2017 / 2018 – 2021 / 2022 Integrated development plan

Ugu District Municipality

Development Planning

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GLOSSARY

AG	Auditor General	ISRDP	Integrated Sustainable Rural Development Programme
AIDS	Acquired Immune Deficiency Syndrome	IWMP	Integrated Waste Management Plan
ART	Antiretroviral Therapy	KPA	Key Performance Area
ARV	Antiretroviral	LED	Local Economic Development
BBBEE	Broad Based Black Economic Empowerment	LGSETA	Local Government SETA
CDWs	Community Development Workers	LM	Local Municipality
CWP	Community Workers Programme	LRAD	Land Redistribution Programme
CoGTA	Department of Cooperative Governance and Traditional Affairs	LTT	Local Tast Team
DEDTEA	Department of Economic Development Tourism & Environmental Affairs	LUMS	Land Use Management System
DEA	Department of Environmental Affairs	LUMF	Land Use Management Framework
DoT	Department of Transport	MMR	Martenal Mortality Rate
DM	District Municipality	MEC	Member of the Executive Council
DoHS	Department of Human Settlement	M&E	Monitoring & Evaluation
DTT	District Tast Team	MDG	Millennium Development Goals
DWA	Department of Water Affairs	MIG	Municipal Improvement Grant
EAP	Employee Assistance Programme	MSIG	Municipal Systems Improvement Grant
EIA	Environmental Impact Assessment	NEMA	National Environmental Management Act
EKZNW	Ezemvelo KZN Wildlife	PGDS	Provincial Growth and Development Strategy
EMF	Environmental Management Framework	PHC	Primary Health Care
EMP	Environmental Management Plan	PMS	Performance Management System
EPWP	Expanded Public Works Programme	POE	Portfolio of Evidence
FBS	Free Basic Services	PSEDS	Provincial Spatial Economic Development Strategy
FET	Further Education and Training	SANRAL	South African National Roads Agency Limited
GDS	Growth and Development Strategy	SDBIP	Service Delivery and Budget Implementation Plan

HAST	HIV, AIDS, STI, TB	SDIP	Service Delivery Implementation Plan
HH	Households	SDF	Spatial Development Framework
HIV	Human Immunodeficiency Virus	SEA	Strategic Environmental Assessment
HR	Human Resources	SONA	State of the Nation Address
ICMA	Integrated Coastal Management Act	SOPA	State of the Province Address
ICT	Information and Communication Technology	SSMP	Sanitation Service Master Plan
IDP	Integrated Development Plan	STATSSA	Statistics South Africa
IDPRF	Integrated Development Plan Representative Forum	VCT	Voluntary Counselling and Testing
IMCI	Integrated Management of Childhood Illnesses	WHO	World Health Organisation
IGR	Inter-Governmental Relations	**WIT**	Ward Task Team
IPT	Ionized Preventive Therapy		

1 CHAPTER 1: EXECUTIVE SUMMARY& INTRODUCTION

In compliance with the Local Government Municipal Systems Act, 32 of 2000, the Ugu District Council will adopt a five-year Integrated Development Plan in May 2017. This plan is meant to provide a basis for both public and private sector investment in the district.

1.1 Who Are We?

Ugu District Municipality is one of the 11 districts of KwaZulu-Natal Province, on South Africa's Eastern coastline. It is 4 908 km² in extent and boasts a spectacular coastline of 112 kilometres, which forms its Eastern border. The region is bordered on the North by the Ethekwini Municipality, in the West by Umgungundlovu and Harry Gwala District Municipalities and on the Southern side shares its borders with the Eastern Cape Province. The municipality consists of eighty-five (85) municipal wards, which culminate into four (4) local municipalities, namely Ray Nkonyeni, Umuziwabantu, Umzumbe and Umdoni. The region also boasts forty-three (43) Traditional Authorities. The district is comprised of two distinct areas that are divided by the N2 freeway – the coastal strip which is largely urban, and the inland expanse which is rural. The rural-urban divide is a glaring feature in terms of development challenges as 80% of the land is rural and only 20% is urban.

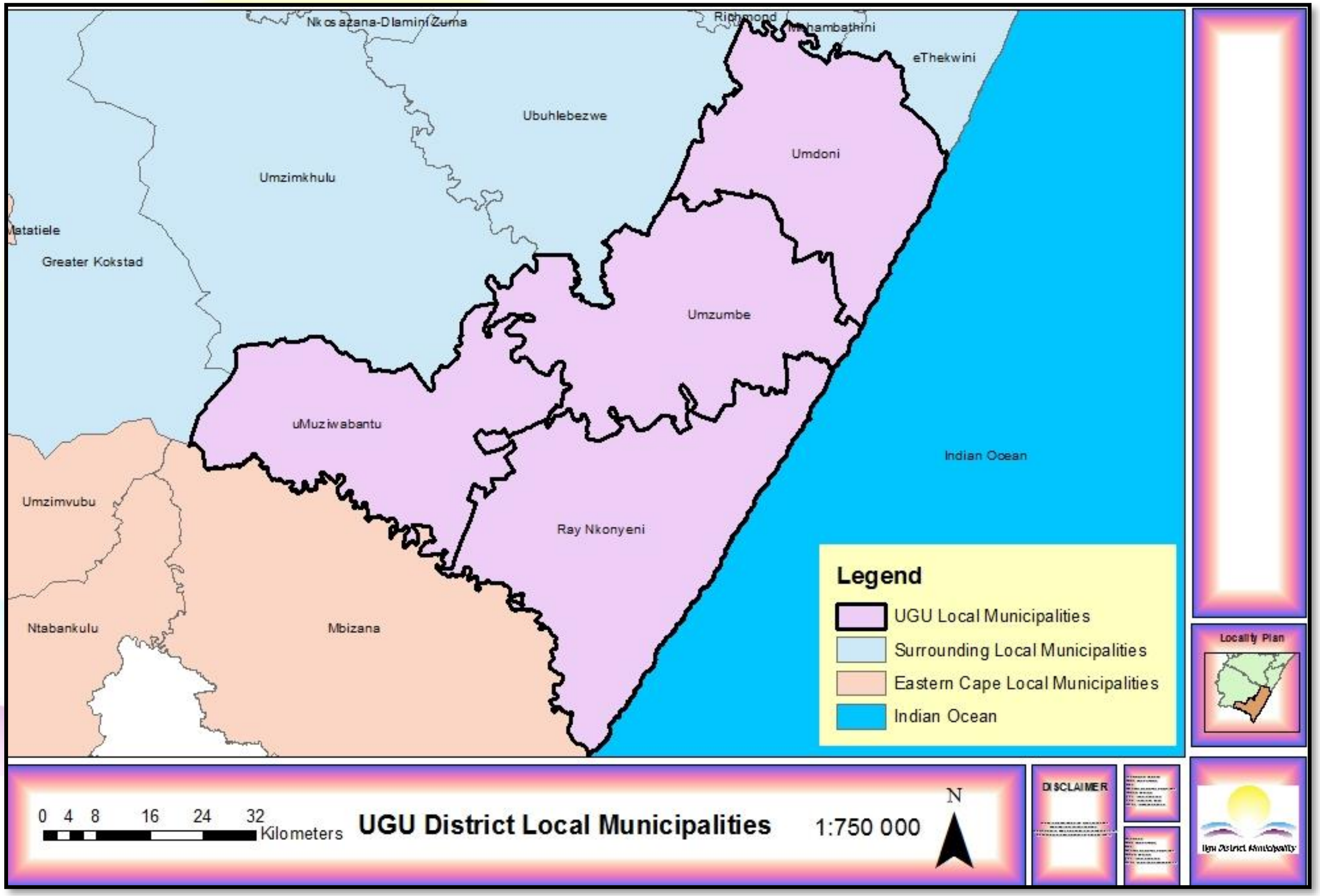


Figure 1.1.1: Ugu District Locality Map

Source: *Ugu District Municipality GIS, 2016*

The coastal belt which houses Ray Nkonyeni, Umdoni and part of the Umzumbe Local Municipalities is the economic engine of the district. Main towns like Port Shepstone, Margate, Scottburg and Port Edward are on the coastline, very close to each other and linked by several roads. There is a large concentration of activities related to the tourism sector, mainly thanks to the beautiful beaches (5 of them are classified as "blue flag").

The rural hinterland is home to the Umuziwabantu, Umzumbe, part of Umdoni and Ray Nkonyeni Local Municipalities. There are currently two towns that are in the formalisation pipeline which are Dududu in Umdoni and Turton in Umzumbe. Low income housing and shanty houses are common whilst subsistence agriculture is the main activity in the area.

Demographics

According to the Stats SA Community Survey 2016, the total population of the Ugu District Municipality area of jurisdiction is 753 336 with the growth rate of 0.042. The district has a relatively young population with the children and youth making up 38.7% of total population. The dominant population group is the Africans making up 90% of the total population and the Indians, Coloureds and Whites making the other 10%. The sex ratio as per 2011 census is 92 males per 100 females.

The Ugu District Municipality area of jurisdiction has a total number of 179 440 households with an average size of five persons per household. In terms of access to basic service delivery 67% of the households has access to water; 74% have access to electricity and 91% has access to sanitation.

Table 1.1.1: Key Demographic Information and Service levels

Source: Stats SA Community Survey, 2016

Population		Economic Profile	
Total Population	753 336	Total Number of Households	175 146
Young (0-14)	286 823	Average Household Size	4 (persons / hh)
Working age (15-64)	433 417	Access to Piped Water	125 308
Elderly (65+)	33 097	Access to Electricity	149 224
Area in km^2	4 908	Access to Sanitation	124 354
Population Density per km^2	153.49	Unemployment Rate (official)	29,1
Growth Rates	0.042	Unemployment Rate (Youth)	36,0
Total Fertility Rate	67.5	Main Occupation Sector	Formal sector
Total Mortality Rate	6.0	Indigent Households	25 750
Sex Ratio (male/100 women)	92	Social Grants Recipients	288 728
Dependency Ratio	0.74	Literacy Rate	78

1.2 How was this IDP Developed?

The Ugu District Municipality IDP was prepared in terms of the legislative requirements as entailed in the Municipal Systems Act. Consideration was given to the MEC's comments that were raised in the 2017 /18 IDP Review. An in-house team lead by the Office of the Municipal Manager was assigned the task of developing the IDP. To ensure ownership of the process and to gather community input existing municipal structure and systems i.e. IDP Representative Forum, Portfolio committee, IDP and Budget Road Shows were also used. Table 1.2.1 provides a summary of the Process Plan and its implementation.

Table 1.2.1: Ugu IDP Development Action Programme

Source: 2017/18 IDP, IPMS and Budget Process Plan and Framework

PHASE	ACTIVITY	TIMEFRAME
PREPATORY	➢ Drafting of Framework and Process Plan ➢ Submission draft Framework & Process Plan to CoGTA for comment ➢ Submit draft Framework & Process Plan to IDP Steering Committee, IDPRF and EXCO for consideration and recommendation ➢ Adoption by Council ➢ Advertise on local newspaper for commencement of the IDP development process.	01 July – 30 September 2016
ANALYSIS	➢ Evaluate the changed circumstances and conduct socio analysis research ➢ Develop IDP Implementation Plan (by developing alignment of objectives strategies and projects against the METF budget) ➢ Determine funding availability and requirements and all the necessary preparations ➢ Determine which sector plans need to be reviewed and commence with the process of reviewing thereof ➢ Consider MEC Comments ➢ Action Plan to Address MEC Comments ➢ Conduct Community Needs Consultation ➢ Mayoral Izimbizo ➢ Ward Committee Imbizo Workshop	01 October – 31 December 2016
STRATEGIC & PROJECTS	➢ Hold strategic sessions (to include sector departments and feed local analysis into sector strategic plans thereof) ➢ Align the strategic framework with internal and external policies ➢ Assess financial Feasibility of proposed new projects based on existing and potential funds. (Budget Examination) ➢ Submit the draft reviewed strategic framework to the Steering Committee and IDPRF ➢ Sector - Municipal Alignment sessions under the auspices of COGTA ➢ Integrate Reviewed Sector Plans into the IDP ➢ Alignment meetings with neighbouring District Municipalities	01 January – 28 February 2016
INTEGRATION	➢ 1st draft 2017/2018 IDP ➢ Submit 1st draft IDP to Steering Committee, IDRF and EXCO for recommendations ➢ Submit 1st draft IDP to Council for consideration ➢ Submit 1st draft IDP to province (CoGTA) for assessment.	31 March – 30 April 2017

PHASE	ACTIVITY	TIMEFRAME
APPROVAL	➢ Ugu Decentralised IDP Assessment Forums ➢ Incorporate comments received from IDP Provincial Assessment and all other outstanding comments ➢ Conduct Community Consultation ➢ Final draft 2017/2018 IDP ➢ Submit final draft IDP to Steering Committee, IDRF and EXCO for recommendations ➢ Submit final IDP to Council for adoption ➢ Submit final draft IDP to province (CoGTA) for assessment	30 April – 30 June 2017

1.3 Our Key Development Challenges

The municipality is currently challenged in managing implementation of cross cutting issues internally and externally. The daily municipal practices do not allow proper implementation and alignment of strategies and budget. There is lack of internal coordination and a cohesive way of handling and planning for projects. There is a need for more investors and presentation of a unified investment attraction package, making Ugu district a tourism interest destination. The municipality needs a proactive, reactive, and sectoral communication plan that will accommodate the whole district.

The municipality as a district is not leading coordination with local municipalities and other stakeholders in the district, which legislatively causes a lack of coordination and participation of other members of the municipality. Furthermore, it has been observed that situational analysis does not inform planning and that there is limited physical access in place for disabled personnel in government buildings.

There are also performance management challenges experienced which include late submission of reports, inaccurate reporting (Unachieved as achieved/ date/ number as %), insufficient reporting, inadequate supporting documents, non-SMART KPIs, corrective measures for previously unachieved targets not implemented, crafting of easy targets that are not output based and non-alignment of IDP, SDBIP and Performance Agreements.

1.4 Our Long-Term Vision

The Ugu District Municipality developed a long-term vision that is aligned with the National, Provincial long-term vision which is aimed at addressing these challenges. The Vision and Mission for the district are as follows:

Vision

By 2035 Ugu District Municipality will provide adequate access to basic services in an efficient and sustainable manner, enhancing the quality of its citizens in an inclusive progressive economy.

Mission

To ensure all our communities have access to quality drinking water, decent sanitation, sustainable economic opportunities underpinned by the active participation of our citizens in exemplary government.

1.5 What are we doing to improve ourselves?

Ugu District Municipality will focus on organisational development which will include workplace study, process modelling and the organisational structure, improved communication, improved service delivery efficiency resulting in the quality of water, preventative maintenance, reduction of service delivery protests and implementation of the water master plan. Job creation and economic development, investment attraction and human resource development are also some of the focus areas. The focus will also on the improvement and maintenance of information and communication infrastructure and security of information.

The municipality will also focus on the replacement of aging infrastructure, clean governance, decent sanitation, institutional transformation, administration excellence, facilitating job creation and SMMEs, compliance with regulatory standards and a participatory government.
Furthermore, the Ugu District family of municipalities has identified catalytic projects aimed at addressing the challenges identified and speed up service delivery in the Ugu District area of jurisdiction through focusing on where the district should be directing service delivery. The summary of identified catalytic projects is captured in Table 1.5.1 below.

Table 1.5.1: Ugu DM Catalyst Project Summary

Source: 2016 Strat Plan Report

Projects	Project Details		
	Location	Estimated Budget	Timeframe
Regional Technology Hub	Ray Nkonyeni	R 1 200 000 000.	2015 - 2018
Justice Park	Ray Nkonyeni	R 235 000 000	
Ugu Agri-Park	Ray Nkonyeni	Planning Phase	2015 - 2017
Margate Airport	Ray Nkonyeni	R 300 000 000.	2017 - 2022
Perishables Goods Hub	Umdoni, Ward 10	R 13 500 000.	2017 - 2022
Scottburgh Beach Front development	Umdoni, Ward 5	Planning Phase	
Ntelezi Msani Heritage	Umzumbe, Ward 10	R 2 000 000.	2014 – 2018
UMthwalume Beach front development	Umzumbe, Ward	Planning Phase	2014 – 2018
Port Shepstone Intermodal Facility	Ray Nkonyeni	R500 000 000 -	2017 / 2018
Umzumbe River Trail	Umzumbe	R7 500 000	2016/2017

Projects	Project Details		
	Location	Estimated Budget	Timeframe
KwaXolo Caves & Outdoor Adventure Centre	Ray Nkonyeni	R 23 000 000.	2016 - 2018
Ifafa Industrial Park	Umdoni	R190 000 000	
Lot 19 and 20 Marburg	Ray Nkonyeni	R 100 000 000	2016 - 2018
Marburg Industrial Park	Ray Nkonyeni	R 1 000 000	2016 - 2018
R61 Upgrade	Ray Nkonyeni	Planning Phase	2017 - 2020
Izinqoleni Town Formalization	Ray Nkonyeni	R 100 000 000-	2016 - 2017
N2 Corridor Development	Ray Nkonyeni	Planning Phase	2017 - 2020
Retail / Mixed Use Development in Othuthwini & Mzumbe town formalization	Umzumbe	R58 000 000	2017 – 2020
Fish farming pilots	Umzumbe and Umuziwabantu	R 8 000 000	2017 - 2019
Urban Renewal – Port Shepstone. Margate,	Ray Nkonyeni	R130 000 000	2017 – 2020

Projects	Project Details		
	Location	Estimated Budget	Timeframe
Hibberdene & Port Edward			
John Mason Park	Ray Nkonyeni	R 75 000 000	2017 - 2020

1.6 What could you expect from us in the next five years?

If operational excellence is achieved the result will be good governance and administration, sound financial management and viability, innovative, effective, and efficient institutionand administration. In general, Ugu District Municipality through stakeholder relations is striving for:

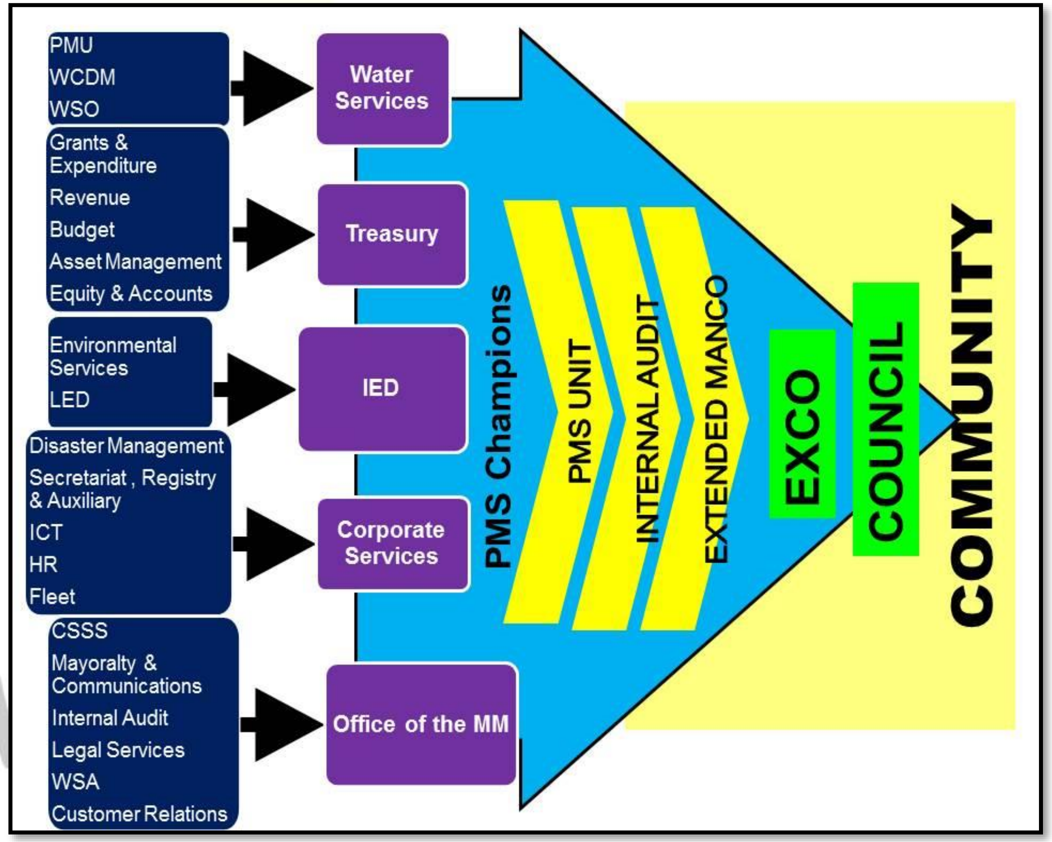
- Coordinated, effective and efficient planning and service delivery.
- A credible and well informed IDP
- Better investments and reduced dependency on grants.
- Protest free and happy communities.
- Confident investors and partners in service delivery.
- Social cohesion.
- Quality input and engagements.
- Vibrant and active tourism, increasing investment and job opportunities.
- Realisation of a developmental state.

1.7 How will our progress be measured?

The municipality's performance measurement system (PMS) measures progress in terms of service delivery as per adopted predetermined objectives. The PMS is aligned to the Municipal IDP and Budget to ensure that the implementation of programs and projects as articulated in the municipality's vision which is built from the community's needs and forward planning. The PMS is reviewed quarterly. The performance will be measured through the Organisational and Departmental Scorecards that have been developed and reported on quarterly basis.

Figure 1.7.1: Ugu DM PMS Diagram

Source: Ugu PMS Unit, 2016



The reporting process commences from a departmental level and flows to the strategic level, political level and on to the community, the users of the services. The process followed is illustrated in figure 1.7.1., the entire process is driven by the PMS unit in the Office of the Municipal Manager and co-ordinated collectively with the PMS Champions in each Department.

At a departmental level, all the sections / units report progress on the monthly departmental meetings which are led by the respective HOD. The respective HOD then consolidates all the section / unit reports and submits to the PMS unit a consolidated departmental report. All the departmental reports are then sent to internal audit with accompanying POE files for auditing. Once the auditing is concluded the departmental reports are then discussed at a MANCO.

Once the departmental reports are discussed at the MANCO, the PMS unit then consolidates the reports into an organisational report for discussion in the quarterly PMS review which is attended by the EXCO and extended MANCO. In the quarterly performance review sessions, the quarterly performance reports are evaluated critically by the EXCO members. This evaluation is aimed at determining to what extent the performance targets and KPIs are positively impacting on the development objectives. Recommendations are then formulated around corrective actions in this regard, if necessary. The quarterly municipal performance report, together with recommendations, is then forwarded to the council. As the final step the quarterly municipal performance report is then presented at the IDP Rep Forum for the purposes of reporting back to the community.

2 CHAPTER 2: GOVERNMENT PRIORITIES

Alignment of government policies and plans is crucial in the strategic planning processes of the municipality. Therefore, the relevant binding and non-binding national and provincial policies including programmes and strategies need to be considered in the municipal development planning process and interventions. Our implementation and proposed interventions will focus only on the key mandates relevant to the municipal context in co-operative governance and those will be considered and addressed.

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This section therefore reflects the applicable and relevant Government Priorities, such as the Millennium Development Goals, National Development Plan priorities, the 14 National Outcomes, the five (5) National Priorities, the State of the Nation Address, the State of the Province Address, the KZN PGDS (7 Goals) Operation Clean Audit 2014 and Back to Basic. It indicates how these are addressed and applied in the Ugu District Municipal area.

2.1 Sustainable Development Goals

In September 2015, the 2030 Agenda for Sustainable Development, which includes a set of 17 Sustainable Development Goals (SDGs) to end poverty, fight inequality and injusticeand tackle climate change was adopted. The SDGs build on the Millennium Development Goals (MDG), eight anti-poverty targets that the world committed to achieving by 2015. Enormous progress was made on the MDGs, showing the value of a unifying agenda underpinned by goals and targets. Despite this success, the indignity of poverty has not been ended for all.

The new Global Goals, and the broader sustainability agenda, go much further than the MDGs, addressing the root causes of poverty and the universal need for development that works for all people. The SDG goals is an attempt at global co-ordinated efforts to ensure that the goals South Africa and the rest of Africa sets itself including ending poverty and hunger, improving health and education, making cities more sustainable, combating climate change, and protecting oceans and forests are achieved in the shortest possible time and in the most efficient way imaginable.

1) End poverty in all its forms everywhere
2) End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3) Ensure healthy lives and promote well-being for all at all ages
4) Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5) Achieve gender equality and empower all women and girl children

6) Ensure availability and sustainable management of water and sanitation for all
7) Ensure access to affordable, reliable, sustainable, and modern energy for all
8) Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all
9) Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
10) Reduce inequality within and among countries
11) Make cities and human settlements inclusive, safe, resilient, and sustainable
12) Ensure sustainable consumption and production patterns
13) Take urgent action to combat climate change and its impacts
14) Conserve and sustainably use the oceans, seas, and marine resources for sustainable development
15) Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
16) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels
17) Strengthen the means of implementation and revitalize the global partnership for sustainable development

2.1.1 Applicability to Ugu

The MDGs drove progress in several important areas such as, income poverty, access to improved, sources of water, primary school enrolment and child mortality. The Ugu District is still committed to these areas. Furthermore, SDG goal 6 talks directly to the Ugu District's commitment availability and sustainable management of water and sanitation for all.

2.2 National Development Plan: 2030

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. South Africa has the potential and capacity to eliminate poverty and reduce inequality over the next two decades. This requires a new approach – one that moves from a passive citizenry receiving services from the State to one that systematically includes the socially and economically excluded, where people are active champions of their own development, and where government works effectively to develop people's capabilities to lead the lives they desire. The achievement of this vision is based on the following nine elements:

i. Creating jobs and livelihoods,
ii. Expanding infrastructure,
iii. Transitioning to a low-carbon economy,
iv. Transforming urban and rural spaces,
v. Improving education and training,
vi. Providing quality health care,
vii. Building a capable state,
viii. Fighting corruption and enhancing accountability,
ix. Transforming society and uniting the nation.

2.2.1 Medium Term Strategic Framework (MTSF)

The Medium Term Strategic Framework (MTSF) is Government's strategic plan for the electoral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP. The MTSF sets out the actions Government will take and targets to be achieved. It also provides a framework for the other plans of national, provincial, and local government.

The aim of the MTSF is to ensure policy coherence, alignment and co-ordination across government plans as well as alignment with budgeting processes. Performance agreements between the President and each Minister will reflect the relevant actions, indicators and targets set out in this MTSF.

In the presence of the NDP as an overarching, long-term plan the MTSF process has been reoriented towards conversion of the NDP into medium-term five-year plans. The intention of the MTSF is to directly inform departments' planning and oversight of plans and performance.

The 2014 – 2019 MTSF has two overarching themes which are radical in economic transformation and improving service delivery and 14 priority outcomes which are building on previous MTSF and the NDP. Within each priority outcome there are broad objectives and themes. The 14 priority outcomes are as follows:

1. Quality basic education;
2. A long and healthy life for all South Africans;
3. All people in South Africa are and feel safe;
4. Decent employment through inclusive growth;
5. A skilled and capable workforce to support an inclusive growth path;
6. An efficient, competitive, and responsive economic infrastructure network
7. Vibrant, equitable, sustainable rural communities contributing towards food security for all;
8. Sustainable human settlements and improved quality of household life;
9. Responsive, accountable, effective, and efficient local government;
10. Protect and enhance our environmental assets and natural resources;
11. Create a better South Africa and contribute to a better Africa and a better world;
12. An efficient, effective, and development-oriented public service;
13. A comprehensive, responsive, and sustainable social protection system;
14. A diverse, socially cohesive society with a common national identity.

2.2.2 State of the Nation Address

In the State of the Nation address, His Excellency Jacob G. Zuma, president of the Republic of South Africa, pronounced that 2017 is a beginning of a new radical socio-economic transformation. In this context, radical socio-economic transformation means fundamental change in the structure, systems, institutions and patterns of ownership, management, and control of the economy in favour of all South Africans, especially the poor, the majority of whom are African and female, as defined by the governing party which makes policy for the democratic government.

In achieving the goal of radical socio-economic transformation, the government will utilise to the maximum, the strategic levers that are available to the state. The government should therefore be committed to deal with high levels of concentration in the economy as well as the collusion and cartels, which squeeze out small players and hamper the entry of young entrepreneurs and black industrialists. In that way, the government will be able to open the economy to new players, give black South Africans opportunities in the economy and indeed help to make the economy more dynamic, competitive, and inclusive. This is our vision of radical economic transformation.

The President further reiterated the government's countless endeavours to ensure reliable bulk water supply in the various areas of the country to support economic growth whilst increasing access to vulnerable and rural municipalities. Furthermore, the water services authorities are urged to support the war on leaks in an effort to curb the high-water losses which in some municipalities far exceeds the national average which is currently at 37%.

Operation Phakisa adopted the Big Fast methodology to health, education, and mining sectors in a bid to find a few key projects where growth could be unlocked in implementing the NDP and is progressing positively. The Nine Point Plan which packaged few key areas to reignite growth so that the economy can create much-needed jobs is also yielding positive results. The nine-point plan was packaged as follows:

1. Resolving the energy challenge;
2. Revitalizing agriculture and the agro-processing value chain;
3. Advancing beneficiation or adding value to our mineral wealth;
4. More effective implementation of a higher impact Industrial Policy Action Plan;
5. Encouraging private sector investment;
6. Moderating workplace conflict;
7. Unlocking the potential of SMMEs, cooperatives, township, and rural enterprises;
8. State reform and boosting the role of state owned companies, ICT infrastructure or broadband roll out, water, sanitation and transport infrastructure;
9. Operation Phakisa aimed growing the ocean economy and other sectors.

2.2.3 Applicability to Ugu District

The Ugu District Municipality has a major role to play in realising the NDP 2030 vision especially with regards to the expansion of infrastructure which in the case of Ugu is mainly water and sanitation infrastructure to ensure universal access to clean portable water and sanitation dignity for all people of Ugu area of jurisdiction.

Furthermore, priority outcome nine of the 14 priority outcomes of the MTSF talks to a responsive, accountable, effective and efficient local government. Given the role at the `front line' of service delivery, local government has a critical role to play in the NDP's vision and as a district, Ugu has to ensure co-ordinated effort with its family of municipalities that the five sub-outcomes are achieved and therefore the seven IDPs of the district's family needs to address and ensure:

1. Members of society have sustainable and reliable access to basic services
2. Intergovernmental and democratic governance arrangements for a functional system of cooperative governance strengthened
3. Sound financial and administrative management
4. Promotion of social and economic development
5. Local public employment programmes expanded through the Community Work Programme (CWP)

Furthermore, the District is currently championing the implementation of Agri-Park in the district in partnership with the Department of Rural Development. The Operation Phakisa is also being implemented in the district with Ray Nkonyeni Municipality being a major stakeholder as they have the longest coastline in the district.

2.3 KZN PGDS (7 Goals)

The 2012 Provincial Growth and Development Strategy (KZN PGDS) bolsters the Province's commitment to achieving the vision of a "Prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the world". The PGDS aims to build this gateway by growing the economy for the development and the improvement of the quality of life of all people living in the Province.

The PGDS provides a reasoned strategic framework for accelerating and sharing economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments. Concomitant attention is also given to the provision of infrastructure and services, to restoring natural resources, to public sector leadership, delivery and accountability, thus ensuring that these changes are responded to with resilience, innovation and adaptability. This strategy will lay the foundations for attracting and instilling confidence from potential investors and to develop social compacts that address the Provincial challenges.

The main purpose of the KZN PGDS can be summarised as, being the primary growth and development strategy for KwaZulu-Natal to 2030; mobilising and synchronising strategic plans and investment priorities in all spheres of government, state owned entities, business, higher education institutions, labour, civil society and all other social partners in order to achieve the desired growth and development goals, objectives and outcomes; to spatially contextualise and prioritise interventions so as to achieve greater spatial equity; and to develop clearly defined institutional arrangements that ensure decisive leadership, robust management, thorough implementation and ongoing review of the growth and development plan.

To realise the KZN long term vision, the KZN PGDS sets out seven goals which are as follows:

1. Inclusive Economic Growth
2. Human Resource Development
3. Human and Community Development
4. Strategic Infrastructure
5. Environmental Sustainability
6. Governance and Policy
7. Spatial Equity

2.3.1 State of the Province Address

The State of the Province Address delivered by the Premier of KwaZulu-Natal Mr. T.W. Mchunu was premised on the theme "Through Unity in Action, we can move KZN to a prosperous future". The following challenges that faced the Province of KwaZulu-Nata were highlighted:

- International Geopolitical Uncertainties;
- Persistent Low Levels of Economic Growth; and
- Continued Drought.

The focus areas of the Province for the year ahead were identified as follows:

- Social Cohesion and Moral Regeneration as Imperatives for Nation Building;
- Crime and Corruption;
- Land Issues;
- Capacity and Ability of The State; and
- Radical Economic Transformation.

2.3.2 Applicability to Ugu District

The Ugu District Municipality as a water services provider will contribute immensely in the development of strategic infrastructure in its endeavours to eradicate water and sanitation backlogs in the district. Furthermore, the district has developed a DGDS which is aligned with the PGDS and plays a coordination role in ensuring that the local municipalities make a coordinated effort in realising the province's long-term vision.

Furthermore, the district municipality as the champion of the Ugu DGDS needs to ensure that the four local municipalities work together towards a shared vision and that tourism and agriculture which are the core economic sectors are strategically positioned in the path that the province is taking to ensure that the population of the Ugu District area of jurisdiction benefits optimally.

2.4 Local Government Back to Basics Programme

CoGTA conducted a review of all the municipalities to establish how far they are in becoming an ideal municipality as envisaged by CoGTA. It emerged from the review that the top more than a third municipalities have got the basics right and are performing their functions at least adequately. This top group (35) is the core that represents the desired (ideal) state for all the municipalities as envisaged by CoGTA. The middle third of municipalities are deemed to be fairly functional and overall performance being average with the basics being mostly in place. Another less than one third of municipalities (8) are deemed to be dysfunctional, and requiring significant work for them to function properly. It is said to be plagued among other things by endemic corruption, councils which do not function, no structured community engagement, and poor financial management which leads to continuous negative audit outcomes.

The CoGTA's differentiated approach in the department's transformational agenda, recognises that there are widely divergent levels of performance between different categories of municipalities – in terms of services, public engagement, good governance, financial management, and technical capacity. The departments aim therefore to encourage all municipalities to become positively functional centres of good governance and need to set proper standards for municipal performance. The Back to Basics programme is founded on five pillars which are:

1. **<u>Putting People First</u>** - placing people and their concerns first and ensuring constant contact with communities through effective public participation platforms.

2. **<u>Delivering Basic Services</u>** - creating conditions for decent living by consistently delivering municipal services to the right quality and standard. This includes planning for and delivery of infrastructure and amenities, maintenance, and upkeep, including the budgeting

to do this. Ensuring there are no failures in services and where there are, restore services with urgency.

3. **Good Governance** – ensuring municipalities are well governed and demonstrate good governance and administration, cut wastage, spend public funds prudently, hire competent staff, ensure transparency and accountability.

4. **Sound Financial Management** - ensuring sound financial management and accounting, and prudently manage resources to sustainably deliver services and bring development to communities.

5. **Building capable Local Government institutions -** building and maintaining sound institutional and administrative capabilities, administered, and managed by dedicated and skilled personnel at all levels.

2.4.1 Applicability to Ugu

The Ugu District Municipality in 2014 was amongst those 8 municipalities that were requiring intervention by CoGTA. CoGTA will aim at the very least, that the municipalities in a requiring intervention state, perform the basic functions of local government and will do this through enforcement of current policies and legislation, systematically managing performance and accountability, and ensuring that there are consequences for underperformance. Minimum performance requirements include ensuring the proper functioning of council structures and council processes, the provision of basic services, and the appointment of competent staff and these are non-negotiable.

The Ugu District Municipality has therefore aligned its resources with the Back to Basics programme to ensure that it moves away from the current category which is requiring intervention. Provincial COGTA monitors and evaluates performance. Since June 2015 Ugu District Municipality has been categorised as functional. The five (5) Back to Basics pillars have been aligned with the district's nine priorities and six strategic objectives as outlined in Table 2.4.1.1 below. Furthermore, the Back to Basics is further cascaded down to the municipal SDBIP through incorporating the Back to Basics reporting template with the municipal scorecards to ensure coordinated implementation of the programme.

Table 2.4.1.1: Alignment of Back to Basics with the Ugu IDP
Source: Ugu District Office of the Municipal Manager

Back to Basics Pillars	SO No	Strategic Objective
People First / Good Governance	GGPP 1	Strengthen Governance and Leadership
	GGPP 2	Strengthen stakeholder relations and Public participation
	GGPP 3	Promote clean and social government
	GGPP 4	Improve stakeholder engagements
Basic Services	BSD 1	Increase access to adequate basic services
	BSD 2	Increase infrastructure capacity
	BSD 3	Reduce water losses

Back to Basics Pillars	SO No	Strategic Objective
	BSD 4	Compliance with access to quality drinking water standards
	BSD 5	Compliance with decent sanitation standards
Financial Management	MFVM 1	Increase income
	MFVM 2	Optimise expenditure and get better returns on investment
	MFVM 3	Strengthen budgeting and reporting
	MFVM 4	Reduce grant dependence
	MFVM 5	Improve revenue collection
	MFVM 6	Optimise Asset and Insurance Management services
Capacity Building	MTID 1	Optimise the workforce potential
	MTID 4	Improve skills and capacity of work force

2.5 Ugu District Growth and Development Plan

The Ugu Growth and Development Strategy (GDS) commits all stakeholders (public, private, and civil society) to achieving a shared vision that by 2030 the Ugu District will be a leading tourism destination as well as manufacturing and agricultural hub where jobs are created and everyone benefits equally from socio-economic opportunities and services. This intent is based on a shared understanding of the inter-relationships amongst communities and the challenges facing the district's economy. It is based on a commitment to working collaboratively to achieve the most beneficial outcomes for all.

The DGDS has seven drivers which are:

1. Spatial Integration and Facilitating Security of Tenure
2. Strategic Infrastructure Investment
3. Education & Skills Development
4. Institutional Development
5. Strategic Sector Engagements
6. Environmental Sustainability
7. Safety Nets & Civic Empowerment

2.5.1 Applicability to Ugu

The district municipality needs to craft its IDP and LED programmes around these cascaded national and provincial policies. This will ensure that there is common understanding of issues that need to be addressed. This in turn will go a long way in co-ordinating government efforts around eradicating under development and thus bring about prosperity in an integrated fashion.

2.6 Spatial Planning and Land Use Management Act (SPLUMA)

The SPLUMA seeks to bridge the racial divide in spatial terms and to transform the settlement patterns of the country in a manner that gives effect to the key constitutional provisions. The Act will address the legacy of the discriminatory, inefficient and costly special pattern that puts a considerable burden on the public resources. The Act will also ensure that the restructuring of South African cities, towns and settlements is in line with priorities and principles of the democratic government. in a manner that gives effect to the key constitutional provisions. The Act has six objectives as listed below.

1. Provision of a uniform, effective and comprehensive system of spatial and land use management;
2. Ensuring of a spatial planning and land use management system that promotes social and economic inclusion;
3. Provision of development principles and norms and standards;
4. Provisions for a sustainable and efficient use of land;
5. Provision of cooperative government and intergovernmental relations amongst the national provincial and local spheres of government; and
6. Redressing imbalance of the past and ensuring of equitable application of spatial development planning and land use management systems.

Furthermore, the Act provides five principles that must be applied to all aspects of spatial development planning, land development and land use management. These principles are outlined in Table 2.7.1.

Table 2.7.1: SPLUMA Development Principles

Source: Spatial Planning and Land Use Management Act, No.16 of 2013

Principle	Definition	Applicability to Ugu
Spatial Justice	Concerned with the past spatial and other development imbalances through improved access and ensuring the inclusion of previously disadvantaged communities. Furthermore, the land development procedures need to accommodate access to secure tenure.	The focus of development on urban coastal strip in the past has resulted in an imbalance development leading to the rural communities always agging behind. The district family is also on a process of implementing wall to wall schemes which are anticipated have an impact reshaping the spatial footprint of the district.
Spatial Sustainability	For viable communities, there needs to be promotion of land development to happen within the fiscal, Institutional, and administrative means. The protection of prime and unique land should be given special consideration and the consistency of land use measures in accordance with the environmental management tools. Furthermore, the future and current costs of infrastructure and social services provision in land development need to be considered by all parties.	One of main the economic contributors in Ugu is agriculture and thus the agricultural land needs to be protected to ensure continued productivity and preservation. Furthermore, the DGDS talks about Strategic Infrastructure, that needs to be properly costed and be considered by all parties involved. The environmental viability is also of utmost importance as tourism is the key economic contributor in the district.

Principle	Definition	Applicability to Ugu
Efficiency	The land development should optimise the use of existing resources and infrastructure and the decision-making procedures to be designed in a way that limits negative financial, social, economic, or environmental impacts.	The need for optimisation of existing resources and infrastructure has been identified in Ugu and the importance of infrastructure operation and maintenance plan emphasised to a longer lifespan. Furthermore, even the decision making with regards to infrastructure deployment is guided by relevant policies and plans to ensure integrated implementation.
Spatial Resilience	In ensuring sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks, the spatial plans, policies, and land use management systems flexibility needs to be accommodated.	With the high levels of poverty and unemployment in Ugu there is a need to ensure sustainable livelihoods and SPLUMA offers that opportunity through spatial and environmental plans and policies flexibility is accommodated.

Principle	Definition	Applicability to Ugu
Good Administration	Ensuring an integrated approach by government (all 3 spheres) to land use and land development as guided by spatial planning and land use systems embodied in the Act. All sectors need to ensure they provide necessary inputs and comply with all the prescribed requirements. There must also be transparency in policies, legislation, and procedures so that members of the community are empowered and informed.	Through the development of one or the IDP the district aims to ensure an integrated approach inclusive of all departments and local municipalities. Public participation mechanisms are also in place to ensure transparency and the members of the community are kept informed and empowered.

3 CHAPTER 3: SITUATIONAL ANALYSIS

The Situational Analysis component of the Integrated Development Plan (IDP) provides a more concise snapshot of the key elements of the Status Quo. The information presented is a combination of desktop analysis; the Ugu District's Growth and Development Strategy (GDS) participatory process; comprehensive community engagement workshops; 2011 census and 2016 community survey by Statistics South Africa; as well as from targeted interviews and discussions.

3.1 Cross Cutting Interventions

The Spatial Development Framework which informs the major part of this section forms an integral part of the IDP. It identifies what physical / spatial development should take place and where, and provides the physical location and spatial interrelationship of social, economic, environmental development. It provides guidance for all future development in Ugu. The Framework does not identify every detail but establishes the strategic development direction. Furthermore, this analysis is also informed by the DGDS document.

3.1.1 Regional Context

The spatial pattern of the Ugu District Municipality resembles a "T" shape where areas along the coast have a well-developed infrastructure and thus a reasonable economic growth, whereas the poor infrastructural provision and high unemployment levels characterize the hinterland. Ugu has some of the best examples of unspoiled sub-tropical bush-land and forest, as well as cultivated land and small rural villages, contrasted by bustling urban centres and major industrial complexes.

Ugu District Municipality is a favourite tourist destination, and includes the well-established coastal towns of Port Shepstone, Pennington, Margate and Hibberdene. The modern N2 highway runs through Ugu parallel to the sea, passing Port Shepstone, the seat of the District Municipality.

There has been gradual change in rural settlement patterns, from a much-dispersed scattered settlement pattern to a concentration of residential sites around the access roads. The change has also partly been encouraged by a decline in agricultural activities over the last 100 years combined with a growing dependence on wage employment (dominated by migrant employment on the mines) and state grants.

The broken topography of the area is another factor which has strongly influenced settlement patterns, particularly in the hinterland. The broken topography has restricted not only the dispersal of homesteads, but also large-scale or commercial agriculture within the major river catchments, such as the Umzimkhulu and Umtamvuna Rivers. Thus, large tracts of Eastern Valley Bushveld, Scarp Forest, and Pondoland-Natal Sandstone Coastal Sourveld remain intact with little transformation.

These areas thus present an excellent opportunity for community-based eco-tourism initiatives (majority of areas fall within traditional areas) maintaining ecological linkages between formally protected areas, such as Oribi Gorge Nature Reserve and Mtamvuna Nature Reserve.

The coastline is for obvious reasons another significant factor structuring development within the Ugu District Municipality. In contrast to the North coast development has taken place in a relatively narrow band or in a ribbon-like fashion along the south coast. The aesthetic and amenity value of the coastal zone makes this area particularly attractive for residential and holiday / hospitality type developments. Thus, there is ever increasing pressure to develop the last remaining open spaces along the coastline.

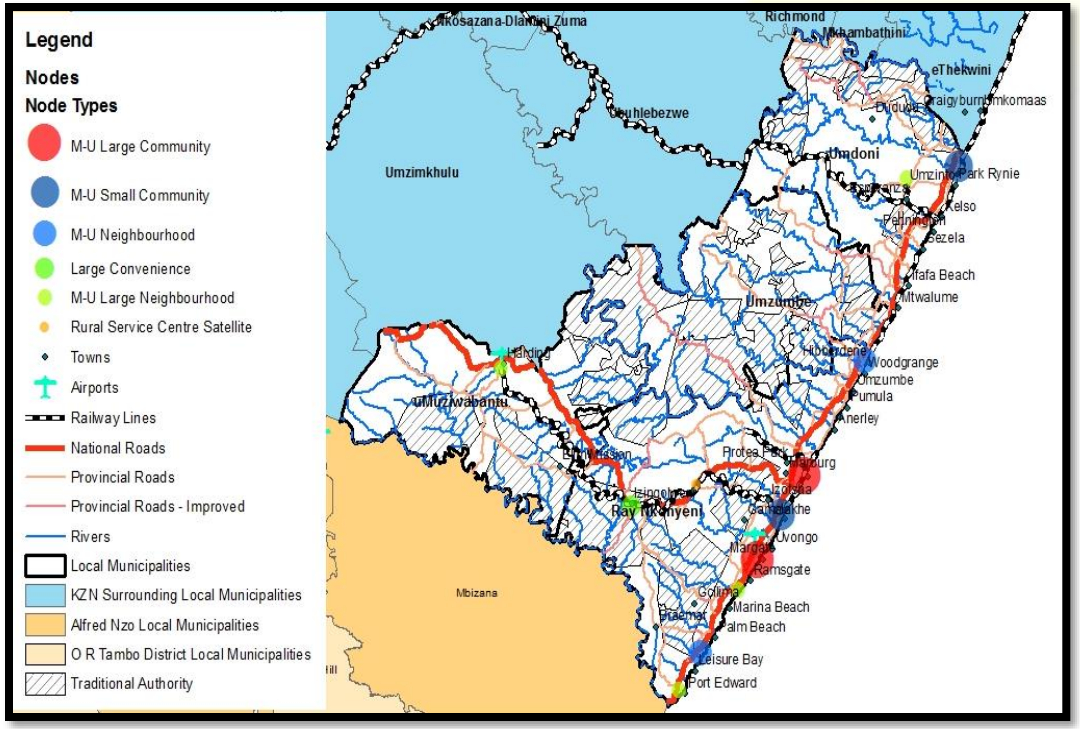


Figure 3.1.1.1: Ugu District Regional Context

Source: Ugu District SDF, 2012

3.1.2 Administrative Entities

Ugu District Municipality is one of the eleven (11) District Municipalities, located at the most southern tip of the province's coastline, covering 112km of the Indian Ocean. It is bordered by the Eastern Cape Province to the South, Indian Ocean to the East, Harry Gwala and Umgungundlovu District to the West and eThekwini Metro to the North. It comprises of four local municipalities which are Umuziwabantu, Ray Nkonyeni, Umdoni and Umzumbe. According to the Statistics South Africa, the District Municipality is 4908 km² in extent.

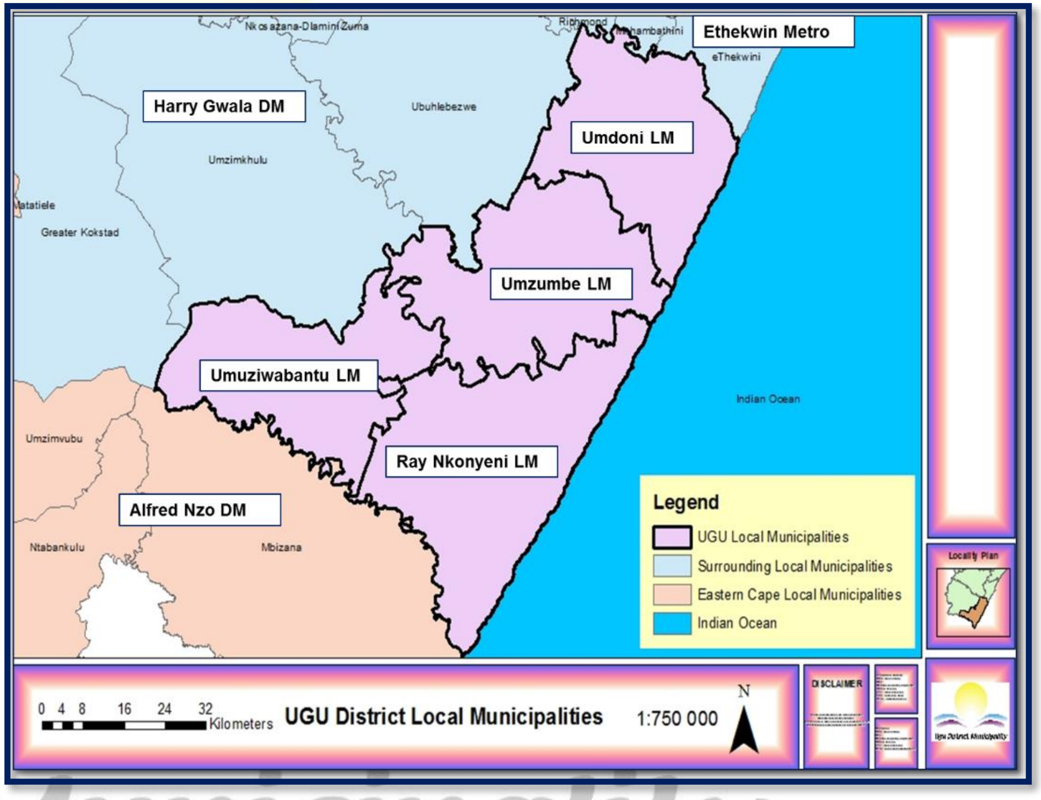


Figure 3.1.2.1: Ugu District Locality Map

Source: Ugu District Municipality GIS, 2016

3.1.3 Existing Nodes and Corridors

In terms of nodes, three types of nodes have been identified in the Ugu District area of jurisdiction which are primary, secondary, tertiary, quaternary and rural service centre nodes as reflected in Figure 3.1.3.1.

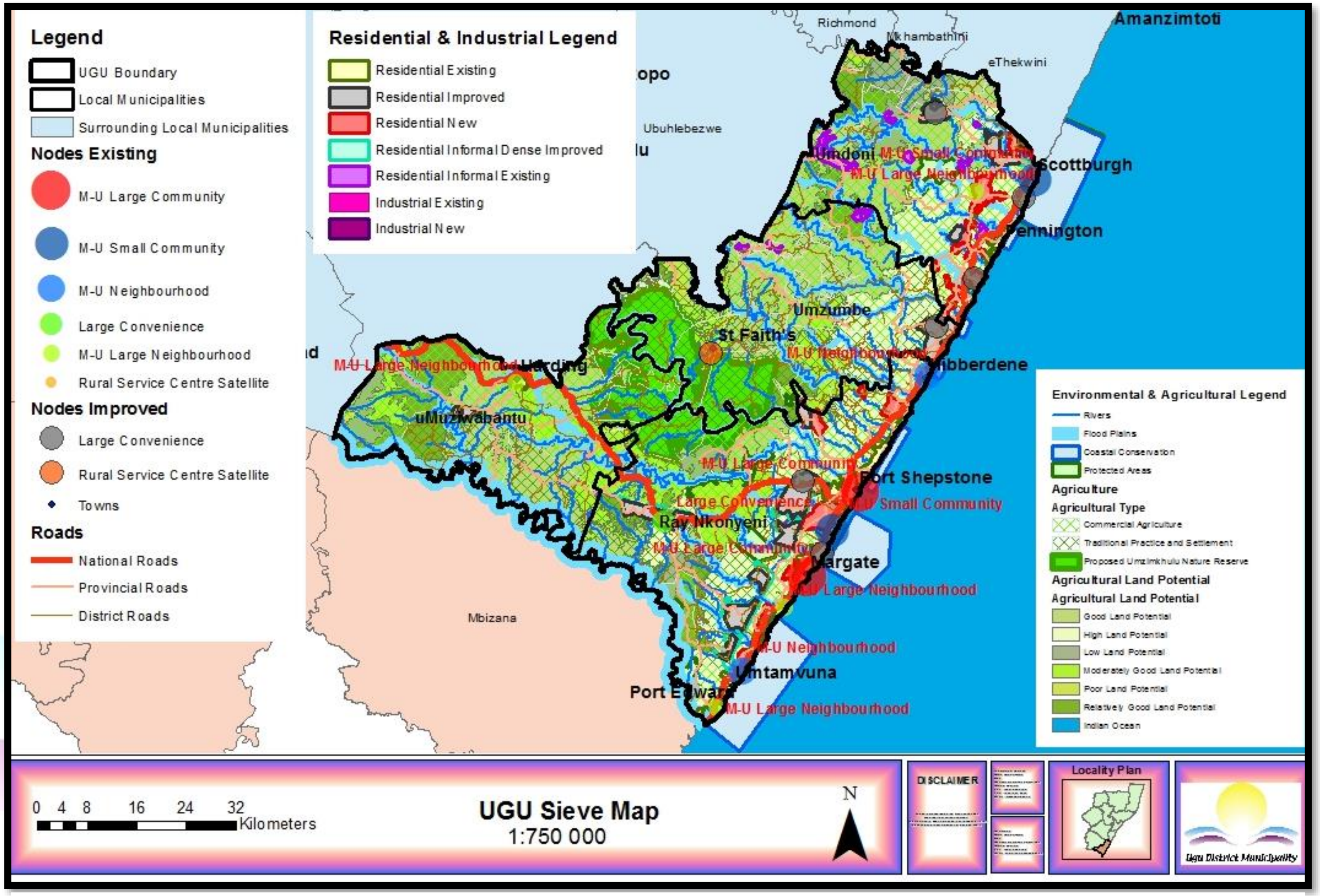


Figure 3.1.3.1: Ugu District Nodes and Corridors

Source: Ugu District GIS, 2015

Primary Node: An urban centre with very high existing economic growth and the potential for expansion thereof. Provides service to the national and provincial economy. The identified primary node in the Ugu District Municipality area of jurisdiction is the Port Shepstone node.

Secondary Node: An urban centre with good existing economic development and the potential for growth. Services the regional economy. Scottburgh and Harding have been indented as the secondary node in the Ugu District Municipality area of jurisdiction.

Tertiary Node: A centre which should provide service to the sub-regional economy. The areas such as Port Edward, Margate, Hibberdene, Park Rynie,and Umzinto have been identified as the tertiary node the Ugu District Municipality area of jurisdiction.

Rural Service Centre: – A centre which should provide service to the localised rural economy. These centres include areas like Turton / Nyangwini, Dududu and Izinqoleni and have been identified as the Rural Service Centre in the Ugu District Municipality area of jurisdiction.

In terms of the development corridors two main types of development corridors are identified which are namely, primary, secondary, and tertiary development corridors.

Primary Corridor: A corridor with very high economic growth potential within all three sectors which serves areas of high poverty densities. These corridors include value-adding areas, such as Scottburgh, Hibberdene, Port Shepstone to Margate, Umtamvuna, and Port Edward. Furthermore, the district understands that the entire coastal strip as well as Harding forms an 'Economic support area'.

Secondary Corridor: A corridor serving areas of high poverty levels with good economic development potential within one or two sectors. In terms of the secondary corridors in the Ugu District Municipality area of jurisdiction, the importance of a corridor from Port Shepstone, through St Faiths, towards Ixopo is highlighted; and the indication of most of the rural hinterland as 'mandated service delivery areas', 'agricultural investment areas' and 'social investment areas'. Many comprise of all three.

Tertiary corridors: i.e. local level development corridors, not identified in the district SDF, should however be established in the local municipality SDFs. These corridors are expected to link local access roads and individual communities into the secondary corridor system and to the relevant centres of activity. Development located within these corridors would primarily address local requirements and opportunities and will inter alia accommodate local tertiary centres.

3.1.4 Broad Land Uses

The current broad land uses in Ugu District Municipality are summarised in Table 3.1.4.1.

Table 3.1.4.1: Current Land Use in Ugu
Source: Ugu Draft SDF, 2017 / 2018

Land Use Type	Total Hectares	% of total
Urban Edge	25721	4.7%
Very Dense Rural Settlement	77864	14.3%
Dense Rural Settlement	50483	9.3%
Conservation	9084	1.7%
Forestry	46198	8.5%
Sugarcane	70177	12.9%
Commercial Crops	766	0.1%
Orchards	1961	0.4%
Subsistence Agriculture	5688	1.0%
Available Land for Development (Slopes < 13°)	125309	23.0%
Severely Restricted Land for Development (Slope > 13°)	132475	24.3%
Grand Total	545727.5	100.0%

The Ugu District Municipality SDF identifies four broad land uses which are namely roads, residential, agricultural, and industrial as can be seen in Figure 3.1.4.2.

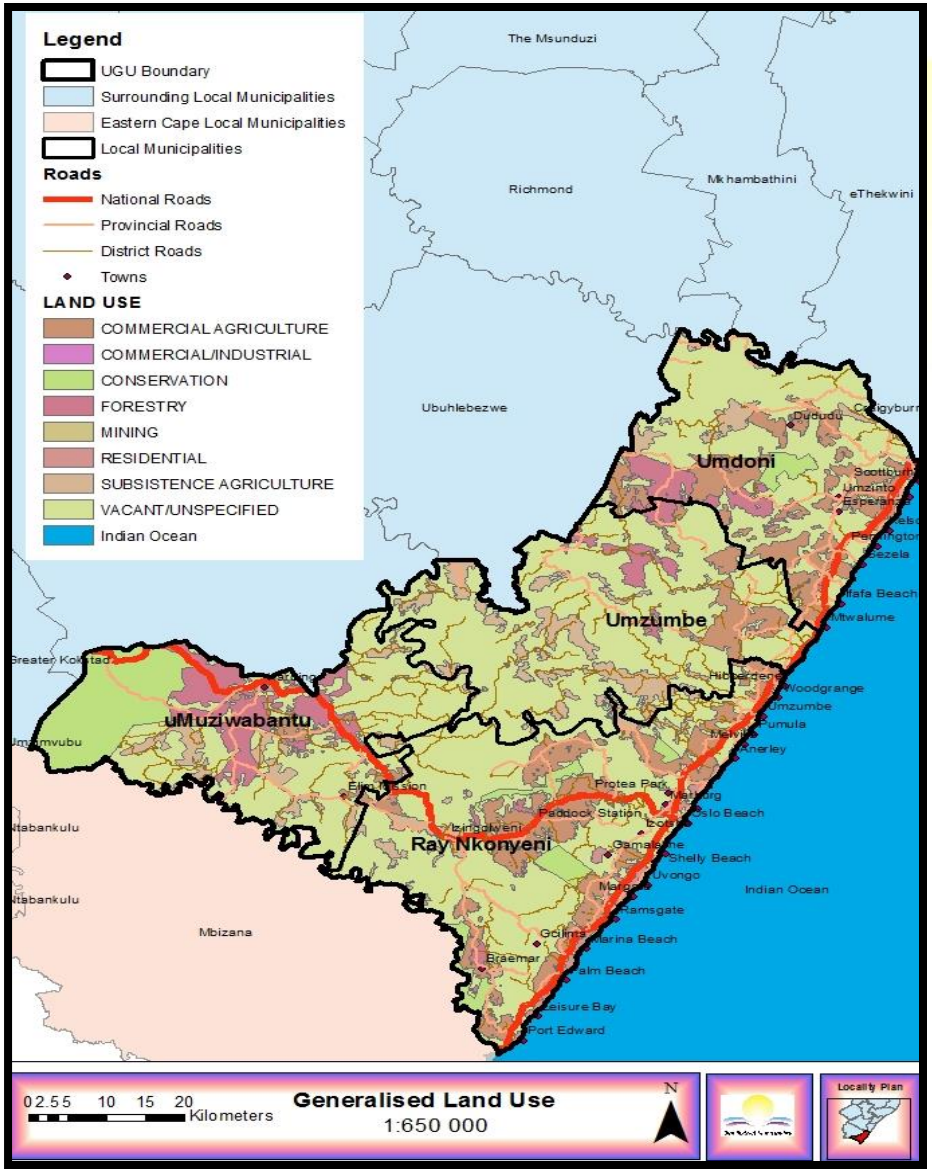


Figure 3.1.4.2: Ugu District Municipality Broad Land Uses

Source: Ugu DM GIS, 2015

3.1.1.1 Open Space System

An Open Space System comprising River Flood lines, High Priority Bio-Diversity Areas for retention (including Steep land), and Protected Nature Reserves occurs throughout the District. These comprise of existing demarcated areas, improved areas, and the new proposed Umzimkulu Game Reserve.

3.1.1.2 Roads

The major road system comprises of the existing National N2 and a series of E-W "Regional" and N-S "Regional" roads. Sections of the existing "Regional" roads that are currently gravel, will be "improved" by tarring when they connect demarcated Nodes.

3.1.1.3 Residential Areas

No major population growth is anticipated in rural areas, primarily those that occur within Traditional Authority areas; as urbanization is expected to be directed towards the larger coastal towns of the District and the major cities of the Province.

New "greenfilelds" and "infill" small pocket and accretion can be expected adjacent to the major coastal towns. For the most part, residential "Improvement" in the form of infrastructure provision and in-situ upgrading, will occur in relation to informal settlements, within and outside of TA areas, that are close to and adjacent to the coastal towns. The proposal is that the informal and formal settlement in the Traditional Areas will be linked to nearby Coastal Towns, consolidated, and compacted to create integrated settlements.

3.1.1.4 Industry

Expansion of the existing industrial areas in Umdoni and Marburg will be encouraged; while a new large scale industrial area will be investigated for the Umzumbe area to facilitate development in this area.

3.1.1.5 Agricultural Land Use

The commercial agriculture is a broad, generalized category that accommodates intensive and extensive agricultural practices and forestry /plantation forms of Agriculture. The traditional settlement and agriculture practice on the other hand are areas comprising of low density settlement areas where limited commercial agricultural activities take place within the concept of small parcels of common land and the practice of mostly subsistence agriculture.

3.1.5 Land Ownership

Most of the households in the Ugu District Municipality's area of jurisdiction are owned and fully paid off by their occupants (56%), occupied rent free is 16% and rented also 16%. The households that are owned but not yet paid off are 9%. It is important to further interrogate the tenure / ownership type of the ownership as most of the ownership type is long term lease or PTO the title deed being limited only to the urban areas as the rural areas are under Ingonyama Land Trust and 79% of the population reside in the traditional areas. The table and chart below shows the land ownership of the district.

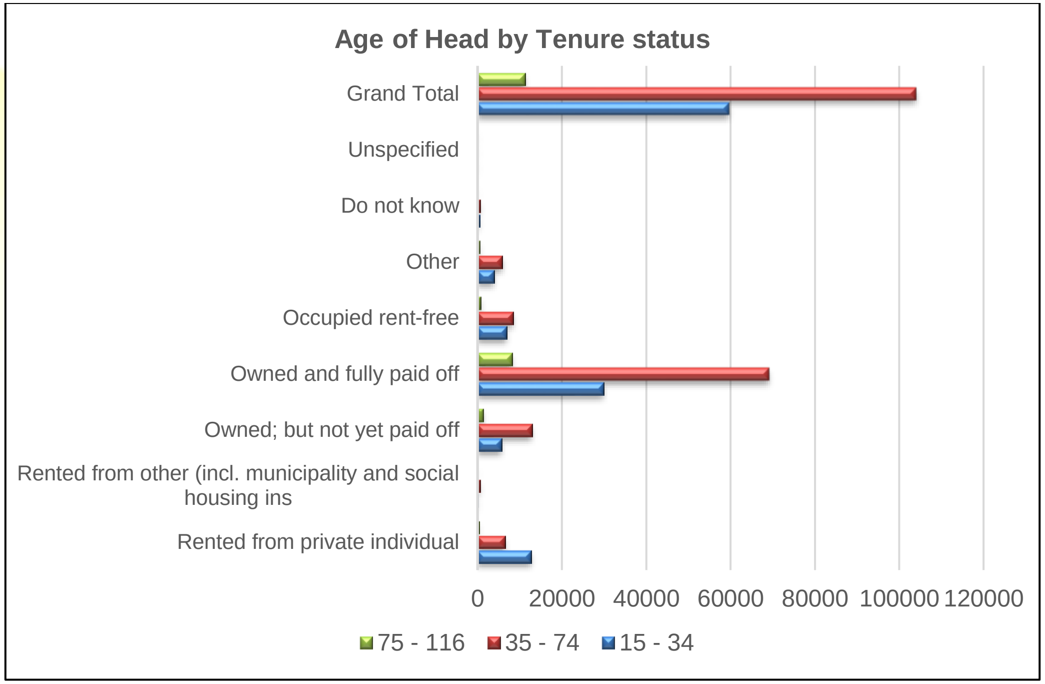


Figure 3.1.5.1: Ugu District Municipality Broad Land Uses

Source: Community Survey Stats SA, 2016

3.1.5.1 Tenure Security

The lack of both tenure security and access to Ingonyama Trust Land has been identified as the primary blockage to economic and social development within the district. The existing spatial pattern, of a narrow strip of urban coastal development and a large, under-developed hinterland is perpetuated by the dual system of land ownership and management within the district. The potential identified in the hinterland for commercial agriculture, tourism, industry and commerce will not be realized unless the land can be unlocked for development. The unlocking of this land has implications for infrastructure provision within the region and the on-going development of human settlements. Resolving outstanding land claims is also regarded as essential to increasing the risk and investment appetite of farmers within the district. The spatial vision for the district involves the consolidation of emerging patterns of human settlement within rural economic nodes and corridors to unlock the potential of fertile tracts of land. Partnerships amongst the public, traditional authority, private and civil society sectors will be necessary to make this happen.

3.1.6 Land Reform

Land reform is an integral part of the transformation of the South African urban and rural landscape and limited success has been achieved to date across South Africa. Where it has been implemented it has been generally regarded as unsuccessful leaving communities and individuals destitute. The importance of implementing successful land reform initiatives can, however, not be doubted. Such initiatives should contribute to improving household food security and supporting economic development in the District.

As the focus of spatial planning is on the appropriate use of land, it is of specific importance that the impact of spatial planning proposals in the district on all facets of land reform be considered. The different facets of the land reform programme include:

- Land redistribution;
- Land restitution; and
- Land tenure.

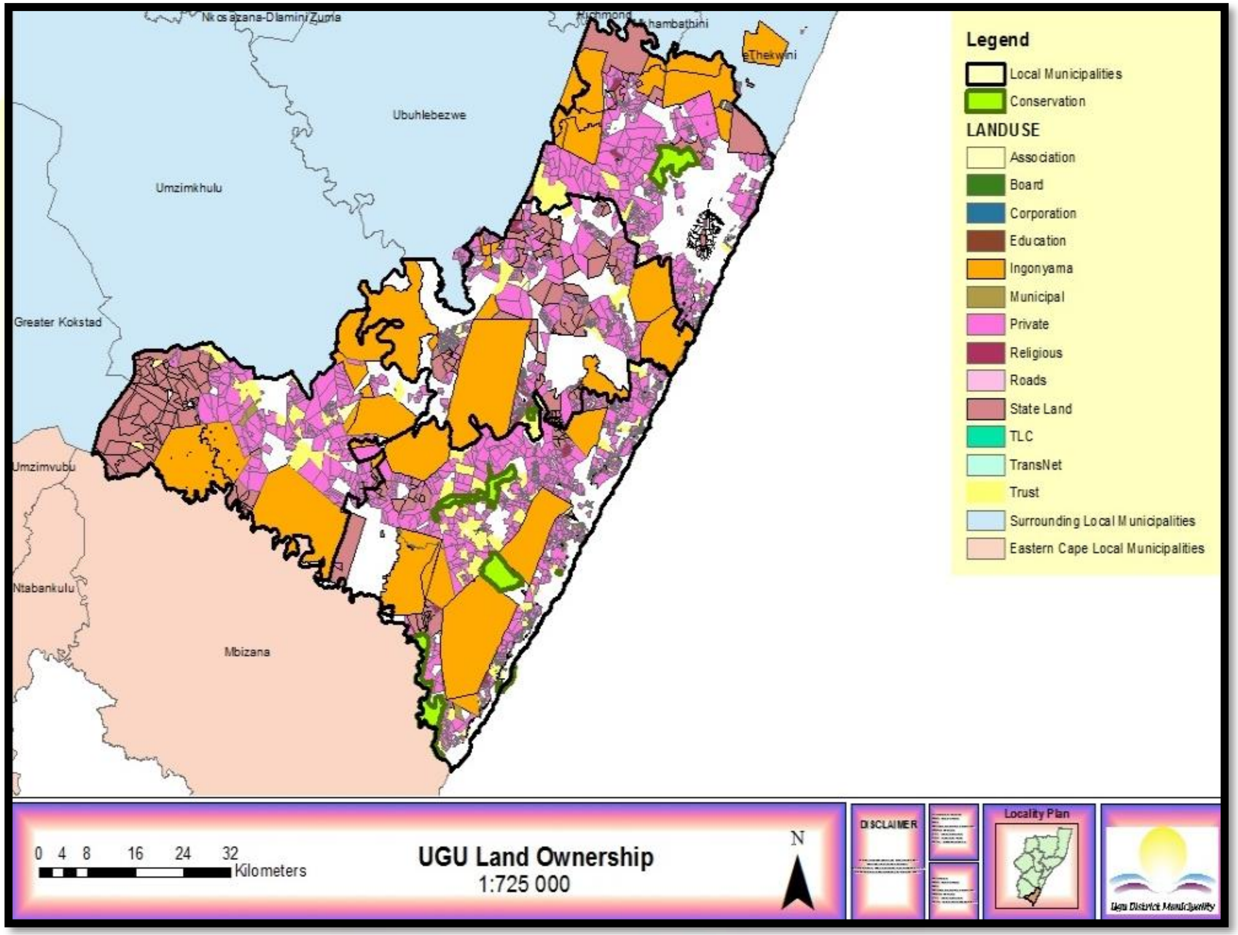


Figure 3.1.5.1.1: Ugu District Municipality Broad Land Uses

Source: Community Survey Stats SA, 2016

The current status qou of the land reform programme in the Ugu District area of jurisdiction is captured in Figure 3.1.6.1 below.

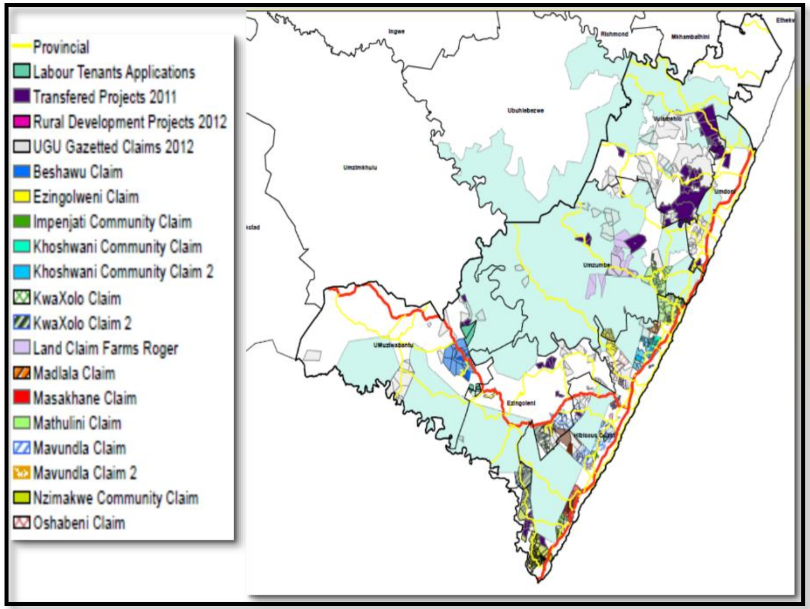


Figure 3.1.6.1: Ugu District Land Reform Status

Source: Ugu DM GIS, 2015

3.1.7 Land Potential

Much of development proposals presented in local economic development strategies require access to land. Examples of this include the development of industrial areas, the expansion of agricultural production, the establishment of new residential developments and more.

From initial spatial and land use assessment, it has, however, been concluded that land in the Ugu District should be viewed as a scarce resource. Figure 3.1.7.1 quantifies the current land use situation in the Ugu District, and specifically considers the availability of undeveloped land for development.

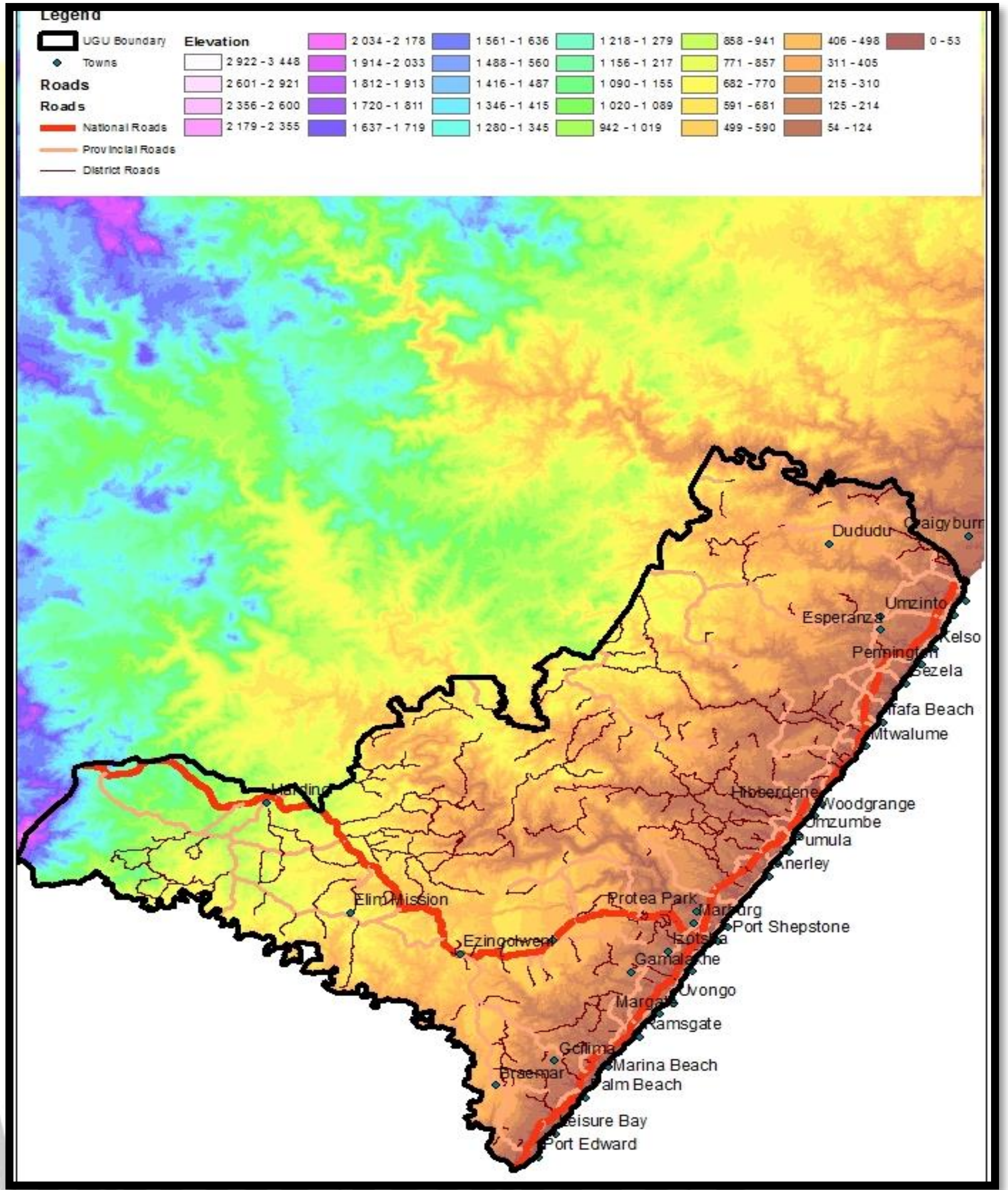


Figure 3.1.7.1: Ugu District Availability of Land for Development

Source: Ugu Draft SDF, 2017 / 2018

Although there appears to be substantial land available for development in the Ugu District, much of this land has a slope of greater than 13º which severely restricts the development potential. Approximately 30% of the land in the District can be classified as settled areas (including the urban edge and dense rural settlement). Sugar cane and forestry occupies 20% of the land with commercial crops and orchards occupying only 0.5% of the land.

The land available for development is generally located in small pockets and / or not well-located (i.e. located on river flood plains) and therefore not necessarily available for development. Low density rural and urban settlement areas also continue to expand and reduce the extent of land available for development.

Also, to be considered is that sugar cane land, if used for alternative production or urban land uses, reduces the land for sugar cane and may impact on the longer-term sustainability of the two sugar mills located in the District. These are major contributors to the economic output of the District.

3.1.7.1 Spatial Planning Perspective on Land Potential

With the above in mind it is important that the appropriateness of nodes currently reflected in spatial planning is assessed and the optimal location for the establishment of specifically rural nodes be determined.

The establishment of periodic service delivery points across the District, in locations that may in future be targeted for nodal development, should be considered. These periodic service delivery points must be clearly reflected on local municipality spatial development frameworks and should be the basis for the development of a periodic service delivery system. Through the establishment of such service delivery points the formation of informal and formal markets can also be promoted.

3.2 Environmental Management Analysis

Integrated Environmental Management (IEM) in the form of EIA compliance is a major milestone being achieved under the National Environmental Management Act (NEMA) across various sectors, both public and private. In collaboration with Department of Economic Development Tourism and Environmental Affairs and the local municipalities, the district had embarked on both statutory and non-statutory proactive integrated environmental planning through the development of Strategic Environmental Assessments, Environmental Management Framework, Integrated Waste Management Plan, Air Quality Management Plan, Air Quality Management by-laws, etc. Other pockets of excellence include intergovernmental and inter-sectoral forums and social responsibility projects. However, law enforcement on formal mining activities remains a major area of concern.

Major gaps were identified when the five year IDP was developed in 2012 with respect to Coastal Management programme as required by the Integrated Coastal Management Act of 2009, Climate Change Adaptation and Mitigation Strategy, Invasive Alien Species Management Plan, Health, and Hygiene Education Strategy. Some progress has been made to date the Coastal Management Programme is in place and the municipality is currently developing Climate Change Vulnerability Strategy. The municipality will continue to prioritise the development of the remaining strategies and plans.

3.2.1 Physical Environment

This section covers the physical environment of the Ugu District Municipality area of jurisdiction looking at the topography and water resource, geology and soils, land cover, the coast, and biodiversity and conservation as summarised below:

- **Topography and Water Resources:** Rises from sea level to inland plateau. The major rivers are Umzumbe, Ifafa, UMthwalume, UMzumbe, UMtentweni, Umzimkhulu, Umzimkhulwana, UMthamvuna, Mzimayi. Bordering rivers are Umkomaas and Umthamvuna. The altitude is 20-100 above sea level and the slopes are >40%.

- **Biodiversity and Conservation:** Environmentally sensitive areas are marine reserves, wilderness areas, monuments, conservation areas, nature reserves, wetlands, threatened species and their habitats, areas of high species diversity and sites of scenic value. Wetlands are under severe, inappropriate development pressure, wetland habitats being replaced by developments. Vegetation is characterised by various indigenous communities being overtaken by invasive alien plants. Protected areas are Vernon Crookes, Mpenjati, Oribi Gorge, Umtamvuna and Mbumbazi Nature Reserves under EKZNW. There are others under private ownership.

- **Geology and Soils:** Parent geological material along the coast includes the Dwyka Series occurring south of the UMkomaas River, inland from the UMtwalume River to the Ifafa River, south of the UMzimkulu River and north of the UMtentweni River. Slight-moderate erosion occurs. Alluvial deposits occur along estuaries and river flood plains, highly productive soils ranging from sandy through loamy to clay deposits, rich and humus, prone to extensive development pressure for cultivation activity. Sands that are overlaying the bluff beds are berea red sands representing the old dunes. – north of Sezela, south of Mpambanyoni and south of Mkomaas rivers. Sands colour generally range typically from white to gray, red or brown to yellow depending on the oxidation state of the iron containing minerals coating the quartz grains, typically poor for cultivation as they are subject to erosion if disturbed through inappropriate development. Dolorite is found along the uMzumbe coast and in the vicinity of the Damba River. Soils are usually non-structured clay formations with loam. High agricultural potential. Sections of structured upland clays become water logged and there are extensive deposits of Gneiss (Granite) along the entire coast with cretaceous marine sediment deposits. Small quantities of gold, asbestos, limestone, kaolinite, bauxsite, graphite, copper and nickel occur on the coast

- **The Coast:** The length of strip of the coast is 112km, covering Umdoni, Umzumbe and Ray Nkonyeni local municipalities with 36 estuaries. The development in the coastal corridor is relatively well developed with hard and bulk infrastructure; light industries on the south focused around Port Shepstone, Marburg areas and Margate Airport as well as Scotttburgh-Park Rynie on the North. There are intensive residential and holiday resorts developments. In the coast is highly vulnerable due to development and sea level rises thus the

CVI suggests precautionary measures on the high to moderate risk areas.

- **Land Cover:** according to CSIR's "Standard Land-cover Classification Scheme for Remote Sensing Applications", sugar cane and small holdings penetrate the land in the Northern sub-region-limited to no more grassland left in the primary and secondary boundaries of the sub-region except on the Southern Sub-Region, west of Port Shepstone, Shelly Beach and Port Edward.

3.2.1.1 Key Hydrological features

The Ugu District contains three main river systems (Umkomaas, Mzimkhulu and Mtamvuna) as well as several smaller, but significant, rivers. Only a small portion of the Umkomaas River Catchment falls within the Ugu District. Only two of the 12 Quaternary Catchments fall partially/ within the UDM. Both are relatively undeveloped but with a relatively high proportion of alien invasive vegetation. These catchments have relatively low to no anthropogenic impacts and are in a good ecological state. There are extensive areas of significant wetlands which are in good ecological condition.

A small portion of the Mzimkhulu River Catchment falls within the Ugu District. The catchment is relatively well developed throughout and most of the Quaternary Catchments have a high proportion of alien invasive vegetation. These catchments have relatively low to no anthropogenic impacts and are in a good ecological state. However, more impact has been noted within T52K. There are extensive areas of significant wetlands which are in good ecological condition.

The Mtamvuna River Catchment falls mostly within the Ugu District. The inland portion of the catchment is relatively well developed, while the three Quaternary Catchments closer to the coast line have markedly less development. Most of the Quaternary Catchments have a high proportion of alien invasive vegetation. These catchments have relatively low to no anthropogenic impacts and are in a good ecological state. There are extensive areas of significant wetlands which are in good ecological condition.

The remaining smaller but significant catchments vary in their levels of development and proportion of alien invasive vegetation. However, all, except the" Mzinto River Catchment are classed as having relatively low to no anthropogenic impacts and are in a good ecological state. The" Mzinto River Catchment is classed as having a higher level of impact. There are also significant wetlands within these catchments.

Runoff Potential

There is a trend of increasing runoff potential towards the southern section of the Ugu District. At this desktop level of study, it is unclear as to how best to access the available water resources, should they be required. If the streamflow is variable, then storage structures may be required to get specific demands at the required assurance of supply. Conversely, if the flow volumes are sufficient and the streamflow is not variable, then run-of-river abstractions may become plausible.

Groundwater

The geohydrological units underlying the Ugu District are classified as secondary aquifers (except for the unconsolidated sediments, where they occur) with groundwater occurrence characterised either by aquifers with fractured flow or by aquifers with inter-granular and fractured flow. Borehole yields are expected to be satisfactory apart from a limited number of low yield areas (e.g. north of Umkomaas).

Due to the variability of the geology, groundwater levels and aquifer parameters such as hydraulic conductivity and transmissivity will differ across the Ugu District, and will be locally dependent on aquifer type, geological structure, and topography.

Groundwater quality is generally good. However, groundwater quality will be heavily influenced by the depositional environment, proximity to the coast and industrial activities. Due to the variation in elevation across the Ugu District, mean annual precipitation, and therefore potential groundwater recharge, is variable.

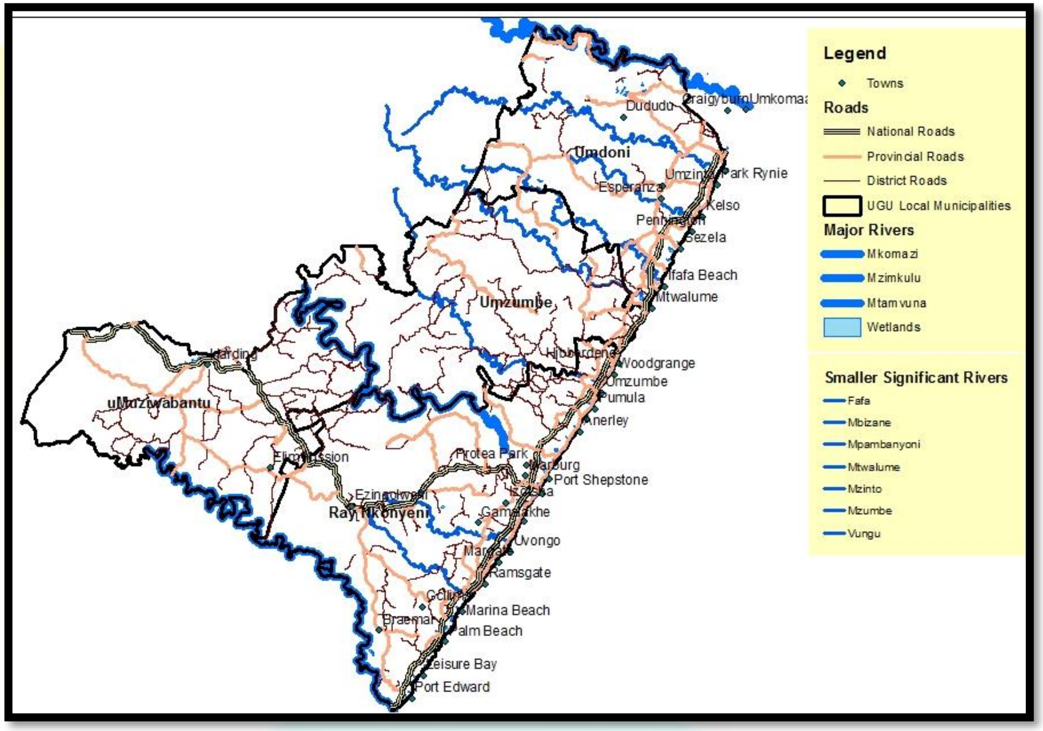


Figure 3.2.1.1.1: Ugu District River and Catchment Areas

Source: Ugu District SDF, 2012

3.2.1.2 Protected areas

Protected Areas (PAs) fulfil several critical functions within the landscape, most notably they function as the cornerstones of biodiversity conservation and ecological sustainability, biodiversity retrospectivity, climate change adaptation, provision of ecosystem goods and services, and socioeconomic (particularly rural) development (DEA 2009). It is therefore not surprising that protected areas are seen as one of the most important mechanisms for protecting biodiversity.

Internationally, the Convention on Biological Diversity (CBD) committed governments to protecting a minimum of 10% of each habitat type by 2010. South Africa's current protected area network falls far short of sustaining biodiversity and ecological processes with only approximately 6% of our land surface set aside and managed as protected areas. This flat target of 10% is relatively arbitrary, with no compelling ecological rationale. In the South African context, with our globally exceptional levels of biodiversity richness, we need a higher level of protection (DEAT & SANBI, 2008).

At present, a total of seven terrestrial formally protected and two marine protected areas (Aliwal Shoal & Trafalgar) occur within the Ugu District (see Table 3.2.1.2.1). These range in extent from 17 ha (Skyline Nature Reserve) to over 12, 000 ha (Aliwal Shoal Marine Protected Area). Terrestrial protected areas cover a meagre 8883.1 hectares, representing only a small fraction (1.76%) of the land surface within the District (Figure 3.2.1.2.1). This figure is clearly well below international benchmarks and is grossly inadequate to protect the diversity of species, habitats and processes within the District.

Table 3.2.1.2.1: Formal Protected Areas within Ugu District

Source: Draft EMF, 2013

Site	Date Proclaimed	Extent (Ha)
Oribi Gorge Nature Reserve	1950	1745.7
Skyline Nature Reserve	1986	17.1
Mbumbazi Nature Reserve	1986	2022.9
Mehlomnyama Nature Reserve (Managed by DWA)	1908	160.6
Umtamvuna Nature Reserve	1971	2653.0
Vernon Crookes Nature Reserve	1973	2188.9
Mpenjati Nature Reserve	1985	94.9
	Total	**8883.1 (1.76%)**
Marine Protected Areas		
Aliwal Shoal Marine Protected Area	2004	12461.5
Trafalgar Marine Reserve	1979	552

While several informal conservation areas also exist, these areas are not formally protected by law and therefore provide little assurance of long-term protection. These areas include community conservation areas, privately-owned reserves, and game ranches. Further efforts are clearly required to expand the existing formal conservation estate with opportunities for building on existing biodiversity commitments shown by landowners through these informal conservation initiatives.

Protected area expansion planning has been undertaken at both a National and Regional level to help direct conservation programs (Figure 3.2.1.2.1). Unfortunately, these plans have led to little formal action on the ground apart from the conceptual development of a Big 5 Reserve associated with the Mzimkhulu priority area identified in the national plan. Priority areas are also quite different with little alignment between the existing plans. It is hoped that the outcomes of the BSP will help to provide further focus for future conservation efforts.

Management effectiveness and pressures facing protected areas

An assessment of the management effectiveness of protected areas managed by EKZNW was undertaken in 2010. This assessment was based largely on the Management Effectiveness Tracking Tool (METT) developed by WWF and the World Bank (WB) in 2007. The results of the assessment are summarised in Table 3.2.1.2.2, below. This clearly shows that all the sites assessed fell short of the 77% minimum standard which was set by the Management Effectiveness Task Team with sites ranging in scores from 53% to 64%. This suggests that further efforts are required to improve management of existing protected areas and so ensure that the few biodiversity assets within such areas receive the protection required.

The level of pressure facing different protected areas is also worth noting (see Table 3.2.1.2.2). Of relevance, is the very high pressure associated with Umtamvuna Nature Reserve which ranked highest in the Province. This suggests that special attention needs to be given to this area to ensure that these pressures are appropriately mitigated and managed.

Table 3.2.1.2.2: Summary results of the METT assessment

Source: Draft EMF, 2013

Site	Extent	Effectiveness	Pressure
Oribi Gorge Nature Reserve	1745.7 ha	60 %	Medium
Skyline Nature Reserve	17.1 ha	63 %	Medium
Mbumbazi Nature Reserve	2022.9 ha	53 %	Medium
Mehlomnyama Nature Reserve (Managed by DWA)	160.6 ha	No data	No data
Umtamvuna Nature Reserve	2653.0 ha	60 %	Very High
Vernon Crookes Nature Reserve	2188.9 ha	59 %	Low
Mpenjati Nature Reserve	94.9 ha	64 %	High

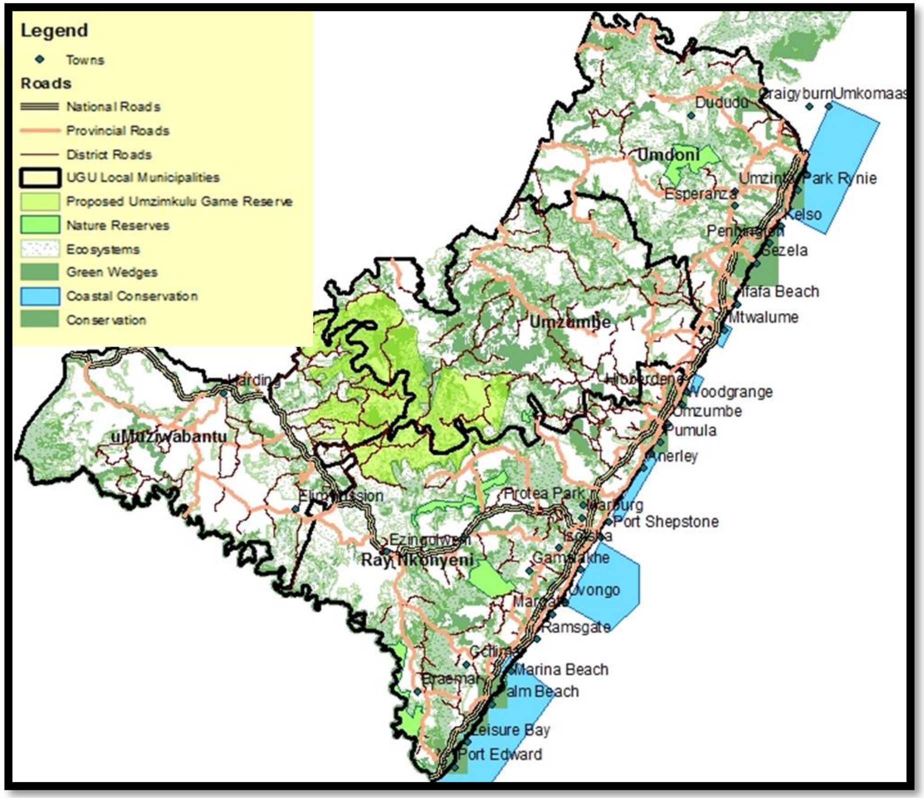


Figure 3.2.1.2.1: Ugu District Protected Areas

Source: Ugu GIS, 2017

3.2.1.3 Biodiversity

An overview of the importance of areas for biodiversity conservation in the Ugu District is presented in the form of a Critical Biodiversity Areas (CBA) map for the Ugu District. This, together with other supporting maps presented here was based on the mapping prepared as part of the Draft Biodiversity Sector plan for the area but refined through further stakeholder interaction and field verification.

The CBA map indicates areas of terrestrial land, aquatic features as well as marine areas which must be safeguarded in their natural state if biodiversity is to persist and ecosystems are to continue functioning. The CBA map aims to guide sustainable development in the District by providing a synthesis of biodiversity information to decision makers and serves as the common reference for all multi-sectoral planning procedures, advising which areas can be developed in a sustainable manner, and which areas of critical biodiversity value ("Critical Biodiversity Areas" or CBAs) and their support zones ("Ecological Support Areas" or ESAs) should be protected against biodiversity threats and impacts. ESAs, whilst not necessarily required to meet conservation targets, are important in maintaining ecological processes and system functioning of their associated CBAs.

An additional category, termed "Ecological Infrastructure" or EI (also referred to as "Ecosystem Goods and Services Areas" or EGSAs) identifies areas of natural or near-natural features, habitats or landscapes that have been highlighted as being particularly important in providing high levels of ecosystem service delivery, e.g. water production areas, key flood mitigation areas, etc. This category forms a subset of the larger matrix identified on the map as "Other Natural Areas". These are natural, near-natural vegetation and functional habitats or landscapes not yet classified as one of the above categories (i.e. CBAs, ESAs, or EI), but that should be recognized as being important in maintaining and supporting ecological processes and ecosystem service delivery, and should also be safe-guarded where possible. Whilst these Other Natural Areas are sufficiently extensive at this stage that they may withstand some loss through conversion of their natural state and undergo development, it is possible however that these areas will eventually be reclassified as Critical Biodiversity Areas in the future as development pressures increase.

Protected Areas (PAs) are restricted to formally proclaimed areas under the National Environmental Management: Protected Areas Act (2003) that forms the backbone of the conservation network. These areas are critical in their contribution to the achievement of conservation objectives in the Province.

The CBA map also identifies "Transformed Areas" that have been irreversibly transformed by land uses such as agriculture, forestry, and urban infrastructural development, with no significant natural vegetation remaining and therefore are attributed to having a low biodiversity value.

3.2.1 Climate Change

The climate of Ugu DM can be categorised into three distinct climate zones (Figure 3.2.2.1). These are coastal, inland north and inland south.

- The coastal climatology is influenced largely by the proximity to the warm Agulhas Ocean current. The thermal heat retentive capacity of the ocean reduces the diurnal temperature range and thus results in more mild temperatures along the coastal areas (Figure 3.2.2.2). The warm ocean current along the eastern coast provides water that is more predisposed to evaporation. Coastal areas therefore experience high humidity and significantly more precipitation (Figure 3.2.2.3) than inland and west coast areas.

- The inland climate zones do not receive the mitigation effect of proximity to the ocean and therefore have a larger diurnal temperature range. This is particularly noted in the northern inland areas which as the highest annual average daytime temperature. The inland southern areas partly cover higher altitude areas and will therefore have a reduced annual average temperature (Figure 3.2.2.2) with increased altitude inland. The precipitation profile is very similar between the inland northern and southern areas and both exhibit reduced precipitation from that which is noted toward the coast (Figure 3.2.2.3).

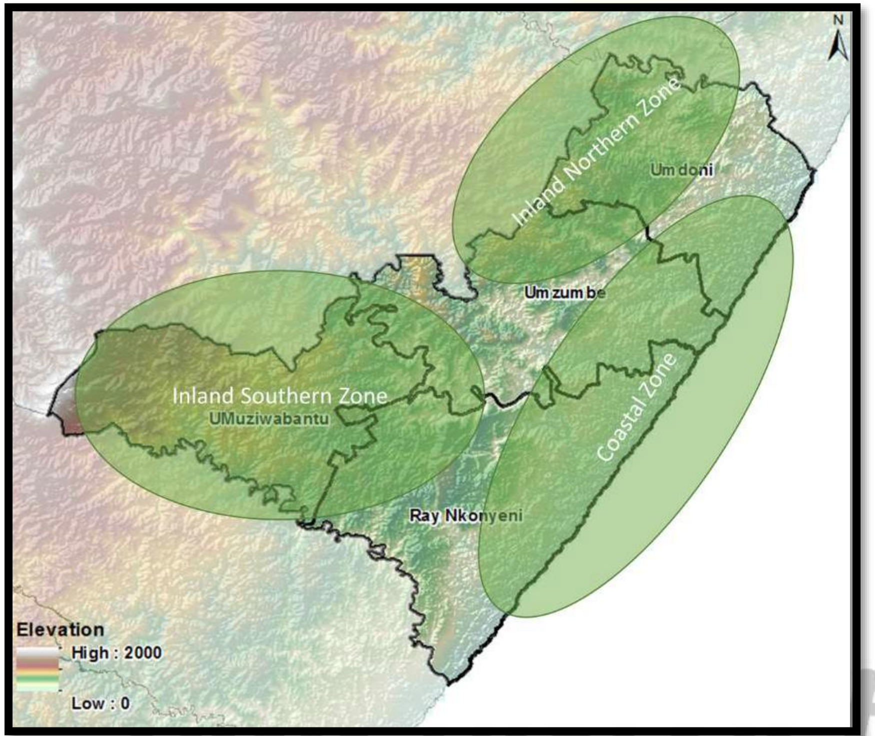


Figure 3.2.2.1: Three distinct climatic zones, Coastal in Ugu District

Source: Draft Climate Response Strategy, 2017

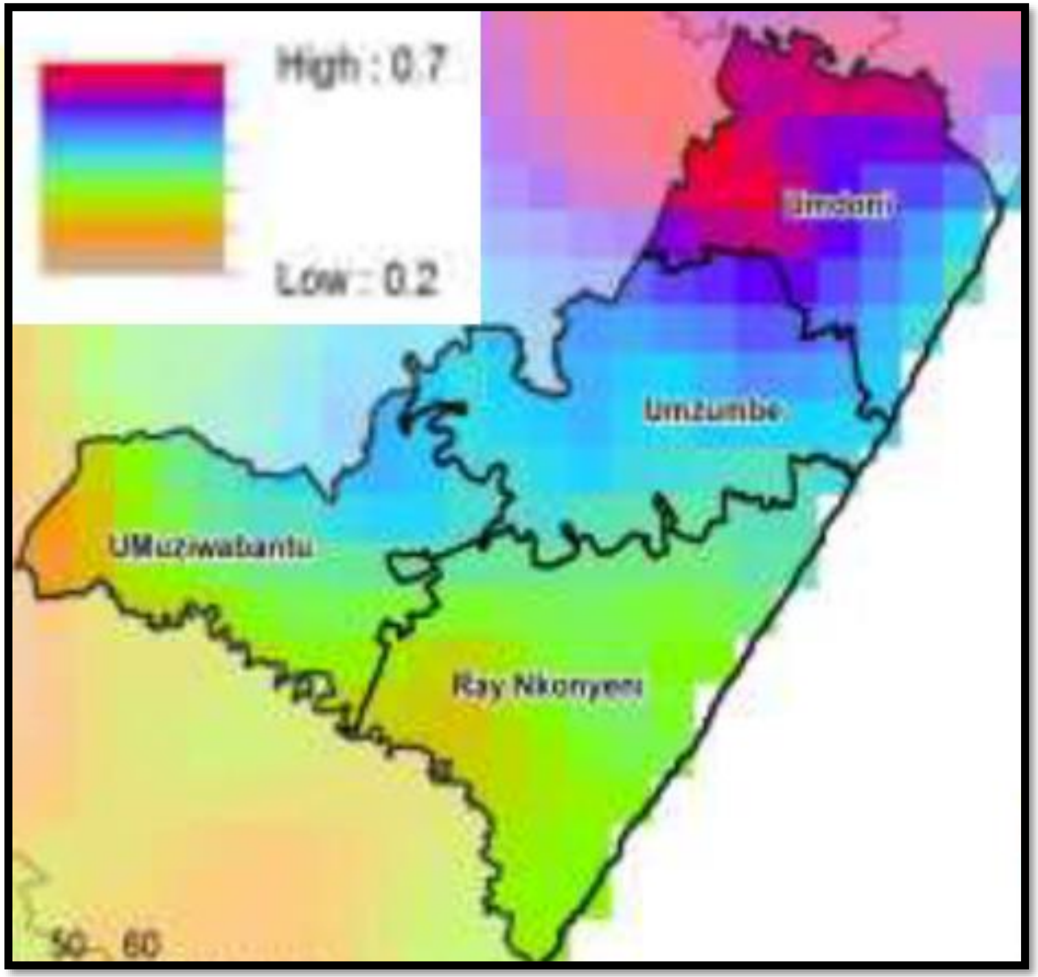


Figure 3.2.2.2: Projected and anomalous future precipitation over Ugu DM

Source: Draft Climate Response Strategy, 2017

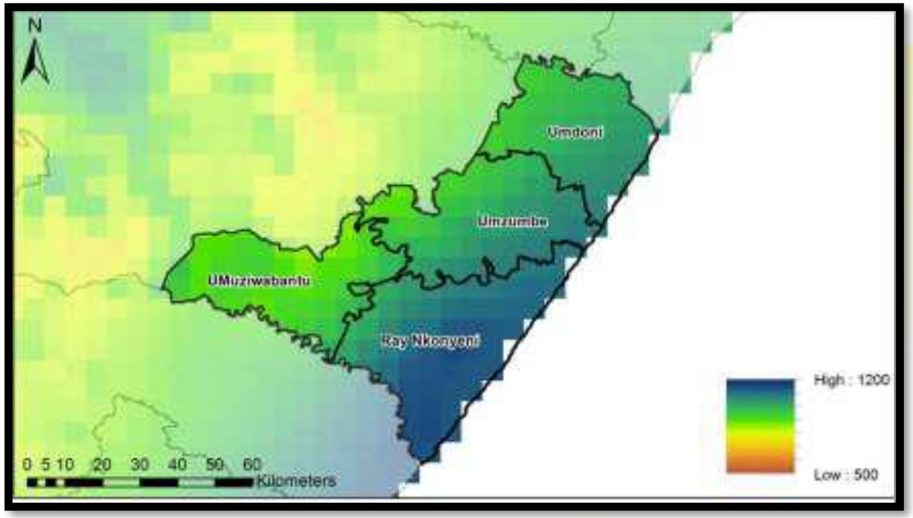


Figure 3.2.2.3: Observed precipitation and monthly variability over Ugu DM
Source: Draft Climate Response Strategy, 2016

3.2.1.1 Climate Risk Profile

The Ugu District is already familiar with climate related extremes in the form of droughts and flooding, posing a significant risk to the region's economy, ecosystems, and population. However, the impact of a changing climate will stretch beyond the impact of extreme events. Considering the socio-economic and environmental challenges currently faced by the Ugu District, increasing costs associated with the projected climate change impact will compromise growth and development goals.

Climate related extreme events and long-term impact has already and will continue to place a significant financial burden on public sector service delivery, compounded by prevailing socio-economic and environmental factors contributing to overall vulnerability. This burden will continue to increase, if climate change is not adequately addressed across district through effective response strategies.

A summary of the likely climate change impacts associated with a range of possible climate risks for the Ugu District a is shown in Table 3.2.2.1.1. These impacts were assed based on the results of the climate assessment, manageability, exposure, and hazard analysis undertaken as well as in consultation with a number of key stakeholders and observations of the current socio-economic conditions.

Table 3.2.1.2.2: Summary results of likely Climate Change and Impacts
Source: Draft Climate Response Strategy, 2016

Climate Risk	Likely Climate Change Impacts
Higher mean annual temperatures	Increased evaporation and decreased water balance; Reduced crop quality and food security.
Higher maximum temperature, more hot days and more heat waves	Increased heat stress on humans and livestock; Increased incidence of heat-related illnesses; Increased mortality and serious illness, particularly in older age groups; Increased heat stress in livestock and wildlife; Decrease crop yields and rangeland productivity; Extended range and activity of some pests and disease vectors, specifically malaria; Increased threat to infrastructure exceeding design specifications relating to temperature (e.g. road surfaces, electrical equipment, etc.);

Climate Risk	Likely Climate Change Impacts
	Increased electric cooling demand increasing pressure on already stretched energy supply reliability; and Exacerbation of urban heat island effect.
Higher minimum temperature, fewer cold days and frost days	Decreased risk of damage to some crops and increased risk to others such as deciduous fruits that rely on cooling periods; Reduced heating energy demand; Extended range and activity of some pests and disease vectors.
Increased rainfall variability and subsequent drought potential	Decreased average runoff, stream flow, ground water recharge; Decreased water security and potential increase in cost of water resources; Decreased water quality; Decrease in shoulder season length, threatening sensitive crops; Increased fire danger (drying factor); and Impacton rivers and wetland ecosystems.
Intensification of rainfall events	Increased flooding; Increased challenge to storm water systems in settlements; Increased soil erosion; Increased river bank erosion and demands for protective structures;

Climate Risk	Likely Climate Change Impacts
	Increased pressure on disaster management systems and response; Increased risk to human lives and health; and Negetive impact on agriculture such as lower productivity levels and loss of harvest which could lead to food insecurity.
Increased mean sea level and associated storm surges	Salt water intrusion into ground water and coastal wetlands; Increased storm surges leading to coastal flooding, coastal erosion, and damage to coastal infrastructure; and Increased impact on estuaries and associated impact on fish and other marine species.

The consequences of the projected climate change impact will not be limited to their physical impact. Climate change patterns and projected impact will also have a significant impact on government's ability to perform its mandated role and responsibilities. The interactions between climate change and government functions will be complex and more comprehensive risk assessments may be required to further assist decision making processes and prioritizing adaptation activities.

3.2.1.2 Ugu DGDS Response

It is strongly argued that sustainability must underpin the entire approach to development within the Ugu region. There is already an unacceptable level of environmental destruction and disregard. Growth and development cannot simply be measured in terms of wealth creation, but must consider the impact on the quality of life of all citizens and on the planet. There are several challenges in the district about environment sustainability – most notably the sheer lack of clear regulations, standards, supporting policy, incentives and appropriate research and development existing in the district currently. Further challenges relate to accessing financing capital and institutional infrastructural support. All industries should be assessing their current activities in terms of green principles and investigating new opportunities that are presented through adopting a green approach. There is a need to have a “greening” strategy for the district that addresses both urban and rural development challenges. Municipalities need to develop green strategies for service delivery and support sustainable livelihoods that address the needs of different human settlement typologies. Three strategic objectives have been identified which are (1) to advance alternative energy generation capacity, (2) to manage the pressures of biodiversity and environmental quality, and (3) to ensure efficient environmental monitoring, regulation, and disaster management.

3.2.2 Environmental Health Services

Environmental Health summary of priorities are as follows:

- Health education is aimed at nurturing behavioural change and to provide capacity to the community to identify health risks.
- To enable uniform application of the department requirements throughout the district and law enforcement thereof, Public Health By-laws are in the process of development.
- Ensuring compliance to hygiene and health standards amongst the general community, business sector and housing projects. This includes food safety, water and air monitoring, health surveillance of premises, food, vector, and communicable disease control.
- Controlling, restricting, or prohibiting the business of an undertaker, mortuaries and other places or facilities for the storage of dead bodies.
- Proactive interventions in the aspect of human settlements through the scrutiny of building plans to ensure compliance with health and certain standards to prevent health risks that may arise because of occupation thereof.

3.2.2.1 WHO 5 Keys to Safer Food

All municipal Environmental Health Practitioners (EHPs) are applying the 5 Keys to Safer Food Standards which have been developed by the World Health Organization. This has been and is still being implemented through workshops and on-site education at food premises. Accordingly, this will ensure safer, healthier, and more hygienic food for the communities and consumers. This nature of food control is of international standard and same will be applied throughout the district amongst the food handlers.

3.2.2.2 Certificates of Acceptability

Steps are taken to ensure that the level of standards that were improved upon should continue to be maintained by vigilant monitoring and evaluation of all food handling premises.

All food handling premises are monitored and once compliant are issued with a Certificate of Acceptability which can be withdrawn should premises be no longer compliant. The certification of food premises for catering and of food handling for special events is also done to ensure that the standards of food handling minimise the dangers of food spoilage and of cross-contamination to reduce the chance of food poisoning.

EHPs will continue to sensitize all food handlers especially caterers and informal food vendors on the food safety protocol to prevent the outbreak of food borne diseases and to guarantee a hygienically protected and safe environment for food handling.

Many of the food handling businesses in the district are aligning themselves with international standards viz, the Hazard Analysis Critical Control points System (HACCP).

This is encompassed under the Regulations defining the Scope of Practice of Environmental Health Practitioners. EHPs are trained and updated on the HACCP standards to be able to assist the businesses to comply with the control standards.

3.2.2.3 Environmental Health Education

Health education is a very critical aspect of environmental health, as some of the health issues are being taken for granted by communities. This includes unhygienic food preparations, food contamination because of unhygienic surroundings and other factors such as non-compliance with basic standards, etc.

The lack of education is a compounding factor to the high levels of ignorance of health-related issues amongst disadvantaged populations. Health education, being a critical aspect in environmental health, is prioritized for timely and accurate information to be disseminated to these disadvantaged communities. With more emphasis on appropriate water and sanitation practices and proper prevention techniques regarding food contamination, unhygienic surroundings can be eliminated.

Health education therefore creates awareness amongst rural and urban communities as people would be able to identify existing health risks as well as risky behaviour in their surroundings. Health Education also addresses other natural aspects of health risks in relation to:

- Water resources and general environmental pollution;
- Nurture proper behaviour and provide skills to identify health risks;
- Continuous education at schools, communities, and businesses to sensitize and ensure prevention before cure;
- Control and containment of communicable diseases; and
- Due to the increase in positive Rabies cases within KZN, a Rabies Action Group (RAG) has been constituted to promote the vaccination of all dogs annually, and to promote awareness of the fatal disease. Community Health Workers have been trained and will be assisting in all areas within the district. The Environmental Health staff assists the Dept. of Veterinary Services with the Rabies vaccination campaigns.

3.2.2.4 Health Care Risk Waste

Health Care Waste (HCW) is a combination of Health Care General Waste (like domestic waste) and Health Care Risk Waste, which is the hazardous component of HCW.

Historically, incineration had been a method of treatment and destruction of all heath care risk waste. The incineration of health care risk waste was phased out in 2003 by the Provincial Department of Health in favour of alternative technology to incineration.

The Health Care Risk Waste Policy focuses on the management of health care risk waste and it is critically important to ensure that health care general waste is also well managed. The development of this policy is aimed primarily at improving the standard of health care risk waste management and disposal at all the health care facilities.

To this end Environmental Health has a critical role to play to ensure compliance in terms of the management of HCRW at health facilities, tattooists, state veterinary services and medical practitioners' surgeries etc.

District Health Care Risk Waste Management is greatly empowered with E.H. Ps now employed by each Provincial Hospital in the District. This will greatly assist in managing the health care risk waste related issues in the district.

3.2.2.5 Environmental Health integration with other stakeholders

Integration of this with Environmental Health is very critical as there are some elements of health that cannot be addressed unless the communities have the basic and essential services at their disposal. These relate to waste management facilities, housing, safe water supplies and appropriate sanitation facilities amongst others. It is very critical for the projects to be integrated with other services such as water, sanitation, environmental impact assessments, health facilities, waste management services and compliance with National Building Regulations to ensure that all the requirements are met. Compliance with these will help prevent the repetitive cycle of poverty and major environmental and health hazards because of poor and disintegrated planning.

3.2.3 Spatial and Environment Key Emerging Issues

This section looks at the spatial and environmental key emerging of the Ugu District Municipality area of jurisdiction and summarised as follows:

- There are increasing inappropriate, illegal, and uncontrolled developments taking place in certain land parcels in the district. There is a need to enforce development controls and implantation of planning frameworks accordingly.
- Climate change is a threat to biodiversity, health, economy, food security and disasters. However, it also offers growth of the green economy.
- Sand mining is a challenge in the district due to non-compliance to the permits and lack of monitoring and enforcement. In some areas of the district it has led to fatalities. Lack of cooperation between Mineral Resources Department and other departments regarding environmental and socio-economic impacts is adding to the sand mining challenge.
- National departments not taking full responsibility for their properties thereby exposing them to invasion by alien plants are a threat to the environment, water supply and road safety
- Water resources - quality and quantity (pollution, invasion of water bodies by water intensive alien plants)
- The lack of suitable land for the disposal of the dead (burial), and current challenge of cemeteries running out of space at an alarming rate can lead to the burial of bodies in non-designated areas due to

unavailability of registered burial plots or cemeteries-may also pollute water sources

- Illegal solid waste disposal, coupled with airspace in landfill sites fast reaching capacity and there have been illegal landfill sites identified in some local municipalities which needs urgent attention.
- Policy environment is improving (by-laws, licensing of listed activities that pose a serious threat to the environment, human health, and the economy) what remains is ensuring consistency in implementation.
- Pollution threatening the coastal environment thereby compromising beach tourism which in turn threatens the Blue flag beach statuses which are an international accreditation boosting tourist confidence. This may have adverse consequences as tourism is our main economic contributor.
- The disposal of dead animals or the lack thereof, ensuring responsibility towards them by relevant persons remains a challenge.
- The municipality faces limitation of microbiological and chemical analysis of foods due to the lack of funds.
- There is a need for a district wide awareness with regards to environmental health.

3.3 Disaster Management

In terms of the Disaster Risk Management Act 2002, (Act No.57 of 2002), Section 43-50 outlines the establishment and functions of the Disaster Management Centre in order to ensure an integrated and co-ordinated approach to Disaster Risk Management within the district. Ugu District Municipality Disaster Management Risk Centre was established in 2005, is fully functional. The Centre Control Room Number (039 682 2414), the Ugu Call Centre Toll Free No: 0800 092 837.

The call centre is shared between the Disaster Management and Fire Services and Water Services for enquiries and Incident reporting.

3.3.1 Municipal Institutional Capacity

The responsibility for reducing disaster risk, preparing for disasters, and responding to disasters is shared among all departments and employees of local municipalities within the Ugu District Municipality, all departments and employees of the Ugu District Municipality, all provincial and national organs of state operating within the municipality, all sectors of society within the municipality and, perhaps most importantly, all the residents of the municipality.

The Disaster Management structure for the Ugu District Municipality is meant to deal with both pro-active and reactive disaster management issues and encompasses more than the department which is responsible for the function. It is important to note that disaster management has a different structure which needs to operate in. Disaster Management in the Ugu District interfaces the local municipal and provincial spheres through the various forums. This communication is coupled with decision making ability and ultimate responsibility and accountability present on three different and all very important levels which are; Strategic level; Tactical Level; and Operational Level.

3.3.1.1 Operational Level

Approved Organisational Structure for District Disaster Management Centre consist of Manager Disaster Management and Fire Services; Administration Assistance; District Fire Protection Officer; Disaster Management Practitioner (X3); Fire Fighter; and Fire Engine Operator.

3.3.1.2 Tactical Level

At the tactical level two committees have been established, the Ward Based Committee for disaster risk reduction and Post Disaster Committee for disaster preparedness. The Ward based committee actively participate in Disaster Risk Management programs at a ward level. Its participation assists by increasing the level of awareness within the communities and improve response times on reported incidents. The Post Disaster Committee on the other hand considers implementation of relief efforts and Rehabilitation Projects. The committee is made of District Disaster Management Practitioners, PDMC, Sector Departments also including other relevant role-players such as NGO's and Private Businesses. At the tactical level the institutional arrangements are summarised in Table 3.3.1.2.1. below.

Table 3.3.1.2.1: Tactical Level Institutional Arrangements

Source: Ugu District Disaster Management, 2017

Structure	Role Player
Risk Reduction	Ugu Disaster Management Unit
	Local Municipality Disaster Management Units
	Extended Management Committee
	Planning Fraternity
	Risk Reduction Project Teams
	Preparedness Planning Groups
Preparedness	Ugu Disaster Management Unit
	Local Municipality Disaster Management Units
	Management Committee
	Joint Response and Relief Management Teams
	Recovery & Rehabilitation Project Teams,
	Ugu Emergency Control Centre

3.3.1.3 Strategic Level

Section 51 of the Disaster Management Act, states that all the district municipalities must establish a municipal Disaster Management Advisory Forum. Ugu District Disaster Risk Management Advisory Forum was established.

It is a legislative mandate for a municipality to establish such a forum to coordinate strategic issues related to disaster management. The Forum assist in approving and/or review the disaster management plans for the municipality before it is submitted to Council. The District Disaster Management Advisory forum was established and is functioning with meetings scheduled every 3 months or as required. All disaster management role players and leadership from local municipalities within the district forms part of the forum. The main purpose of the Municipal Disaster Management Advisory Forum (MDMAF) is to ensure that the principles of co-operative governance, integrated and co-ordinated disaster risk management and external stakeholder participation at local level are applied.

3.3.2 Risk Assessment

Risk Assessments were conducted during the sector plan review process and risk reduction strategies were developed and in addition, the risks mapping exercise is being completed. The District has a ward based risk profile which was conducted per ward throughout the District. Each Local Municipality has its own Ward Based Risk Profile which is incorporated in their Local Disaster Management Plans. Table 3.3.2.1 below provides the details of the risk prioritised as per sector programme.

Table 3.3.2.1: Municipal Risk Profile 2015/2016 Financial Year

Source: Ugu District Disaster Management, 2017

Umdoni	Ray Nkonyeni	Umuziwabantu	Umzumbe
Drought	Drought	Drought	Drought
Structural Fires	Structural Fires	Structural Fires	Structural Fires
Informal Settlement Fires	Informal Settlement Fires	Informal Settlement Fires	Air Pollution
Veld Fires	Veld Fires	Veld Fires	Veld fires
Floods	Floods	Floods	Floods
Water Pollution	Hail Storms	Hail Storms	Water Pollution
Hazmat by road	Hazmat by road	Hazmat by road	Hazmat by road
Strong Winds	Strong Winds	Strong Winds	Strong Winds
Lightning	Lightning	Lightning and Thunderstorms	Lightning and Thunderstorms
Storm Surge	Storm Surge	Water Pollution	Wild pigs
Air Pollution	Water Pollution		Storm surge
Drownings	Drownings		Drownings

3.3.2.1 District Vulnerability to Disaster Risk 2016/2017 Information

During the 2016/2017 financial year, the District experienced a high level of fire related incidents followed by heavy rains and lightning. Most of the fire incidents reported were structural fires within informal settlements. The incidents that were reported occurred in all 4 local municipalities namely: - Ray Nkonyeni, Umdoni, Umuziwabantu and Umzumbe. The summary of the Ugu District Municipality vulnerability to disaster risk in the 2016/ 2017 financial year are summarised in Table 3.3.2.1.1 below.

Table 3.3.2.1.1: Ugu District Municipality Vulnerability to Disaster Incidents Reported in 2016 /2017

Source: Annual Report: Distribution of Incidents, 2017

Municipality	Month	No of Incidents	No. of People Affected
Hibiscus Coast Umzumbe Umdoni Vulamehlo Umuziwabantu	July	5 Heavy rains 3 Structural Fire 1 Vehicle Accident	1470 people affected
Total		9 incidents	1470 people affected

Municipality	Month	No of Incidents	No. of People Affected
Ray Nkonyeni Umzumbe Umuziwabantu Umdoni	August	2 Heavy Rains 1 Strong winds 8 Structural Fire	289 people affected
Total		11 incidents	289 people affected
Ray Nkonyeni Umzumbe Umuziwabantu	September	1 Heavy rains 1 Strong winds 8 Structural Fire	208 people affected
Total		10 incidents	208 people affected
Ray Nkonyeni Umdoni Umzumbe Umuziwabantu	October	7 Structural fire 1 Strong winds 4 Heavy rains 1 Hail storm 1 Lightning	143 people affected
Total		14 incidents	143 people affected
Ray Nkonyeni Umzumbe Umuziwabantu	November	4 Structural Fire 2 Heavy rains 1 Lightning	126 People
Total		7 Incidents	126 people affected
Ray Nkonyeni Umzumbe Umuziwabantu	December	15 Structural Fire 2 Heavy rains	199 people
Total		17 incidents	199 people
Ray Nkonyeni Umzumbe Umuziwabantu	January 2017	8 Structural Fire 3 Heavy rain 2 Strong winds	191 People
Total		13 incidents	191 people

Table 3.3.2.1.2: District High Risk Disaster Areas Summary 2016 / 2017

Source: Ugu District Disaster Management Sector Plan, 2016/20 17

Municipality	High Risks
Umdoni	Drought, Flash Floods, and Strong Winds
Ray Nkonyeni	Veld and Structural Fires, Floods, Strong Winds, and Drought
Umuziwabantu	Structural Fires, Heavy Rains, Strong winds, Drought, and Lightning
Umzumbe	Structural Fires, Heavy Rains, Strong Winds Lightning, and Drought

The District together will Local Municipalities has ensured that plans and strategies are in place to mitigate disaster risks that have been identified above also to assist in reduction of fatalities. The immediate actions taken by the municipalities are:

- Risk Reduction initiatives which include: Installation of Lightning Conductors and Fire/Heat Detectors
- Training and education
- Community Awareness Campaigns & Road shows
- Emergency Relief Programs which include provision of Wendy Houses; Blankets and Food parcels
- Ward Committee Members, Amakhosi & Izinduna, Volunteers and Officials were trained on Disaster Risk Management and Basic Fire Fighting

3.3.3 Risk Reduction and Prevention

As part of the risk reduction and prevention initiatives the district embarked on a programme of installation of Lighting Conductors to reduce the impact of lighting incidents and further reduce fatalities.

3.3.3.1 Status of the Disaster Management Plans

The District Disaster Management is currently in process of reviewing its District Sector Plan, upon completion the Council will adopt the plan. The programmes identified as per reviewed Disaster Management Sector Plan will be aligned with the IDP and will further be approved by the District Forum.

3.3.4 Response and Recovery

With regards to response and recovery the district also has formed a panel of Service Provider who keep stock of Emergency Relief and ensures availability upon request. Emergency Relief stock includes the following: -

- Wendy Houses;
- Blankets;
- Food Parcels; and
- Mattresses.

The District Disaster Management Section has the following Emergency Response Vehicles:

- 2 x Emergency Response Vehicles
- 1x Fire Truck
- 1x Skid Unit

3.3.5 Disaster Management Training and Awareness

The Disaster Management Act states that the following concepts should form the basis of disaster management awareness and training:

- A culture of risk avoidance.
- Promotion of education and training.
- Promotion of research into all aspects of disaster risk management.

This is aimed at achieving the following requirements:

- Addresses the requirements for the implementation of education, training and research needs.
- The development of an integrated public awareness strategy
- Effective use of the media.
- The development of education and training for disaster risk management and associated professions.
- The inclusion of disaster risk management in school curricula.

As part of community based risk reduction measures the District embarked on the following awareness campaigns: -

- Community Awareness Campaigns
- School Awareness Campaigns
- Road Shows
- Door to Door Awareness

3.3.6 Disaster Management Funding Arrangements

The Ugu District Municipality budgets for all Disaster Risk Management Programs. Budget is separated for Operations and Capital items. National/Provincial Disaster Management also provides conditional grants for Reconstruction & Rehabilitation Projects as well as the Construction of

Disaster Management Centres. In the 2016 / 2017, the District put aside a budget of R6.9 million for all disaster related programs.

3.3.7 Disaster Management Emerging Key Issues

From the analysis of the state of Disaster Management in the Ugu District Municipality area of authority the key emerging issues can be summarised as follows:

- The Provincial Disaster Management Centre – CoGTA funded the Municipality with an additional R5m which will be used for building Phase 2 of the New Disaster Management Centre. There is still a need for the facility to be upgraded and further equipped for it to be utilized as a fully functional Disaster Management and, Fire and Rescue Services centre.
- There is a lack of capacity for disaster management at a local municipal level which provides constraints to the district for the implementation of disaster management programs.
- Appointment of Fire Personnel for both the District and Local Municipalities.

3.4 Demographic Characteristics

The statistics used in the demographic characteristics analysis were sourced from the Statistics SA Census 2001, 2011 and Community Survey 2016 results.

3.4.1 Population

This section considers the demographic and socio-economic profile of the Ugu District area of jurisdiction making use of data sourced from the Statistics SA Census 2001, 2011 and Community Survey 2016 results and Department of Health. Table 3.4.1.1 provide a summary of the demographic profile of the district.

Table 3. 4.1.1: Summary Demographic Profile in Ugu

Source: Stats SA Census 2001, 2011, Community Survey 2016 and DOH

Demographic indicators	2001	2011	2016
Population Size			
Total Population	704 030	722 484	753 336
Growth Rates	0.097	0.026	0.042
Population Distribution			
Population Density	139.48	143.13	153.49
Traditional	6 287	7 923	-
Population Composition			
Young (0-14)	261 698	240 503	286 823
Working age (15-64)	399 063	434 080	433 417
Elderly (65+)	43 270	47 901	33 097
Sex Ratio (male/100 women)	83	89	92
Dependency Ratio	0.76	0.66	0.74
Disabled (%)	-	4	-
Fertility Rates			
Total Fertility Rate	89.1	86.5	67.5
Adolescent Fertility Rate	32.8	9.3	9.9
Crude Birth Rate	21.6	57.4	67.5
Mortality Rates			
Total Mortality Rate	11,8	6.3	6.0
Under 5 Mortality rate	7.2	4.9	3.4

Demographic indicators	2001	2011	2016
Infant Mortality Rate	24.6	7.1	4.4
Leading Cause of Death	TB		TB
HIV / AIDS Rate (on ART)		59 000	87 349
Life Expectancy			
Males	45.7	54.4	57
Females	58.2	59.4	58.4
Population Groups			
Black African	646 012	654 773	678 625
Coloured	5 221	6 123	7 228
White	28 740	35 723	36 249
Indian	24 057	24 711	31 234

3.4.1.1 Population Distribution

The total population of the Ugu District Municipality area of jurisdiction as per the Community Survey 2016 conducted by Statistics South Africa (Stats SA) is approximately 753 336 people. The working age (15 to 64) makes up 58% of the total population whilst the young aged between 0 to 14 years makes 38 % and the elderly aged 65 and above makes the remainder 4%. The growth rate has increased from 0.026 in 2011 to 0.042 in 2016.

The population pyramid of the Ugu District Municipality is typical of a developing country as it shows that growth rates are slow, the birth rate is high and short life expectancy. It is an expansive population pyramid as it reflects larger numbers or percentages of the population in the younger age groups. Furthermore, the sex ratio in the Ugu District area of jurisdiction is 89 males per 100 females which increased from the 83 in 1996 and 2001.

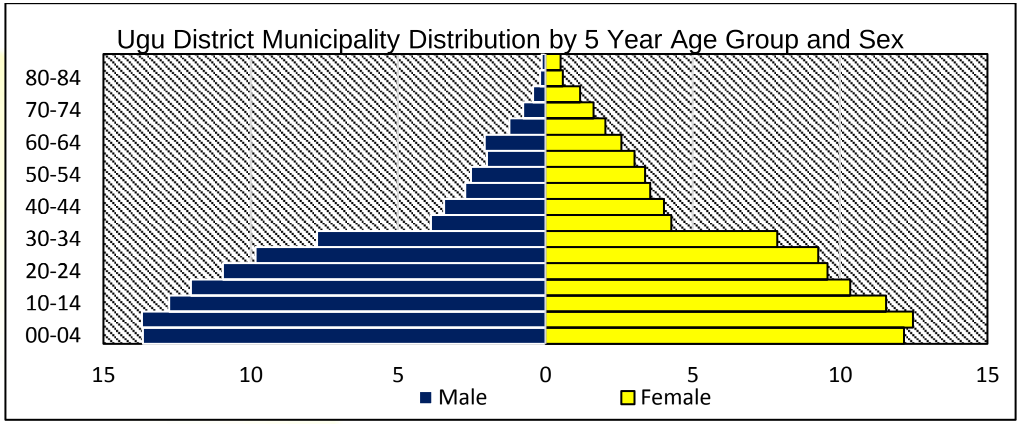


Figure 3.4.1.4.1: Ugu District Population Pyramid (2016)

Source: Statics SA Community Survey, 2016

The expansion of the base of the pyramid which is the 0- 14 age groups is notable in the Ugu District population pyramid above. This points to the fact that there have been much improvement in the programmes of combating under 5 and infant's mortality through various programmes by the stakeholders involved. There has been a remarkable decline in the under 5 and infant mortality rate as depicted in Table 3.4.1.1 above.

3.4.1.2 Population Density

The current population density of the Ugu District Municipality is 153 people/ km². The coastal belt has the largest population densities as reflected in Figure 3.4.1.2.1, as this is the economic hub of the district which is host to the Umdoni and Ray Nkonyeni municipalities. The move further inland sees the population densities drop as this area is mainly rural and has dispersed settlements. The rural hinterland of Ugu District hosts the Umzumbe, Umuziwabantu and parts of Umdoni and Ray Nkonyeni municipalities.

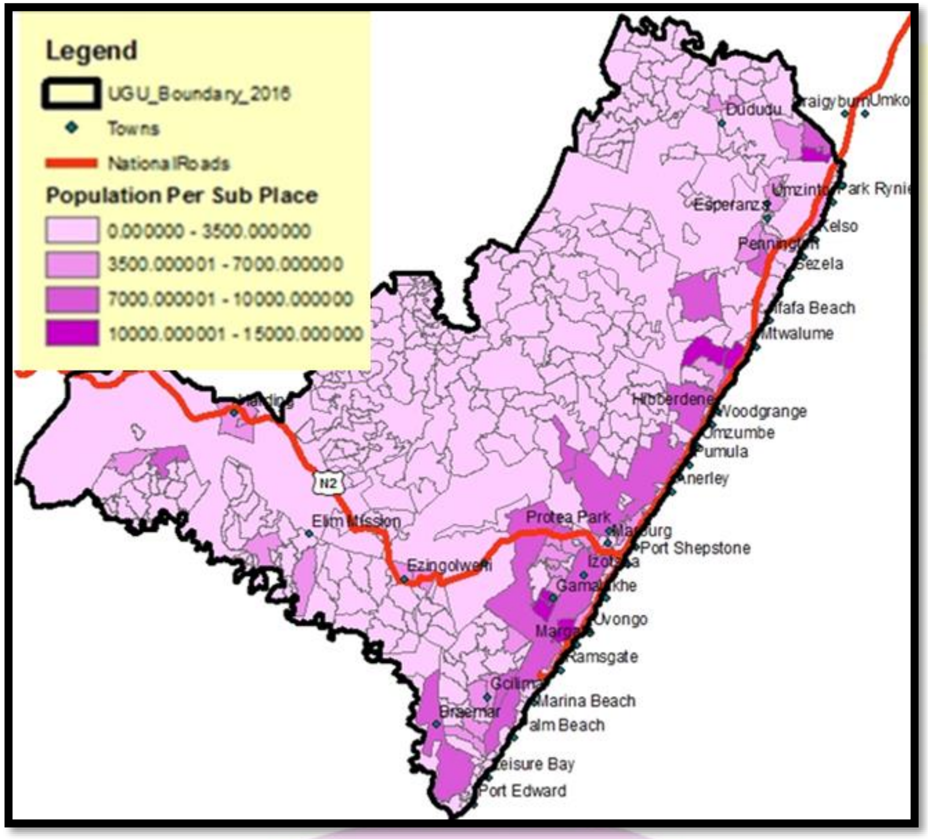


Figure 3.4.1.2.1: Ugu District Population Density

Source: Ugu GIS, 201

3.4.2 Households

The Ugu District municipal area of jurisdiction is comprised of 175 146 households, average household size of 4 persons per household. The different types of household dwellings are formal, traditional, informal and caravan or tent. As per the Stats SA 2016 community survey almost two thirds of the types of dwellings in the district are formal (59%), with 31% being traditional and about 9% being informal (see Figure 3.4.2.1.). The growth of formal dwelling types is positive as they are more resistant to different pressures which may mitigate some disasters in the district.

In terms of heads of households, the bulk percentage of heads of households is between the age groups 25 – 34 and 35 – 74 years. There is a concern however with the 15 063 (8.6%) households that are headed by age group 15 – 24 years as the majority of these households are headed by teenagers. Furthermore, there is still evidence of child headed households as reflected in Figure 3.4.2.2.

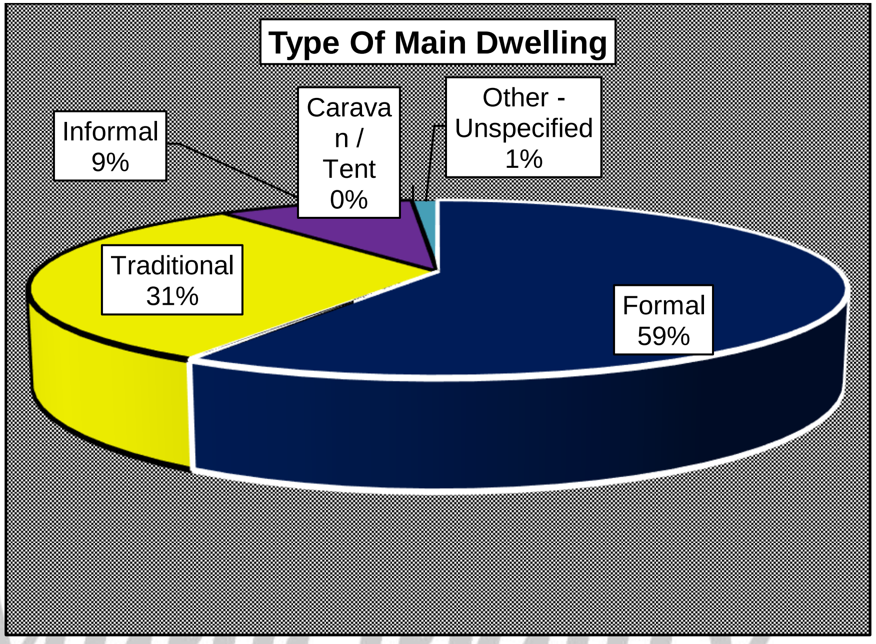


Figure 3.4.2.1: Main dwelling that household currently lives in

Source: Statics SA Community Survey, 2016

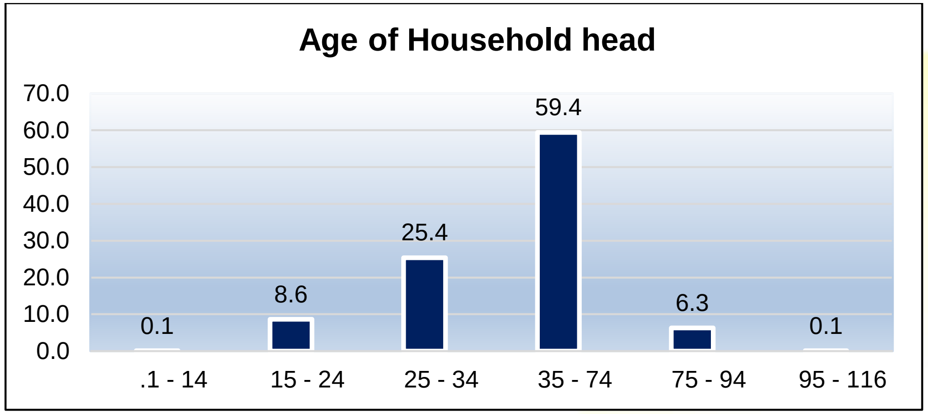


Figure 3.4.2.2: Age of Household Head

Source: Statics SA Community Survey, 2016

3.4.3 Demographic Analysis Emerging Key Issues

Although this section does not address all the demographics as some of the demographics are spread throughout the document, there are emerging key issues that can be identified as follows:

- There is a strong perception that young people in Ugu aspire to moving into metro areas given the limited opportunities for both youth development and entertainment within the district. There is concern that land pressures in rural areas are pushing young people off the land as parcels being allocated are getting smaller and smaller and outsiders move into areas. This trend could have long term implications for the district as the young productive population leaves the area.

- The majority population of Ugu District municipality falls with the youth bracket. Furthermore, the predominant population group is the African and more than 50% of the population is females. This has far reaching implications for the district as would further be analysed under the LED and Social Development section in terms of service provision and the households' affordability of the services provided. This therefore speaks directly to the municipality's revenue enhancement strategies.

- The majority of the population resides in the traditional areas where the densities are low. In terms of service provision, it costs more to provide services to scattered household settlements and so is the maintenance of infrastructure provided. Furthermore, the demographics advocate for a comprehensive rural development strategy.

- The population is agglomerating in the Ray Nkonyeni Municipality as it is the economic hub of the district. There is thus continuously increasing pressure on the infrastructure capacity in the Ray Nkonyeni Municipality especially the coastal belt. There is an urgent need to deal with the ageing infrastructure and increasing its capacity.

- Many strides have been made to combat HIV / AIDS and TB however, TB remains a leading cause of death in the district. This requires further investigations and more resources to ensure the negative impact of HIV / AIDS and TB is reduced in the district.

3.5 Municipal Transformation and Institutional Development Analysis

3.5.1 Powers and Functions (IDP 2009)

The Municipal Structures Act of 1998 (as amended) makes provision for the division of powers and functions between the district and local municipalities. It assigns the region wide functions to the district municipalities and most day to day service delivery functions to the local municipalities. The provincial MECs are empowered to adjust these powers and functions according to the capacity of the municipalities to deliver services.

With regard to the above statement for instance, the function of Water and Sanitation as well as the maintenance of water infrastructure is still the function of the district. Whilst the Local Municipality is responsible for Planning, it is also reliant on the District for advice and support. Amongst other things the powers and functions of the municipalities are as detailed in table 3.5.1.1:

Table 3.5.1.1: Ugu District Powers and Function

Source: Municipal Structures Act, 198

Government Sphere	Function
Local	Storm Water Management; Trading Regulations; Billboards and Public advertising; Cleansing and maintenance; Control of Public Nuisances; Street Lighting; Traffic and Parking; Beaches and amusement parks; Local Amenities; Noise Pollution; Pounds; Public Places; Street Trading; Harbours and Ferries; Local Sports; Street Lighting; Municipal Parks and Recreation; Municipal roads; and Control of Liquor licenses.
District	Municipal Health Services; Potable Water; and Sanitation.
Shared Functions	Fire prevention and control Local Tourism; Municipal Airports; Municipal Public Transport; Cemeteries, and Crematoria; Markets; Municipal Abattoirs; Municipal Roads; Refuse Removal and Solid Waste; Municipal Planning; and Air pollution.

3.5.2 Institutional Arrangement

The Municipal Structures Act provides for different types of Municipal Systems. The Ugu District Municipality is using a Collective Executive System.

The establishment of ward committees has been finalised in all Local Municipalities. The Municipality has customised the generic ward committee policy that was developed by CoGTA. There were a few challenges that have been identified with regards to the functioning of ward committees such as the lack of capacity among ward committee members, administrative support, reimbursements for out-of-pocket expenses and the general dissatisfaction around the election of committees and the selection criteria thereof. These challenges are currently being addressed and the ward committees are now functioning and have the administrative support and the ward committee members are being reimbursed for the out of pocket expenses.

There are 42 Traditional Councils within Ugu Municipality. The new legislative developments encourage Traditional Councils and Municipal Councils to work in partnership on issues of development even though the former is not vested with legislative authority on Municipal Council matters. There are 7 elected Amakhosi who form part of the Ugu District Municipal Council and all 7 Amakhosi serve in the respective Portfolio Committees.

Clearly in all instances responsibility for decision making lies with the Council and the responsibility for implementation of Council Resolutions lies with the Municipal Manager and the officials.

3.5.3 Council

The executive and legislative authority of a municipality is vested in its Municipal Council. The pre-eminent roles of the Council, amongst others, are the approval of by-laws, budgets, policies, IDP, tariffs for rates and service charges. The Council consists of thirty-five (35) members, eight (8) of whom are full-time. Furthermore, seven (7) Traditional Leaders are participants in the Ugu District Municipal Council.

3.5.3.1 Executive Committee Structure

The Executive Committee has delegated plenary powers to exercise the powers, duties and functions of Council, excluding those plenary powers expressly delegated to other standing committees and those powers which are wholly resolved to the Ugu District Council. Notwithstanding the above, the Executive Committee is authorised to exercise any of those plenary powers delegated to other Standing Committees in circumstances where any matters from these committees are referred to the Executive Committee.

In line with Section 80 of the Municipal Structures Act, the Municipality currently has five multi-party Portfolio Committees, namely:

- Portfolio Committee on Finance;
- Portfolio Committee on Water and Sanitation;
- Portfolio Committee on Local Economic Development;
- Portfolio Committee on Special Programmes;
- Portfolio Committee on Sound Governance and Human Resource

These Portfolio Committees continue to assist the Executive Committee in policy development and monitoring to accelerate service delivery, as well as the oversight of strategic programmes and projects.

3.5.3.2 Municipal Departments and their functions

The Municipal Manager heads the administration of the Municipality. The Municipality has four administrative departments, each being headed by a General Manager. The departments are:

i. **Office of the Municipal Manager** - The Office of the Municipal Manager is responsible for the following functions: Corporate Strategy and Shared Services; Internal Audit; Mayoralty and Communication; Legal Services; Youth Development; Special Programmes; and Customer Relations Management.

ii. **Corporate Services Department** - Corporate Services includes: Human Resources, Registry, Auxiliary Services and Secretariat, Information, and Communication Technology (ICT), Disaster Management and Fleet Management Services.

iii. **Budget and Treasury Office Department** - The Budget and Treasury Office is headed by the General Manager BTO and includes: Equity and Accounts, Grants and Expenditure, Budget Control and Supply Chain Management.

iv. **Economic Development and Environmental Services Department** - The Economic Development and Environmental Services Department is headed by the General Manager EDES is made up of the following sections: Environmental Services, EDES Finance and LED.

v. **Water Services Department** - The following are the sections which make up the Water Services Department headed by the General Manager Water Services: Water Services Operations and Water Services Authority (WSA), Administration and Project Management Unit.

3.5.3.3 Municipal Entities

The Ugu District Municipality has two entities which are namely, Ugu South Coast Tourism and South Coast Development Agency. The Ugu –South Coast Tourism (USCT) has been mandated to identify market gaps and needs, develop new tourist projects, attract new tourist (domestic and international) and strategically market the destination. Since its formal inception there's been in improving the distribution of tourism spend in the entire district, better improvement of the events that are hosted by the municipal areas outside our tourist hub. Challenges range from lack of skills, lack of well packaged tourism products, lack of well packaged black economic empowerment transactions in the industry and failure to unlock public sector owned land for the tourism industry. Key factors impacting on the development of tourism in underdeveloped areas of Ugu are poor road access, ownership of land, and environmental degradation across the district.

The Ugu South Coast Development Agency (USCDA) was established so as to promote and implement economic development within the parent municipality's area of jurisdiction based on the parent municipality's integrated development plan and policies pertaining to this objective thereby unlocking the economic potential of the Hibiscus Coast area. With focus being on the economic, social and environmental development.

3.5.4 Organisational Analysis

The municipality finalised and adopted a new organogram in December 2014. This section therefore gives a thorough analysis of the new organogram and the vacancy rates within the institution. The current number of employees employed by the Ugu municipality is 864 as broken down in table 3.5.3.1. The total amount spent on the salaries averages to 17 – 18 million per month and R 2 million goes to overtime. The employee costs will be further analysed under the Financial Viability section.

Table 3.5.3.1: Ugu District Employees per Department

Source:Ugu District Municipality Corporate Services, 2017

Department	Number of Employees
Water Services	608
Economic Development and Environmental Services	33
Budget and Treasury	96
Corporate Services	76
Municipal Manager's Office	71

The organogram currently has 1128 positions approved with only 884 filled making the vacancy rate 21.6% (including budgeted and unbudgeted vacancies). All the Section 54 and 56 posts are filled. In terms of the age analysis of the Ugu District Municipality's employees, it is broken down as per table 3.5.3.2.

Table 3.5.3.2: Ugu District number of Employees per Age Group

Source: Ugu District Municipality Corporate Services, 2017

Age group	Number
22 - 35	179
36 – 45	344
46 – 55	259
56 – 60	62
61 – 65	40

What emerges from the age analysis of the employees of Ugu District Municipality is that a total number of 102 employees are within a retirement bracket. This amounts to 11.5% of the total positions filled in the municipality. In Table 3.5.3.3Ugu District Municipality age analysis is taken further through analysis of ages and positions held.

Table 3.5.3.3: Ugu District Employees per Age Group and Position held.

Source: Ugu District Municipality Corporate Services, 2016

Post Level	22-35	36-45	46-55	56-60	61-65	Total
0 – Municipal Manager	0	0	1	0	0	**1**
1 - General Managers	1	3	0	0	0	**4**
2- Senior Managers	0	4	1	1	1	**7**
3 - Managers	5	15	3	2	1	**26**
4 - Officers	8	24	5	2	1	**40**
5 - Practitioners	9	4	0	2	0	**15**
6 - Accountants/ other professionals	14	25	17	0	3	**59**
7 - Foremen / Personal Assistants	2	6	8	1	1	**18**
8 - Senior clerks, secretaries	3	4	1	0	0	**8**
9 - Clerks, operators Class 3, admin assistant	50	59	36	7	9	**161**
10 - Office Clerks	12	14	9	0	1	**36**
11 - Customer care clerks, VTS supervisors	11	14	11	0	1	**37**
12 - Operators Class 2, receptionist	5	11	11	1	2	**30**
13 - Drivers, machine operators	15	33	23	10	4	**85**
14 - Operators Class 1, Senior shift workers	6	21	11	7	1	**46**
15 - Handyman, shift workers	5	3	9	4	2	**23**
16 - Plant reproduction assistant	0	0	0	1	0	**1**
17 - General Workers Grade 1	0	1	3	1	3	**8**
18 - General workers, Filing clerks, General assistants	33	103	110	23	10	**279**
Totals	**179**	**344**	**259**	**62**	**40**	**884**

3.5.5 Human Resources

The human resource policies and strategies that are implemented within the municipality are reflected and briefly discussed in Table 3. 5.5.1 below:

Table 3.5.5.1: Ugu District HR Policies & Strategies

Source: Ugu District Municipality Corporate Services, 2016

Strategies	Progress
Human Resources Strategy	The Ugu HR Strategy is in place and is currently being implemented. The following are the pillars of the strategy: ➢ Talent Management ➢ Employee Wellness ➢ Performance Management ➢ Capacity Building ➢ Strategic HR Planning ➢ Sourcing and Placement ➢ Employee Relations ➢ Exit Management ➢ Organisational Culture Management
Employment Equity Plan	The plan is in place and the Municipality is in its fifth year of implementation. The numerical goals are summarised as follows: ➢ Appointment of disabled people thereby increasing the percentage from 1 to 2 (first year), 3 (second year) and 4 (third year) – Disabled Black females (preference shall be given to this category across all levels – subject to suitability of a candidate and availability of a position). ➢ Fair representation of Black Women at Senior Management level (preference shall be given to Black Females within this category). ➢ Fair representation of Black Women (Africans, Coloureds and Indians) at skilled, semi-skilled and unskilled levels depending on availability of positions (preference shall be given to this category until a fair representation is achieved).
Skills Audit	Has been completed and the results have been used for workplace skills planning.
Workplace Skills Plan	The plan is currently being implemented and the 2016/17 WSP will take into account skills audit results.
Recruitment and Retention Strategy	During the skills audit scarce skill and critical skills were identified which informed the retention strategy. The Recruitment and Retention strategy was adopted by the Municipal Council and is currently under implementation.

3.5.6 Skills Analysis

The municipal Skills Development Plan is reviewed annually to identify training and capacity building requirements. This analysis considers the departments with special focus on the Water Services Department which is the core function of the municipality and accounts for about 70% of all employees. Table 3.5.6.1 gives the analysis of the critical and scarce skills within the Water Services Department.

Table 3.5.6.1: Analysis of Critical and Scarce Skills, Water Services

Source: Ugu District Municipality Corporate Services, 2016

	Section				
	WWT	**WWR**	**Fitting**	**Electrical**	**Mechanics**
No. of Employees	66 Process Controllers 2 Foremen and 2 Superintendents	54 Plumbers and Special Workmen; 4 Superintendents; 7 Foremen and 2 Technicians	6 Fitters and 1 Foreman who are assisted by Artisan Assistants and General Workers	Five Electrical Assistants have passed the trade test; two require further training.	1 Foreman 1 Diesel Mechanic 1 Mechanic
Skills Required for The Job	Water & Wastewater Treatment Process Operations	Water and wastewater reticulation e.g. Maintenance and repairs of pipes Pipe-laying Fitting and repairing of valves Reading maps	Perform safe work practices, read engineering drawings, fit washers, tighten screws, maintain a pedestal drill, lift & move equipment, operate oxy-acetylene cutting equipment, use angle	Panel wiring card and fault finding, change and repair contactors, timers, voltage modules, solenoids, meter connection and	Fault finding and repairs on motor vehicles Servicing of municipal vehicles
No. of Employees Trained	60 Process Controllers completed learnership on Water and Wastewater Treatment Process Operations NQF 3.	42 Plumbers were trained; 25 completed the trade test; 3 have to redo the trade test, and 5 are awaiting trade test dates	Fitters are qualified artisans. 2 Artisan Assistants have completed Phases 1 and 2.	Electricians and Foremen are qualified tradesmen. 7 Electrical Assistants and Artisan Assistants have been trained at	Foreman and Diesel Mechanic are qualified artisans.
Skills Gap	6 Process Controllers still need to be trained at NQF 3.	18 artisans (Superintendents, Foremen and Plumbers completed a Skills Program on Water Reticulation Services NQF 5.	1 Artisan Assistant completed the Artisan Assistant Fitting Programme. 1 Artisan Assistants is currently studying	Five Electrical Assistants have passed the trade test; two require further training.	To identify other Artisan Assistants/General Workers to be trained in the field.

In compliance with the Ministerial Regulations, the municipality has trained the following officials on the Minimum Competency Levels as designed by National Treasury as indicated in Table 3.5.6.2.

Table 3.5.6.2: Minimum Employee Competency Levels Training

Source: Ugu District Municipality Corporate Services, 2017

Category	Department	No. Trained	No. Still to be Trained
Section 56	Treasury	1 (CFO)	0
Section 56	EDES	1	0
Section 57	Municipal Manager's Office	1	0
Section 56	Corporate Services	1	0
Section 56	Water Services	1	0
Finance Managers	Treasury & PMU	2	2 to be trained 2 currently training
Managers from other departments	Other departments	1	14 currently training 3 to be trained
Other Finance Officials	Treasury & PMU	28	8 currently being trained
Other Officials from Other Departments	Other Departments	3	6 currently being trained

3.5.6.1 Skills Levels

The skills audit has been conducted and its results are what determine the priority training interventions required. The summary of training interventions targeted is:

- Multi-skilling of other general workers to improve morale is required.
- A Special type ABET programme will be rolled out to address illiteracy.
- Water and waste water treatment work have 66 operators,60 are skilled with NQF level 3 and 6 (9%) are unskilled.
- Maintenance of pipes and valves give rise to more over-time being worked, however there are 54 Plumbers and Special Workmen. 42 of these have been trained with 25 having successfully completed the relevant trade test.

Table 3.5.6.1.1: Ugu District Occupational Levels

Source: Ugu District Municipality Corporate Services, 2016

Level	No	Category	Level	No	Category	Level	No	Category
0	1	MM	**-6**	**-1**	PA Exec-	**-**	**-**	-
1	4	GMs	**7**	**18**	Foreman/ PA,	**13**	**85**	Drivers, machine operators
2	7	SMs	**8**	**8**	Senior clerks, secretaries,	**14**	**46**	Operators Class 1, Snr shift workers

Level	No	Category	Level	No	Category	Level	No	Category
3	26	Managers	9	161	Clerks, operators Class 3, admin assistant	15	23	Handyman, shift workers
4	40	Officers	10	36	Office Clerks,	16	1	Plant reproduction assistant
5	15	Practitioners	11	37	Customer care clerks, VTS supervisors	17	8	General workers Gr 1
6	53	Accountants/ other professionals.	12	30	Operators Class 2, receptionist	18	279	General workers, filing clerks, General assistants, junior admin clerks

3.5.7 Health and Safety in the Workplace

A formal Hazard Identification & Risk Assessment was conducted by 'MTA Risk & OHSAS Management' from the 3rd to the 5th of May 2016, six (6) official sites were targeted. The aim was to identify process specific risks, determine the legal requirements and advise management accordingly as per the requirements of Act 85/1993. This assessment included the following key areas:

- Umtamvuna Purification Plant and Raw Water Pump station.
- Ramsgate Sanitation Plant.
- Margate Sanitation Plant.
- Uvongo Sanitation Plant.
- Umbango Sanitation Plant.
- St Helens Rock Water Pump Station.

Table 3.5.6.1: Health and Safety in Workplace rating

Source: Ugu District Municipality Corporate Services, 2016

Identification	Rating
Chlorine facility – SANS 0298 (not all compliant)	**High Risk**
Chemical Waste Management Programme	**High Risk**
Electrical Issues	**Med – High Risk**
Housekeeping	**Med Risk**
Perimeter Fencing – Access Control	**Med Risk**
Wearing of Personal Protective Equipment	**Med – High Risk**
Unsafe Vehicles	**High Risk**
Open manhole covers	**Med – High Risk**

In a MANCO meeting that was held on the 9th May 2016, a decision was taken on the prioritisation of health and safety issues and that the abovementioned plants be part of the pilot sites. An Occupational Health and safety Hazard Identification and Risk Assessment was conducted and risks were identified, an OHS Risk Implementation Plan was developed. The following institutional issues were identified and actioned:

- Designation of Health and Safety Representatives has been done and representatives trained;
- First Aider designation has been done and trained;
- First aid boxes have been installed
- Legal notice (OHS Act) has been installed;
- Legal notices of hazardous chemicals Chlorine Gas Safety signs were installed;
- Evacuation emergency plan / procedure has been developed;
- Fire Fighting training was conducted on the 23th May 2016;
- Safety Plan has been developed; and
- Health and Safety organogram has been developed.

Health and Safety files were developed for each plant, all the above-mentioned documents form part of the file and will be kept on site. The file contains documents such as OHS Policy; Standards and Procedures; Appointment letters; Risk Assessment; and Registers and checklists.

All relevant safety signage has been installed. Stolen and condemned fire extinguishers have also been replaced. The appointed Handyman is currently attending to maintenance issues that were identified by the Risk Assessment process.

3.5.7.1 Analysis of Employee Health and Wellness

Employee Health and Wellness is the promotion and maintenance of the highest degree of physical, mental, spiritual and social well-being in all occupations; prevention of illness caused by working conditions; protection of employees in their employment from risks resulting from factors adverse to health; placement and maintenance of employees in an occupational environments adapted to optimal physiological and psychological capabilities; and the adaptation of work to employees and of each employee to his/her job. The explicit aim of the EHWP is to improve the quality of life of all employees by providing support and helping to alleviate the impact of everyday work, personal and family problems. The focus of the programme and role of human resource department is summarised in the Table 3.5.7.1.1 below.

Table 3.5.7.1.1: Role of HR in Employee Health and Wellness

Source: *Ugu District Municipality Corporate Services, 2016/2017*

Focus Areas	Role of HR
• HIV/AIDS Management • Chronic Diseases Management • Stress / Mental Health • Incapacity due to ill health • Medical Awareness and Check-ups	• Creating awareness • Provision of counselling to employees • Provision of organizational support services and education programmes • Provision of critical Incident Response Programs (i.e. assist all employees to deal with

Focus Areas	Role of HR
• Promotion of Health, Good Nutrition • Impact of Alcohol Abuse • Financial Wellness • Spiritual Wellness Management	incidents overwhelming their ability to cope like robbery, natural disasters, accidents sudden deaths or violent incidents at work.") through referrals to professional bodies • Referral for professional counselling, treatment

3.5.7.2 Analysis of EAP Provision

As from July 2016 to date, the total number of employees participating in EAP Programme is 167 out of 884 which is 19% of Ugu employee component. Table 3.5.7.1.2 below represents Males to Females ratio per departments.

Table 3.5.7.1.2: EAP Referrals per Department

Source: Ugu District Municipality Corporate Services, 2016

Department	Number / (%)
Office of the Municipal Manager	**0 (0%)**
Economic Development and Environmental Services	**0(0%)**
Corporate Services	**4 (7%)**
Water services	**42 (74%)**

Department	Number / (%)
BTO Post level 8-18 most participants	**11 (19%)**

The following graphical analysis is showing the percentage of employees who are active clients per department in the current financial year.

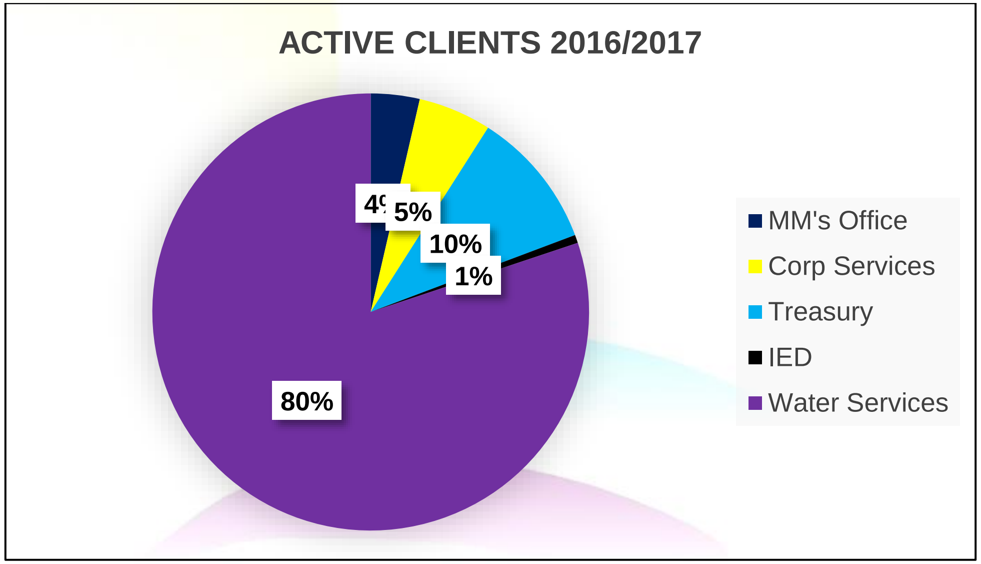


Figure 3.5.6.2.1:Active Clients 2016 / 2017

Source: Corporate Services, 2017

3.5.7.3 Employer/employee relations

Disciplinary processes take time to be finalised because of various reasons for example absence of an accused employee or the Presiding Officer or Prosecutor or non-attendance of the Witnesses on the dates scheduled for the hearings.

Disciplinary Hearings March 2016 – January 2017:

- There were twenty-five (25) Suspensions that took place and the employees are all back at work;
- 36 Cases reported and all have been finalized;
- Grievances: there were three grievances submitted and they were all resolved;
- Conciliations: Six Conciliation hearings reported, two were resolved and three were referred to Arbitration;
- Arbitrations of the, Six Arbitration Hearings three have been resolved and three have not yet been resolved; and
- Work Stoppages: There were Six (6) Work Stoppages.

Employee Disputes from March 2016 – January 2017:

- Unfair labour practice;
- Unfair conduct;
- Sanlam Group Scheme;
- Placement Process;
- Conversion of Overtime into Leave Days;
- New Uniform;
- Contract Employees; and
- Inconsistent termination of employment contracts.

3.5.8 Employment Equity Plan

The employment equity strategic objectives emanate from Ugu District municipality's five-year Integrated Development Plan. These objectives are:

i. Achieve equal representation of people from designated groups through setting of numerical goals:
   - Appointment of disable people thereby increasing the percentage from 1 to 2 (first year), 3 (second year) and 4 (third year) – Disabled Black females (preference shall be given to this category across all levels – subject to suitability of a candidate and availability of a position);
   - Fair representation of Black Women at Senior Management level (preference shall be given to Black Females within this category); and
   - Fair representation of Black Women (Africans, Coloureds and Indians) at skilled, semi-skilled and unskilled levels depending on availability of positions (preference shall be given to this category until a fair representation is achieved).

ii. The elimination of unfair discrimination in all HR Practices and Policies.
   - Auditing of HR Policies and practices to ensure integration with EE measures;
   - Removing barriers in work environment, ensuring reasonable accommodation by PWDs;
   - Implement HIV/AIDS Education and prevention programmes; and
   - Increase the pool of available candidates through community investment and implementation of bridging programmes to increase the number of potential candidates.

iii. Taking Affirmative Action measures that are in line with the Act. This is a policy or a program that seeks to redress past discrimination through active measures to ensure equal opportunity, as in education and employment. The measures include: -
   - Training to focus more on members from designated groups;
   - Succession and experiential training;
   - Retention strategy, address the retention of employees from designated groups; and
   - Employment Equity awareness programmes.

iv. Ensuring legitimacy of the process through sustained communication and consultation. The main responsibility of the municipality with regards to EEP is to observe its implementation in relation to numerical goals.

3.5.9 Secretariat, Registry, and Auxiliary Services

The Secretariat Unit is an administrative wing of the Municipality through which the taking of resolutions for implementation is done. This is done by providing secretariat support to the Committees of the District Municipal Council such as Council, Exco, Portfolio Committees, Sub-Committees, and Forums.

This supporting structure serves as both the catalyst and the hub of information or engine room that suitably co-ordinates and records all the proceedings of the decision-making bodies for future references and implementation. This is also regarded as a confluence of information from all Departments that the Municipality has. The kind of support this Unit provides is indispensable throughout the organisation. The Primary focus areas are:

- Scheduling of Meetings;
- Collation of Items / Reports;
- Compilation of Agendas;
- Maintenance of a Resolutions Register for Council, the Executive Committee and Management Meetings
- Dispatch of Agendas;
- Attending Meetings;
- Taking Minutes / Compilation of Minutes; and
- All other logistics associated with Meetings Management.

Records Management has improved quite a lot as per the monthly statistics being recorded within the Registry Unit. Staff attend regular training on records management and the importance thereof is highlighted at these trainings so staff are more compliant with records management file plan, policy and procedures.

The tender room was maintained to ensure that bid documents are well controlled. All bid processes from specification to adjudication are conducted in the Tender Room and original documents are not moved for any reason. The filing is done according to approved standards. This has proven valuable in ensuring that bid documents and supporting bid information are available at all times to duly authorised personnel. The Tender Room is under 24-hour surveillance system, making it is one of the safest and contributing towards a municipality that takes honesty, transparency, and accountability seriously in ensuring that we subscribe to good governance principles of an ethical institution with sound leadership.

The Building Maintenance Plan was developed and focussed on ongoing and preventative maintenance to some of the Municipal facilities. This has been implemented very well within a few of the sites identified by Water Services in conjunction with Corporate Services. A few of the sites which have benefitted from this Plan are as follows: -

- Umtamvuna Water Treatment Works – Upgrade and refurbishment of the standby quarters as well as the offices.
- Umbango Waste Water Treatments Works – Refurbishment of the standby quarters including new appliances and furniture.
- Gamalakhe Waste Water Treatment Works – Complete fencing of the Waste Water Treatment Works and also the refurbishment of the offices at the Treatment Works.
- Work is in progress currently for nine (9) identified WWTW & WTW during the 2016/2017 financial year.

Building Maintenance Plan is ongoing within all UGU DM Offices and reactive maintenance is done only in unforeseeable circumstances.

The project for the development and upgrade of fixed property is underway where the accommodation of the growing organisation in the long term is being proactively focussed on, these projects include the development of the Oslo Beach offices phase 3 to include buildings which will accommodate the Ugu South Coast development agency and the Ugu South coast tourism entities. The Disaster Management Phase 2 has been handed over on 27 February 2017 and construction herein is expected to begin soon which will include the fire tender, the storage facilities for the Disaster centre. A laboratory on the site is in the process of commencing construction during the first quarter of 2017.

Standby Quarters for Harding is in progress currently with tenders being received and bid processes are in place for the successful purchase of these facilities. Park Rynie Standby Quarters are being fully refurbished, workshops upgraded and storage garages constructed, this project commenced in July 2016 and has completion projected for May 2017.

3.5.10 Fleet Management

Fleet Management plays a very integral part in the execution of daily activities in the Municipality and is one of the biggest spenders of the operational budget thus its proper management is of utmost importance. Fleet Management involves the following functions:

- Identification of vehicles for replacement;
- Identification of vehicles for disposal;
- Repair and maintenance of vehicles;
- Licensing of vehicles;
- Monitoring fuel usage and vehicle abuse as well as reporting on same;
- Ensuring clear policies and procedures are in place;
- Annual verification of vehicles and drivers licenses;
- Accident management; and
- Convening and co-ordination of Fleet Management Committee meetings with relevant internal stakeholders.

Ugu District municipality has 283 vehicles within its Fleet, used primarily for water services provision. During the 2016/17 financial year, 29 vehicles were replaced, utilising the R11,800,000 budget allocation provided on the

Municipality's capital budget. In addition, 1 TLB was ordered to add to the fleet. A vehicle maintenance schedule plan is in place and the vehicles under 100 000 kms are maintained by the Agents to secure warranties.

The in-house mechanics currently does some minor repairs. The coordination of new vehicle licensing and renewals at relevant intervals is also of importance to ensure all vehicles at all times are road worthy. The municipality spends approximately R1.3million per month on fuel which includes vehicles, generators, grass cutters and all the service plant operations. A challenge still exists on the monitoring of fuel usage and the Fleet Management Section reports quarterly to the Management Committee on the statistics per department to create awareness of use. In addition, a cross cutting SDBIP target was implemented in the 2016/17 financial year whereby all Departments were expected to save at least 15 % on fuel usage, which is measured in litres. Many departments have struggled with achieving this target and it is an ongoing area of focus.

A trip authorisation system has been implemented and all vehicles are expected to complete trip authorisation forms per trip and same should be approved by the Section Manager. This was workshopped at the 3 areas; North, South and South West with all drivers to ensure understanding and compliance with this requirement. The municipality encounters several accidents per annum, many of which are due to negligence and in such cases, are investigated and where necessary, officials disciplined.

3.5.11 Municipal Transformation and Institutional Development Emerging Key Issues

The key emerging issues as per the Institutional Transformation and Organisational Development are summarised and using the Organisational Maturity Index, a situational Analysis of the Corporate Services Department was completed. This allowed each Corporate Services Department unit to be individually analysed for the current level of maturity versus reaching a maturity level of excellence.

- The analysis shows the need for improvement of record keeping systems (File plan and electronic document management system) as per the Records authority, (National Archives Act 43 of 1996) and document management system.
- A plan to consider more important and urgent maintenance issues has been drafted to address challenges with the given budget and the need to embark on further assessment for the development of a long-term maintenance plan.
- There is a need to phase out renting of office space and building own office space to realise savings. This will be achieved through the adopted Long-Term Office Accommodation Plan.
- The need to improve on the quality of minutes produced and the delivery of Agendas to meeting stakeholders.
- The need to co-ordinate and ensure the implementation of resolutions of the Management Committee, the Executive Committee and Council.
- The need to improve on staff retention; overtime and leave management; employee health, safety, and wellness; implementation of employment equity plan; scarce skills

development and implementation of Individual Performance Management system (IPMS).

- The need to enforce and monitor compliance by Departments in relation to all HR practices and policies.
- The need to improve on the availability of service delivery vehicles as required by service delivery sections of the Municipality
- The need to improve on the licencing of vehicles and stakeholder co-operation.
- The need to ensure that competent drivers are utilising the Municipal fleet through the provision of continuous assessments and advanced training.
- The need to reduce the costs associated with fuel and oil usage as well as the repairs of vehicles through proper service provider management and Fleet management.

3.6 Basic Service Delivery

The Ugu District Municipality is authorized in terms of the Municipal Structures Act (Act No. 117 of 1998) and the Municipal Structures Amendment Act (Act No. 33 of 2000) as the Water Services Authority for its area of jurisdiction and therefore has a duty, as assigned to it in terms of the Water Services Act (Act No. 108 of 1997), to all consumers or potential consumers to progressively ensure efficient, affordable, economical and sustainable access to water services.

Ugu WS has been mandated to perform the water services provision function and is therefore also the Water Services Provider (WSP) including the functions of bulk water provision, water reticulation, sewerage services and bulk wastewater collection and treatment to the towns and villages in its area of jurisdiction.

3.6.1 Water Service Provision

It is important to state from the onset that the gaps in the levels of services include a rural/urban national design standard; which affects the rural area increasingly because the level of service required in the rural area increases annually and the actual level of service cannot keep up with the demand. This trend will continue until service levels are equalised.

Furthermore, aged water and sanitation infrastructure, lack of capacity of key treatment plants continues to be challenges and result in many interruptions and service delivery challenges. The key programmes around this still present challenges for the urban coastal strip are:

- Refurbishment of sanitation infrastructure;
- Waterborne sanitation - only 18% reticulated;
- Septic and Conservancy tanks - 16%;
- Augmentation of water bulk supply schemes;
- Development of water resources (Dams); and
- Sustainable sanitation for low cost housing projects.

The major infrastructure for water services therefore includes the following:

- Dams 7;
- Pipelines 4 300 km (estimate);
- Reservoirs 153;
- Pump Stations 125;
- Water Treatment Works 18; and
- Waste Water Treatment Works 20.

3.6.1.1 Existing Water Infrastructure

As indicated in the Water Service Development Plan the existing water infrastructure suggests that the formal urban coastal areas have well developed bulk infrastructure and networks and historically was the focus for infrastructure development in the District. The coastal areas remain the highest concentration of the population and are also the main economic centres for the District. Infrastructure development in the rural areas was historically done in a haphazard manner and this resulted in several stand-alone rural water schemes that many times are supplied from unsustainable water sources. The Regional master planning initiatives that were completed in 2006 corrected the lack of planning in the rural areas and shifted the focus towards the implementation of more sustainable Regional Water schemes. The existing and planned future infrastructure in Ugu is shown in figure 3.6.1.1.1 below.

Furthermore, a number of bulk supply sources (water treatment works or external bulk supply sources) that form the basis of the current and future water supply systems in the District were identified. Each one of the bulk supply sources supplies a specific zone that could be ring fenced and used as the basis for further analysis. These supply zones were not always clearly definable, especially in the urban areas where several interconnections exist to allow certain areas to be supplied from more than one bulk supply source. Nonetheless an attempt was made to ring fence back-to-back supply zones that cover the entire District. The supply zones also formed the building blocks for the development of the water demand model and the water demands were ring fenced within the supply zones and linked back to the respective bulk supply sources. The water demands could then be compared with the ability of the bulk infrastructure and water sources to meet the current and future water demands.

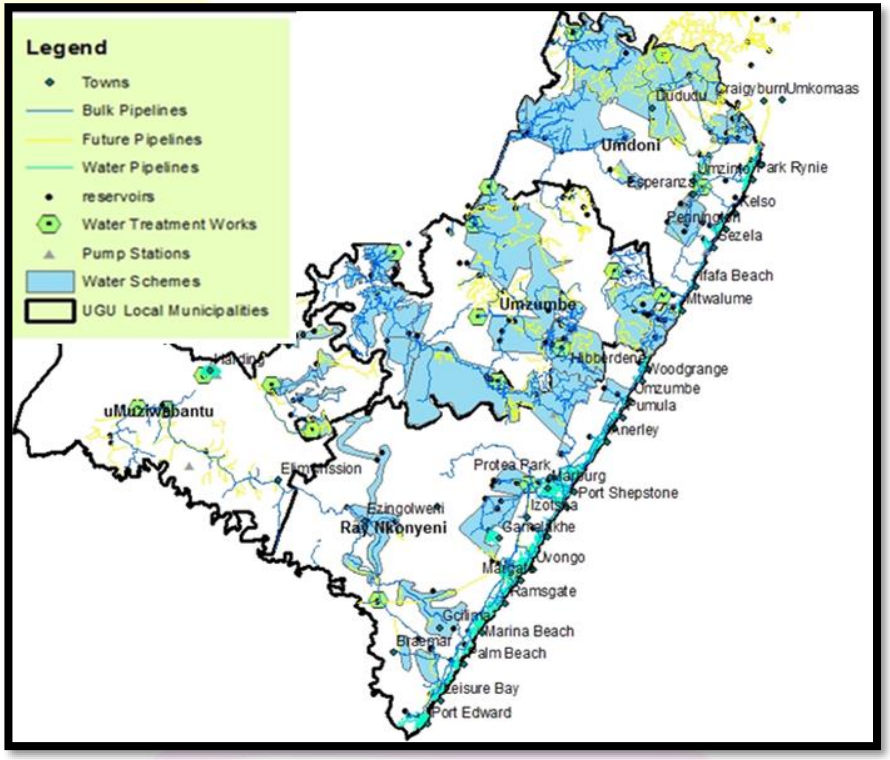


Figure 3.6.1.1.1: Ugu District Existing and Planned Future Infrastructure

Source: Ugu GIS, 2016

3.6.2 Water Delivery Standards

The water supply to the District is derived from dams, rivers, ground water and bulk purchases from eThekwini and Umgeni Water. The water is then treated at several treatment plants, owned by Ugu before being distributed to households. Distribution of water is done via more than 42 000 private household connections and over 5000 communal stand taps which mainly service the inland rural areas.

The demographics of the Ugu district vary from dense formal urban settlements to scattered rural settlements and must to be dealt with differently when planning for the provision of water services.
Different levels of service are appropriate for each settlement category and the "CSIR Guidelines for Human Settlement Planning and Design" was used as a guideline to determine the water delivery standards per settlement category as indicated in table 3.6.1.2.1.

Table 3.6.1.2.1: Water Delivery Standards per Settlement Category
***Source:** Ugu District Municipality Bulk Infrastructure Audit, 2011*

Settlement Category	Average daily per capita consumption	Description of level of service
Formal Urban	200l/c/d	Medium/high income, with waterborne sanitation
Informal Residential Upgrade	120l/c/d	Moderate income, with waterborne sanitation
Linked Rural Upgrade	75l/c/d	Yard connections, dry pit latrines/septic tanks
Good Access Rural Upgrade	75l/c/d	Yard connections, dry pit latrines/septic tanks
Limited Access Rural Upgrade	75l/c/d	Community standpipes, dry pit latrines/septic tanks
Scattered	75l/c/d	Community standpipes, dry pit latrines/septic tanks

The water delivery standards were used to develop a water demand model for the district and to calculate current and future water demands per supply zone. The current level of basic service within Ugu comprises predominantly of community standpipes at 200m.

3.6.2.1 Current and Future Water Demands

The current and future water demands for each supply zone were calculated and compared with previous studies in this regard, as well as with actual water usage figures where they were available. The actual usage figures assisted in calibrating the water demand model as best as possible.

The future or "ultimate" water demands represent a scenario where backlogs have been eradicated and all households have access to at least a basic RDP level of service. Future developments that are known and "development drivers" that have been identified in the Ugu SDF have also been considered with the calculation of the future water demands. The population growth rate was assumed to be 0,3% per year for Rural Municipalities and 0,5% for urban Municipalities.

Certain peak factors were also included in the calculations to determine the "Peak Week Daily Demands", which represent the average daily consumptions that can be expected during the week of highest consumption in the year (summer holiday season). Allowance was also made for water loss based upon figures that were obtained from the Ugu District Municipality and the results from previous water-loss studies that were conducted. The peak factors and water loss figures that were used in the water demand model were as follows:

Urban

- Summer Peak Factor – 1.3
- Allowance for water losses – 30%
- Holiday peak factor – 1.5

Rural:

- Summer Peak Factor – 1.4
- Allowance for water losses – 30%
- Holiday peak factor – 1.5

The current and future water demands within each supply zone were then compared with the current capacities of the bulk infrastructure that supplies the zone and the results are summarised in Table 3.6.1.2.1 below:

Table 3.6.1.2.1: Water Demand and Capacities

Source: Ugu District Municipality Bulk Infrastructure Audit, 2011

Water Supply Zone	2011 water demands Ml/d	Future water demands Ml/d	Infrastructure capacities Ml/d	Bulk Source of Supply
Maphumulo	2	0.5	1.0	Umgeni Water
Isimahla	3	2.4	2.0	Umgeni Water
Dududu	5	3.8	0.4	Ethekwini Metro
KwaLembe	5	1.2	1.0	KwaLembe WTW
Vulamehlo	12	5.1	1.8	Vulamehlo/ Hlokozi WTW
Ndelu	2	2.8	0.6	Ndelu WTW
Mtwalume	12	10.9	8.0	Mtwalume WTW
Umzinto	18	39.6	13.0	Umzinto WTW
KwaCele	3	3.4	1.0	Ethekwini Metro
Mhlabatshane	5	8.6	2.0	Phungashe WTW
Bhobhoyi	70	109.8	54.0	Bhobhoyi WTW
Umtamvuna	26	23.0	20.0	Umtamvuna WTW
Harding/Weza	12	14.4	6.0	Harding &Weza WTWs
Totals (Ml/d)	170	225.5	110.8	

The above table clearly shows where current infrastructure capacity problems are experienced, and where the infrastructure will be inadequate to meet the future water requirements.

It should be noted in particular that the demands generated by the proposed SDF drivers will have a significant impact on the capacity demands of the existing infrastructure and that significant capital investment will therefore be required to fully implement these drivers.

3.6.2.2 Access to Water Services

The Census 2016 Community Survey with regards to access to piped water released data in the following categories:

- Piped (tap) water inside the dwelling /house;
- Piped (tap) water inside yard;
- Piped water on community stand;
- Borehole in the yard;
- Rain-water tank in yard;
- Neighbours tap;
- Public/ communal tap;
- Water-carrier /tanker;
- Borehole outside the yard;
- Flowing water/ stream /river;
- Well; and
- Spring.

The levels of access and backlog per local municipality are captured Table 3.6.2.2.1 and figure 3.6.1.2.1. As per the Stats SA Community Survey results, the municipalities in the Ugu District are Umzumbe (33%) followed by Umuziwabantu (20) in terms of access to piped water backlogs. The Ugu District Municipality has done reasonably well in terms of Access to Piped Water backlog eradication, reducing backlog from 67% in 1996 to 13% in 2016 as reflected in Figure 3.6.2.2.1.

Over and above looking at access of households to water the Stats SA 2016 Community Survey further looked at the quality of the water services. The results show that across Ugu area of jurisdiction about 52% of the households feel that the quality of water services is good, and about 45% feel it is average or poor (see Table 3.6.2.2.2).

Table 3.6.2.2.1: Access to Water Services

***Source:** Stats SA Community Survey, 2016*

Main source of water for drinking	Umdoni	Umzumbe	uMuziwabantu	Ray Nkonyeni	Ugu
Piped (tap) water inside the dwelling \	8 311	440	1 367	27 001	37 119
Piped (tap) water inside yard	4 792	4 874	1 182	10 930	21 777
Piped water on community stand	15 335	7 853	7 345	35 880	66 412
Borehole in the yard	138	151	275	362	926
Rain-water tank in yard	381	776	573	351	2079
Neighbours tap	301	314	60	301	975
Public/ communal tap	2 680	5 595	7 122	12 448	27 844
Water-carrier /tanker	675	1 070	1 100	1 130	3 975
Borehole outside the yard	319	684	363	229	1 593
Flowing water/ stream /river	2 403	6 146	1 732	1 381	11 662

Main source of water for drinking	Umdoni	Umzumbe	uMuziwabantu	Ray Nkonyeni	Ugu
Well	0	71	0	136	206
Spring	62	76	0	23	160
Other	38	82	54	237	411
Total	35 433	28 132	21 172	90 409	175 146
% Access to Piped Water	**88**	**67**	**80**	**95**	**87**
% Backlog	**12**	**33**	**20**	**5**	**13**

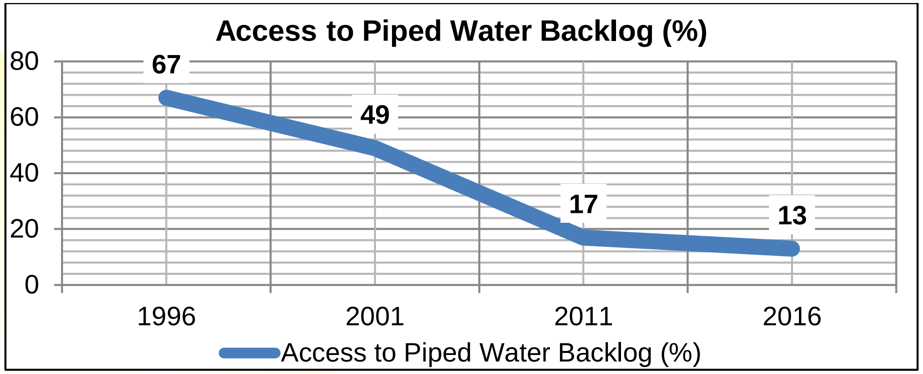


Figure 3.6..2.1: Ugu District Water Backlog Eradication

Source: Stats SA Community Survey, 2016

Table 3.6.2.4.2: Overall Quality of Water Services Rating

Source: Stats SA Community Survey, 2016

Rating	Umdoni	Umzumbe	uMuziwabantu	Ray Nkonyeni	Ugu
Good	54	37	40	59	**52**
Average	26	22	42	27	28
Poor	17	36	17	11	17
No access	4	5	1	3	3
Do not use	0	0	0	1	0
Total	**100**	**100**	**100**	**100**	**100**

3.6.2.3 Current Strategies / Programmes for Water Provision

The following are the programmes and strategies that Ugu District uses to ensure efficient water services delivery to the community and that the backlog is eradicated.

i. **Free basic water and indigent support**

A free basic water policy makes provision for the supply of 6kl of water per metered household per month. An Indigent Support Policy is in place which applies to residential and non-profit organizations entitling the beneficiaries to 6kl of free water per household per month and 100% rebate on water and sanitation basic charges. As at 31 May 2017, we have 6739 wa agglomerating ter and 2529 sanitation households benefiting from Indigent Support. The information is based on the billing system while in rural areas households benefit through over 5000 stand pipes in the entire district.

ii. Ground Water programme

Ugu has a rudimentary water supply programme incorporating the use of boreholes and spring water. There is a spring protection and borehole maintenance programme to support supply to communities. However, the ground water potential is not very good in most areas, resulting in the failure of such schemes.

iii. Regional Water Resources Planning Strategy

Ugu has developed a water master plan that seeks to integrate the 16 individual water schemes into sustainable systems, as follows:

- Harding Weza water supply scheme;
- Umtamvuna water supply scheme;
- UMzimkhulu water supply scheme;
- Umtwalume water supply scheme;
- Vulamehlo water scheme;
- KwaLembe water scheme;
- Mhlabatshane water scheme; and
- South coast water transfer system from Inanda Dam.

The strategy seeks to integrate the isolated individual water schemes and provide for investment in more reliable water sources that will be more cost effective in addressing backlogs, meeting the demand due to urban development growth, and mitigating the effect of drought.

iv. Water and Sanitation Master Plan

The Water and Sanitation Master Plan was completed in 2006 and is currently under review for the development of a new master plan with a projection for 2030. The Water Services Development Plan which was last reviewed in 2015 encompasses amongst others, water, sanitation and infrastructure backlog studies, waste water treatment studies, bulk infrastructure development studies. The WSDP is reviewed every year. Additional funding is required to eradicate the water and sanitation backlog etc.

Ugu could not meet the millennium developmental goals of 100% access to water and sanitation by 2014 due to inadequate sustainable water resources. The municipality has programs such as: urban waterborne sanitation and the rural VIP programme.

v. Umgeni Water's Master Plan for Ugu District Municipality

Umgeni Water operates the following bulk water infrastructure for the provision of potable water to Ugu District Municipality:

- Storage Dams: Nungwane Dam, Umzinto Dam and E.J. Smith Dam, Mhlabatshane Dam
- Water Treatment Plants (WTP): Amanzimtoti WTP, Umzinto WTP and Mtwalume WTP
- Bulk Pipelines: Nungwane Raw Water Aqueduct, South Coast Augmentation (SCA) Pipeline, South Coast Pipeline Phase 1 (SCP 1), South Coast Pipeline Phase 2a.

Figure 3.6.2.3.1 shows the location of the bulk water infrastructure and the status of the projects (as of April 2017,) Umgeni Water is implementing to ensure that Ugu District Municipality has an assured supply of water.

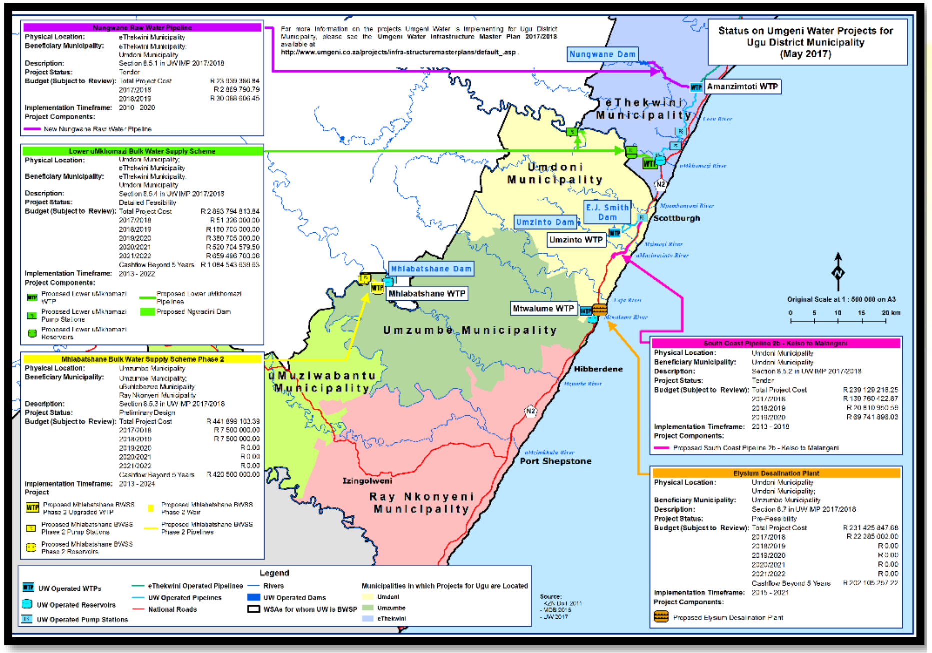


Figure 3.6.2.3.1: Umgeni Water's Catalytic Projects

Source: Umngeni Water, 2017

vi. Sihambasonke Project

This is an initiative that ensures all residents receive some level of service, even though it might be below the National standard. The project has made progress on the ground since it has been introduced to the four (4) Local Municipalities within the District. The programme is headed by the Mayor as the Community participatory information gathering process. During the introductory meetings, Ward Councillors were tasked with the responsibility to work together with ward committees in co-ordinating meetings on the ground with communities so that they would gather accurate information on the following sectors:

Existing infrastructure - that is functional or non-functional water schemes. (This will assist in making a valuable assessment of what needs to be done to rectify the situation on the ground).

Pipeline extension - In areas where there is enough water capacity pipes can be extended to accommodate the communities within the surrounding areas.

Water tanks - This will include identifying the existing water tanks within the areas of the Local Municipality, taking into consideration the community that utilises that water tank, the period in which the tank gets finished in order to determine the intervals of filling the same water tank. Further to this, it will assist in establishing where there is high demand so that more tanks can be added in order to meet the supply and demand a cost-effective method.

Rain water harvesting - This will be dedicated to areas where there are no pipeline extensions nor water tankers. The idea behind this is to give every citizen of our Municipality clean water at some point.

Springs /borehole Protection - This is highly recommended as the best method of providing clean water to our communities since most of our areas have a good potential to have springs.

Table 3.6.2.3.1: Sihamba Sonke Project

Source: Ugu District Municipality WSDP, 2015

Item	Number	Unit	Unit Cost	Total Cost
Portable Water Storage Tanks	1163	each	5000	R 6 396 500
Springs	419	each	25000	R 11 522 500
Boreholes	79	each	100000	R 8 690 000
Pipe extensions	124.72	km	1000000	R 137 195 751
Rainwater harvesting	3790	each	6000	R 25 014 000
SUB-TOTAL				R 188 818 751.00
Escalation				R 11 329 125.00
Fees				R 20 014 787.00
VAT				R 30 822 772.00
TOTAL				R 250 985 436.00

3.6.2.4 Blue and Green Drop Status

The Blue Drop Certification Programme for Drinking Water Quality Management Regulation and The Green Drop Certification Programme for Wastewater Quality Management Regulation are important to ensure effective and efficient delivery of sustainable water services which is recognised by both South African and International authorities.

The minimum score for Blue Drop Certification is 95% and 90% for Green Drop Certification. Ugu District Municipality is currently ranked at the 7th place in the KwaZulu Natal provincial log in terms of Blue Drop and holds a municipal score of 92.55%(Blue Drop Report 2012) with the following plants holding the Blue Drop Awards:

- Southbroom to Port Edward and Inland areas (Umthamvuna WTW) at 95%
- Umzinto, Pennington to Scottburgh (Umzinto WTW) at 95.22%
- Mathulini, Mthwalume and Qoloqolo (Umthwalume WTW) at 96.27%

The Blue Drop Risk Rating for the Ugu District Municipality is 43.8% (Blue Drop Report 2013), this is categorised as Low Risk. While this may be a good reflection of the operational capacity of Ugu Water Treatment Infrastructure, the municipality strives to implement projects in ensuring that the risk is contained within the Low Category.

In ensuring delivery of high quality drinking water and improved access to water services, the municipality has in the 2014/2015 financial year refurbished and upgraded Umdoni, Weza and Bhobhoyi Water Treatment Works. The upgrades currently add up to the tune of R94.2m

A total of 25km of water pipelines were upgraded and replaced in the 2014/2015 financial year including the critical project in Murchison where the municipality intervened swiftly and was able to bring forward the Murchison Upgrade Project which includes an upgrade of 7.7 km of pipeline, a 10ML storage reservoir and a pump station. While the project unfolds, the municipality is implementing effective alternative water services delivery to the area. The Murchison Project is expected to be complete by December 2015.

As the year comes to the end, the municipality is proud to have provided access to water to an additional 2200HH constituted by the areas of Mbiyane, Egoli, Maphumulo, Gumatane, Phongolo, Nhlalwane and Ncengesi. Various other water projects were implemented in this financial year with assistance from grants such as Municipal Water Infrastructure Grant (MWIG), Municipal Infrastructure Grant (MIG), Regional Grant Infrastructure Grant (RBIG) and Massification Grants. All the municipal grants will be 100% spent by the end of the 2014/2015 financial year assuring the public that Ugu District Municipality is here to deliver to the mandate of water and sanitation services provision.

The municipality positively looks ahead to the 2015/2016 financial year as it aims to continue with the plight of rendering services to its communities in spite of the drought challenge that is upon us. Out of the R253 million MIG allocations for the 2015/2016 financial year, the district will continue and complete the Bhobhoyi Water Treatment Works upgrade and commence the uMthamvuna Water Treatment Works Upgrade from 20ML/day to 40ML/day and the Mistake Farm Water Project.

Responding to the drought challenge, the municipality by July 2015 spent the R10.8m drought relief allocation. In the 2015/2016 financial year, the municipality will intensify programmes on water loss management from the MWIG allocation of R100m through its Non-Revenue Water Programme.

For the 2014 Blue Water Services Audits, the municipality participated in the first assessment of No Drop Awards. The results for the assessment have not been published however the municipality is proud to contain its Non-Revenue Water Score at 30% being one of the lowest in the country. The municipality continues to implement measures to reduce its Non-Revenue Water from 30% to a projected 23% by the year 2017.

2012 was a gap year for Green Drop Awards however in the year 2013, the municipality's Green Drop Score improved from 70% to 73.91% with the following plant getting a Green Drop Award (Red Desert Waste Water Treatment Works at 90.3%)

In the 2014/2015 financial year, the municipality spent R75 000 000.00 of its MIG allocation towards sanitation projects, these including the refurbishment of 25 sanitation pump stations to ensure minimal sewage spillages due to aged infrastructure. The Umzinto Waste Water Treatment Works is at its final stages of upgrade for the assurance of service in the Umzinto areas and ready to take on Low Cost Housing Developments. The municipality will for the 2015/2016 financial year commence and complete critical sanitation projects such as Malangeni Waste Water Upgrade, Harding Sanitation Project and Margate Sewer Pipeline Upgrade.

The municipality has heeded to the need for effective operations and maintenance budget and will in the year 2015/2016 increase the budget a few percentages up to the generally accepted norm of 7% of the municipal budget. At 7.3% operations and maintenance budget, the municipality will engage into the implementation of the council adopted Water Safety Plans ensuring efficient and effective delivery of compliant water in line with the South African National Standards 241:2011. Technology in the modern day is an excellent enabler towards delivery of effective service, the municipality starting from 2015/2016 financial year will implement a continuous upgrade of its telemetry system as a means to swift response to remote infrastructure breakdown. The municipality will continue to invest into its technical human resources by adding four more officials into its register of Professionally Registered Officials in line with the Engineering Profession Act 46 of 2000.

3.6.2.5 Capital Requirements for Backlog Eradication

The Ugu District Municipality, as a delegated Water Services Authority (WSA), is in the process of progressively rolling out water services to all consumers in the District, as per the National Government's mandate of servicing all households with at least an RDP level of service by 2014. The estimated cost and time frames to eradicate the backlog, based on the available funding, has been calculated and is indicated in Table 3.6.2.5.1. The following benchmark costs were used in the calculation:

- R 45 000 to service per urban households
- R75 000 to service per rural households that are situated between 200m and 800m from a formal water supply
- R125 000 to service per rural households that are situated further than 800m from a formal water supply

Table 3.6.2.5.1: Water Eradication Plan

Source: Ugu District Municipality WSDP, 2015

Eradication Plan (Excl VAT)	
Estimated cost to eradicate backlogs	R 5 300 000 000,00
Assumed MIG Allocation future	R 290 000 000,00
% of MIG Allocation towards water	70%
Allocation towards water	R 203 000 000,00
Estimated years to eradicate backlogs	23
New Dams (3)	R 2 400 000 000,00
TOTAL	**R 7 700 000 000.00**

3.6.2.6 Ugu DGDS on Water Services

The Ugu DGDS Strategic Objective 4.5: Ensure Effective Water Resource Management and Awareness, identifies that a key challenge for the district will be eradicating household water backlog while at the same time ensuring that sufficient water is made available for expansion of economic activities. The ability of the district to change its current spatial development patterns will depend to a large extent on addressing water access, rights and management within rural communities.

It estimates the cost of backlog eradication to be R3.4 billion. Massive infrastructure investment will need to be leveraged into the district in the next 10 years. To achieve this, three strategic programmes have been identified. These include ensuring effective water resource management; increasing water infrastructure capacity; and promoting awareness for water efficiency.

3.6.3 Sanitation Service Provision

The sanitation service provision in the Ugu District area of jurisdiction is broken down to urban and rural sanitation. With regards to the urban sanitation the service delivery standard is mostly waterborne sewer and for rural sanitation the pit toilets with ventilation (VIPs). Table 3.6.3.1. below shows the overall access to sanitation in the district and the following subsections break it down per rural and urban area.

The sanitation backlog of the Ugu District area of jurisdiction was determined using the 2011 Statistics South Africa and the minimum requirements for acceptable access to sanitation as per CoGTA backlog study 2013 which are:

- Flush toilet (connected to sewerage system);
- Flush toilet (with septic tank or conservancy tank
- Chemical toilet; and
- Pit toilet with ventilation (VIP).

The service levels therefore that fall below the minimum requirements (backlog) in the Ugu District area of jurisdiction are:

- Pit toilet without ventilation;
- Bucket toilet;
- No sanitation; and
- Any other service levels.

Table 3.6.3.1: Access to Sanitation Services per Municipality

Source: Statistics SA, Census 2011

Sanitation Service Level	Ugu	Umdoni	Umzumbe	Ray Nkonyeni	Umuziwabantu
Flush toilet (connected to sewerage system)	36 356	8 312	351	25 965	1 728
Flush toilet (with septic tank)	6 044	1 636	428	3 774	206
Chemical toilet	14 590	5 615	4 309	2 328	2 338
Pit toilet with ventilation (VIP)	63 201	6 940	13 643	31 212	11 406
Pit toilet without ventilation	**28 637**	4 602	3 868	18 564	1 603
Bucket toilet (Collected by Municipality)	**3 613**	2 737	850	26	0
Bucket Toilet (Emptied by Household)	**2 147**	504	471	736	436
None	**7 565**	1 771	689	4 787	318
Ecological toilet	**3 853**	10	1 046	1 825	972
Other	**9 141**	3 305	2 478	1 193	2 165
Total	**175 146**	35 433	28 132	90 409	21 172
Backlog	29	36	30	28	21

As per the Statistics South Africa Community Survey 2016, the major sanitation backlog in the Ugu District Municipality area of jurisdiction is in Umdoni (36%), followed by Umzumbe (30%). These are predominantly rural municipalities that are inland and the predominantly urban municipalities that are along the coast have sanitation backlog that is below 50%. The overall sanitation backlog for the Ugu District Municipality is sitting at 29% which dropped by 19% from the 2011 census (48%).

3.6.3.1 Urban Sanitation

The urban areas within Ugu are located predominantly within a narrow coastal strip comprising of a combination of permanent residents and local tourists who descend on the area during holiday periods.

The Sanitation Service Master Plan suggests that the water demand (and hence waste water flows) in the peak December/January period is typically 33% higher than the annual average values.

Although largely "residential", most urban areas include some "commercial" activity and there are also some "light and/or service industrial" nodes particularly in Port Shepstone (Marburg) and Park Rynie to a lesser extent. The urban sanitation comprises a combination of waterborne sewerage linked to Waste Water Treatment Works (WWTW) as well as a system of septic tanks and conservancy tanks in the less densely populated areas.

Most of the treatment facilities are owned and managed by Ugu although there are also a number of privately owned and managed, small sewage treatment plants – mostly "package" plants. With the exception of Gamalakhe, the sewerage coverage of formal, urban areas which have a Municipal water connection is approximately 30%.

Being a coastal strip, the topography generally falls towards the coast and is segmented by many water courses (streams/rivers) resulting in numerous hills and valleys as well as very flat areas along the coast. Thus, there are numerous pump stations in the reticulated areas whilst the WWTWs are generally located inland of the coastal strip such that many of the pump stations deal with pumping heads which exceed those readily achievable with open impeller pumps operating at low speeds.

The SMMP notes further that "the geology of the coastal strip may be described in general terms as having rock outcrops all along the coast overlain by one to two metres of sand and with some of these areas being characterised by a high, perched water table" – clearly not ideal for the use of septic tanks with sub-soil percolation drains and as a result there are numerous conservancy tanks within the urban strip.

3.6.3.2 Urban sanitation delivery standards

The SSMP deals with sewage demands and individual scheme options/preliminary designs in greater detail. For the purposes of this audit and a broad assessment of the status quo, the following standards were adopted:

Table 3.6.3.2: Urban Sanitation Standards

Source: Ugu District Municipality WSDP, 2015

Settlement Categories	Sub-Category	Flow	Unit
Formal Urban	Formal Urban	600	l/d/100m2
	Industrial/Commercial	NA	NA
Informal Residential Upgrade		120	l/c/d

3.6.3.3 Urban Backlog Eradication Plan

Other than maintenance issues and upgrades/extensions of existing sewerage schemes based on the rationale contained in the SSMP, it stands to reason that formal township development requires the provision of adequate water and sanitation and as such there are in effect very few backlogs other than those "informal urban upgrade" areas adjoining the coastal urban strip which by nature of their density should be provided with reticulated waterborne sewerage as opposed to a basic level of service - septic tanks.

The Local Municipalities have allowed residents to construct septic tanks in wetland areas resulting in serious pollution in many areas. Replacing the septic tanks with waterborne sanitation will be very costly and also difficult because the area is built up with well-established gardens and boundary walls. Cost recovery and affordability is also an issue. Most residents are pensioners that cannot afford the exorbitant cost to install waterborne sanitation.

A total estimated capital investment of the order of R 3 billion is required to reticulate and upgrade sanitation within the urban strip.

The refurbishment / upgrading of certain existing assets and the proper management of sludge disposal were identified as immediate priorities and some of this work has already been accomplished by Ugu.

3.6.3.4 Rural Sanitation

There is no reliable data spatially or otherwise pertaining to either the location or age of Ventilated Improved Pit Latrines (VIPs) constructed within Ugu. This poses a major challenge as there is no reliable data with which to plan for de-sludging/re-location of VIPs when full and further prevents the accurate determination of the backlog. Therefore, in order to obtain a better understanding regarding the status quo of the rural sanitation within Ugu, a number of random sample surveys were undertaken within each local municipal area.

3.6.3.5 Rural Sanitation Delivery Standards

The standard for a basic level of rural sanitation in Ugu is a ventilated improved pit latrine (VIP) comprising pre-cast concrete "C" sections. The anticipated life-span to de-sludging / re-location of the VIPs based on various household densities and a sludge accumulation rate of 0.05m³ per annum is reflected in table 3.6.3.5.1.

Table 3.6.3.5.1: VIP Sludge Accumulation Rate

Source: Ugu District Municipality WSDP, 2015

Household Size (persons/household)	Life Span (years)	
	Pit Capacity 1.5m3	Pit Capacity 2m3
5 persons/household	6	8
6 persons/household	5	6.7
7 persons/household	4.3	5.7
8 persons/household	3.8	5

Whilst the standard Ugu VIP has an effective pit volume of 1.5m³ (allowing 200mm freeboard), the benefits of a larger pit are clearly apparent in terms of time taken to fill up. Table 3.6.3.5.2 below shows the level at which the VIPs are filled.

Table 3.6.3.5.2: Level at which VIP are Filled

Source: Ugu District Municipality WSDP, 2015

Condition	% of Surveyed
Good	50%
Fair	29%
Poor	21%
Full	19%
75% Full	42%

Condition	% of Surveyed
Balance	39%
Pits older than 5 years	20%

Considering that the survey suggests that 61% of the pits are between 75% and 100% full and that 20% are older than five (5) years suggests that major challenges lie ahead in ensuring the sustainability of the rural sanitation programme. The maintenance plan for VIP toilets installed is under development.

3.6.3.6 Rural Sanitation Backlog Eradication

The sample survey suggests that the rural sanitation backlog is of the order of 20 %. The backlog is further compounded by the fact that there is virtually no spatial data with which to plan and manage the de-sludging /re-location of pits which are almost or already full such that the health and hygiene effectiveness of the programme going forward must be brought into question.

Therefore, in order to cost a backlog eradication plan for the District, one first needs to determine an accurate assessment of the current status quo. While the mini-audit provides a sample the current situation, it does not give an actual reflection. The most important component therefore in the backlog eradication plan, is an initial audit of rural sanitation. This audit would not only provide the District with a detailed spatial representation of VIPs in the District, it would also provide statistics about usage and full percentage across the District.

3.6.4 Solid Waste and Cemeteries

Waste management services involve the waste collection, treatment, recycling and disposal. The National Environmental Management: Waste Act (Act 59 of 2008) has placed a huge responsibility on municipalities to deliver waste services. Phase 3 of the Infrastructure Audit as well as the Integrated Waste Management Plan reported that solid waste is the most undersupplied service in the district. Where services are being offered, they are usually limited to the formal, urban areas of Umuziwabantu, Hibiscus Coast and Umdoni Municipalities.

Waste minimisation in the district is poorly organised and there is no integrated system which exists private recyclers may link to. The viability of recycling relies heavily on economies of scale as there must be enough recyclables available to justify the cost of transport associated with the collection of recyclable materials. Ugu requires a great deal more work before an economically viable waste recycling system can be put in place.

In terms of cemeteries, three out of six of the local municipalities have formal sites, namely Ray Nkonyeni; Umdoni and Umuziwabantu. The Umzumbe have a majority rural population who practice traditional on-site burial of deceased family members. In some cases, there has been resistance to the development of cemeteries and interviews with officials have indicated that this is a sensitive matter with cultural implications. A detailed study, with a strong social focus, is needed to assess the need for, and provision of, cemeteries in the district. Table 3.6.4.1 indicate access on a household level to solid waste removal services in the District.

Table 3.6.4.1: Households Access to Solid Waste Removal

Source: Statistics SA Community Survey, 2016

Refuse removal	Ugu	Umdoni	Umzumbe	uMuziwabantu	Ray Nkonyeni
Removed by local authority at least once a week	34 454	7 375	21	3 007	24 053
Removed by local authority less often than once a week	1 532	475	10	102	946
Communal refuse dump	8 565	4 243	1 056	470	2 797
Communal container /central collection point	5 220	2 166	0	0	305
Own refuse dump	11 6354	20 432	24 765	16 460	54 697
Dump or leave rubbish anywhere (no rubbish disposal)	8 468	590	2 251	1 092	4 535
Other	550	154	28	41	327
Total	**175 143**	**35 435**	**28 131**	**21 172**	**87 660**

3.6.5 Transportation Infrastructure

The Ugu District Municipality does not have an adopted Integrated Transport plan as the one available was last adopted in the 2006/2007 financial year and is now outdated. Through the Ugu Sector Wide Infrastructure Audit, updated information is available for the purposes of analysis. Furthermore, Ugu District as an organisation does not maintain the roads as all the district roads were transferred to DOT.

3.6.5.1 Public Transport

Access to public transport is a major development challenge within the Ugu District and a potential factor in increasing access of communities to economic opportunities. 87% of public transport users within the district are dependent on mini bus transport, compared to 9% dependent on bus transport. Table 3.6.5.1.1 illustrates current commuter demand from the main public transport terminals within the Ugu District. In those instances, where bus services are available, they transport more commuters than the mini bus taxi service.

Table 3.6.5.1.1: Commuter Demand from Main Public Transport Terminals

Source: Ugu District Municipality Sector Wide Infrastructure Audit, 2014

Terminal point	Annual passengers	Mode	Daily vehicle trips
Gamalakhe	3,282,353	Bus	182
	2,230,800	MBT	572
Nyandezulu	2,837,647	Bus	158
	1,662,300	MBT	427
D338/N20	2,601,900	Bus	144
	1,879,800	MBT	482
Mthwalume	2,229,390	Bus	100
	1,610,700	MBT	413
Murchison	2,107,059	Bus	117

Terminal point	Annual passengers	Mode	Daily vehicle trips
	1,267,500	MBT	325
Assisi	1,683,529	Bus	94
	741,000	MBT	190
Mzumbe	1,281,177	Bus	71
	588,900	MBT	151
Palm Beach	1,115,100	Bus	55
	807,300	MBT	207
Melville	900,450	Bus	42
	651,300	MBT	167
D952/R102	198,720	Bus	9
	144,300	MBT	37
D1097/N20	84,600	Bus	5
	66,560	MBT	16

Access to rail transport is limited within the region. The metropolitan rail system serving eThekwini only reaches the northern extremity of the Ugu area with three stages in the Umdoni municipality, namely Kelso, Park Rynie and Scottburgh. Although the south coast railway line is electrified and in use by Transnet Freight Rail as south as Port Shepstone, no commuter services are offered beyond these three stations. The district is looking to benefit from the rail station upgrading plans of the Passenger Rail Agency of South Africa (PRASA), as the Port Shepstone Train Station is one of the targeted multi-modal upgrades. This is in line with longer-term plans to extend the passenger rail service southwards. Ugu stakeholders have made presentations for a rail link into the Eastern Cape. Municipal Integrated Public Transport Plans are required to support the SDF of the district and ensure alignment with the plans for nodal investments.

Intermodal Public Transport Facilities

The KwaZulu-Natal Department of Transport (KZNDoT) has identified the development of intermodal public transport facilities as one of the key public transport improvement elements. An intermodal facility is a focal point where many modes of transportation converge to provide economical and efficient service to destinations. Port Shepstone has been identified as a potential nodal point for building such a facility. This suggests that there is a constant demand for transport feeding from the more rural areas into this economic hub.

3.6.5.2 Freight Rail Infrastructure

The main rail corridor in the district is the standard gauge South Coast line that runs from Port Shepstone to eThekwini. The volume of freight has been reduced over time due to more goods moving to the N2 for transportation. The main commodity on the rail network is 500,000 tons of lime clinker from Simuma to Mount Vernon. There are no longer any passenger services in operation on this line.

A narrow-gauge line used to operate between Port Shepstone and Harding. This was primarily used to transport timber and sugar cane. The line was also used for tourism, providing excursions to Paddock. Unfortunately, the line has been abandoned due to the demise of the Alfred County Railway and the final destruction of the Izotsha river bridge in 2007.

There is definitely a need for revival of passenger rail and additional freight rail capacity within the district has been highlighted during the GDS consultation process. The standard gauge line is supplemented by a narrow-gauge line from Port Shepstone to Harding, which no longer functions and is in a state of disrepair. This is primarily used to transport timber and sugar cane. Overall, the volume of freight on this line has reduced and more goods are being transported by road along the N2. The reason given for this switch is that many branch lines are no longer in operation. An opportunity for the district is that Transnet has recently released a plan to invest R300bn in infrastructure within the country, of which R151 billion has been earmarked for freight rail.

Further investigation into demand should be undertaken to inform an approach to Transnet. This could include a review of the current location of the railway line with a proposal to re-route the railway line away from the coast into the hinterland. This would serve to boost tourism along the coastal strip and economic activity within the hinterland.

3.6.5.3 Roads and Transport

The road hierarchy in the district starts with national roads, then provincial roads down to local municipal roads. The N2 runs parallel to the coast with plans to extend this coastal route into the Eastern Cape. The provincial road network provides a high proportion of the road network in Ugu and covers a vast range of types of roads from main regional links (class 2) through to local roads (class 7). In terms of road usage, up to date traffic volume data is only available for the N2 and R103.

The largest traffic volumes pass along the N2 towards Port Shepstone, and further towards Kokstad, as well as along the R61 from Port Shepstone towards Port Edward. Large volumes of traffic also pass along the R612 from Park Rynie to Ixopo and the road from Umtentweni to St Faiths. Access to road infrastructure varies across the district, especially between rural and urban areas. In Table 3.6.5.3.1, access to transport is measured in terms of the percentage of households that have access to Level 1 and Level 3 roads (i.e. national, main and district roads).

Table 3.6.5.3.1: Access to Transport

Source: Ugu District Municipality Sector Wide Infrastructure Audit, 2014

Local Municipality	HH within 1 km of a Road	Total HH	Percentage
Former Vulamehlo	11,771	15,661	75
Umzumbe	24,274	31,801	76
Ray Nkonyeni	56,989	60,521	87
Umuziwabantu	17,956	20,840	86
Umdoni	16,452	17,257	95
Ugu District	127,442	146,080	87

The SDF has identified priority road corridors for development that will promote spatial integration of the district. These include the upgrading of the P77 and P58 in order to increase accessibility for rural communities. Consultations with the agricultural sector have also identified key roads and causeways that need to be targeted for upgrade to open up areas for commercial activity. Other sectors have raised concerns regarding the poor condition of roads servicing large populations, such as Gamalakhe. The key strategy for the district will be to ensure that its specific road infrastructure needs are included in the Department of Transport's and relevant local municipalities' project priority lists.

The poor condition of provincial and local roads within the Ugu District has been raised during the GDS consultation process. Lack of road maintenance and asset deterioration will result in much greater financial burdens on provincial government and municipalities in the medium to long-term.

A road in poor condition also impacts negatively on journey duration and road safety, decreasing the accessibility or desirability of the region for business. The findings of the Infrastructure Audit undertaken by the municipality were that:

- National roads are of a very high standard with good continual maintenance. Funding is generally adequate, supported by funds generated by toll fees.
- Funding for maintenance and new provincial roads is limited, and generally dealt with at two levels. First, there are major/strategic projects, and secondly there are locally-based projects operated by the regional cost centre based in Port Shepstone and communicated through local "Transport Forums"
- Local roads within the more urban centres are constructed and maintained by local municipalities. Rural municipalities are heavily reliant on the provincial Department of transport for budget.

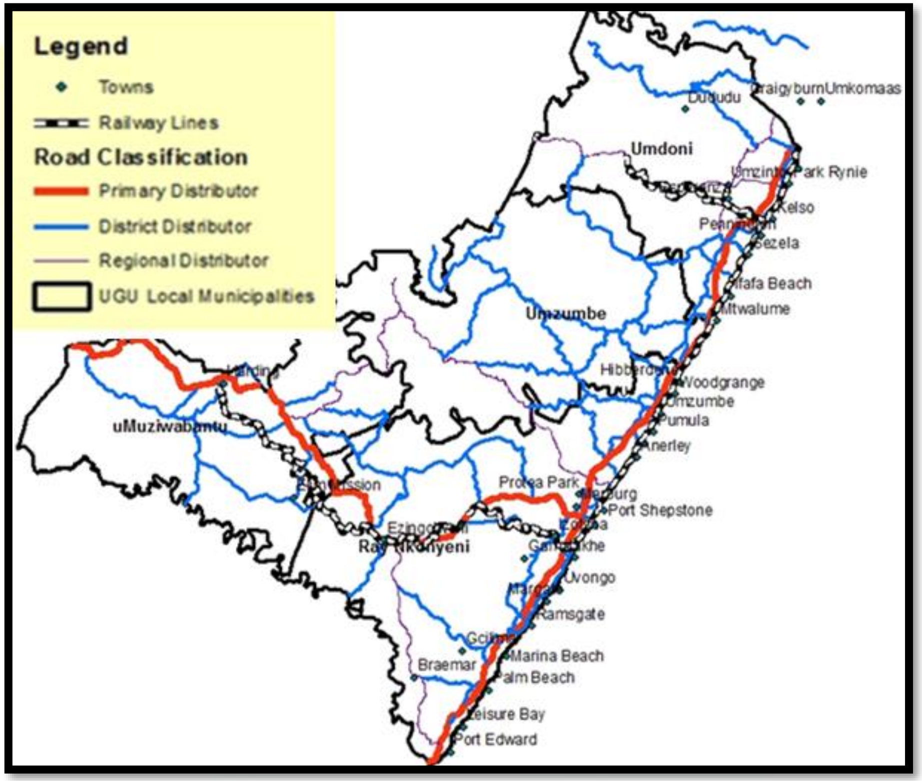


Figure 3.6.5.3.1: Ugu District Road and Rail Infrastructure

Source: Ugu District Municipality Sector Wide Infrastructure Audit, 2014

3.6.5.4 Air Transport

Given the fairly recent relocation of the Durban International Airport to the site of the King Shaka International Airport and Dube Tradeport along the KZN North Coast, the South Coast is largely unserviced in terms of both passenger and cargo air transportation. As a result, the South Coast is much less accessible to tourists than previously with the international airport now favouring the North Coast of KZN. The cost of doing business within Ugu has increased due to longer travel times and greater traffic congestion. The potential exists to increase the capacity of the existing Margate Airport to handle low-cost airlines to make it more attractive within the market. Additionally, the airport could accommodate small cargo planes to ensure that the agricultural sector is able to remain competitive and transport perishable goods.

The upgrade of Margate Airport will make it easier for tourists to access the district once they are in the province, as well as making it significantly easier and simpler for the tourists to remain in the province for longer periods, due to the expanded range of tourism products in keeping with the tourists' needs. In addition, the area around Margate airport presents substantial potential for future industrial development. The Department of Cooperative Governance and Traditional Affairs financed to the tune of R10m for the upgrade of the Margate Airport and the project bore fruit in November 2013 when the first airplane landed. It is a commercial airliner and will be operating between OR Tambo and Margate respectively until more lines are opened. The municipality has been engaged on this process for the last ±3 years. The Provincial Treasury has a project to revitalize all the regional airports.

3.6.5.5 Integrated Transport Plan (ITP)

Ugu's Integrated Transport Plan was completed in the 2006/2007 financial year. There was funding provided by the Department of Transport (KZNDoT) and in the past, we experienced challenges in terms of implementing the ITP as well as sourcing funding to review the study. The project is currently under review.

3.6.5.6 Ugu DGDS on transportation Infrastructure

The DGDS identifies the recent relocation of the Durban International Airport to the site of the King Shaka International Airport and Dube Tradeport along the KZN North Coast, as leaving the South Coast largely un-serviced in terms of both passenger and cargo air transportation, thus the South Coast left much less accessible to tourists than previously and the cost of doing business within Ugu increasing due to longer travel times and greater traffic congestion. It therefore advocates for an increased need to develop Margate Airport to address these challenges.

It further identifies the potential of the coastline to drive development through harbours, sea transport and other maritime sector investments, which is largely unexplored by both the public and private sectors. Included within this sub-sector are small-craft harbours, which have the potential to enhance tourism, and create a waterfront node within the Ugu District. The development of both Margate Airport and Small Craft Harbour are key interventions identified as part of this strategic objective in order to address these challenges and opportunities.

3.6.6 Electricity

Eskom is the sole supplier of electricity in all of the Ugu District with the exception of the urban areas of Port Shepstone and Harding. Major capacity problems that affected most of Ugu District were addressed some ten years ago, through the construction of major infrastructure, mostly in the Harding area.

Following from this, capacity problems are of a more localised nature as a result of the "Electrification for All" programme and major developments that have occurred over this time. In addition, future developments, and electrification backlog programmes will require localised infrastructure upgrades such as the proposed new Kenterton Substation which is being built to accommodate electrification backlog requirements.

Generically, commercial developments will not have infrastructure built for them until such time as the relevant developer makes a financial commitment. The proposed new Margate Airport will be a case in point where purpose-built infrastructure will almost certainly be required.

Power quality information is not made available by Eskom so it is not possible to assess problems that may be experienced throughout the Ugu District due to ageing or inadequate infrastructure. However, Eskom keeps extensive records regarding power line performance which heavily influences their annual budgets for refurbishment and maintenance.

Eskom electrification delivery depends on the level of the National Treasury MTEF funding normally projected over a three-year period.

3.6.6.1 Electricity delivery Standards

During the development of the standards it was recommended that households within a distance of 5 km of existing electrical grid infrastructure and with a density of greater than 50 households per square kilometre be treated as households that can receive grid electricity. It was also recommended that households more than 5km from grid and with densities less than 50 households per square kilometre be treated as future “non-grid” customers.

However, in reality, very few households are really more than 5 km from existing grid infrastructure. In addition, Eskom’s approach to cost per connection targets has had to be adjusted upwards as they are still committed to electrifying all households and, after years of electrifying the most viable (lower cost per connection) households, they are now left with mainly “expensive” connections to do. This is generally assisted through the Department of Minerals and Energy (DME) run Integrated National Electrification Programme (INEP).

However, cost per connection motivators will still influence an area’s electrification priority which means that “customer” projects (i.e. to build a power line to a pump stations, Tribal Court, etc.) will reduce the cost per connection of the electrification project if the bulk feeder line no longer needs to be built.

For the backlog analysis, all households greater than 4km from the network and in settlements of less than 50 households per square (50hh/km2) kilometre can theoretically not be supplied by the existing network.

3.6.6.2 Access to Electricity

The total number of households that do not have access to electricity in the Ugu District area of jurisdiction amounts to 26 271 (15%). The major backlog is in Umzumbe (28%) and Umdoni (19%) municipalities. This access to electricity increased by 12% from 70% in 2011 to 82% in 2016.

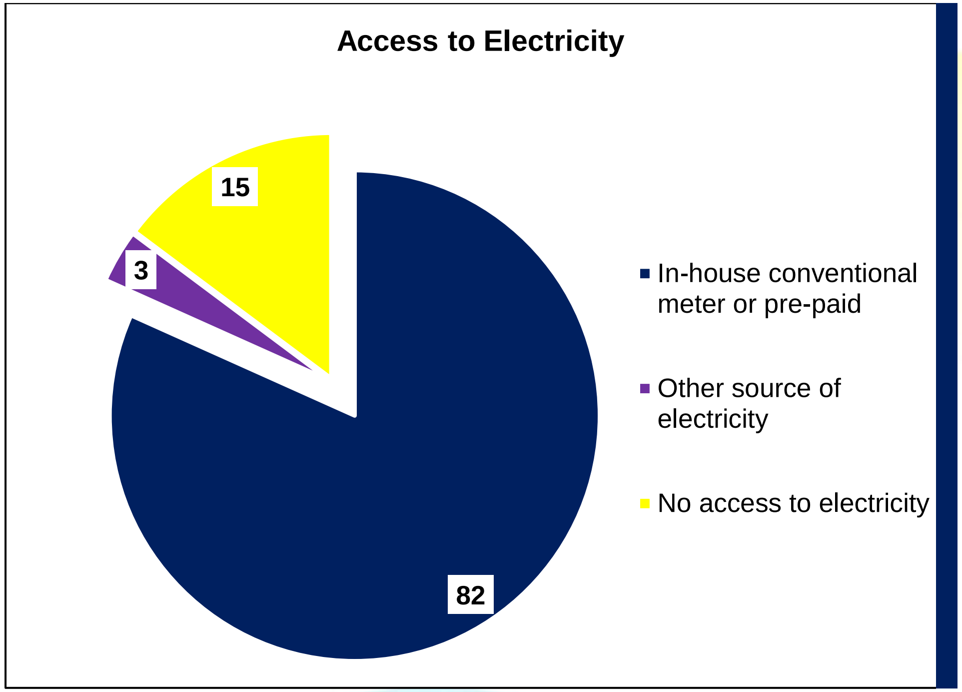


Figure 3.6.6.2.1: Ugu District Access to Electricity

Source: Statics SA Community Survey, 2016

The Department of Energy (DoE) is responsible for the funding of all prepaid electrification which is mainly in Eskom's rural areas of supply.

In terms of commercial development, it was stated in the Ugu Infrastructure Audit that generically, a commercial development "will not have infrastructure built for them until such time as the relevant developer makes a financial commitment. This indicates that current electricity infrastructure is not sufficient to support future commercial development within the Ugu District, and will require financial commitment from the investor themselves.

3.6.6.3 Alternative Energy

With regards to alternative energy, it is clear from the Community Survey 2016 data that there is still very minimal use of alternative energy within the households with electricity being the preferred energy.

Many strides have been taken to promote the use of sustainable alternative source of energy. One of those have been sustainable solar lighting packages offered to rural households and schools without access to the formal electricity grid within the Ugu region. A basic package costed at a once-off payment of R 2 500.00 includes two lights and cell phone charging. A more comprehensive package costed at R 14 000.00 includes energy for a TV, fridge, radio, cell phone charging and three lights. The products are German-made and the installation company has received no come-backs. The main obstacle to roll-out is financing as cash is required upfront. Capitec is the only bank open to financing this market and willing to attend community engagement sessions. Such a product is a serious option for service delivery to scattered rural communities within the district.

3.6.6.4 Current and Proposed Electricity Infrastructure and Capacity

The current Eskom infrastructure footprint, the current supply, planned projects and network status and capacity constraints are reflected in Figure 3.6.6.4.1 to 3.6.6.4.3.

As part of the annual planning, Eskom delineates and modifies planning project footprints and associates these footprints with a planned year and costing. These footprints are reviewed on an annual basis and the current planning footprints are included in the electricity maps. These project footprints provide an indication of community level planned infrastructure.

In addition to these community level projects and regional level infrastructure development planning are also reviewed on an annual basis. This process highlights projects that will not only facilitate these community level projects but also serve to improve the existing network capacity.

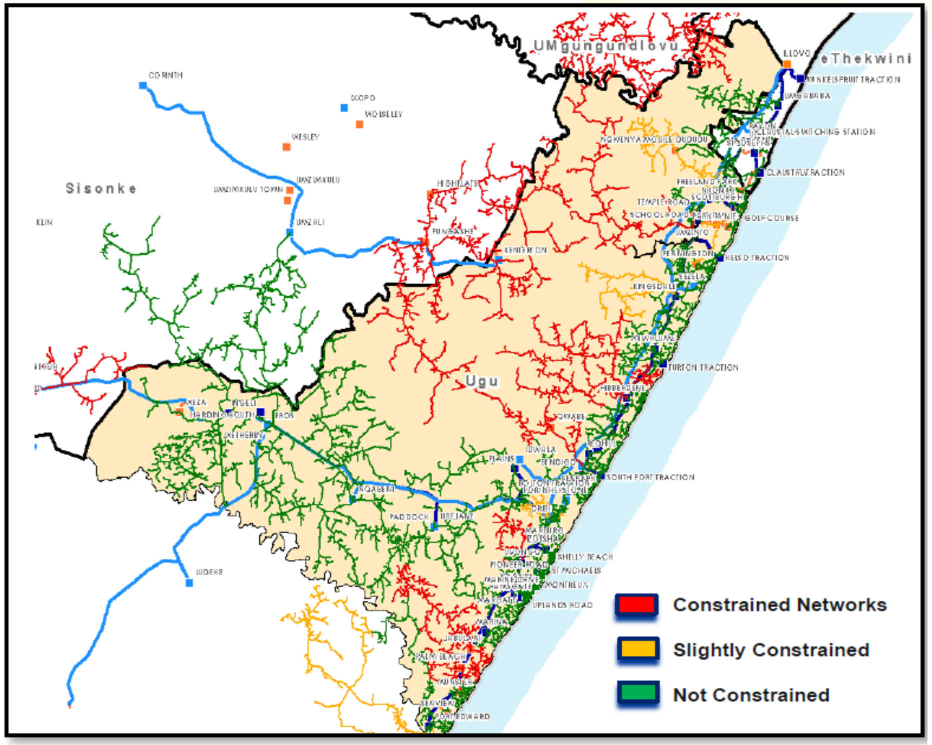


Figure 3.6.6.4.1: Ugu District Electricity Capacity Constraint 2015

Source: Ugu IDP District IDP Rep Forum, 2015

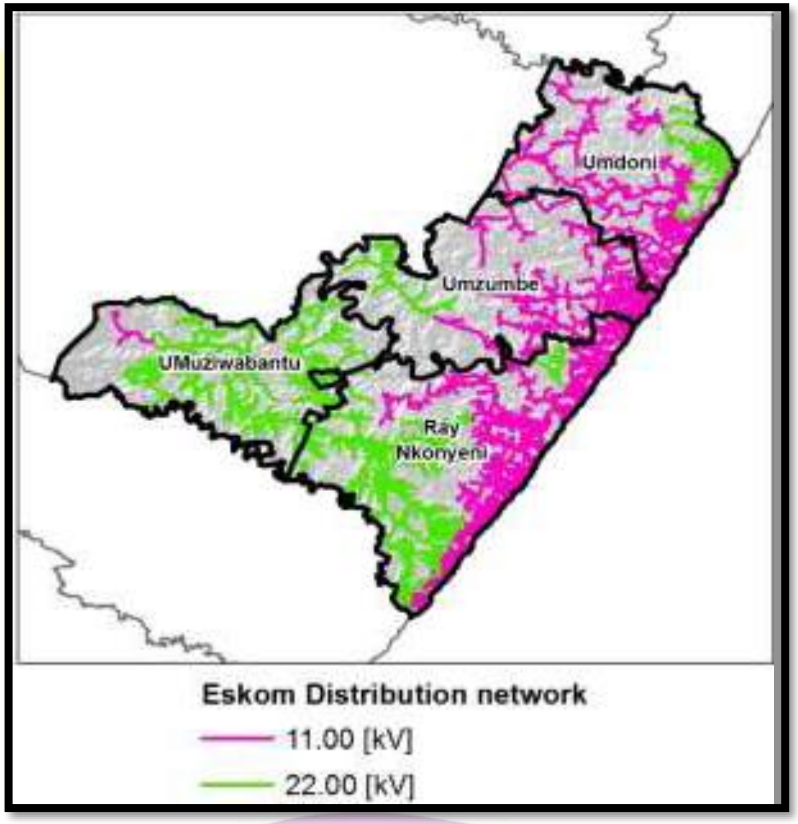


Figure 3.6.6.4.2: Eskom Distribution Network in Ugu District Municipality

Source: Climate Change Draft Strategy, 2017

Regional Planning

To meet the backlog as well as improve the network, regional projects have been identified. The following list highlights these regional projects and their progress to date. Figure 3.6.6.4.3 illustrates these projects spatially.

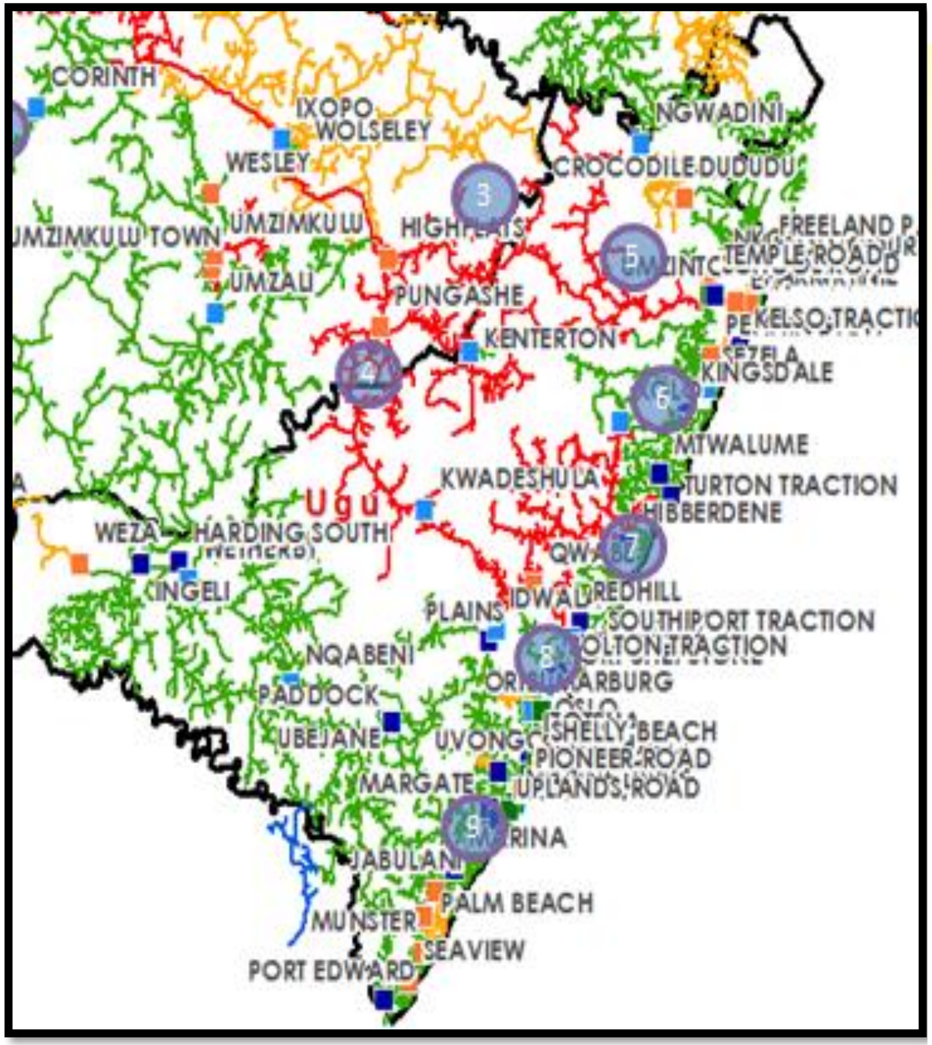


Figure 3.6.6.4.3: Ugu District Electricity Capacity Constraint 2015

Source: Ugu IDP District IDP Rep Forum, 2017

Table 3.6.6.4.1: Proposed and Existing Electricity Infrastructure

Source: Ugu District Municipality IDP Rep Forum, 2017

No.	Project Name	Form Status
3	Highflats NB23 -Pungashe NB41 Hare IC	CRA
4	Highflats NB21 11kV to 22 kV conversion	ERA
5	Ngwadini Substation 132/22 kV establish	CRA
6	Oslo SS 132/11 kV Substation Establish	CRA
7	Qolo Substation Establish	CRA
8	Pungashe NB41 Supply from Kenterton	ERA
9	Marina 132/22 kV Substation Establish	CRA

3.6.7 Telecommunications

Telecommunications data is not easily accessible for the district especially regarding the infrastructure on the ground. Whilst no detailed indication of fixed line or broadband services was available, it has been noted that broadband services are limited and only available in major centres. In response to this need, the Ugu DM has initiated a broadband project for the region.

3.6.8 Access to Community Facilities

Major facilities exist and are evenly spread throughout the District and the entire District is well served for the most part with a range of facilities. Some facilities serve immediate and "local" level populations; while other facilities require large thresholds of support, and consequently serve large areas. Educational facilities have to spread in relation to settlement patterns as they are "local" level facilities and health facilities require large thresholds and consequently will tend to be located at appropriate interceptory locations, mainly at appropriate “Nodes”.

In terms of health care facilities, there are about 75 structures which rangefrom a Mobile Clinic to a regional hospital. The Ugu District area of jurisdiction with regards to Primary Health Care (PHC) facilities has two community health centres, 15 mobile clinics and 53 clinics with the most number of these facilities being concentrated in Ray Nkonyeni Municipality having four of its facilities functioning as 24-hour clinics located in Gamalakhe, Izingolweni, Gcilima and Ntabeni.

With regards to physical educational infrastructure, there are 519 registered public and independent ordinary schools in the Ugu District of which 492 are ordinary public schools, 16 are ordinary independent schools and 3 are special needs schools and 8 are Pre-primary schools.

There are 29 libraries in Ugu District area of jurisdiction which are largely concentrated in the Ray Nkonyeni Municipality; however, there is at least one library in each local municipality. There are only two museums which are all located in the Ray Nkonyeni Municipality. There is a reasonable spread of sport fields in the Ugu District area of jurisdiction with over 50 fields across the district.

The civic centres are only limited to the predominantly urban municipalities and are only three, which are namely, Port Shepstone, Umzinto and Scottburgh Civic Centres. There is however, a wide distribution of community halls across the district which are 47 in total. There are 14 police stations spread across in the district

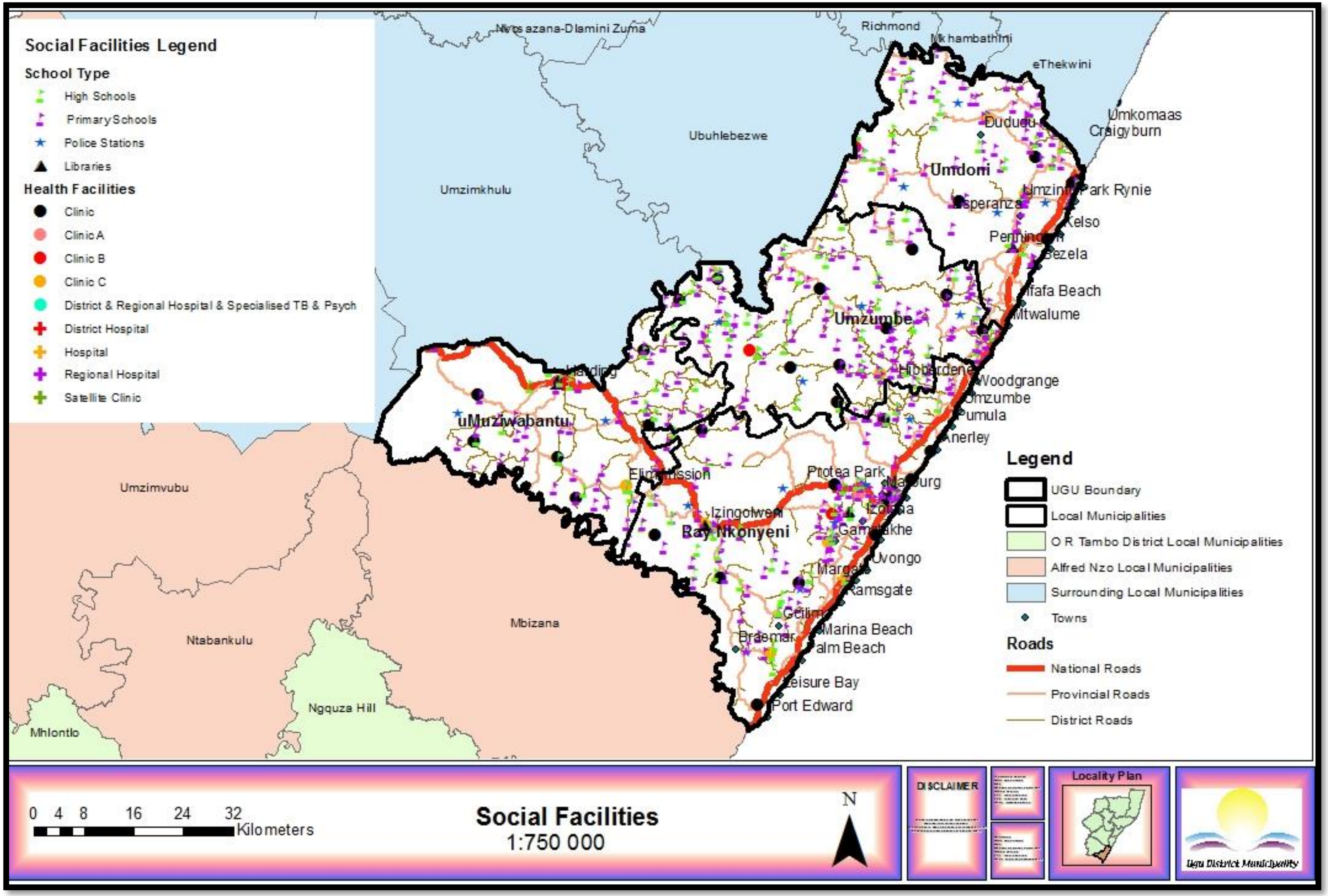


Figure 3.6.8.1: Ugu District Access to Community Facilities *Source: Ugu District GIS, 2015*

3.6.9 Human Settlements

The South African Constitution (1996) names access to adequate housing as a basic human right and as a government department mandated to carry out the roll out of adequate housing, the Department of Human Settlements has its work cut out of for itself. Through various partnerships and other government departments supporting the cause. Though in recent years there has been a shift as far as focusing on housing as the product but rather taking on a more holistic view as far as sustainable human settlements, where citizens benefit from housing situated in favourable locations, near the necessary amenities such as healthcare facilities, police stations, recreational facilities etc. these human settlements are also required to come equipped with the necessary infrastructure including water and sanitation, electricity, a well-maintained and accessible road network etc.

Though the UGU District contains four local municipalities, the pattern of a densely-populated coastline with a sparsely populated hinterland is the overlaying theme and thus the delivery of sustainable human settlements must be planned to address these developmental imbalances. To ensure the vision of sustainable human settlements is fulfilled it is important that all stakeholders' plans align accordingly including that of the district to provide water and sanitation services.

3.6.9.1 Housing Need

There are two main ways of determining housing demand/need within municipal areas. The first method uses census statistics. The housing backlog estimates based on census data takes into account both the population residing in informal settlements, and the creation of housing opportunities for those in inadequate formal shelter, such as outhouses, shaky mud structures or under conditions of over-crowding. The number of beneficiaries identified through project identification should be treated as an interim measure while the municipality prepares a housing list. The data derived from the housing list will complement this data.

3.6.9.2 Informal settlements

The Informal Settlement Eradication Strategy for KwaZulu-Natal (2011) identifies Ray Nkonyeni Municipality as one of the 15 strategic priority areas for strategies and plans to address informal settlements. It identifies four informal settlements and suggests that approximately 4 483 households reside in these areas. The areas being:

- Bhobhoyi Phase 2 with 1100 households.
- Louisiana with 1000 households.
- Masinenge with 1542 households.
- Mkholombe with 1600 households.

However, the municipality has been very progressive in the eradication of informal settlements. The Municipal strategy predominantly aims at providing new Greenfields housing developments near the current informal settlements.

3.6.9.3 Rural Housing

Rural housing projects are at different stages from construction to planning (see chapter 5). Implementation and completion is dependent upon Human Settlement Grant funding from the Provincial Department of Human Settlements (annually). Rural housing projects are implemented mainly on communal land and are based on functional land tenure rights.

3.6.9.4 Gap Housing

The gap housing market comprises people who typically earn between R3 500 and R10 000 per month, which is too little to enable them to participate in the private property market, yet too much to qualify for state assistance. It is difficult to estimate precisely how large the demand for the gap-housing product is, as it fluctuates with interest rate changes and employment levels.

3.6.9.5 Greenfield housing

In addition to the eradication of informal settlements and rural housing projects, the Municipality is also implementing a number of greenfield housing projects. Many these are urban and will contribute significantly towards addressing the housing backlog as it affects both the low income and middle-income communities.

3.6.10 Basic Service Delivery Key Emerging Issues

The emerging key issues with regards to Service Delivery and Infrastructure Development are summarised below.

- There is a need to revitalise the rail line to support the timber industry;
- The rapidly aging infrastructure especially water infrastructure is leading to numerous water outages and slows down the pace of backlog eradication;
- A land audit is required to determine ownership of land as well as vacant land for development and to identify the areas of agricultural potential and agricultural land that is current unused or underutilised;
- Land that is currently being used for housing in the economic centres needs to rather be used for productive industries, with housing provided in proximity to commercial centres;
- There is a low-level of maintenance of bulk services;
- Service delivery to rural areas remains a challenge as costs are escalated due to the scattered nature of rural households;
- More bulk services are required to support tourism and agricultural industries;
- ICT infrastructure is lagging behind within the district and will limit future growth;
- There is a lack of formal waste management systems in rural municipalities;
- There is currently no integrated transport system;
- The maintenance of gravel rural roads is costly and there is no capacity especially in the predominantly rural municipalities to keep up with the demand which is accelerated by the wet climate of KZN.
- There is a lack of infrastructure management and development plans

3.7 Local Economic Development

This section provides a brief overview of the economic indicators of the Ugu District Municipality area of jurisdiction. The data that has been used was sourced from the Statistics SA Census 2011 and 2016 Community Survey results, DGDS, Ugu LED Strategy, Department of Education, and Department of Health.

The municipality is currently reviewing its LED Strategy which was last adopted in 2007 to ensure that there is up to date information regarding the economic state of the district. The reviewed strategy is expected to be adopted by end of June 2018.

3.7.1 Municipal Comparative & Competitive Advantages

The Ugu District has significant economic development potential that if realized could have a substantial positive impact on the lives of everyone that lives, works or visits in the region. The district has notable comparative advantages that could be leveraged, such as:

- Its location with eThekwini bordering to the north and the Eastern Cape to the south.
- A mild, tropical climate that is suited for substantial growth in specific agricultural crops, such as bananas, sugar, and macadamia nuts (dependent on infrastructure investment i.e., irrigation schemes and roads), and all-year-round tourism season.
- Large tracts of undeveloped fertile trust and communal land that could be developed for commercial agriculture.
- A large number of nature and forest reserves and conservancies, including the spectacular 1,880ha Oribi Gorge that offers adventure activities, such as white-water rafting and the world's highest swing and opportunities for growing the hinterland tourism product offering.
- A 112 kilometre coastline with the potential formassive growth in maritime activities, the marketing of a variety of beach experiences, including some with Blue-Flag status; unique adventure tourism activities including the Aliwal Shoal which ranked within the top ten dive experiences in the world and an annual event calendar including the Sardine Run.
- Existing public transport infrastructure that needs to be upgraded and extended such as the railway line that only offers passenger services as far south as Kelso and the Margate Airport that is currently unable to accommodate low-cost airlines.
- Major national and provincial linkage roads with the potential for increasing the accessibility of the region such as the N2 development.
- A relatively diversified regional economy with strong representation of the agricultural, manufacturing, tourism, retail, mining and other sectors.
- Labour availability is another factor that gives Ugu a comparative advantage. There are large rural populations within the District as well as to the South.
- Well established commercial sector and support services: The Ugu District has a strong commercial agricultural sector (cane, timber, macadamias, and bananas in particular). This means that there is existing expertise and support as well as infrastructure and dedicated markets that can be used to uplift the second economy.

Despite these clear comparative and competitive advantages, a situational analysis undertaken of the district in 2011/12 has painted a picture of a district that is underperforming and following a trajectory that is leading to growing unemployment and deepening poverty. Spatially, the district is divided into an urbanised coastal zone with a relatively resilient and diversified formal economy and a largely impoverished rural interior with some large commercial farms and many struggling subsistence farmers.

There is evidence of uneven environmental management resulting in degradation of some natural assets and resources.

3.7.2 Main Economic Contributors

The Ugu District Municipality has five main economic contributors which are, agriculture; tourism; trade and commerce; manufacturing and mining. Sections 3.7.2.1 to 3.7.2.5 give a detailed description of these sectors.

3.7.2.1 Agricultural Sector

The Ugu District area of jurisdiction is blessed with large tracts of fertile soil. Temperate, mild climate with no winter zones, allow for a large variety of crops to possibly be grown over 70 small rivers and several small dams spread around the district with a couple of Irrigation schemes to be upgraded.

The main crop produced is sugar cane, however, there are also forestry plantations, although timber processing takes place largely outside the district. Banana farming, poultry, cattle and goat farming, as well as vegetable farming, occur on a limited scale. Tribal land is used for subsistence farming and only an extremely small part of the land is dedicated to commercial farming.

Sugar cane is sold to the two sugar mills which are within the district and timber is sent to Durban for processing and local furniture manufacturers end up buying the material back from Durban once it is processed. Vegetables and poultry are largely sold to people in the local communities.

It is important however, to note that the agricultural industry is currently under pressure and faces a number of key constraints and opportunities which may include:

- Declining investment in the sector due to declining commodity prices, influx of imports.
- Rising costs of production (Minimum wages, fuel, electricity).
- Lack of broader participation.
- A change of land-use from ‘agriculture’ to other commercial land-uses threatens the sustainability of agricultural industries.
- Coordination is required between local government and Traditional Authorities.
- Competitive advantages include: location, climate, water, tourism, labour availability and well established Commercial Sector and Support Services.

3.7.2.2 Tourism

The Tourism industry is a key contributor to the KZN and Ugu economy which is buoyant with the major activities based on the sea and associated activities. The development and implementation in the Ugu region is driven and headed by the Ugu South Coast Tourism Entity.

The reputation of the area’s tourism sector is based on some of the following aspects:

- Approximately 115km of pristine coastline with seven Blue Flag Beaches
- The world renown Aliwal Shoal as well as many other diving spots
- A variety of opportunities for fishing, both surf and off shore

- ➢ Numerous adventure activities on offer such as the Big Swing at Oribi Gorge
- ➢ A number of pristine, top class golf courses
- ➢ Excellent scenery, landscapes and nature reserves
- ➢ An increasing number of events for both sports people and the general public
- ➢ Accommodation establishments such as the Blue Marlin Hotel

There are also a number of key events that entice both repeat and new visitors to the region, some of these include:

- ➢ Africa Bike Week
- ➢ The Sardine Run (and events surrounding it)
- ➢ ABSA Easter Festival
- ➢ Joberg2C and Sani2C (both finish in Scottburgh)
- ➢ Hibiscus Coast Marathon
- ➢ Ugu Jazz Festival
- ➢ Margate Beach Festival

Table 3.7.2.2.1 outlines a summary of some of South Coast's primary and secondary tourist attractions as well as some of the tourism facilities that support these.

Table 3.7.2.2.1: South Coast Attraction and Facilities

Source: Economic Assessment on Impact of Tourism on S. Coast, 2016

Primary Attractions	• The Sardine Run (Sardine Festival) • Aliwal Shoal • Golf Courses, such as San Lameer and Selborne Park • Lake Eland Game Reserve • Oribi Gorge Nature Reserve (Wild 5 Adventures) • The Waffle House • Blue Flag Beaches, such as Trafalgar Beach • The Aloe Train • CrocWorld • Clear Water Trails Centre • Pure Venom Reptile Park
Secondary Attractions (Niche Markets etc.)	• Adventure tourism, such as mountain biking • Fishing, Surfing, Kite-surfing, and other water-based activities • Events, such as Africa Bike Week • Cultural tourism • Historical and heritage, such as Margate Art Museum • Arts and crafts outlets • Avitourism and other ecotourism and nature-based activities
Tourism Facilities	• Resort hotels (e.g. San Lameer) • Other accommodation establishments • Tourist information outlets and offices • Restaurants and retail enterprises (e.g. The Waffle House and Shelly Beach Mall)

The following figures are based on the estimated number of tourists as this information is not easily accessible from entities/resources such as Stats SA and SAT. The domestic tourists are shown as trips as they may undertake more than 1 trip per year. The total number of domestic tourists that travelled to the South Coast was estimated to be ±569 000. In 2014, international tourist amounted to 61 458 whilst domestic trips amounted to 1 172 140.

The average spend of a foreign tourist in KZN was estimated above to be ±R4 941 per trip while the average spend of a domestic tourist in KZN was estimated above to be ±R979 per trip. Therefore, the following estimates have been made for the direct and indirect economic impact of these tourists.

Table 3.7.2.2.2: Direct and Indirect Impact of Tourism in the South Coast

Source: Economic Assessment on Impact of Tourism on S. Coast, 2016

	Direct	Indirect/Multiplier
International	R 303 663 978	R 607 327 956
Domestic	R 1 147 525 060	R 2 295 050 120
TOTAL	**R 1 451 189 038**	**R 2 902 378 076**

Therefore, in terms of the direct and indirect impact of tourists who travel to the South Coast, the direct impact is estimated to be ±R1.5 billion. When the multiplier is applied, the total impact (direct and indirect) is therefore estimated to be ±R3.0 billion. Thus, the overall economic impact, of simple visits to the South Coast, is equal to ±R4.4 billion (16.2% of KZN) (this excludes the induced impacts as per the model in section 4.2). Therefore, this early evidence already suggests that tourism is a highly valuable sector for economic growth in the region. Figure _ shows the difference in the contribution of domestic tourism and international tourist to the overall economic impact of tourism in the region. It is evident from the graph that just under 80% of the total economic impact in the region is contributed by the domestic tourism sector (it directly contributes approximately R1.1 billion to the local economy of the region).

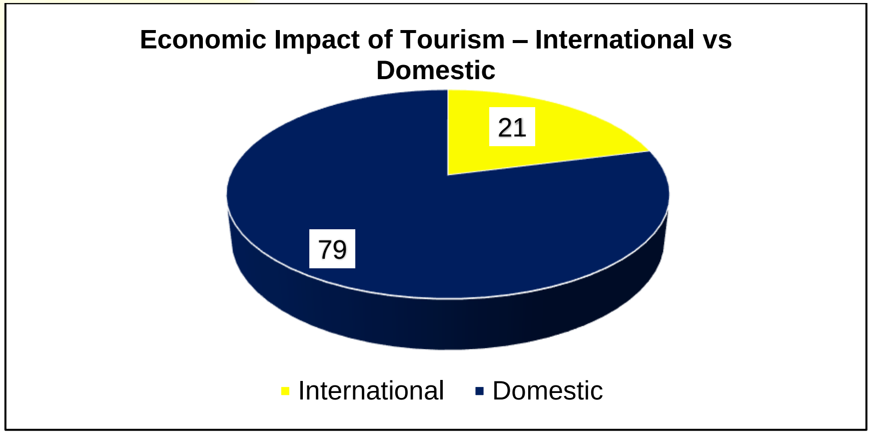


Figure 3.7.2.2.1: Economic Impact of Tourism in S. Coast – Int. vs Domestic

Source: Economic Assessment on Impact of Tourism on S. Coast, 2016

Table 3.7.2.2.3 and Figure 3.7.2.2.1 shows that the 'VFR' market for international trips contributed between R157.9 and R315.8 million (which is 52% of the economic impact of all trips) to local economy of the South Coast region. Following on from the 'VFR' market is the 'Holiday' market which contributes between R81.9 and R163.9 million (which is 27% of the economic impact of all trips) to the local economy.

Table 3.7.2.2.3: Breakdown of International Tourist Markets, 2014

Source: Economic Assessment on Impact of Tourism on S. Coast, 2016

	No. of Tourists	Percentage (Avg. Est.)	Direct Spend	Multiplier/ Indirect Impact
VFR	31 958	52%	R 157 905 269	R 315 810 537
Holiday	16 594	27%	R 81 989 274	R 163 978 548
Business	9 219	15%	R 45 549 597	R 91 099 193
Other	3 687	6%	R 18 219 839	R 36 439 677
Total Int. Trips	**61 458**	**100%**	**R 303 663 978**	**R 607 327 956**

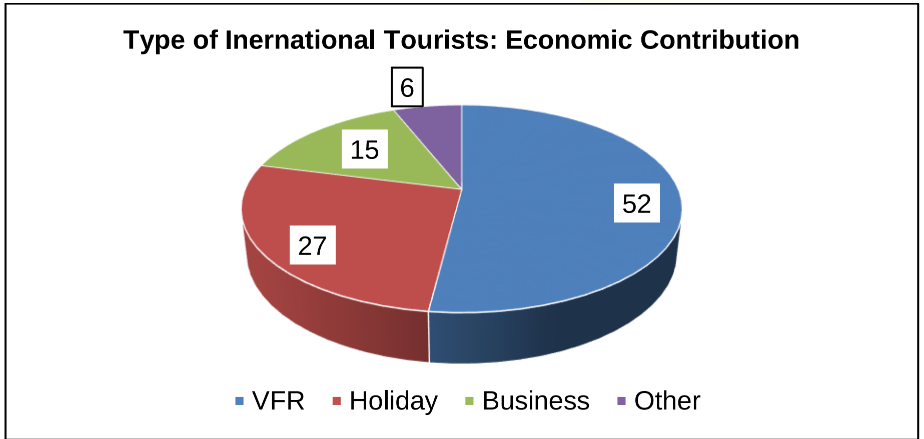


Figure 3.7.2.2.1: Contribution of Various Inernational Markets

Source: Economic Assessment on Impact of Tourism on S. Coast, 2016

In terms of the domestic trips, Table 3.7.2.2.4 and Figure 3.7.2.2.2 shows that the 'VFR' market for domestic trips contributed between R619.7 million and R1.2 billion (which is 54% of the total economic impact) to the local economy of the South Coast. Once again, the 'Holiday' market follows on from this with the total contribution estimated at being between R424.6 and R849.1 million (which is 37% of the total economic impact) to the local economy.

Table 3.7.2.2.4: Breakdown of Domestic Tourist Markets, 2014

Source: Economic Assessment on Impact of Tourism on S. Coast, 2016

	No. of Tourists	Percentage (Avg. Est.)	Direct Spend	Multiplier/ Indirect Impact
VFR	632 956	54%	R 619 663 532	R 1 239 327 065
Holiday	433 692	37%	R 424 584 272	R 849 168 544
Business	105 493	9%	R 103 277 255	R 206 554 511
Other	-	0%	-	-
Total Domestic Trips	**1 172 140**	**100%**	**R 1 147 525 060**	**R 2 295 050 120**

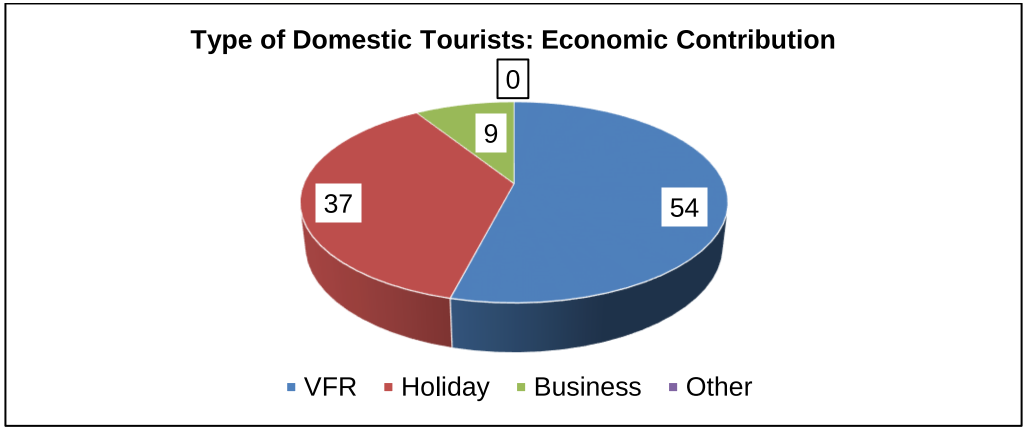


Figure 3.7.2.2.2: Contribution of Various Domestic Markets

Source: Economic Assessment on Impact of Tourism on S. Coast, 2016

In terms of the total trips (i.e. both international and domestic), Table _ shows that, when combined, the 'VFR' market is still the largest and it contributes between R777.6 million and R1.5 billion (54%) to the local economy. In keeping with the trend, the 'Holiday' market contributes between R506.6 million and R1.01 billion (37%) to the local economy

Table 3.7.2.2.5: Breakdown of Markets, All Trips, 2014

Source: Economic Assessment on Impact of Tourism on S. Coast, 2016

	No. of Tourists	% (Avg. Est.)	Direct Spend	Multiplier/ Indirect Impact
VFR	664 914	54%	R 777 568 801	R 1 555 137 602
Holiday	450 285	37%	R 506 573 546	R 1 013 147 093
Business	114 711	9%	R 148 826 852	R 297 653 704
Other	3 687	0%	R 18 219 839	R 36 439 677
Total Econ. Impact	**1 233 598**	**100%**	**R 1 451 189 038**	**R 2 902 378 076**

The biggest challenge of the district when it comes to tourism remains the difference between the developed / tourist coastal strip and the underdeveloped / rural hinterland. The other challenges facing the tourism sector in the district are:

- There is a small range of tourism products in the district as the tourism product in the area revolves largely around the beaches.
- There is a general lack of skill amongst local people especially the rural people as they do not have an understanding of what kind of tourism businesses could be successful.
- There is poor accessibility to areas outside the coastal strip as the roads leading into the inland section of the district are very poor and as a consequence, very few tourists venture that way.

3.7.2.3 Manufacturing (Industrial)

The sector has been largely ignored in terms of analysis and funding by local authorities. The manufacturers are quite small and suffer from competition from larger factories outside Ugu and the few bigger manufacturers often struggle to find a reliable long-term supplier locally (e.g. within the furniture sub-sector, suppliers of inputs like wood and lacquer). Cost of utilities provided is far too high and suitable land for industrial activity is not readily available. Furthermore, there is a lack of basic and technical skills. Companies need to train locals or hire in bigger centres.

There are however opportunities that can be explored within the sector such as the labour that is relatively cheap and the coastal area is connected to bigger centres like Durban. The housing and property sector is booming in the area (i.e. increasingly more people want to move to or retire on the South Coast), and some manufacturing sub-sectors like furniture should benefit from that.

Spatially, manufacturing remains clustered close to the major nodes of Port Shepstone and Marburg, due to the availability of serviced land and connectivity to the N2 network. Ugu District's major manufacturing activities include clothing, textiles, metal products, cement production, food and beverages and wood products. Ugu has the only 'marble' delta within the province, mined for cement and calcium carbonate. NPC CIMPOR is the province's premier cement manufacturing company and has developed an R 800 million operation in the Oribi Gorge region.

More than 75% of the 242 registered manufacturing enterprises in Ugu on the district levy database are located in the Hibiscus Coast Municipality, mostly in the Port Shepstone / Marburg and Margate areas. The developed industrial areas in Ugu are situated in Port Shepstone / Marburg, Park Rynie, Umzinto North, Umzinto South, Margate Quarry, Margate Airport and Harding. Table 3.7.2.3.1 below shows the spatial distribution of manufacturing activity in the District.

Table 3.7.2.3.1: Ugu District Spatial Distribution of Manufacturing Activity

Source: Ugu District DGDS, 2013

Manufacturing Sector	Ray Nkonyeni	Umdoni	Umuzi-wabantu	Total in Sector	% Per Sector
Construction Related	32	6		38	15.7%
Clothing and Textiles	25	7		32	13.2%
Printing	25	5	1	31	12.8%
Metal	22	7	1	30	12.4%
Timber and Related	18	4	8	30	12.4%
Furniture	18	3	2	23	9.5%
Chemicals	12			12	5.0%
Food and Beverages	7	3	2	12	5.0%
Signage	10			10	4.1%
Vehicle	9		1	10	4.1%
Crafts	4	1		5	2.1%
Other	3			3	1.2%
Packaging	2		1	3	1.2%
Fibre glass	1	1		2	0.8%
Mining	1			1	0.4%
Total	189	37	16	242	100.0%

The key industrial sectors in the Ugu district are agri-processing, timber and timber products including furniture, clothing and textiles, food and beverages, arts and crafts and construction related manufacturing. Nearly 75% of the manufacturing enterprises in Ugu are small enterprises (less than 50 employees), with a handful of manufacturers in Ugu being medium and large businesses. The majority of firms produce only for the local market with less than a quarter of firms targeting the international market – these being mostly the larger clothing and textiles, and timber related industries. Many manufacturing firms are optimistic about future developments of their businesses, though some identified skills and labour, transport and roads, and access to finance as constraints to potential development of their businesses.

3.7.2.4 Trade and Commerce

The sector comprises about 56% of the Ugu economy and includes wholesale and retail trade, finance and business services, community, social and other personal services including provincial and local government, hairdressing, funeral services. Within the local municipalities, the sector constitutes about 60% of the economy in Ray Nkonyeni, about 50% of the economies in Umdoni, Umzumbe and Umuziwabantu, and about 36% of the economies in Umdoni and Ray Nkonyeni. The main commercial hubs in Ugu are Port Shepstone, Shelly Beach, Margate, Port Edward, Hibberdene, Pennington, Scottburgh, Dududu, Phungashe, Ezinqoleni and Harding.

A survey amongst formal businesses in most of the commercial hubs revealed the large impact that tourism has on the local economy. Nearly 43% of businesses rely solely on tourists for customers, with a further 10% relying on both tourists and local residents. Most businesses surveyed indicated improved business performance in the past two years, with more than three quarters of business upbeat about future business prospects in Ugu. The majority of surveyed businesses felt services and infrastructure support from local government to be inadequate and suggested that local government must focus on infrastructure improvement and maintenance to improve the local business climate.

Key to development of this sector is SMME development, in particular in underdeveloped areas. In most cases this would entail support for development of informal enterprises. Due to its very nature, informal sector activities are hard to measure. The size of the informal sector activities is estimated to be between 10% and 20% of economically active population. The urban informal economy in Ugu is distinctly different from the rural informal economy. While the former consists mostly of traders targeting tourists, the latter consists of construction, transport, food production, wood products, traditional medicines and other activities that target the rural populace in the absence of formal enterprises. In both urban and rural informal economies, there is a lack of market space, facilities, and storage, as well as access to affordable finance.

3.7.2.5 Mining

There is negligible new investment in the sector. Reasons offered for this poor performance include the impact of the National Credit Act, especially in the construction sector, electricity supply shortages; competition from cheap cement imports 36 and the global economic recession. The sector is highly capital intensive and requires market stability to encourage investment.

The two major mining industries produce limestone related products. Alpha Carbonates, located in the Ray Nkonyeni local municipality, supplies the fertilizer, animal fodder, paint, paper and plastic industries. Simuma Cements, located in the Ray Nkonyeni local municipality, largely supplies the construction sector 37. NPC has two quarries in the region based in Margate and Marburg38 . There is some local sourcing of supplies and services by these firms in terms of engineering support systems but large equipment such as stone crushers is sourced from Durban.

Smaller contractors within this sector have battled for survival largely owing to delays in government payments. The construction sector within the Ugu District largely services the public sector such as the provision of low-cost housing, schools, and clinics.

There are some cautious expansion plans in the sector. For example, NPC has recently acquired the mining rights to adjacent land that it has recently purchased. The life span of this deposit is 10 – 15 years.

The formal mining sector in the district has regular inspections by the Department of Minerals and Energy and rarer inspections from the

Department of Labour in terms of the Occupational Health and Safety Act. Both SIMUMA and IDWALA have approved Social and Labour Plans. The firms have approved Environmental Management Plans that are audited and address issues such as rehabilitation.

The formal expansion of small to medium-scale building material in mining is possible within the Ugu district and potential exists to develop stone-crushing plants and lime and cement mining activities.

However, illegal small-scale mining and quarry (including sand-mining and water extraction) is happening extensively around the district, particularly in rural areas. These illegal operators are undercutting formal suppliers in the market with the result that some formal suppliers are sourcing from the illegal operators in order to remain competitive in the market. The negative consequences of these activities include environmental degradation and an inability to ensure sand replacement along the coast, increasing vulnerability of workers and downward pressure on wages and benefits, poorer quality products, decrease in tax revenue to the state, and an informalisation of the formal economy. Greater monitoring and regulation of such activities is required to avoid such negative consequences.

3.7.2.6 Employment and Income Levels

As per the Stats SA Census the unemployment rate (official) has shown a steady decrease from 40.7% in 1996 to 29.1% in 2011 and the decrease is also evident in the youth unemployment rate. The number of households in the Ugu District area of jurisdiction grew by 16% (28829 hh) from 2001 to 2011. The number of indigent households decreased by one percent in 2011 from 2001 as shown in Table 3.7.3.1. Furthermore, as reflected in Table 3.7.3.1, there hasn't been much change in the annual household's income from 2001 to 2011 in Ugu District Municipality area of jurisdiction. The number of people receiving some of state grant is high as about 40% of the total population receives some form of government grant in the district.

Table 3.7.3.1: Employment and Income Status Ugu District Municipality

Source: Statistics SA, Census 2011, Community Survey 2016

Socio-Economic Indicators	2001	2011	2016
Employment Status			
Unemployment Rate (official)	38,3	29,1	No Info.
Unemployment Rate(Youth)	44,6	36,0	No Info.
Main Occupation Sector	No Info.	Formal sector	No Info.
Income Status			
Indigent Households (below R800)	29%	28%	No Info.
Social Grants Recipients	No Info.	40%	66.5 %
Annual Households Income			
R 1 - R 9600	15%	14%	No Info.
R 9601 - R 38 200	46%	45%	No Info.
R 38 201 - R 153 800	18%	18%	No Info.
R 153 801 - R 614 400	6%	7%	No Info.
R 614 001 - R 2 457 600	1%	1%	No Info.
R 2 457 601 or more	0%	0%	No Info.
No income	14%	14%	No Info.

The income levels of the Ugu District Municipality area of jurisdiction are relatively low as reflected in Table 3.7.3.1 above. This may be associated with the low education levels as discussed in section 3.8.1.

3.7.3 Creation of Job Opportunities

Unemployment has been identified as one of the major structural constraints within KZN and contributes to high levels of poverty and income inequality, and deteriorates the overall quality of life of the people of the Province. High unemployment results in high dependency ratios, with many more people relying on fewer wage earners. This has resulted in the phenomenon of a large number of working households living near or below the poverty line. Currently an unequally large proportion of the population of KZN relies on grants and related forms of welfare as a source of income.

The situation of the Ugu District is similar to that of the province. It is for this reason therefore that the district also views job creation as a primary means through which economic growth and transformation can occur by distributing the benefits of growth more widely and consequently reducing dependency on the welfare system. This will require investment and interventions by both the public and private sector in order to create a more enabling environment to stimulate the generation of employment opportunities and inclusive economic growth.

The district has explored the Expanded Public Works Programme (EPWP) and Community Works Programme as two main programmes to create job opportunities especially in the rural areas where there is extreme poverty. There are also other programmes such as SMME Development and Private Public Partnerships that the district is engaging on.

3.7.3.1 Expanded Public Works Programme (EPWP)

The EPWP is a National Government strategy aimed at eradicating poverty, while creating jobs and providing opportunities to the previously disadvantaged communities through the provision of temporary employment opportunities, labour training, learnerships and skills programmes, etc. The philosophy of the EPWP, with its focus on labour intensive methods is adopted wherever possible and practical in the areas of housing and basic service delivery in order to provide a direct municipal response to the high unemployment rate in Ugu District area of jurisdiction.

At a community level, the intention is to use the infrastructure provision platform to stimulate socio-economic activities within communities, not only in terms of job opportunities, but also with the packaging of appropriate training such as life skills, technical skills and area based livelihood skills for the communities that work on these projects. In addition, in response to growing construction industry demands, a multi-tier contractor development programme provides training and mentorship in labour based construction technologies. The focus is on the number of sustainable employment opportunities (also referred to as full-time job equivalents), training, contractor and cooperative development.

Table 3.7.4.1.1 shows the number of job opportunities that have been created through EPWP visa viz the number of days worked for the Ugu District family of Municipalities.

Table 3.7.4.1.1: Ugu District EPWP Job Opportunities

Source: Ugu PMU, 2014

Municipality	Days Worked	Work Opportunities
Ugu	6 946	221
Former Vulamehlo	400	10
Umdoni	1 658	35
Umzumbe	1 910	55
Umuziwabantu	778	19
Ray Nkonyeni	5 895	142
Total	17 587	482

In the financial year 2015/16, the UGU District Disaster Management Centre implemented a pilot EPWP Project for Disaster Management Section within Umzumbe Local Municipality. The EPWP structure is made up of volunteers from different parts of the municipal wards and will be eventual implements in all 4LMs. Terms of Reference for the said structures were formulated and are in place. Umzumbe Local Municipality has a total of 40 Volunteers who form part of the structures that are fully active.

The District will provide all necessary tools/resources including the necessary training such as Basic Disaster Management, First Aid and Basic Fire Training. Monitoring and mentoring is done by the District supported by Umzumbe Local Municipality. The programme commenced on the 01 February 2016 and will run for a period of six (6) months.

3.7.3.2 Community Works Programme (CWP)

The CWP is a community-driven government programme based in the Department of Cooperative Governance (DCoG). The primary purpose of the CWP is to create access to a minimum level of regular and predictable work for the unemployed and/or under-employed, providing a small income and work experience. It also aims to contribute to the development of community assets and services, community development approaches, especially community participation, strengthen the economic 'agency' of people in marginalized economic areas, thereby enhancing dignity and promoting social and economic inclusion.

Community Work Programme aims at creating access to a minimum level of regular and predictable work for those who need it, targeting areas of high unemployment, where sustainable alternatives are likely to remain limited for the near future. In this process, the CWP's purpose is also to achieve the following:

- Provide an employment safety net in recognition of the fact that sustainable employment solutions will take time and will reach the most marginalised last;
- Contribute to the development of public assets and services in poor communities;
- Strengthen community development approaches, including community participation Department of Cooperative Governance; and
- Strengthen the economic 'agency' of people in marginalised economic areas through the provision of work opportunities and work experience thus enhancing dignity and promoting social and economic inclusion.

Profile of CWP in Ugu District Municipality

CWP was first introduced to the Ugu District in 2009 when the Umzumbe local municipality was included in the initial pilot. Umzumbe Municipality has been operating since then. In 2012 three new sites were added as part the roll out of the programme. Since 2012 KZN has 29 CWP sites. CWP is currently being implemented in four local municipalities in the Ugu District. The municipalities benefiting are Umdoni, Umzumbe, Ray Nkonyeni and Umuziwabantu. There are no indications that the programme will expand to cover more sites in the next financial year although there are indications that the programme will continue for the next three years.

Table 3.7.4.2.1: Ugu District CWP Job Opportunities

Source: AFSA, 2017

Municipality	Target	Actual
Vulamehlo (now under Umdoni)	1000	1051
Umdoni	450	449
Umzumbe	1500	1517
Hibiscus Coast (now Ray Nkonyeni)	450	341
Ezinqoleni (now Ray Nkonyeni)	1000	1117
Umuziwabantu	1000	1077

There is a 10% allowance over and above target, hence some numbers are above the target.

3.7.3.3 Environmental Job Opportunities

There are currently two active projects funded by DEA namely: Working for the Coast (Amahlongwa-Umthamvuna) and Humberdale Phase 2 Landfill Site (Umdoni LM).

WftC - Working for the Coast Project (Amahlongwa-Umthamvuna River) has a total number of 98 Participants for the 2016 /2017 cycle. The benefiting municipalities are Umdoni, Umzumbe and Ray Nkonyeni. The deliverables are as follows:

- Coastal cleaning,
- removal of invasive alien vegetation,
- and infrastructure upgrade and rehabilitation with the aim of protecting coastal environmental assets.

Humberdale Phase 2 Landfill Site (Umdoni LM)- has a total number of 120 participants over a period of 8 months. The deliverables include:

- Construction of the Phase 2 Cell
- Bulk excavation and lining
- Upgrading of gravel road

3.7.4 Local Economic Development Emerging Key Issues

The emerging key issues with regards to Local Economic Development analysis are summarised as follows:

- Lack of capacity to facilitate and manage Anchor projects,
- Lack of mainstreaming of LED across local government functions,
- Poor conceptualization of LED projects,
- Poor support and alignment with Land Affairs and Rural Development on Agriculture Sector,

- Weak Private sector partnerships,
- Lack of detailed and up to date economic data
- Poverty, unemployment and low levels of economic growth
- The low levels of economic activity in rural areas
- Shortage of investment in the Human Development Capital
- Difficulty for disabled persons to find employment,
- Investment promotion and facilitation as a catalyst for securing new investment and creating jobs,
- Ensure coordinated, streamlined investment promotion activities between itself and local municipalities,
- The assurance of a seamless communication across all tiers of local government, in terms of skills development, training and interventions to retain the current out-migration of skills is proving to be a challenge.

3.8 Socio Economic Indicators

This section provides an analysis of the current socio-economic status of the district through looking at the poverty levels, educational and health status, safety and security, nation building and social cohesion, and community development with focus on vulnerable groups.

3.8.1 Levels of Poverty

It is perhaps important that this section begins with giving an overview of the levels of poverty in the district even though it will not go in depth to identify the underlying causes of poverty. The Multi-Dimensional Poverty Index from Statistics South Africa measures the four poverty dimensions as illustrated in figure 3.8.1.1 below.

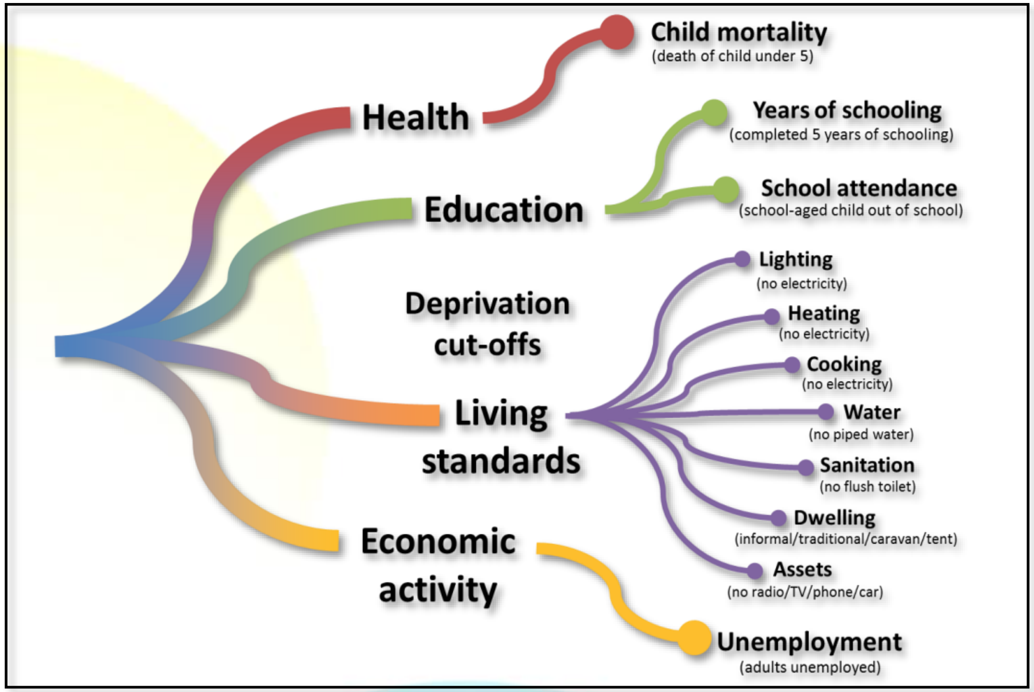


Figure 3.8.1.1 Four Dimensions of Porverty

Source: Statics SA SAMPI, 2016

The multi-dimensional poverty level in the Ugu District Municipality is 15% as reflected in Table 3.8.1.1. There has been a reasonable decline in the poverty levels in the Ugu District area of jurisdiction moving from 32% in 2001 to 15% in 2016, a decrease of 17% over 15 years (see Table 3.8.1 and Figure 3.8.1.2). It is worth noting however, the poverty intensity has remained at an average of 42% of the same period as reflected in Table 3.8.1.1.

Table 3.8.1.1: Ugu Multi-Dimensional Poverty Index

Source: Stats SA, 2016

Municipality	Headcount (%)			Intensity (%)		
	2001	2011	2016	2001	2011	2016
Ray Nkonyeni	25	12	11	43	42	42
Umdoni	29	22	13	44	43	42
UMuziwabantu	38	17	17	42	42	43
Umzumbe	37	23	19	42	41	43
Ugu	32	19	15	43	42	43

Taking a closer look at the district and its family of municipalities, it comes as no surprise that the predominantly rural municipalities are plagued with the highest poverty rates as illustrated in figure 3.8.1.2. The Umzumbe municipality endures the highest poverty levels with Ray Nkonyeni municipality enduring the lowest at 19% and 11% respectively.

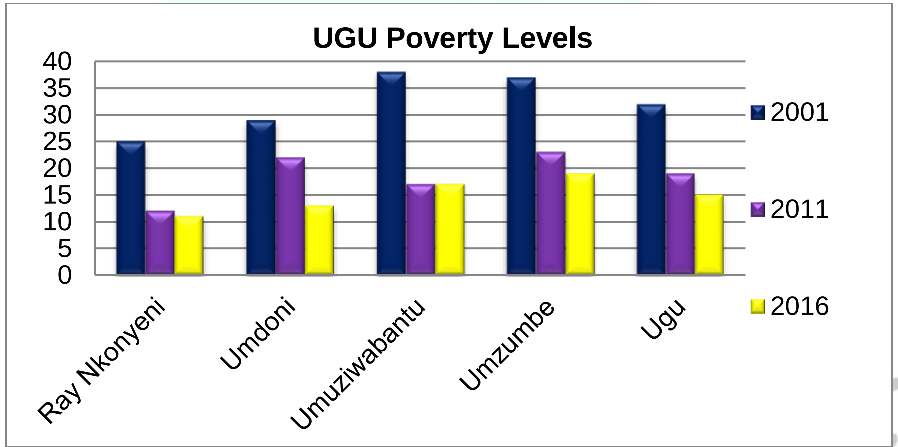


Figure 3.8.1.2 Ugu Multi-Dimensional Poverty Levels

Source: Statistics SA, 2016

3.8.2 Operation Sukuma Sakhe (OSS)

The Operation Sukuma Sakhe Programme, formerly known as the Flagship, Social Cluster Programme (War on Poverty), was introduced to the Ugu District in 2009. In introducing the programme, the Kwa-Zulu Natal, Office of the Premier gave a mandate to all districts, to ensure successful implementation of the OSS programme.

In terms of structural framework, OSS has Ward Task Team, Local Task Team, and District Task Team as reflected in Figure 3.8.2.1 below.

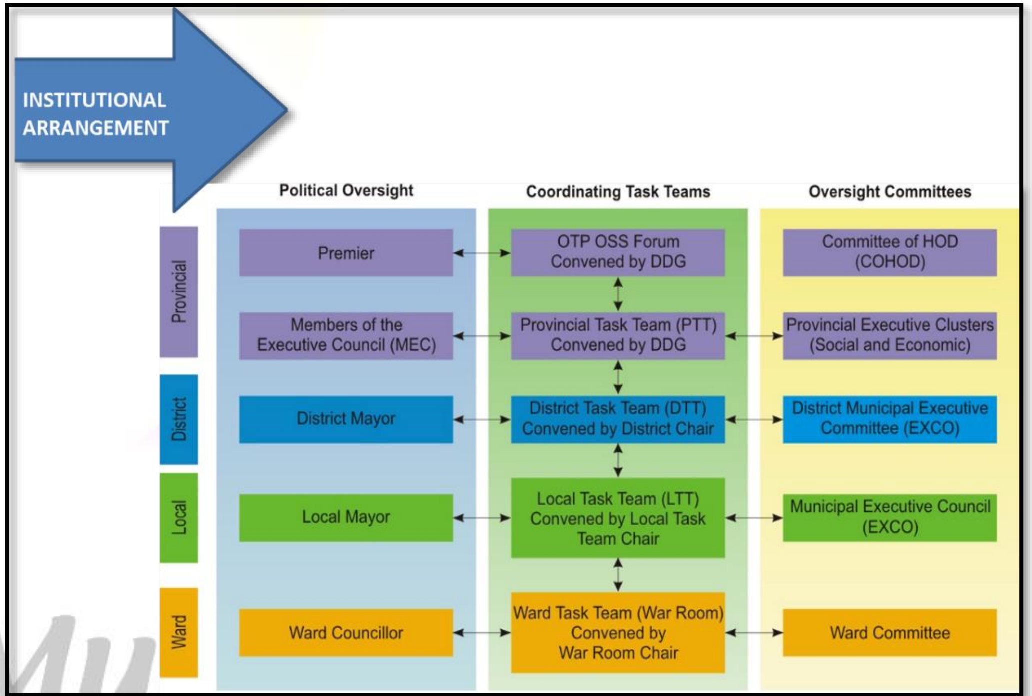


Figure 3.8.1.2 Ugu Operation Sukuma Sakhe Structural Framework

Source: Statistics SA, 2016

Ward Task – Team

The ward task-team comprises of members of WAC, Sector Departments, Private Sector, Traditional Council, Traditional Healers, Ward Committee, Youth Sector, Disability Sector, Gender Sector, Senior Citizens, Community Care-Givers, Crime Prevention Volunteers, NGOs, FBOs, Moral Regeneration. Ward Councillor acts as a champion of the War Room.

Ward Task-Team Function –

- Identifies the needs of the community at ward level through CCGs and volunteers through profiling;
- Discusses all information received and refers to relevant sector departments and municipalities for relevant intervention;
- Consolidates reports on all interventions, events, reports from WAC and statistics from sector departments; and reports to the LTT of the municipality; and
- Oversight, coordination and implementation of household profiling and the facilitation of interventions.

Local Task – Team

The structure comprises of members from WAC, Ward Task-Team, Sector Departments, Managers from Municipalities, Political Principals from the local municipality.

Local Task-Team Function -

- Consolidates and compiles all reports from Ward Task-Team and forwards to the District Task-Team;
- Executive structure of the Local Task-Team Attends District Task-Team meetings;
- Monitors and evaluates the performance of the Ward Task-Teams; and
- Provides mentoring to the Ward Task-Team.

District Task –Team

The structure comprises of political champion (MEC), administrative campion (HOD), district convener, Local Task-Team, senior departmental and municipal officials, sector department managers, political principals form Local Municipalities, civil society, and all other relevant stakeholders.

- Political Champion (MEC) - to provide political leadership and guidance.
- Administrative Champion (HOD) - to provide administrative leadership and guidance – develop a monitoring mechanism in terms of the participation and compliance of government departments.
- District Convener - to provide the linkages between the Office of the Premier and the District Task-Team.

In terms of functionality of the Operation Sukuma Sakhe in Ugu District Municipality, 5% is fully functional, 57% is functional, 14% poorly functional and 24% is not functional.

3.8.3 Educational status

In terms of the educational profile of the Ugu District Municipalty the Stats SA Census, 2011 shows that the literacy rate has grown by 5% from 73% in 2001 to 78% in 2016. There has been a gradual increase of the percentage of people with grade 12 / Std 10 from 7% in 2001 to 17% in

2016 as illustrated in figure 3.8.1.1. There has also been a slight increase in the number of people who completed higher education even though the numbers are still relatively low. Based on these stats it is evident that the Ugu District Municipality has a low skills base.

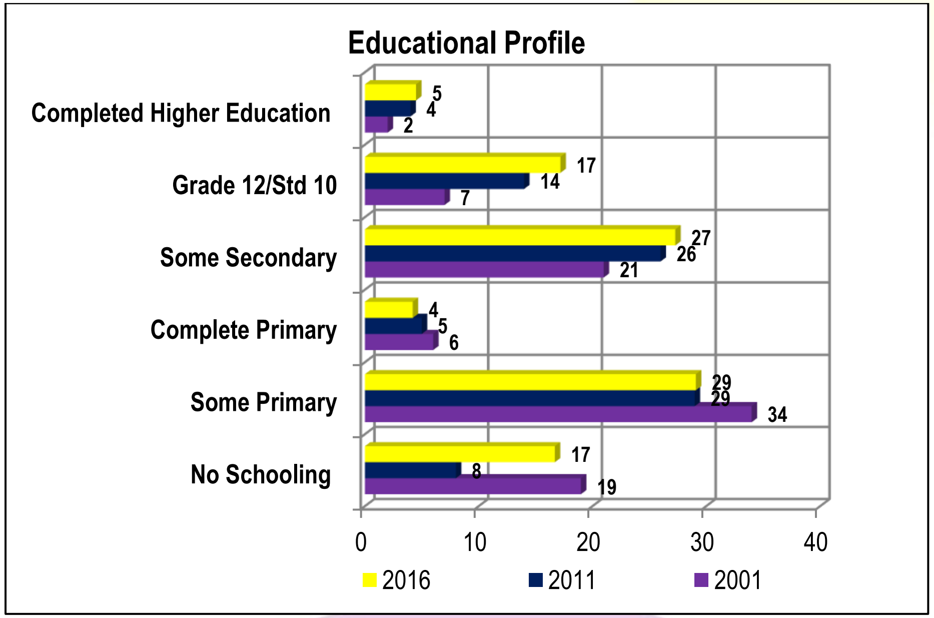


Figure 3.8.3.1: Ugu District Municipality Educational Profile

Source: Statics SA Community Survey, 2016

Table 3.8.3.1 gives an analysis of the grade 12 pass rate over the past five years starting from 2012. Based on these statistics as received from DoE there has been a steady progress and increase in the grade 12 pass rate with the exception of the 2014 academic year. Furthermore, there are more people passing with higher certificate and diplomas than those with the bachelors.

Table 3.8.3.1: Grade 12 Pass Rate

Source: Department of Education, 2017

	2012		2013		2014		2015		2016	
	No.	%	No.	%	No.	%	No.	%	No.	%
Candidates	9355		10146		9367		12073		10653	
Passed	6741	72	7624	75	6798	73	7141	59	6 993	65.64
Failed	2614	28	2522	25	2569	27	4711	39	3 660	34.36
Bachelors	2496	37	3072	40	2488	37	1254	10	2 534	36.24
Diploma	2638	39	2821	37	2745	40	2824	23	2 696	38.55
Higher Certificate	1607	24	1731	23	1565	23	2003	17	1 763	25.21

To further analyse the educational status in the district this section interrogates the level of schools' access to basic services. Table 3. 8.2 shows the level of school access to basic water services. With regards to water services the statistics show that 35 (7%) schools in the Ugu area of jurisdiction have no access to basic water and about 29% use tanks. 3.8.3.3 show the level of school access to basic sanitation services.

Table 3.8.3.2: Schools Access to Water

Source: Department of Education, 2015

Municipality	On-Site	Off-Site	Borehole	Mobile	Tanks	None
Former Vulamehlo	44	18	5	5	59	12
Umdoni	37	1	1	2	22	1
Umzumbe	49	11	10	7	142	18
Ray Nkonyeni	120	25	11	4	82	1
Umuziwabantu	38	10	9	4	41	3
Ugu DM	291	28	14	13	152	35
%	**55**	**5**	**2**	**2**	**29**	**7**

Table 3.8.3.3 shows the level of access to sanitation services within Ugu District area of jurisdiction. What is worth noting is that all the schools do have some level of access to sanitation. However, the high percentage of pit latrines (50%) is cause for concern as per the standards of Ugu District as the VIP is the minimum acceptable sanitation standard. Table 3.8.3.4further shows the schools' level of access to electricity. About 90% of the schools have access to electricity through Eskom, about 5% using alternative energy and only 4% having no access at all.

Table 3.8.3.3: Access to Sanitation

Source: Department of Education, 2015

Municipality	Flush Toilet	VIP	Pit Latrine	Temporary
Former Vulamehlo	11	36	47	1
Umdoni	22	11	20	0
Umzumbe	10	52	117	6
Ray Nkonyeni	53	38	66	8
Umuziwabantu	10	18	31	2
Ugu DM	106	155	281	17
%	**19**	**28**	**50**	**3**

Table 3.8.3.4: Access to Electricity

Source: Department of Education, 2015

Municipality	Eskom	Generator	Solar	None
Former Vulamehlo	73	2	3	6
Umdoni	46	1	1	1
Umzumbe	150	6	10	9
Ray Nkonyeni	149	1	0	3
Umuziwabantu	52	1	0	2
Ugu DM	470	11	14	21
%	**91**	**2**	**3**	**4**

3.8.4 Health

This section provides a brief analysis of HIV/Aids, child mortality rates, accessibility to health facilities and the implications of all these factors.

3.8.4.1 HIV / AIDS and TB Control (HAST)

The prevention of new HIV infections remains a priority with the main focus on male medical circumcision (MMC) and increasing condom distribution. As depicted in Table 3.8.4.1.1 HIV related and TB deaths account for 35% of total deaths in the district.

The incidence of TB in Ugu has not abated and is being driven by the high HIV prevalence in the community. The District has made remarkable progress in the TB cure rate over the past two years from 66% to 84% successfully treated. Screening for TB is being undertaken at each clinic visit. For TB incidence, TB HIV coinfection and TB treatment success rate, Ugu is ranked among the 10 worst performing districts in the country

Table 3.8.4.1.1: Causes of mortality Ugu deaths

Source: Ugu DHP, 2016/17

Broad Definition	% of Deaths
Communicable diseases, maternal and Peri-natal	18.8%
HIV-related and Tuberculosis	35.8%
Non-Communicable Diseases	31.3%
Injuries	14.1%

3.8.4.2 Child Mortality Rates

Safe infant feeding and early identification of poor growth remain as major district strategies to improve infant survival. Early antenatal care, safe delivery practices and adequate postpartum care are keys to improving maternal health outcomes.

Child mortality (under 5 years) is decreasing throughout SA. The in-facility deaths in the children under one year has declined in Ugu from 11.6 per 1000 (2015/ 16) to 9.7 per 1000 (2016 April to September).

In Ugu, District Health Information System and CHIPP data analysed shows that major causes of death in children in facilities are:

- Septicaemia, possible serious bacterial infection
- Pneumonia, ARI
- Acute diarrhoea, hypovolaemic shock
- Other possible serious infection
- Burns
- Meningitis: bacterial (L Reddy, DCST)

The incidence of Severe Acute Malnutrition is 5.9 per 1000, and is showing some slow decrease. Deaths from severe acute malnutrition in the Province is the highest in Ugu (KZN Provincial Report, 2016), each death was fully investigated where the following underlying causes were identified:

Modifiable factors

- Traditional remedy given from traditional healer, with negative effect on child
- Caregiver did not take child to clinic for vaccines as scheduled
- Danger signs missed at clinic/OPD
- Inadequate response to danger signs at clinic/OPD
- Delayed referral of child with danger signs, from clinic/OPD
- Child's growth problem (severe malnutrition, not growing well) inadequately identified or classified
- Delayed referral for severe malnutrition, weight loss, or growth faltering from clinic/OPD
- RTHC inadequately documents child's health history
- IMCI not used for patient assessment at clinic/OPD
- Inadequate IMCI classification at clinic/OPD
- IMCI not used for case management at clinic/OPD
- Growth not plotted correctly on RTHC

- Child's growth problem (severe malnutrition, not growing well) inadequately identified or classified
- Inadequate response to growth faltering or failure, at clinic/OPD
- Growth not plotted correctly on RTHC
- Child`s growth problem (severe malnutrition, not growing well) inadequately identified or classified
- Inadequate response to growth faltering or failure, at clinic/OPD (L Reddy, DCST Paediatric Nurse).

Priorities	Focus Areas	Strategic Objective
	Primary Health Care	
PHC Re-engineering	Continue with Ideal Clinic Realisation and Maintenance	Scale up implementation of Operation Phakisa ICRM
	Improve outreach household registration visit coverage (annualised)	Accelerate implementation of PHC re-engineering
	Increase PHC utilisation rate through inclusion of data from clinic outreach teams and CCMDDP	Accelerate implementation of PHC re-engineering
	Improve partnerships with DSD to conduct outreach at ECD sites.	Accelerate implementation of PHC re-engineering

Priorities	Focus Areas	Strategic Objective
	Improve support to schools to obtain health promoting status	Accelerate implementation of PHC re-engineering
	Monitor roll out of HPRS Monitor the roll out of Web Based DHIS	Improve health technology and information management
	District Hospital	
Refining referral systems	Improve Inpatient Bed utilisation	Improve hospital efficiencies
Improve financial systems and management	Reduce Expenditure per PDE by improving of monitoring of resources used vs performance. Improve capacity among healthcare workers in avoiding medico-legal claims.	Improve hospital efficiencies
Reduce maternal, neonatal and child morbidity and improve Women's health	Reduce delivery by Caesarean section by improving skill	Reduce maternal mortality

Priorities	Focus Areas	Strategic Objective
Improved quality of health care	National Core Standards audits	Improve compliance to the Ideal clinic and National Core Standards
HIV and TB		
Reduce HIV incidence and manage HIV prevalence	Monitoring the implementation of universal test and treat strategy	Manage HIV Prevalence
Reduce HIV incidence and manage the	Improve condom distribution through intersectoral collaboration	Increase the male condom distribution by March 2019
Improve TB Outcomes	Establish integrated tracing teams for TB, HIV, Chronics	Improve TB outcomes
Maternal, Child, Neonatal and women's Health		
Prevention of mother to child transmission of HIV	Implement PCR testing at 10 weeks for non-exposed babies to improve case finding	Reduce infant mortality
Women's Health	Improve Couple year protection rate (international) by improving long acting methods, dual protection	Improve women's health

Priorities	Focus Areas	Strategic Objective
Maternal Health – Siyanqoba Project	• Promote early booking of ANC (community based screening) • Upscale CARMMA implementation, • Develop safe Caesarian section hospitals • Linking antenatal and postnatal clients with CCGs to improve follow up	Reduce maternal mortality
Child health	Emergency Triage Assessment and Treatment, RED Strategy	Reduce under 5 mortality
Reduce malnutrition and obesity	Improved nutrition screening /profiling	Reduce under 5 mortality

3.8.4.3 Accessibility to Health Facilities

The Ugu District area of jurisdiction has 18 mobile clinics, 54 clinics, 2 community health centres and 3 district hospitals as reflected in table 3.8.4.3.1. Ugu District has an uneven distribution of the population which has the following implications:

- The client movement is often seen to increase at the urban clinics due to ease of access via the established transport routes/taxis and buses. This results in clinics in the "easy to access" areas often being overburdened because they are serving their own catchment area and the catchment of surrounding rural areas. The trends in headcount in urban clinics needs to be monitored over the coming year and budget allocation should be made based on these trends of where clients are using services.
- As stated above, many communities are living in the sparse traditional areas so clinics built in these areas to improve access are often underutilised as there are small catchments. It is necessary to conduct outreach from these clinics to be able to reach the communities.

The catchment populations are calculated from the addition of the catchment populations of the referring clinics. Murchison has been most affected in terms of catchment population as Gamalakhe CHC has taken over clinics that were previously attached to Murchison Hospital. The Regional hospital continues to have clinics in its catchment (see Table 3.8.2.3.1.).

Table 3.8.43.1: District Hospital Catchment Populations 2015/16

Source: Ugu DHP, 2016/17

Name of District Hospital	2014/15			2015/16		
	GJ Crookes	Murchison	St Andrew's	GJ Crookes	Murchison	St Andrew's
Catchment Population of District Hospital	267 288	322 762	100 080	-	-	-

3.8.5 Safety and Security

Some communities have converted the Community Policing Forums into Safety and Security Committee. There was also a safety and security strategy that was developed by the Department of Community Safety and Liaison in 2009, which is due to be reviewed and it is at the same level where the District Safety and Security Forum will be established.

3.8.6 Nation Building and Social Cohesion

Ugu District Sports Council was launched in 2009. Ugu District Municipality also participates in SALGA-KZN Games.

There are Sport Development Hubs that were established by the Department of Art, Culture Sports and Recreation. The District Youth Council is also responsible for the coordination of social cohesion activities targeted at the youth.

3.8.7 Community Development with Focus on Vulnerable Groups

The vulnerable groups within the community of Ugu District Municipality have been identified as women; children; disabled people; farm workers as well as people infected with and affected by HIV and AIDS. The district has a dedicated Special Programmes Unit which cater for the needs of these special groups. The unit runs programmes such as:

- HIV and AIDS Programme which coordinate and monitor the implementation of HIV and AIDS intervention programmes within the District.
- Disability Programme which develops a coherent strategy and implementation plan that is aligned to the National Disability Strategy and raise awareness throughout the District regarding persons with disability.
- Gender Programme which coordinate, monitor, evaluate and report on the implementation of programmes and strategies aimed at achieving Gender goals.
- Senior Citizen Programme which coordinate and facilitate a comprehensive agenda for the promotion and protection of senior citizens.
- Right of a Child Programme which align programmes with the Children's Act, Child Justice Act, and Sexual Offences Act.

3.8.8 Youth Development

The youth in Ugu District is 38.7% of the total population. In terms of educational attainment 65% of the youth have completed matric, however only 4% have a tertiary qualification. The low percentage of youth with tertiary qualification further emphasises the skills shortage challenge in the district. Furthermore, 34% of the households in the Ugu District area of jurisdiction are headed by the youth.

The Ugu District Youth Development Policy Framework 2016 – 2021 identified a host of challenges facing the Ugu District area of jurisdiction youth amongst which is the poor-socio-economic conditions characterized by poverty, poor living conditions, abuse, unemployment and a lack of access to education and recreational facilities. Furthermore, the prevalent poor socio-economic conditions severely impinge on the youth's holistic wellbeing and further exacerbate their vulnerability to peer pressure, substance abuse, crime, and ill-health.

In response to the host of challenges that are identified by the youth policy framework, six strategic interventions are proposed as follows:

i. Social Cohesion;
ii. Education, Training and Skills Development;
iii. Economic Development and Transformation;
iv. Health and Social Well-being;
v. Arts and Culture;
vi. Sports and Recreation.

The actual youth programmes and projects to be implanted in the 2016 – 2021 period of this IDP are captured in chapter 4 and 5 of the document.

3.8.9 Social Development: Key Emerging Issues

The emerging key issues with regards to the Social analyses are summarised as follows:

- There is still a challenge with the quality, quantity, and access to educational facilities and resources particularly in the rural areas. Lack of physical resources such as laboratories and computer centres are still pertinent. To add to this challenge is the quality and quantity of educators.
- With those who have the access there is a need to enhance maths, science and life skills. Furthermore, there is a need to deal with the limited focus on technical subjects (including agricultural) within the primary and secondary schooling system.
- There is a very high rate of teenage pregnancy in the district.
- Socio economic factors e.g. increasing number of orphans and vulnerable children (OVCs).
- HIV Prevalence increased from 37.1 % to 40.2% (Ugu District HIV/AIDS Survey).
- Complexity of key programmes e. g HIV & Senior citizens require dedicated focus.
- The lack of both National and Provincial guideline frameworks for the farmworker programs makes it difficult to develop clear strategies to address farmworkers.

3.9 Municipal Financial Viability & Management Analysis

Ugu District Municipality's Constitutional Mandate of ensuring the provision of services to communities in a sustainable manner requires long term financial sustainability to support the service delivery objectives.

The application of sound financial principles must ensure long term financial sustainability, strengthening of financial management systems and promotion of transparency. The multi-year budgeting method is currently being used to ensure stability. The method balances funding of capital expenditure with the impact on future operational budgets in the medium and long-term.

Sound financial principles must be addressed by ensuring that compliance to legislation is maintained and policies, delegations, roles and responsibilities are properly reviewed and implemented.

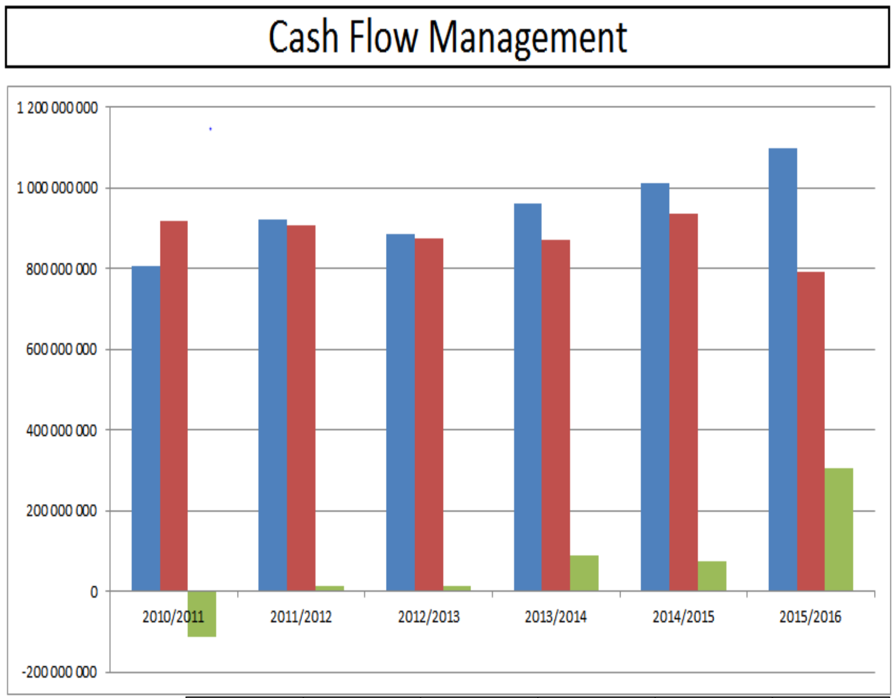
The municipality is grant dependent and cannot fund capital projects in the short and medium term from internal funding or reserves. The servicing of existing loan commitments from generated revenues has delayed the process of cash backing of the depleted reserves which had supplemented capital investment when the municipality was in a cash crisis.

The municipality has improved the liquidity and cash coverage ratios in the previous financial year and continues to implement the turnaround plans in order to cash back capital replacement reserves.

These plans were all targeting cost reduction in specific cost drivers and revenue opportunities in all functions of the municipality. The municipality has not yet fully stabilised and must continue managing identified risks in order to maintain the improved cash position.

3.9.1 Cash Flow Management

Figure 3.9.1.1 gives a summary of the cash flow management of the Ugu District Municipality over a period of six years from 2010 / 2011 to 2015 / 2016 financial years. The municipality experienced a cash flow shortfall in the 2010 / 2011 financial year where the cash out flow was higher than the cash inflow. This situation changed in 2011 / 2012 to 2015 / 2016 financial year as a cash flow surplus was experienced with the cash inflow being higher than the cash outflow.



	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Cash Inflows	806 316 589	920 424 119	886 341 109	961 420 374	1 013 439 265	1 097 538 930
Cash Outflows	917 338 879	906 814 711	873 103 255	872 649 665	937 844 924	793 066 798
Cash Surplus/ Shortfall	-111 022 290	13 609 408	13 237 854	88 770 709	75 594 341	304 472 132

Figure 3.9.1.1 Ugu Distric Cash Flow Management

Source: Ugu District Finance, 2017

Table 3.9.1.1: Ugu District Cash Coverage Ratio

Source: Ugu District Munipality Finance, 2017

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Cash and cash equivalents	55 319 334	68 557 188	157 327 897	232 922 238	256 756 861
Unspent Conditional Grants	47 196 906	50 775 951	48 333 086	21 365 817	8 792 920
Total Monthly Operational Expenditure	34 299 928	35 688 634	43 516 620	47 503 362	52 874 658
Cash Coverage Ratio	-3.52	-2.74	2.50	4.44	4.69

In terms of liquidity ratio which looks at the district's ability of paying its short-term debt, the analysis looks at three financial years from 2013 / 2014 to 2015 to 2016. There has been improvement over the 3-year period from R 1.71 cents to pay for everyone rand owed in 2013/ 201 to R 4.16 in 2015/ 2016. The district is has achieved a target of R 2 to pay for every R 1 owed as per the norm.

Table 3.9.1.2: Ugu District Municipality Liquidity Ratio

Source: Ugu District Municipality Finance, 2017

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Current Assets	141 546 140	206 510 687	318 803 339	419 143 666	392 618 296
Current Liabilities	240 494 913	222 818 558	215 849 272	259 881 922	252 980 494
Liquidity	0.59	0.93	1.48	1.61	1.55

3.9.2 Supply Chain Management

There have been some difficulties that have been experienced with the municipality's supply chain management as listed below:

- Lack of a monitoring demand management system. (procurement planning)
- Increase in appeals by unsuccessful bidders and MBAT taking long to resolve appeals.
- Delays in turnaround time to award tenders.
- Poor contract management leading to late contract renewals.
- Increase in irregular expenditure due to noncompliance.

To address the challenges that the district encounters with regards to Supply Chain Management are the following:

- Conduct 4 stock counts to minimise losses
- Maintain improvements in the functionality of Bid Committees
- Turnaround time to award contracts – 90 days
- Intensify Contract management
- Maintain the enforcement of the vendor performance policy
- Reduction of Irregular expenditure to 1.5% of total expenditure.
- The new financial system will take care of the monitoring of the procurement plan.

3.9.3 Asset Management

The asset management unit which comprises of technical and financial sections is in place and is currently addressing historic asset management challenges and bringing about a reform in the municipality. In the 2015/16 financial year, the municipality received an unqualified audit report with a few asset management matters as emphasis.

Below is a summary of the challenges that were identified regarding asset management and the subsequent attempts that has been made to address same.

- Inadequate policies and procedures.
- Lack of human resource capacity.
- Lack of asset management software system,
- Market Demand Asset Management System has been put in place but there are still challenges on data synchronisation.
- Lack of maintenance for assets.
- The maintenance plans are under review and the process of identifying assets in need of maintenance is under way.

3.9.4 Revenue Management

Revenue management and enhancement has been identified as one of the key elements to lifting the municipality from its current financial distress and every attempt is being done to ensure it functions effectively and efficiently. Some of the challenges experienced in the current financial year include:

- Inadequate consumer database.
- Incorrect meter readings and incomplete billing.
- Long outstanding debt
- Lack of integration on financial systems

The Ugu District Municipality in the 2015 / 2016 financial year reached the one-billion-rand revenue mark. As illustrated in Table 3.9.4.1, the district's own revenue makes up 36% of the total revenue.

Table 3.9.4.1: Ugu District Municipality Revenue

Source: Ugu District Municipality Finance, 2015 / 2016

Revenue Source	2013 / 2014	2014 / 2015	2015 / 2016
Total Revenue	1 023 156 993	1 033 867 675	1 169 253 445
Own Revenue Sources	358 641 964	368 823 099	426 207 455
Grants and Subsidies	664 515 029	665 044 576	743 045 990
% Own Revenue Sources	35	36	36
% Grants and Subsidies	65	64	64

The municipality has adopted a revenue enhancement strategy and a debt reduction strategy to address the challenges identified in revenue management. The projects under these strategies are being implemented in phases as the completion of one project triggers the commencement of the next phase. The result of full implementation will be a reduction in grant dependency as the municipality's own revenue base increases.

The municipality is also planning to review its tariff structure in the next financial year. This is in line with the review of the municipality's tariffs which revealed that some of the charges are not fully cost reflective and some services may be rendered at a loss. This project is part of the recommendations of the revenue enhancement strategy.

The district has targeted 98% accuracy and completeness of billing as one of the objectives of enhancing revenue. In order to achieve these targets, the district will ensure:

- Increase billing of rural customers through geographically referencing all households;
- A review and update of the Consumer database;
- Data Migration management to a new Billing System;
- Development of the Billing Policy on Ad hoc charges;
- Implementation of the Revenue Enhancement Strategy; and
- Review of current tariff model and structure.

3.9.5 Budgeting

Budget assumptions/parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets and this has been the practice followed by Ugu Municipality over the past financial year. The following are the challenges that can be associated with budgeting:

- Slow spending on conditional grants resulting in rollovers
- Lack of a full cost recovery system for some services.
- Low cash collection ratio.
- New capital expenditure has not been accurately aligned with related operating requirements.
- Annual operational budget has not been able to fully support the development priorities and targets.
- The strategic split of the Capital Budget between social and economic expenditure has far reaching implications on the future operating budget and sustainability.
- Improved debt collection.
- Clear measurable budget and implementation plans aligned to the IDP.

The municipality targets to reduce rollovers by 100% in the next financial year through ensuring full spending on all gazetted allocations. The adoption of procurement plans has assisted in accelerating spending on grants and capital projects.

3.9.6 Expenditure

The Ugu District Municipality has recorded some challenges regarding the expenditure which have been identified as follows:

- Grant dependency on capital expenditure.
- Late submission of invoices resulting in late payment penalties
- Inadequate accrual and commitment accounting.

Furthermore, the district is committed to maintaining a 30 days' creditor payment period; reduction of fruitless and wasteful expenditure to 0.5% of total operating expenditure, monthly reconciliation of all supplier accounts to ensure accuracy in payments, and periodic review of cheque and Electronic Funds Transfer signatories.

3.9.7 Capability of the Municipality to Execute Capital Projects

The municipality has a fully-fledged Project Management Unit and each project is assigned to a Project Officer who monitors and reports monthly on the performance of the contractors. The municipality achieved 90% expenditure on its capital budget in the prior years. The targeted 100% expenditure will be achieved through continuous implementation and monitoring of the procurement plans. Table 3. 9.6.1 below reflects a trend since 2009/2010 financial year up to the previous financial year, 2013/2014.

Table 3.9.7.1: Ugu District Capital Spending

Source: Ugu DM Treasury, 2015

Description	2010 / 11	2011 / 12	2012 / 13	2013 / 14	2014 / 15
Budget	315 702 681	335 092 217	282 068 275	342 664 462	393 204 664
Actual	202 671 797	247 162 181	191 179 897	308 818 290	336 473 767
% spent	64.20%	73.76%	67.78%	90.12%	85.57%
% growth - budget	-24.42%	6.14%	-15.82%	21.48%	14.75%
% growth - actual	-46.53%	21.95%	-22.65%	61.53%	8.96%

3.9.8 Indigent Support

Ugu District municipality's indigent register has a total of 6739 for water and 2529 sanitation households. The register is reviewed and updated monthly. An annual verification of the indigent status of all beneficiaries is conducted in line with the amendments in the qualifying criteria adopted with the reviewed policy. The following amendments were effected in the existing policy which further be reviewed before implementation in 2017/2018 financial year.

- Restriction of the benefit to exclude consumers who reside within body corporates where the account holder is the body corporate.
- Review of indigent beneficiary status to be done on the anniversary of the subsidy.
- The total household income threshold for qualification is R2 820 per household per month which is based on two state pensions.

- The municipality embarks on indigent road shows annually to create awareness of the available relief and register those who qualify for the benefit

3.9.9 Auditor General Report

The municipality received an Unqualified Audit Opinion in the 2015/16 financial year. Action plans to improve the audit opinion are currently in place and being implemented in order to achieve the following targets set out in it.

The details of the 2015 / 2016 auditor general findings and action plans to address them are captured in Annexure 2.

3.9.10 Consumer Debt

The Municipality bills for the water, sanitation, environmental health services and other miscellaneous services. Major services are provided to households. The effects of the global economic downturn / decline have resulted in an increase in the total consumer debt since 2012/2013.

Table 3.9.10.1: Ugu District Consumer Debt Age Analysis

Source: Ugu Treasury, 2017

Description	2012/2013	2013/2014	2014/2015	2015/2016
Households	114 036 568.14	158 547 161.25	189 560 251.83	229 243 052.46
Business	27 516 186.52	36 106 294.35	47 867 981.31	54 241 756.43
Government	4 954 804.85	10 368 996.67	11 169 053.12	17 938 882.43
Total Consumer Debt	146 507 559.51	205 022 452.27	248 597 286 .26	301 423 691 .32
% growth	7.07%	11%	17.5%	17.5%

The consumer debt age analysis in table 3.9.10.1 shows a huge increase in percentage from 2012/13 to 2015/16 financial years as a result of additional properties being billed following the data cleansing exercise which is still ongoing. Furthermore, debt age analysis reveals that about 50% of the debtors are over a year old as illustrated in Figure 3.9.10.1.

Council has resolved to write off long outstanding debt in certain categories which had been identified as irrecoverable. The meter audit and data cleansing projects are ongoing and will result in the correction of errors on accounts leading to a reduction in outstanding debt.

3.9.11 Municipal Standard Chart of Accounts (mSCOA)

The Municipality, like all other municipalities in South Africa, is obliged to implement the mSCOA Framework by 1 July 2017 as directed by the Municipal Regulations on Standard Chart of Accounts (mSCOA Regulations) as promulgated by the Minister of Finance on Government Gazette No 37577 and accompanying mSCOA Circulars. Municipal Standard Chart of Accounts (mSCOA) aims to provide a National Standard for uniform recording and classification of municipal budget and financial information at a transactional level, improve compliance with budget regulations and accounting standards, better inform national policy coordination and reporting, benchmarking and performance measurement. mSCOA Regulations place the responsibility of implementing the mSCOA Framework on the Municipal Manager as the accounting officer of the municipality. While the Municipal Manager retains the responsibility over the project, he has delegated the implementation to the Chief Financial Officer (CFO) who has executive authority over the project. The Manager: ICT Projects was assigned the responsibility of mSCOA Project Champion, reporting to the CFO as the Project Executive Sponsor as well as the municipality's Management Committee (MANCO), the latter which plays the role of mSCOA Steering Committee.

mSCOA Project Management Office, the project implementation team, and the mSCOA Project Steering Committee have been established with adopted Terms of Reference. mSCOA Governance Structure has been setup and work on the project is continuing and reporting to the governance structure is also taking place as scheduled. The municipality has, so far, been able to meet Treasury set targets in as far as the project implementation is concerned.

Table 3.9.11.1: Other Projects on mSCOA

Source: Ugu Treasury, 2017

Project/Sub Project Description	Target Date	Budget
Implementation of mSCOA Framework	1 July 2017	R 1 800 000
Consumer Data Cleansing & Migration	31 March 2017	R 2 200 000
Supplier Database Cleansing and Migration	31 March 2017	R 200 000
Human Resources Data Cleansing & Migration	31 March 2017	NIL
Implementation of the new mSCOA-ready Financial System	1 July 2017	R 9 825 063.74
Implementation of new mSCOA-ready HR & Payroll system	1 April 2017	
mSCOA Induced Business Process Changes	1 July 2017	NIL
mSCOA Induced Organogram Changes	1 July 2017	NIL

3.9.12 Municipal Financial Viability and Management Emerging Key Issues

The emerging key issues with regards to the Municipal Financial Viability and Financial Management analysis are summarised as follows:

- New capital expenditure has not been aligned with related operating requirements.
- Operational budget has not been focused to support the development priorities.
- The strategic split of the capital budget between social and economic expenditure has far reaching implications on future operating budget and sustainability.
- Customer query resolution in keeping with the Batho Pele principles has placed pressure on the District's ability to render uniform services at all its customer care outlets.
- Improve debt collection.
- Clear measurable budget and implementation plans aligned to the SDBIP.

- Exceeding overtime budget.
- The accumulated reserves have been depleted
- Existing infrastructure has not been maintained at the desired levels resulting in loss of revenue from water loss.
- Extension of municipal services in rural areas has resulted in an increase in total book debt due to inadequate consumer database.
- Lack of accurate meter readings has affected the credibility or accuracy of water statements.
- Reduction in debt collection levels as consumer's lack confidence in the billing system.
- Global slowdown in the economy has impacted on the customers' ability to pay bills leading to an increase in subsidised customers.

3.10 Good Governance & Public Participation Analysis

Good governance as per the democratic principles can be achieved through effective public participation. Public participation allows constituents to monitor the governance record of its elected officials and further encourages the public to take an active interest in the performance of their municipality and region. It is through broad public participation that citizens can recognise that their interests are taken to heart – especially the needs of the most vulnerable members of society.

The Ugu District has therefore made every attempt to ensure it allows all of its citizens to be heard in determining the political, social and economic priorities through the establishment of a broad societal consensus that includes civil society, government and the private sector.

However, community participation alone is not sufficient in ensuring that good governance practices are adopted. Institutional integrity is of equal importance and therefore, Ugu District Municipality has ensured that its Finance Committee, Audit Committee, Council and sub-committees are fully functional. This was done through the adoption of effective by-laws and policies that entrench the effective performance of all aspects of municipal governance.

3.10.1 Internal Information & Communication Technology

The ICT Section, placed within the Corporate Services Department is primarily responsible for the implementation, monitoring and reporting for the following ICT services supplied to the Municipality:

- ICT Infrastructure planning, maintenance, and support
- ICT Production, Test and Disaster Recovery environment establishment and protection
- ICT Strategy
- ICT Governance
- ICT Intergovernmental Relations
- Budgeting and accounting for ICT services
- Business relationship management
- ICT Capacity management
- ICT Change control management
- ICT Systems Configuration management
- Continuous ICT Improvement
- ICT Incident management and request fulfilment
- ICT Information security management.
- Quarterly ICT Steering Committee Management reviews
- Continuous Measurement of ICT Services

- ICT Problem management
- ICT systems Release and deployment management
- ICT Risk management
- ICT Service continuity and availability management
- ICT Service design
- ICT Service level management and quarterly reviews of service levels
- ICT Service planning and monitoring
- ICT Service reporting

During the 2016/17 financial year, the Municipality embarked on a rigorous ICT Turnaround strategy. This turnaround strategy targeted and prioritised the following areas within ICT:

- *Priority 1:* Power supply stabilisation during and after load shedding
- *Priority 2:* Key personnel GAP identification and contract engagement
- *Priority 3:* Network stability and ongoing daily preventative maintenance
- *Priority 4:* Daily, weekly, and monthly Backups of critical data
- *Priority 5:* Telemetry support
- *Priority 6:* Voice quality at Bazley, Park Rynie, Marburg and Harding offices
- *Priority 7:* Documentation of various business processes

These 7 priorities were resolved and resulted in 6 vacancies within ICT being filled. This full capacitation of the ICT function allowed the ICT section to perform at full capacity and be focussed on ICT. During the 2016/17 financial year, KZN Cogta performed and ICT Assessment at each Municipality in the Province, this assessment concluded that Ugu's ICT was deemed "fully capacitated".

In addition to this accolade the ICT Audit done by the Auditor General in December 2016, for the 2015/16 financial year, resolved all prior year findings for ICT, some of which were multi-year repeat findings and no new findings for the Corporate Services ICT component. This was a direct result of the efforts and energy that had been put into the ICT component of the Municipality during the financial year by the Political leadership and Administrative Leadership.

Over and above problem resolution, the unit took the Municipality forward and strategically targeted and achieved the following within ICT:

- Implementation of a fully redundant MPLS network consisting of 14 sites, which is constantly being monitored and expanded. The average network uptime per month, consistently for a period of 6 months during the financial year was 97% and measured over a 24/7, full month period.
- Incident Management System for ICT with continuous reporting and fault analysis.
- Implementation of file servers and the virtualisation of all server environments.
- The establishment and full testing of the Disaster Recovery Plan.
- The procurement and implementation of Veeam
- Monthly documented backups of core financial system data, monthly documented restoration tests and monthly off site storage of all backups.

- The migration and upgrade of the Ugu website and Intranet to Microsoft SharePoint enabling the Municipality staff to do all website updates in house.
- Rigorous ICT security review sessions with all staff and the development of an ICT security policy DVD presentation for all new staff.
- The leasing and implementation of 400 desktops and laptops across the Municipality ensuring a minimum of Windows 7 operating systems and no equipment older than 3 years within the environment.
- ICT Policy Strategy, ICT Governance Framework and Charter and ICT total policy reviews and adoption
- The use of cloud technology services
- The development of an ICT Governance monitoring tool and achieving above required governance goals for the Municipality for both Governance phases.
- VOIP implementation across all network sites, enabling sites with no previous voice telecommunications to be online and operational at negligible costs, leveraging on existing infrastructure.
- Ensure licencing and software applications are aligned and only licensed software is installed on Municipal equipment.

During this period, an ICT District Forum was established amongst the 5 Municipalities within the District. This forum meets every second month and to date has launched successful mutual training initiatives, hosted several presentations, mapped key areas of support and other valuable interactions.

The ICT unit consists of 11 permanent personnel with interns and learnership students being accommodated to ensure growth and capacitation of ICT skills within Ugu.

ICT is a Good Governance and Public Participation implementation area with a key focus on the strategic objective to create a conducive environment for participatory development.

3.10.2 Intergovernmental Government Relations

The Intergovernmental Relations Act requires the establishment of structures and mechanisms aimed at ensuring a high level of input. In striving towards the IDP as a plan for the government sector as a whole the following IGR structures are in place:

- District Intergovernmental Forum;
- Mayors' Forum;
- Speakers' Forum;
- Municipal Managers' Forum;
- Chief Financial Officers' Forum; and
- District Development Planning Forum.

Further to the above IGR Structures were established which are as follows:

- Social Transformation Cluster;
- Local Economic Development Cluster;
- Governance & Administration Cluster; and
- Basic Infrastructure & Public Facilities Cluster.

In terms of the functionality of the IGR structure Table 3.10.1.1 below gives a broad overview.

Table 3.10.1.1: Ugu District IGR Functionality

Source: Ugu DM IGR, 2015

Structure Name	Reports to Where	Chairperson	Members	Functionality	Frequency
Mayors' Forum	Premier's coordinating forum	District Mayor	Local Mayors	Functional	Once per quarter
Speakers' Forum	Public Participation	District Speaker	Local Municipality Speakers	Functional	3 Times in A Year
Municipal Managers' Forum	Mayors' forum	District Municipal Manager	Municipal Managers	Functional	Once per quarter
Chief Financial Officers' Forum	Cluster	District CFO	Chief Financial Officers	Functional	Once per quarter
District Development Planning Forum	Cluster	Ugu District Development Planning Manager	District Family Town & Regional Planners	Functional	Bi - Monthly
Local Economic Development Cluster	Municipal Managers' forum	Ugu DM: GM IED	LMs and sector departments	Revived	Once per quarter
Governance & Administrative Cluster	Municipal Managers' forum	Ugu DM: GM Corporate Services	Local municipalities and sector departments	Revived	Once per quarter
Technical and Infrustructure Cluster	Municipal Managers' forum	Ugu DM: GM Water Services	LMs and sector departments	Revived	Once per quarter
Communications Cluster	Municipal Managers' forum	Ugu DM: SM Communications and Mayoralty	LMs and sector departments	New	Once per quarter

3.10.3 Municipal Structures

In line with Section 80 of the Municipal Structures Act, the Municipality currently has five multi-party Portfolio Committees, namely:

- Finance Portfolio Committee;

- Water and Sanitation Portfolio Committee;
- Local Economic Development Portfolio Committee;
- Special Programmes Portfolio Committee; and
- Sound Governance and Human Resource Portfolio Committee.

These Portfolio Committees continue to assist the Executive Committee in policy development and monitoring to accelerate service delivery, as well as the oversight of strategic programmes and projects. Table 3.10.2.1 gives the functionality of these committees.

Table 3.10.2.1: Ugu District Standing Committees Functionality

Source: Ugu DM Review of functionality of decision-making, oversight and related matters, 2013

Committee	Report to where	Chairperson	Members	Functionality	Meeting Frequency
Council	Nil	Speaker	35	Monthly; Meetings; Oversight Role; & Decision-Making	Monthly
EXCO	Council	Mayor	7 members 3 ex-officio	Monthly; Meetings; Oversight Role; & Decision-Making	Bi-monthly
Finance Portfolio	EXCO	Political: Exco Member	8 members 3 ex-officio	Monthly Meetings Oversight Role Deliberations and Recommendations	Monthly
Water and Sanitation Portfolio	EXCO	Political: Exco Member	8 members 3 ex-officio	Monthly Meetings Oversight Role Deliberations and Recommendations	Monthly

Committee	Report to where	Chairperson	Members	Functionality	Meeting Frequency
Sound Governance & Human Resource Portfolio	EXCO	Political: Exco Member	8 members 3 ex-officio	Monthly Meetings Oversight Role Deliberations and Recommendations	Monthly
Local Economic Development Portfolio	EXCO	Political: Exco Member	8 members 3 ex-officio	Monthly Meetings Oversight Role Deliberations and Recommendations	Monthly
Special Programmes Portfolio	EXCO	Political: Exco Member	8 members 3 ex-officio	Monthly Meetings Oversight Role Deliberations and Recommendations	Monthly

3.10.3.1 Municipal Public Accounts Committee (MPAC)

The primary function of a MPAC is to help council to hold the executive and the municipal administration to account and to ensure the efficient and effective use of municipal resources. It will do this by reviewing public accounts and exercising oversight on behalf of the Council. The committee examines the following:

- financial statements of all executive organs of council;
- any audit reports issued on those statements;
- any reports issued by the AG on the affairs of any municipal entity;
- any other financial statements or reports referred to the committee by council; and
- the annual report on behalf of council and make recommendations to council.

Thereafter the MPAC may:

- report on any of those financial statements or reports to council;
- initiate and develop the annual oversight report based on the annual report;
- initiate any investigation in its area of competence; and
- perform any other function assigned by resolution of council.

3.10.3.2 Municipal BID Committees

The municipality has put in place the BID Committees and are all functional. The sittings of committees are on a monthly basis and are scheduled on annual basis. The committees are comprised as follows:

i. BID Specification

The BID Specification Committee is a committee of three and two members make up the quorum. The committee is made up of the following members:

- GM: Water Services (Chairperson)
- Senior Manager Water Services
-
- Manager: Fleet
- Contracts Co-ordinator
- Manager ICT
-

The participants from user departments are on an invitation basis.

ii. BID Evaluation

The BID Evaluation Committee is a committee of five and three members makes up the quorum. The committee is made up of the following members:

- GM: Corporate Services (Chairperson)
- Registry and Auxiliary Services Officer
- Manager: PMU
- Contracts Co-ordinator

The Senior Manager Water Services, Manager ICT, Secretariat, Auxiliary and Assistant Project Officer are the alternate members. The participants from user departments are on an invitation basis.

iii. BID Adjudication

The BID Evaluation Committee is a committee of five and three members makes up the quorum. The committee is made up of the following members:

GM: Financial Services (Chairperson)

Manager: PMU Finance

GM: Water Services

Manager: SCM

Manager Grants & Expenditure

The GM: IED, and Planning Engineer: WSA are the alternate members. Amanager reporting to CFO will chair in absence of CFO. The participants from user departments are on an invitation basis.

iv. Appeal Authority

Manager Legal Services as delegated by the Accounting Officer has the appeal authority and no delegated authority is given to Bid Committees. All recommendations are directed to the Accounting Officer.

3.10.4 Internal Audit

In terms of section 165 of the MFMA, an in house Internal Audit section has been in operation since 2004. The following functions are discharged in accordance with an approved Internal Audit Charter:

i. To examine, evaluate and improve the adequacy and effectiveness of the municipality's governance, risk management processes and systems of internal control:
   - Governance: assisting senior management in achieving the goals of the municipality by evaluating and approving the

process through which goals & values are established, communicated and monitored accountability is ensured and municipal values preserved;

- Risk Management: assisting the Executive Committee and senior management in identifying, evaluating and assessing significant organisational risks and providing assurance as to the effectiveness of the related internal controls;
- Internal Controls: evaluating the effectiveness and efficiency of the information systems environment, financial and operational information, operations, safeguarding of assets and compliance with laws, regulations and controls;

ii. To conduct special investigations and other ad hoc projects at the request of management; and

iii. To report to the Audit Committee and Municipal Manager.

Internal Audit completes internal audit reviews in accordance with an approved three-year strategic plan. The plan is formulated using a risk based approach and includes evaluating the effectiveness and efficiency of the information systems environment, financial and operational information, operations, safeguarding of assets and compliance with laws, regulations & controls.

3.10.4.1 Forensic Services

The Internal Audit unit also conducts forensic investigations and fraud risk management services.

The District Municipality together with its local municipalities have committed themselves to fight against fraud and corruption. They have strengthened their fraud prevention and detection techniques by jointly procuring an Anti-Fraud and Corruption Hotline from an independent service provider where members of the public can anonymously blow the whistle on fraud and corruption.

The contact details for the Anti-Fraud and Corruption Hotline are as follows:

-

Toll Free: 0801 111 660 – Email: information@whistleblowing.co.za – Fax: 086 5222 816 - P. O. Box 51006, Musgrave, 4001

3.10.4.2 Internal Audit Committee

The Internal Audit Committee is functional and sits on a quarterly basis or as and when the need arises. The members are appointed on a three-year term. There are currently four members appointed. Two of the members are Chattered Accountants, one member is in the field of law, and the other a person who has experience in the field of Municipal Performance Management.

3.10.5 Community Participation Strategy

A Community Participation Strategy has been developed which is aimed at consolidating and formalising these initiatives to ensure that there is an effective, well-co-ordinated and ongoing interaction between the municipality and the communities it serves on municipal affairs.

The municipality's intention is to strengthen community participation processes however, there is a need to implement interventions to improve the level of participation by the community, especially the urban based members of the public. Although this strategy is in existence, its adequacy in terms of communication could not be ascertained.

Within Ugu District, one way of implementing the Community Participation Strategy and involving communities within the IDP and Budget process is through the IDP/Budget road shows and Mayoral Izimbizo. Community inputs made during Mayoral Izimbizo inform the budget processes of the municipality as it is part of the consultation process aimed at improving public participation in the affairs of the District.

The Ugu District Public Participation Forum was established which is comprised of CoGTA representatives, local municipalities and all Public Participation Practitioners and is responsible for the coordination of public participation activities.

3.10.5.1 Ward Committees

The district includes for local municipalities with 85 wards and all ward committees have been established. However, the key challenges that hinder effectiveness of ward committees include administration / logistics support and the vastness and inaccessibility of rural wards. Some of the areas are serviced by the Community Development Workers who have a dual responsibility to report to Department of Cooperative Governance and Traditional Affairs and local municipalities.

Findings on the Role of Ward Committees Challenges: Ward committee training and workshop was conducted; the following concerns were found to be primary to ward committees and were raised as issues that required immediate and utmost attention:

- There is a high level of frustration from the Ward Committee Members complaining there is no space created for them to use all the information and skills they receive from all these workshops. This is a general feeling from the Ward Committee Members that they have enough knowledge and skill now but are being underutilized and overlooked in the municipal affairs and decisions.
- There is still a high number of Ward Committees that feel there is tension between them and the Chairpersons. This is coupled with a complain that the Chairpersons of the Ward Committees do not make themselves available for workshops of this kind where issues hindering development as a result of unclear roles that must be played by both parties are explained and interrogated.
- The unstable relationship between the Chairpersons and the rest of ward committee members was sighted to have been based on the Chairperson feeling insecure as far as their positions are concerned thus active ward committee members being perceived by as declaring their ambitions for councillorship.
- There is a communication breakdown between the municipalities and the Ward Committees which affects information flow. There is

no feedback on the community needs that the Ward Committees submit to the municipality for inclusion in the IDP or explanations as to why some projects are prioritised and others not. Furthermore, the Ward Committees are not informed of the proposed or planned development thus cannot inform the community timelessly and effectively and cannot answer to the community.

- There are limited resources to carry out the expected duties of Ward Committees, such as loudhailers, stationery, and other necessary office equipment. Furthermore, the stipend amount needs to be reviewed as it only covers telephone costs and falls short in travelling costs.
- Ward committees need to be capacitated continuously in accredited courses that will equip them with certificates so that they are able to utilise them in their endeavour to advance their careers and not just the consultation workshops.
- Municipal documents and materials to be translated into isiZulu in a bid to accommodate the majority people of the district.
- In the adverse state of crime and scamming of the community, it is important that Ward Committees are provided with proper identity kits and introduced to the communities formally to avoid any other person coming in and posing as them.

3.10.6 Customer Relations

Customer relations unit is concerned with the customers' perception of the services rendered by the municipality and to instil and establish a positive image of the municipality in the customer's mind. The main functions performed include:

- Being an ambassador for the municipality – both internally and externally;
- To resolve customer conflicts when are not provided as expected and the customer contacts the municipality;
- To answer questions from the municipality's current and potential customers;
- To create and propose innovative solutions to solidify the partnership between the municipality and the customer; and
- To be in communication with the customers through Customer Satisfaction Surveys to understand their needs and to stay updated on the customers' perception of the municipality's services.

The analysis of customer satisfaction within Ugu DM is informed by an annual customer satisfaction survey as well as records of received complaints during each financial year. The survey findings included the following:

- That most wards and/communities have access to water and sanitation, however there are water interruptions experienced more often due to aging infrastructure and drought;
- A need to improve on communication and information transmission to rural communities in particular; and
- The survey conducted was focused on general household district wide, soliciting views on integrated services rendered by all spheres of government hence the need for a more specific and focused survey.

Analysis of received complaints also revealed the following:

- That there are several water shortages and burst pipes which is also due to aging infrastructure and drought.

There are several mechanisms put in place in order to ensure that communities are satisfied with the services they receive from the municipality.

- Customer Care Bus: The purchase of the mobile office allowed the municipality to reach all communities especially the rural areas. It brings the services and information to the people.
- Service Commitment Charter: The reviewed and approved Service Commitment Charter is in place and employees are workshopped on it to ensure that they are aware, comply and meet the service standards set by the municipality in delivering services.
- Complaints Handling Procedure: It is in place and assists employees in dealing with the complaints received properly and meeting the turnaround times.
- Community Outreach Programmes: These are in place and assist in educating communities about the services they receive, their rights and responsibilities.
- Quality Assurance: In place to ensure that work is done properly and timely and also determine whether or not consumers are satisfied with the service rendered.
- Batho Pele: Its programmes are in place to ensure Service Delivery improvement putting customers first and doing things right the first time for customer satisfaction.

3.10.6.1 Customer Relations Challenges

The challenges that are faced by the Customer Relations function are mainly as a result of institutional arrangement as outlined below:

- There are limited skilled personnel within the Call Centre to provide professional training.
- There is poor alignment of functions between Customer Relations and Communications hence the new proposed organisational structure which will see proper alignment and Management
- Imbalance between available call agents and peak demand in call volume has resulted in the organizational image being compromised as many callers could not get through the Call Centre lines at peak times.

3.10.7 Role of Amakhosi and Communities in the IDP

The internal and external role players have roles and responsibilities in terms of the IDP development process. The IDP Representative Forum consists of representatives from all local municipalities, the House of Traditional Leaders, civil society, and service providers / sector departments. This forum provides public and private sector input into the IDP. Ugu District Municipality has ensured the continual participation of all the role players to ensure maximum input into the IDP process.

Amakhosi have also been incorporated into the District Municipal Council Furthermore, Amakhosi also form part of the municipal portfolio committees.

3.10.8 Risk Management

Risk Management is one of Management's core responsibilities in terms of section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality.
It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on service delivery by a municipality. When properly executed risk, management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

The Municipality conducts Risk Assessments (Enterprise wide, IT and Fraud Risk Assessments) annually and develops an organisational Risk Register. The Risk Register is compiled to determine the magnitude of risk exposure by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives.

The identified risks are prioritised which enables Management to focus more time, effort and resources on higher risk areas.

The Municipality has a Risk Management Committee in place. There is a framework in place incorporating the Risk Management Policy, Risk Management Committee Charter, Risk Management Implementation Plan, Risk Management Strategy and Mitigation Plan.

3.10.9 Batho Pele Programme

Batho Pele, a Sesotho word meaning "people first", is a notion which was adopted in 1994 and became a policy in 1997. The Batho Pele concept has as a main objective of addressing service delivery improvement by introducing principles which guide the transformation of service delivery to be people centric. In Ugu DM, Batho Pele was implemented in 2007. Since then a lot has been done towards implementing it such as Batho Pele principles and in SDIP, flagship projects such as Municipal Service week and Know your Service Right Campaigns. In 2008/2009 Ugu obtained a Golden Award in the Premier's Service Excellence Award.

The legislative framework calls for setting up of service standards, defining outputs and targets, and benchmarking performance indicators against international standards. Similarly, it also calls for the introduction of monitoring and evaluation mechanism and structures to measure progress on a continuous basis.

Batho Pele Principles: Nationally there are eight principles that govern the transformation of service delivery according to Batho Pele White Paper. The province added three more Principles and adheres to eleven principles in the Citizens Charter, as listed below-:

1. Consultation
2. Service Standards
3. Access
4. Courtesy
5. Openness and Transparency
6. Information
7. Redress
8. Value for Money
9. Encouraging innovation and rewarding excellence
10. Leadership and strategic direction
11. Service Delivery Impact

3.10.9.1 Service Delivery Impact

Under the direction and guidance of DPSA Batho Pele implementation has focused on principles and Service Delivery Improvement Plan. Batho Pele Belief which says, "We Belong, We Care, We Serve." is a value system which clearly captures the revitalized Batho Pele culture. More still needs to be done relevant to belief sets. A Batho Pele belief set implementation Strategy will be developed and made available. The Public Service Regulations Act of 2001 states the following:

- SDIP must be approved annually. To ensure the implementation of SDIP by all Departments, Departmental Assessments are conducted annually before the end of the year. A department that performs the best in implementing SDIP wins an award for service excellence.

Municipalities are required to publish a Statement of the Service Charter. reviewed in the in the 2015/2016 financial year. Service standards must be set at a demanding but realistic, measurable level to be reached by adopting more efficient and customer- focused working practices.

Batho Pele Flagship Projects: Since 2008/2009 the following flagship projects, also known as service delivery watch, were implemented and are continuously conducted:

- Municipal Service week and Project Khaedu
- Know your Service Rights Campaign
- Batho Pele Learning Network
- Unannounced site visits or mystery customer,
- Change Management

Greater emphasis in 2014/2015-2016/2017 will be placed on change in the Ugu District Municipality. A Batho Pele Change Management and Engagement Programme have since been conducted for all the managers.

3.10.10 Annual Report

In the preparation process of the 2015 / 2016 Annual Report, the Municipal Manager formed an Annual Report Task Team with an appointed Co-ordinator and task team members representing each department of the Municipality. The task team met regularly throughout the financial year and ensured the finalisation and adoption of the Annual Report by Council within the required timeframes.

3.10.11 Good Governance and Public Participation Emerging Key Issues

The emerging key issues with regards to the Good Governance and Public Participation analyses are summarised below.

- There is still some bottle necks with regards to alignment with Sector Departments programmes and in ensuring that these are informed by the municipal IDP
- The majority of the population of the Ugu District uses IsiZulu as their home language and thus the need for the IDP to be simplified and translated into IsiZulu as the current language and format exists as it is only accessible to a few.
- There is limited public participation both directly and through civil society structures.

- Public participation is not properly structured and focused but more of compliance and the mechanisms in place not used to full potential.
- Public participation is costly in terms of time, personnel and financial resources required to ensure stakeholder involvement in the IDP
- The government endures bad media publicity with regards to challenges encountered in service delivery provision and this is fuelled up by the government sector's limited reporting on their success stories.
- The need for Water Services Water treatment and Waste Water Treatment plants require wide area network and voice connections to integrate into the Municipality's primary network
- The updating of the Intranet is necessary in order to ensure efficiencies.
- Annual Disaster Recovery simulations are required and monthly system restores and backups must be done of core systems and data centres in line with good ICT Governance practices.
- ICT Security Management should be digitised to avoid manual group engagements, unless through induction workshops.
- Regular website activity usage analysis to produce meaningful results in respect of the public use of the website.
- The need to improve on the availability of service delivery vehicles as required by service delivery sections of the Municipality

3.11 Summary of Situational Analysis

The status quo discussion on whether the district is at a decline, regress, recovery, or developmental stage concluded that the municipality is currently at a recovery stage, and the following questions addressed what the municipality is doing right, lacking, needs improving and what can go wrong.

3.11.1 What is the Municipality doing right?

The District Municipality's strengths are defined using the Back to Basics Pillars as captured in Table 3.11.1.1. below.

Table 3.11.1.1: What is the Municipality Doing Right

Source: Ugu DM Strategic Planning Session, 2016

Basic Service Delivery	Good Governance
✓ 83% water provision; ✓ Blue drop status; ✓ Quality waste master plan; ✓ Highest No Drop Score; ✓ Well run sanitation – blue flag beaches; ✓ Reduced service delivery protests; and ✓ Improved turnaround time in service delivery.	✓ Unqualified audit opinion; ✓ Political and management stability; ✓ Municipality bench marking their processes; ✓ Effective audit committee; ✓ IDP credibility is at 67, 33%; and ✓ Progress in the implementation of the long-term maintenance plan.
Capacity Building	**Financial Management**
✓ Staff capacity building and developmental programmes; ✓ Political and administrative synergy;	✓ Creditors are paid within 30 days; ✓ Good cash flow status; ✓ 1:5 Liquidity Ratio;

✓ Functional IGR forums; ✓ Employee wellness programme; ✓ Stable work force; and ✓ Performance driven culture.	✓ Reduced wasteful and fruitless expenditure; ✓ 100% spend on MIG; and ✓ Turnaround on financial situation.
People First	✓ Public engagement; ✓ Mayoral Izimbizo; ✓ IDP road shows; ✓ Newspaper and media handling; ✓ Customer relations, Batho Pele Principles; ✓ State of the art training centre; and ✓ Good website.

3.11.2 What is the Municipality not doing right?

The municipality is currently failing to manage implementation of cross cutting issues internally and externally. The daily municipal practices do not allow proper implementation and alignment of strategies and budget. There is lack of internal coordination and a cohesive way of handling and planning for projects. There is a need for more investors and presenting a unified investment attraction package, making Ugu district a tourism interest destination. The municipality needs a proactive, reactive, and sectoral communication plan that will accommodate the whole district.

The municipality as a district is not leading coordination with local municipalities and other stakeholders in the district causing legislation lack for coordination and there is lack of participation in other members of the municipality. Situational analysis does not inform planning. There is limited physical access in place for disabled personnel.

There are also performance management challenges experienced which include late submission of reports, inaccurate reporting (Unachieved as achieved/ date/ number as %), insufficient reporting, inadequate supporting documents, non-SMART KPIs, corrective measures for previously unachieved targets not implemented, crafting of easy targets that are not output based and non-alignment of IDP, SDBIP and Performance Agreements.

3.11.3 What can the Municipality improve?

The municipality needs to improve non-revenue water access, revenue collection and accuracy in the billing system. There must be a greater focus on Local Economic Development. Where services have been provided there must be Infrastructure maintenance and timeous improvement to avoid going back to fix what has already been fixed and that would lead to customer satisfaction. More Provision of bulk infrastructure is needed to accommodate climate change issues. The municipality needs to improve corporate branding; telling the community what has been achieved. The municipality needs to strengthen coordination of public participation, involving the community in the planning of service delivery.

The municipality needs to conduct proper research and development that responds to the analysis of the situation and the plans and implementation should be based on the research conducted, service provision must respond to the current state of the environment. The master plan must be reviewed timeously to improve the audit opinion. The revenue collected on water services must be used to retain and maintain what has been done by the municipality.

Communication and professionalism needs to improve to increase respect, trust and integrity. There must be cohesion between political and administrative leadership to build team work and working together to find a way forward on disagreements. Discipline needs to be enforced the right way putting an end to leaving things unresolved. Prioritising on staff retention and satisfaction which will reduce staff cost and creation of managerial positions to fix issues that can be fixed by other factions within the sections functioning to their exceptional performance. There must be knowledge retention and preserving of talent amongst staff and using managers to their best potential.

3.11.4 What can go wrong in the Municipality?

An ideal municipality is one that is accountable to the people and provides proper service delivery.

Ugu District Municipality, if they do not exercise the above mentioned has potential for uncontrollable service delivery protests. There will be a lack of proper risk and asset management and refurbishment of assets. There can be sabotage and therefore contamination of water services sources. Consumers can migrate to where services are provided better resulting in a drop-in revenue collection due to service delivery shortfalls. The municipality can lack people with relevant skills by not enforcing skills development. Water quality issues on estuaries and beaches can affect tourism. The municipality would be non-functional due to with-held grants caused by the lack of mSCOA compliance and lack of support on ERP systems. Lack of proper planning and replacement of old systems will result in a decrease of service delivery. There could be corruption whether real or perceived causing public mistrust.

4 CHAPTER 4: DEVELOPMENT STRATEGIES

UGu District Municipality held the 5-year Strategic Planning Session on the 20th – 21st October 2016 at The Estuary Hotel & Spa in Port Edward. The Strategic Planning Session was attended by the Municipal Manager, General Managers, Senior Managers, and Middle Managers and the entities management.

The Council of the District took a resolution that, there is a need for the Administrative Strategic Planning Session which will look at the challenges currently faced by the municipality in terms of service delivery and meeting the needs of the community and therefore align the political mandated programmes with policies and regulations laid down by the government and its key stakeholders and further strengthen its teeth as it is heading towards the implementations of its five year term Integrated Development Plan.

The sessions also aided in developing the new Vision and Mission of the District as well as the current situational analysis which then steered to developing new strategic objectives along with key priorities that will be implemented in the next financial years.

4.1 Vision and Mission

The Ugu District Municipality developed a long-term vision that is aligned with the National, Provincial, and District long term vision. The Vision and Mission for the district are as follows:

Vision

By 2035 Ugu District Municipality will provide adequate access to basic services in an efficient and sustainable manner, enhancing the quality of its citizens in an inclusive progressive economy.

Mission

To ensure all our communities have access to quality drinking water, decent sanitation, sustainable economic opportunities underpinned by the active participation of our citizens in exemplary government.

4.2 Strategic Framework

In developing the Strategic Framework, the following questions were addressed in the strategic session that was held by the district:

- ✓ Who do we serve?
- ✓ What service or product do we provide?
- ✓ What Higher Level Benefits Are Gained?
- ✓ What do our customers want from us?
- ✓ Who are our stakeholders?
- ✓ What is our stakeholders' interest in us?
- ✓ What is our value proposition to customers and stakeholders?
- ✓ What are our focus areas?
- ✓ What Result Do We Want?

4.2.1.1 Who do we serve?

Ugu District Municipality has secondary customers who are; investors, developers, tourists, vacant land owners and septic tank users.

There are also primary customers which are; households, industries, schools, hospitals and clinics, shops and malls, restaurants, farms, prison and courts, mortuaries, other local municipalities, and car washes.

4.2.1.2 What service or product do we provide?

Ugu District Municipality provides universal quality water suitable for human consumption and other use. There is access to decent sanitation, safe and sustainable environment. There is a wholesome economic platform to stimulate multi-sectoral economic opportunities including tourism.

4.2.1.3 What Higher Level Benefits Are Gained?

Internal customers need training, safe working environment, academic support, and market related compensation.

External customers need good quality drinking water, decent sanitation, reliable and affordable services equitably distributed throughout the district. They need Ugu District Municipality to be reliable and accountable. They need to be informed, accurately billed, and have indigent services for those who qualify. They need free basic services, efficient turnaround times for services and applications. They need quality maintained infrastructure, clear direction for investment and payment of creditors within 30 days.

4.2.1.4 What do our customers want from us?

They want sustainable service delivery, openness, and transparency. They want consultation and value for money. They want improved quality of life and a thriving economy. They want recreations – gym, night life, entertainment events, spiritual gatherings, and sports facilities. They want sustainable service delivery where there is uninterrupted water supply with high pressure water. They want quick response on complaints and queries, free services, and waterborne sanitation in rural areas. They want household connections and constant, instant two-way public consultation and feedback.

4.2.1.5 Who are our stakeholders?

Ugu District Municipality stakeholders are national and provincial government sectors, state owned entities, business sector, communities, CBOs, and NGOs, religious organisations, political organisations, councillors, employees, SALGA, organised labour and traditional leaders.

4.2.1.6 What is our stakeholders' interest in us?

The stakeholders are interested in quality drinkable water, decent sanitation, investment opportunities, accurate billing, reliable services, involvement in the Ugu business, information, IDP, finance position of the district, annual report and audit opinion, accountability, challenges experienced and community perceptions in infrastructure provision.

4.2.1.7 What is our value proposition to customers and stakeholders?

Ugu District Municipality offers a good lifestyle with blue flag beaches, malls and entertainment entities and affordable friendly activities. We offer skilled, relevant, customer centric and value for money labour. There is natural-eco-states land. There is clean drinkable uninterrupted supply of water, an ability to give rebate development, rates facilitation of access to load turnaround times related. Infrastructure is proactively maintained with pothole free roads, uninterrupted power using alternative energy and blue drop on tap 24/7.

There is cost and time effective services and investment landscape. Investors and customers have a competitive environment. There is super-efficient process management, affordable local and tourist lifestyle. There are competitive incentives for investors and competitive rates for services. UGu District has the longest visitors friendly coast lines in Kwa-Zulu Natal which puts the district in a competitive advantage.

4.2.1.8 What are our focus areas?

Ugu District Municipality focuses on organisational development which includes workplace study, process modelling and the organisational structure, improved communication, improved service delivery efficiency resulting in the quality of water, preventative maintenance, reduction of service delivery protests and implementation of the water master plan. Job creation and economic development, investment attraction and human resource development is also one of the focus areas. The focus is also on improvement and maintenance of information and communication infrastructure, security of information.

The municipality also focuses on replacement of aging infrastructure, clean governance, decent sanitation, institutional transformation, administration excellence, facilitating job creation and SMMEs, compliance with regulatory standards and a participatory government.

4.2.1.9 What result do we want?

If operational excellence is achieved the result will be good governance and administration, sound financial management and viability, innovative, effective, and efficient institution, and administration. In general, Ugu District Municipality through stakeholder relations is striving for:

1. Coordinated, effective and efficient planning and service delivery.
2. A credible and well informed IDP
3. Better investments and reduced dependency on grants.
4. Protest free and happy communities.
5. Confident investors and partners in service delivery.
6. Social cohesion.
7. Quality input and engagements.
8. Vibrant and active tourism, increasing investment and job opportunities.
9. Realisation of a developmental state.

4.3 Strategic Objectives

The municipality has developed 22 strategic objectives in the quest to achieve its vision and mission. The 22 strategic objectives have been aligned with the National Key Performance areas, Provincial and District Priorities as reflected in Table 4.2.1.1.

Table 4.2.1.1.: Alignment of Strategic Objectives

Source: Ugu DM Strategic Planning Session, 2016

Code	KPA	S.O. No.	Strategic Objective
BSD	Basic Service Delivery	BSD 1	Increase access to adequate basic services
		BSD 2	Increase infrastructure capacity
		BSD 3	Reduce water loss
		BSD 4	Compliance with access to quality drinking water standards
		BSD 5	Compliance with decent sanitation standards
MTID	Municipal Transformation and Institutional Development	MTID 1	Optimise the workforce potential
		MTID 2	Optimise systems and operations
		MTID 3	Increase performance, monitoring and evaluation
		MTID 4	Improve skills and capacity of work force
GGPP	Good Governance and Public Participation	GGPP 1	Strengthen Governance and Leadership
		GGPP 2	Strengthen stakeholder relations and Public participation
		GGPP 3	Promote clean and social government
		GGPP 4	Improve stakeholder engagements
LED	Local Economic Development	LED 1	Improve job creation opportunities particularly to youth
		LED 2	Promote small businesses, Cooperatives and SMMEs
		LED 3	Increase investment and development opportunities
		LED 4	Optimise tourism marketing and Development
		LED 5	Promote Sectoral development
		LED 6	Promote Special Vulnerable focus group development
		LED 7	Promotion of Youth Development
MFVM	Municipal Financial Viability and Management	MFVM 1	Increase income
		MFVM 2	Optimise expenditure and get better returns on investment
		MFVM 3	Strengthen budgeting and reporting
		MFVM 4	Reduce grant dependence
		MFVM 5	Improve revenue collection
		MFVM 6	Optimise Asset and Insurance Management services

Code	KPA	S.O. No.	Strategic Objective
CCI	**Cross Cutting Interventions**	CCI 1	Improve Disaster prevention and management
		CCI 2	Promote a healthy, safe, and sustainability environment
		CCI 3	Enhance measures to reduce community exposure to diseases and health risk
		CCI 4	Improve planning and coordination

4.4 Implementation Strategies

The following implementation strategies represent the high-level implementation of the Ugu District Strategy. A more detailed plan on the implementation of the Ugu District IDP is captured in the OPMS in Chapter 7 of the document and the annual operational implementation strategies are captured in the SDBIP in Chapter 7 of the document. This section should therefore be read concurrently with the said Chapters.

4.4.1 Basic Service Delivery

Table 4.4.1.1: Implementation Strategies – Basic Service Delivery *Source: Ugu District Municipality, 2017*

NKPA	S.O. No.	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
NKPA 2: Basic Services Delivery	BSD 1	Increase access to adequate basic services	BSD 1.1	Number of households with access to potable water.	Develop and implement a water service master plan	152 377	175 146	22 769	1 500	3 000	4 500	6 000	7 500	WS
			BSD 1.2	Number of households with access to waterborne sanitation.		56 046	70 058	14 012	600	1 200	1 800	2 400	3 000	WS
			BSD 1.3	Number of households with access to VIP sanitation.		63 201	105 088	41 887	3000	7 000	12 000	18 000	25 000	WS
			BSD 1.4	Number of boreholes refurbished		79			50	100	150	200	250	WS
			BSD 1.5	Number of Springs protected and refurbished		419	419	419	84	168	252	336	419	WS
			BSD 1.6	Number of households with access to free basic water.	Develop and enforce a free basic service policy and bylaw.	152 377	175 146	22 769	153 877	153 877	161 377	167 377	174 877	TREA
			BSD 1.7	Number of indigents with access to free basic services.		9 268	28 829	19561	9 268	9 268	9 268	9 268	9 268	TREA
			BSD 1.8	Number of indigent assessment reviews conducted.		5	1 per annum	0	1	1	1	1	1	TREA
	BSD 2	Increase infrastructure capacity	BSD 2.1	Number of water reservoirs constructed.	Develop and implement a 5-year capital infrastructure development plan.	167	173	6	2	3	4	5	6	WS

NKPA	S.O. No.	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
NKPA 2: Basic Services Delivery	BSD 3	Reduce water losses	BSD 3.1	Average turnaround time in hours taken to repair water leaks	Develop and implement a water repairs and maintenance plan	4hrs	4hrs	0	4hrs	4hrs	4hrs	4hrs	4hrs	WS
			BSD 3.2	Kilometres of water pipeline replaced		30	5 000	4 970	20	40	60	80	100	WS
			BSD 3.3	% Reduction of non-revenue water		25	21	4	0.5	1	2	3	4	WS
	BSD 4	Compliance with access to quality drinking water standards	BSD 4.1	Number of water plants refurbished	Develop and implement a water service delivery plan.	0	17	17	3	6	10	14	17	WS
			BSD 4.2	% of blue drop status achieved.		0%	17%	17%	2%	5%	9%	14%	19%	WS
	BSD 5	Compliance with decent sanitation standards	BSD 5.1	Average turnaround time in hours taken to repair sewerage spillages.		24	24	0	24	24	24	24	24	WS
			BSD 5.2	Number of wastewater treatment plants refurbished		0	17	17	2	5	9	14	19	WS
			BSD 5.3	% of green drop status achieved.		3%	22%	19%	3%	5%	9%	11%	14%	WS

4.4.2 Municipal Transformation & Institutional Development

Table 4.4.2.1: Implementation Strategies –Municipal Transformation and Institutional Development *Source: Ugu District Municipality, 2017*

NKPA	S.O. No.	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
NKPA 1: Municipal Transformation and Organisation Development	**MTID 1**	**Optimise the workforce potential**	MTID 1.1	Number of section 54/56 posts filled	Develop and annually revise the organogram, and recruitment policy	5	5	0	5	5	5	5	5	CS
			MTID 1.2	% overall compliance to the employment equity targets.		41%	49%	8%	43%	46%	49%	49%	49%	CS
			MTID 1.3	% of Training budget spent on implementing the workplace skills plan.	Develop and annually revise the Work Place Skills Plan	100%	100%	0%	100%	100%	100%	100%	100%	CS
			MTID 1.4	Number of Departments that have fully cascaded IPMS for levels 1 - 6	Develop, implement and monitor the individual performance management system of the Municipality.	1	5	4	5	5	5	5	5	ALL
			MTID 1.5	Percentage Implementation of Organisational Culture	Develop and monitor organizational culture within the Municipality	0	100	NA	100	100	100	100	100	CS
			MTID 1.6	Number of Health and Wellness Programmes	Wellness Programmes to benefit employees	4	4	0	4	4	4	4	4	CS
			MTID 1.7	Number of Sourcing and Placement & Group Induction programmes done	Implementation of programmes to ensure balance in recruitment and internships	2	2	0	2	2	2	2	2	CS

NKPA	S.O. No.	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
			MTID 1.8	Percentage compliance with the turnaround time in the Completion of disciplinary and grievance processes within the municipal internal processes	Monitor compliance with disciplinary and grievance processes	100%	100%	0%	100%	100%	100%	100%	100%	All
			MTID 1.9	Percentage compliance with Exit Management interviews	Review of Employee Retention Policy	100%	100%	0%	100%	100%	100%	100%	100%	All
			MTID 1.10	Percentage compliance with Leave and Sick Leave Management	Monitoring of Compliance to Code of conduct and Policies relating to HR	100%	100%	0%	100%	100%	100%	100%	100%	All
			MTID 1.11	Percentage compliance with overtime management		100%	100%	0%	100%	100%	100%	100%	100%	All
			MTID 1.12	Percentage Compliance with OHS Act	100%	100%	0%	100%	100%	100%	100%	100%	100%	All
			MTID 1.13	Percentage of Super Users and Administrators trained	Conclusion of Financial Systems Service Level Agreements	0%	100%	100%	100%	100%	100%	100%	100%	TREA
	MTID 2	**Optimise systems and operations**	MTID 2.1	Average turnaround time in hours taken to respond to Customers request for services.	Develop and adopt the 5-year organisation re-engineering plan and implement it	4hrs	4hrs	NA	4hrs	4hrs	4hrs	4hrs	4hrs	OMM
NKPA 1:	**MTID 2**	**Optimise systems and operations**	MTID 2.2	Number of policies which have detailed standard operating procedures.		0	82	82	15	15	15	15	15	All
			MTID 2.3	Number of Policies Reviewed, Formulated and Adopted		0	82	82	23	23	23	23	23	All

NKPA	S.O. No.	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
			MTID 2.4	Number of ICT Facilities and Infrastructure Resource projects commissioned.	Commission ICT Facilities and Infrastructure	N/A	4	N/A	4	4	4	4	4	CS
			MTID 2.5	Percentage reporting on compliance to ICT Service Continuity and Availability Assurance	Reporting on ICT Service continuity	100%	100%	0	100%	100%	100%	100%	100%	CS
			MTID 2.6	Percentage Compliance to ICT Governance Phase 1 and Phase 2	ICT Governance Framework and Charter reviewed and implemented	80%	100%	20%	100%	100%	100%	100%	100%	CS
			MTID 2.7	Percentage Reporting on ICT Incident Management	Analysed Incident report presented quarterly to ICT Steering Committee	100%	100%	0	100%	100%	100%	100%	100%	CS
			MTID 2.8	Number of ICT Service Delivery programmes implemented	Implement ICT Programmes such as; Monitoring of Network operations, Licencing management, Website compliance and development of SOP's	N/A	5	0	5	5	5	5	5	CS
NKPA 1:	MTID 2	**Optimise systems and operations**	MTID 2.9	% Implementation of Fleet Replacement Plan	Implement Fleet Management Plan, Maintenance plan and Licencing Plan	74%	100%	26%	90%	100%	100%	100%	100%	CS
			MTID 2.10	% Implementation of Fleet Maintenance Plan		100%	100%	0	100%	100%	100%	100%	100%	CS
			MTID 2.11	% availability of service delivery vehicles	Ensure fleet as an enabler of effective	78%	100%	22%	80%	80%	80%	80%	80%	CS

NKPA	S.O. No.	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
			MTID 2.12	% Implementation of Fleet Vehicle Licensing Plan	service delivery to communities	100%	100%	0	100%	100%	100%	100%	100%	CS
			MTID 2.13	Number of vehicles identification and assessment for disposal	Identify and assess vehicles for disposal	5	5	0	1	1	1	1	1	CS
			MTID 2.14	Number of driver's licences and PDP's verification	Verify drivers' licences and PDP's	5	5	0	1	1	1	1	1	CS
			MTID 2.15	% Implementation of resolutions taken in Fleet Management committees	Implement resolutions taken at Fleet Management Committee	0%	100%	100%	100%	100%	100%	100%	100%	CS
			MTID 2.16	% Drivers referred for advanced driving course		0%	80%	100%	5%	15%	40%	60%	80%	CS
			MTID 2.17	% Fleet utilisation of disciplinary matters concluded within three months from the date of reporting		0%	100%	100%	100%	100%	100%	100%	100%	CS
			MTID 2.18	Percentage compliance with reporting on Departments compliance with fuel reduction goals		100%	100%	0	100%	100%	100%	100%	100%	CS
			MTID 2.19	Number of Ugu sites where maintenance is completed	Implement Long-Term Building Maintenance Plan	13	433	420	22	34	48	64	81	CS
			MTID 2.20	Number of Ugu sites Implemented in line with the Long-Term Office Accommodation Plan	Implement Long-Term Office Accommodation Plan	3	6	3	5	6	6	6	6	CS
			MTID 2.21	% Implementation of Security Management	Security Management	N/A	100%	100%	100%	100%	100%	100%	100%	CS

NKPA	S.O. No.	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
				Checklist based on engagement sessions										
			MTID 2.22	Percentage reporting on compliance to the Rules and Orders of Council	Develop Compliance checklist and report to the Speaker	100%	100%	0	100%	100%	100%	100%	100%	CS
			MTID 2.23	Percentage reporting on Departmental records management compliance	Monitoring of file plan usage, electronic document management systems, PAIA and destruction authorities	100%	100%	0	100%	100%	100%	100%	100%	CS
NKPA 1: Municipal Transformation and Organisation Development	MTID 2	Optimise systems and operations	MTID 2.24	Number of Financial Systems' Admin and User Access Reviews	Provision of Technical Support to Financial System Users	4	4 per annum	0	4	4	4	4	4	TREA
			MTID 2.25	% of Financial Systems License and SLAs Concluded		100%	100%	0	100%	100%	100%	100%	100%	TREA
			MTID 2.26	% implementation of integrated financial system – Phase 2	Training of Super Users and Financial System Administrators Implementation of integrated Financial System - Phase 2	0	100		100	0	0	0	0	TREA
	MTID 3	Increase performance, monitoring and evaluation	MTID 3.1	Percentage of milestones achieved on the performance management process plan	Develop and implement a performance management framework and policy that is aligned and fully automated.	100%	100%	0	100%	100%	100%	100%	100%	OMM
			MTID 3.2	Number of section 54/56 Managers with		5	5	0	5	6	6	6	6	OMM

NKPA	S.O. No.	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
				signed performance contracts										
			MTID 3.3	% of targets achieved on the Organisation tier 1 scorecard.		0	100%	0	50%	70%	80%	90%	100%	OMM
			MTID 3.4	Number of Annual Reports Developed and Approved		1	1 per annum	0	1	1	1	1	1	All
			MTID 3.5	Number of Vendor Performance Review Meeting Held		4	4	0	4	4	4	4	4	OMM

4.4.3 Good Governance and Public Participation

Table 4.4.3.1: Implementation Strategies – Good Governance and Public Participation *Source: Ugu District Municipality, 2017*

NKPA	Code	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
NKPA 5: Good Governance and Public Participation	GGPP 1	Strengthen Governance and Leadership	GGPP 1.1	Number of Council and its committee meetings held.	Develop a Councillor calendar of meetings and convene meetings accordingly.	10 per annum	10 per annum	0	10	10	10	10	10	CS
			GGPP 1.2	% of full Council resolutions implemented.		100%	100%	0	100%	100%	100%	100%	100%	All
			GGPP 1.3	% of Audit findings resolved.	Develop and implement the internal audit plan and the risk register.	75%	100%	25%	80%	85%	90%	95%	95%	All
			GGPP 1.4	% implementation of the internal audit plan.		100%	100%	0	100%	100%	100%	100%	100%	OMM
			GGPP 1.5	% of risks mitigation recommendations implemented.		80%	70%	0	80%	80%	80%	80%	80%	All
			GGPP 1.6	Number of Anticorruption awareness campaigns co-ordinated.		15	15	0	3	6	9	12	15	OMM
			GGPP 1.7	Number of Unqualified audit with no matters of emphasis achieved from the Auditor General.	Develop and implement a clean audit plan.	NA	NA	NA	-	1	1	1	1	All
			GGPP 1.8	% compliance achieved as per the compliance check list of the Municipality.		50	100	NA	60	75	85	90	95	All
			GGPP 1.9	% Compliance Monitoring of WSP	Implementation of Batho Pele Strategy	80	100	NA	100%	100%	100%	100%	100%	OMM
NKPA 5:	GGPP 1	Strengthen Governance	GGPP 1.10	% implementation of Batho Pele Strategy		100%	100%	0%	100%	100%	100%	100%	100%	OMM

NKPA	Code	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
		and Leadership	GGPP 1.11	% of call management implementation	Implementation of call centre systems management strategy	75%	95%	NA	75%	80%	85%	90%	95%	OMM
			GGPP 1.12	Number of IGR Structures functional		4	4 per annum	0	4	4	4	4	4	All
			GGPP 1.13	% Back to basics functional categorization score		75 – 100%	75 – 100%	0	75 – 100%	75 – 100%	75 – 100%	75 – 100%	75 – 100%	OMM
	GGPP 2	**Strengthen stakeholder relations and Public participation**	GGPP 2.1	Number of public participation programmes co-ordinated.	Develop and implement the public participation policy and Communication plan	9	10 per annum	NA	9	9	10	10	10	OMM
			GGPP 2.2	% of milestones achieved on the Communication plan.		New	NA	NA	70%	100%	100%	100%	100%	OMM
			GGPP 2.3	Number of Customer satisfactory surveys conducted.		1	5	NA	1	2	3	4	5	OMM
			GGPP 2.4	% of Customer care issues, complaints and enquiries resolved within the set standards.		60%	100%	NA	80%	80%	80%	80%	80%	OMM
			GGPP 2.5	Number of stakeholder engagement meetings held.		0	60	NA	12	24	36	48	60	OMM

4.4.4 Local Economic Development

Table 4.4.4.1: Implementation Strategies – Local Economic Development *Source: Ugu District Municipality, 2017*

NKPA	Code	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
NKPA 3: Local Economic Development	**LED 1**	**Improve job creation opportunities particularly to youth**	LED 1.1	Number of Jobs created through LED and EPWP projects.	Develop and implement the LED strategy	180	Data Not Available	Data Not Available	200	450	700	950	1 150	EDES / OMM
	LED 2	**Promote small businesses, Cooperatives and SMME's**	LED 2.1	Number of SMMEs, cooperatives, and informal business sector trained and supported.		160	NA	NA	30	60	90	120	150	EDES
	LED 3	**Increase investment and development opportunities**	LED 3.1	Number of business stakeholders coordinated	Business Retention Strategy	New	NA	NA	5	5	5	5	5	USCDA
			LED 3.2	Number of Public / Private partnership secured		New	NA	NA	5	5	5	5	5	USCDA
			LED 3.3	Number of investment opportunities attracted		New	NA	NA	5	5	5	5	5	USCDA
	LED 4	**Optimise tourist attraction**	LED 4.1	Sustain and develop operations of district wide Visitor Information Centres (VIC's)	Develop and implement the LED strategy	New	NA	NA	100%	100%	100%	100%	100%	USCT
			LED 4.2	To contribute to the growth in the District tourism economy through visitor volume growth and the application of a		New	NA	NA	100%	100%	100%	100%	100%	USCT

NKPA	Code	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
				Marketing Action Plan (MAP)										
			LED 4.3	Percentage initiatives taken to utilise events as a conduit for profiling the South Coast and contribution to visitor growth volume		New	NA	NA	100%	100%	100%	100%	100%	USCT
			LED 4.4	Percentage initiatives taken to ensure effective awareness of socio-economic conditions through tourism		New	NA	NA	100%	100%	100%	100%	100%	USCT
			LED 4.5	Percentage initiatives taken to capacitate people for sustaining livelihoods through tourism		New	NA	NA	100%	100%	100%	100%	100%	USCT
			LED 4.6	Percentage initiatives taken to ensure participation in tourism management and ownership of tourism products by local communities		New	NA	NA	100%	100%	100%	100%	100%	USCT
			LED 4.7	Percentage initiatives taken to develop unique and sustainable tourism products and events		New	NA	NA	100%	100%	100%	100%	100%	USCT
			LED 4.8	Percentage initiatives taken to ensure that DM/LM coastal		New	NA	NA	100%	100%	100%	100%	100%	USCT

NKPA	Code	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
				management / development projects are activated										
			LED 4.9	Percentage initiatives taken to create an enabling environment for tourism investment		New	NA	NA	100%	100%	100%	100%	100%	USCT
			LED 4.10	Percentage initiatives taken to ensure that tourism support infrastructure is adequately provided and/or maintained		New	NA	NA	100%	100%	100%	100%	100%	USCT
	LED 5	**Promote Sectoral development**	LED 5.1	Number of Agricultural Development Initiatives Implemented		27	6 per annum	NA	6	6	6	6	6	EDES
			LED 5.2	Number of Manufacturing Development Initiatives Implemented		12	NA	NA	2	3	5	5	5	EDES
NKPA 3: Local Economic Development	LED 5	**Promote Sectoral development**	LED 5.3	Number of Green Economy Initiatives Implemented	Develop and implement the LED strategy	0	NA	NA	0	0	1	2	3	EDES
			LED 5.4	Number of Maritime Development Initiatives Implemented		0	NA	NA	0	0	1	2	2	EDES
			LED 5.5	Number of Mining Development Initiatives Implemented		0	NA	NA	0	0	1	1	1	EDES

NKPA	Code	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
			LED 5.6	Number of Research and Development Initiative Implemented	Implement DGDS	4	4 per annum	NA	4	4	4	4	4	EDES
	LED 6	**Promote Special Vulnerable focus group development**	LED 6.1	Number of Functional Vulnerable Groups Programmes	Develop and implement the Special Programmes Strategy	6	7 per annum	NA	7	7	7	7	7	OMM
	LED 7	**Promotion of Youth Development**	LED 7.1	Number of Leadership Development Programmes Implemented	Ugu Youth Development Policy Framework	New	NA	NA	2	4	6	8	10	OMM
			LED 7.2	Number of Social Cohesion Programmes Implemented		New	NA	NA	2	4	6	8	10	OMM
			LED 7.3	Number of Education, Training, and Skills Development Programmes Implemented		New	NA	NA	5	9	13	17	21	OMM
			LED 7.4	Number of Economic Development and Transformation Programmes Implemented		New	NA	NA	4	8	12	16	20	OMM
	LED 7	**Promotion of Youth Development**	LED 7.5	Number of Health and Social Well-Being Programmes Implemented		New	NA	NA	2	4	6	8	10	OMM
			LED 7.6	Number of Arts and Culture Programmes Implemented		New	NA	NA	7	14	21	28	35	OMM

NKPA	Code	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
			LED 7.7	Number of Sport and Recreation Programmes Implemented		New	NA	NA	5	10	15	20	25	OMM

4.4.5 Municipal Financial Viability and Management

Table 4.4.5.1: Implementation Strategies – Municipal Financial Viability and Management *Source: Ugu District Municipality, 2017*

NKPA	Code	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
NKPA 4: Municipal Financial Viability and Management	MFVM 1	Increase Income	MFVM 1.1	Percentage of milestones achieved on the revenue enhancement plan.	Develop and implemented the revenue and enhancement strategy	76%	85%	9%	85%	85%	85%	85%	85%	TREA
			MFVM 1.2	% reduction of debtors in excess of 90 days.		10%	85%	75%	5%	5%	5%	5%	5%	TREA
			MFVM 1.3	% of revenue actually collected from debtors against total billed.		76%	85%	9%	85%	85%	85%	85%	85%	TREA
			MFVM 1.4	Improve Debt coverage ratio.		27%	45%	18%	30%	35%	40%	45%	45%	TREA
	MFVM 2	Optimise expenditure and get better returns on investment	MFVM 2.1	Improve Cost coverage ratio.	Repayment of the existing loans as per contract	3 months	3 months	O months	3 months	3 months	3 months	3 months	3 months	TREA
			MFVM 2.2	% of Municipal Infrastructure grants actually spent.	Develop and implement procurement plans and enforce expenditure controls.	99.3%	100%	0.7%	100%	100%	100%	100%	100%	TREA
			MFVM 2.3	% of OPEX actually spent against budget.		94.91 %	100%	5.09%	100%	100%	100%	100%	100%	TREA
			MFVM 2.4	% of CAPEX actually spent against budget.		88.90 %	100%	11.1%	100%	100%	100%	100%	100%	TREA
			MFVM 2.5	% of irregular/wasteful/fruitless expenditure incurred.	Develop and implement a creditor payment enhancement plan.	2.0%.	1.5%	0.5%	1.5%	1.5%	1.5%	1.5%	1.5%	TREA

NKPA	Code	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
NKPA 4: Municipal Financial Viability and Management	MFVM 2	Optimise expenditure and get better returns on investment	MFVM 2.6	% of capital budget spent on capital infrastructure assets.		100%	100%	0%	100%	100%	100%	100%	100%	TREA
			MFVM 2.7	% of creditors paid within 30 days from receipt of an invoice.	Develop, adopt and implement supply chain management policies and plans.	95%	100%	5.00%	96%	97%	98%	98%	100%	TREA
			MFVM 2.8	Average turnaround in time and days taken to finalise a tender.		90 days	75 days	15 days	90 days	85 days	80 days	75 days	75 days	TREA
			MFVM 2.9	% reduction of Irregular Expenditure.		1.5%	0%	1.5%	0%	0%	0%	0%	0%	TREA
	MFVM 3	Improve Budgeting and Reporting	MFVM 3.1	Percentage allocated to free basic services.	Implement MSCOA, align budget to IDP and cascade the budget down to Managers.	51.70 %	100%	48.30 %	60%	65%	70%	75%	80%	TREA
			MFVM 3.2	% of repairs and maintenance budget actually spent.		6.79%	7.00%	0.21%	7.00%	7.00%	7.00%	7.00%	7.00%	TREA
			MFVM 3.3	Number of reports submitted to Council, Treasury and COGTA in terms of the MFMA calendar of reporting.		12	12	12	12	12	12	12	12	TREA
			MFVM 3.4	% of support calls resolved within a month		70	100	0	80	85	90	95	100	TREA
			MFVM 3.5	Improve the Liquidity ratio of the Municipality	Increase the Cash Reserves and reduce the liabilities and expenditure	1:1	1.5:1	0.05	1:1	1:1.1	1:1.15	1:1.3	1.14	TREA
	MFVM 5	Optimise Asset and Insurance Management services	MFVM 5.1	Number of Movable/ Immovable Asset Verifications conducted	Ensure FAR is accurate, complete and GRAP compliant	4	20	0	4	8	12	16	20	TREA

NKPA	Code	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
NKPA 4: Municipal Financial Viability and Management	MFVM 5	Optimise Asset and Insurance Management services	MFVM 5.2	Number of Updated Asset Registers		12	60	0	12	24	36	48	60	TREA
			MFVM 5.3	Number of Disposal of assets by public auction		1	10	1	2	4	6	8	10	TREA
			MFVM 5.4	Percentage insurance cover for municipal insurable assets	Enforce insurance management	100%	100%	0	100%	100%	100%	100%	100%	TREA
			MFVM 5.6	Number of Assets Indaba created (Improved Internal Controls)	Create Asset Management Awareness with the aim of improving internal Controls around Asset Management	0	5	5	1	2	3	4	5	TREA

4.4.6 Cross Cutting Interventions

Table 4.4.6.1: Implementation Strategies – Cross Cutting Interventions *Source: Ugu District Municipality, 2017*

NKPA	Code	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
NKPA 6: Cross Cutting Issues	**CCI 1**	**Improve Disaster prevention and management**	CCI 1.1	Number of Integrated Institutional Capacity for Disaster Risk Reduction programmes conducted	Develop and implement a disaster management plan	4	2	0	2	2	2	2	2	CS
			CCI 1.2	Number of Disaster Risk Assessments conducted		6	4	0	4	4	4	4	4	CS
			CCI 1.3	Number of Coordinated Disaster Risk Reduction initiatives		15	23	0	23	22	22	22	22	CS
			CCI 1.4	Turnaround time to Disaster response and recovery	Implementation of Fire and Rescue Strategy and monitoring of response times	24hours	24hours	0	24hours	24hours	24hours	24hours	24hours	CS
			CCI 1.5	Number of Milestones achieved on the Implementation of Fire and Rescue Strategy		4	1	N/A	1	1	1	1	1	CS

NKPA	Code	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
	CCI 2	**Promote a healthy, safe, and sustainability environment**	CCI 2.1	Number of environmental and health Awareness Initiatives conducted.	Implementation of Health and Hygiene Education and other environmental strategies	795	1000	205	50	100	150	200	250	EDES
NKPA 6: Cross Cutting Issues	**CCI 2**	**Promote a healthy, safe, and sustainability environment**	CCI 2.2	Number of environmental management Programmes implemented.	Develop, adopt, implement and review environmental management Strategies.	4	6	2	2	3	4	5		EDES
			CCI 2.3	Number of Integrated Environmental Management programmes	Implement Environmental Management Programme and Framework	1	3	2	1	2	0	0	0	EDES
			CCI 2.4	Number of Biodiversity and Environmental Protection Initiatives Implemented	Develop and Implement Biodiversity Management Plans	0	2	2	1	2	0	0	0	EDES
	CCI 3	**Enhance measures to reduce**	CCI 3.1	Number of Health inspections conducted.	Implement Public Health Bylaws and	700	0	0	1000	2 100	3 300	4 600	6 000	EDES

NKPA	Code	Objectives	IDP REF	Organisation KPI	Strategies	Baseline	Demand	Backlog	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Responsible
		community exposure to diseases and health risk	CCI 3.2	Number of Environmental Health Risks Investigations conducted.	Environmental Policies	100%	0%	0%	100%	100%	100%	100%	100%	EDES
			CCI 3.3	Number of Water Monitoring Initiatives Implemented		1320	0	0	1 350	2 750	4 200	5 700	7 250	EDES
NKPA 6: Cross Cutting Issues	**CCI 4**	**Improve Coordination and Planning**	CCI 4.1	% IDP credibility rating by COGTA	Co-ordinate planning within the District	67.33			68	70	75	80	85	OMM
			CCI 4.2	% of milestones achieved on the IDP process plan within the set time frame		100	100	0	100	100	100	100	100	OMM
			CCI 4.3	% of priorities on the Spatial Development Plan addressed.		New	NA	NA	-	30	50	60	70	OMM
			CCI 4.4	% implementation of GIS		New	NA	NA	30	50	60	70	100	OMM

5 CHAPTER 5: STRATEGIC MAPPING AND IMPLEMENTATION PLAN

The purpose of this section is to outline the implementation plans of the sector involvement in the identified programmes and projects that support Ugu District Municipality to achieve its development goals as stated in the Integrated Development Plan. The involvement is represented in the programmes and projects and responsible departments / institutions as outlined in the Table 5.1. The programs and projects by Government Departments and stakeholders are expressed in the three to five-year financial plan. This list is not detailed but a highlight of the key issues to be addressed by these entities at programme and project level. The relevant institution has provided the information. The section further indicates the desired growth and development (addressing issues and trends highlighted in the analysis) of the municipal area.

5.1 Strategic Mapping

This section incorporates the Spatial Development Framework into the IDP. The SDF provides a visual representation of the desired spatial form of the municipality and clearly and explicitly indicates desired or undesired utilisation of space across the District in broad terms. For the purposes of strategic mapping, sieve mapping was applied which was then transformed into the SDF. Through this process mutually reinforcing areas were conflated, e.g. areas not suitable for development – slope, environment, etc; spatial structure – nodes, road system, settlement pattern; and existing and future land-use allocation.

A simple matrix, as indicated in Table 5.1.1, identifies the particular type of “Planning Intervention" by a three-way planning treatment for each land use type. With regards to residence, there is formal and informal settlements where the settlements that are > 2 du/ha are considered relatively dense; 0.66 – 2 du/ha relatively less dense; and < 0.66 du/ha scattered - within Traditional Settlement areas. Furthermore the, upgraded areas assume availability of infrastructure.

Table 5.1.1: Ugu District Municipality SDF Matrix
Source: Ugu District Municipality SDF Review, 2017

Activity	Existing	Improvement	New /Future
Treatment	Maintain Existing; Limited Improvement	Consolidate; Re-align; Formalise; and Upgrade	Infill “Greenfields”

When it comes to agriculture there is commercial agriculture and traditional practice and settlement area. The conservation includes reserves which are formally identified and managed protection areas and general conservation which is a combination of flood line areas, steep slope areas and environmental.

The industry is concerned with conventional identification. Nodes include urban nodes where the application of retail hierarchy structure is used where the most remain as existing, some improved / upgraded to higher order, rural centre nodes (assumes that infrastructure can be provided), hub RSCs only applied in large and denser settlement areas, satellite RSCs in largish settlement areas and previously identified nodes without apparent catchments were considered as not being shown. Lastly there has not been any major proposals for roads as most existing roads remain as is and certain gravel roads to be improved when associated with larger settlements and nodes.

The spatial reconstruction of the municipality had to consider the issues to determine the desired spatial form and land use, spatial outcome, strategic guidance in respect of the location and nature of development within the district, spatial alignment with neighbouring municipalities, indication of where public and private land development and infrastructure investment should take place, areas where strategic intervention is required and areas where priority spending is required.

5.1.1 Desired Spatial Outcomes, Form, and Land Use

The desired outcomes of form and land use of the Ugu District Municipality is articulated in the SDF of the municipality and is briefly outlined in this section. The SDF map is also included for spatial reference as Map 1.

To meet the land use needs, the SDF considered residential areas looking at the low-income housing areas, affordable housing areas and leisure accommodation. The urban areas that are along the coast will be subject to infill" and "Greenfields" development which will be orientated towards leisure accommodation. Densification is to be encouraged around all nodes and along the sea facing areas, primarily in the form of medium density low rise (duplex and walk-up flats) developments. No high-rise development will be supported as this will impact on development behind it. Given the proximity of most informal settlement and pockets of formal development in the traditional areas, these areas will be integrated and linked to appropriate coastal towns to create composite clusters of urban development. The linking of development will occur in the form of mini-corridors along the lateral E-W roads within walking distance parameters. The majority of these areas will be orientated to low and moderate-income housing. Appropriate levels of supporting services and facilities will be part of these planned extensions of the existing development.

In terms of industrial use, new manufacturing, processing, and assembly type industrial areas will be encouraged in relation to the Margate Airport. Smaller industrial clusters should be considered in relation to the linking roads. Service industrial areas need to be considered near or adjacent to all major nodes and or at locations near intersections along the N2.

Tourism is one of the key economic generators in the Ugu District Municipality area of authority and although tourism is not a land use as such, tourism development impacts substantially on land use in the District. In broad terms the following guidelines relating to the spatial development of tourism should be considered:

New resort developments: Resort type developments should be integrated with existing urban structure and should not be allowed to "leapfrog". These types of developments should contribute to the sustainable use of existing tourism facilities and infrastructure, where appropriate new seaside resort development should be linked to existing or future Blue Flag Beaches.

A tourism based corridor, with several side connections is recommended through the Ray Nkonyeni municipality around the Oribi Gorge Nature Reserve. This route will seek to benefit existing and potential opportunities in this area.

The District is also committed to ensuring the provision of recreational facilities and the protection of high potential agricultural areas for food security purposes. Furthermore, given the unique character of the area it is important that this character is retained and this requires promoting the maintenance, rehabilitation, protection and management of the natural environment and guiding development such as to integrate the natural character into the built environment and to provide appropriate development densities.

The Spatial Management will include Integration, Compaction, Urban Densification, and Urban Growth Boundary. The structuring of the District will be concerned with the creation of a series of linear towns, walking distance limits, iintegrating the city, redressing imbalances, avoiding sprawl “leapfrogging”, and renforcement of existing Nodes. Furthermore, there will be a continuous identification of areas with economic development potentials which will consider sustainability (Environmentally, Economically, and Land use arrangement) and creation of a quality urban environment.

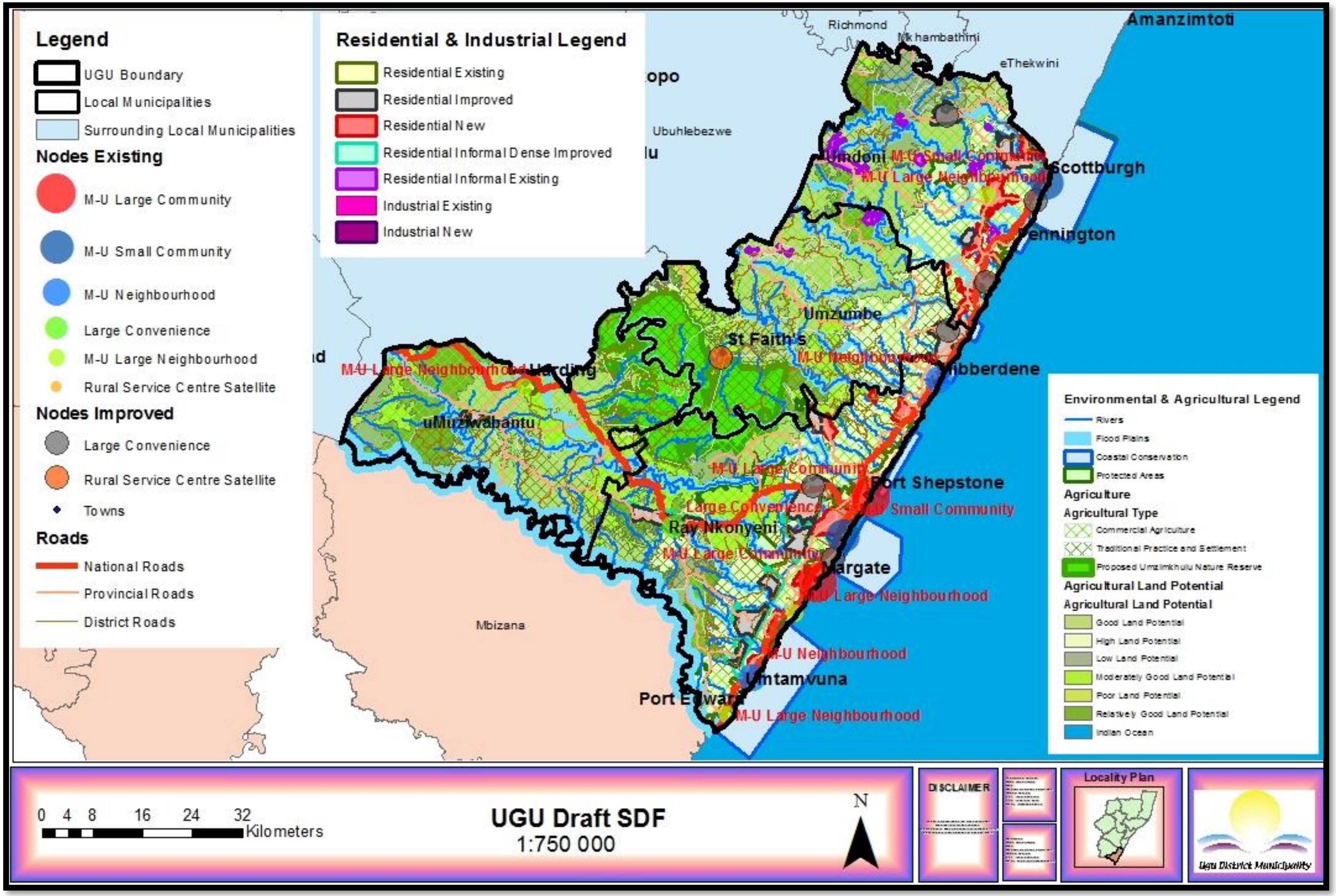
5.1.2 Spatial Reconstruction of the Municipality

In the quest of addressing the spatial challenges and inequalities of the past, the Ugu District SDF is explicitly addressing the following principles: -

- Explicit objectives and principles reflecting the recommended spatial form of the District.
- Promotion of the integration of the social, economic, institutional, and physical aspects of development.
- Promotion of integrated development in rural and urban areas in support of each other.
- Promotion of the availability of residential and employment opportunities in close proximity to or integrated with each other.
- Optimisation the use of existing resources.
- Discouragement of “urban sprawl" and “leap-frogging” and contribution to the development of a series of more compact towns and villages.
- Correcting the historically distorted spatial patterns of settlement.
- Encouraging environmentally sustainable land development practices and processes.
- Promoting sustained protection of the environment.
- Promotes the establishment of viable communities.

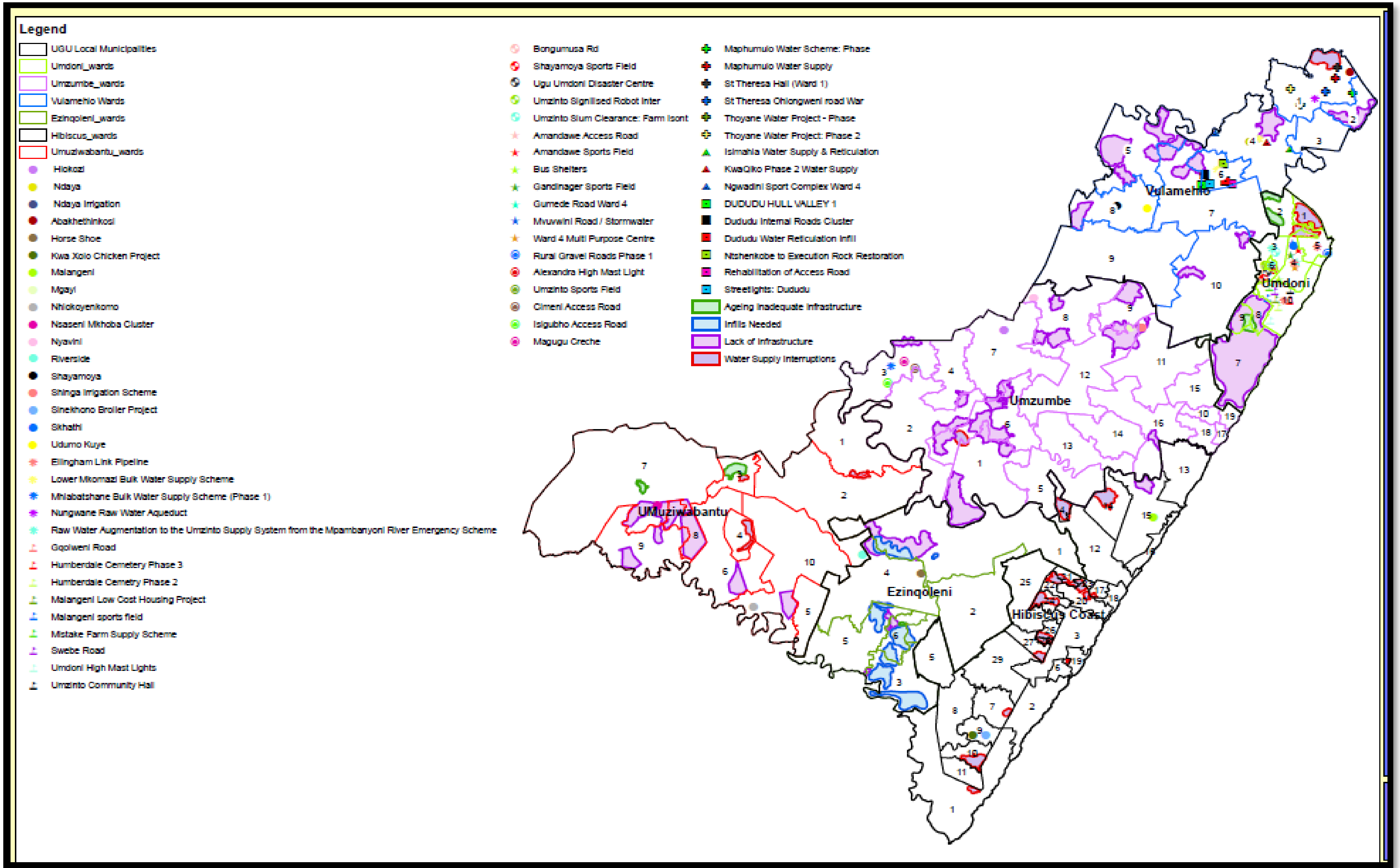
The SDF principles and plan contain approaches that address the spatial reconstruction of the District with its clear integration of a system of settlements. At a broad and indicative level, the SDF provides strategic guidance in respect of the location and nature of development across the District. The spatial reconstruction of the municipality is reflected in Map 1 through the new and improved legends.

Priority spending and development blockages are illustrated in Map 2.



Map 1: Ugu District SDF Framework

Source: Ugu District SDF Review, 2017



Map 2: Ugu District Service Delivery Blockage Map *Source: Ugu GIS, 2015*

5.2 Five-Year Implementation Plan

The purpose of this section is to outline how the rest of the state is geared to support Ugu District Municipality to achieve its development goals as stated in the Integrated Development Plan. The implementation plan shows the alignment of service delivery implementation in the Ugu District area of jurisdiction. This is an attempt to ensure that the sector departments, state owned enterprises, NGOs and local municipalities are mobilised towards the implementation of the NDP, PGDS and DGDS. A significant amount of financial resources for the implementation of projects lies with sector departments. The availability of the IDP therefore, provides guidance to the departments as to where their services are required and hence where to allocate their resources.

The alignment of implementation of projects within the Ugu District area of jurisdiction have been aligned to the PGDS giving full details of each project in the Service Delivery / Implementation Plan as attached in Annexure 10 of which the summary is given in this section. The projects that are in the Service Delivery / Implementation Plan are also spatially represented in Map 2 above.

Table 5.2.1 gives a summary of the Service Delivery / Implementation Plan Catalytic Projects. A total estimated sum of R 57 235 544 339.74 is estimated to be spent towards the implementation of the nine IDP priorities, seven DGDS Drivers and seven PDGS Goals. The major bulk of the estimated budget is towards Economic and Sectoral Development (Job Creation, Employment, LED Projects, Tourism, Agriculture, Rural Development) IDP Priority. This is followed by Infrastructure Investment (Roads, Water, Sanitation, Electricity, Housing) IDP Priority mostly the bulk water systems and roads projects.

Table 5.2.1: Ugu District Service Delivery / Implementation Plan Summary

Source: Ugu DM Corporate Strategy & Shared Services, 2017

Projects	Project Details		
	Location	**Estimated Budget**	**Timeframe**
Regional Technology Hub	Ray Nkonyeni	R 1 200 000 000.	2015 - 2018
Justice Park	Ray Nkonyeni	R 235 000 000	2015 - 2018
Ugu Agri-Park	Ray Nkonyeni	Planning Phase	2015 - 2017
Margate Airport	Ray Nkonyeni	R 300 000 000.	2017 - 2022
Perishables Goods Hub	Umdoni, Ward 10	R 13 500 000.	2017 - 2022
Scottburgh Beach Front development	Umdoni, Ward 5	Planning Phase	
Ntelezi Msani Heritage	Umzumbe, Ward 10	R 2 000 000.	2014 – 2018
UMthwalume Beach front development	Umzumbe, Ward	Planning Phase	2014 – 2018
Port Shepstone Intermodal Facility	Ray Nkonyeni	R500 000 000 -	2017 / 2018

Projects	Project Details		
	Location	Estimated Budget	Timeframe
Umzumbe River Trail	Umzumbe	R7 500 000	2016/2017
KwaXolo Caves & Outdoor Adventure Centre	Ray Nkonyeni	R 23 000 000.	2016/2017
Ifafa Industrial Park	Umdoni	R190 000 000	2016 - 2018
Lot 19 and 20 Marburg	Ray Nkonyeni	R 100 000 000-	2016 - 2018
Marburg Industrial Park	Ray Nkonyeni	R 1 000 000 0-	2016 - 2018
R61 Upgrade	Ray Nkonyeni	Planning Phase	2017 - 2020
Izinqoleni Town Formalization	Ray Nkonyeni	R 100 000 000-	2016 - 2017
N2 Corridor Development	Ray Nkonyeni	Planning Phase	2017 - 2020
Retail / Mixed Use Development in Othuthwini & Mzumbe town formalization	Umzumbe	R58 000 000	2017 – 2020
Fish farming pilots	Umzumbe and Umuziwabantu	R 8 000 000	2017 - 2019

Projects	Project Details		
	Location	Estimated Budget	Timeframe
Urban Renewal – Port Shepstone. Margate, Hibberdene & Port Edward	Ray Nkonyeni	R130 000 000	2017 – 2020
John Mason Park	Ray Nkonyeni	R 75 000 000	2017 - 2020

6 CHAPTER 6: FINANCIAL PLAN

6.1 Municipal Budget Overview

The Ugu District Municipality has recognised that in order to be successful, the Budget and the IDP must be linked. The purpose of this section in the IDP document is to create a medium and long term strategic financial framework for allocation of resources and to ensure financial viability and sustainability of the Ugu District Municipality. The Municipal Budget is an integral component of the IDP as it addresses:

- Establishment of Financial Management Systems
- Provision of resources over a 3-5-year planning period
- The balancing of the factor relating to income with objectives established during the IDP Process.

The total budget of the Ugu District Municipality for the 2017 / 2018 financial year is R 1 328 263 096 as reflected in Table 6.1.1 below. The Tariff Charges for water and sanitation will increase by 7% in the 2017 / 2018 financial as shown in Table 6.1.2. Further breakdown of the water and sanitation tariffs are shown in Tables 6.1.3 to 6.1.6. The full detailed budget is attached as **Annexure 9**.

Table 6.1.1: Ugu District Municipality Total Budget 2017 / 2018

Source: Ugu District Municipality Budget, 2017

Budget	2017/2018	Adjusted 2016/2017	Variance
Capital	362 059 975	348 878 293	13 181 682
Operational	966 203 121	973 824 229	-7 621 108
Total	**1 328 263 096**	**1 322 702 522**	**5 560 574**

Table 6.1.2: Ugu District Municipality Tariff of Charges

Source: Ugu District Municipality Budget, 2017

	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
Across the Board increase	Water				
	7.00%	5.70%	7,00%	5,50%	8,50%
	Sanitation				
	7.00%	5.70%	7,00%	5,50%	8,50%

Table 6.1.3: Water Tariffs (Projected Basic Charges)

Source: Ugu District Municipality Budget, 2017

Projected Total Basic Charges	No. of Quotas	Current Charge	Proposed Charge	Rand Increase
Rural domestic	207 207	**35.15**	**37.61**	**2.46**
Sub-economic domestic	61 740	**99.81**	**106.80**	**6.99**
Other (industrial and urban)	534 442	**140.60**	**150.44**	**9.84**

Table 6.1.4: Water Tariffs (Projected Metered Kl Consumption)

Source: Ugu District Municipality Budget, 2017

Projected Metered Kl Cons	No. of Kl's	Current	Proposed Tariff	Rand Increase
0 - 30.00	5 560 466	11.47	12.27	0.80
30.01 - 39.00	1 775 936	11.47	12.27	0.80
39.01 - 51.00	297 316	18.29	19.57	1.28
51.01 - >	5 614 334	20.61	22.05	1.44
Gated Estates	3 221 000	8.12	8.69	0.57
Commercial 30kl	1 982 573	11.47	12.27	0.80
Commercial >30kl	1 536 189	22.94	24.55	1.61
Harry Gwala District	76 818	6.47	6.92	0.45
FBW Standpipes	3 496 428	11.47	12.27	0.80

Table 6.1.5: Sanitation Tariffs (Projected Basic Charges)

Source: Ugu District Municipality Budget, 2017

Projected Basic Charges	No. of Units	Current	Proposed Charge	Rand Increase
Urban	230 811	R269,16	R269.16	R0.00
Sub-economic	115 970	R188,41	R188,41	R0.00

Table 6.1.6: Sanitation Tariffs (Projected Waterborne Charges)

Source: Ugu District Municipality Budget, 2017

Projected Waterborne Charges	No. of Kl's	Current Tariff	Proposed Tariff	Rand Increase
All Areas	1 939 190	R3,17	R3,39	R0.22

Table 6.1.7: Sanitation Tariffs (Projected Conservancy Tank Charges)

Source: Ugu District Municipality Budget, 2017

Projected Conservancy Tank Charges	No. of units	Current	Proposed Tariff	Rand Increase
1st Draw (full charge)	23 890	R510.60	R546.34	R35.74
2nd Draw (70%)		R357.43	R382.45	R25.02
3rd Draw & more (50% rebate)		R255.31	R273.18	R17.87

The total operating income of the Ugu District Municipality for the 2017 / 2018 financial year is R 1 245 270 198 as reflected in Table 6.1.7.

Table 6.1.7: Total Operating Income

Source: Ugu District Municipality Budget, 2017

Income	Budget 2017/2018	Adj Budget 2016/2017	Variance
User Charges for Services	499 108 747	539 165 341	-40 056 594
Rent of Facilities and Equipment	1 160 119	1 149 170	10 949
Interest Earned - External Investments	20 000 000	15 600 000	4 400 000
Interest Earned- Debtors	3 848 348	3 801 593	46 755

Income	Budget 2017/2018	Adj Budget 2016/2017	Variance
Operating Grants & Subsidies	714 336 000	710 876 952	3 459 048
Other Income	6 816 984	6 122 818	694 166
Total Operating Income	**1 245 270 198**	**1 276 715 874**	**-31 445 676**

The total operating expenditure of the Ugu District Municipality for the 2017 / 2018 financial year is R 966 203 121 as reflected in Table 6.1.8 below. Salary analysis is can be summarised as follows:

- Total salary cost as a % of total operating expenditure = R338 609 992/966 132 621% =35.05%
- Salary cost as a % of total operating expenditure (net of grants) = 40.60%
- 64.00% of own revenue funds salaries.
- Overtime Costs R22 454 205
- Overtime 7.00% of total salary costs.

Table 6.1.8: Total Operating Expenditure

Source: Ugu District Municipality Budget, 2017

Expenditure	Budget 2017/2018	Adjusted 2016/2017	Variance
Employee Related Costs - Wages & Salaries	338 609 992	329 015 125	9 594 867
Remuneration of Councilors	11 812 495	10 200 371	1 612 124
Depreciation	120 757 656	128 385 336	-7 627 680
Repairs and Maintenance	66 839 179	68 635 710	-1 796 531
Interest Expense - External Borrowings	9 770 664	11 000 000	-1 229 336
Bulk Water Purchases	76 033 572	78 858 640	-2 825 068
Contracted Services	35 515 043	36 924 513	-1 409 470
Grants Expenditure	139 369 548	123 186 294	16 183 254
Debt Provision	3 000 000	33 608 786	-30 608 786
General Expenses - Other	164 494 972	154 009 454	10 485 518
Total Operating Expenditure	**966 203 121**	**973 824 229**	**-7 621 108**

The summary of the operating budget programmes and general expense is captured in Tables 6.1.9 and 6.1.10

Table 6.1.9: Summary Operating Budget (Mayoralty Programmes)

Source: Ugu District Municipality Budget, 2017

Programmes	Budget 2017/2018	Adj 2016/2017	Variance
Youth	2 036 500	1 812 597	223 903
Gender	382 000	395 000	-13 000
Disabled	500 000	415 000	-180 000

Programmes	Budget 2017/2018	Adj 2016/2017	Variance
HIV/AIDS	500 000	550 000	-50 000
Mayoral Bursary Fund	500 000	490 000	10 000
Rights of the Child	235 000	300 000	-65 000
Elderly	329 000	340 000	-11 000
Public Participation	1 900 000	2 000 000	-100 000
Poverty Alleviation	1 500 000	0	1 500 000
Community Initiatives Support	500 000	350 000	150 000
Caucus	250 000	250 000	0
Burial Support	200 000	0	200 000
Pauper Burials	180 000	180 000	0
Cleaning of Facilities (Women)	5 000 000	0	5 000 000
Mayoral Youth Graduate	420 000	0	420 000
Events (LED & Tourism Initiatives)	705 000	1 050 000	-345 000
Sports & Recreation	3 100 000	2 900 000	200 000
Community Engagements	940 000	300 000	640 000

Table 6.1.10: Summary Operating Budget (General Expenses)

Source: Ugu District Municipality Budget, 2017

Expenditure	Budget 2017/2018	Adj Budget 2016/2017	Variance
Audit fees	3 800 000	3 200 000	600 000
Postage Nicor	1 567 499	1 442 560	124 939
Electricity	68 294 783	65 132 552	3 162 231
Fuel & Oil	15 547 013	17 025 727	-1 478 714
Uniforms	3 288 634	3 009 086	279 548
Workman's Compensation	1 450 000	1 400 000	50 000
Property Rates	1 150 000	1 134 800	15 200
Telephones	1 250 000	1 015 600	234 400
Staff Training	2 580 000	2 300 000	280 000
Rent Offices	1 200 000	1 160 000	40 000
Rent Office Equipment	1 300 000	1 150 000	150 000
Accommodation, seminars & travel	912 910	1 342 333	-429 423
Advertising	412 366	396 530	15 836
Cellphones	800 000	880 000	-80 000
Garden Services	955 205	932 138	23 066
Computer Licenses	9 050 000	4 508 000	4 542 000
Legal Fees	789 000	1 150 000	-361 000
Insurance	3 500 000	3 000 000	500 000
Printing & Stationery	1 125 795	930 865	194 930

Expenditure	Budget 2017/2018	Adj Budget 2016/2017	Variance
Air Quality Management	300 000	5 526	294 474
Internal Audit Outsourced Assignments	300 000	294 610	5 390
Protection of Crops	500 000	200 000	300 000
Climate Change Vulnerability Assessment	150 000	120 000	30 000
Licenses General	912 000	912 000	0
Loose Tools	1 032 534	980 000	52 534
Materials Purification	7 868 874	7 494 174	374 700
Vehicle Tracking	1 400 000	1 174 000	226 000
Mobile Chemical Toilet Clearance	879 884	837 985	41 899
Commission Easy Pay	825 000	680 000	145 000
Commission Post Office	310 000	304 000	6 000
EAP	125 000	146 740	-21 740
Environmental Education	100 000	184 000	-84 000
Environmental Management Plan	0	62 874	-62 874
Invasive Alien Species	300 000	615 235	-315 235
Public Health By-Laws	200 000	150 000	50 000
Rent-Ingonyama Trust Land	110 000	117 600	-7 600

The total capital budget of the Ugu District Municipality for the 2017 / 2018 financial year is R 362 059 975 as reflected in Table 6.1.11 below. Tables 6.1.12 and 6.1.13 gives further breakdown of the capital budget.

Table 6.1.11: Total Capital Budget

Source: Ugu District Municipality Budget, 2017

Capital Expenditure by Gfs	Budget 2017/2018	Adj Budget 2016/2017	Variance
Executive & Council	1 000 000	2 453 443	-1 453 443
Finance & Administration	50 158 975	39 522 273	10 636 702
Waste Water Management	81 500 000	48 432 256	33 067 744
Water	228 751 000	252 175 320	-23 424 320
Public Safety	0	6 000 000	-6 000 000
Environmental Protection	650 000	295 000	355 000
TOTAL	**362 059 975**	**348 878 293**	**13 181 682**

Table 6.1.12: Source of Funding - Capital Budget

Source: Ugu District Municipality Budget, 2017

Capital Funding by Source	Budget 2017/2018	Adj Budget 2016/2017	Variance
Total Government Grants & Subsidies	278 851 000	299 107 577	-20 256 577
Capital Replacement Reserve (Own Funds)	83 208 975	49 770 716	33 438 259
Total Funding	**362 059 975**	**348 878 293**	**13 181 682**

Table 6.1.13: DORA Allocations

Source: Ugu District Municipality Budget, 2017

	Budget 2017/2018	Adj Budget 2016/2017	Variance
Equitable Share	342 776 000	320 856 000	21 920 000
MIG	245 479 000	233 873 000	11 606 000
FMG	1 795 000	1 460 000	335 000
Spatial Development Framework Support	400 000	0	400 000
Levies Replacement	68 900 000	63 873 000	5 027 000
Regional Bulk Infrastructure Grant (Mhlabatshane)	0	12 776 000	-12 776 000
EPWP Integrated Grant	1 956 000	1 788 000	168 000
Development Planning Shared Services	0	400 000	-400 000
Rural Roads Asset Management Grant	2 658 000	2 510 000	148 000
Water Services Infrastructure Grant	50 372 000	58 570 000	-8 198 000

6.2 Five-Year Financial Plan

The five-year financial plan is prepared in terms of Section 26 (h) of the Local Government: Municipal Systems Act and Planning and Performance Regulations 2001, which stipulates that a financial plan must be prepared as part of the Integrated Development Plan (IDP).

The financial plan includes an Operating Budget, a Capital Investment Programme, and the Sources of Funding for the Capital Investment Programme, financial strategies and programmes, various financial management policies adopted by Council, key financial targets, key performance indicators, and a budget according to the IDP priorities. The 2017/2018-2021/2022 Financial Plan is attached as **Annexure 9**.

7 CHAPTER 7: ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

The Ugu District municipality has an Organisational Performance Management System (OPMS) and the annual operational plan in place which is the Service Delivery and Budget Implementation Plan (SDBIP). The municipality has merged OPMS and SDBIP processes to ensure consistent alignment in the implementation. This is in line with the legislation as the Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP). The 2015 / 2016 Scorecards and SDBIP are attached as **Annexure 14**.

7.1 Ugu DM Organisational Performance Management System

The implementation of OPMS involved four main tasks which are namely:

- Creation of the Organisational Scorecard;
- Preparation of Service Delivery Budget Implementation Plan;
- Preparation of the Annual Performance Plans, Performance Agreements and Personal Development Plans for the Municipal Manager and the Managers that report to the Municipal Manager; and
- Compilation of Portfolios of Evidence.

The first step is concerned with the creation of the Organisational Scorecard which is the log-frame template that includes:

- A unique consecutive number for each Performance Measure/ Indicator.
- National Key Performance Areas (KPA).
- Strategic Objectives per KPA.
- Measurable Objective (s)/ Output (s) per Strategic Objective.
- Performance Measure (s)/ Indicator (s) per Measurable Objective/ Output.
- Demand data (Number of households requiring the service).
- Baseline data (The status quo at the start of the year).
- Backlog data (Demand minus baseline).
- Quarterly targets for the backlog that will be addressed in the year under review.
- The Department that is responsible for the output.
- The estimated financial implication.
- The Wards that will benefit from the services delivered.

This scorecard is used to monitor the performance of the Municipality and is used to cascade responsibility down to the Municipal Manager and Managers accountable to the Municipal Manager who prepare more detailed implementation plans in the form of the SDBIP and Performance Plan which also informs their Performance Agreements.

Step three is concerned with the preparation of the SDBIP which is discussed in detail in section 7.2. Step four deals with the Preparation of S57 Managers' Performance Agreements, Annual Performance Plans & Personal Development Plans which involved three tasks which are:

- **Step 1:** Preparation of the Municipal Manager and Managers accountable to the Municipal Managers' Performance Agreements.

- **Step 2:** Preparation of the Municipal Manager, Managers accountable to the Municipal Managers' Annual Performance Plans
- **Step 3:** Preparation of the Municipal Manager and Managers accountable to the Municipal Managers' Personal Development Plans.

The fourth and last step is the compilation of Portfolio of Evidence which is concerned with the verification of all the information supplied. The time frames and summary of the tasks involved in the implementation of OPMS in the Ugu District Municipality is illustrated in Figure 7.1.1.

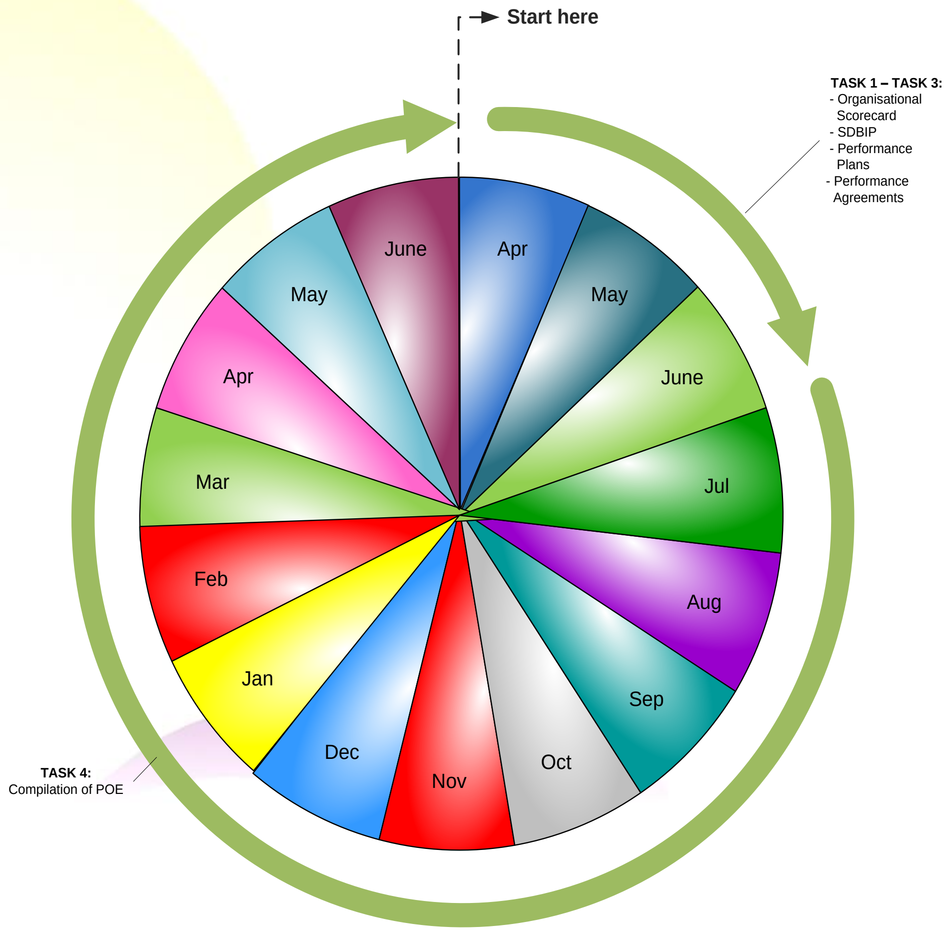


Figure 7.1.1: Ugu DM PMS Implementation Flowchart
Source: Ugu DM PMS, 2015

The reporting process commences from a departmental level from where it flows to the strategic level, political level and on to the community, the users of the services. The process followed is illustrated in Figure 7.1.2., the entire process is driven by the PMS unit in the Office of the Municipal Manager and coordinated in co-operation with the PMS Champions in each Department.

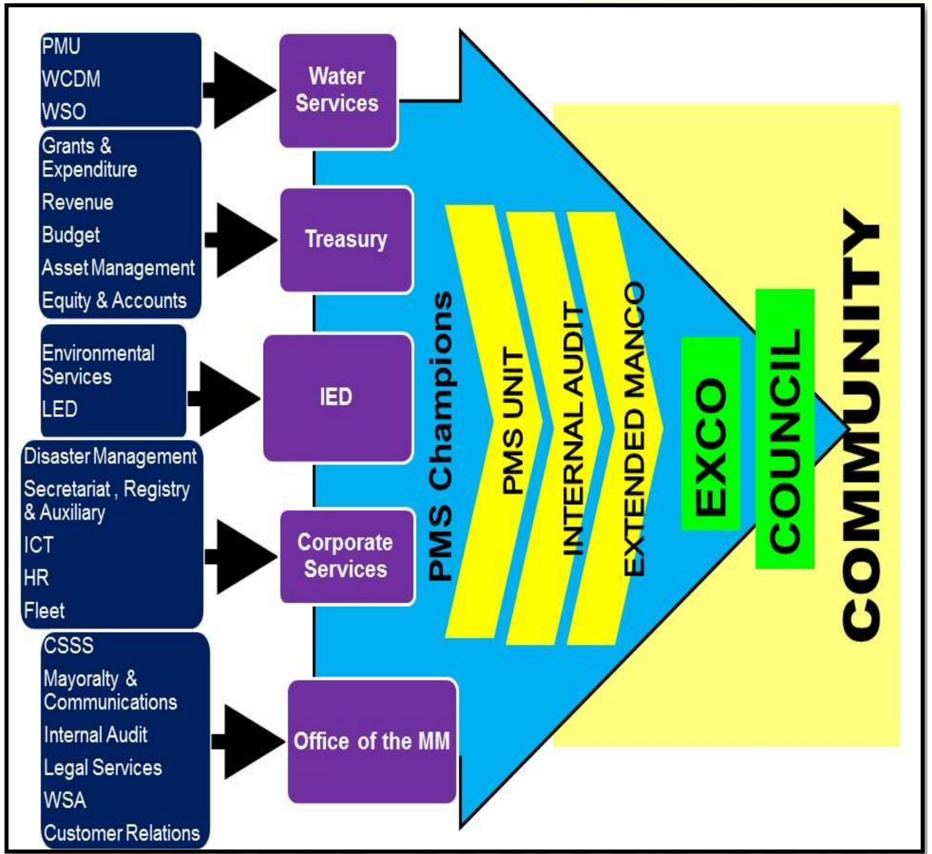


Figure 7.1.2: Ugu DM PMS Reporting Flowchart

Source: Ugu DM PMS, 2015

7.1.1 Departmental Level

The reporting initiated at the section / unit level and flows all the way to the organisational level as illustrated in Figure 7.1.2., . Each month of the financial year a sectional meeting is held in all the departments where the supervisors / officers' report to their respective Managers who then submit a consolidated section report to their respective General Managers of departments. The Managers submit their reports and give monthly progress on the implementation of their set objectives on their performance contracts at departmental meetings which are also held on a monthly basis. The General Managers then consolidate the sections' reports into the Departmental Report. At this point, the General Managers work with the PMS champions at their department to coordinate the compilation of portfolio of evidence files.

The General Managers submit reports, which include recommendations, to the relevant portfolio committees on a monthly basis. On a quarterly basis, the General Manager consolidates the monthly reports into a quarterly report and together with the PMS champions compiles the POE file and submits to the PMS unit by the 05th of the first month after the end of each quarter.

7.1.2 Strategic / Organisational Level

The PMS unit on receipt of departments' quarterly performance reports scrutinizes the reports and consolidates them into the organizational performance report accompanied by the POE files. The PMS unit then sends the reports together with the POE files to the internal audit unit for auditing no later than the 10th of the first month after the end of each quarter. Once the PMS receives feedback from the internal audit unit it channels the comments to the right departments through the PMS Champion and once there is an agreement between the departments and the PMS unit regarding the report, it is then sent to the Accounting Officer for interrogation and scrutiny. The Accounting Officer uses the MANCO and Extended MANCO for this purpose which doubles up as a pre-quarterly review session. Once the reports and POEs are audited vigorously, MANCO interrogates the quarterly organisational performance report. In the process members of the MANCO concentrate on monitoring progress towards the achievement of performance targets and KPIs. After this is done recommendations are formulated which are aimed at taking corrective action if necessary. Before the 30th of every month after the end of each quarter, the quarterly review session is then held which includes the Extended MANCO, the PMS champions and the EXCO. As can be seen in Figure 7.1.2., the PMS champions play a critical role in linking the PMS unit and the department.

7.1.3 Political Level

In the quarterly performance review sessions, the quarterly performance reports are evaluated critically by the EXCO members. This evaluation is aimed at determining to what extent the performance targets and KPIs are positively impacting on the development objectives. Recommendations are then formulated around corrective actions in this regard if necessary. The quarterly municipal performance report, together with recommendations, is then forwarded to the council.

7.2 Service Delivery and Budget Implementation Plan

The SDBIP facilitates the process of holding management accountable for their performance. It provides the basis for measuring performance in the delivery of services.

7.2.1 Legislative Mandates

The SDBIP is essentially the management and implementation tool which sets in-year information, such as quarterly service delivery targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used (MFMA Circular 13).

The SDBIP therefore serves as a “contract” between the administration, Council and community expressing the goals and objectives set by the Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end of year targets and implementing the budget.

The SDBIP is a layered plan, with the top layer dealing with consolidated service delivery targets and linking these targets to management. The next layer will detail each output and activities for each output that are linked to middle and junior management. Much of this detail will be included in Performance Plans. The top layer cannot be revised without Council’s approval of an adjustments budget; however, the lower level can be continually revised.

The SDBIP is an implementation plan approved by the Mayor and not Council, after Council has approved the budget. The Ugu District used the five (5) components as proposed by National Treasury for the SDBIP, which are:

- Ward Information.
- Monthly projections of revenue to be collected by source.
- Quarterly projections of service delivery targets and performance indicators for each Vote.
- Monthly projections of operating and capital expenditure and revenue for each Vote.
- Detailed capital works plan broken down by Ward over three (3) years.

7.2.2 Monitoring Performance

In terms of monitoring performance, the PMS engages in three main tasks which are:

- Measuring Performance;
- Compilation of Quarterly Performance Reports at a Departmental level;
- Compilation of Consolidated Quarterly, Half-Yearly and Annual Performance Reports at a Municipal level

Municipal Managers and Managers accountable to the Municipal Manager are responsible for Quarterly Performance Reports at a Departmental level. These reports are submitted to officials responsible for Organisational Performance Management Systems and Individual Performance Management Systems. The individual's performance is monitored throughout the financial year. The Departmental Performance Reports will be consolidated to represent the Municipal Performance Reports and monitoring will be performed against the targets set in the Organisational Scorecard.

In compiling the Municipal Performance Report, the departmental management and the Municipal MANCO team should evaluate the effectiveness of current programmes and strategies for delivery in order to determine whether they are on track for delivering the desired outcomes.

Key characteristics include:

- Keeps track, oversight, analyses, and documents progress.
- Focuses on inputs, activities, outputs, implementation processes, continued relevance, likely results at outcome level.
- Answers what activities were implemented and results achieved.
- Alerts managers to problems and provides options for corrective actions.
- Self-assessment by programme Managers, Supervisors, community stakeholders, and donors.

1.1 Performance Evaluation

Performance evaluation involves three main tasks which are:

- Define Evaluation Objectives
- Review Information Collected during Monitoring
- Document Findings and Formulate Recommendations

Evaluation is a periodic, in-depth analysis of programme performance. It relies on data generated through monitoring activities as well as information obtained from other sources (e.g., studies, research, in-depth interviews, focus group discussions, surveys etc.). Evaluations are often (but not always) conducted with the assistance of external evaluators.

Section 47 of the Municipal Systems Act requires the MEC responsible for Local Government to submit an Annual Report on the performance of municipalities in the province to the Provincial Legislature, the Minister responsible for Local Government and the National Council for Provinces. In order to comply with this requirement, all municipalities are required to submit Annual Performance Reports to the MEC.

Key characteristics include:

- A Periodic assessment at important milestones such as the Half-Yearly and Annual Performance Reports or a Five-Year Review.
- In-depth analysis compares planned to actual achievements.
- Focuses on outputs in relation to inputs, results in relation to cost, processes used to achieve results, overall relevance, impact, and sustainability.
- Answers why and how results were achieved. Contributes to building theories and models for change.
- Provides Managers with strategy and policy options.
- Internal and/or external analysis by programme Managers, Supervisors, community stakeholders, donors, and/or external evaluators.

8 CHAPTER 8: ANNEXURES

This section gives an outline on the status of all applicable Sector Plans. The summary of Sector Plans that are applicable to Ugu District Municipality are outlined in Table 8.1.

Table 8.1: Ugu District Status Quo of Sector Plans

Source: Ugu DM, 2017

No.	Sector Plan	Completed?	Adopted?	Adoption Date	Next Review
1	IDP Process Plan/ IDP Framework Plan	Yes	Yes	August 2016	August 2017
2	Public Participation Report	Yes	Yes	June 2017	June 2018
3	Spatial Development Framework	Yes	Yes	June 2012	June 2018
4	Organizational Performance Management Plan	Yes	Yes	July 2014	July 2018
5	Service Delivery and Budget Implementation Plan	Yes	N/A	June 2016	June 2017
6	Local Economic Development Plan	Yes	Yes	June 2007	June 2018
7	Disaster Management Plan	Yes	Yes	2016	2017
8	Water Services Development Plan	Yes	No	2015	2018
9	District Growth and Development Strategy	Yes	No	May 2013	June 2017
10	Environmental Management Framework	No	N/A	Draft in place to be adopted in 2017 /2018	
11	Integrated Waste Management Plan	Yes	Yes	October 2012	October 2018
12	Capital Investment Plan	No	No	Draft in place	June 2018
13	Water Services and Sanitation Master Plan	Yes	Yes	June 2006	June 2017
14	Public Transport Plan (PTP) / Integrated Transport Plan (ITP)	Yes	Yes	June 2006	June 2018
15	Air Quality Management Plan	Yes	Yes	Sept 2013	Sept 2018
16	Land Use Management Framework (LUMF)	Yes	Yes	June 2012	June 2018
17	Coastal Zone Management Plan (CZMP)	Yes	Yes	2002	2018

No.	Sector Plan	Completed?	Adopted?	Adoption Date	Next Review
18	Energy Master Plan (Electricity Master Plan)	No	No	N/A	N/A
19	Agricultural Plan	Yes	Yes	June 2007	June 2018
20	Five Year Financial Management Plan	Yes	Yes	May 2017	May 2018
21	Human Resource Development Strategy	Yes	Yes	December 2014	December 2017

Table 8.1: Ugu District Policy Schedule and Status Qou

Source: Ugu DM, 2017

Policies that have come to PRC	Date to PRC	Council Adoption
Draft Insurance Policy and Insurance Handling Procedure	17 February 2017	Resubmitted – referred back to unit
Records Management	17 February 2017	Approved for submission to Council
Registry Procedure Manual	17 February 2017	Approved for submission to Council

Policies that have come to PRC	Date to PRC	Council Adoption
Security Policy	17 February 2017	Approved for submission to Council
Facilities Management Policy	17 February 2017	Approved for submission to Council
Risk Management Policy & Charter	17 February 2017	Approved for submission to Council
Draft Budget Policy	17 February 2017	Approved for submission to Council
Draft virement Policy	17 February 2017	Approved for submission to Council
Anti-Fraud & Anti-Corruption Strategy	17 February 2017	Approved for submission to Council
ICT Disaster Recovery Plan	17 February 2017	Approved for submission to Council
Public Participation Strategy	10 November 2016	26 January 2017

Policies that have come to PRC	Date to PRC	Council Adoption
Records Management Policy	10 November 2016	Referred back to unit for resubmission to PRC
Registry Procedure Manual	10 November 2016	Referred back to unit for resubmission to PRC
Security Policy	10 November 2016	Referred back to unit for resubmission to PRC
Facilities Management Policy	10 November 2016	Referred back to unit for resubmission to PRC
Risk Management Policy and Committee Charter	10 November 2016	Referred back to unit for resubmission to PRC
Communication Strategy	10 November 2016	Referred back to unit for resubmission to PRC
Council and Committees Terms of Reference	10 November 2016	Referred back to unit for resubmission to PRC
Health and Hygiene Education Strategy	10 November 2016	

Policies that have come to PRC	Date to PRC	Council Adoption
		Referred back to unit for resubmission to PRC
Litigation Risk Management Strategy	28 July 2016	Not Adopted
ICT Strategy	28 July 2016	27 October 2016
ICT Governance Charter	28 July 2016	27 October 2016
Corporate ICT Governance Framework	28 July 2016	27 October 2016
ICT Risk Assessment for 2016/2017	28 July 2016	27 October 2016
Delegations Framework	28 July 2016	Referred back to unit for resubmission to PRC
Insurance Claims Procedure	28 July 2016	Referred back to unit for resubmission to PRC
ICT User Management Policy	28 July 2016	26 May 2016

Policies that have come to PRC	Date to PRC	Council Adoption
Records Management Policy	20 May 2016	Referred back to unit for resubmission to PRC
Asset Disposal Policy	20 May 2016	Referred back to unit for resubmission to PRC
Fixed Asset Management Policy	20 May 2016	Referred back to unit for resubmission to PRC
ICT Operations Policy	14 April 2016	26 May 2016
ICT Security Controls Policy	14 April 2016	26 May 2016
ICT User Management Policy	14 April 2016	26 May 2016
Basic Water Services Policy	16 March 2016	Referred back to unit for resubmission to PRC
Budget Policy	16 March 2016	Approved for submission to Council not adopted)
Virement Policy	16 March 2016	Approved for submission to Council (not adopted)
Cash and Investment Policy	16 March 2016	30 July 2015
Borrowing Policy	16 March 2016	30 July 2015

Policies that have come to PRC	Date to PRC	Council Adoption
Funding and Reserves Policy	16 March 2016	30 July 2015
Indigent Support Policy	16 March 2016	Referred back to unit for resubmission to PRC
SCM Policy	16 March 2016	Not adopted, to be resubmitted to PRC
Public Health By-Laws	09 June 2015	Not adopted
Air Quality By-Laws	09 June 2015	Adopted
Procedure on Post Balance Sheet Events	09 June 2015	Not adopted
Termination of Service Policy	15 May 2015	Referred back to unit for resubmission to PRC
Illegal Connections Policy	17 February 2015	25 September 2015
Irregular and Fruitless Expenditure Policy	17 February 2015	Not adopted
Registry Procedure	08 October 2014	27 November 2014
Records Control Schedule	08 October 2014	27 November 2014

Policies that have come to PRC	Date to PRC	Council Adoption
PAIA Policy and Procedure Manual	08 October 2014	27 November 2014
Facilities Management Policy	08 October 2014	27 November 2014
Municipal Houses Policy	08 October 2014	27 November 2014
Land Policy	08 October 2014	7 November 2014
BTS Policy	08 October 2014	27 November 2014
Subsistence & Travel Policy	15 July 2014	Not adopted
Caucus Policy	15 July 2014	Not adopted
Incentives and Rewards Policy	15 July 2014	25 September 2014
ICT Security Policy	15 July 2014	28 May 2015
Litigation Risk Management Policy and Procedure	15 July 2014	Not adopted
Asset Management Policies	15 July 2014	Not adopted
Budget Related Policies	15 July 2014	Not adopted
Air Quality By-Laws	15 July 2014	Not adopted

Policies that have come to PRC	Date to PRC	Council Adoption
ICT System Acquisition Policy	10 April 2014	26 June 2014
ICT Patch Management Policy	10 April 2014	26 June 2014
Applications User Management Policy	12 March 2014	26 June 2014
ICT Hardware Policy and Standards	12 March 2014	26 June 2014
Subsistence & Travel Policy	12 March 2014	29 May 2014
Risk Management Policy & Commitment Charter	23 October 2013	Not adopted
Fraud Prevention Strategy	23 October 2013	Not adopted
Fraud Response Plan	23 October 2013	Not adopted
Ethics Policy	23 October 2013	Not adopted
Bursary Policy	23 October 2013	Not adopted
Car Allowance Policy	23 October 2013	Not adopted
Death of Staff Member Policy	23 October 2013	Not adopted

Policies that have come to PRC	Date to PRC	Council Adoption
Training Policy	23 October 2013	Last adopted 30 May 2013
Fleet Management Policy	Have not gone to PRC but adopted by Council	25 November 2015
Car Allowance Policy		28 October 2015 Not adopted
Policy and Procedure framework for the implementation of Organisational Performance Management		30 July 2015
Draft Fire and Rescue Strategy		26 March 2015
Draft District Fire Safety Plan		26 March 2015
ICT Disaster Recovery Plan		25 February 2016
Business Continuity Plan		09 June 2016