2018 / 2019 Integrated Development Plan Review

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

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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		

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1 CHAPTER 1: EXECUTIVE SUMMARY

In compliance with the Local Government Municipal Systems Act, 32 of 2000, the Ugu District Council adopted 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 and is reviewed on an annual basis.

1.1 Who Are We?

Ugu District Municipality is a category C municipality which is a municipality that has municipal executive and legislative authority in an area that includes more than one municipalities. 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, 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 85 municipal wards, which culminate into four local municipalities, namely Ray Nkonyeni, Umuziwabantu, Umzumbe and Umdoni. Ugu District municipality has forty (40) traditional council areas which are located within Ugu and these are:

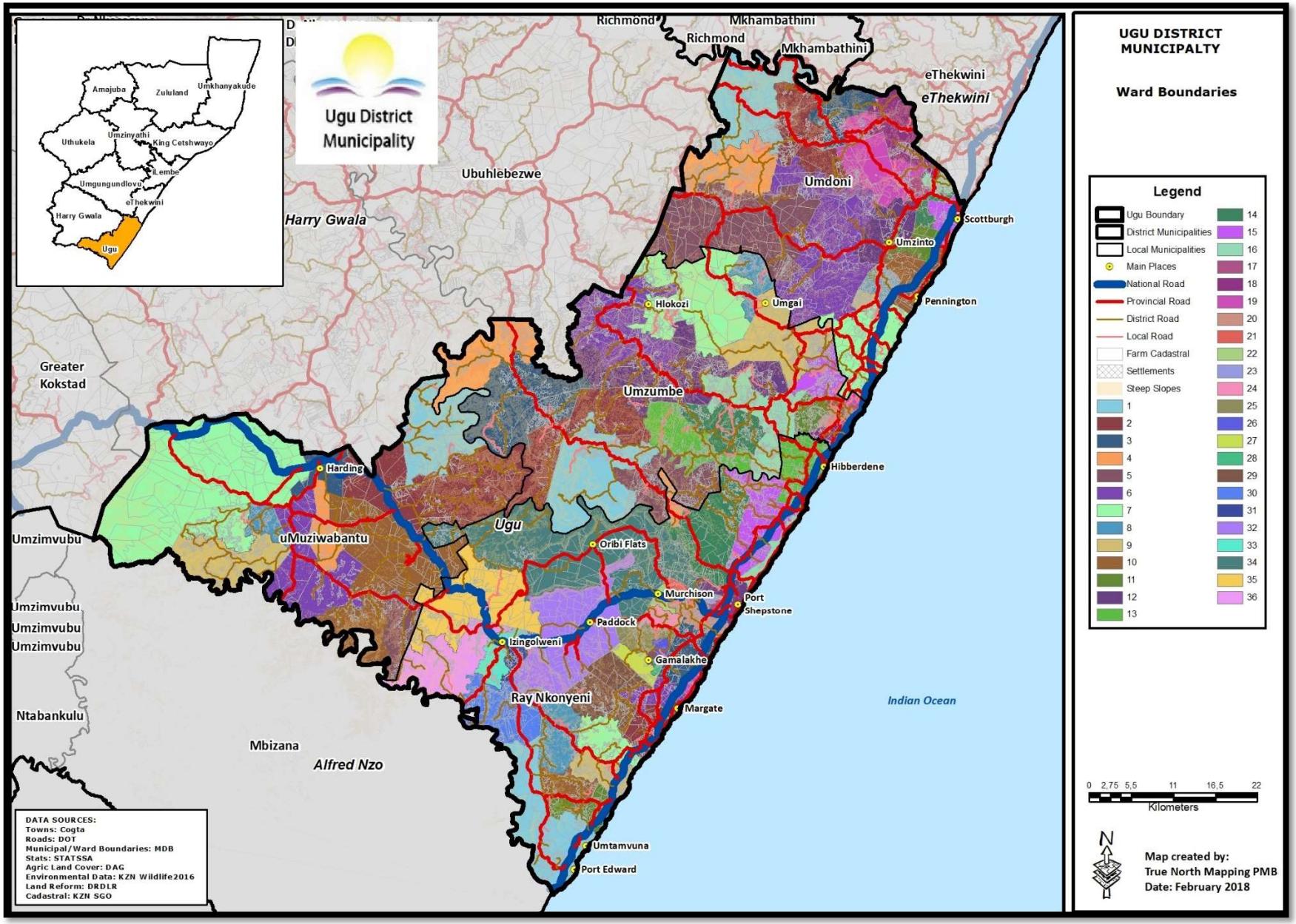
Table 1.1.1.1: Key Demographic Information and Service levels *Source: Ugu District CoGTA, 2018*

Municipality	Tribal Authority Area
Umdoni	Mbele; Qiko; Zembeni; Izimpethuzendlovu; Emandleni; Ukuthula; AmaNyuswa; Cele; and Malangeni.
Umzumbe	Bhekani; Cele P; Nhlangwini; Mabheleni; KwaBombo; Nyavini; Ndelu; Hlongwa; Thulini; Qwabe N; Cele K; Dungeni; Emadungeni; Qoloqolo; Qwabe P; and Hlubi.
Ray Nkonyeni	Qiniselani/Manyuswa; Mavundla/Nkumbini; Cele/Vukuzithathe; Xolo; Nzimakwe; Mavundla; Nsimbini; Lushaba; and Madlala.
Umuziwabantu	Kwa-Fodo; Thokozani/Madumisa; Jabulani/Beshwayo; Mbotho; Jali/Nhlangano; and Maci/Isibonda.

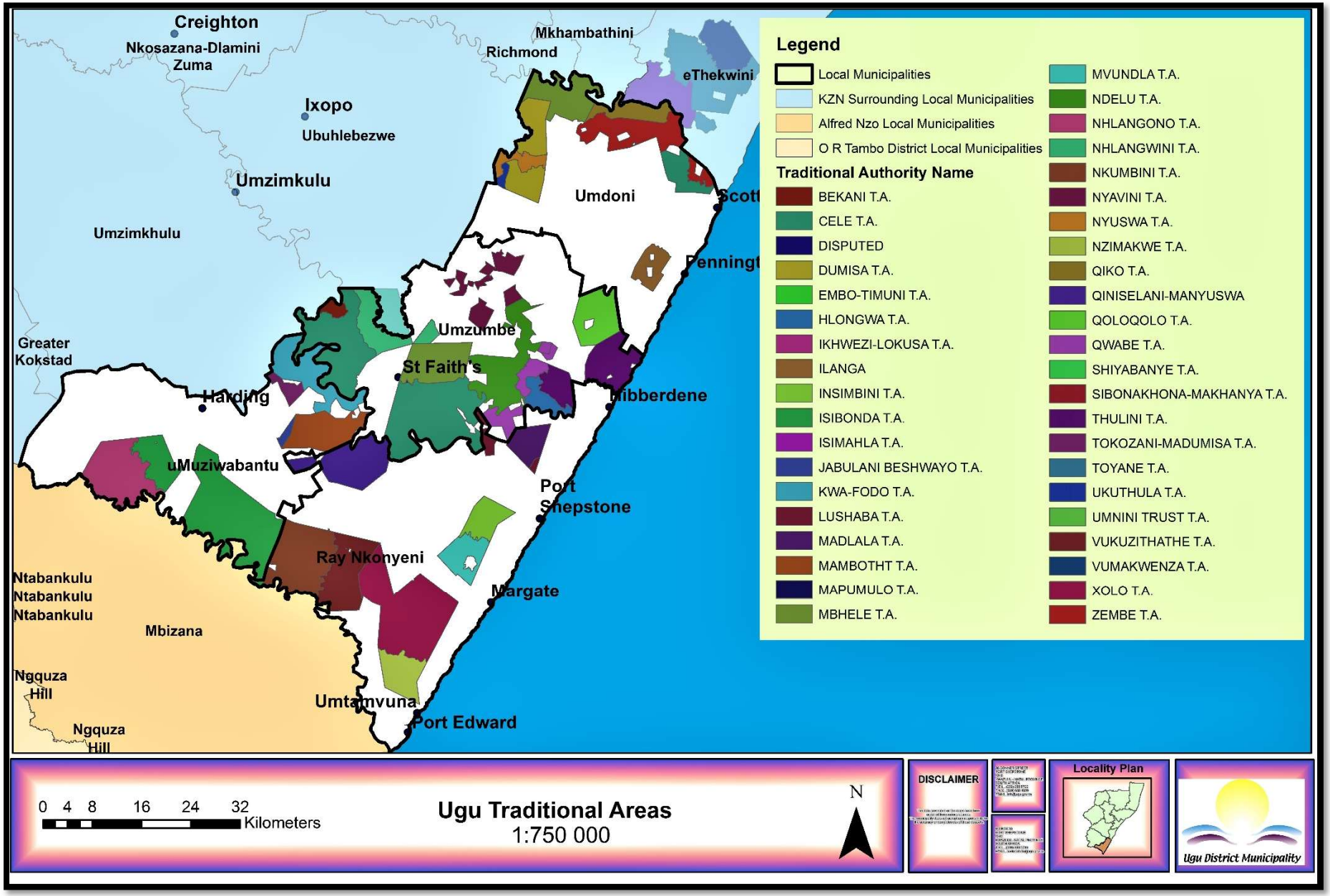
The statistics, shows that the Ray Nkonyeni Municipality is the district's economic hub. Ugu District Municipality's main economic sectors are Wholesale, retail trade and Tourism; Finance, insurance, real estate and business services; Community, social and personal services; Manufacturing; Construction; Transport, storage and communication; Agriculture, hunting, forestry and fisheries; and Electricity, gas and water supply; and Mining and quarrying.

Commercial agriculture in the district produces one-fifth of all bananas consumed in South Africa, with numerous companies successfully exporting these and other products to some of the most exclusive packers in the United Kingdom. Ugu District is the proud owner of Blue Flag Status beaches, which have marked tourism as a major economic cultivator. The improvement of its infrastructure, education, health, and recreational facilities contributes immensely to its appeal. The nurturing of the local economy highly features tourism and agriculture and includes the district's very own Ugu Jazz Festival. It also includes other renowned annual activities, such as the Africa Bike Week, which have gained momentum worldwide.

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Map 1.1.1: Ugu District Ward Boundaries Source: Ugu District SDF, 2018



Map 1.1.2: Ugu District Traditional Authorities

Source: Ugu District GIS, 2018

1.1.1 Demographics Overview

According to the Stats SA Community Survey 2016, the total population of the Ugu District Municipality area of jurisdiction is 753 336 with a 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 175 146 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 1.1.1.1: 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 km²	4 908	**Access to Sanitation**	124 354
Population Density per km²	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

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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 led 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, 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: 2018 / 19 IDP, IPMS and Budget Process Plan and Framework*

PHASE	ACTIVITY	TIMEFRAME
PREPATORY	➢ Drafting of Framework and Process Plan ➢ Submission draft Framework and 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 2017
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 2017

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PHASE	ACTIVITY	TIMEFRAME
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 2017
INTEGRATION	➢ 1st draft 2018/2019 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 2018
APPROVAL	➢ Ugu Decentralised IDP Assessment Forums ➢ Incorporate comments received from IDP Provincial Assessment and all other outstanding comments ➢ Conduct Community Consultation ➢ Final draft 2018/2019 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 2018

Ugu District Municipality

1.3 Our Key Development Challenges

The key development challenges that are faced by Ugu District Municipality are summarised as per the five National Key Performance Area (KPA) in the subsequent subsections.

1.3.1 Basic Services

The major basic service challenge faced by the district is the slow pace of backlog eradication and high levels of aged infrastructure. The ageing infrastructure result in high maintenance costs which has an adverse effect on the eradication of backlog programme due to limited funding.

This also has a direct impact on the municipality's compliance with minimum requirement of the No Drop, Green Drop, and Blue Drop standard. Furthermore, the municipality's Water and Sanitation Master plans and thus prioritisation and planning of projects may be outdated.

There is also a challenge of high levels of illegal connections which further strains the available resources.

1.3.2 Municipal Transformation and Institutional Development

The key Municipal Transformation and Institutional Development challenges include but not limited to:

- High Employee Costs;
- Disengaged Employees;
- Slow Implementation of Individual Performance Management;
- Bloated Organisational structure;
- Lack of Monitoring and Evaluation;
- Manipulation of Recruitment Processes;
- Poor Conflict Resolution and Management;
- Poor Manager and employee relations;
- Lack of Skills Transfers;
- Old Aging Fleet;
- Clashing of Meetings;
- Limited Office Space;
- High Security Costs;
- High Printing and Copying Costs;
- Lack of Human Resource Capacity; and
- Delegations of authorities are not clear.

1.3.3 Local Economic Development

The key LED challenge is the triple treat challenge which is poverty, inequality, and unemployment. Furthermore, the is no clear District LED mandate which results in duplication of resources and efforts between the district and local municipalities. LED is still poorly resourced across the district.

1.3.4 Municipal Financial Viability and Management

The key Municipal Transformation and Institutional Development challenges include but not limited to:

- Budget Management and Financial Reporting
- Supply chain Management
- Revenue management
- Asset management
- Non-compliance with MFMA
- Expenditure management

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1.3.5 Good Governance and Public Participation

The key challenge for Good Governance and Public Participation is the poor communication and stakeholder engagements. This is further exacerbated by disintegrated public participation mechanisms.

1.3.6 Cross Cutting Issues

The key Cross Cutting challenge is the poor resourcing of Disaster Management especially at the local municipal level and limited financial resource to implement programmes.

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 is reflected in Figure 1.4.1.

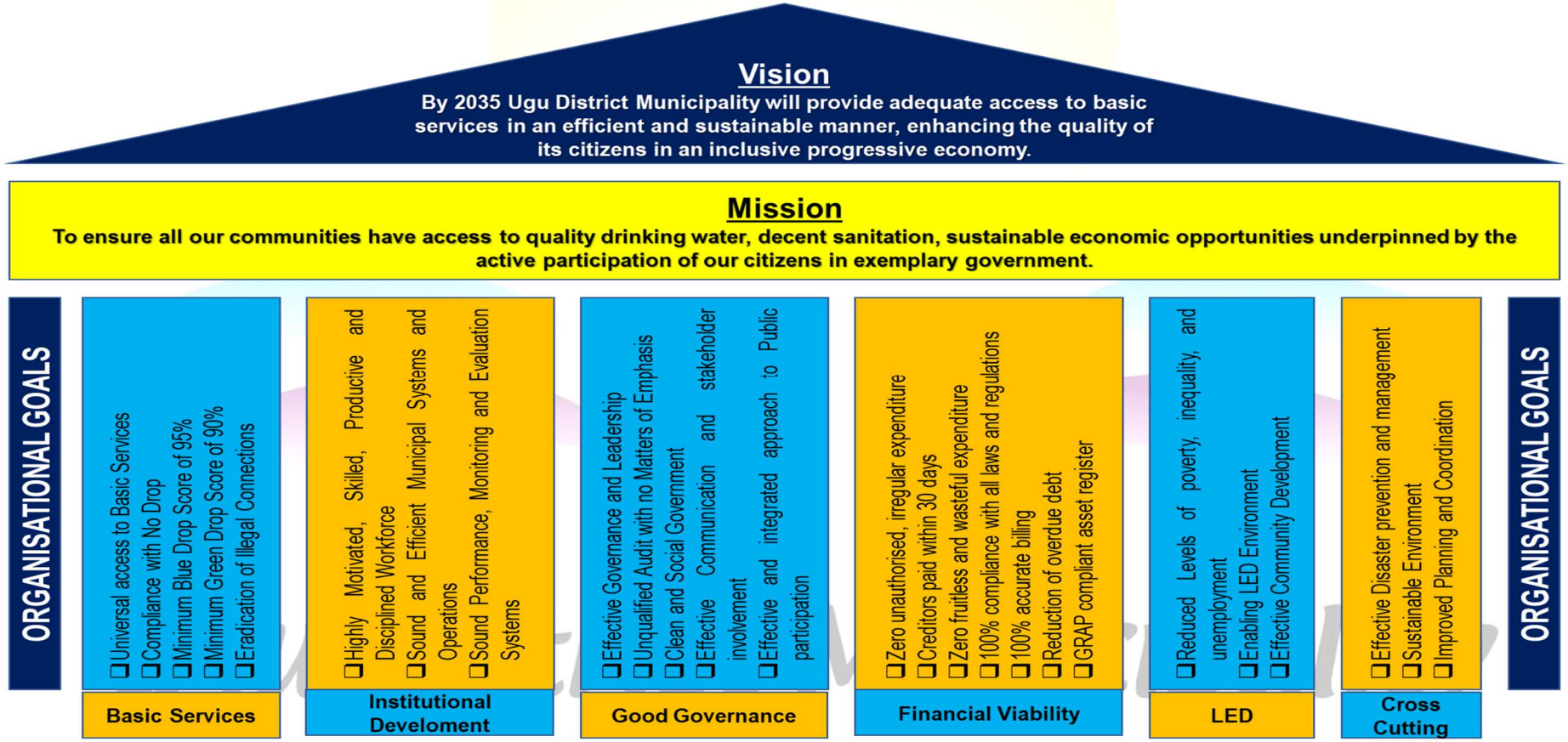


Figure 1.4.1: Vision, Mission, and Goals *Source: Ugu Strat Plan, 2018*

1.5 What will we do to unlock and Address our Key Challenges?

Ugu District Municipality has set in place 23 goals and 33 strategic objectives to unlock the identified key challenges. These strategic objectives and goals were grouped as per the five National KPAs as discussed in the subsequent sections.

1.5.1 Basic Services

The district is committed to ensuring universal access to basic services, water and sanitation in particular. Through the planned projects, the district will reduce the current backlogs by 31% for access to water and 21% for access to decent sanitation for the current period of the IDP. The district will further replace 100 kms of aged water and sanitation pipelines.

The district also has plans in place to ensure compliance to the Blue Drop, Green Drop, and No Drop minimum requirements. The fight against illegal connections which strains the existing infrastructure will also be reinforced.

1.5.2 Municipal Transformation and Institutional Development

The district is committed to creating a conducive environment for the highly motivated, skilled, productive, and discipled workforce. This is to be done through programmes such as Employee Wellness, Skills Development, and continuous investment on building team spirit amongst all employees.

The district will also implement vigorous Performance, Monitoring, and Evaluation mechanism, ensure constant renewal of aging fleet, and explore paperless administration in certain areas of the municipality.

1.5.3 Local Economic Development

The district is committed to dealing with the triple threat challenge which is poverty, inequality, and unemployment. A total of 3 450 job opportunities will be created, and 450 SMMEs, Cooperatives, and Informal Business Sector will be trained. During the current IDP period. Furthermore, the district will ensure the development of the main economic sectors such as agriculture and explore green economic initiatives.

In terms of community development, the municipality will ensure implementation of seven programmes per annum for vulnerable groups and consistent promotion of youth development.

1.5.4 Municipal Financial Viability and Management

In a bid to ensuring that Ugu District Municipality is financial viable and sustainable institution the municipality is committed to ensuring:

- There is zero fruitless end wasteful expenditure through the strengthening of budgeting and reporting;
- There is zero unauthorised, irregular expenditure and payment of creditors within 30 days through optimisation of expenditure;
- 100% accurate billing by improving revenue collection rate; an
- Reduction of overdue debt through the optimisation of debt management;
- GRAP Compliant Asset Register through optimised asset management.

Full compliance with the MFMA will also be ensure for sound financial management.

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1.5.5 Good Governance and Public Participation

The key Communication and Batho Pele Strategies will be reviewed and institutionalised to ensure effective communication and stakeholder involvement. The municipality is also committed to achieving Unqualified Audit Opinion with no matters of emphasis and plans have been put in place.

The municipality is determined to be a clean social government institution and a series of anticorruption awareness campaigns have been planned to this effect. Furthermore, the public participation mechanisms will be integrated to ensure that the communities are properly consulted and are involved in the affairs of the municipality.

1.5.6 Cross Cutting Issues

The capacity of Disaster Management will be bolstered across the district to improve disaster prevention and management. Through various environmental health and management programmes, the municipality will ensure a healthy, safe, and sustainable environment, as well as enhance the measures to reduce community exposure diseases and health risk.

Every effort will be made through the development of relevant development plans to improve planning and coordination in the district.

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 institution, and 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.

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1.7 How will our progress be measured?

Once the IDP is adopted, the Organisational Scorecard and SDBIP are created. The indicators and targets for efficiency, effectiveness and impact are set. The Organisational Performance Management System is used as a tool for:

- Mechanism to monitor, review and improve the implementation of IDP;
- Monitors actual performance against targets and contractual obligations;
- Is key to effective management, including planning, budgeting, implementation, monitoring and reporting; and
- Facilitates effective accountability, identify the scope for improvement, provide early warning signals and facilitate decision making.

The Service Delivery and Budget Implementation Plan and Organisational Scorecard are tools to:

- Regularly plan;
- Continuously monitor; and
- Periodically measure and review performance.

1.7.1 Two Level Scorecard

The municipality utilises the two-level scorecard approach which is the Organisational and SDBIP scorecards. The Strategic or Organizational Scorecard:

- Reflect KPA's, objectives, indicators, and targets at a strategic level;
- Align directly with the IDP priorities; and
- Follow SDBIP but will not have the monthly financial cash flow projections and the ward level projects.

The SDBIP or Departmental Scorecards reflect objectives, indicators and targets at a departmental level and informs the individual scorecards of the Section 54 and 56 Managers

The two levels of scorecards form organizational Organisational Performance Management System of the municipality. All reporting on the municipality's performance is informed by information derived from the two-level scorecards and reflect the municipality's performance on the 23 goals and 33 strategic objectives.

1.7.2 Monitoring and Evaluation

The performance monitoring and evaluation is done through a periodic analysis assessment of milestones achieved which is done quarterly, half yearly and annually. Analysis of planned and actual achievements considers the assessment of:

- Inputs vs. Outputs,
- Cost of results achieved
- Impact of results

This in then assist management with the review of the IDP and setting of new performance targets..

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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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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

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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.

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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 Cyril Ramaphosa, president of the Republic of South Africa, pronounced that 2018 is a beginning of a new dawn that is inspired by our collective memory of Nelson Mandela and the changes that are unfolding.

The President further emphasised that, South Africa is "determined to build a society defined by decency and integrity, that does not tolerate the plunder of public resources, nor the theft by corporate criminals of the hard-earned savings of ordinary people."

With South Africa being a highly unequal society, in which poverty and prosperity are still defined by race and gender. The pursuit of higher levels of economic growth and investment, needs to take additional measures to reduce poverty and meet the needs of the unemployed.

Key to the national agenda in 2018 is the creation of jobs, especially for the youth. Radical economic transformation requires that the position of black women and communities is fundamentally improved in the economy,

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ensuring that they are owners, managers, producers, and financiers. It is for this reason that the young South Africans will be moved to the centre of the economic agenda.

Infrastructure development is pivotal to the country's endeavours to grow the economy, create jobs, empower small businesses, and provide services to the people. With this regard, a conscious focus will be placed on improving the budget and monitoring systems, integration of projects and the building of a broad compact on infrastructure with business and organised labour.

Agriculture has also been identified as one of the opportunities to significantly grow the economy and create jobs. The land redistribution programme will be accelerated to bring more producers into the agricultural sector and to avail more land for cultivation.

Tourism is another area identified as an opportunity to grow the economy. The year 2018 will witness enhanced support for destination marketing in key tourism markets and further measures to reduce regulatory barriers and development of emerging tourism business.

The growth of the economy is envisaged to be sustained by small businesses. The government will work with the social partners to build a small business support ecosystem which will assist, nourish and promote the entrepreneurs. Furthermore, the government will honour its undertaking to set aside at least 30% of public procurement to SMMEs, cooperatives and township and rural enterprises. The investment on small business incubation will also continue.

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

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.

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2.3 KZN Provincial Growth Development Strategy

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.

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 "Leading with integrity towards growing an inclusive economy, for integrated, targeted and effective service delivery to improve quality of life,".

The Premier of KwaZulu-Natal Mr. T.W. Mchunu reiterated the Province's commitment to the realisation of the Country's as well as the Province's visions. The provincial vision is to be realised through continued implementation of the seven provincial strategic goals as outlined in the PGDS. The following are worth highlighting for the 2017 / 2018 financial year:

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- **Inclusive Economic Growth** – The province remains resolute in addressing unemployment and in particular youth unemployment. Agriculture, manufacturing, and tourisms have been identified as short-term focus areas based on their potential to rapidly grow the economy and in job creation.

- **Human Resource Development** – There is a need for sizeable reduction of the high dropout rate of the learners from grades 1 to 12 and even more so between grades 10 to 12.

- **Human and Community Development** – To address eradication of poverty and inequality, the province has reaffirmed its commitments to the ward based approach to attend to matters related to the communities.

- **Development of Strategic Infrastructure** – Infrastructure is essential in the sustainability of the social and economic growth and development needs of the province. With this regard, the province is committing itself to the following:
  - ✓ Improvement of the facilitation of the coordination of infrastructure delivery;
  - ✓ Ensure allocation of and appropriate portion of the budget to the development, operation, and adequate maintenance to extend the lifespan of these strategic assets. The benchmark of at least 20% of the total budget has been set.
  - ✓ Ensure robust infrastructure planning to attract potential investors.
  - ✓ Ensure provision of at least 75 litres of water per person per day and that economic growth is sustained.

- **Ensuring Environmental Sustainability –** The increased tensions between competing land uses, as well as increasing demand on land for development, requires an intensified focus on land use planning, management, and governance. Furthermore, increased attention is required to protect and conserve not only the terrestrial and atmospheric environment, but the marine environment is important within the context of the marine economy.

- **Providing Good Governance with clear and relevant policies –** A provincial framework for improved intergovernmental relations has been developed to ensure better functionality and unity. The province continues to be committed to effectively combat fraud and corruption and reduce unauthorised, irregular, fruitless, and wasteful expenditure. Special measures will also be put in place to ensure standards of paying off creditors within 30 days is met.

- **Striving for Spatial Equity –** The need for sustainable rural development focused on all-inclusive, integrated, and well-coordinated development is required.

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 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.

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2.4 Local Government Back to Basics Programme

The core services that local government provides is clean drinking water, sanitation, electricity, shelter, waste removal and roads which are basic human rights, essential components of the right to dignity enshrined in the Constitution and Bill of Rights. The government vision of developmental local government was that it would be the building block on which the reconstruction and development of the country and society was built, a place in which the citizens of the country could engage in a meaningful and direct way with the institutions of the state. Local government is where most citizens interface with government, and its foundational ethos must be about serving people.

Local government has been a primary site for the delivery of services in South Africa since 1994. A tremendous progress in delivering water, electricity, sanitation and refuse removal at a local level has been made. However, notwithstanding delivery achievements thus far, it is evidently clear that much needs to be done to support, educate and where needed, enforce implementation of local government's mandate for delivery. The transformation of the local government sector remains a priority for the current administration.

It is against this background that CoGTA introduced the Back to Basics programme. Back to Basics is the understanding of where local government is, where it could be and what needs to be done to improve performance. The main goal of Back to Basics is to improve the functioning of municipalities to better serve communities by getting the basics right.

The Back to Basics approach recognises that there are widely divergent levels of performance between different categories of municipalities. The 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 reflected in Table 2.4.1.

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 the functionality is improved and the district's community is served better as outlined in Table 2.4.1.

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Table 2.4.1: Alignment of Back to Basics with the Ugu IDP *Source: Ugu District Office of the Municipal Manager*

No.	B 2 B Pillars	Description	Goal / Desired Outcome
1.	**People First**	Placing people and their concerns first and ensuring constant contact with communities through effective public participation platforms.	Effective Communication and stakeholder involvement
			Effective and integrated approach to Public participation
			Effective Disaster prevention and management
2.	**Basic Services**	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.	Universal access to Basic Services
			Compliance with No Drop
			Minimum Blue Drop Score of 95%
			Minimum Green Drop Score of 90%
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.	Effective Governance and Leadership
			Clean and Social Government
4.	**Financial Management**	Ensuring sound financial management and accounting, and prudently manage resources to sustainably deliver services and bring development to communities.	Zero unauthorised, irregular expenditure
			Creditors paid within 30 days
			Zero fruitless and wasteful expenditure
			100% compliance with all laws and regulations
			100% accurate billing
			GRAP compliant asset register
			Reduction of overdue debt
5.	**Capable Local Government institutions**	Building and maintaining sound institutional and administrative capabilities, administered, and managed by dedicated and skilled personnel at all levels.	Highly Motivated, Skilled, Productive and Disciplined Workforce
			Sound and Efficient Municipal Systems and Operations

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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. The DGDS has seven drivers which are:

1. Spatial Integration and Facilitating Security of Tenure
2. Strategic Infrastructure Investment
3. Education and Skills Development
4. Institutional Development
5. Sectoral Development and Support
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

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.

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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 2.6.1: 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 lagging 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.
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.
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.

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3 CHAPTER 3: SITUATIONAL ANALYSIS

The Situational Analysis chapter provides a more concise snapshot of the key elements of the Status Quo. The information presented is a combination of desktop analysis; 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

Ugu District is a notable service centre within the south of KwaZulu-Natal and the northern part of the Eastern Cape Province. It provides highly competitive tertiary services within these regional parts of both provinces, such services mainly include commercial, retail and tourism. The district also attracts a number of people for public services including medical care given the amount of public and private health care facilities.

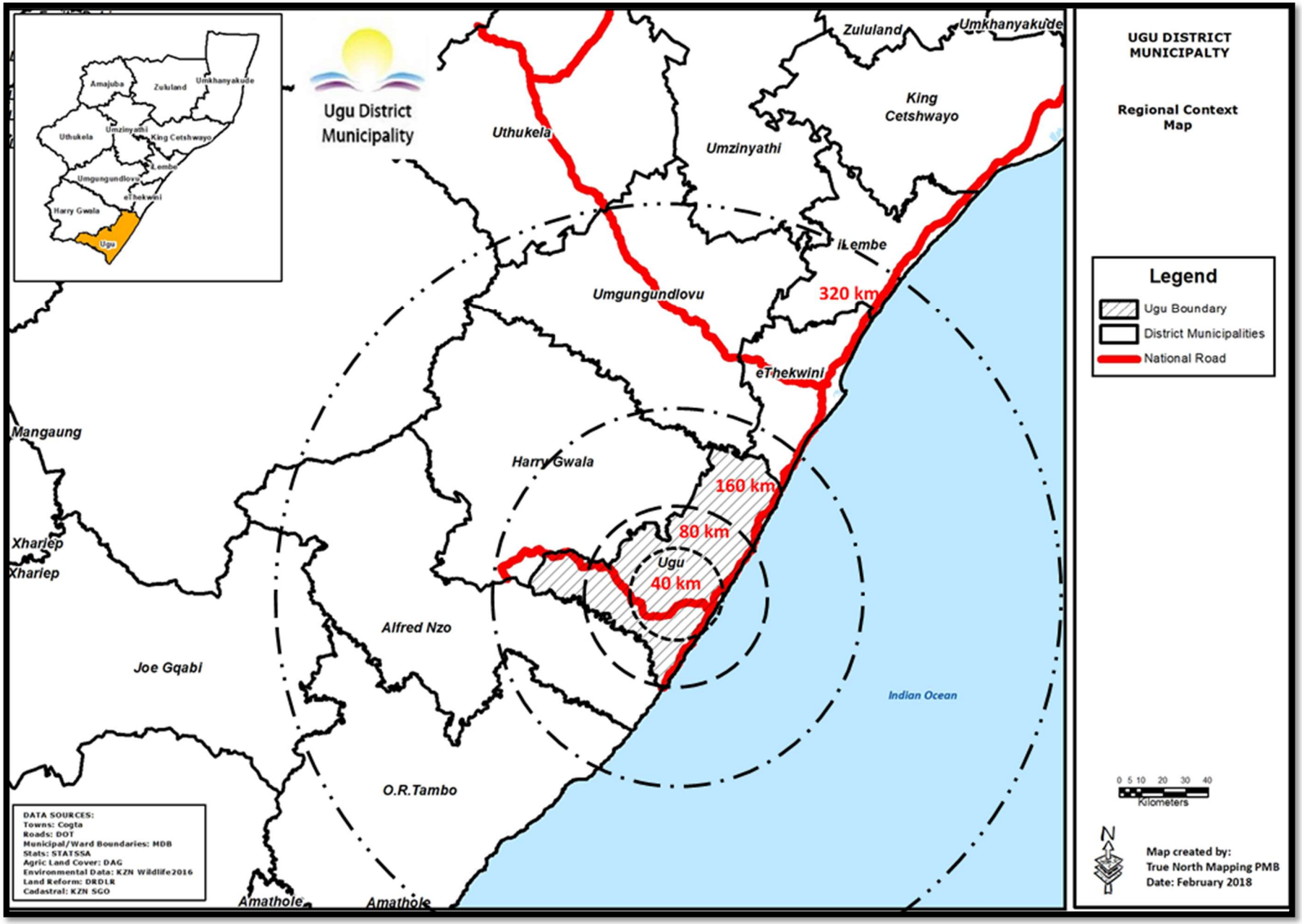
3.1.2 Administrative Entities

The municipality is bordered in the north by 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 is accessed via N2 and the R102 from Ethekwini on the north. The N2 is an important access point as it stretches throughout the district and provides regional access to Eastern Cape on the western border where it interfaces with Harry Gwala District Municipality.

R61 (National Road) links the district with the Eastern Cape on the South where it interfaces with Alfred Nzo District Municipality whilst the R102 links the district with UMgungundlovu to the west. It is located on the southern part of KwaZulu-Natal provice with a number of strategic features that embraces this location such as the following:

- It is highly accessible by the N2 and R61 which connects the area with a number of towns within KwaZulu-Natal as well as Eastern Cape and beyond;
- It is situated within a highly admired coastal strip which is affectionately known referred to as the South Coast by the tourists, residents and general travellers;
- It shares borders with EThekwini Municipality which is the economic powerhouse of KwaZulu-Natal and a very notable economic point within the country; and
- It accommodates the first coastal commercial hubs from Eastern Cape to KwaZulu-Natal.

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Map 3.1.1.1: Ugu District Regional Context *Source: Ugu District SDF, 2018*

3.1.3 Existing Nodes and Corridors

In August 2015, KZN COGTA published a report titled *"Towards a framework for the classification of development nodes in KwaZulu-Natal – Regional spatial restructuring for an efficient delivery of services"* The aims of the report were to provide a standardised classification of nodes throughout the province. The study identified the following categories of nodes:

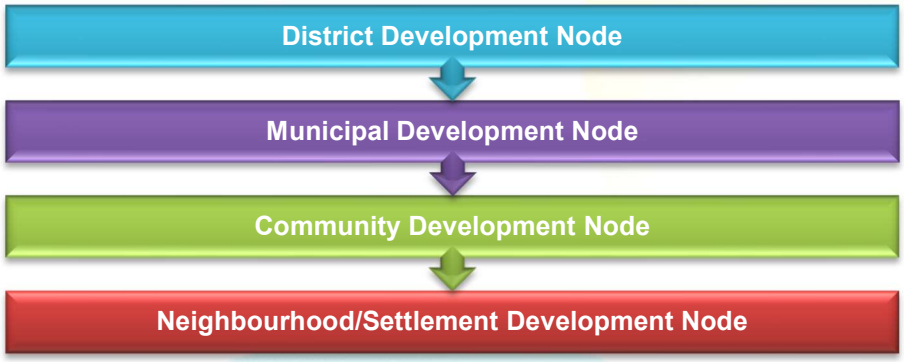


Figure 3.1.3.1: Ugu District System of Activity Nodes
Source: Ugu District SDF, 2018

District development nodes: These nodes play an integral role in the regional economy and contribute substantially to the provincial economy. They serve as major clusters of economic activities and provincial population. They have considerably developed and diversified economies. They serve as both economic hubs and administrative centre, but also perform some service centre functions.

Municipal Development Nodes: are physically connected to each other and to urban centres outside their regions (districts), by frequent and reliable transport and all-weather roads. They offer diversified commercial, financial, professional and administrative duties and services. They accommodate sub-regional offices of national government departments and branch offices of provincial government departments. They provide facilities for large scale and diversified markets, function as communication nodes for a broad rural hinterland, and provides sites for agri-business and large-scale agriculture processing. They also provide space for the location of small scale consumer goods industries, repair workshops, and light durable goods. They offer higher educational opportunities and more specialised vocational training; and provide diversified and multi-purpose hospitals and health clinics. Municipal offices would mostly be located in these development nodes.

Community Development Nodes: are small towns that provide an area-wide exchange point household and common consumer products, and farm inputs. They serve as nodes of transportation and distribution linked to regional centres within the province. They provide higher-level administrative services that cannot be found in community development nodes and offer vocational and secondary education, health and childcare services, and rural commercial services.

Neighbourhood/Settlement Development Nodes: These would locate a settlement or cluster of settlements. Its service area would be limited to the surrounding settlements and would include lower order public, shopping and small business enterprise facilities. It serves as linkage between the local communities and the major towns as such they should locate in accessible areas along or at the intersection on public transport routes. The majority of these are in the rural areas and would be discussed in detail in the local municipality SDF's.

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3.1.3.1 Hierarchy of Development Corridors

Corridors are areas of street or route-oriented uses which incorporate a mix of retail, employment and residential uses, developed at overall greater densities, located along arterial roads serving as major transit routes. Corridors link Nodes and important areas of activity within the district and are intended to be key locations for residential intensification. Corridors may form the boundaries of residential subdivisions or neighbourhoods but should act as a linear focus for activities and uses within the community. The Districts Corridors provide a significant opportunity for creating vibrant pedestrian and transit-oriented places through in-vestment in hard and soft infrastructure, residential intensification, infill and re-development.

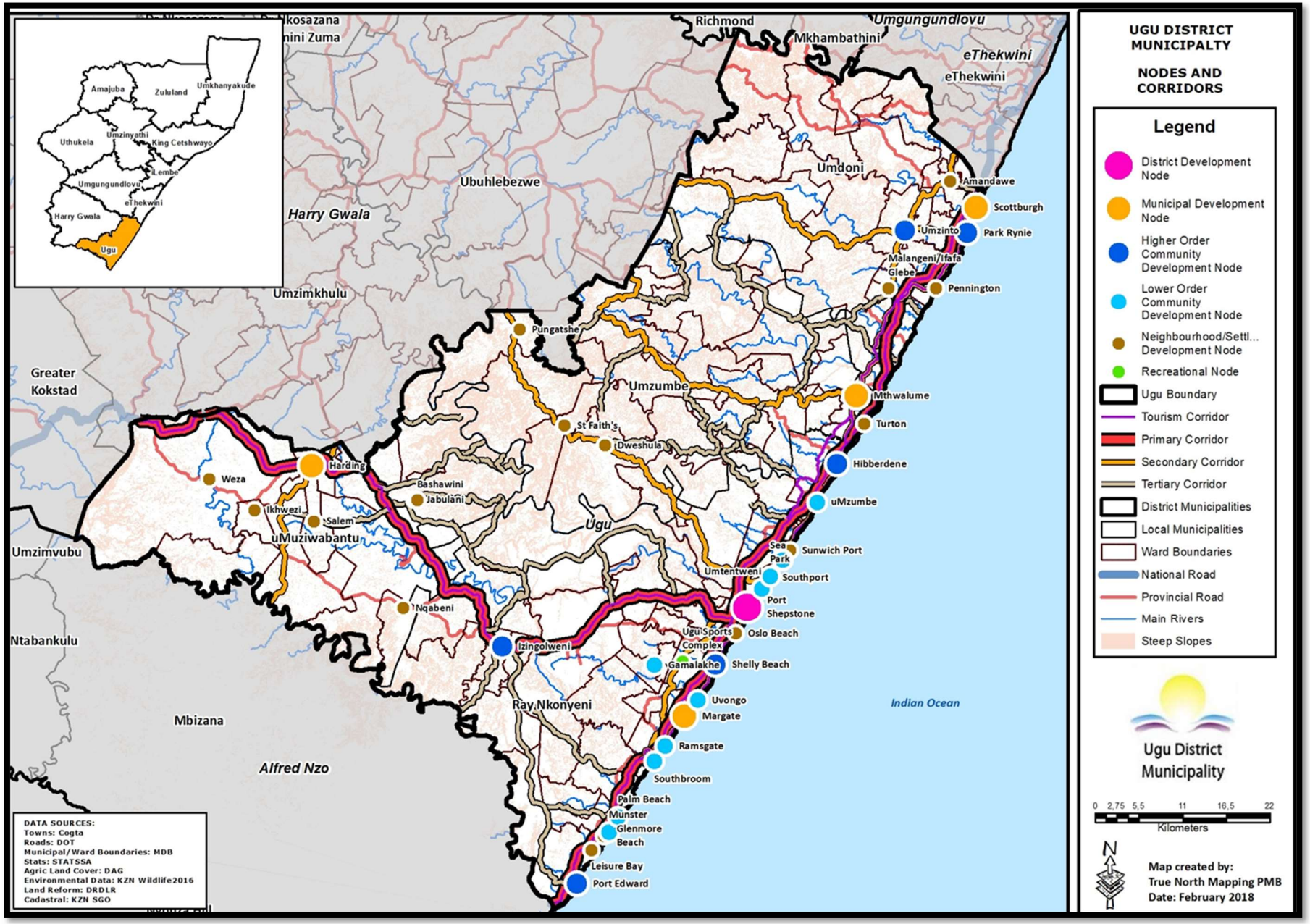
The concept of spatial development requires an understanding of the movement networks of people, goods and services which are channelled along specific routes. These routes are described as networks of interaction. The level and intensity of activity that these networks of interaction provide result in the concept of “Development Corridors” which are broad areas of development which are centred on activity and development routes. They are characterised by dynamic, mutually supporting relationships between land uses and the supporting movement system. These development corridors are generally supported by a hierarchy of transport services which functions as an integrated system to facilitate and foster ease of movement for private and public transport users.

A key element of corridor development is intensification. A large portion of the Districts land use intensification target is directed to Nodes and Corridors. In older Corridors, intensification stabilizes and grows the population, helping to support local businesses, institutions and community facilities such as community centres, parks and schools, and returning vitality to these areas. In new or developing corridors, intensification, supported by transit, provides a diversity of housing types and living environments that reduce the dependency on automobiles, creating liveable environments.

The SDF recognizes Corridors as key structural elements which for Municipal, neighbourhood and precinct planning; however, some corridors function as an integral part of a much broader environment with a national, provincial and district wide impact (N2). Therefore, a central element of corridor planning will be to identify the unique role played by each corridor and ensure that proper planning co-ordination and guidance is provided for each of the corridors identified, whilst embracing the general ethos of corridor development planning.

Development corridors in Ugu DM occur at various scales and are dependent on function and categorisation of the transportation route that forms the basis of the corridor. They carry flows of people and trade between two points (origin and destination) and foster nodal development at strategic points. Corridor development forms the basis of spatial structuring, and is a tool for economic growth, seeks to create functional linkages between areas of higher thresholds and economic potential, with those that have insufficient thresholds. This, in turn, enables areas that are poorly serviced, to be linked to areas of opportunity and benefit and with higher thresholds.

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Map 3.1.3.1: Ugu District Nodes and Corridors *Source: Ugu Distric SDF, 2018*

3.1.4 Broad Land Use Patterns

3.1.4.1 Coastal Tourism Towns and Surrounding Suburbs

There are a number of coastal tourism towns that are located along Marine Drive, Ocean Drive and Finnis Road. These are mostly dominant within Ray Nkonyeni specifically along R61 from Port Shepstone to Port Edward, however coastal tourism is also seen in Scottburgh, Park Rynie, Pennington, Sunwhich Port, Hibberdene etc. These towns are also surrounded by associated formal suburbs. These towns have a number of commercial and entertainment activities within it which were introduced in order to embolden this tourism environment.

3.1.4.2 Urban Towns and Surrounding Suburbs

The main urban centres within the study area are Port Shepstone, Hibberdene, Scottburgh, Margate, Port Edward and Harding Town. These serves as the main towns for the municipal area with the highest agglomeration of commercial activities.

3.1.4.3 Rural Town and Surrounding Peri-Urban Settlements

Ezinqolweni is the main rural town that is found within the municipal area. Turton within Umzumbe is experiencing an increase in density marked by a phenomenal increase in the number of people that live within the area. It is surrounded by the densely populated rural settlements which have grown around it over the years.

3.1.4.4 Rural Villages and Settlements

The majority of the inland area is occupied by rural villages and settlements. These are spread within different parts of the administrative boundaries of traditional authorities. These villages and settlements have a number of commercial and social activities within it. The kind of commercial activities are limited to small local convenient shops, taverns as well as scale manufacturing activities (block making) and personnel services such as salons and small scale agricultural activities (ploughing field and food gardens).

3.1.4.5 Commercial Agriculture

Most commercial agriculture is intensive in one or more ways. Forms that rely especially heavily on industrial methods are often called industrial agriculture, which is characterised by innovations designed to increase yield. Techniques include planting multiple crops per year, reducing the frequency of fallow years, and improving cultivars. It also involves increased use of fertilizers, plant growth regulators, pesticides and mechanised agriculture, controlled by increased and more detailed analysis of growing conditions, including weather, soil, water, weeds and pests. This system is supported by ongoing innovation in agricultural machinery and farming methods, genetic technology, techniques for achieving economies of scale, logistics, and data collection and analysis technology. Intensive farms are widespread in developed nations and increasingly prevalent worldwide. Most of the meat, dairy, eggs, fruits and vegetables available in supermarkets are produced by such farms. Smaller intensive farms usually include higher inputs of labor and more often use sustainable intensive methods. The farming practices commonly found on such farms are referred to as appropriate technology. These farms are less widespread in both developed countries and worldwide but are growing more rapidly. Most of the food available in specialty markets such as farmers markets is produced by these smallholder farms.

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The district municipality has an abundant amount of agricultural land which is geographically located between the urban and rural areas in the form of commercial agricultural farms. The agricultural pattern within the area is primarily due to the undulating topography, which prescribes the available land parcels out of the valley lines and along other major structuring elements. The agricultural industry is a prominent feature within the KwaZulu-Natal south coast, and therefore becomes a predominant land use within the area. The predominance is due to the rich natural resources and climatic conditions, which allow for the farming of produces such as sugar, bananas, timber, pawpaw's, coffee, tea and exotic nuts along the coast, maize, legumes, cattle, vast pine, commercial forestry, wattle and eucalyptus plantations inland. Commercial agriculture activity is concentrated largely within a central band located south-east of Harding.

3.1.4.6 Subsistence Agriculture/ Grazing Land

Rural subsistence farming activity is generally equated with the traditional settlement areas of specifically the rural areas. The agricultural practices within the Traditional Settlement areas of Ugu are diversified with many households producing food for subsistence purposes. Rural subsistence agriculture is far more extensive in the southern traditional authority areas of KwaJali and KwaMachi in Harding. Due to the often-large degree of transformation of these areas in terms of grazing cover as well as institutional factors, grazing capacity and other resource constraints limit the extent to which livestock as well as farming could be expanded. Settlements such as Odidini, Imfume, Dududu, Mikhunya, Kenterton, Qolodolo, Msinsini, Dweshula, Assissi, Qiniseleni and Izingolweni villages are low density settlements which still practice subsistence agriculture.

3.1.4.7 Conservation and Environmentally Sensitive Areas

The Conservation areas comprise a composite of Core Environmental areas, steep slope areas unsuitable for development and the 30m floodline buffers. There are two important grassland areas to the south and east of Odidini. These grassland areas are of high conservation value as they form part of the Interior South Coast Grasslands Belt, a Critically Endangered ecosystem. These grasslands occur within a Traditional Authority Area and have relatively low levels of settlement. Imfume is an area of grassland to the east, which is also of high conservation value as it forms part of the Interior South Coast Grasslands Belt, a Critically Endangered ecosystem. This area also provides an important wildlife corridor between the conservation areas along the iLovu River, Umgababa River, and the Umkhomazi River. This grassland occurs within a Traditional Authority Area and has relatively low levels of settlement.

Umkhomazi River Valley is a large area of Eastern Valley Bushveld, situated in the upper catchment of the Umkhomazi River, and which forms the northern boundary of the Ugu Municipal Area. Other formal environmental areas include Umtamvuna, Mbubazi, Mpenjati, Skyline, and Oribi Gorge.This area occurs within a Traditional Authority Area and has relatively low levels of settlement due to the steep topography. There are also a number of unprotected environmental areas within the area which are undeveloped /untransformed and consist of grassland, dense bush and forests. High biodiversity areas represent a substantial fraction of the area. Mpambanyoni River Valley is an area of Ngongoni Veld (Vulnerable) and Eastern Valley Bushveld situated in the upper catchment of the Mpambanyoni River. This area occurs within a Traditional Authority Area and has relatively low levels of settlement. Other river valleys which the district considers crucial, endangered, vulnerable and are considered

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environmentally sensitive areas, they include Fafa River Valley, Mtwalume River Valley, Quha River Valley, Kwa-Malukaka Valley, Mzumbe River Valley, and Umzimkhulu River Valley. There are several pockets of Scarp Forest occurring within and surrounding Vernon Crookes Nature Reserve. These forests occur on private properties, between areas of commercial sugarcane. Other forests which are environmentally sensitive, endangered and must be protected include Ntimbankulu Forest and Weza State Forest.

3.1.4.8 Industrial Hubs

There are several industrial hubs which are observed within the region, and they include Weza Sawmill Merensky which is a theatre of manufacturing and storage/ warehouse activities within Umuziwabantu area, Izotsha Industrial Development Corridor which is a theatre of manufacturing and storage/ warehouse activities within the RN area, Other industrial activities are found in towns such as Marburg and Port Shepstone which also extensively contribute in the economic growth of the municipality. The areas that are currently zoned as industrial areas within Umdoni include 1 Area in Scottburgh (adjacent to the N2), 1 Area in Park Rynie (adjacent to the N2 off ramp), 1 Area in Esparanza (south), Specific sites in Umzinto North and Specific sites in Umzinto South.

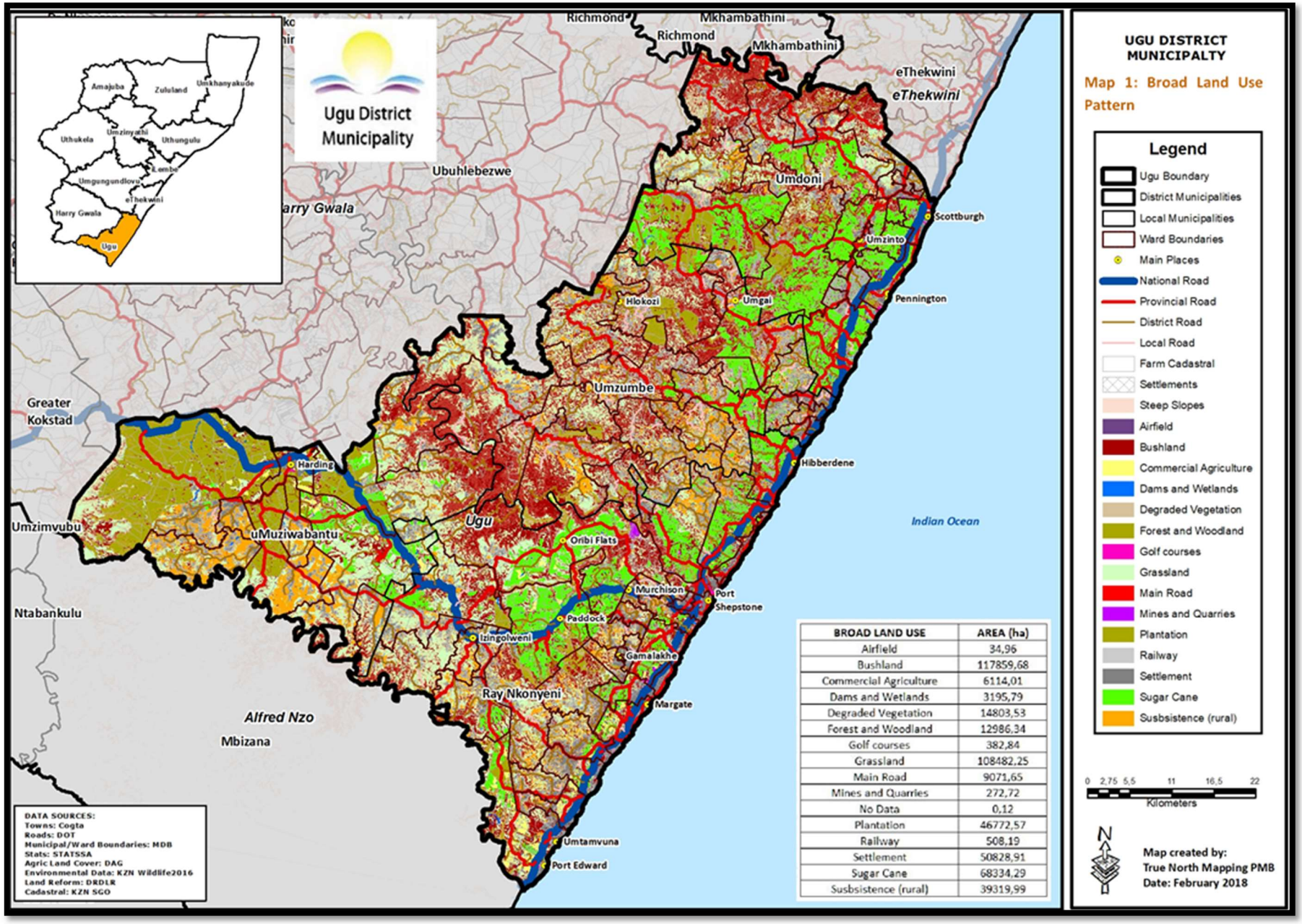
3.1.4.9 Tourism Activities and Farms

Tourism is a key sector which can and should be developed through the development of tourism products based on the diverse natural and cultural resource base of the municipality. within the area of Umzumbe, it is identified as one of the economic opportunity areas that requires attention and investment. The district has identified several tourism opportunities and projects in Umzumbe, with the focus being on agri-, heritage and cultural tourism.

Tourism assets which umdoni area is richly blessed with includes; Beaches: Scottburgh Beach and its grass-covered banks is one of the main attractions as it has established itself as the popular holiday resort destination for South Africans and foreign dwellers; Golfing: Along the South Coast Umdoni is identified as one of the hidden treasures of the Golf coast. The Golf course has 18 holes and is situated on 200 hectares of indigenous coastal forest. It has fauna and flora and magnificent vistas that make it a breath-taking experience to explore; Caravan Parks and Camp Sites. Scottburgh Caravan parks are privately owned seaside resorts and campsites are owned by the municipality. TC Robertson Nature Reserve: This nature reserve is located just 10 min walk from the centre of Scottburgh and from the main beach area. It has become a popular picnic venue with over 180 species of birds, and bushbuck grey duiker and blue duiker and Croc World.

This tourist attraction was established in 1985 and it is popularly known for its spectacular inland valley views and indigenous trees and plants. It houses a large collection of snakes and showcases endangered other species such as tortoises and therefore described as the reptile and bird park. Adventure tourism is already an important draw card for the Ugu District, but to date the focus has been on coastal adventure tourism activities such as diving, fishing and related water sports. Other tourism activities ensue from Oribi Gorge include but not limited to hiking, river crafting, zip line, wild swing and sliding.

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Map 3.1.4.1: Ugu District Municipality Broad Land Uses *Source: Ugu DM SDF, 2018*

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 (61%), occupied rent free is 9% 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.

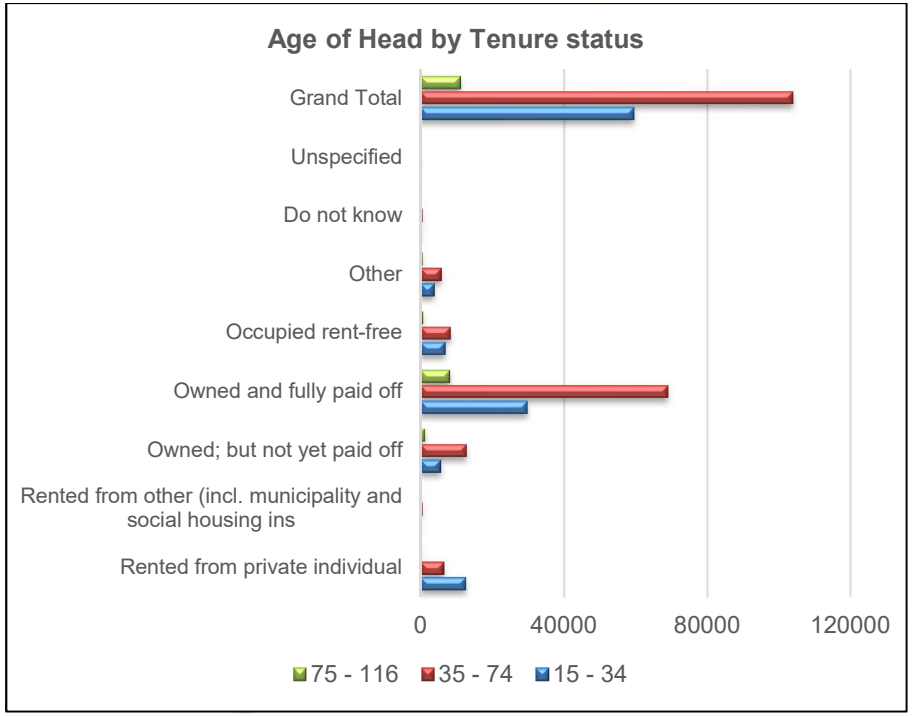
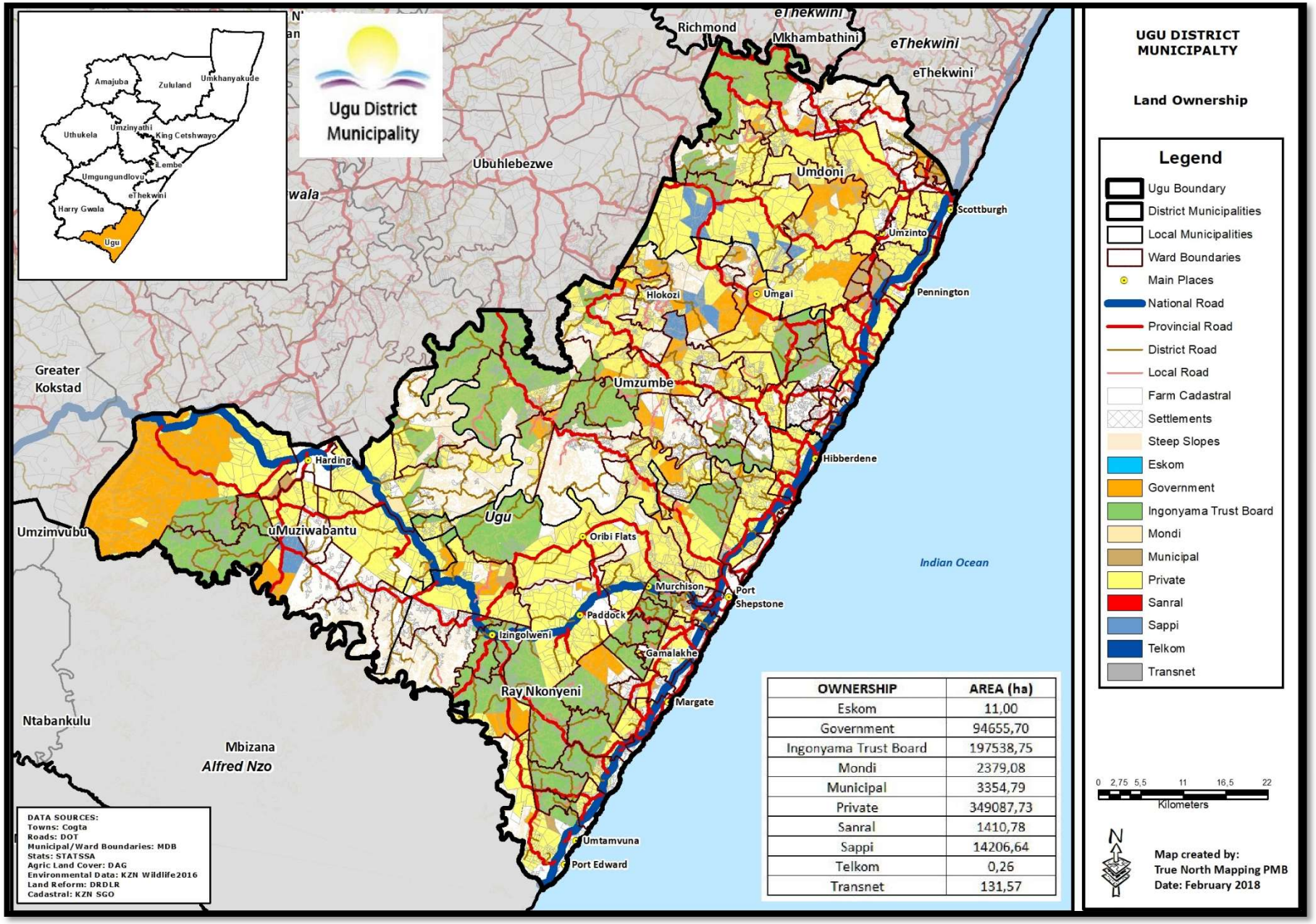


Figure 3.1.5.1: Ugu District Municipality Land Ownership
Source: Community Survey Stats SA, 2016

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.

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Map 3.1.5.2: Ugu District Land Ownership Map

Source: Ugu DM SDF, 2018

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. There are quite a number of land claims that were lodged within the district. However, a few of these claims were transferred into projects, inter alia such as Nzimkwe, Impenjati and Khoshwani. There are also a number of gazetted restitution claims within the area. This includes Beshawu claim, Ezinqoleni claim, kwaXolo claim, Madlala claim, Masakhana claim, Mathulini claim, Mavundla claim and Oshabeni claim. 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.

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.

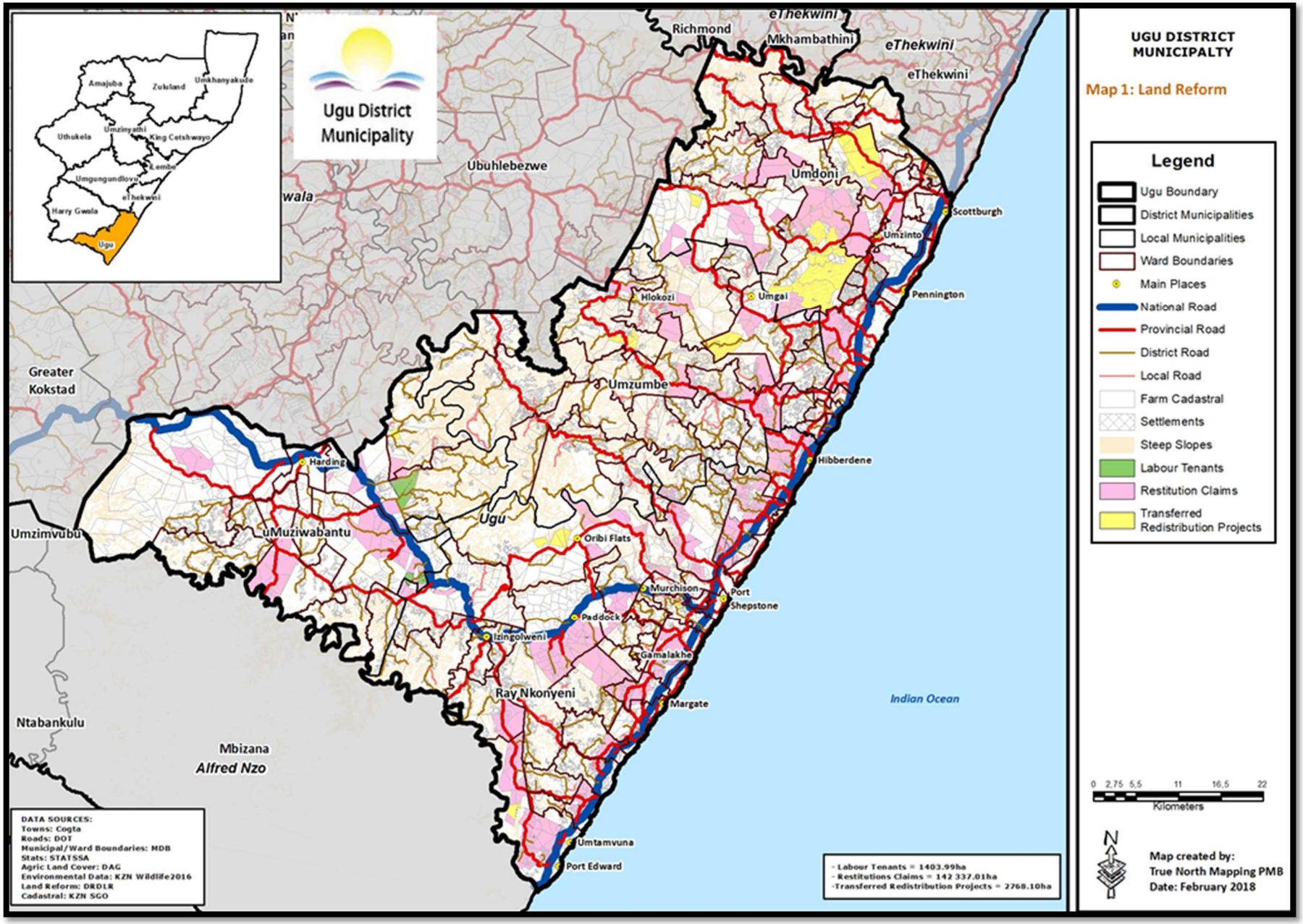
From initial spatial and land use assessment, it has, however, been concluded that land in the Ugu District should be viewed as a scarce resource. Map 3.1.7.1 quantifies the current land use situation in the Ugu District, and specifically considers the availability of undeveloped land for development.

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.

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Map 3.1.6.1: Ugu District Land Reform Status *Source: Ugu DM SDF, 2018*

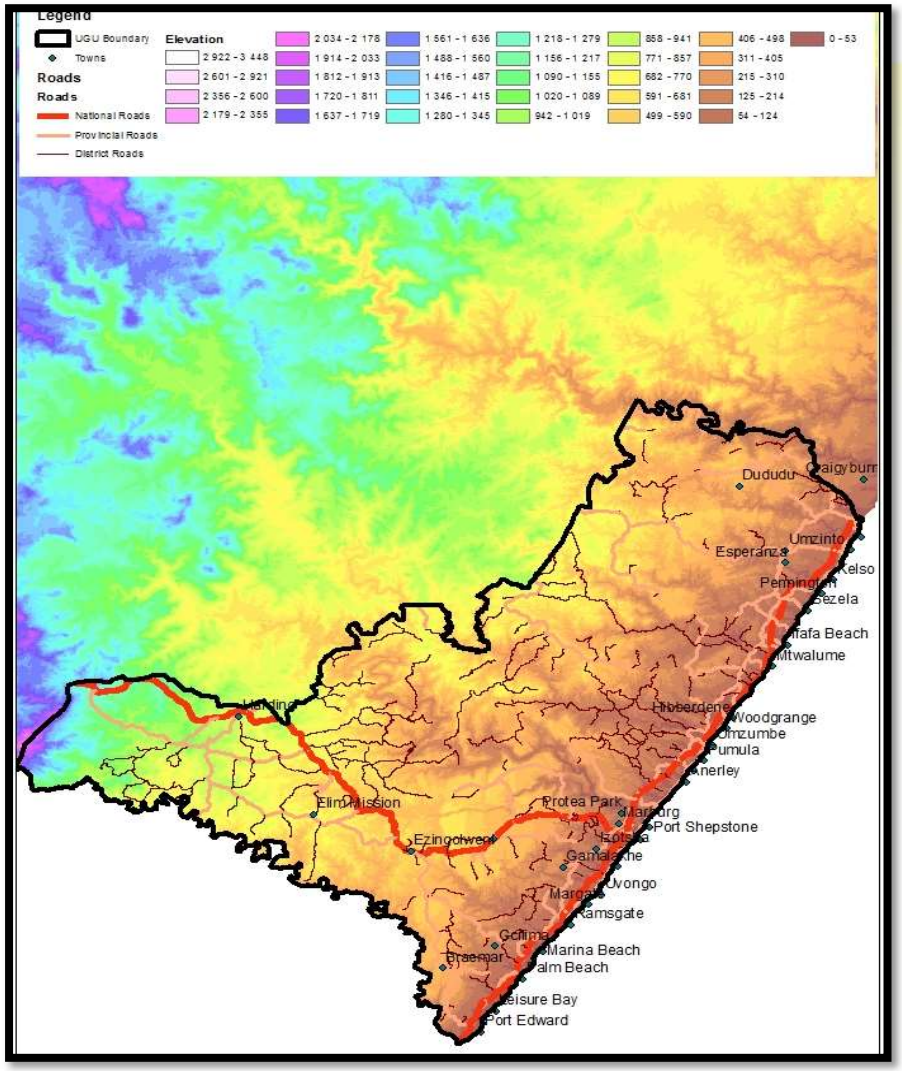


Figure 3.1.7.1: Ugu District Availability of Land for Development
Source: Ugu Draft SDF, 2017 / 2018

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 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.

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Major gaps were identified when the five-year IDP was developed in 2017 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 and Climate Change Vulnerability Strategy are in place (See Chapter 8 for all the strategies and plans in place). The municipality will continue to prioritise the development of the remaining strategies and plans.

3.2.1 Key Hydrological features

The National Water Act (1998) recognises that water is a scarce resource and that there is a need for the integrated management of all aspects of water resources. The SDF promotes the concept of catchment management as a means of addressing biodiversity management, resource management and settlement planning. Catchment management therefore proposes that catchment systems be understood as a primary informant in planning processes for the purpose of improving and integrating the management of land, water and related natural resources, in order to achieve more sustainable use of available resources.

A critical factor here will be understanding the capacity of catchment systems to supply fresh water and to sustain land uses and settlement activity within the catchment area, even where land use and settlement growth is sensibly planned and effectively managed. Applying a catchment management approach means recognising that the land has limits in terms of its carrying capacity. It means aligning development to the identified limits to the resources available using catchments as a tool for describing a specific resource unit which is appropriate for spatial planning at a regional scale. A catchment management approach must align with and respond to the establishment of the Mzumvubu to Kieskamma Catchment Management Agencies (CMA) to be established in terms of the National Water Act of 1998 and the latest National Water Resources Strategy.

The banks of these rivers contain high value biodiversity such as natural vegetation and ecosystems. The district is also characterised by a number of wetlands areas which are connected to the major catchments areas such as the rivers and the ocean. According to the Ugu Biodiversity Sector Plan (2014) the sub-quaternary catchments for the Mzimkhulu, Mtamvuna and portions of the Mtwalume catchment have been identified as National Freshwater Ecosystem Priority Areas (NFEPA) which are a priority for meeting national aquatic conservation targets.

Furthermore, it is also important to note that these two major perennial rivers are identified as being in a good condition (A/B class) despite the current levels of modification in the district (Ugu Biodversity Sector Plan). In the context of Umuziwabantu, the Uvungu River is identified as being moderately affected by modification (C-class) due to the nature of a coastal area, there are a large number of catchments within the UDM, ranging from small localised catchments spanning a few square kilometres to the Mzimkhulu and Umkomaas Catchments stretching back to their headwaters in the Drakensberg Mountains. There is a common theme throughout the UDM in that there are no major dams or impoundments, only several small local supply dams. The majority of the area is characterised as moderately erodible, with a smaller portion characterised as highly erodible

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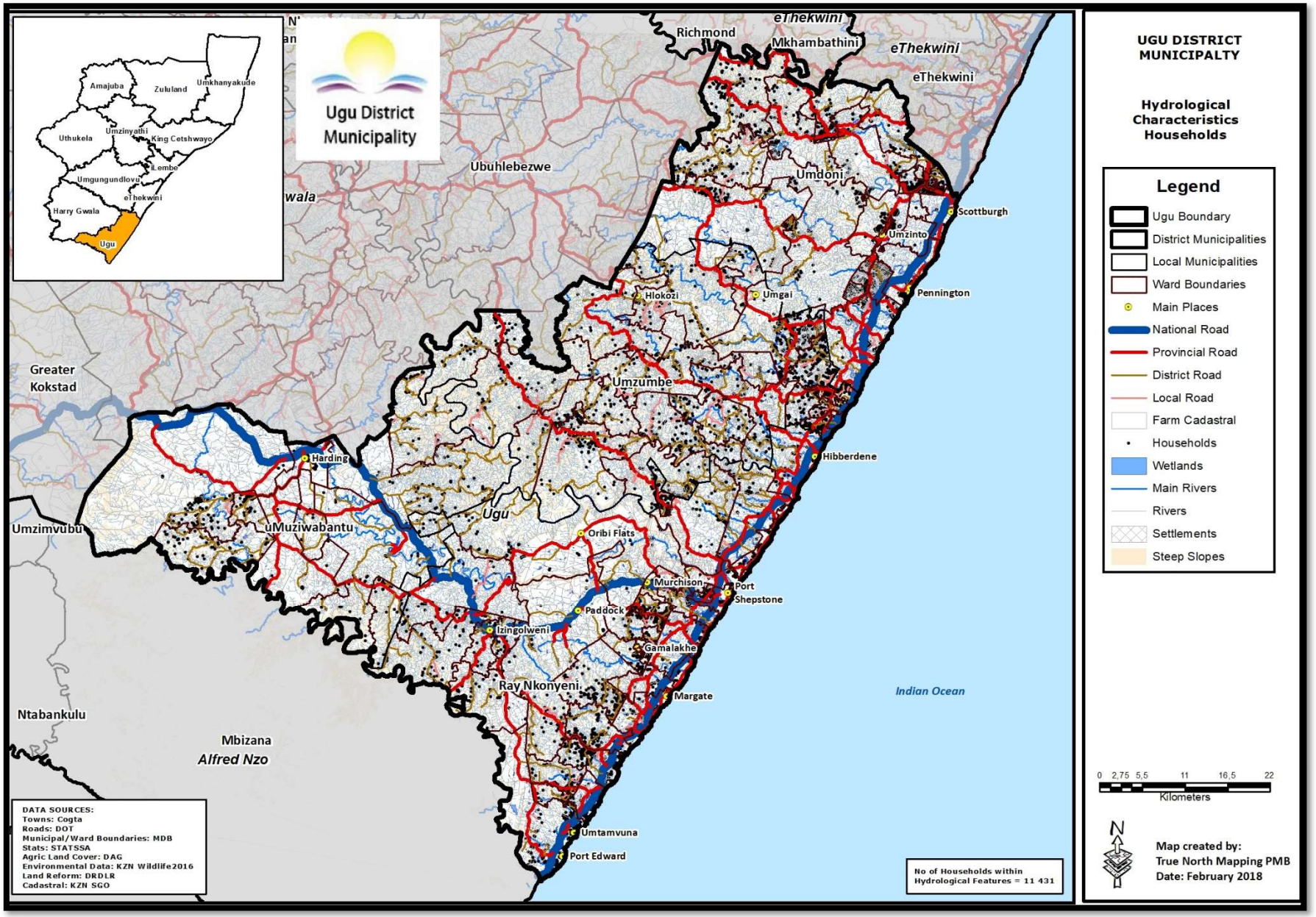
(Rooseboom, 1992). This was thought to be as a result of the moderate to high rainfall erosivity, based on the EI30 (maximum rainfall intensity values for a 30-minute period) values for the area (Rooseboom, 1992). This sub-section provides a brief summary of the remaining significant catchments that are smaller than the four main catchments listed about. These smaller significant catchments include the following:

- Mbizana River – Quaternary T40F.
- Mzinto River – Quaternary U80H.
- Ufafa River – Quaternary U80G.
- Vungu River – Quaternary T40G.
- Mzumbe River – Quaternary U80B and U80C.
- Mtwalume River – Quaternary U80E and U80F.
- Mpambonyani River – Quaternary U80J and U80K.

Table 3.2.1.1: Ugu District River and Catchment Area *Source: Ugu Draft SDF, 2018*

Catchment	Description	Area (Km²)
Lovu River Catchment	The Lovu River Catchment extends up past the UDM boundary, beyond Richmond. This catchment is classified as Tertiary Catchment U70, which contains five Quaternary Catchments, namely U70A – U70E.	1 031
Umkomaas River Catchment	The Umkomaas River Catchment extends up past the UDM boundary, to its headwaters in the Drakensberg Mountains near Giants Castle. This catchment is classified as Tertiary Catchment U10, which contains 12 Quaternary Catchments, namely U10A – U10M.	4 387
Mzimkhulu River Catchment	The Mzimkhulu River Catchment extends up past the UDM boundary, to its headwaters in the Drakensberg Mountains adjacent to Lesotho. This catchment is classified by Tertiary Catchments T51 and T52, which contains 21 Quaternary Catchments, namely T51A – T51J and T52A – T52M.	6 678
Mtamvuna River Catchment	The Mtamvuna River Catchment extends up past the UDM boundary, to its headwaters located to the south of Kokstad. This catchment is classified by Tertiary Catchment T40, which contains nine Quaternary Catchments, namely T40A – T40J.	2 737

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Map 3.2.1.1.: Ugu District River and Catchment Areas

Source: Ugu District SDF, 2018

3.2.2 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 3.2.2.1). 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 3.2.2.1). 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 3.2.2.1: 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 3.2.2.1). 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

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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.

3.2.3 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 3.2.2.2, 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.

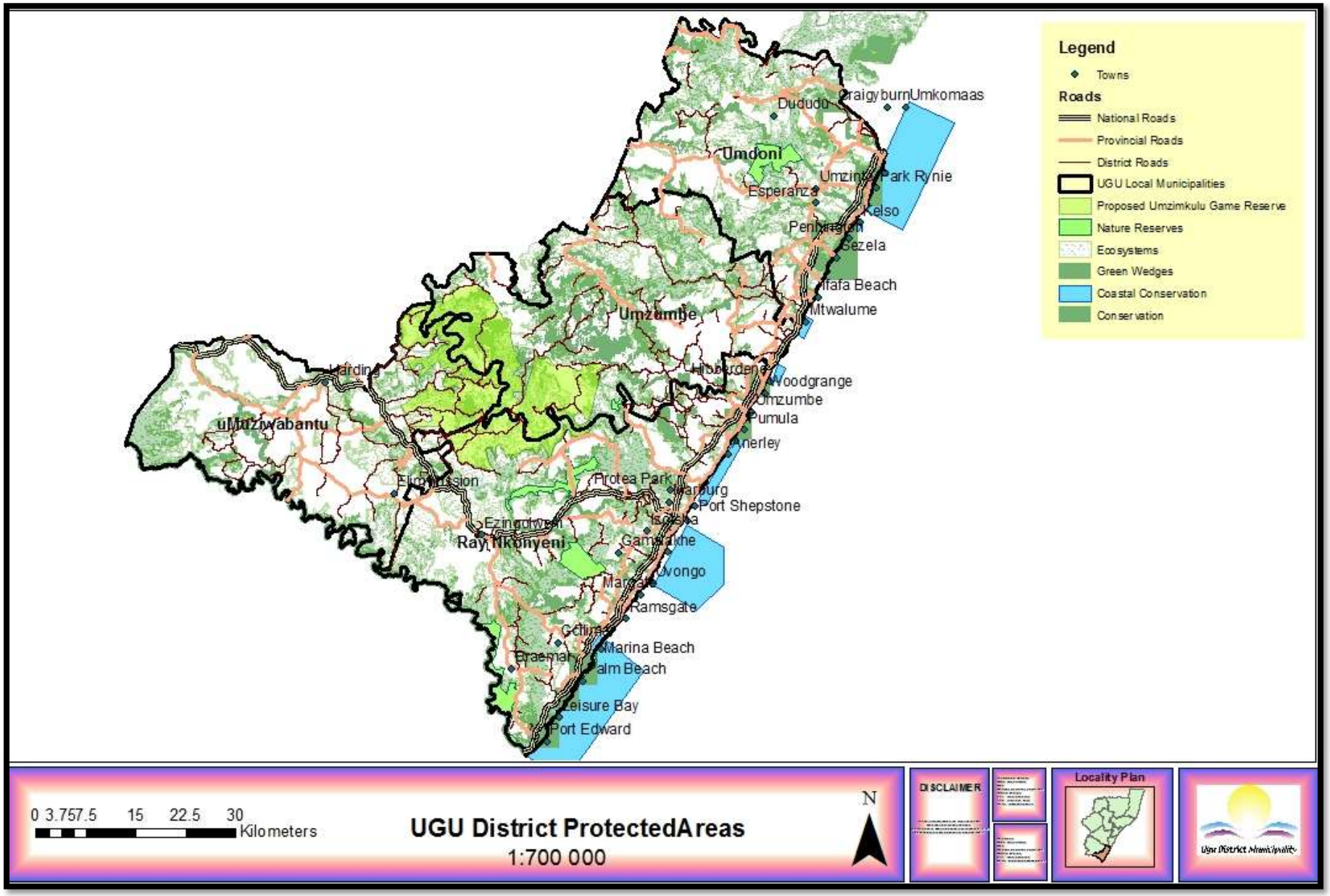
The level of pressure facing different protected areas is also worth noting (see Table 3.2.1.2.2). Of relevance, is the very high pressure associated with Umtamvuna Nature Reserve which ranked highest in the Province. This suggests that special attention needs to be given to this area to ensure that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

Table 3.2.3.2: 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

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Map 3.2.2.1: Ugu District Protected Areas

Source: Ugu GIS, 2017

3.2.4 Biodiversity

Critical Biodiversity Areas are natural or near natural landscapes that are considered critical for meeting biodiversity targets and thresholds, and which safeguard areas required for the persistence of viable populations of species and the functionality of ecosystems. Critical Biodiversity Areas or CBAs include features, habitats and landscapes that are considered to be most important for biodiversity conservation and securing the preservation of important ecosystem functioning and processes. Terrestrial, aquatic, estuarine and marine CBAs. Terrestrial CBAs describe terrestrial areas within the District which are of particularly high conservation significance.

Protected Areas and sites of conservation importance are automatically included in the CBA network by virtue of their formal protection status. Additional datasets used to classify and derive the terrestrial CBA layer included Critical Biodiversity Areas (formally Biodiversity Priority Areas) defined in the EKZNW Terrestrial Systematic Conservation Plan, irreplaceable linkages using the coverage of Landscape Ecological corridors for the Province and terrestrial features/areas identified as critically important for terrestrial conservation efforts based on input from local experts in the District. The majority of these CBA`s are “irreplaceable”, meaning their natural status meets the biodiversity targets and thresholds and this may require the municipality to adopt mechanisms in dealing and managing such areas of significance which forms a major component of the municipal natural assets.

3.2.5 Households located in hazardous areas

Due to the nature of a coastal area, there are a large number of catchments within the UDM, ranging from small localised catchments spanning a few square kilometres to the Mzimkhulu and Umkomaas Catchments stretching back to their headwaters in the Drakensberg Mountains. There is a common theme throughout the UDM in that there are no major dams or impoundments, only several small local supply dams. These impoundments are quantified in terms of volume and surface area within each sub-section to follow. The majority of the area is characterised as moderately erodible, with a smaller portion characterised as highly erodible (Rooseboom, 1992). This was thought to be as a result of the moderate to high rainfall erosivity, based on the EI30 (maximum rainfall intensity values for a 30-minute period) values for the area (Rooseboom, 1992).

Furthermore, the majority of wetlands in the Ugu DM occur within higher rainfall areas, resulting in high densities of wetlands along the coastal region and fewer located inland. As a result of intensive urban development along the coast and agricultural practices (commercial and informal), an estimated 67% of wetland areas have been subject to transformation, significantly affecting the ecosystem services derived from these resources. While no critically endangered wetland types were identified in the provincial assessment, more than 50% of wetlands fall within an endangered wetland vegetation type. The national assessment paints a worse picture with many wetland vegetation groups classified as critically endangered in the study area. These are all areas which are considered as environmentally sensitive due to, inter alia, their ecosystem benefits.

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There are approximately 7785 households within Ugu District that are located on hydrologically sensitive areas. The wetlands and the rivers are protected by various pieces of environmental legislations. With the recent climate change events leading to excessive heavy rainfall and floods, it has become more important for these situations to be avoided.

3.2.6 Vegetation

A range of vegetation types extend across the UDM and are grouped within three biomes, namely the Indian Ocean Coastal belt, Savannah biome inland of the coastal belt, and a small section of the grassland biome west of Harding and extending north towards Kokstad. Transformation has significantly impacted in the extent of remaining natural habitat, particularly along the coast and in higher lying inland regions High levels of transformation in the study area have contributed to five vegetation types being classified as critically endangered and a further three vegetation types being classified as endangered. Together, these vegetation types account for 58% of the study area while 24% of vegetation types are vulnerable, while only 17% are classified as least threatened.

A national process has also been undertaken to identify and list threatened ecosystems. Threatened Ecosystems are those ecosystems (in this case defined as a vegetation type) that are currently under threat of being transformed by other land uses. The first national list of threatened terrestrial ecosystems for South Africa was gazetted on 9 December 2011 (National Environmental Management: Biodiversity Act: National list of ecosystems that are threatened and in need of protection, G 34809, GoN 1002, 9 December 2011). The Biodiversity Act (Act 10 of 2004) provides for listing of threatened or protected ecosystems, in one of four categories: critically endangered (CR), endangered (EN), vulnerable (VU) or protected.

Table 3.2.3.1: KZN Vegetation Type Source: Draft EMF, 2013

KZN Vegetation Name	Historical Area (Ha)	Extent (%) of DM	Extent Remaining (Ha)	% lost within DM
Critically Endangered	**177755**	**35.5%**	**67310**	
KwaZulu-Natal Coastal Belt Grassland	124673	24.9%	45294	63.7%
KwaZulu-Natal Coastal Forests: Southern Mesic Coastal Lowlands Forest	4467	0.9%	3830	14.3%
KwaZulu-Natal Coastal Forests: Southern Moist Coastal Lowlands Forest	1882	0.4%	1646	12.5%

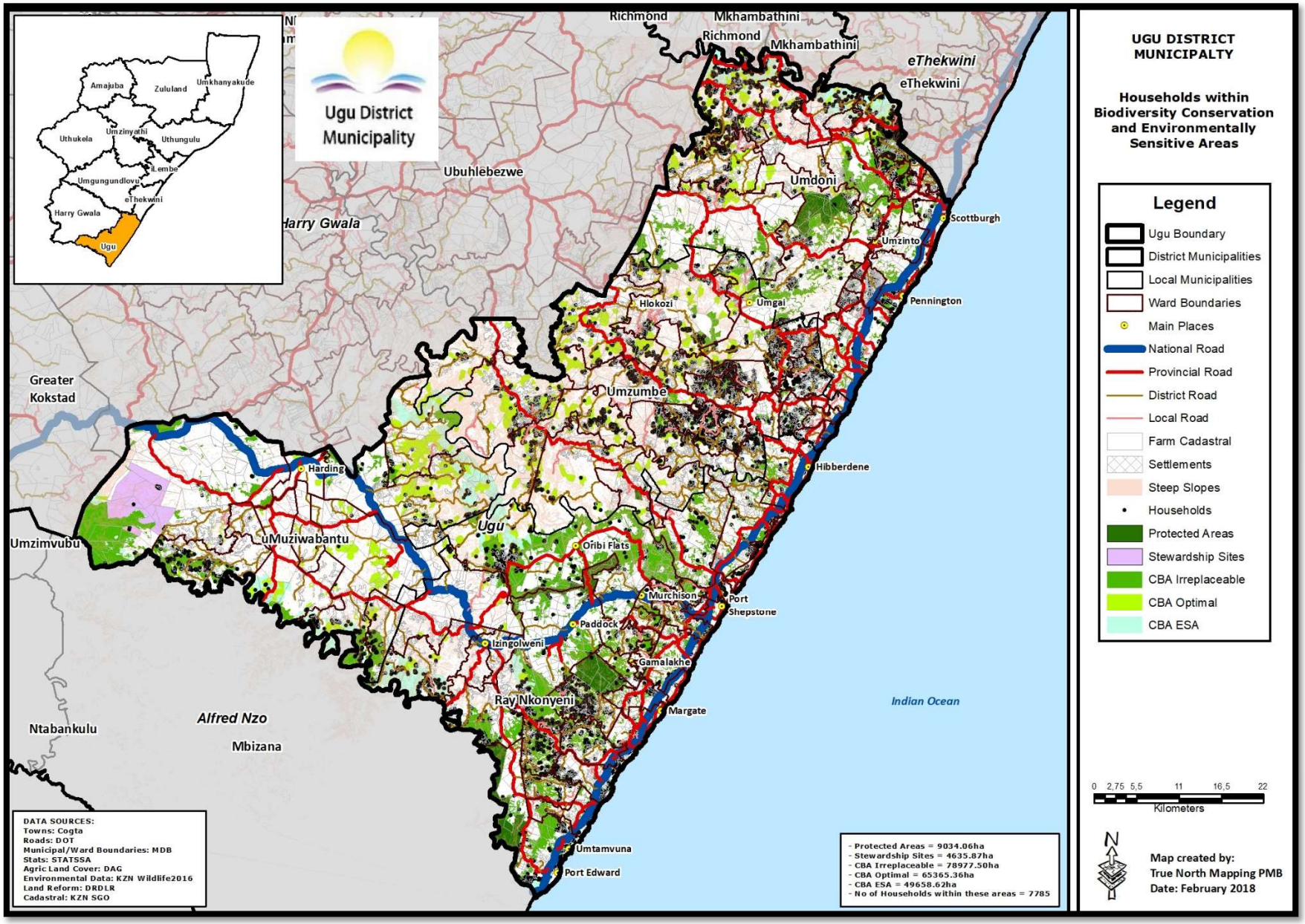
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KZN Vegetation Name	Historical Area (Ha)	Extent (%) of DM	Extent Remaining (Ha)	% lost within DM
KwaZulu-Natal Dune Forests: East Coast Dune Forest	286	0.1%	192	32.9%
KwaZulu-Natal Sandstone Sourveld	9202	1.8%	2375	74.2%
Pondoland-Ugu Sandstone Coastal Sourveld	37245	7.4%	13973	62.5%
Endangered	**115459**	**23.0%**	**45081**	
Eastern Mistbelt Forests	3005	0.6%	2353	21.7%
Midlands Mistbelt Grassland	32948	6.6%	5494	83.3%
Moist Coast Hinterland Grassland	79506	15.9%	37234	53.2%
Vulnerable	**122010**	**24.4%**	**83019**	
Drakensberg Foothill Moist Grassland	4869	1.0%	4003	17.8%
Dry Coast Hinterland Grassland	63896	12.8%	38935	39.1%
KwaZulu-Natal Coastal Belt Thornveld	53245	10.6%	40081	24.7%
Least Threatened	**85828**	**17.1%**	**77847**	
Eastern Scarp Forests: Southern Coastal Scarp Forest	3110	0.6%	2952	5.1%
Eastern Valley Bushveld	65870	13.1%	59629	9.5%
KwaZulu-Natal Highland Thornveld	11152	2.2%	9764	12.4%

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KZN Vegetation Name	Historical Area (Ha)	Extent (%) of DM	Extent Remaining (Ha)	% lost within DM
KwaZulu-Natal Hinterland Thornveld	474	0.1%	466	1.7%
Pondoland Scarp Forests	4888	1.0%	4712	3.6%
Subtropical Seashore Vegetation	334	0.1%	324	3.0%
Total	**501052**	**100.0%**	**273257**	**45.5%**

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Map 3.2.3.1: Biodiversity Conservation

Source: Ugu District SDF, 2018

3.2.7 Climate Change

The climate of Ugu DM can be categorised into three distinct climate zones. 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. 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 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 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.

The effects of climate change in South Africa are not limited to increased water scarcity in some parts of the country and drastic qualitative changes in the water supply, but extend to losses in biodiversity and rangelands, which impacts in the farming and agricultural sector, as well as possible increases in infectious and respiratory diseases. Climate change will have a significant impact on food availability, food accessibility and food systems stability. Climate change affects the large proportion of South Africa's population who have a low resilience to extreme climate events due to poverty, inadequate housing infrastructure and location. Climate change affects the decision-making processes of the vulnerable poor people in South African communities, such as; where they choose to live and which areas are sustainable for their livelihoods. In some household's people survive on subsistence farming as they may not have the opportunities to access formal employment channels neither are they close to any public facilities which could enable them to access employment opportunities. Therefore, in such cases subsistence farming becomes a way of life and survival.

However, because of climate change, this form of livelihood is mostly threatened leaving subsistence farmers vulnerable to drought or forced to relocate from one area to another, where there is rainfall or access to water in order to survive. In some cases, the inability to access potable water forces people to relocate into other areas where water is available. These patterns then directly affect settlement patterns, in terms of where most informal settlements tend to conglomerate within a Ugu area of jurisdiction. Furthermore, they determine which parts of municipal areas have the most sporadic development of informal settlements despite efforts by planners and local authorities to curb housing backlog and demand. Climate change may also influence the switch from subsistence farming as a form of livelihood to people moving closer to areas in which they can access public facilities or areas of mobility such that they have access to economic opportunities in the market.

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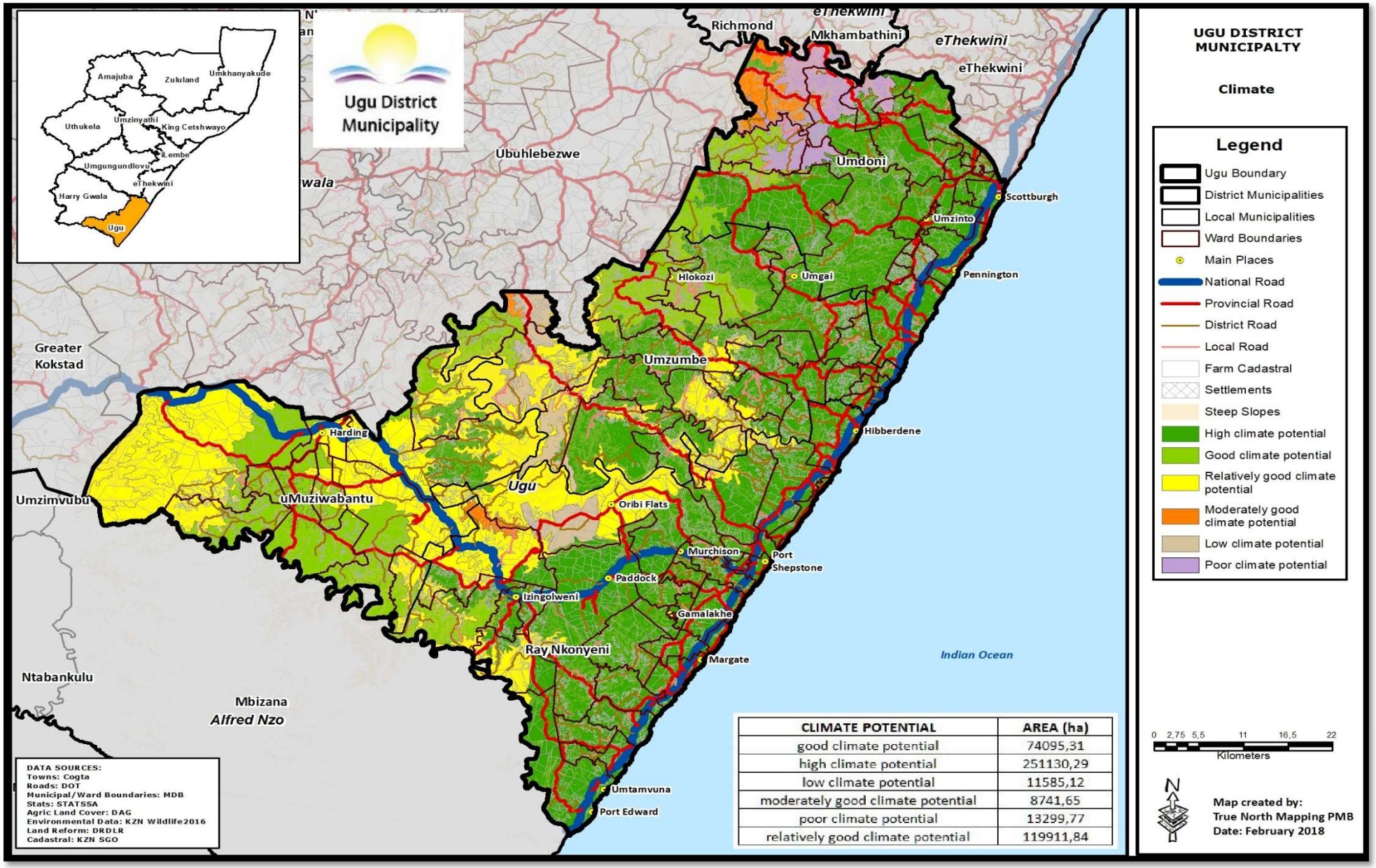
Cities are also required to deal with the rising threats of climate change and dwindling resources. These constraints mean that cities that do not plan

adequately will face higher costs to residents, a decline in welfare, and reduced economic competitiveness. Preparations for these circumstances typically require decades of forward-thinking development guidance. Climate change is recognized as the major environmental problem facing the globe. Escalating greenhouse gas emissions contribute towards climate change and will ultimately impact on human health, food security, natural resources, sea level rise, land loss and coastal infrastructure. Climate change embraces far more than temperature change and may include changes in rainfall patterns, sea level rise, the spread of infectious disease such as malaria, increase alien vegetation invasion and loss of biodiversity:

- An increase in the frequency and intensity of floods and droughts;
- A decrease in water availability due to changed rainfall patterns and increased evaporation; this will affect subsistence dry land farmers the most.
- An increase in erosional capacity of river courses, resulting in the loss of more top soil, thus decreasing the agricultural value of land and increasing siltation in dams.
- Infrastructural damage as a result of extreme weather events causing flooding, affecting human wellbeing and safety as well as insurance costs;
- An increase in erosion of coastal areas due to sea-level rise;
- Higher energy consumption due to increased residential cooling load;
- An increase in economic losses due to property damage and decreased tourism revenue;
- An increase in heat-related vector-borne (e.g. malaria) and water-borne (e.g. cholera) illnesses;
- An increase in heat stress, leading to dehydration, particularly for those that reside in the urban areas, as well as children and the elderly;
- Changes in the geographical distribution of plants and animals with extinction of species that are unable to move and an increase in the prevalence of alien invasive species. This will negatively affect the biodiversity of the Ugu Area of jurisdiction and the associated goods and services;
- Further loss of critically endangered grassland habitats as they are outcompeted by woody species able to utilize the higher concentrations of CO2 in the atmosphere.
- A reduction in yield of staple food crops, such as maize;
- Changes in the optimal planting and harvesting dates for crops as well as land suitable for crop production;
- Heat stress increasing livestock and poultry mortality rates;
- An increase in respiratory problems in the city due to a decrease in air quality (e.g. changes in the concentration and distribution of near-surface ozone) and increased dampness; and
- Deterioration of foods leading to increased incidents of food-borne diseases.

The likely climate change impacts have been assessed and plans, programmes and projects have been developed to assist the Ugu District in dealing with these impacts. The mitigation and adaptation work streams of the MCPP are located in the Energy Office and the Environmental Planning and Climate Protection Department respectively.

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CLIMATE POTENTIAL	AREA (ha)
good climate potential	74095,31
high climate potential	251130,29
low climate potential	11585,12
moderately good climate potential	8741,65
poor climate potential	13299,77
relatively good climate potential	119911,84

Map 3.2.4.1: General Climatic Condtions and Climate Change

Source: Ugu District SDF, 2018

3.3 Environmental Health Services (EHS)

The environment in which people live has the potential to be promotive of health or to impact negatively on health due to the presence of various environmental health risks. The Economic Development and Environmental Services Department which is tasked to mitigate against such risks and ensure promotion of a healthy environment. EHS cannot achieve this in isolation but works with various internal and external role players to impact on the nine (9) core functional areas of the Municipal Health services as defined in the National Health Act.

3.3.1 Food Control

All food outlets are inspected regularly, to ensure that they comply with health requirements and, that food is prepared under sound and hygienic conditions, to prevent foodborne illnesses. In those instances where contraventions are found, the necessary statutory notice is served, to ensure compliance. This includes:

i. Food safety in respect of acceptable microbiological and chemical standards and quality of all food for human consumption and optimal hygiene control throughout the food supply chain from point of origin, all primary ground, or raw products production up to the point of consumption.
ii. Food inspection at production, distribution and consumption area
iii. Informal Street Trading Monitoring.
iv. Food premises inspection and control of stationary nuisances.
v. Enforcement of food legislation and Codex Alimentarius.
vi. Food quality monitoring programmes and principles through various techniques e.g. HACCP.
vii. Promote the safe transportation, handling, storage and preparation of food stuffs used in the Primary School Nutrition programme (PSNP), Prisons, Health Establishments, Airports and ect.
viii. Promote safe handling of meat and meat products including Abattoir inspections.
ix. Promote the safe handling of milk and milk products.

3.3.2 Water Quality Monitoring

It is our objective, to ensure that water consumed by the residents of Ugu District, is safe and wholesome and water utilized for recreational purposes is in compliance to regulations thereby preventing water borne diseases. To this end, water samples are taken monthly, from various sources, viz. tankers, standpipes, rivers, lagoons, and boreholes, for testing. Monitoring water quality and availability,

- including mapping of water source. Enforcement of laws and regulations related to water quality management.
- Ensuring water safety in respect of safe quality (microbiological and chemical), and accessibility to an adequate quantity for domestic use as well as in respect of the quality of water for recreational, industrial, food production and any other human and animal use.
- Ensuring that water supplies that are readily accessible to Communities and to the planning, design, management and health surveillance of community water supplies that are readily accessible to Communities.
- Ensuring monitoring and effective waste water treatment and water pollution control

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- Advocacy on proper and safe water and waste water usage.
- Water sampling and testing

3.3.3 Communicable Diseases Control

Our role is preventative, rather than curative, therefore, Environmental Health Practitioners timeously investigate all communicable diseases. Health Education normally reinforce this, to ensure long term behavioural changes and, to reduce disease morbidity and mortality.

- Health and hygiene promotion is aimed at prevention of environmentally induced diseases and related communicable diseases.
- Collection analyses and dissemination of epidemiological data and information (c) Use of Participatory Hygiene and Sanitation Training (PHAST) approaches for effective control measures at Community Level.
- Epidemiological surveillances of diseases.
- Establishment of effective Environmental Health Surveillance and Information System.
- Develop environmental health measures with protocols reference to epidemics.

3.3.4 Vector Control

Vector control monitoring includes:

- Identification of vectors, their habits and breeding places.
- Vector control of public health interest including the control of anthropods, molluscs, rodents and other alternative hosts of diseases.

Investigations of issues that have a direct bearing on vector control, such as the infestation of premises with rodents, cockroaches, and wood borers, is addressed during the routine inspection of all food outlets. It is mandatory for the owner/ licensee of a food premises, to provide a certificate from a registered pest controller, indicating that the food premises have been sprayed against disease vectors.

3.3.5 Hazardous Chemical Substances

As part of the STOP (safety towards our people) initiative, premises are also inspected for hazardous chemical substances. It is necessary for those premises, responsible for the handling, storage and sale of hazardous chemical, substances, to ensure that such premises are registered with the Provincial Department of Health.

In terms of control and monitoring the following is undertaken:

- Ensuring that substances are correctly labelled.
- Ensuring that all active ingredients are indicated.
- Ensuring that warning signs are indicated.
- Ensuring that precautions are taken during storage and transportation and all protective gear is utilized during handling.
- To control the importation, manufacture, sale, operation, application, modification or dumping of such substances.
- To undertake licensing and registration of premises.
- Ensure that empty containers are disposed of according to requirements

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3.3.6 Disposal of the Dead

All bodies must be disposed in terms of the mortals remains regulations and, provision is also made in our Public Health By-laws, for such disposal. Disposal of the dead involves the monitoring of funeral undertakers, mortuaries, embalmers, crematoriums, graves and cemeteries for compliance, and managing, controlling and monitoring exhumations and the reburial or disposal of human remains. EHPs are responsible for issuing a certificate of competence to compliant operators.

In order to prevent the occurrence of nuisances at such premises, regulations for governing the establishment and operation of mortuaries are also explained to undertakers.

3.3.7 Surveillance of Premises

Regular inspections are conducted of residential, business and public premises, to ensure they comply with the necessary health legislation. In the event of non- compliance, the necessary statutory notices are served.

Residential, business and public premises are regularly monitored to ensure that there are no health nuisances inter -alia, the following.

- Prevention and abatement of any condition on any premises which is likely to constitute a danger to health includes:
- Assessment of any overcrowded, dirty or unsatisfactory condition in any residential, commercial, industrial or other occupied premises.
- Monitoring all buildings and all other temporary or permanent physical structure for residential, public or institutional use (including health care and other care, detainment, work and recreation including travel, tourism, holiday resorts and camping sites) as well as the facilities in connection therewith and the immediate precincts thereof.

3.3.8 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;

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- 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.

3.3.9 Environmental Pollution

The environment must be free of harmful gases and particulate matter, as the inhaling of such gases, can have a serious consequential bearing on the health and well- being of residents. Environmental pollutants have various adverse health effects from early life. Some of the most important harmful effects are perinatal disorders, infant mortality, respiratory disorders, allergy, malignancies, cardiovascular disorders, increase in stress oxidative, mental disorders, and various other harmful effects

Environmental Health Officials have a vital role to play in terms of

- Ensuring hygienic working, living and recreational environments
- Identifying the polluting agents and sources of water, air and soil pollution.
- Taking the required preventative measures to ensure that the general environment is free from health risks
- Ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade etc which involves controlling the internal effects of pollution on the worker and the external effects of pollution on the community and the environment.

3.3.10 Waste management control

Environmental Health Services, together with the local municipalities, play an important role in the management of waste, throughout the entire Ugu district. Refuse generated from residential and business premises, must be properly disposed of, to prevent health nuisance. To this end, recycling initiatives are particularly encouraged and, clean-up campaigns undertaken at taxi ranks. Environmental Health Services is responsible for monitoring the collection, storage, transportation and disposal of waste, in terms of the "cradle- to grave principle."

Environmental Health Officials exercise continuous efforts to educate and prevent individuals from affecting the environment in such a way that it becomes detrimental to their well-being and development. This is ensured by:

- Ensuring the proper refuse storage, collection, transportation, transfer and processing, materials recovery and final disposal.
- Ensuring proper management of liquid waste including sewage and industrial effluents.
- Ensuring the proper storage, collection, transportation, handling and disposal of Health care risk waste and hazardous waste
- Advocating proper sanitation and waste disposal
- Ensuring safe usage of treated sewage sludge and ensuring that reclaimed waste is safe for health.
- Ensuring waste management and adherence to the cradle to grave approach.

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3.4 Spatial and Environment Trend Analysis

The situational analysis undertaken above culminated in the identification of a few spatial and environment trends which the municipality needs to redress, address and mitigate. These trends are dissected below by undertaking a brief cause and effect analysis. The understanding of their causes and implications can assist in mitigating their effects or in terms of prioritisation. Table 3.4.1 below provides an indication of the typology of the trend and the nature of responses that should be employed.

Table 3.4.1: Spatial and Environment Trend Analysis

Challenge	Cause	Effect	Response Type	Responses
Spatial Planning Challenges				
Inequitable development along the inland	Apartheid planning	Underdevelopment	Redress	Develop previously neglected areas
Settlement sprawl	Lack of effective land use management	Creation of dispersed, inefficient low density rural settlements	Address & Mitigate	Introduction of settlement edges
Lack of effective land use management system	Lack of enforcement	Settlement sprawl and loss of valuable land	Address	Implementation of land use scheme within the entire district municipality
Derelict small towns-built form (UMzinto and Ezingolweni)	Declining economy	Unattractiveness	Address	Introduction of urban renewal / small town rehabilitation
Cross border rural settlement conurbation	Settlement sprawl	Consolidation of cross-border settlements	Address & Mitigate	Cross-border planning to ensure uniformity and continuity
Spatial inefficiency	Dispersed settlements and disjuncture between settlements and economic opportunities	Lack of access to economic opportunities	Address	Creation of self-sufficient settlements
Rural Population Outmigration	Lack of rural opportunities	Poverty/ Indigent Pockets	Redress & Address	Creation of pull factors
Environment				
Climate change impacts	Greenhouse gas emissions	Natural catastrophes	Mitigate and adapt	Implementation of mitigation and adaptation measures as per climate change strategy
Environmental degradation	Settlement sprawl	Loss of natural assets	Address & Mitigate Apply environmental management zoning (EMZs) as per EMF	Institution of environmental rehabilitation programmes Implementation of EMF and SDF

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3.5 Spatial and Environment SWOT Analysis

The SWOT Analysis exercise was undertaken to highlight the key challenges pertaining to spatial and environment situational analysis as captured in Table 3.5.1 below.

Table 3.5.1: Spatial and Environment SWOT Analysis

Strengths	Weaknesses
➢ Strategically located – gateway to Eastern Cape ➢ Wall – Wall Schemes ➢ Geographic Information's Systems ➢ Well-developed strategic development documents ➢ Environmental By-laws in place	➢ Topography ➢ Limited land for development ➢ Limited rural development ➢ Settlement sprawl ➢ Implementation of strategic documents ➢ Lack of land use management mechanisms ➢ Biodiversity and Protected Areas ➢ Environmental degradation ➢ National norm of 1:10 000 people not adhered to ➢ IDP credibility declining ➢ Lack of cooperation towards development (internally and externally) ➢ Non-completion of environmental management strategic tools
Opportunities	**Threats**
➢ Densification ➢ Access to an accredited laboratory	➢ Tenure security ➢ Rural Population Outmigration ➢ Climate Change ➢ Compromised community health as regular inspections cannot be conducted ➢ Disease outbreak

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3.6 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 Centre Number (039 682 2414), the Ugu Call Centre Toll Free No: 0800 092 837 and SMS number 33131.

The call centre is operational and shared between the Disaster Management and Fire Services and Water Services for enquiries and Incident reporting. The Control centre operates on a 24/7 hours bases.

3.6.1 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.

3.6.1.1 Operational Level

Approved Organisational Structure for District Disaster Management Centre consist of Manager Disaster Management and Fire Services; Administrative Assistance; Officer: Disaster Management and Fire Services; Disaster Management Practitioners (X3); Fire Fighters (X2); General Assistant and Fire Engine Operator.

3.6.1.2 Tactical Level

At the tactical level three committees have been established, the Ward Based Committee for disaster risk reduction, Post Disaster Committee for disaster preparedness and District Fire Services Forum. The Ward based committee actively participate in Disaster Risk Management programs at a ward level. The ward based programmed is linked to Expended Public Works Programme. 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, monitoring and continuity of 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.

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The District Fire Services Forum focus on operational issues to ensure a standard and uniform approach by all primary role-players. At the tactical level the institutional arrangements are summarised in Table 3.6.1.2.1. below.

Table 3.6.1.2.1: Tactical Level Institutional Arrangements
Source: Ugu District Disaster Management Plan, 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

3.6.1.3 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.

3.6.2 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 3.6.2.1 below provides the details of the risk prioritised as per sector programme.

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Table 3.6.2.1: Municipal Risk Profile 2016/2017 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
Structural / Informal Settlement Fires	Structural / Informal Settlement Fires	Structural / Informal Settlement Fires	Air Pollution
Veld Fires	Veld Fires	Veld Fires	Veld fires
Flooding	Flooding	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
Air Pollution	Water Pollution	Water Pollution	Wild pigs
Drownings	**Drownings**		Drownings

3.6.3 District Vulnerability to Disaster Risk 2016/2017 Information

During the 2017/2018 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. 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.

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Table 3.3.2.1.1: Ugu District Municipality Vulnerability to Disaster Incidents Reported in 2017 /2018

Source: Annual Report: Distribution of Incidents, 2017

Month	Incident Type					No. of People Affected	Location
	Strong Wind	Structural Fires	Veld Fires	Heavy Rains	Lightning		
July 2017	1	93	-	-	-	172	Ray Nkonyeni; Umzumbe; Umdoni; and Umuziwabantu
August 2017	-	18	1	-	-	101	Ray Nkonyeni; Umzumbe; Umuziwabantu; and Umdoni
September 2017	1	8	-	1	-	2 098	Ray Nkonyeni; Umzumbe; and Umuziwabantu
October 2017	-	2	-	4	2	1 432	Ray Nkonyeni; Umdoni; Umzumbe; and Umuziwabantu
November 2017	1	9	-	3	1	126	Ray Nkonyeni; Umzumbe; and Umuziwabantu
December 2017	-	5	-	25	-	199	Ray Nkonyeni; Umzumbe; and Umuziwabantu
January 2018	4	8	-	5	-	183	Ray Nkonyeni; Umzumbe; and Umuziwabantu
Total	**7**	**143**	**1**	**38**	**3**	**4 311**	

Table 3.3.2.1.2: District High Disaster Risk Summary 2017 / 2018 *Source: Ugu District Disaster Management Sector Plan, 2017/2018*

Municipality	High Risks
Umdoni	Flash Floods, Drought, Veld and Structural Fires and Strong Winds
Ray Nkonyeni	Veld and Structural Fires, Floods, Strong Winds, and Drought
Umuziwabantu	Structural Fires, Lightning, Heavy Rains, Hailstorm, Strong winds, Drought, and Food poisoning
Umzumbe	Structural Fires, Heavy Rains, Strong Winds, 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 injuries and fatalities. The immediate actions taken by the municipalities are:

- Risk Reduction initiatives which include: Installation of Lightning Conductors and Fire/Heat Detectors
- Education and Training
- Community Awareness Campaigns & Road shows

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- 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

3.6.4 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.

- In order to enhance Fire capacity, the District secures budget of R16

3.6.5 Status of the Disaster Management Plans

The District Disaster Management District Sector Plan is in place and is aligned with the Council IDP. The Risk Reduction programmes identified as per reviewed Disaster Management Sector Plan will be aligned with the Municipal 5-year plan.

3.6.6 Response and Recovery

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

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

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

- 7 x Emergency Response Vehicles
- 1x Fire Truck
- 1x Rapid DM Response Vehicle
- 2x Skid Unit
- 2x Bakkies
- 1x Customer care

3.6.7 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.

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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

3.6.8 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.

3.6.9 Disaster Management SWOT Analysis

From the analysis of the state of Disaster Management in the Ugu District Municipality the following SWOT Analysis was done.

Table 3.6.9.1: Disaster Management SWOT Analysis

Strengths	Weaknesses
➢ A Disaster Management Centre facility is available, and it is functional. ➢ This facility is being upgraded and equipped to be utilized as a fully operational Disaster Management Centre which integrates multiple role players and agencies as well as an information management and communication system. ➢ A fully functional District Disaster Management Advisory Forum (DDMAF) and Practitioners Forum are well established in the Ugu Municipality. All major role players are represented in this forum and attend regular meetings where inputs are provided from all line function departments.	➢ Lack of capacity for disaster ➢ Management at a local municipal level which provides constraints to the district for the implementation of disaster management programs. ➢ Disaster management plans drafted by the local municipalities are not being implemented ➢ Staff capacity against the extent of disasters in our District e.g. fire services – the areas to vast to cover with the resources available ➢ Lack of Communication Management within the local municipalities
Opportunities	**Threats**
➢ A Disaster Management Centre facility is available and is currently in use by the municipality. ➢ This facility will be upgraded and equipped to be utilized for both Disaster Management Fire and Rescue Services.	➢ Non-Development, update, and implementation of DMPs by the local municipalities as the district plan should contain a consolidation of all the local plans. ➢ The same will apply when the various sector departments do not have their own disaster management plans in place which will create gaps in the capacity and readiness of the municipality and will leave the community vulnerable.

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3.7 Demographic Characteristics

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

3.7.1 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 3.7.1.1 provide a summary of the demographic profile of the district.

Table 3. 7.1.1: 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

Demographic indicators	2001	2011	2016
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
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

3.7.2 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 92 males per 100 females which increased from the 83 in 1996 and 2001.

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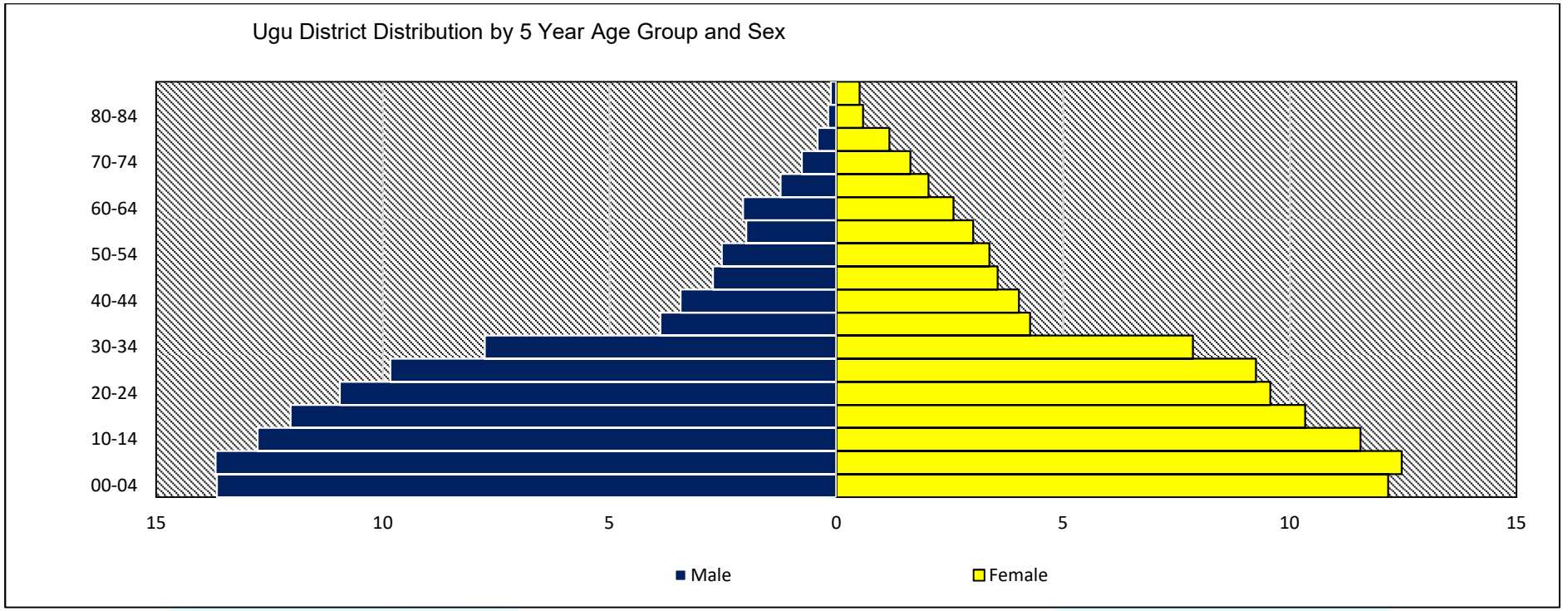


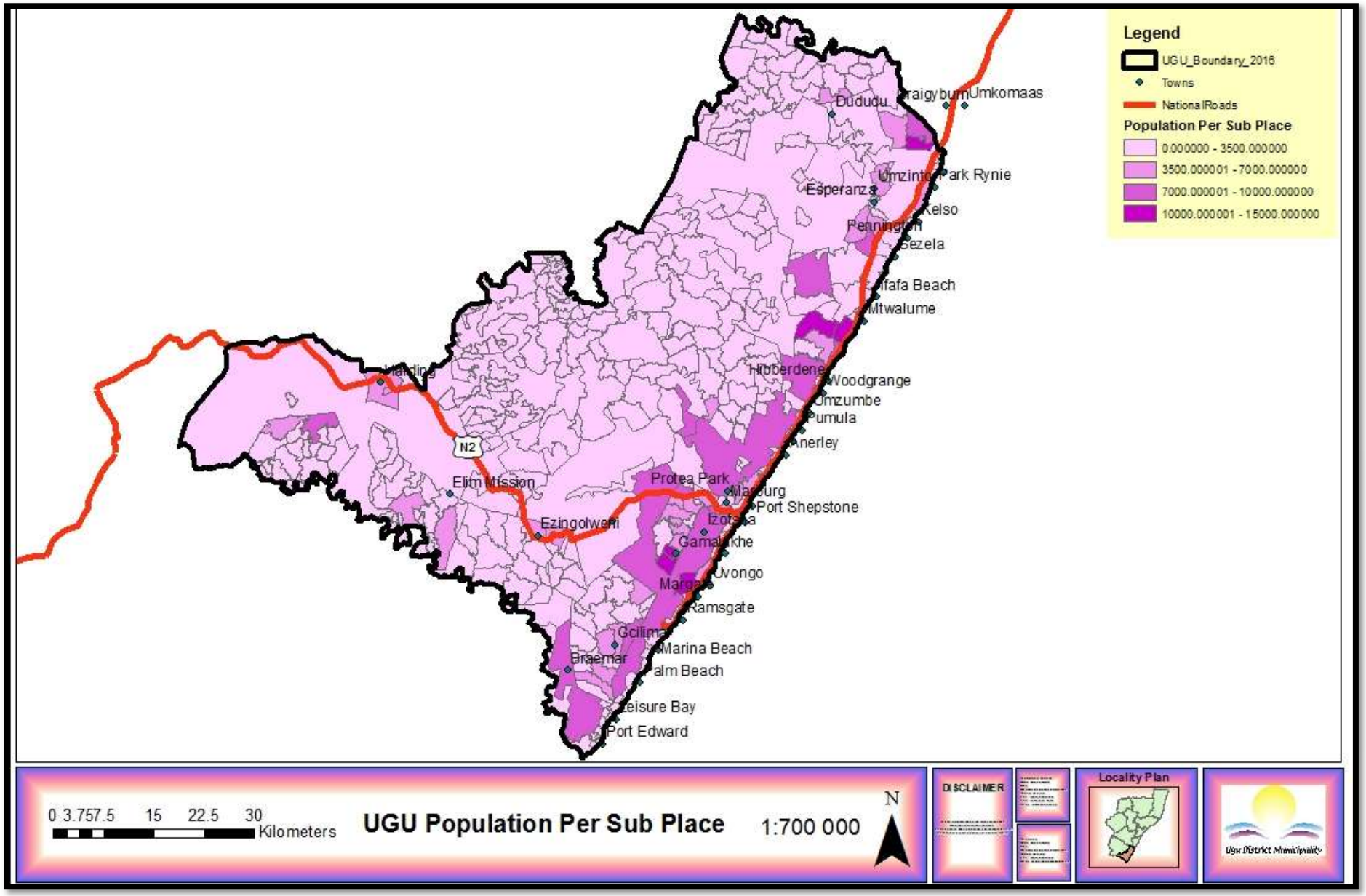
Figure 3.7.2.1: Ugu District Population Pyramid (2016) *Source: Statics SACommunity Survey, 2016*

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 has 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 3.7.1.1 above.

3.7.3 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 Map 3.7.3.1, 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.

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Map 3.7.3.1: Ugu District Population Density

Source: Ugu Distric GIS, 2018

3.7.4 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 3.7.4.1.

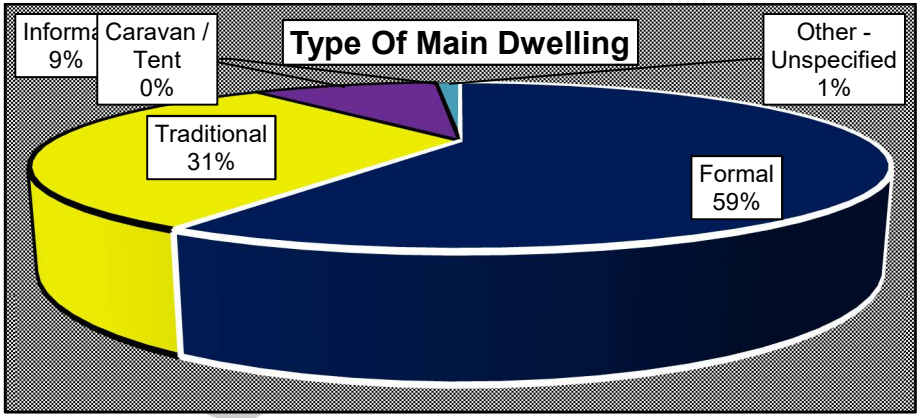


Figure 3.7.4.1: Main dwelling that household currently lives in
Source: Statics SA Community Survey, 2016

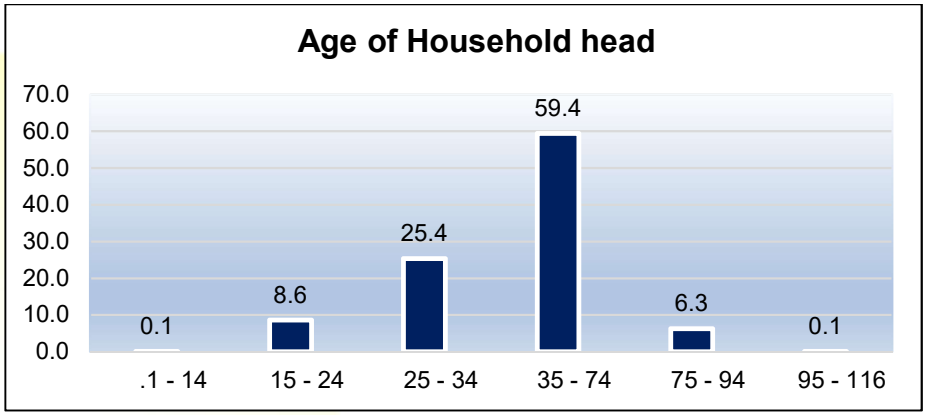


Figure 3.7.4.2: Age of Household Head
Source: Statics SA Community Survey, 2016

3.7.5 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

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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.

3.8 Municipal Transformation and Institutional Development Analysis

3.8.1 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 3.8.1.1:

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Table 3.8.1.1: 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.

3.8.2 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.

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3.8.2.1 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.

3.8.2.2 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, which are, Portfolio Committee on Finance; Water and Sanitation; Local Economic Development; Special Programmes; and 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.

3.8.2.3 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:

- **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.

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

- **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.

- **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.

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- **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.

3.8.3 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.

3.8.4 Organisational Analysis

The municipality finalised and adopted a new organogram in October 2017. 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 911 as broken down in table 3.8.4.1. 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 3.8.4.1: Ugu District Employees per Department

Source:Ugu District Municipality Corporate Services, 2018

Department	Number of Employees
Water Services	615
Economic Development and Environmental Services	36
Budget and Treasury	100
Corporate Services	87
Municipal Manager's Office	73
Total	911

The organogram currently has 1128 positions approved with only 911 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 3.8.4.2.

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Table 3.8.4.2: Ugu District number of Employees per Age Group

Source: Ugu District Municipality Corporate Services, 2018

Age group	Number
22 - 35	193
36 – 45	350
46 – 55	246
56 – 60	64
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 3.8.4.3 Ugu District Municipality age analysis is taken further through analysis of ages and positions held.

Table 3.8.4.3: Ugu District Employees per Age Group and Position held. *Source: Ugu District Municipality Corporate Services, 2018*

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	23	4	2	1	**38**
5 - Practitioners	9	4	0	2	0	**15**
6 - Accountants/ other professionals	14	25	17	0	3	**59**
7 - Foremen / Personal Assistants	2	8	8	1	1	**20**
8 - Senior clerks, secretaries	4	5	1	0	0	**10**
9 - Clerks, operators Class 3, admin assistant	60	59	36	7	9	**171**
10 - Office Clerks	12	8	9	0	1	**30**
11 - Customer care clerks, VTS supervisors	12	16	11	0	1	**40**
12 - Operators Class 2, receptionist	5	13	15	3	2	**38**
13 - Drivers, machine operators	15	35	23	10	4	**87**
14 - Operators Class 1, Senior shift workers	9	25	11	7	1	**53**
15 - Handyman, shift workers	5	3	9	4	2	**25**
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	32	103	110	23	10	**278**
Totals	**193**	**350**	**264**	**64**	**40**	**911**

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3.8.5 Human Resources

The human resource policies and strategies that are implemented within the municipality are reflected and briefly discussed in Table 3. 8.5.1 below:

Table 3.8.5.1: Ugu District HR Policies and Strategies *Source: Ugu District Municipality Corporate Services, 2017*

Strategies	Progress
Human Resources Strategy and Plan	The Ugu HR Strategy adopted in December 2014 and is currently being implemented. The HR Plan was developed and adopted 22 November 2016 as one of the tools to implement the strategy. The following are the pillars of the strategy: i. Talent Management ii. Employee Wellness iii. Performance Management iv. Capacity Building v. Strategic Human Resource Planning vi. Sourcing and Placement vii. Employee Relations viii. Exit Management ix. Organisational Culture Management The implementation of the plan and strategy is measured and monitored through the OPMS and SDBIP. The targets are set out in Chapter 4 (5-year scorecard) of the document.
Employment Equity Plan	The plan is in place and was approved on the 13th of February 2018 by the Municipal Manager. 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	Is in progress and the results will be used for workplace skills planning.
Workplace Skills Plan	The Workplace Skill Plan is in place and was adopted on the 22nd of February 2018. The implementation of the plan is measured through the SDBIP.
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.

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3.8.6 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 3.8.6.1 gives the analysis of the critical and scarce skills within the Water Services Department.

Table 3.8.6.1: Analysis of Critical and Scarce Skills, Water Services Source: Ugu District Municipality Corporate Services, 2018

	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 grinder, mount & remove bearings, use welding equipment etc.	Panel wiring card and fault finding, change and repair contactors, timers, voltage modules, solenoids, meter connection and testing, changing and commissioning of induction and submersible meters etc.	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 the TVET College.	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 N2 Fitting at TVET College.	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.

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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 3.8.6.2.

Table 3.8.6.2: Minimum Employee Competency Levels Training *Source: Ugu District Municipality Corporate Services, 2018*

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	3	3 to be trained
Managers from other departments	Other departments	18	10 currently training 5 to be trained
Other Finance Officials	Treasury & PMU	31	5 currently being trained
Other Officials from Other Departments	Other Departments	3	4 currently being trained

3.8.6.1 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.

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Table 3.8.6.1.1: Ugu District Occupational Levels *Source: Ugu District Municipality Corporate Services, 2018*

Level	No	Category	Level	No	Category	Level	No	Category
0	1	MM	**-6**	**-1**	PA Exec-	**-**	**-**	-
1	4	GMs	**7**	**20**	Foreman/ PA,	**13**	**87**	Drivers, machine operators
2	7	SMs	**8**	**10**	Senior clerks, secretaries,	**14**	**53**	Operators Class 1, Snr shift workers
3	26	Managers	**9**	**171**	Clerks, operators Class 3, admin assistant	**15**	**25**	Handyman, shift workers
4	40	Officers	**10**	**30**	Office Clerks,	**16**	**1**	Plant reproduction assistant
5	15	Practitioners	**11**	**40**	Customer care clerks, VTS supervisors	**17**	**8**	General workers Gr 1
6	59	Accountants/ other professionals.	**12**	**38**	Operators Class 2, receptionist	**18**	**278**	General workers, filing clerks, General assistants, junior admin clerks

3.8.7 Health and Safety in the Workplace

Occupational health, safety and environmental legislation specifically address employee exposure to workplace hazards. There are many Acts that focus on workplace issues. Apart from legislation, there are many other tools available whereby SHE requirements are managed. One such example is the Integrated Safety Management System.

The Occupational Health & Safety Act aims to ensure that working conditions are acceptable. This means that everyone in the workplace must be aware of all hazards, as well as the SHE standards that should be in place to prevent any unacceptable exposure to these hazards. With good planning, management systems and teamwork, most incidents can be prevented.

An OHS Compliance Checklist was adopted by Extended MANCO on the 29th August 2016, this checklist is used to monitor compliance.

The Checklist covers compliance issues such as:

- Health & Safety policy
- Risk Assessments
- Employee Health, Safety and Wellness Committee Meetings
- Incidents

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- Health and Safety Representatives
- Management Commitment
- Training
- Fire Equipment & Detection Systems
- Objectives of Employee Health, Safety & Wellness
- 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 environment adapted to optimal physiological and psychological capabilities;
- 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.

Legislation

The following legislation applies to Employee Health, Safety & Wellness:

- Constitution of the Republic of South Africa Act, No 108 of 1996
- Labour Relations Act, No. 14 of 2014 as amended
- Basic Conditions of Employment Act, No 75 of 1997
- Employment Equity Act, No 55 of 1998
- Code of Good Practice
- Skills Development, 1998
- Occupational Health & Safety Act, No 85 of 1993
- Prevention and Treatment of Drug Dependency Act, 1992
- Compensation for Occupational Injuries and Diseases Act, No 150 of 1993

3.8.8 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 the programme and role of human resource department is summarised in the table below.

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Table 3.8.8.1: Role of HR in Employee Health and Wellness *Source: Ugu District Municipality Corporate Services, 2017 / 2018*

Focus Areas	Role of Human Resource
➢ HIV/AIDS Management ➢ Chronic Diseases Management ➢ Stress / Mental Health ➢ Incapacity due to ill health ➢ Medical Awareness and Check-ups ➢ Promotion of Health, Good Nutrition ➢ Impact of Alcohol Abuse ➢ Financial Wellness ➢ Spiritual Wellness Management	➢ 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 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

3.8.9 Analysis of Employee Assistant Programme Provision

As from July 2017 to January 2018 the total number of employees participating in EAP Programme is 182 out of 912 which is 19% of Ugu employee component. Table 3.5.7.1.2 below represents percentage ratio per departments.

Table 3.5.7.1.2: EAP Referrals per Department *Source: Ugu District Municipality Corporate Services, 2017 / 2018*

Department	Percentage
Office of the Municipal Manager	**2%**
Economic Development and Environmental Services	**1%**
Corporate Services	**6%**
Water services	**81%**
BTO (Post level 8-18 most participants)	**10%**

3.8.10 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.

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Disciplinary Hearings July 2017 to December 2017:	Employee Disputes from July 2017 to December 2017:
• There were seven (7) Suspensions that took place and four (4) employees are back at work; • 17 Cases reported, and all have been finalized; • Grievances: there were eight grievances submitted and they are unresolved; • Conciliations: Eight Conciliation hearings reported, all have been referred to Arbitration; • Arbitrations of the, eight Arbitration Hearings four have been resolved and four have not yet been resolved; and • Work Stoppages: There were Six (6) Work Stoppages.	• Unfair labour practice; • Unfair conduct; • Sanlam Group Scheme; • Unfair Dismissal

3.8.11 Employment Equity Plan

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

- 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).
- 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.
- 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: -

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- 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.

- 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.

3.8.12 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

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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.
- Shelly Beach WWTW – Complete fencing and repairs and maintenance done
- Ramsgate WWTW – Complete fencing and repairs and maintenance of the offices (inside and outside)
- Munster Ponds – Complete fencing and maintenance
- Red Desert – Complete fencing, repairs and maintenance of offices
- Umzinto WWTW – Complete fencing, repairs and maintenance of the offices and guard house.
- Conversion of a garage into a canteen for when there are trainings taking place in the training centre at 28 Connor Street.

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 was handed over on 27 February 2017 and construction is in progress which includes the fire tender and the storage facilities for the Disaster centre.

Standby Quarters for Harding has been purchased and forms part of the maintenance plan for 2017/2018. Park Rynie Standby Quarters have been fully refurbished, workshops upgraded, and storage garages constructed, this project commenced in July 2016 and was completed in June 2017.

3.8.13 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 and disposal;
- Repair and maintenance of vehicles;
- Licensing of vehicles;
- Monitoring fuel usage and vehicle abuse;
- Annual verification of vehicles and driver's licenses; and
- Accident management.

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.

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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.

3.9 Municipal Transformation and Institutional Development SWOT Analysis

The SWOT Analysis as per the Institutional Transformation and Organisational Development is summarised below.

Table 3.9.1: Municipal Transformation and Institutional Development SWOT Analysis

Strengths	Weaknesses
➢ Training and Development ➢ Functional Employee Assistance Programme ➢ Highly qualified and committed staff compliment ➢ Regular Driver training and testing ➢ Sound municipal systems in place (policies, fleet, auxiliary etc.) ➢ Functional Organisational Performance Management System ➢ Individual Performance Management System in place ➢ All section 54 / 56 post are filled ➢ Staff retention	➢ Ageing vehicle fleet assets ➢ Fleet management system ➢ Employer – Employee Relations (Labour Unrest) ➢ Misplacement of Skills ➢ Understanding of Organisational Culture ➢ Understanding of Individual Performance Management System ➢ Enforcement of disciplinary and consequent management ➢ Document and records management ➢ Printing cost ➢ Disciplinary processes taking too long ➢ Unclear delegation of authority / power ➢ Succession planning
Opportunities	**Threats**
➢ Bursary allocation alignment to critical skill (internally and externally) ➢ Satellite university / tertiary institutions	➢ Critical skills shortages ➢ High staff turnover

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3.10 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.

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

3.10.1.1 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

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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.

3.10.1.2 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 3.10.1.2.1.

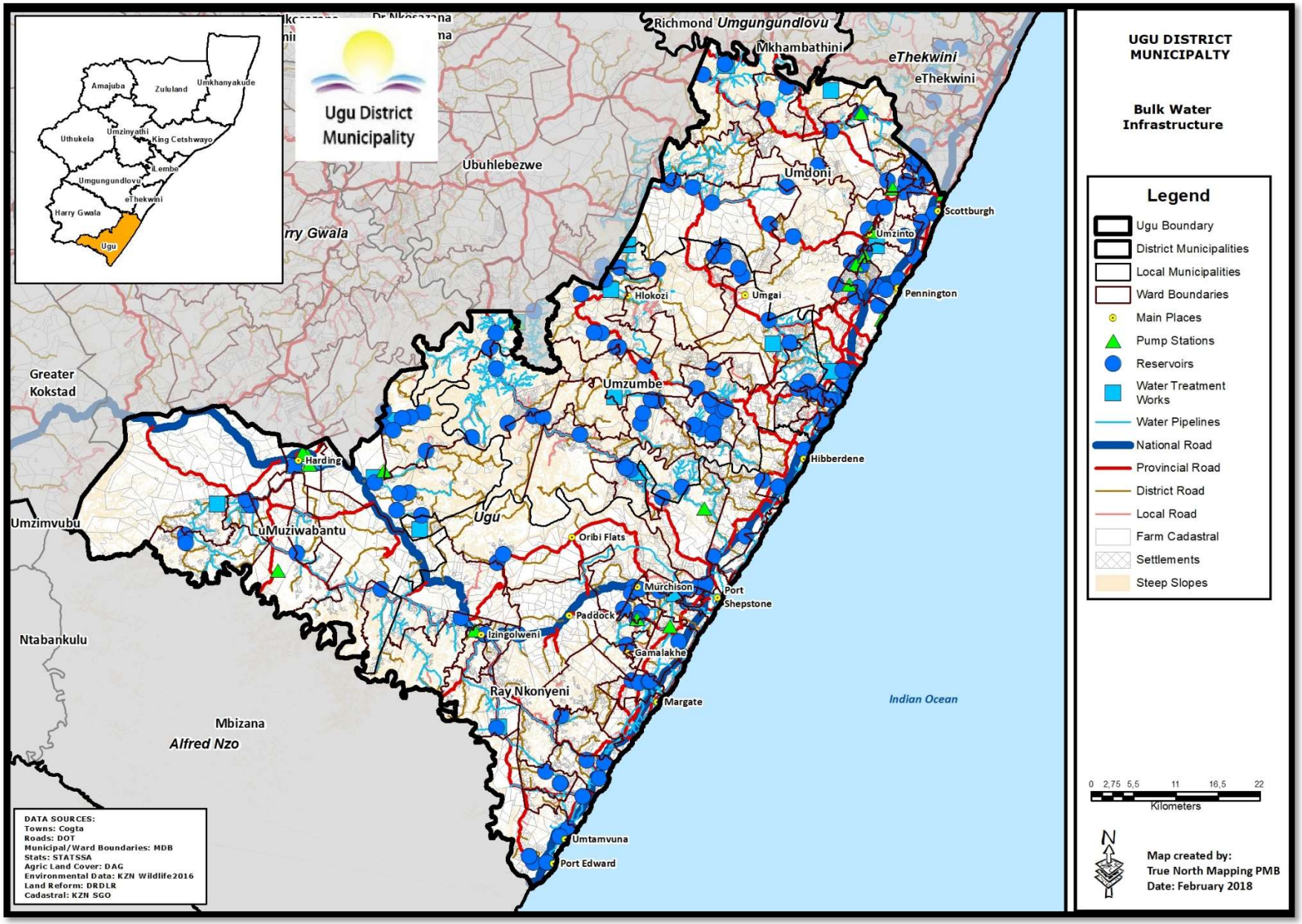
Table 3.10.1.2.1: Water Delivery Standards per Settlement Category

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.

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Map 3.10.1.1.1: Ugu District Existing and Planned Future Infrastructure

Source: Ugu District SDF, 2018

3.10.1.3 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	**Rural:**
➢ Summer Peak Factor – 1.3 ➢ Allowance for water losses – 30% ➢ Holiday peak factor – 1.5	➢ 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 3.10.1.3.1 below:

Table 3.10.1.3.1: Water Demand and Capacities Source: Ugu District Municipality Bulk Infrastructure Audit, 2011

Water Supply Zone	2011 water demands	Future water demands	Infrastructure capacities	Bulk Source of Supply
	Ml/d	Ml/d	Ml/d	
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

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Water Supply Zone	2011 water demands	Future water demands	Infrastructure capacities	Bulk Source of Supply
	Ml/d	Ml/d	Ml/d	
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.

3.10.1.4 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 3.10.1.4.1 and figure 3.10.1.4.1. 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 3.10.1.4.1.

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 3.10.1.4.2).

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Table 3.10.1.4.1: 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
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**

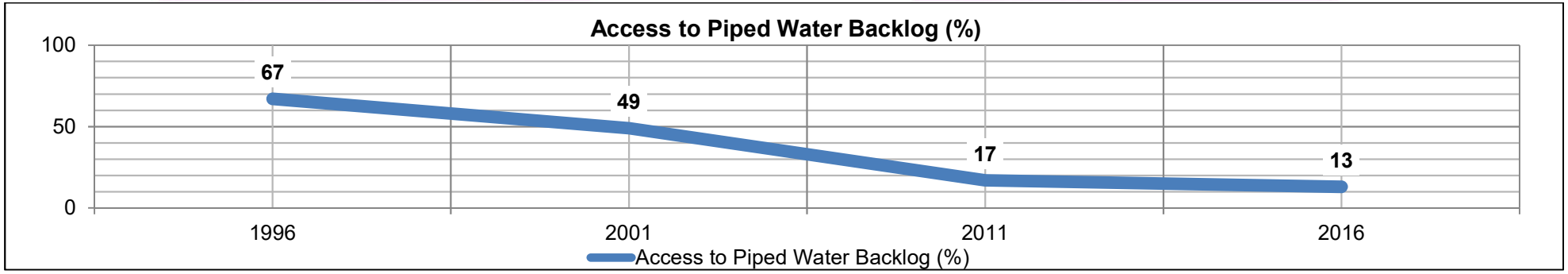
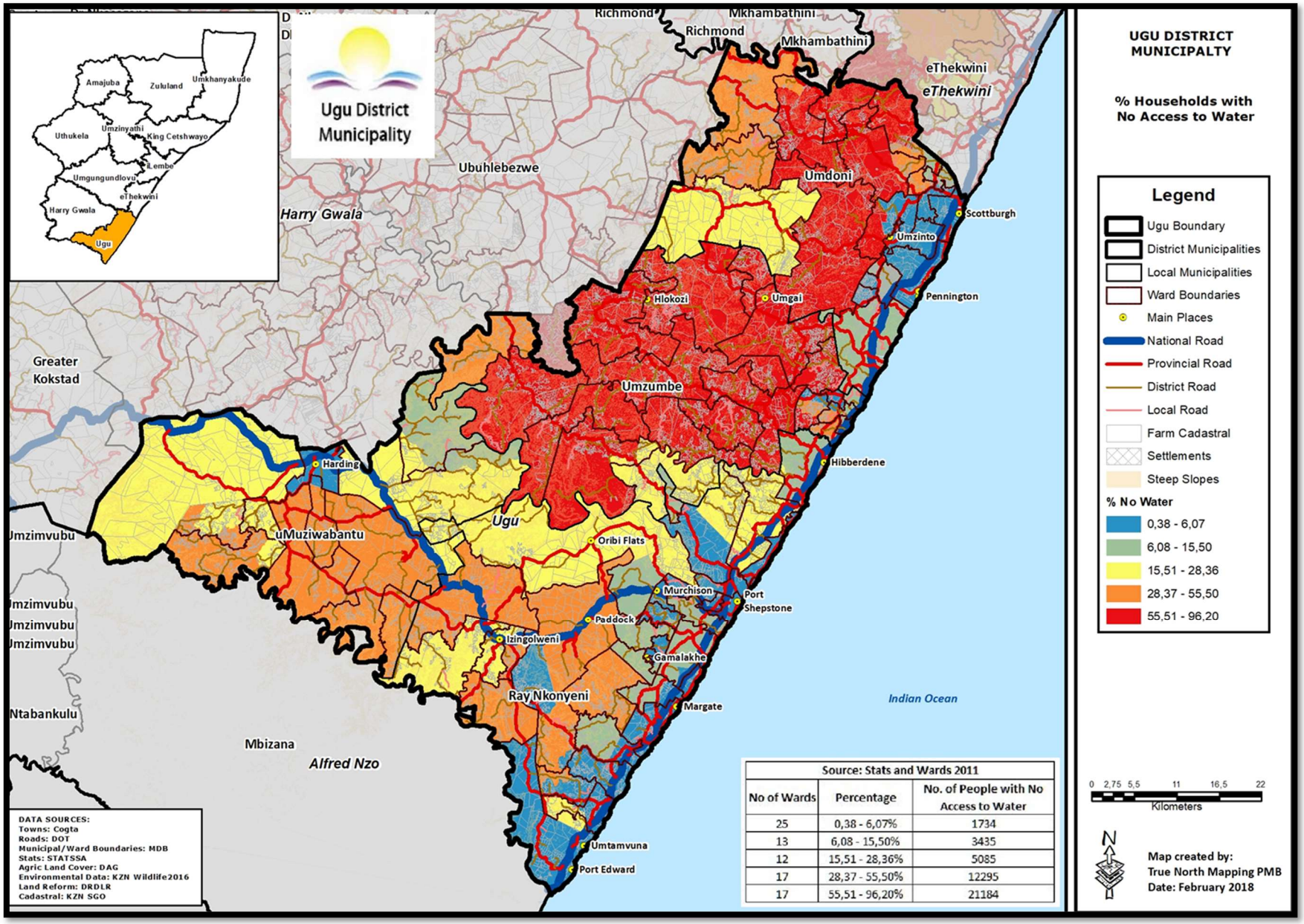


Figure 3.10.1.4.1: Ugu District Water Backlog Eradication *Source: Stats SA Community Survey, 2016*



MAP 3.10.1.4.1: Households with no Access to Water

Source: Ugu Distric SDF, 2018

3.10.1.5 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.

3.10.1.5.1 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.

3.10.1.5.2 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.

3.10.1.5.3 Regional Water Resources Planning Strategy

Ugu has developed a water master plan that seeks to integrate the 16 individual water schemes into sustainable systems, i.e. Harding Weza water; Umtamvuna; UMzimkhulu; Umtwalume; Vulamehlo; KwaLembe; and Mhlabatshane water schemes.

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.

3.10.1.5.4 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.

3.10.1.5.5 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:

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

Figure 3.10.1.5.5.1 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.

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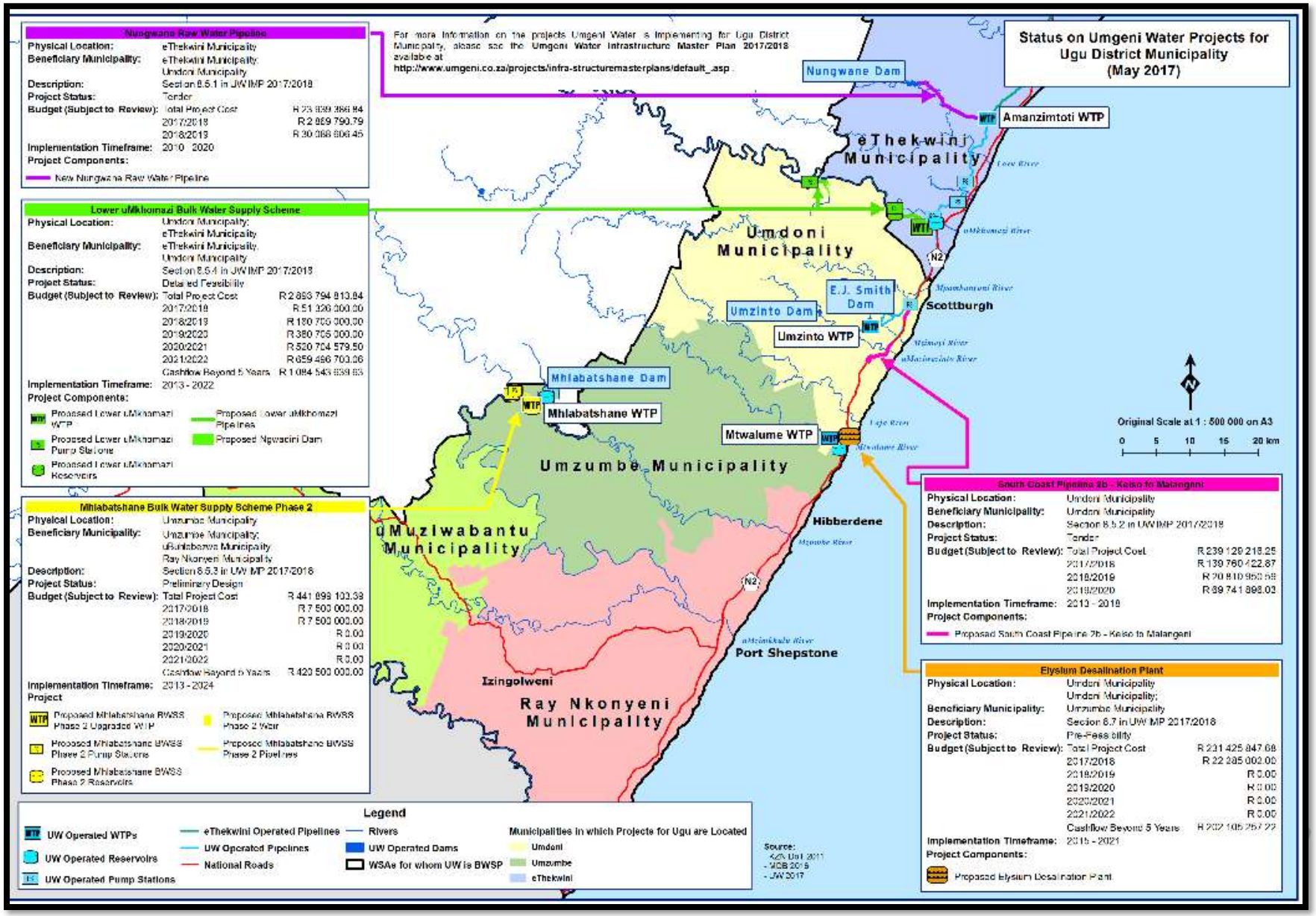


Figure 3.10.1.5.5.1: Umgeni Water's Catalytic Projects *Source: Umngeni Water, 2017*

3.10.1.5.6 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 3.10.1.5.6.1: 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

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3.10.1.6 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.

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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.

3.10.1.7 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

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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**

3.10.1.8 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.

3.10.2 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.

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Table 3.10.2.1: 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	**31**	**36**	**33**	**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 (33%). 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 31% which dropped by 19% from the 2011 census (48%).

3.10.2.1 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.

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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.

3.10.2.2 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 3.10.2.1: 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

3.10.2.3 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.

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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.

3.10.2.4 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.

3.10.2.5 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 3.10.2.5.1.

Table 3.10.2.5.1: 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

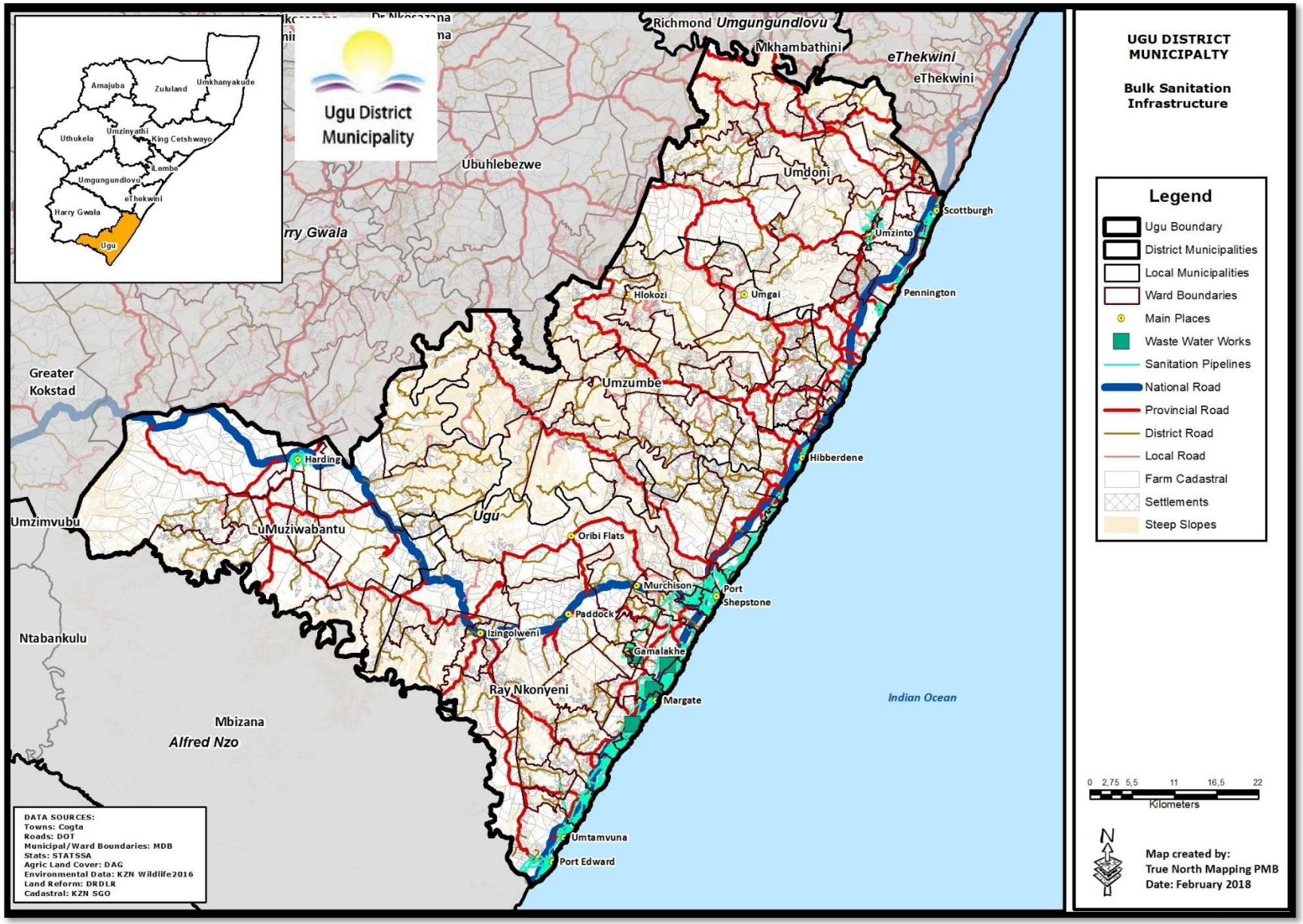
Whilst the standard Ugu VIP has an effective pit volume of 1.5m³ (allowing 200mm freeboard), the benefits of a larger pit are clearly apparent in terms of time taken to fill up.

3.10.2.6 Rural Sanitation Backlog Eradication

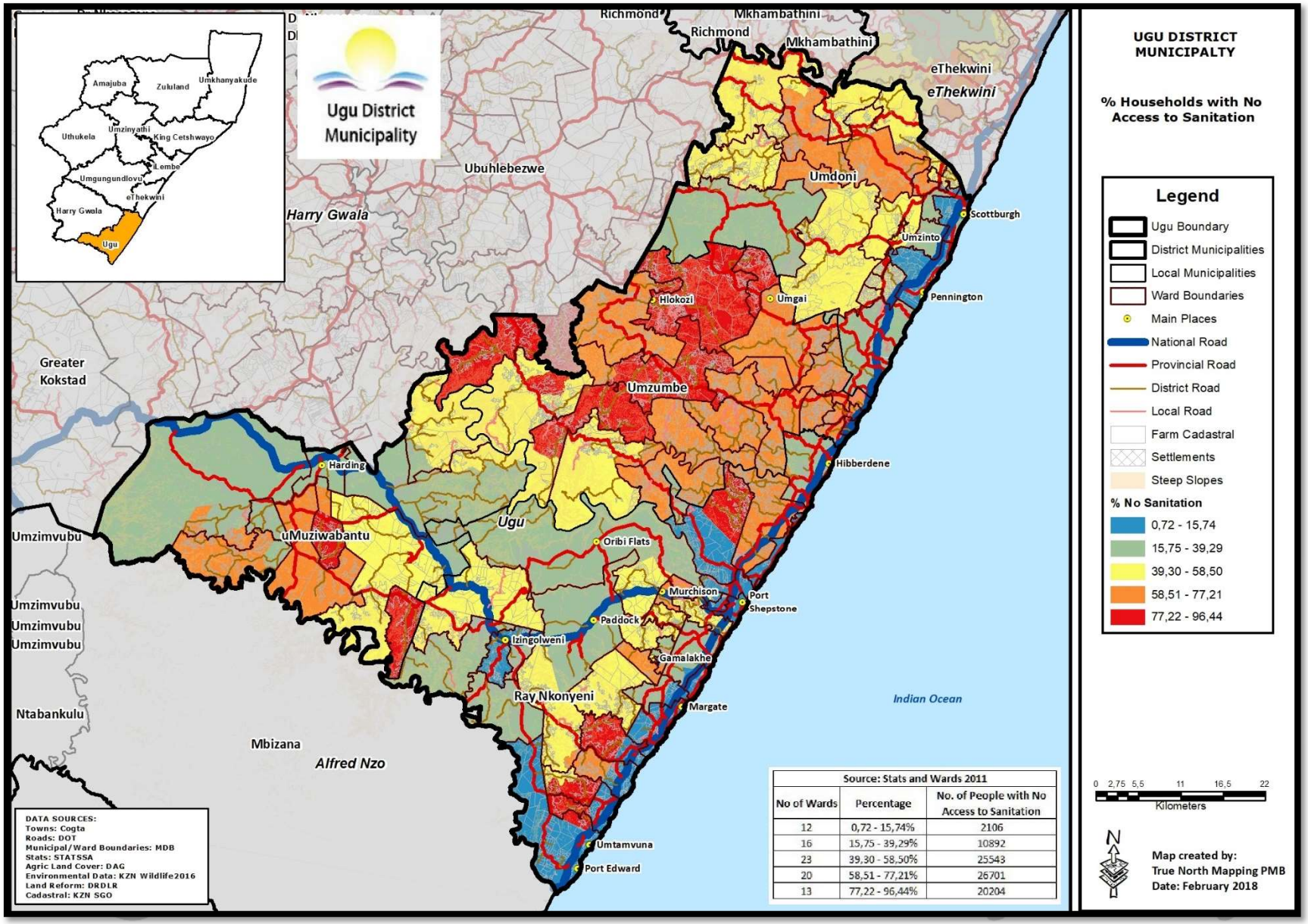
The sample survey suggests that the rural sanitation backlog is of the order of 20 %. The backlog is further compounded by the fact that there is virtually no spatial data with which to plan and manage the de-sludging /re-location of pits which are almost or already full such that the health and hygiene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

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MAP 3.10.2.1: Bulk Sanitation Infrastructure *Source: Ugu Distric SDF, 2018*



MAP 3.10.2.1.1: Households with no Access to Sanitation *Source: Ugu Distric SDF, 2018*

3.10.3 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. Where services are being offered, they are usually limited to the formal, urban areas of Umuziwabantu, Ray Nkonyeni 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.

There should be a designated site for recycling purposes. Ray Nkonyeni Municipality is also expected to develop a Waste Management Plan which will guide the municipality in terms of the management of waste in accordance with waste related legislations. These legislations include NEMA, Department of Water Affairs: Minimum Requirements for Waste Management, DEAT: National Waste Management Strategy 1999, White Paper on Integrated Pollution and Waste Management, Waste Management No 59 of 2008, KwaZulu-Natal Waste Management Policy and other relevant policies. The majority of the population buries or burns their waste in their own backyard. This has environmental, health and safety implications for of the community of Ugu.

Table 3.10.3.1: 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	3 055
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**	**90 409**

3.10.3.1 Ugu District IWMP Implementation Per Local Municipality

Umzumbe Local Municipality renders its waste management services in wards 2, 4, 10, 16 and 17. However, these wards do not receive the service in totality, rather through infrastructure that is placed (skips) in strategic point. For example, in ward 16, the collection point is Dustin Farrell TB hospital which caters for that vicinity. In ward 10 the service and infrastructure are limited to the Turton Taxi rank area. Ward 4 is the St Faith's area where there is public transport and commuter activity and in the

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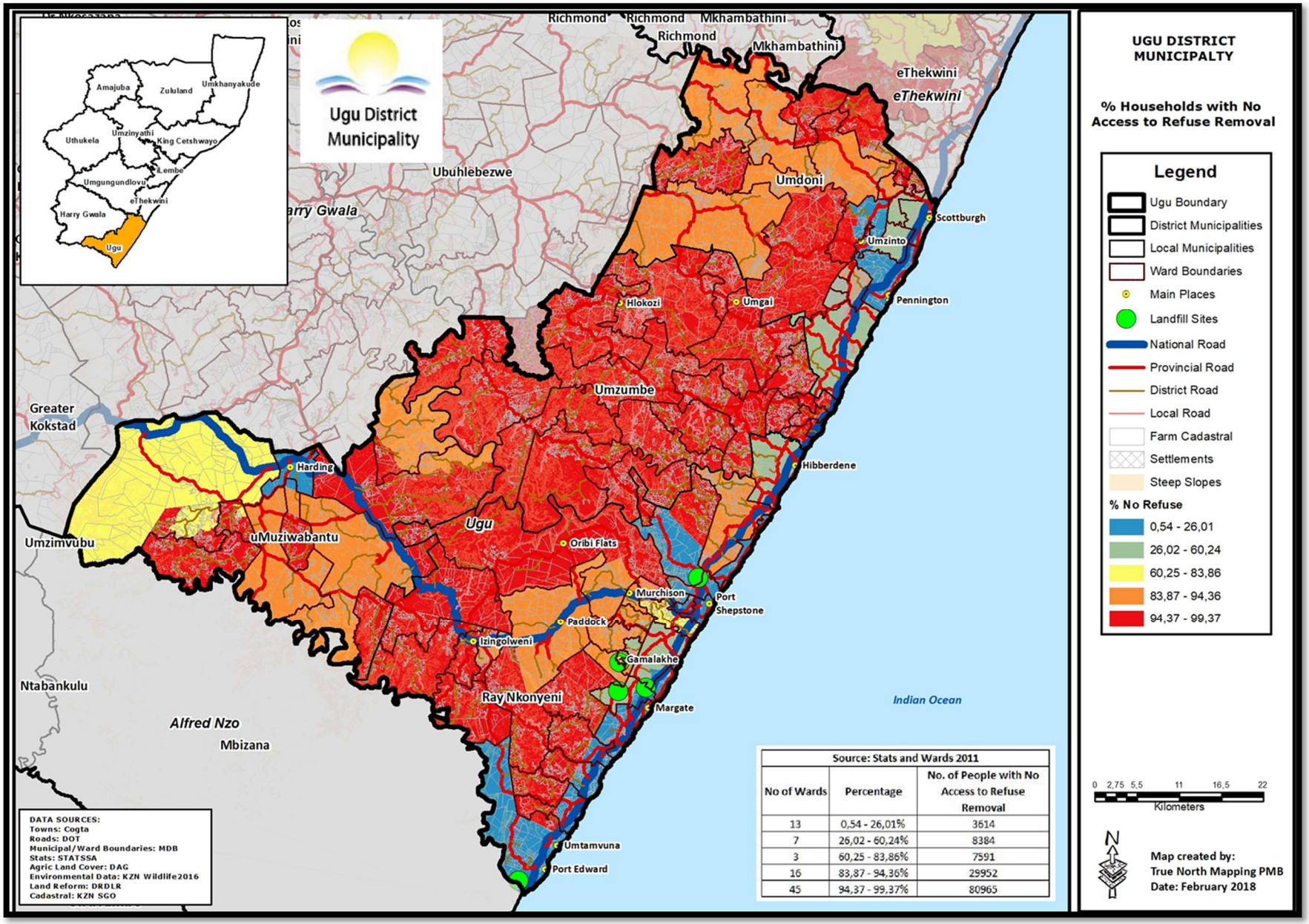
business centre of Phungashe, Ward 2. Lastly, ward 16 is an administrative centre where government buildings are located. There ae informal recycling activities taking place in certain areas by few aspirant informal businesses. Education on waste minimization is an ongoing activity although aspirant recyclers get challenged in terms of the market and end up seeking other opportunities in Ray Nkonyeni Municipality. As Umzumbe does not have its own landfill site, they have an agreement to dispose of its waste at Umdoni Municipality's Humberdale landfill site, which is a formal and legal facility.

Umuziwabantu's waste management service has improved since the adoption of the IWMP and the municipality has taken advantage of the opportunity extended to it by the Department of Environmental Affairs (DEA) through funding for the Youth Jobs in Waste project. It assisted in the waste collection service and information management for 3 years through temporary employment of post matric youth. The department is further funding the municipality for the development of its local IWMP. However, as a result of lack of improvement in the infrastructure and collection, the service is only limited to ward 3, which is the urban strip of Umuziwabantu. There is one landfill site that is not formalised yet, where all collection is disposed. As part of the IWMP development and status quo establishment, DEA conducted a survey of waste stream for categorisation purposes and found that the best managed waste in Umuziwabantu is the health care risk waste. The health facilities fully comply with responsible disposal of HCRW.

Umdoni collects waste mostly in the urban coastal strip and a few rural areas of Amandawe, Dududu and some parts of informal Umzinto. Recycling is mostly taking place in a few urban areas through municipal and community driven initiatives. Schools are a great part of waste management initiatives. Humberdale landfill site is the formal and legal site of Umdoni municipality, which has been extended to Phase through Environmental Protection and Infrastructure funding from the Department of Environmental Affairs. Youth Jobs in Waste was also implemented in Umdoni municipality. While there is no local IWMP for Umdoni municipality, they rely on the high level IWMP of Ugu DM.

With respect to waste management, Ray Nkonyeni municipality is the most advanced local municipality in terms of policy, strategy, information management, perations and financial allocation. Like other local municipalities, most coverage of the waste collection services is still in the urban coastal strip. Waste services is focused on the urban coastal strip with 26.6% of households receiving weekly waste collection. The majority (60.1%) utilise their own refuse dump and 5% having no facility to dispose of waste. The municipality thus conducts a level 4 service for the coastal areas and a level 3/4 in 21 other wards that are densely populated areas/townships. The combined level of service comprises both awareness campaigns, supervision and provision of refuse bags with recyclable waste collected. Upliftment frequencies range from weekly to quarterly. The coverage of service delivery is thus 69.4% of the municipality.

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Map 3.10.3.1: Ugu District Road and Rail Infrastructure *Source: Ugu District Municipality Draft SDF, 2018*

3.10.4 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.

3.10.4.1 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 3.10.4.1.1 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 3.10.4.1.1: 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
	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

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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.

3.10.4.1.1 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.

3.10.4.2 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.

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3.10.4.3 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 3.10.4.3.1, 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 3.10.4.3.1: Access to Transport

Source: Ugu District Municipality Sector Wide Infrastructure Audit, 2014

Local Municipality	HH within 1 km of 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

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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.

3.10.4.4 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 serviced 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.

3.10.4.5 Integrated Transport Plan (ITP)

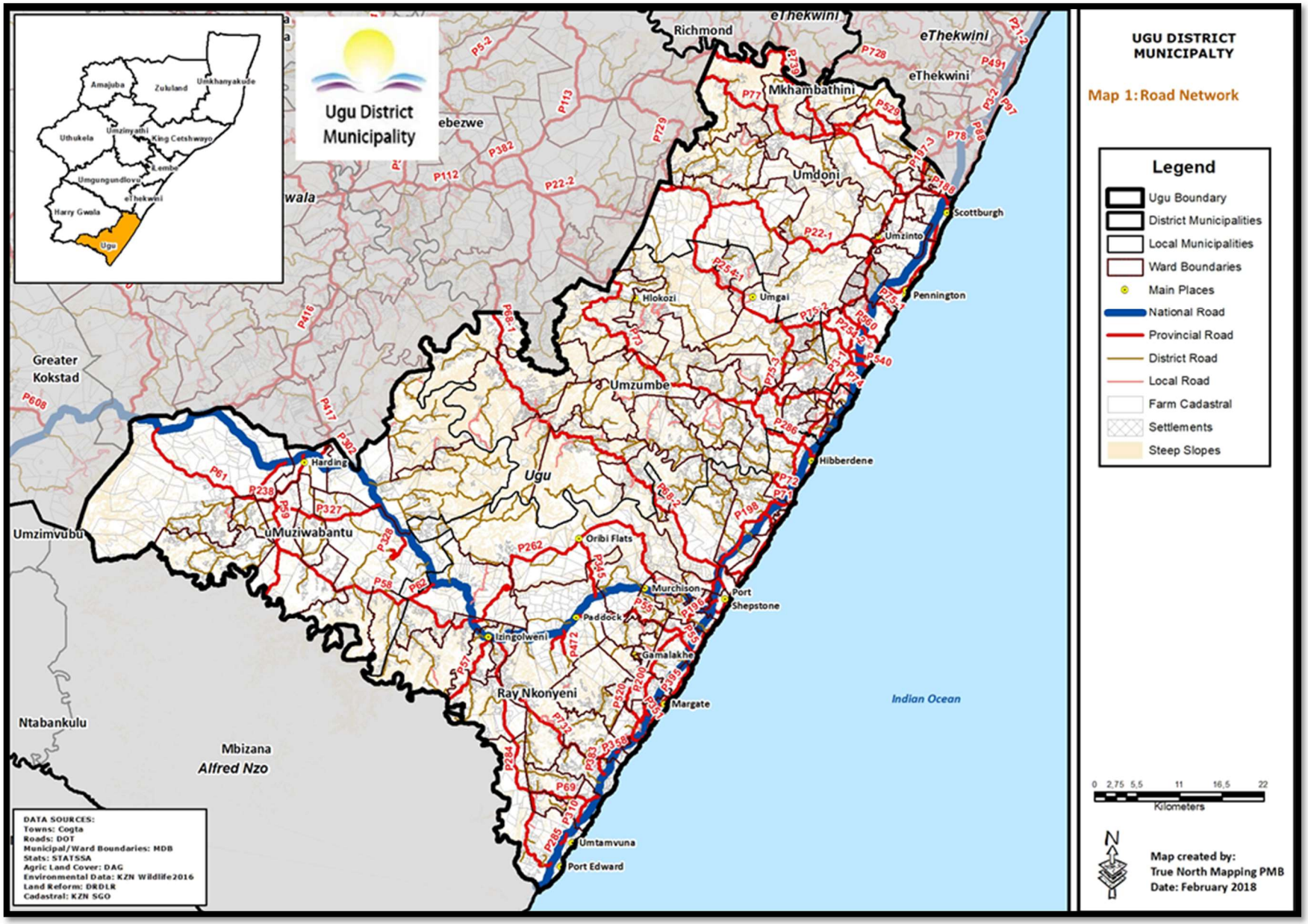
There is currently no Integrated Transport Plan in place for the municipality, however, the municipality is currently sourcing funding to develop the plan.

3.10.4.6 Ugu DGDS on transportation Infrastructure

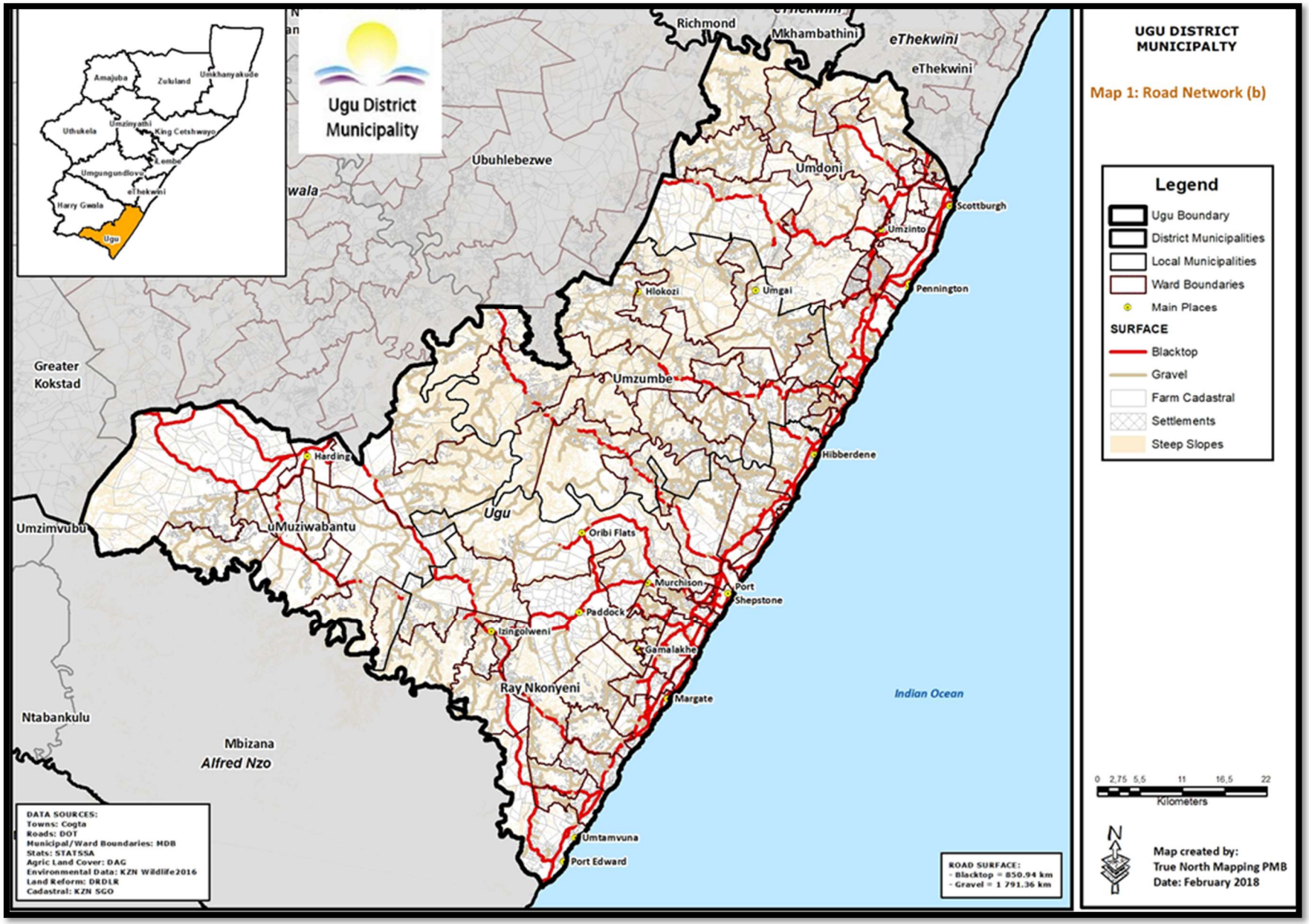
The DGDS identifies the recent relocation of the Durban International Airport to the site of the King Shaka International Airport and Dube Tradeport along the KZN North Coast, as leaving the South Coast largely un-serviced in terms of both passenger and cargo air transportation, thus the South Coast 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.

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Map 3.10.4.3.1: Ugu District Road and Rail Infrastructure *Source: Ugu District Municipality Draft SDF, 2017*



Map 3.10.4.3.2: Ugu District Road Network Surface

Source: Ugu District Municipality SDF, 2018

3.10.5 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.

3.10.5.1 Electricity Bulk Infrastructure

The current reticulation network within Ugu Municipal area as indicated in map shows areas already electrified and the location of the bulk electricity infrastructure. 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. 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. 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.

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3.10.5.2 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.

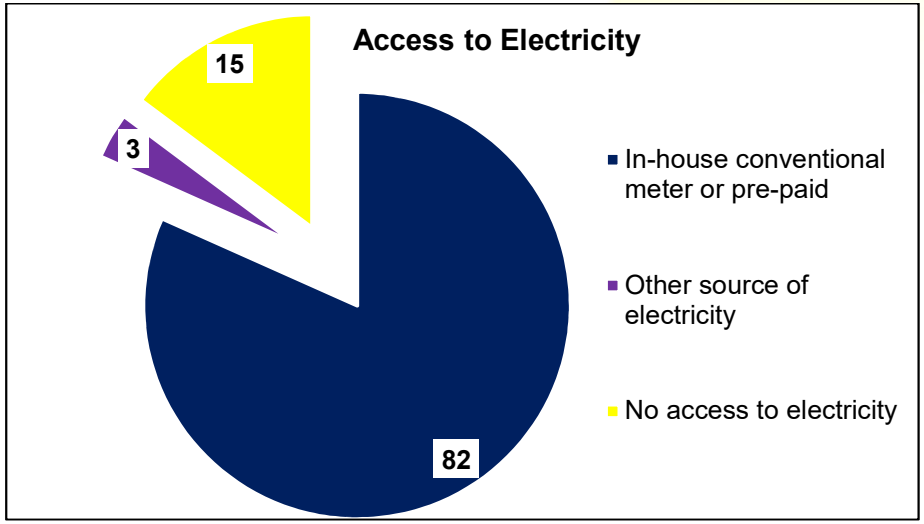


Figure 3.10.5.2.1: Ugu District Access to Electricity
Source: Statics SA Community Survey, 2016

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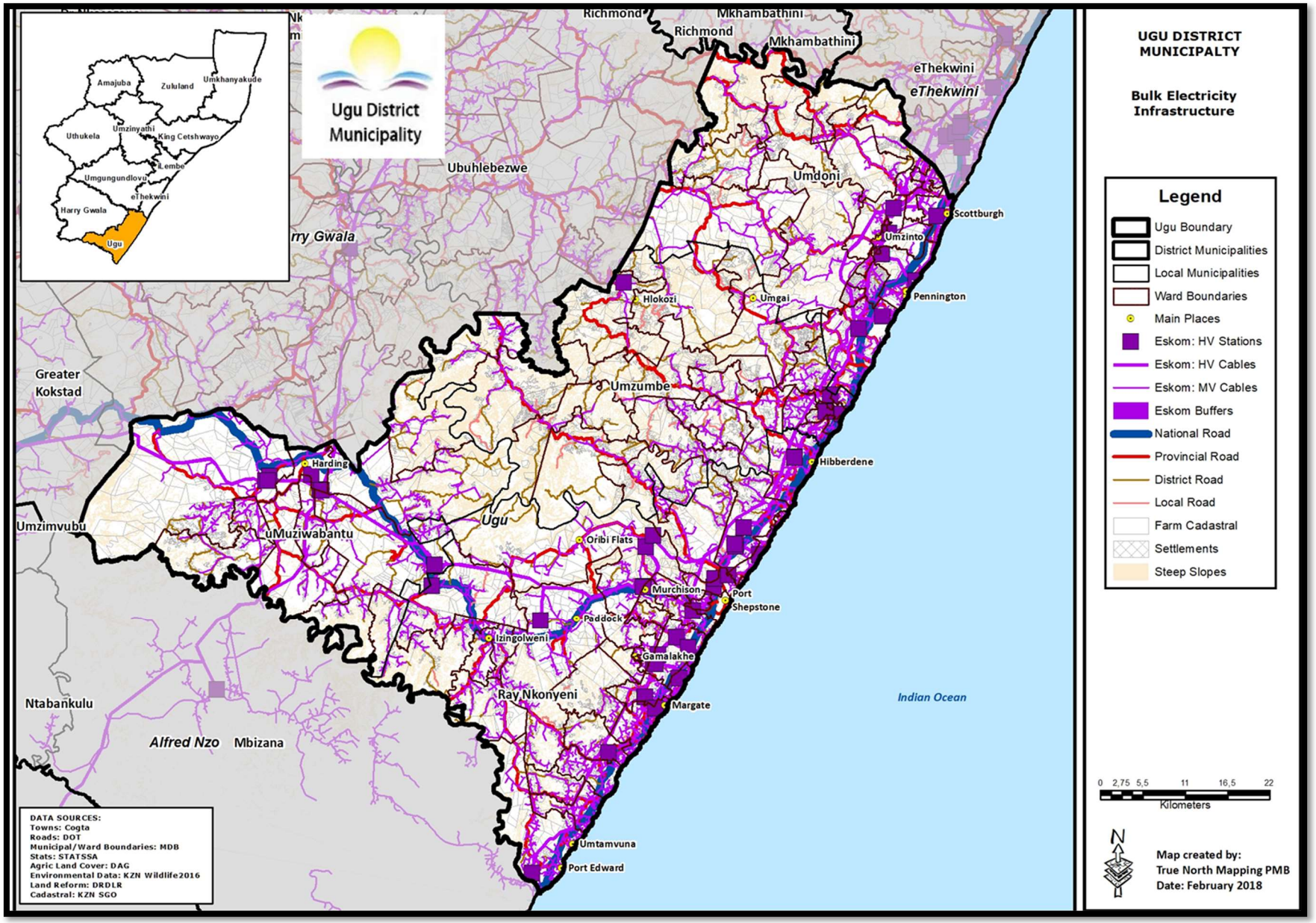
In terms of commercial development, it was stated in the Ugu Infrastructure Audit that generically, a commercial development "will not have infrastructure built for them until such time as the relevant developer makes a financial commitment. This indicates that current electricity infrastructure is not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

3.10.5.3 Alternative Energy

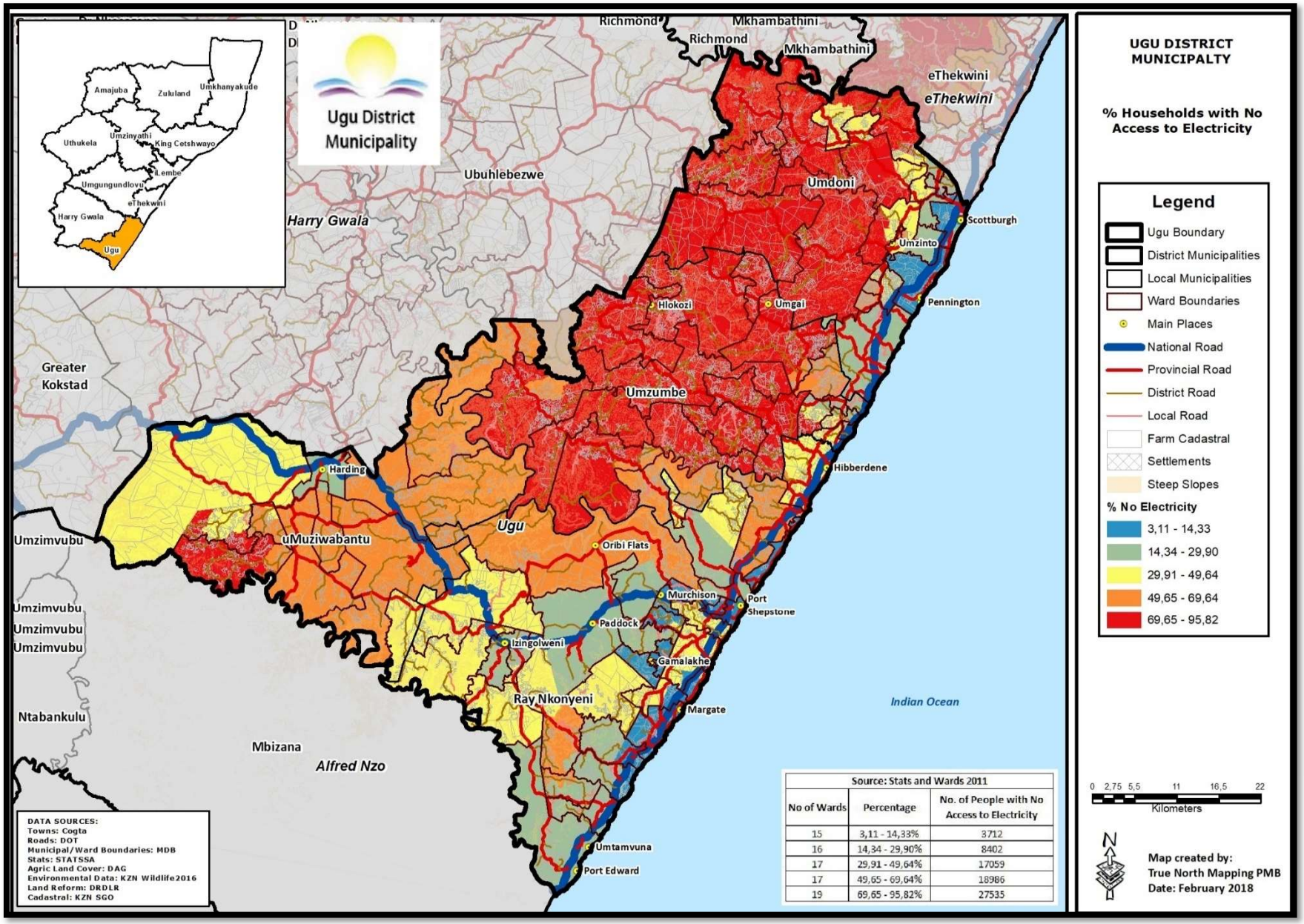
With regards to alternative energy, it is clear from the Community Survey 2016 data that there is still very minimal use of alternative energy within the households with electricity being the preferred energy.

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.

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Map 3.10.5.1.1: Ugu District Bulk Electricity Infrustructure *Source: Ugu District Municipality SDF, 2018*



Map 3.10.5.2.2: Ugu District Bulk Electricity Infrustructure *Source: Ugu District Municipality SDF, 2018*

3.10.6 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.

3.10.7 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 interceptor locations, mainly at appropriate "Nodes".

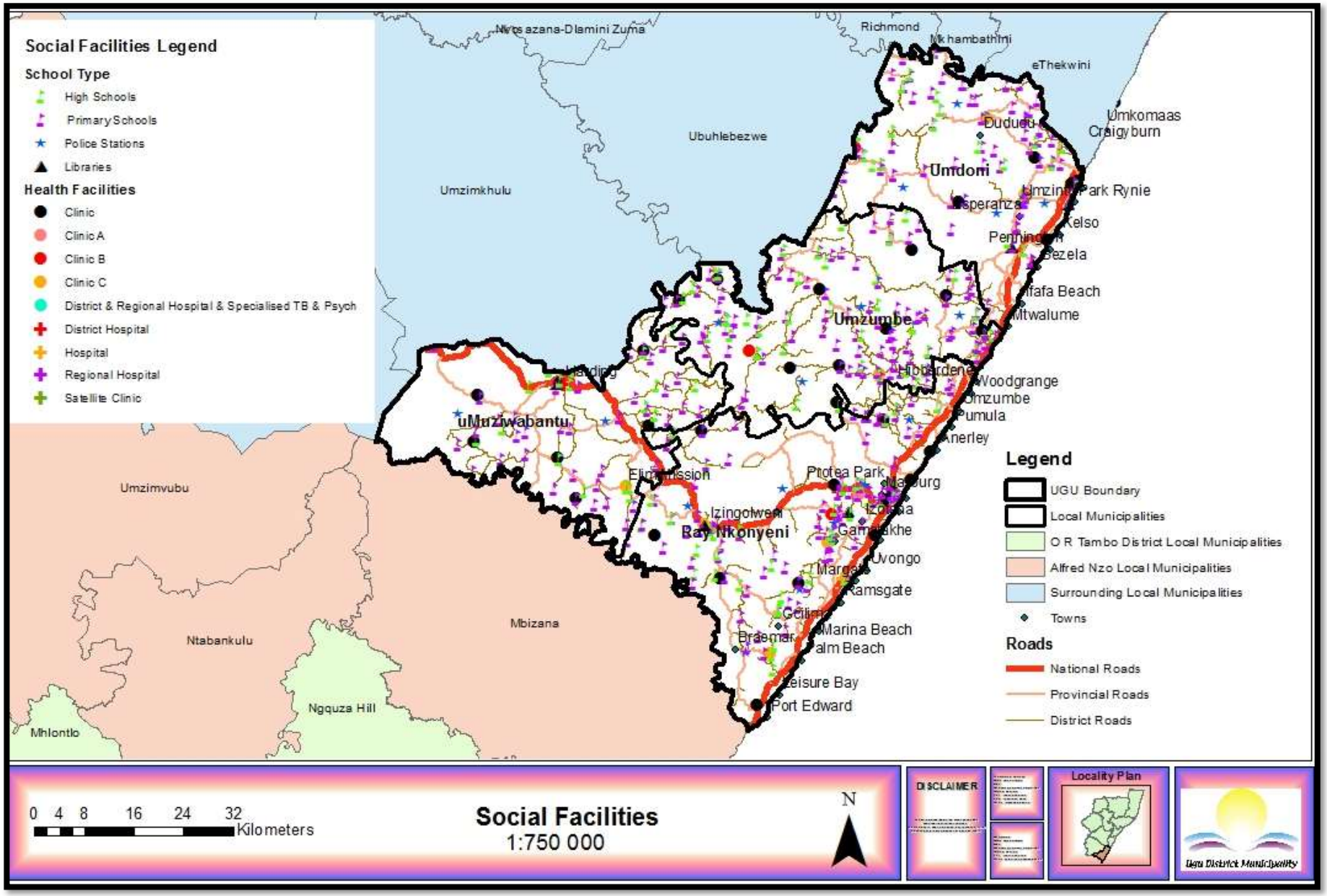
In terms of health care facilities, there are about 75 structures which range from a Mobile Clinic to a regional hospital. The Ugu District area of jurisdiction with regards to Primary Health Care (PHC) facilities has two community health centres, 15 mobile clinics and 53 clinics with the most number 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.

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Map 3.10.7.1: Ugu District Access to Community Facilities

Source: Ugu District GIS, 2018

3.10.8 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.

3.10.8.1 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.

3.10.8.2 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.

3.10.8.3 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.

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3.10.8.4 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.

3.10.8.5 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.

3.10.9 Basic Service Delivery SWOT Analysis

The Service Delivery and Infrastructure Development SWOT analysis are summarised below.

Table 3.10.9.1: Basic Service Delivery SWOT Analysis

Strengths	Weaknesses
➢ The coastal strip has good access to basic services ➢ Infrastructure Grant Expenditure availability to speed up backlog eradication ➢ Availability of fresh water resources (plans to undertake/ implement regional schemes) ➢ Good road infrastructure already in place ➢ Even spread of community facilities (reasonable access across the district)	➢ Inadequate maintenance of infrastructure (reservoirs) ➢ Aged water and sanitation infrastructure ➢ Outdated Water and Sanitation Masterplan ➢ Lack of capacity of key treatment plants ➢ Historic haphazard infrastructure development in rural areas ➢ Basic services backlog concentration in the rural areas ➢ Below minimum standards No, Blue, and Green Drop scores ➢ Poorly organised waste minimisation and lack of integrated recycling system ➢ Limited access to public transport ➢ Outdated Integrated Transport Plan ➢ Limited telecommunications data for analysis ➢ Informal settlements ➢ Illegal Connections
Opportunities	**Threats**
➢ Alternative water sources ➢ Alternative energy	➢ Natural adversities such as droughts and flooding ➢ Urbanisation and rural population outmigration ➢ Immigration – the district is the Eastern Cape gateway to KZN, the arrival of people seeking better opportunities often further burdens the already stretched infrastructure.

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3.11 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.

3.11.1 Municipal Comparative & Competitive Advantages

The district municipality has a well-developed economic infrastructure in terms roads, highways, railroads, airports, sea ports, electricity, telecommunications, water supply and sanitation. All these supports any development that is intended to be established or that already exist within the municipality that helps in developing the economy of the areas within the district. With well-established roads the municipality attracts tourists from other areas which also assist with the economic development of the municipality.

The transport infrastructure on the South Coast is well-developed and provides the area with a competitive advantage. The competitive advantage relates particularly to the N2 road and rail access to the south of the eThekwini Municipality, the industrial hub of the Province and eastern seaboard. The basic airport infrastructure (in terms of specifically the runway) is also sufficient to support a much busier aviation sector than is currently the case. Potentially the sea access could also be developed to support the development of the tourism, industrial and commercial sectors.

The move of Durban International to the north of Durban will potentially increase the value of the Margate Airport for the region. The linking of production, processing and manufacturing activity around the Margate Airport, to export activities at the Dube Tradeport should receive consideration. The agri-business focus of the Dube Tradeport should specifically be considered in this regard. The Wild Coast N2 toll road will further link the Ugu District to the Eastern Cape and the urban centres of Umtata, East London and Port Elizabeth. Other than just the linking of urban centres along the eastern seaboard it is also anticipated that the route will develop a new tourism corridor, as well as potentially open up mining opportunities on the coast (to the south of Ugu).

3.11.2 Main Economic Contributors

In order to gain perspective on the economic situation within a specific area, the Gross Value Added (GVA) contribution for that specific area is considered. Table 3.11.2.1 below provides an overview of the GVA contribution per economic sector for South Africa, the KwaZulu-Natal Province and the Ugu District Municipality, while Graph 6 highlights the GVA production for Ugu District Municipality for 2005 and 2015.

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Table 3.11.2.1: Ugu Gross Value-Added Contribution Source: Ugu Draft LED Strategy, 2017

Economic Sector	South Africa		KwaZulu-Natal		Ugu DM	
	2005	2015	2005	2015	2005	2015
GVA (R/million)	1 469 238	3 589 803	243 330	582 450	9 976	25 642
Agriculture	3%	2%	4%	4%	9%	8%
Mining	7%	8%	2%	4%	9%	8%
Manufacturing	18%	13%	23%	18%	16%	15%
Utilities	2%	4%	2%	4%	3%	4%
Construction	3%	4%	3%	5%	3%	4%
Retail trade	14%	15%	15%	15%	17%	17%
Transport	11%	10%	15%	14%	12%	12%
Business services	21%	21%	18%	18%	17%	15%
Social services	6%	6%	6%	6%	8%	7%
Government services	15%	17%	13%	16%	14%	16%
Total	100%	100%	100%	100%	100%	100%

Table 3.11.2.1 above shows that the GVA for Ugu District Municipality in 2015 was over R25.6 billion, which increased by approximately R15.7 billion from R9.9 billion in 2005. From the table and graph above, it is clear that the greatest contribution towards Ugu District Municipality's GVA in 2015 was made by the retail trade sector at 17% (approximately R4.2 billion). This sector is closely related to tourism and associated activities, highlighting the importance of tourism within Ugu. The second largest contributor towards Ugu's GVA is the manufacturing sector at 15.2% (approximately R3.9 billion), as Ugu is known for its strong representation of the manufacturing sector, amongst others. This is also a good reflection of the Ugu GDS' vision for the District, which aims to become a leading tourism destination and manufacturing hub. The business services sector contributed approximately 15% towards the District's GVA (approximately R3.8 billion), holding the third largest share. The business sector in Ugu is well established with existing networks and road linkages to greater business regions such as Durban.

The three poorest performing sectors within Ugu is the construction sector, holding 5% of the GVA share (approximately R1.3 billion), the utilities sector at 4% (approximately R1.1 billion) and the mining sector which holds a mere 1% of the GVA share, contributing only R181 million towards the GVA production for Ugu District Municipality.

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Table 3.11.2.2 below shows the local GVA sectoral contribution for each of the local municipalities contained within Ugu District Municipality. The sectors performing best overall in the District (i.e. retail trade, manufacturing and business services) are also performing well within each of the local municipalities – however, the government services sector holds the greatest GVA share in UMuziwabantu, and second largest in Umdoni and Umzumbe Local Municipalities. A high dependency on the government services sector is a negative indication as income from the government does not represent new income generation.

Table 3.11.2.2: Sectoral share of GVA at current basic prices per LM within Ugu DM, 2015 Source: Ugu Draft LED Strategy, 2017

Economic Sector	Umdoni	Umzumbe	Umuziwabantu	Ray Nkonyeni
Agriculture	10%	6%	12%	7%
Mining	0%	0%	1%	1%
Manufacturing	15%	12%	13%	16%
Utilities	4%	4%	3%	5%
Construction	4.7%	6%	5%	5%
Retail trade	16%	20%	17%	16%
Transport	13%	13%	14%	11%
Business services	13%	13%	9%	17%
Social services	7%	8%	7%	7%
Government services	16%	17%	18%	15%
Total	100%	100%	100%	100%

From Table 3.11.2.3 below, it is very clear that Ray Nkonyeni's economy contribute the most towards the District GVA, both in total and for each sector within the District economy. This can be attributed to a number of factors, which include the fact that Ray Nkonyeni covers the greatest area out of all four local municipalities (1 487 km²) and holds the biggest population. Ray Nkonyeni furthermore contains a number of key towns, manufacturing hubs and tourism destinations, of which Margate and surrounds is the biggest and most popular. The established transportation networks, especially the N2 that run through the hinterland and the R61, R620 and R102 which runs along the coast ensures greater connectivity across Ray Nkonyeni, allowing the movement of goods and people to occur more efficiently than in the other local municipalities.

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Table 3.11.2.3: Contribution of LMs to sectoral GVA of the Ugu DM, 2015 Source: Ugu Draft LED Strategy, 2017

Economic Sector	Umdoni	Umzumbe	Umuziwabantu	Ray Nkonyeni
Agriculture	26%	7%	13%	54%
Mining	6%	6%	13%	76%
Manufacturing	20%	8%	7%	65%
Utilities	20%	9%	5%	66%
Construction	18%	10%	9%	63%
Retail trade	19%	11%	9%	61%
Transport	22%	10%	19%	58%
Business services	18%	8%	5%	69%
Social services	19%	10%	8%	63%
Government services	20%	10%	10%	60%
Total	**20%**	**9%**	**8%**	**62%**

When examining GVA growth per sector within each local municipality, it is clear that the greatest growth is experienced in the construction sector in UMuziwabantu (9%), while business services sector in UMuziwabantu and Umzumbe are also showing high annual average growth rates at 8.4% and 7.9% respectively.

On a district level, the three sectors that are showing the greatest annual average growth, is the construction sector (6.2%), the agriculture sector (4.1%) and the transport sector (4%). The construction sector within Ugu District showed the highest growth out of all sectors, despite national challenges faced within the construct sector relating to labour unrest during 2014/2015 and a national slump within this sector. Growth in this sector furthermore points to development of new and upgrading of existing infrastructure and facilities within the district, which is a precursor of any economic development.

Growth in the agriculture sector within the district is positive as food security concerns are ever increasing. For Ugu, growth in the agriculture sector is particularly important, as the vision of the GDS is to become an agricultural hub by 2030.

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Table 3.11.2.4: Ugu GVA growth rate per sector for LMs, 2005-2015 Source: Ugu Draft LED Strategy, 2017

Economic Sector	Umdoni	Umzumbe	Umuziwabantu	Ray Nkonyeni	Ugu
Agriculture	3.6%	3.5%	1.6%	5.3%	**4.1%**
Mining	- 2.4%	- 0.5%	0.2%	- 1.6%	**- 1.3%**
Manufacturing	1.9%	5.0%	2.7%	4.2%	**3.7%**
Utilities	0.3%	0.0%	3.1%	- 0.9%	**- 0.5%**
Construction	6.6%	7.0%	9.0%	5.6%	**6.2%**
Retail trade	2.8%	5.7%	3.2%	3.2%	**3.4%**
Transport	2.9%	2.4%	4.7%	4.7%	**4.0%**
Business services	2.1%	7.9%	8.4%	2.7%	**3.2%**
Social services	3.1%	2.6%	3.7%	3.5%	**3.5%**
Government services	3.7%	1.0%	3.3%	3.6%	**3.3%**
Total	**2.9%**	**3.9%**	**3.6%**	**3.5%**	**3.4%**

3.11.3 Employment and Income Levels

Employment is considered as one of the 'big three' economic indicators along with inflation and GDP/GVA, when analysing the economic situation for a specific area or region. Employment rate, sectoral employment share and skills level all contribute to establishing the employment and labour profile of a specific area, such as Ugu District Municipality.

Table 3.11.3.1 contains the employment sector share per economic sector for South Africa, KwaZulu-Natal and Ugu District Municipality. From the table it is noted that on a national level, the business services sector held the greatest share in 2015 (18%), while the government services sector holds the greatest share of employment for both the KwaZulu-Natal Province (19%) and Ugu District Municipality (19%). The utilities sector holds the smallest share of employment on National (1%), Provincial (0.4%) and District level (0.4%).

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Table 3.11.3.1: Sectoral share of employment, 2005 and 2015 Source: Ugu Draft LED Strategy, 2017

Economic Sector	South Africa		KwaZulu-Natal		Ugu DM	
	2005	2015	2005	2015	2005	2015
Jobs	**10 792 586**	**11 346 221**	**1 734 292**	**1 773 124**	**89 925**	**91 337**
Agriculture	3%	2%	4%	4%	9%	8%
Mining	7%	8%	2%	4%	9%	8%
Manufacturing	18%	13%	23%	18%	16%	15%
Utilities	2%	4%	2%	4%	3%	4%
Construction	3%	4%	3%	5%	3%	4%
Retail trade	14%	15%	15%	15%	17%	17%
Transport	11%	10%	15%	14%	12%	12%
Business services	21%	21%	18%	18%	17%	15%
Social services	6%	6%	6%	6%	8%	7%
Government services	15%	17%	13%	16%	14%	16%
Total	100%	100%	100%	100%	100%	100%

Table 3.11.3.1 below reveals the employment share per economic sector for each local municipality within Ugu District Municipality. From the table it is revealed that except for Umdoni, the government services sector holds the greatest share of employment for the local municipalities in Ugu. The agriculture sector in Umdoni (19%) holds the greatest share of employment and in UMuziwabantu the agricultural sector holds the second largest share of employment (20%). The mining sector holds the smallest share of employment in all four local municipalities, and the utilities sector holds the second smallest share.

Table 3.11.3.2: Sectoral share of employment per LM within Ugu DM, 2015 Source: Ugu Draft LED Strategy, 2017

Economic Sector	Umdoni	Umzumbe	Umuziwabantu	Ray Nkonyeni
Agriculture	19%	12%	20%	13%
Mining	0%	0%	0%	0%
Manufacturing	10%	9%	8%	10%
Utilities	0%	0%	0%	1%
Construction	4%	5%	4%	5%
Retail trade	16%	19%	17%	17%
Transport	3%	3%	3%	3%
Business services	11%	12%	10%	14%
Social services	18%	19%	16%	19%
Government services	17%	20%	21%	19%
Total	100%	100%	100%	100%

When considering the contribution of sectors within the local municipalities within Ugu, towards the sector share in Ugu, it is clear that Ray Nkonyeni holds the greatest share of employment for all economic sectors (approximately 59%). The sectoral employment split per local municipality within the district employment contribution is set out in the Table 3.11.3.3 below, with the total employment share revealed in Figure 3.11.3.1 below:

Table 3.11.3.3: Contribution of LMs to sectoral employment, 2015 Source: Ugu Draft LED Strategy, 2017

Economic Sector	Umdoni	Umzumbe	Umuziwabantu	Ray Nkonyeni	Ugu
Agriculture	27%	9%	13%	52%	
Mining	5%	6%	16%	73%	**100%**
Manufacturing	21%	10%	8%	61%	**100%**
Utilities	20%	9%	6%	66%	**100%**
Construction	19%	11%	9%	6%	**100%**
Retail trade	20%	12%	10%	59%	**100%**
Transport	23%	10%	10%	58%	**100%**
Business services	18%	10%	7%	65%	**100%**
Social services	21%	11%	8%	60%	**100%**
Government services	19%	11%	11%	58%	**100%**
Total	**21%**	**10%**	**10%**	**59%**	**100%**

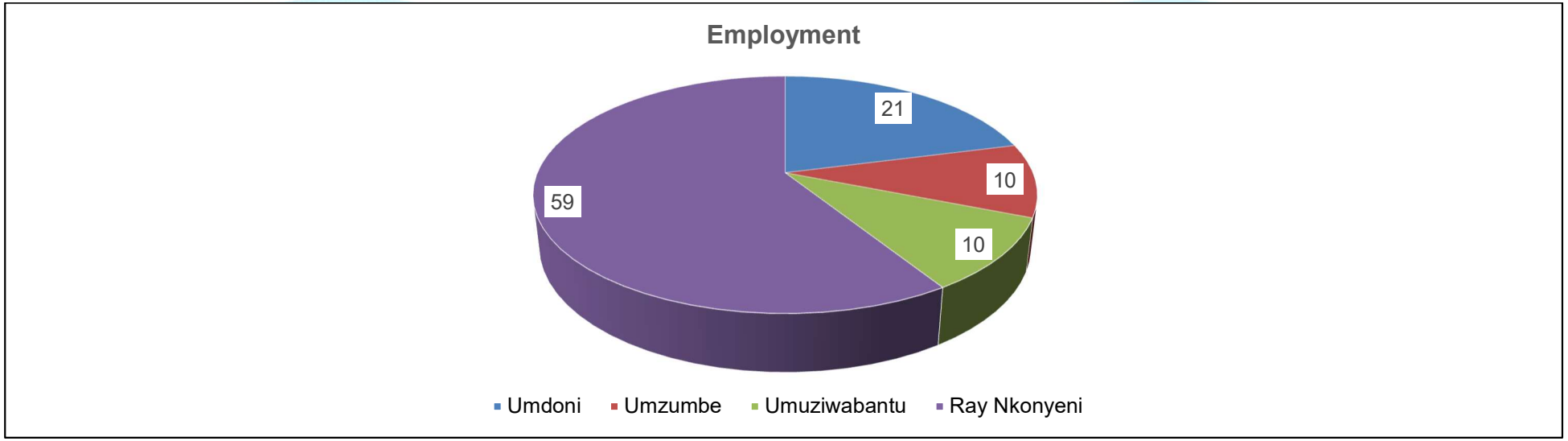


Figure 3.11.3.1: Contributions of LMS to Employment *Source: LED Draft Strategy, 2018*

Table 3.11.3.4 below provides a summary of growth in employment between 2005 and 2015 and seeks to reveal the employment trends for Ugu District Municipality for the same period.

From the table it is clear that Ugu District Municipality has seen a very small increase in employment between 2005 and 2015, with a total gain of only 1 412 jobs at an annual growth rate of 0.2%, and an average of 141 new jobs created per year.

It should be noted that only four sectors within Ugu showed positive employment growth; the government services sector (3%), business services sector (1.1%), utilities sector (1.1%) and the retail trade sector (0.1%).

Table 3.11.3.4: Ugu Average per annum employment growth, 2005-2015 Source: Ugu Draft LED Strategy, 2017

Economic Sector	2005	2015	Av. annual growth rate	Av. No. of new jobs per annum
Agriculture	16 905	13 777	- 2.0%	- 313
Mining	156	120	- 2.6%	- 4
Manufacturing	9 431	8 781	- 0.7%	- 65
Utilities	377	419	1.1%	4
Construction	4 715	4 150	- 1.3%	- 57
Retail trade	15 307	15 537	0.1%	23
Transport	2 654	2 649	0.0%	- 1
Business services	10 709	11 900	1.1%	119
Social services	16 786	16 760	0.0%	- 3
Government services	12 885	17 244	3.0%	436
Total	89 925	91 337	0.2%	141

The sector showing the greatest decline in employment is the agriculture sector. In recent years the agricultural sector has been struggling as a result of drought affecting the district as a whole, which have seen an influence on the number of produce harvested and consequently the number of labourers used on a seasonal basis. Other possible reason for this decline in employment could be high minimum labour costs imposed and mechanisation of agricultural activities, or a combination of all of these factors.

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Table 3.11.3.5 below depicts the skill level for those employed in Ugu District Municipality for the year 2005 compared to the year 2015. From the table it is clear that the majority (42%) of those formally employed in 2015, were semi-skilled, followed by 37% that are low skilled, and only 22% who can be classified as skilled.

Table 3.11.3.5: Skill level of formal employment for Ugu DM, 2005 and 2015 Source: Ugu Draft LED Strategy, 2017

Skill Level	2005		2015	
	Population	Share	Population	Share
Skilled	17 205	19%	19 655	22%
Semi-skilled	38 527	43%	38 279	42%
Low skilled	34 193	38%	33 403	37%
Total	89 925	100%	91 337	100%

It is also evident that the percentage of skilled employees has increased, and the percentage of semiskilled and low skilled employees has decreased. Furthermore, the overall numbers of those formally employed have increased by 1 412, (approximately 1.5%). More significant however, is the increase of approximately 2 450 in those employed in skilled occupations (approximate 3% increase), which shows a slight shift within the District towards higher skilled occupation.

3.11.3.1 Income Levels

According to Census 2011 data, 73% of households within Ugu District Municipality fall within the low-income classification (R0 - R 38 400 income p/a), whereas 18% of households fall within the middle-income classification (R 38 401 - R153 600 p/a) and as little as 3% of the households are high income earners (R153 601 and above p/a).

The average monthly income for households that fall within the low-income category is approximately R2 700 per month. This implies that the majority (73%) of households residing in Ugu District Municipality are struggling to afford lives basic necessities. According to the South African Audience Foundation's (SAARF) Living Standard Measurement (LSM), these households fall in LSM level 3 or lower, based on average income. This means that that these households are typically headed by females; the majority of this population are aged between 15-34 years of age, and have completed some high school. These households are located in small towns or rural areas and their dwellings comprise of either a shack or traditional hut.

These households and individuals are typically very dependent on social grants. Despite the fact that social grants aim to improve the living standards of poverty stricken and needy individuals and households and to redistribute wealth to create a more equitable society, it could also lead to a dependency mind-set which can cause despondency and unwillingness of individuals to look for employment or create their own income-generating opportunities. A high dependency on social grants furthermore leads to increased government spending per year.

Approximately 67% of the total area of Ugu District Municipality falls within the low-income category (3 221 km²). These areas are typically situated inland within the rural areas and hinterland. From the map it is also interesting to note that approximately 95% of the total area of Umzumbe Local Municipality is classified as low income.

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Approximately 30% of the total area of Ugu are classified as middle income (1 426 km²), which comprise approximately 18% of households. These areas are located mainly along the coastline and within UMuziwabantu Local Municipality. The average monthly income for these areas is R5 239, which puts these households within LSM level 5 or 6. This means that these households typically stay in small urban or rural areas in houses, townhouses, clusters or so-called “matchbox” houses.

Only about 3% of the total area of Ugu comprise of high income, which are contained within Ray Nkonyeni Local Municipality, along the coastline (Southbroom, Ramsgate, Margate, Port Shepstone) and includes a great portion of cultivated sugarcane lands.

3.11.3.2 Levels of Poverty

This section begins gives an overview of the levels of poverty in the district even though it does 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 3.11.3.2.1 below.

The multi-dimensional poverty level in the Ugu District Municipality is 12% as reflected in Table 3.11.3.2.1. There has been a reasonable decline in the poverty levels in the Ugu District area of jurisdiction moving from 32% in 2001 to 12% in 2016, a decrease of 20% over 15 years (see Table 3.11.3.2.1 and Figure 3.11.3.2.2). It is worth noting however, the poverty intensity has remained at an average of 42% of the same period as reflected in Table 3.11.3.2.1.

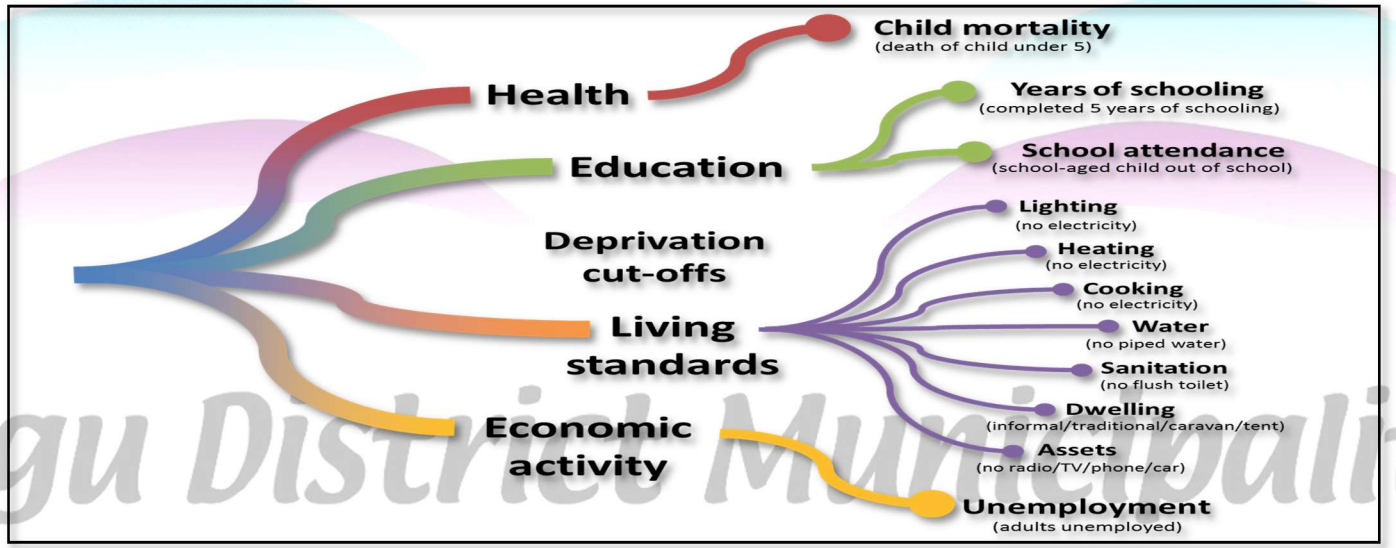


Figure 3.11.3.2.1 Four Dimensions of Porverty *Source: Statics SA SAMPI, 2016*

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Table 3.11.3.2.1: 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	44	41
UMuziwabantu	38	17	17	42	42	43
Umzumbe	37	23	19	42	41	43
Ugu	32	15	12	43	42	42

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.

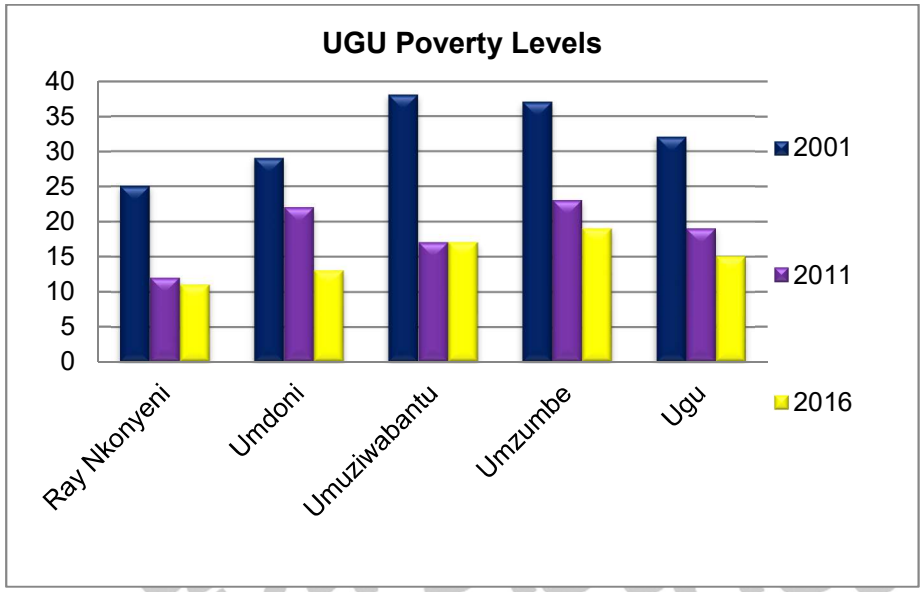


Figure 3.11.3.2.2 Ugu Multi-Dimensional Poverty Levels
Source: Statistics SA, 2016

3.11.4 Creation of Job Opportunities

With regards to creation of job opportunities, the District is actively involved in the Extended Public Works Programme. The district further ensures that more job opportunities are created through the implementation of LED projects.

3.11.4.1 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 3.11.4.1.1 shows targets versus the actuals of work opportunities as well as fulltime equivalent. Overall the District only achieved 45% for work opportunities and 47% for fulltime equivalent. The challenges that has hindered the District's performance as well as interventions to unblock those challenges have been cited in the Table below.

Table 3.11.4.1.1: Ugu District EPWP Job Opportunities Source: Ugu PMU, 2014

Municipality	No. of Projects	Work Opportunities			Full Time Equivalent			Challenges	Interventions
		Target	Actual	%	Target	Actual	%		
Umdoni	**3**	667	223	**33**	228	15	**7**	No dedicated unit responsible for EPWP which results in: ✓ communication difficulties and support not provided. properly. ✓ data not collected on site. ✓ Difficulties in engaging other implementing units within the public body.	✓ Umdoni council Induction on 25 August 2017 ✓ Constant support provided to public body ensuring submission of reports and processing and reporting of available data on to the system,
Umzumbe	**6**	407	77	**19**	133	50	**38**	✓ Low labour intensity in all infrastructure projects implemented ✓ Submission of inadequate data from other implementing units which delays reporting.	✓ Public body advised to schedule a date for Induction - To take place before end of May 2018 ✓ Data processing and data capturing capacitation provided by technical support,
Umuziwabantu	**10**	266	126	**47**	87	52	**60**	✓ Other units within the public body not submitting data to EPWP championing unit. (LED unit)	✓ TS engaged with technical unit Manager to schedule an appointment with the unit.
Ray Nkonyeni	**27**	1 028	787	**77**	298	336	**113**		

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Municipality	No. of Projects	Work Opportunities			Full Time Equivalent			Challenges	Interventions
		Target	Actual	%	Target	Actual	%		
Ugu	34	3 188	1 292	41	1 044	381	36	✓ Infrastructure unit projects not creating enough WOs to assist the public body in achieving EPWP annual target. ✓ Service providers bringing permanent staff to projects. ✓ The correct recruitment and selection strategy not followed	✓ LIC workshop scheduled for the 26th of March emanated from stakeholder meeting which was attended by the MM. All issues pertaining to recruitment and selection strategy, Labour intensive methods and any other issues that led to poor performance will be discussed.
Total	**80**	**5 556**	**2 399**	**45**	**1 790**	**834**	**47**		

3.11.4.2 Job Creation Through LED Projects

The assessment of the proposed economic activities suggests that there would be jobs that will be created within a short and medium term. These can be reflected on the Table 3.11.4.2.1 below.

Table 3.11.4.2.1: Ugu District LED Job Opportunities Source: Ugu Draft SDF, 2018

Year	Economic Activity	Estimated no. of jobs	
		Temporal	Permanent
2021	KwaXolo Rock Art Project	5	2
	Tea Tree Farming Venture	10	5
	Music City	15 000	5000
	Shelley Beach Water Theme Park	100	200
	Ocean Upmarket Restaurant	10	5
2031	Upgrade of Margate Airport	100	20
	Uvongo Hotel and Conference Centre	100	50
	Port Shepstone Boat Maintenance Economic Zone	50	30
	South Coast Regional Technology Hub	100	50
	Rorqual Estate Development	200	20
	UMdoni Seaside Corridor	100	50
	Ugu Agri-Park	500	3 000
2041	Turton Shopping Mall	500	200
	Umthwalume Beachfront Development	100	20
	Port Edward Small Fishing and Development Harbour	10	20
	Harding Neighbourhood Mall	500	200

3.11.5 SMMEs and cooperatives

Ugu District municipality has many registered SMME's who are operating within its area of jurisdiction and these are registered on the municipal database. The majority of the SMME's seek to undertake business with, while some have established their operations within various municipalities. Most SMME's are located within Ray Nkonyeni LM because it is one of the Local municipalities that has pronounced economic infrastructure and target market given that it has the most population within the district. Some of the SMME's that are operating within the jurisdiction of this district face a number of challenges such as adequate and proper infrastructure to operate in especially those located in rural areas, poor road networks systems, they also lack proper business training and an SMME incubator programme. Nearly 43% of SMME's rely solely on tourists for customers, with a further 10% relying on both tourists and local residents.

3.11.6 Agricultural Sector

Even though the agriculture sector is not a major income generating source, the sector generates significant employment throughout the District. Agriculture is largely done at a subsistence level, especially throughout the rural villages.

According to StatsSA (Statistics by place, Census 2011), 64 959 of households (36% of total households) in Ugu District are involved in some form agricultural activity, with approximately 19 402 of those households (30% of households involved in agricultural activities) not earning any income, thus making them solely reliant on their yield for survival. Formal and commercial agriculture production in Ugu is mainly concentrated in sugar cane, bananas, macadamia nuts and timber forestry.

3.11.6.1 Commercial Agriculture

Commercial agriculture dominates within the district in terms of the amount of land that it occupies. The district's climate is well suited to agriculture. The area has large tracts of fertile land, a subtropical climate with high temperatures and a good water supply. The main agricultural activity is crop farming, with sugar cane and bananas being the main crops. In addition, the district produces vegetables, tea, coffee and macadamia nuts. Poultry, cattle and goat farming occur on a limited scale with the harvesting of crayfish and oysters taking place in Port Edward. As a sector, the performance of the agricultural within the Ugu district has followed provincial trends with a worrying -3.2% average GVA decline rate between 2001 and 2011 and 24 053 job losses in the same period. The performance of sub-sectors within agriculture has varied.

Commercial timber plantations are situated in the high rainfall areas in Harding, in the northern areas of former Vulamehlo and in the central areas of Umzumbe and former Ezinqoleni. Commercial timber plantations are situated in the high rainfall areas in Harding, in the northern areas of former Vulamehlo and in the central areas of Umzumbe and former Ezinqoleni. The general decline is disturbing though, as the agricultural sector in the Ugu district should be performing strongly due to a large number of favourable conditions. These include: rainfall of +/- 1100 mm per annum; abundant water supply in high flow periods, which could be conserved in off-stream storage for supplementary irrigation; a large labour supply and specialized infrastructure.

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The key agricultural activities taking place in the district include: sugar cane production and milling; timber production and processing for pulp and sawn timber; bananas for local and international markets; macadamia nuts for local and international markets; limited coffee production for local consumption and livestock for commercial and subsistence (beef, dairy, poultry, piggeries and goats). There is high demand for vegetables in the area and vegetable farming also offers export opportunities. Commercial plantations are situated in the high rainfall areas in Harding, in the north areas of Umdoni LM and in the central areas of Umzumbe and the Ray Nkonyeni.

About 200 small-sawmills process the municipality's extensive wattle, gum and pine plantations. Expansion of the forestry and timber industry in the Ugu district means adding value by manufacturing timber products such as doors, windows and furniture and the like. There are a number of businesses successfully exporting timber products of high quality (to ISO9000 standards) and taking advantage of the exchange rates.

3.11.6.2 Subsistence Farming

Subsistence farming areas exhibit low levels of crop and stock farming, largely due to the small number of dams in the district. The subsistence farming practice is mainly found within tribal land. Emerging agricultural sector face major challenges such as a lack of access to sufficient capital and operational funds, experience and equipment's. The small-scale farmers also battle to access formal markets and compete with established commercial farmers. Ugu district is characterised largely by needy rural interior falling under the Ingonyama Trust with some large commercial farms and many struggling subsistence farmers. The subsistence farming areas exhibit low levels of livestock and poultry due to a very few small dams that are in the district. Small scales of farmers are also found in areas like Hlokozi, KwaJali, Ezingolweni and Umzumbe.

3.11.7 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

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- 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 3.11.7.1 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 3.11.7.1: 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	➢ Adventure tourism, such as mountain biking
(Niche Markets etc.)	➢ 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.

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Table 3.11.7.2: 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).

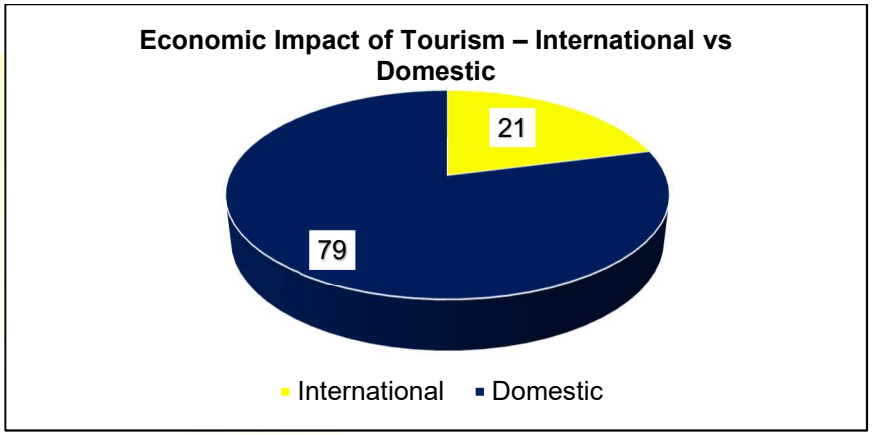


Figure 3.11.7.1: Economic Impact of Tourism
Source: Economic Assessment on Impact of Tourism on S. Coast, 2016

Table 3.11.7.3 and Figure 3.11.7.1 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 3.11.7.3: 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**

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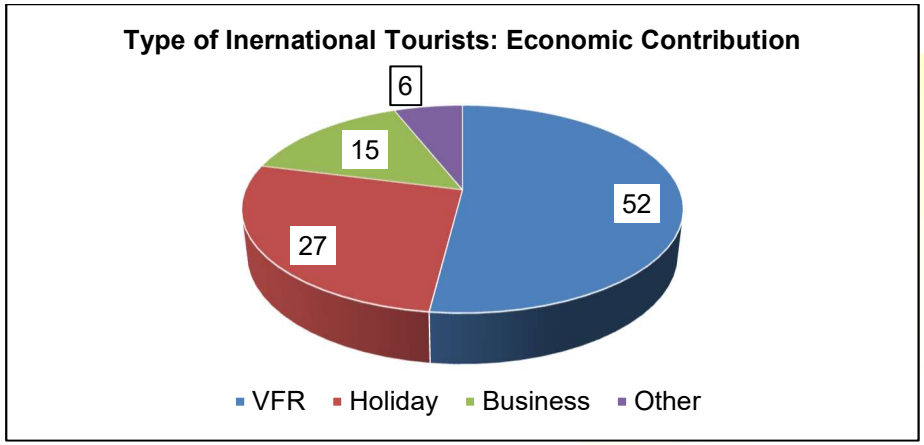


Figure 3.11.7.2: Contribution of Various Inernational Markets
Source: Economic Assessment on Impact of Tourism on S. Coast, 2016

In terms of the domestic trips, Table 3.11.7.4 and Figure 3.11.7.2 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 3.11.7.4: 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**

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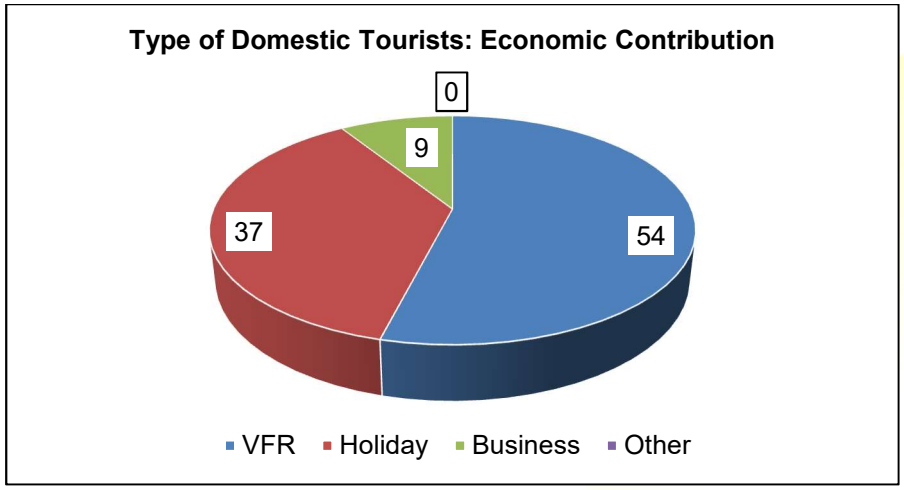


Figure 3.11.7.3: Contribution of Various Domestic Markets
Source: Economic Assessment on Impact of Tourism on S. Coast, 2016

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 3.11.7.5: 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.

3.11.8 Manufacturing (Industrial)

Manufacturing / Industrial can be classified to Light and Agro-industrial areas in the Ugu District Municipal area of jurisdiction.

3.11.8.1 Agro-Industrial Areas

The Ugu Fresh Produce Market provides retailing and limited agro processing opportunities as well as a link to the Durban and Eastern Cape markets. The Market has a large area of land available for the expansion of agro processing facilities ranging from fresh food to dry goods packaging. The market acts as a distribution point for fresh produce from all over South Africa. Since the Ugu District consists of both rural, poor inland areas and the more affluent South Coast towns, many of which are holiday destinations, the potential customer base of the market is large. Therefore, the agriculture sector in Ugu has a huge potential, provided that the local farmers can be mobilised to meet the needs of the Ugu Fresh Produce

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Market. The site also offers an opportunity for the investors who would wish to invest in agriculture facilities dealing with any business within the fresh produce value chain.

3.11.8.2 Light Industrial Areas

Manufacturing activity is also concentrated along the coastal strip with some light industrial parks such as Marburg, Park Rynie and Margate. There are also a number of industrial development points in the hinterland such as Harding and some that are related to the activities of large firms, such as Idwala NPC, Sezela Sugar Mill, Umzimkulu Sugar Mill and the Weza Saw Mill. The developed industrial areas in Ugu are situated in Port Shepstone/ Marburg, Park Rynie, Umzinto North, Umzinto South, Margate Quarry, Margate Airport and Harding. Ugu has been earmarked primarily as a furniture manufacturing hub (Harding and/or Marburg) and secondly, as a perishable goods processing hub. There are other industrial areas which specialise with various manufacturing and Table 3.11.8.2.1 below provides details what they manufacture and where are they strategically located.

Table 3.11.8.2.1: Ugu District Spatial Distribution of Manufacturing Activity Source: Ugu District SDF, 2018

Area	Basic Description	Type of Industry
Marburg Industrial	This is the only major industrial zone in the District. It has been developed on the N2 to the south-west of the Port Shepstone CBD. The land is not flat, but the topography is reasonable for industrial development. A large variety of manufacturing and service sector businesses are located in the area.	Most industrial sectors are represented in the area. Furniture, textile and clothing and food seem to dominate. Sizes range from small service industries to major plants.
Harding Industrial	A substantial industrial area has been developed in the formal town of Harding. The grid structure of the layout provides easy access to the industries.	In the case of Harding there is an exceptionally strong focus on the timber and timber products sector (see list of industries). Kulu Snacks, a major employer in the District, is also located in Harding.
Margate Quarry Industry	The industrial area is located close to the entrance to the NPC Quarry immediately to the west of the N2 as you approach the Margate turnoff from Durban. The area is separated from neighbouring developments either by the N2 or vacant land.	The number of concrete block, brick and moulded concrete block manufacturers benefiting from the location in relation to the Quarry is clearly noticeable. Furniture manufacturers and a church are also housed in industrial buildings.
Park Rynie Industrial	The industrial area is located to the west of Park Rynie, between the residential area and the N2. The land gently slopes towards the coast. Roads are currently being constructed to expand the industrial area.	Manufacturing activity in this township is limited. Paint manufacturing and block making are two of the manufacturing activities. The majority of space available is used for storage and distribution or service industries.
Umzinto South Industries	The original town centre of Umzinto is located to the south of the CBD. This area consists mostly of older buildings fronting on to the main street.	The Albany bakery is the only industry of note in this node. Small services industries and distributors are also located in this node.

Area	Basic Description	Type of Industry
Margate Airport Industrial	This industrial area is located on the northern end of the runway of the Margate airport. It is located on relatively flat land. The area is home to only a handful of industries.	Construction related, and furniture manufacturing firms are located in the area.
Umzinto North Industries	A cluster of industries are located in Umzinto North (east of Main Road), however, it is obvious that three larger textile/clothing firms used to dominate. Two are located in the vicinity of the cluster and one within an Umzinto	The three textile industries dominate industrial development in the

3.11.9 Retail Trade

Retail activity is concentrated in a ribbon development of small towns along the coastal strip that act as commercial and service centres for local residents and neighbouring rural communities. Port Shepstone is the main commercial centre and major source of employment. Shelley Beach is the fastest growing commercial centre. There has been a gradual change in rural settlement patterns, from a dispersed settlement pattern to a concentration of residential sites around the main access routes. Ray Nkonyeni is the major contributor with regards to retail and commercial services due to its location there are many commercial activities and uses that are concentrated within the municipality. However, in other local municipalities that are within Tribal land there are limited, or local convenient facilities and they occur in residential areas unlike with highly urbanised areas like Ray Nkonyeni LM there are town centres with large retail

commercial centres. In Municipalities within rural areas, this takes the form of spaza shops and general dealers. The UMdoni Local Municipality offers a narrow range of shopping experiences. The areas within the district municipality that do not have commercial centres such as UMzumbe due to their geographic location (located within Tribal land) depend on those that are in close proximity.

Within Ugu district municipality there are micro and small retailers that are attempting to enter the retail market but are often unable to compete with large national and multi-national retailers in well-developed town centres. Such businesses are often restricted to activities such as taverns, spaza shops, car washes, fruit and vegetable sales and cell phone kiosks. Such restricted activities result in high levels of competition within the lowest end of the market. There are strong linkages between the retail and tourism sectors within the Ugu district and the seasonality of the tourism industry is felt by local retailers. The Shelley Beach Mall has attracted substantial commercial development. Toyota and BMW's move to Shelley Beach has been a major boost for the area. The industrial park development for the node has been welcomed by businesses. The Shelley Beach node captures a market that extends to the Eastern Cape with large volumes of public sector employees frequenting the mall over weekends, and especially at month-end.

The business and real estate hubs are located within different urban centres of the district. There are approximately 3 778 businesses within Ugu and the

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majority are located within Ray Nkonyeni due to the size of that municipality. Approximately 50% of these businesses consist of wholesale and retail facilities as well as hotels and restaurants. There is a complete dominance of Ray Nkonyeni along with UMdoni in hosting many businesses and real estates. Other than Harding in UMuziwabantu, the economic activities recorded in the remaining rural municipality is negligible.

3.11.10 Mining

The mining and related processing of stone into various aggregates and crusher dust is essentially aimed at supplying the local construction industry and to boost the local economy. However, the Ugu GDS states that Mining is one of the poorest performing sectors in terms of GVA growth. This is due to a number of factors. There is therefore a need to enhance and encourage investment in this sector, through ensuring market stability. One of the ways to do this is to enhance the formalisation of the sector. In the case of the Margate quarry of NPC it is evident that a number of brick and block making yards has established on the "doorstep" of the quarry. The construction material industry appears to be benefiting from its location in relation to the quarry. Various other quarries are located throughout the area. The Idwala Carbonates facility in Ray Nkonyeni LM is the major employer in the District but receives limited attention in terms of strategic planning. There are also potentially open up mining opportunities on the coast (to the south of Ugu).

3.11.11 Local Economic Development SWOT Analysis

The SWOT Analysis with regards to Local Economic Development analysis are summarised as follows:

Table 3.11.11.1: Local Economic Development SWOT Analysis

Strengths	Weaknesses
➢ Tourism destination which offer beach, bush and adventure ➢ Strong institutional capacity in USCDA and USCT. ➢ Eventing Activities (Bike Week Festival, Ugu Jazz Festival, iBeach Festival, Vukile Gospel Concert, Yadini Beach Picnic and Traditional Music Festival) ➢ Land availability for agricultural development ➢ Existing fresh produce market ➢ Strong political support ➢ High level staff commitment	➢ Lack of common understanding of LED and what it should do ➢ Bulk infrastructure (roads, storm water, water, electricity) ➢ Poor maintenance of facilities (swimming pool, beach front, public toilet/rest rooms ➢ Limited public private partnerships ➢ High mortality rate of SMME's and Cooperatives
Opportunities	**Threats**

➢ Expansion of Margate Airport ➢ Beach Front Development ➢ Hinterland Tourism ➢ Agricultural Product suitable for expansion (essential oils – tee tree and Moringa ➢ Enhancement of SMME's and Cooperatives	➢ High Unemployment rate ➢ High Poverty Levels ➢ Low level of Education ➢ Limited specialist skills base ➢ Economic Inequality ➢ Dependency syndrome (culture of entitlement)

3.12 Social Development Analysis

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.

3.12.1 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 3.12.1.1. 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.

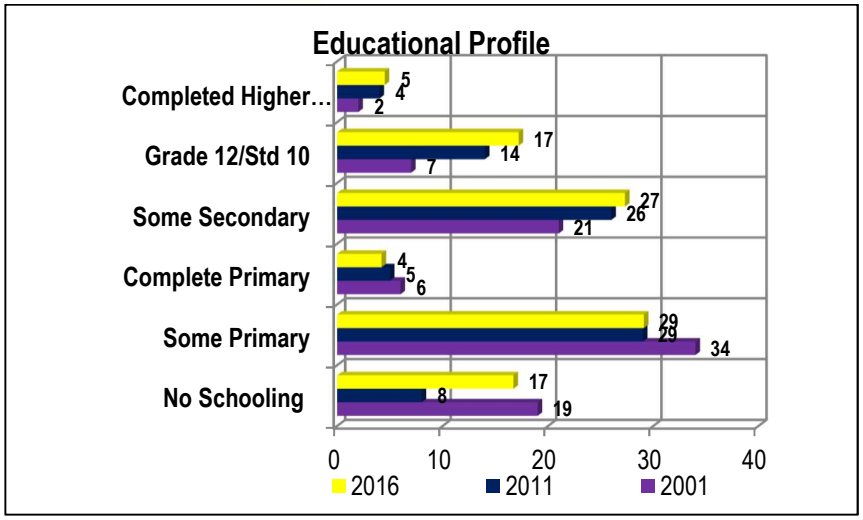


Figure 3.12.1.1: Ugu District Municipality Educational Profile
Source: Statics SA Community Survey, 2016

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Table 3.12.1.1 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 3.12.1.1: Grade 12 Pass Rate

Source: Department of Education, 2018

	2015		2016		2017	
	No.	%	No.	%	No.	%
Candidates	12 073		10 653		8 522	
Passed	7141	**59**	6 993	**65. 64**	6237	**73.19**
Failed	4711	**39**	3 660	**34. 36**	2285	**26.81**
Bachelors	1254	**10**	2 534	**36. 24**	2497	**40.04**
Diploma	2824	**23**	2 696	**38. 55**	2377	**38.11**
Higher Certificate	2003	**17**	1 763	**25.21**	1363	**21.85**

To further analyse the educational status in the district this section interrogates the level of schools' access to basic services. Table 3.8.1.2 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. 3.12.1.2 show the level of school access to basic sanitation services.

Table 3.12.1.2: 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 3.12.1.3 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 3.12.1.4 further 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 3.12.1.3: 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 3.12.1.4: Access to Electricity

Source: Department of Education, 2015

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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**

The summary of the burden of disease in Ugu District is reflected in Figure 3.12.2.1 below. Like much of South Africa, Ugu has a mixture of high prevalence of communicable diseases, predominantly tuberculosis (TB) and

HIV, and non-communicable diseases like cerebrovascular disease and diabetes. This is typical of a society in transition, where there are social determinates of disease such a poverty, lack of housing, water, and sanitation.

3.12.2 Health

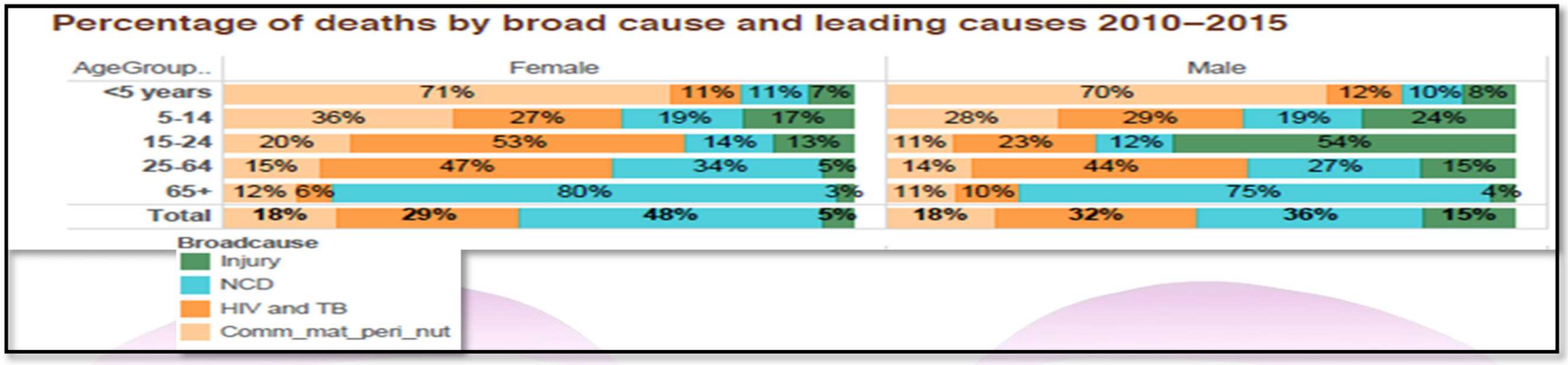


Figure 3.12.2.11 Causes of Mortality

Source: Ugu DHP, 2018 / 2019

The main cause of death in both male and female under 5 is associated with communicable diseases together with maternal perinatal and nutritional conditions. In the 5-14 years category, most females die of factors relating to communicable diseases together with maternal, perinatal and nutritional conditions. Males in this age group most commonly die of factors associated with HIV and TB. Most deaths of females in the 15-24 category is due to HIV and TB whilst males in the same age category die most commonly of injury related causes. In the 25-64 age groups, most of the deaths of both male and female are due to HIV and TB. NCD is the leading cause of death to those over 65.

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Ugu has a higher incidence of hypertension at 22.4 compared with the South African incidence of 13.9, and the Provincial incidence of 19.1. As already stated these lifestyle type diseases are increasing among males in the Province. Mental Health admission rate in also high in Ugu at 25.3, whereas in the Province it is 1.0. The district aims to improve marketing of Integrated Ideal clinical services management (ICSM) to improve adherence to treatment and appointments.

3.12.2.1 HIV / AIDS and TB Control (HAST)

TB remains the top major underlying cause of death in Ugu and the TB incidence remains high. The drug resistant TB success rate is around 53% and is short of the target of 63%. SA Stats (2015) estimate that in Ugu 19.1% of the population are HIV positive, and the Annual ANC Sero-prevalence 2014 found in Ugu had 40.1% of pregnant women HIV positive. Ugu has a growing number of people on ART (89200 as at Q3 17/18).

3.12.2.2 Child Mortality Rates

Child mortality is decreasing in South Africa and Ugu district is no exception with the under 5 in facility deaths declining from 4.6 per in 15/16 to 3.3 per 1000 in 2017/18 (q3). Ugu faces the challenge of poor immunisation coverage at 75.8% below the KZN average of 85.4%. PCR testing IS THE third HIGHEST in the Province at 1.4%. Modifiable factors that will be prioritised for action include close monitoring of immunisation performance, development of counselling skills on and marketing of safe infant feeding and management of shock at accident and emergency units.

Maternal mortality has dropped since 2014/15 in which 112 died per 100 000 live births and 2015/16 in which 92.4 died per 100 000. The 2017/18 quarterly reports project a rate of 80 maternal deaths per 100 000 which is a further drop. At 86%, Ugu is not performing well for the number of HIV positive pregnant women initiated on ART falling both below the district target of 99% and the Provincial target of 98%. The strategies to improve maternal and child outcomes include management of asphyxia related births, correction of data errors in reporting ANC started on ART. Youth friendly services will be prioritised to target teenage pregnancies, and there will be continued support of facility clinical governance strategies.

3.12.2.3 Accessibility to Health Facilities

The access to health facilities has already been covered under section 3.10.7. This section provides only the catchment populations and catchment areas.

The District Health Plan projects a Low PHC utilisation rate of 3 vs target of 3.4 for 17/18. Strategies to improve utilisation include optimal management of outreach teams namely tracing teams, school health, ward based outreach teams and mobile clinics as well as mobilizing men towards early health seeking behaviour. Ugu is the 11th highest district for grade 8 screening coverage in the country and top District in KZN.AT fixed facilities, strategies to reduce waiting times and improve client satisfaction will be prioritized. The Provincial changes in TB regime has resulted in improved client outcomes, better community management and the reduced need to hospitalize clients on TB treatment. The resultant drop in hospital efficiency at Dunstan Farrell TB hospital (29%) has led the Province to initiate the decommissioning of the hospital.

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Table 3.12.2.3.1: Population to PHC facility (Sub-District) [Number]

Source: Ugu DHP, 2018 / 2019

Organisation unit	CHC	Clinic	Mobile
Umzumbe LM	168 396.00	12 953.50	56 132.00
Ray Nkonyeni LM	324 908.00	16 245.40	46 415.40
uMuziwabantu LM	-	9 285.10	34 045.30
Umdoni LM	-	16 369.40	40 923.50

No clinics were commissioned in 2016/17. Gamalakhe CHC in Hibiscus completed phase 2 of 3. Umuziwabantu has the lowest population to clinic ratio. There are 11 fixed clinics to the population of 101 086 hence Umuziwabantu clinics appear to be adequate in terms of number of population to clinics. Ray Nkonyeni and Umdoni have the highest population to facility ratio and this is typical of an urban area. Umzinto in Umdoni has the highest headcounts for a clinic and is almost as much as the headcounts of a CHC. The clinic is need if infrastructure upgrades as the building, although conveniently situated in Umzinto town, is very old and unsuitable for a clinic. The 4 other clinics with the highest headcounts are all in Ray Nkonyeni: Izingolweni, Marburg, Mbunde and Margate clinic. Port Shepstone Hospital is a Regional hospital but due to no Gateway and no CHC in close proximity, the hospital still has non-referred OPD headcounts. In 2016/17, 7 326 clients were non-referred OPD headcounts. The pressure point for the district is a CHC in close proximity that can also assist to decongest the Regional hospital of the clinics that the hospital oversees. Marburg clinic upgrade to CHC is a much-needed project for the district.

3.12.3 Broad Based Community Needs

Based on the community consultations that the District together with it Local Municipalities categorised community needs into 10 categories. These categories are namely, Water; Sanitation; Roads; Sport fields; Health; Education facilities; Health Facilities; Public Facilities; Electricity; and Other.

Figure 3.12.3.1 below a statistical overview of the community needs issues raised during the public consultation sessions. A full public participation report is attached (**Annexure 11**).

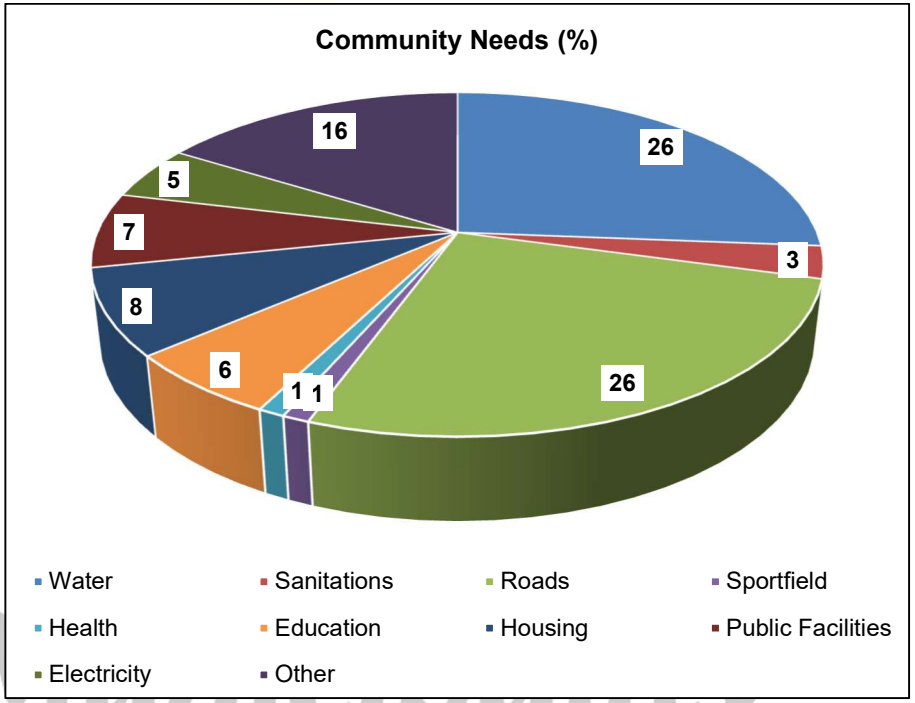


Figure 3.12.3.1 Statistical Summary of Community Needs
Source: Mayoral Izimbizo & IDP / Budget Roadshows, 2017 / 2018

Based on the 2017 / 2018 consultation sessions as reflected in Figure 3.12.3.1, the 3 broad based community needs are:

- Water;
- Roads; and
- Housing.

3.12.4 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.

3.12.5 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.

3.12.6 Community Development with Focus on Vulnerable Groups

Community development with focus on vulnerable groups addresses the development of youth; people with disabilities; women; people affected by HIV / AIDS, drugs, crime, etc.; and early childhood. The district has a dedicated Special Programmes Unit which cater for the needs of these special groups.

3.12.6.1 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:

- Social Cohesion;
- Education, Training and Skills Development;
- Economic Development and Transformation;
- Health and Social Well-being;
- Arts and Culture;
- Sports and Recreation.

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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.

3.12.6.2 Development of the People with Disabilities

The challenges that is facing people living with disabilities have been well documented across the country and Ugu Districtict area of jurisdiction is no exception. About 22 061 people receives grants for different forms of disability they live with. The district remains committed to ensuring that Ugu District is environmentally friendly to people living with disabilities. To that effect the municipality has established Disability Programme which is based on the following pillars:

- To encourage Government Departments to integrate disability issues into their line function activities.
- To promote awareness of disability by government and civil society.
- To coordinate, facilitate and monitor the implementation of the Integrated National Disability Strategy.
- To foster equal and transparent partnerships with relevant stakeholders.

The municipality has established Disability Forum through which on an annual basis implements programmes such as, Sanitary Dignity Campaign in Special Schools; Disability Awareness Campaign; Therapy Session for Mothers with Disabled Children; Disability Sports Day; Disability NPO Grant Support; and People with Disabilities assisted with Drivers Licence.

3.12.6.3 Development of the Elderly

As per the 2016 Community Survey done by Statistics South Africa, the elderly makes up 6.7% of the total population of the Ugu District area of jurisdiction. Furthermore, 15.8% of the Ugu District area of jurisdiction households are headed by the elderly. The elderly people are vulnerable in many aspects and thus the district commitment to ensuring protection and care of its senior citizens. The District has a Senior Citizen Programme which is underpinned by the following pillars:

- Creation of an enabling and supportive environment for senior citizens;
- Community-based care and support services;
- Advancement of healthy well-being;
- Ensuring community-based care and support services; and
- Promotion of protection and safety

The District Municipality has a Senior Citizens Forum is in place. Through this forum the municipality on annual basis implement programmes such as; Golden Games; Centenarians Programmes; Support to Destitute Elderly; and Awareness Campaigns.

3.12.6.4 Development of Women

As per the 2016 Community Survey done by Statistics South Africa, the female makes up 52.1% of the total population of the district. The challenges facing women, not only in Ugu, but the entire world have been well documented. The district is therefore committed to the realisation of women empowerment goals and development of the women in general. However, the district does not look at development of women in isolation, but acknowledges the importance of gender equity. It is for this reason that the district established the Gender Programme which is based on the following pillars:

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- Empowerment of women through the elimination of discrimination to achieve gender equality;
- Harmonise the implementation of various legislative frameworks on gender equality;
- Address emerging gender issues and concerns;
- Coordination and facilitation of a comprehensive agenda to the promotion and protection of women's rights and involvement of men;
- Ensuring government translates its constitutional and global commitments into measurable and meaningful programmes;
- Monitoring and evaluation of gender mainstreaming into government programmes, projects, policies and day to day work; and
- Establishment gender forums to mainstream and monitor rights of women, men, boy- and girl-child, disabled people and senior citizens

The district has established Gender, Men's, and Widow's For a through which on an annual basis implements programmes such as, Sanitary Dignity Campaign; Women Empowerment Session; Men Empowerment Session; Moral Regeneration Campaign; and Reed Dance.

3.12.6.5 People affected by HIV / AIDS, Crime, Drugs, etc.

Even though many strides have been made to combat the scourge of HIV / AIDS in the district, a lot still needs to be done to support people affected by it. The district established the HIV and AIDS programmes to coordinate the efforts made towards combating HIV / AIDS. The programme is based on the following pillars:

- Addressing Social and Structural Drivers of HAST;
- Prevention, Care and Support;
- Sustaining health and wellness;
- Ensuring protection of human rights and improving access to justice; and
- Coordination, Monitoring and Evaluation.

The district has established District AIDS Council through which on an annual basis, programmes such as, Awareness Campaign; World AIDS Day; Nutritional Supplements; and NPO Grant Support are implemented on an annual basis.

With regards to people affected by crime and drug abuse, a Moral Regeneration Forum, was established to deal with the issue.

3.12.6.6 Early Childhood Development

Pre-primary education is seen as a vital grounding to a learner's ability to grasp concepts later on in their schooling career. Very few learners are registered in pre-Grade R classes and only 8 pre-primary schools are registered in the district. A key challenge remains the perception of parents and caregivers re ECD. The District Growth Development Plan has identified a number of interventions required to ensure early childhood development.

The district has established a Right of a Child Programme which is based on the following pillars:

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- Facilitate the co-ordination, collaboration and synergy in the promotion, protection and fulfilment of children's rights in Ugu District.
- Strengthen the capacity, systems and processes relating to the realization of children's rights.
- Provide a platform for government and other stakeholders to share information, collaborate in initiatives and promote best practices.
- 4 Pillars of Child Welfare (National Plan of Action for Children of South Africa)
    - ✓ Child Survival
    - ✓ Child Protection
    - ✓ Child Development
    - ✓ Standard of living

Through this forum, the municipality is implementing programmes such as, Dress a Child Campaign; Spelling Bee; Financial Literacy; Support to Child Headed Household; Support to ECD Centres; Take a Girl Child to Work; Children's Rights Awareness Campaigns; and Christmas for Children Living in Shelters.

3.12.7 Social Development: SWOT Analysis

The SWOT Analysis with regards to Social Development analysis are summarised as follows:

Table 3.12.7.1: Social Development SWOT Analysis

Strengths	Weaknesses
➢ Functional programmes with particular focus to Vulnerable Groups ➢ Adequate access to social facilities ➢ Good Community interventions ➢ Established NGOs with a focus on social development	➢ Social Development not given special priority in terms of resource allocation. ➢ Limited partnership with private sector ➢ Limited partnership with internal stakeholders ➢ Limited social programmes
Opportunities	**Threats**
➢ Forging partnership with Private Sector (taking advantage of available Corporate Social Investment) ➢ New innovative initiatives to address social ills ➢ Expansion of existing programmes to cover the whole district	➢ Non- cooperation from some Local Municipalities ➢ Social Inequality ➢ High Crime Rate ➢ High prevalence of HIV and Aids ➢ Social ills (Teenage pregnancy, drugs and substance abuse, gender-based violence) ➢ Duplication of Efforts/Initiatives ➢ Gateway to Eastern Cape and Ethekwini (inward migration) put burden on social resources

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3.13 Municipal Financial Viability and 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.

3.13.1 Financial Ratios

Table 3.13.1.1 gives an indication of the Key financial ration that give an overall view of the minimality's financial position and performance. The measures to improve these ratios are discussed in the subsequent sections.

Table 3.13.1.1: Financial Ratios Table Source: Ugu Treasury, 2018

Ratio	Calculation	Norm	2016 / 2017 (Audited FS)	2017 / 2018 (current)	2018 / 2019 (Projected)
Financial Position					
Cash / Cost Coverage Ratio	*(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)*	1 – 3 Months	3.03 Months	2.62 Months	2.62 Months
Current / Liquidity	*Current Assets / Current Liabilities*	1.5 to 2 :1	1.38: 1	1.29: 1	1.29: 1
Capital Expenditure to Total Expenditure	*Total Capital Expenditure / Total Expenditure (Total Operating Expenditure + Capital Expenditure) × 100*	10 – 20%	25.03%	28.40%	28.40%
Collection Rate	*Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100*	95%	79.12%	79.12%	80.00%
Debt to Revenue	*Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant*	45%	18.76%	20%	25%

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Ratio	Calculation	Norm	2016 / 2017 (Audited FS)	2017 / 2018 (current)	2018 / 2019 (Projected)
Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	*(Cash and Cash Equivalents - Bank Overdraft + Short Term Investment + Long Term Investment - Unspent Conditional Grants) / (Net Assets - Accumulated Surplus – Non-Controlling Interest – Share Premium – Share Capital – Fair Value Adjustment – Revaluation Reserve)*	100%	0%	0%	0%
Financial Performance					
Creditors Payment Period	*Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365*	30 days	45%	40%	40%
Remuneration to Total Expenditure	*Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100*	25 – 40%	35.61%	35.61%	35.61%

3.13.2 Capability 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. 13.2.1 below reflects a trend since 2013 / 2014 financial year up to the previous financial year, 2017 / 2018.

Table 3.13.2.1: Ugu District Capital Spending Source: Ugu DM Treasury, 2018

Description	2013 / 14	2014 / 15	2015 / 16	2016 / 17	2017 /18
Budget	R 342 664 462	R 393 204 664	R 410 867 218	R 348 878 293	R 362 624 975
Actual	R 308 818 290	R 336 473 767	R 325 530 748	R 317 918 902	
% spent	90.12%	85.57%	79.23%	91.13%	
% growth - budget	21.48%	14.75%	4.49%	-15.08%	3.94%
% growth - actual	61.53%	8.96%	-3.25%	-2.34	

3.13.2.1 Capability to Execute Operational Budget

Table 3.13.2.1 provides a summary of the municipality's operational budget spent for a five-year period. The country as a whole is going through a rough economic phase and the district is feeling it as well. The municipality has put in place financial austerity measures to ensure operational spending is managed. The is done parallel to the revenue enhancement strategies to ensure that service delivery is not adversely affected. The 2017 / 2018 financial year actuals are correct as at 30 April 2018.

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Table 3.13.2.1: Ugu District Operational Spending Source: Ugu DM Treasury, 2018

Description	2013 / 14	2014 / 15	2015 / 16	2016 / 17	2017 /18
Budget	1 103 682 790	744 128 900	881 771 326	971 233 745	913 431 567
Actual	675 093 838	928 731 058	928 949 390	983 788 551	507 616 962
% spent	61.17%	124.81%	105.35%	101.29%	55.57%
% growth - budget	53.98%	-32.58%	18.50%	10.15%	-5.95%
% growth - actual	2.52%	37.57%	0.02%	5.90%	-48.40%

3.13.3 Indigent Support (including Free Basic Services)

Ugu District municipality's indigent register has a total of **6 739** for water and **2 529** sanitation households and is reviewed on an annual basis. The management of indigent consumers has been identified as a challenge in the Revenue Enhancement Strategy.

The municipality is currently in the process of verifying of indigent beneficiaries however it has been realised that it is more efficient and effective to do this continuously and not only once a year. This will have attempted through the profiling of applicants with data houses and any substantial economic activity should be followed up as it indicates a source of income. There is an automated ongoing process that could supplement the annual verification. The installation of electronic flow limiters and prepaid meter system to all indigent consumers can also act as a deterrent as those who can afford to pay for excess usage will not be comfortable with being limited to 6kl and having to change from paying in arrear to paying in advance as well as inconvenience of monitoring consumption. This will also be attempted also be explored by the municipality.

Table 3.13.3.1: Ugu District Indigent Support *Source: Ugu DM Treasury, 2018*

Indigent Households	2015 / 2016		2016 / 2017		2017 / 2018	
	No.	Budget	No.	Budget	No.	Budget
Water	6 739		5 820		5 211	
Sanitation	3 175		2 657		2 401	

3.13.4 Revenue Enhancement and Protection Strategies

On average the total revenue of the municipality is made up of 66% grant income and 34% of own generated income as reflected in Table 3.13.3.1. The municipality's grant dependency is high and thus the need for the municipality to increase own generated revenue. The municipality has therefore, identified revenue management and enhancement 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.

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The summary of issues identified in the current revenue position of the municipality analysis include:

- The District Municipality is directly losing revenue given the incompleteness of billing as well as the inherent incompleteness of the consumer database;
- There is a lack adequate documented procedure manual;
- That a substantial portion of meters are not physically read but are estimates;
- Lack of consistency in addressing and resolving customer queries;
- Lack of co-ordination or linkage of processes between Revenue Section and other service units such as Water Services, Customer Relations, Environmental Health etc.;
- Tariff determination is not driven by the scientific and factually accurate cost of providing the services;
- Inability of the Revenue Management System to produce usable statistics to aid factually accurate and scientific data analysis as a means to aid fact based decision making by Management;
- Inability to apply effective credit control and debt management processes and procedures;
- An un-assured integrity of the Indigent Register; and
- Absence of an approach to identify and resolve the underlying causes substantial water losses, this in addition to the water loss model not necessarily technically robust in terms of best practice.

Table 3.13.4.1: Ugu District Municipality Revenue

Source: Ugu DM Treasury, 2018

Revenue Source	2016 / 2017	2017 / 2018	2018 /2019
Total Revenue	R 1 066 990 988	R 1 095 287 350	R 1 110 176 769
Own Revenue Sources	R 358 175 158	R 370 627 969	R 378 296 769
Grants and Subsidies	R 708 815 830	R 724 659 381	R 731 880 000
% Own Revenue Sources	33.57%	33.84%	34.08%
% Grants and Subsidies	66.43	66.16%	65.92%

The Revenue Enhancement Strategy presented recommendations after taking into consideration the issues stated above that hinder effective revenue management and renders the environment not conducive to increased levels of revenue at the District Municipality.

It was established that Revenue Enhancement of the Municipality is not so much about finding additional streams of revenue, but it is more about the efficiency to bill and collect the revenue that rightly and legally belongs to the municipality. Therefore, the focus of the Revenue Enhancement Strategy will primarily be on the following issues:

- Data cleansing and database management;
- Procedure Manuals including Customer Relations;
- Alignment of Revenue Management to other departments;
- Credit Control and Debt Management; and
- Management of Indigents.
- Water Loss Management

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3.13.5 Municipal Consumer Debt Position

The Municipality bills for the water, sanitation, environmental health services and other miscellaneous services. Major services are provided to households. The consumer debt has been in a constant increase since as reflected in Table 3.13.5.1 and 3.13.5.2. Debt management is closely linked with revenue management and thus has been addressed as part of the Revenue Enhancement Strategy.

A debt reduction strategy has also been developed and that it is currently pending implementation and that it covers extensively credit control and debt management issues.

Table 3.13.5.1: Ugu District Outstanding Debt Source: Ugu Treasury, 2018

Description	2014/2015	2015/2016	2016/2017	2017/2018
Households	R189 560 251.83	R 229 243 052.46	R 282 047 731.74	
Business	R 47 867 981.31	R 54 241 756.43	R 61 076 686.48	
Government	R 11 169 053.12	R 17 938 l882.43	R 21 319 195.79	
Total Debt	R 248 597 286.26	R 301 423 691.32	R 364 443 614.01	
% growth	17.5%	17.5%	17.3%	

Table 3.13.5.2: Ugu District Consumer Debt Age Analysis Source: Ugu Treasury, 2018

Days	R. Value	%
0 - 30	R 36,698,229.49	**11.2**
31 - 60	R 16,100,938.15	**4.9**
61 - 90	R 17,181,971.59	**5.2**
91 - 120	R 12,248,453.53	**3.7**
121 - 150	R 13,588,519.04	**4.1**
151 - 180	R 7,344,456.87	**2.2**
180 – 1 year	R 52,263,397.23	**15.9**
Over 1 year	R 173,747,948.22	**52.8**

3.13.6 Grants and Borrowings

The municipality currently has 4 long-term debt commitments in the form of three DBSA loans and one ABSA loan as reflected in Table 3.13.6.1. 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.

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Table 3.13.6.1: Ugu District Consumer Debt Age Analysis Source: Ugu Treasury, 2018

Start Date	End Date	Amount	Institution	Purpose
04/09/2007	**31/03/2022**	R 25,000,000	DBSA	Provision of Infrastructure
23/12/2008	**30/06/2023**	R 25,000,000	DBSA	Provision of Infrastructure
30/10/2009	**30/06/2029**	R 62,000,000	DBSA	Provision of Infrastructure
10/06/2010	**30/06/2020**	R 102,000,000	ABSA	Provision of Infrastructure
Total		**R 214,000,000**		

3.13.7 Municipal Infrastructure Assets and Maintenance

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 2016 / 2017 financial year, the municipality received a qualified audit report with a few asset management matters as emphasis.

The municipality has put plan in place to ensure that the asset management challenges are addressed. The municipality is committed to:

- Ensure management, accounting and information system that accounts for the assets, long term liabilities, investments and leases;
- Ensure that assets, liabilities, investments and leases are valued in accordance with standards of Generally Recognized Accounting Practice (GRAP) i.e. GRAP 17;
- Ensure a system of internal control of assets, loans, investments and leases including registers;
- Develop and implement asset, loans, investments and leases management framework, policies, strategies, assets repairs and maintenance plans;
- Coordination of Disposal of Fixed Assets;
- Assist with Replacement of Fixed Assets; and
- Ensure appropriate assets counts.

3.13.8 Auditor General Report

Table 3.13.8.1 gives a summary of the Auditor-General's Report on the Ugu District Municipality Financial Management of the past three years.

Table 3.13.8.1: Summary Auditor-General's Report 2015 - 2017

Source: Auditor-General's Reports, 2015 - 2017

Financial Year	Audit Outcome	Basis for Audit Opinion
2014 / 2015	Unqualified	
2015 / 2016	Unqualified	
2016 / 2017	Qualified	Revenue Assets Management Commitments

The details of the 2016 / 2017 auditor general findings and action plans to address them thereof are captured in **Annexure 2**.

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3.13.9 Supply Chain Management (SCM)

MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The Municipality's supply chain management functions are centralised in the Budget and Treasury Office Supply Chain Management Unit. All bid committees are in place, effective and they sit as per the adopted roster of bid committees.

The coordination of the procurement of goods and services, management of supplier database, inventory management and contract management are performed within the Supply Chain Management Unit.

The Supply Chain Management Policy and Standard Operating Procedures are in place and will be reviewed for the 2018 / 2019 financial year.

There is an updated contract register that is populated with all contracts for the municipality. They have all been procured through the SCM process, they are all valid written contracts with the terms and conditions stipulated in the contract. The period of the contract is specified in the contract register. A contract administrator is responsible for the management of all the municipal contracts.

All officials in the Supply Chain Management Unit meet the prescribed competency levels as required by the Municipal Finance Management Act (MFMA)

Demand management is managed through the Procurement Plan that was adopted annually as a working document for the Municipality.

There is still a need for improvement in the following areas:

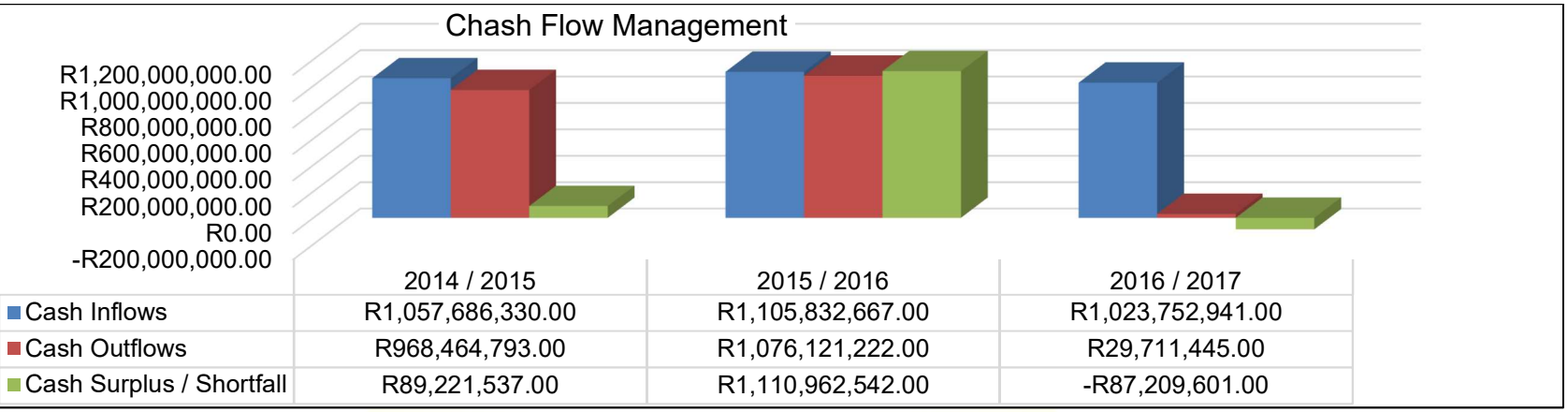
- Contracts awarded within 90 days.
- Limited or decreased irregular expenditure; and
- Skills development for the current staff in the SCM unit will always be needed since regulations change.

3.13.10 Cash Flow Management

Figure 3.13.10.1 gives a summary of the cash flow management of the Ugu District Municipality over a period of 3 years from 2014 / 2015 to 2016 / 2017 financial years. The municipality experienced a cash flow shortfall in the 2016 / 2017 financial year where the cash out flow was higher than the cash inflow.

The municipality took immediate measures to ensure that the cash flow position is improved in the 2017 / 2018 financial year and is currently implementing these measures.

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	2014 / 2015	2015 / 2016	2016 / 2017
Cash Inflows	R1,057,686,330.00	R1,105,832,667.00	R1,023,752,941.00
Cash Outflows	R968,464,793.00	R1,076,121,222.00	R29,711,445.00
Cash Surplus / Shortfall	R89,221,537.00	R1,110,962,542.00	-R87,209,601.00

Figure 3.13.10.1 Cash Flow Management Source: Statistics SA, 2016

3.13.11 Municipal Financial Viability and Management SWOT Analysis

The SWOT Analysis with regards to the Municipal Financial Viability and Financial Management analysis are summarised as follows:

Table 3.13.11.1: Municipal Financial Viability and Management SWOT Analysis

Strengths	Weaknesses
➢ Stability of Budget and Treasury Office ➢ Financial management turnaround strategy in place. ➢ Critical managerial posts have been filled	➢ Non-compliance with MFMA – Policies and procedures ➢ Not fully MSCOA compliant ➢ No standard operating procedures for financial management. ➢ Misalignment of skills within the organisation. ➢ Inaccurate billing ➢ Lack of contracts management ➢ Inaccurate customer information's database
Opportunities	**Threats**
➢ Potential for investment to enhance economic development and revenue collection. ➢ Larger Urban areas to enhance revenue ➢ Support from National and Provincial treasury and CoGTA	➢ Financial management trainings are not specific to the Treasury department. ➢ Under collection of revenue threatens cash flow. ➢ Non-performance of service providers ➢ Limited financial resources

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3.14 Good Governance and 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.

3.14.1 National and Provincial Programmes rolled-out

The Ugu District Municipality is two National and Provincial Programmes which are Batho Pele and Operation Sukuma Sakhe.

3.14.1.1 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-:

- Consultation
- Service Standards
- Access
- Courtesy
- Openness and Transparency

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- Information
- Redress
- Value for Money
- Encouraging innovation and rewarding excellence
- Leadership and strategic direction
- Service Delivery Impact

3.14.1.2 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:

i. 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:

ii. Municipal Service week and Project Khaedu
iii. Know your Service Rights Campaign
iv. Batho Pele Learning Network
v. Unannounced site visits or mystery customer,
vi. Change Management

3.14.1.3 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 3.14.1.3.1 below.

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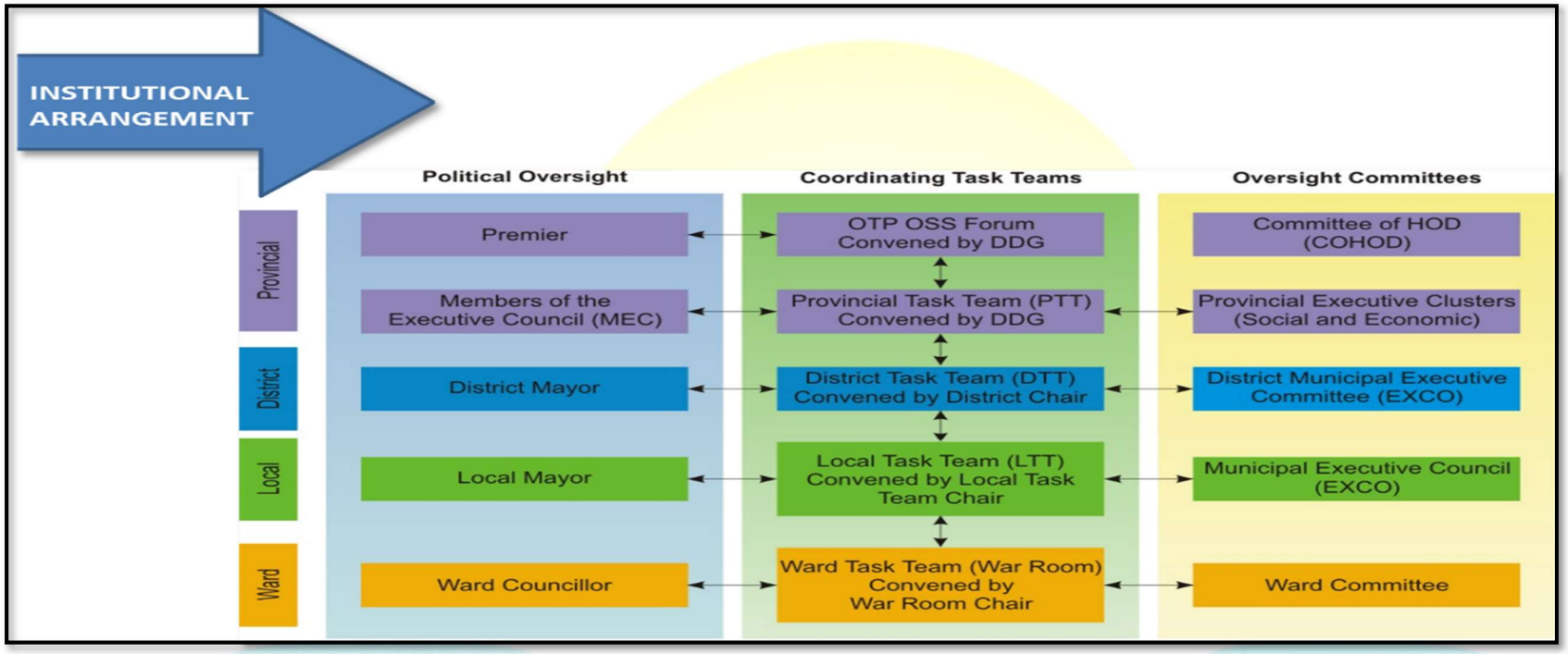


Figure 3.14.1.3.1 Ugu Operation Sukuma Sakhe Structural Framework *Source: Ugu District Special Programmes Unit*

3.14.1.3.1 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.

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3.14.1.3.2 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.

3.14.1.3.3 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.

3.14.2 Intergovernmental Government Relations

The Intergovernmental Relations Act requires the establishment of structures and mechanisms aimed at ensuring a high level of input. To ensure effective Intergovernmental Relations the municipality has a dedicated IGR Officer.

At a municipal level, different forums have been established to facilitate performance and service delivery. The referred to forums consists of representatives from different spheres of governments, local municipalities, parastatals and other. IGR clusters are not meant to duplicate the work of Municipal forums as those are meant to deal with specifics/ details other than strategic issues. Municipal Forums will remain in existence and therefore, the reports from these forums will be submitted to the relevant IGR Cluster for consideration.

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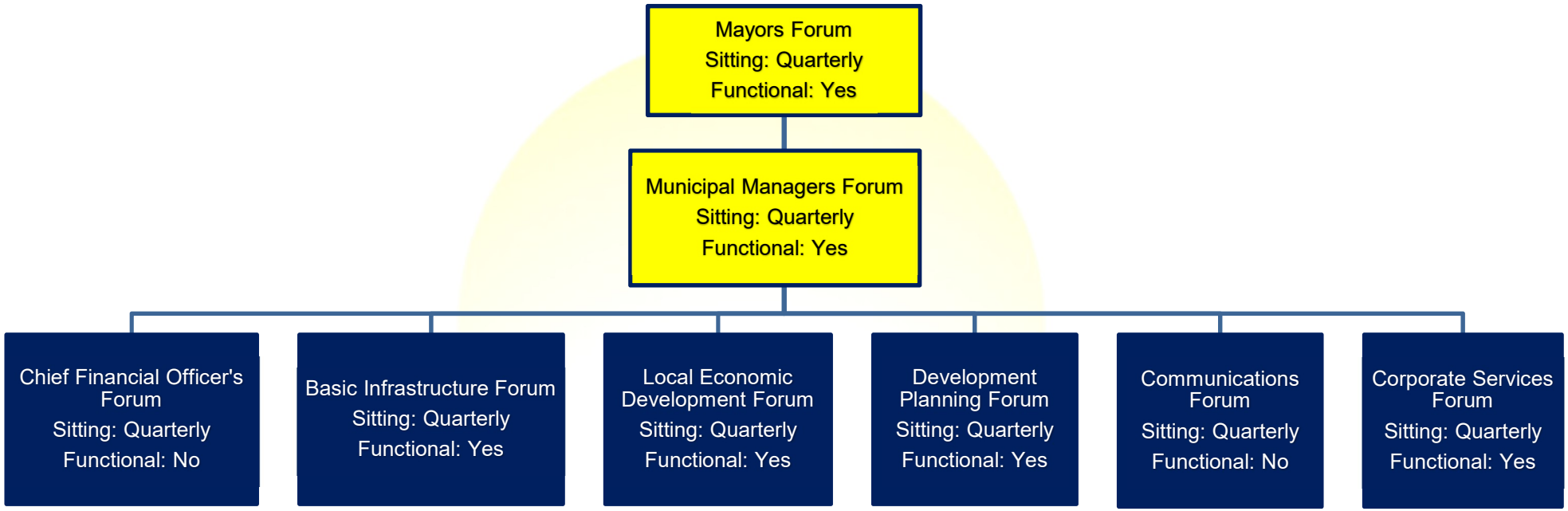


Figure 3.14.2.1: Ugu District IGR Structures *Source: Ugu OMM, 2018*

3.14.2.1 IGR Challenges

Coordination of IGR meetings has occasionally posed a challenge due to competing provincial meetings, mostly urgent. However, despite this, the municipality still managed to achieve the objective to discuss matters of common interest.

There is still a challenge with the participation of sector departments in IGR Rep forum however once they are represented they do show commitment to the structure and participate well.

It is still evident in areas like projects affecting more than just the municipality, e.g. construction of houses. It has been found that a housing project would be at implementation before the bulk supply of water or sewerage system is finalised, leading to delayed occupation.

3.14.2.2 IGR Achievements

In the previous year sub technical IGR committees could not convene until the structure of the committees was adjusted and the District HODs convened committees within the district within their portfolios.

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The Governance subcommittee gave birth to an ICT forum who have in addition to innovative discussion and sharing resources or information where needed, held a successful inaugural ICT forum in 2017.

International cooperation like the Waste Management programme and Water management programmes with the different Swedish Municipalities are not restricted to the district nor relevant local municipality only. All municipalities have a participatory role in the partnerships. This has even extended to the country where Swedish embassy has established a networking structure with all municipalities who have a relationship with Sweden.

There is generally a good working relation among all the spheres of government within the district.

3.14.3 Internal Information and 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:

- Infrastructure planning, maintenance, and support;
- Production, Test and Disaster Recovery environment establishment and protection;
- Information and Communication Technology Strategy;
- Information and Communication Technology Governance;
- Business relationship management;
- Change control management
- Systems Configuration management
- Continuous Improvement
- Incident management and request fulfilment
- Information security management.
- Quarterly ICT Steering Committee Management reviews
- Continuous Measurement of ICT Services
- Problem management
- Systems Release and deployment management
- Service continuity and availability management
- Service design
- Service level management and quarterly reviews of service levels
- Service reporting

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

- Implementation of 7 additional sites into the MPLS network. The average network uptime per month, consistently for the financial year was 95% and measured over a 24/7.
- Incident Management System with continuous reporting and fault analysis.
- The review of and successful full testing of the Disaster Recovery Plan.
- Monthly documented backups of core financial system data, monthly documented restoration tests and monthly off-site storage of all backups.
- The internal maintenance of the Ugu website and Intranet on a Microsoft SharePoint platform.

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- Rigorous ICT security review sessions with all staff and the use of the ICT security policy DVD presentation for all new staff.
- The review and alignment of the ICT Policy Strategy, ICT Governance Framework and Charter and ICT total policy reviews and adoption with the IDP
- The monitoring of ICT Governance through the 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.
- Upgrade of the PBX equipment in line with the latest versions ensuring technological advancement in the Voice service
- The LAN infrastructure technology Refresh project was successfully implemented which introduced wireless networks to all offices and Network Management Software to monitor all network uptime.
- Mobile devices assigned to ICT Technicians to enable notification received by them while in the field, with the impact that incidents are attended to faster

During the 2017 calendar year, the established ICT District Forum compromising of the 4 Municipalities within the District met 6 times. A successful ICT Seminar was held with the topic of "Network planning and optimization of existing infrastructure within the Ugu District" and had representation from all membership and other stakeholders. The ICT Forum did a knowledge management excursion to the Dube Tradeport Datacentre for research into effective disaster recovery and systems replication models.

3.14.4 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. Figure 3.14.4.1 gives the functionality of these committees.

There is also a 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

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- 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.

3.14.4.1 Municipal BID Committees

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

3.14.4.1.1 BID Specification Committee

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 Operations
- Manager: Fleet
- Contracts Co-ordinator

Manager ICT is the representative from user departments are on by invitation

3.14.4.1.2 BID Evaluation Committee

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:

- Manager SCM (Chairperson)
- Contracts Co-ordinator
- Manager Assets
- Manager Environmental Health
- Manager ICT – Alternate Member

The representative from user departments are by invitation.

3.14.4.1.3 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: Budget and Treasury Office (Chairperson)
- Manager Financial Services (Deputy Chairperson)
- Manager: PMU
- Manager: Environmental Services
- Manager Disaster Management – Alternate Member

The representative from user departments are by invitation

3.14.4.1.4 Appeal Authority

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

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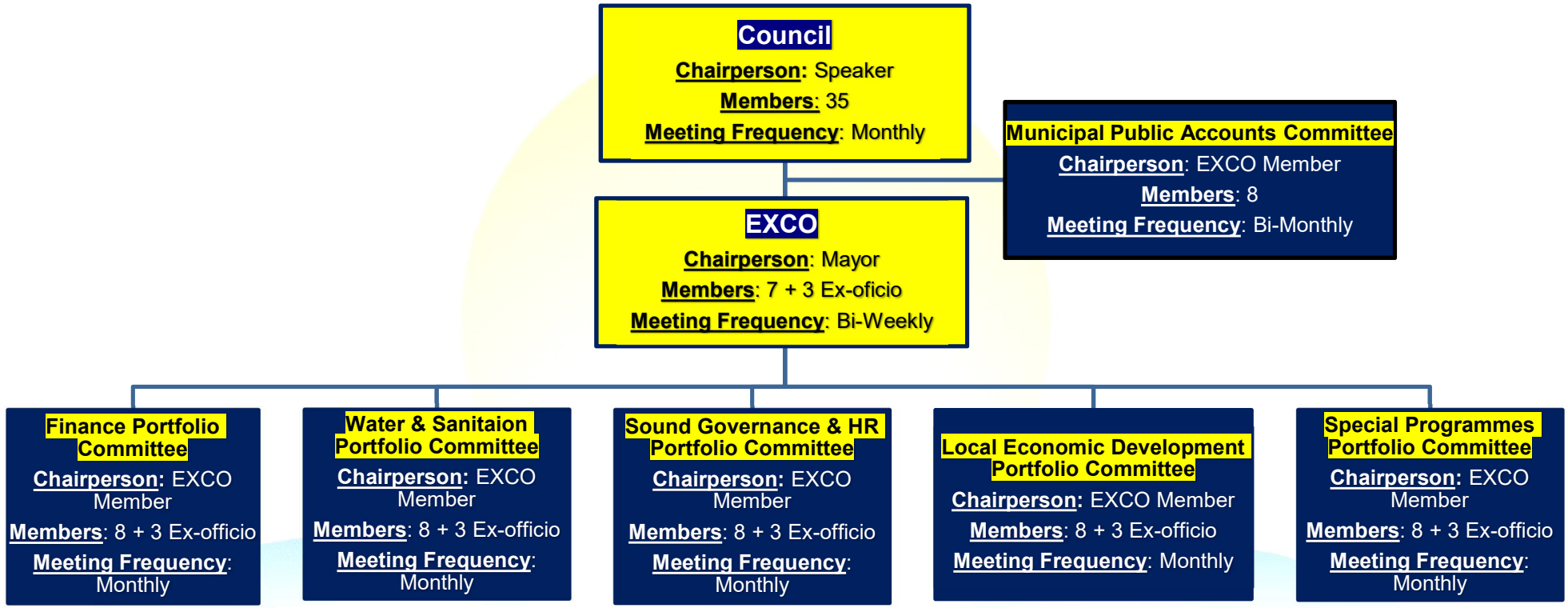


Figure 3.14.4.1: Ugu District Standing Committee Functionality *Source: Ugu Corporate Services, 2018*

3.14.5 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:

- 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

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information, operations, safeguarding of assets and compliance with laws, regulations and controls;

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

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.

3.14.5.1 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

3.14.5.2 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.

3.14.6 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.

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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.

3.14.6.1 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.

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3.14.7 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:

i. 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.

ii. 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.
iii. 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.
iv. Complaints Handling Procedure: It is in place and assists employees in dealing with the complaints received properly and meeting the turnaround times.
v. Community Outreach Programmes: These are in place and assist in educating communities about the services they receive, their rights and responsibilities.
vi. 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.

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vii. 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.

3.14.8 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.

3.14.9 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.

3.14.10 Annual Report

An annual report for the 2017/2018 financial year will be compiled and issued in terms of the Municipal Finance Management Act. The report will be made available to interested stakeholders.

The 2016 / 2017 Annual Report has been adopted by Council and been distributed to all the relevant stakeholders. The 2018 / 2019 IDP Review has taken into consideration the performance of the 2016 / 2017 financial year as well as the 2017 / 2018 financial mid-year performance.

3.14.11 Good Governance and Public Participation SWOT Analysis

The SWOT Analysis with regards to the Good Governance and Public Participation analyses is summarised below.

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Table 3.14.11.1: Good Governance and Public Participation SWOT Analysis

Strengths	Weaknesses
➢ Development of strategies and plans. ➢ Public participation Mechanisms ➢ Transparency ➢ Governance Structures are functional (Audit Committee, Council and Portfolio Committees etc). ➢ Political leadership and buy in	➢ Failure to implement strategies, plans, policies, and resolutions. ➢ Analysis and Follow-up is ineffective. ➢ Media reactions are more reactive than proactive. ➢ Emergence of unethical conduct ➢ Lack of employee accountability and consequence management. ➢ Media reactions are more reactive than proactive which results in poor corporate image.
Opportunities	**Threats**
➢ Technological Advancements ➢ Inter-Governmental Relations ➢ Local, National, and International ➢ Social Media platforms available for communication.	➢ Volatile political environment ➢ Socio-Economic Environment (Poverty and unemployment)

3.15 Combined SWOT 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 combined SWOT Analysis gives a summary overview.

Table 3.15.1: Combined SWOT Analysis

Strengths	Weaknesses
➢ Strategically located – gateway to Eastern Cape ➢ Wall – Wall Schemes ➢ Geographic Information's Systems ➢ Well-developed strategic development documents ➢ Environmental By-laws in place ➢ A Disaster Management Centre facility is available, and it is functional.	➢ Topography ➢ Limited land for development ➢ Limited rural development ➢ Settlement sprawl ➢ Implementation of strategic documents ➢ Lack of land use management mechanisms ➢ Biodiversity and Protected Areas

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Strengths	Weaknesses
➢ This facility is being upgraded and equipped to be utilized as a fully operational Disaster Management Centre which integrates multiple role players and agencies as well as an information management and communication system. ➢ A fully functional District Disaster Management Advisory Forum (DDMAF) and Practitioners Forum are well established in the Ugu Municipality. All major role players are represented in this forum and attend regular meetings where inputs are provided from all line function departments. ➢ Training and Development ➢ Functional Employee Assistance Programme ➢ Highly qualified and committed staff compliment ➢ Regular Driver training and testing ➢ Sound municipal systems in place (policies, fleet, auxiliary etc.) ➢ Functional Organisational Performance Management System ➢ Individual Performance Management System in place ➢ All section 54 / 56 post are filled ➢ Staff retention ➢ The coastal strip has good access to basic services ➢ Infrastructure Grant Expenditure availability to speed up backlog eradication ➢ Availability of fresh water resources (plans to undertake/ implement regional schemes) ➢ Good road infrastructure already in place ➢ Even spread of community facilities (reasonable access across the district)	➢ Environmental degradation ➢ National norm of 1:10 000 people not adhered to ➢ IDP credibility declining ➢ Lack of cooperation towards development (internally and externally) ➢ Non-completion of environmental management strategic tools ➢ Lack of capacity for disaster ➢ Management at a local municipal level which provides constraints to the district for the implementation of disaster management programs. ➢ Disaster management plans drafted by the local municipalities are not being implemented ➢ Staff capacity against the extent of disasters in our District e.g. fire services – the areas to vast to cover with the resources available ➢ Lack of Communication Management within the local municipalities ➢ Ageing vehicle fleet assets ➢ Fleet management system ➢ Employer – Employee Relations (Labour Unrest) ➢ Misplacement of Skills ➢ Understanding of Organisational Culture ➢ Understanding of Individual Performance Management System ➢ Enforcement of disciplinary and consequent management ➢ Document and records management ➢ Printing cost ➢ Disciplinary processes taking too long ➢ Unclear delegation of authority / power ➢ Succession planning ➢ Inadequate maintenance of infrastructure (reservoirs) ➢ Aged water and sanitation infrastructure ➢ Outdated Water and Sanitation Masterplan ➢ Lack of capacity of key treatment plants ➢ Historic haphazard infrastructure development in rural areas ➢ Basic services backlog concentration in the rural areas ➢ Below minimum standards No, Blue, and Green Drop scores ➢ Poorly organised waste minimisation and lack of integrated recycling system

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Strengths	Weaknesses
➢ Functional programmes with particular focus to Vulnerable Groups ➢ Adequate access to social facilities ➢ Good Community interventions ➢ Established NGOs with a focus on social development ➢ Stability of Budget and Treasury Office ➢ Financial management turnaround strategy in place. ➢ Critical managerial posts have been filled ➢ Development of strategies and plans. ➢ Public participation Mechanisms ➢ Transparency ➢ Governance Structures are functional (Audit Committee, Council and Portfolio Committees etc). ➢ Political leadership and buy in	➢ Limited access to public transport ➢ Outdated Integrated Transport Plan ➢ Limited telecommunications data for analysis ➢ Informal settlements ➢ Illegal Connections ➢ Social Development not given special priority in terms of resource allocation. ➢ Limited partnership with private sector ➢ Limited partnership with internal stakeholders ➢ Limited social programmes ➢ Non-compliance with MFMA – Policies and procedures ➢ Not fully MSCOA compliant ➢ No standard operating procedures for financial management. ➢ Misalignment of skills within the organisation. ➢ Inaccurate billing ➢ Lack of contracts management ➢ Inaccurate customer information's database ➢ Failure to implement strategies, plans, policies, and resolutions. ➢ Analysis and Follow-up is ineffective. ➢ Media reactions are more reactive than proactive. ➢ Emergence of unethical conduct ➢ Lack of employee accountability and consequence management. ➢ Media reactions are more reactive than proactive which results in poor corporate image.

Opportunities	Threats
➢ Densification ➢ Access to an accredited laboratory ➢ A Disaster Management Centre facility is available and is currently in use by the municipality. ➢ This facility will be upgraded and equipped to be utilized for both Disaster Management Fire and Rescue Services.	➢ Tenure security ➢ Rural Population Outmigration ➢ Climate Change ➢ Compromised community health as regular inspections cannot be conducted ➢ Disease outbreak

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Opportunities	Threats
➢ Bursary allocation to be aligned to critical skill (internally and externally) ➢ Satellite university / tertiary institutions ➢ Alternative water sources ➢ Alternative energy ➢ Forging partnership with Private Sector (taking advantage of available Corporate Social Investment) ➢ New innovative initiatives to address social ills ➢ Expansion of existing programmes to cover the whole district ➢ Potential for investment to enhance economic development and revenue collection. ➢ Larger Urban areas to enhance revenue ➢ Support from National and Provincial treasury and CoGTA ➢ Technological Advancements ➢ Inter-Governmental Relations ➢ Local, National, and International ➢ Social Media platforms available for communication.	➢ Non-Development, update, and implementation of DMPs by the local municipalities as the district plan should contain a consolidation of all the local plans. ➢ The same will apply when the various sector departments do not have their own disaster management plans in place which will create gaps in the capacity and readiness of the municipality and will leave the community vulnerable. ➢ Critical skills shortages ➢ High staff turnover ➢ Natural adversities such as droughts and flooding ➢ Urbanisation and rural population outmigration ➢ Immigration – the district is the Eastern Cape gateway to KZN, the arrival of people seeking better opportunities often further burdens the already stretched infrastructure. ➢ Non- cooperation from some Local Municipalities ➢ Social Inequality ➢ High Crime Rate ➢ High prevalence of HIV and Aids ➢ Social ills (Teenage pregnancy, drugs and substance abuse, gender-based violence) ➢ Duplication of Efforts/Initiatives ➢ Gateway to Eastern Cape and Ethekwini (inward migration) put burden on social resources ➢ Financial management trainings are not specific to the Treasury department. ➢ Under collection of revenue threatens cash flow. ➢ Non-performance of service providers ➢ Limited financial resources ➢ Volatile political environment ➢ Socio-Economic Environment (Poverty and unemployment)

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3.16 Key Challenges

The key challenges faced by the Ugu District Municipality as emanating from the Situational Analysis Chapter and the 2018 Organisational Strategic Planning session are detailed in Table 3.12.1 below.

Table 3.12.1: Ugu District Key Challenges Source: Ugu DM Strategic Planning Session, 2018

Key challenge	Description
Basic Service Delivery	
Non-Compliance with No drop	• Water loss management • Ageing infrastructure • Billing – no credible billing system to measure the amount of water we are selling which leads to un accounted water loss • Leakage management- rate of responding to leaks • Issue of educating our people about saving water
Non-Compliance with Green drop	The minimum score for Green Drop Certification is 90%. The current status for Ugu District Municipality is 72%.
Non-Compliance with Blue drop	The minimum score for Blue Drop Certification is 95%. The current status for Ugu District Municipality is 66%.
Illegal connections	The municipality has a challenge of illegal connection and tampering of meteres
Backlog management	The Ugu District Municipality has **175 146** households. A total of **21 018** has households has no access to quality drinking water and **54 295** households has no access to decent sanitation. The municipality has an enormous task to eradicate all the backlogs, however, due to current economic conditions there is not enough financial resource to eradicate these backlogs speedily. The municipality therefore, needs to have a plan that will spell out how the backlogs will be eradicated spelling out the timeframes. Furthermore, the plan will need talk to the total funding required to eradicate these backlogs. The municipality's Water and Sanitation Master Plan is out dates as it was last adopted in 2007. There is an urgent need for the municipality to review it Water and Sanitation Master Plan and develop a Backlog Study Plan.

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Key challenge	Description
Municipal Transformation & Organisational Development	
High Employee Related Costs	The norm for employee related costs as a percentage of total operating expenditure ratio is 35%. The current employee related cost as a percentage of total operating cost ratio of Ugu District Municipality is ___%. Furthermore, the employee related costs of Ugu District Municipality take 95.34% of internal revenue. This means without grants the municipality would not be able to sustain itself.
Disengaged Employees	The organisational culture assessment of the municipality has revealed that there is a challenge of disengaged employees. The disengaged employees are: ➢ **Complain** - Disengaged employees are always complaining. Nothing is ever good enough for them; ➢ **Gossip** - Gossip destroys morale and the team dynamic, and creates cliques within the organization; ➢ **Make Excuses** - Disengaged employees never take responsibility for their actions and always find an excuse; ➢ **Show No Growth** - Disengaged employees don't invest in themselves to add to their skills and growth within the organization; ➢ **Lack Enthusiasm** - When a new task or project comes, disengaged employees are always the least excited; ➢ **Don't Help Others** - They're always saying*It's not my job*, and are never willing to go above and beyond; ➢ **Lie** - Employees who lie and make up stories are really dangerous to the team; ➢ **Know-It-All** - Bad employees act like they know everything and are too good for whatever you have to say; ➢ **Irresponsible** - Bad employees often miss deadlines, are late for work and break their promises; ➢ **Don't Ask Questions** - Disengaged employees aren't interested enough to ask questions and learn new things; ➢ **Show No Initiative** - Good employees take initiative; bad employees just sit around waiting to be told what to do next; ➢ **Easily Distracted** - Good employees know how to stay focused; disengaged employees are easily distracted; ➢ **Independent** - Bad employees are set on working alone. A team needs collaboration to thrive.
Slow Implementation of Individual Performance Management (IPMS)	IPMS is designed to maximize outputs of individual managers in the work place. Furthermore, IPMS ensures accountability through assumption by all the participant managers in the IPMS process of full responsibility for their individual actions and conduct as well as a willingness and commitment to implement, abide by and communicate as necessary all measures and decisions during the process.

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Key challenge	Description
	The slow progress in the implementation of limits the productivity and accountability of the staff.
Bloated Organisational structure	The work study that was done in 2014 revealed that the organisational structure is bloated. One of the recommendations was to do placement which has also been a challenge.
Lack of Monitoring and Evaluation	Monitoring involves collecting, analysing and reporting on inputs, activities, outputs and outcomes in a way that supports effective management on an ongoing basis. Monitoring, aims to provide managers, decision-makers and other stakeholders with regular feedback on progress in implementation, results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected. Evaluation is a time-bound and periodic exercise that seeks to provide credible and useful information to answer specific questions to guide decision-making by staff/managers and policy-makers. Evaluation may assess relevance, effectiveness, efficiency, impact and sustainability of the institution and officials. In the Ugu District Municipality there is poor alignment of SDBIP performance with what is happening on the ground. Furthermore, there is no evidence that decision making is informed monitoring and evaluation tool.
Poor Recruitment Processes	The recruitment process takes too long which may have a negative effect on service delivery. Furthermore, the recruitment policy is not complied with sometimes.
Poor Conflict Resolution and Management	The Conflict management is the process of limiting the negative aspects of conflict while increasing the positive aspects of conflict. In the Ugu District Municipality there has been a number of employee conflicts which have been poorly managed or resolved.
Poor Manager and employee relations	The management and employees need to work together on common projects, services, an goals, with a meshing of functions and mutual support to be more effective. Poor manager and employee relations affects: ➢ The purpose, mission or main objective is not known and understood; ➢ Communication in the team is not open, direct and honest; ➢ Absence of leadership and willingness to be led; and ➢ Regular review of how well the unit or section is performing towards achieving its purpose cannot be done.

Key challenge	Description
Poor Time Management of Employees	The municipality is currently using attendance registers as time management tool. The poor time management of employees may lead to low productivity and wasteful expenditure. There is a need to explore an efficient time management of employee's tool or improvement of the current tool.
Lack of Skills Transfers	Skills transfer plays a pivotal role in ensuring organisational growth and in ensuring institutional memory. Furthermore, plays a role in employee development and motivation which in turn increases productivity. The lack of skills transfer can adversely affect service delivery i.e. if a manager leaves the municipality and no one in the section can fill the gap timeously for continued service provision.
Old Aging Fleet	Fleet Management plays a pivotal role in ensuring effective and efficient service delivery by ensuring viability of vehicles for service delivery. This role of Fleet Management is compromised by the challenge of old fleet which hive high mileage. This escalates the budget for operation and maintenance of vehicles as there constantly must go for repairs.
Clashing of Meetings	The municipality's secretariat unit on an annual basis draws up a schedule of Council and its committee meetings. All the other meetings need to be planned around this schedule. The challenge is that even though there is a schedule in place adopted by Council, the adhoc meetings continue to clash with the scheduled meeting.
Limited Office Space	There is an increasing demand for office space as the municipality recruits new employees. There is a challenge of hiring of human resources without the consideration of office plan (office space, etc).
High Security Costs	Security of municipal assets as well as employees is of high importance for the municipality. However, the current system of using warm bodies only to secure municipal asset is costing the municipality greatly. There is there a need to explore technologically advanced security measures versus warm bodies.
High Printing and Copying Costs	The municipality is still heavily reliant on paper system for meetings, recording keeping, etc. This is very costly for the municipality there is high level of wastage. Departments not taking responsibility with regards to cost cutting, e.g., printing, copies
Lack of Human Resource Capacity	There is a misplacement of skills in the Budget and Treasury Office. Furthermore, there is a challenge of skills balance within the LED Unit and skills transfer, training, etc is required.
Delegations of authorities of Ugu are not clear	Delegation of authorities ensure efficiency, effectiveness, and accountability. The current delegations of authorities for the municipality are not clear and as a result there is no accountability.

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Key challenge	Description
Local Economic Development	
Limited Scope of LED	The National LED Framework (2014-2019) as "a process involving the formation of new institutions, the development of alternative industries, the improvement of the capacity of existing employers to produce better products, the transfer of knowledge, the identification of new markets and the nurturing of new firms and enterprises." The framework further defines LED as "the process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation with the objective of building up an economic capacity of a local area to improve its economic future and the quality of life for all." The Ugu District Municipality seems to be focusing on the second definition and the task of the first definition are given to the Development Agency. There is a need to clarify the roles and responsibility of both the LED Unit and the Development Agency to ensure that the LED scope is widened.
Duplication of Resources and Efforts between Local and District LED Units	LED is a shared responsibility between all the three spheres of government. The district needs to play a coordinating role amongst the four local to ensure effective and effective use of the limited resources. There has been growing unhealthy competition between the district and the locals in the implementation of LED. This has led to duplication of efforts and uneven implementation of LED across the district which has a negative effect on the community. Furthermore, this hinders the district in playing it coordinative role.
High Levels of poverty, inequality and unemployment	The triple treat challenge is not just an Ugu challenge, but it is nationwide. The South African government as captured in the National Development Plan, is committed to eliminating poverty, inequality and unemployment. The Ugu District Municipality is also committed to eliminating poverty, inequality, and unemployment. The District need to develop clear strategies and programmes to address the triple treat challenge.
Unfavourable LED Environment	Creating favourable conditions for the growth and development of business enterprises by reducing risk and making it more foreseeable by: ➢ Increasing confidence levels of the public and private sector investors; ➢ Unlocking under-utilised resources; ➢ Reducing the establishment and operating costs of businesses;

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Key challenge	Description
	➢ Improving infrastructure; and ➢ Facilitating the provision of trained labour. High mortality rates of SMMEs and Cooperatives have been recorded because of unfavourable LED environment. The District and the Local Municipalities needs to explore ways of creating an enabling environment.
Poor Resourcing of LED	LED is often not viewed as a core by the municipality and thus, has been poorly resourced especially financially. Although there has been some improvement over the years there is a long way to go. More awareness campaigns need to be done to give LED the recognition it requires.
Unclear LED Mandate	There is a lack of common understanding of LED and what it should do. Furthermore, the district and its family of local municipalities does not one clear mandate when it comes to LED.
Municipal Financial Viability and Management	
Budget management and financial reporting	The Fruitless and Expenditure as a percentage of Total Operating Expenditure ratio norm is 0%. The current Ugu District Municipality ratio is more than 0%. With regards to financial reporting, there is some level of inaccurate reporting. There is a need of Ugu District Municipality to investigate how mSCOA affects budgeting processes and change financial reporting to be in line with mSCOA standards.
Supply chain management	The Irregular Unauthorised Expenditure as a percentage of Total Operating Expenditure ratio norm is 0%. The current Ugu District Municipality ratio is more than 0%. The ratio that exceeds the norm as is it is in the Ugu case, points is poor procurement planning. Furthermore, there is a lack of understanding that SCM must also facilitate economic transformation agenda and as a result there is no alignment
Revenue management	The norm for the Collection Rate is 95%. The current Ugu District Municipality Collection Rate is 79% for urban accounts and 12% for rural. The rate that is below the norm is an indication of performance in a number of areas, in the Ugu case these are: • **Quality of Credit Control** - there is poor management of debtors as a result the municipality is not collecting. As at 30 June 2017, the total outstanding debt was sitting at R 364 443 614.01 and 52.8% of that debt was over a year. • **Quality of Revenue Management** – there is a challenge with the structuring of tariffs as there is no cost recovery for water and sanitation provision.
Asset management	Issue of incorrect asset register, unbundling of infrastructure, asset replacement and management plan

District Municipality

Key challenge	Description
Non-compliance with MFMA	There is a lack of financial internal controls and processes
Expenditure management	The norm for the Creditors Payment Period Ratio is 30 days. Currently the ratio for Ugu District Municipality is more than 30 days. A period of longer than 30 days to settle creditors is normally an indication that the Municipality may be experiencing cash flow problems, however in certain instances this may be as a result of disputes, processing of payments, etc. In addition, a ratio that exceeds the norm indicates that the Municipality may not be adequately managing its Working Capital or that effective controls are not in place to ensure prompt payments.
Good Governance and Public Participation	
Poor Communications and stakeholder Engagements	The municipality has endured bad media publicity over the past few years which was mostly fuelled by the challenges that were experienced in water provision. The municipality's communication and stakeholder engagements were test and a couple of weaknesses were identified. What the communication analysis also found is that the communication field is vastly becoming digital and the municipality is lagging behind in this aspect. The internal communications standard practices are not adhered to which leads to miscommunication and communication breakdowns between departments. This has had an adverse effect on service delivery and has resulted in unnecessary delays in the implementation of projects and programmes. The external communication is urban biased and is limited in the hinterland. The main language of written communication is English which further marginalise the rural hinterland. Furthermore, there is no standard system in place to engage stakeholders and lack of stakeholder analysis. Customer services not being embraced internally but rather seen as an external service, there is no systems in place to ensure that this is being done. The communication strategy need to be reviewed to accommodate the rapidly changing communication environment. Customer satisfaction survey needs to be undertaken. The Batho Pele needs to be re-institutionalised as well.

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Key challenge	Description
Disintegrated Public Participation	Public participation is a key element of ensuring that the public is consulted and is involved in the running of the municipality. The current public participation mechanisms are not as effective as they should be. Furthermore, there is no standard coherent system followed by different municipal departments to consult the public. There is a need to review the Public Participation Strategy and explore new innovative public participation mechanisms. Revitalisation of ward committee engagements needs to also be explored.
Lack of Inter Departmental Collaboration	There is a lack of Internal partnerships in terms of projects being implemented for the community which result in duplication because departments are not talking to each other.
Unfavourable Environment for Civil Society Group to Participate in Municipal Structures	Most of the organised civil groups representative are unemployed. Due to the vastness of the district, travelling for these representatives become too expensive and they often have transport challenges. This limits the civil society participation and representation in the municipal structure. The challenge will be further exacerbated the cost cutting measures of the municipality. The organised civil groups representative that participate in the municipal structure will have to also bear the cost of providing own lunch.
Limited Information Communications Technology (ICT)	ICT plays a critical role in the vastly digitalising world. Technology is upgrading rapidly, and the district needs to keep up with the pace which is costly. Due to the current economic condition the ICT infrastructure budget is shrinking and that poses a huge challenge in the day to day running's of the municipality.
Cross Cutting Interventions	
Slow Intake of Management Trainees	There is human resource capacity challenge with regards to Disaster Management in the district. The District Disaster Management Unit is providing disaster management training to mitigate the challenge, however, the trainees are not absorbed by the local municipalities.
Limited Disaster Management Funding at a Local Level.	Emergency relief needs to be provided to victims of disasters that occur in the district. The challenge is that the budget for emergency relief is limited at the local level which places extra burden at the district level. Furthermore, this sometime causes unnecessary delays in providing victims with assistance.
Slow Housing Provision for Disaster Victims.	The housing provision for disaster victims is slow and as a result the victims don't get relief speedily. The process for disaster victims should be fast tracked by the Department of Humana Settlements.

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Key challenge	Description
Outdated and Insufficient environmental strategies	The IWMP is outdated, and is not directly aligned to the Integrated Waste Management Act of 2009. The Environmental Outlook Report needs to be developed.
Lack of commitment towards biodiversity management and community initiatives	The municipality needs to have a strategy to manage feral animals that threaten the domestic animals and invade the agricultural lands. The initiatives that are being implemented are not strategic and not sufficient. The municipality needs to commit funds to this course in order to ensure that the biodiversity does not negatively affect local economic development and food security initiative. Hence, the need for the Feral animal strategy needs to be prioritised.
Insufficient and inconsistent compliance with environmental requirements by Water Services projects	Compliance with EIA Regulations has improved over years with the new and existing developments. Compliance with the environmental authorisations conditions is still a serious challenge and needs compliance monitoring. Pollution of estuarine and riverine environments by municipal effluent is symptomatic of lack of compliance with environmental, health and wastewater regulation standards.

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4 CHAPTER 4: DEVELOPMENT STRATEGIES

UGu District Municipality held Strategic Planning Session for the development of the 2017 / 2018 to 2021 / 2022 Integrated Development Plan on the 20th – 21st October 2016 at The Estuary Hotel in Port Edward. The long-term vision and mission was developed.

The 2018 / 2019 review of the five IDP had to look at the progress that has been made to date and make the necessary adjustment to ensure that municipality remains on track to achieve the long-term vision.

3.2 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.

4.1 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?

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4.1.1 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.

4.1.2 Service or product 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.

4.1.3 Higher Level Benefits 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.

4.1.4 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.

4.1.5 Ugu District Municipality 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.

4.1.6 Stakeholders' interest in Ugu District Municipality

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.

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4.1.7 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.

4.1.8 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.

4.1.9 Expected Results

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:

- 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.

4.2 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.

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Table 4.2.1.1.: Alignment of Strategic Objectives Source: Ugu DM Strategic Planning Session, 2016

Code	KPA	PGDS Goal	DGDS Driver	Goal / Desired Outcome	S.O. No.	Strategic Objective
BSD	**Basic Service Delivery**	Strategic Infrastructure	Strategic Infrastructure Investment	Universal access to Basic Services	BSD 1	To increase access to adequate basic services
					BSD 2	To ensure access to free basic water
					BSD 3	To increase infrastructure capacity
				Compliance with No Drop	BSD 4	To reduce water loss
					BSD 5	To replace and maintain ageing infrastructure
				Minimum Blue Drop Score of 95%	BSD 6	To ensure compliance with access to quality drinking water standards
				Minimum Green Drop Score of 90%	BSD 7	To ensure compliance with decent sanitation standards
				Eradication of Illegal Connections	BSD 8	To reduce illegal connections
MTID	**Municipal Transformation and Institutional Development**	Human Resource Development	Education and Skills Development	Highly Motivated, Skilled, Productive and Disciplined Workforce	MTID 1	To optimise the workforce potential
					MTID 2	To improve skills and capacity of work force
			Institutional Development	Sound and Efficient Municipal Systems and Operations	MTID 3	To optimise systems and operations

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Code	KPA	PGDS Goal	DGDS Driver	Goal / Desired Outcome	S.O. No.	Strategic Objective
				Sound Performance, Monitoring and Evaluation Systems	MTID 4	To increase performance, monitoring and evaluation
GGPP	Good Governance and Public Participation	Governance and Policy	Institutional Development	Effective Governance and Leadership	GGPP 1	To strengthen Governance and Leadership
				Unqualified Audit with no Matters of Emphasis		
				Clean and Social Government	GGPP 2	To promote clean and social government
				Effective Communication and stakeholder involvement	GGPP 3	To strengthen communication and stakeholder relations
				Effective and integrated approach to Public participation	GGPP 4	To ensure integrated Public participation approach
LED	Local Economic Development	Inclusive Economic Growth	Sectoral Development and Support	Reduced Levels of poverty, inequality, and unemployment	LED 1	To improve job creation opportunities particularly to youth
					LED 2	To promote small businesses, Cooperatives and SMMEs

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Code	KPA	PGDS Goal	DGDS Driver	Goal / Desired Outcome	S.O. No.	Strategic Objective
				Enabling LED Environment	LED 3	To promote Sectoral development
					LED 4	To increase investment and development opportunities
					LED 5	To optimise tourism marketing and Development
		Human and Community Development	Safety Nets & Civic Empowerment	Effective Community Development	LED 6	To promote Special Vulnerable focus group development
					LED 7	To promote Youth Development
MFVM	**Municipal Financial Viability and Management**			Zero unauthorised, irregular expenditure	MFVM 1	To optimise expenditure
				Creditors paid within 30 days	MFVM 2	
				Zero fruitless and wasteful expenditure	MFVM 3	To strengthen budgeting and reporting
				100% compliance with all laws and regulations	MFVM 4	To ensure full compliance with MFMA
				100% accurate billing	MFVM 5	To improve revenue collection
				Reduction of overdue debt	MFVM 6	To optimise debt management
				GRAP compliant asset register	MFVM 7	To optimise Asset Management

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Code	KPA	PGDS Goal	DGDS Driver	Goal / Desired Outcome	S.O. No.	Strategic Objective
CCI	Cross Cutting Interventions	Environmental Sustainability	Environmental Sustainability	Effective Disaster prevention and management	CCI 1	To improve Disaster prevention and management
				Sustainable Environment	CCI 2	To promote a healthy, safe, and sustainability environment
					CCI 3	To enhance measures to reduce community exposure to diseases and health risk
		Spatial Equity	Spatial Integration and Facilitating Security of Tenure	Improved Planning and Coordination	CCI 4	To improve planning and coordination

4.3 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.

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4.3.1 Strategy Implementation

Table 4.3.1.1: Five Year Implementation Scorecard

Source: Ugu District Municipality Strategic Planning Session

IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
Basic Service Delivery																			
BSD 1.1	**Backlog management**	Universal access to Basic Services	To increase access to adequate basic services	BSD 1.1.1	Kwanyuswa Water Scheme - Phase 3 (AFA) MIS 194753	Capital/ Infrastructure/Existing/Renewal/Water supply infrastructure/reticulation	Water Management/core/water distribution	Area South West	Number of households with access to potable water.	152 377	175 146	22 769	7 500	1 500	1 500	1 500	1 500	1 500	WS
				BSD 1.1.2	Msikaba and Surrounds Water Supply Scheme			Area South											
				BSD 1.1.3	Kwaxolo Water Supply - Reticulation Supply (AFA) MIS 229775			Area South											
				BSD 1.1.4	Kwaxolo Water Supply - Bulk Supply (AFA) MIS 229750			Area South											
				BSD 1.1.5	Umtavuna Water Treatment Works Extension			Area South											
				BSD 1.1.6	Umzimkhulu Bulk Water Augmentation scheme			Area South											
				BSD 1.1.7	Mistake Farm Supply Scheme			Area South											
				BSD 1.1.8	Vulamehlo Cross-Border Water Scheme			Area North											
				BSD 1.1.9	KwaLembe Bulk Water Extension			Area North											
				BSD 1.1.10	Harding Weza Regional Bulk Water Supply(Bulk)			Area South West											
				BSD 1.1.11	Assisi to Morrison infill bulk main and reticulation			Area South											
				BSD 1.1.12	Mabheleni East Water Project			Area North											
				BSD 1.1.13	Mhlabatshane Regional Water Supply Scheme			Area North											
BSD 1.2				BSD 1.2.1	Bhobhoyi / Mkholombe Sanitation	Waste Water management/core/distribution	Water Management/core/Sewerage	Area South	Number of households with access to waterborne sanitation.	56 046	70 058	14 012	3 000	600	600	600	600	600	WS
				BSD 1.2.2	Kwalatshoda Water & Sanitation Project			Area South											
				BSD 1.2.3	Masinenge/uVongo Sanitation Project (AFA) MIS 229775			Area South											
				BSD 1.2.4	Pennington Waterborne Sanitation Project-Provision of Bulk Sewer & Reticulation Infrastructure			Area North											
				BSD 1.2.5	Malangeni Low Cost Housing Project			Area North											
				BSD 1.2.6	Umzinto Slum Clearance: Farm Isonti Low Cost Housing Water and Sanitation Scheme			Area North											
				BSD 1.2.7	Harding Sanitation scheme phase 3			Area South West											
BSD 1.3				BSD 1.3.1	Hibiscus Coast Sanitation Project	Waste Water management/core/distribution	Water Management/core/Sewerage	Area South	Number of households with access to VIP sanitation.	63 201	105 088	41 887	25 000	3000	3000	3000	3000	3000	WS
				BSD 1.3.2	Supply VIP toilets to the infills for the entire District.	Waste Water management/core/distribution	Water Management/core/Sewerage	Whole District											

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
BSD 2.1	Backlog management	Universal access to Basic Services	To ensure access to free basic water	BSD 2.1.1				Whole District	Number of households with access to free basic water.	152 377	175 146	22 769	174 877	153 877	153 877	161 377	167 377	174 877	TREA
BSD 2.2				BSD 2.2.1				Whole District	Number of indigents with access to free basic services.	9 268	28 829	19561	9 268	9 268	9 268	9 268	9 268	9 268	TREA
BSD 2.3				BSD 2.3.1				Whole District	Number of indigent assessment reviews conducted.	5	1 per annum	0	5	1	1	1	1	1	TREA
BSD 3.1			To increase infrastructure capacity	BSD 3.1.1	Upgrade of Nkonka Pumpstation, Dududu and Surrounding Infills	Capital/ Infrastructure/Existing/Renewal/Water supply infrastructure Destribution	Water Management/core/water distribution	Area North	Number of infrastructure upgrade and refurbishment	167	173	6	6	2	1	1	1	1	WS
				BSD 3.1.2	Kwahlongwa WTW upgrade			Area North											
				BSD 3.1.3	Sanitation Refurbishment Phase 1 - Port Edward to Park Rynie			Whole of the district											
				BSD 3.1.4	Umzinto Waste Water Treatment Works and Outfall Sewers Upgrade and Rehabilitation			Area North											
BSD 4.1			To reduce water loss	BSD 4.1.1	Repairs and Maintainence	Municipal Running Cost		Whole of the district	Average turnaround time in hours taken to repair water leaks	4hrs	4hrs	0	4hrs	4hrs	4hrs	4hrs	4hrs	4hrs	WS
BSD 4.2				BSD 4.2.1	DC21_ws/wat/cap/7_ Distribution Points-Replacement of Faulty Meters	Distribution Points		Whole of the district	Percentage reduction of non-revenue water	25	21%	4%	4%	0.50%	1%	2%	3%	4%	WS
BSD 5.1	No drop	Compliance with No Drop	To replace and maintain ageing infrastructure	BSD 5.1.1	Water Pipeline Replacements	Acquisitions - Outsourced	Core Function - Water Distribution	Whole of the district	Number of kilometres of water pipeline replaced	30	5 000	4 970	100	20	20	20	20	20	WS
				BSD 5.1.2	Water Pipeline Replacements (South Coast Pipeline Phase 2B to Malangeni Link)			Area North											
				BSD 5.1.3	Water Pipeline Replacements (Umdoni Reservoir to Sezela, Elysium, Mthwalume Link)														
BSD 5.2				BSD 5.1.4	Margate Sewer Pipeline Replacement		Core Function - Sewerage	Area South	Number of kilometres of sewer pipeline replaced										
BSD 6.1	Blue drop	Minimum Blue Drop Score of 95%	To ensure compliance with access to quality drinking water standards	BSD 6.1.1	Drinking Water Quality-Plant purification/	Drinking Water Quality-Plant purification /Laboratory Services - Water/Operational Revenue/ Core - Water Treatment	Core Function - Water Treatment	Whole of the district	Percentage of blue drop status achieved.	66%	95%	NA	95%					95%	WS
BSD 6.2				BSD 6.2.1					Number of water plants refurbished	0	17	17	3	6	10	14	17	WS	
BSD 7.1	Green drop	Minimum Blue Drop Score of 90%	To ensure compliance with decent sanitation standards	BSD 7.1.1	Drinking Water Quality-Plant purification/Laboratory Services - Water/Municipal Water Infrastructure Grant		Core Function - Waste Water Treatment	Whole of the district	Percentage of green drop status achieved.	72%	90%	NA	90%					90%	WS
BSD 7.2				BSD 7.2.1	Sanitation Refurbishment Phase 1 - Port Edward to Park Rynie	Acquisitions - Outsourced	Core Function - Sewerage	Area South	Number of wastewater treatment plants refurbished	0	17	17		2	5	9	14	19	WS
BSD 7.3				BSD 7.3.1	Repairs and Maintenance	Maintenance of Buildings and Facilities/ Water	Core Function - Waste Water Treatment	Whole of the district	Average turnaround time in hours taken to repair sewerage spillages.	24	24	0		24	24	24	24	24	WS

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
BSD 8.1	**Illegal connections**		To reduce illegal connections	BSD 8.1.1					Turnaround time taken for installation of water meters										
Municipal Transformation & Organisational Development																			
MTID 1.1	**Legislatively required KPIs**	Highly Motivated, Skilled, Productive and Disciplined Workforce	To optimise the workforce potential	MTID 1.1.1			Core Function - Administrative and Corporate Support	Whole of the District	Number of section 54/56 posts filled	5	5	NA	5	5	NA	NA	NA	NA	CS
MTID 1.2				MTID 1.2.1			Core Function - Administrative and Corporate Support	Whole of the District	Percentage overall compliance to the employment equity targets.	41%	49%	8%	49%	43%	46%	49%	49%	49%	CS
MTID 1.3	**Disengaged Employees**			MTID 1.3.1			Core Function - Administrative and Corporate Support	Whole of the District	Date fully-fledged EAP unit in place	NA	NA	NA	30 June 2020	NA	NA	30 June 2020	NA	NA	CS
MTID 1.4				MTID 1.4.1	Employee Wellness	Contractors - Employee Wellness	Core Function - Administrative and Corporate Support	Whole of the District	Number of Health and Wellness Programmes	4 per annum	4 per annum	NA	20	4	4	4	4	4	CS
MTID 1.5				MTID 1.5.1	Training and Development	Operational Cost - Bursaries (Employees); Operational Cost - Professional Bodies, membership & Subscriptions	Core Function - Administrative and Corporate Support	Whole of the District	Number of capacity building programmes conducted	4 per annum	4 per annum	NA	16	NA	4	4	4	4	CS
MTID 1.6				MTID 1.6.1	Team Building	Business and Advisory - Organisational	Core Function - Corporate Wide Strategic Planning (IDPs, LEDs)	Whole of the District	Number of organisational team building sessions held	NA	NA	NA	4	0	1	1	1	1	OMM
MTID 2.1	**Lack of Skills Transfers**		To improve skills and capacity of work force	MTID 2.1	Training and Development	Operational Cost - Bursaries (Employees); Operational Cost - Professional Bodies, membership & Subscriptions	Core Function - Administrative and Corporate Support	Whole of the District	Percentage of Training budget spent on implementing the workplace skills plan.	100%	100%	0%	100%	100%	100%	100%	100%	100%	CS
MTID 2.2				MTID 2.2					Number of Knowledge management sessions held	NA	NA	NA	8	NA	2	2	2	2	OMM

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
MTID 3.1	Legislatively required KPIs	Timeously updated policies	To optimise systems and operations	MTID 3.3.1			Core Function - Administrative and Corporate Support	Whole of the District	Number of Policies Reviewed, Formulated, and Adopted	0	82	82	82	16	16	16	16	18	All
MTID 3.2	Bloated Organisational structure	Needs based organogram		MTID 3.2.1			Core Function - Administrative and Corporate Support	Whole of the District	Number of review and rationalisation of organogram	NA	5	NA	1	1	1	1	1	1	CS
MTID 3.3				MTID 3.3.1			Core Function - Administrative and Corporate Support	Whole of the District	Number of Sourcing and Placement and Group Induction programmes done	2 per annum	2 per annum	NA	10	2	2	2	2	2	CS
MTID 3.4	Old Aging Fleet	Operational fleet and Upgraded fleet		MTID 3.4.1	_2017 / 2018 - 2021 / 2022_Transport Assets-vehicle replacement	Cost - Acquisitions	Core Function - Fleet Management	Whole of the District	Percentage Implementation of Fleet Replacement Plan	74%	100%	NA	100%	90%	100%	100%	100%	100%	CS
MTID 3.5				MTID 3.5.1	Fleet Management Services	Contractors - Maintenance of Equipment	Core Function - Fleet Management	Whole of the District	Percentage Implementation of Fleet Maintenance Plan	100%	100%	NA	100%	100%	100%	100%	100%	100%	CS
MTID 3.6				MTID 3.6.1	Fleet Management Services	Motor Vehicle Licencing & Registrations	Core Function - Fleet Management	Whole of the District	Percentage Implementation of Fleet Vehicle Licensing Plan	100%	100%	NA	100%	100%	100%	100%	100%	100%	CS
MTID 3.7				MTID 3.7.1			Core Function - Fleet Management	Whole of the District	Number of vehicles identification and assessment for disposal	1 per annum	1 per annum	NA	5	1	1	1	1	1	CS
MTID 3.8				MTID 3.8.1	Fleet Management Services	Motor Vehicle Licencing & Registrations	Core Function - Fleet Management	Whole of the District	Number of driver's licences and PDP's verification	1 per annum	1 per annum	NA	5	1	1	1	1	1	CS
MTID 3.9				MTID 3.9.1	Fleet Management Services	Seminars, Conferences, Workshops & Events	Core Function - Fleet Management	Whole of the District	Percentage Drivers referred for advanced driving course	0%	80%	NA	80%	5%	15%	40%	60%	80%	CS
MTID 3.10				MTID 3.10.1			Core Function - Fleet Management	Whole of the District	Percentage Fleet utilisation of disciplinary matters concluded within three months from the date of reporting	0%	100%	NA	100%	100%	100%	100%	100%	100%	CS
MTID 3.11				MTID 3.11.1			Core Function - Fleet Management	Whole of the District	Date feasibility Study on outsourcing fleet conducted	NA	NA	NA	30 June 2019	NA	30 June 2019	NA	NA	NA	CS

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
MTID 3.12	Limited Office Space	Sufficient office space	To optimise systems and operations	MTID 3.12.1	Auxiliary Running Costs	Contractors - Maintenance of Buildings & Facil	Core Function - Administrative and Corporate Support	Whole of the District	Number of sites where maintenance is completed as per Long-Term Building Maintenance Plan	13	433	420	249	22	34	48	64	81	CS
MTID 3.13				MTID 3.13.1	Municipal Offices- Disaster Management Centre Municipal Offices- Oslo Beach offices Municipal Offices - Renovations	Acquisitions - Outsourced	Core Function - Administrative and Corporate Support	Whole of the District	Number of Ugu sites Implemented in line with the Long-Term Office Accommodation Plan	3	6 per annum	NA	29	5	6	6	6	6	CS
MTID 3.14	High Security Costs	Optimised security management		MTID 3.14.1	Security Services	Outsourced Services - Security Services	Core Function - Administrative and Corporate Support	Whole of the District	Date needs security needs analysis conducted	NA	NA	NA	30-Jun-19	NA	30 June 2019	NA	NA	NA	CS
MTID 3.15				MTID 3.15	Security Services	Outsourced Services - Security Services	Core Function - Administrative and Corporate Support	Whole of the District	Number of sites installed with surveillance cameras	NA	NA	NA	12	NA	6	2	2	2	
MTID 3.16				MTID 3.16.1	Security Services	Outsourced Services - Security Services	Core Function - Administrative and Corporate Support	Whole of the District	Percentage Implementation of Security Management Checklist based on engagement sessions	N/A	100%	100%	100%	100%	100%	100%	100%	100%	CS
MTID 3.17	High Printing and	Paperless		MTID 3.17.1	Percentage Implementation of ICT Service Delivery Programmes	External Computer Service - Software Licences	Core Function - Administrative and Corporate Support	Whole of the District	Date paperless office system piloted for meetings	NA	NA	NA	30-Jun-19	NA	30 June 2019	NA	NA	NA	CS
MTID 4.1	Slow Implementation of Individual Performance	Fully functional IPMS	To increase performance, monitoring and evaluation	MTID 4.1.1	Organisational Performance Management System	Operational Cost (Achievements & Awards	Core Function - Administrative and Corporate Support	Whole of the District	Number of Departments that have fully cascaded IPMS for levels 1 - 6	1	5	4		5	5	5	5	5	ALL
MTID 4.2				MTID 4.2.1	Organisational Performance Management System	Operational Cost (Achievements & Awards	Core Function - Administrative and Corporate Support	Whole of the District	Number of Level 1 - 6 Employees with Work Plans Developed	0	159 per annum	159 per annum	795	159	159	159	159	159	ALL
MTID 4.3	Lack of Monitoring and Evaluation	Improved accountability		MTID 4.3.1	_17/18_Performance Management PMS	Municipal Activities	Core Function - Corporate Wide Strategic Planning (IDPs, LEDs)	Whole of the District	Number of OPMS Frameworks Developed	1 per annum	1 per annum	NA	5	1	1	1	1	1	OMM
MTID 4.4				MTID 4.4.1		Operational Cost - Hire Charges			Number of OPMS quarterly performance reviews conducted	4 per annum	4 per annum	NA	20	4	4	4	4	4	OMM
MTID 4.5				MTID 4.5.1					Number of section 54/56 Managers with signed performance contracts	5 per annum	5 per annum	NA	25	5	5	5	5	5	OMM
MTID 4.6				MTID 4.6.1		Operational Cost - Printing, Publications and Books			Number of Annual Reports Developed and Approved	1 per annum	1 per annum	NA	5	1	1	1	1	1	All

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project ID	Project Name	Project Segment	Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets 2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	Responsibility
Local Economic Development																			
LED 1.1	**High Levels of poverty, inequality, and unemployment**	Reduced Levels of poverty, inequality, and unemployment	To improve job creation opportunities particularly to youth	LED 1.1.1	Project - Expanded Public Works Programme	Consumables - Standard Rated	Non-core Function - Population Development	Whole of the District	Number of Jobs created through LED and EPWP projects.	180	Data Not Available	Data Not Available	3 450	200	450	700	950	1 150	All
						Contractors - Maintenance of Equipment													
						Operational Cost - Uniform and Protective Clothing													
						Business and Advisory - Project Management													
				LED 1.1.2	Poverty Alleviation - Community Development Initiatives	Consumables - Standard Rated													
						Operational Cost - Municipal Services													
						Inventory Consumed - Materials and Supplies													
						Cost - Transfers Made													
				LED 1.1.3	Unemployed Graduate Programmes	Operational Cost - Learnerships and Internships													
				LED 1.1.4	Internship Programmes														
				LED 1.1.5	Financial Management Internship Programme														
LED 2.1			To promote small businesses, Cooperatives and SMMEs	LED 2.1	SMME Support and Development	Business and Advisory - Business and Financial Management	Core Function - Corporate Wide Strategic Planning (IDPs, LEDs)	Whole of the District	Number of SMMEs, cooperatives, and informal business sector trained and supported.	160	NA	NA	450	30	60	90	120	150	EDES
				LED 2.2	Creative Industry Development Program	Contractors - Artists and Performers													
LED 3.1	**Unfavourable LED Environment**	Enabling LED Environment	To promote Sectoral development	LED 3.1.1	Agricultural Development	Inventory Consumed - Materials and Supplies		Whole of the District	Number of Agricultural Development Initiatives Implemented	27 per annum	6 per annum	NA	30	6	6	6	6	6	EDES
LED 3.2				LED 3.2.1	Clothing & Textiles	Inventory Consumed - Materials and Supplies		Whole of the District	Number of Manufacturing Development Initiatives Implemented	12	NA	NA	20	2	3	5	5	5	EDES
					Block and Furniture Manufacturing Support														
					Bakery Support Programme			Whole of the District											

Ugu District Municipality

IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
LED 3.3	Unfavourable LED Environment	Enabling LED Environment	To promote Sectoral development	LED 3.3.1	Renewable Energy	Operational Cost - Supplier Development Programme	Core Function - Economic Development/Planning	Whole of the District	Number of Green Economy Initiatives Implemented	0	NA	NA	6	0	0	1	2	3	EDES
LED 3.4				LED 3.4.1					Number of Maritime Development Initiatives Implemented	0	NA	NA	5	0	0	1	2	2	EDES
LED 3.5				LED 3.5.1					Number of Mining Development Initiatives Implemented	0	NA	NA	3	0	0	1	1	1	EDES
LED 3.6				LED 3.6.1	Economic Impact Study	Business and Advisory - Research and Advisory	Core Function - Corporate Wide Strategic Planning (IDPs, LEDs)	Whole of the District	Number of Research and Development Initiative Implemented	4 per annum	4 per annum	NA	20	4	4	4	4	4	EDES
					Ugu Jazz Festival Study		Core Function - Corporate Wide Strategic Planning (IDPs, LEDs)	Whole of the District											
					Ugu Bike Fest Study		Core Function - Corporate Wide Strategic Planning (IDPs, LEDs)	Whole of the District											
					LED Strategy Review		Core Function - Development Facilitation	Whole of the District											
LED 4.1			To increase investment and development opportunities	LED 4.1.1	Ugu South Coast Development Agency	Operational Cost - Municipal Services	Non-core Function - Regional Planning and Development	Whole of the District	Number of business stakeholders coordinated	160	NA	NA	150	30	30	30	30	30	EDES
LED 4.2				LED 4.2.1					Number of Public / Private partnership secured	New	NA	NA	25	5	5	5	5	5	USCDA
LED 4.3				LED 4.3.1					Number of investment opportunities attracted	New	NA	NA	25	5	5	5	5	5	USCDA
LED 5.1			To optimise tourism marketing and Development	LED 5.1.1	Tourism Development - Tourism promotion and development	Operational Cost - Municipal Services	Core Function - Corporate Wide Strategic Planning (IDPs, LEDs)	Whole of the District	Sustain and develop operations of district wide Visitor Information Centres (VIC's)	New	NA	NA	25	5	5	5	5	5	USCDA
LED 5.2				LED 5.2.1					Sustain and develop operations of district wide Visitor Information Centres (VIC's)	New	NA	NA	100%	100%	100%	100%	100%	100%	USCT
LED 5.3				LED 5.3.1					To contribute to the growth in the District tourism economy through visitor volume growth and the application of a Marketing Action Plan (MAP)	New	NA	NA	100%	100%	100%	100%	100%	100%	USCT

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
LED 5.4	**Unfavourable LED Environment**	Enabling LED Environment	To optimise tourism marketing and Development	LED 5.4.1					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%	100%	USCT
LED 5.5				LED 5.5.1					Percentage initiatives taken to ensure effective awareness of socio-economic conditions through tourism	New	NA	NA	100%	100%	100%	100%	100%	100%	USCT
LED 5.6				LED 5.6.1					Percentage initiatives taken to capacitate people for sustaining livelihoods through tourism	New	NA	NA	100%	100%	100%	100%	100%	100%	USCT
LED 5.7				LED 5.7.1					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%	100%	USCT
LED 5.8				LED 5.8.1					Percentage initiatives taken to develop unique and sustainable tourism products and events	New	NA	NA	100%	100%	100%	100%	100%	100%	USCT
LED 5.9				LED 5.9.1					Percentage initiatives taken to ensure that DM/LM coastal management / development projects are activated	New	NA	NA	100%	100%	100%	100%	100%	100%	USCT
LED 5.10				LED 5.10.1					Percentage initiatives taken to create an enabling environment for tourism investment	New	NA	NA	100%	100%	100%	100%	100%	100%	USCT
LED 5.11				LED 5.11.1					Percentage initiatives taken to ensure that tourism support infrastructure is adequately provided and/or maintained	New	NA	NA	100%	100%	100%	100%	100%	100%	USCT
LED 6.1	**Legislatively required KPIs**	Effective Community Development	To promote Special Vulnerable focus group development	LED 6.1.1	Community Development Initiatives - OPERATION SUKUMA SAKHE HIV/AIDS Programme- Support for HIV Related Programmes Disability Programme Senior Citizen Programme Gender Programme Right of A Child Farm Worker	Business and Advisory - Project Management	Non-core Function - Population Development	Whole of the District	Number of Functional Vulnerable Groups Programmes	6 per annum	7 per annum	NA	35	7	7	7	7	7	OMM

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
LED 7.1	Legislatively required KPIs	Effective Community Development	To promote Youth Development	LED 7.1.1	Youth Development- Leadership Camp	Business and Advisory - Project Management	Non-core Function - Population Development	Whole of the District	Number of Leadership Development Programmes Implemented	New	NA	NA	36	2	4	6	8	10	OMM
LED 7.2				LED 7.2.1	Youth Support Programmes	Social Assistance - Grant in Aid	Non-core Function - Population Development	Whole of the District	Number of Social Cohesion Programmes Implemented	New	NA	NA	36	2	4	6	8	10	OMM
					Mandela Day	Consumables - Standard Rated													
					Queen of High Schools														
					Youth Awards	Contractors - Event Promoters													
LED 7.3				LED 7.3.1	Education - Career Exhibition	Business and Advisory - Project Management	Non-core Function - Population Development	Whole of the District	Number of Education, Training, and Skills Development Programmes Implemented	New	NA	NA	65	5	9	13	17	21	OMM
					Education - Education Indaba														
LED 7.4				LED 7.4	Youth Economic Transformation - Small Business Support Programme		Non-core Function - Population Development	Whole of the District	Number of Economic Development and Transformation Programmes Implemented	New	NA	NA	60	4	8	12	16	20	OMM
LED 7.5				LED 7.5.1	Art and Culture- Establishment of Ugu Music House	Contractors - Event Promoters	Non-core Function - Population Development	Whole of the District	Number of Health and Social Well-Being Programmes Implemented	New	NA	NA	30	2	4	6	8	10	OMM
LED 7.6				LED 7.6.1					Number of Arts and Culture Programmes Implemented	New	NA	NA	105	7	14	21	28	35	OMM
LED 7.7				LED 7.7.1	Sport Development - Mayoral Games	Consumables - Standard Rated	Non-core Function - Population Development	Whole of the District	Number of Sport and Recreation Programmes Implemented	New	NA	NA	75	5	10	15	20	25	OMM
					Sport Development - SALGA Games														
					Sport Development - Indigenous Games														
Municipal Financial Viability and Management																			
MFVM 1.1	**Supply chain management**	Zero unauthorised, irregular expenditure	To optimise expenditure	MFVM 1.1.1					Percentage unauthorised, irregular expenditure	1.50%	0%	1.50%	0%	0%	0%	0%	0%	0%	TREA
MFVM 1.2				MFVM 1.2.1					Average turnaround in time and days taken to finalise a tender.	90 days	75 days	15 days	75 days	90 days	85 days	80 days	75 days	75 days	TREA
MFVM 2.1	**Expenditure management**	Creditors paid within 30 days		MFVM 2.1.1					Improve Cost coverage ratio.	3 months	3 months	O months	3 months	3 months	3 months	3 months	3 months	3 months	TREA
MFVM 2.2				MFVM 2.2.1					Percentage of Municipal Infrastructure grants actually spent.	99.30%	100%	0.70%	100%	100%	100%	100%	100%	100%	TREA
MFVM 2.3				MFVM 2.3.1					Percentage of OPEX actually spent against budget.	94.91%	100%	5.09%	100%	100%	100%	100%	100%	100%	TREA
MFVM 2.4				MFVM 2.4.1					Percentage of CAPEX actually spent against budget.	88.90%	100%	11.10%	100%	100%	100%	100%	100%	100%	WS
MFVM 2.5				MFVM 2.5.1					Percentage of capital budget spent on capital infrastructure assets.	100%	100%	0%	100%	100%	100%	100%	100%	100%	TREA
MFVM 2.6				MFVM 2.6.1					Percentage of creditors paid within 30 days	95%	100%	5.00%	100%	96%	97%	98%	98%	100%	TREA

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
MFV M 3.1	**Budget management and financial reporting**	Zero fruitless and wasteful expenditure	To strengthen budgeting and reporting	MFVM 3.1.1					Fruitless and wasteful expenditure as a total of operating expenditure	2.0%.	1.50%	0.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	TREA
MFV M 3.2				MFVM 3.2.1					Percentage allocated to free basic services.	51.70%	100%	48.30%	80%	60%	65%	70%	75%	80%	TREA
MFV M 3.3				MFVM 3.3.1					Percentage of repairs and maintenance budget actually spent.	6.79%	7.00%	0.21%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	TREA
MFV M 3.4				MFVM 3.4.1					Number of reports submitted to Council, Treasury and COGTA in terms of the MFMA calendar of reporting.	12 per annum	12 per annum	0	60	12	12	12	12	12	TREA
MFV M 3.5				MFVM 3.5.1					Percentage of support calls resolved within a month	70%	100%	0%	100%	80%	85%	90%	95%	100%	TREA
MFV M 3.6				MFVM 3.6.1					Improve the Liquidity ratio of the Municipality	01:01	1.5:1	0.05	1.5:1	01:01	1.1:1	1.15:1	1.3:1	1.5:1	TREA
MFV M 4.1	**Non-compliance with MFMA**	100% compliance with all laws and regulations	To ensure full compliance with MFMA	MFVM 4.1.1					100 % compliance with laws and regulations governing finance and updated checklist	100%	100%	100%	100%	100%	100%	100%	100%	100%	TREA
MFV M 5.1	**Revenue management**	100% accurate billing	To improve revenue collection	MFVM 5.1.1					Percentage urban accounts billed accurately	100%	100%	100%	100%	100%	100%	100%	100%	100%	TREA
MFV M 5.2				MFVM 5.2.1					Percentage rural accounts billed accurately	100%	100%	100%	100%	100%	100%	100%	100%	100%	TREA
MFV M 6.1		Reduction of overdue debt	To optimise debt management	MFVM 6.1.1					Percentage reduction of debtors in excess of 90 days	10%	85%	75%	5%	5%	5%	5%	5%	5%	TREA
MFV M 6.2				MFVM 6.2.1					Percentage of revenue actually collected from debtors against total billed.	76%	85%	9%	85%	85%	85%	85%	85%	85%	TREA
MFV M 6.3				MFVM 6.3					Improve Debt coverage ratio.	27%	45%	18%	45%	30%	35%	40%	45%	45%	TREA
MFV M 7.1	**Asset management**	GRAP compliant asset register	To optimise Asset Management	MFVM 7.1.1					Number of Movable/ Immovable Asset Verifications conducted	4 per annum	20 per annum	0		4	4	4	4	4	TREA
MFV M 7.2				MFVM 7.2.1					Number of Updated Asset Registers	12 per annum	12 per annum	0		12	12	12	12	12	TREA
MFV M 7.3				MFVM 7.3.1					Number of Disposal of assets by public auction	1	NA	NA	10	2	2	2	2	2	TREA
MFV M 7.4				MFVM 7.4.1					Percentage insurance cover for municipal insurable assets	100%	100%	0		100%	100%	100%	100%	100%	TREA
MFV M 7.5				MFVM 7.5.1					Number of Assets Indaba created (Improved Internal Controls)	0	NA	NA	5	1	1	1	1	1	TREA

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
Good Governance and Public Participation																			
GGP P 1.1	Legislatively required KPIs	Effective Governance and Leadership	To strengthen Governance and Leadership	GGPP 1.1.1					Number of Council and its committee meetings held.	10 per annum	10 per annum	0	100	10	10	10	10	10	CS
GGP P 1.2				GGPP 1.2.1					Percentage of full Council resolutions implemented.	100%	100%	0	100%	100%	100%	100%	100%	100%	All
GGP P 1.3				GGPP 1.3.1	Inter-Governmental Relations (IGR) Progr	Seminars, Conferences, Workshops and Events - National	Core Function - Support to Local Municipalities	Whole of the District	Number of IGR Structures functional	4	4 per annum	0	20	4	4	4	4	4	All
GGP P 1.4				GGPP 1.4.1					Percentage Back to basics functional categorization score	75 – 100%	75 – 100%	0	75 – 100%	75 – 100%	75 – 100%	75 – 100%	75 – 100%	75 – 100%	OMM
GGP P 1.5				GGPP 1.5.1					Date municipal key events calendar developed	0	1	NA	4	NA	1	1	1	1	OMM
GGP P 1.6	Legislatively required KPIs	Unqualified audit with no matters of emphasis		GGPP 1.6.1					Percentage of Audit findings resolved.	75%	100%	25%	95%	80%	85%	90%	95%	95%	All
GGP P 1.7				GGPP 1.7.1	Internal Audit Outsourced Assignments	Outsourced Services - Internal Auditors	Core Function - Governance Function	Whole of the District	Percentage implementation of the internal audit plan.	100%	100%	0	100%	100%	100%	100%	100%	100%	OMM
GGP P 1.8				GGPP 1.8.1					Percentage of risks mitigation recommendations implemented.	80%	70%	0	80%	80%	80%	80%	80%	80%	All
GGP P 1.9				GGPP 1.9.1					Number of Unqualified audit with no matters of emphasis achieved from the Auditor General.	1 per annum	1 per annum	NA	4	-	1	1	1	1	All
GGP P 2.1	Legislatively required KPIs	Clean and social government	To promote clean and social government	GGPP 2.1.1	Anti-Fraud - Whistle Blowers	Business and Advisory - Accounting and Auditing	Core Function - Governance Function	Whole of the District	Number of Anticorruption awareness campaigns co-ordinated.	15	15	0	15	3	3	3	3	3	OMM
GGP P 3.1	Poor Communications and stakeholder Engagements	Effective Communication and stakeholder involvement	To strengthen communication and stakeholder relations	GGPP 3.1.1					Number of Customer satisfactory surveys conducted.	1	5	NA	4	0	1	1	1	1	OMM
GGP P 3.2				GGPP 3.2.1					Number of stakeholder engagement meetings held.	12 per annum	12 per annum	NA	60	12	12	12	12	12	OMM
GGP P 3.3				GGPP 3.3.1	Communication Strategy Newsletter	Outsourced Services - Researcher Outsourced Services - Translators, Scribes and Editors	Core Function - Municipal Manager, Town Secretary and Chief Executive	Whole of the District	Review and implement communication strategy	0	1 per annum	NA	4	0	1	1	1	1	OMM

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
GGPP 3.4	Poor Communications and stakeholder Engagements	Effective Communication and stakeholder involvement	To strengthen communication and stakeholder relations	GGPP 3.4.1	Batho Pele - SDIP	Contractors - Graphic Designers	Core Function - Mayor and Council	Whole of the District	Percentage implementation of Batho Pele Strategy	100%	100%	0%	100%	100%	100%	100%	100%	100%	OMM
					Batho Pele	Operational Cost - Printing, Publications and Books													
					Batho Pele Programmes	Outsourced Services - Call Centre	Non-core Function - Marketing, Customer Relations, Publicity and Media Co-ordination	Whole of the District											
						Operational Cost - Achievements and Awards													
GGPP 3.5				GGPP 3.5.1	Communication - Press releases	Advertising, Publicity and Marketing - Corporate and Municipal Activities			Number of proactive media statements and press releases	0	24 per annum	NA	120	24	24	24	24	24	OMM
GGPP 3.6				GGPP 3.6.1	Radio Slots	Business and Advisory - Communications			Number of radio slots secured	0	4 per annum	NA	20	4	4	4	4	4	OMM
GGPP 3.7				GGPP 3.7.1	Communication - Memorabilia	Advertising, Publicity and Marketing - Corporate and Municipal Activities			Number of corporate memorabilia / branding items produced	0	5 per annum	NA	25	5	5	5	5	5	OMM
GGPP 3.8				GGPP 3.8.1	Media Contracts	Advertising, Publicity and Marketing - Customer/ Client Information			Percentage of municipal events profiled	0	100%	NA	100%	100%	100%	100%	100%	100%	OMM
GGPP 3.9	Limited Information Communications Technology (ICT)			GGPP 3.9.1	Computer Equipment AA	Cost - Acquisitions	Core Function Information Technology	Whole of the District	Commission ICT Facilities and Infrastructure	N/A	4 per annum	N/A	16	4	0	4	4	4	CS
GGPP 3.10				GGPP 3.10.1	Percentage Implementation of ICT Service Delivery Programmes	Municipal Running Costs	Core Function Information Technology	Whole of the District	Reporting on ICT Service continuity	100%	100%	0	100%	100%	100%	100%	100%	100%	CS
GGPP 3.11				GGPP 3.11.1	Percentage Implementation of ICT Service Delivery Programmes	Municipal Running Costs	Core Function Information Technology	Whole of the District	ICT Governance Framework and Charter reviewed and implemented	100%	100%	0%	100%	100%	100%	100%	100%	100%	CS
GGPP 3.12				GGPP 3.12.1	Percentage Implementation of ICT Service Delivery Programmes	Municipal Running Costs	Core Function Information Technology	Whole of the District	Implement ICT Programmes such as; Monitoring of Network operations, Licencing management, Website compliance and development of SOP's	N/A	5 per annum	25	5	5	5	5	5	5	CS

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
GGPP 4.1	Disintegrated Public Participation	Effective and integrated approach to Public participation	To ensure integrated Public participation approach	GGPP 4.1.1	Non-core Function - Population Development	Advertising, Publicity and Marketing - Corporate and Municipal Activities	Non-core Function - Population Development	Whole of the District	Number of public participation programmes co-ordinated.	9	10 per annum	NA	49	9	10	10	10	10	OMM
GGPP 4.2				GGPP 4.2.1					Date Centralisation of Public participation initiatives to Public Participation Office done	New	NA	NA	31-Dec-19	NA	31-Dec-19	NA	NA	NA	OMM
GGPP 4.3				GGPP 4.3.1					Date Public Participation standard operating procedures developed	New	NA	NA	31-Dec-19	NA	31-Dec-19	NA	NA	NA	OMM
Cross Cutting Interventions																			
CCI 1.1	Lack of capacity for disaster	Environmental Sustainability	To improve Disaster prevention and management	CCI 1.1.1	Number of Coordinated Disaster Risk Reduction initiatives	Seminars, Conferences, workshops & Events	Non-core function Disaster Management	Whole of the District	Number of Integrated Institutional Capacity for Disaster Risk Reduction programmes conducted	2 per annum	2 per annum	0	10	2	2	2	2	2	CS
CCI 1.2	Management at a local municipal level which provides constraints to the district for the implementation of disaster management programs.			CCI 1.2.1	Disaster Risk Assessment	Outsourced Services - Fire Services	Non-core function firefighting and protection	Whole of the District	Number of Disaster Risk Assessments conducted	4 per annum	4 per annum	0	20	4	4	4	4	4	CS
CCI 1.3				CCI 1.3.1	Number of Coordinated Disaster Risk Reduction initiatives	Seminars, Conferences, workshops & Events	Non-core function Disaster Management	Whole of the District	Number of Coordinated Disaster Risk Reduction initiatives	15 per annum	23 per annum	0	111	23	22	22	22	22	CS
CCI 1.4				CCI 1.4.1	Turnaround time to respond to disasters	Inventory Consumed - Materials and Supplies	Non-core function Disaster Management	Whole of the District	Turnaround time to Disaster response and recovery	24hours	24hours	0	24hours	24hours	24hours	24hours	24hours	24hours	CS
CCI 1.5				CCI 1.5.1	Capacity Building Disaster & Fire	Bossiness & Advisory	Non-core function firefighting and protection	Whole of the District	Number of Milestones achieved on the Implementation of Fire and Rescue Strategy	1 per annum	1 per annum	N/A	5	1	1	1	1	1	CS

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
CCI 2.1	Insufficient community involvement on environmental issues	Environmental Sustainability	To promote a healthy, safe, and sustainability environment	CCI 2.1.1	Capacity Building Environmental Health Education Environmental Education, Awareness and Training	Workshops, Seminars and Subject Matter Training	Core Function - Development Facilitation	Whole of the District	Number of environmental and health Awareness Initiatives conducted.	795	1000	NA	250	50	50	50	50	50	EDES
CCI 2.2				CCI 2.2.1	Air Quality Management Plan Implementation Climate Change Response	Business and Advisory - Project Man. Outsourced Services - Alien Vegetation Control	Core Function - Pollution Control	Whole of the District	Number of environmental management Programmes implemented.	1 per annum	1 per annum	NA	5	1	1	1	1	1	EDES
CCI 2.3	Outdated and Insufficient environmental strategies			CCI 2.3.1					Date Invasive alien species control plan developed	New	30-Jun-18	NA	30-Jun-18	30-Jun-18	NA	NA	NA	NA	EDES
CCI 2.4				CCI 2.4.1					Date Environmental outlook report developed	New	30-Jun-20	NA	30-Jun-20	NA	NA	30-Jun-20	NA	NA	EDES
CCI 2.5				CCI 2.5.1					Date Integrated Waste Management Plan Reviewed	Oct-12	30-Jun-19	NA	30-Jun-19	NA	30-Jun-19	NA	NA	NA	EDES
CCI 2.6	Lack of commitment towards biodiversity management and community initiatives			CCI 2.6.1	Biodiversity and Environmental Protection Integrated Environmental Management	Outsourced Services - Alien Vegetation Control Business and Advisory - Project Management Business and Advisory - Research and Advisory	Core Function - Biodiversity and Landscape	Whole of the District	Number of Biodiversity and Environmental Protection Initiatives planned and Implemented	1	2	NA	2	1	NA	1	NA	NA	EDES
CCI 2.7				CCI 2.7.1					Percentage of projects implemented in line with EMPr	50%	100%	50%	100%	100%	100%	100%	100%	100%	EDES

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
CCI 3.1	**Late notifications in terms of diseases**	Environmental Sustainability	To enhance measures to reduce community exposure to diseases and health risk	CCI 3.1.1	Premises Surveillance	Operational Cost - Municipal Services	Core Function - Town Planning, Building Regulations and Enforcement, and City Engineer	Whole of the District	Number of Health inspections conducted.	700	0	0	6 000	1000	1 100	1 200	1 300	1 400	EDES
							Core Function - Cemeteries, Funeral Parlours and Crematoriums												
							Core Function - Community Halls and Facilities												
							Core Function - Child Care Facilities												
							Core Function - Aged Care												
					Public Protection and Safety-Health and Hygiene-PHAST Methodology		Core Function - Town Planning, Building Regulations and Enforcement, and City Engineer												
CCI 3.2				CCI 3.2.1	Communicable Disease Surveillance and Control	Operational Cost - Municipal Services	Core Function - Health Surveillance and Prevention of Communicable Diseases including immunizations	Whole of the District	Number of Environmental Health Risks Investigations conducted.	100%	0%	0%	100%	100%	100%	100%	100%	100%	EDES

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
CCI 3.3	**Inaccurate information regarding spillages etc.**	Environmental Sustainability	To enhance measures to reduce community exposure to diseases and health risk	CCI 3.3.1	Drinking Water Quality-tankers	Operational Cost - Samples and Specimens	Core Function - Laboratory Services	Whole of the District	Number of Water Monitoring Initiatives Implemented	1320	0	0	7 250	1 350	1 400	1 450	1 500	1 550	EDES
					Municipal Health Service-Boreholes		Core Function - Waste Water Treatment												
					Drinking Water Quality-Waste Water Treatement Works		Core Function - Water Treatment												
					Drinking Water Quality-River	Consumables - Zero Rated													
					Municipal Health Service	Operational Cost - Municipal Services	Core Function - Laboratory Services												
					Drinking Water Quality-Waste Water Treatement Works	Operational Cost - Samples and Specimens	Core Function - Water Treatment												
CCI 4.1	**IDP credibility declining**	Improved planning and coordination	To improve planning and coordination	CCI 4.1.1	IDP Planning and Revision	Business and Advisory - Organisational	Core Function - Corporate Wide Strategic Planning (IDPs, LEDs)	Whole of the District	Percentage IDP credibility rating by COGTA	67.33%	60%	NA	80%	68%	70%	75%	78%	80%	OMM
CCI 4.2	**Lack of cooperation towards development (internally and externally)**			CCI 4.2.1	Spatial Planning	Infrastructure and Planning - Town Planner	Core Function - Corporate Wide Strategic Planning (IDPs, LEDs)	Whole of the District	Percentage of priorities on the Spatial Development Plan addressed.	New	NA	NA	70%	-	30%	50%	60%	70%	OMM

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IDP No.	Challenge	Goal / Desired Outcome	Strategic Objective	Project			Function	Region	Key Performance Indicator	Baseline	Demand	Backlog	5 Year Target	Annual Targets					Responsibility
				Project ID	Project Name	Project Segment								2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 2022	
CCI 4.3	**No social survey (lack of social data)**	Improved planning and coordination	To improve planning and coordination	CCI 4.3.1	Government Information System (GIS) Proj	Inventory Consumed - Materials and Supplies	Core Function - Development Facilitation	Whole of the District	Percentage implementation of GIS	New	NA	NA	100%	30%	50%	60%	70%	100%	OMM
CCI 4.4	**No Integrated Transport Plan**			CCI 4.4.1					Date Integrated Transport Plan Developed	New	NA	NA	30-Jun-19	NA	30-Jun-19	NA	NA	NA	NA

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5 CHAPTER 5: STRATEGIC MAPPING AND IMPLEMENTATION PLAN

5.1 Strategic Mapping

This section indicates the desired growth and development (addressing issues and trends highlighted in the situational analysis Chapter) of the document, and must reflects the desired spatial outcomes; land use guidelines; spatial reconstruction of the Municipality; strategic guidance in respect of the location and nature of development within the municipality; Spatial alignment with neighbouring municipalities; Comprehensive Infrastructure Investment (CIF); areas where strategic intervention is required; and areas where priority spending is required.

5.1.1 Desired Spatial Outcomes

The proposed Ugu SDF Vision:

"By 2035 Ugu District will be a spatially, socially and economically transformed living environment its economy and natural resources accessible to all its people through targeted actions to provide better living, social and economic opportunities."

The vision commits the District to champion economic and social transformation within its key sectors, this includes the delivery new opportunities closer to major economic centres (e.g. GAP Housing) The attainment of this vision requires the municipality to facilitate the development of a spatial system that promotes social, economic, financial, institutional and environmental sustainability. The District spatial vision aims to achieve the following: -

- Transformation of the economy and inclusion of the previously disenfranchised into the mainstream economy
- Restructuring of the spatial geography through spatial planning and strategically catalytic projects (e.g. IFAFA Industrial Park)
- Investments are directed towards nodes in order to strengthen their sustainability and impact
- Medium to high density Settlements are contained within urban edges to reduce the cost of services and optimise capital investments
- Enhance existing sustainable economic development opportunities;
- Protect and enhances the quality of the environmental assets and harmonise with human development through planning; and
- Facilitates non-discriminate access to a range of services and development opportunities; develops sustainable human settlements where residents can lead enriched, healthy and convenient lives.

5.1.2 Desired Spatial Form and Land Use

Based on the challenges identified in the situational analysis chapter careful consideration was given to finding a new regeneration strategic direction for the Ugu District. This should enable the authorities to meaningfully deal with the above challenges in such a way that it would meet the requirements of national, provincial and local planning policies and at the same time benefit the people of Ugu. Provision has been made for the establishment of one

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primary node and four secondary nodes which are intended to house the majority of the future population growth over the next 20 years. These growth centres would need to be structured such that they include opportunities for public-private investment in the agriculture; tourism; commerce; retail, Social and Utility Services; and a range of Housing Options and Densities sectors.

This would allow them to benefit from higher levels of social and utility services and locally based employment opportunities. It is argued in national policies that investment in high density urban areas is more cost effective and sustainable for municipalities than attempting to extend low level services throughout rural areas. Following these policies, the aim in rural settlements is to discourage further growth in housing. This is necessary in order to maintain areas of good agricultural land for cultivation and livestock production as the economic basis of these areas. The emphasis in rural services provision should be to continue with basic service levels in identified rural areas.

A further opportunity in rural areas is the rehabilitation of degraded open space using certain of the state funding mechanisms to create 'green jobs'. Owing to the unique landscape qualities of this area and to certain of its natural and cultural heritage features there is scope for the establishment of different types of tourism routes through the area including landscape, hiking, mountain biking and cultural. This in turn would enable involvement of local communities in the guiding and hospitality industry. In the rural areas of the District where the emphasis is on sustaining agriculture and open space, adjustments will also have to be introduced into the traditional system of land allocation and municipal system of land use. This will involve defining limits to settlement expansion and internal sub-division of land. It will also need to involve including controls over use of agricultural land and open space such that it cannot be converted into further housing development.

5.1.3 Spatial Reconstruction of the Municipality

The spatial reconstruction of the municipality follows an understanding of the character of the District in terms of the physical, social and economic environment. This is followed by an understanding of the systems and/or guidelines to be used in bridging the gap between current spatial realities and the spatial objectives of the SDF. Central to the systems and/or guidelines for SDF development are SPLUMA principles and objectives which have been discussed and its related guidelines or interventions such as planning having taken into account nodes, corridors and other structuring and restructuring elements.

The first structuring element is the development and reinforcement of a system of varied activity nodes. This will enable greater access to district-wide opportunities, as well as equitable access to a system of local opportunities. The idea is to ensure that all people within the area live within easy walking distance of a public transport hub which will link to the district's public transport systems. These nodes, depending on their position in the hierarchy, will form points of access to a range of local and in some cases regional opportunities. Through the focus of development at these points the 'emerging core' will begin to reflect the opportunities that are present in the more developed areas of the Ugu District Municipality.

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5.1.3.1 System of Activity Nodes

In August 2015, KZN COGTA published a report titled "*Towards a framework for the classification of development nodes in KwaZulu-Natal – Regional spatial restructuring for an efficient delivery of services*" The aims of the report were to provide a standardised classification of nodes throughout the province. The study identified the following categories of nodes:

Table 5.1.3.1.1: Activity Nodes Source: Ugu DM Draft SDF, 2018

Classification	Economic Development	Service Delivery Centre	Administration Centre
National Hub	Makes a major contribution to the national economy	Location of the offices of national service delivery agencies	
Provincial Development Node	Main economic centre in the province and makes major contribution to the provincial economy		Seat of the provincial government
District Development Node	Economic centre that serves the entire district	Centre for the coordination of bulk infrastructure throughout the district	Seat of the district municipality. Location of provincial and national government districts offices
Municipal Development Node	Economic Centre that serves the entire municipality	Centre of coordination of delivery of services to the local communities	Seat for the local municipality offices. Location of decentralised government offices.
Community Development Node	Location of economic activities that serve the surrounding communities	Cluster of public facilities serving the surrounding communities	
Neighbourhood/Settlement Development Node	Location of economic activities that serve the surrounding settlements (urban and rural)	Cluster of community facilities serving the surrounding settlements	

5.1.3.2 Hierarchy of Development Corridors

Corridors are areas of street or route-oriented uses which incorporate a mix of retail, employment and residential uses, developed at overall greater densities, located along arterial roads serving as major transit routes. Corridors link Nodes and important areas of activity within the district and are intended to be key locations for residential intensification. Corridors may form the boundaries of residential subdivisions or neighbourhoods but should act as a linear focus for activities and uses within the community. The Districts Corridors provide a significant opportunity for creating vibrant pedestrian and transit-oriented places through in-vestment in hard and soft infrastructure, residential intensification, infill and re-development.

The concept of spatial development requires an understanding of the movement networks of people, goods and services which are channelled along specific routes. These routes are described as networks of interaction. The level and intensity of activity that these networks of interaction provide

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result in the concept of "Development Corridors" which are broad areas of development which are centred on activity and development routes. They are characterised by dynamic, mutually supporting relationships between land uses and the supporting movement system. These development corridors are generally supported by a hierarchy of transport services which functions as an integrated system to facilitate and foster ease of movement for private and public transport users.

A key element of corridor development is intensification. A large portion of the Districts land use intensification target is directed to Nodes and Corridors. In older Corridors, intensification stabilizes and grows the population, helping to support local businesses, institutions and community facilities such as community centres, parks and schools, and returning vitality to these areas. In new or developing corridors, intensification, supported by transit, provides a diversity of housing types and living environments that reduce the dependency on automobiles, creating liveable environments.

The SDF recognized Corridors as key structural elements which for Municipal, neighbourhood and precinct planning; however, some corridors function as an integral part of a much broader environment with a national, provincial and district wide impact (N2). Therefore, a central element of corridor planning will be to identify the unique role played by each corridor and ensure that proper planning co-ordination and guidance is provided for each of the corridors identified, whilst embracing the general ethos of corridor development planning.

Development corridors in Ugu DM occur at various scales and are dependent on function and categorisation of the transportation route that forms the basis of the corridor. They carry flows of people and trade between two points (origin and destination) and foster nodal development at strategic points. Corridor development forms the basis of spatial structuring, and is a tool for economic growth, seeks to create functional linkages between areas of higher thresholds and economic potential, with those that have insufficient thresholds. This, in turn, enables areas that are poorly serviced, to be linked to areas of opportunity and benefit and with higher thresholds. Based on this, the primary; secondary; tertiary; and tourism corridors have been identified.

5.1.4 Land Use Management Guidelines

Since it is the responsibility of the local municipality to manage and control local development it is its responsibility to establish an appropriate land use management system. The land use management framework at the district level is expected to ensure that local systems are based on a common district-wide approach, that the appropriately address issues of district-wide significance and that they connect to each other across local municipality boundaries.

5.1.5 Spatial Alignment with Neighbouring Municipalities

Spatial planning assists Municipalities and other authorities to guide their development planning processes; it is a continuous process in the physical space that would almost have no end, however for the SDF the Municipal boundary is the indicative point in which the SDF must normally conclude its business. It must be noted however, that Municipal boundaries are mainly

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for administrative reasons and in the perfect world such boundaries would not really affect the spatial planning process. Communities and the physical environment should not be impacted negatively by administrative boundaries, especially in the case of the delivery of basic services.

Communities should not be affected by Municipal boundaries in the manner and type of services they receive from the government, the government ultimately has one face and should present itself as such in its various plans. Cross boarder Municipal Planning is important in order to co-ordinate service delivery to communities which are affected by cross boarder planning, institutional structures should be put in place to ensure that Municipalities plan together for affected areas, evidence has shown that such areas can be subject to Municipal boundary alignments, making them fall under one Municipal area or dividing them to fall within two Municipal area, hence the importance of tangible spatial plans that go beyond administrative and political boundaries.

5.1.5.1 Cross-Border Development Implications: Service Delivery

Ethekwini Municipality: Areas which would be affected by cross boarder planning between Ugu and EThekwini would be at the Boundary of EThekwini and Umdoni Municipality namely:

- Amahlomgwa Traditional Settlement across the N2 inland, the settlement is connected through the R197 which traverses both Umdoni (Ugu) and Ethekwini as an inland route parallel to the N2 from Amahlongwa to Umkomaaz (a portion of Amahlongwa falls within Ethekwini Municipality);
- Freeland Park, which is small high end suburban area located along the coast;
- Renishaw Hills Development, a newly developed high-end development inland of the N2; and
- A small sugar cane agricultural strip between Freeland Park (Umdoni-Ugu) and Umkomaas (Ethekwini).

The following service delivery projects are currently being implemented in the affected area:

Table 5.1.5.1.1: Ethekwini and Umdoni Cross-border Projects
Source: Ugu DM Draft SDF, 2018

Project name	Implementing Municipality	Stage	Budget
Lower Umkomaaz bulk water supply scheme	Ethekwini Municipality	detailed planning	R2,8bn
Amahlongwa Rural Water and Sanitation Project	Ethekwini Municipality	Future project	TBD
Amahlongwa Rural Housing Phase 2	Umdoni Municipality	Under construction	-
Amahlongwa Rural Housing Phase 3	Umdoni Municipality	Land acquisition from Church	TBD
Malangeni Rural Housing Projects Phase 2 (1000 units)	Umdoni Municipality	Under construction	

Ethekwini Municipality has planned for water provision in and around the areas earmarked for cross border planning, the Amahlongwa areas in particular as there it will benefit from both the Lower Umkomaaz bulk water

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supply scheme and the Amahlongwa Rural Water and Sanitation. On the other hand, Umdoni Municipality has planned for housing delivery within the Amahlongwa, with its Municipal boundaries, Ugu, Umdoni and Ethekwini Municipalities, through a mutually accepted arrangement must engage on cross broader alignment issues and these should not be limited to service delivery projects but around the future of the strip between Umdoni and Ethekwini and how it can be co-ordinated for the betterment of residents of both Municipalities.

Among the housing projects in this part of the Umdoni Municipality is the Amandawe Rural Housing Project, of which 1000 units have been completed, as well as the Malangeni Phase 1 and 2 Housing Projects, the latter of which us still under construction. It proposed that planning be put in place for the provision of water services from the people of Amahlongwa area, this is meant to expedite service delivery and to avoid any potential conflict that may arise from certain sections of Amahlogwa getting water whilst other sections are still without sufficient water supply.

Harry Gwala District Municipality: Main linkages between the Ugu DM and Harry Gwala DM are through the P68 regional road, P73 and R612 provincial roads and N2 national freeway, where the boundaries of both Districts interface there are the settlement areas of Mnqumeni, Phungashe, Nhlalwane, Hlokozi, Hlutakungu, Kenterton and Sangwaba, these are mainly rural settlement clusters located across the boundaries of both Districts, below are some notable service delivery project within the identified areas:

Table 5.1.5.1.2: Ubuhlebezwe and Umzumbe Cross-border Projects

Source: Ugu DM Draft SDF, 2018

Project name	Implementing Municipality	Stage	Budget
Mnqumeni (Santombe) Water Supply Project Phase 3	Harry Gwala District	Completed 150Kl and 100Kl reservoirs, 16km water reticulation pipeline	66,2 000,000.00
Hlokozi Water project phase 4	Harry Gwala District	520 households have access to water	R13 400 000.00
Gaybrook Water Supply	Harry Gwala District	Under construction	R20 076 520.00
Highflats Bulk Water Supply	Harry Gwala District		R10 000 000.00
Highflats Slums Clearance	Harry Gwala District	Land legal and bulk services issues	
Sangcwaba Operation Sukuma	Harry Gwala District	IA did not accept the contract; the Department is in a process to reallocate to UFCC/ABT.	R3 158 379.73

Harry Gwala, Ugu and its Municipalities, through a mutually accepted arrangement must engage on cross broader alignment issues and these should not be limited to service delivery projects but around the future of the strip between Umdoni and Ethekwini and how it can be co-ordinated for the betterment of residents of both Municipalities.

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Umgungundlovu Municipality: Umngungundlovu and Ugu DM are bordered via UMkhambathini Municipality, and a portion thereof links with Umdoni. For the most part, the land uses bordering these municipalities are rural settlements and subsistence farming, thus making the development uniform along the borders. There are however, environmentally sensitive areas which have been identified in both municipalities' SDFs as protected/conservation areas. The following areas are affected by cross broader service delivery: Odidini, Ezimini, Mdumezulu and kaMpuco, the following are some of the service delivery projects identified in the affected areas:

Table 5.1.5.1.3: UMkhambathini and UMdoni Cross-border Projects
Source: Ugu DM Draft SDF, 2018

Project name	Implementing Municipality	Stage	Budget
Mdumezuku bulk water supply scheme	Umgungundlovu District	Detailed Planning	R2,8bn
KwaMpuco Rural Housing Project	Mkhambathini	Future project	TBD

UMgungundlovu, Ugu and its Municipalities, through a mutually accepted arrangement must engage on cross broader alignment issues and these should not be limited to service delivery projects but around the future of the strip between Umdoni and Ethekwini and how it can be co-ordinated for the betterment of residents of both Municipalities.

Alfred Nzo District Municipality: Both district municipalities have identified their bordering areas as environmentally protected areas with Critical Biodiversity Areas which are irreplaceable, the integral linkage between Umuziwabantu LM and Mbizana LM is the P59 provincial road whilst The R61 which links connects into the upper areas of the Ray Nkonyeni Municipality. The following areas are important for cross boarder planning between the two districts: Port Edward, rural settlements Across the N2 and Umtamvuna in Alfred Nzo DM, Rennies Beach, and Wild Coast tourism development area.

Table 5.1.5.1.4: Ray Nkonyeni and Mbizana Cross-Border Projects
Source: Ugu DM Draft SDF, 2018

Project name	Implementing Agent	Stage	Budget
Upgrade of the N2	SANRAL	Construction	
Proposed Port Edward Interchange	SANRAL	Detailed Planning and community consultation	
Cross-Border Tourism Initiative between Port Edward business and the broader "Wild Coast"	Port Edward Business Persons	Future project	TBD

5.1.5.2 Implications of Cross-Border Characteristics and Other Initiatives

Settlements located along cross border areas are mainly rural settlements, agricultural areas and environmental sensitive areas. For the most part, the district and local Municipal SDF's identify these areas as "rural settlements and/or environmentally sensitive areas. These areas are notably the most

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which have service delivery gaps in terms of water, sanitation, human settlements and other infrastructure and social and economic services. Their access to economic opportunities is also very limited and this is clearly because of their location.

Municipalities are implementing various projects which affect areas along their boarders (water, human settlements, sanitation etc.), but there is little emphasis on cross boarder planning which may result in conflict among communities in these areas, there are instances where one Municipality is planning water provision in a cross-border area, whilst the other Municipality is implementing a housing project. Ideally these two projects should be planned to be aligned and communicated with the community in partnership. The same principle should apply for all government projects implemented in cross boarder communities; this will require institutional structure to be put in place for cross planning between Municipalities and province.

5.1.6 Capital Investment Framework (CIF)

Capital Investment Framework (CIF) is a legal requirement in terms of the Municipal Systems Act Regulations S2 (4)(e). It plays a key role in the economic growth, social development and environmental well-being of any municipality. The CIF is a very important component of the Spatial Development Framework (SDF). It is a sound step towards a more systematic approach to infrastructure planning and coordination.

The objectives of the Capital Investment Framework include provision of practical and appropriate alignment regarding capital investment, to strive to ensure appropriate budget - IDP linkages, to link capital projects with potential sources of funding, and to ensure that there are staff and services providers to deliver on projects that are funded. The key goals of this component are as follows;

- Spatial budgeting – which involves mapping of the capital infrastructure projects that are approved by the IDP. This assists to determine whether the development trajectory that is advocated by the IDP is in harmony with the spatial development vision that is suggested by the SDF;
- Intensify spatial objectives with infrastructure proposals – the SDF identifies a number of spatial development proposals for further economic development and investments within the area but these proposals will be meaningless if the supporting infrastructure has not been planned for in
- tandem with the overall SDF. The CIF provides an opportunity to relook at these proposals in line with infrastructure requirements;
- Comparison of areas of greatest needs and where services or infrastructure proposals are directed to – this is intended to establish if the areas that encounters backlogs are receiving attention to address that. There are areas within the municipal area which suffers from historical and institutional neglect from benefiting from services. It is the role of a developmental government to be pro-active at developing these areas. This is part of the reconstruction and developmental mandate.

The normative aims and objectives are:

- To inform public and private sector investment decision-making.
- To influence municipal capital infrastructure project allocation.

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- To serve as a strategic infrastructure guide for economic infrastructure priority areas.
- To map out all service delivery priority areas.
- To identify all major infrastructure priority areas including the projects currently underway.
- To determine if spatial proposal can be resourced by sufficient infrastructure resources.
- To integrate Capital Investment Framework with the IDP
- The framework aligns future capital spending with settlement hierarchy (nodes) and corridors, not just mapping of municipal and Sector Department projects and Tables of sector department or municipal expenditure. It maps out longer- term projects and programmes Municipal Sector Plan projects (up to 20 years).

5.1.7 Areas Requiring Strategic Intervention

With respect to areas requiring strategic intervention, areas where development intensity should be increased or decreased has been identified.

5.1.7.1 Areas where Development Intensity Should Increase

The following proposal is made in terms of direction for future growth:

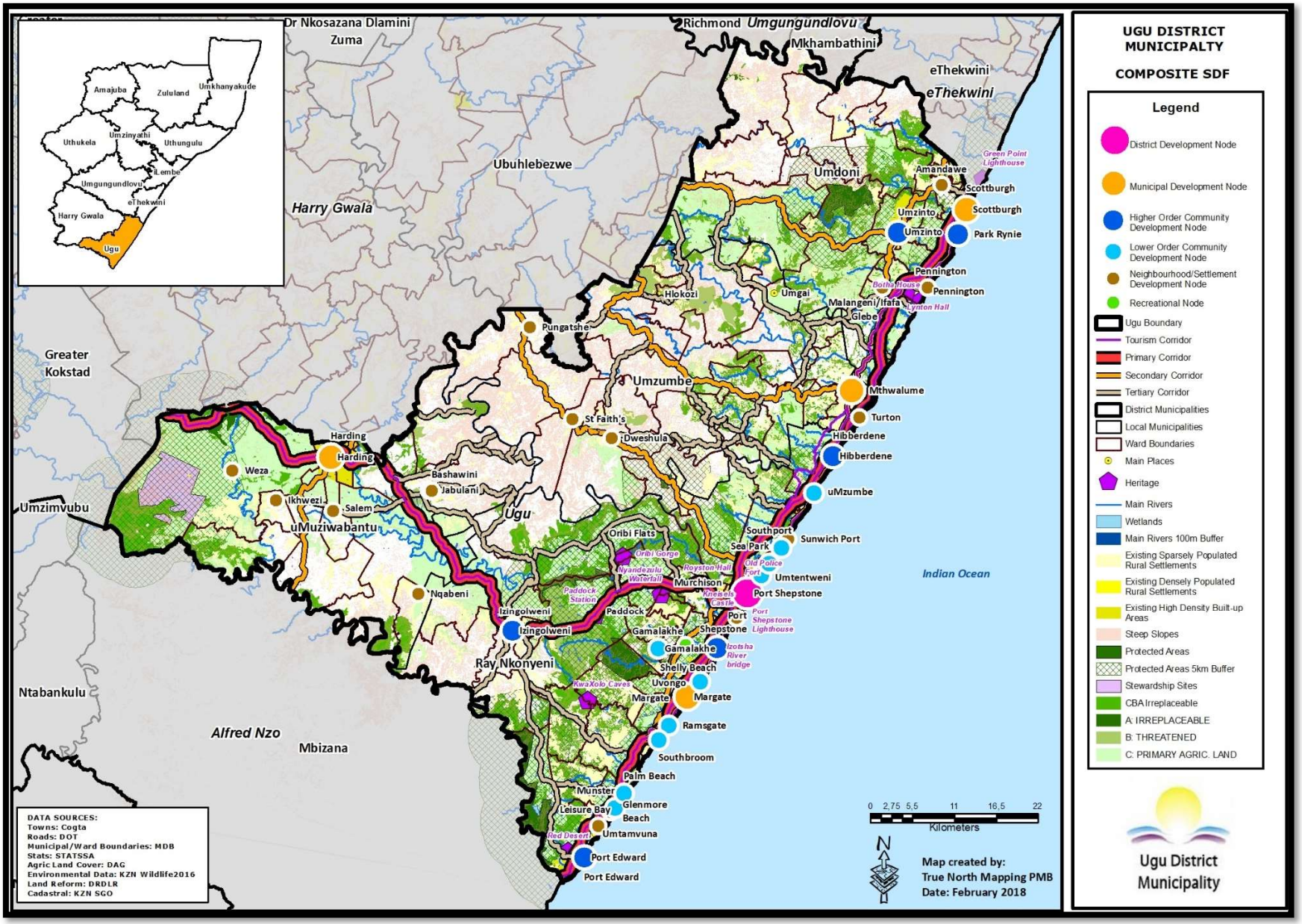
- Outward expansion of the nodes. This should involves linking the existing nodes through activity or mobility route in a manner that promotes infill and interface development. This should be prioritized for District, Municipal and Community Development Nodes; and
- The existing nodes are still low in terms of densification. Inward densification could be encouraged within the District and Municipal Development Nodes. However, this should be supported provided that there is sufficient infrastructure capacity to warrant it.

5.1.7.2 Areas where Development Intensity Should Decrease

The following proposal is made in terms of direction for future growth:

- Some of the nodes on the northern part of the municipality are surrounded by agricultural land. Expansion of these nodes to high potential agricultural land would be undesirable.
- Expansion of the nodes to environmentally sensitive areas is prohibited. This includes expansion to KZN CBA Irreplaceable zones and KZN ESA zones.

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Map 3.5.1.1: Ugu District SDF Framework *Source: Ugu District SDF, 2018*

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.

Table 5.2.1 gives a summary of the Service Delivery / Implementation Plan Catalytic Projects. A total estimated sum of **R 8 603 757 499.00** is estimated to be spent towards the implementation of the 27 IDP Goals, 7 DGDS Drivers and 7 PDGS Goals.

The bulk of the budget goes towards Strategic Infrastructure Goal which is 84.19 %. The Human and Community Development, Spatial Equity, and Inclusive Economic Growth goals accounts for 9.33%, 3.73% and 2.78% respectively. The budget for Human Resource Development, Environmental Sustainability, and Governance Policy are minimal and negligible.

This goals that reflect low budget are mainly result of non-participation of their representative stakeholders not participation in the municipal structures and thus do not submit required information.

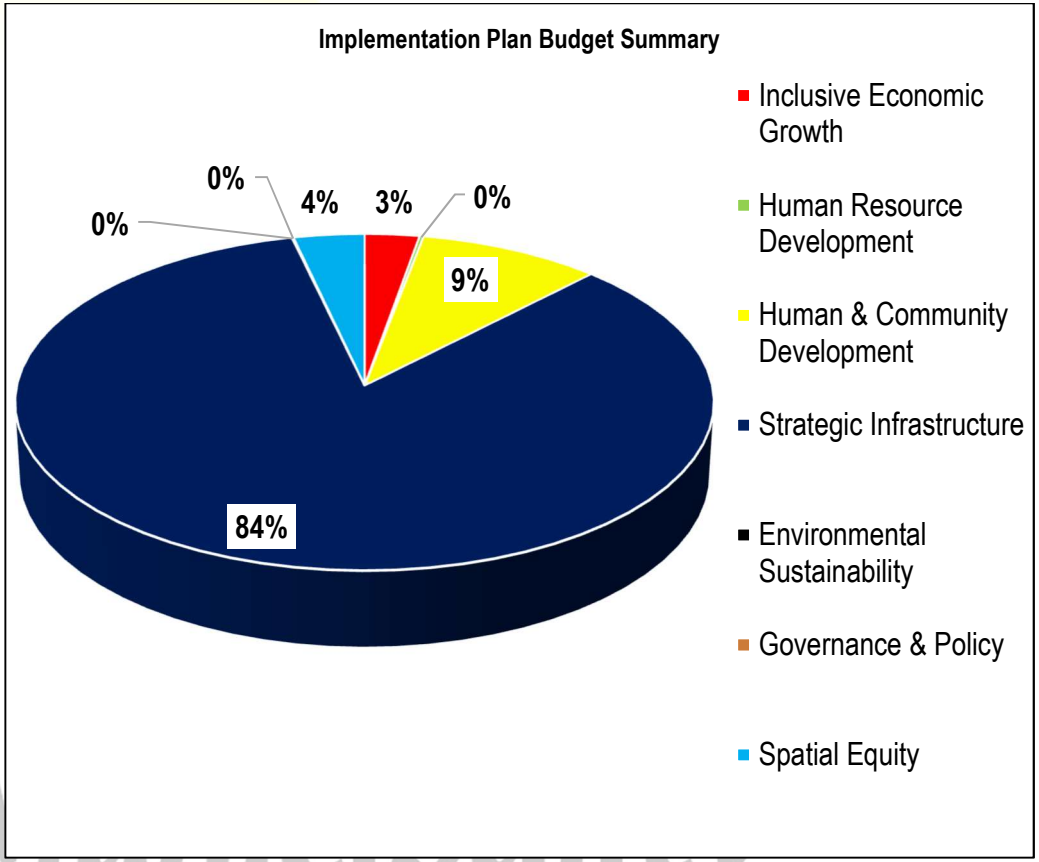


Figure 5.2.1: Implementation Plan Budget Summary
Source: Ugu DM IDP Rep Forum, 2017 / 2018

Table 5.2.1: Ugu District Service Delivery / Implementation Plan Summary *Source: Ugu DM IDP Rep Forum, 2017 / 2018*

PGDS Strategic Goal	DGDS Strategic Driver	PGDS Strategic Objectives	Budget
Inclusive Economic Growth	**Sectoral Development and Support**	Develop and promote the agricultural potential of KZN	R4,460,200.00
		Enhance sectoral development through trade investment and business retention	R7,360,000.00
		Enhance spatial economic development	R221,850,000.00
		Improve the efficiency, innovation and variety of government-led job creation programmes	R1,420,000.00
		Promote SMME and entrepreneurial development	R3,620,000.00
		Enhance the Knowledge Economy	R 100 000.00
		Goal / Driver Total	**R 238 810 200.00**
Human Resource Development	**Education and Skills Development**	Improve early childhood development, primary and secondary education	R 0
		Support skills development to economic growth	R365,000.00
		Enhance youth and adult skills development and life-long learning	R1,140,000.0
		Goal / Driver Total	**R 1 505 000.00**
Human and Community Development	**Safety Nets and Civic Empowerment**	Eradicate poverty and improve social welfare services	R18,000,000.00
		Safeguard and enhance sustainable livelihoods and food security	R2,380,000.00
		Enhance health of communities and citizens	R400,000.00
		Safeguard and enhance sustainable livelihoods and food security	R1,030,000.00
		Promote sustainable human settlements	R394,166,000.00
		Enhance safety and security	R237,000,000.00
		Advance social cohesion and social capital	R144,179,000.00
		Promote youth, gender and disability advocacy and the advancement of women	R5,639,590.00
		Goal / Driver Total	**R 802 794 590.00**

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PGDS Strategic Goal	DGDS Strategic Driver	PGDS Strategic Objectives	Budget
Strategic Infrastructure	**Strategic Infrastructure Development**	Development of seaports and airports	R 300 000 000.00
		Develop road and rail networks	R 3 613 765 638.00
		Develop ICT infrastructure	R 1 200 000 000.00
		Ensure availability and sustainable management of water and sanitation for all	R 8 000 000.00
		Enhance KZN waste management capacity	R 21 214 28571 .00
		Goal / Driver Total	**R 7 243 194 209.00**
Environmental Sustainability	**Environmental Sustainability**	Enhance resilience of ecosystem services	R 1 100 000.00
		Expand the application of green technologies	R 0.00
		Adapt and respond climate change	R 650 000.
		Goal / Driver Total	**R 1 750 000.00**
Governance and Policy	**Institutional Development**	Strengthen policy, strategy coordination and IGR	R 23 500.00
		Build government capacity	R 3 000 000.00
		Eradicate fraud and corruption	R 80 000.00
		Promote participative, facilitative and accountable governance	R 1 900 000.00
		Goal / Driver Total	**R 5 003 500.00**
Spatial Equity	**Spatial Integration and Facilitating Security of Tenure**	Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities	R 310 000 000.00
		Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment	R 700 000
		Goal / Driver Total	**R 310 700 000.00**
Total Implementation Budget			**R 8 603 757 499**

5.2.1 Catalytic Projects

Catalytic projects are where a targeted intervention is used to encourage and promote much larger responses and achieve a broader transformation objective. Furthermore, a catalytic project is an intervention that has a strong leverage and/or multiplier effect by addressing a critical market failure, or by creating a strong leverage factor. A catalytic project addresses the root cause of obstacles to development, rather than symptoms. It unlocks resources and business opportunities.

A catalytic project will often create a public good or a club good, but it will never create just a private good. Catalytic projects can have very different characteristics and prerequisites:

- Major financial resources needed (e.g. investment and infrastructure projects, rehabilitation of an abandoned industrial estate, creating a small business estate);
- High commitment to cooperation needed; and
- Serious and persistent political backing needed.

Ugu District Municipality has identified 16 catalytic projects that will be a driver for change in the Ugu District area of jurisdiction.

Table 5.2.2: Ugu District Catalytic Projects Source: USCDA, 2018

No.	Project	Description	Status	Budget
		Ray Nkonyeni Municipality		
1.	**Margate airport to cater for larger carriers**	Upgrade of Margate airport by extending the runway	Business Plan has been developed by RNM	
2.	**Port Shepstone beachfront redevelopment**	Revitalization of the beachfront through Mixed Use Development	Concept will be developed in the new financial year	
3.	**Port Shepstone Government Precinct / Mixed Use More**	Development of a Government Complex within 1.5 km radius from the CBD	Government offices are scattered in buildings not conducive for office activities	
4.	**Umzumbe River Trail - R35m**	A 74-km walking, hiking, cycling and horse riding trail linking RNM and Umzumbe	Business Plan developed, and funding proposals made to both the private as well as public sectors	
5.	**N2 Toll Road - service provider preparedness**	Alerting local businesses and professionals about massive procurement opportunities from N2 development	Engagements with SANRAL and Wild Coast Business Forum have commenced	

No.	Project	Description	Status	Budget
6.	**KwaXolo Adventure Centre**	An outdoor adrenalin pumping activity in KwaXolo	Service provider for linking the caves with the main admin building appointed	
7.	**Fallow fields cultivation - Tea Tree, Moringa, Macadamia**	At least 100 hectares in Amakhosi land planted with cash crops	Engagement with Department of Agriculture have commenced	
8.	**Murchisson Mixed Use Node**	Development of a Murchisson Precinct – filling station, retail, flats and offices	Concept document prepared and presented, and Expressions of Interest will be issued in the 2018/2019 fy	
	Umuziwabantu Municipality			
9.	**Renewable energy - KwaMachi bio-ethanol**	A bio-diesel and bio-ethanol plant together with aquaponics and fish farm for KwaMachi	R14.5 m funding received from African Development Bank for planning studies	
10.	**Forestry Industrialization**	Development of a Forestry Industrialization Framework		
	Umdoni Municipality			
11.	**Scottburgh Beachfront redevelopment**	Revamp of the beachfront by creating an activity precinct linking the beach with the CBD	A Call for Proposals has been issued and prospective investors will be appointed in August 2018	
12.	**Ifafa Industrial Park**	Creation of a light industrial node at Ifafa	Application for Release of Agricultural Land still pending	
13.	**Amandawe Precinct Plant**	Development of a plan to guide investment in Amandawe	Service provider is at final stage of appointment	
14.	**Rural Events and Wedding Centre**	African themed and upmarket events and wedding centre in KwaCele area	Concept presented to Umdoni LED and has been well received	
	Umzumbe Municipality			
15.	**Fish farm**	Rolling out of a community fish farm in Umzumbe	Applications for funding made and decision still awaited	
16.	**Turton Beachfront development**	New Beach development in Turton	Concept approved by Umzumbe Council and Expression of Interest advert has gone out	

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6 CHAPTER 6: FINANCIAL PLAN

6.1 Municipal Budget Overview

In terms of section 16(1) of the MFMA, the Council of the municipality must for each financial year approve an annual budget for the municipality.

6.1.1 South African Economy and Inflation Targets

The analysis of the current South African Economy and Inflation targets must be done when preparing the credible budget for 2018 / 2019 to 2020 / 2021 financial years. South Africa has experienced a period of protracted economic weaknesses which diminishes private investment across all sectors of economy due to declining in businesses and consumer confidence.

The prerequisite for increased revenue to expand service delivery are rapid growth, investments, and job creation.

These economic challenges will continue to exert pressure on municipal revenue generation and collections levels hence a conservative approach is advised for revenue projections. Therefore, municipalities will have to improve their efforts to limit non-priority and to implement stringent cost-containment measures.

Macroeconomic performance and projections that must be considered when preparing 2018/2019 Medium Term Revenue and Expenditure Framework (MTREF) municipal budgets are captured in Table 6.1.1.1 below.

Table 6.1.1.1: Macroeconomic performance and projections

Source: Ugu District Municipality Draft Budget, 2018

Economic Indicator	2018 / 2019	2019 / 2020	2020 / 2021
Consumer Price Inflation (CPI)	5.3%	5.4%	5.5%
Real Growth Domestic Product (GDP) Growth	1.5%	1.8%	2.1%

Also, the South African Reserve Bank (SARB) has tried to contain an inflation to a target band of 3% - 6% despite economic challenges facing South Africa.

6.1.2 Proposed Tariffs Increments for 2018 / 2019

The municipalities are encouraged to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3% to 6% target band. Therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2018/2019 in their budgets. Local government confronts tough fiscal choices in the face of financial and institutional problems that results in service delivery breakdowns and unpaid bills. These trends can be offset by improving own revenue collection, working more efficiently and implementing cost containment measures. The tariffs increment is proposed at 5.3% in 2018 / 2019 financial year.

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The justification for the increment of 5.3% is the fact that the projected Consumer Price Inflation for 2018 / 2019 is 5.3% in terms of Macroeconomic performance. It is still below the maximum targeted inflation rate of 6%. Furthermore, the justification is the fact of the ESKOM and Water Boards tariffs are as follows:

- ESKOM is 8%; and
- Water Boards is 8.8%.

The proposed tariffs increase is far less than ESKOM and Water Boards tariffs increments of which the municipality is also expected to incur in provision of basic services to the community.

6.1.3 Income Budget for 2018 / 2019 – 2020 / 2021

According to 2018 Division of Revenue Bill recently approved by Parliament together with National Budget in February 2018, the allocations to uGu District Municipality have been made per schedule reflected in Table 6.1.3.1 for 2018 / 2019 to 2020/2021. The Municipal Infrastructure Grant (MIG) and Water Services Infrastructure Grant (WSIG) has been reduced substantially.

In respect of internal revenue, a recently Adjustment Budget has been used as a base for 2018 / 2019 budget by talking into account an inflation of 5.3% in 2018 / 2019 financial year.

Table 6.1.3.1: Draft Income Budget for 2018 / 2019 – 20120 / 2021 Source: Ugu District Municipality Draft Budget, 2018

Income Description	2018 / 2019	2019 / 2020	2020 / 2021
Equitable Share	R 435,877,000	R 461,838,000	R 503,224,000
Municipal Infrastructure Grant	R 235,888,000	R 241,038,000	R 255,284,000
Water Services Infrastructure Grant	R 55,000,000	R 95,000,000	R 100,225,000
Financial Management Grant	R 1,865,000	R 1,865,000	R 1,800,000
Expanded Works Programme Grant	R 3,250,000	R 0,00	R 0,00
Water Income	R 276,879,596	R 291,831,094	R 307,881,804
Sanitation Income	R 97,282,020	R 102,535,249	R 108,174,688
Interest on Investments	R 2,535,182	R 2,672,082	R 2,819,046
Interest on overdue accounts	R 508,485	R 535,943	R 565,420
Rental and Other Income	R 1,091,486	R 1,150,426	R 1,213,670
Total Revenue	**R 1,110,176,769**	**R 1,198,465,794**	**R 1,281,187,628**

6.1.3.1 Analysis of the Conditions of Grants

The equitable share serves as a subsidy to the municipalities to cater for the following three components:

- Basic Services Component;
- Institutional Component; and
- Community Services Component.

In terms of 2018 Division of Revenue Bill which was approved in February 2018 together with the National Budget by Parliament provided the following allocation of Equitable Share:

Table 6.1.3.1: 2018 Allocation of Equitable Share

Source: Ugu District Municipality Draft Budget, 2018

Description	Allocation Per DORA	Amount
Basic Services	79,5%	346,522,215
Institutional	8,2%	35,741,914
Community Services	12,3%	53,612,871
TOTAL		**435,877,000**

N.B. An equitable share over the medium term is allocated to compensate for the rising costs of providing free basic services to the growing number of indigent households. This covers the likely above-inflation increases in the costs of bulk water and electricity. This also allows for faster increases in the allocations to poorer and rural municipalities through the redistributive components of the equitable share formula.

6.1.3.1.1 Basic Services Component

The allocation of equitable share to this component helps the municipalities to provide free basic water, sanitation, electricity and refuse removal to households that fall below affordability threshold. However, in respect of uGu District municipality we only provide free basic water and sanitation. This must cover free 6kl of water provided to poor households per month. However, at uGu every household is getting free 6kl of water per month irrespective being indigent or non-indigent. Since government only subsidises only indigent households, it means the municipality funds free 6kl of water for non-indigents households through internally generated revenue, which currently is difficult to collect which give more financial strain to the municipality.

N.B. The affordability formula measure (i.e. used to determine how many households need free basic services) is based on the level of two state old pensions. From the recently approved National Budget by Parliament, it resolved that from 01 April 2018 to 30 September 2018, the state old age pension will be R1690.00 and from 01 October 2018 to 31 March 2019 will be R1700.00. It means that the poverty or affordability threshold from 01 April 2018 to 30 September 2018 will be: R1690 X 2 = R3380 per month; meaning that from this period all households whose their total income per household of above R3380 per month must pay for municipal services. From 01 October 2018 to 31 March 2019 the poverty or affordability threshold will be: 1700 X 2 = R3400 per month.

Following Statistics South Africa (STATS SA) has calculated that 59% of all households in South Africa fall below poverty or affordability threshold.

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The basic services component provides a subsidy of R383.12 per month in 2018/2019 financial year for the costs of providing basic services to the poor households. The subsidy provides funding to poor households for free 6kl of water and sanitation based on the levels of services per National Policy.

The monthly subsidy of R383.12 is allocated to the poor households as follows in terms of recently approved Division of Revenue Bill together with National Budget in February 2018:

Table 6.1.3.1.1.1: Monthly Allocations per Households Below Poverty Level
Source: Ugu District Municipality Draft Budget, 2018

Monthly Costs Components	Operations	Maintenance	Total
Electricity costs	R73.46	R8.16	R81.62
Water costs	R112.90	R12.54	R125.45
Sanitation costs	R86.19	R9.58	R95.77
Other costs	R72	R8.03	R80.28
TOTAL	**R344.81**	**R38.31**	**R383.12**

N.B. When budgeting for 2018/2019 for Free Basic Water and Sanitation to poor households, the following formula must be applied:

Free Basic Water and Sanitation = R383.12 X Number of indigents households' X 12 Months.

However, our challenge is that the municipality is giving all households free 6kl of water on a monthly basis which gives financial strain or pressure to the municipality. Also, those who are able to pay for services are not paying.

As a result of this the municipality becomes unable to provide sufficient funding for the following:

- 8% of Value of Infrastructural Assets for Repairs and Maintenance of Infrastructure; of which currently the value of our completed Infrastructural Assets (i.e. Water and Sanitation) using 2016/17 audited Annual Financial Statements (AFS) is R2,358,985,132.00; meaning in 2018/19 financial year at minimum we should budget for R188,718,810.60 which is impossible in the current situation;
- Replacement of Aging Infrastructure.

In terms of 2018 Division of Revenue Bill as approved by Parliament together with the budget, it has been proposed at minimum the Equitable Share subsidy allocated to uGu District for poor households must be broken down per local municipality in terms of spending as follows for 2018/2019 financial year:

Table 6.1.3.1.1.2: Equitable Share per Local Municipality
Source: Ugu District Municipality Draft Budget, 2018

Municipality	Water	Sanitation	Total
UMdoni	R36,593,000	R27,936,000	R64,529,000
Umzumbe	R32,346,000	24,694,000	R57,040,000
UMuziwabantu	R24,176,000	R18,456,000	R42,632,000
Ray Nkonyeni	R83,235,000	R63,543,000	R146,778,000

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6.1.3.1.2 Institutional Component

To provide basic services to the households, the municipality must be able to run basic administration. Most municipalities should be able to fund their majority of administration costs with their own revenue. But because poor households are not able to contribute in full towards administration costs of the municipality, the equitable share includes an institutional support component to meet the municipalities halfway.

The subsidy of equitable share towards administration costs is limited to 8.2% of the Equitable Share. Therefore, in 2018/2019 financial year, government will subsidise uGu District with only R35,741,914.00 (i.e. 8.2%) towards its Administration Costs. Any additional costs must get from its internal revenue. However, an additional subsidy of R6.6 million which does not form part of the Equitable Share Formula will be made available in 2018/2019 financial year to subsidise Councillors Remuneration. Any additional costs must come from internal revenue.

6.1.3.1.3 Community Services Component

This component from Equitable Share Formula, subsidises services that benefits communities rather than individual households (i.e. which are provided for in the basic services component). Such services include these services e.g. municipal health services, fire services etc.).

Therefore, in 2018/2019 financial year, equitable share subsidy for uGu District Municipality towards these services is only limited to R53,612,871.00 (i.e. 12.3%). Any additional costs must come from internal revenue.

6.1.3.2 Municipal Infrastructure Grant (MIG)

The MIG allocation for 2018/2019 financial year will be R235,888,000. This means that the projects to be implemented during 2018/2019 financial year must be limited to annual allocation of R235,888,000. The amount of R235,888,000 must equate to the service providers appointed as well. Therefore, no commitment exceeding R235,888,000 must take place.

The Project Management Unit (PMU) must manage projects with due diligence by ensuring the following:

i. Professional Fees for each project are limited to 14% of the total project costs;
ii. The variation orders are prevented as there will be no funds available to cover them;
iii. The initial scope of work is thoroughly analysed and checked to ensure that it cover all work to be performed;
iv. The MIG Implementation Plan is implemented in accordance with the Cash Flows per actual trench received;
v. The actual expenditure per project must not exceed the actual trench received per quarter;
vi. The budget for each project must be managed and monitored in accordance with actual cash allocation received per trench per quarter;
vii. The performance of the service providers must be managed properly and impose or enforce penalties for none performance. If needs be blacklist all none performers;
viii. Making sure that retentions are invested and not utilised in other projects;

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ix. Ensure that consultant or engineer is held responsible and accountable for any deficiencies in the performance of the contractors;

x. Discourages cessionary agreements; etc.

The 2018 Division of Revenue Bill as approved by Parliament together with the National Budget has broken down the MIG allocation to uGu District Municipality to be utilised or spent at minimum per Local Municipality as follows for 2018/2019 financial year:

Table 6.1.3.2.1: MIG Allocation per Local Municipality

Source: Ugu District Municipality Draft Budget, 2018

Municipality	Minimum Projects Allocations
UMdoni	R42,176,000
Umzumbe	R75,130,000
UMuziwabantu	R33,631,000
Ray Nkonyeni	R79,952,000

N.B., It means that in each LM there must be project(s) funded by MIG at minimum amounted to the amounts above, to be implemented during 2018/2019 financial year.

In order to ensure efficient operations in respect of water and sanitation provision, the PMU must transfer all completed projects to Operations and Maintenance Unit of which such unit must have clear Operations and Maintenance Plan(s) for all completed projects.

6.1.3.3 Water Services Infrastructure Grant (WSIG)

The WSIG allocation for 2018/2019 financial year will be R55,000,000. This means that the projects to be implemented during 2018/2019 financial year must be limited to annual allocation of R55,000,000. The amount of R55,000,000 must equate to the service providers appointed as well. Therefore, no commitment exceeding R55,000,000 must take place.

The Project Management Unit must follow the same as MIG projects above in managing projects implemented using WSIG. Also, Operations and Maintenance Unit must have a clear Operations and Maintenance Plan(s) for completed projects to ensure efficiency in water and sanitation provision.

The 2018 Division of Revenue Bill as approved by Parliament together with the National Budget has broken down the WSIG allocation to uGu District Municipality to be utilised or spent at minimum per Local Municipality as follows for 2018/2019 financial year:

Table 6.1.3.3.1: WSIG Allocation per Local Municipality

Source: Ugu District Municipality Draft Budget, 2018

Municipality	Minimum Projects Allocations
UMdoni	R15,000,000
Umzumbe	R10,000,000
UMuziwabantu	R10,000,000
Ray Nkonyeni	R20,000,000

N.B. At least each LM must have a project(s) implemented during 2018/2019 financial year under WSIG at minimum amounts per schedule above.

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6.1.3.4 Expanded Public Works Programme Targets

In terms of 2018 Division of Revenue Bill as approved by Parliament together with the National Budget, uGu has been allocated a target of 1,058 employments through EPWP.

6.1.3.5 Capital Projects Funded by Internal Revenue

Looking at the current financial situation of the municipality it is most unlikely that the municipality will be able to fund any capital project during 2018 / 2019 from internal revenue. Therefore, it is advisable that all capital projects must be funded only by allocated Capital Grants due to spending pressures facing the municipality.

6.1.4 Operating Expenditure Budget 2018 / 2019 – 2020 / 2021

Table 6.1.4.1 gives a brief overview of the 2018 / 2019 – 2020 / 2021 operating expenditure budget.

Table 6.1.4.1: Operating Expenditure Budget 2018 / 2019 – 20120 / 2021 Source: Ugu District Municipality Draft Budget, 2018

Description	2018 / 2019	2019 / 2020	2020 / 2021
Employee Related Costs	R 356 742 873.16	R 375 650 245.44	R 395 559 708.45
Remuneration of Councillors	R 11 508 644.67	R 12 118 602.84	R 12 760 888.79
Debt Impairment	R 3 159 000.00	R 3 326 427.00	R 3 502 727.63
Depreciation and Asset Impairment	R 85 462 491.00	R 89 992 003.02	R 94 761 579.18
Finance Charges	R 15 654 318.44	R 16 483 997.32	R 17 357 649.18
Bulk Purchases	R 79 000 000.00	R 83 187 000.00	R 87 595 911.00
Other Materials	R 17 427 953.61	R 18 351 635.15	R 19 324 271.81
Contracted Services	R 105 266 947.61	R 110 846 095.83	R 116 720 938.91
Transfers and Subsidies	R 19 280 430.00	R 20 302 292.79	R 21 378 314.30
Other Expenditure	R 107 717 939.23	R 113 426 990.01	R 119 438 620.48
Total Operating Expenditure	R 801 220 597.72	R 843 685 289.40	R 888 400 609.73

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6.1.4.1 Employee Related Costs (including councillor allowances)

The Salary and Wage Collective Agreement for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation, therefore in the absence of other information from South African Local Government Bargaining Council (SALGBC) communication will be provided

at a later stage. However, the municipality must make budget allocation for the increment in 2018 / 2019 financial year.

N.B. Therefore, the salary and wages increment is proposed at 8.8% in 2018/2019 financial year. The increment of 8.3% is based on the following:

Table 6.1.9.1: Proposed Salary and Wage Increment

Source: Ugu District Municipality Draft Budget, 2018

Basis	%
Forecasted CPI per Macroeconomic Performance	5.3%
Assumed Adjusting Factor during negotiation processes	3.5%
Proposed Increment	**8.8%**

The proposed increment of 8.8% is based on both Employees, Section 54/56 Employees and Councillors.

6.1.4.1.1 Employees Salary Budget

The employees' salary and wages for the 2018 / 2019 financial year is R 356 742 873.16 as reflected in Table 6.1.4.1.1.1 below. The employees' salary and wage budget take about 95.34% of internal revenue of the municipality. The municipality will be engaging different strategies to bring the salary and wage budget down such as:

- Re-engineering of the organisational process (e.g. combining some units, freezing of some positions if they become vacant);
- Reduction of excessive overtime and S&T Travelling claims;
- Reduction of the excessive acting of employees to high positions;
- Elimination of the acting of employees on unfunded positions etc.

Table 6.1.4.1.1.1: Employees Salary Budget

Source: Ugu District Municipality Draft Budget, 2018

Description	Monthly	2018 / 19 Budget
Gross Actual Current Employees – Cost of warm bodies per payroll for the month of March 2018 as a base	R 27 017 683.30	R 324 212 199.60
Proposed Increment of 8.8%		R 28 530 673.56
Filling of Critical Vacant Posts from Organogram		R 2 500 000.00
Total		R 356 742 873.16

6.1.4.1.2 Councillors Remuneration and Traditional Leaders

The Councillors and Traditional Leaders remuneration for the 2018 / 2019 financial year amounts to R 11 508 644.67 as reflected in Table 6.1.4.1.2.1 below.

Table 6.1.4.1.2.1: Councillors Remuneration and Traditional Leaders

Source: Ugu District Municipality Draft Budget, 2018

Description	Monthly	2018 / 19 Budget
Gross Actual Current Employees – Cost of warm bodies per payroll for the month of March 2018 as a base	R 650 251.43	R 7 803 017.16
Proposed Increment of 8.8%		R 686 665.51
Filling of Deputy Mayor Vacancy		R 938 962.00
Sitting Allowance for Traditional Leaders		
Tools of Traditional Leaders		R 80 000.00
Travelling Claims for Councillors		R 200 000.00
Total		R 11 508 644.67

6.1.4.2 Other Expenditure

Table 6.1.4.1.2.2 provides a summary of other operation expenditure of the municipality.

Table 6.1.4.1.2.2: Other Operational Expenditure

Source: Ugu District Municipality Draft Budget, 2018

Expenditure Description	2018 / 2019
Youth Development Programme	R 1 870 496.00
Rights of a Child	R 210 795.00
Gender Programmes	R 539 096.00
Elderly	R 98 670.00
People Living with Disability	R 448 500.00
HIV / AIDS	R 457 470.00
Sports and Recreation Programmes	R 5 249 677.00
Poverty Alleviation Programme (i.e EPWP)	R 9 345 495.00
Community Initiatives Support	R 448 500.00
Public Participation	R 2 500 000.00
SMME Development Support	R 500 000.00
Cooperatives Development Support	R 500 000.00
Mayoral Bursaries	R 500 000.00
Community Skills Development	R 8 500 000.00

6.1.5 Capital Budget 2018 / 2019

The 2017 / 2018 Capital Budget amounts to R 314 000 000.00 as reflected in Table 6.1.5.1 below.

Table 6.1.5.1: Capital Budget 2018 / 2019

Source: Ugu District Municipality Draft Budget, 2018

Municipality	Minimum MIG Funded Projects	Minimum WSIG Funded Projects	Total Capital Projects
Umdoni	R 42 176 000.00	R 15 000 000.00	R 57 176 000.00
Umzumbe	R 75 130 000.00	R 10 000 000.00	R 85 130 000.00
Umuziwabantu	R 33 631 000.00	R 10 000 000.00	R 43 631 000.00
Ray Nkonyeni	R 79 952 000.00	R 20 000 000.00	R 99 952 000.00
Total 2018 / 2019 Allocation	R 230 889 000.00	R 55 000 000.00	R 285 889 000.00
Plus, PMU fees limited to a Maximum of 5%	R 4 111 000.00	R 0.00	R 4 111 000
Grand Total Grants Funded	R 235 000 000.00	R 55 000 000.00	R 290 000 000.00
Capital Expenditure Internally Funded	-	-	R 24 000 000.00
Total Capital Budget	-	-	R 314 000 000.00

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**.

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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 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:

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1. **Step 1:** Preparation of the Municipal Manager and Managers accountable to the Municipal Managers' Performance Agreements.
2. **Step 2:** Preparation of the Municipal Manager, Managers accountable to the Municipal Managers' Annual Performance Plans
3. **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.

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.

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Figure 7.1.1: Ugu DM PMS Implementation Flowchart
Source: Ugu DM PMS, 2015

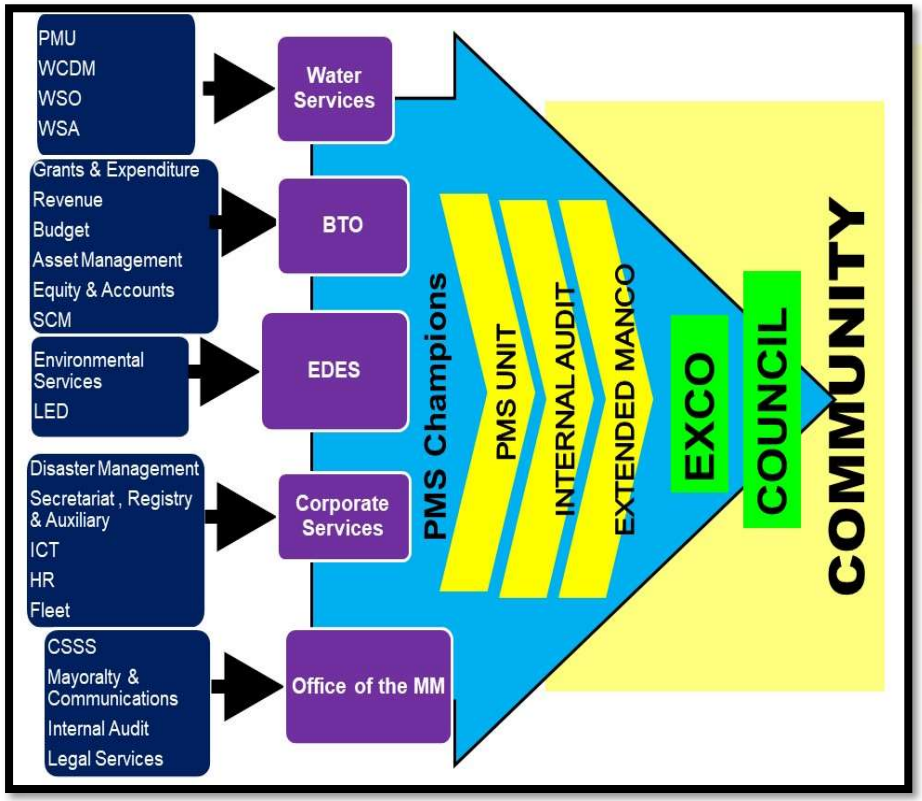


Figure 7.1.2: Ugu DM PMS Reporting Flowchart
Source: Ugu DM PMS, 2018

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

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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

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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.

7.2.3 Performance Evaluation

Performance evaluation involves three main tasks which are:

- ➢ Define Evaluation Objectives
- ➢ Review Information Collected during Monitoring
- ➢ Document Findings and Formulate Recommendations

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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.

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8 CHAPTER 8: ANNEXURES

Table 8.1: Ugu District Status Quo of Sector Plans *Source: Ugu DM, 2018*

No.	Sector Plan	Completed?	Adopted?	Adoption Date	Next Review
1	**Agricultural Plan**	Yes	Yes	June 2007	June 2018
2	**Air Quality Management Plan**	Yes	Yes	Sept 2013	Sept 2018
3	**Anti-Fraud & Anti-Corruption Strategy**	Yes	Yes	23 March 2018	March 2019
4	**Business Continuity Plan**	Yes	Yes	9 June 2016	June 2020
5	**Capital Investment Plan**	No	No	Draft in place	June 2018
6	**Coastal Zone Management Plan (CZMP)**	Yes	Yes	2002	2018
7	**Communication Strategy**	Yes	Yes	23 March 2018	Next Financial Year
8	**Disaster Management Plan**	Yes	Yes	2016	2017
9	**District Fire Safety Plan**	Yes	Yes	26 March 2015	June 2018
10	**District Growth and Development Strategy**	Yes	No	May 2013	June 2018
12	**Employment Equity Plan**	Yes	Yes	February 2018	Next Financial Year
13	**Energy Master Plan (Electricity Master Plan)**	No	No	N/A	N/A
14	**Environmental Management Framework**	Yes	No	June 2018	June 2020
11	**Fire and Rescue Strategy**	Yes	Yes	26 March 2015	June 2018
15	**Five Year Financial Management Plan**	Yes	Yes	May 2017	May 2018
16	**Fraud Prevention Strategy**	Yes	Yes	Sept 2013	Sept 2018
17	**Fraud Response Plan**	Yes	Yes	Sept 2013	Sept 2018
18	**Human Resource Development Strategy**	Yes	Yes	December 2014	December 2019
19	**Human Resource Plan**	Yes	Yes	22 November 2016	November2019
20	**ICT Disaster Recovery Plan**	Yes	Yes	23 March 2017	June 2018
21	**ICT Strategy**	Yes	Yes	29 October 2015	June 2018
22	**IDP Process Plan/ IDP Framework Plan**	Yes	Yes	August 2017	August 2018
23	**Integrated Waste Management Plan**	Yes	Yes	October 2012	October 2018

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No.	Sector Plan	Completed?	Adopted?	Adoption Date	Next Review
24	**Land Use Management Framework (LUMF)**	Yes	Yes	June 2012	June 2018
25	**Litigation Risk Management Strategy**	Yes	Yes	23 March 2018	March 2019
26	**Local Economic Development Strategy**	Yes	Yes	June 2007	June 2018
27	**Organizational Performance Management Plan**	Yes	Yes	July 2014	July 2018
28	**Public Participation Strategy**	Yes	Yes	26 January 2017	June 2020
29	**Integrated Transport Plan (ITP)**	Yes	Yes	June 2006	June 2019
30	**Service Delivery and Budget Implementation Plan**	Yes	N/A	June 2017	June 2018
31	**Spatial Development Framework**	Yes	Yes	June 2018	June 2019
32	**Water Services and Sanitation Master Plan**	Yes	Yes	June 2006	June 2019
33	**Water Services Development Plan**	Yes	Yes	2015	2018
34	**Workplace Skills Plan**	Yes	Yes	22 February 2018	February 2019

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Table 8.2: Ugu District Policy Schedule and Status Qou *Source: Ugu DM, 2018*

No.	Policy	Completed?	Adopted?	Adoption Date	Next Review
1	**Applications User Management Policy**	Yes	Yes	26 June 2014	May 2019
2	**Asset Disposal Policy**	Yes	Yes	26 July 2017	May 2019
3	**Asset Management Policy**	Yes	Yes	26 July 2017	May 2019
4	**Basic Water Services Policy**	Yes	Yes	24 May 2018	May 2019
5	**Borrowing Policy**	Yes	Yes	30 July 2015	June 2020
6	**BTS Policy**	Yes	Yes	27 November 2014	June 2020
7	**Budget Policy**	Yes	Yes	24 May 2018	May 2019
8	**Bursary Policy**	Yes	Yes	27 February 2014	June 2020
9	**Car Allowance Policy**	Yes	Yes	29 October 2015	June 2020
10	**Cash and Investment Policy**	Yes	Yes	30 July 2015	June 2020
11	**Corporate ICT Governance Framework**	Yes	Yes	26 October 2017	June 2018
12	**Death of Staff Member Policy**	Yes	Yes	30 May 2013	June 2020
13	**Emerging Contractors Policy**	Yes	Yes	June 2018	June 2020
14	**Facilities Management Policy**	Yes	Yes	23 March 2017	30 March 2019
15	**Fixed Asset Management Policy**	Yes	Yes	24 May 2018	May 2019
16	**Fleet Management Policy**	Yes	Yes	25 November 2015	June 2020
17	**Funding and Reserves Policy**	Yes	Yes	30 July 2015	June 2019
18	**Geographic Information Systems Policy**	Yes	Yes	June 2018	June 2018
19	**ICT Governance Charter**	Yes	Yes	26 October 2017	June 2018
20	**ICT Operations Policy**	Yes	Yes	26 October 2017	June 2018
21	**ICT Security Policy**	Yes	Yes	26 October 2017	June 2018
22	**ICT User Management Policy**	Yes	Yes	26 October 2017	June 2018
23	**Illegal Connections Policy**	Yes	Yes	25 September 2015	June 2020
24	**Incentives and Rewards Policy**	Yes	Yes	25 September 2014	June 2020

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No.	Policy	Completed?	Adopted?	Adoption Date	Next Review
25	**Indigent Support Policy**	Yes	Yes	24 May 2018	May 2019
26	**Informal Sector Policy**	Yes	No	June 2018	June 2020
27	**Insurance Policy and Insurance Handling Procedure**	Yes	Yes	26 July 2017	June 2020
28	**Irregular and Fruitless Expenditure Policy**	Yes	Yes	29 August 2013	June 2020
29	**Land Policy**	Yes	Yes	27 November 2014	June 2020
30	**Litigation Risk Management Policy and Procedure**	Yes	Yes	23 March 2018	March 2019
31	**Organisational Performance Management Systems Policy and Procedure framework**	Yes	Yes	June 2017	June 2018
32	**PAIA Policy and Procedure Manual**	Yes	Yes	2015	June 2018
33	**Records Management Policy**	Yes	Yes	27 November 2014	June 2020
34	**Registry Procedure Manual**	Yes	Yes	27 November 2014	June 2020
35	**Risk Management Policy and Commitment Charter**	Yes	Yes	23 March 2017	June 2020
36	**Security Policy**	Yes	Yes	23 March 2017	30 March 2019
37	**SMME Policy**	Yes	Yes	June 2018	June 2020
38	**Subsistence and Travel Policy**	Yes	Yes	29 May 2014	May 2019
39	**Supply Chain Management Policy**	Yes	Yes	24 August 2017	August 2018
40	**Termination of Service Policy**	Yes	Yes	June 2018	June 2020
41	**Training Policy**	Yes	Yes	30 May 2014	May 2020
42	**Virement Policy**	Yes	Yes	24 May 2018	May 2019

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Table 8.3: Ugu District By-Law Schedule and Status Qou *Source: Ugu DM, 2018*

No.	By-Law	Completed?	Adopted?	Adoption Date	Next Review
1	**Public Health By-Laws**	Yes	Yes	25 May 2017	June 2020
2	**Air Quality By-Laws**	Yes	Yes	Sept 2013	June 2020
3	**Water and Sanitation By-Laws**	Yes	Yes	17 Sep 2009	June 2020
4	**Ugu District Fire and Safety By-Laws**	Yes	Yes	26 Feb 2015	June 2020
5	**Ugu Disaster Management By-Laws**	Yes	Yes	26 Feb 2015	June 2020

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