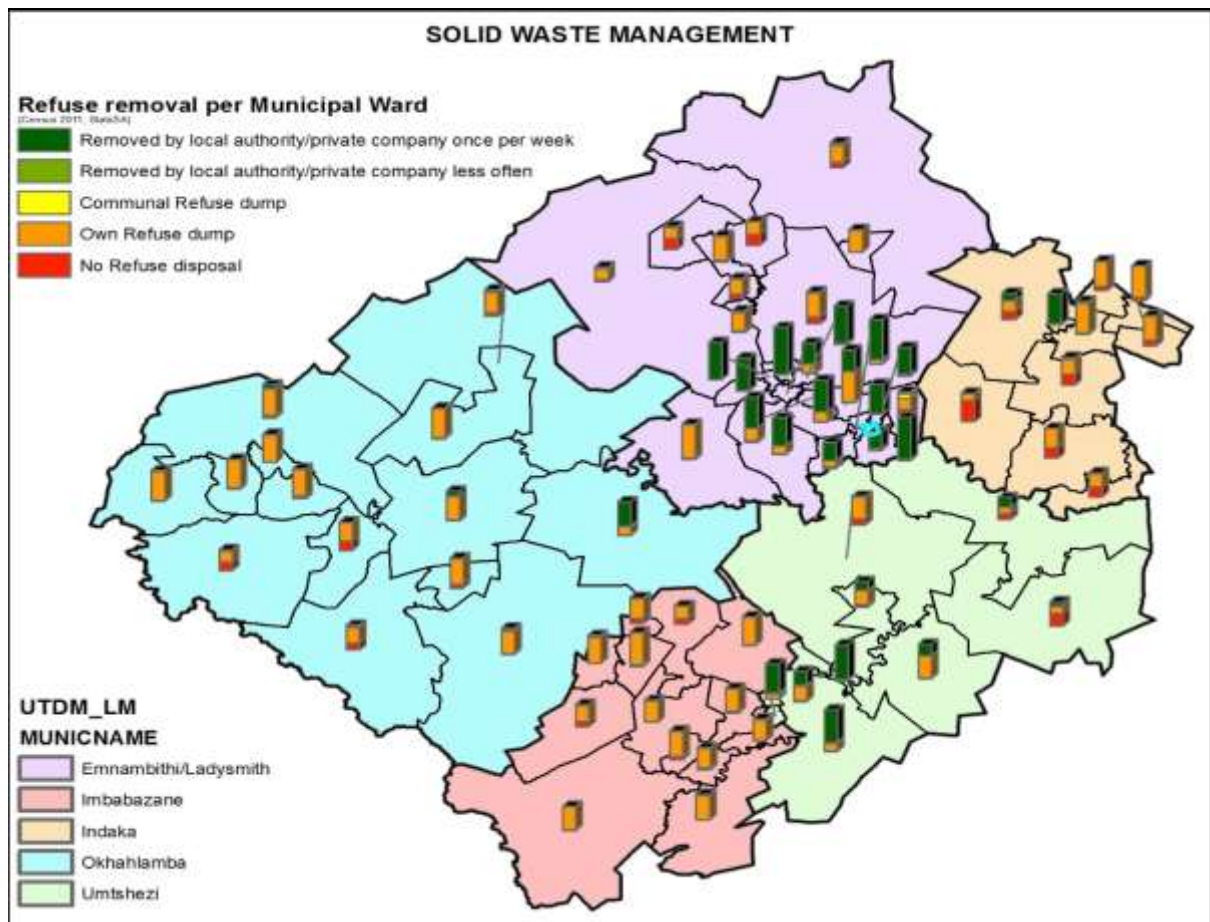
Water and sanitation is coordinated by Department of Water Affairs (DWA), Department of Human Settlements and uThukela district municipality

### 3.4.2 SOLID WASTE MANAGEMENT

#### 3.4.2.1 STATUS OF SOLID WASTE

Access to refuse removal remains a problem in the district, particularly in Imbabazane and Umtshezi. There is however a decrease of households utilizing community and own dumps, as well as households receiving a service from the municipality, other than on a weekly basis. Refuse collection therefore remains a serious environmental health issue. The district municipality has finalized the Integrated Waste Management Plan and is providing strategies in addressing the backlogs in refuse collection, both at district and local level. Less capacitated local municipalities should however start to initiate a

community based refuse collection service in order to address this challenge. The municipality is also implementing the free basic solid waste for the indigent. The map and diagrams below shows the status of solid waste management in uThukela.



Source: 2011 statistics South Africa

Table 18: Refuse Removal Frequency

|  | Emnambithi    | Indaka        | Umtshezi      | Okhahlamba    | Imbabazane    |
|--|---------------|---------------|---------------|---------------|---------------|
| Removed by local authority once a week | 33,715        | 2,683         | 9,681         | 2,549         | 193           |
| Private company less often             | 378           | 124           | 212           | 318           | 272           |
| Communal refuse dump                   | 545           | 256           | 201           | 510           | 429           |
| Own refuse dump                        | 18,993        | 11,887        | 6,681         | 20,766        | 19,361        |
| No rubbish disposal                    | 3,936         | 4,980         | 1,963         | 3,100         | 1,798         |
| Other                                  | 491           | 105           | 515           | 333           | 312           |
| <b>Total</b>                           | <b>58,058</b> | <b>20,035</b> | <b>19,252</b> | <b>27,576</b> | <b>22,365</b> |

Source: 2011 statistics South Africa

Table 19: Existing Waste Management Systems and Practices

| VARIABLE            | EMNAMBITHI | IMBABAZANE | INDAKA | OKHAHLAMBA | UMTSHEZI |
|---------------------|------------|------------|--------|------------|----------|
| Collection Services | Yes        | No         | Yes    | Yes        | Yes      |
| Cleansing Services  | Yes        | No         | Yes    | Yes        | Yes      |
| Transport of Waste  | Yes        | No         | Yes    | Yes        | Yes      |
| Waste Minimization  | No         | No         | No     | No         | No       |
| Recycling Systems   | No         | No         | No     | No         | No       |
| Waste Disposal      | Yes        | No         | Yes    | Yes        | Yes      |

Source: 2011 statistics South Africa

Table 20: Waste Treatment Facility

| DESCRIPTION                | EMNAMBITHI | IMBABAZANE | INDAKA | OKHAHLAMBA   | UMTSHEZI |
|----------------------------|------------|------------|--------|--------------|----------|
| Geographic Location        | None       | None       | None   | Cathkin Park | None     |
| Type of Treatment          | None       | None       | None   | Incineration | None     |
| Year of Construction       | None       | None       | None   | 2001         | None     |
| Capacity                   | None       | None       | None   | NR           |          |
| Throughput                 | None       | None       | None   | NR           |          |
| Hours of Operation         | None       | None       | None   | 8            | None     |
| Input & Output Chart       | None       | None       | None   | None         | None     |
| Residue Characteristics    | None       | None       | None   | Ash          | None     |
| Environ Monitoring Program | None       | None       | None   | Monthly      | None     |
| Environmental Impact       | None       | None       | None   | None         | None     |
| Permit Certificate         | None       | None       | None   | None         | None     |

Source: 2011 statistics South Africa

### 3.4.2.2 INTEGRATED WASTE MANAGEMENT PLAN (IWMP)

The uThukela district municipality has developed and adopted the IWMP. The plan focuses on two main categories describe the waste that is generated within uThukela district municipality namely:

- ⇒ General waste: This is waste that does not pose an immediate threat to humans or the environment (like household waste, building rubble, garden waste and certain dry industrial and business waste);
- ⇒ Hazardous waste: Means waste that is associated with chemical reactivity or toxic, explosive, corrosive or other characteristics, which cause or are likely to cause danger to health or the environment whether alone or in contact with other waste. Medical waste, which is quite prevalent in the area, falls under this category.

Waste management practices within uThukela district municipality need more attention to conform to the National Integrated Pollution and Waste Management Strategy. The municipality is also investigating the District Waste Disposal Site. The table below shows the existing waste management systems and practice, waste treatment facility and waste disposal site.

### 3.4.2.3 LAND FILL SITES

The following table shows the landfill sites in the district.

**Table 21: Landfill Sites within the District**

| DESCRIPTION                 | EMNAMBITH I                     | IMBABAZANE | INDAKA           | OKHAHLAM BA           | UMTSHEZI   |
|-----------------------------|---------------------------------|------------|------------------|-----------------------|--|
| <b>Name</b>                 | Acaciavale                      | None       | Ekuvukeni        | Bergville             | Umtshezi   |
| <b>Geographic Location</b>  | Acaciavale                      | None       |                  | R74 Bergville         | Beacon Hill near R103  |
| <b>Area Covered</b>         | Ladysmith, Steadville & Zakheni | None       | Ekuvukeni T/ship | Bergville & Winterton | Escourt & Weenen   |
| <b>Year of Construction</b> | 1995                            | None       |                  | 1975                  | 1993   |
| <b>Resources Available</b>  | Compactor                       | None       | None, Ransacked  | Incinerator           | Guard house, shed, jojo water tank, compactor, leachate dam, high pressure |

|  |   |      |                           |                                      |  |
|--|---|------|---------------------------|--------------------------------------|--|
|  |   |      |                           |                                      | washer, tools & spanners                           |
| <b>Permit Certificate</b>              | B33/2/2020/p1<br>63                                   | None | None                      | None                                 | B33/2/2020/15<br>pP76                              |
| <b>Type and Quantities</b>             | Household,<br>Business &<br>Industrial 44<br>640 tons | None | Household, 66<br>tons     | Household &<br>Business, 117<br>tons | Household,<br>Business &<br>Industrial 581<br>tons |
| <b>Description of Neighboring Area</b> | Residential   | None | Residential &<br>Rural    | Residential,<br>River                | Informal<br>Settlement                             |
| <b>Signposting &amp; Road Access</b>   | Yes   | None | Yes                       | Poor &<br>Accessible                 | Yes  |
| <b>Type of Site</b>                    | General   | None | General                   | General                              | General  |
| <b>Access Control</b>                  | No  | None | No                        | Yes                                  | 24 Hour<br>Security                                |
| <b>Collection of Disposal Tariffs</b>  | Yes   | None | Yes                       | Yes                                  | Yes  |
| <b>Landfill Operation</b>              | Compacting &<br>Cover                                 | None | None, just<br>throw staff | Cover                                | Compacting &<br>Cover                              |
| <b>Method of Landfilling</b>           | Trench System   | None | Trench<br>System          | Trench System                        | Trench System                                      |
| <b>Co-disposal</b>                     | Solid Waste<br>Only                                   | None | Solid Waste<br>Only       | Solid Waste<br>Only                  | None   |
| <b>Health Care Waste</b>               | None  | None | None                      | None                                 | None   |
| <b>Excavation for Cover</b>            | Yes   | None | Yes                       | No                                   | Yes  |
| <b>Drainage</b>                        | Yes, cut off<br>drains around<br>site                 | None | None                      | Not Required                         | Yes, cut off<br>drains around<br>site              |
| <b>Control of Nuisances</b>            | Daily Covering  | None | None                      | Daily Covering                       | Daily Covering                                     |
| <b>Salvaging Activities</b>            | Prohibited  | None | Prohibited                | Prohibited                           | Prohibited   |
| <b>Waste Reclamation</b>               | Prohibited  | None | None                      | Prohibited                           | Prohibited   |
| <b>Leachate &amp; Waste Management</b> | Random Checks   | None | None                      | Not Checked                          | Random Checks                                      |
|  |   |      |                           |                                      |  |

|                                    |             |      |           |         |                   |
|------------------------------------|-------------|------|-----------|---------|-------------------|
| <b>Rehabilitation</b>              | Ongoing     | None | None      | Ongoing | Ongoing           |
| <b>Final Cover</b>                 | Ongoing     | None | None      | Ongoing | Ongoing           |
| <b>Public Participation</b>        |             | None | No        |         | Yes               |
| <b>Plans for Extending/Closing</b> |             | None | Extension | Closing | No, 10 years left |
| <b>Environmental Monitoring</b>    | Yes, Random | None | None      | Yes     | Yes, Random       |

Source: 2011 statistics South Africa

### 3.4.3 TRANSPORTATION INFRASTRUCTURE

#### 3.4.3.1 ROAD NETWORK

The road hierarchy within the municipal area can be divided in three major categories that can be classified as:

- National roads;
- Provincial roads; and
- District and local roads.

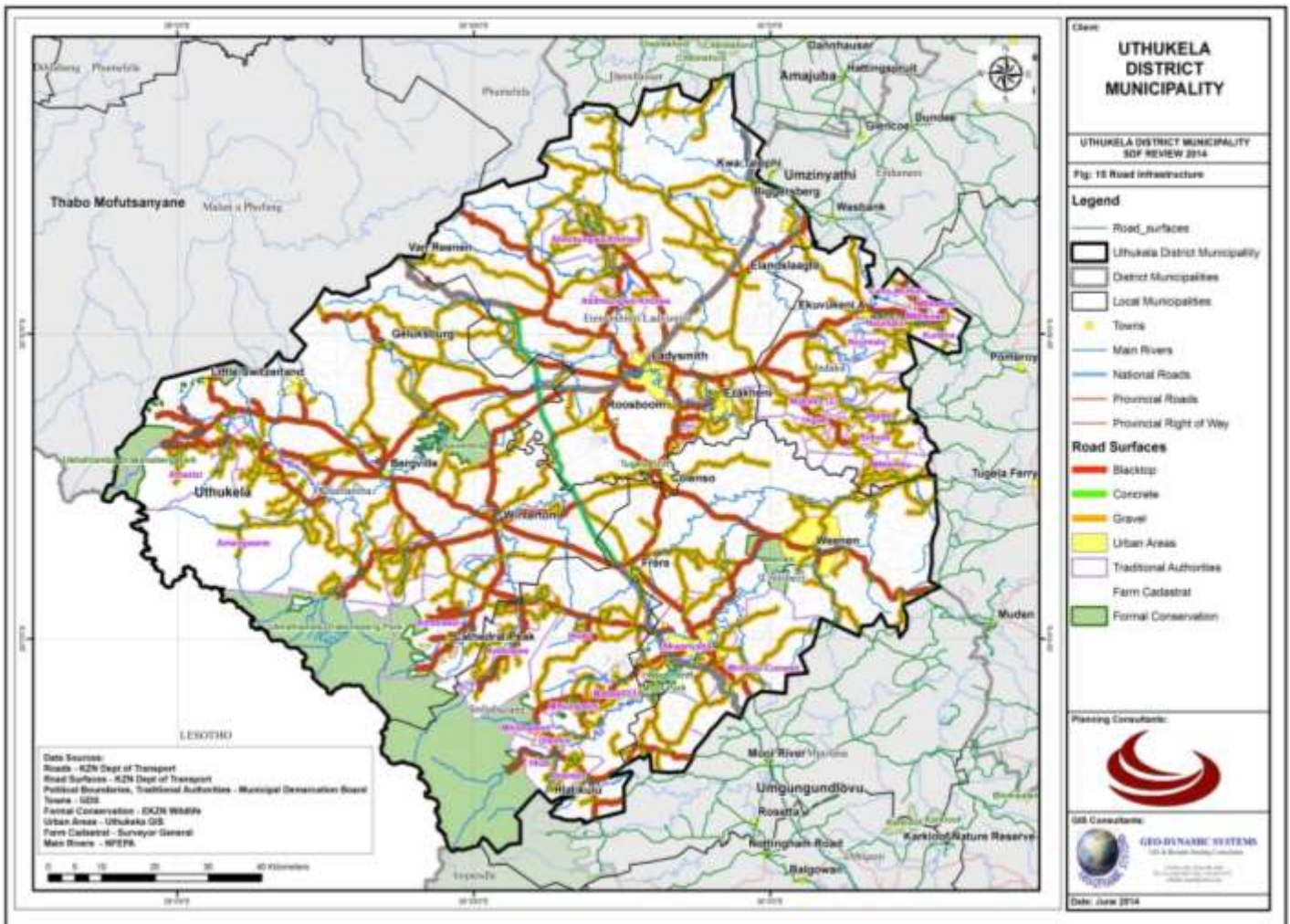
The primary routes include the national routes that exist within the area and few strategic provincial routes. The secondary and tertiary routes are mainly the provincial and district roads that exist within the area. The general quality of these routes is good with exception of the local access routes within the rural areas.

uThukela district is mainly served by an East-West and North-South corridor. These corridors are the N11 national route that connects the N3 with Mpumalanga Province coal mining areas and the N3 that forms an East-West link, which connects two of the country's most economically active metropolitan areas namely Gauteng and Durban in KwaZulu Natal. The N3 also serves a major urban community namely Pietermaritzburg.

The national and provincial main roads are mainly surfaced whilst the majority of district and community access roads are not. Most community access unsurfaced roads are not constructed to

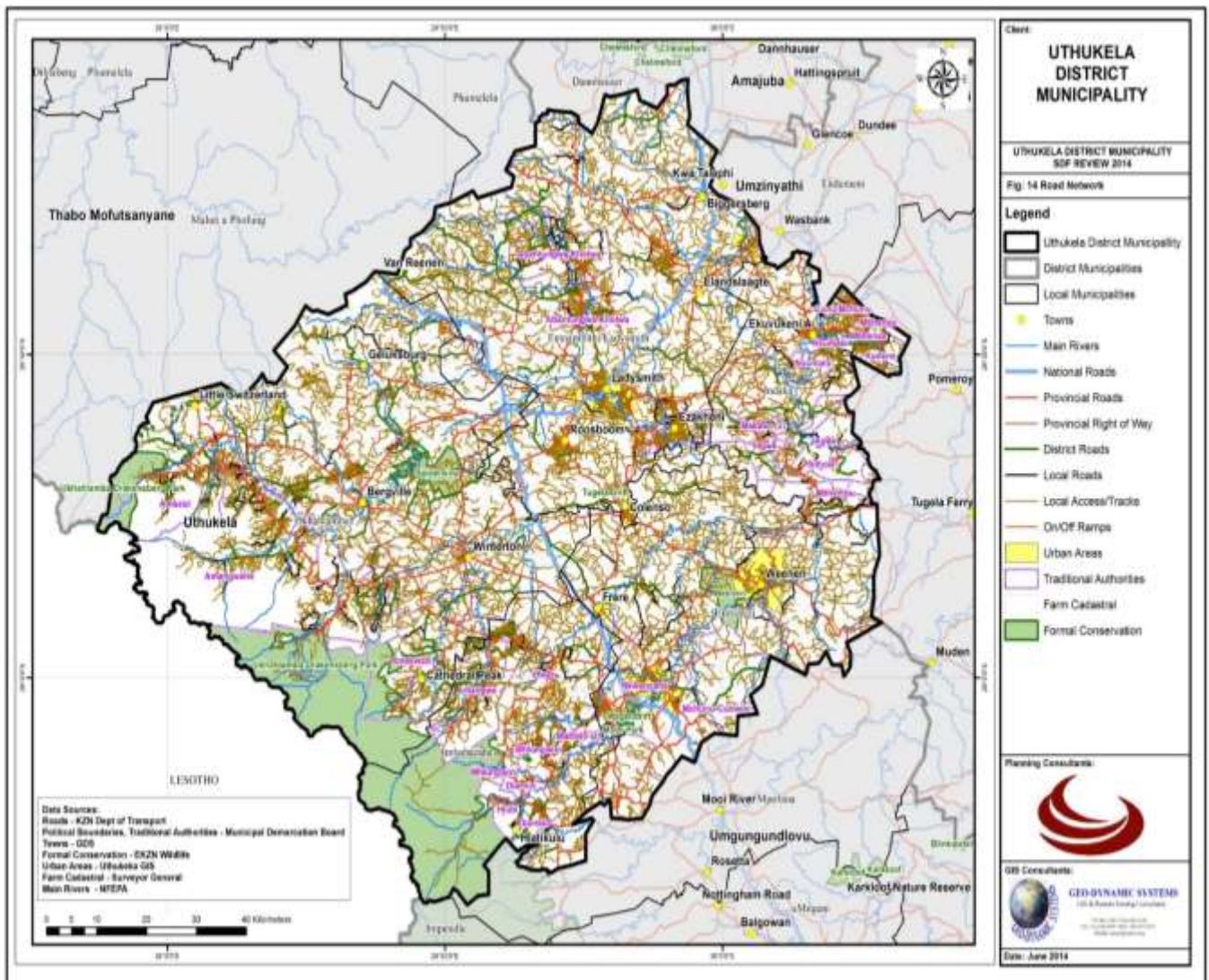
proper geometric design standards due to the rough terrain and limited funding available. Several of these access roads are used by public transport vehicles, resulting in high maintenance cost of vehicles and unsafe travel conditions for passengers. Of all roads in the uThukela district area 1 410km are surfaced roads and 1 320km are un-surfaced or gravel roads. The majority of the surfaced roads can be found in Emnambithi/Ladysmith municipality. The following maps shows the roads infrastructure and road network in the district.

### ROAD INFRASTRUCTURE





## ROAD NETWORKS

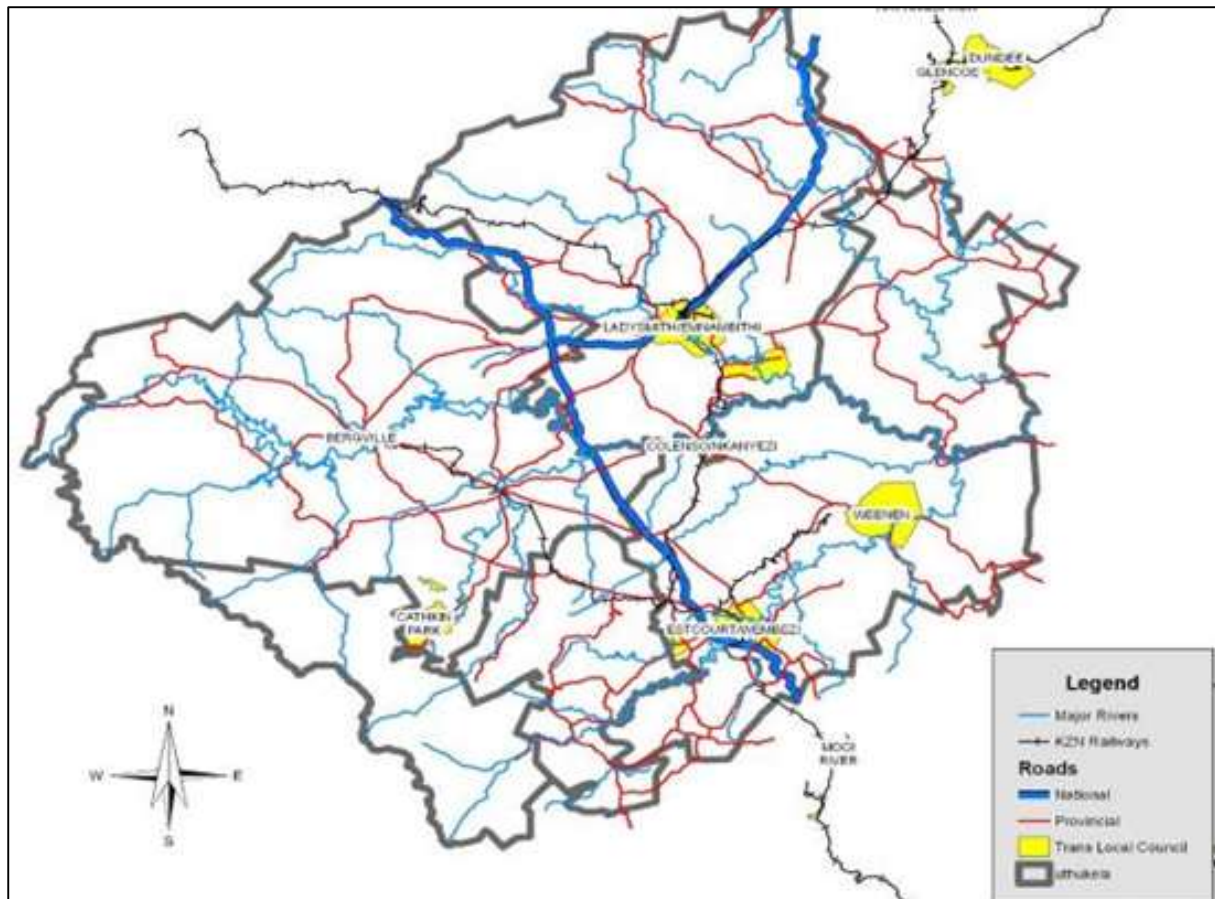


### 3.4.3.2 RAILWAY LINE

Although the district municipality has one of the best industrially orientated rail systems, currently all rail facilities in the municipality are under-utilised, with approximately 55 trains running through Ladysmith station on a daily basis. Rail passenger services are limited to between 3 - 4 trains operating between Durban and Johannesburg 3 days a week. As a result, increased reliance by industry on road transport has placed increased pressure on the road network. The three-way rail junction run along the N11 and the Ladysmith station is located close to the CBD. Few railway tracks serve to connect the towns of Bergville, Winterton, Weenen and Van Reenen with the main stations located within Estcourt and Ladysmith. However, the decline in the usage of commodity rail caused this infrastructure to remain redundant and the infrastructure has now been worn out of the railway line from Ladysmith

to Bergville crossing R74 Provincial Road). There are two main functional railway stations within UThukela District Municipality. These are located within the towns of Ladysmith and Estcourt. This infrastructure will continue playing a critical role when the railway operations are revamped. The map below indicates the road and rail critical infrastructure in the uThukela district.

Figure 8: Road and Rail Critical Linkages



### 3.4.3.3 RAILWAY STATIONS



There are two main functional railway stations within UThukela District Municipality. These are located within the towns of Ladysmith and Estcourt. This infrastructure will continue playing a critical role when the railway operations are revamped. The railway stations in other localities of UThukela District Municipality require serious attention. In fact, most of the infrastructure is currently at the state of disrepair.

### 3.4.3.4 MUNICIPAL ROADS AND MAINTENANCE PLAN

uThukela District Municipality has complied with the National Land Transport Transition Act (NLTTA), act 22 of 2000 that requires that the district and local municipalities must compile a public transport plan (PTP). The plan is a 5 year plan that is reviewed annually. This plan was prepared in conjunction with the local municipalities. It was also aligned with the IDP. In the plan there are number of identified projects that require implementation over the period of 5 years. Additional projects were identified for implementation after 5-year period. The municipality is negotiating with the KZN Department of Transport to assist the municipality with funding for the review of the Public Transport Plan and to prepare the Integrated Transport Plan (ITP) as per the requirement of the National Land Transport Transition Act (Act No.26 of 2006).

UThukela District Municipality is currently gathering information relating to road classes, traffic studies and road inventory information through Rural Road Asset Management (RRAMS) as funded by Department of Transport.

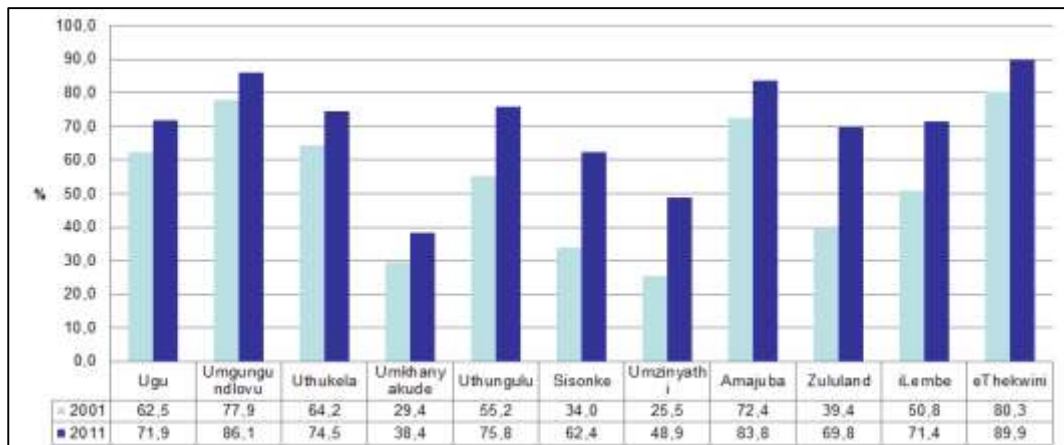
### 3.4.3.5 AIRPORTS AND LANDING STRIPS

There is a small aerodrome located at the intersection of the N11 and R103. The aerodrome is poorly developed, and the area does not generate sufficient air traffic. The nearest airport is in Pietermaritzburg approximately 150km from Ladysmith.

### 3.4.3.6 STATUS OF ELECTRICITY SUPPLY

According to 2011 Census, the number of households with electricity in uThukela district municipality is sitting at 74.5%. The trend is that the number of people with electricity is increasing in the municipality. In 2001, the percentage number with access to electricity was 64.2%. The figure below shows the electricity provision at the provincial level

**Figure 9: Electricity Provision**



*Source: Statistics South Africa 2011*

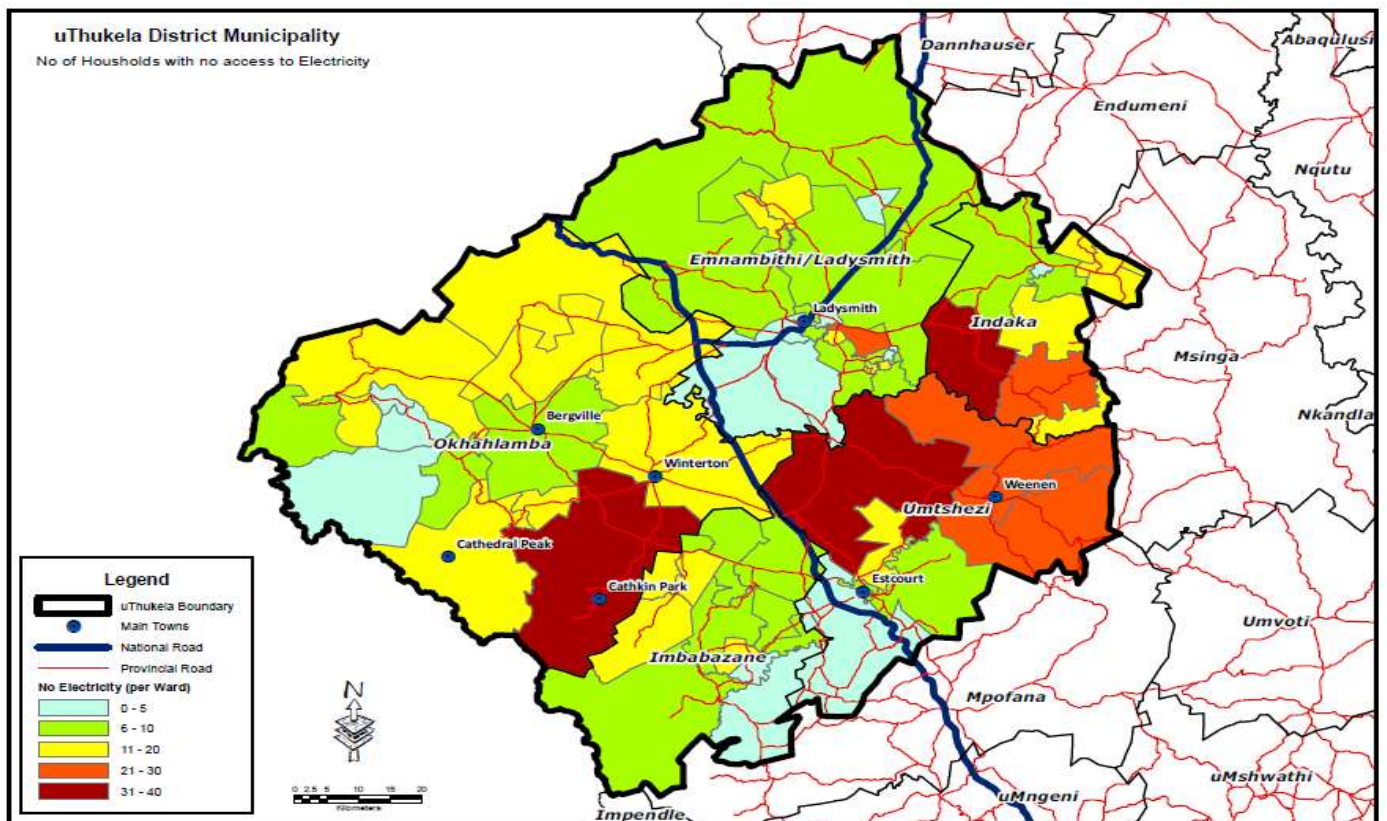
The current reticulation network in UThukela District Municipal area as indicated in the Map (insert) shows areas already electrified and the location within the district of the bulk electricity infrastructure. It is no surprise that the bulk electricity infrastructure is concentrated in areas that have the highest population densities in areas such as Towns and Townships has a relatively high population size and economy in the UThukela District and as such has more areas that would require bulk electricity infrastructure. There are 36 sub-stations located within UThukela District. Most of these are found within Emnambithi/ Ladysmith Municipality.

There are also a number of HV and MV cables that originate from these substations that distribute electricity within different parts of the municipal area. This is further supported by the MV stations. The existing sub-stations are nearing capacity and needs to be upgraded. Eskom has made plans to address this situation. This includes the development of two major sub-stations in Braamhoek and Driefontein (Mathondwane). Each of these sub-stations has a capacity of 22kv and costs approximately R8 billion.

Although major strides have been made concerning extending access to energy, however universal access to electricity services has not been achieved. According to the 2011 Census Data the areas that lack access to electricity the most are as follows:

- Mhlumayo and Sahlumbe;
- Frere and Cornsfield; and
- Cathkin Park.

These areas have between 31 – 40 households that do not have access to electricity.



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### 3.4.4 STATUS OF COMMUNITY FACILITIES

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#### 3.4.4.1 EDUCATION

There are 445 public schools and 15 independent schools in uThukela District Municipality. The primary and high schools are adequate in the District and institutions for higher learning are not available. Only one Further Education and Training College that is based in Ladysmith Town is offering education and training to prospective students in the district.

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#### 3.4.4.2 HEALTH

UThukela District Municipality has 4 Hospitals, 37 Primary Health Care Clinics and 12 Mobile Clinics. The challenge that is facing the District is that not all clinics open 7 days a week as some open 5 days a week only. Emergency Medical and Rescue Services are provided in the District; however, Ambulance Services are inadequate to provide an equitable and satisfactory service to all the communities within the District. HIV/AIDS, TB and Children not gaining weight are the leading problematic diseases affecting the majority of uThukela communities.

Poverty is a major factor that predisposes the people of uThukela District to the aforementioned diseases. The reality is that uThukela District does not have sufficient Health Services. The deployment of Health Workers is making a difference especially in rural areas but it needs to be strengthening by deploying more Community Workers.

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#### 3.4.4.3 POLICE STATIONS

There are fifteen police stations, which are located within Emnambithi/ Ladysmith (5), Umtshezi (3), Okhahlamba (4), Indaka (1) and Imbabazane (2). Although these facilities are servicing the entire district municipal area most of these facilities are located within the urban centres of different municipalities, which is sometimes inefficient for the remote rural settlements.

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#### 3.4.4.4 SPORTS FACILITIES

UThukela does not appear to be well provided with sports and recreational facilities. The sport facilities are mainly found within the urban centres i.e. Ladysmith, Estcourt and Bergville Towns. A need exists to ensure that these facilities are rolled out within the rural areas.

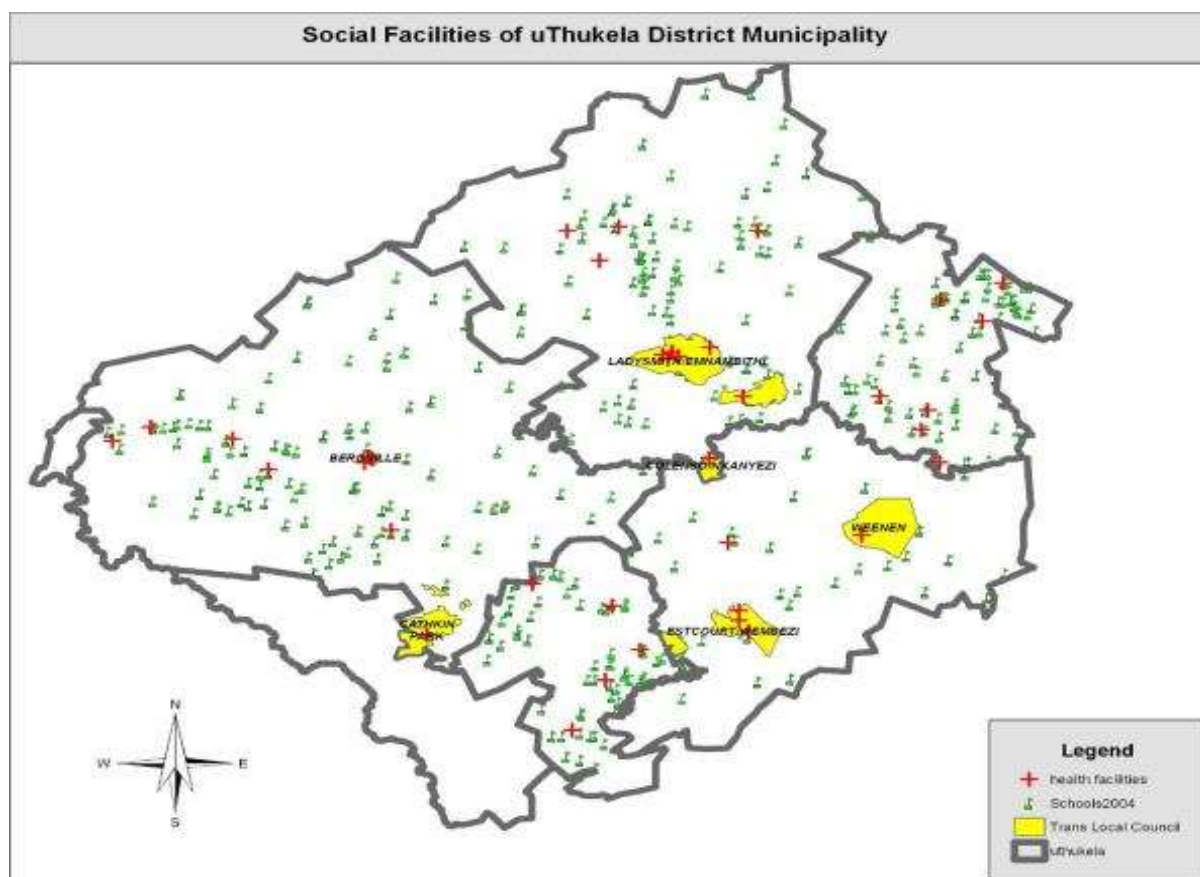
### 3.4.4.5 PUBLIC TRANSPORT FACILITIES

There are 31 minibus taxi ranks in the uThukela District Municipality area. A total of 25 ranks provide commuter services only, while the remaining six provide both commuter and long distance services. Only ten of the 31 minibus-taxi ranks in uThukela are formal ranks, with 22 being located off-street of which nine ranks have any type of all-weather surfacing. Some of the projects that were prioritized in the Public Transport Plan (PTP) are completed and a total amount of R30 million is required to complete all the identified projects. The status and ownership of the Minibus-taxi facilities is shown in the Table below:

| Facility Name                          | Code     | Status             | Type                      | Ownership | On/Off Street | Paving |
|--|----------|--------------------|---------------------------|-----------|---------------|--------|
| Alexander Street Taxi Rank             | K234TT01 | Formal             | Taxi Rank                 | Municipal | Off-Street    | Yes    |
| Connor Street Taxi Rank                | K234TT02 | Formal             | Taxi Rank                 | Municipal | Off-Street    | Yes    |
| Weenen Taxi Rank                       | K234TT03 | Formal             | Taxi Rank                 | Municipal | Off-Street    | Yes    |
| Hlathikhulu Taxi Rank                  | K236TT04 | Formal             | Taxi Rank                 | Municipal | Off-Street    | Yes    |
| Bergville Taxi Rank                    | K235TT05 | Informal           | Taxi Rank                 | Municipal | Off-Street    | Yes    |
| Emmaus Taxi Rank                       | K235TT06 | Formal             | Taxi Rank                 | Municipal | Off-Street    | Yes    |
| Lylle Street (Municipal) Taxi Rank     | K232TT07 | Formal             | Taxi Rank                 | Municipal | Off-Street    | Yes    |
| Lylle Street (Private) Taxi Rank       | K232TT08 | Informal           | Taxi Rank                 | Private   | Off-Street    | Yes    |
| Illing Street Bus & Taxi Rank          | K232PT09 | Formal<br>Informal | Bus Terminus<br>Taxi Rank | Municipal | Off-Street    | Yes    |
| Driefontein Taxi Rank                  | K232TT10 | Formal             | Taxi Rank                 | Municipal | Off-Street    | Yes    |
| Ezakheni Taxi Rank                     | K232TT11 | Informal           | Taxi Rank                 | Municipal | Off-Street    | Yes    |
| Complex of Limehill (Uitval) Taxi Rank | K233TT12 | Formal             | Taxi Rank                 | Municipal | Off-Street    | Yes    |

As evident from the table, above all these facilities are paved and in a relatively good condition which is creditable. The map shows the social facilities in the uThukela district.

## SOCIAL FACILITIES



### 3.4.5 HUMAN SETTLEMENTS

The uThukela family of municipalities with the assistance from the department of Human Settlements has developed and adopted their Housing sector plans. The plans provide an analysis of the housing situation within the district and outlines strategies to address the backlog and the associated housing problems. It clearly indicates the growth of the urban core and the need to accommodate the ever-increasing demand for housing. The result of the influx is informal settlements or back-yard shacks. However, some of these plans need to be updated to provide appropriate guidance towards the development of sustainable urban human settlements.

#### STATUS OF MUNICIPAL HOUSING SECTOR PLANS

| NAME OF THE MUNICIPALITY | STATUS                           |
|--------------------------|----------------------------------|
| Umtshezi L M             | Reviewed and adopted by Council  |
| Indaka LM                | In the process of being reviewed |
| Imbabazane LM            | Reviewed and adopted by Council  |
| Okhahlamba LM            | Reviewed and adopted by Council  |
| Emnambithi /Ladysmith LM | Reviewed and adopted by Council  |



### 3.4.5.1 MECHANISM FOR COORDINATION OF HOUSING PROJECTS

Monthly housing forums, IDP forums alignments of projects with other sector departments and stake holders.

### 3.4.5.2 COMMITTED FUNDING FOR HOUSING PROJECTS

The housing projects have been prioritized in the Human Settlement departmental three-year business plan.

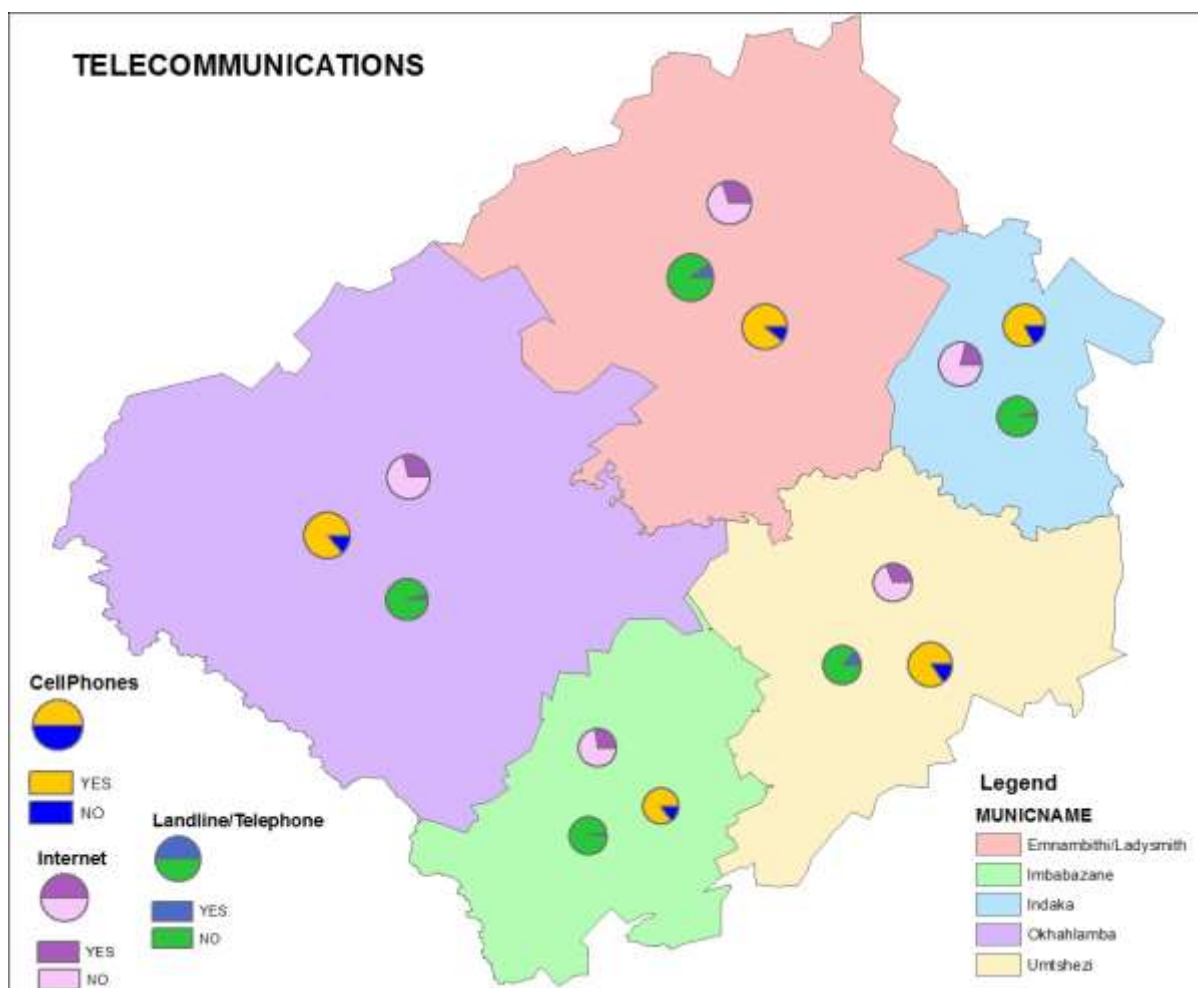
|                          |            |
|--------------------------|------------|
| 2015/2016 financial year | 12 million |
| 2016/2017 financial year | 40 million |
| 2017/2018 financial year | 16 million |

### 3.4.5.3 TELECOMMUNICATIONS

It is important to note that nearly 85% of households in uThukela have a cell phone. This may be a quick and effective way to directly communicate with households e.g. for giving notice of public meetings etc. The number of households who have access to landline is dropping drastically due the availability of cell phones. Access to internet is still a challenge in our district, only 28, 66% of households who have access to internet. The table and the map below depicts the status of telecommunications in uThukela and its family of municipalities.

| Local Municipality                    | Households     |            | Landline/Telephone |              | Cellphone    |              | Access to Internet |              |
|---------------------------------------|----------------|------------|--------------------|--------------|--------------|--------------|--------------------|--------------|
|                                       |                |            | Yes %              | No %         | Yes %        | No %         | Yes %              | No %         |
| Emnambithi/Ladysmith                  | 58 058         | 39,42      | 3,99               | 35,43        | 35,09        | 4,33         | 12,23              | 27,19        |
| Indaka                                | 20 035         | 13,6       | 0,52               | 13,09        | 11,22        | 2,38         | 2,83               | 10,78        |
| Umtshezi                              | 19 252         | 13,07      | 1,78               | 11,29        | 11,13        | 1,94         | 4,06               | 9,01         |
| Okhahlamba                            | 27 576         | 18,72      | 0,69               | 18,03        | 16,25        | 2,48         | 5,37               | 13,36        |
| Imbabazane                            | 22 365         | 15,18      | 0,46               | 14,73        | 12,94        | 2,25         | 4,18               | 11,01        |
| <b>Uthukela District Municipality</b> | <b>147 286</b> | <b>100</b> | <b>7,44</b>        | <b>92,56</b> | <b>86,63</b> | <b>13,37</b> | <b>28,66</b>       | <b>71,34</b> |

Source: Statistics South Africa 2011



### 3.4.6 SERVICE DELIVERY & INFRASTRUCTURE SWOT ANALYSIS

| Strengths   | Opportunities  |
|---|--|
| <ul style="list-style-type: none"> <li>◆ Well-planned, coordinated and developed infrastructure projects;</li> <li>◆ Availability of Bulk infrastructure and services in urban areas to support district economy;</li> <li>◆ Availability of expertise to implement projects</li> </ul>                                       | <ul style="list-style-type: none"> <li>◆ Availability of Grants funding to financially support delivery of infrastructure;</li> <li>◆ Technical support offered by provincial treasury (Creak Team) and COGTA (MISA);</li> <li>◆ Public private partnerships;</li> <li>◆ Existence of Intergovernmental relation</li> </ul>            |
| Weaknesses  | Threats  |
| <ul style="list-style-type: none"> <li>◆ Shortage of staff;</li> <li>◆ High staff turn-over;</li> <li>◆ Poor infrastructure maintenance strategies;</li> <li>◆ High level of water loses;</li> <li>◆ Outdated sector plans.</li> <li>◆ Ageing infrastructure which causes non-sustainability of services provision</li> </ul> | <ul style="list-style-type: none"> <li>◆ Increasing rate of illegal connections to water supply infrastructure;</li> <li>◆ High rate of infrastructure vandalism;</li> <li>◆ Prolonged turnaround time Eskom when applied for new power connection;</li> <li>◆ Industrial actions/ labour unrest during construction phase.</li> </ul> |

### 3.5 LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT ANALYSIS

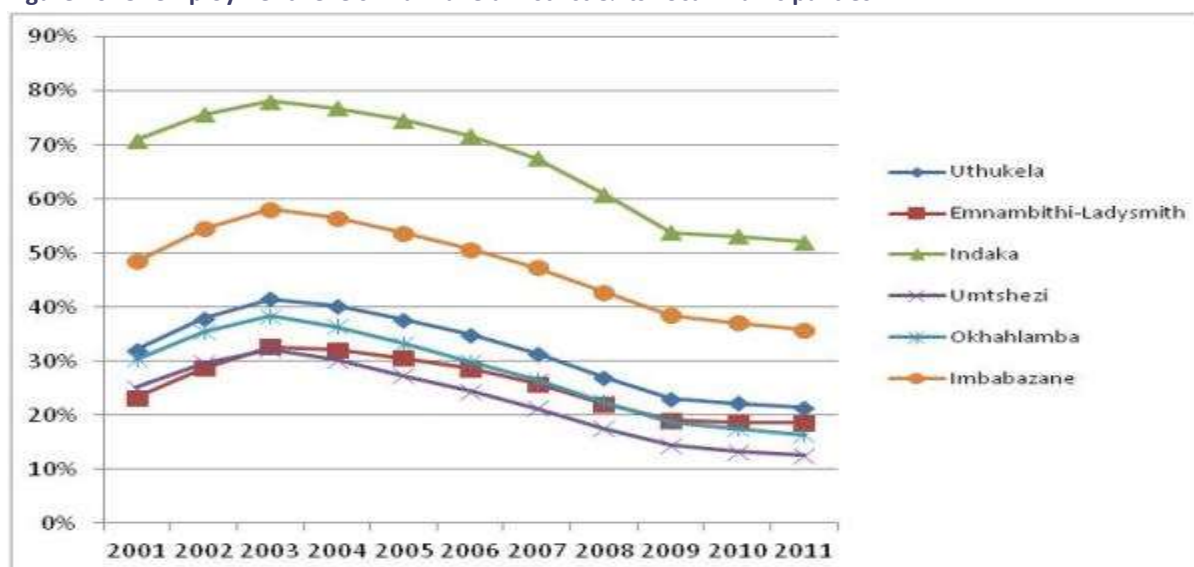
This section should be read with the attached adopted LED of the municipality. Local economic development (LED) in uThukela district municipality is seen as one of the most important ways of decreasing poverty. UThukela's LED aim to create jobs by making the local economy grows. Local economic development focuses on the development of rural enterprise guided by the statistical population distribution of the district municipality. Statistics indicate that 75% of the population of uThukela district municipality lives in rural areas. It is also responding to some of the Provincial Priorities, which is Rural Development, Food security, economic growth and agrarian reform.

#### 3.5.1 LOCAL ECONOMIC DEVELOPMENT ANALYSIS

##### 3.5.1.1 EMPLOYMENT STATUS

The unemployment rate in the municipality decreased from 32% in 2001 to 22% in 2011. The level of unemployment in the district is similar to that of the province, which was 32% in 2001 and 22% in 2011. Indaka local municipality has the highest levels of unemployment with the rate being 52% in 2011, whilst the lowest unemployment rate in 2011 was in Umtshezi local municipality at 13%. The diagram presents the unemployment rate for the district and each of its local municipalities from 2001-2011.

Figure 10: Unemployment Levels in uThukela District & its Local Municipalities



Source: uThukela LED strategy, 2013

The number of people who are not economically active increased from 207 830 in 2001 to 268 503 in 2011 (29% increase), compared to an increase in employed people of 21%.

**Table 22: Employment Levels in the District**

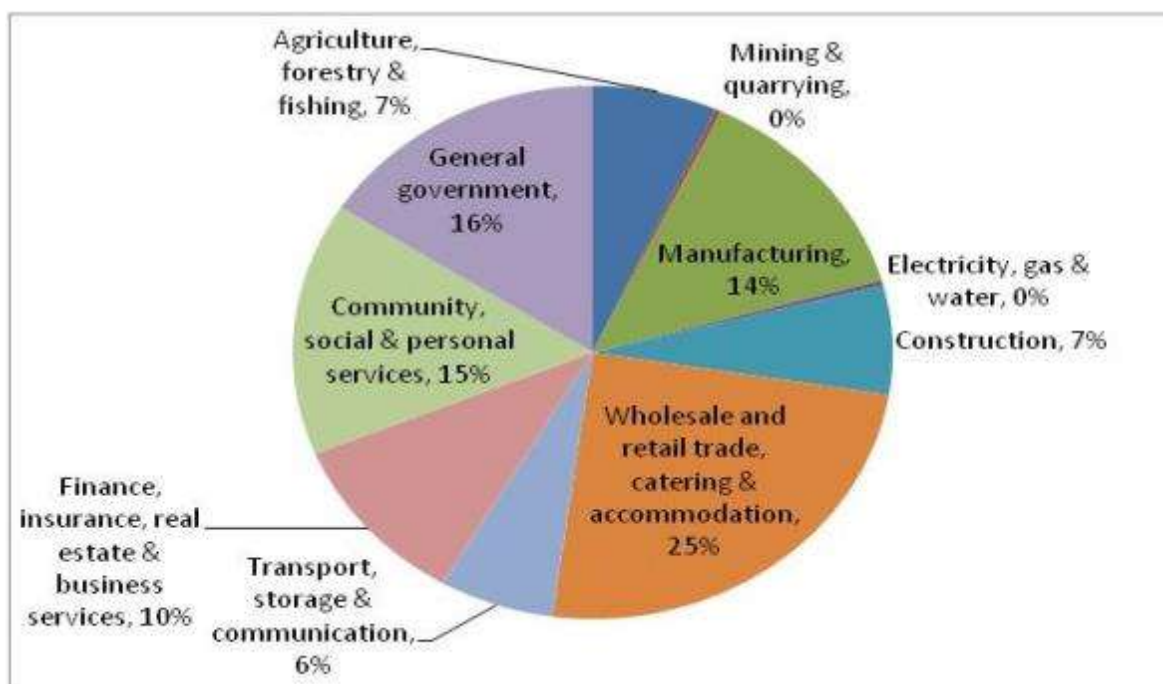
|      | Total population | Population - Working age | Total employed | Unemployed | Not economically active | Unemployment Rate | Labour Force Participation Rate |
|------|------------------|--------------------------|----------------|------------|-------------------------|-------------------|---------------------------------|
| 2001 | 644 246          | 351 530                  | 97 545         | 46 155     | 207 830                 | 32%               | 41%                             |
| 2006 | 699 941          | 384 081                  | 112 228        | 60 079     | 211 774                 | 35%               | 45%                             |
| 2011 | 750 913          | 418 990                  | 118 190        | 32 297     | 268 503                 | 22%               | 36%                             |

*Source: Statistics South Africa 2011*

### 3.5.1.2 EMPLOYMENT BY SECTOR

The main source of employment within the district in 2011 was wholesale and retail trade, catering and accommodation at 25%. This was followed by government at 16% and community, social and personal services at 15%. Employment in the primary sector comprised around 7% of total employment in the district in 2011.

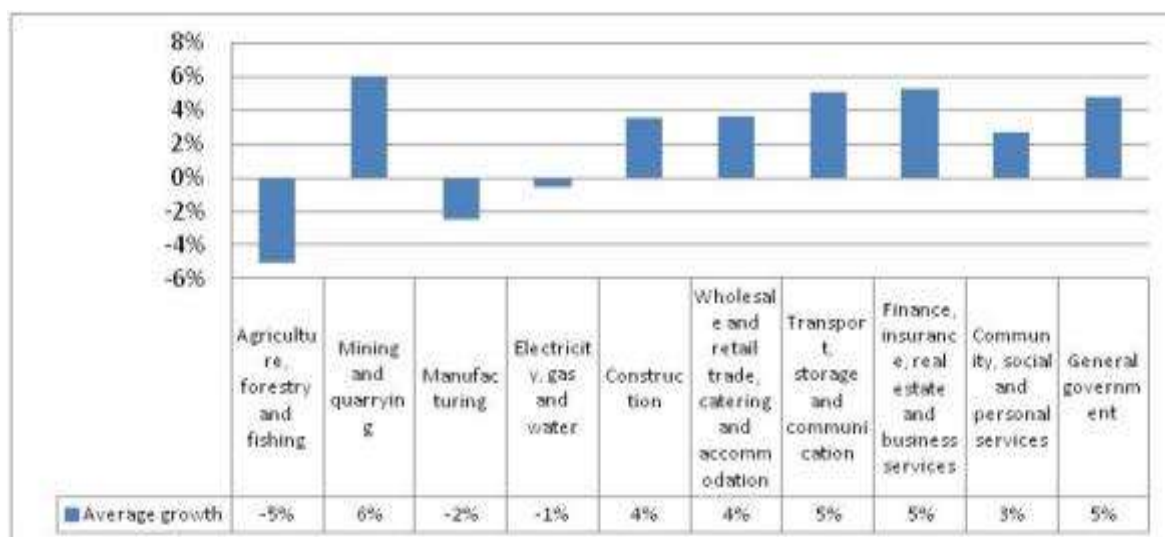
**Figure 11: Employment per Sector**



*Source: Statistics South Africa 2011*

From an employment growth perspective, the agriculture; manufacturing; and electricity, gas and water sectors showed an average decrease in employment of 5%, 2% and 1% respectively between 2001 and 2011. The biggest employment gains were in mining and quarrying (6% growth); finance, insurance, real estate and business services; transport, storage and communications; and general government (all 5% growth respectively).

Figure 12: Average Growth in Employment per Sector 2001 - 2011



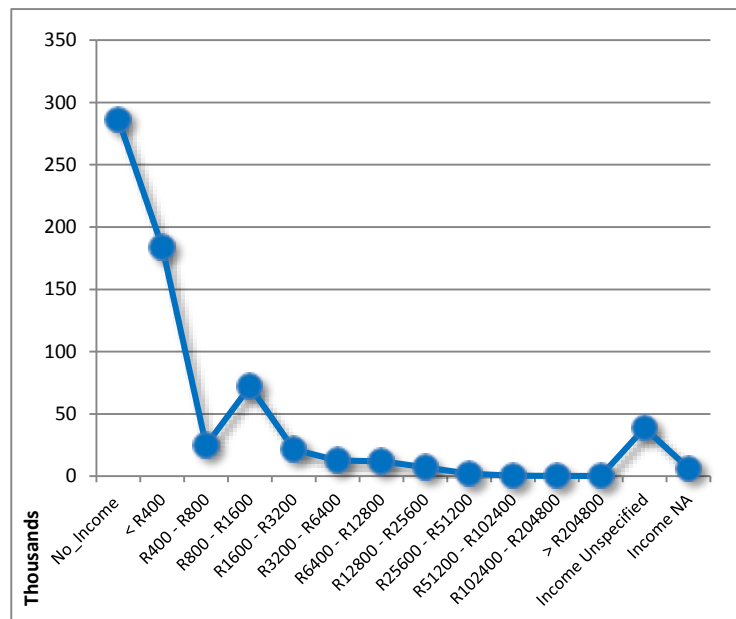
Source: Statistics South Africa 2011

## 3.5.2 INCOME LEVEL

### 3.5.2.1 INDIVIDUAL INCOME

Approximately 286, 410 (i.e. 42.8%) of the population has no source of income and about 184, 170 (i.e. 27.5%) earn less than R400 per month which translate to almost 70.3% of the population leave below the poverty line. Approximately 2,894 of the population in uThukela earn over R25, 600 per month. These people work around Ladysmith, Estcourt, and Bergville in senior management and professional positions in government and private institutions. The diagram and table below illustrate.

| INDIVIDUAL MONTHLY INCOME |        |
|---------------------------|--------|
| No Income                 | 286410 |
| < R400                    | 184170 |
| R400 - R800               | 24891  |
| R800 - R1600              | 72182  |
| R1600 - R3200             | 21541  |
| R3200 - R6400             | 12597  |
| R6400 - R12800            | 11936  |
| R12800 - R25600           | 7149   |
| R25600 - R51200           | 2022   |
| R51200 - R102400          | 347    |
| R102400 - R204800         | 273    |
| > R204800                 | 252    |
| Income Unspecified        | 38808  |
| Income NA                 | 6247   |



Source: Statistics South Africa 2011

### 3.5.2.2 HOUSEHOLD INCOME

Household income can be used as a proxy for economic well-being of household and individuals, as it determines their consumption and savings potentials. Changes in the income by households is one of the direct indicator available that can be used to establish who benefits from economic development and by how much are the beneficiaries benefiting. Furthermore, data on household income can be used to inform poverty analysis.

In uThukela the R1-R4, 800 and R, 4801-R9600 household income categories have increased considerably throughout the years; this can be an indication of improvement in the socio-economic status of the households in the district. The number of households in the upper end income categories (i.e.R1 228 801-R 457 600) have decreased throughout the years.

The table below shows the households income of uThukela district municipality and KZN province in 2011.

| INCOME CATEGORY 2011      | KZN 2011         | UTHUKELA 2011  |
|---------------------------|------------------|----------------|
| No income                 | 387,240          | 22,150         |
| R 1 - R 4800              | 125,843          | 8,876          |
| R 4801 - R 9600           | 217,220          | 17,024         |
| R 9601 - R 19 600         | 494,870          | 32,817         |
| R 19 601 - R 38 200       | 500,449          | 31,121         |
| R 38 201 - R 76 400       | 300,450          | 15,365         |
| R 76 401 - R 153 800      | 210,595          | 9,339          |
| R 153 801 - R 307 600     | 158,363          | 6,174          |
| R 307 601 - R 614 400     | 98,245           | 3,271          |
| R 614 001 - R 1 228 800   | 30,829           | 638            |
| R 1 228 801 - R 2 457 600 | 9,201            | 253            |
| R 2 457 601 or more       | 6,017            | 254            |
| Unspecified               | 107              | 3              |
| <b>Grand Total</b>        | <b>2,539,429</b> | <b>147,286</b> |

*Source: Statistics South Africa 2011*

### 3.5.3 MAIN ECONOMIC CONTRIBUTORS

#### 3.5.3.1 GROSS VALUE ADDED (GVA) CONTRIBUTION

The total value of goods and services produced in uThukela in 2011 was R13.4 billion, contributing 5% to the provincial economy. The district's GVA contribution grew at an average of 6% per annum between 2001 and 2011, which is above the overall average for KZN of 4%. This is attributed to the high average growth in Okhahlamba, Indaka, Umtshezi and Imbabazane municipalities.

The table below shows the GVA contribution of KZN, uThukela and its local municipalities in 2001, 2006 and 2011.

**Table 23: GVA Contribution**

|            | 2001    | 2006    | 2011    | Average Annual Growth<br>2001-2011 |
|------------|---------|---------|---------|------------------------------------|
| KZN        | 194 419 | 239 894 | 277 530 | 4%                                 |
| uThukela   | 7 294   | 10 110  | 13 472  | 6%                                 |
| Emnambithi | 3 993   | 4 892   | 5 624   | 4%                                 |
| Indaka     | 244     | 378     | 580     | 9%                                 |
| Umtshezi   | 1 206   | 1 888   | 2 779   | 9%                                 |
| Okhahlamba | 1 170   | 1 982   | 3 141   | 10%                                |
| Imbabazane | 653     | 938     | 1 318   | 7%                                 |

*Source: Statistics South Africa 2011*

### 3.5.3.2 GVA CONTRIBUTION PER SECTOR

The table shows the GVA contribution per sector in constant prices for the district municipality from 2001-2011. The most significant sector in 2011 was manufacturing which contributed 21% to the district's total GVA. This was followed by wholesale and retail trade, catering and accommodation at 17%; and then finance, insurance, real estate and business services at 15%. The least important sector in terms of GVA in 2011 was mining and quarrying at 1%. From a growth perspective, construction grew at an average of 11% per annum between 2001 and 2011, followed by finance, insurance, real estate and business services at 10% per annum. The largest sector, manufacturing, grew at 4% per annum. Mining and quarrying showed a negative average growth rate over the period of 2% per annum.

**Table 24: GVA Contribution per Sector**

|  | 2001  | 2006  | 2011  | Average annual growth<br>2001-2011 |
|--|-------|-------|-------|------------------------------------|
| Agriculture, forestry and fishing                      | 425   | 619   | 946   | 8%                                 |
| Mining and quarrying                                   | 90    | 75    | 76    | -2%                                |
| Manufacturing  | 1 917 | 2 389 | 2 857 | 4%                                 |
| Electricity, gas and water                             | 333   | 378   | 402   | 2%                                 |
| Construction   | 184   | 249   | 394   | 11%                                |
| Wholesale and retail trade, catering and accommodation | 1 116 | 1 688 | 2 342 | 8%                                 |
| Transport, storage and communication                   | 806   | 1 326 | 1 873 | 9%                                 |
| Finance, insurance, real estate and business services  | 833   | 1 433 | 2 069 | 10%                                |
| Community, social and personal services                | 475   | 617   | 730   | 4%                                 |
| General government                                     | 1 116 | 1 334 | 1 784 | 5%                                 |

*Source: Statistics South Africa 2011*



### 3.5.3.3 AGRICULTURE SECTOR

Agriculture contributed R946 million to the district economy in 2011 and employed 7 959 people. The sector had one of the highest average annual growth rates in terms of GVA at 8% for 2001 to 2011, although employment growth was negative at -5% per annum. The number of people employed in agriculture, forestry and fishing started decreasing in 2007, which is in line with provincial trends in the sector.

The sector contributed 7% to total GVA and employment within the municipality in 2011. The municipality's agricultural sector contributed 7% to total agricultural GVA of KZN in 2011, up from 4% in 2001. Employment in uThukela's agricultural sector as a proportion of total agricultural employment in KZN was 8% in 2011, also up from 4% in 2001. Commercial agriculture occupies a large portion of the municipal land area but subsistence farming is the dominant activity in the municipality.

Table 24 below shows the relative contribution of uThukela's agricultural sector in 2001, 2006 and 2011.

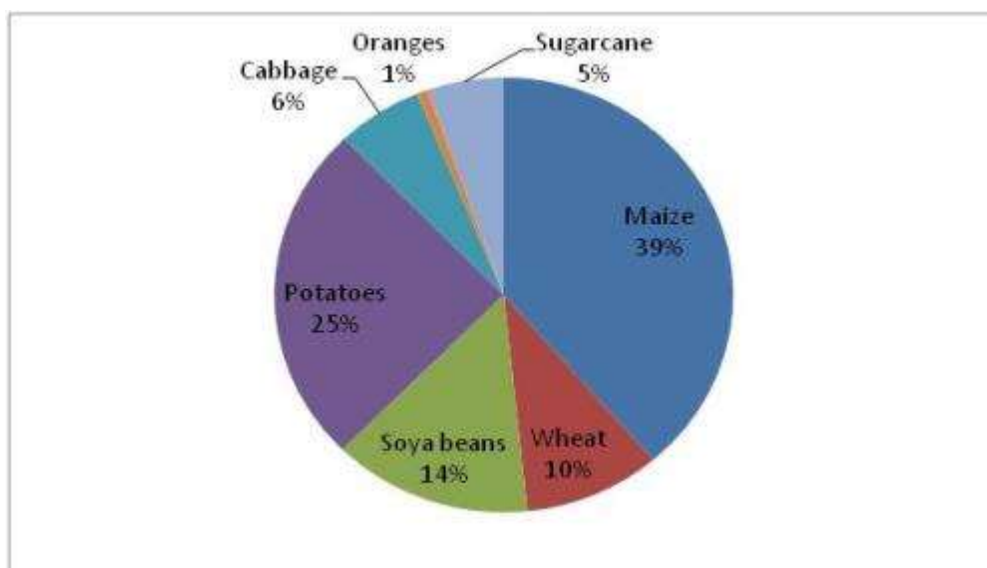
**Table 25: Contribution of Agriculture to the uThukela District's Economy**

|  | 2001   | 2006   | 2011  |
|--|--------|--------|-------|
| uThukela's agriculture, forestry and fishing GVA contribution (Rm)   | 425    | 619    | 946   |
| Relative contribution to total GVA within uThukela                   | 6%     | 6%     | 7%    |
| Relative contribution to total GVA within KZN                        | 4%     | 6%     | 7%    |
| uThukela's agriculture, forestry and fishing employment contribution | 13 772 | 16 305 | 7 959 |
| Relative contribution to total employment within uThukela            | 14%    | 15%    | 7%    |
| Relative contribution to total employment within KZN                 | 4%     | 6%     | 8%    |

**Source: Department of Agriculture, 2014**

According to the 2007 Census of Agriculture, there was approximately 63 000 ha of area planted to crops in the district in 2007. The main crop planted was maize followed by potatoes, with the main areas for cropping being Estcourt and Bergville.

Figure 13: Crops Planted in uThukela District in 2007



Source: Dept. of Agriculture, 2007

In addition, there were 1 million chickens, 56 000 pigs, 47 000 cattle and 26 000 sheep in the district in 2007. Beef ranching dominates in Emnambithi local municipality, whilst chickens are the dominant activity in Umtshezi local municipality. The main area of sheep and pig farming is also in Umtshezi local municipality.

The challenges facing agriculture in the district are:

- ⇒ Traditional value systems hinder the ability of communal farmers to become more commercialized as the economic value of their livestock is not appreciated;
- ⇒ Poor herd quality in terms of cattle means that commercialization of cattle farming is limited;
- ⇒ Stock theft is a major problem in the district;
- ⇒ Failure of land reform to produce viable and sustainable farming operations;
- ⇒ Communally owned cattle represent a huge proportion of stock in the district and this asset needs to gear further investment in agriculture;
- ⇒ Whilst it is important to identify potential value adding opportunities, these must be done within the context of the broader economy and impacts on businesses elsewhere in the supply chain;
- ⇒ There is a need to make people directly responsible for their farming activities and their own success;
- ⇒ Make use of existing knowledge systems within communities to make agriculture a success;
- ⇒ There is a need to develop incentives and tax breaks to support investment in the industry;

- ⇒ There is a need to improve perceptions of the agricultural industry so that it is appealing to the younger generation;
- ⇒ Farmers in the region are concerned about the threat of land claims and land grabs;
- ⇒ There has been a steady decline over time in the number of people entering agriculture given the challenges faced by farmers and the attractiveness of other sectors to the younger generations;
- ⇒ There seems to be a sense of disillusion from commercial farmers with government and programmes to mentor emerging farmers;
- ⇒ There is a need to identify agricultural activities that are labour intensive and develop these to address some of the employment issues that exist.

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#### 3.5.3.4 TOURISM

The current tourism destinations (or regions) that fall within the district municipality are the 'Battlefields' and 'Drakensberg' destinations (as defined by TKZN). The assessment of tourism in the municipality is therefore based on data available for these destinations. The information provided in this section has been sourced from the uThukela Tourism Strategy (2012).

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#### 3.5.3.5 FOREIGN TOURISM

The following is a summary / statistics of the tourism trends in uThukela District:

- ⇒ An estimated 162 967 foreign tourists visited the district municipality in 2010. This is based on 126 492 tourists to the Drakensberg and 36 475 tourists to the Battlefields;
- ⇒ The main source markets of foreign tourists in the district are the UK, Germany, Netherlands and USA (as reported in the uThukela tourism strategy);
- ⇒ The average spend per trip of foreign tourists to the district municipality is reported in the tourism strategy as R7 215. This is equivalent to the average spend per trip reported by TKZN for all foreign tourists to KZN.

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#### 3.5.3.6 DOMESTIC TOURISM

- ⇒ The district received an estimated 349 860 domestic trips in 2010. This is based on 295 148 trips to the Drakensberg and 54 713 trips to the Battlefields. The market share of total trips to the Drakensberg and Battlefields is therefore 26% and 23% respectively;
- ⇒ The average length of stay of domestic tourists to the Drakensberg is reported in the uThukela tourism strategy as 4.5 nights, with the length of stay to the Battlefields at 2.0 nights;

- ⇒ The main domestic source markets in the district are Gauteng and KZN itself;
- ⇒ The average spend per trip of domestic tourists to the district municipality is reported in the tourism strategy as R710. Again, this is equivalent to the provincial figures in terms of average spend.

### 3.5.3.7 EMPLOYMENT IN TOURISM IN UTHUKELA

The total number of people employed by tourism in the district is estimated at 2 968 direct and 4 544 direct and indirect (Urban Econ Tourism, 2012). This equates to around 3% of provincial employment in tourism (direct).

### 3.5.3.8 TOURISM RESOURCES AND FACILITIES IN UTHUKELA

The district is rich in natural, cultural and historical heritage with the major attractions being the uKhahlamba-Drakensberg World Heritage Site and the Battlefields. In addition, the municipality has cross-boundary linkages with Lesotho and the Free State (e.g. through the Maloti Drakensberg Trans frontier Project); Amajuba and uMzinyathi Districts (e.g. Battlefields); and the midlands (including the Midlands Meander).

### 3.5.3.9 INVESTMENT IN TOURISM IN UTHUKELA

The uThukela tourism strategy indicates that no baseline data could be obtained on the status of tourism investment in the municipality. The following priority tourism projects are identified in the uThukela tourism strategy for future investment and have relevance to the LED Strategy:

- ⇒ Establishment of an uThukela tourism route;
- ⇒ Expansion and consolidation of Weenen Game Reserve and potential to establish it as a Big Five reserve;
- ⇒ Restore Umsuluzi Game Reserve near Colenso;
- ⇒ Upgrade the rock art centres in Okhahlamba and develop environmental interpretation centres;
- ⇒ Cableway in the Drakensberg;
- ⇒ Develop township and rural tourism projects;
- ⇒ Develop a themed heritage and cultural route along the R74;
- ⇒ Develop a new conference venue in the district;
- ⇒ Reconstruction of Royal Natal Hotel;
- ⇒ Develop a themed tourism information node/hub and district craft hub along the N3 and N11; and
- ⇒ Establish a hospitality and tourism training centre in the district.

### 3.5.3.10 STATUS OF SMALL MEDIUM AND MICRO ENTERPRISE (SMME) IN UTHUKELA DM

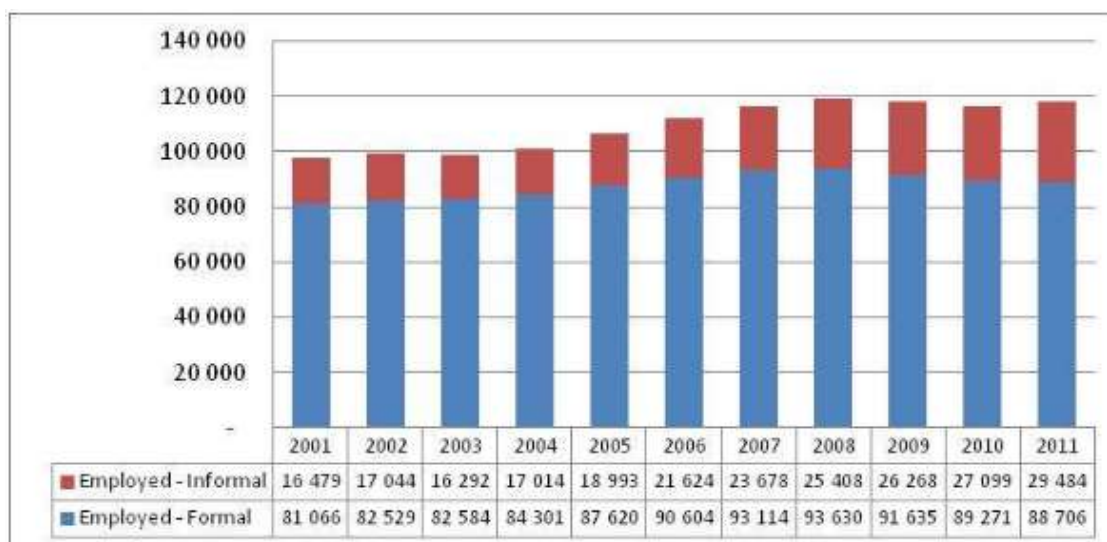
The South African economy is highly centralised and dominated by a set of monopoly industries. Capital-intensive industries tend to exclude SMME'S participation and make employment creation expensive. The SMME's strategy that has been finalised by uThukela district municipality deals with the following:

- ⇒ Addressing poverty, economic marginalisation and equality;
- ⇒ Improving the distribution of returns from economic activity more equitably across the society;
- ⇒ Ensuring the basic needs are accessible and affordable;
- ⇒ Improving the way in which people participate in the economy;
- ⇒ Increasing poor people's ability to gain and secure assets;
- ⇒ Reducing unemployment

### 3.5.3.11 INFORMAL SECTOR

The bulk of people are employed in the formal sector within the district, with 75% being formally employed in 2011. The number of people employed in the informal sector has been increasing over time (since around 2004), whilst formal employment has been declining since 2008 mostly due to the impact of the recent global economic recession. The figure below illustrates.

**Figure 14: Employment by Informal Sector**



*Source: uThukela 2013 LED Strategy*

### 3.5.3.12 MANUFACTURING

Manufacturing, which was the most significant economic sector, contributed R2.9 billion to the economy of uThukela in 2011 and employed an estimated 16 082 people. The sector's average annual growth rate in GVA was 4% between 2001 and 2011 but employment growth was negative at -2% per annum. The sector contributed 21% to total GVA and 14% to employment within the district municipality in 2011.

The district's manufacturing sector contributed 5% to total manufacturing GVA of KZN in 2011, up from 4% in 2001. Employment in the municipality's manufacturing sector as a proportion of total manufacturing employment in KZN remained stable at 6% between 2001 and 2011.

The table shows the relative contribution of the district's manufacturing sector in 2001, 2006 and 2011.

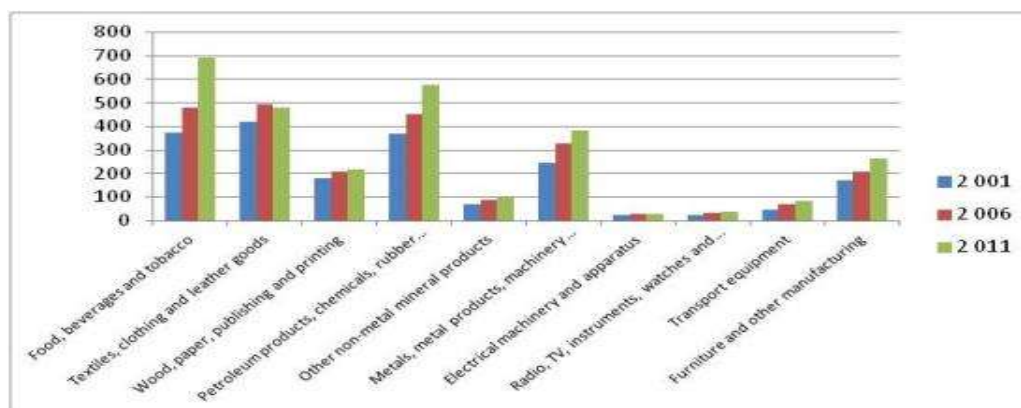
Table 26: Contribution of Manufacturing to the District's Economy

|   | 2001   | 2006   | 2011   |
|---|--------|--------|--------|
| uThukela's manufacturing GVA contribution (Rm)            | 1 917  | 2 389  | 2 857  |
| Relative contribution to total GVA within uThukela        | 26%    | 24%    | 21%    |
| Relative contribution to total GVA within KZN             | 4%     | 4%     | 5%     |
| uThukela's manufacturing employment contribution          | 21 190 | 18 891 | 16 082 |
| Relative contribution to total employment within uThukela | 22%    | 17%    | 14%    |
| Relative contribution to total employment within KZN      | 6%     | 6%     | 6%     |

Source: uThukela 2013 LED Strategy

The main sub-sectors within manufacturing of the district are food, beverages and tobacco; petroleum products, chemicals, rubber and plastic; and then textiles, clothing and leather goods. All of the manufacturing sub-sectors have remained relatively stable in terms of the contribution to the manufacturing sector since 2000.

Figure 15: Manufacturing sub-sector contribution to uThukela's total GVA (Rm) in 2001, 2006 & 2011



Source: Statistics South Africa 2011

The dominant manufacturing areas of the district are in Emnambithi local municipality and Umtshezi local municipalities, with Ezakheni Industrial Estate and Danskraal forming the major industrial areas in Emnambithi local municipality. Large manufacturing enterprises are based in both municipalities and include Defy Appliances, Zorbatex, Nestle, Eskort, Factory Tyres and Clover.

#### 3.5.4 EXTENDED PUBLIC WORKS PROGRAMME (EPWP)

The aim of this programme is to institute a sustainable Expanded Public Works Programme (EPWP) within the uThukela district municipality as provided in the EPWP national framework. Its aim is to establish the EPWP as a socio-economic development and poverty alleviation program, expand the current service delivery model of goods and services to ensure shared economic growth and ensure developmental integration across all sectors. The EPWP is the government program aimed at providing poverty and income relief through temporary work for the unemployed to carry out socially useful activities.

uThukela district municipality is implementing the EPWP. The work opportunities created in the 2013/2014 financial is 2291 through water and sanitation projects. uThukela district municipality do comply with the immediate goal of Phase 1 of EPWP by ensuring that the municipality adheres to the following targets: women 40%, youth 30%, men 18% and 2% people with disabilities. The municipality also adheres in terms of training, employment targets and distribution of safety clothing as well the rotation of employees. In the 2015/2016 financial, uThukela district municipality will receive an amount of R2 384 in ensuring that the EPWP is implemented seriously.

It is the policy of the municipality to ascertain that before issuing any tender to a contractor it must first be submitted to Expanded Public Works Programme (EPWP) technical support for approval to ensure that the municipality considers all the above-mentioned guidelines.

## 3.5.5 LED SWOT ANALYSIS

| STRENGTHS   | OPPORTUNITIES   |
|---|---|
| <ul style="list-style-type: none"> <li>◆ Registered Planner on staff;</li> <li>◆ Planning, GIS and LED skilled personnel;</li> <li>◆ Provincial Support in the form of grants and capacity building;</li> <li>◆ Sufficient project budget for project implementation</li> </ul>             | <ul style="list-style-type: none"> <li>◆ Newly updated LED and Tourism Strategy;</li> <li>◆ Funding to enhance the SDF in progress;</li> <li>◆ Working relationship established with LMs;</li> <li>◆ LED Forum has grown with LED Strategy review;</li> <li>◆ Anchor project in the form of the Cable Car projects;</li> <li>◆ World Heritage Site – uKhahlamba Drakensberg Park World Heritage Site</li> </ul> |
| WEAKNESSES  | THREATS   |
| <ul style="list-style-type: none"> <li>◆ Vacant tourism position;</li> <li>◆ Procurement process is long and cumbersome;</li> <li>◆ Tourism, LED and Planning Forum to be strengthened;</li> <li>◆ Marketing of the District as a Tourism destination and Investment destination</li> </ul> | <ul style="list-style-type: none"> <li>◆ Employment of unskilled Tourism Specialist;</li> <li>◆ Instability in the organization;</li> <li>◆ Lack of LM/DM Cooperation;</li> <li>◆ Lack of vertical and horizontal alignment within the organization</li> <li>◆ Shortage of LED personnel</li> </ul>   |



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### 3.5.6 SOCIAL DEVELOPMENT

Social and community development deals with issues ranging from environmental health services to education and the provision of community facilities. As such, community up-liftment 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.

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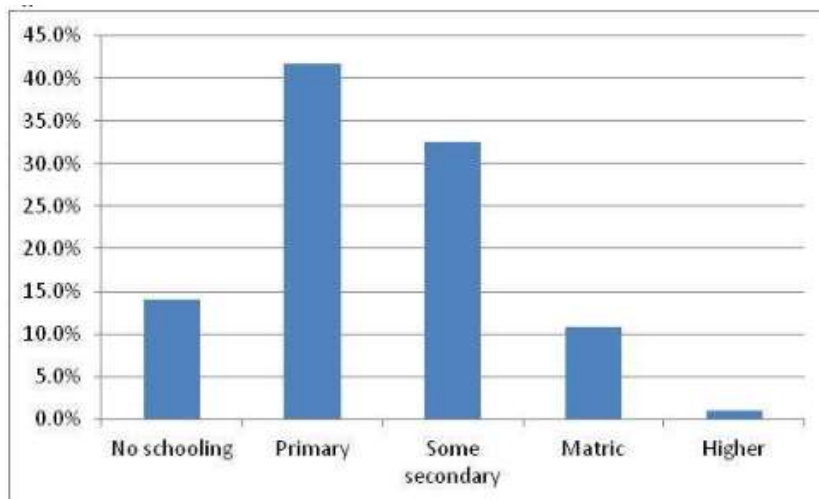
#### 3.5.6.1 EDUCATION SECTOR ANALYSIS

Education serves as the means to bring about the desired change in society, to develop a generation of virtuous individuals and thus contribute to the development of good human beings. The importance of education is that it empowers individuals to take better care of themselves and their children. Education also serves as a gate to higher economic growth through higher level of skilled society. This is why the provision of good education and educational resources remains a high priority for uThukela district municipality. The department of education in uThukela district is playing a vital role in ensuring that the education is given the priority.

##### 3.5.6.1.1 LEVEL OF EDUCATION

A small percentage of the population in the district has post-matric qualifications at only 1%, whilst 14% of the population has no schooling whatsoever. Figure 19 shows that 41% have primary school education and 33% have some secondary schooling, whilst only 10.9% achieved matric. This means that there is a limited pool of skilled labour in the municipality and that basic education needs to be addressed in order to improve skills levels in the future. Basic education is considered fundamental to the future success of the local economy.

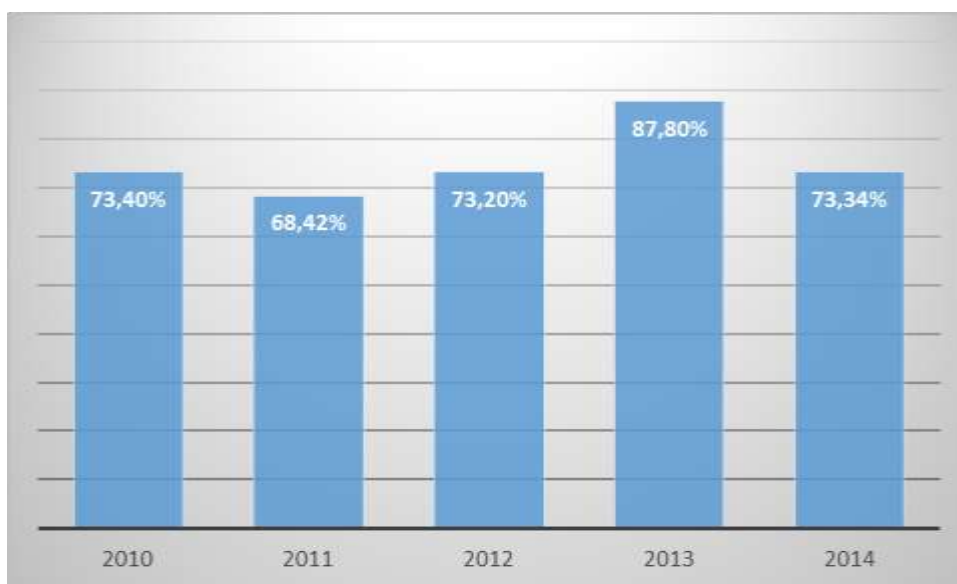
Figure 16: Education Level



Source: Statistics South Africa, 2011

The matric results has shown some decline in 2014 from 87.80% to 73.34% and this translate that the matric results has dropped by 14.46%. The graph below shows the performance of uThukela district (education) from 2010 to 2014.

Figure 17: District Performance in Five (5) Years



Source: Department of Education, 2014

## 3.5.6.1.2 AVERAGE EDUCATION ATTAINMENT

The number of people with no schooling dropped between 2005 and 2010 with a further decline between 2010 and 2011 in uThukela, while the number of those people with grade 0-11 shows a significant increase over the period under review. The number of people with matric only has shown a large increase. The tables below show the average education attainment of uThukela and its family of municipalities from 2001 to 2010 and the recently released by the statistics South Africa in 2011.

Table 27: Average Education Attainment

| HIGHEST EDUCATION LEVEL                             | KZN        | UTHUKELA | EMNAMBITHI | INDAKA  | UMTSHEZI | OKHAHLAMBA | IMBABAZANE |
|---|------------|----------|------------|---------|----------|------------|------------|
| Grade 0   | 351,701    | 26,129   | 8,563      | 4,556   | 3,345    | 5,190      | 4,475      |
| Grade 1 / Sub A                                     | 337,208    | 25,522   | 7,722      | 4,516   | 3,086    | 5,465      | 4,734      |
| Grade 2 / Sub B                                     | 334,645    | 25,197   | 7,796      | 4,355   | 2,954    | 5,615      | 4,478      |
| Grade 3 / Std 1/ABET 1/Kha Ri Gude;SANLI            | 342,542    | 26,036   | 7,975      | 4,671   | 3,104    | 5,934      | 4,451      |
| Grade 4 / Std 2                                     | 392,225    | 29,405   | 9,318      | 5,006   | 3,459    | 6,343      | 5,280      |
| Grade 5 / Std 3/ABET 2                              | 384,132    | 27,847   | 9,153      | 4,790   | 3,226    | 5,931      | 4,747      |
| Grade 6 / Std 4                                     | 397,090    | 28,320   | 9,316      | 4,919   | 3,431    | 5,801      | 4,853      |
| Grade 7 / Std 5/ ABET 3                             | 471,585    | 33,651   | 11,520     | 5,599   | 3,987    | 6,796      | 5,743      |
| Grade 8 / Std 6 / Form 1                            | 619,449    | 40,467   | 15,189     | 6,190   | 4,765    | 7,442      | 6,882      |
| Grade 9 / Std 7 / Form 2/ ABET 4                    | 530,018    | 34,714   | 12,533     | 5,480   | 4,108    | 6,928      | 5,664      |
| Grade 10 / Std 8 / Form 3                           | 732,789    | 47,127   | 18,102     | 6,699   | 5,208    | 8,950      | 8,168      |
| Grade 11 / Std 9 / Form 4                           | 788,117    | 49,272   | 18,657     | 6,770   | 5,660    | 9,048      | 8,937      |
| Grade 12 / Std 10 / Form 5                          | 1,934,771  | 100,496  | 43,857     | 10,634  | 12,980   | 16,458     | 16,567     |
| NTC I / N1/ NIC/ V Level 2                          | 15,273     | 753      | 406        | 44      | 109      | 80         | 115        |
| NTC II / N2/ NIC/ V Level 3                         | 11,388     | 434      | 252        | 15      | 82       | 35         | 51         |
| NTC III /N3/ NIC/ V Level 4                         | 15,606     | 617      | 321        | 35      | 121      | 63         | 77         |
| N4 / NTC 4  | 12,001     | 440      | 261        | 19      | 76       | 45         | 38         |
| N5 / NTC 5  | 10,537     | 399      | 241        | 16      | 56       | 35         | 51         |
| N6 / NTC 6  | 13,255     | 514      | 284        | 32      | 84       | 57         | 57         |
| Certificate with less than Grade 12 / Std 10        | 12,248     | 502      | 270        | 30      | 33       | 61         | 108        |
| Diploma with less than Grade 12 / Std 10            | 14,499     | 599      | 260        | 44      | 118      | 76         | 101        |
| Certificate with Grade 12 / Std 10                  | 90,427     | 4,346    | 2,438      | 177     | 527      | 553        | 659        |
| Diploma with Grade 12 / Std 10                      | 119,312    | 5,795    | 3,325      | 360     | 962      | 718        | 429        |
| Higher Diploma                                      | 100,777    | 3,521    | 1,814      | 183     | 677      | 575        | 272        |
| Post Higher Diploma<br>Masters; Doctoral<br>Diploma | 17,305     | 564      | 295        | 31      | 102      | 70         | 67         |
| Bachelors Degree                                    | 80,354     | 2,524    | 1,451      | 109     | 484      | 310        | 169        |
| Bachelors Degree and<br>Post graduate Diploma       | 32,913     | 979      | 511        | 74      | 176      | 153        | 65         |
| Honours degree                                      | 34,948     | 1,121    | 687        | 33      | 223      | 126        | 53         |
| Higher Degree Masters /<br>PhD                      | 24,019     | 564      | 314        | 32      | 80       | 88         | 51         |
| Other   | 16,632     | 791      | 504        | 42      | 114      | 59         | 71         |
| No schooling  | 720,791    | 54,503   | 12,716     | 11,236  | 8,650    | 12,195     | 9,706      |
| Unspecified   | -          | -        | -          | -       | -        | -          | -          |
| Not applicable                                      | 1,308,143  | 95,694   | 31,386     | 16,416  | 10,968   | 20,968     | 15,956     |
| GRAND TOTAL   | 10,267,300 | 668,848  | 237,437    | 103,116 | 83,153   | 132,068    | 113,073    |

Source: Statistics South Africa 2011

### 3.5.6.1.3 IMPLICATION OF CHALLENGES / PROBLEM AREAS ASSOCIATED WITH EDUCATION

The level of education in the District is poor and is not sufficient to bring meaningful economic growth and development. Low level of education may push the population out of competitive labour and job market thereby increasing high level of unemployment, poverty and idleness, which are a strong recipe to social evils such as robbery / crime, prostitution, etc.

The population of uThukela should take education seriously if meaningful economic growth is to be realised in the area. As such, it is important that more resources be geared towards improving the level of education in the area. The diagram following illustrates the status of education level in the municipal area.

### 3.5.6.2 HEALTH SECTOR ANALYSIS

#### 3.5.6.2.1 HIV / AIDS

uThukela district municipality has shown an increase from 36.7% in 2010 to 37.1% in 2012. Umzinyathi still has the lowest prevalence, decreased from 31.1% in 2010 to 30.1% in 2012. In 2010 five districts in KZN viz: UGu, UMkhanyakude, eThekwini, iLembe and uMgungundlovu recorded HIV prevalence estimates of above 40%. The 2012 survey has recorded prevalence rate over 40% in UMgungundlovu. The provincial overall on HIV prevalence remains at 37.4%, which is above the national prevalence. Sisonke, UMkhanyakude, uGu, Zululand and Amajuba have recorded a decrease from 2011 to 2012. uThungulu, eThekwini, iLembe and uMgungundlovu shows some increase between 2011 to 2012. The table below shows the HIV prevalence in the KZN Districts from 2010 to 2012.

Figure 18: HIV Prevalence Trends among antenatal Women by district KZN 2010 - 2012

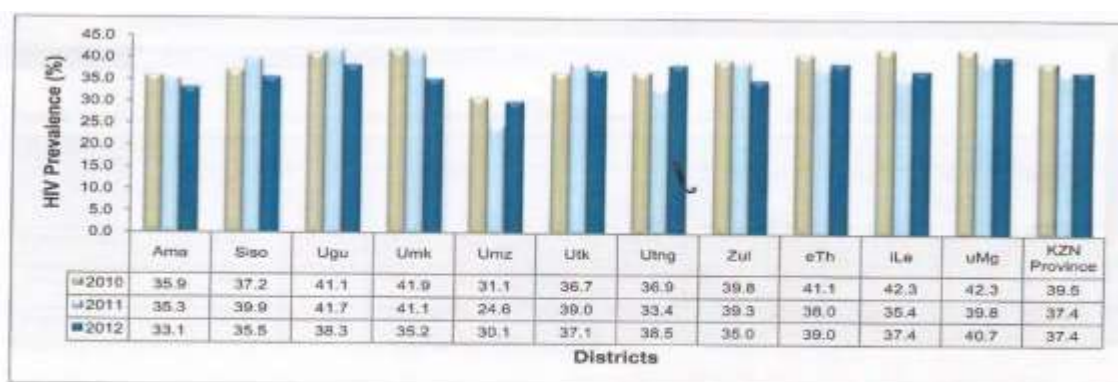


Figure 26: HIV prevalence trends among antenatal women, KwaZulu-Natal, 2010 to 2012. (Source: NDoH, 2013)

Ama = Amajuba; Siso = Sisonke; Um = uMkhanyakude; Umz = uMzinyathi; Utng = uThungulu; Utk = uThukela; Zul = Zululand; eTh = eThekwini; iLe = iLembe; uMg = uMgungundlovu.

**UThukela District Aids Council (DAC):** UTDM has established a co-ordinating forum for HIV/AIDS issues involving all stakeholders and role-players called uThukela District Aids Council to fulfil the following functions as outlined under the terms of reference.

- ⇒ Development of the District AIDS Plan;
- ⇒ Monitor the implementation of the District AIDS Plan quarterly;
- ⇒ Review and evaluate the implementation of the District AIDS Plan annually;
- ⇒ Facilitate the establishment of Local AIDS Councils;
- ⇒ Facilitate multi-sectoral and interdepartmental collaboration in the campaign against AIDS;
- ⇒ Facilitate capacity building on HIV related issues;
- ⇒ Mobilise financial and technical resources for the campaign against HIV/AIDS and ensure equitable distribution of such resources;
- ⇒ Commission relevant research and review statistics and other research reports relating to the District;
- ⇒ Serve as the leading District public advocate to create an enabling environment for HIV/AIDS prevention, care and support;
- ⇒ Report to the Provincial AIDS Council quarterly and annually on the progress made and challenges, which need to be addressed to combat HIV/AIDS in the District.

**HIV Strategy:** uThukela district municipality has developed the HIV/AIDS strategy for both the community and for the workplace. In the strategy there are number of projects identified for 2015/2016 in mitigating the impact of HIV/AIDS such as awareness programmes.

### 3.5.6.3 ACCESS TO HEALTH FACILITIES

uThukela has thirty five (35) fixed PHC clinics and fourteen (14) mobile clinics for service delivery in the district. Emnambithi has the highest number of clinics at thirteen (13) with five (5) mobiles, this is due to the urban nature of the sub-district and the fact that there is a main town within the sub-district. Imbabazane has the least clinics at four (4) and the two (2) mobiles although it is the most densely populated sub-district at 178 / km<sup>2</sup> it is the smallest in terms of area. The table shows the provincial facilities in uThukela district municipality as per local municipality.

Figure 19: Health Facilities in uThukela District

| Facilities               | Ennambithi / Ladysmith | Imbabazane | Indaka | Okhahlamba | Umtshezi | uThukela District |
|--------------------------|------------------------|------------|--------|------------|----------|-------------------|
| <b>PHC Facilities</b>    |                        |            |        |            |          |                   |
| Health Posts             | 0                      | 0          | 0      | 0          | 0        | 0                 |
| Mobiles                  | 5                      | 2          | 2      | 3          | 2        | 14                |
| Satellites               | 1                      | 0          | 0      | 0          | 0        | 1                 |
| Clinics                  | 13                     | 4          | 6      | 6          | 6        | 35                |
| Community Health Centres | 0                      | 0          | 0      | 0          | 0        | 0                 |
| MOU's                    | 0                      | 0          | 0      | 0          | 2        | 2                 |
| <b>Hospitals</b>         |                        |            |        |            |          |                   |
| District Hospitals       | 0                      | 0          | 0      | 1          | 1        | 2                 |
| Regional Hospitals       | 1                      | 0          | 0      | 0          | 0        | 1                 |

Source: Department of Health

### 3.5.6.4 SAFETY AND SECURITY

#### 3.5.6.4.1 POLICING / COMMUNITY FORUMS

uThukela district municipality's strategies for addressing the issue of crime include both reactive strategies to respond to incidents of crime and proactive strategies aimed at stopping crime before it happens. The response follows an approach that works closely with communities, community policing forum and other spheres of Government (National and Provincial). The strategy of the municipality covers aspects such as Environmental for Safety, Effective policing, Community Safety initiatives and Social Crime Prevention. The municipality is participating in the policing forum.

#### 3.5.6.4.2 FIRE PROTECTION

The uThukela Disaster Management Plan suggests the following interventions that can assist in fire protection:

- ⇒ Firefighting services available to areas outside the local municipal limits;
- ⇒ Improve firefighting capabilities;
- ⇒ Improving co-ordination between municipal fire services and industrial safety departments;
- ⇒ Establishment of special burns wards and clarifying the roles and responsibilities of district administration, police, fire services and medical services;
- ⇒ Awareness of the hazards of the coal mine areas;
- ⇒ Prevention of spontaneous combustion is an all-important task for all involved.

### 3.5.6.4.3 TRAFFIC MANAGEMENT

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Emnambithi/Ladysmith,Umtshezi,Okhahlamba and Imbabazane are the only four local municipalities in the whole of district that has an effective traffic management in place. In the N11 and N3,the department of Transport through their Road Traffic Inspectorate(RTI) is managing the traffic.

### 3.5.6.4.4 MUNICIPAL SAFETY PLAN

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uThukela district municipality's strategies for addressing the issue of safety include both reactive strategies to respond to incidents of crime and proactive strategies aimed at stopping crime before it happens. The response follows an approach that works closely with communities, community policing forum and other spheres of Government (National and Provincial). The strategy of the municipality covers aspects such as Environmental for Safety, Effective policing, Community Safety initiatives and Social Crime Prevention. The municipality is participating in the policing forum. It is the duty of the municipality to ensure that their guests are safe especially the investors as well as the tourists since the area is reach in tourism and the uThukela district municipality is visited by a number of tourists around the Drakensberg Mountains. To add to the latter, most of the municipalities around the province conducted their strategic planning sessions around Drakensberg; it is the duty of uThukela, and its family of municipalities to ensure that guests are safe.

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### 3.5.6.5 NATIONAL BUILDING AND SOCIAL COHESION

#### 3.5.6.5.1 SPORTS

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uThukela district municipality is playing a vital role in supporting and promoting the sports throughout the district. The primary aim of the municipality is to ensure that the youth takes part in sports so that they do not focus on crime. The district municipality has appointed a dedicated person that deals with the issues of sports throughout the district. They are programmes and projects for sport that were prioritized by uThukela district municipality and the Department of sport and recreation for 2015/2016 financial year.

In December 2014 uThukela district municipality and its family of municipalities participated in SALGA games that take place annually with other district municipalities in the KZN province. This event assists the youth of uThukela to display their talents in various sporting codes.

The selections start at the local level for the players who will represent uThukela district municipality on various sporting codes. In those games, they can be selected to represent the province of KwaZulu

Natal and professional's coaches who are scouting for players for that particular sporting code attend the games.

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#### 3.5.6.5.2 COMMUNITY DEVELOPMENT WITH SPECIAL FOCUS ON VULNERABLE GROUPS

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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 interventions cover a range of issues such as health, education, food security, skills development; etc. The District has an array of activities that are dedicated to vulnerable groups in all the family of municipalities. Various activities / interventions that have been initiated by the district.

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#### 3.5.6.5.3 YOUTH DEVELOPMENT

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The district is promoting and developing the youth through amongst others sports. The primary aim of the municipality is to ensure that the youth participate in sports so that they do not focus on crime. The district municipality has appointed a dedicated person that deals with the issues of youth throughout the district. They are programmes and projects for youth that has been prioritized by uThukela district municipality and the Department of sport and recreation for 2015/2016 financial year.

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#### 3.5.6.5.4 DEVELOPMENT OF PEOPLE WITH DISABILITIES

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uThukela district municipality has appointed a dedicated person to deal with issues of physically challenged in the uThukela district municipality. The municipality has formed the Disability Forum where all the physically challenged people are able to raise their concerns. The challenge that they are facing is the unemployment of the physically challenge persons and some municipal offices in the family of municipalities are not conducive for them in terms of accessing. Transportation and recreational facilities are not suitable for them. The municipality future programmes include Training / capacity building development programme; facilitate the implementation of the extended indigent support programme. The municipality intention is to ensure that the people living with disabilities should not feel isolated and is planning to have events such as Albinism week, sport day and blind week for people living with disabilities.



#### 3.5.6.5.5 CHILDHOOD DEVELOPMENT

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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. uThukela district municipality is playing a critical role in developing the childhood. Many programmes have been planned in ensuring that the development is taking place. The municipality will do the following programmes:

- ⇒ Awareness on Teenage Pregnancy
- ⇒ Early childhood development assists them with few items to develop a child
- ⇒ Take a girl child to work
- ⇒ International Day for Children
- ⇒ Tree-Training and Resources in early education

#### 3.5.6.5.6 DEVELOPMENT OF THE ELDERLY

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uThukela district municipality has formed the Senior citizen and it was launched in 2008. The municipality visits the old age homes around uThukela to give them presents, wheel chairs, walking sticks and food. The municipality also facilitates the awareness of the senior citizen where the community is encouraged to take care and support the older people in the community at large. The municipality is also facilitating the implementation of the extended indigent support programme. The other continuous programme that the municipality is coordinating with other departments is to conduct the dialogs between the Senior citizen and teenagers. The planned events for senior citizen are hosting and participating in golden games, Golden Wednesday, participate in Provincial Golden Games and hosting of senior citizens day.

#### 3.5.6.5.7 GENDER DEVELOPMENT

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The municipality has appointed a dedicated person who deals with the gender development throughout the district. Gender committee has been established and is functional. The municipality has established the Men's Sector Forum in championing the gender issues especially in Men. The municipality is taking seriously the gender issues and the municipality is working closely with other government departments in facilitating the gender programmes. Amongst the programmes and the events that the municipality will facilitate include the following:

- ⇒ Rural women's day
- ⇒ Women's voice

- ⇒ Women's day
- ⇒ Know your right
- ⇒ Food security
- ⇒ Awareness on rape, abuse (verbally and physically),
- ⇒ Protection & Safety
- ⇒ Teenage pregnancy
- ⇒ Dialogue between parents and children
- ⇒ Awareness on family responsibility

### 3.5.6.6 SOCIAL DEVELOPMENT SWOT ANALYSIS

**Table 28: Social Development SWOT Analysis**

| STRENGTHS   | OPPORTUNITIES  |
|---|--|
| <ul style="list-style-type: none"> <li>◆ Number of people with no schooling has dropped significantly;</li> <li>◆ Decrease in HIV/AIDS prevalence;</li> <li>◆ UTDM has established a coordinating forum for HIV/AIDS;</li> <li>◆ uThukela has thirty five (35) fixed PHC clinics and fourteen (14) mobile clinics;</li> </ul> | <ul style="list-style-type: none"> <li>◆ Improve level of education;</li> <li>◆ Improve health status of the population;</li> <li>◆ Improve human resource</li> </ul>                                    |
| WEAKNESSES  | THREATS  |
| <ul style="list-style-type: none"> <li>◆ Low level of education;</li> <li>◆ High levels of HIV/AIDS</li> <li>◆ Decline of metric results in 2014</li> </ul>   | <ul style="list-style-type: none"> <li>◆ Low level of education may push the population out of competitive labour and job market</li> <li>◆ high level of unemployment, poverty and idleness;</li> </ul> |

## 3.6 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

### 3.6.1 FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

uThukela district municipality has ensured that the finances of the municipality are managed, utilized and accounted for in a professional manner. It is for this reason that UTDM has established a well-resourced Treasury and Financial Services Department to ensure that the objectives of UTDM are not compromised. The Accounting Officer is accountable for the finances of the Council. The Chief Finance Officer is a Section 57 employee, who is responsible for the running of the department, producing expenditure reports, allocating budgets for all KPA's and responding to audit queries in compliance with the Municipal Finance Management Act No 56 of 2003 (MFMA).

#### 3.6.1.1 CAPABILITY OF THE MUNICIPALITY TO EXECUTE CAPITAL PROJECTS

uThukela District Municipality within Technical Department has established Project Management Unit which exclusively plan, implement and manage capital projects. This Unit is relatively well resourced with staff component consisting of Executive Director; PMU Manager; Three Senior Technicians, Quantity surveyor and one administrative assistant. The percentage of the capital budget that was spend in the last three years are summarised as follows:

| FINANCIAL YEAR | % SPEND |
|----------------|---------|
| 2011/2012      | 21.75%  |
| 2012/2013      | 45.87%  |
| 2013/2014      | 66.2%   |

#### 3.6.1.2 INDIGENT SUPPORT (INCLUDING FREE BASIC SERVICES)

uThukela district municipality has develop and adopted Indigents Policy. The policy is under implementation and all rural communities qualify for up to 6kl of free basic water. Urban indigent consumers are required to register as indigent consumers and thereafter qualify for up to 6kl of free basic water. Rural communities are provided with free basic water and free basic sanitation facilities mainly through. The indigent register is reviewed on annual basis to ensure its relevancy. In the

2014/2015 financial year, the municipality put aside an amount of R 12 480 million to the registered indigents. The monitoring of whether the indigent levels are growing or not will be seen in the next financial year since uThukela started in the current financial year (2014/2015). The 2015 /2016, the adopted Budget indicates that an amount of R13228 340 million has been put aside for the indigent support.

### 3.6.1.3 MUNICIPAL CONSUMER DEBT POSITION

The municipal debt is decreasing and as of end of February 2014, the municipal debt position was sitting at R584 564 676. The below table below indicates that as of end of February 2015, the municipal debt position is sitting at R477, 660,814.71.

#### AGEING ANALYSIS AS AT 28 FEBRUARY 2015

| CUSTOMER CATEGORY | 30 DAYS              | 60 DAYS                | 90 DAYS               | 120 DAYS              | 150 DAYS PLUS           | TOTAL                   |
|-------------------|----------------------|------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| CONSUMERS         | -R 890,868.36        | R 11,052,887.82        | R 9,185,146.69        | R 6,773,616.20        | R 432,553,043.56        | R 458,673,825.91        |
| GOVERNMENT        | -R 0.29              | -R 801,072.10          | R 370,053.34          | R 239,992.02          | R 3,166,943.49          | R 2,972,916.46          |
| INDUS/COMMER      | R 23,690.96          | R 773,947.72           | R 358,470.94          | R 405,802.35          | R 14,430,276.63         | R 15,992,188.60         |
| CHURCH            | R 0.00               | R 444.63               | -R 408.18             | R 1,027.57            | R 20,819.72             | R 21,883.74             |
| <b>TOTAL</b>      | <b>-R 867,177.69</b> | <b>R 11,026,208.07</b> | <b>R 9,913,262.79</b> | <b>R 7,420,438.14</b> | <b>R 450,168,083.40</b> | <b>R 477,660,814.71</b> |

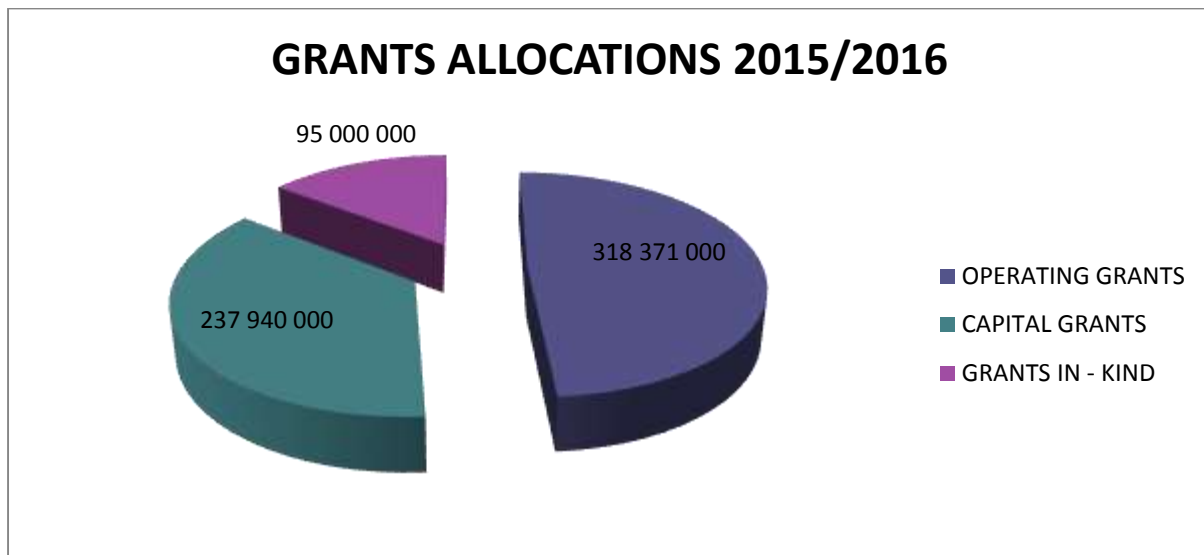
### 3.6.1.4 GRANTS & SUBSIDIES

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. In the 2014/2015 financial, the grant dependency was sitting at 72.39%. The municipality has a grant register that records all the funds received and the expenditure of each individual grant. The register is updated weekly. Graph below shows the distribution in terms of the total grants allocation by the National and provincial sphere. The percentage distribution is as follows:

- Operating grants 48.88%
- Capital Grants 36.53%
- Grants in kind 14.59%

Grants in kind relate to the grants by the National treasury that are directly distributed to the sector departments within the district. Rural infrastructure grant valued at R95 000 Million has been included as part of the District grants income to be received, hence the district do received this grant amount

on the invoice basis from the DWA even though is in-kind. The following table and graph presents the municipal grants budget income for the period 2015/2016 to 2017/2018.



| UTHUKELA DISTRICT MUNICIPALITY                                     |         |                    |                    |                    |
|--|---------|--------------------|--------------------|--------------------|
| DRAFT ANNUAL BUDGET GRANTS INCOME FOR 2015/2016 - 2017/2018        |         |                    |                    |                    |
| GRANTS   | FUNDING | 2015/2016          | 2016/2017          | 2017 / 2018        |
| <b>OPERATING GRANTS</b>  |         |                    |                    |                    |
| DEVELOPMENT PLANNING AND SHARED SERVICES                           | PT      | 250 000            | 1 200 000          | 0                  |
| EXPANDED PUBLIC WORKS PROGRAMME INTERGRATED GRANT                  | NT      | 2 384 000          | 0                  | 0                  |
| EQUITABLE SHARE ALLOCATION   | NT      | 261 605 000        | 278 357 000        | 298 301 000        |
| RSC LEVIES REPLACEMENT (EQUITABLE SHARE)                           | NT      | 44 198 000         | 47 937 000         | 51 710 000         |
| SPECIAL SUPPORT FOR COUNCILLORS REMUNERATION AND WARD COMMITTEES   | NT      | 4 669 000          | 4 925 000          | 5 186 000          |
| WATER SERVICES OPERATING SUBSIDY GRANT                             | NT      | 3 000 000          | 5 000 000          | 7 500 000          |
| LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT                        | NT      | 1 325 000          | 1 460 000          | 1 795 000          |
| MUNICIPAL SYSTEMS IMPROVEMENTS GRANTS                              | NT      | 940 000            | 960 000            | 1 033 000          |
|  |         | <b>318 371 000</b> | <b>339 839 000</b> | <b>365 525 000</b> |
| <b>CAPITAL GRANTS</b>  |         |                    |                    |                    |
| MUNICIPAL INFRASTRUCTURE GRANT                                     | NT      | 181 247 000        | 188 853 000        | 200 253 000        |
| RURAL HOUSEHOLD INFRASTRUCTURE GRANT                               | NT      | 4 382 000          | 4 500 000          | 5 000 000          |
| RURAL ROAD ASSETS MANAGEMENT                                       | NT      | 2 311 000          | 2 378 000          | 2 531 000          |
| MUNICIPAL WATER INFRASTRUCTURE GRANT                               | NT      | 50 000 000         | 38 307 000         | 83 052 000         |
|  |         | <b>237 940 000</b> | <b>234 038 000</b> | <b>290 836 000</b> |
| <b>GRANTS IN - KIND</b>  |         |                    |                    |                    |
| REGIONAL BULK INFRASTRUCTURE GRANT                                 | NT      | 95 000 000         | 85 000 000         | 74 318 000         |
|  |         | <b>95 000 000</b>  | <b>85 000 000</b>  | <b>74 318 000</b>  |
| <b>TOTAL ALLOCATION TO THE MUNICIPALITY INCL OF GRANTS IN KIND</b> |         | <b>651 311 000</b> | <b>658 877 000</b> | <b>730 679 000</b> |
| <b>TOTAL ALLOCATION TO THE MUNICIPALITY EXCL OF GRANTS IN KIND</b> |         | <b>556 311 000</b> | <b>573 877 000</b> | <b>656 361 000</b> |

### 3.6.1.5 CURRENT & PLANNED BORROWINGS

The municipality does not have any planned borrowings for this financial year. However, the municipality is currently paying off the previous borrowings that were acquired through the DBSA. The loans that the municipality is paying off are five (5) in total. The duration for the payment of the above-mentioned loans is 20 years. As of June 2015, the amount still to be paid is R4 941267.46. The last payment will be made 30/09/2019.

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### 3.6.1.6 MUNICIPAL INFRASTRUCTURE ASSETS AND MAINTENANCE (O&M)

Other materials as disclosed in the statement of financial performance comprises of the District's repairs and maintenance expenditure. The Municipality has budgeted **R59 605** million towards repairs and maintenance, which is 10.25 percent of total operating expenditure. Due to the additional funding from Municipal cash backed reserves the Municipality have managed to budget 10.27 percent of its operating expenditure towards repairs and maintenance, The Municipality could not be able to budget for the 8 percent of its asset value towards repairs and maintenance due to financial constraints. However, the Municipality is determined to ensure that its budget towards repairs and maintenance increases.

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### 3.6.1.7 SUPPLY CHAIN MANAGEMENT (SCM)

The municipality has its Supply Chain Management Unit in place. The supply chain management deals with the systematic processes associated with the needs analysis and acquisition of goods and services required by the Municipality in terms of Section 217 of the constitution stipulates that the municipality must establish a supply chain management system that is fair, transparent, equitable, competitive, efficient and cost-effective.

The supply chain activities are performed in line with the provisions of the Municipal Supply Chain Management Policy, Municipal Finance Management Act (No.56 of 2003), Preferential Procurement Policy Framework Act and its 2011 B-BBEE Regulations. Prospective suppliers or service providers wishing to do business with the council are invited to be registered on the municipal's list of accredited service providers/suppliers after the checking and evaluation of their application forms. All procurement requests exceeding R30 000 are advertised on the municipal website and notice boards for at least seven (7) days. Transactions above R200 000 are processed following the competitive bidding process. This approval includes the processing of bids by the Bid Specifications, Evaluation and Adjudication Committees. The bids are advertised in the newspapers, municipal website and notice boards.

To add to the latter, the district municipality has developed and adopted the Supply Chain Management Policy that guides procurement of goods and services in a fair, transparent, competitive and efficient manner and to ensure that historically disadvantaged individuals (HDI) are accorded preferential consideration.

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### 3.6.1.8 EMPLOYEE RELATED COSTS (INCLUDING COUNCILOR ALLOWANCES)

The Municipality has budgeted 38.71% of its operating expenditure towards Employees related costs and councillors remuneration, as per the circular 71 of National Treasury the municipality is still within the 35% norm in the 2015/2016 financial year. The municipality has vacant positions that were frozen in the 2014/2015 financial year and these posts has been unfrozen in the 2015/2016 financial year.

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### 3.6.1.9 REVENUE ENHANCEMENTS AND PROTECTION STRATEGIES

The municipality has developed the credit control and debt collection policy. Both policies were reviewed and adopted by council on the 19 May 2015. This policy provides direction in areas of credit control, collection of amounts billed to customers, procedures for recovery of arrear accounts. Council adopted the credit control and debt collection policy and reviewed annually. The debt collection function is performed in-house. The municipality has established the Credit Control Task Team. The task team meets monthly. The task team meets to strategize on how to improve the debt collection. The collection rate as of 28 February 2014 is sitting at 72% whereas the average collection rate from July 2014 to February 2015 is at 51%.

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### 3.6.1.10 BILLING SYSTEM

The municipality does have a billing system in place. Clients are billed according to consumption. The meter readers of the municipality perform the readings function. The readings are captured and clients are billed to pay before the last day of every month.

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### 3.6.1.11 FRAUD PREVENTION PLAN

uThukela district has developed and adopted the Fraud Prevention Plan. The plan recognises basis fraud and corruption prevention measures, which are in a place within uThukela district municipality. The plan was designed to the combating of Corrupt Activities, Act 2004. It is aimed at achieving the following:

- Encourage ethical behaviour
- Improved accountability
- Improve application of systems, policies, procedures and regulations
- Change aspects which could lead to unnoticed or unreported fraud and corruption



### 3.6.1.12 INVESTMENT POLICY

Every municipal council and its body is in terms of Section 13(2) of the Municipal Finance Management Act (MFMA) no 56 of 2003 is required to draft the Municipal's investment regulations. The primary objective of the investment policy is to gain the highest possible return, without unnecessary risk, during periods when excess funds are not being used. For this to be achieved, it is essential to have an effective cash flow management program. Before any monies can be invested, the Chief Financial Officer or his/her delegate must determine whether there will be surplus funds available during the term of the investment. uThukela district municipality has adopted its investment policy in ensuring that the municipality is gaining the highest possible return without any risk.

The term of the investment should be fixed and in order to do this it is essential for the cash flow estimates to be drawn up. Investment shall be made with care, skill, prudence and diligence. Investment officials are required to adhere to written procedures and policy guidelines, exercise due diligence and exercise strict compliance with all legislation. The Minister of finance may identify by regulation in terms of Section 168 of the MFMA instruments or investments other than those referred to below in which the Municipality may invest e.g. deposit with banks registered in terms of the banks Act, 1990 (Act No.94 of 1990)

### 3.6.1.13 AUDITOR GENERAL OPINION

The auditor general opinion on the financial management for the past three years can be summarised as follows:

| <b>Financial year</b> | <b>Audit outcome</b> |
|-----------------------|----------------------|
| 2013/2014             | Qualified            |
| 2012/2013             | Disclaimer           |
| 2011/2012             | Disclaimer           |

### 3.6.2 FINANCIAL VIABILITY & MANAGEMENT: SWOT ANALYSIS

| STRENGTHS   | OPPORTUNITIES  |
|---|--|
| <ul style="list-style-type: none"> <li>◆ IGR structures in place, although not fully functional;</li> <li>◆ CFO's forum in place;</li> <li>◆ CFO position has been filled;</li> <li>◆ Submission of returns and statistics information</li> </ul>   | <ul style="list-style-type: none"> <li>◆ In order to achieve a clean audit the audit unit should be expanded and be more proactive in their approach and not perform the same function as the AG;</li> <li>◆ Continues update of supply chain database and implementation of computerized supply chain module;</li> <li>◆ Staff audits to be conducted to establish over and underutilization of staff. This will assist with the spreading of workload;</li> <li>◆ Indigent registers be obtained from Local Municipalities for integration, consumers database updated, indigent register implemented and indigent policy applied</li> </ul> |
| WEAKNESSES  | THREATS  |
| <ul style="list-style-type: none"> <li>◆ Credit Control and debt collection;</li> <li>◆ High indecency rate - outdated indigent register and non-implementation thereof;</li> <li>◆ Non billing of consumers – Ezakheni and Indaka;</li> <li>◆ Control votes and suspense votes not cleared;</li> <li>◆ Data cleansing process too slow;</li> <li>◆ Illegal connections;</li> <li>◆ Cash flow and payment of creditors;</li> <li>◆ Supply chain management;</li> <li>◆ Poor Risk Management;</li> <li>◆ Long Outstanding Debtors;</li> <li>◆ Non availability of financial reserves / solid investments;</li> <li>◆ Non availability of financial discipline;</li> <li>◆ Lack of compliance with municipal policies.</li> </ul> | <ul style="list-style-type: none"> <li>◆ Non-compliance with legislative mandates – reporting;</li> <li>◆ In-capacity to do annual financial statements;</li> <li>◆ Low income Base;</li> <li>◆ Dependency on equitable share and conditional grant</li> <li>◆ Corruption</li> </ul>   |

### 3.7 GOOD GOVERNANCE & PUBLIC PARTICIPATION 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. Good governance requires the district to provide the highest quality of service to its constituents and to ensure that all the strategies and objectives be adhered to, resulting in a productive and sustainable district.

#### 3.7.1 NATIONAL AND PROVINCIAL PROGRAMMES

##### 3.7.1.1 BATHO PELE PRINCIPLES

White Paper on Public Service Delivery Transformation – 1 October 1997 stipulates that public service institution should set out transformation priorities, amongst which transforming service delivery must be the key. uThukela district municipality has formed the Batho Pele Committee in June 2012, the committee has done the following with regards to Batho Pele

- ⇒ Batho Pele principles are displayed on both receptions;
- ⇒ Name Tags for all staff members have been procured;
- ⇒ Suggestion Boxes have been procured;
- ⇒ Batho Pele training for all staff took place in 2013;
- ⇒ Installation of a sms system that will assist in communicating with the clients on database;
- ⇒ Customer Service Charter, Suggestion box policy and Complaints Policy have been developed and adopted.

##### 3.7.1.2 OPERATION SUKUMA SAKHE

OSS was launched in July 2009, under the campaign “One Home One Garden one product one village”, with the following objectives:

- ⇒ Making meaningful household intervention on poverty;
- ⇒ Behavioral Change to address HIV and AIDS, Crime, Substance Abuse, road accidents, abuse;

- ⇒ Addressing the needs of the most vulnerable and deprived communities and households;
- ⇒ Making rural development a realizable vision;
- ⇒ Creating opportunities for skills development and employment;
- ⇒ Ensuring cooperative governance for better & faster service delivery

OSS delivery model is designed to address the critical areas of community participation, integrated services delivery, behavior change, economic empowerment and environmental care. In the OSS model, coordination of services delivery at the ward level is centred around the “war room”. Each war room has a dedicated team that include community care givers, who provide services at household level; Youth Ambassadors, who promote behavior change and healthy lifestyle and; community development workers (CDWs), who provide secretariat functions and monitor interventions initiated through the war rooms.

All government departments have been mandated to align their operational plans with OSS and have indeed translated the mandate into action and aligned their operations to OSS. At the district and local levels mayors and councilors are the champions for the OSS approach and provide support and oversight to the activities. Meanwhile the MEC and HOD are champions and oversee OSS implementation in uThukela district. All the outputs and outcomes of OSS initiatives are reported to WAC, LAC, DAC and ultimately to the PCA.

Considering that the interventions in the DSP 2012-2016 are an inherent part of the OSS programme and is implemented through OSS, the approach augur very well for the sustainability of the DSP.

#### 3.7.1.2.1 INVOLVEMENT OF UTHUKELA DAC AND LACS IN OPERATION SUKUMA SAKHE

Members of the uThukela DAC and LACs participated in the activities of Sukuma Sakhe Task Teams. Sukuma Sakhe Task Teams are functional in all five local municipalities as well as the district. War rooms have been set up in certain wards; however, there is a challenge in providing equipment in war room centres.

The following table indicates the operation Sukuma Sakhe war rooms audit as at 26 March 2013.

**Table 29: Operation Sukuma Sakhe War Rooms**

| NO. WARDS | NO. WAR ROOMS                  | LOCAL MUNICIPALITY  | WARDS WITH WAR ROOMS  | Planned 2013/14  |
|-----------|--------------------------------|---|---|--|
| 73        | 55 + 1 District War Room (75%) | Emnambithi (23/27) + 1 LTT war room (85%)                     | 1,2,3,5,6,7, 8, 13, 14,15,16,17,18,19,20,21,22 ,23,25,26,27& LTT war room | 3,4,7,9,10,11,12,13, 14,15,16,17,18,19,20,21,22,23,24,25,26,27 |
|           |                                | Indaka (4/10) (40%)   | 1,3,6 and 7   | 2,4,5,8,9 & 10   |
|           |                                | Umtshezi (07/9) + 1 LTT war room (78%)                        | 1,2,3,5,9LTT war room   | 4,6,7,8  |
|           |                                | Imbabazane (13/13) i.e. (100%)                                | 1,2,3,4,5,7,8,9,11,12, 13   | 6,7,9,10&12  |
|           |                                | Okhahlamba (09/14) function, 7 poorly, 1 not functional (62%) | 1,3,4,6,9,10,11,12,13   | 2,5,7,8,13,14  |

The table below shows the number of Working Task Team (WTT) in local municipalities.

**Table 30: Working Task Team (WTT)**

| Municipality         | Total number of wards | Number of WTTs                        | Percentage |
|----------------------|-----------------------|---------------------------------------|------------|
| Emnambithi/Ladysmith | 27                    | 23                                    | 85%        |
| Imbabazane           | 13                    | 13 ( though 1 is partially compliant) | 100%       |
| Indaka               | 10                    | 04                                    | 30%        |
| Okhahlamba           | 14                    | 13                                    | 93%        |

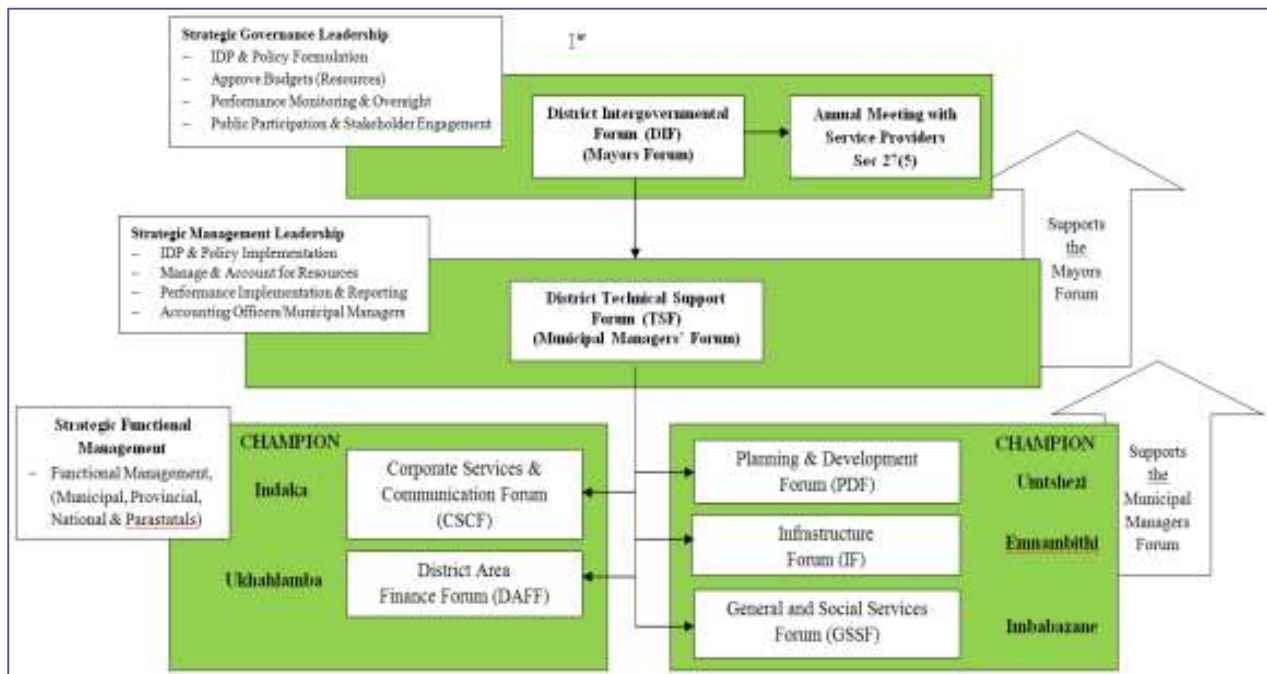
### 3.7.2 INTERGOVERNMENTAL RELATIONS (IGR) STRUCTURES OPERATING IN UTHUKELA DM

uThukela district municipality and its constituent municipalities established IGR structures particularly the District Intergovernmental Forum(DIF) or the Mayors Forum as it is commonly known and the District Technical Support Forum (DTSF) or the Municipal Manager’s Forum. This means that uThukela and family of municipalities complied with requirements of section 24 of the Intergovernmental Relations Act, 2005(Act 13 of 2005). All the mayors in the family of municipalities have signed the IGR protocols to strengthen the intergovernmental relations. At the Provincial level, the uThukela district municipality participate in the Premiers Coordinating Forum and Muni-Mec Forum for Municipal Managers.

There are number of sub committees that were formed by the municipality in making sure that all the three spheres of government talk to each other e.g. District Area Finance, Infrastructure Forum, Planning & development Forum, Corporate Services & communication Forum and General & Social Services Forum. All the Forums have terms of references.

The following structure illustrates the context of uThukela IGR.

Figure 20: uThukela DM IGR Structure



### 3.7.2.1 PARTICIPATION OF AMAKHOSI IN MUNICIPAL COUNCIL

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 serve in the uThukela district municipality are as follows:

| NAME OF THE TRADITIONAL LEADER | TRADITIONAL COMMUNITY |
|--------------------------------|-----------------------|
| Inkosi S N Mkhize              | Abombo                |
| Inkosi T R Khumalo             | AbaNtungwakholwa      |
| Inkosi M Hlongwane             | Amangwane             |
| Inkosi C N Zwane               | Ingwe                 |
| Inkosi T B Mabaso              | Mabaso (East)         |
| Inkosi N Mnkwanyana            | Mnkwanyana            |

### 3.7.3 MUNICIPAL STRUCTURES

#### 3.7.3.1 WARD COMMITTEES

Ward Committees are an exciting route of achieving one of the aims of the developmental local government mentioned in the Constitution of the Republic of South Africa. In this Forum is where communities and community organizations are able to participate more on issues of improving service delivery and strengthening local government. uThukela district municipality is relying on utilizing the local municipalities ward committees that are functional in the district in dealing with the issues of service delivery, public participation especially in the IDP and Budget.

The challenge that is facing the family of municipalities is that some ward committees are not functional like Umtshezi and Okhahlamba. The other challenge that makes it difficult for the Ward Committees to operate is that it is expensive for members to attend Ward Committees meetings, as the area is too wide in other municipalities within the district.

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### 3.7.3.2 IDP REPRESENTATIVE FORUM

Every municipality is obliged to prepare an IDP in terms of chapter 5 of the municipal systems act (Act 32 of 2000). The IDP must include representation from the community. uThukela district municipality has established uThukela district municipality Representative Forum that represents the interests of all constituents, at level of the district in the IDP process. It also guarantees representative participation in the IDP process. The Representative Forum is chaired by the uThukela Mayor or EXCO member and is having its own terms of reference. The RF of uThukela district municipality consists of the representatives from community that were based on geographical and social interest, councilors, Amakhosi, business sector, representatives from Government departments and representatives from local municipalities. The IDP Manager performs the secretariat function.

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### 3.7.3.3 EXECUTIVE COMMITTEE (EXCO)

Executive committee (EXCO) of uThukela district municipality consists of six councilors and is chaired by the Mayor. All members of EXCO are chairpersons of various portfolio committees. The committee is having its own schedule of meetings. The committee sits twice per month and their role is to recommend to Council.

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### 3.7.3.4 COUNCIL

Council committee of uThukela district municipality consists of 30 councilors. The Speaker of the municipality chairs all council meetings. Council meets once per month. The committee is having its own schedule of meetings that is circulated to all councilors once it is adopted.

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### 3.7.3.5 IDP STEERING COMMITTEE

As part of the IDP Review preparation process, uThukela district municipality has established an IDP Steering committee, which acts as a support to the IDP Representative Forum, IDP Manager and the Municipal Manager. The IDP steering committee structure is functioning throughout the IDP process. This structure is chaired by the Municipal Manager and is made up of Heads of Departments and middle management. IDP steering committee does not have decision-making powers, but is an advisory body to the Representative Forum. This committee is having its own terms of reference that are adopted by Council before the start of the IDP process.



### 3.7.3.6 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

uThukela district municipality has formed the MPAC as to comply with the MFMA. MPAC was formed on the 3rd August 2011. The committee consists of five members. The municipal public accounts committee performs an oversight function on behalf of Council and should not be confused with the Audit Committee or finance portfolio committee. MPAC may examine the following documents:

- Audit report issued by the Auditor General on the affairs of the municipality;
- Audit reports on annual financial statements of the municipality;
- Annual report of the municipality;
- The mayor's quarterly reports on the implementation of the budget and the financial state of affairs of the municipality;
- Audit committee reports

The members of uThukela Municipal Public Accounts Committee (MPAC) are as follows:

- Councillor NM Hlomuka (chairperson)
- Councillor MW Hadebe
- Councillor SJ Sibisi
- Councillor TM Cele

### 3.7.3.7 MUNICIPAL BID COMMITTEES

The following municipal Bid committees have delegated responsibility to execute the entire SCM process for all bids in the uThukela district municipality. Quorum is equal to 50%, plus 1.

**BSC– Bid Specification Committee** –The members of uThukela Bid Specification Committee (BSC) are as follows:

- C. van Niekerk (chairperson)
- G Cross
- M Dladla
- N Khumalo
- T Nzuza

This committee is responsible for compiling of bid specifications. The committee also consider whether all the required quality assurance standards have been met with regard to the type of

goods that is requested. The specifications are compiled in an unbiased manner to allow all potential bidders to offer their goods or services.

**BEC – Bid Evaluation Committee** –The members are as follows:

- M Radebe (chairperson)
- L Ngwenya
- B Mkhize
- I C Buthelezi
- T Mlaba
- W Viljoen

The committee is responsible for the evaluation of bids received, which include the verification of;

- The capability/ability of the bidder to execute the contract, from a technical, managerial and financial perspective.
- Whether the bid is to specification in respect of quality, functionality, dimensions, design, etc.
- Whether a bid offers value for money.
- Allocation of preference points.
- Representivity in the composition of the bidder and the possibility of fronting.
- Success/failure in executive of contracts awarded to a bidder previously.
- TAX Clearance issued by SARS

**BAC – Bid Adjudication Committee** –The members of the committee are following:

- PHZ Kubheka (chairperson)
- M Radebe
- N Z Khuzwayo
- P Koortzen

The committee consider the reports and recommendations made by the evaluation committee. They check whether the recommendation made sufficiently indicates that all relevant factors have been taken into account, and that recommendation made represents a logical, justifiable conclusion, based on all relevant information at the evaluation committee's disposal. Each recommendation is supported by clear, concise motivation of salient points;

- All necessary bid documents have been submitted.

- Disqualifications are justified and that valid and accountable reasons/ motivations were furnished for passing over of bids.
- The necessary funds are available in the approved budget.
- Scoring has been fair, consistent and correctly calculated and applied and declaration of interest has been taken cognizance of.

The Bid committee structures are well defined in terms of the SCM Regulations (26) 2. All the Bid Committees are fully functional. There are SCM Practitioners present within the Bid Committees.

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### 3.7.3.8 MUNICIPAL PORTFOLIO COMMITTEE

uThukela district municipality has established 5 standing committees or portfolio committees and these committees are:

- 1) Finance and Budget;
- 2) Cooperate, Disaster, Health and Environment;
- 3) Water, Sanitation infrastructure and technical services;
- 4) Strategic Planning, Economic Development and Tourism;
- 5) Youth, Gender, Sport and recreation

The members of EXCO chair all the portfolio committees and they have their own schedule of meetings but reports to EXCO and from EXCO to Council. All the portfolio committees are functional

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### 3.7.3.9 AUDIT COMMITTEE

The Audit Committee of the municipality is in place. The municipality is using a joint committee for audit and performance. The audit committee of uThukela district municipality consists of three members. The new committee was appointed in November 2012. They sit four times per year. Some of the functions of the Audit Committee are to evaluate the reports of the Heads of Departments. They also review the financial statements of the municipality and discuss the findings from the Auditor General. They also prepare the audit performance report for the council. The Audit committee is fully functional. The members of the committee are as follows:

- Mr. BL Van der Merwe (chairperson)
- Mr. C Rautenbach
- Mr. Z Zulu

### 3.7.3.10 INTERNAL AUDIT

uThukela district municipality has complied with section 165 of the MFMA which says each municipality must have an internal audit unit, subject to subsection (3) which says the municipality may outsource services if the municipality requires assistance to develop its internal capacity. Therefore, the internal audit is functional. The function is performed internal and some of their functions are as follows:

- Review and approve the Internal Audit Charter
  - Review of the Audit Committee Charter and submit to council for approval
  - Advise Council as to whether the internal audit unit is given the resources and operational independence required to fulfil its role as outlined in the Internal Audit Charter.
  - Review and approve the annual risk based internal plan
  - Ensure that all identified risk areas are prioritized and incorporated in the annual audit plan.
  - Receive and review the quarterly internal audit report on the implementation of the internal audit plan and any of the matters relating to;
- Internal Audit
  - Internal controls
  - Accounting procedures and practices
  - Risk and risk management
  - Performance management
  - Compliance with the Municipal Finance Management Act, division of Revenue Act (DORA) and any other applicable legislation
  - Investigate any other matter as requested by the Municipal Manager receive reports prepared by the internal audit unit on significant findings and recommendations to address those findings together with management responses with timeframes to implement recommendations.

### 3.7.4 COMMUNICATION STRATEGY

The communication programme of the uThukela Communication Strategy adopted by Council is centred on the programme of action of the government and the priorities of this district Council. The strategic objective of the uThukela Communications Strategy is to provide an integrated and coordinated communication service within the uThukela district and its five local municipalities. Key

to this strategy is the recognition that Government communication is driven by coherent messages under a theme: “TOGETHER WE MOVE SOUTH AFRICA FORWARD”.

### 3.7.5 STATUS OF MUNICIPAL POLICIES

Table 31: Status of Council Municipal Policies

| Name of the policy                         | Completed<br>Y/N | Adopted<br>Y/N | Adoption<br>date  | Date of the review for<br>approval  |
|--|------------------|----------------|-------------------|-------------------------------------|
| Supply Chain Management Policy             |                  | YES            | 01 January 2006.  | 19 May 2015                         |
| Credit Control and Indigent Policy         |                  | YES            | 31 May 2006       | 19 May 2015                         |
| Asset Management Policy                    |                  | YES            |                   | 19 May 2015                         |
| Risk Management Policy and Framework       |                  | YES            | 02 July 2008      | 31 October 2014                     |
| Contract Management Policy                 |                  | YES            |                   | 16 May 2013                         |
| Performance Management framework           |                  | YES            | 25 January 2013   | 25 January 2013                     |
| Audit and performance committee charter    |                  | YES            | 26 February 2014  |                                     |
| Fleet management policy                    |                  | YES            |                   | 16 May 2013                         |
| Fixed asset policy                         |                  |                |                   | Submitted to council on the 28/3/13 |
| Financial regulations                      |                  | YES            |                   | 16 May 2013                         |
| Retirement policy                          |                  | YES            |                   | Submitted to council on the 28/3/13 |
| GIS policy                                 |                  | NO             |                   |                                     |
| IT policy                                  |                  | YES            |                   | 07 June 2013                        |
| Tariff policy                              |                  | YES            |                   | 19 May 2015                         |
| Virement policy                            |                  | YES            |                   | 19 May 2015                         |
| Budget policy                              |                  | YES            |                   | 25 March 2014                       |
| Reserve and Funding policy                 |                  | YES            |                   | 07 June 2013                        |
| Long term borrowing                        |                  | YES            |                   | 25 March 2014                       |
| Banking, cash management investment policy |                  | YES            |                   | 19 May 2015                         |
| Subsistence and travelling policy          |                  | Yes            |                   | 19 May 2015                         |
| Fraud and anti-corruption policy           |                  | Yes            |                   |                                     |
| Human resource policies                    |                  | YES            | 18 September 2007 | 25 April 2014                       |
| Placement policy                           |                  | YES            |                   | 16 May 2013                         |
| Customer care centre                       |                  | YES            |                   | 16 May 2013                         |
| Complaints policy                          |                  | YES            |                   | 16 May 2013                         |
| Suggestion box policy                      |                  | YES            |                   | 16 May 2013                         |
| Fleet management policy                    |                  | YES            |                   | September 2014                      |
| Disaster recovery plan                     |                  |                |                   |                                     |
| District environmental policy              |                  | Draft          |                   |                                     |
| Gifts Policy                               |                  |                | September 2014    |                                     |

|                            |     |             |
|----------------------------|-----|-------------|
| Indigent Policy            | Yes | 19 May 2015 |
| Overtime Policy            | Yes | 19 May 2015 |
| Standby Policy             | Yes | 19 May 2015 |
| Skills retention Policy    | Yes | 19 May 2015 |
| In service Training Policy | Yes | 19 May 2015 |

### 3.7.6 MUNICIPAL BYLAWS

uThukela district municipality has a guiding by-laws relating to environmental management namely: water services By-laws, & Environmental pollution control By-laws. The Environmental Pollution Control By- laws on the 30 June 2006. Council adopted amendments to the Water Services By-laws in 2013. The following legislations are also used by the municipality in performing municipal health services functions:

- National Health Act, 2003 (Act 61 of 2003)
- Regulations relating to Funeral Undertakers Premises FCD Act, 1972 (Act 54 of 1972)
- Regulations relating to milking and the transport of milk
- Regulation relating to food premises and the transport of food (Reg R962)
- Occupational Health and Safety Act
- The Constitution of the republic of South Africa (Act 108 of 1996)
- Air Quality (Act no. 39 of 2004)
- National dust control regulation (No. R 827 of 2013)
- National building regulations
- ISO 1400

### 3.7.7 MUNICIPAL RISK MANAGEMENT

In terms of section 165(b) (iv) of the Municipal Finance Management Act (Act no: 56 of 2003) states that:

- The internal audit of a municipality must advise the accounting officer and report to the audit committee on the implementation of internal audit plan and matters related to risk and risk management.

In complying with the above Act, uThukela District Municipality Risk Management Policy, Risk Management Framework and Risk Management Committee Charter was developed and adopted by

Council and is reviewed annually. The policy provides a framework within which management can operate to enforce the pro-active ERM process and to inculcate the risk management efforts of the municipality be optimized.

The municipal risk management framework specifically addresses the structures, processes and standards implemented to manage risks on an enterprise-wide basis in a consistent manner. The municipality has appointed a Risk Management Officer who will deal with risk management. A Risk Management Committee has also been formed and is functional. The committee is playing an oversight role for the monitoring of risk management and the report to the Accounting Officer and Audit Committee any material changes to risk profile of uThukela district municipality.

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### 3.7.8 PUBLIC PARTICIPATION ANALYSIS

Public participation is vital to determine the needs that exist in the communities in relation to the developmental priorities during the public meetings and information gathering. The uThukela district municipality utilized the following mechanisms for public participation when developing its IDP.

**IDP Representative Forum (IDP RF):** This forum represents all stakeholders and key interested and affected parties. This includes the Ward Committees members from the local municipalities, AmaKhosi, Non-Governmental Organizations (NGOs), Community Based Organisations (CBOs) and Organized Business

**Media:** Local newspapers was used to inform the community of the progress of the uThukela IDP review and further due meetings' including the IDPRF and community road shows.

**Radio slot:** The uKhozi radio station was utilized to make public announcements when the need arises.

**IDP/ Budget Road Shows:** The uThukela district municipality held its community road shows in the whole of the district to publicize the draft IDP and Budget during April and May 2015. The venues for these meetings was publicized at the IDP RF, public places and as well as through the media.

**The Website:** Copies of the uThukela district municipality IDP and Budget was placed on the website for communities, stakeholders and service providers to view or download it.

### 3.7.9 ALIGNMENT OF UTHUKELA IDP WITH LOCAL MUNICIPALIT'S IDP

strategic meetings were held involving the district and family of municipalities with the primary objective of aligning this IDP with those of the local municipalities. The primary aim of having the session with the family of municipalities was to align our programmes with local municipalities.

uThukela has established the IDP Supporting Committee that is comprises of all the IDP Managers and COGTA and the objective of the Committee is to ensure that the IDP's are talking to each other and is coordinated at the district level.

The alignment started at initial stages where all the IDP managers met to discuss the process to be followed in the review. The process was instrumental in ensuring that the 2015/2016 IDP review is holistic and addresses issues of integrated planning and development. For example, all identified projects for 2015/2016 financial year, as listed in this IDP, emanated from discussions held with family of municipalities.

### 3.7.10 GOOD GOVERNANCE AND PUBLIC PARTICIPATION SWOT ANALYSIS

| Strengths   | Opportunities  |
|---|--|
| <ul style="list-style-type: none"> <li>◆ Political will and support from the officials to prepare and plan for community participation programmes such as IDP;</li> <li>◆ Improved IGR (Operation Sukuma Sakhe, War rooms established in all wards and the Local Task Teams in place;</li> <li>◆ Viable MPAC Committee in place;</li> <li>◆ Public Participation Forum in Place and operational;</li> <li>◆ All wards in the district managed to develop ward Plans under Community Based Plan program;</li> <li>◆ District AIDS Council in Place and Operational;</li> <li>◆ District Operation Sukuma Sakhe Task Team in place and operational;</li> <li>◆ Passing of the municipal structure (Organogram)</li> </ul> | <ul style="list-style-type: none"> <li>◆ Support from the community ( Through their participation on municipal meetings)</li> <li>◆ Cooperation of traditional leadership to municipal functions.</li> <li>◆ Conducive weather for agricultural activities</li> <li>◆ Stable political environment for investment</li> <li>◆ World class tourism destination (Drakensburg Mountains are world heritage site in tourism)</li> <li>◆ Engagement with staff to enhance cooperation</li> </ul> |
| Weaknesses  | Threats  |
| <ul style="list-style-type: none"> <li>◆ IGR not functioning as it is supposed to</li> <li>◆ Functionality of Portfolio Committee</li> <li>◆ Poor lines of communications (observation of protocol, clear roles and responsibilities of councilors and officials);</li> </ul>   | <ul style="list-style-type: none"> <li>◆ Service delivery protests;</li> <li>◆ Disasters due to climate change;</li> <li>◆ Storm damages to the residents;</li> <li>◆ Unskilled labour;</li> <li>◆ Political Agendas</li> </ul>  |



- ◆ Poor Participation of local municipalities in public participation forum meetings;
- ◆ Rural based municipalities do not have income to improve service delivery;
- ◆ Lack of coordination with sector departments;
- ◆ Poor recognition of staff efforts, which leads to low staff morale

### 3.7.11 COMBINED SWOT ANALYSIS

Prior sections of this report highlighted SWOT Analysis on each KPA. Following is a combined SWOT Analysis.

**Table 32: Combined SWOT Analysis**

| STRENGTHS   | OPPORTUNITIES   |
|---|---|
| <ul style="list-style-type: none"> <li>◆ Aesthetically pleasing landscape with habitat diversity, large wetlands and important biodiversity areas with high tourism attraction</li> <li>◆ The area is good for a research development of certain organizations; the Ukhahlamba Drakensberg Heritage Site has Buffer restrictions to restore its own sense of place.</li> <li>◆ There are conservancies formed for conservation of species, habitat and biotic organisms</li> <li>◆ The Ukhahlamba Drakensberg mountain range is a World Heritage Site and forms part of the Maloti-Drakensberg Transfrontier Peace Park (MDTP) between Lesotho and South Africa. This has a competitive advantage</li> <li>◆ The area has much of protected areas that contribute to economic growth</li> <li>◆ The utilities sector has become increasingly important due to the establishment in the 1970s and 1980s of the Tugela-Vaal Augmentation Scheme (TUVA);</li> <li>◆ Disaster management plan in place ;</li> <li>◆ Disaster Practitioner’s forum in place;</li> <li>◆ Swiftly response to incidents,</li> <li>◆ Political will from Mayoral Office</li> <li>◆ All senior management positions are filled;</li> <li>◆ Approved organogram indicating re-alignment of functions;</li> <li>◆ Efficient financial and information management system;</li> <li>◆ Incorporation of critical positions in the approved budget;</li> <li>◆ Well-planned, coordinated and developed infrastructure projects;</li> <li>◆ Availability of Bulk infrastructure and services in urban areas to support district economy;</li> </ul> | <ul style="list-style-type: none"> <li>◆ IDP identified the need for a regional airport and the development of the N3 corridor;</li> <li>◆ The KZN Provincial Spatial Economic Development Strategy (PSEDS) identifies Okhahlamba as one region with massive potential for growth in agriculture and agro processing;</li> <li>◆ Integration of social, economic and environmental factors into planning, implementation and decision making this leads to sustainable development;</li> <li>◆ Sustainable Tourism , Revenue generation, Economic growth through sustainable development, Environmental awareness in the area;</li> <li>◆ Creation of green job opportunities through conservation of environment; this contributes to green economy;</li> <li>◆ Local Government support from COGTA;</li> <li>◆ Signed MOU with EThekweni emphasising support initiatives.</li> <li>◆ Availability of Grants funding to financially support delivery of infrastructure;</li> <li>◆ Technical support offered by provincial treasury (Creak Team) and COGTA (MISA);</li> <li>◆ Public private partnerships;</li> <li>◆ Existence of Intergovernmental relation</li> <li>◆ Newly updated LED and Tourism Strategy;</li> <li>◆ Funding to enhance the SDF in progress;</li> <li>◆ Working relationship established with LMs;</li> <li>◆ LED Forum has to be enhanced</li> <li>◆ Anchor project in the form of the Cable Car projects;</li> <li>◆ World Heritage Site – uKhahlamba Drakensberg Park World Heritage Site;</li> <li>◆ In order to achieve a clean audit the audit unit should be expanded and be more proactive in their approach and to perform the same function as the AG;</li> </ul> |

|   |   |
|---|---|
| <ul style="list-style-type: none"> <li>◆ Availability of expertise to implement projects</li> <li>◆ Registered Planner on staff;</li> <li>◆ Planning, GIS and LED skilled personnel;</li> <li>◆ Provincial Support in the form of grants and capacity building;</li> <li>◆ Sufficient project budget for project implementation</li> <li>◆ IGR structures in place, although not fully functional;</li> <li>◆ CFO's forum in place;</li> <li>◆ CFO position has been filled;</li> <li>◆ Submission of returns and statistics information</li> <li>◆ Control votes and suspense votes not cleared;</li> <li>◆ Cash flow and payment of creditors;</li> <li>◆ Political will and support from the officials to prepare and plan for community participation programmes such as IDP;</li> <li>◆ Improved IGR (Operation Sukuma Sakhe, War rooms established in all wards and the Local Task Teams in place;</li> <li>◆ Viable MPAC Committee in place;</li> <li>◆ Public Participation Forum in Place and operational;</li> <li>◆ All wards in the district managed to develop ward Plans under Community Based Plan program;</li> <li>◆ District AIDS Council in Place and Operational;</li> <li>◆ District Operation Sukuma Sakhe Task Team in place and operational;</li> <li>◆ Passing of the municipal structure (Organogram )</li> </ul> | <ul style="list-style-type: none"> <li>◆ Continues update of supply chain database and implementation of computerized supply chain module;</li> <li>◆ Staff audits to be conducted to establish over and underutilization of staff. This will assist with the spreading of workload;</li> <li>◆ Indigent registers be obtained from Local Municipalities for integration, consumers database updated, indigent register implemented and indigent policy applied;</li> <li>◆ Support from the community ( Through their participation on municipal meetings)</li> <li>◆ Cooperation of traditional leadership to municipal functions.</li> <li>◆ Conducive weather for agricultural activities</li> <li>◆ Stable political environment for investment</li> <li>◆ World class tourism destination (Drakensburg Mountains are world heritage site in tourism)</li> <li>◆ Engagement with staff to enhance cooperation</li> </ul> |
| <b>WEAKNESSES</b>   | <b>THREATS</b>  |
| <ul style="list-style-type: none"> <li>◆ Lack of economic diversity &amp; competitiveness of small towns;</li> <li>◆ Economy is dependent on government services;</li> <li>◆ Agriculture and tourism potential not fully exploited;</li> <li>◆ No sufficient tertiary education institutions leading to disjuncture between skills &amp; growing sector;</li> <li>◆ Ability to fully leverage location factors – transport, warehousing &amp; logistics;</li> <li>◆ The municipality is characterized by the ageing water and sanitation infrastructure;</li> </ul>   | <ul style="list-style-type: none"> <li>◆ On-going environmental degradation impacting the ecotourism, leading to a reduction of resources available for conservation aspects;</li> <li>◆ Low economic growth and increasing rate of unemployment in major economic sectors;</li> <li>◆ Alien infestation may lead in marked declines in stream flow, transformation of vegetation composition &amp; structure; alteration of patterns nutrient cycle &amp; fire regime; also impact on Tourism &amp; Agricultural production;</li> </ul>  |

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|--|---|
| <ul style="list-style-type: none"> <li>◆ Lack of initiatives to identify areas that need to be rehabilitated in the District;</li> <li>◆ Lack of environmental compliance and enforcement; this weakens management of the natural environment;</li> <li>◆ Lack of environmental management strategies, projects and key interventions to monitor &amp; manage biodiversity as well as ecological footprint;</li> <li>◆ Lack of important environmental plans to execute the core function of the local municipality (waste management) i.e. IWMP;</li> <li>◆ Poor participation in environmental related forums;</li> <li>◆ Lack of environmental planning tools to govern natural environment;</li> <li>◆ No alignment between district wide environmental plans with the local municipalities;</li> <li>◆ High number of unskilled staff;</li> <li>◆ Lack of commitment of IGR structures;</li> <li>◆ Dominance of males in senior management;</li> <li>◆ Lack of linkage of skills audit and plan to skills needed to perform functions effectively;</li> <li>◆ Low staff morale;</li> <li>◆ Non-adherence to best practices;</li> <li>◆ High staff turn-over;</li> <li>◆ Poor infrastructure maintenance strategies;</li> <li>◆ High level of water loses;</li> <li>◆ Outdated sector plans.</li> <li>◆ Ageing infrastructure which causes non-sustainability of services provision</li> <li>◆ Vacant tourism position;</li> <li>◆ Procurement process is long and cumbersome;</li> <li>◆ Tourism, LED and Planning Forum to be strengthened;</li> <li>◆ Marketing of the District as a Tourism destination and Investment destination</li> <li>◆ Poor lines of communications (observation of protocol, clear roles and responsibilities of councilors and officials);</li> </ul> | <ul style="list-style-type: none"> <li>◆ High potential agricultural land, potential forestry areas and areas likely to experience settlement expansion this poses greatest threats to identified Critical Biodiversity Areas (CBAs);</li> <li>◆ Excessive harvesting of indigenous trees for firewood, cutting thatch grass for roofing purpose, use of river sand and soil for buildings;</li> <li>◆ Farming in traditional areas is seriously underdeveloped and suffers from a range of constraints to its future growth;</li> <li>◆ Limited benefits derived from international and national assets situated in the district;</li> <li>◆ Lack of environmental education in general</li> <li>◆ The effects of climate change due to poor environmental management;</li> <li>◆ Non-compliance with legislative mandates – reporting</li> <li>◆ Deeply rural, agrarian and poverty stricken communities</li> <li>◆ Political volatility and social tensions</li> <li>◆ Lack of co-operation from supported municipal centres (sharing &amp; exchanging of information);</li> <li>◆ Lacks political will from supported structures;</li> <li>◆ Constant changes in legislation and national policies;</li> <li>Changes in the formula for the allocation of government grants including equitable share;</li> <li>◆ Increasing rate of illegal connections to water supply infrastructure;</li> <li>◆ High rate of infrastructure vandalism;</li> <li>◆ Prolonged turnaround time Eskom when applied for new power connection;</li> <li>◆ Industrial actions/ labour unrest during construction phase;</li> <li>◆ Employment of unskilled Tourism Specialist;</li> <li>◆ Instability in the organization;</li> <li>◆ Lack of LM/DM Cooperation;</li> <li>◆ Lack of vertical and horizontal alignment within the organization;</li> <li>◆ Service delivery protests;</li> <li>◆ Disasters due to climate change;</li> <li>◆ Storm damages to the residents;</li> <li>◆ Unskilled labour;</li> <li>◆ Political Agendas</li> </ul> |
|--|---|

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>◆ Poor Participation of local municipalities in public participation forum meetings;</li><li>◆ Rural based municipalities do not have income to improve service delivery;</li><li>◆ Lack of coordination with sector departments;</li><li>◆ Poor recognition of staff efforts, which leads to low staff morale</li><li>◆ Non billing of consumers – Ezakheni and Indaka;</li><li>◆ High indecency rate - outdated indigent register and non-implementation thereof</li></ul> | <ul style="list-style-type: none"><li>◆ Data cleansing process too slow;</li><li>◆ Illegal connections;</li><li>◆ Long Outstanding Debtors;</li><li>◆ Non availability of financial reserves / solid investments;</li><li>◆ Non availability of financial discipline;</li><li>◆ Lack of compliance with municipal policies;</li><li>◆ Lack of properly skilled and qualified staff members</li></ul> |
|--|--|

### 3.7.12 KEY CHALLENGES FACED BY UTHUKELA AND ITS FAMILY OF MUNICIPALITIES

**Table 33: Municipal Transformation & Organizational Development Key Challenges**

| MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT |  |
|---|--|
| KEY CHALLENGE   | <ul style="list-style-type: none"> <li>◆ Skills Development</li> <li>◆ Institutional Knowledge</li> <li>◆ Workflow – information and decision making</li> <li>◆ Development Agencies</li> <li>◆ Image and Organizational Culture</li> <li>◆ Systems and procedures</li> <li>◆ High number of unskilled staff;</li> </ul> |

**Table 34: Basic Service Delivery & Infrastructure Key Challenges**

| BASIC SERVICE DELIVERY AND INFRASTRUCTURE |  |
|---|--|
| KEY CHALLENGE                             | <ul style="list-style-type: none"> <li>◆ Service Backlog (water and sanitation)</li> <li>◆ Replacement of ageing Infrastructure</li> <li>◆ Infrastructure Maintenance,</li> <li>◆ Expenditure on infrastructure grants</li> <li>◆ Strategic Planning for infrastructure development - Outdated plans</li> <li>◆ Public transport</li> <li>◆ Water Quality</li> <li>◆ Water losses</li> </ul> |

**Table 35: Local Economic Development & Social Development Key Challenges**

| LOCAL ECONOMIC AND SOCIAL DEVELOPMENT |   |
|---------------------------------------|---|
| CHALLENGE                             | <ul style="list-style-type: none"> <li>◆ Coordination of LED initiatives</li> <li>◆ High level of unemployment</li> <li>◆ Lack of economic diversity and competitiveness of small towns</li> <li>◆ HIV/AIDS prevalence</li> <li>◆ Agriculture and tourism potential not fully exploited</li> <li>◆ Economic stagnation</li> <li>◆ Lack of SMME Support &amp; development</li> <li>◆ Alignment with provincial and national economic development initiatives</li> <li>◆ No sufficient tertiary education institutions leading to disjuncture between skills &amp; growing sector</li> <li>◆ High Poverty rate</li> <li>◆ Lack or poor Economic infrastructure</li> </ul> |

|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>◆ Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation</li> <li>◆ Lack of Marketing of the District as a Tourism destination and Investment destination</li> </ul> |
|--|---|

Table 36: Financial Viability &amp; Financial Management Key Challenges

| FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT |  |
|--|--|
| CHALLENGE                                    | <ul style="list-style-type: none"> <li>◆ poor infrastructure</li> <li>◆ high indigent rate,</li> <li>◆ tariffs not covering water cost,</li> <li>◆ inherent loans</li> <li>◆ water loss</li> <li>◆ Grant dependency</li> <li>◆ Illegal connections</li> <li>◆ Non billing of consumers – Ezakheni and Indaka</li> <li>◆ Rural based municipalities do not have income to improve service delivery</li> </ul> |

Table 37: Good Governance &amp; Public Participation Key Challenges

| GOOD GOVERNANCE AND PUBLIC PARTICIPATION |   |
|--|---|
| KEY CHALLENGE                            | <ul style="list-style-type: none"> <li>◆ IGR not functioning as it is supposed to</li> <li>◆ Functionality of Portfolio Committee</li> <li>◆ Legal compliance</li> <li>◆ Welfare dependency on grants</li> <li>◆ Increased incidents of HIV/AIDS and communicable diseases</li> <li>◆ High levels of crime and risk</li> <li>◆ Lack of cooperation from sector departments</li> </ul> |

Table 38: Cross Cutting Issues Key Challenges

| CROSS-CUTTING ISSUES |  |
|----------------------|--|
| KEY CHALLENGE        | <ul style="list-style-type: none"> <li>◆ Lack of human capacity to assist with environmental issues</li> <li>◆ Lack of environmental compliance and enforcement</li> <li>◆ Outdated disaster management Plan</li> <li>◆ Outdated enforcement by-laws</li> <li>◆ Disasters due to climate change</li> <li>◆ Lack of environmental planning tools to govern natural environment</li> </ul> |

**SECTION D:  
MUNICIPAL VISION, GOALS AND  
STRATEGIC OBJECTIVES**



## 4 MUNICIPAL VISION, GOALS AND STRATEGIC OBJECTIVES

### 4.1 MUNICIPAL VISION

The uThukela District Municipality Vision reads as follows:

“A stable, sustainable and prosperous district with committed servants who serve with excellence in governance, service delivery and economic development”

#### 4.1.1 MUNICIPAL MISSION STATEMENT

The uThukela District Municipality Mission Statement reads as follows:

We promote a people-centred environment with emphasis on consultation, integrity, accountability, economy, effectiveness and efficiency

#### 4.1.2 CORE VALUES

The following are uThukela DM Core Values:

- ⇒ Solidarity;
- ⇒ Honesty;
- ⇒ Ownership;
- ⇒ Professionalism;
- ⇒ Self-reliance

## 4.2 IDP STRATEGIC OBJECTIVES

| NKPA  | Code | Objectives                             | IDP REF | Organisation KPI   | Strategies   | Baseline | Demand | Backlog | Annual target | Q1  | Q2  | Q3  | Q4  | Budget                                 |
|---|------|--|---------|--|--|----------|--------|---------|---------------|-----|-----|-----|-----|--|
| NKPA 1: Municipal Transformation and Organisation Development | A1   | Increase knowledge Skills and capacity | A1.1    | % of post approved by Council as critical filled.                                    | Develop and implemented retention and job vacancy strategy | -        | 100%   | -       | 90%           | 90% | 90% | 90% | 90% | Employee Related Costs : R 219,377,000 |
|   |      |  | A1.2    | Number of top six positions filled by qualified and competent persons                |  | -        | 6      | -       | 6             | 6   | 6   | 6   | 6   |  |
|   |      |  | A1.3    | Number of Municipal Officials sent on management development programmes              |  | -        | 100    | -       | 5             | -   | 2   | 3   | -   |  |
|   |      |  | A1.4    | % of milestones achieved on the skills retention plan                                |  | -        | 100%   | -       | 25%           | 0   | 10% | 20% | 25% |  |
|   |      |  | A1.5    | % of employment equity plan target achieved as per the District equity plan          | Appoint according to the EAP                               | -        | 100%   | -       | 90%           | -   | -   | -   | 90% |  |
|   |      |  | A1.6    | Number of employees trained as per Work Place Skills Plan and Capacity Building Plan | Develop and implement WSP                                  | -        | 300    | -       | 20            | 5   | 5   | 5   | 5   |  |

| NKPA | Code | Objectives                 | IDP REF | Organisation KPI   | Strategies   | Baseline | Demand | Backlog | Annual target | Q1  | Q2  | Q3  | Q4  | Budget                                |
|------|------|----------------------------|---------|--|--|----------|--------|---------|---------------|-----|-----|-----|-----|---------------------------------------|
|      |      |                            | A1.7    | Number of skills and competency assessments conducted  |  | -        | 4      | -       | 2             | -   | 1   | -   | 1   |                                       |
|      |      |                            | A1.8    | Number of Councillor and Municipal Officials given bursaries as per the capacity building plan |  | -        | 50     | -       | 5             | -   | -   | 5   | -   |                                       |
|      |      |                            | A1.9    | Number of LLF meetings convened  |  | -        | 6      | -       | 4             | 1   | 1   | 1   | 1   |                                       |
|      | A2   | Improve Business processes | A2.1    | % up time of all ICT systems and services as an average  | Implement ICT MSP  | -        | 100%   | -       | 96%           | 96% | 96% | 96% | 96% | Contracted Services : R 42 260 000,00 |
|      |      |                            | A2.2    | % of adopted policies with standard operation procedures                                       | Develop and implement SOP                                  | -        | 100%   | -       | 25%           | -   | 10% | -   | 25% |                                       |
|      |      |                            | A2.3    | Number of deliverables achieved on the ICT Master systems plan                                 | Resource and implement MSP                                 | -        | 100    | -       | 5             | -   | 2   | -   | 3   |                                       |
|      |      |                            | A2.4    | Number of critical processed re-engineered as per the process enhancement plan                 | Process re-engineering                                     | -        | 50     | -       | 5             | -   | 3   | 1   | 1   |                                       |
|      |      |                            | A2.5    | Number of deliverables achieved on the organisation development plan                           | Develop and implement organisation re-engineering strategy | -        | 20     | -       | 2             | -   | -   | -   | 2   |                                       |

| NKPA                            | Code | Objectives   | IDP REF | Organisation KPI   | Strategies  | Baseline | Demand  | Backlog | Annual target | Q1      | Q2      | Q3      | Q4     | Budget                   |                      |
|---------------------------------|------|--|---------|--|---|----------|---------|---------|---------------|---------|---------|---------|--------|--------------------------|----------------------|
| NKPA 2: Basic Services Delivery | Code | Objectives   | IDP REF | Organisation KPI   | Strategies  | Baseline | Demand  | Backlog | Annual target | Q1      | Q2      | Q3      | Q4     | Budget                   |                      |
|                                 | B1   | Improve quality of life and service delivery provision | B1.1    | % of households with access to portable water            | Develop and implement the water service delivery plan | 72.14%   | 100%    | 27.86%  | 72.4 %        | 72.14%  | 72.14%  | 72.14%  | 72.4%  | Bulk Purchases : R 6 377 |                      |
|                                 |      |  | B1.2    | Number of households with access to portable water       |   | 100 748  | 130 834 | 38 540  | 101 098       | 100 748 | 100 748 | 100 748 | 101098 |                          |                      |
|                                 |      |  | B1.3    | % of households with access to sanitation                |   | 78.80%   | 100%    | 21.20%  | 80.59%        | 78.80%  | 78.80%  | 78.80%  | 80.59% |                          |                      |
|                                 |      |  | B1.4    | Number of households with access to sanitation           |   | 110 041  | 130 834 | 37 146  | 112 541       | 110041  | 110041  | 110041  | 112541 |                          |                      |
|                                 |      |  | B1.5    | Number of indigent with receiving to free basic services | Develop and maintain indigent register                | -        | 31028   | -       | 5000          | 5000    | 5000    | 5000    | 5000   | 5000                     | Indigent R13 228 340 |
|                                 |      |  | B1.6    | Number of indigent register reviews conducted            |   | -        | 4       | -       | 2             | 1       |         | 1       |        |                          |                      |
|                                 |      |  | B1.7    | % of services with up to date services standard          |   | -        | 100%    | -       | 50%           | 0       | 25%     | -       | 25%    |                          |                      |
|                                 |      |  | B1.8    | Number of services standard assessments conducted        |   | -        | 4       | -       | 1             | -       | 1       | -       | -      |                          |                      |

| NKPA | Code | Objectives   | IDP REF | Organisation KPI  | Strategies  | Baseline | Demand | Backlog | Annual target | Q1  | Q2  | Q3  | Q4  | Budget                     |
|------|------|--|---------|---|---|----------|--------|---------|---------------|-----|-----|-----|-----|----------------------------|
|      |      |  | B1.9    | Number of programmes aimed at support special focus group co-ordinated                | Develop and implement Mayoral Special programmes                | -        | 4      | -       | 4             | 1   | 1   | 1   | 1   |                            |
|      |      |  | B1.10   | Number of HIV/AIDS and chronic illness support programmes coordinated                 |   | -        | 6      | -       | 6             | 1   | 1   | 4   | 0   |                            |
|      |      |  | B1.11   | Number of poverty alleviation programme coordinated                                   |   | -        | 4      | -       | 2             |     | 1   | 1   | -   |                            |
| B2   |      | Improve the quality and consistency of services provided | B2.1    | Number of water samples taken from water sources as per the environmental health Plan | Develop strategy to comply with blue and green drop requirement | -        | 1500   | -       | 1200          | 300 | 300 | 300 | 300 | Health Service : R 260 000 |
|      |      |  | B2.2    | Number of food premises inspected according to Regulation 962                         |   | 800      | 1000   | -       | 800           | 200 | 200 | 200 | 200 |                            |
|      |      |  | B2.3    | Number of environmental awareness campaigns conducted                                 |   | 0        | 12     | 4       | 4             | 1   | 1   | 1   | 1   |                            |
|      |      |  | B2.4    | Number of water supply system producing wholesome good quality water supply           |   | 13       | 13     | 0       | 13            | 13  | 13  | 13  | 13  |                            |
|      |      |  | B2.5    | % of operations and maintenance budget spent in the current financial year            |   | -        | 100%   | -       | 100%          | 25  | 50  | 75  | 100 |                            |

| NKPA | Code | Objectives  | IDP REF | Organisation KPI   | Strategies   | Baseline | Demand | Backlog | Annual target | Q1 | Q2  | Q3  | Q4   | Budget                       |
|------|------|---|---------|--|--|----------|--------|---------|---------------|----|-----|-----|------|------------------------------|
|      | B3   | Increase the Capacity of the Municipal Infrastructure | B3.1    | Number of deliverables achieved on the approved IDP Capital Plan         | Develop and implement 5 year capital Infrastructure plan | -        |        | -       | 10            | -  | 2   | 4   | 4    | Capital Grants : 237 940 000 |
|      |      |   | B3.2    | Number of fundable Infrastructure Plans developed                        |  | -        | 10     | -       | 5             | 3  | 2   | -   | -    |                              |
|      |      |   | B3.3    | % of water lost ratio(bulk vs actual distribution)                       |  | 25%      | 0%     | 5%      | 20%           | 5% | 5%  | 5%  | 5%   |                              |
|      |      |   | B3.4    | Number of new water connections established                              |  | -        | 38540  | -       | 350           | 0  | 100 | 100 | 150  |                              |
|      |      |   | B3.5    | Number of new sewerage connections established                           |  | -        | 37146  | -       | 2500          | 0  | 500 | 500 | 1000 |                              |
|      |      |   | B3.6    | Number of sewerage spillage incidents logged                             |  | -        | 0      | -       | 0             | -  | -   | -   | -    |                              |
|      |      |   | B.3.7   | % of Municipal Infrastructure grant allocated for the current year spent |  | -        | 100%   | -       | 100%          | 25 | 50  | 75  | 100  |                              |

| NKPA                                      | Code | Objectives                      | IDP REF | Organisation KPI  | Strategies  | Baseline | Demand | Backlog | Annual Target | Q1  | Q2  | Q3  | Q4  | Budget                |
|---|------|---------------------------------|---------|---|---|----------|--------|---------|---------------|-----|-----|-----|-----|-----------------------|
| <b>NKPA 3: Local Economic Development</b> | C1   | Increase Economic activities    | C1.1    | Number of jobs created through LED and EPWP projects  | Develop and implement the LED and Tourism strategy                      | -        | 5000   | -       | 1000          | 100 | 200 | 200 | 500 | EPWP :<br>R 2 384 000 |
|   |      |                                 | C1.2    | % of LED strategy implemented   |   | -        | 100%   | -       | 0%            | -   | -   | -   | -   |                       |
|   |      |                                 | C1.3    | Number of LED capacity building campaigns co-ordinated  |   | -        | 6      | -       | 2             |     | 1   |     | 1   |                       |
|   |      |                                 | C1.4    | Number of business opportunities given to SMME's located within the District                                |   | -        | 1000   | -       | 250           | 50  | 100 | 50  | 100 |                       |
|   | C2   | Strengthen Business Partnership | C2.1    | Number of programmes and projects aimed at developing entrepreneurial capacity on focus groups co-ordinated | Develop and implement the LED incentives and investor attraction policy | -        | 6      | -       | 2             | 1   |     | 1   |     |                       |
|   |      |                                 |         | No. Campaigns conducted to attract investors  |   | 0        | 6      | -       | 1             |     | 1   |     |     |                       |

| NKPA | Code | Objectives | IDP REF | Organisation KPI  | Strategies | Baseline | Demand | Backlog | Annual Target | Q1 | Q2 | Q3 | Q4 | Budget |
|------|------|------------|---------|---|------------|----------|--------|---------|---------------|----|----|----|----|--------|
|      |      |            | C2.3    | Number of functional LED structures setup by the District     |            | -        | 4      | -       | 2             | 2  | 2  | 2  | 2  |        |
|      |      |            | C2.4    | Number of Public/ Private partnership secured by the District |            | -        | 10     | -       | 1             |    |    |    | 1  |        |
|      |      |            | C2.5    | Number of stakeholders mobilised toward LED                   |            | -        | 10     | -       | 2             |    |    | 1  | 1  |        |



| NKPA   | Code | Objectives                              | IDP REF | Organisation KPI  | Strategies   | Baseline | Demand  | Backlog | Annual Target | Q1  | Q2  | Q3  | Q4  | Budget |  |
|--|------|---|---------|---|--|----------|---------|---------|---------------|-----|-----|-----|-----|--------|--|
| NKPA 4: Municipal Financial Viability and Management | D1   | Increase Income                         | D1.1    | % of revenue collection rate on outstanding debt              | Develop and implemented the revenue and enhancement strategy                       | -        | 100%    | -       | 20%           | 0%  | 5%  | 5%  | 10% |        |  |
|  |      |   | D1.2    | Average debt collection                                       |  | -        | 100%    | -       | 76%           | 76% | 76% | 76% | 76% |        |  |
|  |      |   | D1.3    | Debt coverage ratio   |  | -        | 1:1     | -       | 1:3           | 1:3 | 1:3 | 1:3 | 1:3 |        |  |
|  | D2   | Improve expenditure and cash management | D2.1    | Cost coverage ratio   | Develop and enforce credit and cash flow management plans, controls and procedures | -        | 1:1     | -       | 1:3           | 1:3 | 1:3 | 1:3 | 1:3 |        |  |
|  |      |   | D2.2    | % creditors paid within 30 days from receipt of invoice       |  | -        | 100%    | -       | 90%           | 90% | 90% | 90% | 90% |        |  |
|  |      |   | D2.3    | Average number of days taken to finalise Bids at supply chain |  | -        | 90 days | -       | 90 days       | 90  | 90  | 90  | 90  |        |  |

| NKPA | Code | Objectives                    | IDP REF | Organisation KPI   | Strategies  | Baseline | Demand | Backlog | Annual Target | Q1  | Q2  | Q3  | Q4   | Budget |
|------|------|-------------------------------|---------|--|---|----------|--------|---------|---------------|-----|-----|-----|------|--------|
|      |      |                               | D2.4    | Number of bid committees functioning consistently and efficiently according to their terms of reference      |   | -        | 3      | -       | 3             | 0   | 1   | 1   | 1    |        |
|      |      |                               | D2.5    | % of actual OPEX budget spent VS projected in the current financial year                                     |   | -        | 100%   | -       | 100%          | 25% | 50% | 75% | 100% |        |
|      |      |                               | D2.6    | % of actual CAPEX budget spent VS projected in the current financial year                                    |   | -        | 100%   | -       | 100%          | 25% | 50% | 75% | 100% |        |
|      |      |                               | D2.7    | Number of departments procuring goods and services more than 80% according to the approved procurement plans |   | -        | 6      | -       | 6             | 6   | 6   | 6   | 6    |        |
|      | D3   | Improve value for money spent | D3.1    | Number of services provider performance assessments conducted  | Develop and implement a services provider performance management system and automate management | -        | 12     |         | 12            | 3   | 3   | 3   | 3    |        |
|      |      |                               | D3.2    | % of services providers performing below average as per SLA  |   | -        | 0%     |         | 0%            | 0%  | 0%  | 0%  | 0%   |        |
|      |      |                               |         |  |   |          |        |         |               |     |     |     |      |        |

| NKPA | Code | Objectives   | IDP REF | Organisation KPI   | Strategies   | Baseline | Demand | Backlog | Annual Target | Q1   | Q2   | Q3   | Q4   | Budget |  |
|------|------|--|---------|--|--|----------|--------|---------|---------------|------|------|------|------|--------|--|
|      |      |  | D3.3    | Number of deviations from SCM Policy                       |  | 54       | 0      | -       | 20            | 5    | 5    | 5    | 5    |        |  |
|      |      |  | D3.4    | % of service providers operating without contracts and SLA |  | -        | 0%     | -       | 25%           | 0%   | 0%   | 0%   | 0%   |        |  |
|      | D4   | Improve Budgeting and Reporting of Financial Resources | D4.1    | Gap % between the budget and actual cash received          | Develop a credible budget and report monthly according to the MFMA calendar of reporting to stakeholders | -        | 0%     | -       | 10%           | 10%  | 10%  | 10%  | 10%  |        |  |
|      |      |  | D4.2    | % Compliance with the MFMA Calendar of reporting           |  | -        | 100%   | -       | 100%          | 100% | 100% | 100% | 100% | 100%   |  |
|      |      |  | D4.3    | % of OPEX budget allocated to operations and maintenance   |  | -        | 20%    | -       | 7%            | -    | -    | -    | -    | 7%     |  |
|      |      |  | D4.4    | % OPEX budget allocated to staff related costs             |  | -        | 37%    | -       | 37%           | -    | -    | -    | -    | 37%    |  |

| NKPA | Code | Objectives | IDP REF | Organisation KPI  | Strategies | Baseline | Demand | Backlog | Annual Target | Q1   | Q2   | Q3   | Q4   | Budget |
|------|------|------------|---------|---|------------|----------|--------|---------|---------------|------|------|------|------|--------|
|      |      |            | D4.5    | % of OPEX budget allocated to staff development   |            | -        | 1%     | -       | 1%            | -    | -    | -    | 1%   |        |
|      |      |            | D4.6    | % of budget allocated to Municipal infrastructure actually spent on physical infrastructure |            | -        | 100%   | -       | 100%          | 100% | 100% | 100% | 100% |        |

| NKPA                               | Code | Objectives                         | IDP REF | Organisation KPI  | Strategies  | Baseline | Demand | Backlog | Annual Target | Q1 | Q2 | Q3 | Q4 | Budget |
|------------------------------------|------|------------------------------------|---------|---|---|----------|--------|---------|---------------|----|----|----|----|--------|
| NKPA 5: Good Governance and Public | E1   | Improve performance and Efficiency | E1.1    | Number of employees on performance management                       | Develop and implement the balanced scorecard system | -        | 6      | -       | 40            | 10 | 10 | 10 | 10 |        |
|                                    |      |                                    | E1.2    | Number of milestones achieved on the 3 year implementation PMS Plan |   | -        | 90     | -       | 90            | 10 | 20 | 30 | 30 |        |

| NKPA | Code | Objectives | IDP REF | Organisation KPI  | Strategies | Baseline | Demand | Backlog | Annual Target | Q1   | Q2   | Q3   | Q4   | Budget |
|------|------|------------|---------|---|------------|----------|--------|---------|---------------|------|------|------|------|--------|
|      |      |            | E1.3    | Number of top management with signed performance contracts                            |            | -        | 6      | -       | 5             | 5    | 5    | 5    | 5    |        |
|      |      |            | E1.4    | Number of breaches to PMS Policy  |            | -        | 0      | -       |               | 0    | 0    | 0    | 0    |        |
|      |      |            | E1.5    | % compliance to the PMS Polices   |            | -        | 100%   | -       | 100%          | 100% | 100% | 100% | 100% |        |
|      |      |            | E1.6    | Number of monthly reports on the level of compliance adopted and published by Council |            | -        | 12     | -       | 12            | 3    | 3    | 3    | 3    |        |
|      |      |            | E1.7    | Number of Councillors submitting activity reports to the Speaker monthly              |            | -        | 12     | -       | 12            | 3    | 3    | 3    | 3    |        |

| NKPA | Code | Objectives | IDP REF | Organisation KPI   | Strategies | Baseline | Demand | Backlog | Annual Target | Q1 | Q2 | Q3 | Q4 | Budget |
|------|------|------------|---------|--|------------|----------|--------|---------|---------------|----|----|----|----|--------|
|      |      |            | E1.8    | Number of reports submitted by the Speaker to Council on meetings of Council and community issues    |            | -        | 12     | -       | 12            | 3  | 3  | 3  | 3  |        |
|      |      |            | E1.9    | Number of reports submitted by the Mayor on Mayoral activities to Council                            |            | -        | 12     | -       | 12            | 3  | 3  | 3  | 3  |        |
|      |      |            | E1.10   | Number of reports submitted by the Chief Whip to Council on weekly meetings of programmes of Council |            | -        | 12     | -       | 12            | 3  | 3  | 3  | 3  |        |
|      |      |            | E1.13   | Number of reports submitted by the MM overall operations of the Municipality                         |            | -        | 12     | -       | 12            | 3  | 3  | 3  | 3  |        |
|      |      |            |         |  |            | -        |        | -       | -             |    |    |    |    |        |

| NKPA | Code   | Objectives | IDP REF  | Organisation KPI                                    | Strategies | Baseline | Demand | Backlog | Annual Target | Q1   | Q2   | Q3   | Q4 | Budget |
|------|--|------------|--|---|------------|----------|--------|---------|---------------|------|------|------|----|--------|
| E2   | Promote Good Governance and Sound administration | E2.1       | % of Council policies legally tested against current legislative manuals | Develop and implement an operation clean audit plan | -          | 100%     | -      | 50%     | 10%           | 10%  | 10%  | 20%  |    |        |
|      |  | E2.2       | % of Council meetings convening as per the legislation                   |   | -          | 100%     | -      | 100%    | 100%          | 100% | 100% | 100% |    |        |
|      |  | E2.3       | Number Council approved Governance Structures functioning according to   |   | -          | 7        | -      | 7       | 7             | 7    | 7    | 7    |    |        |
|      |  | E2.4       | % of risk mitigations recommendations implemented                        |   | -          | 100%     | -      | 80%     | 80%           | 80%  | 80%  | 80%  |    |        |
|      |  | E2.5       | Number of anti-fraud and corruption awareness campaigns conducted        |   | -          | 6        | -      | 4       | 1             | 1    | 1    | 1    |    |        |
|      |  | E2.6       | Number of Anti-Corruptions strategy reviews conducted                    |   | -          | 4        | -      | 1       |               |      |      | 1    |    |        |

| NKPA | Code | Objectives | IDP REF | Organisation KPI  | Strategies | Baseline | Demand | Backlog | Annual Target | Q1   | Q2   | Q3   | Q4   | Budget |
|------|------|------------|---------|---|------------|----------|--------|---------|---------------|------|------|------|------|--------|
|      |      |            | E2.7    | AG audit opinion rating<br>1= Adverse, 2= Disclaimer, 3= Qualified, 4= Unqualified, 5=Clean Audit |            | -        |        | -       | 4 Unqualified | 1    | 1    | 1    | 1    |        |
|      |      |            | E2.8    | % Overall compliance with the Municipal compliance checklist                                      |            | -        | 100%   | -       | 100%          | 100% | 100% | 100% | 100% |        |
|      |      |            | E2.9    | % of internal and external audit findings resolved in the current financial year                  |            | -        | 100%   | -       | 90%           | 90%  | 90%  | 90%  | 90%  |        |
|      |      |            | E2.10   | Number of risk assessments conducted  |            | -        | 12     | -       | 4             | 1    | 1    | 1    | 1    |        |
|      |      |            | E2.11   | Number fraud and corruption related cases received  |            | -        | 0      | -       | 0             | 0    | 0    | 0    | 0    |        |



| NKPA | Code | Objectives                   | IDP REF   | Organisation KPI  | Strategies  | Baseline | Demand | Backlog | Annual Target | Q1   | Q2   | Q3   | Q4   | Budget |
|------|------|------------------------------|---|---|---|----------|--------|---------|---------------|------|------|------|------|--------|
|      |      |                              | E2.12   | % of fraud and corruption cases reported actioned                   |   | -        | 100%   | -       | 100%          | 100% | 100% | 100% | 100% |        |
|      |      |                              | E2.14   | Number of MANCO meeting convened                                    |   | -        | 48     | -       | 48            | 12   | 12   | 12   | 12   |        |
|      |      |                              | E2.15   | Number of s79 committee structures meetings as per the terms of Ref |   | -        |        | -       | 7             | 7    | 7    | 7    | 7    |        |
|      |      |                              | E2.16   | Number of disclaimers received                                      |   | -        | 0      |         | 0             | 0    | 0    | 0    | 0    |        |
| E3   |      | Improve Public Participation | E3.1  | Number of Public engagements conducted                              | Develop and implement the public participation strategy | -        | 12     | -       | 12            | 3    | 3    | 3    | 3    |        |
|      | E3.2 |                              | % implementation of public participation policy | -   |   | 100%     | -      | 100%    | 100%          | 100% | 100  | 100  |      |        |

| NKPA | Code | Objectives | IDP REF | Organisation KPI                                  | Strategies | Baseline | Demand | Backlog | Annual Target | Q1 | Q2 | Q3 | Q4 | Budget |
|------|------|------------|---------|---|------------|----------|--------|---------|---------------|----|----|----|----|--------|
|      |      |            | E3.3    | Number of functional public participation forums  |            | -        | 4      | -       | 4             | 1  | 1  | 1  | 1  |        |
|      |      |            | E3.4    | % implementation of communication strategy        |            | -        | 100%   | -       | 50%           | 10 | 10 | 15 | 15 |        |
|      |      |            | E3.5    | Number of customer satisfactory surveys conducted |            | -        | 4      | -       | 2             | 1  |    |    | 1  |        |
|      |      |            | E3.6    | Number of service delivery protest experienced    |            | -        | 0      | -       | 0             | 0  | 0  | 0  | 0  |        |
|      |      |            | E3.7    |   |            | -        |        | -       |               |    |    |    |    |        |

| NKPA                         | Code | Objectives                                 | IDP REF | Organisation KPI  | Strategies  | Baseline | Demand | Backlog | Annual Target | Q1  | Q2  | Q3  | Q4  | Budget |
|------------------------------|------|--|---------|---|---|----------|--------|---------|---------------|-----|-----|-----|-----|--------|
| NKPA 6: Cross Cutting Issues | F1   | Improve Disaster prevention and management | F1.1    | Number of locals with updated waste management plan   | Develop and implement a disaster management plan and co-ordinate solid waste management | -        | 4      | -       | 2             |     | 1   | 1   | -   |        |
|                              |      |  | F1.2    | Number of local municipalities with updated solid waste disposal sites with adequate capacity |   | -        | 4      | -       | 2             | 1   | -   | -   | 1   |        |
|                              |      |  | F1.3    | Turnaround time for responding to disasters   |   | -        | 12hrs  | -       | 12hrs monthly | 3   | 3   | 3   | 3   |        |
|                              |      |  | F1.4    | % of reported disasters responded to by the District  |   | -        | 100%   | -       | 100%          | 100 | 100 | 100 | 100 |        |
|                              |      |  | F1.5    | Number of locals with disaster volunteers and fire fights                                     |   | -        | 5      | -       | 5             | 2   | 1   | 1   | 1   |        |

| NKPA | Code | Objectives                        | IDP REF  | Organisation KPI   | Strategies                                       | Baseline     | Demand | Backlog      | Annual Target | Q1   | Q2   | Q3   | Q4   | Budget |
|------|------|-----------------------------------|--|--|--|--------------|--------|--------------|---------------|------|------|------|------|--------|
|      |      |                                   | F1.6   | Number of locals with updated waste management plan                            |  | -            | 5      | -            | 5             | 1    | 1    | 1    | 2    |        |
|      |      |                                   | F1.7   | Number of meetings held with disaster management advisory forum and specialist |  | -            | 16     | -            | 16            | 4    | 4    | 4    | 4    |        |
|      | F2   | Improve Planning and Coordination | F2.1   | IDP credibility rating by COGTA  | Co-ordinate planning and IGR within the District | -            | 100%   | -            | 80%           | 80%  | 80%  | 80%  | 80%  |        |
|      | F2.2 |                                   | % of milestones achieved on the IDP process plan within the set time frame | -  |  | 100% monthly | -      | 100% monthly | 100%          | 100% | 100% | 100% | 100% |        |
|      | F2.3 |                                   | Number of functional IGR forums  | -  |  | 8            | -      | 6            | 0             | 2    | 2    | 2    |      |        |
|      | F2.4 |                                   | Number of Partnerships secured through IGR initiatives                     | -  |  | -            | -      | 3            | 0             | 1    | 1    | 1    |      |        |

| NKPA | Code | Objectives | IDP REF | Organisation KPI  | Strategies | Baseline | Demand | Backlog | Annual Target | Q1 | Q2 | Q3 | Q4 | Budget |
|------|------|------------|---------|---|------------|----------|--------|---------|---------------|----|----|----|----|--------|
|      |      |            | F2.5    | Number of priorities on the Spatial Development Plan addressed  |            | -        | -      | -       | -             | -  | -  | -  | -  |        |
|      |      |            | F2.6    | Number share service initiates functioning according to the MOU |            | -        | -      | -       | 1             | 1  | 1  | 1  | 1  |        |

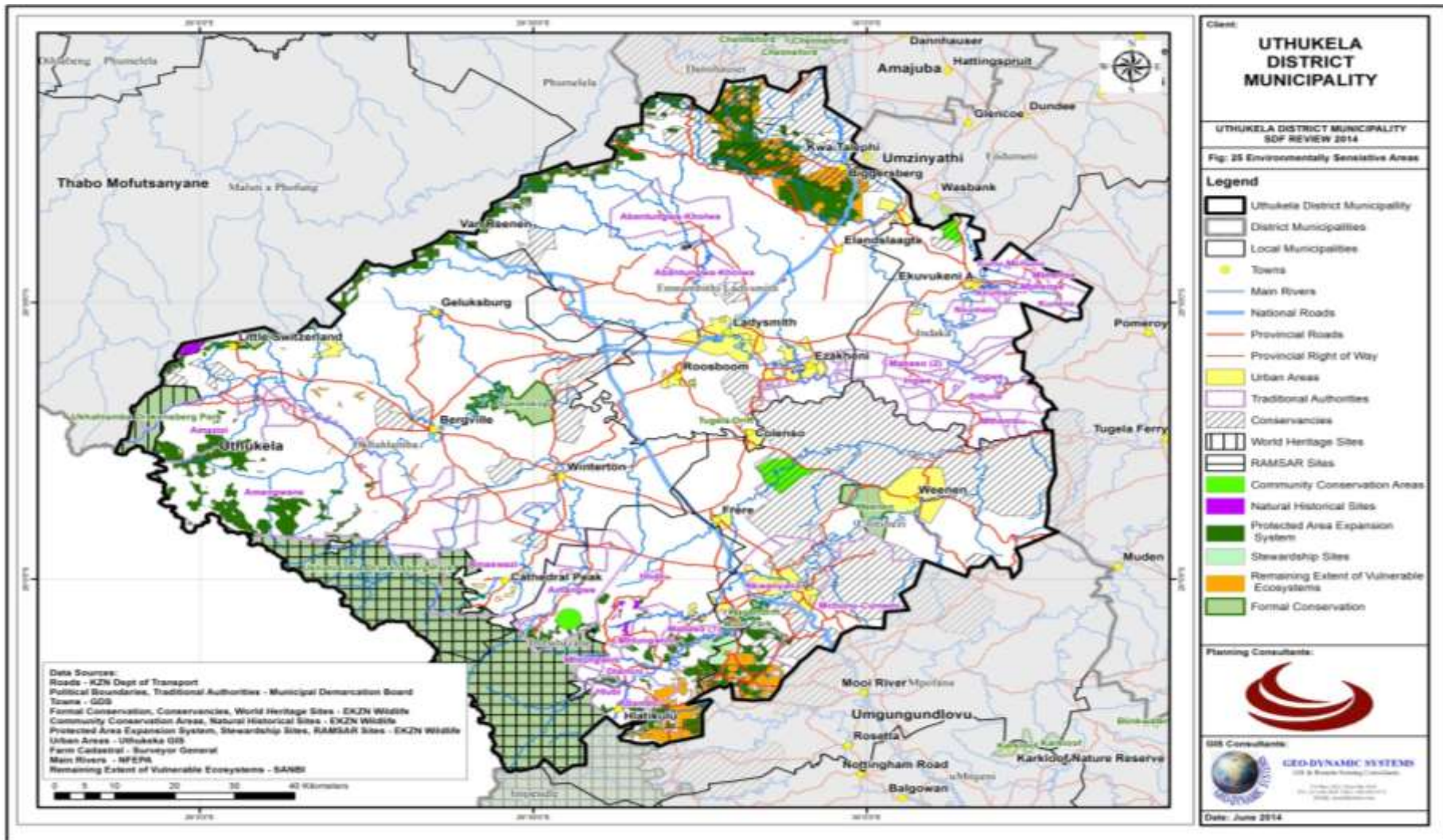
# SECTION E: STRATEGIC MAPPING

## 5 STRATEGIC MAPPING

### 5.1.1 ENVIRONMENTAL SENSITIVE AREAS

There is a range of environmentally sensitive areas within uThukela and include amongst others natural resources such as the important species sites, sites of intrinsic biodiversity value, watercourses and steep slopes. The greater central plateau and river valleys, such as the Sundays and Tugela River are some of the natural resources that should be protected. The most important environmental value associated with these valleys, are their value as catchments areas. The prevalence of dongas and soil erosion are also an indication of poor environmental management and there is therefore a need to develop and adopt an environmental management approach. The maps below show the environmental sensitive areas

The Environmental Sensitive areas

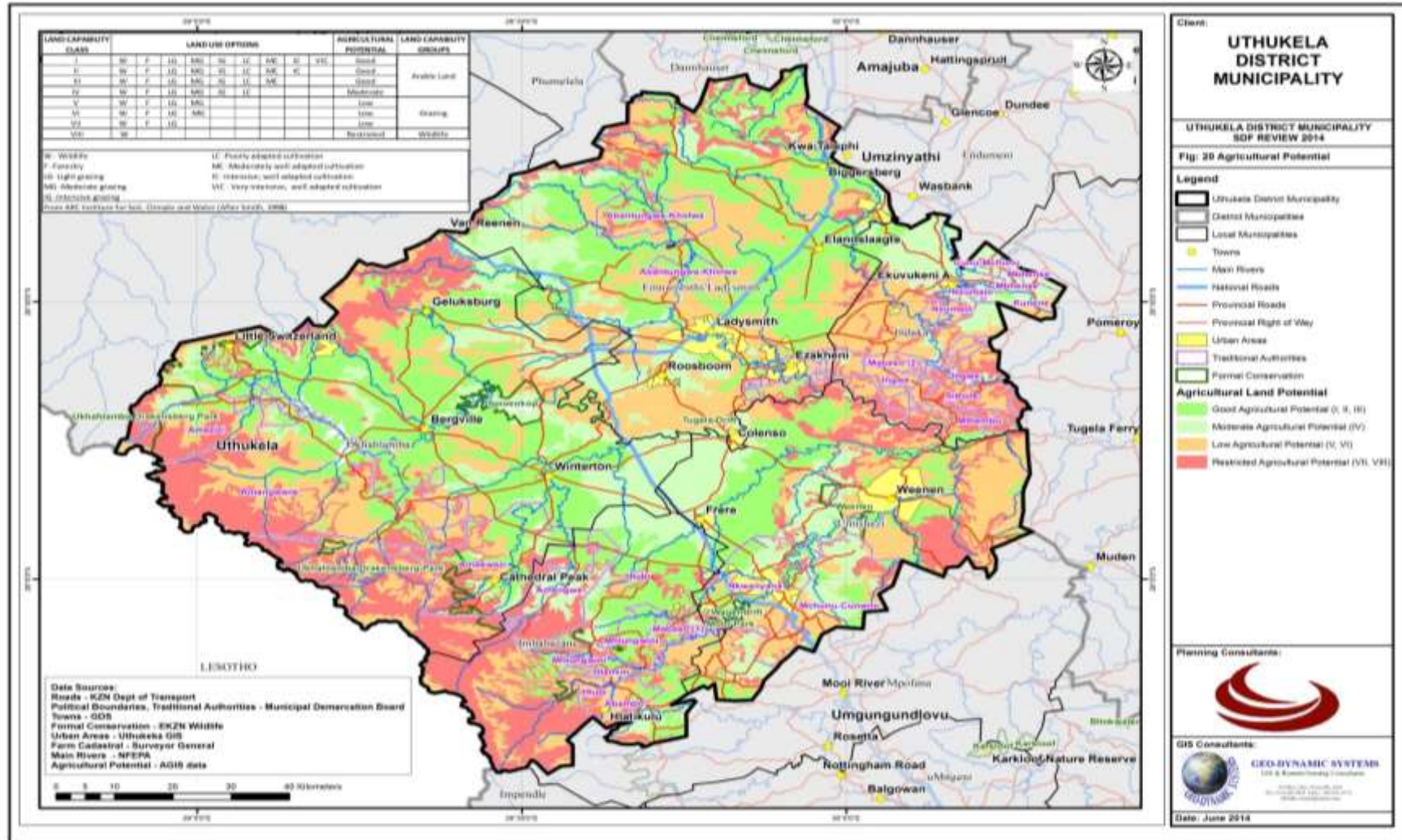




### 5.1.2 AGRICULTURAL POTENTIAL

The new growth path seeks to place the economy on a production-led trajectory by developing an agricultural value chain, with a focus on expanding farm-output, employment, and increasing the agri-processing sector. The KZN Provincial Spatial Economic Development Strategy (PSEDS) identifies Okhahlamba as one region with massive potential for growth in agriculture and agro processing. A competitive sector could be further developed to exploit economic opportunities presented by its location along the major transport routes and abundant water from the Thukela River (Thukela-Vaal Scheme). The R74 connects Bergville and Winterton to the N3 and N6 roads in the Free State, this presents Okhahlamba with agro processing opportunities that will be supported by road freight infrastructure to major South African cities, i.e. the Durban Harbour in the south and Agriculture contributed R946 million to the district economy in 2011 and employed 7 959 people, the sector contributed 7% to total GVA and employment within the municipality in 2011. The map below shows the agricultural potential.

AGRICULTURAL POTENTIAL

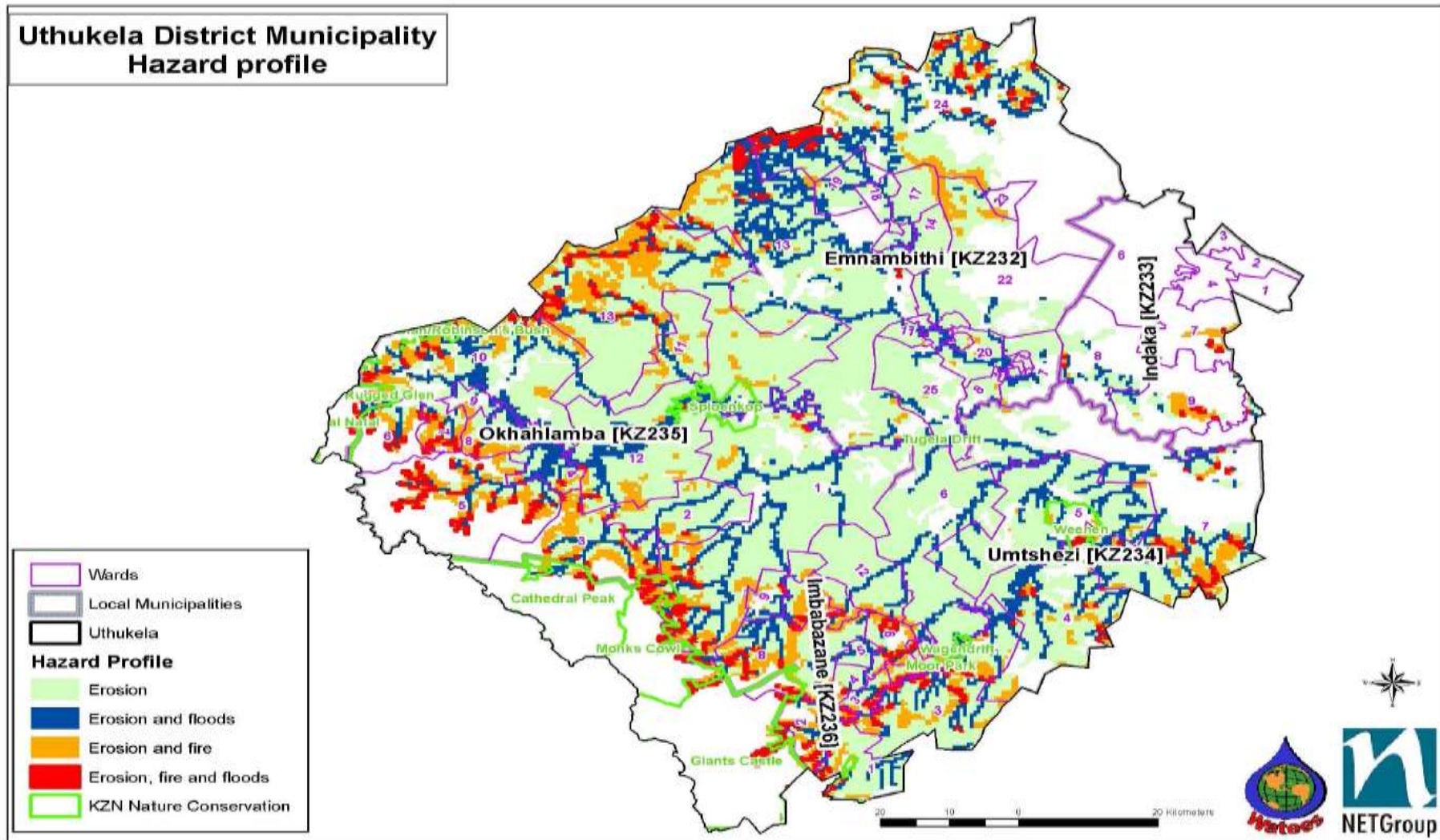


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### 5.1.3 DISASTER RISK PROFILE

It was possible to compile appropriate GIS profile maps using the detail disaster hazard, vulnerability and risk assessments of UDM. These GIS-profile maps summarise the disaster hazard, vulnerability and risk analysis of UDM. Hence, these profile maps indicate the risk profile of the UDM area of jurisdiction. When floods and veld fires (which received the highest threshold value during the risk assessment) were combined, it was possible to compile a disaster hazard profile map for UDM (Map below).

DISASTER RISK PROFILE

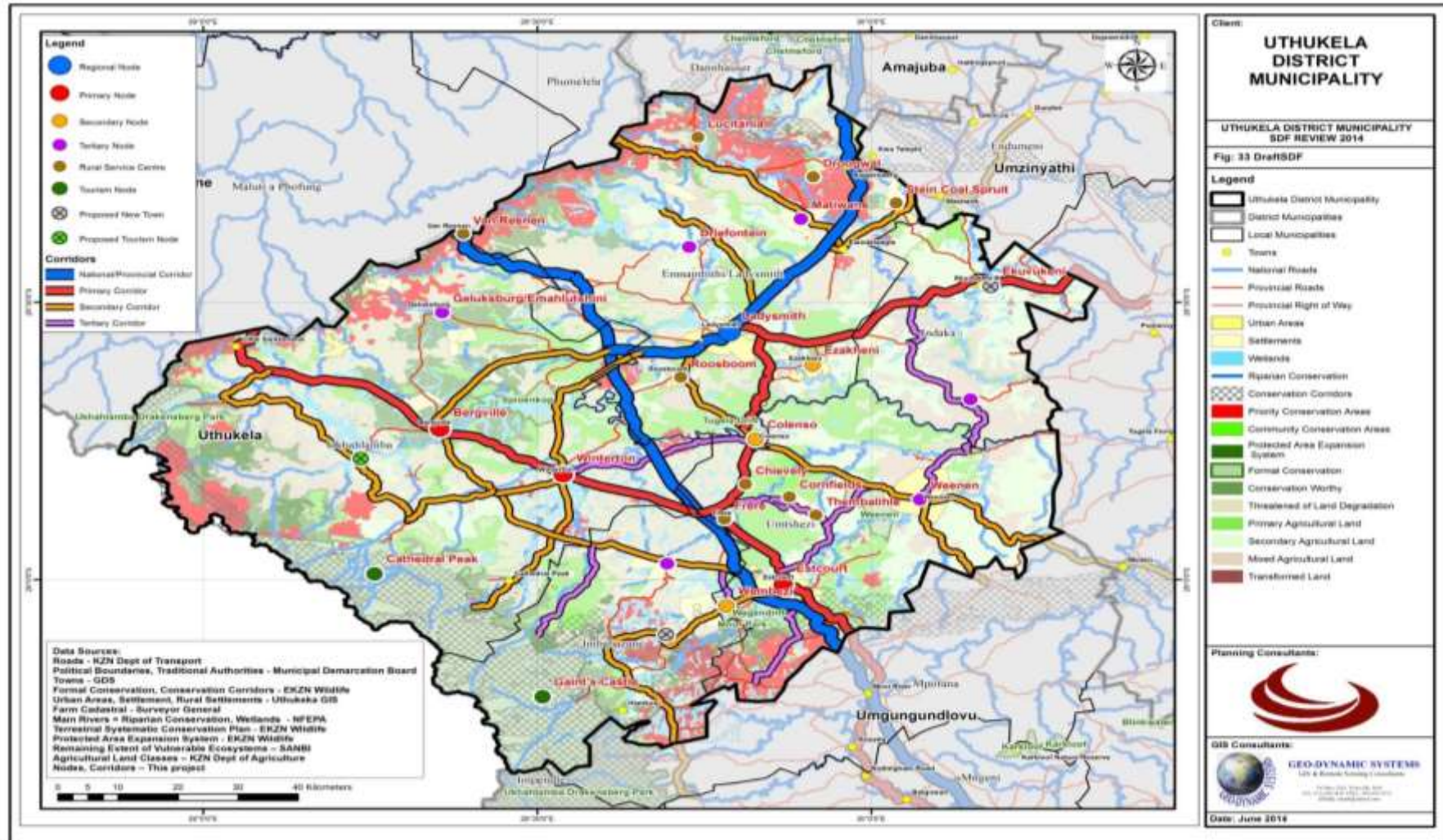


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#### 5.1.4 DESIRED SPATIAL FORM

It must be noted that the below attached map replicates the uThukela district municipality desired spatial form that is aligned to the municipality's Key Challenges, the long term vision, mission, Goals as well as strategic objectives.

DESIRED SPATIAL FORM



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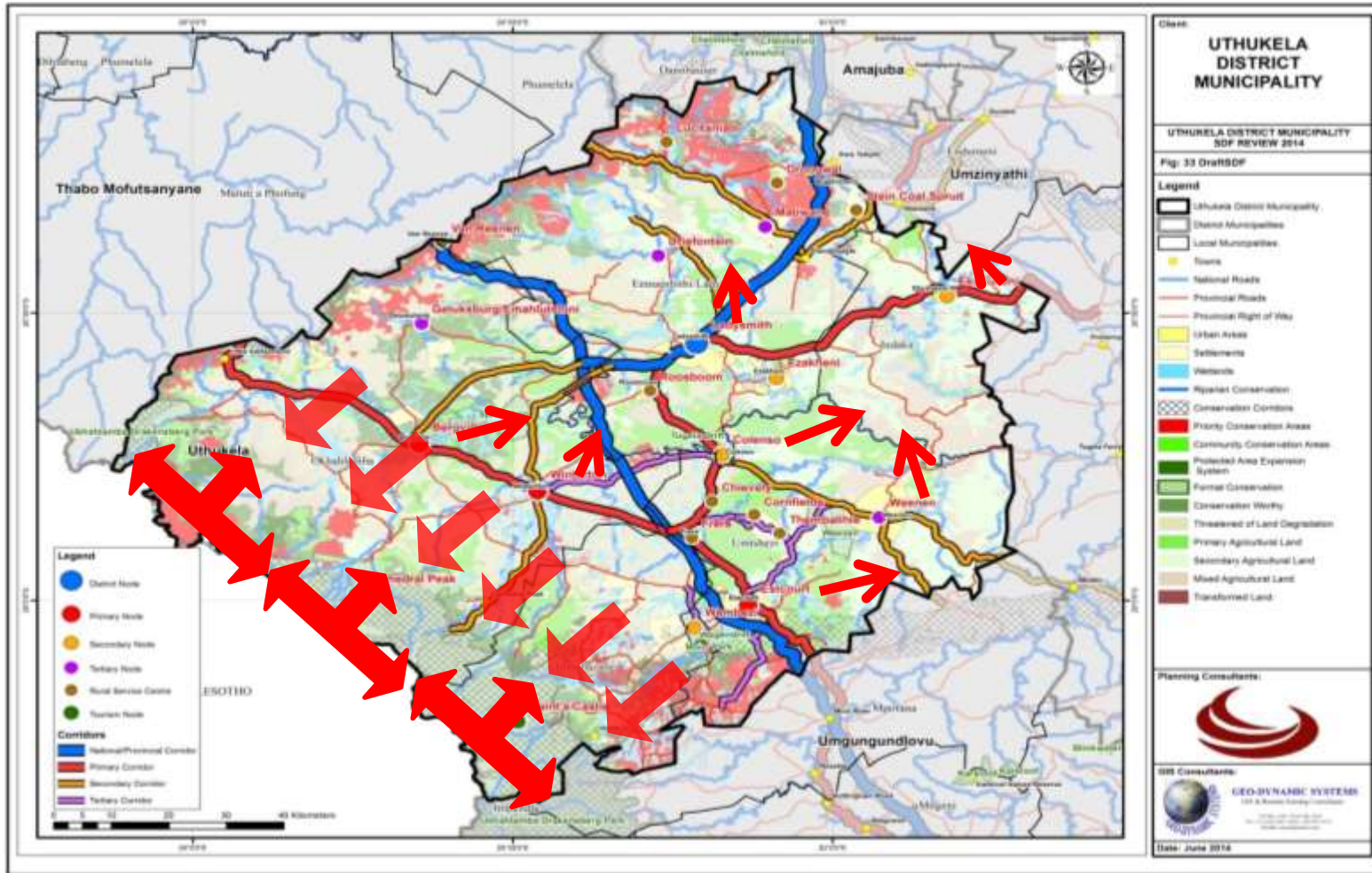
## 5.1.5 DESIRED SPATIAL FORM AND LAND USE

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### 5.1.5.1 AREAS WHERE DEVELOPMENT INTENSITY SHOULD DECREASE

Development should be discouraged within the UDP WHS since this will compromise the landscape character. Expansion of developments towards UDP Foothills will also be unfavourable. Most of the main towns/ nodes are surrounded by agricultural land. Expansion of nodes to high potential agricultural land would be undesirable. The map below shows areas where development intensity should decrease.

### AREAS WHERE DEVELOPMENT INTENSITY SHOULD DECREASE



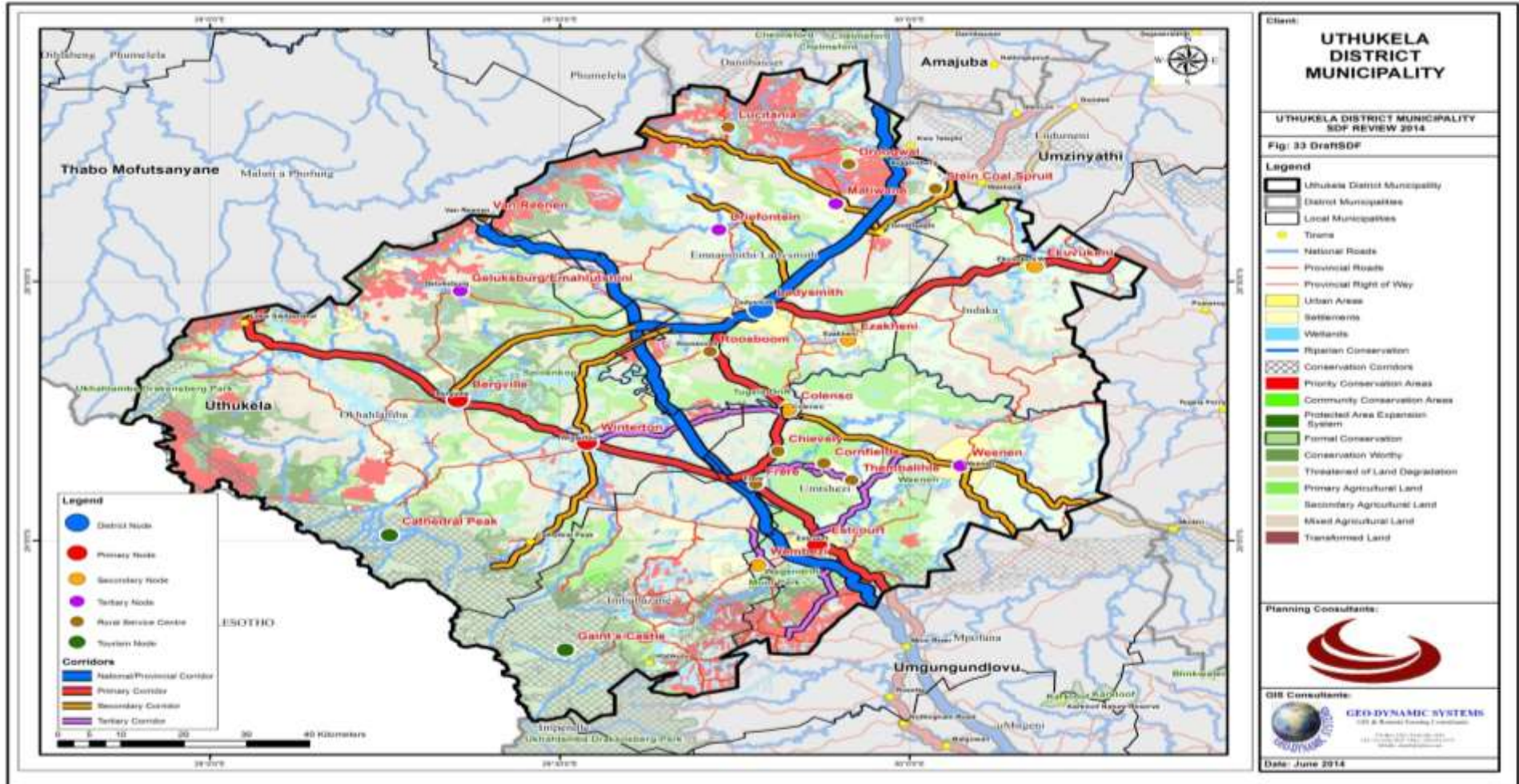


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#### 5.1.5.2 AREAS WHERE DEVELOPMENT SHOULD INCREASE

The proposal is to facilitate an expansion of the node to its nearest urban settlement area (i.e. former black township). This creates opportunities for infill and interface development on the one hand and it dismantles the historical segregation motives. This is proposed for Ladysmith and Ezakheni as well as Estcourt and Wembezi. The proposal is to facilitate the densification of the existing nodes prior to outward expansion. This is because these areas are still too low in terms of density and urban sprawl may emanate if expansion was to take place at a sizeable now. The map below displays the areas where development intensity should increase.

AREAS WHERE DEVELOPMENT INTENSITY SHOULD INCREASE



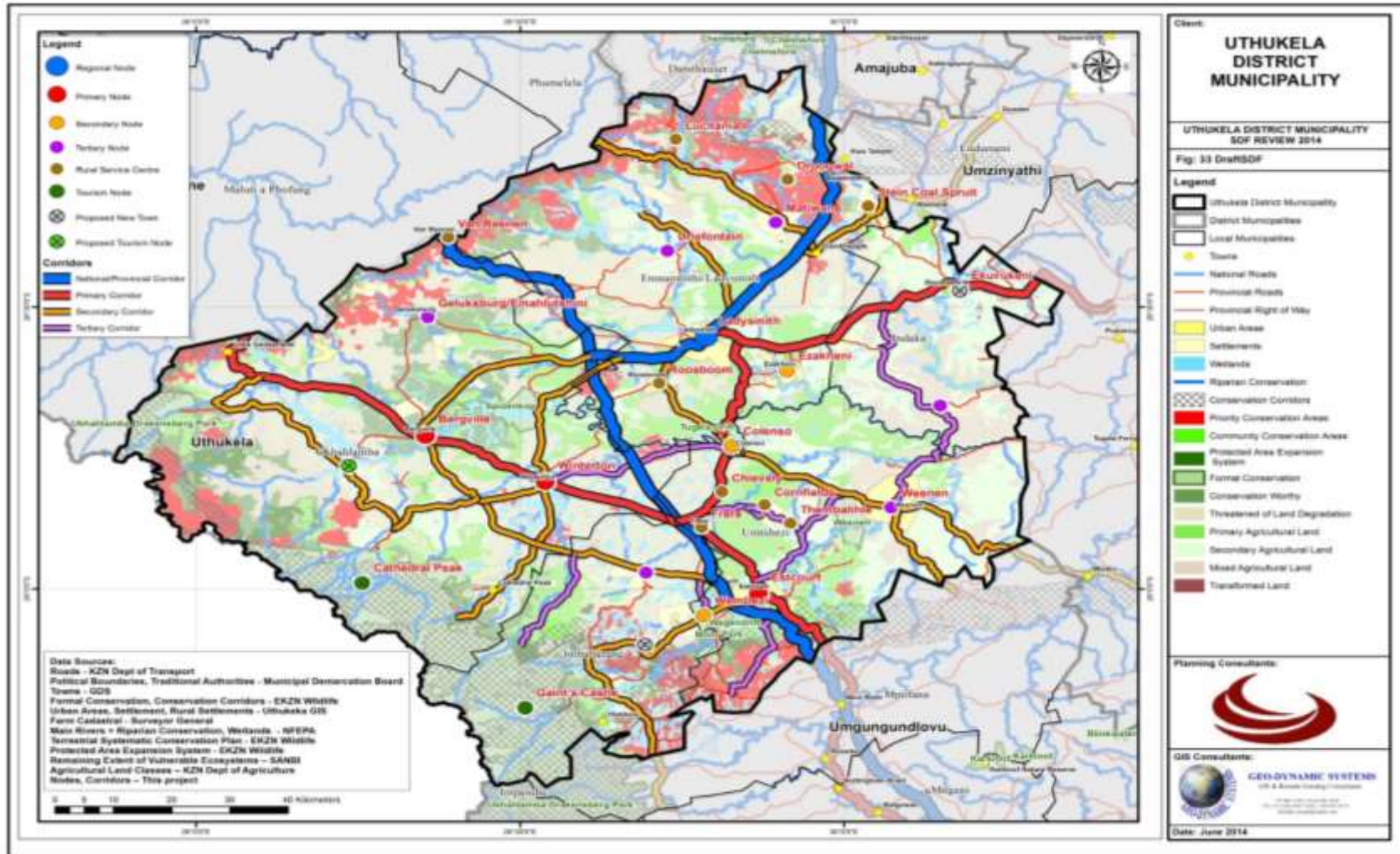
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### 5.1.6 SPATIAL RECONSTRUCTION OF THE MUNICIPALITY

The objective of the spatial strategy is to guide spatial growth for uThukela in relation to the physical space. The following are major issues identified:

- The development of nodes and corridors: The nodal hierarchy is interlinked with a hierarchy of corridors and reinforces the function of nodes. Primary, secondary and tertiary corridors have been identified and these would be focused upon to develop the spatial structure;
- The promotion of small towns and centres: This should be coupled with a well-functioning passenger transport system for the integration of settlement hierarchies. The system will create balanced settlements and lead to improvement in service delivery to outlying rural areas;
- Sound land use management practices: The hierarchical development framework should direct development and support land use management systems that mitigate conflicting uses and urban sprawl and the map below displays the spatial reconstruction of uThukela district municipality.

**SPATIAL RECONSTRUCTION OF THE MUNICIPALITY**



## 5.1.7 LOCATION AND NATURE OF DEVELOPMENT WITHIN THE MUNICIPALITY

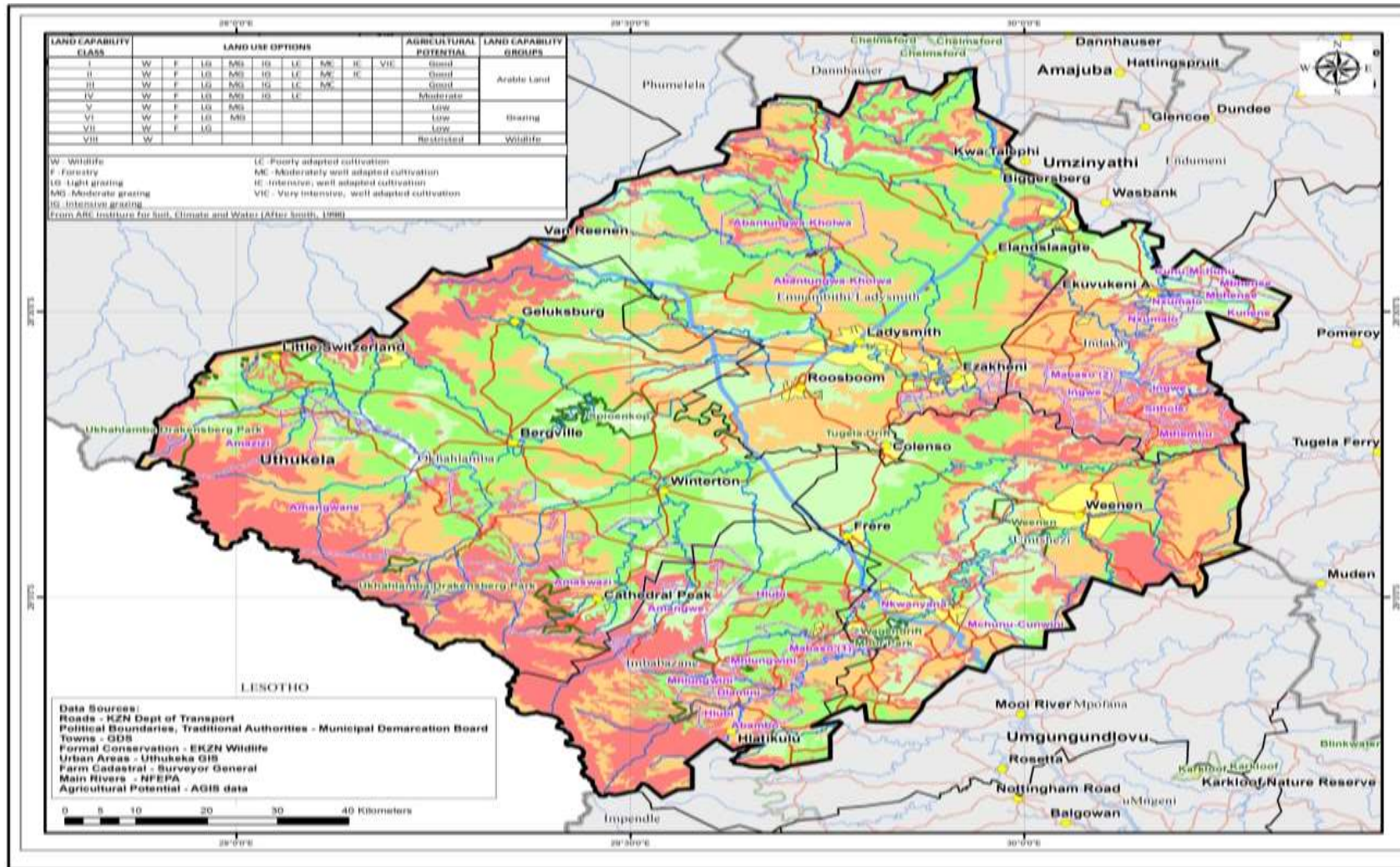
### 5.1.7.1 PROPOSED INDUSTRIAL DEVELOPMENT

The existing and established industries within UThukela are mainly found in Emnambithi/ Ladysmith and Umtshezi Local Municipalities. Ladysmith is considered to be the Primary Industrial Hub with three main industrial areas which are Danskraal, Nambithi and Ezakheni. Estcourt is considered to be a Primary Agri-processing Hub.

UThukela local economy is dominated by primary sectors, which implies that there is availability of raw material to a certain extent. However, because the manufacturing sector is not developed and all its full potentials are not yet utilised, in most instances raw material is transported to other centres outside the district for processing. The areas that are seen as the potential for further industrial development that is worth exploration are as follows:

- Ladysmith and Estcourt – Existing Industrial Hubs;
- Bergville – Primary industrial area for maize mill and agro-processing;
- Weenen – Agricultural produce packaging and processing;
- Loskop – Leather production, clothing, textile; and
- Colenso – Charcoal Plant.

### AREAS FOR INDUSTRIAL FUTURE INVESTMENT



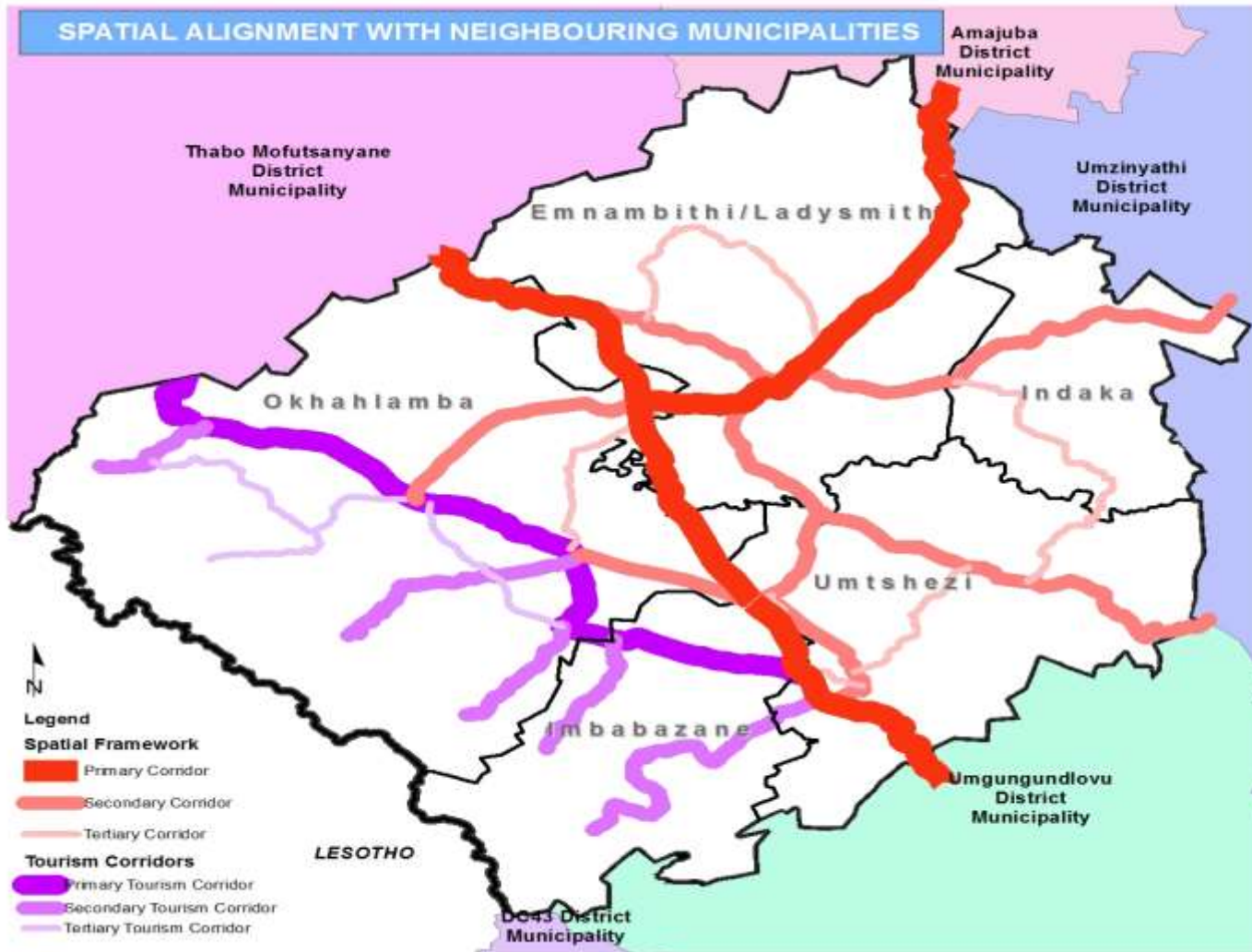


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### 5.1.8 SPATIAL ALIGNMENT WITH NEIGHBOURING MUNICIPALITIES

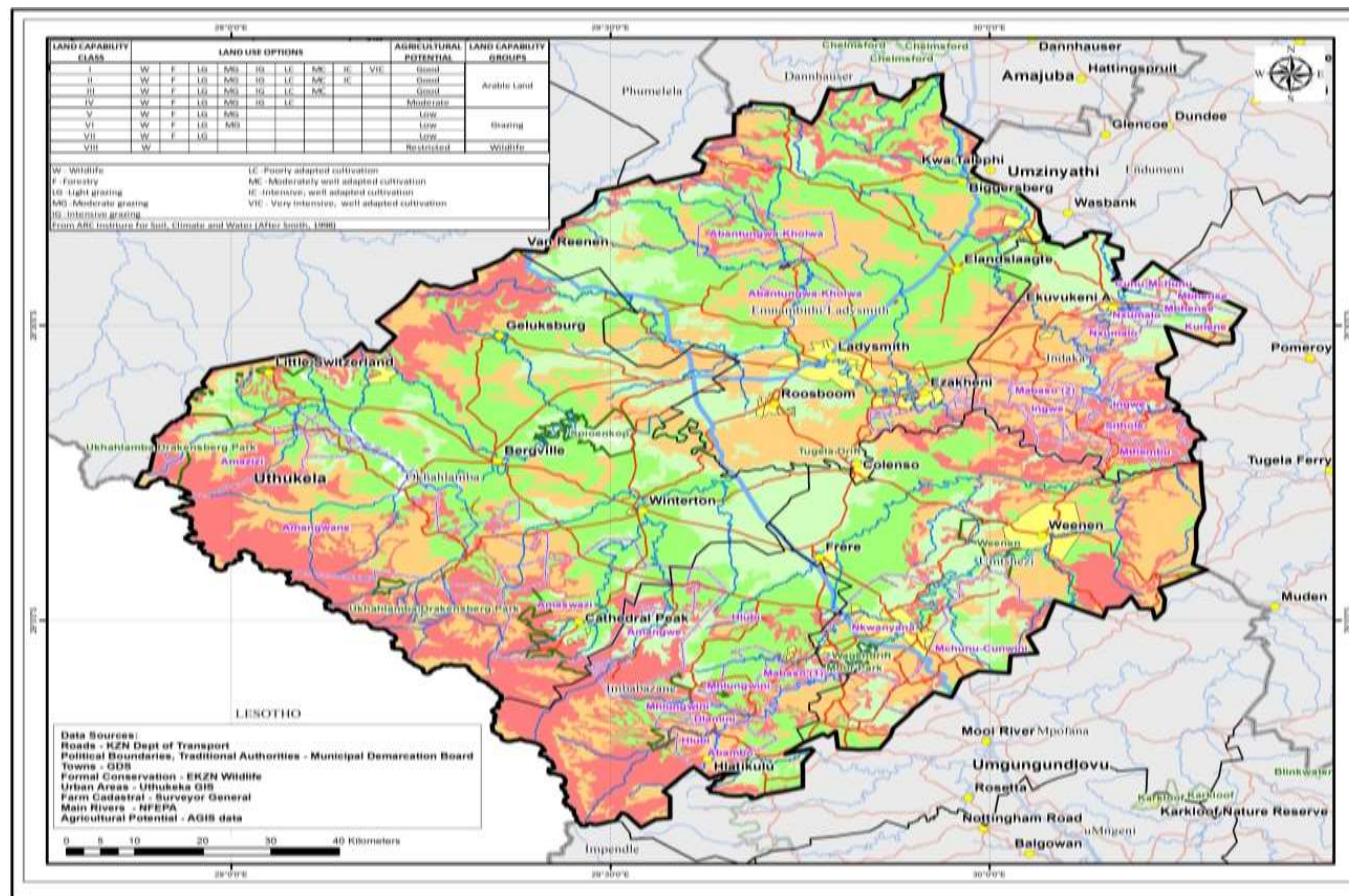
UThukela District is one of the cross-border municipalities within the province. It shares borders the Kingdom of Lesotho, Free-State Province and three districts within KwaZulu-Natal Province (Amajuba, Umzinyathi and Umgungundlovu District Municipalities). The uThukela district municipality SDF gives a thorough analysis on issues of alignment between UThukela and the neighboring areas (country and province) as well as the districts municipalities within KwaZulu-Natal provinces. The map below portrays the spatial alignment with neighbouring municipalities.





## 5.1.9 PUBLIC AND PRIVATE LAND DEVELOPMENT AND INFRASTRUCTURE INVESTMENT

### AREAS FOR INDUSTRIAL FUTURE INVESTMENT

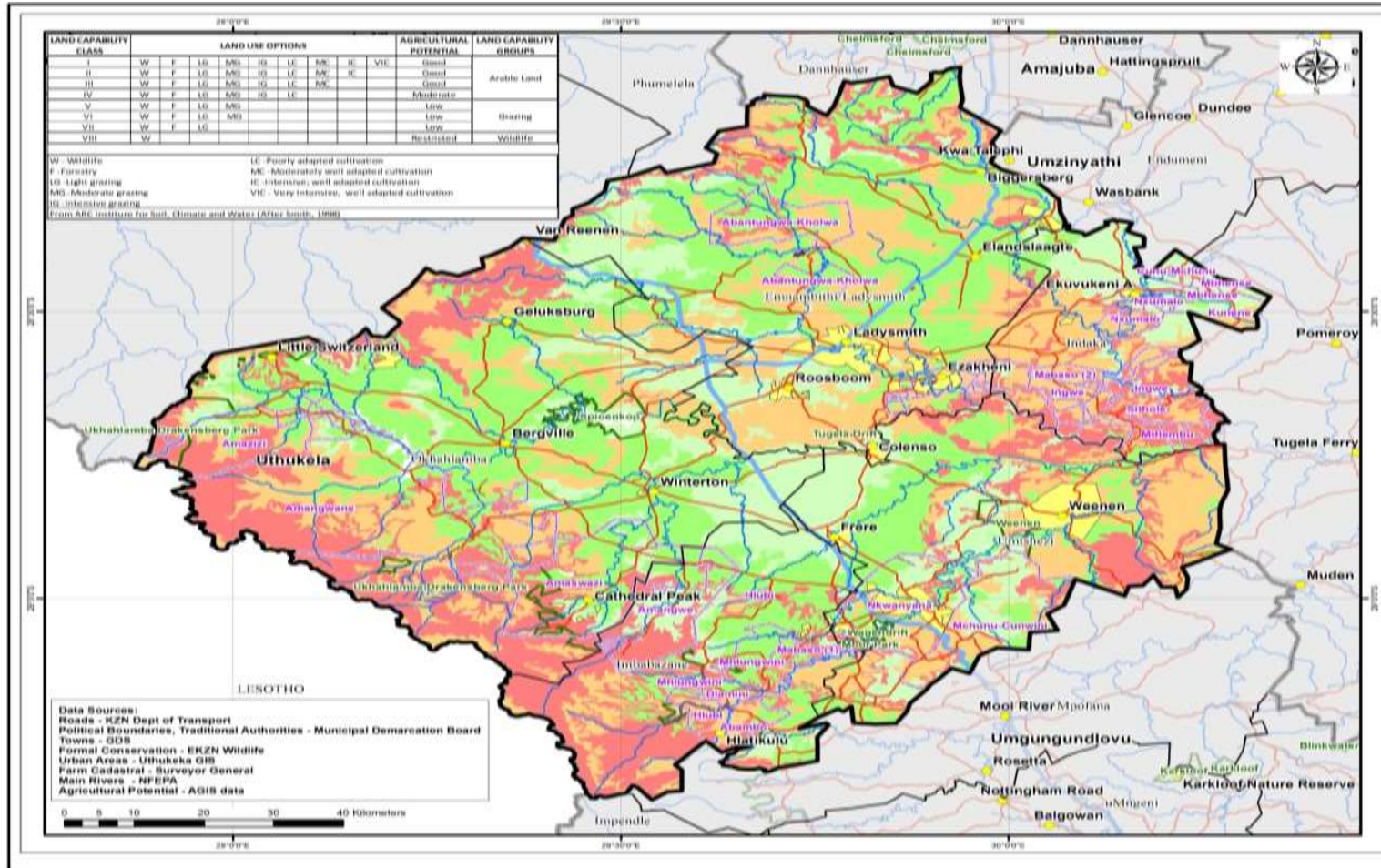






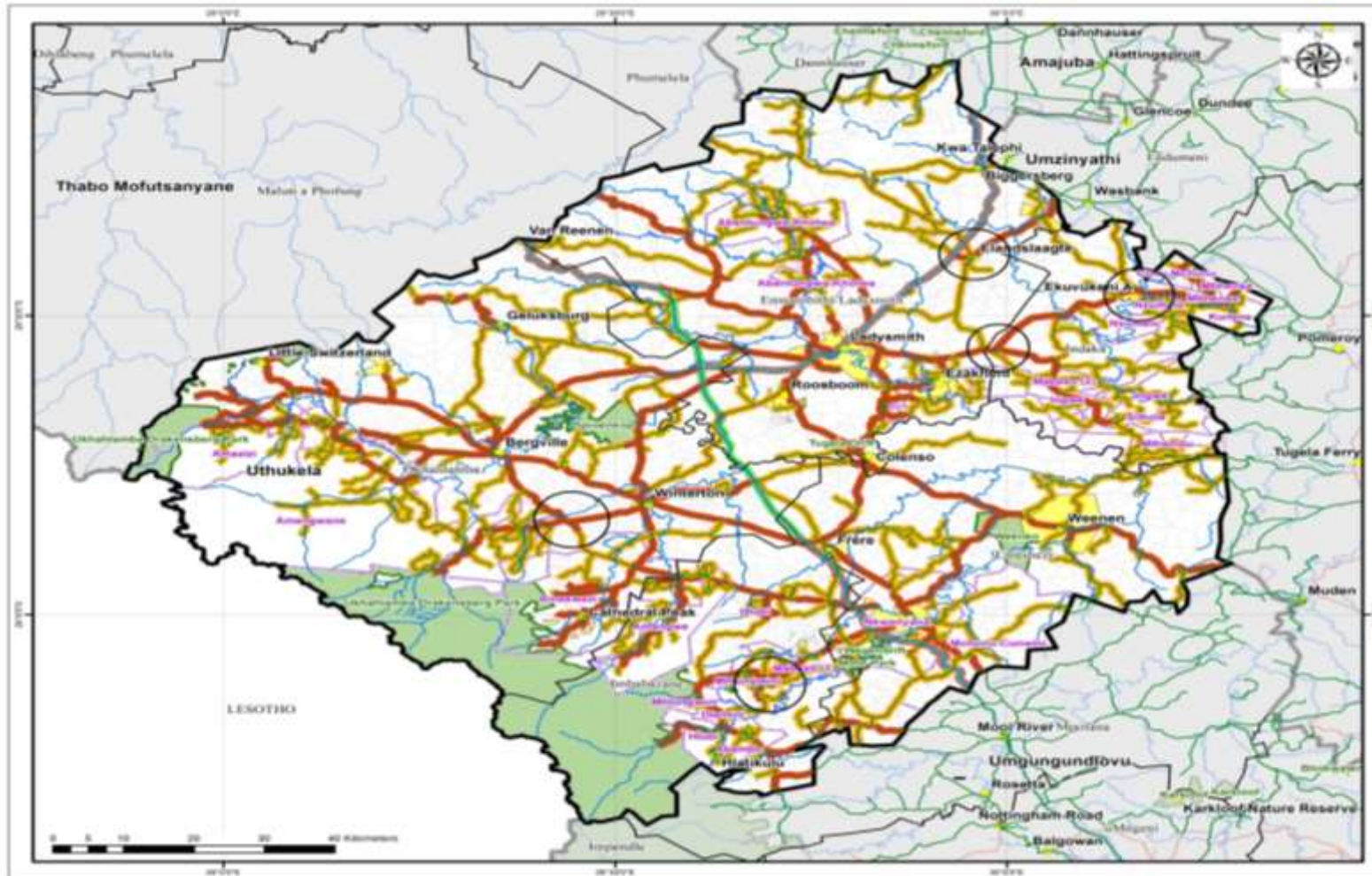
### 5.1.10 STRATEGIC INTERVENTION

#### AREAS FOR INDUSTRIAL FUTURE INVESTMENT





AREAS FOR POTENTIAL FUTURE COMMERCIAL INVESTMENT







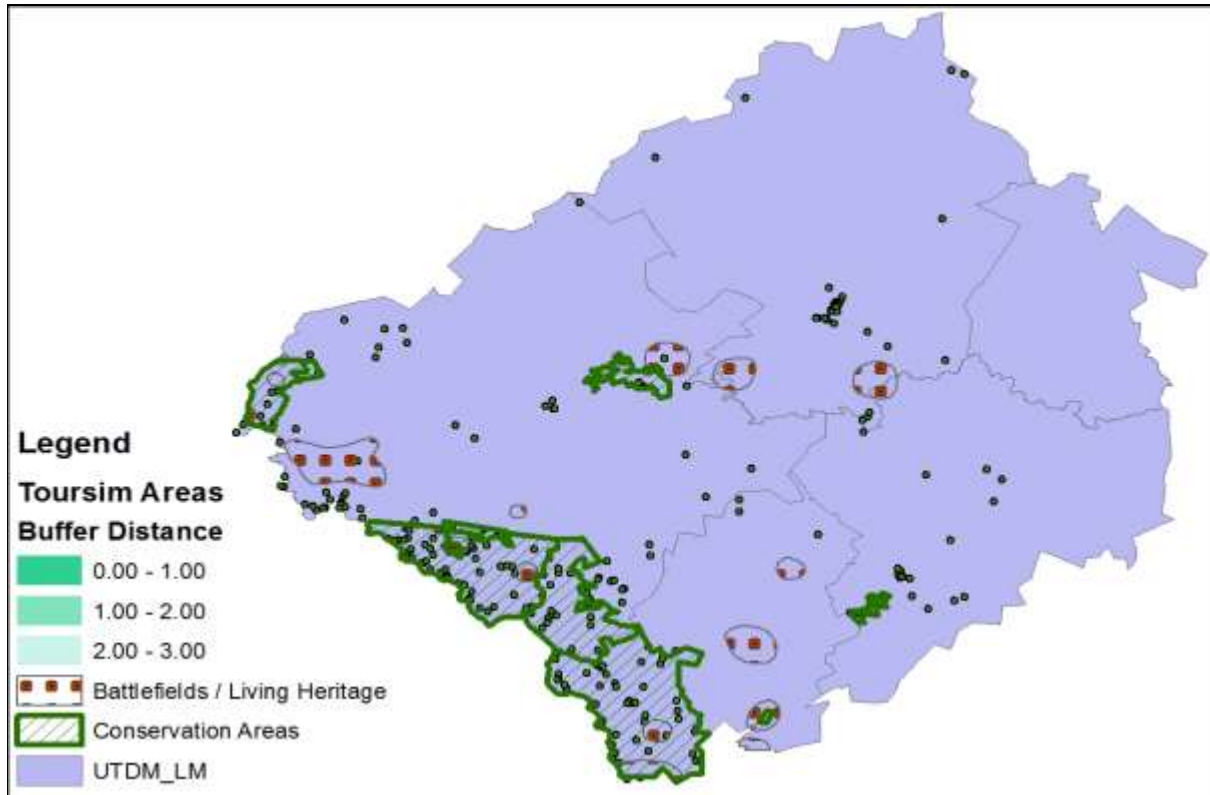
### 5.1.12 TOURISM

The UThukela District Municipality is located in the world heritage site (The Majestic Drakensberg Mountains) and the renowned battle sites offer an out of Africa experience these qualities have created a district that is a tourism magnet in South Africa. In line with Provincial Guidelines tourism routes have been identified along the Drakensberg linking areas such as Cathkin Park, Bergville, Winterton and the Northern Berg. The route has been expanded recently to include linkages to tourism nodes within the Drakensberg range. The tourism sector comprises three main parts: The berg experience with hotels, chalets and camp sites located from Mount Aux Sources in the north through to Giants Castle in the south.

The second major part includes historical tourism involving the battlefields routes through the eastern part of the district. The third part involves game reserves and the wildlife experience in the lower lying bushveld (as opposed to berg) areas of the district in proclaimed and private conservancies. This includes an expanding area devoted to game farming and professional hunting adventure tourism is closely linked to the berg and the bush experience. UThukela has the potential to become the number one destination of choice for tourists to KwaZulu-Natal and South Africa, especially for those tourists who desire the country ambience.

Secondary tourism corridors are identified to each tourism node in line with provincial draft policy identifying a trekking route along the World Heritage Site. These routes lead from a primary corridor route running between the town of Estcourt and the Oliviershoek Pass. Tertiary corridors are identified to lead into the more rural areas adjacent to the Drakensberg World Heritage Site connecting to primary and secondary tourism routes. The map below demonstrates the tourism areas in uThukela district.

TOURISM AREAS



## 6 IMPLEMENTATION PLAN

| NKPA  | Code | Objectives                             | IDP REF | Organisation KPI   | Strategies   | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---|------|--|---------|--|--|----------|--------|---------|---------|---------|---------|---------|---------|
| NKPA 1: Municipal Transformation and Organisation Development | A1   | Increase knowledge Skills and capacity | A1.1    | % of post approved by Council as critical filled.                                    | Develop and implemented retention and job vacancy strategy | -        | 100%   | -       | -       | -       | -       | 90%     | 95%     |
|   |      |  | A1.2    | Number of top six positions filled by qualified and competent persons                |  | -        | 6      | -       | -       | -       | 6       | 6       | 6       |
|   |      |  | A1.3    | Number of Municipal Officials sent on management development programmes              |  | -        | 100    | -       | -       | -       | -       | 5       | 10      |
|   |      |  | A1.4    | % of milestones achieved on the skills retention plan                                |  | -        | 100%   | -       | -       | -       | -       | 25%     | 50%     |
|   |      |  | A1.5    | % of employment equity plan target achieved as per the District equity plan          | Appoint according to the EAP                               | -        | 100%   | -       | -       | -       | -       | 90%     | 95%     |
|   |      |  | A1.6    | Number of employees trained as per Work Place Skills Plan and Capacity Building Plan | Develop and implement WSP                                  | -        | 300    | -       | -       | -       | -       | 20      | 50      |
|   |      |  | A1.7    | Number of skills and competency assessments conducted                                |  | -        | 4      | -       | -       | -       | 1       | 2       | 4       |

| NKPA | Code | Objectives                 | IDP REF | Organisation KPI   | Strategies   | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|------|------|----------------------------|---------|--|--|----------|--------|---------|---------|---------|---------|---------|---------|
|      |      |                            | A1.8    | Number of Councillor and Municipal Officials given bursaries as per the capacity building plan |  | -        | 50     | -       | -       | -       | -       | 5       | 10      |
|      |      |                            | A1.9    | Number of LLF meetings convened  |  | -        | 6      | -       | -       | -       | -       | 4       | 6       |
|      | A2   | Improve Business processes | A2.1    | % up time of all ICT systems and services as an average  | Implement ICT MSP  | -        | 100%   | -       | -       | -       |         | 96%     | 97%     |
|      |      |                            | A2.2    | % of adopted policies with standard operation procedures                                       | Develop and implement SOP                                  | -        | 100%   | -       | -       | -       | 0%      | 25%     | 50%     |
|      |      |                            | A2.3    | Number of deliverables achieved on the ICT Master systems plan                                 | Resource and implement MSP                                 | -        | 100    | -       | -       | -       |         | 5       | 10      |
|      |      |                            | A2.4    | Number of critical processed re-engineered as per the process enhancement plan                 | Process re-engineering                                     | -        | 50     | -       | -       | -       | 1       | 5       | 25      |
|      |      |                            | A2.5    | Number of deliverables achieved on the organisation development plan                           | Develop and implement organisation re-engineering strategy | -        | 20     | -       | -       | -       | -       | 2       | 10      |

| NKPA                            | Code | Objectives   | IDP REF | Organisation KPI   | Strategies  | Baseline | Demand  | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---------------------------------|------|--|---------|--|---|----------|---------|---------|---------|---------|---------|---------|---------|
| NKPA 2: Basic Services Delivery | B1   | Improve quality of life and service delivery provision | B1.1    | % of households with access to portable water                          | Develop and implement the water service delivery plan | 72.14%   | 100%    | 27.86%  | 71.24%  | 71.60%  | 72.14%  | 72.4 %  | 73.39%  |
|                                 |      |  | B1.2    | Number of households with access to portable water                     |   | 100 748  | 130 834 | 38 540  | 99 992  | 100 492 | 100 748 | 101 098 | 102 492 |
|                                 |      |  | B1.3    | % of households with access to sanitation                              |   | 78.80%   | 100%    | 21.20%  | 77.61%  | 78.08%  | 78.80%  | 80.59%  | 82.338% |
|                                 |      |  | B1.4    | Number of households with access to sanitation                         |   | 110 041  | 130 834 | 37 146  | 108 381 | 109 041 | 110 041 | 112 541 | 115 041 |
|                                 |      |  | B1.5    | Number of indigent with given access to free basic services            | -   | 31028    | -       | -       | -       | -       | 5000    | 10000   |         |
|                                 |      |  | B1.6    | Number of indigent register reviews conducted                          | -   | 4        | -       | -       | -       | 1       | 2       | 4       |         |
|                                 |      |  | B1.7    | % of services with up to date services standard                        | -   | 100%     | -       | -       | -       | 0%      | 50%     | 100%    |         |
|                                 |      |  | B1.8    | Number of services standard assessments conducted                      | -   | 4        | -       | -       | -       | 0       | 1       | 2       |         |
|                                 |      |  | B1.9    | Number of programmes aimed at support special focus group co-ordinated | Develop and implement                                 | -        | 4       | -       | -       | -       | -       | 4       | 4       |

| NKPA | Code | Objectives   | IDP REF | Organisation KPI  | Strategies  | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|------|------|--|---------|---|---|----------|--------|---------|---------|---------|---------|---------|---------|
|      |      |  | B1.10   | Number of HIV/AIDS and chronic illness support programmes coordinated                 | Mayoral Special programmes                                      | -        | 6      | -       | -       | -       | -       | 6       | 6       |
|      |      |  | B1.11   | Number of poverty alleviation programme coordinated                                   |   | -        | 4      | -       | -       | -       | -       | 2       | 4       |
|      | B2   | Improve the quality and consistency of services provided | B2.1    | Number of water samples taken from water sources as per the environmental health Plan | Develop strategy to comply with blue and green drop requirement | -        | 1500   | -       | -       | -       | 1200    | 1200    | 1200    |
|      |      |  | B2.2    | Number of food premises inspected according to Regulation 962                         |   | 800      | 1000   | -       | -       | 800     | 800     | 800     | 800     |
|      |      |  | B2.3    | Number of environmental awareness campaigns conducted                                 |   | 0        | 12     | 4       | -       | 0       | 0       | 4       | 6       |
|      |      |  | B2.4    | Number of water supply system producing wholesome good quality water supply           |   | 13       | 13     | 0       | -       | -       | 13      | 13      | 13      |
|      |      |  | B2.5    | % of operations and maintenance budget spent in the current financial year            |   | -        | 100%   | -       | -       | -       | -       | 100%    | 100%    |
|      | B3   | Increase the Capacity of the                             | B3.1    | Number of deliverables achieved on the approved IDP Capital Plan                      | Develop and implement 5   | -        |        | -       | -       | -       | -       | 10      | 10      |

| NKPA | Code | Objectives               | IDP REF | Organisation KPI   | Strategies                       | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|------|------|--------------------------|---------|--|----------------------------------|----------|--------|---------|---------|---------|---------|---------|---------|
|      |      | Municipal Infrastructure | B3.2    | Number of fundable Infrastructure Plans developed                        | year capital Infrastructure plan | -        | 10     | -       | -       | -       | -       | 5       | 5       |
|      |      |                          | B3.3    | % reduction in water losses  |                                  | -        | 100%   | -       | -       | -       | -       | 6%      | 15%     |
|      |      |                          | B3.4    | Number of new water connections established                              |                                  | -        | 38540  | -       | -       | -       | 256     | 350     | 1394    |
|      |      |                          | B3.5    | Number of new sewerage connections established                           |                                  | -        | 37146  | -       | -       | -       | 1000    | 2500    | 2500    |
|      |      |                          | B3.6    | Number of sewerage spillage incidents logged                             |                                  | -        | 0      | -       | -       | -       | -       | 0       | 0       |
|      |      |                          | B.3.7   | % of Municipal Infrastructure grant allocated for the current year spent |                                  | -        | 100%   | -       | -       | -       | -       | 100%    | 100%    |

| NKPA                               | Code | Objectives                      | IDP REF | Organisation KPI  | Strategies  | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|------------------------------------|------|---------------------------------|---------|---|---|----------|--------|---------|---------|---------|---------|---------|---------|
| NKPA 3: Local Economic Development | C1   | Increase Economic activities    | C1.1    | Number of jobs created through LED and EPWP projects  | Develop and implement the LED and Tourism strategy                      | -        | 5000   | -       | -       | -       | -       | 1000    | 2000    |
|                                    |      |                                 | C1.2    | % of LED strategy implemented   |   | -        | 100%   | -       | -       | -       | 0%      | 5%      |         |
|                                    |      |                                 | C1.3    | Number of LED capacity building campaigns co-ordinated  |   | -        | 6      | -       | -       | -       | 2       | 4       |         |
|                                    |      |                                 | C1.4    | Number of business opportunities given to SMME's located within the District                                |   | -        | 1000   | -       | -       | -       | 250     | 400     |         |
|                                    | C2   | Strengthen Business Partnership | C2.1    | Number of programmes and projects aimed at developing entrepreneurial capacity on focus groups co-ordinated | Develop and implement the LED incentives and investor attraction policy | -        | 6      | -       | -       | 1       | 0       | 2       | 4       |
|                                    |      |                                 | C2.2    | Number of stakeholders mobilised toward LED   |   | -        | 10     | -       | -       | -       | 0       | 1       | 2       |
|                                    |      |                                 | C2.3    | Number of functional LED structures setup by the District   |   | -        | 4      | -       | -       | -       | 0       | 2       | 4       |
|                                    |      |                                 | C2.4    | Number of Public/ Private partnership secured by the District   |   | -        | 10     | -       | -       | -       | 0       | 1       | 2       |
|                                    |      |                                 | C2.5    | Number of stakeholders mobilised toward LED   |   | -        | 10     | -       | -       | -       | -       | 2       | 3       |



| NKPA   | Code | Objectives                              | IDP REF | Organisation KPI  | Strategies   | Baseline | Demand  | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |     |
|--|------|---|---------|---|--|----------|---------|---------|---------|---------|---------|---------|---------|-----|
| NKPA 4: Municipal Financial Viability and Management | D1   | Increase Income                         | D1.1    | % of revenue collection rate on outstanding debt  | Develop and implemented revenue enhancement strategy and the and                   | -        | 100%    | -       | -       | -       |         | 20%     | 25%     |     |
|  |      |   | D1.2    | % of revenue collection rate on current debt  |  | -        | 100%    | -       | -       | -       | 74%     | 76%     | 77%     |     |
|  |      |   | D1.3    | Debt coverage ratio   |  | -        | 1:1     | -       | -       | -       |         | 1:3     | 1:2     |     |
|  | D2   | Improve expenditure and cash management | D2.1    | Cost coverage ratio   | Develop and enforce credit and cash flow management plans, controls and procedures | -        | 1:1     | -       | -       | -       |         |         | 1:3     | 1:2 |
|  |      |   | D2.2    | % creditors paid within 30 days from receipt of invoice   |  | -        | 100%    | -       | -       | -       | 70%     | 90%     | 95%     |     |
|  |      |   | D2.3    | Average number of days taken to finalise Bids at supply chain   |  | -        | 90 days | -       | -       | -       | 90 days | 90 days | 90 days |     |
|  |      |   | D2.4    | Number of bid committees functioning consistently and efficiently according to their terms of reference |  | -        | 3       | -       | -       | -       | 3       | 3       | 3       |     |
|  |      |   | D2.5    | % of actual OPEX budget spent VS projected in the current financial year                                |  | -        | 100%    | -       | -       | -       | 100%    | 100%    | 100%    |     |

| NKPA | Code | Objectives   | IDP REF | Organisation KPI   | Strategies   | Baseline | Demand      | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16     | 2016/17     |
|------|------|--|---------|--|--|----------|-------------|---------|---------|---------|---------|-------------|-------------|
|      |      |  | D2.6    | % of actual CAPEX budget spent VS projected in the current financial year                                    |  | -        | 100%        | -       | -       | -       | 100%    | 100%        | 100%        |
|      |      |  | D2.7    | Number of departments procuring goods and services more than 80% according to the approved procurement plans |  | -        | 6 per month | -       | -       | -       |         | 6 per month | 6 per month |
|      | D3   | Improve value for money spent                          | D3.1    | Number of services provider performance assessments conducted  | Develop and implement a services provider performance management system and automate management          | -        | 12 per year |         | -       | -       | 0       | 12 per year | 12 per year |
|      |      |  | D3.2    | % of services providers performing below average as per SLA  |  | -        | 100%        |         |         |         |         | 60%         | 80%         |
|      |      |  | D3.3    | Number of deviations from SCM Policy   |  | -        | 0           | -       | -       | -       | 54      | 25          | 10          |
|      |      |  | D3.4    | % of service providers operating without contracts and SLA   |  | -        | 0%          | -       | -       | -       | 100%    | 25%         | 0%          |
|      | D4   | Improve Budgeting and Reporting of Financial Resources | D4.1    | Gap % between the budget and actual cash received  | Develop a credible budget and report monthly according to the MFMA calendar of reporting to stakeholders | -        | 0%          | -       | -       | -       | -       | 10%         | 10%         |
|      |      |  | D4.2    | % Compliance with the MFMA Calendar of reporting   |  | -        | 100%        | -       | -       | -       | -       | 100%        | 100%        |
|      |      |  | D4.3    | % of OPEX budget allocated to operations and maintenance   |  | -        | 20%         | -       | -       | -       | -       | 7%          | 10%         |

| NKPA | Code | Objectives | IDP REF | Organisation KPI  | Strategies | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|------|------|------------|---------|---|------------|----------|--------|---------|---------|---------|---------|---------|---------|
|      |      |            | D4.4    | % OPEX budget allocated to staff related costs  |            | -        | 37%    | -       | -       | -       | -       | 37%     | 37%     |
|      |      |            | D4.5    | % of OPEX budget allocated to staff development   |            | -        | 1%     | -       | -       | -       | -       | 1%      | 1%      |
|      |      |            | D4.6    | % of budget allocated to Municipal infrastructure actually spent on physical infrastructure |            | -        | 100%   | -       | -       | -       | -       | 100%    | 100%    |

| NKPA   | Code | Objectives                         | IDP REF | Organisation KPI  | Strategies  | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--|------|------------------------------------|---------|---|---|----------|--------|---------|---------|---------|---------|---------|---------|
| NKPA 5: Good Governance and Public Participation | E1   | Improve performance and Efficiency | E1.1    | Number of employees on performance management   | Develop and implement the balanced scorecard system | -        | 6      | -       | -       | -       | 5       | 40      | 100     |
|  |      |                                    | E1.2    | Number of milestones achieved on the 3 year implementation PMS Plan                   |   | -        | 50     | -       | -       | -       | 10      | 15      | 20      |
|  |      |                                    | E1.3    | Number of top management with signed performance contracts                            |   | -        | 6      | -       | -       | -       | 5       | 5       | 6       |
|  |      |                                    | E1.4    | Number of breaches to PMS Policy  |   | -        | 0      | -       | -       | -       |         |         |         |
|  |      |                                    | E1.5    | % compliance to the PMS comply Plan   |   | -        | 100%   | -       | -       | -       | 70%     | 100%    | 100%    |
|  |      |                                    | E1.6    | Number of monthly reports on the level of compliance adopted and published by Council |   | -        | 12     | -       | -       | -       | -       | 12      | 12      |
|  |      |                                    | E1.7    | Number of Councillors submitting activity reports to the Speaker monthly              |   | -        | 12     | -       | -       | -       | -       | 12      | 12      |

| NKPA | Code   | Objectives | IDP REF  | Organisation KPI   | Strategies | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|------|--|------------|--|--|------------|----------|--------|---------|---------|---------|---------|---------|---------|
|      |  |            | E1.8   | Number of reports submitted by the Speaker to Council on meetings of Council and community issues    |            | -        | 12     | -       | -       | -       | -       | 12      | 12      |
|      |  |            | E1.9   | Number of reports submitted by the Mayor on Mayoral activities to Council                            |            | -        | 12     | -       | -       | -       | -       | 12      | 12      |
|      |  |            | E1.10  | Number of reports submitted by the Chief Whip to Council on weekly meetings of programmes of Council |            | -        | 12     | -       | -       | -       | -       | 12      | 12      |
|      |  |            | E1.13  | Number of reports submitted by the MM overall operations of the Municipality                         |            | -        | 12     | -       | -       | -       | -       | 12      | 12      |
|      |  |            |  |  |            | -        |        | -       | -       | -       | -       | -       | -       |
| E2   | Promote Good Governance and Sound administration | E2.1       | % of Council policies legally tested against current legislative manuals | Develop and implement an operation clean audit plan  |            | -        | 100%   | -       | -       | -       | -       | 50%     | 100%    |

| NKPA | Code | Objectives | IDP REF | Organisation KPI  | Strategies | Baseline | Demand | Backlog | 2012/13      | 2013/14      | 2014/15     | 2015/16       | 2016/17 |
|------|------|------------|---------|---|------------|----------|--------|---------|--------------|--------------|-------------|---------------|---------|
|      |      |            | E2.2    | % of Council meetings convening as per the legislation  |            | -        | 100%   | -       | -            | -            | 90%         | 100%          | 100%    |
|      |      |            | E2.3    | Number of functional Council approved Governance 1 Structures                                     |            | -        | 7      | -       | -            | -            | 6           | 7             | 7       |
|      |      |            | E2.4    | % of risk mitigations recommendations implemented   |            | -        | 100%   | -       | -            | 0%           | 40%         | 80%           | 100%    |
|      |      |            | E2.5    | Number of anti-fraud and corruption awareness campaigns conducted                                 |            | -        | 6      | -       | -            | 0            | 0           | 4             | 6       |
|      |      |            | E2.6    | Number of Anti-Corruptions strategy reviews conducted   |            | -        | 4      | -       | -            | -            | -           | 1             | 2       |
|      |      |            | E2.7    | AG audit opinion rating<br>1= Adverse, 2= Disclaimer, 3= Qualified, 4= Unqualified, 5=Clean Audit |            | -        |        | -       | 2 Disclaimer | 2 Disclaimer | 3 Qualified | 4 Unqualified | 5 Clean |

| NKPA | Code | Objectives | IDP REF | Organisation KPI   | Strategies | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|------|------|------------|---------|--|------------|----------|--------|---------|---------|---------|---------|---------|---------|
|      |      |            | E2.8    | % Overall compliance with the Municipal compliance checklist                     |            | -        | 100%   | -       | -       | -       |         | 100%    | 100%    |
|      |      |            | E2.9    | % of internal and external audit findings resolved in the current financial year |            | -        | 100%   | -       | -       | -       | 70%     | 90%     | 95%     |
|      |      |            | E2.10   | Number of risk assessments conducted   |            | -        | 12     | -       | -       | -       | -       | 4       | 8       |
|      |      |            | E2.11   | Number fraud and corruption related cases received                               |            | -        | 0      | -       | -       | -       | -       | 0       | 0       |
|      |      |            | E2.12   | % of fraud and corruption cases reported actioned                                |            | -        | 100%   | -       | -       | -       | 100%    | 100%    | 100%    |
|      |      |            | E2.14   | Number of MANCO meeting convened   |            | -        | 48     | -       | -       | -       | -       | 48      | 48      |
|      |      |            | E2.15   | Number of s79 committee structures meetings as per the terms of Ref              |            | -        |        | -       | -       | -       | -       | 7       | 7       |
|      |      |            | E2.16   | Number of disclaimers received   |            | -        | 0      |         | 1       | 1       | 0       | 0       | 0       |

| NKPA | Code | Objectives                   | IDP REF | Organisation KPI                                  | Strategies  | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |     |
|------|------|------------------------------|---------|---|---|----------|--------|---------|---------|---------|---------|---------|---------|-----|
|      | E3   | Improve Public Participation | E3.1    | Number of Public engagements conducted            | Develop and implement the public participation strategy | -        | 12     | -       | -       | -       | 2       | 12      | 12      |     |
|      |      |                              | E3.2    | % implementation of public participation policy   |   | -        | 100%   | -       | -       | -       | -       |         | 80%     | 90% |
|      |      |                              | E3.3    | Number of functional public participation forums  |   | -        | 4      | -       | -       | -       | -       |         | 4       | 4   |
|      |      |                              | E3.4    | % implementation of communication strategy        |   | -        | 100%   | -       | -       | -       | -       |         | 50%     | 75% |
|      |      |                              | E3.5    | Number of customer satisfactory surveys conducted |   | -        | 4      | -       | -       | -       | -       |         | 2       | 2   |
|      |      |                              | E3.6    | Number of service delivery protest experienced    |   | -        | 0      | -       | -       | -       | -       |         | 0       | 0   |
|      |      |                              | E3.7    |   |   | -        |        | -       | -       | -       | -       |         |         |     |



| NKPA                         | Code | Objectives                                 | IDP REF | Organisation KPI  | Strategies  | Baseline | Demand | Backlog | 2012/13       | 2013/14       | 2014/15       | 2015/16       | 2016/17       |
|------------------------------|------|--|---------|---|---|----------|--------|---------|---------------|---------------|---------------|---------------|---------------|
| NKPA 6: Cross Cutting Issues | F1   | Improve Disaster prevention and management | F1.1    | Number of locals with updated waste management plan   | Develop and implement a disaster management plan and co-ordinate solid waste management | -        | 4      | -       | -             | -             | 4             | 2             | 2             |
|                              |      |  | F1.2    | Number of local municipalities with updated solid waste disposal sites with adequate capacity |   | -        | 4      | -       | -             | -             | 4             | 2             | 2             |
|                              |      |  | F1.3    | Turnaround time for responding to disasters   |   | -        | 12hrs  | -       | 12hrs monthly | 12hrs monthly | 12hrs monthly | 12hrs monthly | 12hrs monthly |
|                              |      |  | F1.4    | % of reported disasters responded to by the District  |   | -        | 100%   | -       | 100%          | 100%          | 100%          | 100%          | 100%          |
|                              |      |  | F1.5    | Number of locals with disaster volunteers and fire fights                                     |   | -        | 5      | -       | 5             | 5             | 5             | 5             | 5             |
|                              |      |  | F1.6    | Number of locals with updated waste management plan   |   | -        | 5      | -       | 5             | 5             | 5             | 5             | 5             |
|                              |      |  | F1.7    | Number of meetings held with disaster management advisory forum and specialist                |   | -        | 16     | -       | -             | -             | 16            | 16            | 16            |
|                              | F2   |  | F2.1    | IDP credibility rating by COGTA   | Co-ordinate planning and  | -        | 100%   | -       | -             | -             |               | 80%           | 90%           |

|  |                                   |      |  |                         |   |              |   |   |   |   |              |   |
|--|-----------------------------------|------|--|-------------------------|---|--------------|---|---|---|---|--------------|---|
|  | Improve Planning and Coordination | F2.2 | % of milestones achieved on the IDP process plan within the set time frame | IGR within the District | - | 100% monthly | - | - | - |   | 100% monthly |   |
|  |                                   | F2.3 | Number of functional IGR forums  |                         | - | 8            | - | - | 8 | 2 | 6            | 8 |
|  |                                   | F2.4 | Number of Partnerships secured through IGR initiatives                     |                         | - | -            | - | - | - | 1 | 3            | 4 |
|  |                                   | F2.5 | Number of priorities on the Spatial Development Plan addressed             |                         | - | -            | - | - |   |   |              |   |
|  |                                   | F2.6 | Number share service initiates functioning according to the MOU            |                         | - | -            | - | - | 1 | 0 | 1            | 4 |

## 6.1.1 THREE YEAR INVESTMENT PROGRAMME

## MUNICIPAL MANAGERS'S OFFICE

| IDP NO. | PROJECT NAME                               | LOCALITY      | REPOSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |            |           |           |
|---------|--|---------------|----------------------|---|--------|--------------------------|------------|-----------|-----------|
|         |  |               |                      |   |        | 2014/2015                | 2015/2016  | 2016/2017 | 2017/2018 |
|         | PMS  |               | MM's office          |   | UTDM   | 500 000                  | 832 000,00 | 832 000   | 878 992   |
|         | Radio Ukhozi slot                          | District wide | MM's office          |   | UTDM   | 700 000                  | 728 000.00 | 728 000   | 768 768   |
|         | Consultation process(IDP& Budget)          | District wide | MM's office          |   | UTDM   | 840 000                  | 1000 000   | 873 600   | 922 522   |
|         | Implementati on of communicatio n strategy | District wide | MM's office          |   | UTDM   | In-house                 | In-house   | In-house  | In-house  |

| IDP NO. | PROJECT NAME                                 | LOCALITY      | REPOSINBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |           |           |           |
|---------|--|---------------|-----------------------|---|--------|--------------------------|-----------|-----------|-----------|
|         |  |               |                       |   |        | 2014/2015                | 2015/2016 | 2016/2017 | 2017/2018 |
|         | Communicatio<br>n and<br>information         | District wide | MM's office           |   | UTDM   | 10 10 000                | 1 248 000 | 1 248 000 | 1 317 888 |
|         | Mayoral<br>Imbizo                            | District wide | MM's office           |   | UTDM   | 200 000                  | 1000 000  | 208 000   | 219 648   |
|         | Tools of trade                               |               | MM's office           |   | UTDM   | 170 000                  | -         | -         | -         |
|         | uThukela<br>annual jazz<br>and picnic        | District wide | MM's office           |   | UTDM   | 200 000                  | 208 000   | 208 000   | 219 648   |
|         | Employees<br>mayoral<br>excellence<br>awards | District wide | MM's office           |   | UTDM   | 200 000                  | 500 000   | 208 000   | 219 648   |

| IDP NO. | PROJECT NAME                         | LOCALITY      | REPOSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |           |           |           |
|---------|--------------------------------------|---------------|----------------------|---|--------|--------------------------|-----------|-----------|-----------|
|         |                                      |               |                      |   |        | 2014/2015                | 2015/2016 | 2016/2017 | 2017/2018 |
|         | Sport code development programme     | District wide | MM's office          |   | UTDM   | 2000 000,00              | 2 458 344 | 31 20 000 | 32 94720  |
|         | District Aids Council activities     | District wide | MM's office          |   | UTDM   | 130 000                  | 0         | 0         | 0         |
|         | Gender Aged and disability programme | District wide | MM's office          |   | UTDM   | -                        | 1040 000  | 1040 000  | 1098 240  |
|         | SALGA Games                          | District wide | MM's office          |   | UTDM   | 2000 000                 | 2 000 000 | 1438 344  | 1518 891  |
|         | Youth programmes                     | District wide | MM's office          |   | UTDM   | -                        | 1 840 000 | 1040 000  | 1098 240  |

| IDP NO. | PROJECT NAME              | LOCALITY      | REPOSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |           |           |           |
|---------|---------------------------|---------------|----------------------|---|--------|--------------------------|-----------|-----------|-----------|
|         |                           |               |                      |   |        | 2014/2015                | 2015/2016 | 2016/2017 | 2017/2018 |
|         | Grade 12 award ceremony   | District wide | MM's office          |   | UTDM   |                          | 300 000   | 312 000   | 329 472   |
|         | Masakhane Campaign        | District wide | MM's office          |   | UTDM   | -                        | 1000 000  | 1040 000  | 1098 240  |
|         | Public participation/ OSS | District wide | MM's office          |   | UTDM   | -                        | 1000 000  | 1040 000  | 1098 240  |

## BUDGET AND TREASURY OFFICE

| IDP NO. | PROJECT NAME                 | LOCALITY | REPOSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |           |           |           |
|---------|------------------------------|----------|----------------------|---|--------|--------------------------|-----------|-----------|-----------|
|         |                              |          |                      |   |        | 2014/2015                | 2015/2016 | 2016/2017 | 2017/2018 |
|         | Assets verification          |          | Budget and Treasury  |   | UTDM   | 500 000                  | 3500 000  | 31 20 000 | 32 94 720 |
|         | Review of Financial Policies |          | Budget and Treasury  |   | UTDM   | -                        | -         | -         | -         |

## STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT

| IDP NO. | PROJECT NAME                                | LOCALITY      | REPOSINBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |           |           |           |
|---------|---|---------------|-----------------------|---|--------|--------------------------|-----------|-----------|-----------|
|         |   |               |                       |   |        | 2014/2015                | 2015/2016 | 2016/2017 | 2017/2018 |
|         | Development of shared services              | District wide | Planning and LED      |   | COGTA  | 250 000,00               | 250 000   | 1 200 000 | -         |
|         | Hosting of the DGDS                         | District wide | Planning and LED      |   | UTDM   | 500 000,00               | 520 000   | 520 000   | 549 120   |
|         | uThukela Manufacturing Sector Strategy(LED) | District wide | Planning and LED      |   | UTDM   | 500 000                  | -         | -         | -         |
|         | LED Programmes                              | District wide | Planning and LED      |   | UTDM   | 500 000                  | 2 500 000 | 728 000   | 768 768   |



|  |  |               |                  |  |      |          |          |          |          |
|--|--|---------------|------------------|--|------|----------|----------|----------|----------|
|  | uThukela Agricultural Sector Strategy(LED)     | District wide | Planning and LED |  | UTDM | 500 000  | -        | -        | -        |
|  | Tourism Projects                               | District wide | Planning and LED |  | UTDM | 100 000  | 1000 000 | 104 000  | 109 824  |
|  | Implementation of tourism plan                 | District wide | Planning and LED |  | UTDM | -        | -        | -        | -        |
|  | Implementation of LED plan                     | District wide | Planning and LED |  | UTDM | -        | -        | -        | -        |
|  | Estcourt Water Reticulation Master Plan on GIS |               | Planning and LED |  | UTDM | 1000 000 | -        | -        | -        |
|  | GIS programmes                                 | District Wide | Planning and LED |  | UTDM | -        | 500 000  | 1040 000 | 1098 240 |
|  | Implement disaster                             | District wide | Planning and LED |  | UTDM | 150 000  | 520 000  | 520 000  | 549120   |

|  |   |               |                  |  |      |          |           |           |          |
|--|---|---------------|------------------|--|------|----------|-----------|-----------|----------|
|  | management strategy                               |               |                  |  |      |          |           |           |          |
|  | Firefighting equipment                            |               | Planning and LED |  | UTDM | 150 000  | -         | -         | -        |
|  | Facilitate the disaster Management Advisory Forum | District wide | Planning and LED |  |      | -        | 20 800,00 | 20 800    | 21 965   |
|  | Facilitate the Joint Operation Committee          | District wide | Planning and LED |  | UTDM | 100 000  | -         | -         | -        |
|  | Installation of the disaster communication system | District wide | Planning and LED |  | UTDM | 150 000  | -         | -         | -        |
|  | Emergency disaster provision/relief               | District wide | Planning and LED |  | UTDM | 3000 000 | 2 416 936 | 2 416 936 | 25522 85 |

|  |                            |               |                  |  |       |            |            |           |           |
|--|----------------------------|---------------|------------------|--|-------|------------|------------|-----------|-----------|
|  | Development agency         | District wide | Planning and LED |  | UTDM  | 1000 000   | 5000 000   | 1040 000  | 1098 240  |
|  | MSIG                       |               | Planning and LED |  | COGTA | 467 000.00 | 940 000    | 971 360   | 10 25 756 |
|  | IDP                        | District wide | Planning and LED |  | UTDM  | 100 000    | 104 000,00 | 104 000   | 109 824   |
|  | uThukela district carnival | District wide | Planning and LED |  | UTDM  | -          | 200 000    | 10 40 000 | 1098 240  |

## Municipal Health and Water Service Authority

| IDP NO. | PROJECT NAME               | LOCALITY | REPOSIBLE DEPARTMENT     | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |            |           |           |
|---------|----------------------------|----------|--------------------------|---|--------|--------------------------|------------|-----------|-----------|
|         |                            |          |                          |   |        | 2014/2015                | 2015/2016  | 2016/2017 | 2017/2018 |
|         | Internal Lab accreditation |          | Municipal Health and WAS |   | UTDM   | 200 000,00               | 208 000,00 | 208,000   | 219 648   |

|  |   |               |                          |  |      |            |            |            |            |
|--|---|---------------|--------------------------|--|------|------------|------------|------------|------------|
|  | Replace lab equipment                                     |               | Municipal Health and WAS |  | UTDM | 200 000,00 | 200 000 00 | 50 000 00  | 20 000 00  |
|  | Blue drop and Green drop                                  | District wide | Municipal Health and WAS |  | UTDM | 1 5000 000 | 22000 000  | 12 298 000 | 16 472 300 |
|  | Feasibility study of waste disposal site                  | District wide | Municipal Health and WAS |  | UTDM | 100 000    | 8 3200,00  | -          | -          |
|  | Implementation of health and safety programme             | District wide | Municipal Health and WAS |  | UTDM | R100 000   | 208 000,00 | 208,000    | 219 648    |
|  | Water conservation  | District wide | Municipal Health and WAS |  | UTDM | R40 000    | 500 000    | 260 000    | 274 560    |
|  | Health equipment  |               | Municipal Health and WAS |  | UTDM | 10 000     | -          | -          | -          |
|  | Awareness campaigns on Water and HIV/AIDS and water week) | District wide | Municipal Health and WAS |  | UTDM | -          | 20 48 000  | 22 88 000  | 24 16 128  |

## Technical services

| IDP NO. | PROJECT NAME        | LOCALITY      | REPOSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |           |           |           |
|---------|---------------------|---------------|----------------------|---|--------|--------------------------|-----------|-----------|-----------|
|         |                     |               |                      |   |        | 2014/2015                | 2015/2016 | 2016/2017 | 2017/2018 |
|         | Sanitation projects | District wide | Technical            |   | IDT    | -                        | -         | -         | -         |
|         | RRAMS               | District wide | Technical            |   | DOT    | 2 3 15000                | 2 311 000 | 2 378 000 | 2 531 000 |

| IDP NO. | PROJECT NAME   | LOCALITY                                 | REPOSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |           |           |           |
|---------|--|--|----------------------|---|--------|--------------------------|-----------|-----------|-----------|
|         |  |  |                      |   |        | 2014/2015                | 2015/2016 | 2016/2017 | 2017/2018 |
|         | (VIP Latrines) Sanitation                            | Emnambithi/Ladysmith.(17)                | Technical            |   | MIG    | 8 700 000                |           |           |           |
|         | (VIP Latrines) Sanitation                            | Emnambithi/Ladysmith(15)                 | Technical            |   | MIG    | -                        | -         | -         |           |
|         | Driefontein upgrading of Burford water supply scheme | Emnambithi/Ladysmith(14, 15, 16, 17, 18) | Technical            |   | MIG    | -                        | -         | -         |           |
|         | (VIP Latrines) Sanitation                            | Emnambithi/Ladysmith(14)                 | Technical            |   | MIG    | 4000 000                 |           |           |           |
|         | (VIP Latrines) Sanitation                            | Indaka(7)                                | Technical            |   | MIG    | -                        | -         | -         |           |

|  |   |   |           |  |     |            |   |   |   |
|--|---|---|-----------|--|-----|------------|---|---|---|
|  | Umhlumayo Fitty Park                        | Indaka(8, 9, 10)                        | Technical |  | MIG | -          | - | - |   |
|  | (VIP Latrines) Sanitation                   | Umtshezi(5)                             | Technical |  | MIG | -          | - | - |   |
|  | (VIP Latrines) Sanitation                   | Umtshezi(7)                             | Technical |  | MIG | -          | - | - | - |
|  | Water Supply Scheme                         | Kwanobamba/Eziten deni(5,7,8)(Umtshezi) | Technical |  | MIG | 31 700 000 |   |   |   |
|  | Bergville Phase 2 water Supply Scheme       | Okhahlamba(13)                          | Technical |  | MIG | -          | - | - |   |
|  | Bhekuzulu / Ephangiwini Water Supply Scheme | Imbabazane                              | Technical |  | MIG | 69 000 000 |   |   |   |

|  |  |            |           |  |     |            |  |  |  |
|--|--|------------|-----------|--|-----|------------|--|--|--|
|  | Ntabamhlophe Phase 5 reticulation (24/2010)              | Imbabazane | Technical |  | MIG | 12 785 300 |  |  |  |
|  | Ezakheni/Emnambithi bulk water infrastructure bulk water | Emnambithi | Technical |  | MIG | 2 950 000  |  |  |  |
|  | uMtshezi sanitation(4)                                   | Umtshezi   | Technical |  |     | 10 450 000 |  |  |  |
|  | Okhahlamba ward 12/Acton homes                           | Okhahlamba | Technical |  | MIG | 7 690 000  |  |  |  |
|  | Indaka ward 3 sanitation                                 | Indaka     | Technical |  | MIG | 10 450 000 |  |  |  |
|  | Umtshezi ward 4  | Umtshezi   | Technical |  | MIG | 10 547 000 |  |  |  |



|  |  |            |           |  |     |            |              |            |            |
|--|--|------------|-----------|--|-----|------------|--------------|------------|------------|
|  | Ezakheni E sewer                                   | Emnambithi | Technical |  | MIG | 14 500 000 |              |            |            |
|  | Moyeni/Zwelisha upgrade                            | Okhahlamba | Technical |  | MIG | 5 880 000  |              |            |            |
|  | Bergville bulk water supply(extension&reticulation | Okhahlamba | Technical |  | MIG |            | 4 028 000 00 | -          | -          |
|  | Ntabamhlope water supply phase 4-13                | Imbabazane | Technical |  | MIG |            | 31 080 000   | 42 080 000 | 38 665 523 |
|  | Bhekuzulu-Ephangweni community water supply        | Imbabazane | Technical |  | MIG |            | 38 234 200   | 41 234 200 | 47 245 524 |
|  | Ezakheni-Emnambithi bulk water infrastructure      | Emnambithi | Technical |  | MIG |            | 22 636 000   | 24 118 000 | -          |

|  |   |              |           |  |     |  |            |               |   |
|--|---|--------------|-----------|--|-----|--|------------|---------------|---|
|  | Kwanobamba ezitendeni(We nnen)water suppy | Umtshezi     | Technical |  | MIG |  | 50 175 000 | 8 2521 041 52 | - |
|  | Bergville sanitation project              | Okhahlamba   | Technical |  | MIG |  | 13144 000  | 1 882 727     | - |
|  | Ezakheni sanitation                       | E Emnambithi | Technical |  | MIG |  | 4 038 200  | 3 210 116     | - |
|  | Ezakheni water                            | E Emnambithi | Technical |  | MIG |  | 10 911 600 | -             | - |
|  | Ezakheni sewer completion                 | E Emnambithi | Technical |  | MIG |  | 7 000 000  | 11 000 000    | - |

## RBIG

| IDP NO. | PROJECT NAME   | LOCALITY   | REPOSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER    | MUNICIPAL CAPITAL BUDGET |            |           |           |
|---------|--|------------|----------------------|---|-----------|--------------------------|------------|-----------|-----------|
|         |  |            |                      |   |           | 2014/2015                | 2015/2016  | 2016/2017 | 2017/2018 |
|         | Driefontein upgrading of Burford water supply scheme | Emnambithi | Technical services   |   | (DWA)RBIG | 25 000 000               | 95 000 000 | -         | -         |

| IDP NO. | PROJECT NAME                            | LOCALITY   | REPOSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |           |           |           |
|---------|---|------------|----------------------|---|--------|--------------------------|-----------|-----------|-----------|
|         |   |            |                      |   |        | 2014/2015                | 2015/2016 | 2016/2017 | 2017/2018 |
|         | Upgrading sewer to a water borne system | Okhahlamba | Technical services   |   | COGTA  | 19 000, 000              | -         | -         | -         |

## MWIG

| IDP NO. | PROJECT NAME                                      | LOCALITY           | REPOSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |            |           |           |
|---------|---|--------------------|----------------------|---|--------|--------------------------|------------|-----------|-----------|
|         |   |                    |                      |   |        | 2014/2015                | 2015/2016  | 2016/2017 | 2017/2018 |
|         | Ezakheni water conservation and demand management | Emnambithi         | Technical services   |   | MWIG   | 5 500 000                | 21 000 000 | 4000 000  | -         |
|         | Ezakheni E(642 houses)                            | Emnambithi         | Technical services   |   | MWIG   | 8000 000                 | -          | -         | -         |
|         | Okhahlamba &Indaka Boreholes                      | Okhahlamba &Indaka | Technical services   |   | MWIG   | 6 500 000                | 6 000 000  | -         | -         |
|         | Umhlumayo phase 2 water supply(Fitty park)        | Indaka             | Technical services   |   | MWIG   | -                        | -          | -         | -         |

|  |                    |          |                    |  |      |   |            |            |            |
|--|--------------------|----------|--------------------|--|------|---|------------|------------|------------|
|  | Mimosadale upgrade | Umtshezi | Technical services |  | MWIG | - | 18 000 000 | -          | -          |
|  | Wembezi WCDM       | Umtshezi | Technical services |  | MWIG |   | 5 000 000  | 10 000 000 | 10 500 000 |

## ACIP

| IDP NO. | PROJECT NAME                          | LOCALITY   | REPOSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |           |           |           |
|---------|---------------------------------------|------------|----------------------|---|--------|--------------------------|-----------|-----------|-----------|
|         |                                       |            |                      |   |        | 2014/2015                | 2015/2016 | 2016/2017 | 2017/2018 |
|         | Ladysmith waste water treatment works | Emnambithi | Technical services   |   | ACIP   |                          | 3 890 000 | -         | -         |

| IDP NO. | PROJECT NAME                      | LOCALITY      | REPOSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |            |           |           |
|---------|-----------------------------------|---------------|----------------------|---|--------|--------------------------|------------|-----------|-----------|
|         |                                   |               |                      |   |        | 2014/2015                | 2015/2016  | 2016/2017 | 2017/2018 |
|         | District Wide Water Projects      | District Wide | Technical services   |   | UTDM   | -                        | 30 000 000 | -         | -         |
|         | District Wide Sanitation Projects | District Wide | Technical services   |   | UTDM   | -                        | 20 000 000 | -         | -         |

## Municipal Household Infrastructure Grant

| IDP NO. | PROJECT NAME                  | LOCALITY   | RESPONSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER                                   | MUNICIPAL CAPITAL BUDGET |           |           |           |
|---------|-------------------------------|------------|------------------------|---|--|--------------------------|-----------|-----------|-----------|
|         |                               |            |                        |   |  | 2014/2015                | 2015/2016 | 2016/2017 | 2017/2018 |
|         | Emnambithi ward 16 Sanitation | Emnambithi | Technical services     |   | Municipal household infrastructure grant | -                        | 4 382000  | -         | -         |



## Corporate services

| IDP NO. | PROJECT NAME  | LOCALITY      | REPOSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |           |           |           |
|---------|---|---------------|----------------------|---|--------|--------------------------|-----------|-----------|-----------|
|         |   |               |                      |   |        | 2014/2015                | 2015/2016 | 2016/2017 | 2017/2018 |
|         | Review and amend the District workplace skills Plan |               | corporate services   |   | UTDM   | In-house                 | In-house  | In-house  |           |
|         | Support the district policing forum                 | District wide | corporate services   |   | UTDM   | In-house                 | In-house  | In-house  |           |
|         | Network, repair of pc's                             |               | corporate services   |   | UTDM   | 0                        | 0         | 0         |           |
|         | IT equipment, upgrade and maintenance               |               | corporate services   |   | UTDM   | 1000 000                 | 1 000 000 | 500 000   | 1000 000  |

|  |   |               |                    |  |      |          |          |          |          |
|--|---|---------------|--------------------|--|------|----------|----------|----------|----------|
|  | Bursaries(student financial assistance) | District wide | corporate services |  | UTDM | 1000 000 | 2000 000 | 1040 000 | 1098 240 |
|  | In-service training                     | District wide | corporate services |  | UTDM | 500 000  | 520 000  | 520 000  | 549 120  |

## Water services

| IDP NO. | PROJECT NAME                                    | LOCALITY      | REPOSIBLE DEPARTMENT | TYPE<br>(Phased<br>Ongoing<br>Periodic) | FUNDER | MUNICIPAL CAPITAL BUDGET |           |           |           |
|---------|---|---------------|----------------------|---|--------|--------------------------|-----------|-----------|-----------|
|         |   |               |                      |   |        | 2014/2015                | 2015/2016 | 2016/2017 | 2017/2018 |
|         | Plant & equipment hire for water and sanitation | District wide | Water services       |   | UTDM   | 4 682 872                | 4 714 949 | 21 71064  | 21 61660  |
|         | Chemicals                                       | District wide | Water services       |   | UTDM   | 10 351 675               | 666 1 999 | 6 800 000 | 7 208 000 |

|  |                                  |               |                |  |           |            |            |            |            |
|--|----------------------------------|---------------|----------------|--|-----------|------------|------------|------------|------------|
|  | Security                         | District wide | Water services |  | UTDM      | 10 353 765 | -          | -          | -          |
|  | Water tankering                  |               | Water services |  | UTDM      | -          | 936 000    | -          | -          |
|  | EPWP grant expenses/Job creation | District wide | Water services |  | UTDM      | 3 299 000  | 2 384 000  | -          | -          |
|  | Plant(repairs and maintenance)   | District wide | Water services |  | UTDM      | 5 210 149  | -          | -          | -          |
|  | Pumps                            | District wide | Water services |  | UTDM      | 7000 000   | 8 536 536  | 8 572192   | 90520 234  |
|  | Roads                            | District wide | Water services |  | UTDM      | 1 575 000  | 1 664 500  | 1 7 62 706 | 18 61417   |
|  | Job creation                     | District wide | Water services |  | UTDM      | 3000 000   | 6000 000   | 72 38 692  | 7 6 44058  |
|  | Drought relief                   | District wide | Water services |  | UTDM      | 84 000,00  | 41 600     | 41 600     | 43930      |
|  | Free basic services              | District wide | Water services |  | DWA Grant | 6 300 000  | 13 228 340 | 1400 8812  | 14 793 306 |

|  |  |               |                |  |      |           |           |           |          |
|--|--|---------------|----------------|--|------|-----------|-----------|-----------|----------|
|  | Refurbishment of existing schemes      | District wide | Water services |  | UTDM | 2 000 000 | 3 551 590 | 37 61134  | 39 71757 |
|  | Water services operating subsidy grant | District wide | Water services |  | DWA  | 9000 000  | 3000 000  | 31 77 000 | 33 54912 |

## 6.1.2 LOCAL MUNICIPALITIES PROJECTS AND PROGRAMMES (INTERNAL FUNDED)

## 6.1.2.1 OKHAHLAMBA LOCAL MUNICIPALITY

| PROJECTS                                    | 5 Yr Targets |         |         |         |         | Target & Yr (if outside 5 yr period) | Budget         | Source | Responsibility in Municipality |
|---|--------------|---------|---------|---------|---------|--------------------------------------|----------------|--------|--------------------------------|
|   | Yr 1         | Yr 2    | Yr 3    | Yr 4    | Yr 5    |                                      |                |        |                                |
|   | 2013/14      | 2014/15 | 2015/16 | 2016/17 | 2018/19 |                                      |                |        |                                |
| Maswazini Gravel Road ( Ward 01)            | √            |         |         |         |         |                                      | R 4 474 536.00 | MIG    | Technical Director             |
| Nkomfeni Gravel Road - Rehab (ward 10)      | √            |         |         |         |         |                                      | R 1 939 224.00 | MIG    | Technical Director             |
| Reserve B - Vehicle Bridge Rehab (Ward 08)  | √            |         |         |         |         |                                      | R 1 200 000.00 | MIG    | Technical Director             |
| Ngubhela - Vehicles Bridge Rehab ( Ward 09) | √            |         |         |         |         |                                      | R 907 000.00   | MIG    | Technical Director             |
| Nkwazini Gravel Link Road                   | √            |         |         |         |         |                                      | R 3 402 000.00 | MIG    | Technical Director             |
| Winterton Taxi Rank                         | √            |         |         |         |         |                                      | R 4 415 020.00 | MIG    | Technical Director             |

| PROJECTS                            | 5 Yr Targets |         |         |         |         | Target & Yr (if outside 5 yr period) | Budget         | Source | Responsibility in Municipality |
|-------------------------------------|--------------|---------|---------|---------|---------|--------------------------------------|----------------|--------|--------------------------------|
|                                     | Yr 1         | Yr 2    | Yr 3    | Yr 4    | Yr 5    |                                      |                |        |                                |
|                                     | 2013/14      | 2014/15 | 2015/16 | 2016/17 | 2018/19 |                                      |                |        |                                |
| Ogade Pedestrian Bridge             |              | √       |         |         |         |                                      | R 562 872.00   | MIG    | Technical Director             |
| Bhetane Masinjane pedestrian Bridge |              | √       |         |         |         |                                      | R 2 100 052.00 | MIG    | Technical Director             |
| Mceleni Gravel Road                 |              |         | √       |         |         |                                      | R 2 500 000.00 | MIG    | Technical Director             |
| Bergville Tarred Road               |              | √       |         |         |         |                                      | R 3 741 076.00 | MIG    | Technical Director             |
| Bergville Tarred Road               |              |         | √       |         |         |                                      | R 6 125 000.00 | MIG    | Technical Director             |
| Okhombe Vehicular Bridge            |              |         | √       |         |         |                                      | R 2 100 000.00 | MIG    | Technical Director             |
| Makekeni Gravel Road                |              |         | √       |         |         |                                      | R 4 411 518.98 | MIG    | Technical Director             |

| PROJECTS                    | 5 Yr Targets |         |         |         |         | Target & Yr (if outside 5 yr period) | Budget         | Source | Responsibility in Municipality |
|-----------------------------|--------------|---------|---------|---------|---------|--------------------------------------|----------------|--------|--------------------------------|
|                             | Yr 1         | Yr 2    | Yr 3    | Yr 4    | Yr 5    |                                      |                |        |                                |
|                             | 2013/14      | 2014/15 | 2015/16 | 2016/17 | 2018/19 |                                      |                |        |                                |
| Nxumalo Gravel Road         |              |         | √       |         |         |                                      | R 2 500 000.00 | MIG    | Technical Director             |
| Emaswazini Gravel Road      |              |         | √       |         |         |                                      | R 2 900 000.00 | MIG    | Technical Director             |
| Hoffental Pedestrian Bridge |              |         | √       |         |         |                                      | R 1 500 000.00 | MIG    | Technical Director             |
| Mbhorompo Gravel Road       |              |         | √       |         |         |                                      | R 4 622 000.00 | MIG    | Technical Director             |
| Nkwazini Gravel Road        |              |         | √       |         |         |                                      | R 3 000 000.00 | MIG    | Technical Director             |
| Ntumba Vehicular Bridge     |              |         | √       |         |         |                                      | R 2 000 000.00 | MIG    | Technical Director             |

| PROJECTS                    | 5 Yr Targets |         |         |         |         | Target & Yr (if outside 5 yr period) | Budget         | Source | Responsibility in Municipality |
|-----------------------------|--------------|---------|---------|---------|---------|--------------------------------------|----------------|--------|--------------------------------|
|                             | Yr 1         | Yr 2    | Yr 3    | Yr 4    | Yr 5    |                                      |                |        |                                |
|                             | 2013/14      | 2014/15 | 2015/16 | 2016/17 | 2018/19 |                                      |                |        |                                |
| Mpameni Gravel Road         |              |         | √       |         |         |                                      | R 3 300 000.00 | MIG    | Technical Director             |
| Phola Park Vehicular Bridge |              |         | √       |         |         |                                      | R 2 000 000.00 | MIG    | Technical Director             |
| Qhozo Gravel Road           |              |         | √       |         |         |                                      | R 4 400 000.00 | MIG    | Technical Director             |
| Dubazane Gravel Road        |              |         | √       |         |         |                                      | R 1 443 000.00 | MIG    | Technical Director             |
| Mqedandaba Gravel Road      |              |         | √       |         |         |                                      | R 2 644 000.00 | MIG    | Technical Director             |
| Masenga Gravel Road         |              |         | √       |         |         |                                      | R 1 776 000.00 | MIG    | Technical Director             |



| PROJECTS                        | 5 Yr Targets |         |         |         |         | Target & Yr (if outside 5 yr period) | Budget          | Source  | Responsibility in Municipality |
|---------------------------------|--------------|---------|---------|---------|---------|--------------------------------------|-----------------|---------|--------------------------------|
|                                 | Yr 1         | Yr 2    | Yr 3    | Yr 4    | Yr 5    |                                      |                 |         |                                |
|                                 | 2013/14      | 2014/15 | 2015/16 | 2016/17 | 2018/19 |                                      |                 |         |                                |
| Nondela Pedestrian Bridge       |              |         | √       |         |         |                                      | R 1 500 000.00  | MIG     | Technical Director             |
| Hlombe Gravel Road              |              |         | √       |         |         |                                      | R 2 500 000.00  | MIG     | Technical Director             |
| Ezibomvini Gravel Road          |              |         | √       |         |         |                                      | R 3 000 000.00  | MIG     | Technical Director             |
| Mahhlag Gravel Road             |              |         | √       |         |         |                                      | R 2 500 000.00  | MIG     | Technical Director             |
| Izinyunyana Gravel Road         |              |         | √       |         |         |                                      | R 2 500 000.00  | MIG     | Technical Director             |
| 2km of Gravel Roads in 14 Wards |              |         | √       |         |         |                                      | R 30 800 000.00 | Capital | Technical Director             |
| Electrification                 | √            |         |         |         |         |                                      | R 4 000 000.00  | Grant   | Technical Director             |

| PROJECTS  | 5 Yr Targets |         |         |         |         | Target & Yr (if outside 5 yr period) | Budget         | Source | Responsibility in Municipality |
|---|--------------|---------|---------|---------|---------|--------------------------------------|----------------|--------|--------------------------------|
|   | Yr 1         | Yr 2    | Yr 3    | Yr 4    | Yr 5    |                                      |                |        |                                |
|   | 2013/14      | 2014/15 | 2015/16 | 2016/17 | 2018/19 |                                      |                |        |                                |
| Emhlabozini Community Hall & Creche Facility ( Ward 12)   | √            |         |         |         |         |                                      | R 1 905 308.53 | MIG    | Technical Director             |
| Nokopela Comm. Hall & Creche Facility ( Ward 12)          | √            |         |         |         |         |                                      | R 1 905 308.53 | MIG    | Technical Director             |
| Nsukangihlale Community Hall & Creche Facility ( Ward 12) | √            |         |         |         |         |                                      | R 1 905 308.53 | MIG    | Technical Director             |
| Estulwano Community Hall                                  |              | √       |         |         |         |                                      | R 3 000 000.00 | MIG    | Technical Director             |
| Bergville Sport Complex                                   |              | √       |         |         |         |                                      | R 3 300 000.00 | MIG    | Technical Director             |
| Ngoba Community hall and creche                           |              |         | √       |         |         |                                      | R 3 000 000.00 | MIG    | Technical Director             |

| PROJECTS  | 5 Yr Targets |         |         |         |         | Target & Yr (if outside 5 yr period) | Budget          | Source                          | Responsibility in Municipality |
|---|--------------|---------|---------|---------|---------|--------------------------------------|-----------------|---------------------------------|--------------------------------|
|   | Yr 1         | Yr 2    | Yr 3    | Yr 4    | Yr 5    |                                      |                 |                                 |                                |
|   | 2013/14      | 2014/15 | 2015/16 | 2016/17 | 2018/19 |                                      |                 |                                 |                                |
| Ngunjini Community Hall and creche                  |              |         | √       |         |         |                                      | R 2 816 372.00  | MIG                             | Technical Director             |
| Vimbukhalo Community Hall and Creche                |              |         | √       |         |         |                                      | R 1 903 503.33  | MIG                             | Technical Director             |
| Mcijeni Community Hall                              |              |         | √       |         |         |                                      | R 1 903 503.35  | MIG                             | Technical Director             |
| Bergville Industrial Hub                            |              |         | √       |         |         |                                      | R 15 000 000.00 | Small Town rehabilitation Grant | Technical Director             |
| Developed cemetery for both Bergville and Winterton | √            |         |         |         |         |                                      | R 1 000 000.00  | Municipal reserves              | Technical Director             |
| Landfill site                                       | √            |         |         |         |         |                                      | R 1 000 000.00  | Municipal reserves              | Technical Director             |
| Moyeni housing project                              |              | √       |         |         |         |                                      | R 2 600 000.00  | DoHS                            | Technical Director             |

| PROJECTS                    | 5 Yr Targets |         |         |         |         | Target & Yr (if outside 5 yr period) | Budget         | Source                          | Responsibility in Municipality |
|-----------------------------|--------------|---------|---------|---------|---------|--------------------------------------|----------------|---------------------------------|--------------------------------|
|                             | Yr 1         | Yr 2    | Yr 3    | Yr 4    | Yr 5    |                                      |                |                                 |                                |
|                             | 2013/14      | 2014/15 | 2015/16 | 2016/17 | 2018/19 |                                      |                |                                 |                                |
| Dukuza housing project      |              | √       |         |         |         |                                      | R 2 600 000.00 | DoHS                            | Technical Director             |
| Emmaus housing project      |              | √       |         |         |         |                                      | R 2 600 000.00 | DoHS                            | Technical Director             |
| Acton Homes housing project | √            |         |         |         |         |                                      | R 2 600 000.00 | DoHS                            | Technical Director             |
| Vendor stalls in Bergville  | √            |         |         |         |         |                                      | R 6 600 000.00 | Small Town Rehabilitation grant | Technical Director             |
| Upgraded roads in Winterton |              |         |         |         |         |                                      |                |                                 |                                |
| Upgraded town entrances     |              |         |         |         |         |                                      |                |                                 |                                |

| PROJECTS  | 5 Yr Targets |         |         |         |         | Target & Yr (if outside 5 yr period) | Budget | Source | Responsibility in Municipality |
|---|--------------|---------|---------|---------|---------|--------------------------------------|--------|--------|--------------------------------|
|   | Yr 1         | Yr 2    | Yr 3    | Yr 4    | Yr 5    |                                      |        |        |                                |
|   | 2013/14      | 2014/15 | 2015/16 | 2016/17 | 2018/19 |                                      |        |        |                                |
| Licensing centre, testing ground & disaster management centre |              |         |         |         |         |                                      |        |        |                                |
| R74/616 intersection upgrade                                  |              |         |         |         |         |                                      |        |        |                                |
| Walkways in Bergville   |              |         |         |         |         |                                      |        |        |                                |

## 6.1.2.2 EMNAMBITHI/LADSYMITH LOCAL MUNICIPALITY

**CLUSTER 1**

| Cluster          | Project description                             | 2014/2015  | 2015/2016  | 2016/2017 |
|------------------|---|------------|------------|-----------|
| Roosboom         | Mini Multipurpose Centre in Colenso(Ntokozweni) | -          | -          | -         |
| Colenso          | Colenso Electricity strengthening               | -          | -          | -         |
| Blue Bank        | Sports fields Blue bank                         | 3000 000   | -          | -         |
|                  | Colenso industrial site                         | 7 400 000  | -          | -         |
|                  | Tarred roads-Colenso                            | -          | 15 000 000 | -         |
|                  | Swimming pool-Roosboom                          | -          | -          | 4 000 000 |
| <b>CLUSTER 2</b> |   |            |            |           |
| Ezakheni         | Tarred roads 2,6&8(two km's each                | 28 000 000 | -          | -         |
| St Chads         | Pedestrian bridge-St Chads                      | 2 000 000  | -          | -         |

|                  |   |           |            |            |
|------------------|---|-----------|------------|------------|
| Mcitsheni        | Tarred road at ward 5 (2km)                           | -         | 10 000 000 | -          |
|                  | Recreational park at ward 5                           | -         | 5 000 000  | -          |
|                  | Tarred roads at ward 3 and 4                          | -         | -          | 30 000 000 |
| <b>CLUSTER 3</b> |   |           |            |            |
| Jonono           | Sportfield-Matiwane                                   | 3 000 000 | -          | -          |
| Nkunzi           | Community hall-Matiwane                               | -         | 5 000 000  | -          |
|                  | Jononoskop Park                                       | -         | 5 000 000  | -          |
|                  | Sportfields in Nkunzi and Jonono                      | -         | -          | 6000 000   |
| <b>CLUSTER 4</b> |   |           |            |            |
| Watersmeet       | Swimming Pool (Waters meet)-<br>streetlights proposal | 1 500 000 | -          | -          |
| Peacetown        | Sports field(peace town)-<br>streetlights proposal    | 1 500 000 | -          | -          |

|                  |  |            |           |           |
|------------------|--|------------|-----------|-----------|
| Burford          | Sport field ward 15                                | -          | 4 000 000 | -         |
|                  | Mathondwane crèche/mini-multipurpose Centre        | -          | 750 000   | -         |
|                  | Taxi Rank-Watersmeet                               | -          | -         | 3 000 000 |
|                  | Burford Creche/mini-multipurpose Centre            | -          | -         | 750 000   |
| <b>CLUSTER 5</b> | Swimming pool(Driefontein)-streets lights proposal | 3 000 000  | -         | -         |
|                  | Upgrading of sport field in eNkuthu                | -          | 3 000 000 |           |
|                  | Upgrading of sportfields in ward 17                | -          | -         | 3 000 000 |
| <b>CLUSTER 6</b> | Tarred roads-Ntombi's camp                         | 15 000 000 | -         | -         |
|                  | Recreational park(steadville/ Tsakane)             | 3 000 000  | -         | -         |



|  |   |            |            |           |
|--|---|------------|------------|-----------|
|  | CBD Regeneration  | 6 000 000  | -          | -         |
|  | Shayamoya/Umbulwane phase 3-intersection                          |            | 2 500 000  | -         |
|  | Upgrading of storm water drains and upgrading of roads in ward 22 | -          | 10 000 000 | -         |
|  | Tarred roads-ward 9   | -          | 15 000 000 | -         |
|  | Infrastructure rehabilitation(Roads)                              | -          | -          | 7 000 000 |
|  | CBD regeneration  | -          | -          | 8 000 000 |
|  | Construction of Illing road taxi rank                             | -          | -          | 8 000 000 |
|  | Tarred roads at area J  | 10 000 000 | -          | -         |
|  | Community hall at area J  | 3 000 000  |            |           |

|                                       |            |
|---------------------------------------|------------|
| Constituency offices                  | 900 000    |
| NDPG-Link road acaciavale to Ezakheni | 10 200 000 |
| Plant and equipment                   | 5 000 000  |
| Land purchase                         | 2000 000   |
| Ezakheni Emergency Centre             | 1000 000   |

## 6.2 SECTOR INVOLVEMENT

KZN COGTA had a series of alignments between sector departments and municipalities in the province. The alignment of Sector departments with the uThukela family of municipalities were held on the 11 November 2014 in our feedback session, and the level of participation was not adequate. The family of uThukela municipalities also used the IDP Service Providers Forum, but it was not effective enough because of inconstancy of attending meeting. The municipality strongly believes that “IDP is a plan for all Government” so therefore, all sector departments must be part of the IDP process, uThukela district municipality and its family of municipalities came up with the innovative ways of ensuring that sector departments are involved in this IDP by adopting a strategy of “one on one process”.

### 6.2.1 DEPARTMENT OF ENVIRONMENTAL AFFAIRS

| Project Name                       | Project description   | Locality                      | Focus area       | Budget        |
|------------------------------------|---|-------------------------------|------------------|---------------|
| Okhahlamba municipal landfill site | To establish a landfill site for the municipality as set out in the IDP. The IDP has identified the inefficient waste management system as one of the threats within the municipality | Okhahlamba local municipality | Working on waste | R 17 000 ,000 |
| Street cleaners for Umtshezi       | A street cleaning project for Estcourt, Weenen and Wembezi with the provision of protective clothing, equipment, and work   | Umtshezi local municipality   | Working on waste | R 5 000 000   |

|  |   |   |                                     |              |
|--|---|---|-------------------------------------|--------------|
|  | opportunities in the form of street cleaners  |   |                                     |              |
| Emnambithi goes green                                      | The project will focus mainly on greening of town and surrounding areas of jurisdiction by planting trees to curb greenhouse gases. Trees will be planted as avenue trees and on municipal public open spaces in order to neutralize the carbon dioxide that human emit and in turn produce oxygen which is vital for human | Emnambithi local municipality                   | Greening and open spaces management | R 6 000 ,000 |
| Rehabilitation of the existing parks and planting of trees | The project deliverables will include grassing, landscaping, ablution block, paving of pathways, caravan park, fencing and planting of fruit trees in the different parts of Umtshezi   | Umtshezi local municipality                     | Greening and open spaces management | R 8 800 ,000 |
| Busingatha lodge   | Deliverables of this project will include the construction of entrance gate with supporting facilities, the construction of manager's house, the construction of 7 chalets(6 sleeper) and 5 chalets(4   | Okhahlamba local municipality(Tribal authority) | People and parks                    | R 15 500,000 |

|  |  |  |  |  |
|--|--|--|--|--|
|  | sleeper),the construction of entertainment area with a pool. |  |  |  |
|--|--|--|--|--|

## 6.2.2 DEPARTMENT OF HUMAN SETTLEMENTS

### 2015/2016 FINANCIAL YEAR

| Project Name | Local Municipality | Project Type | Project Status | Total Units | Total Budget |
|--------------|--------------------|--------------|----------------|-------------|--------------|
| Ephangweni   | Imbabazane KZ236   | ISU          | Planning       | 1000        | R478 000     |
| Ngonyameni   | Imbabazane KZ236   | RURAL (ITB)  | Planning       | 1000        | R2 127 000   |
| Shayamoya    | Imbabazane KZ236   | RURAL (ITB)  | Planning       | 1000        | R2 097 000   |
| Mimosadale   | uMtshezi (KZ234)   | IRDP         | Planning       | 1000        | R428 000     |

|                  |                  |      |          |     |          |
|------------------|------------------|------|----------|-----|----------|
| Owl and Elephant | uMtshezi (KZ234) | IRDP | Planning | 500 | R388 000 |
|------------------|------------------|------|----------|-----|----------|

| Project Name      | Local Municipality | Project Type | Project Status | Total Units | Budget   |
|-------------------|--------------------|--------------|----------------|-------------|----------|
| Msobotsheni       | uMtshezi (KZ234)   | IRDP         | Planning       | 500         | R388 000 |
| Cornfields Area A | uMtshezi (KZ234)   | IRDP         | Planning       | 500         | R388 000 |
| Cornfields Area B | uMtshezi (KZ234)   | IRDP         | Planning       | 500         | R440 000 |
| Cornfields Area D | uMtshezi (KZ234)   | IRDP         | Planning       | 500         | R156 000 |
| Cornfields Area E | uMtshezi (KZ234)   | IRDP         | Planning       | 500         | R388 000 |

|          |              |             |             |      |             |
|----------|--------------|-------------|-------------|------|-------------|
| KwaShuzi | Indaka KZ233 | RURAL (ITB) | Feasibility | 1000 | R 2 064 000 |
| Somshoek | Indaka KZ233 | RURAL (ITB) | Feasibility | 1000 | R560 000    |

| Project Name     | Local Municipality             | Project Type | Project Status | Total Units | Budget     |
|------------------|--------------------------------|--------------|----------------|-------------|------------|
| Fitty Park       | Indaka KZ233                   | RURAL (ITB)  | Feasibility    | 1000        | R1 245 000 |
| Shayamoya Ph3    | Emnambithi/Ladysmith<br>KZ232  | IRDP         | Feasibility    | 321         | R184 000   |
| Umbulwane Area H | Emnambithi/<br>Ladysmith KZ232 | IRDP         | Feasibility    | 505         | R368 000   |

**2016/2017 FINANCIAL YEAR**

| <b>Project Name</b> | <b>Local Municipality</b> | <b>Project Type</b> | <b>Project Status</b> | <b>Total Units</b> | <b>Budget</b> |
|---------------------|---------------------------|---------------------|-----------------------|--------------------|---------------|
| Mhlungwini          | Imbabazane KZ236          | RURAL (ITB)         | Feasibility           | 1000               | R2 800 000    |
| Mnyangweni          | Imbabazane KZ236          | RURAL (ITB)         | Feasibility           | 1000               | R2 800 000    |
| Paapkuilsfontein    | Umtshezi (KZ234)          | IRDP                | Feasibility           | 1000               | R2 500 000    |
| Moyeni              | Okhahlamba KZ235          | RURAL (ITB)         | Feasibility           | 1000               | R2 800 000    |



| Project Name         | Local Municipality             | Project Type | Project Status | Total Units | Budget      |
|----------------------|--------------------------------|--------------|----------------|-------------|-------------|
| Dunlop Mixed Housing | Emnambithi/<br>Ladysmith KZ232 | IRDP         | Feasibility    | 4 000       | R10 140 000 |
| Acaciaville Ph1      | Emnambithi/<br>Ladysmith KZ232 | IRDP         | Identified     | 250         | R630 000    |
| Acaciaville Ph2      | Emnambithi/<br>Ladysmith KZ232 | IRDP         | Identified     | 1 000       | R2 500 000  |
| Limithill            | Emnambithi/<br>Ladysmith KZ232 | IRDP         | Identified     | 200         | R507 000    |
| Colenso              | Emnambithi/<br>Ladysmith KZ232 | IRDP         | Identified     | 4 000       | R10 140 000 |

|                    |                                |                 |            |       |            |
|--------------------|--------------------------------|-----------------|------------|-------|------------|
| Ezakheni E         | Emnambithi/<br>Ladysmith KZ232 | IRDP (SERVICES) | Identified | 642   | R1 630 000 |
| Ezakheni           | Emnambithi/<br>Ladysmith KZ232 | IRDP            | Identified | 1 000 | R2 500 000 |
| Ezakheni Stimela D | Emnambithi/<br>Ladysmith KZ232 | IRDP            | Identified | 250   | R634 000   |

#### 2017/2018 FINANCIAL YEAR

| Project Name  | Local Municipality | Project Type | Project Status | Total Units | Budget     |
|---------------|--------------------|--------------|----------------|-------------|------------|
| Rensburgdrift | uMtshezi (KZ234)   | IRDP         | Feasibility    | 1000        | R2 500 000 |
| Vaalkop       | Indaka KZ233       | ISU          | Feasibility    | 1000        | R2 500 000 |
| Acton Homes   | Okhahlamba         | IRDP         | Feasibility    | 1000        | R2 500 000 |

|             |                  |             |             |      |            |
|-------------|------------------|-------------|-------------|------|------------|
|             | (KZ235)          |             |             |      |            |
| Emmaus      | Okhahlamba KZ235 | IRDP        | Feasibility | 1000 | R2 500 000 |
| Amazizi Ph2 | Okhahlamba KZ235 | RURAL (ITB) | Identified  | 1000 | R2 800 000 |
| Dukuza      | Okhahlamba KZ235 | RURAL (ITB) | Identified  | 1000 | R2 800 000 |

#### 2018/2019 FINANCIAL YEAR

| Project Name         | Local Municipality             | Project Type | Project Status | Total Units | Budget     |
|----------------------|--------------------------------|--------------|----------------|-------------|------------|
| Ndomba (accaciavile) | Emnambithi/<br>Ladysmith KZ232 | IRDP         | Identified     | 1 000       | R2 500 000 |
| Steadville Area K    | Emnambithi/<br>Ladysmith KZ232 | IRDP         | Identified     | 1 000       | R2 500 000 |

|                      |                                |      |            |       |            |
|----------------------|--------------------------------|------|------------|-------|------------|
| Saders Farms         | Emnambithi/<br>Ladysmith KZ232 | IRDP | Identified | 1 500 | R3 803 000 |
| Zwelisha             | Emnambithi/<br>Ladysmith KZ232 | IRDP | Identified | 1 000 | R2 500 000 |
| Lombardskop          | Emnambithi/<br>Ladysmith KZ232 | IRDP | Identified | 1 000 | R2 500 000 |
| St Chads             | Emnambithi/<br>Ladysmith KZ232 | IRDP | Identified | 1 500 | R3 803 000 |
| Colenso 152/ R       | Emnambithi/<br>Ladysmith KZ232 | IRDP | Identified | 150   | R380 000   |
| Ezakheni C           | Emnambithi/<br>Ladysmith KZ232 | IRDP | Identified | 200   | R507 000   |
| Klippoort Settlement | Emnambithi/<br>Ladysmith KZ232 | IRDP | Identified | 1 000 | R2 500 000 |

|                                    |                                |      |            |       |          |
|------------------------------------|--------------------------------|------|------------|-------|----------|
| Kirkintulloch<br>(Khanyile's Farm) | Emnambithi/<br>Ladysmith KZ232 | IRDP | Identified | 1 000 | R625 000 |
|------------------------------------|--------------------------------|------|------------|-------|----------|

#### 2019/2020 FINANCIAL YEAR

| Project Name       | Local Municipality             | Project Type | Project Status | Total Units | Budget     |
|--------------------|--------------------------------|--------------|----------------|-------------|------------|
| Thembalihle        | Emnambithi/<br>Ladysmith KZ232 | ISU          | Feasibility    | 1000        | R2 500 000 |
| Nazareth           | Indaka KZ233                   | Rural (ITB)  | Feasibility    | 1000        | R2 800 000 |
| KwaJwili/<br>Ncema | Indaka KZ233                   | Rural (ITB)  | Feasibility    | 1000        | R2 800 000 |

## 6.2.3 DEPARTMENT OF TRANSPORT

|   |    |            |                        |                        |             |
|---|----|------------|------------------------|------------------------|-------------|
| <b>Regravel : D1259</b>                 | 5  | Okhahlamba | Hlongwane              | Amangwane Tribe        | R 1,173,000 |
| <b>Regravel : D1263</b>                 | 7  | Okhahlamba | Hlongwane              | Amangwane Tribe        | R 2,250,000 |
| <b>Regravel : D384</b>                  | 11 | Okhahlamba | Private Land<br>Owners | Private Land<br>Owners | R 2,250,000 |
| <b>Regravel : A3309</b>                 | 8  | Okhahlamba | Tshabalala             | Amazizi Tribe          | R 1,173,000 |
| <b>Regravel : L1910</b>                 | 3  | Okhahlamba | Hlongwane              | Amangwane Tribe        | R 1,173,000 |
| <b>Access to school :<br/>Gqumaweni</b> | 11 | Okhahlamba | Private Land<br>Owners | Private Land<br>Owners | R 909,500   |
| <b>Causeway : D2264</b>                 | 13 | Okhahlamba | Private Land<br>Owners | Private Land<br>Owners | R 1,632,000 |

|                           |    |            |         |                  |              |
|---------------------------|----|------------|---------|------------------|--------------|
| <b>Regravel : D797</b>    | 19 | Emnambithi | Khumalo | Abantungwakholwa | R 1 200, 000 |
| <b>Regravel : D1371</b>   | 9  | Emnambithi | Sithole | Sithole tribe    | R 1 120 ,000 |
| <b>Regravel : P187</b>    | 13 | Emnambithi | Hadebe  | Hadebe tribe     | R 3 200 000  |
| <b>Regravel : D798</b>    | 14 | Emnambithi | Khumalo | Abantungwakholwa | R 1 200, 000 |
| <b>New Road Machibini</b> | 7  | Emnambithi | Mthembu | Abathembu tribe  | R 2000 000   |
| <b>New Road : Mevana</b>  | 18 | Emnambithi | Khumalo | Abantungwakholwa | R 1 500 000  |

|  |    |        |         |                  |             |
|--|----|--------|---------|------------------|-------------|
| <b>Regravel : D1277</b>                | 8  | Indaka | Mabaso  | Abantungwa Tribe | R 1,600,000 |
| <b>Access to schools : Phindokuhle</b> | 5  | Indaka | Nxumalo | Nxumalo          | R 950,000   |
| <b>Access to schools : Mpolwane</b>    | 3  | Indaka | Mchunu  | Amachunu         | R 950,000   |
| <b>Causeway : L 2019</b>               | 7  | Indaka | Mthembu | Abathembu        | R 1,512,000 |
| <b>New Road : Sinayi</b>               | 18 | Indaka | Khumalo | Abantungwa       | R 1,500,000 |
| <b>New Road : Zitende</b>              | 16 | Indaka | Khumalo | Abantungwa       | R 1,250,000 |



|                          |   |          |                     |                     |             |
|--------------------------|---|----------|---------------------|---------------------|-------------|
| <b>Regravel : D 1246</b> | 1 | Umtshezi | Ndaba               | Mhlungwini Tribe    | R 3,000,000 |
| <b>Regravel : P 170</b>  | 9 | Umtshezi | Private Land Owners | Private Land Owners | R 3,600,000 |
| <b>Regravel : P 176</b>  | 5 | Umtshezi | Mthembu             | Abathembu Tribe     | R 2,400,000 |
| <b>Causeway : P 176B</b> | 5 | Umtshezi | Mthembu             | Abathembu Tribe     | R 3,500,000 |

|                                      |    |            |          |               |             |
|--------------------------------------|----|------------|----------|---------------|-------------|
| <b>Regravel : P 331</b>              | 11 | Imbabazane | Mazibuko | Amangwe Tribe | R 1,120,000 |
| <b>Access to school : Fundulwazi</b> | 11 | Imbabazane | Mazibuko | Amangwe Tribe | R 1,000,000 |
| <b>Causeway : D 1240</b>             | 3  | Imbabazane | Mkhize   | Mkhize Tribe  | R 3,500,000 |

#### 6.2.4 DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

It is important to note that uThukela district municipality is part of the 27 rural districts that was identified to develop Agri – Parks. The department of rural development and Land Reform has put aside an amount of R2 billion that will be equally split among the 27 rural districts. The aim of this programme is to develop the rural economy. This programme is envisaged to start in September 2015. In uThukela the proposed sites for the Agri- Parks are still not yet finalized

| PROJECT NAME | PROJECT DESCRIPTION   | LOCAL MUNICIPALITY | 2015/2016    |
|--------------|---|--------------------|--------------|
| Platrand     | Rem of the farm Fouries Kraal No. 1183, Rem of portion 6 of the farm Fouries Kraal No. 1183, Portion 64 (of 5) of the farm Rietkuil No. 1067 and Rem of portion 70 of the farm Rietkuil No. 1067  | EMnambithi         | R 200,000.00 |
| Colenso hill | Remainder of the farm Grootgewagt No. 10612<br>Remainder of the farm Collins Hills No. 9970<br>Remainder of the farm Vaalkrantz No. 5142<br>Remainder of the farm Emigrants Home No. 4482<br>Remainder of the farm Wagtenbeetjie's Kop 4241 | Emnambithi         | R 100,000.00 |

|             |  |            |               |
|-------------|--|------------|---------------|
|             | <p>Remainder of the farm Williams Hoek No. 4238</p> <p>Portion 1 of the farm Krom Draai No. 4229</p> <p>Remainder of the farm Vaarwel No. 4227</p> <p>Remainder of the Zuur Fontein No. 3708</p> <p>Portion 3 of the New Forest No. 2966</p> <p>Portion 0 of the New Forest No. 2966</p>   |            |               |
| Doornspruit | Portion 25 (of 2) of the farm Doorn Spruit No. 1163  | EMnambithi | R1,200,000.00 |
| Gongolo     | <p>Remainder of the farm Zwagers Hoek No. 2130</p> <p>Remainder of the farm Oribi Hills No. 16661</p> <p>Portion 25 (of 1) of the farm Rensburg's Drift No. 797</p> <p>Remainder of portion 1 of the farm Zwagers Hoek No. 2130,<br/>Remainder of Portion 4 (of 2) of Lot 8 No 1907,Remainder of<br/>Portion 7 (of 2) of Lot 8 No 1907, Portion 8 (of 6) of Lot 8 No<br/>1907,Remainder of the farm Aloes A No. 6026, Remainder of the</p> | Umtshezi   |               |

|  |  |  |  |
|--|--|--|--|
|  | <p>farm Alor No. 13625, Remainder of the farm Pussyfoot No. 13070, Remainder of the farm Aloes No. 6965, Portion 1 of the farm Kelvin Grove No. 2411</p> <p>Portion 4 (of 2) of the farm Orribe Fontein No. 2040</p> <p>Portion 5 (of 2) of the farm Orribe Fontein No. 2040</p> <p>Remainder of portion 2 of the farm Orribe Fontein No. 2040, Portion 2 of the farm Braakfontein No. 1121, Remainder of the farm Braakfontein No. 1121</p> <p>Remainder of the farm Roman Spruit No. 1906</p> <p>Remainder of portion 1 of the farm Rensburg's Drift No. 797, Remainder of portion 8 of the farm Rensburg's Drift No. 797, Portion 9 (of 7) of the farm Rensburgs Spruyt No. 872, Portion 4 (of 1) Of the Farm Rong Poort No. 1337, Portion 2 of the farm Aletta No. 4203, Portion 3 of the farm Aletta No. 4203, Remainder of the far Aletta No. 4203, Portion 3 (of 1) of the farm Orribe Fontein No. 2040</p> <p>Remainder of 1 of the farm Rong Poort No. 1337</p> |  |  |
|--|--|--|--|

|                      |   |            |               |
|----------------------|---|------------|---------------|
|                      | Remainder of Portion 1 of the farm Orribe Fontein No 2040   |            |               |
| Jackal's Retreat     | The Farm Jackals Retreat No. 15568 and Farm Jackals Spruit No. 9087   | eMnambithi | R3,278,000.00 |
| Greystone            | Portion 9,17 & 20 of Farm Vegtlager no.801  | Umtshezi   | R8,406,376.00 |
| Vukuhlale            | Portion 1 of the farm Boshberg No. 19599 (405,5761 Ha) and Portion 3 of the farm Doornkaal No. 1296 (643,4507 Ha) | eMnambithi | R 67,546.00   |
| Ukuthula entokozweni | Portion 5 of farm Kleinfontein No. 1263   | eMnambithi | R 99,036.00   |

# SECTION F: FINANCIAL PLAN

## 7 FINANCIAL PLAN

### 7.1 OVERVIEW OF THE MUNICIPAL BUDGET

This section should be read in conjunction with the attached 2015/2016 adopted Budget of the municipality. uThukela district municipality is faced with the massive task of eradicating its substantial backlogs in service provision. This would require massive resources to address. It is now paramount to concentrate on the financial planning part of this IDP to determine how and when these backlogs can be addressed on a sustainable basis and within the context of available resources.

To achieve delivery on the IDP goals, focus areas and objectives, it is essential to align the municipality budget with the strategy. Sections below expand on aspects of the uThukela district municipality medium term financial planning and the extent to which it is possible to align the budget to all priorities, given our financial constraints and the need to concentrate on basis service delivery.

The uThukela district municipality's budget is MFMA compliant with principles of the MFMA now fully introduced and entrenched in the Municipality's financial affairs. Yet, the District needs to address its financial challenges by improving the Municipality's image by using the new procedures to enhance service delivery, ensuring that the systems introduced continuously improve during the year and preserving the Municipality's cash flow position.

The District has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. National Treasury's MFMA Circular No.74 and 71 were used to guide the compilation of the 2015/16 MTREF.

**When drafting this budget, consideration was given to Section 18 of the MFMA which**

**States that:**

1. *"An annual budget may only be funded from:-*

*a) Realistically anticipated revenues to be collected;*

*b) cash-backed accumulated funds from previous years' surpluses not committed for other purposes;*

*and*

*c) borrowed funds, but only for the capital budget referred to in section 17(2)*

**2. Revenue projections in the budget must be realistic, taking into account**

*a) Projected revenue for the current year based on collection levels to date; and*

*b) Actual revenue collected in previous financial years.*

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Ageing and poorly maintained water infrastructure;
- Wage increases for municipal staff, as well as the need to fill critical vacancies as per the Organogram.
- Cash flow problems

The following table displays a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework for uThukela district municipality:

**Consolidated Overview of the 2014/15 MTREF**

| Description                         | Adjustments Budget | Budget Year    | Budget Year +1 | Budget Year +2 |
|-------------------------------------|--------------------|----------------|----------------|----------------|
|                                     | 2014/2015          | 2015/16        | 2016/17        | 2017/18        |
|                                     | '000               | '000           | '000           | '000           |
| Total Operating Revenue             | 496 371            | 518 412        | 552 784        | 557 754        |
| Total Operating Expenditure         | (457 293)          | (580 552)      | (591 689)      | (584 861)      |
| <b>Surplus/(Deficit)</b>            |                    |                |                |                |
| <b>Budgeted Operating Statement</b> | <b>38 779</b>      | <b>175 801</b> | <b>235 068</b> | <b>297 665</b> |
| Total Capital Funding (GRANTS)      | <b>269 648</b>     | <b>237 940</b> | <b>234 038</b> | <b>290 836</b> |
| Total Capital Funding (Council)     | <b>68 778</b>      | <b>81 130</b>  | <b>1 030</b>   | <b>6 829</b>   |
| Total Capital Funding (Roll overs)  | <b>28 600</b>      | <b>0</b>       | <b>0</b>       | <b>0</b>       |
| <b>Total Capital Expenditure</b>    | <b>367 036</b>     | <b>319 070</b> | <b>235 068</b> | <b>297 665</b> |
| <b>TOTAL BUDGET</b>                 | <b>766 019</b>     | <b>756 352</b> | <b>786 822</b> | <b>882 525</b> |



### **Operating revenue**

Operating revenue has increased by 4.36% in the 2015/2016 financial year due to the 9% increase in the tariff structure for service charges, 4, 8 % in other revenue and a further 5, 5% from the operational grants.

Service charges, Water and Sanitation and other revenue have been increased by 9 percent in the 2015/2016, which is in above line with the National Treasury guidelines as per MFMA circular 74, this is because of the huge increase in electricity. It should be noted that in order for water to be distributed to communities an expenditure on electricity needs to be borne by the Municipality. The National treasury has advice on a 12.20 percent increase on electricity to all municipalities that are supplying electricity. In addition, Eskom bulk purchases will increase by 14.24 percent as per circular 75, but apparently, there is a possibility of 25 percent that Eskom has applied for to increase its tariff. Moreover, if this is approved by NERSA the Municipality will suffer a great length. Because of these reasons, the Municipality has decided to increase its tariff to 9% even though is still much less than the percentage increase for electricity. This was mainly because uThukela district municipality has a vast number of indigent's population within its boundaries, and rural areas, so Increasing it more was going to affect uThukela district economy badly.

There is no guideline that was received from Department of water affairs, on the tariffs that the Municipality must increase its water and sanitation service by. Infrastructure maintenance and any other operating expenses were also taken into account to ensure that the municipality is a going concern.

### **Operating Expenditure**

Operating expenditure for the 2015/16 financial year has been appropriated at R581 591 million and translates into a budgeted surplus of R269 355 million. Below the table indicates a summary of expenditure and income per category in respect of the operating budget.

| Description  | Ref  | 2011/12         | 2012/13          | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|------|-----------------|------------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |      | Audited Outcome | Audited Outcome  | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>  | 1    |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Revenue By Source</b>   |      |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates   | 2    | -               | -                | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Property rates - penalties & collection charges                      |      |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Service charges - electricity revenue                                | 2    | -               | -                | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - water revenue                                      | 2    | 81 195          | 104 240          | 118 572         | 134 908              | 134 908         | 134 908            | 134 908           | 147 050   | 155 726                | 164 447                |
| Service charges - sanitation revenue                                 | 2    | 12 356          | 13 047           | 14 199          | 16 598               | 16 598          | 16 598             | 16 598            | 18 057  | 20 224                 | 22 651                 |
| Service charges - refuse revenue                                     | 2    | -               | -                | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - other  |      |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Rental of facilities and equipment                                   |      |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Interest earned - external investments                               |      | 2 070           | 9 789            | 10 761          | 9 471                | 7 172           | 7 172              | 7 172             | 8 010   | 8 483                  | 8 958                  |
| Interest earned - outstanding debtors                                |      | 16 978          | 29 447           | 33 284          | 35 660               | 35 660          | 35 660             | 35 660            | 26 568  | 28 135                 | 29 711                 |
| Dividends received   |      |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Fines  |      |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Licences and permits   |      |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Agency services  |      |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Transfers recognised - operational                                   |      | 226 476         | 279 412          | 257 902         | 306 828              | 301 695         | 301 695            | 301 695           | 318 371   | 339 839                | 365 525                |
| Other revenue  | 2    | 3 020           | 5 076            | 2 845           | 1 372                | 338             | 338                | 338               | 356   | 376                    | 398                    |
| Gains on disposal of PPE   |      |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |      | <b>342 095</b>  | <b>441 011</b>   | <b>437 563</b>  | <b>504 836</b>       | <b>496 371</b>  | <b>496 371</b>     | <b>496 371</b>    | <b>518 413</b>                                      | <b>552 783</b>         | <b>591 689</b>         |
| <b>Expenditure By Type</b>   |      |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Employee related costs   | 2    | 101 425         | 119 882          | 125 359         | 160 321              | 139 928         | 139 928            | 139 928           | 219 377   | 229 578                | 240 253                |
| Remuneration of councillors  |      | 5 502           | 4 792            | 4 703           | 4 619                | 10 290          | 10 290             | 10 290            | 5 332   | 5 580                  | 5 840                  |
| Debt impairment  | 3    | 16 391          | 244 001          | 16 028          | 30 451               | 26 380          | 29 560             | 29 560            | 28 222  | 26 810                 | 25 470                 |
| Depreciation & asset impairment                                      | 2    | 26 998          | 31 838           | 38 999          | 44 689               | 44 660          | 44 660             | 44 660            | 51 430  | 56 759                 | 63 736                 |
| Finance charges  |      | 10 887          | 2 432            | 2 549           | 1 311                | 1 075           | 1 075              | 1 075             | 60  | 63                     | 67                     |
| Bulk purchases   | 2    | 4 043           | 3 857            | 7 232           | 6 085                | 6 085           | 6 085              | 6 085             | 6 377   | 6 753                  | 7 131                  |
| Other materials  | 8    | 14 268          | 16 088           | 22 082          | 54 450               | 48 552          | 48 552             | 48 552            | 59 605  | 51 576                 | 57 950                 |
| Contracted services  |      | 38 424          | 45 290           | 46 772          | 37 658               | 40 814          | 40 814             | 40 814            | 42 260  | 30 754                 | 32 476                 |
| Transfers and grants   |      | 80 207          | 108 715          | 83 732          | 11 900               | 12 480          | 12 480             | 12 480            | 13 228  | 14 009                 | 14 793                 |
| Other expenditure  | 4, 5 | 78 253          | 72 480           | 97 887          | 115 103              | 127 329         | 127 329            | 127 329           | 154 660   | 129 871                | 137 144                |
| Loss on disposal of PPE  |      | 65              | 2 168            | 5 421           |                      |                 |                    |                   |   |                        |                        |
| <b>Total Expenditure</b>   |      | <b>376 463</b>  | <b>651 544</b>   | <b>450 765</b>  | <b>466 586</b>       | <b>457 593</b>  | <b>460 773</b>     | <b>460 773</b>    | <b>580 552</b>                                      | <b>551 752</b>         | <b>584 860</b>         |
| <b>Surplus/(Deficit)</b>   |      | <b>(34 368)</b> | <b>(210 534)</b> | <b>(13 202)</b> | <b>38 250</b>        | <b>38 779</b>   | <b>35 598</b>      | <b>35 598</b>     | <b>(62 139)</b>                                     | <b>1 031</b>           | <b>6 829</b>           |
| Transfers recognised - capital                                       |      |                 | 249 261          | 360 480         | 209 225              | 269 648         | 269 648            | 269 648           | 237 940   | 234 038                | 290 836                |
| Contributions recognised - capital                                   | 6    | 114 944         | -                | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Contributed assets   |      |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> |      | <b>80 576</b>   | <b>38 727</b>    | <b>347 279</b>  | <b>247 474</b>       | <b>308 426</b>  | <b>305 246</b>     | <b>305 246</b>    | <b>175 801</b>                                      | <b>235 069</b>         | <b>297 665</b>         |
| Taxation   |      |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Surplus/(Deficit) after taxation</b>                              |      | <b>80 576</b>   | <b>38 727</b>    | <b>347 279</b>  | <b>247 474</b>       | <b>308 426</b>  | <b>305 246</b>     | <b>305 246</b>    | <b>175 801</b>                                      | <b>235 069</b>         | <b>297 665</b>         |
| Attributable to minorities   |      |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Surplus/(Deficit) attributable to municipality</b>                |      | <b>80 576</b>   | <b>38 727</b>    | <b>347 279</b>  | <b>247 474</b>       | <b>308 426</b>  | <b>305 246</b>     | <b>305 246</b>    | <b>175 801</b>                                      | <b>235 069</b>         | <b>297 665</b>         |
| Share of surplus/ (deficit) of associate                             | 7    |                 |                  |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Surplus/(Deficit) for the year</b>                                |      | <b>80 576</b>   | <b>38 727</b>    | <b>347 279</b>  | <b>247 474</b>       | <b>308 426</b>  | <b>305 246</b>     | <b>305 246</b>    | <b>175 801</b>                                      | <b>235 069</b>         | <b>297 665</b>         |

### **Capital Expenditure**

Capital Expenditure For the 2015/16 financial year, R319 070 mill of capital expenditure is funded by grants and R81 130 mill from own revenue funds. Part of the Municipality own funding will be funded from Municipal reserves amounting to R143 270 mill. The municipality is currently having plans to maximize revenue collection part of these plans was data cleansing that the municipality undergo in 2013 and its still doing an in house exercise on the issue which is ongoing. This will insure maximization of revenue collection.

The Municipality could not meet to fund 40 percent of its capital towards renewal of assets. However, it has used its part of its reserves to try to meet this guideline; only 12.57 percentage has been budgeted towards the renewal of capital assets. uThukela district municipality is dependent mostly on grants funding.

### **Summary of revenue and expenditure classified by main revenue and expenditure source**

The Municipality major income is from water and sewage service charges. The Municipality also receives its income from grants which is R 318 371 mill for operating expenses and R 237 940mil for capital expenses.

The Municipality's salaries for employees will increase by 49.59 percent of which it is made up of 4.4% as per National treasury guidelines and 45.19 percent. This was due to vacant posts, as per municipality organogram that have not been filled in the 2014/2015 financial year, which will be filled in 2015/2016 financial year. The Municipality has vacant posts as per Municipality new organogram that were frozen in the 2014/2015 financial year, and these posts has been unfrozen in the 2015/2016. This was due to the need that has been envisaged by the Municipality, which has then added additional costs to be borne by the Municipality.

The Municipality has budgeted 38.71 percent of its operating expenditure towards Employees related costs and councillors remuneration, as per the circular 71 of National Treasury the municipality is still within the norm. Finance charges consist primarily of the repayment of interest on long-term borrowings. Finance charges make up R60 000 of the total expenditure budget. Bulk purchases are directly informed by the purchase of water from Department of Water Affairs.

Other materials as disclosed in the statement of financial performance comprises of the District's repairs and maintenance expenditure. The Municipality has budgeted R59 605 mill towards repairs and maintenance, which is 10.25 percent of total operating expenditure. Due to the additional funding

from Municipal cash backed reserves the Municipality have managed to budget 10.27 percent of its operating expenditure towards repairs and maintenance, The Municipality could not be able to budget for the 8 percent of its asset value towards repairs and maintenance due to financial constraints. Nevertheless, the Municipality is determined to ensure that its budget towards repairs and maintenance increases.

### Budget Assumptions

The Draft Budget for uThukela district municipality assumes the following:

- That the inflation forecast (CPI) will be 5,8 % as been estimated in the MFMA circular 74, 5,5% and 5,5% and 5.3% for the two outer years respectively.
- Electricity expenditure relating to bulk purchases increase is 14.24% as per MFMA circular 74
- Employee related costs (administration) have been increased by 4.4% as per MFMA circular 75.
- Employee related costs for (councillors) have been increased by 4.4% as per MFMA circular 75.

### SUMMARY OF THE CAPITAL BUDGET

The table below shows the capital budgets per departments

| CAPITAL BUDGET 2015/2016 - 2017/2018 |   |         |                        |                       |                       |
|--------------------------------------|---|---------|------------------------|-----------------------|-----------------------|
| DEPARTMENT                           | DESCRIPTION   | FUNDING | 2015/2016              | 2016/2017             | 2017/18               |
| <b>TECHNICAL</b>                     |   |         |                        |                       |                       |
|                                      | IMPLEMENTATION OF WATER AND SANITATION PROJECTS AS PER WSDP | MIG     | 181 247000,00          | 188 853 000           | 200 253 000           |
|                                      | RURAL HOUSEHOLD INFRASTRUCTURE GRANT                        | NT      | 4 382000,00            | 4 500 000             | 5 000 000             |
|                                      | RURAL ROAD ASSET MANAGEMENT                                 | DOT     | 2 311 000,00           | 2 378 000             | 2 531 000             |
|                                      | OFFICE FURNITURE  | UTDM    | 100 000                | 80 000                | 40 000                |
|                                      | MUNICIPAL WATER INFRASTRUCTURE GRANT                        | MWIG    | 50 000 000             | 38 307 000            | 83 052 000            |
|                                      | RBIG (IN KIND)  | DWA     | 95 000 000,00          | 85 000 000            | 74 318 000            |
|                                      | OFFICE EQUIPMENT  | UTDM    | 50 000                 | 40 000                | 40 000                |
|                                      | DISTRICT WIDE WATER PROJECTS                                | UTDM    | 30 000 000             | -                     | 5 318 662             |
|                                      | DISTRICT WIDE SANITATION PROJECTS                           | UTDM    | 20 000 000             | -                     | -                     |
|                                      |   |         | <b>288, 090 000.00</b> | <b>234,158,000.00</b> | <b>296,234,662.00</b> |

|                           |                                  |      |                    |                    |                    |
|---------------------------|----------------------------------|------|--------------------|--------------------|--------------------|
| <b>WATER</b>              |                                  |      |                    |                    |                    |
|                           | OFFICE FURNITURE                 | UTDM | 80 000             | 40 000             | 30 000             |
|                           | OFFICE EQUIPMENT                 | UTDM | 70 000             | 50 000             | 40 000             |
|                           |                                  |      | <b>150 000</b>     | <b>90 000</b>      | <b>70 000</b>      |
| <b>SOCIAL SERVICES</b>    |                                  |      |                    |                    |                    |
|                           | MUNICIPAL BUILDING               | UTDM | 28 000 000         | -                  | -                  |
|                           | OFFICE FURNITURE                 | UTDM | 100 000            | 100 000            | 150 000            |
|                           | OFFICE EQUIPMENT                 | UTDM | 50 000             | 0                  | 40 000             |
|                           | OFFICE FURNITURE-HEALTH          | UTDM | 10 000             | 0                  | 30 000             |
|                           | OFFICE EQUIPMENT-HEALTH          | UTDM | 50 000             | 20 000             | 10 000             |
|                           | LAB EQUIPMENT                    | UTDM | 200 000            | 50 000             | 20 000             |
|                           |                                  |      | <b>28 410,000</b>  | <b>170 000</b>     | <b>250 000</b>     |
| <b>CORPORATE SERVICES</b> |                                  |      |                    |                    |                    |
|                           | OFFICE FURNITURE                 | UTDM | 300 000            | 40 000             | 20 000             |
|                           | OFFICE EQUIPMENT                 | UTDM | 50 000             | 20 000             | 0                  |
|                           | IT - EQUIPMENT                   | UTDM | 1000 000           | 500 000            | 1000 000           |
|                           |                                  |      | <b>1 350 000</b>   | <b>560 000</b>     | <b>1 020 000</b>   |
| <b>FINANCE</b>            |                                  |      |                    |                    |                    |
|                           | OFFICE FURNITURE                 | UTDM | 150 000            | 30 000             | 20 000             |
|                           | OFFICE EQUIPMENT                 | UTDM | 90 000             | 40 000             | 0                  |
|                           |                                  |      | <b>240 000</b>     | <b>70 000</b>      | <b>20 000</b>      |
| <b>MUNICIPAL MANAGER</b>  |                                  |      |                    |                    |                    |
|                           | OFFICE FURNITURE                 | UTDM | 100 000            | 20 000             | 30 000             |
|                           | OFFICE EQUIPMENT                 | UTDM | 50 000             | 0                  | 40 000             |
|                           | LAB EQUIPMENT                    | UTDM | 30 000             | 0                  | 0                  |
|                           |                                  |      | <b>180 000</b>     | <b>20 000</b>      | <b>70 000</b>      |
| <b>COUNCIL</b>            |                                  |      |                    |                    |                    |
|                           | OFFICE FURNITURE                 | UTDM | 80 000             | 0                  | 0                  |
|                           | OFFICE EQUIPMENT                 | UTDM | 70 000             |                    |                    |
|                           |                                  |      | <b>150 000</b>     | <b>0</b>           | <b>0</b>           |
|                           | <b>TOTAL CAPITAL EXPENDITURE</b> |      | <b>318 570 000</b> | <b>235 068 000</b> | <b>297 664 662</b> |
|                           | <b>FUNDING</b>                   |      |                    |                    |                    |
|                           | GRANTS - PROVINCIAL              |      | 0                  | 0                  | 0                  |
|                           | GRANTS - NATIONAL                |      | 237 940 000        | 234 038 000        | 290 836 000        |

|  |  |  |                    |                    |                    |
|--|--|--|--------------------|--------------------|--------------------|
|  | APPROVED GRANTS<br>ROLL OVERS                    |  | 0                  | 0                  | 0                  |
|  | INTERNALLY<br>GENERATED FUNDS                    |  | 80 630 000         | 1 030 000          | 6 828 662          |
|  | <b>TOTAL CAPITAL<br/>EXPENDITURE<br/>FUNDING</b> |  | <b>318 570 000</b> | <b>235 068 000</b> | <b>297 664 662</b> |
|  |  |  |                    |                    |                    |

### 7.1.1 FINANCIAL STRATEGIES OVERVIEW

The strategic response to financial viability and sustainability of uThukela district municipality will need to take into cognizance strategies for plugging existing holes into the system and further increase revenue streams with intent to rely less on external grants in the end. Plugging the holes by:

- Promoting effective expenditure to avoid recurring surpluses on operating budget and conditional grants.
- Vigorously pursuing credit control policies.
- Increasing efficiencies by working smarter, managing performance and alternative service delivery mechanisms.

#### **Increasing revenue by:**

- Improving collections
- Increasing rate base
- Improving share of intergovernmental grants to pay for unfunded/partly funded mandates
- Vigorously pursuing cost cutting measures
- Pursuing public private partnerships at both programme and project level

The following general financial strategies that should guide the municipality, now and in the future, in practicing sound financial management. The financial strategies adopted by council include a general strategy, which will apply to the detailed strategies, a financial resources (capital and operational) strategy, revenue raising strategy, asset management strategy, capital financing strategy, operational financing strategy and a cost effectiveness strategy. More details of the aforementioned strategies are set out below.

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#### 7.1.1.1 GENERAL CONSIDERATIONS

- **Social Responsibilities**

All aspects of matters relating to financial matters will take cognizance of council's social responsibilities including transformation and empowerment such as in council's supply chain management policy.

- **Investor attraction**

Council's main aim is to create a revenue base through the attraction of investors to the municipality. This will be done in conjunction with Local Municipalities initiatives.

An important factor considered by investors in relocating to an area is the ability of the authorities to demonstrate financial discipline; this includes adherence to statutory requirements, timely preparation and production of financial statements, adherence to generally recognised accounting practices and unqualified audit reports. It is intended that the business plan of the finance department will address these factors. In order for the finance department to deliver on these strategies, it is council's intention to clearly define accounting policies and recruit the best finance people for that department. To this end, council will define recruitment policy for finance staff, put in place a pre and continuing bursary policy and develop career progression paths for designated finance staff. Like the IDP, the financial action plan will be subject to a regular review and comparison of actual performance to predetermined performance measures.

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#### 7.1.1.2 FINANCIAL RESOURCES

For the purposes of this financial plan, council has considered financial resources for both capital projects and operational purposes. The various resources available to council are summarised below.

Capital expenditure:

- National government funding
- Provincial funding
- Infrastructure funding
- Own funding
- Public / private partnerships

Operational expenditure:

Normal revenue streams in the form of grants

**Revenue raising**

The Uthukela District Municipality's main sources of revenue are from grants and municipal services such as sewerage and water. The short-term objective of the municipality is to identify and access all available revenue.

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**7.1.1.3 ASSET MANAGEMENT**

Assets management is given a serious attention that it deserves to improve it. Asset management policy and procedure has been developed and adopted by Council in May 2015. The policy is being implemented. The Council has appointed personnel responsible for asset management.

Asset Management section deals with all classes of assets owned by the municipality. The section ensures that all the Municipality assets are recorded on a Fixed Assets Register. The following are strategies that are implemented by the municipality in ensuring that the asset management is done correctly:

- All assets whether moveable or immovable are to be recorded in an asset register which is electronically maintained
- The asset register is updated when assets are acquired (purchase or transfer once a capital project has been completed) or disposed of
- A reconciliation between assets recorded in an asset register and physical assets must be done on an annual basis
- A budgetary provision for the operation and maintenance of assets must be done

It is important to maintain a regular inventory of property, plant and equipment, implementation of a maintenance programme and insurance cover review. This part of the plan will be extended to assist in identifying and listing unutilised / uneconomic assets with a view to disposal as indicated earlier. Although directly related to revenue raising it is appropriate to include the monitoring of policies, with



the asset management programme. This aspect of asset management will ensure that council is receiving economic benefit from council owned land, which is rented out.

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#### 7.1.1.4 FINANCIAL MANAGEMENT

It is most important that the Uthukela District Municipality maintain a strong finance department and in due course an audit steering committee and internal audit function that will be responsible for monitoring financial and other controls. The council is committed to sound financial management and as indicated earlier the creation of a sound economic base.

Financial management policies and procedures for the entire municipality will have to be implemented and these will include the following principles:

- Cash forecasts and cash flow monitoring against forecasts
- Budgeting methods
- Management reporting
- Credit risk management
- Credit control policies
- Supply chain management policies
- Supplier payment periods and Investments policies.

Staff will be encouraged to adhere to value for money principles in carrying out their work. On the issue of audit reports, both internal and external, council has to adopt a zero tolerance approach and measures will be put in place to ensure that any material or fundamental issues are addressed immediately. It is expected that the internal audit function will raise any material or fundamental issues before external audit. Other issues arising will be prioritised and addressed accordingly. Council recognises the need to maintain a positive cash flow at all times and will be investigating various avenues to improve cash flow. Strong positive cash flow will result in additional revenue in the form of interest earned.

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#### 7.1.1.5 CAPITAL FINANCING

When determining appropriate sources of funding it is important to assess the nature of projects, expected revenue streams and time frames for repayment. As a general guide, the following principles will apply:

- Provincial and national government funding for medium term and long term projects
- External loan funding for medium term and long-term projects

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#### 7.1.1.6 OPERATIONAL FINANCING

Council's policy is to fund operating expenses from normal revenue streams with short term funding being used as a last resort. It is expected that strong financial management including accurate cash forecasting will obviate the need to resort to short-term borrowings. As indicated earlier it is council's intention to maintain a strong economic base through good working capital management including setting aside of adequate provisions for working capital.

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#### 7.1.1.7 COST EFFECTIVENESS

In any organisation, it is necessary to strive for cost effectiveness and municipalities are no different. It is council's intention to pursue the shared services concept wherever possible. The sharing of services will enable the municipality to minimize total costs on these services.

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### 7.1.2 DETAILED FINANCIAL ISSUES AND STRATEGIES

The action plan identifies the most feasible strategies to increase efficiency and cost effectiveness within the Municipality. The implementation of the financial plan requires a team effort. A team approach requires the involvement of the Council, Municipal Manager and Chief Financial Officer in implementing these strategies. It is crucial that individuals to whom the responsibilities have been allocated according to the action plan be held accountable for the outcome of these strategies. The progress made towards achieving these strategies should be measurable and it is essential that these strategies be included in the performance appraisals of individuals.

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### 7.1.2.1 FINANCIAL ISSUES

Some of the key financial issues affecting the Uthukela District Municipality are listed below.

- Debt Collection drive to collect the outstanding debt of Council
- A revenue base is dependent on sewerage, water and other income streams
- Affordability by Council to address all needed capital and operational expenditure received from various directorates
- Lack of funds for capital projects
  - Council needs to be provided with monthly and quarterly financial reports

#### **Financial Strategies**

The implementation of the sound and good financial strategies will enhance the future financial sustainability of the municipality.

- **Capital financing strategy**
- **Asset management strategy**
- **Sound Financial management**
- **Credible Financial projections**
  - Projected revenue requirements
  - Projected expenditure requirements

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### 7.1.3 REVENUE RAISING STRATEGIES

- All consumers to be registered and be billed for services rendered
- A debt collection service to be instituted to monitor billing and payment for services
- An adoption of the credit control policy; and as part of debt collection process, levying of interest on outstanding payments.
- Attracting investors for property development in order to enhance rates income

#### 7.1.4 POLICY DEVELOPMENT AND REFINEMENT STRATEGY

Council is committed in an ongoing development of policies that are compliant with Municipal Finance Management Act and other regulations in order to ensure smooth function of council and realization of financial viability status. Council has adopted among other things; credit control policy, tariff policy and investment and cash management policy to enhance income or revenue streams.

#### 7.1.5 KEY SUPPORT PROGRAMMES

This section seeks to present compliant driven programmes that would allow the municipality to realize desired financial health, viability and sustainability thereof. It is argued that the developed strategies will depend heavily on the successful compliance, adherence to internally designed policies and proper management of financial resources.

##### 7.1.5.1 PROGRAMME 1: PRODUCE AN ANNUAL UPDATE OF MUNICIPALITY'S MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF)

While the MTEF sets out a medium term expenditure plan for the municipality, it must also show the specific intentions of council with respect to:

- Clear, affordable development targets
- Development of a 10 year maintenance plan for municipal infrastructure and services
- Targeted expenditure to unlock economic development and grow the rates base

In this regard, a forecasting model will be developed which allows informed decisions to be made on an ongoing basis in terms of cash flow, investments, borrowings and long-term sustainability of the municipality.

##### 7.1.5.2 PROGRAMME 2: BUDGET ACCORDING TO IDP PRIORITIES

The municipality has committed itself to ensuring that the budgeting process is aligned to the IDP. The strategy to achieve this programme is to ensure that the budget process is aligned to the IDP so that what is budgeted is reflected as a priority in the IDP. The programme has given rise to approval of policies and programmes that guide service delivery. Key to this approach is ensuring that the municipality focuses its limited resources on the challenges expressed by people of uThukela, and

most importantly, improving alignment with other spheres of government, including the development of Private Public Partnerships.

#### 7.1.5.3 PROGRAMME 3: EFFECTIVELY MANAGE CREDIT CONTROL

The focus of the credit control exercise is to reduce debt owed to the municipality by:

- Developing proactive credit control measures to reduce debt and ensure appropriate sanctions are implemented
- Implementing new revenue systems to ensure timeous, regular and accurate billing of accounts
- Maintain ongoing customer communication in order to awareness, foster financial responsibility, and promote a culture of payment.

#### 7.1.5.4 PROGRAMME 4: GROW REVENUE STREAMS

The Budget and Treasury office will continue in championing the drive to sensitize all council departments to identify cost savings and/ or revenue generating opportunities in all areas of operation. Over the next five years, a concerted effort will be needed to focus on increasing the rate base. Proper collection processes as stipulated under financial guidelines above will have to be strictly adhered to.

#### 7.1.5.5 PROGRAMME 5: SEEK ALTERNATIVE SOURCES OF FUNDING

In addition to the obvious need to grow council's revenue by increasing its rates base, other means for securing funding for council's projects must be explored in a variety of ways. Some of the focus areas include government grant funding and project and programme funding, partnerships with international agencies like the European Union and other agencies at programme level and entering into partnerships with the private sector on key projects and programmes.

It has been noted that, there is little drive within the municipality to prepare business plans to be used in leveraging additional funding. Therefore, this programme will depend on the joint efforts of Financial and Planning department to drive it vigorously.

#### 7.1.5.6 PROGRAMME 6: REDUCE COST TO THE ORGANIZATION

The focus here is to ensure that our tariffs are affordable and value for money is being achieved. Accordingly, costs are scrutinized on an ongoing basis, and targets are then selected and prioritized according to the following ratings:

- Most obvious: here the cost element that is most out of line with the budget needs immediate attention
- Easiest: a small saving that is quickly reaped with little effort cannot be ignored
- Worst first: sometimes a cost situation is so critical that it begs for immediate attention
- Biggest impact: those cost items that will deliver the biggest long-term savings if reduced

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#### 7.1.6 SUMMARY OF AG REPORTS AND RESPONSES

uThukela District Municipality has improved its audit opinion from Disclaimer to qualified in 2013/2014 financial year. The uThukela District Municipality's strategic objective is to achieve clean audit by 2015.

##### **Summary of 2013/2014 audit outcome**

The Auditor General Findings on iLembe District Municipality's 2013/2014 Audit Report can be summarized as follows

- Operating expenditure
- Receivables from exchange transactions
- Accruals
- Commitments
- Irregular expenditure
- Water losses
- Comparative amounts

For more information, the Auditor General Report and the Action Plan that aimed at addressing issues raised in the AG Report is attached as annexure. The Audit Action Plan is implemented by the responsible managers and monitored at all committee meetings of council including MANCO, EXCO, and Council. The audit committee fulfils its responsibilities as set out in section 166 (2) of the MFMA.

## 8 ANNUAL OPERATIONAL PLAN (DRAFT SDBIP)

The SDBIP determines the performance agreements for the accounting officer and all section 57 employees, whose performance agreements can be monitored through Section 71 monthly reports, and evaluated in the annual report. The SDBIP will be monitored and reported monthly by the municipal manager in terms of 71(1) (a) and (e).

Section 1 of the MFMA, Act 56 of 2003 states that the SDBIP should make projections for each month of the revenue to be collected by source and by vote. The targets and performance indicators need to be reported on quarterly basis as per MFMA, 2003. The SDBIP is attached as an annexure.

## 9 ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

### 9.1 HOW THE OPMS IS APPLIED IN THE MUNICIPALITY

uThukela District Municipality has appointed a service provider to ensure that OPMS is in the good standard and it also complied with the relevant legislations. The service provider has started towards increasing Municipal performance and accelerating service delivery provision, and has adopted the hybrid performance management model, which combines the following:

- Balanced scorecard methodology;
- Six Sigma graphic representation tools;
- Project Management Principles;
- 365 Degree individual assessment methods;

Subsequent to the adoption of the above approach, the Municipality has established the PMS Unit, two of them have started and are being capacitated and has also put performance management top of its Agenda amongst one of the critical drivers towards improving organisation strategy and driving change in the organisation culture.

To implement the aforementioned hybrid performance management methodology these steps will be followed as set out in the balanced scorecard methodology.



## 9.2 IDP, BUDGET, PMS INTEGRATION THROUGH SDBIP'S

The IDP Priorities are aligned to the National Key Performance Areas. In terms of the IDP, Organizational objectives are incorporated into the Organisational PMS by developing applicable indicators for measuring of performance and then setting of targets. All is consolidated into an Organisational Score-card in line with the NKPA Model selected as specified in the Framework mentioned above to allow for measuring and reporting of performance at an Organisational/Strategic level.

The Organisational Score-card is then unpacked at a departmental level and informs the development of Service Delivery Budget Implementation Plans (SDBIP's) to allow for performance reporting at an operational level as is required in terms of the MFMA. Idealistically, the SDBIP aligns itself with Powers and Functions, Objectives of the Department aligned to IDP and the allocated budget, relevant indicators and targets.

The SDBIP is then cascaded into Section 57 Performance Agreements. All of these performance reports are then amalgamated into the Annual Performance Report that forms a component of the Annual



Report as prescribed in the MFMA. Reporting is done quarterly, with supporting evidence being confirmed and audited. Monthly reporting is now being encouraged through the revision of the framework and the Auditor-General's audit strategy to align the uThukela district municipality to best practices.

### 9.3 INSTITUTIONAL PERFORMANCE MANAGEMENT SYSTEM (SECTION 57 CONTRACTS)

In terms of the Regulations for Municipal Managers and Managers reporting directly to the Municipal Manager, All Performance Agreements of the Municipal Manager and managers reporting directly to the Municipal Manager were signed for the 2014/15 financial year. The municipality is in the process of cascading PMS down to managers who are below section 57.

### 9.4 ANNUAL PERFORMANCE REPORT OF THE PREVIOUS YEAR

uThukela district municipality has complied with Section 46 of the Municipal Systems Act states that a municipality must prepare for each financial year a performance report reflecting the following:

- The performance of the municipality and of each external service provider during the financial year
- A comparison of the performances referred to in paragraph(a) with targets set for and performance in the previous year
- Measures taken to improve performance

It is critical that the annual performance report forms part of the municipality's annual report in terms of chapter 12 of the MFMA.

## 10 ANNEXURES

| NO | SECTOR PLAN                                      | COMPLETED?<br>Y / N | ADOPTED?<br>Y / N | ADOPTION<br>DATE | DATE OF<br>NEXT<br>REVIEW | COMMENTS  |
|----|--|---------------------|-------------------|------------------|---------------------------|---|
| 1  | Disaster Management Plan                         | Yes                 | Yes               |                  |                           | The disaster management plan is reviewed and attached   |
| 2  | Performance Management System (PMS)              | Yes                 | Yes               |                  |                           | The municipality is being assisted by the service provider in ensuring that the PMS of the organization is compliant. PMS Unit has been established |
| 3  | Work place Skills Development Plan               |                     |                   |                  |                           | This is done on annual basis  |
| 4  | Capital Investment Programme/<br>Framework (CIP) | Yes                 |                   |                  |                           | Three Year Capital Program was prepared and incorporated into the IDP   |
| 5  | Local Economic Development (LED) plan            | Yes                 | Yes               |                  |                           | It was developed and adopted by council   |
| 6  | Environmental management framework               | Yes                 | Yes               |                  |                           | The framework is completed and is attached  |
| 7  | Water Services Development Plan (WSDP)           | Yes                 | Yes               |                  |                           | WSDP is reviewed and is attached as an annexure   |
| 8  | Integrated Waste Management Plan                 | Yes                 | Yes               |                  |                           | The IWMP was developed and adopted  |
| 9  | Transportation Plan                              | Yes                 | Yes               |                  |                           | Public transport plan was developed and adopted by Council and its due for review   |
| 10 | Financial Plan                                   | Yes                 | Yes               |                  |                           | Is reviewed annually  |
| 11 | Spatial Development Framework                    | Yes                 | Yes               |                  |                           | The uThukela SDF is completed and is also attached.   |
| 12 | Communication Strategy                           | Yes                 | Yes               |                  |                           | The strategy has been developed and adopted by council  |
| 13 | Fraud and Corruption Prevention Strategy         | Yes                 | Yes               |                  |                           | The Fraud and corruption was workshopped with all staff   |
| 14 | Tourism Plan                                     | Yes                 | Yes               |                  |                           |   |

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|    |  |     |     |  |  |                         |
|----|--|-----|-----|--|--|-------------------------|
| 15 | Climate change response Plan(mitigation &adaptation options) | Yes | Yes |  |  | Attached as an annexure |
| 16 | Natural resources management Plan                            | Yes | Yes |  |  |                         |