

**UTHUKELA**  
UMKHANDLU WESIFUNDA  
DISTRIKSMUNISIPALITEIT  
DISTRICT MUNICIPALITY

# I.D.P

REVIEW

2010/2011



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## **SECTION A : EXECUTIVE SUMMARY**

### **A.1.1 INTRODUCTION**

The structure of this plan is based on the revised approach and framework for IDP's 2007/08 published and endorsed by the National IDP Steering Committee.

The uThukela District Municipality, as a government institution is legally obligated to develop a municipal Integrated Development Plan (IDP), which will act as the guiding document towards municipal development and service delivery. According to chapter 5 of the Municipal Systems Act (MSA) of 2000 as amended states that, all municipalities have to undertake an IDP process to produce Integrated Development Plans (IDP)

The uThukela Integrated Development Plan is based on the legislative mandate that governs the operations of the local government sphere. In addition, the IDP framework Guide has been taken into consideration during the process.

Guidance was obtained from the following documentation namely: The municipal Systems Act (Act 32 of 2000), Local Government municipal planning and Performance Management regulations (2001) that set out the components of the IDP's and the requirements for public participation in the drafting of the IDP

### **A1.1.2 UTHUKELA DISTRICT MUNICIPALITY**

uThukela District Municipality (UTDM) is one of ten District Municipalities in the Province of KwaZulu-Natal. It was established during the 2000 transformation of local government. 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.

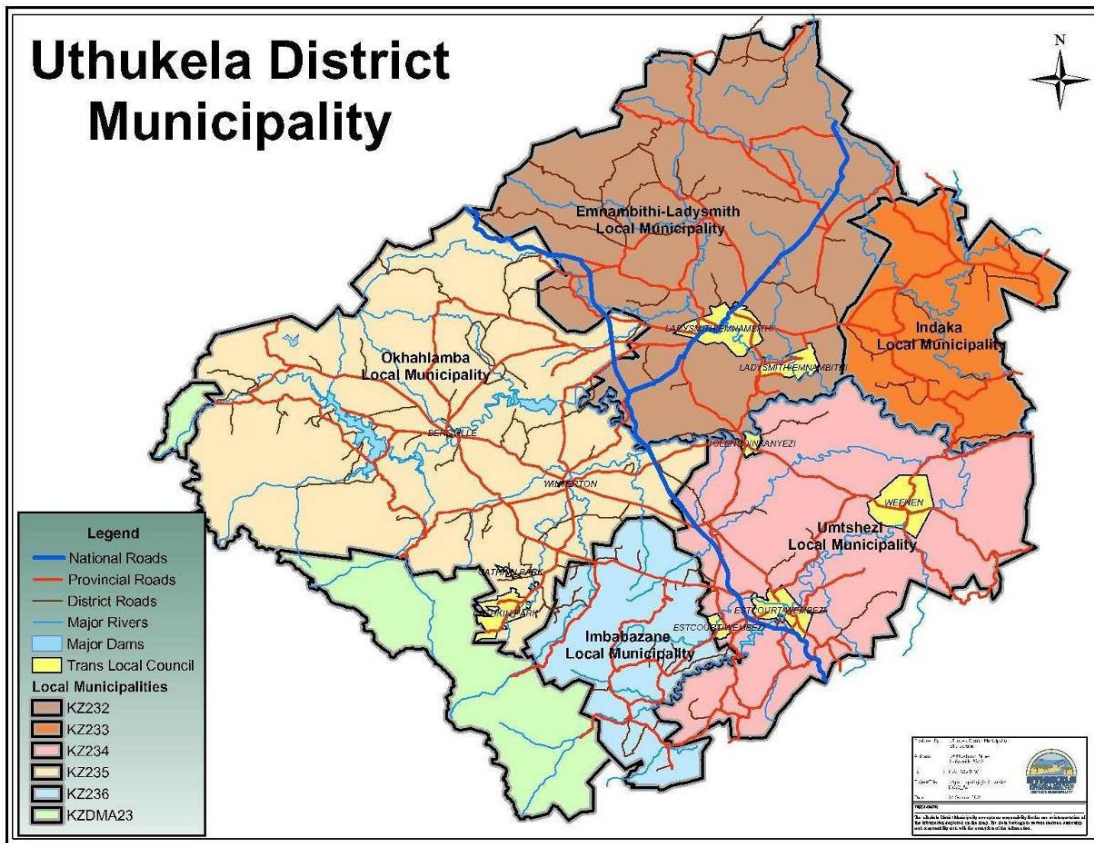
The size of the Municipality is approximately 11500 km<sup>2</sup>. It is located in the western boundary of KwaZulu-Natal. It is predominately rural, with three of the five Local Municipalities, rural based. This Municipality is characterised by the socio-economic indicators such as low revenue base, poor infrastructure, limited access to services and obviously low economic base; high levels of poverty, unemployment, skills shortage, lack of resources and low level of



education; un/under-developed land and settlement patterns that make it difficult to plan for effective service delivery. There are a number of challenges that are also associated with attraction of investors, tourists and skilled human resource due to its location away from the two major cities namely, Durban and Johannesburg.

uThukela District municipality consists of five Local Municipalities and one District Management Area (DMA), namely, Indaka local municipality, Emnambithi/Ladysmith municipality, Umtshezi local Municipality, Okhahlamba local Municipality, Imbabazane local Municipality, and District Management Area 23. Indaka and Okhahlamba are both Project Consolidate Municipalities in our District.

*(See the Map below 1.1 for the location of uThukela District Municipality).*



**Map 1.1**

### **A1.1.3 CHALLENGES**

This Municipality is characterised by the socio-economic indicators such as a low revenue base, poor infrastructure, limited access to services and obviously low economic base; high levels of poverty, unemployment, skills shortage, lack of resources and low level of education; un/under-developed land and settlement patterns that make it difficult to plan for effective

service delivery. There are a number of challenges that are also associated with attraction of investors, tourists and skilled human resource due to its location away from the two major cities namely, Durban and Johannesburg. The key issues that will have an impact in economy of the District are as follows:

- Provision of sustainable infrastructure, water and sanitation services and backlog thereof
- Economic Development
- Prevention of ill-health and promotion wellness
- Public safety and security
- Financial viability and administrative capacity of the district
- Accountability and public participation institutions
- Coordination of services
- The newly established municipalities which is Indaka and Imbabazane are without a well established economic centre and as a result the most significant poverty is found in these municipalities.

#### **A1.1.4 OPPORTUNITIES OFFERS BY THE DISTRICT**

The UThukela District located in the World Heritage Site. uThukela District Municipality is a unique mix of the majestic Drakensberg Mountains, historical and world renowned battle sites and out of Africa experiences. These qualities have created a District that is a tourism magnet in Southern Africa. The investment opportunities are as follows:

- Two national roads which is N3 and N11 which has a potential for economic development because it forms the critical link between uThukela, Provincial and International destinations
- Cable Way-Mnweni Valley which takes the tourism investment to new heights
- Spionkop lodge offers an investor the opportunity to become a 50% partner in a unique out of Africa tourism experience
- Weenen Cultural theme park offers the opportunity to invest in tourism fascination with the customs traditions and culture of the amaZulu.
- Zulu Gateway an opportunity for investors to become involved in a tourism experience strategically positioned on the N3, Midway between Durban and Johannesburg
- Woodstock Dam it gives an investor an opportunity to invest in a fishing and camping attraction on the banks of a dam located in the foothills off the Drakensberg
- The Cannibal Route an opportunity to invest in a unique and historic visitor attraction within an established tourism district.
- The Zulu Experience an opportunity for an investor to import, distribute and sell arts and crafts in selected international markets

- Dinosaur Valley it gives an investor an opportunity to invest in archaeology based visitor attraction in an established tourism sector of the Drakensberg Mountains
- The District is well endowed with water, pockets of good soils and the cultural beauty of the Drakensberg.

#### **A1.1.5 STRATEGIES FOR IMPROVEMENT**

To deal with the challenges faced by the District, the uThukela District Municipality have highlighted the following strategies for 2010/2011 and beyond:

- Implementing financial management capacity building programme
- Supporting public safety programmes aimed at combating and reducing crime
- Promoting the investment initiative in the identified nodes
- Promoting the Tourism in the District because the District is rich in Tourism especially in the Drakensberg Mountains
- Implementation of an SMME's programme and promote PPP'S
- Through efficient and effective management of resources and assets
- Through the creation of an environment that is conducive to Economic Development
- Capacitating of Cooperatives in the District.
- Optimizing of 2010 opportunities
- Establishment of the effective Shared Services centre.
- Optimal utilisation and management of the District resources
- Localisation of the National policies

#### **A1.1.6 UTHUKELADISTRICT MUNICIPALITY IN THE NEXT FIVE YEARS**

UThukela is now 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 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 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.

#### **A1.1.7 MEASURING THE PROGRESS**

uThukela District Municipality as a water service authority managed to decrease the water and sanitation backlogs from 21% to 17% (water) and 61% to 36% (sanitation) in August 2009. In the 2007/2008 there was no Disaster management personnel in the District whereas our District is faced with the severe disasters and efforts were made in coming up with a fully fledged disaster management that is in line with the Disaster Management Act in the 2008/2009 financial year. The Municipality has also established the Disaster Management Advisory Forum. Senior Citizen Forum was also formed in 2008. The Fraud Prevention Plan was also developed by the District in 2009. The Bucket Eradication system was completed by Indaka local municipality. uThukela District has established the shared resources for the delivery of development planning services as well as the GIS. uThukela District Municipality received an unqualified report from the Auditor General for the past three financial years.

#### **A1.1.8 DEVELOPING THE UTHUKELA IDP**

uThukela District municipality IDP was developed in house. For purposes of review of the 2010/11 IDP document, a Process Plan and Framework Plan were drafted and adopted by uThukela District Municipality on the 09 September 2009. The Framework Plan was drafted to ensure that the review process of the District IDP and local municipality's IDP's are linked and equally informed by each other. The Process Plan specifies the time frames for the different planning steps, as well as the appropriate mechanisms, processes and procedures for consultation and participation in reviewing the IDP document of the previous year. uThukela IDP Process Plan was also aligned to the local municipalities. This IDP has been informed by the IDP's of the Local Municipalities. This plan used the Community Survey for 2007 because the 2001 statistical information was outdated.

In developing this plan the following Key Focal Areas which are the cornerstone of sustainable service delivery and development in the UThukela District municipality were taken into consideration:

- Municipal Transformation and Institutional Development
- Service Delivery and infrastructure
- Local Economic Development
- Good governance and Public participation
- Spatial Development
- Financial Viability

For the UTDM to ensure that the IDP is used as a coordination tool for development activities it has for the past years, with increasing success, engaged the relevant stakeholders through

the IDP Representative forum, Mayor's Forum, service providers forum, ward committees of the local municipalities and other structures to deliberate and make input on this critical document. This consultation process has had significant impact in ensuring that stakeholders realise and embrace the importance of integrated planning within the municipality. The various sectors are now in step with the process and they work hard to ensure timely inclusion of their programmes as well as planning together in the IDP. Furthermore, the process has ensured that members of the community have an opportunity to contribute to the UThukela District Municipality's IDP and as a result this has fostered a sense of ownership among stakeholders.

It is also promoting the spirit of good governance and a positive professional relationship. It is significant to note that UThukela District Municipality has provided a platform for stakeholders to understand the roles and responsibilities of the municipalities as well as the budgeting processes for the identified projects. The stakeholders have been able to come together with a common objective in ensuring that the citizens within the family of Municipalities work towards "improving the quality of life for all in a globally interconnected, stable and developed region"

The 2010/2011 IDP focuses largely on economic development programmes as a priority area. This is expected to improve the socio-economic conditions of the area and contribute towards poverty reduction. In planning for LED programmes as well as other programmes such as skills development and capacity building within the Municipality, the principles and goals of the Accelerated and Shared Growth and Development Initiative of South Africa (ASGISA) have been incorporated in integrated planning. This type of integration extends to the Provincial Growth and Development Strategy (PGDS), the IDPs of Local Municipalities, the resolutions of the District Growth and Development Summit. In addition to the latter, the District Municipality is fully aware of the Millennium Development Goals and the target date set nationally for extension of basic services.

The Process Plans for all local municipalities were agreed upon and the Framework plan that ensures alignment was also agreed upon and progress reports were submitted on a monthly basis to ensure uniformity in meeting the stipulated deadlines for the IDP process set-out by the Department of Local Government and Traditional Affairs as well as the Department of Provincial Local Government (dplg). For the 2010/11 IDP, uThukela District Municipality revisited the status of all projects identified for implementation in 2009/10. The completed projects were removed from the current IDP and the remaining projects for 2009/10 are those that are still under implementation, targeted for completion during the course of the 2010/11

financial year. This is one way of ascertaining that the IDP's also serve as a monitoring tool for the Municipality. Consultation formed a critical path for the current IDP.

The UTDM prides itself in presenting the 2010/11 IDP, which has addressed all the comments made during IDP Analysis in 2010/11 draft IDP, Comments made by the MEC for COGTA in 09/10 IDP as well as the inputs made by stakeholders during meetings and during IDP/Budget public participation. Integrated Planning is central to the Municipality's philosophy as it relates to effective service delivery.

The 2010/2011 IDP is also taking into consideration the following provincial priorities that were raised in the MEC letter:

- Rural Development and Agrarian Reform
- Creating decent work and economic growth
- Fighting crime and Corruption
- Development of human capability and education
- Creation healthier and sustainable communities
- Nation Building and good governance

## **SECTION B: THE CURRENT SITUATIONAL ANALYSIS**

### **B1.1.1 SITUATIONAL ANALYSIS**

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 and one District Management Area (DMA), namely, Indaka (kz233), Emnambithi/Ladysmith (kz232), Umtshezi (kz234), Okhahlamba (kz235), Imbabazane (kz236), and District Management Area 23. Indaka and Okhahlamba are both Project Consolidate Municipalities in our District.

The size of uThukela District Municipality is approximately 11500km<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 which is the largest is on 3540.63km<sup>2</sup>, Imbabazane is on 827.74km<sup>2</sup> and the DMA 23 is on 874.33km<sup>2</sup>. It is located in the western boundary of KwaZulu-Natal. It is predominately rural, with three of the five Local Municipalities, rural based. This Municipality is characterised by the socio-economic indicators such as low revenue base, poor infrastructure, limited access to services and obviously low economic base; high levels of poverty, unemployment, skills shortage, lack of resources and low level of education; un/under-developed land and settlement patterns that make it difficult to plan for effective service delivery. There are a number of challenges that are also associated with attraction of investors, tourists and skilled human resource due to its location away from the two major cities namely, Durban and Johannesburg.

UThukela District Municipality comprises of 18 Traditional leadership. uThukela Local House has been established and they are meeting on regular basis to discuss the issues related to Amakhosi and development in the District.

## DEMOGRAPHICS

### B1.1.2 TOTAL POPULATION

According to the 2007 Community Survey, there are 714 909 people living at uThukela. The Community Survey that was conducted in 2007 indicates that the number of people living in uThukela has been increased from 656 986 into 714 909 which is 7.0% of the Province. The population of UThukela District Municipality is unevenly distributed. The largest population is in Emnambithi/Ladysmith and the small population is in the DMA (District Management Area) there is a proposal from the Demarcation Board that says all the DMA's will be incorporated into the local municipalities adjacent to it. At this point in time is still under discussion with the relevant stakeholders.

The population of UThukela is distributed as follows

Municipality	Wards	2001 census	Percentage	2007 survey	Percentage
Emnambithi	25	225 459	34,3 of district	236 748	33% of district
Okhahlamba	13	137 525	20,9 of district	151 441	21% of district
Imbabazane	12	119 925	18,3 of district	140 745	20% of district
Indaka	10	113 644	17,3 of district	101 557	14% of district
Umtshezi	7	59 921	9,1 of district	83 906	12% of district
DMA		465	0,1 of district	515	
<b>Total population of Uthukela</b>	67	656986	100	714 909	7.0% of province

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

### B1.1.3 POPULATION BREAKDOWN PER GROUP

The following table indicates the population breakdown of the uThukela District Municipality. This breakdown is showing the Africans, Coloureds, Indians and Whites. The majority of the people that lives in uThukela District Municipality are Africans and Coloureds are minority. Population breakdown per Group

Group	2001	%	2007 survey	%
African	620 733	94.48	681998	95.4
Coloured	4 055	0,62	2231	0.3
Indian	17 156	2.61	23200	3,2
White	15 042	2,29	7482	1,0
<b>Total</b>	<b>656 986</b>	<b>100.00</b>	<b>714,909</b>	<b>100.00</b>

(Source: Statistics South Africa: Census 2001 and Community Survey 2007)



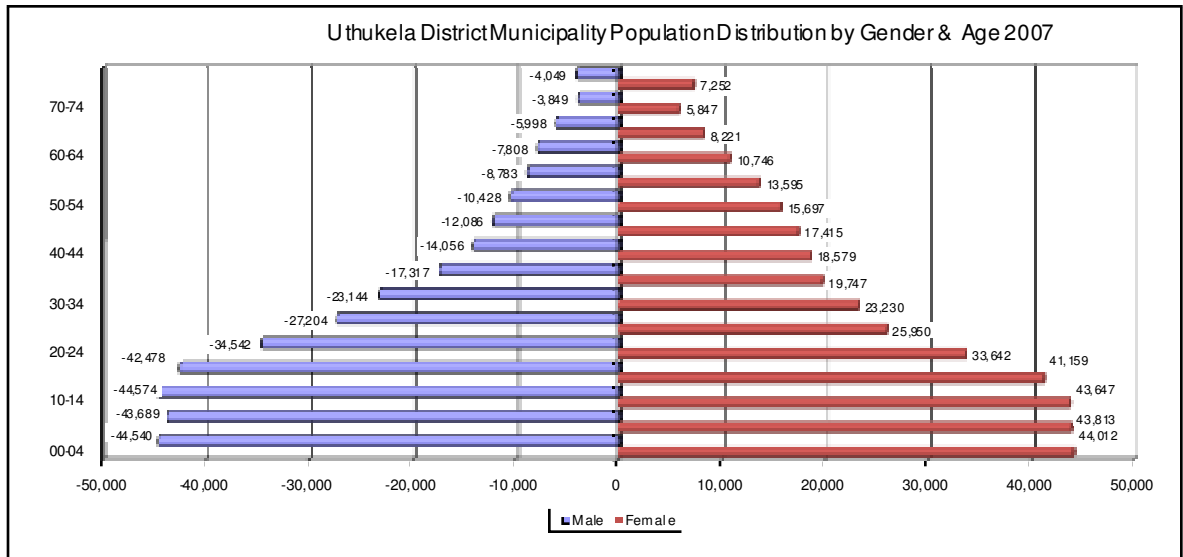
#### **B1.1.4 AGE AND GENDER**

The highest percentage of the population of uThukela is between the 0 to 4 years of age (13%). This shows a relatively high birth rate. The young generation constitute more than 60% being between the ages of 5 to 34 years. Ages 0 to 24 are relatively constant showing a 4.1% decrease. Ages from 0 to 4 years is at 13.1% and decrease slightly on ages between 20 and 24 to 9%. It is not clear whether the 4.1% difference is due to factors like infant mortality or migration.

The population pyramid has a broad base that reflects a high proportion of children and youth, commonly known as the youth bulge. It also shows a tapering off of adults, indicating two possible trends: out migration of economically active people, and the impact of AIDS-related deaths. The lower proportion of men to women (46:54) would support the former explanation, as men continue to leave the area and follow historical migrancy patterns.

The pyramid below shows a decline in population by band from the age of 25 upwards. This clearly suggests that the life expectancy in the district is low. This explains the low population growth rate seen in Table 1. Clearly this points towards factors that result in drastic increase in population mortality. They can suggest that the impact of HIV/AIDS is being felt.

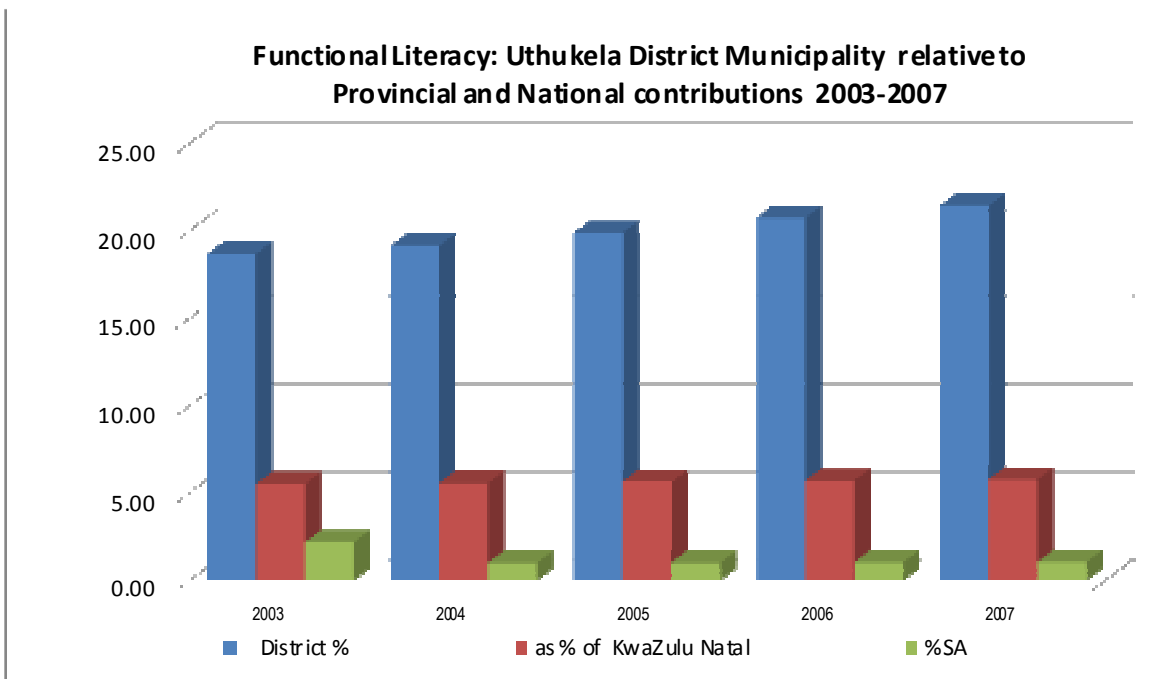
The population structure of the municipality indicates several challenges. First, the district has a young population that accounts for more than 60% of the total district municipality. Secondly, the economically active population accounts for only 36% of the district population. Thirdly, the prevalence estimates among the antenatal clinic attendees in 2007 recorded HIV/AIDS at 36.3%. Finally, these factors consequently put pressure onto the state to provide grants and the municipalities to provide adequate services, such as water, electricity and sanitation.



*uThukela district municipality population distribution by gender and age, 2007*

**B1.1.5 EDUCATION LEVELS**

Overall the district’s literacy levels have increased from 19% to 21% from 2003 to 2007. The above table shows that the functional literacy of the Black population has increased more substantially than that of other population groups



uThukela has no tertiary education institution or voluntary associations that can champion research and development. There is one FET and other smaller private colleges. Most people seeking degrees and diplomas either move to Pietermaritzburg or Durban or migrate to the

north to Gauteng. Similarly, the district depends on other towns like Pietermaritzburg and Durban in the south and Johannesburg and Pretoria in the north for innovation, research and development in the economic fields. However, there is high presence of University of KwaZulu-Natal research institutions like Farmer Support Group (FSG) in Okhahlamba.

**B1.1.6 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 (Emnambithi) 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 Johannesburg in the north and Pietermaritzburg and Durban in the south.

**B1.1.7 URBANIZATION**

The most urbanized population group is the Asian community (98%) followed by Coloureds (83%) and Whites (82%). Only 25% of the Black population lives within urban areas. This urbanization rate for the Black population has been increasing steadily each year, unlike the other groups which have displayed static or slightly declining rates of urbanization.

***Urbanization rates by race, uThukela district municipality, 2003 - 2007***

	Black	White	Colored	Asian	Total
2003	23.7%	81.7%	83.6%	97.7%	27.5%
2004	24.0%	81.5%	83.4%	97.7%	27.7%
2005	24.3%	81.4%	83.2%	97.7%	28.0%
2006	24.6%	81.3%	82.9%	97.7%	28.2%
2007	24.9%	81.4%	82.6%	97.7%	28.5%

*Source: Global Insights Africa International*

### B1.1.8 HIV/AIDS PREVALENCE

In keeping with the national trend, the overall district HIV estimate has decreased between 2003 and 2007. Within the district, this trend is echoed in all the local municipalities. However, it has increased for the province as a whole. However, the AIDS prevalence estimate has increased marginally at all levels over the same period.

At 15% HIV+ prevalence in the district is double than that of the province (7%) and a little than that of the country as a whole (12%). This prevalence is quite consistent within the local municipalities, ranging from 16.6% in Emnambithi to 13.4% in Indaka.

The District municipality is playing a significant role in mitigating the impact of HIV/AIDS in the whole of District through the awareness programmes, by establishment of the District AIDS Council and implementation of the HIV/AIDS strategy.

#### ***HIV+ and AIDS profile, uThukela district municipality relative to local, provincial and national estimates***

Locality	Population 2007	HIV Estimate 2003	HIV Estimate 2007	Difference 2003-2007	HIV % within area	HIV +% of Province HIV + 2007	HIV % of SA HIV + 2007
South Africa	47,864,260	5,711,167	5,552,053	-159,114	12		
Province	10,052,455	650,209	667,623	17,415	7		12
District Municipality	714,909	116,939	109,973	-6,966	15.34	16.47	1.98
Emnambithi/ Ladysmith LM	225,459	44,430	43,448	-982	16.60	6.51	0.78
Indaka LM	113,644	17,549	16,084	-1,465	13.43	2.41	0.29
Imbabazane LM	119,925	19,768	16,589	-3,178	14.25	2.48	0.30
Okhahlamba LM	137,525	24,020	22,758	-1,262	15.25	3.41	0.41
Umtshezi LM	59,921	11,172	11,093	-79	15.87	2	0.20
Locality	Population 2007	AIDS Estimate 2003	AIDS Estimate 2007	Difference	AIDS % within area	AIDS % of Province AIDS 2007	AIDS % of SA 2007
South Africa	47,864,260	265,634	433,417	167,783	1		
Province	10,052,455	27,714	48,960	21,246	0		11
District Municipality	714,909	6,072	9,281	3,210	1.29	18.96	2.14
Emnambithi/ Ladysmith LM	225,459	2,291	3,673	1,383	1.40	7.50	0.85
Indaka LM	113,644	929	1,358	429	1.13	2.77	0.31
Imbabazane LM	119,925	1,030	1,400	371	1.20	2.86	0.32
Okhahlamba LM	137,525	1,251	1,915	664	1.28	3.91	0.44
Umtshezi LM	59,921	571	935	364	1.34	2	0.22

Source: Global Insights Africa International

## **B2 ECONOMY OF UTHUKELA DISTRICT MUNICIPALITY**

### **B2.1.1 INTRODUCTION**

Economic development is uneven across the district, with large disparities across local municipalities. Emnambithi 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 where manufacturing is neck to neck with community services.

### **B2.1.2 STRUCTURE OF THE DISTRICT ECONOMY**

The spatial economy of the district is dominated by Emnambithi that remains the economic hub 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 its agriculture and tourism economies.

Major players in the manufacturing sector in Ladysmith are Zorbatex, Dunlop rubber products and the Defy plant. Estcourt has town houses food and beverages manufactures like Nestle, Sasko Milling, Eskort meat factory and Clover SA. There is Masonite Africa (wood products) glass manufactures (Glamosa Glass) and Karbotek. Okhahlamba leads with agriculture in the district.

There is an opportunity to exploit economic opportunities in the tourism sector in Okhahlamba and Emnambithi. Okhahlamba has Ukahlamba-Drakensberg World Heritage site while Emnambithi is linked to the popular Battlefields products. Further studies to explore the location opportunities brought by the N3 and N11 corridors need to be investigated.

### **B2.1.3 ECONOMIC GROWTH**

According to uThukela NSDP, Emnambithi contributes considerably higher levels of GVA than the other four municipalities, with Umtshezi contributing the lowest to the district GVA.

At 26% Community Services is the largest GVA contributor, followed by manufacturing (18%), financial services (16%), agriculture (13%), transport (11.5%), trade (11%), electricity (3%), construction (2%) and mining (1%). The over dominance of the community services sector is illustrated by its negligible provincial (2.6%) and national (2.5%) GVA contributions. The second most significant sector in the district, in terms of GVA, is the manufacturing sector which contributed 18% of the total district GVA in 2007. This is slightly lower than the sector's contribution to the provincial GVA (19%) and that of the sector's national share (22%). The third most significant sector is financial services, which represents almost 16% of the district GVA, but only contributes a marginal 2.5% GVA share in both the provincial and national economies. The contribution of the transport sector at the district level (11.5%) is similar to the sector's provincial share (12%) and higher than the national (9%) shares. Conversely, trade's GVA contribution at the district level (11%) is much higher than that at the provincial economy (2%), but somewhat closer to that of the national (8%) level.

All sectors in the district and within each of the local municipalities recorded positive growth during the 2003-2007 period. However, provincial and national growth has generally outstripped the performance of sectors in uThukela, particularly in the mining, electricity and construction sectors. The district showed a slightly higher percentage change in both the agriculture and finance sectors than provincial and national rates.

Umtshezi, in particular, has registered change in agriculture, finance and community services sectors that are higher than both the provincial and national rate of change over this five year period. Okhahlamba, too, has shown higher than average performance in the agriculture, manufacturing and finance sectors.

The GVA contribution by sector has increased by sector in all municipalities save for the mining sector that has remained stagnant in Indaka. This clearly points out that the district has experienced economic growth.

## B2.1.4 ANNUAL HOUSEHOLD INCOME

### *Household income: uThukela district municipality contributions, 2007*

Income Category	Black	White	Coloured	Asian	Total	% Total district income
0-2400	1,238	0	31	0	1,269	0.84
2400-6000	5,359	12	33	0	5,403	3.57
6000-12000	28,012	29	206	111	28,357	18.75
12000-18000	26,959	38	102	129	27,229	18.00
18000-30000	25,030	92	105	323	25,550	16.89
30000-42000	16,661	89	89	408	17,246	11.40
42000-54000	10,666	237	56	335	11,293	7.47
54000-72000	8,019	400	66	634	9,120	6.03
72000-96000	5,560	601	63	672	6,895	4.56
96000-132000	3,944	862	64	315	5,184	3.43
132000-192000	2,987	997	58	545	4,588	3.03
192000-360000	2,884	1,849	89	778	5,600	3.70
360000-600000	1,091	859	47	289	2,285	1.51
600000-1200000	433	390	1	151	975	0.64
1200000-2400000	109	86	0	26	222	0.15
2400000+	25	15	0	2	42	0.03
<b>Total</b>	<b>138,976</b>	<b>6,555</b>	<b>1,010</b>	<b>4,718</b>	<b>151,258</b>	<b>100.00</b>

*Source: Global Insights Africa International*

The highest numbers of households are to be found in the income categories between R6000 and R42000 per annum. These income categories account for almost 65% of all households in the district. This proportion is higher than provincial (51%) and national statistics (47%), and this means that in uThukela, a larger proportion of households earn lower than the provincial and national income levels.

Black households have the highest number of income earners, followed by White, Asian and Coloured households. In the higher income earning categories (R72000-R96000) to the highest category (R2400000), Black households remain highest, while the white population is the second highest group. In the lowest income categories (R0-R6000) White, Coloured and Asian populations are negligible.

## B2.1.5 POVERTY

The HDI for the vast majority of the population is low (0.43) and has not increased over the past five years. In stark contrast, the White population exhibits a high HDI of 0.85 which is comparable to Northern European levels of development. The Asian and

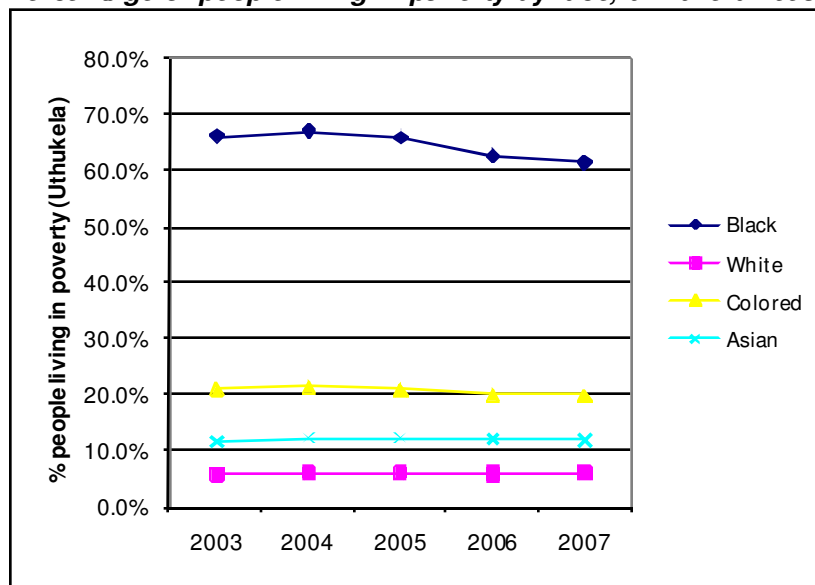
Coloured communities show high and middle range levels of development with indices of 0.60 and 0.74 respectively.

The high Gini coefficient of 0.65 for the district means that there are high levels of income inequality across the district. This poverty disparity is growing as is shown in the time based graph below.

The overall proportion of people living in poverty in uThukela has decreased from 63% in 2003 to 58% in 2007. This still represents a high proportion of the population, and still remains higher than the 2007 provincial average (62%) and the national average (43%). The overwhelming majority of people living in poverty are from the Black community, and despite the improvement during this period, in 2007, 61% remain living in poverty. This decline, however, masks the real increase in inequality revealed through the growing Gini Coefficient.

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.

***Percentage of people living in poverty by race, uThukela 2003/2007***





**B2.1.6 EMPLOYMENT RATIOS**

**UNEMPLOYMENT RATE**

There were more males (44%) than females(37.2%) employed in 2000 in the district. A similar trend remained up to 2007 with males at 44.7% and females catching up at 42.6%. The unemployment rate for males in the district was at 46% in 2000 and has decreased by 3.6% in 2007. Female figures have remained stagnant. Interestingly the unemployment rate of the district (48.3%) is lower than the province which is at 56.9% but higher than the national at 36.9%.

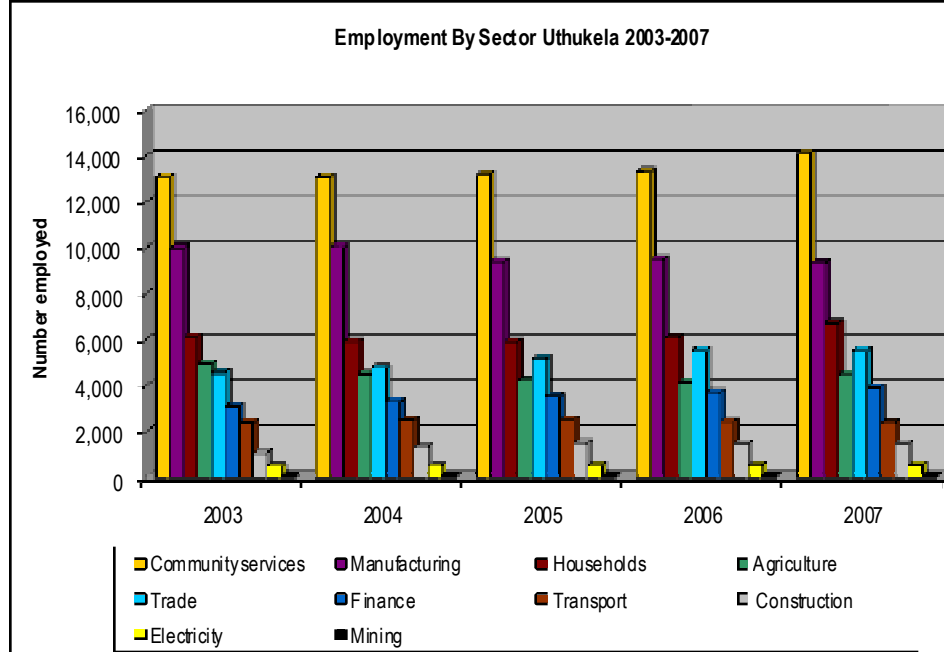
*Unemployment rate (%)*

		2000	2001	2002	2003	2004	2005	2006	2007
UThukela	Male	46.0%	45.8%	50.0%	50.3%	48.5%	45.7%	44.2%	43.6%
	Female	53.0%	52.4%	55.1%	57.3%	56.7%	54.5%	53.1%	52.8%
	Total	49.5%	49.1%	52.6%	53.9%	52.7%	50.2%	48.8%	<b>48.3%</b>

**B2.1.7 EMPLOYMENT SECTORS**

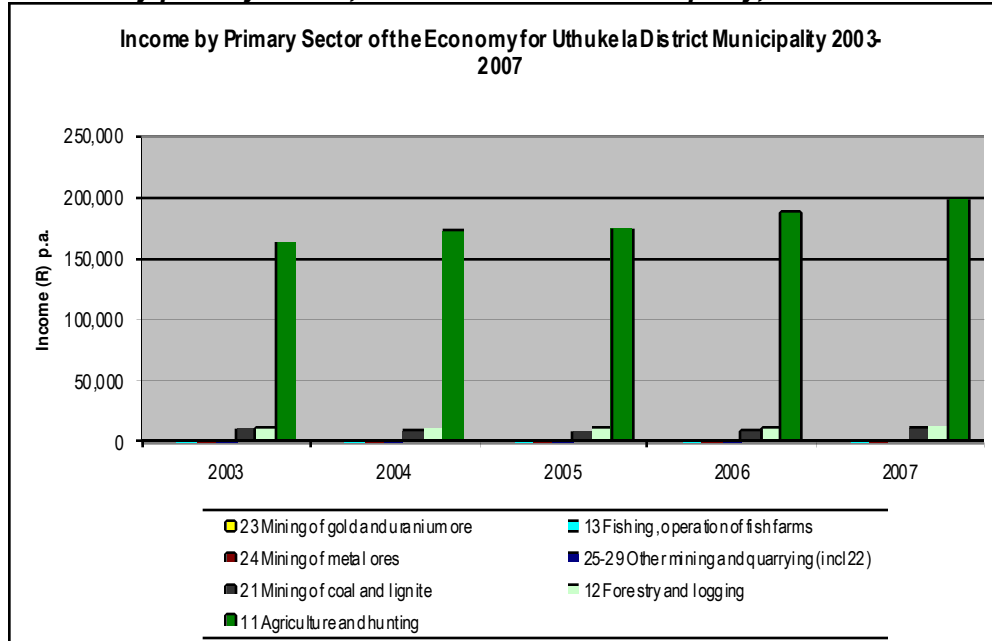
The graphs below illustrate employment by sector over time, comparing the situation in each local municipality with that of the district.

***Employment by sector, uThukela district municipality 2003 – 2007***



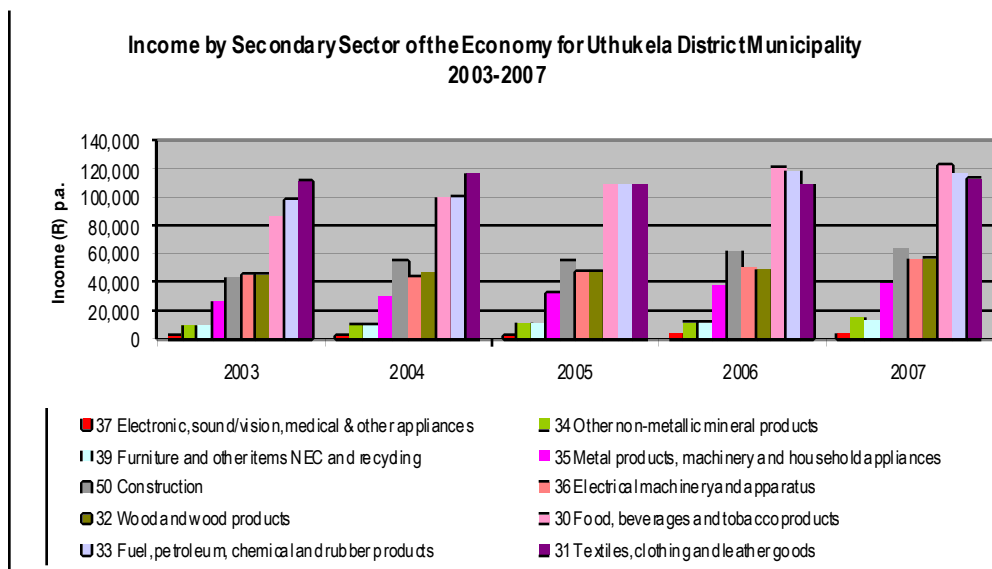
**B2.1.8 INCOME BY SECTOR**

***Income by primary sector, uThukela district municipality, 2003 – 2007***



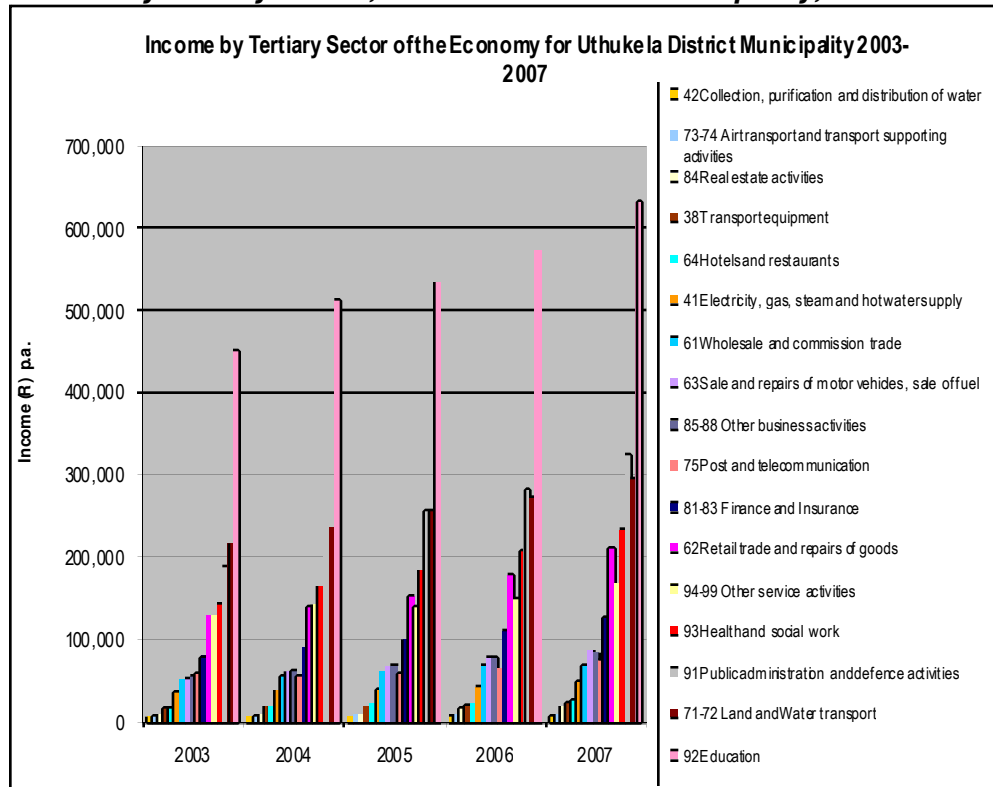
With regards to the primary sector, the highest income generating sector during the period 2003 to 2007 was agriculture and hunting. This sector saw consistent income growth and it generated incomes of over R150 000 to R200 000 p.a. during this period. All other sectors generated incomes of less than R50 000 p.a. over the same period.

***Income by secondary sector, uThukela district municipality, 2003 – 2007***



During the period 2003 to 2007, in the secondary sector the three highest income generating sectors were textiles, clothing and leather goods, followed by fuel, petroleum, chemical and rubber products and lastly, food, beverages and tobacco products. They generated incomes of between R80 000 p.a. and just over R120 000 p.a. Most other sectors generated incomes of around R40 000 p.a. and less. The three highest income generating sectors all showed growth over the period, although the textiles, clothing and leather goods sector only showed a marginal increase, and both the other sectors overtook it in 2006, with food, beverages and tobacco products showing the greatest growth.

**Income by tertiary sector, uThukela district municipality, 2003 – 2007**



The tertiary sector, during the period 2003 to 2007, was dominated by, in order of importance, the education, transport equipment, public administration and defence activities, health and social work, and retail trade and repairs of goods, which generated incomes of over R200 000 pa by 2007. They all exhibited convincing rates of growth, particularly in the education, public administration, health and retail sectors. Between R130 000 p.a. and R650 000 p.a. The education sector generated the most income, reaching levels above R650 000 p.a. in 2007. All other sectors generated incomes of less than R100 000 p.a. over the same period, except other business activities which exceeded this income level in 2006.

### **B2.1.9 LOCAL ECONOMIC DEVELOPMENT STRATEGY**

An LED Strategy has been compiled, reviewed and adopted by Council. The strategy contains the economic analysis, employment analysis, infrastructure analysis, agriculture analysis etc. The strategy takes into consideration the weakness and the strengths of the existing economic sectors so as to direct the new efforts for development. This strategy has been workshopped throughout the district and a number of projects have also been identified

The strategy is having the strategies that take advantage of economic opportunities to mitigate weaknesses in the district economy and also assist in the development of an appropriate institutional environment. The strategy is also talking about the facilitation of the second economy into first economy as we know that South Africa has a highly unequal economy in which people with access to wealth experience South Africa as a developed modern economy, while the poorest still struggle to access even the most basic services.

The LED Strategy has identified competitive advantages of the District as follows:

Agricultural sector

Tourism sector

Manufacturing/Industrialization

### **B2.1.10 UTHUKELA DISTRICT LED FORUM**

uThukela District Municipality has managed to establish the LED Forum. The Forum is coordinated at the District level and it is comprises of five local municipalities, private sector companies within the District, NGO's and LED stakeholders where they discuss the issues pertaining to Local Economic Development (LED).

### **B2.1.11 UTHUKELA DISTRICT TOURISM FORUM**

uThukela has established the tourism forum on the 4<sup>th</sup> August 2009. The forum consist of the representative from all the local municipalities, Private sector and Provincial department responsible for Tourism. The committee is chaired by the Deputy Mayor of uThukela District municipality. The main responsibility of the forum is to integrate the provincial tourism objectives into District plans and priorities and also inform the District budgetary process for the effective implementation of tourism in line with provincial objectives.

### **B2.1.1.2 DEVELOPMENT OF SMME'S AND SECOND ECONOMY**

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.

uThukela District Municipality is in the process of finalising the strategy for the SMME,s. The strategy will deal 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

Currently the uThukela District Municipality is engaged in partnership with SEDA to try and assist all the emerging business entrepreneurs within the jurisdiction of the district. The partnership started in 2006; SEDA offers technical support to the entrepreneurs

### **B2.1.1.3 SECTOR DEVELOPMENT- CRAFTERS**

Through partnership with Gijima KZN the District is embarking on craft projects with an aim of formalising this sector. Crafters within uThukela District Municipality engage in a variety of craft products, and these can be summarised in the following manner:

- a. Clothing / Sewing
- b. Accessories
- c. Grass work
- d. Other

Assessing quality of craft products proved to be a daunting task since at present there are no set standards that seek to regulate this aspect of craft manufacturing. At present various groups have their own internal mechanism which they use to assess the quality of craft products manufactured.

### **B2.1.1.4 AGRICULTURE**

The Department of Agriculture and Environmental Affairs has supported various projects within uThukela District as part of its Agrarian Revolution Programme. The main objective of this programme is to facilitate economic development and food security through agriculture.

The District has produced an Agricultural Development Plan which is reviewed annually and informs agricultural planning for the District and is linked to the IDP as well as the departmental strategy.

According to our bio-resource information, uThukela District has a agricultural potential in the following commodities

- Beef farming
- Crop production
- Poultry farming
- Goat and game farming
- Production of delicious fruit, lemon and oranges.

Two flagship agricultural projects for economic development in the district are the Imbabazane and Okhahlamba Bean projects.

#### **B2.1.15 TOURISM**

The tourism plan has been developed, Apart from the Drakensberg World Heritage Site, this has an obvious scenic attraction and many battles that were fought within the District are a major tourism attraction. The tourism opportunities created by these historical events include cultural and historical tourism.

In the Tourism Plan the secondary corridors are identified to each tourism node along the World Heritage Site. These routes lead from a primary corridor route running between the town of Estcourt and Oliviershoek Pass. Tertiary corridors are identified to lead into rural areas adjacent to the World Heritage Site.

According to research conducted by Tourism KwaZulu-Natal, 32% of KwaZulu-Natal's foreign 'air arrival' market primarily visited the Drakensberg and 7% the Battlefields. This supports the fact that the Drakensberg is becoming a more popular destination for foreign tourists than was the case in previous years. This could be due to the Drakensberg being more aggressively promoted since it was declared a World Heritage Site (Uthukela Economic Review, ROP, Gijima-KZN Report, 2005).

The town of Ladysmith is known for the roots and home of the Ladysmith Black Mambazo, and popular Black traditional music known as Isicathamya.

The town of Ladysmith has retained its linkages with the discoveries of gold and diamonds in Kimberly and Witwatersrand as it became the midway stop-over from Port Natal.

Ladysmith forms part of the Battlefields route. The Anglo-Boer wars put Ladysmith on the international map. Today Ladysmith and its surrounding enjoy a distinctive and tourism

competitive advantage emanating from historical wars. Major attractions include the following products:

- Ladysmith is surrounded by major battle sites that form the Battlefields. These are battles of Colenso, Spioenkop, Wagon Hill/Platrand, Elandslaagte, Nicholson's Nek, Thukela Heights, Gun Hill and Lombard's Kop.
- Siege Museum is located next to the Town Hall
- The town building still maintains the colonial architectural styles

Okhahlamba Municipality has Ukahlamba-Drakensberg World Heritage site. It offers a range of eco-tourism products ranging from hiking, walking in the mountains, game-viewing to river-rafting. This is unique product supported by the presence of KZN Ezemvelo Wildlife.

It must be noted that uThukela District Municipality is "Tourism Potential". Opportunities to grow the tourism sector are present in the district.

#### **B2.1.16 DISTRICT GROWTH AND DEVELOPMENT SUMMIT (DGDS)**

The first uThukela growth and development summit was held in February 2007. The outcome of the summit was the compilation of the action programme to be implemented by the various stakeholders. There was a series of follow up meetings with the various stakeholders in making sure that the outcomes are implemented.

#### **B2.1.17 ALIGNMENT OF LED STRATEGY WITH PROVINCIAL AND NATIONAL OBJECTIVES**

##### **A) KZN PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS)**

The main responsibility of the KZN Provincial Growth and Development Strategy is to ensure that the development and planning is taking the strategic direction in the province. uThukela District municipality doesn't see itself as isolated from the national and provincial context. In preparation of the uThukela LED strategy the 6 PGDS priorities were considered. The priorities are as follows:

- Strengthening Governance and Service Delivery
- Integrating investments in Community Infrastructure
- Sustainable Economic Development and Job creation
- Developing Human Capacity

- Developing comprehensive response to HIV/Aids
- Fighting Poverty and protecting vulnerable groups in society

The identified projects of the District address the above priority areas and also the Spatial Development Framework of the municipality is aligned to the PGDS priorities. The following indicate the proper alignment between the 6 PGDS priorities and uThukela IDP.

**PGDS Priority 1 : Strengthening Governance and Service Delivery**

Issues and Projects in the uThukela IDP:

- Priority 1. - Provision of sustainable infrastructure water and sanitation services and backlog thereof
  - Implementation of MIG projects
  - Various youth and gender projects
  - Implementation of two RSS initiatives
- Priority 5. - Financial viability and administrative capacity within the district
  - Implementation of PMS
  - Implementation of Disaster Management Plan
  - Planning support to local municipalities
  - Strengthening inter-governmental cooperation
  - Engage with potential funding sources, e.g. Gijima KZN

**PGDS Priority 2 : Integrating Investments in Community Infrastructure**

Issues and Projects in the uThukela IDP:

- Priority 1. -- Provision of sustainable infrastructure water and sanitation services and backlog thereof.
  - Review WSDP to address water and sanitation backlogs
  - Review of the PTP (Public Transport Plan)
  - Support Land Reform Programs
  - Development of sports facilities

**PGDS Priority 3 : Sustainable Economic Development and Job Creation**

Issues and Projects in the uThukela IDP:

- Priority 2. – Economic Development
  - LED, Tourism and Agricultural sector plan development and implementation
  - Job creation through the MIG program
  - Establishing cooperatives to support LED and SMMEs
  - Implementation of various Gijima KZN projects
  - Engaging partnerships with developmental entities

**PGDS Priority 4 : Developing Human Capacity**

Issues and Projects in the uThukela IDP:



- Priority 7. – Financial viability and administrative Capacity within the District
  - Initiating an Environmental Education program
  - Hosting of various internships

**PGDS Priority 5: Developing a Comprehensive response to HIV/AIDS**

Issues and Projects in the uThukela IDP:

- Priority 3. – Prevention of ill-health and promotion of wellness
  - Implementation of an HIV/AIDS Strategy
  - Implementation of an HIV/AIDS Policy
  - Establishment of a Health Safety Committee

**PGDS Priority 6: Fighting Poverty and Protecting Vulnerable Groups in Society**

Issues and Projects in the uThukela IDP:

- Priority 2. – Economic Development
  - Development and Implementation of an LED, Tourism and Agriculture Strategy
  - Development and enhancement of a 5-year poverty alleviation program
- Priority 4. – Public Safety and Security
  - Development and support of a public safety program
  - Review and implementation of the disaster management plan

**B) THE ACCELERATED AND SHARED GROWTH INITIATIVE OF SOUTH AFRICA (ASGISA)**

The Accelerated and Shared Growth Initiative of South Africa (ASGISA) is the initiative of the Government that aims to reduce unemployment to be less than 15% and halve the poverty rate. ASGISA proposes an annual growth rate of 4,5% or higher between 2005 and 2009 and growth rate of 6% of GDP between 2010 and 2014. Developing labour absorbing industries that can generate value and skills development are crucial for the ASGISA initiative. In reviewing the LED strategy and finalising the development strategy of uThukela District Municipality, the alignment with ASGISA must be done.

There are constraints that are raised by the ASGISA but the municipality is prepared to deal with those constraints in their Key Issues for 2010/2011 financial year. Some of the Key Issues that will deal with constraints of the ASGISA initiative are as follows

- Local Economic Development
- Issues of Governance
- Reduce unemployment
- Education

- Basic Infrastructure and development
- Inequality and Economic Marginalisation

### **C) THE NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE (NSDP)**

The National Spatial Development perspective is the initiative that is coming from the Office of the Presidency and it was endorsed by the Cabinet in 2003. The main focus of the NSDP are the following:

- Identifies trends in the space economy
- Identifies 5 types of space economy by resource potential, human need and economic activity
- Argues that the potential of an area should inform a rationale for focused & infrastructure spending
- Seeks alignment between infrastructure investment and development programme
- National and provincial priorities inform coordinated planning that guides development objectives, infrastructure investment and resource allocation

In making sure that UThukela LED Strategy is talking to National Spatial Development Perspective (NSDP) and PSEDS, a workshop was held on the 4<sup>th</sup> March 2009 where all the stakeholders including sector departments, NGO's, Chamber of Business, Internal Departments and Local Municipalities were present where the service provider that was appointed by the Office of the Presidency engaged with the stakeholders in trying to verify the District profile, identify the key driving forces and to develop a new scenarios for future development of the District.

It must be noted that part 1 and 2 of UThukela NSDP has now been completed and it contains a significant analysis of the UThukela District Municipality spatial and economic development. The table below shows the alignment between the NSDP Principles and uThukela Programmes

**NSDP Principles**

**UTDM IDP Priority Focus for 2010/2011**

<p>Rapid Economic Growth that is sustained and inclusive is a prerequisite for the achievement of other policy objectives, among which poverty alleviation</p>	<p>Economic Development</p>
<p>Government spending on fixed investment should be focused on localities of economic growth in order to gear up private-sector investment, to stimulate sustainable economic activities and create long term employment opportunities</p>	<p>Provision of sustainable infrastructure, water and sanitation services and backlog thereof. Coordination of social services</p>
<p>Efforts to address the past and current social inequalities should focus on people not places. In localities where there are high levels of poverty and demonstrated economic potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities  Future settlement and economic development opportunities should channelled into activity corridors and nodes that link the main growth centre. Infrastructure investment should support localities that will be the major growth nodes in South Africa.</p>	<p>Economic Development  Economic Development and Spatial Development Framework</p>
<p>To provide basic service to all citizens wherever they reside</p>	<p>Provision of sustainable infrastructure, water and sanitation services and backlog thereof.</p>

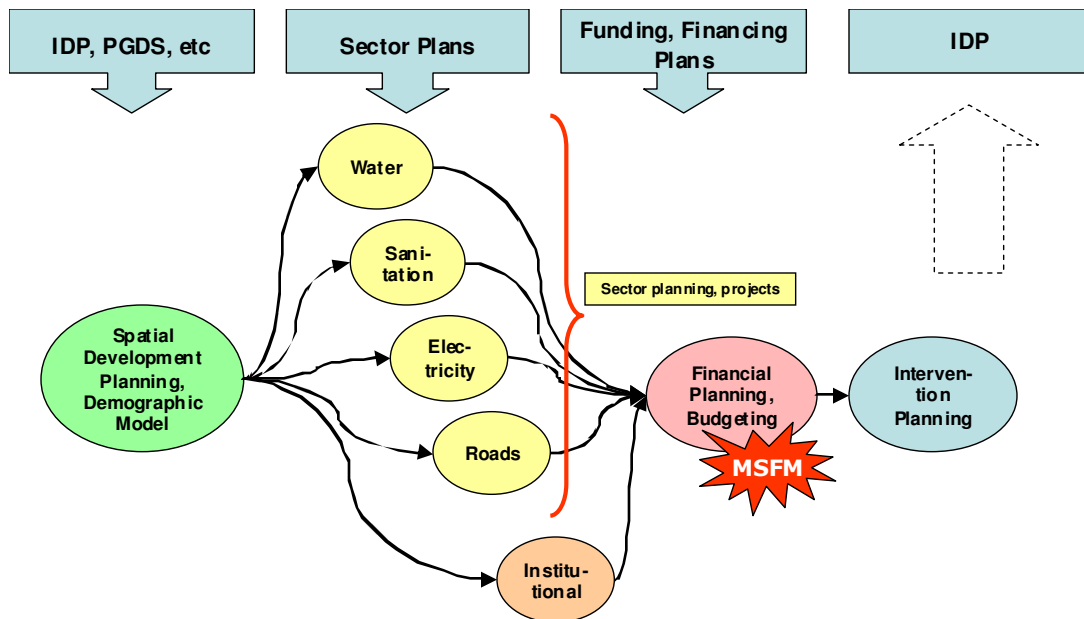
### B3 PROVISION OF BASIC INFRASTRUCTURE AND SERVICES

#### B3.1.1 INTRODUCTION

The provision of the basic infrastructure is still a challenge to the municipality but a lot has been done in reducing the backlogs especially in water and sanitation. The number of indigent people is very high in the District that makes it difficult for the people to pay for the services at the same time the District Municipality is expected to provide services to them in making sure that the District vision is attained.

The other challenges that is facing the District is the overall assessment of service delivery in the DM, the budgets, institutional issues, namely policies, processes and structure, which have an impact on service delivery.

The purpose of this process is to determine the infrastructure projects required to achieve the 2014 goals, assist and support the planning framework, provide input into the IDP process and provide input to the MTECH process.



#### B3.1.2 WATER

uThukela District Municipality is the Water Services Authority (WSA) that provide potable water for its consumers of about 714 909. The District Municipality has identified 10 water related projects at a cost of R1.4 billion. 4 of these projects are bulk water projects and 4 are water reticulation projects.

The table below shows the current backlog and it was reduced from 21% to 17% to date and this translates that 23,910 households that do not have access to safe water supply

**Current (Sep 09) Water Backlog in uThukela District Municipality**

<b>LM Code</b>	<b>Municipality</b>	<b>Households</b>	<b>Backlogs (%)</b>	<b>Backlogs</b>
KZ232	Emnambithi	50,259	7%	3,387
KZ233	Indaka	21,080	21%	4,380
KZ234	Umtshezi	15,232	20%	2,994
KZ235	Okhahlamba	28,509	22%	6,242
KZ236	Imbabazane	24,559	28%	6,907
<b>Total</b>	<b>uThukela</b>	<b>139,639</b>	<b>17%</b>	<b>23,910</b>

According to the Comprehensive Infrastructure Plan (CIP) an amount of 1,4 billion is required to address reticulation, treatment, bulk and refurbishment.

It is regrettable to say that uThukela District Municipality cannot meet the targets of eradicating backlogs of water in 2014 because of the financial constraints. The amount that is needed by the Municipality is 1,4 billion to meet the targets.

**B3.1.3 WATER QUALITY**

There were 70 drinking water sampling points that were monitored in uThukela District. Chemical and Physical analysis were conducted over a period of 12 months by qualified and experienced Laboratory Technicians and Environmental Health Practitioners of uThukela District Municipality. The analysis was done to ensure that the water supplied to the public is good for human consumption.

In terms of compliance for overall microbiological uThukela is on 96.0%. The total number of samples taken in the previous financial year was 2 648.

**B3.1.4 WASTE WATER TREATMENT**

uThukela District Municipality currently operates 7 waste water treatment namely Ladysmith, Colenso, Estcourt, Bergville, Ekuwukeni, Wembezi and Ezakheni waste water works. uThukela waste water works receive waste water (grey water) from industrial (efficient) and domestic premises. The above waste water works are operated in with the guidelines and general standards issued by Department of Water Affairs (DWA)

### **B.3.1.5 WATER SERVICES DEVELOPMENT PLAN (WSDP)**

uThukela District Municipality has developed and adopted the Water Services Development Plan (WSDP) in 2003. This plan was prepared in accordance with the Department of Water Affairs and Forestry's (DWAF) preparation guide. This sector plan (WSDP) is reviewed annually to ensure relevancy in the municipality. It must also be noted that the WSDP is also dealing with the issues of sanitation.

According to the adopted 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, Little Tugela or Bushmans.

DM has developed Water Services By-laws for the district. 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. However, district strategies on conservation and demand management, as well as monitoring still need to be established. Through the Implementation of Sustainable Water Services Institutions Programme (ISWIP) the DM is assisted to attain the necessary capacity to perform the 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.

The WSDP is prioritising projects in following phases:

- a) Phase 1, is the short-term five-year implementation plan and is generally restricted to current projected funding allocations (0 – 5 Yrs);
- b) Phase 2, constitutes medium- (6 – 10 Yrs) and long-term (11 – 20 Yrs) planning, that targets the alleviation of current water services backlogs by allowing for realistic target setting to improve the quality of life for the entire population;
- c) Phase 3 is the long-term vision (> 20 Yrs) for water services in the DM constituting ideal goals and objectives.

### B3.1.6 SANITATION

Sanitation is one of the core function of the District Municipality. The total number of households currently have below RDP levels of service is about 50.962. The budget for sanitation needs, bulk infrastructure and refurbishment is R668 million. The total sanitation needs is 14% of the total budget, namely R94 million. It is quite clear that uThukela District will not meet the millennium target of 2014 because of the financial constraints unless if the municipality can receive R668 million.

The DM is in the process of developing the Sanitation Master Plan. The plan will be dealing with backlogs, strategies of eradicating the sanitation backlogs. The following table indicates the current sanitation backlogs in the whole of uThukela

#### Current (Sep 09) Sanitation Backlog in uThukela District Municipality

LM Code	Municipality	Households	Backlogs (%)	Backlogs
KZ232	Emnambithi	50,259	28%	13,892
KZ233	Indaka	21,080	24%	5,076
KZ234	Umtshezi	15,232	30%	4,605
KZ235	Okhahlamba	28,509	50%	14,373
KZ236	Imbabazane	24,559	53%	13,016
<b>Total</b>	<b>uThukela</b>	<b>139,639</b>	<b>36%</b>	<b>50,962</b>

### B3.1.7 FREE BASIC WATER AND SANITATION

In terms of our Free Basic Water Policy, 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 sanitation facilities mainly through Ventilated Improved Pit Latrines (VIPs). Households benefited-(water 21 800 and sanitation 22 720). The municipality is implementing the free basic water which is 6kl. During 2008/2009 financial year 5 785 households were provided with free basic water and the majority of households benefited were rural based. The number of households who were provided with free basic sanitation was 9 617.

### B3.1.8 HOUSING

In the uThukela District 92,719 households currently do not have sufficient housing. There are projects identified to address the need for housing. The following table shows the total housing needs and Budgets required to housing needs.

**Total Housing Needs and Budgets Required to Address Housing Needs**

LM Name	Below RDP	No Of Houses	Total
Emnambithi/Ladysmith	41,455	7,627	R822
Imbabazane	13,915	13,915	R604
Indaka	11,812		
Okhahlamba	18,298	2,104	R91
Umtshezi	7,240	4,345	R189
<b>Total</b>	<b>92,719</b>	<b>27,991</b>	<b>R1,706</b>

The housing backlog is very huge to uThukela District Municipality compare to water and sanitation which is the core function of the DM, and a lot need to be done by the Department of Housing to eradicate the backlog. The total amount of 1, 7 million is required to eradicate the backlog of 66%. The table below clearly shows the housing backlog per municipality.

**Current (Sep09) Housing backlogs**

LM Code	Municipality	Households	Backlogs (%)	Backlogs
KZ232	Emnambithi	50,259	82%	41,455
KZ233	Indaka	21,080	56%	11,812
KZ234	Umtshezi	15,232	48%	7,240
KZ235	Okhahlamba	28,509	64%	18,298
KZ236	Imbabazane	24,559	57%	39,915
<b>Total</b>	<b>uThukela</b>	<b>139,639</b>	<b>66%</b>	<b>92,719</b>

**B3.1.9 ENERGY/ELECTRICITY**

Electricity is supplied by Eskom. Only 65% RDP electricity. Electricity supply is still a challenge especially in rural areas. A pattern emerges which shows that Indaka, Okhahlamba and Imbabazane remain relatively underprovided with all household services.

According to the 2007 Municipal Capacity Assessment, uThukela District Municipality is having the average of 65,2% households with RDP electricity levels, Emnambithi with 69,5%, Indaka with 61,2%, Umtshezi is on the 69,6%, Okhahlamba 62,3% and Imbabazane with 60,1%. The following table shows the backlog as March 2008 with 2% growth and 1%.



**Energy Provision in uThukela District Municipality**

<b>Municipality</b>	<b>Backlog as March 08 with 2% growth &amp; 1%</b>
DMA	49
Emnambithi	18,369
Indaka	11,746
Umtshezi	533
Okhahlamba	14,255
Imbabazane	7,759
Total (District)	52,709

**B3.1.10 FREE BASIC ELECTRICITY**

Free Basic Electricity/Energy was introduced from 01 July 2003. Due to initial teething problems and signing of the funding agreement with ESKOM, the Municipality commenced with the initial roll out of Free Basic Electricity on 01 April 2004 and Eskom commenced on 1 August 2004. A total of about 4000 customers benefited from this programme. Relief for the poorest of the poor was continued for the 2005/2006 financial year.

Free basic electricity (50KWh per month) was provided to 7803 indigent consumers which is almost 50% more households than the previous year as indicated in Table below. Free basic electricity. Free basic services were expanded to include free basic energy totalling in assistance amounting to R3, 721,250. Fire Gel stoves provided to 4000 consumers.

Free basic electricity

<b>Details</b>	<b>Quantity</b>	<b>Value</b>
7803 households	50 kWh per indigent household	R18.41 per household per month = R1,723,370.00 per annum

**B3.1.11 REFUSE COLLECTION AND DISPOSAL**

Access to refuse removal remains a problem in the district, particularly in Imbabazane, which only has 1% of households that benefit from this service.

There is however a decrease of households utilising 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 the nearly 18% of households that has no means of disposing of refuse. The municipality is also implementing the free basic solid waste for the indigent.

The table below indicates the households with RDP refuse removal levels.

Municipality	% Households with RDP refuse removal levels
Uthukela District Municipality	29.4%
Emnambithi-Ladysmith Local Municipality	54.3%
Indaka Local Municipality	12.5%
Umtshezi Local Municipality	59.1%
Okhahlamba Local Municipality	6.8%
Imbabazane Local Municipality	0.9%

Source: 2007 MDB Municipal Capacity Assessment

### A) INTEGRATED WASTE MANAGEMENT PLAN

There are two main categories that 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.

### Existing Waste Management Systems and Practice

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
Transfer of Waste	No	No	No	No	Yes
Waste Minimisation	No	No	No	No	No
Recycling Systems	No	No	No	No	No
Waste Disposal	Yes	No	Yes	Yes	Yes

**Waste Treatment Facility**

DESCRIPTION	EMNAMBITHI	IMBABAZ ANE	INDAKA	OKHAHLAMBA	UMTSHEZI
Name	None	None	None	Bergville	None
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	None
Throughput	None	None	None	NR	None
Hours of Operation	None	None	None	8	None
Input & Output Chart	None	None	None	None	None
Residue Characteristics	None	None	None	Ash	None
Enviro Monitoring Programme	None	None	None	Monthly	None
Environmental Impact	None	None	None	None	None
Permit Certificate	None	None	None	None	None

**Waste Disposal Site**

DESCRIPTION	EMNAMBITHI	IMBABAZ ANE	INDAKA	OKHAHLAMBA	UMTSHEZI
Name	Acaciavale	None	Ekuvukeni	Bergville	Umtshezi
Geographic Location	Acaciavale	None		R74 Bergville	Beacon Hill near R103
Area Covered	Ladysmith, Steadville & Zakheni	None	Ekuvukeni Township	Bergville & Winterton	Escourt & Weenen
Year of Construction	1995	None		1975	1993
Resources Available	Compactor	None	None, Ransacked	Incinerator	Guard house, shed, jjo water tank, compactor, leachate dam, high pressure washer, tools & spanners
Permit Certificate	B33/2/2020/p163	None	None	None	B33/2/2020/15pP76
Type and Quantities	Household, Business & Industrial 44 640 tons	None	Household, 66 tons	Household & Business, 117 tons	Household, Business & Industrial 581 tons
Description of Neighbouring Area	Residential	None	Residential & Rural	Residential, River	Informal Settlement
Signposting & Road Access	Yes	None	Yes	Poor & Accessible	Yes
Type of Site	General	None	General	General	General
Access Control	No	None	No	Yes	24 Hour Security
Collection of Disposal Tariffs	Yes	None	Yes	Yes	Yes

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<b>Landfill Operation</b>	Compacting & Cover	None	None, just throw staff	Cover	Compacting & Cover
<b>Method of Landfilling</b>	Trench System	None	Trench System	Trench System	Trench System
<b>Co-disposal</b>	Solid Waste Only	None	Solid Waste Only	Solid Waste 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 drains around site	None	None	Not Required	Yes, cut off drains around 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

**Supporting budgets**

LM	2007	2008	2009	2010	2011
<b>Emnambithi</b>	11 164 537.00	12 504 281.00	14 004 795.00	15 685 370.00	17 567 614.00
<b>Imbabazane</b>			4950 000	1500 000	1680 000
<b>Indaka</b>	679 400	781 310	898 507	1033283	1288 276
<b>Okhahlamba</b>	1000 000	1500 000	1680 000	1881 600	2107 392
<b>Umtshezi</b>	4000 000 00	4925 841 00	5664 717 00	6514 425 00	7491589 00

It is quite clear from the above discussion that a lot needs to be done for waste management practices within uThukela District Municipality to conform to the National Integrated Pollution and Waste Management Strategy.

### **E3.1.12 ROADS AND PUBLIC TRANSPORT**

#### **A) ROADS**

uThukela is mainly served by an East-West and North-South corridor. These corridors are the N1 national route that connects the NB 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.

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. According to Comprehensive Infrastructure Plan (CIP), the budget required to eradicate roads backlog in the whole of uThukela District is R141.4 million.

#### **B) PUBLIC TRANSPORT**

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 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.

According to the plan 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. The following are the projects that are prioritized in the Public Transport Plan

<b>Project Code</b>	<b>Description</b>	<b>Priority</b>
KZS1	Pavement Management System	A
KZS2	District Transport Forum	A
DC23S1	Determine location of public transport stops	A
DC23S3	Study to determine modal integration options in the district	A
DC23S4	Study to determine pedestrian hotspots (safety issue)	A
DC23S5	Review CPTR to include early morning operations and over weekends	A
DC23S6	Investigate the status quo of disabled transport in uThukela	A
DC23S7	Study to determine rural accessibility to public transport	A
DC23S8	Non-motorised transport study for whole district	A
DC23I1	Provide shelters at those public transport stops where there is currently no shelter for passengers	A
KZ234F1	Taxi City in Estcourt as part of the IDP urban renewal project	A
KZ235S1	Study to determine where roads are often impassable due to flooding	A
KZ235F1	Upgrade Bergville minibus-taxi rank	A
KZ236S1	Determine best location for existing Loskop minibus-taxi rank	A
KZ236F1	New minibus-taxi rank in Loskop	A

KZ232F3	Upgrade Ezakheni minibus-taxi rank	A
KZ232F5	Upgrade Lylle Street private and municipal minibus-taxi ranks	A
KZS3	Investigations into conditions and application of road signage	B
DC23S2	Study to determine if enough traffic police is available in district	B

<b>Project Code</b>	<b>Description</b>	<b>Priority</b>
KZ234F2	New minibus-taxi rank in Weenen	B
KZ234F3	New minibus-taxi rank in Ngwenya	B
KZ234F4	New minibus-taxi rank in Ngodini	B
KZ234F5	New minibus-taxi rank in Nkosini	B
KZ235F2	New minibus-taxi rank in Winterton	B
KZ235F3	Upgrade Emmaus minibus-taxi rank	B
KZ236F2	New minibus-taxi rank at Umshazi High School	B
KZ236F3	New minibus-taxi rank at Emadiphini Amabile	B
KZ236F4	Upgrade Hlathikhulu minibus-taxi rank	B
KZ236I1	Provide pedestrian walkways in areas determined by project DC23S4	B
KZ233F1	Upgrade Complex of Limehill minibus-taxi rank	B
KZ232F4	Upgrade Illing Street minibus-taxi rank	B
KZ232F6	Upgrade Lylle Street bus rank	B
KZ232F1	New minibus-taxi rank at Peacetown	C
KZ232F2	New minibus-taxi rank at Roosboom	C
KZ232F7	Upgrade Alexander Street bus rank	C

### **Financial Implications on Public Transport**

It is estimated that the total budget required for the identified projects within the uThukela District Municipality is approximately R30 million. Details of the breakdown of the financial implications per project priority, type and authority are detailed in the Public Transport Plan (PTP) of uThukela district municipality.

#### **B3.1.13 HEALTH FACILITIES**

uThukela District Municipality has got 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.

The following table shows the number of Hospitals, PHC and Mobile clinics per local municipality

<b>Municipality</b>	<b>Hospitals</b>	<b>PHC Clinics</b>	<b>Mobile Clinics</b>
Emnambithi	2	13	4
Indaka	0	7	2
Umtshezi	1	6	1
Imbabazane	0	5	2
Okhahlamba	1	6	3
<b>Total</b>	<b>4</b>	<b>37</b>	<b>12</b>

### **B3.1.14 EDUCATION FACILITIES**

There are 445 public schools and 15 independent schools in uThukela District Municipality. The primary and high schools are fairly 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

The District Municipality is facing the vandalism of schools buildings especially during the school holidays. The District is also facing the shortage of training institutions. Insufficient funds to eradicate the water and sanitation backlog as of now the water backlog in schools is currently 28% and sanitation is backlog in schools is currently at 40%. The District Municipality has done a lot in reducing the backlog of water and sanitation because in the previous financial years the backlog for water and sanitation was more than these figures. In making sure that the backlog is eradicated completely the Department of Water and Forestry to assist the District financially

### **B3.1.15 EXPANDED PUBLIC WORKS PROGRAMME (EPWP)**

uThukela District municipality ensures that they adhere to EPWP guidelines in terms of training, employment targets and distribution of safety clothing as well the rotation of employees.

The municipality also adheres to the following labour targets

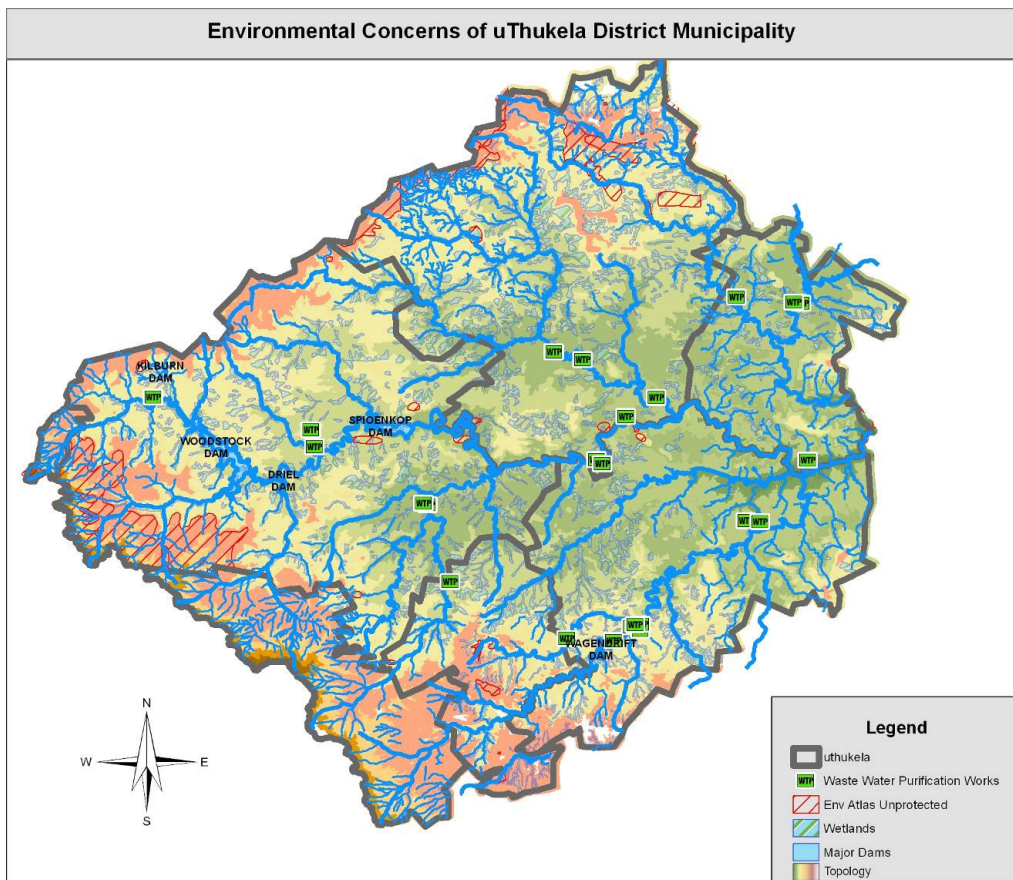
Women 60%  
 Youth 20%  
 Men 18%  
 Disabled 2%

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 all the above mentioned guidelines are considered to by the municipality.



## B4 ENVIRONMENTAL ANALYSIS

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 catchment areas. The prevalence of drought and soil erosion are also an indication of poor environmental management and there is therefore a need to implement an environmental management approach. The following map shows the Waste Water Purification Works, Unprotected Areas, Wetlands, Major Dams and Topology of uThukela District Municipality.



#### **B4.1.1 ENVIRONMENTAL MANAGEMENT**

uThukela District municipality has developed the following Environmental Management Plans:

#### **B4.1.2 INTEGRATED WASTE MANAGEMENT PLAN**

This plan covers the following key aspects

- Status quo analysis of Waste Management
- Goals and objectives of Waste Management
- Gaps and needs and needs assessment of Waste Management
- Evaluation of alternatives for Waste Management
- Framework for an Implementation Strategy
- Environmental Pollution Control Bylaws

#### **B4.1.3 AIR QUALITY MANAGEMENT PLAN**

uThukela has developed the air quality management plan that is implemented to control and prevent air pollution in the district. The plan covers the following aspects

- Priority pollutants (Emission Inventory)
- Goals and objectives of Air Quality Management
- Air Quality Management system
- Emission Quantification and Reduction programme
- Co operative governance approach

#### **B4.1.4 POLICIES AND BYLAWS**

UThukela has guiding policies and bylaws relating to the environmental management issues namely:

- Environmental Management policy
- Water services Bylaws
- Environmental Pollution control Bylaws

The water services Bylaws was adopted on the 5 February 2004 and the Environmental Pollution Control By laws on the 30 June 2006.

The critical challenge that face the municipality are that most of the waste disposal sites are full. The district municipality is negotiating with the Department of Land Affairs to assist in acquiring land to be used for solid waste disposal sites

#### **B4.1.5 PUBLIC PARTICIPATION AND ENGAGEMENT ON ENVIRONMENTAL MANAGEMENT**

To preserve its natural environment heritage and to ensure sustainable development, uThukela district municipality has established a multi-sectoral structure that ensures public participation called uThukela Environmental Management Forum. Community also participate and engage on environmental issues through IDP public consultation workshops

#### **B4.1.6 CAPACITATION OF LOCAL MUNICIPALITIES ON ENVIRONMENTAL ISSUES**

uThukela district understands the critical role played by the local municipalities in protecting and preserving the natural environment. To this end the District municipality organizes community awareness events annually such as Arbour Day, Wetlands Day and Earth Day. Through these events communities are capacitated with appropriate knowledge and skills to protect and preserve the environment

#### **B4.1.7 PROJECTS AND PROGRAMMES AIMED AT ENVIRONMENTAL PROTECTION**

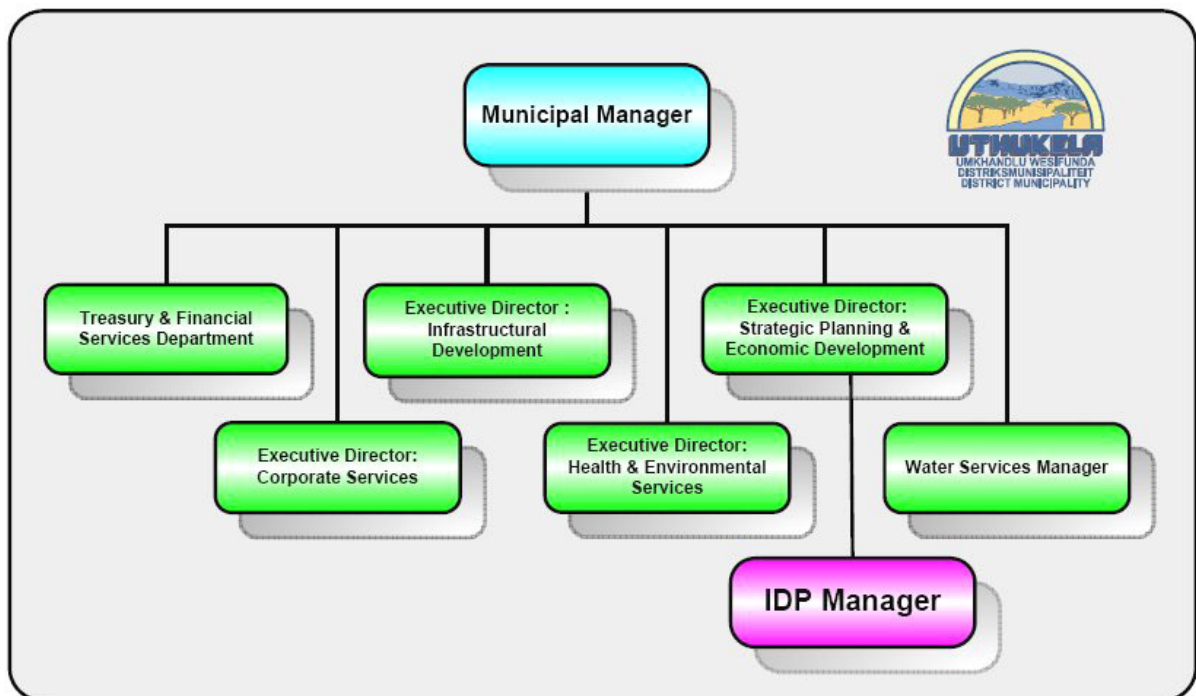
The district has a number of programmes aimed at environmental protection such as water conservation programme, health and hygiene education programme emphasizing safe disposal of human excreta, commemoration of water and sanitation week and establishment of water users associations and waste management forums for waste disposal sites as well as waste recycling clubs.

## B5 INSTITUTIONAL ANALYSIS

UThukela District Municipality has adopted the structure that is aligned with the Powers and Functions assigned to the District municipality as well as the implementations of the IDP. The District Municipality is having ±510 permanent staff members and ±140 part time staff members.

The UThukela District Municipality consists of six Directorates and their responsibilities are aligned to the Performance Management System (PMS) namely:

- Treasury and Finance
- Corporate services
- Infrastructure Development
- Health and Environmental services
- Strategic Planning and Economic Development
- Water Services



### **B5.1.1 POWERS AND FUNCTIONS THAT ALIGNS TO ORGANOGRAM OF THE DISTRICT MUNICIPALITY**

- 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 other functions assigned to the district municipality.

### **B5.1.2 ROLES AND RESPONSIBILITIES OF THE HEADS OF DEPARTMENTS**

#### **(i) *The Municipal Manager***

The Municipal Manager is primarily responsible for:

- The management of the Municipality's administration;
- The implementation of the IDP and monitoring of the plan;
- The implementation of National and Provincial Legislation applicable to the Municipality;
- The management of the provision of services to communities in a sustainable manner;
- Advising the Municipal Council and other political structures as well officials of the Municipalities

#### **(ii) *Corporate Services***

Corporate Services is charged with:

- Advising Council and its committees on standing orders, code of conduct and applicable Legislation;
- Advises the Council, its Committees and Heads of Departments on Human Resource Policy and labour relations;
- Acts as a Municipal Manager during his absence;
- Approves all agendas and minutes compiled by his staff; and
- Prepares the Disaster Management Plan for the Council.

**(iii) Chief Finance Officer**

- Implementing the Financial Regulations;
- Acting as the direct link between the Council and the Auditor General;
- Acting as Consultant to Local councils in the region for the administration of projects funded by the Council;
- Compiling the annual budget and financial statements; and
- Controlling the bank account and arrangement of transfers between accounts.

**(iv) Strategic Planning and Economic Development**

- Develop and implement social programmes;
- Develop youth in the District;
- Develop and promote sports; and
- Promote gender equality
- Identify LED opportunities;
- Develop the LED Plan;
- Source funding for LED projects;
- Promote tourism; and
- Develop the Tourism Plan.
- Management of all planning related functions within UTDM;
- Ensuring that development occurs in terms of UTDM's Spatial Development Framework;
- Ensuring a sound Information Technology system within UTDM;
- Ensuring a sound and operational GIS within UTDM;
- Drafting and day-to-day management of the IDP; and
- Ensuring that the Local Municipalities adhere to the LUMS guidelines prepared by the UTDM.

**(v) Infrastructure Development**

- Responsible for the entire technical liaison between UTDM National and Provincial Government Departments;
- Responsible for rendering technical support services to Local authorities within the UThukela area, where such needs exist;
- Representing the Council at conferences, missions, functions etc as directed by the Council;
- Responsible for the approval of the prioritization of projects after technical evaluation; and
- Project administration services including capital budgeting and control of consultants

**(vi) Health and Environmental Services**

The primary responsibilities of the Municipal Health Service include:

- Ensuring compliance with all Water Service Authority functions contained in the Water Service Act 108 of 1997
- Ensuring that water service policy including the by laws and tariffs are in place
- Monitoring and evaluating all Water Service Providers delivering services within the council jurisdiction
- Ensuring that the WSDP is in place
- Managing and overseeing any programme linked to the Water Service Authority function such as ISWIP

**(vii) Water and sanitation services**

- To develop an Operational and Maintenance Plan for the District
- To supply water and sanitation in the jurisdiction of the District

**B5.1.3 SKILLS DEVELOPMENT**

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. Once a Skills Development Plan is adopted by Council it is submitted to LGSETA for accessing funds. However the funding that was received was insufficient to meet the needs of the District.

In the previous financial year 63 staff that received the training and the training cost was R88 410.20. The municipality also offers bursaries to the community for matriculated students. The municipality employee also has a bursary scheme and 09 employees benefited from it in the previous financial year.

**B5.1.4 EMPLOYMENT EQUITY**

In terms of the Employment Equity Act, 1998, it is the duty of uThukela District Municipality to consult, draft and implement the an Employment Equity Plan in order to achieve equity in the workplace. uThukela 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

#### **B5.1.5 HUMAN RESOURCE STRATEGY**

The Human Resource Policies has been compiled in an enabling spirit and sets out the policy relating to employment within the Municipality, These policies are the enabling tool to facilitate human resource management within the municipality. In compiling the uThukela Human Resource Policies a reference was made to the Employment Equity Act No.55 of 1998, the Labour Relations Act No.66 of 1995, the Skills Development Act No.97 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 the following HR policies but these policies are not part of the IDP because of the it's thickness but are available on request.

- Promotion policy
- Placement Policy
- Employment policy
- Employment Equity policy
- Leave policy
- Recruitment, 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
- Training and Development policy
- S&T policy



#### **B5.1.6 INTERGOVERNMENTAL RELATIONS**

UThukela district municipality has established the Intergovernmental Relations that is in line with the Intergovernmental Relations Act. uThukela IGR consist of 5 mayors from the Local municipalities and a chairperson who is the uThukela District Mayor. The Forum was formed to discuss matters of mutual interest, alignment and support to improve service delivery in the District. However, there are challenges regarding the frequency of meetings. Mayors to commit themselves and ensure that the forum meetings take place as scheduled.

The uThukela District Mayor, as chairperson of the Mayors Intergovernmental Forum, attends the KZN Provincial Premier's Forum meetings and ensures the dissemination of information between the two Forums. The municipality has also established the Technical Support Forum that supports the Mayors Forum. There are number of sub committees that were formed by the municipality in making sure that all the spheres of government talk to each other e.g. Service Providers Forum, IDP Technical Support Structure, IDP Representative Forum, CFO Forums, and District Aids Council etc.

## **B6 SOCIAL DEVELOPMENT**

### **B6.1.1 SPORTS AND YOUTH**

uThukela District Municipality is playing a vital role in supporting and promoting the sport and youth throughout the District. The primary aim of the municipality is to ensure that the youth take part in sports so that they don't focus on crime. The District Municipality has appointed a dedicated person that deals with the issues of sport and youth throughout the District. The District Municipality has embarked in the formation of the uThukela District Federations

They host the competition that is known as the Mayoral Cup that is played on annual basis where the District Municipality invites the professional teams to play with uThukela squad and the professional teams select from the uThukela squad and they will be given an opportunity to play for those teams. They also have the KWANALOGA games that take place annually with all the other District municipalities in the province of KwaZulu Natal. In those games they can be selected to represent the province of KwaZulu Natal. The municipality supports football associations, netball and boxing.

uThukela District is also involved in the arts and culture competitions. They also support the youth on business. uThukela District Municipality has a lot of youth projects that will promote sports in the District.

### **B6.1.2 PHYSICALLY CHALLENGED**

uThukela District Municipality has formed the Disability Forum where all the physically challenged people are able to raise their issues. There had been some several workshops where the relevant stakeholders such as Seda and, Umsobomvu were invited to encourage the physically challenged people to start their own businesses. The following concerns were raised by people with disabilities in one of the meetings of the IDP Review:

- Accessing the Municipal offices
- Transportation
- Recreational Facilities

The following future events are also acknowledged:

Internal Day of Disabled people

Albinism Day

Blind and Deaf Day

Sports and Recreation Day

Deaf and Dumb Sign Language Teaching

### **B6.1.3 GENDER ISSUES**

The municipality has appointed a person who deals with the issues of gender throughout the District. Gender committee has been established and is functional. They had a commemoration of Woman's Month celebration. They also had workshop on educating communities on legal and human rights.

### **B6.1.4 SENIOR CITIZEN**

Senior citizen forum has been formed and it was launched in 2008. The municipality had visited the old age homes around uThukela. The awareness of the senior citizen was held on the 20th October 2007 where the community were encouraged to take care and support the older people in the community at large.

### **B6.1.5 SAFETY AND SECURITY**

The existence of security services in the District is playing a vital role in fighting crime in all aspects like Theft, fraud, attempted robberies illegal possession of firearms and ammunition murder etc.

uThukela district municipality's strategies for addressing the issue of crime include both reactive strategies to respond to incidents of crime and pro active 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 the following to create safer environments:

Environmental for Safety

Effective policing

Community Safety initiatives

Social Crime Prevention

### **B6.1.6 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 snow.

The District is in the process of establishing the District Disaster Management Centre. The Disaster Management Plan is completed and adopted by Council. The Disaster Management Plan was developed in accordance with the format developed by the Australian South African Local Government Partnership based on the Comprehensive

Hazard and Risk Management (CHARM) process. The plan is going to be reviewed in 2010/2011 financial year to ensure its relevancy to the District.

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 citizens of any disasters that do occur. The District Municipality is ready to respond in an integrated and co-ordinated manner. The District has also installed the communication system to ensure that our contingency plans are working properly and operational committee is able to use it during accidents. As from November 2008 there were storms and strong winds experienced and 1462 households were affected.

## **B 7 GOVERNANCE, PUBLIC PARTICIPATION AND ALIGNMENTS**

Good governance in a municipal context relates to the process whereby Municipalities conduct 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.

After completing the draft IDP and the draft budget, the municipality will advertise both the draft IDP and the draft budget in local newspapers. In order to ensure alignment between the IDP, Budget and PMS review processes, a Process Plan was drafted incorporating all three activities with monthly milestones and this was workshoped with communities and other stakeholders through the Representative Forum and service providers forum meetings. The Framework Plan was also drafted to ensure that the review process of the District IDP and local municipalities IDP are aligned and equally informed by each other, In addition to that, the Mayor of the municipality had several road shows and he used the Ukhozi FM slot informing the community about the draft IDP and draft budget. This formed the basis for stakeholder input to ensure effective public participation in the IDP and Budget process.

It is the policy of uThukela district municipality to ensure that the development is driven by the community. The whole area of uThukela District Municipality was covered and the community was given the chance to comment on their draft IDP and draft budget. Emphasis was on the importance of attending the IDP meetings and make comments because the IDP informs the budget. uThukela's IDP and budget is community driven from the initial stages and the role of the municipality is to facilitate the whole process. uThukela District Municipality had several road shows in the following areas in ensuring that the community are part and parcel of the IDP and Budget of the municipality

### **IDP AND BUDGET PUBLIC MEETINGS**

<b>L.M</b>	<b>VENUE</b>	<b>DATE</b>	<b>TIME</b>
IMBABAZANE	ENGONYAMENI	07MAY 2010	10H00
OKHAHLAMBA	EDUKUZA	11 MAY 2010	10H00
UMTSHEZI	EMNGWENYA	13 MAY 2010	10H00
EMNAMBITHI	ST CHADS	18 MAY 2010	10H00
INDAKA	SAHLUMBE	20 MAY 2010	10H00

The District municipality's Communication strategy consists of the following aspects.

- Road shows
- Ukhozi slot
- Local newspapers
- UThukela website
- Annual report
- District Mayors Forum meetings
- IDP and Budget alignment meetings and technical support meetings
- Izimbizo
- Presentation to the Local House of Amakhosi

In ensuring that good governance prevails in the delivery of services to the citizens of uThukela District, uThukela District Municipality and its family of Local Municipalities ensured that they comply with the provisions of the following important legislation: -

- The Constitution of the Republic of South Africa Act.
- Municipal Finance Management Act.
- Municipal Structures Act.
- Municipal Systems Act.

In complying with the aforementioned legislation, the District Municipalities have put the following in place: -

- Functional Audit Committees to audit the performance of municipalities.
- Functional internal audit Committee
- Employment Equity Plan
- Supply Chain Management Policy to guide 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.
- UThukela District Municipality and the Local Municipalities established Functional Executive Committees and various Portfolio/Sub U committees in order to ensure effective and smooth functioning of the municipal councils.
- The District Municipality and the Local Municipalities developed the IDP's and are reviewing such plans annually in line with the provisions of the Municipal Systems Act.
- The Municipalities further developed and adopted a number of Policies and By-laws to enable them to operate efficiently and effectively within their areas of jurisdiction.

- During 2009/2010 financial year, uThukela District Municipality received unqualified audit opinion report from the Auditor General, which clearly indicates that uThukela District Municipality complied with the provisions of the important Municipal Legislation relating to good governance.
- HIV/AIDS strategy for the workplace and for the community and the District Aids Council has been launched and in the strategy there are number of projects identified for the 10/11 financial year and beyond.
- Continuous promotion of the people with disabilities is the main focus of the municipality and there are number of programmes and projects that involve them in the district. In addition to that there is disability forum where they discuss the issues related to them.
- Gender Committee has been established where the majority of people who takes the initiatives are women and the chairperson of the gender committee is the women also they have a number of programmes planned for this financial year. Recently they had a commemoration of Woman's Month celebration.
- uThukela senior citizen forum has been formed and launched. The municipality had an awareness campaign of the senior citizen.

#### **B7.1.1 TRADITIONAL LEADERSHIPS**

In this district the institution of Traditional Leadership is highly recognized and supported. There are 18 Traditional Leaders in the uThukela district. The Municipality works closely with the Traditional Leaders within the district. Traditional Leaders are represented at the District Aids Council Structure and they attend the IDP/Budget road shows as well as the IDP Representative Forums meeting. uThukela local house of AmaKhosí has been established in line with the new legislation on Traditional Leadership. The municipality meets on regular basis with uThukela local house to deal with issues of development, budget, IDP etc.

#### **B7.1.2 PORTFOLIO COMMITTEES**

uThukela District Municipality has got 4 standing committees and these committees are Human Resources, Emergency and Health Services, Economic and Planning & technical. All the standing committees have their own programme but reports to Council

#### **B7.1.3 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 have utilised the ward committees that are functional in the District in dealing with the issues of public participation especially in the Budget and IDP. The challenge that is facing the District is that some ward committees are not functional like Umtshezi and Okhahlamba. The other challenge that makes it difficult for the Ward Committees to function is that it is expensive for members to attend Ward Committees meetings as the area is too wide in other municipalities.

#### **B7.1.4 COMMUNITY DEVELOPMENT WORKERS**

There are 36 Community Development Workers deployed within uThukela District Municipality. There is a need of deploying more Community Development Workers (CDW) in order to be able to cover all wards in uThukela District Municipality. All the CDW finished their learnerships programme

#### **B7.1.5 AUDIT COMMITTEE**

uThukela District Municipality has established the Audit Committee in February 2007. The Audit Committee of the municipality is fully functional and it consists of 3 members. They sit four times per year. Some of the functions of the Audit Committee are auditing the performance of the Municipality and to evaluate the reports of the Heads of Departments. They also review the financial statements of the municipality and they discuss the findings from the Auditor General.

#### **B7.1.6 ALIGNMENT OF UTHUKELA IDP WITH LOCAL MUNICIPALITIES**

Several strategic meetings have been held involving the District family of Municipalities with the primary objective of aligning this IDP with those of the local municipalities. uThukela has established the IDP Supporting Committee that is comprised of all the IDP Managers in the District and one of the objectives of the Committee is to ensure that the IDP's are talking to each other.

The alignment started at initial stages where all the IDP Managers met to discuss the IDP Framework Guide that was followed in preparation of this plan. That process was instrumental in ensuring that the 2010/2011 IDP is holistic and addresses issues of integrated planning and development. For example, strategic issues of local municipalities were aligned to the District strategic issues, all identified projects for 2010/2011 financial year, as listed in this IDP, emanated from discussions held with local



municipalities. Consequently, the project list is a reflection of projects included in the LM's IDP's.

#### **B7.1.7 SERVICE PROVIDERS ALIGNMENT**

In the 2010/2011 IDP, uThukela engaged sector departments on one on one process in aligning our programmes with them, The challenges that were raised in the engagement with sector Departments is the different budgeting cycles between the municipalities and Sector Departments that makes it difficult to get their programmes with budget on time. There is a lot that need to be done in making sure that the sector departments are on board not only in submitting their programmes but to plan together with the district.

#### **B7.1.8 CROSS MUNICIPAL BORDER ALIGNMENT**

UThukela District Municipality had a number of strategic meetings with neighbouring District municipalities on cross border issues. The neighbouring districts which includes Amajuba, Umzinyathi and Umgungundlovu District Municipalities, members of the uThukela family of municipalities were invited to the cross border alignment meetings, where issues that are cross border development nature were discussed such as

- Projects that have a service delivery impact across municipal boundaries like transport systems etc.
- Community facilities that are located close to municipal borders that have potential

## **B8 STRENGTHS, WEAKNESS, OPPORTUNITIES, THREATS ANALYSIS OF UTHUKELA DISTRICT MUNICIPALITY. (SWOT ANALYSIS)**

### **B8.1.1 INTRODUCTION**

The following analysis were identified and verified in the NSDP workshop that took place on the 4<sup>th</sup> March 2009 where the local municipalities, Chamber of Business and Government Departments were present in the workshop.

### **B8.1.2 STRENGTHS**

The district lies between Durban and Johannesburg along the busiest N3 corridor.

The road network linking the district to other areas like Newcastle, Dundee, Grey town and the Free State is fairly well developed.

The UKhahlamba Drakensberg mountain range is a World Heritage Site and forms part of the Maloti-Drakensberg Transfrontier Peace Park between Lesotho and South Africa. It is a competitive tourist attraction area.

The district also contains the basis of the Tugela-Vaal water scheme and good water resources.

Commercial farming is well developed, and is dominated by extensive livestock and field crops. Livestock production focuses primarily on beef, dairy and sheep production.

The district has a large number of tourism attractions linked to its relatively mild climate, fairly well developed infrastructure, well-established recreational tourism and its location relative to the "Battlefields, Berg and Bush".

### **B8.1.3 WEAKNESS**

Lack of economic diversity & competitiveness of small towns

Economy is dependent on government services

Agriculture and tourism potential not fully exploited

No tertiary education institutions leading to disjuncture between skills & growing sector

Ability to fully leverage location factors – transport, warehousing & logistics

### **B8.1.4 OPPORTUNITIES**

The upgrading of the N11 will enhance the status of Ladysmith as a strategic distribution centre and spur development of transport, logistics, distribution, warehousing etc. The main areas of benefit relate to the potential for a rail – road junction, and the allied industries that can be developed.

The IDP identified the need for a regional airport and the development of the N3 corridor. There are opportunities for beneficiation in the following: Sub tropical fruit production and processing; Venison production; Dairy processing; Linen production. The development of an agro-industrial sector could generate self-sustaining economic growth in the district. Okhahlamba local municipality has the most recognized distinctive economic landmark, i.e. Ukhahlamba Drakensberg World Heritage Site. It forms a major component of uThukela District and KZN Provincial tourism economy. Agriculture is the most performing sector in Okhahlamba.

The KZN Provincial Spatial Economic Development Strategy (PSEDS) identifies Okhahlamba as one region with massive potential for growth in agriculture and agro-processing. It is a competitive sector that could be further developed to exploit economic opportunities presented by its location along the major transport routes and abundant water from 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 Johannesburg in the north.

The district utilities sector has become increasingly important due to the establishment in the 1970s and 1980s of the Tugela-Vaal Augmentation Scheme (TUVA).

The tourism sector is an area with substantial growth potential, potential for black-owned enterprises, for employment generation and for community based initiatives.

The IDP has identified opportunities for expansion of the existing tourism infrastructure through identifying strategic or regionally important projects; the game reserve/eco-tourism sector; expanding and improving existing infrastructure (for example the Woodstock, Spionkop and Wagendrift dams).

Small manufacturing could diversify its products to respond to other markets.

Cultural tourism provides an opportunity for craftwork development. At present there are hundreds of crafters in the district who manufacture beadwork, grass, wood and leather goods but these need assistance in the areas of product design and diversification, quality control, and marketing and distribution arrangements

### **B8.1.5 THREATS**

Poverty and HIV/AIDS continue to threaten the livelihood security of households and the quality of life. Young people account for the majority of the population. This is not supported by the appropriate education and skilling of this generation to take up market opportunities.

Limited benefits derived from international and national assets situated in the district

Low economic growth and increasing rate of unemployment in major economic sectors

Poor environmental management

Financial sustainability of the district municipality

Dedining agricultural performance due to deregulation of the previously protected commercial farming sector, the impact of trade liberalization, weakening global and domestic markets, as well as frequent drought conditions.

Tourism infrastructure is underdeveloped and completely non-existent in traditional areas

Particular attention needs to be paid to accessibility factors: roads, transport and signage

The agricultural sector suffers from a degree of income leakage from the district with the export of raw material for processing elsewhere. Two major agricultural processing facilities have closed down and moved elsewhere in response to restructuring imperatives

Farming in traditional areas is seriously underdeveloped and suffers from a range of constraints to its future growth (lack of funds for inputs and equipment, distance to markets, absence of irrigation systems, poor natural resource management, and sub-economic size of plots).

## **B9 KEY PRIORITY ISSUES**

The following key priorities were reviewed and prioritised by the members of the IDP steering committee and various workshops were held with Representative Forum and Service Providers Forum to get inputs and comments. In reviewing the priority issues the 5 Key Performance Areas (KPA's) of the Five Year Local Government Strategic Agenda were taken into account. The priority issues of the District Municipality were also aligned to those of the local municipalities. In reviewing uThukela Priority Issues the issues of environment were taken into consideration to ensure sustainability.

In reviewing the Priority Issues of uThukela District Municipality, the MEC letter was taken into cognisance by aligning with the following Provincial Priorities that was raised in the MEC Letter

- Rural Development and Agrarian Reform
- Creating decent work and economic growth
- Fighting crime and Corruption
- Development of human capability and education
- Creation healthier and sustainable communities
- Nation Building and good governance

It must be noted that the following key Priority issues were also linked into the powers and functions of the municipality. The uThukela District Municipality priority issues were prioritised as follows:

1. Provision of sustainable infrastructure, water and sanitation services and backlog thereof
2. Economic Development
3. Prevention of ill-health and promotion wellness
4. Public safety and security
5. Financial viability and administrative capacity of the district
6. Accountability and public participation institutions
7. Coordination of services

## **SECTION C: DEVELOPMENT STRATEGIES**

### **C1.1.1 INTRODUCTION**

The municipal vision and mission was reviewed to ensure its relevancy to the municipality. All the relevant stakeholders were part and parcel of this process. The Municipal Vision didn't change because it is still relevant to the District. The mission statement was amended to suit the needs of the Council. uThukela District Municipality's vision statement makes a firm commitment to the following developmental aspects:

- Improved quality of life, which includes cost efficient delivery of services and equitable
- Access to public facilities;
- A stable environment, which refers to both natural and physical environments;
- A developed region, which emphasises linked and systematically ordered projects, and
- Sustainable development.

### **C1.1.2 MUNICIPAL VISION AND MISSION STATEMENT**

The Vision:

**An improved quality of life for all in a globally interconnected, stable and developed region.**

The Mission:

**To enhance development and provide quality services in an efficient, effective, sustainable and cost effective manner.**

**C1.1.3 MUNICIPAL STRATEGIC OBJECTIVES AND STRATEGIES FOR 2010/2011**

PRIORITY	ISSUE	OBJECTIVE	STRATEGIES	RESP. DEPT.	KPI	NATIONAL KPA	TARGETED YEARS
1	Provision of sustainable infrastructure, water and sanitation services and backlog thereof.	To reduce infrastructure backlogs	Through the implementation and review of water and sanitation projects in line with the WSDP and CIP.	Technical/ WSA	1) A reviewed and updated WSDP and CIP 2) Number of households serviced with water 3) Number of households serviced with sanitation	Basic Service Delivery	
		To provide sustainable potable water and sanitation services.	Through efficient and effective management of resources.	Technical	Expenditure of grants received	Basic Service Delivery	
			Through the conduction of an internal self-assessment to ensure sustainable and efficient services delivery.	WSA	1) Self - assessment document 2) O&M Strategy	Basic Service Delivery	
		To provide social services infrastructure.	Through the implementation of emergency water and sanitation projects	Technical	1) Water Master Plan 2) Sanitation master Plan 3) Emergency Water and Sanitation Response Plan	Basic Service Delivery	
				Through the implementation of UTDM social infrastructural programmes	Technical	1) Social Infrastructure Program 2) Expenditure of allocated budget	Basic Service Delivery
		To undertake on-going research to the benefit of the district.	Through the identification of relevant areas of research and sourcing of funding.	WSA	1) Compilation of a database of possible research areas 2) Sourcing of funds	Good Governance and Public Participation	

PRIORITY	Issue	OBJECTIVE	STRATEGIES	RESP. DEPT.	KPI	NATIONAL KPA	TARGETED YEARS
2	Economic Development	To stimulate sustainable economic development and to reduce poverty within the District	Through the creation of an environment that is conducive to economic development.	Planning	1) Identification of factors that will create a conducive environment 2) Functional LED Forum	LED	
			Through the provision of infrastructure to unlock development.	Planning	Number of factors addressed that will create a conducive environment	LED	
			Through the implementation of an SMME Programme and the development of an SMME Policy.	Planning	1) SMME Policy 2) Number of projects implemented on the SMME Program	LED	
		To promote tourism within the District	Through the implementation of LED Plan	Planning	Number of projects implemented	LED	
			Through the implementation of Tourism Plan.	Planning	Number of projects implemented	LED	
			Through the co-ordination of tourism activities at local level	Planning	1) Number of meetings of the district tourism forum 2) Number of meetings of the district coordination body	LED	
			Through the identification of Tourism opportunities within the District.	Planning	1) Document with reviewed tourism opportunities 2) Publicizing of tourism opportunities	LED	
		To develop a marketing Strategy	Through the development of a marketing and communication strategy.	Corporate	1) Marketing and communication strategy 2) Terms of reference for PRO function	LED	



PRIORITY	ISSUE	OBJECTIVE	STRATEGIES	RESP. DEPT.	KPI	NATIONAL KPA	TARGETED YEARS
3	Prevent of ill-health and promotion of wellness	To prevent the occurrence and spread of communicable disease	By monitoring the quality of food stuffs at point of production, transportation, storage and sale to the public	WSA	Adherence to the monitoring program	Good Governance and Public Participation	
			By implementing the health and hygiene education strategy.	WSA	Number of projects implemented	Good Governance and P.P	
			By monitoring the quality of water used for domestic purpose.	WSA	Adherence to the monitoring program	Good Governance and P.P	
			Through the implementation of milk control by laws.	WSA	Adherence to the milk control by laws	Good Governance and P.P	
			Through the development and implementation of relevant by laws to address all District Health Services components.	WSA	1) Identification of relevant by laws 2) Development of identified by laws	Good Governance and P.P	
		To mitigate the impact of HIV/AIDS within the district	Through the implementation of district HIV/AIDS strategy	WSA	Number of projects implemented	Good Governance and P.P	
		To ensure sustainable development of the environment	Through the implementation of the environment Management Plan and Strategic Environmental Assessment.	WSA	Number of projects implemented	Good Governance and P.P	
		To promote occupational health and safety	Through implementation of the Health and Safety program	WSA	Number of projects implemented	Good Governance and P.P	

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PRIORITY	ISSUE	OBJECTIVE	STRATEGIES	RESP. DEPT.	KPI	NATIONAL KPA	TARGETED YEARS
4	Public safety and security	To reduce the crime rate	Through supporting public safety program aimed at combating and reducing crime	Corporate	Measures put in place to support public safety program	Good Governance and P.P	
		To reduce the risk of communities located in potential disaster areas	Through the review and implementation of the disaster management plan	Corporate	Reviewed of disaster management plan	Good Governance and P.P	
		To facilitate a swift response to incidents of disaster	Through the proper implementation of the disaster management plan.	Corporate	Number of projects implemented	Good Governance and P.P	
		To mobilize external, provincial, national and international funding and investments	Through the identification and engagement of potential funding resources.	Finance	1) Number of funding applications submitted 2) Amount of funding secured	Financial Viability	
		To enhance the revenue collection process.	Through the implementation of the Credit Control Policy.	Finance	Reports on Credit Control	Financial Viability	
		To promote sound administration within the applicable legal mandates	Through the provision of appropriate IT infrastructure.	Planning		Good Governance and P.P	

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PRIORITY	ISSUE	OBJECTIVE	STRATEGIES	RESP. DEPT.	KPI	NATIONAL KPA	TARGETED YEARS
5	Financial and administrative capacity of the district	To facilitate a swift response to incidents of disaster	Through the reviewing of the existing district skills development plan	Corporate	Reviewed Skills Development Plan	Good Governance and P.P	
			Through the optimal utilization and management of district resources	Corporate	1) Updated list of resources 2) Frequency of minimum resources available	Good Governance and P.P	
		To enhance financial administration capacity to comply with legal requirements	Through planning within the DMA	Planning	Number of planning meetings attended	Good Governance and P.P	
			Through implementing financial management capacity building program	Finance	Number of students enrolled in the CPMD	Financial Viability	
			Through the implementation of a Turn-around strategy.	Finance	1) Review of the Turn-around Strategy 2) % Implementation of the Turn-around strategy	Good Governance and P.P	
		To establish accountability and public participation institutions	Through community participation on governance issues.	Corporate	No. of Community meetings and Road shows held.	Good Governance and P.P	
6	Accountability and public participation institutions		Through participating in existing accountability and public participation institutions and structures, e.g. Ward committees, IDP Forums, etc.	Corporate	No. of Meetings attended	Good Governance and P.P	
		Through the review of the Employment Equity Plan.	Corporate	Reviewed Employment Equity Plan	Institutional Development		

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PRIORITY	Issue	OBJECTIVE	STRATEGIES	RESP. DEPT.	KPI	NATIONAL KPA	TARGETED YEARS
7	Co-ordination of social and other services	To co-ordinate and support social and other services	Through the strengthening and implementation of youth, women and people with disabilities programme	Planning	Reviewed Programme of youth, women and people with disabilities. No of projects implemented	Good Governance and PP	
			Through the enhancement of the functioning of the gender working committee.	Planning	No. of Gender Working Committee meetings	Good Governance and PP	
			Through the support and implementation of sport programmes	Planning	No. of support rendered to sporting codes	Good Governance and PP	
			Through the support and implementation of programmes for the physically challenged	Planning	No. of projects implemented	Good Governance and PP	
			Through the support and implementation of programmes for the senior citizen	Planning	No. of projects implemented	Good Governance and PP	
			Through the engagement with local housing forums in order to align water and sanitation infrastructure with housing development	Technical / WSA	No of engagement with housing Forums	Good Governance and PP	

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C1.1.4 TURN-AROUNDS STRATEGY

ADOPTED BY COUNCIL ON THURSDAY, 15 APRIL 2010

NO.	PRIORITY TURN AROUND FOCAL AREA	CAPACITY ASSESSMENT FINDINGS	MARCH 2010 (Current Situation/ Baseline)	TARGET FOR DECEMBER 2010 (Changed Situation)	MUNICIPAL ACTION	UNBLOCKING ACTION NEEDED FROM OTHER SPHERES AND AGENCIES (e.g. intervention or technical support)	START DATE	END DATE	MEANS OF VERIFICATION	HUMAN RESOURCES ALLOCATED	BUDGET ALLOCATED	BUDGET PROJECTED	QUARTERLY PROGRESS	
1	<b>Basic Service Delivery</b>													
1.1	<b>Access to water, management &amp; maintenance</b>	Insufficient funds to eradicate water backlogs	Water backlog 16.5%	District Master Plan	Engagement of National Treasury, National & Provincial Cogta & DWA for financial support	Financial support needed from National Treasury, National & Provincial Cogta & DWA	May 2010	Dec-10	Final District Master Plan	Mayor, MM, CFO, WSA Manager	R 0	R1 million		
		No funds for replacing old & dilapidated water pipe lines resulting in perpetual bursting of water pipes	60% of infrastructure over 50 years old	Preventative Maintenance Plan	1. Preparation of Maintenance Plan 2. Seek funding from prospective funders	Financial support needed from National Treasury, National & Provincial Cogta & DWA	May 2010	Dec-10	Comprehensive O&M	Mayor, MM, CFO, WSA Manager	R 0	R2million		
		Water purification plants have exceeded designed capacity.	Plants operating beyond designed capacity	Designs for upgrading of plants in place	Prepare designs for the upgrading of plants	Engagement of National Treasury, National & Provincial Cogta & DWA	May 2010	Dec 2010	Feasibility Study/Technical Report	Technical Manager	R 0	R1.7million (14% of total project)		
		High water wastage & water loss	Estimated 40% water loss	Water conservation program completed.	Prepare water conservation programme.	Financial support needed from DWA, others	May 2010	Sept 2010	Water conservation programme finalised.	Technical Manager	R 200 000	R1 mil		
1.2	<b>Access to sanitation, management and maintenance</b>	Waste water purification plants have exceeded designed capacity.	Sanitation backlog 21%	Designs for upgrading of plants in place	Prepare designs for the upgrading of plants	Engagement of National Treasury, National & Provincial Cogta & DWA	May 2010	Dec-10	Upgrade design	Technical Manager	R 0	R 0		
		<b>ACCESS TO ELECTRICITY</b>	Electricity outages	Outages in Ezakheni purification plant	Solution to Ezakheni electricity outages	1) Follow-up on the application made by the municipality to Eskom 2) Municipality to follow up with Task Team	1) Eskom to respond on application 2) Eskom to provide costings	May 2010	Dec-10	Solution to outages	WSM	R 0	R 0	
			Electricity outages	Outages at Olifantskop purification plant	Solution to Olifantskop plant electricity outages	Municipality to make an electricity upgrade application to Eskom	1) Eskom to respond on application 2) Eskom to provide costings	May 2010	Dec-10	Solution to outages	WSM	R 0	R 0	

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<b>2</b>	<b>Public Participation</b>												
2.1	Communication with stakeholders	Fragmented public participation	Unstructured public participation processes	Public participation framework developed and implemented	Preparation of public participation framework	COGTA to provide support	May 2010	Dec 2010	Public participation Framework	Exec. Dir. Corporate Services	R2.1million	R2.1million	
<b>3</b>	<b>Governance</b>												
	<b>Labour Relations</b>												
	Wage parity	wage parity issues emanating from transfer of	Disparity in salaries of people doing the same task	Job evaluation completed	Municipality to facilitate finalisation of job evaluation	Finalisation of job evaluation by SALGA	June 2010	Dec 2010	Minutes of meeting with SALGA	Exec. Dir. Corporate Services	R 0	R 0	
<b>3.1</b>	<b>Political management &amp; oversight</b>												
	Council Oversight	Limited Council Oversight	No Council Oversight Framework	Oversight Framework developed and implemented	Prepare and implement Oversight Framework	COGTA to provide support	May 2010	Dec 2010	Oversight Framework	MM	R 0	R 0	
	Intergovernmental relations	Poor relation between government institutions	Un-coordinated service delivery	Functional intergovernmental structures	Resuscitate intergovernmental relations structures and affirm terms of reference	COGTA and KWANALOGA	May 2010	Dec 2010	Functional Structures	MM	R 500 000	R 500 000	
<b>3.2</b>	<b>Administration</b>												
	Technical skills	Inability to attract and retain technical skills	1) Recruitment policy in place. 2) Vacancies in critical posts	Recruitment and retention strategy	Prepare Recruitment and retention strategy	Engagement of DBSA and SALGA	May 2010	Dec 2010	Documented Strategy	Exec. Dir. Corporate Services	R 0	R 0	
<b>4</b>	<b>Financial Management</b>												
4.1	Financial viability of the municipality	Detoriated financial position of the municipality	Weak financial position	Financial recovery plan prepared and implemented	Prepare financial recovery plan	COGTA, Provincial Treasurer, DBSA	May-10	Dec-10	Recovery plan	CFO	R 320.00	R 0	

## **SECTION D: SPATIAL DEVELOPMENT FRAMEWORK**

### **D1.1.1 BACKGROUND**

The first development of the Spatial Development Framework of uThukela District Municipality was in 2003 and it has been reviewed on annual basis when the municipality review its Integrated Development Plan (IDP). The current review of the SDF was done in February 2010 to provide a basis of making choices about how much of what kind of development where, which would also need to be informed by a stronger environmental analysis. In reviewing the SDF, the Environmental Toolkit was taken into consideration. uThukela strongly believe that planning of this kind will assist to indicate where development can occur and the areas where it should be contained. It would also indicate the density of development that could be accommodated.

The uThukela District Municipality completed its comprehensive Integrated Development Plan (IDP) in 2002 and is now in the process of reviewing its IDP for the 2010/2011 financial year. In terms of the Municipal Systems Act all municipalities are required to prepare and review their 5-year IDP's annually. This Spatial Development Framework (SDF) review is intended to assess the existing SDF within the current Integrated Development Plan. This will ensure that the uThukela District Municipality is provided with relevant and sufficient information to guide the process of land use management and development and adhere to Municipal System Act regulations.

### **LAND INFORMATION**

#### **Location**

The uThukela District Municipality (uTDM) is one of ten district municipalities in the Province of KwaZulu-Natal and was established during the 2000 transformation of local government. The uThukela District Municipality derives its name from one of the major rivers in the Province, namely the Tugela that originates within the Drakensberg and supplies water to a large portion of KZN and Gauteng. The uThukela District Municipality has three district municipalities bordering onto it, namely Amajuba, Umzinyathi and Umgungundlovu.

The size of the Municipality is approximately 11,500 km<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 dispersed, which resulted in underdeveloped land and settlement patterns that make it challenging and expensive to deliver effective services.

The District is well endowed with water, pockets of good soils and the natural beauty of the Drakensberg. Two national roads, the N3 and N1 transcend the District, which has a potential for economic development.

uThukela District Municipality consists of five Local Municipalities, namely: Indaka, Emnambithi/Ladysmith, Umtshezi, Okhahlamba, Imbabazane and a District Management Area (KZDMA23). The Indaka and Imbabazane Local Municipalities are newly established municipalities, without a well established economic centre. As a result, the most significant poverty is found in these two municipalities.

#### **NEED FOR THE SPATIAL DEVELOPMENT FRAMEWORK**

A SDF in this report refers to: "A plan that outlines developmental principles, policies and goals that are applicable to a municipal area in relation to physical space."

The rural nature of the municipality resulted in severe backlogs in infrastructure and is characterized by much poverty. Service provision needs to be addressed and measures, such as the Water Services Development Plan, are in place to address all service backlogs within the near future.

In the development of the Spatial Development Framework, the aims of the following documents were included:

- The principles as contained in Chapter 1 of the Development Facilitation Act (DFA) (Act No. 67 of 1995). Chapter 1 of the DFA sets out a number of principles, which apply to all land development. A number of principles would also apply to the formulation and content of a SDF.
- To give effect to section 26 (e) of the Municipal Systems Act (Act No. 32 of 2000) and its regulations. The Regulations promulgated in terms of the



Municipal Systems Act, 2000 set out some of the requirements for a Spatial Development Framework.

- To set out IDP objectives that is spatial in nature and to reflect the desired spatial form of the municipality.
- To set out basic guidelines for a land use management system in the municipality.

### **STRUCTURE OF THE DOCUMENT**

The document is divided into five components, in addition to the introductory, and can be outlined as follows: -

- Analysis – this provides a spatial overview of factors that affect development and has potential for informing future development.
- Concept Plan – this section reviews the spatial development principles and concepts as a point of reference for developing a SDF.
- The Spatial Development Framework – as revised from the previously adopted SDF and taking into cognisance of the development trends that are currently taking place within uThukela.
- Land Use Management System Guidelines – In terms of the Municipal Systems Act, 2000 and the KwaZulu Natal Planning and Development Act, 1998 each municipality is required to prepare an IDP for the whole municipality. A key component of an IDP is the SDF and Land Use Management System (LUMS).

### **LAND USE AND SETTLEMENT PATTERN**

The uThukela District Municipality is predominantly rural in character with a dispersed rural settlement. Rural dense villages with a population of over 5,000 people are mostly found within the traditional areas of the Indaka and Imbabazane Local Municipalities. Both these Municipalities are characterised by very steep mountainous areas with limited opportunities for agricultural activities and creating difficulties in the provision of infrastructure.

### **URBAN AREAS**

Ladysmith and Estcourt are the two major towns and economic hubs within the uThukela District Municipality. Both Ladysmith and Estcourt are commercial centres for surrounding farming areas and serves as shopping centres for towns such as Bergville, which lacks a strong commercial presence. As Ladysmith is the economic and regional hub, the banking sector is service industry is prevalent. The town is further the industrial hub, with

the majority of industries being located around Ladysmith. The only industrial estate in the District is also located a short distance from Ladysmith.

## **Land Ownership**

### **Traditional Authority Area**

Large areas of traditional land are located within uThukela, with about 35% of land classified as either “tribal” or peri-urban. A spatial analysis revealed that a large portion of degraded land is located in traditional areas. This is especially true in the Emnambithi, Indaka and Umtshezi Municipalities. The high propensity for soil erosion in these areas, coupled with land mismanagement, has contributed to this.

Indaka and Imbabazane has by far the largest share in traditional land, with areas as high as 83% being traditional land. As such, very little of the municipality’s land has been transferred through the land reform process. By comparison, the municipalities with the smallest percentage of traditional land, being Emnambithi and Umtshezi have also experienced the highest level of land reform. In terms of overall ownership, tribal lands and land reform areas account for about 40% of all land in uThukela.

### **Land Reform Projects**

The land reform process in uThukela is summarized in the table below. As of 2007 a total of 55,523 hectares were transferred to 8,450 beneficiaries. The largest share of land was transferred in Umtshezi, followed by Emnambithi, accounting for roughly 93% of all land transferred. A single project in Beeters accounted for the large portion of land transfer in Emnambithi during 2005. Only 1% of land has been transferred in Imbabazane and 6% in Umtshezi.

**Table : Land transferred through the reform process (1994 -2007)**

<b>Year</b>	<b>Emnambithi</b>	<b>Imbabazane</b>	<b>Okhahlamba</b>	<b>Umtshezi</b>	<b>Total (ha)</b>
1994	0	0	0	7,301	7,301
1996	0	0	0	3,955	3,955
1997	0	0	1,061	1,890	2,951
1998	1,170	0	0	3,958	5,128
1999	456	0	70	3,865	4,391
2000	0	0	0	592	592
2001	2,032	0	177	2,076	4,285
2002	1,935	0	860	652	3,446

2003	254	0	48	2,284	2,586
2004	0	561	0	334	895
2005	15,675	0	1,254	0	16,929
2006	1,712	0	0	73	1,785
2007	729	0	0	549	1,278
<b>Total:</b>	<b>23,963</b>	<b>561</b>	<b>3,470</b>	<b>27,529</b>	<b>55,523</b>
<b>% of Total</b>	<b>43%</b>	<b>1%</b>	<b>6%</b>	<b>50%</b>	<b>100%</b>
<b>Grand Total for uThukela:</b>					<b>55,523</b>

Source: Department of Land Affairs and LS Miller

### **Road Networks**

There are two national routes, the N3 and N11, traversing the District, which forms a critical link between uThukela and provincial, national and international destinations. The Indaka and Imbabazane municipal areas are relatively isolated from these routes and can only be accessed via the provincial road network.

The N3 traverses uThukela and form the connection between Durban and Gauteng. This route carries a vast amount of goods and passengers, with only a few filling stations along the route gaining economic benefit. The N11 is an alternative route from Ladysmith to Gauteng and Limpopo and form an important route between Ladysmith and Newcastle located in the neighbouring Amajuba District Municipality.

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.

### **Environmental 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 donga sand soil erosion are also an indication of poor environmental management and there is therefore a need to develop and adopt an environmental management approach.

### **Agricultural Potential**

Three categories of agricultural land have been identified. These are areas with high, good and relatively good agricultural potential. The protection of these areas is addressed within the Land Use Management Guidelines at a later stage.

### **Tourism**

Apart from the Drakensberg World Heritage Site, which has an obvious scenic attraction, the many battles that were fought within the District are a major tourism attraction. The tourism opportunities created by these historical events include cultural and historical tourism. Other events hosted within the District include art and craft events, such as the River Arts Festival in Ladysmith and the Music in the Mountains event, hosted by the Drakensberg Boy's Quire.

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.

### **Key Spatial Development Issues**

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 during the analysis phase:

- 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.

## **CONCEPT PLAN**

### **Spatial Development Principles**

The basic principles of a SDF are to achieve planning outcomes that ensures:

- Land use integration – The SDF should be a framework for spatial restructuring such as “... promoting a diverse combination of land uses and promoting the sustained protection of the environment”.
- Environmental sustainability – In order to promote economic, social and environmental sustainability there is a need to maximize the utilisation of resources, directing private and public investments and other physical development in a manner that ensures that environmental issues are not compromised.
- Spatial and equitable distribution of development – The planning of the past was characterized by fragmented development, which resulted in some areas being better serviced while others faced backlogs in social, economic and technical services. The SDF should therefore promote and guide development to the areas of greatest need and development potential thereby addressing the inequitable historical spatial form.
- Functionality – The establishment of a spatial framework should ensure the functional location of different land use components and patterns taking into consideration movement corridors.
- Sense of place and relevance – The SDF should acknowledge and strengthen the positive unique features of uThukela and use these to enhance the identity of the District.

### **Transport Corridors as Investment Nodes**

The transportation network in the form of roads and rail infrastructure plays a critical role in determining the structure of the area while creating opportunities for investment. This is due to the transportation network providing linkages between different areas, while influencing the level of access to social and economic opportunities whereby the quality of life for individuals can be enhanced.

The access roads within uThukela are also considered to be of major importance, as community access roads are in poor condition. This limits the level of health and social service that can be delivered to rural communities. This is particularly worrying given the impact of HIV/AIDS on rural people.

### **Natural Resources as Primary Investment Nodes**

The key development issues that face uThukela include environmental degradation and the underutilisation of natural and physical resources. This is due to the growth of dispersed settlements with limited infrastructural services. The result is that individuals depend on the environment for energy and water which places the environment at risk and result in human energy being utilised towards non-productive ends. Areas, such as Imbabazane have huge agricultural potential, but lack agricultural infrastructure, such as an irrigation scheme, to gain full benefit of this resource. Without proper control and management, the natural resources that rural people depend on to survive, may be over utilised which would place such communities at a serious risk.

The tourism sector is one of the opportunity industries that have contributed to the economic growth of many local communities. The Drakensberg World Heritage Site is an important natural resource, which should be protected for future generations. To this end, a Special Case Area Plan (SCAP) and Drakensberg Approaches Policy (DAP) have been developed and incorporated in the uThukela SDF. In terms of these documents and the World Heritage Convention Act, a developmental buffer is to be established to ensure the protection of this natural resource. The following are critical aspects to consider in the formulation of a framework for the protection and enhancement of the natural resources base:

- The environmental uniqueness and character of uThukela.
- Identification of functional ecological systems associated with major rivers and other environmental sensitive areas.
- Acknowledging the impact of topographical features and other aspects of the fixed natural environment.
- Creating a framework for managing growth and development within the municipal areas especially the agriculturally productive areas.

### **Service Centres as a Means for Service Delivery**

The uThukela District Municipality is currently addressing the equitable delivery of services as one of their key issues, as was identified in their IDP. This implies a systematic ordering and delivery of services in a manner that promotes accessibility and efficiency in service delivery. This is critical for the economic and social development of the District.

This KZN Provincial Growth and Development Strategy (PGDS) indicate the following nodal hierarchy in addressing service delivery:

- Primary node – location of higher order services and facilities.
- Secondary node – location of Rural Service System Hubs or Emerging Rural Centre.
- Tertiary node – considered as a satellite, provides access to services and facilities at a localized scale. These could also be settlements within the sphere of influence of a secondary node (Hub).

The concept proposes that such nodes be based on existing centres, with new nodes established at major road intersections, higher density settlements and other strategic positions. Depending on local factors, some centres will serve wider thresholds while others will be limited to the immediate area. Initially, public sector funding may be utilised to promote these centres, but should be positioned so as to attract private sector investment.

## **Establishing a Framework for Growth**

Applying the different concepts within uThukela provides a spatial framework consisting of the following spatial indicators:

- Investment nodes and activity corridors within a systemic framework.
- A framework for investment and growth based on different elements of the natural environment.
- A system of service centres as a means for effective service delivery.
- A clear focus on certain dominant nodal points as the basis for urban renewal programs and economic investment.
- Acknowledgement of settlement and their structures as webs.

## **STRATEGIC SPATIAL ASSESSMENT**

### **IDP Vision**

The vision of the uThukela District Municipality as highlighted in the IDP is:

**An improved quality of life for all in a globally interconnected, stable and developed region.**

The above vision has two main thrusts which have spatial implications, namely to strive for a "...improved quality of life..." suggesting that service provision must be as efficient as possible and secondly to create a "...stable and developed region..." suggesting the promotion of growth areas as outlined in the National Spatial Development Perspective (NSDP).

### **Spatial Vision**

From the above IDP vision one can derive the following spatial vision for the uThukela District Municipality:

**"A spatial form that promotes settlement integration, the provision of basic needs, the enhancement of the agricultural and tourism sectors, ensuring benefits to all in a sustainable environment"**



## Spatial Aims and Objectives

In light of the above and based on the uThukela spatial analysis and national and provincial spatial policies, a set of clear spatial aims and objectives are highlighted for the SDF in the table below.

**Table: Spatial Aims and Objectives**

Aim	Objectives
To create sustainable human settlements and quality urban environments in line with the NSDP	<ul style="list-style-type: none"> <li>▪ TO ENHANCE LINKAGES BETWEEN THE RURAL AREAS AND URBAN SETTLEMENTS</li> <li>▪ To encourage urban integration at local settlements to redress the imbalances of the past</li> <li>▪ To ensure the protection of environmental sensitive areas</li> </ul>
To achieve economic growth and development through maximizing the potential comparative advantages of the District	<ul style="list-style-type: none"> <li>▪ To enhance potential movements corridors</li> <li>▪ To enhance the comparative economic advantages of uThukela</li> <li>▪ To enhance the potential tourism linkages trans-nationally and internationally</li> <li>▪ To enhance agricultural activities that will benefit local economic development</li> <li>▪ To upgrade infrastructure that will enhance the economic competitiveness of the District</li> </ul>

## SPATIAL STRATEGIES

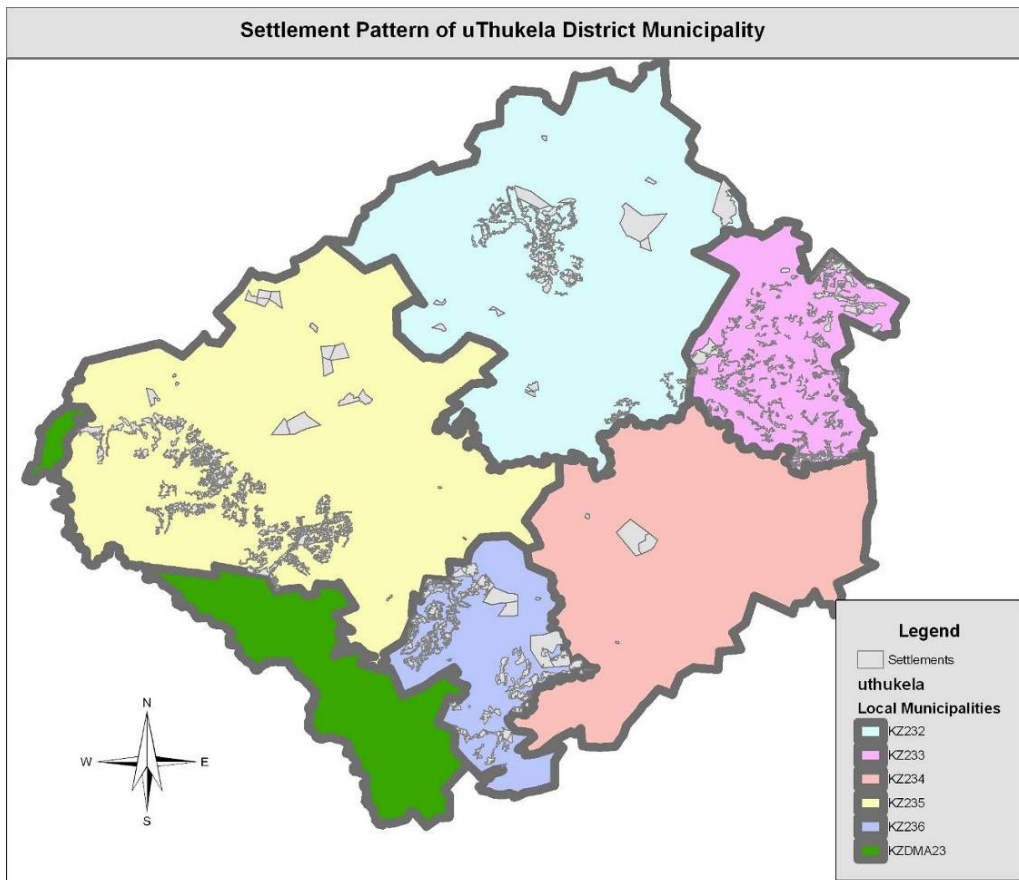
In order to achieve the above aims and objectives the following strategies needs to be adopted:

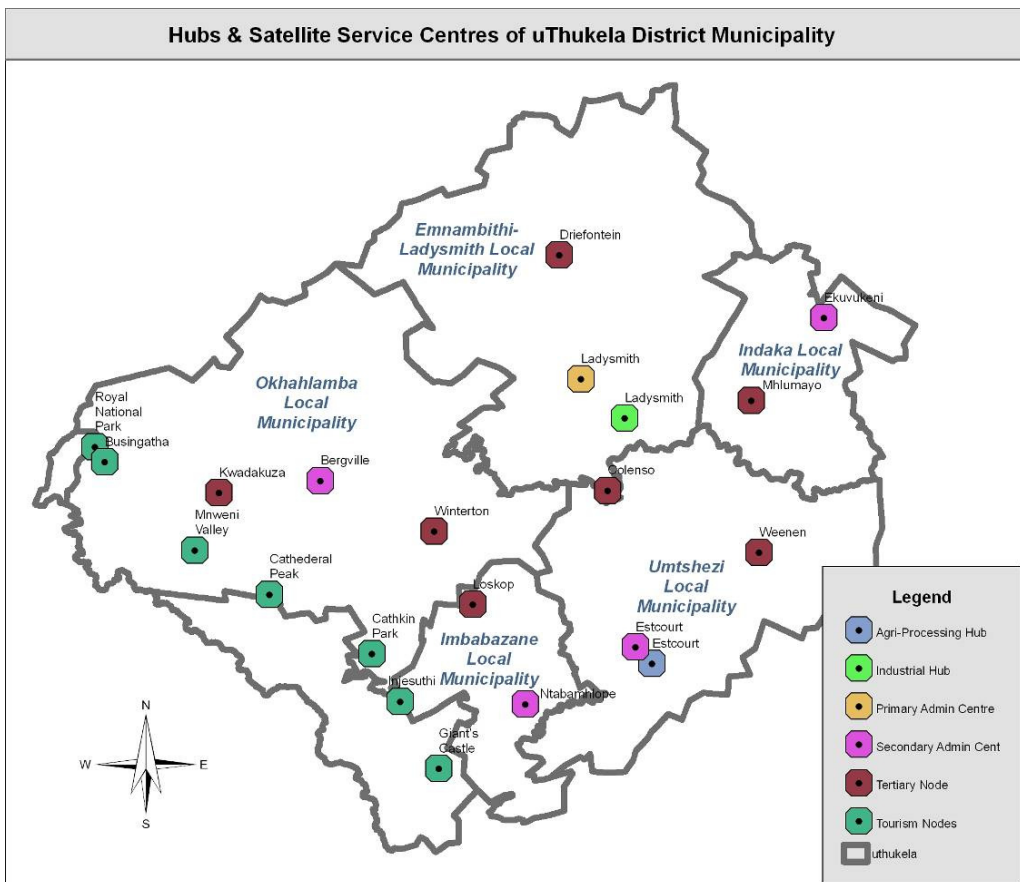
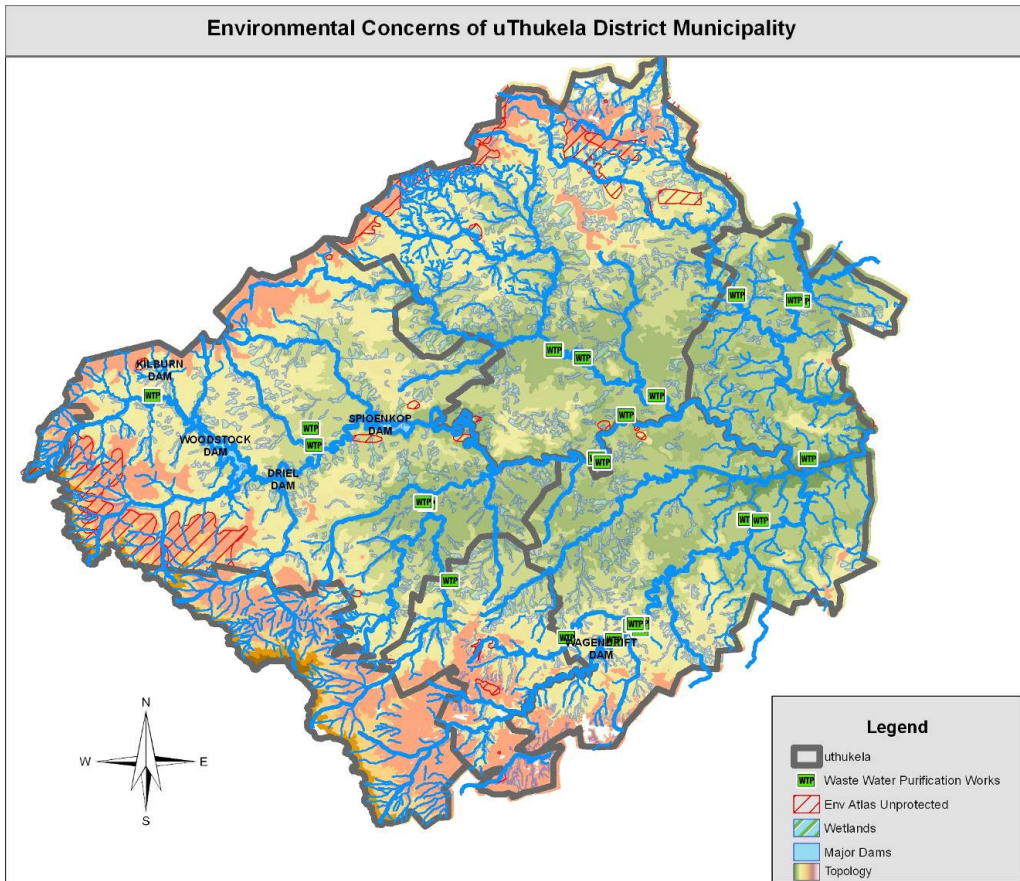
- The town of Ladysmith is to be developed as the *Primary Admin Centre* of the District.
- The industrial area at Ladysmith is to be developed as the *Primary Industrial Hub* of the District.
- The town of Estcourt is to be developed as the *Primary Agri-processing Hub* of the District.
- The towns of Ekuvukeni, Estcourt, Ntabamhlope and Bergville are to be developed as *Secondary Admin Centres* to locate an admin centre within each local municipality.

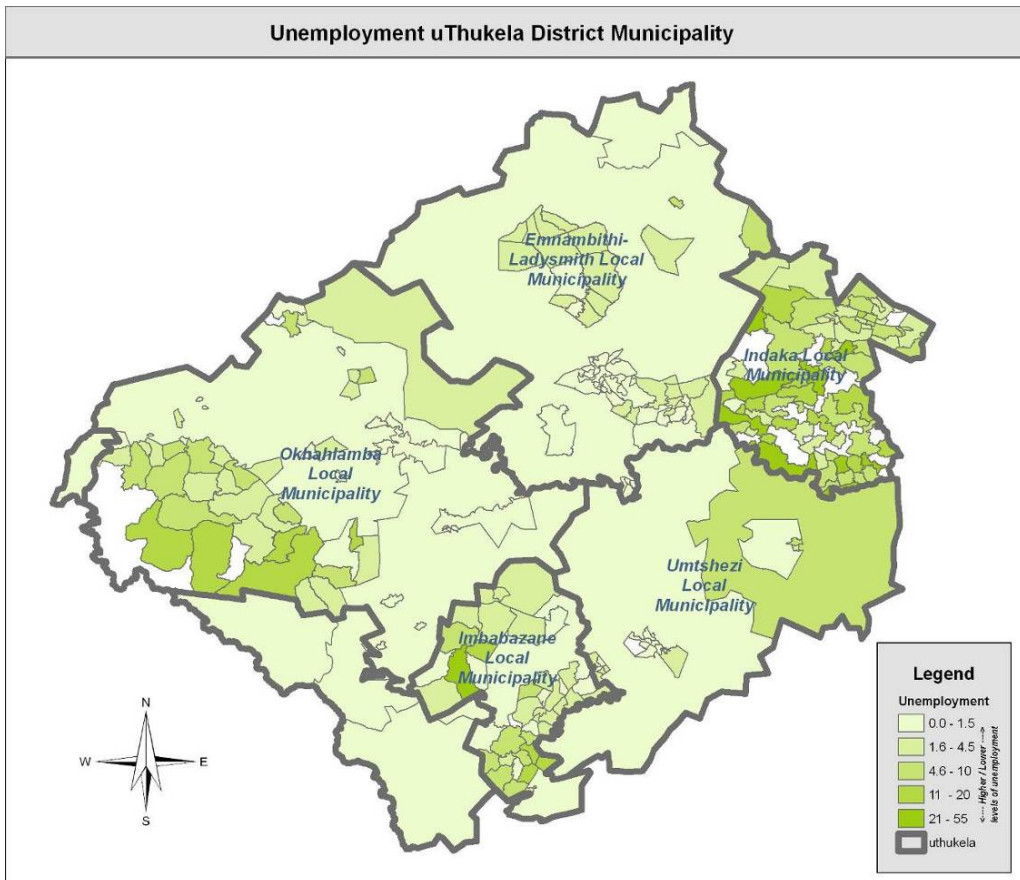
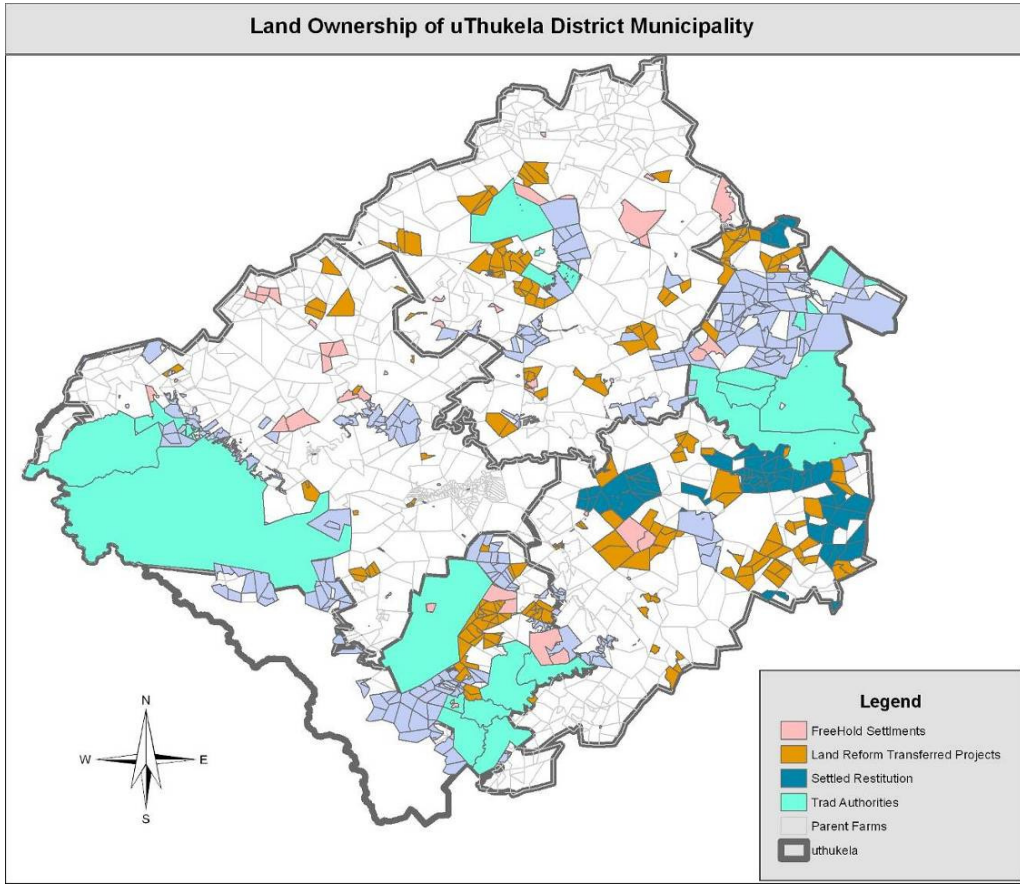
- *Tertiary Nodes* are to be located at Driefontein, Mhlumayo, Weenen, Colenso, Loskop, Kwadakuza and Winterton and will be places where a decentralization of administrative functions may take place. These nodes will also be targeted for economic investment.
- *Tourism nodes* will be focussed upon along the Drakensberg and in Ladysmith to make full use of the Drakensberg World Heritage Site and the Battlefields routes.
- The N11 and N3 are identified as *Primary Corridors* and play an important part in making the District economically competitive.
- *Secondary Corridors* were identified to link the Secondary Nodes and in some cases the Tertiary Nodes where such nodes are located on a route to an adjacent district.
- A *Primary Tourism Corridor* was identified and runs from Estcourt along the Drakensberg over the Olivier's Hoek Pass, to give effect to the Provincial tourism/trekking initiative.
- *Secondary Tourism Corridors* have been identified from the Primary Tourism Corridor to the Tourism Nodes located along the Drakensberg World Heritage Site to benefit the local communities on these routes.
- The portion of N11 stretching between Ladysmith and the N3 has been identified as a *priority upgrade*, as well as a stretch of dirt road between Loskop and Bergville in order to enhance the access to Ladysmith and the Primary Tourism Corridor respectively.
- The *N3 Corridor Development Nodes* have been located along the N3 in order to derive some benefits from this major transport route.
- *Water and Sanitation Infrastructure Investment* are identified in the uThukela District Municipality Water Services Development Plan (2007)

### MAPS

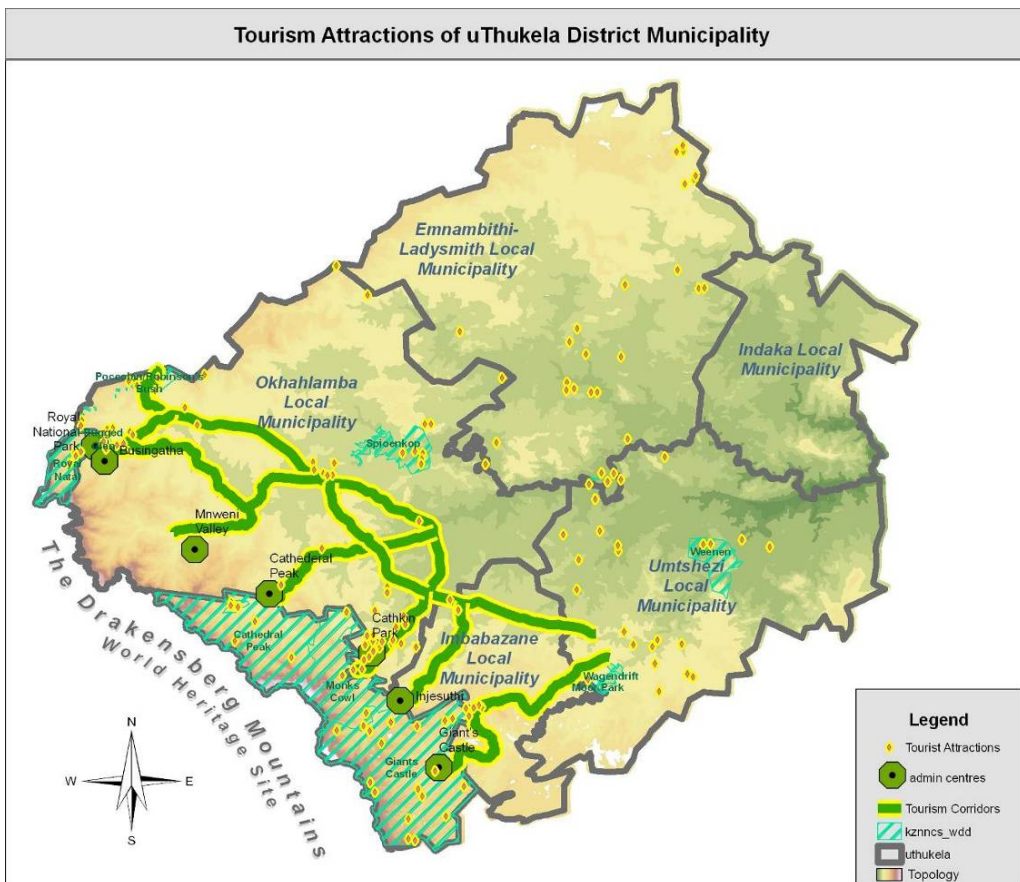
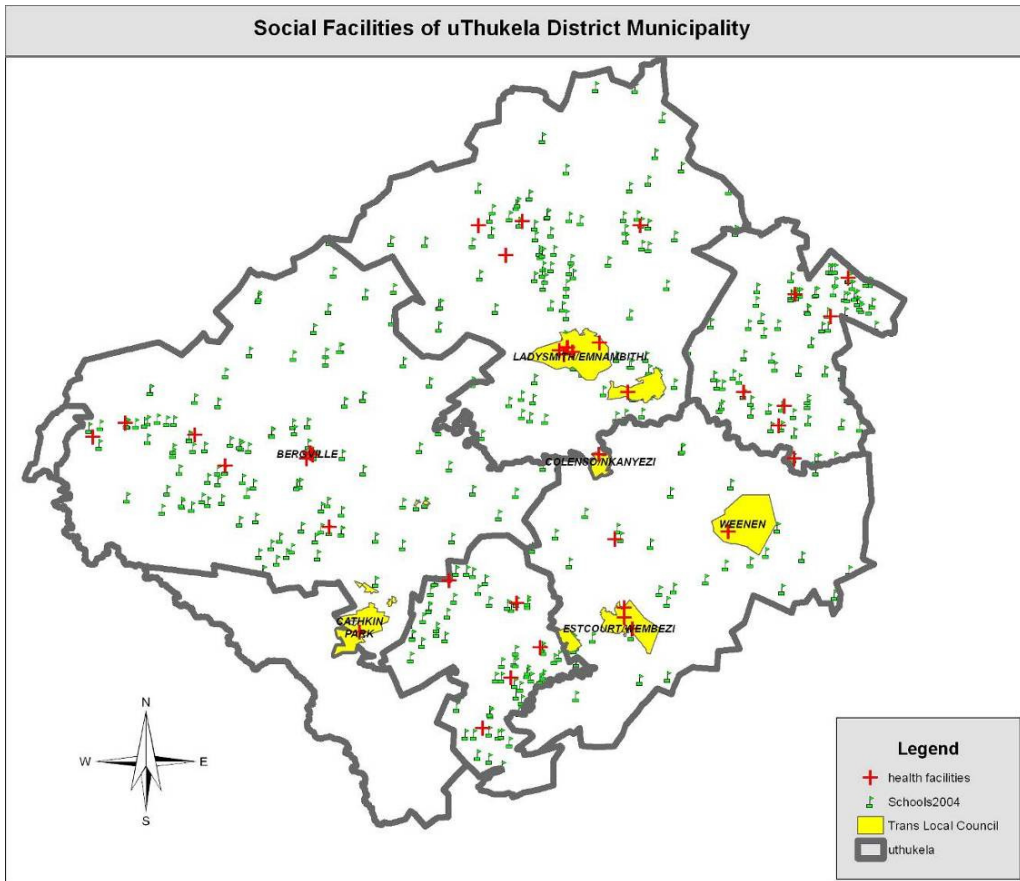
The following series of maps presents the status quo and concludes with an integrated Spatial Development Framework for the uThukela District.

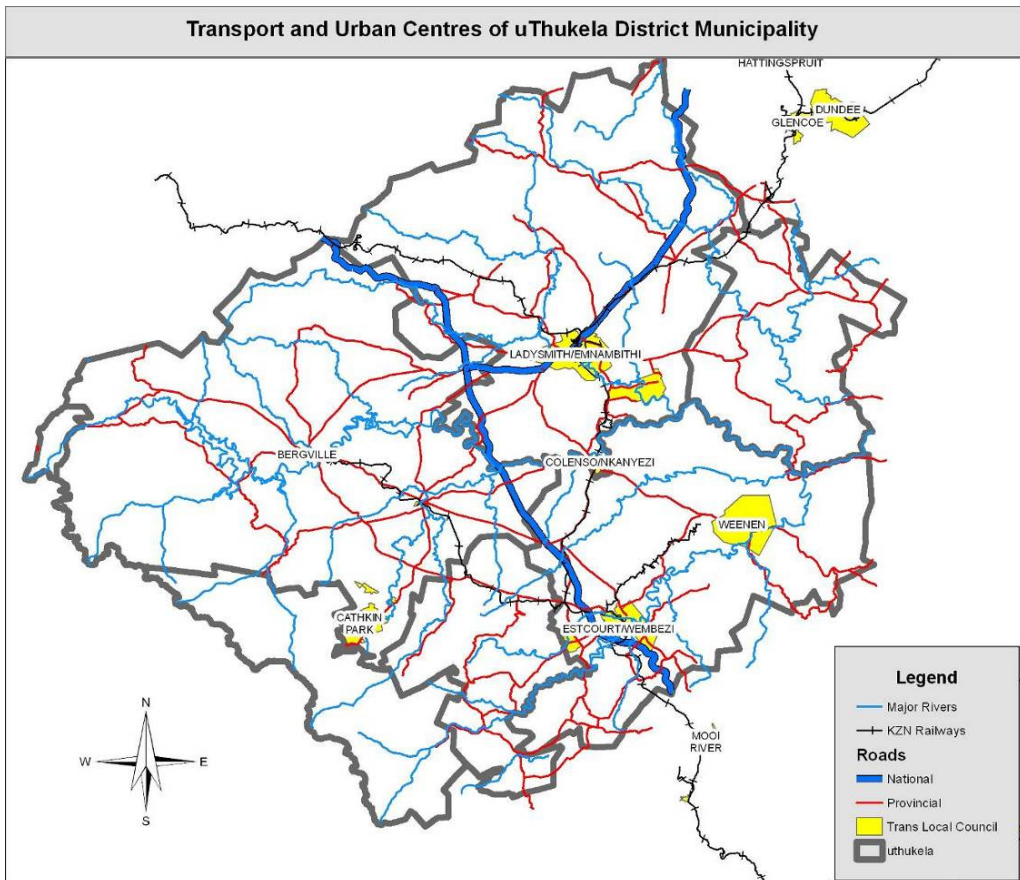
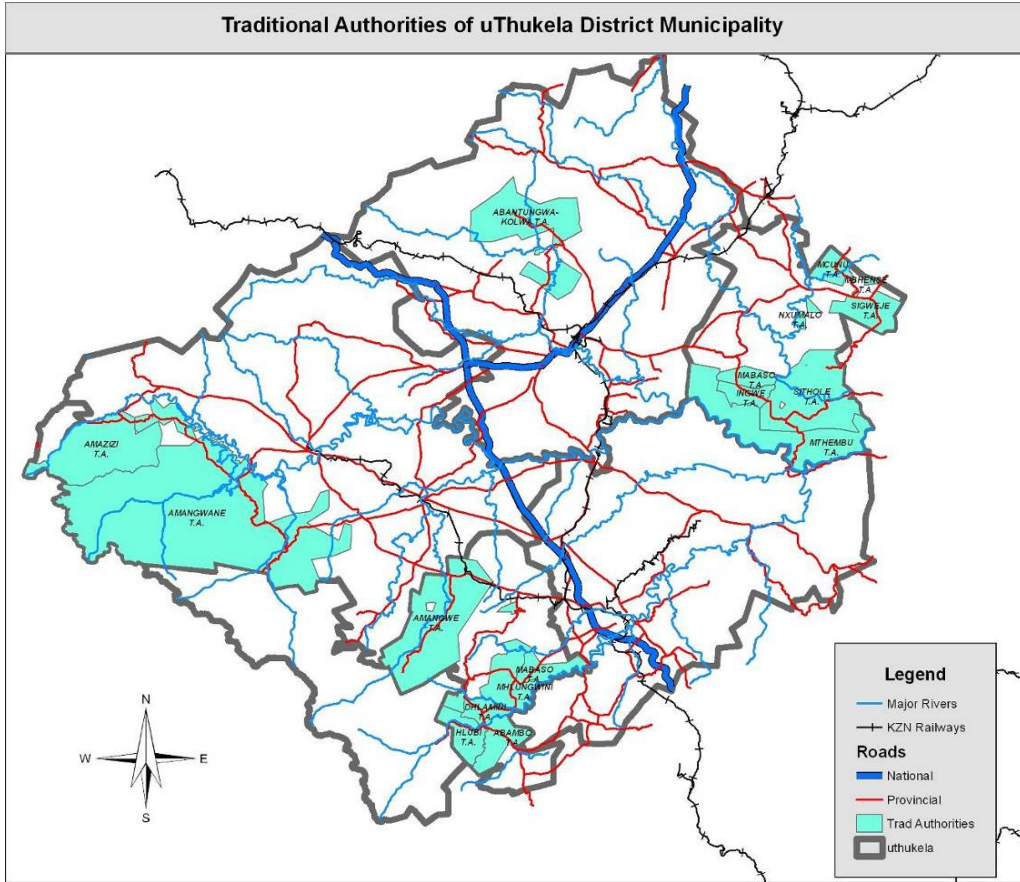




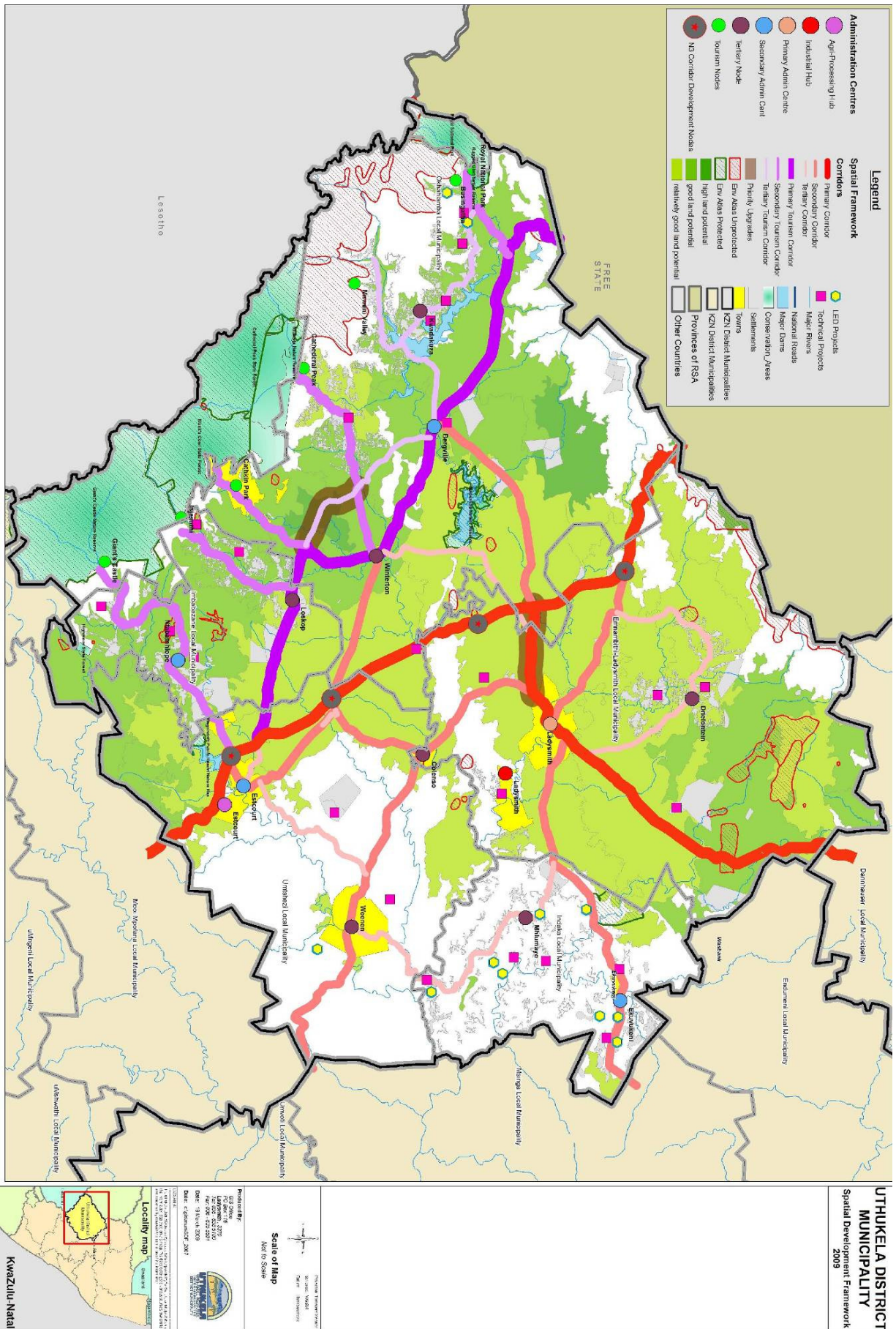














### **D1.1.2 SPATIAL ANALYSIS**

uThukela District Municipality is predominantly rural in character with a dispersed rural settlement. Rural dense villages with a population of over 5,000 people are mostly found within the traditional areas of the Indaka and Imbabazane Local Municipalities. Both these Municipalities are characterised by very steep mountainous areas with limited opportunities for agricultural activities and creating difficulties in the provision of infrastructure.

Ladysmith and Estcourt are the two major towns and economic hubs within the uThukela District Municipality. Both Ladysmith and Estcourt are commercial centres for surrounding farming areas and serve as shopping centres for towns such as Bergville, which lacks a strong commercial presence. As Ladysmith is the economic and regional hub, the banking sector and service industry is prevalent. The town is further the industrial hub, with the majority of industries being located around Ladysmith. The only industrial estate in the District is also located a short distance from Ladysmith. Large areas of traditional land are located within uThukela, with about 35% of land classified as either "tribal" or peri-urban. A spatial analysis revealed that a large portion of degraded land is located in traditional areas. This is especially true in the Emnambithi, Indaka and Umtshezi Municipalities. The high propensity for soil erosion in these areas, coupled with land mismanagement, has contributed to this.

Indaka and Imbabazane has by far the largest share in traditional land, with areas as high as 83% being traditional land. As such, very little of the municipality's land has been transferred through the land reform process. By comparison, the municipalities with the smallest percentage of traditional land, being Emnambithi and Umtshezi have also experienced the highest level of land reform. In terms of overall ownership, tribal lands and land reform areas account for about 40% of all land in uThukela.

There are two national routes, the N3 and N11, traversing the District, which forms a critical link between uThukela and provincial, national and international destinations. The Indaka and Imbabazane municipal areas are relatively isolated from these routes and can only be accessed via the provincial road network. The N3 traverses uThukela and forms the connection between Durban and Gauteng. This route carries a vast amount of goods and passengers, with only a few filling stations along the route gaining economic benefit. The N11 is an alternative route from Ladysmith to Gauteng and Limpopo and forms an important route between Ladysmith and Newcastle located in the neighbouring Amajuba

District Municipality. 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.

#### **D1.1.3 ALIGNMENT OF UTHUKELA SDF WITH LOCAL MUNICIPALITIES AND NEIGHBOURING DISTRICTS**

uThukela District Municipality had a number of strategic meetings in aligning the SDF with Local Municipalities and uThukela District Municipality engages with neighbouring municipalities on cross border issues. The neighbouring districts which includes Amajuba, Umzinyathi, Umgungundlovu, Zululand District Municipalities, members of the uThukela family of municipalities had meetings on cross border alignment, where issues that are cross border development nature were discussed such as projects that have a service delivery impact across municipal boundaries like transport systems etc. Community facilities that are located close to municipal borders that have potential.

#### **D1.1.4 ALIGNMENT OF SDF WITH NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE (NSDP)**

The NSDP is the initiative from the Office of the Presidency to reconfigure apartheid spatial relations and to implement spatial priorities that meet the constitutional imperative of providing basic services to all and alleviating poverty and inequality. To ensure that the SDF is talking to the NSDP, a workshop was held in March 2009 where sector departments, NGO's, Chamber of Business were invited. In the workshop the service providers engaged with stakeholders in identifying the key driving forces and develop new scenarios for future development. The report of part 1 and 2 was completed and it contains analysis of the District spatial and economic development. In reviewing the uThukela SDF, the NSDP principles were taken into consideration.

The table below show the alignment between the NSDP Principles and uThukela District Municipality priority Focus

<b>NSDP Principles</b>	<b>UTDM IDP Priority Focus for 2010/2011</b>
Rapid Economic Growth that is sustained and inclusive is a pre requisite for the achievement of other policy objectives, among which poverty alleviation	Economic Development
Government spending on fixed investment should be focused on localities of economic growth in order to gear up private-sector investment, to stimulate sustainable economic activities and create long term employment opportunities	Provision of sustainable infrastructure, water and sanitation services and backlog thereof. Coordination of social services
Efforts to address the past and current social inequalities should focus on people not places. In localities where there are high levels of poverty and demonstrated economic potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities	Economic Development
Future settlement and economic development opportunities should channelled into activity corridors and nodes that link the main growth centre. Infrastructure investment should support localities that will be the major growth nodes in South Africa.	Economic Development and Spatial Development Framework
To provide basic service to all citizen wherever they reside	Provision of sustainable infrastructure, water and sanitation services and backlog thereof.

### **D1.1.5 ALIGNMENT OF SDF WITH PSEDS**

The Provincial Spatial Economic Development Strategy (PSEDS) is built on the principles of the National Spatial Development Strategy (NSDP). uThukela Spatial Development Framework (SDF) is also focusing on the four key sectors identified as key drivers of the Economic Growth in the PSEDS. The key sectors are Agricultural, Tourism, Industrial and Service sectors. The SDF is aligned to PSEDS.

The PSEDP identifies nodes and activity corridors which would facilitate increased growth of existing centres & corridors of economic development, Ensure that the economic development potential in areas of high poverty levels and densities is realised.

The nodes in uThukela are prioritised as followed in the PSEDS:

Tertiary Node7	LADYSMITH
Quaternary Node1	BERGVILLE
Quaternary Node33	WEENEN
Quaternary Node34	WINTERTON
Secondary Corridor 8	UKHAHLAMBA

The overview of Potential per Economic sector in uThukela District Municipality are the following:

#### AGRICULTURE AND LAND REFORM

- Support land reform beneficiaries – Weenen & Winterton;
- Support for land reform cluster projects across uThukela – Beeters, Ladysmith & Weenen (with special focus on maize and beef farming);

#### TOURISM

- Battlefields routes: Development of linkages to benefit previously disadvantaged;
- Drakensberg eco-tourism: Develop cultural tourism opportunities with bordering communities;
- Improve tourism signage along Drakensberg fringe;
- Improve state of access roads to tourist centres

#### INDUSTRY

- Emnambithi Industrial area: provision of world class infrastructure; and
- Provide adequate affordable housing and related services

#### SERVICES

- Plan Weenen to position for investment; and
- Provide adequate affordable housing and related services in towns.

#### **D1.1.6 LAND USE MANAGEMENT SYSTEM**

The main role of uThukela District Municipality is to give support and develop the LUMS Guidelines/Framework that assists the Local Municipalities in preparation of LUMS. In order to ensure that there is a sustainable development; the LUMS Framework considers the environmental conservation of resources. The all 5 local municipalities under uThukela have developed, reviewed and adopted their LUMS using the guidelines formulated by uThukela District Municipality. The challenge that faces local municipalities is the implementation of these LUMS.

#### **D1.1.7 LUMS GUIDELINES/Framework**

##### Areas with High Agricultural Potential

No further development other than commercial agriculture.

- Department of Agriculture and Environmental Affairs must in writing commit their support to land reform projects within High Agricultural Potential land in order to deliver commercial and environmental sustainable land reform projects
- Development subject to development application.

##### Areas with Good Agricultural Potential

- Agricultural theme to be continued, possibly in the form of Agri-tourism.
- Very Limited development in line with the SCAP and DAP.
- Development subject to development application.

##### Areas with Relatively Good Potential

- Limited development in line with the SCAP and DAP.
- Development subject to development application.

##### Areas remaining

- Development subject to development application.

#### **Rivers**

- No development within the 1:100 flood lines and where the integrity of a river bank may be compromised.
- Developments below a dam wall, must take cognisance of the dam failure flood line.
- No agricultural activity should take place closer than 20 metres from any river bank.

### **Wetlands**

- Wetlands are important to environmental sustainability, water retention and filtration and flood mitigation and must be conserved as far as possible.
- No wetlands are to be converted or drained without approval from the Department of Agriculture and Environmental Affairs.

### **Dams**

- No future settlements within the 1:100 year flood line and dam failure flood lines.
- Existing settlements should be encouraged to relocate outside of these flood lines.
- No development should be closer than 20m from the high-water mark of any unprotected dam, until such time as the Disaster Management Plan identifies settlements that are at risk of being flooded.

### **Environmental**

- Cognisance should be taken regarding the unprotected areas.
- Further investigation by the local LUMS is required in these identified areas.

### **Settlements**

- Local LUMS should aim to increase the density of rural and urban settlements.
- Local LUMS should aim to address spatial segregation, particularly in housing delivery by identifying suitable areas for low-income housing.
- Local LUMS should identify the need for expansion of towns and indicate areas for future growth.
- Settlement service provision should followed RSS guidelines.

### **Roads**

- Settlement service provision should followed RSS guidelines.
- N11 should be maintained as a primary access route in order to increase the benefit to Ladysmith.
- Upgrade of the gravel road between Emmaus and Loskop to accommodate tourism developments.
- Maintenance of a good standard of roads to tourism nodes.
- Upgrading of the road between Ladysmith and Bergville toll plaza is absolutely essential as it is an important link to the N3.

- Local LUMS to investigate P 294 from the N3 to Winterton as it may have a benefit for tourism.
- The table below is an indication of the access road standard to the various settlement categories

**Table: Access Road Standard**

Type of service	Hub	Primary Settlement	Secondary Settlement	Tertiary Settlement	Smallest
Access Roads	Tar	Gravel good	Gravel Good	Good condition	Accessible

### Proposed Standards

Five Classifications of Primary Health Care facilities were identified:

- a) Mobile Clinics – to reach the most isolated people in the rural areas.
- b) Clinics – to serve areas of approximately an eight kilometre radius, providing a five day per week service and catering for a population of about 10,000 people.
- c) Community Health Centres - provides a 24-hour service.
- d) Regional Gate Clinics – located within the premises of the hospitals, staffed by nurses who refer patients to a doctor if unable to assist.
- e) Regional Hospitals – provide a 24-hour service.

### Settlement Hierarchies

The following two tables provide some guidance towards the classification of settlement types and service standards.

**Table: uThukela Settlement Hierarchies**

Level	Type	Approximate Population
1	Hub	More than 15 000
2	Primary Settlement	7 000 - 15 000
3	Secondary Settlement	4 000 – 7 000
4	Tertiary Settlement	1 000 – 4 000
5	Smallest	Less than 1000

**Table: Service Standards**

Type of service	Hub	Primary Settlement	Secondary Settlement	Tertiary Settlement	Smallest
Population	District Service Area	15,000	7,000	4,000	1,000 and less
Education	High School/ FET System	High School	Grade 10	Grade 8	Grade 7
Crèches	No. of Crèches	No. of Crèches			
Health	Hospital	24-hour Clinic Scheme	Clinic	Mobile Clinic	Mobile Clinic
Housing	Priority Scheme		Community Driven	Community Driven	Community Driven
Postal	Post Net	Post Boxes	Post Boxes		
Police	Station	Satellite Station	Mobile Service	Mobile Service	
Access Roads	Tarred Access	Gravel good	Gravel Good	Good condition	Accessible
Community Halls	Multi purpose	Community hall to serve large area	Community Hall		
Sport	District Facility	Medium size	Small		
Taxi Rank	With Hawker stalls and ablution	Small	Small		
Telephones	Public phones at MPCC	Public Phones	Public phone at core	Community Driven	Community Driven
MPCC	MPCC	Satellite to MPCC			
Business Centres	Well developed	Small	LED core	LED core	LED core
Pension Point	Community Hall	Community Hall	Community Hall	Shelter and Ablution	
Cemeteries	Regional variety of facilities	District facility	Local facility	Local facility	Use facilities at tertiary web
Emergency Services	Service Centres	Satellite	Communication Point		



## SECTION E SECTOR INVOLVEMENT

### E1.1.1 INTRODUCTION

In the previous IDP, uThukela was using the IDP Service Providers Forum in getting the information and planning together but it was not effective because of inconstancy of attending meeting. In this financial year which is 2010/2011 uThukela District Municipality had come up with another strategy of engaging the sector departments on one on one basis. The challenge that came from the discussion between uThukela District Municipality and sector departments was the different budgeting cycles between local government and Provincial Government. In engaging the sector departments, most of them indicated that they will only be having their programmes/projects with budgets in April 2010. When we engage them after April nothing was provided to the municipality. The following are the sector departments that forwarded their programmes for 2010/2011 financial year:

### E1.1.2 Department of Arts and Culture

UTHUKEL ADM	Project/Programme Details ( per LM)	Project Cost Actual and Expenditure	Ward / Area where project will be implemented	Project Start Period	Project Status
Emnambithi LM	Support to Arts and Culture Forum.	R4 000.00	All W ards	2008	Ongoing
	Establish and support War on Poverty Cadres	R5 000.00	All W ards	Nov 2009	Ongoing
	Support/facilitation of multicultural projects	R14 000.00	All wards	2010	Planned
	Moral Regeneration Programme – focusing on Women, youth and disabled	R8 250.00	All wards	2010	Planned
	Visual Arts and Craft Promotion (Access to LM & District exhibition platforms)	R6 000.00	All wards	2010	Ongoing
	Hip-Hop, Story Telling & Kwaito eliminations	R10 000.00	All wards	2010	Planned
	Non- Accredited Skills Training (Visual Arts, Craft & Performing Arts Training)	R40 000.00	All wards	2010	Planned
	Participation in uThukela Community Arts Festival	R22 000.00	All wards	2010	Planned
	Performing Arts Promotion	R55 467.00	All wards	2010	Ongoing
	Providing platform & market to visual Artists, Crafters & Performers	R10 000.00	All wards	2010	Planned

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Okhahlamba LM	Support to Arts and Culture Forum.	R4 000.00	All W ards	2008	Ongoing
	Establish and support War on Poverty Cadres	R5 000.00	All W ards	Nov 2009	Ongoing
	Support/facilitation of multicultural projects	R17 250.00	All wards	2010	Planned
	Moral Regeneration Programme – focusing on Women,y outh and disabled	R8 250.00	All wards	2010	Planned
	Visual Arts and Craft Promotion (Access to LM & District exhibition platforms)	R6 000.00	All wards	2010	Ongoing
	Hip-Hop, Story Telling & Kwaito eliminations Non- Accredited Skills Training (Visual Arts, Craft & Performing Arts Training)	R7 500.00	All wards	2010	Planned
		R16 250.00	All wards	2010	Planned
	Participation in uThukela Community Arts Festival	R22 000.00	All wards	2010	Planned
	Performing Arts Promotion	R15 250.00	All wards	2010	Ongoing
	Providing platform & market to visual Artists, Crafters & Performers	R10 000.00	All wards	2010	Planned
Imbabazane LM	Support to Arts and Culture Forum.	R4 000.00	All W ards	2008	Ongoing
	Establish and support War on Poverty Cadres	R5 000.00	All W ards	Nov 2009	Ongoing
	Support/facilitation of multicultural projects	R172 500.00	All wards	2010	Planned
	Moral Regeneration Programme – focusing on Women,y outh and disabled	R8 250.00	All wards	2010	Planned
	Visual Arts and Craft Promotion (Access to LM & District exhibition platforms)	R6 000.00	All wards	2010	Ongoing
	Hip-Hop, Story Telling & Kwaito eliminations	R7 500.00	All wards	2010	Planned
	Non- Accredited Skills Training (Visual Arts, Craft & Performing Arts Training)	R16 250.00	All wards	2010	Planned
	Participation in uThukela Community Arts Festival	R22 000.00	All wards	2010	Planned

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	Performing Arts Promotion	R15 250.00	All wards	2010	Ongoing
	Providing platform & market to visual Artists, Crafters & Performers	R10 000.00	All wards	2010	Planned
Umtshezi LM	Support to Arts and Culture Forum.	R4 000.00	All Wards	2008	Ongoing
	Establish and support War on Poverty Cadres	R5 000.00	All Wards	Nov 2009	Ongoing
	Support/facilitation of multicultural projects	R17 250.00	All wards	2010	Planned
	Moral Regeneration Programme – focusing on Women, youth and disabled	R10 000.00	All wards	2010	Planned
	Visual Arts and Craft Promotion (Access to LM & District exhibition platforms)	R16 250.00	All wards	2010	Ongoing
	Hip-Hop, Story Telling & Kwaito eliminations	R7 500.00	All wards	2010	Planned
	Non- Accredited Skills Training (Visual Arts, Craft & Performing Arts Training)	R10 000.00	All wards	2010	Planned
	Participation in uThukela Community Arts Festival	R22 000.00	All wards	2010	Planned
	Performing Arts Promotion	R15 250.00	All wards	2010	Ongoing
	Providing platform & market to visual Artists, Crafters & Performers	R10 000.00	All wards	2010	Planned
Indaka LM	Support to Arts and Culture Forum.	R4 000.00	All Wards	2008	Ongoing
	Establish and support War on Poverty Cadres	R5 000.00	All Wards	Nov 2009	Ongoing
	Support/facilitation of multicultural projects	R17 250.00	All wards	2010	Planned
	Moral Regeneration Programme – focusing on Women, youth and disabled	R8 250.00	All wards	2010	Planned
	Visual Arts and Craft Promotion (Access to LM & District exhibition platforms)	R6 000.00	All wards	2010	Ongoing
	Hip-Hop, Story Telling & Kwaito eliminations	R7 500.00	All wards	2010	Planned
	Non- Accredited	R16 250.00	All wards	2010	Planned

	Skills Training (Visual Arts, Craft & Performing Arts Training)				
	Participation in uThukela Community Arts Festival	R 22 000.00	All wards	2010	Planned
	Performing Arts Promotion	R 15 250.00	All wards	2010	Ongoing
	Providing platform & market to visual Artists, Crafters & Performers	R 10 000.00	All wards	2010	Planned

**E1.1.3 PUBLIC WORKS**

Programme	Sub-Programme	Project Name	Local Municipality	Total Project Budget over multiple financial years ('000)	Completion Date	2009/10 Financial Year Allocation ('000)	2010/11 ('000)
				<b>R 417,715,000</b>		<b>R 33,829,008</b>	<b>R 117,764,000</b>
District Hospitals	Upgrades & Additions	Estcourt Replacements Clinic	KZ234	R 12,000,000	R 0	R 0	R 0
District Hospitals	Upgrades & Additions	Bergville Clinic	KZ235	R 10,000,000	R 0	R 0	R 0
District Hospitals	Upgrades & Additions	Corrfields Clinic	KZ234	R 425,000	10-Aug-09	R 325,000	R 100,000
District Hospitals	Upgrades & Additions	Estcourt Hospital	KZ234	R 129,100,000	16-Sep-13	R 500,000	R 29,500,000
District Hospitals	Upgrades & Additions	Emmaus Hospital	KZ235	R 18,000,000	15-Jan-13	R 250,000	R 11,000,000
District Hospitals	Upgrades & Additions	Estcourt Hospital	KZ234	R 81,105,000	23-Apr-12	R 400,000	R 28,300,000
Auxiliary Services	Office Accommodation	Ladymith District Office	KZ232	R 3,000,000	22-May-12	R 250,000	R 2,400,000
District Hospitals	Upgrades & Additions	Estcourt Hospital	KZ234	R 685,000	04-Aug-09	R 685,000	R 0
Regional Hospitals	Upgrades & Additions	Emmaus Hospital	KZ235	R 98,660,000	18-Mar-13	R 4,000,000	R 34,378,000
District Hospitals	Upgrades & Additions	Wembezi Clinic	KZ234	R 2,200,000	30-Nov-08	R 99,000	
District Hospitals	Upgrades & Additions	Ezakeni E Clinic	KZ232	R 1,102,000	30-Nov-09	R 167,000	R 0
District Hospitals	Upgrades & Additions	Ladymith Hospital	KZ232	R 1,120,000	26-Aug-09	R 384,000	R 0
District Hospitals	Upgrades & Additions	Sgweje Clinic	KZ233	R 10,500,000	03-Jun-11	R 3,637,000	R 6,230,000
Clinics	Repairs & Renovations	Gciralishone Clinic	KZ233	R 1,200,000	25-Sep-09	R 1,169,000	R 0

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District Hospitals	Upgrades & Additions	Estcourt Hospital	KZ234	R 9,330,000	19-Apr-11	R 3,890,000	R 4,648,000
District Hospitals	Upgrades & Additions	Ekuwukeri Clinic	KZ233	R 3,522,000	05-May-12	R 3,000,000	R 137,000
District Hospitals	Upgrades & Additions	Ncibidwane Clinic	KZ233	R 8,812,000	27-Sep-09	R 2,727,800	R 203,000
District Hospitals	Upgrades & Additions	Mazizini Clinic	KZ235	R 1,250,000	15-Aug-09	R 199,000	R 0
District Hospitals	Upgrades & Additions	Ezakheni 2 Clinic	KZ232	R 4,638,000	08-Mar-10	R 3,380,000	R 208,000
District Hospitals	Upgrades & Additions	KwaMteyi Clinic	KZ233	R 1,829,000	22-Feb-10	R 1,375,000	R 60,000
District Hospitals	Upgrades & Additions	Ladysmith Hospital	KZ232	R 9,970,000	15-Jun-09	R 2,710,000	R 400,000
District Hospitals	Upgrades & Additions	Ladysmith Hospital	KZ232	R 6,776,000	14-Dec-09	R 3,700,208	R 200,000
District Hospitals	Upgrades & Additions	Watersmeet Clinic	KZ232	R 1,222,000	26-Jun-09	R 890,000	R 0
District Hospitals	Upgrades & Additions	Kleinfontein Clinic	KZ232	R 1,269,000	08-Dec-08	R 91,000	R 0
				<b>R 417,715,000</b>		<b>R 33,829,008</b>	<b>R 117,764,000</b>

**E.1.1.4 DEPARTMENT OF HUMAN SETTLEMENTS**

<b>2010 - 2011 - 2012 MTEF</b>					
<b>PROJECT NAME</b>	<b>LOCAL MUNICIPALITY</b>	<b>PROJECT STATUS</b>	<b>TOTAL UNITS</b>	<b>2011/12 BUDGET</b>	<b>2012/13 BUDGET</b>
Colenso dyce	Emnambithi	Top Structure	300	2,000,000	6,544,700
Thembalihle Steadville	Emnambithi	Planning	500		5,100,000
Colenso Ntokozweni	Emnambithi	Planning	205	850,000	3,400,000
Ezakheni B & C Tin Houses	Emnambithi	Preparation Funding	1,000		0
Ezakheni E	Emnambithi	Preparation Funding	300		3,400,000
St Chad's Urban Institu Upgrade	Emnambithi	Top Structure	2,500	14,715,000	14,535,000
Umbulwane Area Uthukela	Emnambithi	Top Structure	560	5,900,000	5,745,000
Steadville Area J	Emnambithi	Planning	914		0
Steadville Area E	Emnambithi	Services	175		0
Ingodini	Umtshezi	Top Structure	500		0
Wembezi C Ph 3	Umtshezi	Top Structure	500		2,575,000
Mimosadale Ph 2	Umtshezi	Planning	500		3,445,000
Rensburgdrift	Umtshezi	Planning	1,000		1,700,000
Owl and Elephant	Umtshezi	Top Structure	400		0
Ephangweini	Imbabazane	Top Structure	1,000	1,745,000	14,192,000
Mqedendaba	Imbabazane	Top Structure	1,000	6,000,000	11,800,000

				15,000,00	
Good Home	Im babazane	Top Structure	1,000	0	13,500,000
Loch Sloy 1	Im babazane	Planning	500	8,940,000	8,090,000
Loch Sloy 2	Im babazane	Planning	500	9,862,000	4,400,000
				18,000,00	156,000,00
Sobabili	Im babazane	Top Structure	1,000	0	0
Zwelisha Craig	Im babazane	Planning	700	5,000,000	0
				11,000,00	
Kwa hlathi	INDAKA	Planning	1,000	0	11,000,000
				13,750,00	
Mhlumayo	INDAKA	Planning	1,000	0	5,500,000
				16,500,00	
Sahlumbe	INDAKA	Services	800	0	16,500,000
Utval	INDAKA	Services/ Top Structure	1,000	2,150,000	10,750,000
Vaal kop	INDAKA	Top Structure	600		850,000
Action Homes	Okhahlamba	Planning	1,000	1,632,000	8,340,000
Amazizi 1	Okhahlamba	Top Structure	1,000		
Amazizi 2	Okhahlamba	Top Structure	1,000		
Gugulethu	Okhahlamba	Top Structure	500		
Nhlanhleni Bergville	Okhahlamba	Planning	510		
Winterton Khethani Ph 2	Okhahlamba	Top Structure	503		
Winterton Khethani Ph 3	Okhahlamba	Top Structure	500		

## SECTION F IMPLEMENTATION PLAN

### Three year Implementation of uThukela District Municipality with Committed Human and Financial Resources

EXPENDITURE	BUDGET 2009/2010	ESTIMATED ACTUAL 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	BUDGET 2012/2013
<b>MUNICIPAL GOVERNANCE AND ADMINISTRATION</b>					
Affirmative Action	0	17,465	0	0	0
Job Creation	54,000	34,929	0	0	0
Ongoing training and capacity building	20,000	0	0	0	0
<b>COMMUNITY &amp; PUBLIC SAFETY</b>					
Uthukela District Associations (SAFA)					
SPORTS	600,000	223,750	0	0	0
Kwanaloga Game SPORTS	2,900,000	2,107,553	0	0	0
Promotion of Sport SPORTS	700,000	505,000	4,000,000	4,240,000	4,494,400
Arts, Culture and Music OTHER SOCIAL	1,000,000	299,000	0	0	0
Youth And Gender Development SPORTS	300,000	300,000	1,000,000	1,060,000	1,123,600
Gender Programs OTHER SOCIAL	330,000	227,500	0	0	0
Mayoral Cup SPORTS	700,000	689,511	0	0	0
Educational Support Activities	440,000	439,954	0	0	0
Elderly Persons Program AGE CARE	210,000	0	200,000	212,000	224,720
Disability Programs OTHER SOCIAL	150,000	6,000	300,000	318,000	337,080
Youth Day CHILD CARE	300,000	0	0	0	0
<b>ECONOMIC AND ENVIRONMENTAL SERVICES</b>					
Social Economic Activities ECONOMIC DEVELOPMENT	1,500,000	1,136,328	0	0	0
LED Program	2,600,000	1,288,889	2,000,000	2,120,000	2,247,200
Local Economic Development Support	0	0	0	0	0
Integrated Development Plan	20,000	6,137	0	0	0
Performance Management System PERFORMANCE MANAGEMENT	100,000	106,000	0	0	0
<b>SECURITY WATER</b>					
Uthukela Civil Defence / Security Contract	7,300,000	7,161,384	7,200,000	7,632,000	8,089,920
<b>FINANCE COLLECTION COSTS</b>					
Credit Control Road Shows & Implementation	150,000	72,223	700,000	742,000	786,520
Data Cleansing	0	0	1,400,000	1,484,000	1,573,040
<b>COMMUNITY AND PUBLIC SAFETY</b>					
Community consultation meetings on	0	0	0	0	0

Service Delivery					
<b>MUNICIPAL GOVERNANCE AND ADMINISTRATION</b>					
Upgrade IT System (Munsoft)	150,000	16,053	600,000	636,000	674,160
Monitoring of IT Service Provider	0	0	2,000,000	2,120,000	2,247,200
Maintenance Network Infrastructure	315,000	28,515	0	0	0
Computer Network, Hardware Plus UPS	300,000	104,741	0	0	0
<b>CORPORATE SERVICES - CONTRACTED SERVICES</b>					
Review & Implement Employment Equity Plan	30,000	0	0	0	0
Review & Implement District Workplace Skills Plan	40,000	0	300,000	318,000	337,080
<b>PROJECTS - INHOUSE FUNDED</b>					
Mgazini Water Project	200,000	212,000	0	0	0
Kwanomoya Water Project	200,000	212,000	0	0	0
Ncunjane Water Project	200,000	212,000	0	0	0
Land Purchase	0	0	0	0	0
Counter Funding - Projects	0	0	0	0	0
Infrastructural Development	4,300,000	3,654,277	0	0	0
<b>ESTABLISHMENT COSTS - PROJECTS</b>					
IT And Establishment Cost - New Building	0	0	6,263,374	6,639,176	7,037,527
<b>OPERATIONAL FINANCE - FINANCIAL REFORMS</b>					
Asset Verification	0	0	1,200,000	1,272,000	1,348,320
Supply Chain Management	20,000	0	0	0	0
Reviewable of Financial Policies	40,000	40,000	150,000	159,000	168,540
GRAP/ GAMAP Compliance	200,000	45,860	400,000	424,000	449,440
Fleet Management	0	0	0	0	0
MPRA Implementation	0	0	0	0	0
<b>OPERATIONAL - PROJECTS</b>					
Pre-Paid Meters	0	0	6,000,000	6,360,000	6,741,600
<b>GRAND TOTAL</b>	<b>25,369,000</b>	<b>19,147,069</b>	<b>33,713,374</b>	<b>35,736,176</b>	<b>37,880,347</b>



**IMPLEMENTATION OF MIG PROJECTS 3-YEAR CASHFLOW**  
**Financial year 2010/2011**

Agent	MIG NO.	Project Name	MOA	Balance Annual Allocation
DC23	2006MIGFDC230015	Ekuvukeni Taxi Rank	915,575	297,754.00
DC23	2006MIGFDC23111829	Moyeni/zwelisha RWSS Phase4 (Dukuza/hoffental)	56,013,762	21,473,466.94
DC23	2006MIGFDC23112081	Driefontein Complex Bulk Water Supply	126,101,362.00	59,856,031.49
DC23	2006MIGFDC23113342	Bergville Bulk Water Supply	24,362,664.00	9,211,033.22
DC23	2006MIGFDC23114101	Waters meet Sanitation Phase 2	19,020,495.00	1,321,836.59
DC23	2006MIGFDC23114315	Indaka Bulk Water Audit	498,038.00	498,038.00
DC23	2006MIGFDC23117245	KwaHlathi Sanitation	15,142,933.00	3,162,672.36
DC23	2008MIGFDC23160811	Ntabamhlophe Water Supply Scheme Phase 4-13	70,891,154.00	64,067,209.64
DC23	2008MIGFDC23162167	Fitty Park Umhlumayo Extension	15,700,000.00	14,526,202.30
DC23	2008MIGFDC23165442	Jononoskop Sanitation	11,460,350.00	198,045.00
DC23	2008MIGFDC23178832	Emcitsheni Sanitation Phase2	18,036,858.00	8,853,328.00

## SECTION G PROJECTS

### G1.1.1 ONE YEAR OPERATIONAL PLAN

#### FINANCE

NAME OF PROJECT	ESTIMATED BUDGET	FUNDER	FINANCIAL YEAR
Credit Control Road show	R700 000	UT DM	2010/2011
Budget / IDP participation	R2 100 000	UT DM	2010/2011
Data cleansing	R1 400 000	UT DM	2010/2011
Interns	R500 000	M SIG	2010/2011
GRAP/GAMAP Implementation	R400 000	UT DM	2010/2011
Assets verification	R1 200 000	UT DM	2010/2011
Pre-paid meters	6000 000	(DBSA)	2010/2011
Review of Financial Policies	R150 000	UT DM	2010/2011
Implementation of additional Munsoft modules i.e. Supply Chain and Credit Control	R600 000	UT DM	2010/2011
Establishment Cost	6 263 374	UT DM	2010/2011

#### HEALTH AND ENVIRONMENTAL SERVICES

NAME OF PROJECT	ESTIMATED BUDGET	FUNDER	FINANCIAL YEAR
Implementation of HIV/AIDS Strategy	R500 000.00	uThukela DM	2010/2011
Conducting Strategic Environmental Assessment	R300 000.00	uThukela DM	2010/2011
Implementation of Air Quality Management Plan	R200 000.00	uThukela DM	2010/2011
Implementation of Water Conservation Strategy	R100 000.00	uThukela DM	2010/2011
Health Promotion	R500 000.00	uThukela DM	2010/2011

#### STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT

NAME OF PROJECT	ESTIMATED BUDGET	FUNDER	FINANCIAL YEAR
Review, enhance, engage and create LED, SMME and Business Retention Forums (BRF)	Operational	UT DM	2010/2011
Engage infrastructure provision meetings	Operational	UT DM	2010/2011
Develop SMME Policy	Operational	UT DM	2010/2011
As identified in the LED Plan	R2000 000	UT DM	2010/2011
Review Tourism Plan	Operational	UT DM	2010/2011
Engagement with Tourism Structures	Operational	UT DM	2010/2011
Review of the marketing opportunities within the District	Operational	UT DM	2010/2011

Review of the marketing opportunities within the District	R350 000	UT DM	2010/2011
Monitoring of the IT Service Provider	R2,000,000	UT DM	2010/2011
Environmental Economic Study	Grant	COGTA	2010/2011
Review of the youth, women and people with disabilities programmes	R1000 000	UT DM	2010/2011
Review Terms of Reference and members of the gender working committee	Operational	UT DM	2010/2011
Implementation of the Sports Programme	R1 200 000	UT DM	2010/2011
Implementation of the physically challenged Programme	R300 000	UT DM	2010/2011
Implementation of the senior citizen Programme	R200 000	UT DM	2010/2011

#### **WATER SERVICES**

<b>NAME OF PROJECT</b>	<b>ESTIMATED BUDGET</b>	<b>FUNDER</b>	<b>FINANCIAL YEAR</b>
Bulk meter installation at extraction and exit points of WTP		UT DM	2010/2011
Bulk meter installation at reticulation zones		UT DM	2010/2011
WTP and WWTP Compliance		UT DM	2010/2011
Reservoir maintenance/refurbishment		UT DM	2010/2011
Upgrade of Raw Water Pumps at the Ezakheni WTP	R4 m	DWAE	2010/2011
Refurbishment of Spieonkop and George Cross Pumps		UT DM	2010/2011
Implementation of a telemetry system across the district		UT DM	2010/2011

#### **CORPORATE SERVICES**

<b>NAME OF PROJECT</b>	<b>ESTIMATED BUDGET</b>	<b>FUNDER</b>	<b>FINANCIAL YEAR</b>
Review and Implement the Disaster Management Plan	R300 000	UT DM	2010/2011
Firefighting equipment	400 000	UT DM	2010/2011
Disaster Management Centre		UT DM	2010/2011
Disaster Management Advisory Forum	R100 000	UT DM	2010/2011
Review and implement the District workplace skills Plan	R300 000	UT DM	2010/2011

**COMMUNICATIONS**

NAME OF PROJECT	BUDGET	FUNDER	F/YEAR
Radio ukhozi slot	500 000	UTDM	2010/2011
Mayoral izimbizo	2000 000	UTDM	10/11
Communications/newletter/Magazine	600 000	UTDM	10/11
Stipend community workers	300 000	UTDM	10/11

**G1.1.2 SANITATION PROJECTS WITHOUT FUNDING**

Name of project	Local Municipality	Ward	Status
Mathondwane sanitation	Emnambithi	17	No funding
Kleinfontein	Emnambithi	19	No funding
Peacetown	Emnambithi	15	No funding
Burford	Emnambithi	14	No funding
Driefontein	Emnambithi	13, 18	No funding
Inkunzi	Emnambithi	24	No funding
KwaMthandi	Emnambithi	20	No funding
Weenen	Umtshezi	5, 7	No funding
Thembalihle	Umtshezi	4	No funding
Umtshezi	Umtshezi	3	No funding
Sandlwana	Okhahlamba	5	No funding
Hoffental	Okhahlamba	4	No funding
Hambrook	Okhahlamba	13	No funding
Acton Homes	Okhahlamba	12	No funding
Ihintwa	Okhahlamba	13	No funding
Shayamoya	Imbabazane	3	No funding
Emhubheni	Imbabazane	7	No funding
Ephangwini	Imbabazane	12	No funding
Umkhumbane, kwaShuzi	Indaka	8	No funding
Ilenge	Indaka	7	No funding
Abathembu	Indaka	6	No funding
Etholeni	Indaka	3	No funding
Uitval, emIlweni	Indaka	2	No funding
Kwanogejane	Indaka	9	No funding

## **SECTION H FINANCIAL VIABILITY AND MANAGEMENT**

### **HI.1.1 INTRODUCTION**

Finances are the lifeline of any organisation. uThukela District 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 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).

In terms of section 165 of the MFMA, each municipality must have an internal audit unit, subject to subsection (3) which says that the municipality may outsource services if the municipality requires assistance to develop its internal capacity. Therefore, the Municipality appointed the service provider that performs internal auditing functions in advising the Accounting Officer and reporting to the Audit Committee on the implementation of the internal audit plan and matters relating to internal control, accounting procedures and practices, risk management, performance control, loss control and compliance with this act MFMA, DORA and any other applicable legislation.

In the drawing of the current Financial Plan, the Municipality has taken into cognisance the need to balance the Financial Plan and the IDP process. As a result, the IDP is aligned to the municipality budget and PMS. The Municipality has also devised stringent monitoring procedures to track income cash-flows and expenditure.

### **HI.1.2 SUPPORT ON LOCAL MUNICIPALITIES**

The District Municipality has supported the local municipalities through the following:

- Administration of the financial systems
- Funding for public participation
- Capacitation of the Ward committees
- Funding through MIG projects

### **H1.1.3 DEBT COLLECTION**

The debt collection function of the municipality is performed by Amavanda Consultants. The appointed service provider was given the target of collecting the amount of 5 million rand per month. They are meeting on regular basis with the municipality to discuss the problems encountered by the service provider and the progress made. There is an improvement in debt collection since the appointment of the service provider.

### **H1.1.4 AUDIT COMMITTEE**

The Audit Committee of the municipality is fully functional. The audit committee of uThukela district municipality consist of three members and these members are not councillors or employees of the municipality. It came into existence in February 2007. They sit four times per year. Some of the functions of the Audit Committee is to evaluate the reports of the Heads of Departments. They also review the financial statements of the municipality and they discuss the findings from the Auditor General.

### **H1.1.5 INTERNAL AUDIT**

uThukela District municipality internal audit is also functional. The council has appointed the Price Water House Coopers as a service provider to assist the municipality's internal auditor that was appointed by Council and some of their responsibilities is to advise the accounting officer. The internal auditors audit the performance measurements of the municipality on a continuous basis and submit their reports quarterly to the Accounting Officer and Audit Committee. They report to the audit committee on the implementation of the internal audit plan, risk assessment, PMS etc.

### **H1.1.6 INDIGENT POLICY**

In terms of our Indigents Policy, 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 sanitation facilities mainly through Ventilated Improved Pit Latrines (VIPs). Households benefited-(water 21 800 and sanitation 22 720). The municipality is implementing the free basic water which is 6kl and free basic sanitation services.

### **H1.1.7 BILLING SYSTEM**

The municipality does have a billing system in place. Clients are billed according to consumption. The readings function is performed by the meter readers of the municipality.

#### **H1.1.8 SUPPLY CHAIN MANAGEMENT POLICY**

uThukela District Municipality has developed and adopted the Supply Chain Management Policy. Supply Chain Management Policy is guiding 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. The municipality have a fully fledged section of supply chain that is in the finance department

#### **H1.1.9 ASSETS MANAGEMENT STRATEGY**

uThukela District municipality has appointed a service provider to do a verification of fixed assets, compile GAMAP/ GRAP compliance asset register. The appointed service provider has developed an implementation plan for asset policies and procedures, supply GPS coordinates infrastructure assets. They also submit to the municipality a status quo report on backlogs and replacement of assets.

#### **H1.1.10 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. It also identifies strategic fraud and corruption risks that must be addressed and could jeopardise the successful implementation of each component of the plan. The plan also incorporates principles contained in the Public Sector Anti Corruption Strategy dated January 2002 endorsed by Cabinet

The plan will be reviewed annually, whilst progress with the implementation of the various components will be reviewed on quarterly basis. The staff of the municipality was workshopped about the fraud prevention plan.

#### **H1.1.11 RISK MANAGEMENT POLICY**

uThukela District municipality have develop a risk management policy. The policy of the district covers the following five steps:

Step 1: Identify

For each business objective, it is necessary to identify the key risks that might impede the achievement of the respective business objectives. Risk identification shall be performed as part of all major decision making processes.

Identifying the current risk profile is a separate and discreet exercise when the Risk Management policy and framework is first adopted. Thereafter, risks must be updated on an ongoing basis by integrating the identified steps within the core business management processes.

Step 2: Analyse

**Assess the significance of risks to enable the development of Risk Responses**

Once the risks have been identified, the **likelihood** of the risk occurring and the potential **impact** if the risk does occur must be assessed using a risk-rating table during a Risk Assessment exercise.

Those risks are then depicted in a Risk Map or Risk Register which represents uThukela District Municipality's risk profile.

Step 3: Respond

Once risks have been analyzed, appropriate risk responses must be determined to mitigate risk to an acceptable level within reasonable costs. Uthukela District Municipality's inherent and residual risk profile presented on the Risk Map / Risk Register must be monitored against the target risk profile.

- Inherent Risk – risks without the mitigating effects of controls.
- Residual Risk – risk that remain after all existing controls have been implemented.
- Target Risk – Risk that management desire after existing controls and future actions.

Risks can be dealt with in various ways. The risk response options encompass all possible management responses to risk, whether viewed as opportunities, uncertainties or hazards. The risk response options and examples of activities under each option are outlined below:

- Mitigate (steps taken to reduce either the likelihood or impact);
- Transfer (steps taken to shift the loss or liability to others);
- Exploit (steps taken to leverage opportunities);
- Avoid (steps taken to prevent the occurrence of hazards); or
- Accept (an informed decision to accept both the impact and likelihood of risk events).



#### Step 4: Monitoring

Monitoring activities are mechanisms for following, understanding and adjusting the actions to respond to risks. These are generally performed on a routine or ongoing basis and are primarily designed to focus on compliance with defined risk responses and actions. The purpose of the monitoring review is to:

- Provide assurance that risks are being managed as expected;
- Assess whether the risk response plans remain relevant; and
- Ensure that the risk profile anticipates and reflects changed circumstances and new exposures.

Key aspects of monitoring will be:

- Assessment of the quality and appropriateness of mitigating actions, including the extent to which identifiable risks can be transferred outside the municipality (e.g. Insurance).
- Regular monitoring reports from all departments/business units within the municipality on a regular basis.

Risk response should be measured in terms of efficiency and effectiveness. Efficiency measures the cost of implementing risk management responses in terms of time, money and resources, whereas effectiveness measures the relative degree to which the responses reduce the impact or likelihood of the risk occurring.

#### Step 5: Reporting

Key reporting information will be:

- Critical risks facing, or potentially facing the municipality;
- Risk events and issues, together with intended remedial actions;
- Effectiveness of action taken;
- Details of plans taken to address any risks; and
- Status of steps taken to address risks.

#### **H1.1.12 RISK MANAGEMENT COMMITTEE**

uThukela has complied with MFMA in establishing a risk management committee that sits on regular basis to advise about risk and also to manage risk. This committee report to the Accountable Officer or the Management of the Council

### **H1.1.13 INVESTMENTS**

uThukela District municipality do have an investment with ABSA Bank. The value of the investment as of the 1 July 2008 is R765 725.79. It is a 90 day call account.

### **H1.1.14 INTEGRATED FINANCIAL SYSTEM**

uThukela district municipality is using an Integrated System which comprises of the following modules:

General ledger (Income and Expenditure)

Debtors                      Saundry debtors

Creditors                    Assets

Costing                      Cashbook

Procurement                Receipt

Stores                        Budget control

### **H1.1.15 AUDITOR GENERAL OPINION**

uThukela District municipality has received the unqualified report for the year 2008/2009 financial year with other matters that are listed below in the Auditor General report and the District Municipality is taking cognisance of the report by coming up with the action plan to address the other matters raised by the Auditor General.

**H1.1.16 REPORT OF THE AUDITOR-GENERAL TO THE KWAULU-NATAL  
PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL  
STATEMENTS AND PERFORMANCE INFORMATION OF THE UTHUKELA  
DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009**

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the accompanying financial statements of the Uthukela District Municipality which comprise the statement of financial position as at 30 June 2009, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 1 to 48.

**The accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**The Auditor-General's responsibility**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. Paragraph 11 *et seq.* of the Standard of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the Uthukela

District Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

8. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Uthukela District Municipality as at 30 June 2009 and its financial performance and its cash flows for the year then ended, in accordance with the Standards of GRAP and in the manner required by the MFMA.

### **Emphasis of matters**

Without qualifying my opinion, I draw attention to the following matters.

#### **Going concern**

9. Note 36 to the financial statements indicate that the Uthukela District Municipality is experiencing cash flow difficulties. A net deficit of R64,3 million was incurred during the year ended 30 June 2009 and conditional grants of R29,1 million had been used for operational expenditure. These conditions, along with other matters as set forth in note 36, indicate the existence of a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

#### **Unauthorised expenditure**

10. As disclosed in note 38 to the financial statements, unauthorised expenditure to the amount of R2,4 million was incurred, as bulk water expenditure was not included in the approved budget.

#### **Fruitless and Wasteful expenditure**

11. As disclosed in note 39 to the financial statements, fruitless and wasteful expenditure to the amount of R67,950 was incurred due to penalty interest being levied on late payment of electricity accounts.

#### **Restatement of corresponding figures**

12. As disclosed in note 2 to the financial statements, the corresponding figures for 30 June 2008 have been restated as a result of a change in accounting policy and errors discovered during 2008/2009 in the financial statements of the municipality at and for the year ended 30 June 2008.

#### **Material Losses**

13. As disclosed in note 34 to the financial statements, water losses amounting to R16,2 million were incurred during the water distribution process.

#### **Other matters**

Without qualifying my opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

#### **Material inconsistencies in information included in the annual report**

14. I have not obtained the other information included in the annual report and have not been able to identify any material inconsistencies with the financial statements.

#### **Unaudited supplementary schedules**

15. The municipality provided supplementary information in the Annexure E1 and E2 to the financial statements on whether resources were obtained and used in accordance with the legally adopted budget, in accordance with GRAP 1 *Presentation of Financial Statements*. The supplementary budget information and other supplementary information set out on pages 49 to 65 does not form part of the financial statements and is presented as additional information. I have not audited these schedules accordingly; I do not express an opinion thereon.

**Non-compliance with applicable legislation**  
**Municipal Finance Management Act**

16. Sections 74(1) and 104(1)(b) of the MFMA were not complied with, in that, reports for all contracts awarded over R1 00 000 had not been submitted to treasury.
17. Section 71 of the MFMA was not complied with, in that signed reports on conditional grant spending was not timeously submitted to the National Treasury.

**Governance framework**

18. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance responsibilities addressed below.

**Key governance responsibilities**

19. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
<b>Clear trail of supporting documentation that is easily available and provided in a timely manner</b>			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	<input type="checkbox"/>	
<b>Quality of financial statements and related management information</b>			
2.	The financial statements were not subject to any material amendments resulting from the audit.		<input type="checkbox"/>
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.		<input type="checkbox"/>
<b>Timeliness of financial statements and management information</b>			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 126 of the MFMA.	<input type="checkbox"/>	
<b>Availability of key officials during audit</b>			
5.	Key officials were available throughout the audit process.	<input type="checkbox"/>	
<b>Development and compliance with risk management, effective internal control and governance practices</b>			
6.	Audit committee		
	<ul style="list-style-type: none"> <li>• The municipality had an audit committee in operation throughout the financial year.</li> </ul>	<input type="checkbox"/>	
	<ul style="list-style-type: none"> <li>• The audit committee operates in accordance with approved written terms of reference.</li> </ul>		<input type="checkbox"/>
	<ul style="list-style-type: none"> <li>• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.</li> </ul>		<input type="checkbox"/>

No.	Matter	Y	N
7.	Internal audit		
	<ul style="list-style-type: none"> <li>The municipality had an internal audit function in operation throughout the financial year.</li> </ul>	<input type="checkbox"/>	
	<ul style="list-style-type: none"> <li>The internal audit function operates in terms of an approved internal audit plan.</li> </ul>	<input type="checkbox"/>	
	<ul style="list-style-type: none"> <li>The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.</li> </ul>	<input type="checkbox"/>	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	<input type="checkbox"/>	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.		<input type="checkbox"/>
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	<input type="checkbox"/>	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(1)(c)(i) of the MFMA.		<input type="checkbox"/>
12.	Delegations of responsibility are in place, as set out in 79 of the MFMA.	<input type="checkbox"/>	
<b>Follow-up of audit findings</b>			
13.	The prior year audit findings have been substantially addressed	<input type="checkbox"/>	
14.	SCOPA/oversight resolutions have been substantially implemented.	<input type="checkbox"/>	
<b>Issues relating to the reporting of performance information</b>			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.		<input type="checkbox"/>
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information		<input type="checkbox"/>
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Uthukela District Municipality against its mandate, predetermined objectives, outputs, indicators and targets section 68 of the MFMA.	<input type="checkbox"/>	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	<input type="checkbox"/>	

20. Key officials have been available throughout the audit to offer assistance, thus enabling the entity to timely provide a clear trail of supporting documents. However, insufficient monitoring by management and an ineffective audit committee resulted in material adjustments having to be made to the amounts and disclosure notes to the financial statements. Furthermore, the organisational structure did not address areas of responsibility to support effective controls over performance information reporting.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Report on performance information

21. I was engaged to review the performance information.

#### The accounting officer's responsibility for the performance information

22. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

#### The Auditor-General's responsibility

23. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

24. In terms of the foregoing my engagement included performing procedures of a review nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
25. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

#### **Findings on performance information**

##### **Non-compliance with regulatory requirements**

##### **Content of integrated development plan**

26. The integrated development plan of the Uthukela District Municipality did not include the key performance indicators and performance targets determined in terms of its performance management system, as required by sections 26(i) and 41(1)(b) of the MSA and regulation 12 of the Municipal Planning and Performance Management Regulations, 2001.

##### **Internal auditing of performance measurements**

27. The internal auditors of the Uthukela District Municipality did not audit the performance measurements on a continuous basis and submit quarterly reports on their audits to the municipal manager and the performance audit committee.

##### **Performance information not received in time**

28. An assessment could not be performed of the reliability of the reported performance information, as set out on page 66 to 94 of the annual report, since the information was not received in time for review.

#### **APPRECIATION**

29. The assistance rendered by the staff of the Uthukela District Municipality during the audit is sincerely appreciated.

*Auditor - General*

Pietermaritzburg

30 November 2009



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

**H1.1.17 RESPONSE TO AUDITOR GENERAL REPORT  
ACTION PLAN TO ADDRESS AUDITOR GENERAL**

**Aim: To achieve clean audit in 2014**

**FINANCIAL YEAR 2009/2010**

AUDIT FINDING	Strategy	Activities	Responsible official comments
<p><b>Going concern</b> Conditional grants used for operational expenditure.</p> <p>Debt or non payment for water and sanitation services and a resultant 61% increase in consumer debtors from prior year.</p> <p>Payments to creditors not made within the prescribed time frames as contained in the MFMA due to cash flow difficulties.</p> <p>The municipality incurred a deficit of R64,3 m for the year ended 30 June 2009.</p>	<ul style="list-style-type: none"> <li>- Engaging politicians for possible solutions</li> <li>- Engaging provincial and National Treasury for possible solutions</li> <li>- Engaging other role players for possible solutions</li> <li>- Mobilizing internal resources to minimize the impact.</li> <li>- Reconciliation of grant income</li> <li>- Cash flows to be aligned to budget</li> <li>- Realistic budgeting</li> </ul>	<ul style="list-style-type: none"> <li>- Organize workshop</li> <li>- Identify and schedule meetings with affected stakeholders</li> <li>- Identify possible cost saving areas</li> <li>- Engage HOD on grant expenditure</li> <li>- Align expenditure to income patterns</li> </ul>	<p><b>Refer the attached report</b></p>
<p><b>Material losses</b></p> <p>Distribution losses</p>	<ul style="list-style-type: none"> <li>- Recording of distribution losses on monthly basis</li> <li>- Reconciliation of distribution losses to billed income</li> <li>- Identification of areas of concern</li> <li>- Developing management tool to deal with the losses</li> <li>- Suggesting a strategy to deal with losses</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>- Documentation distribution losses</li> <li>- Management of distribution losses</li> </ul>	<p>-</p>



AUDIT FINDING	Strategy	Activities	Responsible official comments
<p><b>Unauthorised/fruitless and wasteful/irregular expenditure</b> The municipality incurred fruitless and wasteful expenditure due to penalty interest being charged for late payment of electricity accounts</p> <p>Late payment of Eskom invoices.</p> <p>DWAF bulk water purchases not budgeted.</p> <p><b>Non compliance with applicable legislation</b> Reports for all contract above R100,000 had not been submitted to treasury as it contained in the MFMA, Circular 34, as well as S74(1) and 104(1)(b) of MFMA.</p>	<ul style="list-style-type: none"> <li>- Payment plan to be discussed with Eskom</li> <li>- Dedicated personnel to be delegated responsibility of certain account.</li>   <li>- Approval method to be revisited</li> <li>- Any other area of delay to be investigated</li>   <li>- Realistic budgeting</li>   <li>- Supply Chain Manager to be instructed to deal with the matter</li> <li>- Supply Chain unit (administration) to be capacitated around reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Arrange meetings with the affected individuals</b></li> <li>- <b>Establish mechanism to speed the processing and approval process</b></li>   <li>- <b>Submission of monthly reports</b></li> <li>- <b>Report on training progress</b></li> </ul>	<p>The procurement Clerk (Miss B Magasela) has been assigned to process all sundry payments such as eskom, rent, telkom and etc.</p> <p>The Deputy Water Service manager signs invoices for water departments on the HOD's absentia.</p> <p>The SCM Manager confirmed that, eskom invoices / statements are delayed due to late collection from the post and also through authorising by the HOD.</p> <p><b>Responsible official S.P. Shabalala</b> Reports on contracts above R 100,000.00 will be sent to P/treasury by the 31 March 2010 for 08/09.</p> <p>The SCM and the Demand Audit Clerk has been trained by the P/treasury <b>Responsible official: SP Tshabalala'</b></p>
AUDIT FINDING	Strategy	Activities	Responsible official comments
<p><b>Division of revenue act</b></p>	<ul style="list-style-type: none"> <li>- Explore the possibility of a dedicated person</li> </ul>		

<p>Signed conditional grants reports spending was not submitted to the National Treasury.</p> <p>Contrary to S28 of DORA 2008, the municipality did not obtain prior approval for the roll over of the unspent portion of the conditional grants.</p>	<p>to deal with all reporting requirements</p> <ul style="list-style-type: none"> <li>- Identification of all reportable matters</li> </ul>		
<p><b>AUDIT FINDING</b></p>	<p><b>Strategy</b></p>	<p><b>Activities</b></p>	<p><b>Responsible official comments</b></p>
<p><b>Governance</b> Information included in the annual report has not been obtained and have not been able to identify any material</p>	<ul style="list-style-type: none"> <li>- Establishment of a Performance management dedicated centre</li> <li>- Communication of all performance related</li> </ul>		<p>PMS manager confirmed that HOD's are informed via e-mails for PMS status.</p> <p><b>Responsible official:</b></p>

<p>inconsistencies with the financial statements.</p> <p><b>Internal audit</b> Risk assessment not being done Performance measurements not done.</p> <p><b>Audit committee</b> Audit committee did not meet prior the submission of financial statements to review for adequacy, reliability and accuracy. Identification of roads and responsibilities of the audit committee. Risk management not done</p> <p>Reviewal risk policy</p> <p>Consideration of financial statements</p> <p><b>Key governance responsibility</b> Financial statements were not subject to any material amendments resulting from the audit.</p> <p>Annual report not</p>	<p>matters</p> <ul style="list-style-type: none"> <li>- Expectation from affected HOD's to be communicated in writing and reminders to timeously sent to affected employees</li> <li>- Risk management activities to be communicated affected stakeholders</li> <li>- Audit Plan to be followed</li> <li>- Schedule of activities to be drawn up and adopted for implementation</li> <li>- Financial statements to be reviewed by both internal auditors and audit committee before submission for audit</li> <li>- Internal auditors to advise on internal controls aimed at ensuring timeous submission of financial statements</li> </ul>		<p><b>PMS Manager</b></p> <p>Risk assessment for 08/09 was conducted by our internal audit and the report has been issued to all HOD's</p> <p>By the time of the Annual Audit, performance was not done because PMS files were not compiled only for the Exec.Dir. Health Services was obtained from the PMS; however the audit has been done in January and the draft report has been issued</p> <p><b>Responsible official: MM &amp; Planning Director</b></p> <p>Schedule of activities for Audit Committee has been drawn and still need to be submitted to the Municipal Manager for approval.</p> <p>Risk Management Committee has been established and risk policy has been adopted and approved by the council. Fraud prevention plan has been approved by the audit committee and has</p>
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<p>submitted for consideration prior tabling of the auditor's report.</p> <p>The audit committee did not operate in accordance with the approved, written terms of reference</p> <p>The audit committee did not substantially fulfilled its responsibilities for the year as set out in S166(2) of the MFMA</p> <p>A risk assessment was not conducted on a regular basis.</p> <p>Information systems were not appropriate to facilitate Quality of financial statements and related management information. None quality of financial statements and related management information.</p>	<ul style="list-style-type: none"> <li>- Time frame for submission of the annual report to be communicated to all stakeholders</li> <li>- Audit committee to commit to audit charter and audit plan</li> <li>- Management to appoint the risk committee to deal with risk related matters</li> <li>- IT audit to be conducted</li> <li>- IT related policies to be developed</li> </ul>		<p>been implemented.</p> <p><b>Responsible official: Audit committee and the Municipal Manager.</b></p> <p>Risk committee has been established as from February 2010 and functionally.</p> <p><b>Responsible Official: Chief Financial officer</b></p> <p>Annual report was not submitted for consideration to council</p> <p><b>Responsible official: Planning Director</b></p> <p>Schedule of activities and responsibilities for Audit Committee has been drawn and still need to be submitted to the Municipal Manager for approval</p>
<p><b>Performance information</b></p> <p>Performance information not submitted for audit</p> <p>Non compliance with the legislative requirements pertaining to the planning</p> <p>The IDP did not include the KPI and performance targets as required by S26(i) and 41(1)(b) of the MSA</p>	<p>Refer above on performance management</p>		<p>By the time the Annual Audit, Performance was done because the files were not compiled however the audit has been done in January and the Draft report has been submitted.</p> <p><b>Responsible official: MM &amp; Planning Director</b></p>

<p>Audit committee did not review the performance management system and make recommendation to the council</p> <p>Internal auditors did not audit the performance measurements on continuous basis</p> <p>Internal auditors did not submit quarterly reports on their audit to the municipal manager and the audit committee.</p>			
<b>AUDIT FINDING</b>	<b>Strategy</b>	<b>Activities</b>	<b>Responsible official comments</b>
<p><b>Ezakheni area not being billed for consumption of water</b> No meters are being read for the entire Ezakheni area for the estimated loss revenue of R 1,8m.</p>	<ul style="list-style-type: none"> <li>- Credit control to do situational analysis</li> <li>- Recommendations to be tabled for Manco consideration</li> <li>- Action plan going forward to be adopted</li> <li>- Political involvement</li> </ul>		
<p><b>Input vat incorrectly debited to expense vote</b> Vat was incorrectly debited to the expense vote instead of the vat input account for certain payments.</p>	<ul style="list-style-type: none"> <li>- Vat audit by a private firm to be conducted</li> </ul>		

<p><b>Vat claimed from non-registered vendors</b> Vendors that had invalid vat registration numbers as per vat vendor search performed from SARS website.</p>	<p>- Vat audit to conducted by the private firm</p>	<p>Appointment of the service provider</p>	<p>The tender was advertised for the appointment of the service provider for the vat audit however the tendering process has not been finalized for the appointment.</p> <p>Financial intern (S. Makhathini) from the SCM Unit has been assigned to check incoming tax invoices for the validity and accuracy of vat number prior processing to the system.</p> <p><b>Responsible official S.P Shabalala</b></p>
<p><b>AUDIT FINDING</b></p>	<p><b>Strategy</b></p>	<p><b>Activities</b></p>	<p><b>Responsible official comments</b></p>
<p><b>Fixed asset register discrepancies</b> From the asset register, it was noted that certain fields had not been completed for some asset recorded i.e. location of asset, building description</p>	<p>- Asset register to be verified by the private firm before compilation of financial statements</p>	<p>Appointment of the service provider</p>	
<p><b>Accurate asset register</b></p>	<p>- Refer above on assets</p>		
<p><b>Fixed asset not tagged</b> From the selected items from the asset register, it was noted that they were not teagged</p>	<p>- Private firm to ensure that all assets are tagged</p>		
<p><b>Physical verification of asset</b> Asset selected from the register could not be physically verified</p>	<p>- Random verification of assets to be conducted</p>		

<p><b>No policy in place for the long outstanding debtors</b></p>	<p>- Policy amendments to be considered</p>	<p>- Consideration of amendments to the policy</p>	
<p><b>Inventory reconciliation not performed</b> Reconciliation between physical and recorded inventory not performed resulted to variances not identified timeously.</p>	<p>- Random verification of inventories to be performed</p>	<p>- Performance of random audits</p>	<p>Reconciliation will be done monthly starting this month and as from the following year it will be done quarterly.  <b>Responsible official</b> <b>S.P. Shabalala</b></p>
<p><b>Inaccurate valuation of stock</b> During the audit of inventory, we noted that the weighted average cost per unit used to value stock at year end was incorrectly calculated.</p>	<p>- Accurate assessments to be adopted</p>	<p>- Refer above</p>	
<p><b>AUDIT FINDING</b></p>	<p><b>Strategy</b></p>	<p><b>Activities</b></p>	<p><b>Responsible official comments</b></p>
<p><b>Other compliance – MFMA – website</b> The municipality did not update its website as required by S75 of the MFMA.</p>	<p>- Planning to identify a person responsible for website updates - That individual to be familiarized with the requirements of the act.</p>		
<p><b>Vacancies in finance component</b> A review of the organisational structure had revealed the following key post in Finance since 2006</p> <ul style="list-style-type: none"> <li>• Deputy CFO, Director Operations, Financial Controller, Systems Administrator, Project Admin Clerk and Salaries Clerk.</li> </ul> <p>The vacancies have</p>	<p>- Organogram to be revisited - Strategic posts to be budgeted and filled - Roles and responsibilities to be clearly defined</p>		

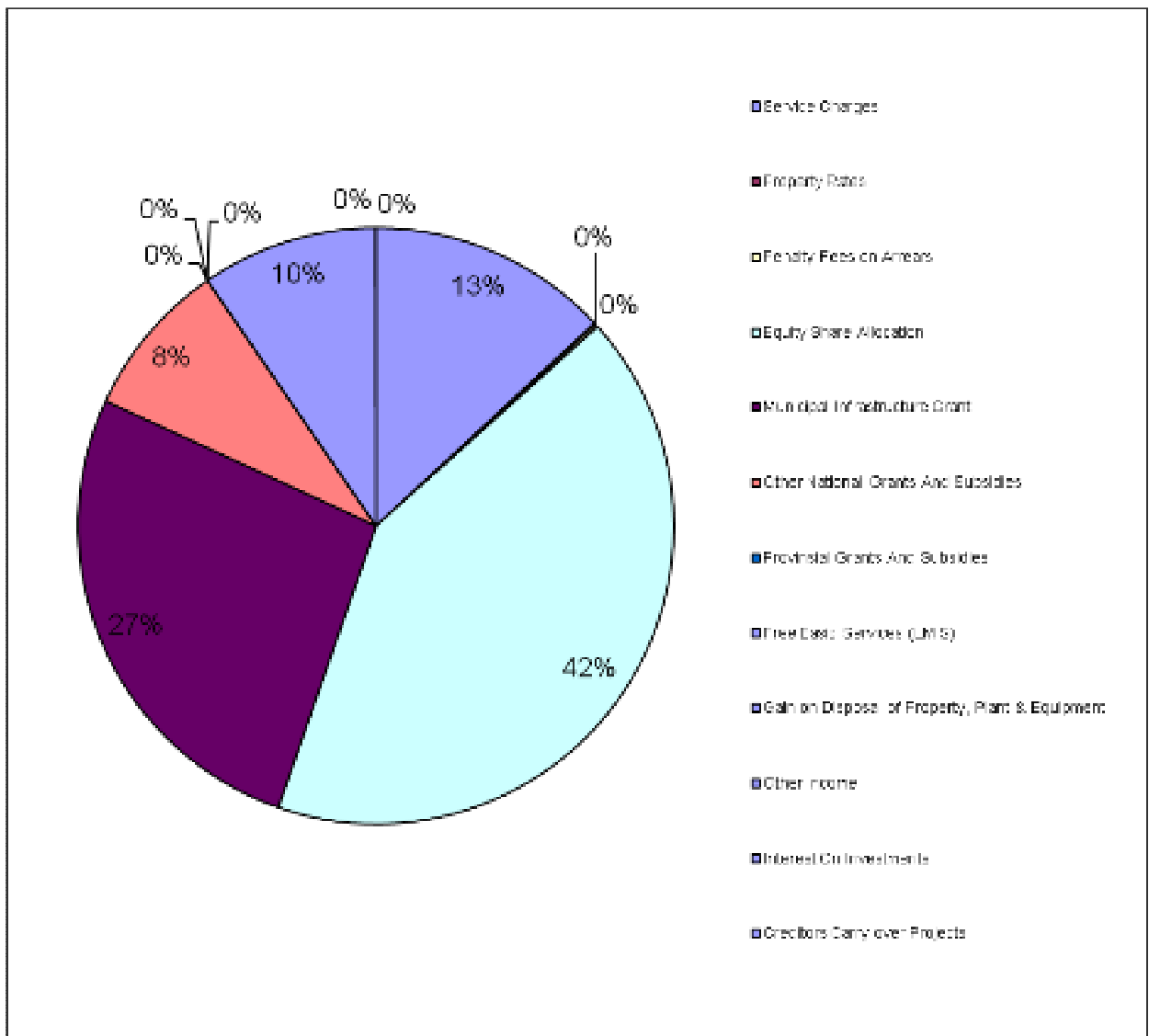
<p>affected service delivery in the following manner</p> <ul style="list-style-type: none"> <li>The accountant for expenditure performed functions in the salaries section in addition to normal responsibilities as laid down in his job description and also performed a review of the payroll.</li> </ul>			
<b>AUDIT FINDING</b>	<b>Strategy</b>	<b>Activities</b>	<b>Responsible official comments</b>
<b>Tender administration</b>	<ul style="list-style-type: none"> <li>- Supply chain unit to be capacitated on tender management</li> <li>- Reports to be submitted on matters which are reportable</li> </ul>		<ul style="list-style-type: none"> <li>- Project management unit administrator has implemented a checklist system to all projects files as to ensure that all relevant documentation are filed and safeguarded.</li> </ul>



**H1.1.18 OPERATIONAL INCOME BUDGET 2010/2011**

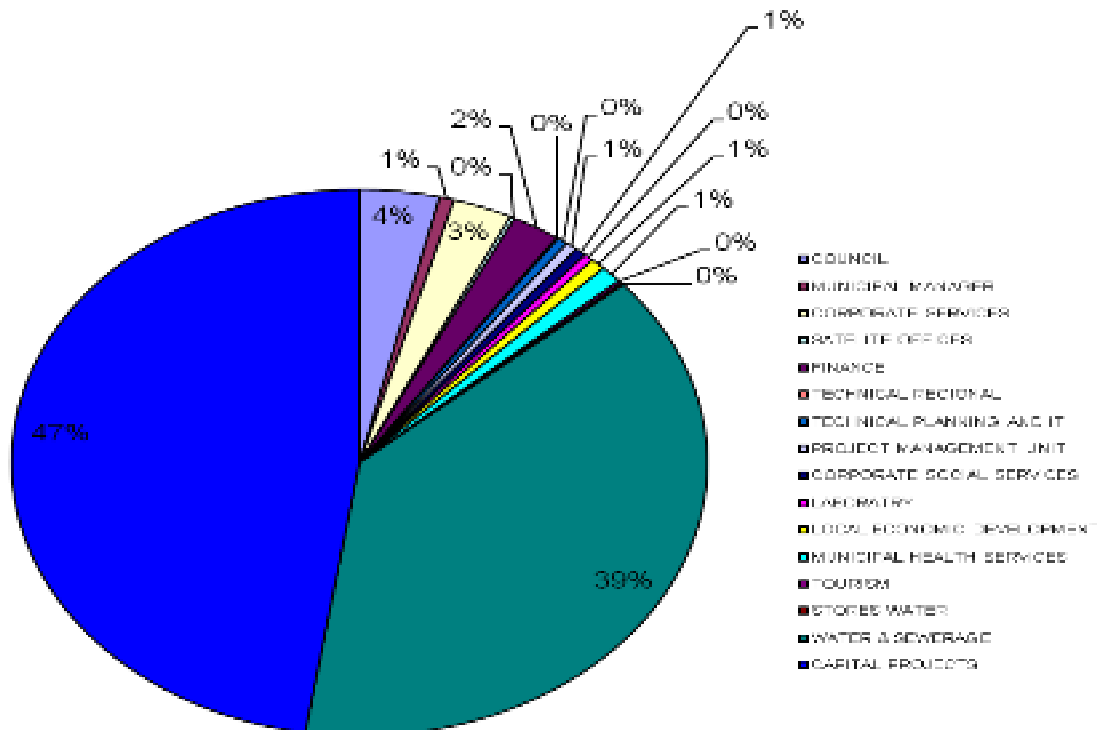
**OPERATIONAL INCOME BUDGET 2009/2010**

Service Charges	61 748 001	13.09%
Property Rates	387 325	0.08%
Penalty Fees on Arrears	722 027	0.15%
Equity Share Allocation	198 196 000	42.01%
Municipal Infrastructure Grant	125 334 000	26.56%
Other National Grants And Subsidies	40 205 000	8.52%
Provincial Grants And Subsidies	0	0.00%
Free Basic Services (LMS)	0	0.00%
Gain on Disposal of Property, Plant & Equipment	0	0.00%
Other Income	45 116 780	9.56%
Interest On Investments	101 189	0.02%
Creditors Carry over Projects	0	0.00%
	471 810 322	100.00%



**UTHUKELA DISTRICT MUNICIPALITY  
EXPENDITURE PER DEPARTMENT FOR 2010/2011**

COUNCIL	17 518 292	3.71%
MUNICIPAL MANAGER	3 197 911	0.68%
CORPORATE SERVICES	13 006 085	2.76%
SATELITE OFFICES	1 017 780	0.22%
FINANCE	10 496 582	2.22%
TECHNICAL REGIONAL	354 090	0.08%
TECHNICAL PLANNING AND IT	2 328 511	0.49%
PROJECT MANAGEMENT UNIT	2 600 734	0.55%
CORPORATE SOCIAL SERVICES	2 462 308	0.52%
LABORATRY	2 136 017	0.45%
LOCAL ECONOMIC DEVELOPMENT	3 247 269	0.69%
MUNICIPAL HEALTH SERVICES	4 783 058	1.01%
TOURISM	820 759	0.17%
STORES WATER	630 913	0.13%
WATER & SEWERAGE	183 107 633	38.81%
CAPITAL PROJECTS	224 102 380	47.50%
	<b>471 810 323</b>	<b>100.00%</b>



EXPENDITURE	BUDGET 2009/2010	ESTIMATED ACTUAL 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	BUDGET 2012/2013
Affirmative Action	0	17,465	0	0	0
Job Creation	54,000	34,929	0	0	0
Uthukela District Associations (SAFA)	600,000	223,750	600 000	636 000	674 160
Kwanaloga Games	2,900,000	2,107,553	2 900 000	3 074 000	3 258 440
Promotion of Sports	700,000	505,000	1 200 000	1,272,000	1,348,320
Social Economic Activities	1,500,000	1,136,328	2 000 000	2120 000	2247200
Arts, Culture and Music	1,000,000	299,000	1000 000	1060 000	1123600
Counter Funding - Projects	0	0	0	0	0
Youth And Gender Development	0	0	200 000	2120 000	2247 200
Gender Programs	300,000	300,000	1,000,000	1,060,000	1,123,600
Gender Programs	330,000	227,500	0	0	0
Infrastructural Development	4,300,000	3,654,277	7000 000	7420 000	7865 200
Uthukela Civil Defence / Security Contract	7,300,000	7,161,384	4,200,000	4,452,000	4719 120
Educational Support Activities	440,000	439,954	500 000	530 000	561 800
MPRA Implementation	0	0	0	0	0
Credit Control Road Shows & Implementation	150,000	72,223	700,000	742,000	786,520
Community consultation meetings on Service Delivery	0	0	0	0	0
Upgrade IT System (Munsoft)	150,000	16,053	600,000	636,000	674,160
Ongoing training and capacity building	20,000	0	0	0	0
GRAP/ GAMAP Compliance	200,000	45,860	400,000	424,000	449,440
Fleet Management	0	0	0	0	0
Land Purchase	0	0	0	0	0
LED Program	2,600,000	1,288,889	2,000,000	2,120,000	2,247,200
Mayoral Cup	700,000	689,511	700 000	742 000	786 520
Youth Day	300,000	0	0	0	0
Childrens Council	0	0	0	0	0
Elderly Persons Program	210,000	0	200,000	212,000	224,720
Disability Programs	150,000	6,000	300,000	318,000	337,080
Integrated Development Plan	20,000	6,137	50 000	53000 00	56 180
Supply Chain Management	20,000	0	0	0	0
Review & Implement Employment Equity Plan	30,000	0	0	0	0
Review & Implement District Workplace Skills Plan	40,000	0	300,000	318,000	337,080
Computer Network, Hardware Plus UPS	300,000	104,741	0	0	0
Reviewable of Financial Policies	40,000	40,000	150,000	159,000	168,540
Performance Management System	100,000	106,000	0	0	0
Mgazizi Water Project	200,000	212,000	0	0	0
Kwanomoya Water Project	200,000	212,000	0	0	0
Ncunjane Water Project	200,000	212,000	0	0	0
Maintenance Network Infrastructure	315,000	28,515	0	0	0
IT And Establishment Cost - New Building	0	0	6,263,374	6,639,176	7,037,527
Asset Verification	0	0	1,200,000	1,272,000	1,348,320
Pre-Paid Meters	0	0	0	0	0
Data Cleansing	0	0	1,400,000	1,484,000	1,573,040

UThukela District Municipality IDP Review 2010/2011

Monitoring of IT Service Provider	0	0	0	0	0
Drought relief project			1 159 841	1 229 431	1 303 197
<b>GRAND TOTAL</b>	<b>25,359,000</b>	<b>19,147,069</b>	<b>37,823,215</b>	<b>40 092 608</b>	<b>42,498,164</b>

<b>EXPENDITURE</b>	<b>BUDGET 2009/2010</b>	<b>ACTUAL 2009/2010</b>	<b>BUDGET 2010/2011</b>	<b>BUDGET 2011/2012</b>	<b>BUDGET 2012/2013</b>
Dwarf Drought Relief (DORA)	0	0	0	0	0
Backlog In Water & Sanitation At Schools Grant (DORA)	8,760,000	8,760,000	0	0	0
Regional Bulk Infrastructure grant (DORA)	2,757,000	2,757,000	24,295,000	38,187,000	61,386,000
Bulk Meter Installation at extraction and exit points WTP	0	0	0	0	0
Bulk Meter installation at reticulation zones	0	0	0	0	0
WTP and WWTP compliance	0	0	0	0	0
Reservoir maintenance / refurbishment	0	0	0	0	0
Upgrade of raw water pumps at Ezakheni WTP	0	0	0	0	0
Refurbishment of Spioenkop and George Cross pumps	0	0	0	0	0
Implementation of telemetry system across the district	0	0	0	0	0

**CONDITIONAL GRANTS**

<b>EXPENDITURE</b>	<b>BUDGET 2009/2010</b>	<b>ESTIMATED ACTUAL 2009/2010</b>	<b>BUDGET 2010/2011</b>	<b>BUDGET 2011/2012</b>	<b>BUDGET 2012/2013</b>
Local Government Fin Mangt Grant (DORA)	750,000	750,000	1,000,000	1,250,000	1,250,000
National Electrification (Eskom) Grant (DORA)	0	0	0	0	0
KZN - Provincial Management Assistance Program	0	0	0	0	0
KZN - Library Services	0	0	0	0	0
KZN-Municipal Development Information Services	250,000	250,000	0	0	0
KZN-Infrastructure	3,399,000	3,399,000	0	0	0
KZN-Development Administration	500,000	500,000	0	0	0
KZN-Spatial Development	500,000	500,000	0	0	0
KZN-Strategic Support	500,000	500,000	0	2,510,000	0
KZN-Incentive Grant To Meet Targets (DORA)	500,000	500,000	0	0	0
KZN-Motor vehicle Licence Fees	19,000	19,000	0	0	0
KZN-Centre Management Support	0	0	0	0	0
KZN-Small Town Regeneration Expanded Public Works Program	1,875,000	1,875,000	0	0	0
Incentive Grant (DORA)	0	0	12,410,000	0	0
<b>GRAND TOTAL</b>	<b>8,293,000</b>	<b>8,293,000</b>	<b>13,410,000</b>	<b>3,76,000</b>	<b>1,250,000</b>

**GRANTS AND SUBSIDIES CARRY OVER**

<b>DESCRIPTION</b>	<b>DEPARTMENT NUMBER</b>	<b>VOTE NUMBER</b>	<b>CREDITOR PROJECTS AS AT 28/02/2010</b>
MSIG PERFORMANCE MANAGEMENT SYSTEM	797	55010	8,595.00
MSIG PIMMS DEPARTMENT	798	055010	377,249.16
KZN DEVELOPMENT PLAN CAPACITY	799	800003	0.00
DWAF WATER CONSERVATION	801	401000	1,442,555.26
DWAF IEC 04/05 WATER & SANITATI	801	401002	367,456.94
WATER SERVICES DEV PLAN DWAF	801	401003	12,732.80
DWAF BALANCE EX 03/04	801	401004	55,674.44
DWAF WORKS REFURB GRANT	801	401005	7,789,095.58
DWAF MVULA SANI 04/05	801	401006	272.84
DWAF BLUE BANK	801	401007	2,386.86
DWAF BALDASKRAAL	801	401008	2,348.97
DWAF GREENPOINT	801	401009	11,205.88
DWAF NYEZANE	801	401010	31,585.00
DWAF DROUGHT RELIEF	801	401011	2,009.79
ROOSBOOM WATER RETICULATION	801	401012	861,102.12
RAIN WATER HARVESTING	801	401013	293,865.63
FEASIBILITY STUDY	801	401014	77,210.26
ASSET MANAGEMENT	801	401015	385,285.44
DWAF EX 03/04	801	401021	0.40
DRIEFONTEIN BULK SCHEME	801	401024	1,774,113.24
KZN TRANSFORMATION	822	422002	377,921.34
KZN MULTI PURPOSE VEHICLE	822	422003	13,512.00
KZN UITVAL SPORT FIELDS	822	422004	4,583.79
KZN GIS CAPACITY BUILDING	822	422005	6,678.90
KZN DISASTER MAN FRAME MSIG	822	422007	34,100.92
KZN TOURISM PROJECTS MSIG	822	422008	2,758.24
KZN KWADAKUZA RURAL SERV SYSTE	822	422012	18,000.00
KZN INCORP LAND REF SUB REG PL	822	422014	2,600.00
KZN ST CHADS EMERGENCY WATER	822	422015	5,891.00
KZN G.I.S. GRANT	822	422016	2,103.78
KZN CHANGE MANAGEMENT COMMITTE	822	422017	82,955.00
KZN SEC RETERIAL MFC	822	422018	50,000.00
KZN IMMEDIATE SUPPORT TECH	822	422019	15,208.00
KZN DUKUZA SPORT & REC	822	422020	16,729.47
KZN TOURISM INITIATIVE	822	422021	0.00
KZN DEVELOPING G.I.S.	822	422022	66,143.98
KZN NEW STAND SPORT & REC	822	422023	2,091.87
KZN INTERGRATED TRANS PLAN	822	422024	381,755.49
KZN CAPACITY BUILDING PLAN	822	422026	120,000.00
KZN DIMMS	822	422028	186,827.00
KZN PERFORMANCE MNGT SYSTEM	822	422029	7,868.86
KZN IDP SUPPORT SYSTEM	822	422030	0.87
KZN TUGELA ESTATE FISH PROJ	822	422031	731,314.07
KZN REGIONAL ECONOMIC DEVELOPM	822	422033	23,000.00

KZN UMTSHEZI SPORT & REC	822	42 2034	233,320.00
KZN S 78 ASSESSMENT	822	42 2035	501,500.00
KZN BACKLOG STUDY	822	42 2036	249,455.50
KZN W S D P	822	42 2037	50,000.00
KZN M.A.P FUNDING	822	42 2039	8,183.89
KZN KAN DAHAR FIELD PROFES FEES	822	42 2040	47,182.65
KZN KAN DAHAR FIELD PROGRAM	822	42 2041	9,318.19
KZN KAN DAHAR FIELD CONSTRUC TIO	822	42 2042	71,394.52
KZN FINANCE MANAGEMENT GRANT	822	42 2043	1,200,147.52
KZN DPLG DROUGHT GRANT	822	42 2044	12,809.06
KZN UMHLUMAYO SPORT & REC	822	42 2045	26,879.85
KZN N TABAMHLOPE SPORT & REC	822	42 2046	33,549.64
KZN ASSESSMENT WATER SD PLAN	822	42 2048	3,498.79
KZN ASSESSMENT WATER & ELECTRIC	822	42 2050	38,927.31
KZN IMP TECH & SCIENTIFIC SUPP	822	42 2051	500,000.00
KZN DEV INFORM SYSTEM SUPPORT	822	42 2053	190,000.00
KZN TECH SUPP & INFRAST BACKLO	822	42 2054	579,940.00
KZN SHARED SERVICE CENTRES	822	42 2055	936,054.29
KZN ENERGY SECTOR PLAN & SUPP	822	42 2056	3,100.00
KZN INSTITU SUPP & CAPACITY BU	822	42 2058	289,390.98
KZN WATER SERV DELIV PLAN	822	42 2059	35,358.69
KZN LAND REFORM GIJIMA	822	42 2060	14,454.03
KZN LED GIJIMA	822	42 2061	3,763.26
KZN DEV INFORM SYS SUPPORT	822	42 2063	1,080,000.00
KZN MUN PERFORMANCE MANG	822	42 2064	45,331.86
KZN IDP SUPPORT	822	42 2065	31,709.44
KZN CAP BUILD WATER STAFF	822	42 2066	316,720.00
KZN WSA INSTITUTIONAL SUPP	822	42 2067	12,280.70
KZN DISASTER MANAGEMENT	822	42 2068	5,065.43
KZN LOCAL GOV SETA GRANT	822	42 2069	187,521.50
KZN LGSETA GRANT TRAINING	822	42 2070	722,409.57
KZN SOCIAL PILOT PROJECT	822	42 2071	856,860.00
KZN SOCIAL EMABHEKAZI	822	42 2072	69,535.00
KZN GROUTH & DEV SUMMIT	822	42 2074	100,000.00
KZN ARTS, CUL & TOURISM	822	42 2075	1,378.16
WASTE MANAGEMENT PLAN	822	42 2076	41,052.63
DMA BUFFER SUPPORT	822	42 2077	264,781.63
PUBLIC WORKS INCENTIVE GRANT	822	42 2078	522,300.00
SOCIAL PILOT PROJECT LIMEHILL	830	80 0025	0.00
SOCIAL EMABHEKAZI WATER PROJECT	830	80 0026	0.00
UDM LAND REFORM PROJECTS	945	445,002	1,237,079.74
COMMUNITY BASED PUBLIC WORKS PROGRAM	946	446,002	72,754.42
<b>BUDGET</b>			<b>26,251,798.44</b>

EXPENDITURE	BUDGET 2009/2010	ESTIMATED		BUDGET 2011/2012	BUDGET 2012/2013
		ACTUAL 2009/2010	BUDGET 2010/2011		
<b>MUNICIPAL GOVERNANCE AND ADMINISTRATION</b>					
Affirmative Action	0	17,465	0	0	0
Job Creation	54,000	34,929	0	0	0
Ongoing training and capacity building	20,000	0	0	0	0
<b>COMMUNITY &amp; PUBLIC SAFETY</b>					
Uthukela District Associations (SAFA) SPORTS	600,000	223,750	600,000	636,000	674,160
Kwanaloga Game SPORTS	2,900,000	2,107,553	2,900,000	3,074,000	3,258,440
Promotion of Sport SPORTS	700,000	505,000	1,200,000	1,272,000	2,247,200
Arts, Culture and Music Youth And Gender Development	300,000	300,000	1,000,000	1,060,000	1,123,600
Gender Programs	330,000	227,500	0	0	0
Mayoral Cup SPORTS	700,000	689,511	700,000	742,000	786,520
Educational Support Activities	440,000	439,954	500,000	530,000	561,800
Elderly Persons Program	210,000	0	200,000	212,000	224,720
Disability Programs OTHER SOCIAL	150,000	6,000	300,000	318,000	337,080
Youth Day CHILD CARE	300,000	0	0	0	0
<b>ECONOMIC AND ENVIRONMENTAL SERVICES</b>					
Social Economic Activities ECONOMIC DEVELOPMENT	1,500,000	1,136,328	0	0	0
LED Program	2,600,000	1,288,889	2,000,000	2,120,000	2,247,200
Local Economic Development Support	0	0	0	0	0
Integrated Development Plan Performance Management System PERFORMANCE MANAGEMENT	20,000	6,137	50,000	53,000	56,180
MANAGEMENT	100,000	106,000	0	0	0
<b>SECURITY W ATER</b>					
Uthukela Civil Defence / Security Contract	7,300,000	7,161,384	4,200,000	4,452,000	4,719,120
<b>FINANCE COLLECTION COSTS</b>					
Credit Control Road Shows & Implementation	150,000	72,223	700,000	742,000	786,520
Data Cleansing	0	0	1,400,000	1,484,000	1,573,040
<b>COMMUNITY AND PUBLIC</b>					

<b>SAFETY</b>					
Community consultation meetings on Service Delivery	0	0	0	0	0
<b>MUNICIPAL GOVERNANCE AND ADMINISTRATION</b>					
Upgrade IT System (Munsoft)	150,000	16,053	600,000	636,000	674,160
Monitoring of IT Service Provider	0	0	0	0	0
Maintenance Network Infrastructure	315,000	28,515	0	0	0
Computer Network, Hardware Plus UPS	300,000	104,741	0	0	0
<b>CORPORATE SERVICES - CONTRACTED SERVICES</b>					
Review & Implement Employment Equity Plan	30,000	0	0	0	0
Review & Implement District Workplace Skills Plan	40,000	0	300,000	318,000	337,080
<b>PROJECTS - INHOUSE FUNDED</b>					
Mgazizni Water Project	200,000	212,000	0	0	0
Kwanomoya Water Project	200,000	212,000	0	0	0
Ncunjane Water Project	200,000	212,000	0	0	0
Land Purchase	0	0	0	0	0
Counter Funding – Projects	0	0	2000 000	2 120 000	2 247 200
Infrastructural Development	4,300,000	3,654,277	700 000	7 420 000	7 865 200
<b>ESTABLISHMENT COSTS - PROJECTS</b>					
IT And Establishment Cost - New Building	0	0	6,263,374	6,639,176	7,037,527
<b>OPERATIONAL FINANCE - FINANCIAL REFORMS</b>					
Asset Verification	0	0	1,200,000	1,272,000	1,348,320
Supply Chain Management	20,000	0	0	0	0
Reviewable of Financial Policies	40,000	40,000	150,000	159,000	168,540
GRAP/ GAMAP Compliance	200,000	45,860	400,000	424,000	449,440
Fleet Management	0	0	0	0	0
MPRA Implementation	0	0	0	0	0
<b>OPERATIONAL - PROJECTS</b>					
Pre-Paid Meters	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>25,369,000</b>	<b>19,147,069</b>	<b>37,823,215</b>	<b>40,092,608</b>	<b>42,498,164</b>



## **SECTION I ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM**

### **11.1.1 INTRODUCTION**

The Municipal Planning and Performance Regulations (MPPMR) is a set of regulations which clarifies the process of how the Performance Management System and Integrated Development Plan should be developed and implemented. It also indicates how the auditing of the Performance Management System should take place. The section 14(1) of the Municipal Planning and Performance Regulations states that a municipality must develop and implement mechanisms, systems and process for auditing the results of performance measurements as part of the internal auditing process.

Section 7(2)(c) of the MPPR requires the municipality to clarify the roles and responsibilities of each stakeholders, including the local community in the functioning of the PMS. The Municipal Systems Act (Act 32 of 2000) stipulates the development of a Performance Management System for all spheres of local government in order to assist in the implementation of their IDP's. The uThukela District Municipality has therefore commissioned the development of a Performance Management Framework in order to enable the municipalities within uThukela to comply with the legal mandate. The uThukela Performance Management System relies greatly on the information provided by existing documentation within the municipality such as the Municipal IDP and the Best Practice Guide developed by COGTA.

### **11.1.2 BACKGROUND**

Detailed terms of reference were developed by the uThukela District Municipality for the drafting of an uThukela Performance Management System and Performance Management Framework. The terms of reference identified expected outputs, emphasising the link between the IDP and PMS, as well as the identification of role players in the PMS process, the proposed reporting systems and the key performance areas of the Municipality.

The various departments of the uThukela District Municipality were identified as the operational level of the municipality, thus the PMS will be focused on the departments and their respective heads, as well as the organizational performance of the Municipality.

The Municipal Performance Management System was subdivided into three phases being:

- **Phase One : Municipal PMS Status Quo**
- **Phase Two: Communication Structures**
- **Phase Three: Performance Management System**

The phases were separated in order to identify different aspects of the municipal operations and to assist the role players to easily understand the performance process.

## **LEGISLATIVE FRAMEWORK**

The uThukela Performance Management System is based on the legislative mandate that governs the operations of the local government spheres. In addition, the National and Provincial guidelines have been taken into consideration during the process.

uThukela Performance Management System is influenced by the following legislations:

- Municipal Systems Act, Act 32 of 2000
- White Paper on Local Government, 1998
- Municipal Planning and Performance Management Regulations 2001
- The Constitution of the Republic of South Africa, Act 108 of 1996
- The Municipal Finance Management Act 56 of 2003
- Intergovernmental Relations of 2005

## **PERFORMANCE MANAGEMENT SYSTEM**

The uThukela Performance Management System is subdivided into three sections for easy reference. These are:

### **Phase One: Municipal PMS Status Quo**

Phase one is aimed at the identification of the existing facilities within the Municipality, as well as the investigation of existing departmental structures and management styles of each department in order to verify the level of interaction between the departmental heads and the junior staff.

During this phase, the methods of communication used by departments will be investigated and documented, including the use of computerised systems in order to track the performance of staff, as well as manual systems, such as departmental meetings and progress reports

In addition, the management tools used by the organisation to measure the performance of departments will be investigated and the management meetings analysed in order to understand the process of evaluating organisational performance

### **Phase Two: Communication Structures**

The aim of this phase is to analyse the role of different stakeholders and their level of participation in the process of developing and implementing a Performance Management System. During this phase different role players will be identified and their responsibilities defined. Participatory and communication structures will also be identified during this phase.

### **Phase Three: Performance Management System**

The development of this phase is focusing on the development of a municipal Performance Management System. This includes the development of a new approach in evaluating performance and the development of an organisational and departmental scorecard which will be aligned to the Municipal IDP. This will include the development of departmental business plans and the establishment of a Performance Management Auditing Committee. The following table below is the Organizational scorecard for 2010/2011.

## 11.1.3 Organisational Scorecard

## UTHUKELA DISTRICT MUNICIPALITY - ORGANISATIONAL SCORE CARD 2010-11

IDP Indicator No.	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure/Indicator (Unit of Measure)	Demand	Baseline (Previous Year Actuals)	Backlog	2010/11	Responsible Department	Financial Implications
								Target		Source of funding
IDP2011/001	Municipal Transformation and Institutional Development	To provide effective and efficient Human Resources Management Services	Approved organogram	Yes/No	n/a	Yes	n/a	Yes	Coporate	Operational
IDP2011/002			Number of Black staff employed in management	Number of staff	n/a	5	n/a	5	Coporate	Operational
IDP2011/003			Women employed by the municipality	Number of staff	197	90	107	1215	Coporate	Operational
IDP2011/004			Youth employed by the municipality	Number of staff	215	41	174	41	Coporate	Operational
IDP2011/005			Employees with disabilities employed by the municipality	Number of staff	6	0	6	0	Coporate	Operational
IDP2011/006			Approved Workplace Skills Plan	Yes/No	n/a	Yes	n/a	Yes	Coporate	Operational
IDP2011/007			Budget spent on Workplace Skills Plan	% spent	n/a	1%	n/a	1.00%	Coporate	Operational
IDP2011/008			Scarce Skills Policy	Yes/No	n/a	Yes	n/a	Yes	Coporate	Operational
IDP2011/009			Recruitment policy	Yes/No	n/a	Yes	n/a	Yes	Coporate	Operational
IDP2011/010			To ensure effective administrative support services	Review of fleet management policy	Date of review	n/a	n/a	n/a	2010/09/30	Finance
IDP2011/011		Provision of secretarial services		Number of meetings	n/a	30	n/a	40	Coporate	Operational
IDP2011/012				Notice of meeting (agendas)	n/a	2 days prior to meeting	n/a	5 working days prior to meeting	Coporate	Operational
IDP2011/013		To conform to the Batho Pele Principles	Community surveys	Turnaround time for minutes	n/a	3 working days	n/a	3 working days	Coporate	Operational
IDP2011/014				Number of surveys	n/a	n/a	n/a	2	Coporate	Operational

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IDP2011/015		Develop a consumer charter	Date of adoption	n/a	n/a	n/a	2010/12/31	Coporate	Operational
IDP2011/016	To ensure integrated development planning	Adopted IDP	Date adopted	n/a	2010/06/30	n/a	2011/06/30	Planning	Operational
IDP2011/017		Spatial development framework	Y/N	n/a	Yes	n/a	2011/06/30	Planning	Operational
IDP2011/018		Environmental Management Plan	Y/N	n/a	No	n/a	2011/06/30	Health and environmental services	Operational
IDP2011/019		Land use management system	Y/N	n/a	No	n/a	2011/06/30	Planning	Operational
IDP2011/020		IDP Process Plan	Date adopted	n/a	Yes	n/a	2010/09/30	Planning	Operational
IDP2011/021		IDP Framework Plan	Date adopted	n/a	Yes	n/a	2010/09/30	Planning	Operational
IDP2011/022	To promote occupational health and safety	Implement Employee Wellness Programme	Date of review	n/a	No	n/a	2011/06/30	Health and environmental services	Operational
IDP2011/023			Number of programmes/workshops undertaken	n/a	No	n/a	4	Health and environmental services	Operational
IDP2011/024			Establish a functional occupational health and safety committee	Date committee established	Yes	n/a	2010/09/30	Health and environmental services	Operational
IDP2011/025			Number of meetings	1	n/a	3	Health and environmental services	Operational	
IDP2011/026	To implement an effective organisational and individual performance management system	Performance Management Systems	Yes/No	n/a	Yes	n/a	Yes	Planning	Operational
IDP2011/027		Adopt Performance Management Framework	Date adopted	n/a	Yes	n/a	2010/09/30	Planning	Operational
IDP2011/028		S57 performance agreements	Number of agreements	n/a	5	n/a	7	Office of the MM	Operational
IDP2011/029		Quarterly performance reports prepared within 30 days of quarter end	Date	n/a	Not achieved	n/a	Quarterly	Planning / All	Operational
IDP2011/030		Mid year budget and performance report	Date	n/a	Not achieved	n/a	2011/01/25	Planning	Operational

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IDP2011/031		Draft Annual Performance Report submitted to Auditor General	Date	n/a	submitted after 31/08/2009	n/a	2010/08/31	Planning / All	Operational	
IDP2011/032		Draft Annual Report	Date	n/a	November 2009	n/a	2010/11/30	Planning	Operational	
IDP2011/033		Table Annual Report	Date	n/a	Tabled in February 2010	n/a	2011/01/31	Planning	Operational	
IDP2011/034		Oversight Report	Date	n/a	Not done	n/a	2011/03/31	Planning	Operational	
IDP2011/035		Establish Oversight Committee to review Annual Report	Date	n/a	No	n/a	2010/09/30	Office of the MM	Operational	
IDP2011/036	To develop and implement the Municipal Turn Around Strategy	Achievement of the approved Municipal Turnaround Strategy	% of plan achieved	n/a	10%	n/a	100%	All	Operational	
IDP2011/037	To provide effective communication solutions	Develop and implement communication strategy	Date	n/a	No	n/a	2010/12/31	Coporate	Operational	
IDP2011/038	To provide effective Information Technology solutions	Implement District Information Management System (DIMS)	Date	n/a	n/a	n/a	2011/06/30	Planning	Operational	
IDP2011/039		Develop IT Policy (ITIL)	Date	n/a	n/a	n/a	2010/12/31	Planning	Operational	
IDP2011/040		Implementation of the IT Policy	% of policy implemented	n/a	n/a	n/a	50%	Planning	Operational	
IDP2011/041	Basic Service Delivery and Infrastructure Development	To reduce infrastructure backlogs with water and sanitation services	Review the Water Services Development Plan	Date of review	n/a	n/a	n/a	2011/06/30	WSA	Grant
IDP2011/042		Implementation of identified projects in IDP	% of capital budget spent (cumulative)	n/a	100%	n/a	100%	Technical	Grant	
IDP2011/043		Households with access to basic water	Number of households	139639	116599	23040	6000	Technical	Grant	
IDP2011/044		Provision of bulk water infrastructure	Number of kilometres of piping laid	n/a	135	n/a	592	Technical	Grant	

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IDP2011/045		Households with access to basic sanitation	Number of households	139639	110315	29324	700	Technical	Grant	
IDP2011/046		Develop a Comprehensive Infrastructure Plan	Date approved	n/a	n/a	n/a	2011/06/30	WSA	Donor funding	
IDP2011/047	To provide sustainable portable water and sanitation services	Operation and maintenance plan to be developed and implemented	Number of plans developed	114	10	104	104	Waterservices	Operational	
IDP2011/048			% of plans implemented	n/a	n/a	n/a	100%	Waterservices	Operational	
IDP2011/049		Response time to attend to water complaints	Time	n/a	within 48 hours	n/a	48 hours	Waterservices	Operational	
IDP2011/050		Reduction of water losses	% reduction in losses	n/a	R10.7m loss in 2008/09	n/a	10%	Waterservices	Operational	
IDP2011/051		Ensure water quality standards are maintained	Compliance to SANS 241 water quality standards (micro-biological quality)	n/a	n/a	n/a	100%	Waterservices / WSA	Operational	
IDP2011/052	To provide social services infrastructure	Construction of sportsfields	Number of sportsfields constructed/provided	n/a	1	n/a	1	Technical	Department of Sport and Recreation	
IDP2011/053	To provide access to free basic services	Households with access to free water services	Number of households	n/a	81000 (estimate)	n/a	81000 (estimate)	Waterservices	Operational	
IDP2011/054		Households with access to sanitation services	Number of households	n/a	86000 (estimate)	n/a	86000 (estimate)	Waterservices	Operational	
IDP2011/055	Local Economic Development	To stimulate sustainable economic development and to reduce poverty within the District	District growth and development summit	Number of summits	n/a	0	n/a	1	Planning	Grant
IDP2011/056			Functioning District LED forum	Number of meetings	n/a	1	n/a	4	Planning	Operational
IDP2011/057			Develop SMME Policy	Date approved	n/a	No	n/a	2010/09/30	Planning	Operational
IDP2011/058			Develop SMME Programme	Date approved	n/a	No	n/a	2010/09/30	Planning	Operational
IDP2011/059			SMME Programme implemented	% of SMME budget spent	n/a	0%	n/a	90%	Planning	Operational
IDP2011/060			Implementation of the LED plan	% of LED budget spent	n/a	50%	n/a	90%	Planning	Operational
IDP2011/061			Jobs created through the municipality's LED	Number of jobs	n/a	940	n/a	2000	Planning	Operational

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IDP2011/062		initiatives								
		Jobs created through the municipality's capital projects	Number of jobs				23132	Technical	Grant	
IDP2011/063	To promote tourism within the District	Implementation of the tourism plan	% of budget spent	n/a	25%	n/a	90%	Planning	Operational	
IDP2011/064		Functional District Tourism Forum	Number of forum meetings	n/a	1	n/a	4	Planning	Operational	
IDP2011/065		Functional District Tourism fora	Number of fora meetings	n/a	2	n/a	4	Planning	Operational	
IDP2011/066		Publish tourism brochure	date published	n/a	May 2010	n/a	2011/06/30	Planning	Operational	
IDP2011/067		To develop a marketing strategy	Develop marketing strategy	Date approved	n/a	No	n/a	2010/12/31	Planning	Operational
IDP2011/068	Good Governance, Community Participation and Ward Committee Systems	To undertake on-going research to the benefit of the district.	Creation of database of research areas/projects	Y/N	n/a	n/a	n/a	Y	All	Operational
IDP2011/069			Research projects undertaken	Number of research projects undertaken	n/a	n/a	n/a	4	All	Operational
IDP2011/070			Sourcing of funding for research/researched projects	Number of projects funded	n/a	n/a	n/a	4	All	Operational
IDP2011/071		To ensure an effective internal audit and risk management strategy	Perform risk assessment of the municipality	Approved risk profile	n/a	Yes	n/a	2010/09/30	Office of the MM / Finance	Operational
IDP2011/072			Review and implement fraud/anti-corruption plan	Number of workshops	n/a	3	n/a	2	Finance	Operational
IDP2011/073			Financial and Performance audit committee	Yes/No	n/a	Yes	n/a	Yes	Finance	Operational
IDP2011/074				Number of meetings	n/a	3	n/a	4	Finance	Operational
IDP2011/075			Internal audit activity	% achievement of the internal audit plan	n/a	92%	n/a	100%	Finance	Operational
IDP2011/076		Implementation of action plan stemming from Auditor General's findings	% achieved	n/a	95%	n/a	100%	All	Operational	
IDP2011/077		To actively involve the community and stakeholders in the	Awareness campaigns	Number of campaigns	n/a	0	n/a	4	All	Operational
IDP2011/078	Mayoral imbizo's		Number of imbizo's	n/a	0	n/a	1	Planning/	Operational	



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	affairs of the municipality							Coporate	
IDP2011/079		Budget and IDP roadshows	Number of roadshows	n/a	7	n/a	7	Planning/ Finance	Operational
IDP2011/080		IDP representative forums	Number of meetings held	n/a	2	n/a	2	Planning	Operational
IDP2011/081		Sector department meetings	Number of meetings held	n/a	3	n/a	5	Health and Planning	Operational
IDP2011/082		Number of council meetings	Number of meetings held	n/a	3	n/a	4	Office of the MM	Operational
IDP2011/083		Adverts in local media	Number of adverts newsprint	n/a	4	n/a	7	Planning and coporate	Operational
IDP2011/084			Number of radio slots	n/a	52	n/a	52	Office of the MM	Operational
IDP2011/085	To actively participate in IGR structures	Mayoral Forum	Number of meetings	n/a	0	n/a	4	Office of the MM	Operational
IDP2011/086		Municipal managers' Forum	Number of meetings	n/a	0	n/a	4	Office of the MM	Operational
IDP2011/087		CFO Forum	Number of meetings	n/a	2	n/a	4	Finance	Operational
IDP2011/088		IDP managers Forum	Number of meetings	n/a	2	n/a	4	Planning	Operational
IDP2011/089		District Aids Council Forum	Number of meetings	n/a	2	n/a	4	Health and environmental services	Operational
IDP2011/090		WSA Managers Forum	Number of meetings	n/a	3	n/a	4	Health and environmental services	Operational
IDP2011/091		Housing Forum	Number of meetings	n/a	1	n/a	2	Health and environmental services	Operational
IDP2011/092	To develop, review and implement policies, procedures, by-laws and sector plans	Assessment/ Documentation of policies, procedures, by-laws and sector plans	Date of completion	n/a	n/a	n/a	2010/09/30	All	Operational
IDP2011/093		Develop new policies, procedures, by-laws and sector plans where necessary	% Compliance	n/a	n/a	n/a	100%	All	Operational
IDP2011/094		Review existing policies, procedures, by-laws and sector plans where necessary	% Compliance	n/a	n/a	n/a	100%	All	Operational

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IDP2011/095			Effectively implement policies, procedures, by-laws and sector plans	% Compliance	n/a	n/a	n/a	100%	All	Operational	
IDP2011/096			Establishment of a buffer zone around the world heritage sites	Number of meetings	n/a	8	n/a	4	Planning	Operational	
IDP2011/097	Financial Viability and Financial Management	To enhance the revenue of the municipality	Efficiency in cash collections	% of billed/invoiced collected	n/a	38%	n/a	45%	Finance	Operational /Grant	
IDP2011/098			Review of tariffs 2011/12	Date of review	n/a	2010/06/30	n/a	2011/05/31	Finance	Operational	
IDP2011/099			Review of credit control policy	Date of review	n/a	No	n/a	2010/12/31	Finance	Operational	
IDP2011/100			Review of rates policy	Date of review	n/a	No	n/a	2010/12/31	Finance	Operational	
IDP2011/101			Under take data cleansing	Date completed	n/a	n/a	n/a	2011/06/30	Finance	Operational / Donor / Loan	
IDP2011/102			Intelligent metering system	Number of meters installed per household	n/a	n/a	n/a	7500	Finance	Loan / Donor	
IDP2011/103			Awareness campaign to encourage payment	Number of roadshows	n/a	0	n/a	4	Finance	Operational	
IDP2011/104			To ensure compliance to financial management requirements	Debt (loan) service payments	R value	n/a	R2,4 million	n/a	R2.4 million	Finance	Operational
IDP2011/105				Compliance to terms of loan agreements	% compliance	n/a	100%	n/a	100%	Finance	Operational
IDP2011/106				Total revenue received from grants and subsidies	R value	n/a	305715881	n/a	407481294	Finance	Operational
IDP2011/107	Grants and subsidies spent	% spent		n/a	100%	n/a	100%	Finance	Operational		
IDP2011/108	Audit opinion 2009/10	Unqualified		n/a	Unqualified	n/a	Unqualified	All	Operational		
IDP2011/109	To ensure effective budgeting and timeous reporting	Total operating budget	R value	n/a	355/18/69	n/a	4/18/03/22	Finance	Operational		
IDP2011/110		Total salaries and wages (including benefits)	R value	n/a	985/7/349	n/a	10589/15/18	Finance	Operational		
IDP2011/111		Monthly report submitted to mayor within 10 working days after month end	number of days	n/a	within 10 working days	n/a	10 days	Finance	Operational		

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IDP2011/112		Quarterly reports to Mayor within 30 days of the quarter end.	Number of days	n/a	within 30 days	n/a	30 days	Finance	Operational
IDP2011/113		Monthly report submitted to Provincial Treasury	Number of reports submitted	n/a	12	n/a	12	Finance	Operational
IDP2011/114		Table mid-year budget and performance report	Date tabled	n/a	2010/01/31	n/a	2010/01/25	Finance/ Planning	Operational
IDP2011/115		Table adjustment budget	Date tabled	n/a	2010/01/31	n/a	2011/01/31	Finance	Operational
IDP2011/116		Budget process plan 2011/12	Date adopted	n/a	Tabled in September 2009	n/a	2010/08/30	Finance	Operational
IDP2011/117		Adopt 2011/12 municipal budget	Date adopted	n/a	2010/05/31	n/a	2011/05/31	Finance	Operational
IDP2011/118		SDBIP for 2011/12 approved by Mayor 28 days after approval of Budget	Date approved	n/a	2009/07/28	n/a	28 days after approval of budget	Planning	Operational
IDP2011/119		Complete and submit Annual Financial Statements to the Auditor General	Date submitted	n/a	2009/08/31	n/a	2010/08/31	Finance	Operational
IDP2011/120		Compliance with MFMA requirements (checklist)	% Compliance	n/a	60%	n/a	60%	Finance	Operational
IDP2011/121	To ensure effective expenditure control	Compliance with GRAP	% Compliance	n/a	90%	n/a	90%	Finance	Operational
IDP2011/122		Budget vs. Actual	% variance (income)	n/a	5%	n/a	5%	Finance	Operational
IDP2011/123			% variance (expenditure)	n/a	10%	n/a	10%	Finance	Operational
IDP2011/124		Maintain Fixed assets register	Verification of assets	n/a	1	n/a	1	Finance	Operational
IDP2011/125		Expenditure incurred in terms of cash flow	% variance	n/a	40%	n/a	5%	Finance	Operational
IDP2011/126	To ensure compliance to SCM prescripts	Compliance to supply chain management regulations	% compliance	n/a	85%	n/a	100%	Finance	Operational
IDP2011/127		Implement Financial system for SCM	Date implemented	n/a	n/a	n/a	2010/10/31	Finance	Operational
IDP2011/128		Update supplier database	Date of update	n/a	reviewed 31/05/2010	n/a	2	Finance	Operational

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IDP2011/129			SCM performance reporting	Number of reports submitted	n/a	4	n/a	12	Finance	Operational	
IDP2011/130			SCM Policy reviewed	Date of review	n/a	n/a	n/a	2010/12/31	Finance	Operational	
IDP2011/131			Implement BBBEE strategy - targeted spend achieved	Total rand value of contracts awarded	n/a	R147,7 million	n/a	337670804	Finance	Operational	
IDP2011/132				Total rand value of contracts awarded to SMMEs	n/a	No information	n/a		Finance	Operational	
IDP2011/133				Total rand value of contracts awarded to BEE suppliers	n/a	No information	n/a		Finance	Operational	
IDP2011/134				Total rand value of contracts awarded to women	n/a	No information	n/a		Finance	Operational	
IDP2011/135				Total rand value of contracts awarded to youth	n/a	No information	n/a		Finance	Operational	
IDP2011/136				Total rand value of contracts awarded to people with disabilities	n/a	No information	n/a		Finance	Operational	
IDP2011/137	Community & Social Services Development	To prevent the occurrence and spread of communicable diseases	Implement the Foodstuffs, cosmetics and disinfectants Act	Number of inspections (food premises)	n/a	600	n/a	600	Health and environmental services	Operational	
IDP2011/138				Review of Health and Hygiene Promotion Strategy	Date reviewed	n/a	No	n/a	2011/06/30	Health and environmental services	Operational
IDP2011/139				Water quality monitoring and assurance	Number of water samples	n/a	1800	n/a	864	Health and environmental services	Operational
IDP2011/140				Review the Water Services bylaws	Date reviewed	n/a	No	n/a	2011/06/30	Health and environmental services	Operational
IDP2011/141			To mitigate the impact of HIV/AIDS within the District	Implement the district HM/AIDS strategy	Date of review	n/a	No	n/a	2011/06/30	Health and environmental services	Operational
IDP2011/142					Number of projects implemented	n/a	1	n/a	2	Health and environmental services	Operational

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IDP2011/143	To ensure sustainable development of the environment	Review Environmental Management policy	Date of review	n/a	No	n/a	2011/06/30	Health and environmental services	Operational
IDP2011/144	To facilitate a swift response to incidents of disaster	Review the disaster management plan	Date of review	n/a	No	n/a	2010/12/31	Coporate Services	Operational
IDP2011/145		District disaster management advisory forum	Number of meetings	n/a	3	n/a	4	Coporate Services	Operational
IDP2011/146		Operational Joint Committees	Response time to a disaster	n/a	within 24 hours	n/a	24 hours	Coporate Services	Operational
IDP2011/147	To implement programmes to promote women, youth, senior citizens and people with disabilities	Outreach programmes for women, youth, senior citizens and people with disabilities	Number of programmes implemented	n/a	2	n/a	4	Planning	Operational
IDP2011/148		Develop policy for awarding bur sar y	Date of adoption	n/a	No policy	n/a	2010/12/31	Planning	Operational
IDP2011/149		Bur sar ies awarded	% implemented	n/a	120%	n/a	100%	Planning	Operational
IDP2011/150	To promote gender equality within the district	Functioning Gender Working Committee	Number of meetings	n/a	2	n/a	4	Planning	Operational
IDP2011/151	To promote sport, arts and culture within the district	Sporting events held/supported	Number of events	n/a	2	n/a	2	Planning	Operational
IDP2011/152		Support provided to local sporting structures	R value	n/a	350000	n/a	400000	Planning	Operational
IDP2011/153		Cultural events held/supported	Number of events	n/a	2	n/a	1	Planning	Operational

#### **11.1.4 STATUS OF UTHUKELA THE PMS**

- Performance for 2008/2009 have been audited by the internal auditor.
- the uThukela audit committee has been trained on PMS and will evaluate the 2008/2009 performance report
- All quarterly and annual performance reports and supporting documentation for 2008/2009 have been submitted
- Performance targets for 2009/2010 have been developed in line with the 2009/2010 IDP

#### **11.1.5 ANNUAL REPORT**

The uThukela 2008/2009 Annual Report was adopted on 26 January 2010, as per Section 127 of the Municipal Finance Management Act (No. 56 of 2003). The Annual Report was made public for a period of three weeks, without any comments being received during that time. The uThukela District Municipality Annual Report was audited by the Auditor General, which was satisfied that all requirements as per applicable legislation was adhered to. The report is currently being printed in a glossy book form for circulation.

## SECTION J: ANNEXURES

### J1.1.1 LIST OF ANNEXURES

	<u>YES</u>	<u>NO</u>	<b>Comments</b>
<b>J.1</b> Spatial Development Framework	✓		Reviewed
<b>J.2</b> Disaster Management Plan	✓		under review
<b>K APPENDICES</b>	<u>YES</u>	<u>NO</u>	
<b>K1</b> Water Services Development Plan	✓		
<b>K2</b> Local Economic Development Plan	✓		
<b>K3</b> Organisational Performance Management System	✓		
<b>K4</b> TDP Process Plan and Framework Plan	✓		
<b>K5</b> Public Transport Plan	✓		Under review
<b>K6</b> Tourism Plan	✓		
<b>K7</b> Agricultural Plan		✓	
<b>K8</b> Forestry Plan		✓	
<b>K9</b> Energy Master Plan		✓	
<b>K10</b> Area Based Plan		✓	
<b>K11</b> HIV /AIDS Strategy	✓		
<b>K12</b> Land Use Management Framework	✓		
<b>K13</b> Environmental Management Plan	✓		
<b>K14</b> Integrated Waste Management Plan	✓		
<b>K15</b> Fraud Prevention Plan	✓		