



Annual

Report | 2 0 1 6 / 1 7



An exclusive and insightful view on organizational and labour matters.



Annual report 2016/17



Ugu District Municipality

An exclusive and insightful view on organizational and labour matters.

100
Nelson Mandela
Centenary
2018
For the legacy



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A large white pipeline runs horizontally across the frame, supported by several concrete blocks. The pipeline is secured with black straps. The ground is dry, dusty, and rocky, with a reddish-brown hue. In the background, there are rolling hills under a hazy sky. The word "ROCLA" is faintly visible on one of the concrete blocks.

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD



Our district has always been and continues to remain a district of stark contrasts between those who enjoy the highest standard of living, and those who struggle to make ends meet. It is a district of colliding worlds and visions; a district which still bears the service delivery scars of the unjust and immoral system of the pre-colonial regime.

However, we need to change course as we continually strive to become an equitable, non-racial, prosperous, non-sexist, and just society. Shifting course will require commitment and dedication from all who make this district their home. Extraordinary effort is demanded of all of us, to work towards building a more equitable society, where everyone is cared for and where none are neglected.

Our key focus has been that of accelerating service delivery of water and sanitation services to our communities and the eradication of poverty. And we are determined to overcome whatever challenges we encounter in pursuit of this noble course. The year 2017 has been declared as the year of OR Tambo where we celebrate the life and legacy of Oliver Reginald Tambo and this calls for all of us to reflect on the road we have travelled towards creating a better life for all citizens through provision of basic services delivery over the years.

During this year I announced the Poverty Alleviation process which we have introduced precisely because I was aware of the large socio-economic challenges facing our communities in the district. I was also aware

of the parallel truth that Ugu District is a place of immense potential with its greatest assets being its young people.

Our municipality has made remarkable in-roads to rural communities with the delivery of water and sanitation services which were previously reserved for some areas. Communities who had no access to economic opportunities have been made better by bringing jobs nearer to their areas of residence through our various poverty alleviation initiatives. We still cannot stay at the comfort of these achievements as voices of the destitute communities are still echoing. And as a caring government, we shall ensure that no-one is left out and our leadership is resolute in ensuring a better life for all our communities to move our district forward.

Ugu District Municipality has over the years invested a high proportion of its budget on basic services which are mainly targeted at the previously disadvantaged communities. Mega-water and sanitation projects have been implemented across the district to expand access of our services to our communities. And the maintenance of our water and sanitation infrastructure is ongoing.

A series of programmes have been initiated to make economic impact to areas which were previously disadvantaged and growth points have been identified in those areas.

Enhancements in our municipal governance processes have resulted in our municipality achieving various awards during the year. Our journey continues, towards improving the lives of our communities through enhancing our efforts of delivering basic services. Our task, going forward, is to work tirelessly in addressing the triple challenges of poverty, unemployment, and inequality. It is for this reason that, as part of the OR Tambo centenary celebrations we will be mobilizing our communities behind the National Development Plan; Vision 2030, as our collective response to the challenges faced by the communities.

Cllr MA Chiliza

Mayor: Ugu District Municipality

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW



D D NAIDOO
Municipal Manager

As I conclude my current term as Accounting Officer, it is advisable to conduct an unedited analysis of the status of the Municipality against the backdrop of a “going concern.”

It is of contemporary relevance that such an “audit” focus primarily on Service Delivery and Economic Development. During the last five (5) years much resources have been directed at institutional development through the “Back to Basics” (B2B) programmes. Going forward every effort must be made to ensure good governance, financial viability and progressive and positive institutional development.

In “Putting People First” we must show significant progress in achieving our Service Delivery Objectives:

- Providing access to water for all our citizens
- Providing decent sanitation to all our communities

These two service delivery imperatives are not negotiable and must show an upward trajectory. Whilst we acknowledge the progress made in this aspect especially in rural communities there are however impediments that pose a challenge to our target of 100%. In urban areas, our challenge is twofold:

- Ageing infrastructure resulting in frequent disruptions to supply and
- Inadequacy of infrastructure to supply “growing” communities.

A funded infrastructure upgrade programme must be devised to address these challenges as this if left unchecked, could affect revenue levels also. Our Waste Water Treatment Plants need a very sizeable overhaul as many are way past their life expectancy. Lack of maintenance and infrastructure upgrades have led to environmental compliance being compromised.

All existing urban sanitation systems need to be “modernised” and recycling of “grey water” should be considered for limited uses.

Our Ventilated Improved Pit (VIP) sanitation directed to rural areas must be more focussed and implementation driven. Our target of 100% provision must be time bound for milestones to be achieved.

Failure by the Municipality to achieve these two basic deliverables could lead to communities becoming impatient with serious consequences. Given that lack of funding is a major challenge, new and innovative ways must be found to supplement existing grants. The upgrades to Bhobhoyi Water Treatment Works from 54ML to 81ML a day and Umtamvuna from 20ML to 30ML should ease our supply and demand challenges.

The conclusion of our flagship projects the Mhlabatshane Bulk Water Scheme, should assist in increasing our coverage in the Northern areas around Umzumbe and surrounds.

A key developmental priority is to develop the local economy and deal with unemployment, poverty and inequality. The downturn in our economy necessitates that economic development must be used to deal with economic and social transformation.

We must seek strong partnerships with organised business and other stakeholders to identify niche markets for investment purposes while growing existing businesses.

Through these engagements we must create “fertile ground” for job creation.

To address the shortage of skills there must be sustained focus on training programmes targeting out of school youth and unemployed women.

To harvest the great tourism potential, we have the Ugu South Coast Tourism Agency which is a partnership between government and private sector. Due to the constraints of our economy, our marketing has to be more “aggressive”. We all have to ensure a collaborative approach to “exploit” our potential as tourism is a primary market within the District. The consolidation of the Development Agency into the Ugu South Coast Development Agency (USCDA) is indeed a milestone as we now have an Agency that incorporates all four (4) local municipalities. The mandate to the Agency is informative and we need to have mega development projects on the ground to meet our economic developmental objectives. Both these municipal entities must be result driven and our investment (annual grant funding) must yield tangible outcomes.

Our recognition for being the Best Performing Municipality nationally in the Back to Basics (B2B) programme is proof that our investment in good governance has yielded positive outcomes. The five pillars of B2B programme is the foundation that propels us to greater heights. We must continue with our “turnaround strategy” in tandem with all our support plans for B2B.

Our regression to a Qualified Audit Opinion is indeed cause for concern. This is indication of serious breaches of compliance and governance. These qualifications and other related matters must be intensely examined and the root causes dealt with by appropriate remedial action.

Given our capacity, availability of resources and progress this regression demands consequence management. The issue of our assets, commitments and “Work in Progress” schedules must be placed under microscopic scrutiny to ensure compliance. To implement the plea from our President to “do more with less”, all spheres of government need to work together to achieve economies of scale and provide seamless services. We must strengthen our intergovernmental relations structures especially at technical forums. The governance structures in the district must be developed into a consultative platform that informs collaboration and good governance.

One of the tenets of developmental local government is the involvement of communities in the affairs of local government. We must also maximize the involvement of our Amakhosi in the affairs of our municipality. To be responsive to our communities’ needs, we must be in constant dialogue with communities so that a feeling of “ownership” is inculcated in our citizens. Public Participation must be part of the fabric of our operations and must manifest itself in ward based programmes. Service Delivery protests can be minimised or even extinguished through regular channels of communication.

The recognition afforded to our Municipality through the following awards is an affirmation that our “chosen path” is indeed the highway to Service Delivery Excellence. As we continue this journey may we seek to conquer higher mountains and reach virgin milestones: -

- KZN PREMIERS EXCELLENCE AWARDS 16/17
BEST RUN MUNICIPALITY
SILVER AWARD
- BEST PERFORMING MUNICIPAL MANAGER
SILVER AWARD
D. D NAIDOO

As an individual I have been blessed to have been led by dynamic political leaders and have served with some very knowledgeable colleagues. During this term I have been humbled by the wisdom and spirit of generosity of our staff. I am so much wiser for the experience.

At times the support and encouragement of communities, role-players, stakeholders and eminent persons was so refreshing and encouraging during challenging times. These selfless citizens were my role models and inspiration. Let us remain committed to provide a better life for all our citizens and make tomorrow better than today. “Anything seems impossible until it is done”



Nelson R Mandela
D D NAIDOO
MUNICIPAL MANAGER

1.2. Municipal Functions, Population and Environmental Overview

Population Details					
Age in completed years	Population in 2012	Population in 2013	Population in 2014	Population in 2015	Population in 2016
0-17	293 993	296 051	298 123	300 210	308 015
18-35	216 029	217 541	219 064	220 597	226 333
36-50	101 234	101 942	102 656	103 375	106 063
51-70	86 684	87 290	87 901	88 517	90 818
71-90	28 359	28 558	28 758	28 959	29 711
91-120	1 245	1 253	1 262	1 271	1 304

Table 1.2.1

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2013/2014	19%	22%	26%	44%	10%	27%
2014/2015	20%	23%	26%	48%	15%	37%
2015/2016	21%	24%	26%	52%	20%	44%

Table 1.2.2



MUNICIPAL MAJOR NATURAL RESOURCES OVERVIEW

The Municipality has taken a major focus on environment, considering the fact that environmental management issues are a major item of discourse across the globe.

The municipality enjoys the natural resources tabulated below within its area of jurisdiction hence such resources ought to be managed properly through the

development and implementation of a number of specific environmental management plans and capacitated institutional plan.

In extension to the district municipality, some local municipalities within the district are performing some of the Environmental Management functions with the district playing an oversight role.

Natural Resources	
Major Natural Resource	Relevance to Community
Coast	Tourism, recreation and aesthetics, religious beliefs, source of livelihood (food, employment and income), research and education
Biodiversity	Tourism, recreation and aesthetics, religious beliefs, source of livelihood (food and income), research and education, traditional health (medicine)
Air quality	Clean and safe environment, human health, education
Water resources	Domestic and industrial use, recreation, source of livelihood, education and research
Land	Agriculture, human settlements, resources for human consumption, source of power and human contentment

Table 1.2.3

The Coast

Ugu District Municipality, in its Growth and Development Strategy identifies the coast as a major tourism attraction to the Lower South Coast. Further to tourism, the strategy identifies the coast as a source of livelihood for many families who depend on marine resources to cater for their families and access to employment opportunities.

Biodiversity

Like the coast, biodiversity is also used to attract tourism to the district. There are features of the district biodiversity that have been exploited and redesigned for tourism attraction. Apart from tourism the district biodiversity is also used for religious beliefs, livelihood, research and education as well as traditional health.

Air Quality is used to promote a clean and safe environment as well as for education.

Water Resources are used for domestic and industrial purposes, recreation, as a source of livelihood as well as for education and research

Land is one of the primary resources for agriculture, human settlements, resources for human consumption, source of power and human contentment. The district has therefore developed a number of policies to guide sustainable use of land.

1.3. Service Delivery Overview

1.3.1 Service Delivery Introduction: Water and Sanitation

Ugu District Municipality's core function is the delivery of water and sanitation to the community. It performs both the functions of being a Water Services Authority and a Water Services Provider. In a committed endeavour to perform its core function to the satisfaction of the beneficiaries, the community, a number of achievements have been enjoyed the same way as a number of challenges have been experienced during the 2016/2017 financial year.

Most of the achievements were based on service delivery successes with challenges on community impatience, existing infrastructure capacity and ageing infrastructure. The biggest achievement for the year was the operation of the Mhlabatshane Dam which was projected to supply more than 50,000 people with water. In the 2016/2017 financial year the municipality progressively implemented and commissioned with speed the Mhlabatshane Regional Water Supply Scheme. This scheme has ensured sustainable water supply to the areas of Gumatane, Nhlabwane, Nkwazi and Ncengesi, to name a few.

The year under review has come with many achievements in terms of service delivery however we will have to note and pay specific attention to some key projects and performance targets which we could not reach. As we close the financial year, specific focus will be on the unachieved targets and projects that could not be completed as a way of improving service delivery to our people.

The municipality has achieved access to basic water services to 3266 households; these including Mhlabatshane Regional Water Supply Scheme, KwaXolo Bulk Water Supply Scheme, Maphumulo Water Supply Scheme, Mathulini Water Supply Phases 4 – 7 and Ezinqoleni Bulk Water Extensions. The Municipality takes pride in the swift and effective manner in which it responded to the worst drought situation since 1992. The municipality secured its

standby power supply through the same budget through the procurement of six mobile generator trucks and 3 fixed standby generators for critical power usage installations. While access to sanitation provision may have had a steep incline in the prior years, for the current year not much construction work was done on the provision of this service as the municipality was in the process of acquiring funding through business plan applications. The provision of access to water services is notable albeit hampered by the lack of adequate bulk water services. As a projection for the current and upcoming years the municipality plans to unlock major infrastructure projects which are already at final feasibility study stages such as the Harding Weza Bulk Water Supply Scheme, the Vulamehlo Cross-Border Water Scheme and the Ncwabeni Dam Project.



The table below is an indication of access to Basic Services per household since 2013

Proportion of Households with minimum level of Basic Services				
	2013/2014	2014/2015	2015/2016	2016/2017
Water - available within 200 m from dwelling	154 000	130 000	129 929	131 435
Sanitation - Households with at least VIP service	65 000	60 000	57 289	70 943