

<b>CONTRIBUTIONS</b>
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		WATER QUOTA	SANITATION QUOTA
<b>RESIDENTIAL 1</b>			
SUB ECONOMIC (250 TO 400)		0.25	0.20
LOW (401 TO 700M <sup>2</sup> )		0.60	0.50
MIDDLE (701 TO 900 M <sup>2</sup> )		0.80	0.65
HIGH (901 TO 2000)		1.00	1.00
GRANNY FLAT		0.50	0.40
<b>RESIDENTIAL 2 AND 3</b>			
LOW (30 TO 60 M <sup>2</sup> )		0.60	0.50
MIDDLE (61 TO 200 M <sup>2</sup> )		0.80	0.65
HIGH (201 TO 500)		1.00	1.00
<b>RESIDENTIAL 4 (HIGH RISE)</b>		1.00	1.00
LOW (30 TO 50 M <sup>2</sup> )		0.45	0.40
MIDDLE (51 TO 80 M <sup>2</sup> )		0.60	0.50
HIGH (81 TO 200 M <sup>2</sup> )		0.75	0.70
OFFICE /100M <sup>2</sup>		0.40	0.40
SHOPS/100M <sup>2</sup>		0.40	0.40
		<b>WATER QUOTA</b>	<b>SANITATION QUOTA</b>
CLINIC/BED		0.25	0.25
RETIREMENT VILLAGE/PERSON			
FRAIL CARE/PERSON		0.25	0.25
BEDSITTER/PERSON		0.25	0.25
UNITS/UNIT		0.50	0.50
HOSTELS/PUPIL		0.15	0.15
CRECHE/PUPIL		0.02	0.02
SCHOOLS/PUPIL		0.02	0.02
HOSPITAL/BED		0.25	0.25
RESTAURANT/SEAT		0.09	0.09
WAREHOUSE/ VEHICLE SHOWROOM(EXCL. OFFICE) /100 M <sup>2</sup>		0.20	0.20
INDUSTRIAL(EXCL.OFFICE) /100M <sup>2</sup>		0.40	0.40
CARAVAN PARK/SITE		0.60	0.5
CONFERENCE CENTRE/HALL / PER SEAT		0.09	0.09
GOLF ESTATE /HECTARE		5.00	0.00
SERVICE STATION/WORKSHOP/100M <sup>2</sup>		0.40	0.40

B&B AND GUESTHOUSE/LODGE/ROOM		0.60		0.50
HOTEL/ROOM		0.60		0.60
CHURCH/RELIGIOUS INSTITUTIONS		1.00		1.00
HALLS AND CLUB HOUSES		1.00		1.00
CAR WASH		7.68		7.68

**QUOTA**

	WATER QUOTA	SANITATION QUOTA
<b>RESIDENTIAL 1</b>		
SUB ECONOMIC (250 TO 400)	0.20	0.20
LOW (401 TO 700 M <sup>2</sup> )	0.5	0.40
MIDDLE (701 TO 900 M <sup>2</sup> )	0.7	0.6
HIGH (901 TO 2000)	1.0	1.0
GRANNY FLAT	0.5	0.4
<b>RESIDENTIAL 2 AND 3</b>		
LOW (30 TO 60 M <sup>2</sup> )	0.6	0.50
MIDDLE (61 TO 200 M <sup>2</sup> )	0.8	0.6
HIGH (201 TO 500)	1.00	1.00
<b>RESIDENTIAL 4 (HIGH RISE)</b>		
LOW (30 TO 50 M <sup>2</sup> )	0.4	0.40
MIDDLE (51 TO 80 M <sup>2</sup> )	0.6	0.50
HIGH (81 TO 200 M <sup>2</sup> )	0.80	0.70
<b>OFFICE /100M<sup>2</sup></b>	0.4	0.40
<b>SHOPS/100M<sup>2</sup></b>	0.4	0.40
		<b>SANITATION QUOTA</b>
<b>CLINIC/BED</b>	0.2	0.2
<b>RETIREMENT VILLAGE/PERSON</b>		
FRAIL CARE/PERSON	0.2	0.2
BEDSITTER/PERSON	0.2	0.2
UNITS/UNIT	0.5	0.50
<b>HOSTELS/PUPIL</b>	0.16	0.15
<b>CRECHE/PUPIL</b>	0.02	0.02
<b>SCHOOLS/PUPIL</b>	0.02	0.02
<b>HOSPITAL/BED</b>	0.2	0.2
<b>RESTAURANT/SEAT</b>	0.10	0.09
<b>WAREHOUSE(EXCL. OFFICE ) /100 M<sup>2</sup></b>	0.1	0.10
<b>INDUSTRIAL(EXCL.OFFICE) /100M<sup>2</sup></b>	0.3	0.20
<b>CARAVAN PARK/SITE</b>	0.4	0.4
<b>CONFERENCE CENTRE/SEAT</b>	0.10	0.09

<b>GOLF ESTATE /HECTARE</b>	5.35	0.00
<b>SERVICE STATION/WORKSHOP/100M<sup>2</sup></b>	0.2	0.2
<b>B&amp;B AND GUESTHOUSE/LODGE/ROOM</b>	0.5	0.4
<b>HOTEL/ROOM</b>	0.5	0.4
<b>CHURCH/RELIGIOUS INSTITUTIONS</b>	1.0	1.00
<b>HALLS AND CLUB HOUSES</b>	1.0	1.00

## **7.2 QUOTA**

Quota can be bought at the rate (tariff) applicable when the development was constructed.

## **7.3 NUMBER OF BASIC CHARGES**

Number of Basic charges shall be based on the actual number of units for each property. The number of basic charges shall be calculated as per the Guidelines for Engineering Services and based on the number of units, unit size and consumption per unit.

## **8. INDUSTRIAL EFFLUENT CHARGES**

- The charges payable by the owner or occupier, as the case may be, of the manufacturing premises for the use of the Council's sewers in respect of the discharge and conveyance therein of trade effluent from the manufacturing premises, including the use of the Council's sewage purification works for purification of the trade effluent, shall be determined in accordance with the provisions of this by-law. Accounts will be rendered as soon as possible after each period of six months ending on 31<sup>st</sup> December, or 30<sup>th</sup> June of each year and shall apply to such periods. Where during any such six monthly period there has been a change of ownership or occupancy necessitating an apportionment of the amount due to the Council, the Council will apportion the amount between the parties concerned in a manner proportionate to the quantity of trade effluent discharged during the relevant respective periods of ownership or occupancy. Nothing herein shall be construed as preventing the Council from submitting accounts on a monthly basis should such practice be considered more expedient by the Council.

The General Manager: Water Services may base the trade effluent charge as described in paragraph (p) section (a), on the highest COD of one, or more samples collected from the trade effluent sampling point.

The charge to be levied by the General Manager: Water Services in respect to trade effluent discharged into its sewers from manufacturing premises shall be assessed in accordance with the following formula: -

$$R = A + ((\text{COD}/1000) \times B)$$

WHERE

- R is the rate in cents per kilolitre due to the Council.
- A is the basic carriage tariff expressed in cents per kilolitre, determined annually in advance by the Council. The value of A is R 5.65 (5.70%)
- B is the basic treatment tariff expressed in cents per kilogram of COD, determined annually in advance by the Council. The value of B is R0.53 (5.70%)
- COD is the chemical oxygen demand value expressed in milligram of COD per litre of effluent recorded in snap samples of effluent collected as and when deemed fit by the General Manager: Water Services.

The charges payable by the owner or occupier will also include any other charges as may be applicable.

- A copy of the methods of chemical analysis and testing procedures used to determine the COD for the purpose of calculating the charge equation described above shall be kept available by the General Manager: Water Services for inspection by the owner or occupier of any premises concerned. The method of chemical analysis will in all respects follow the STANDARD METHODS FOR WATER ANALYSES published by the SOUTH AFRICAN BUREAU OF STANDARDS being SABS METHOD 1048 – CHEMICAL OXYGEN DEMAND OF WATER.
- In the absence of any direct measurement, the quality of trade effluent discharged into the Council's sewers from any particular manufacturing premises during any period shall be estimated and determined by the General Manager: Water Services by reference to the quantity of water consumed on such premises during such period. The quantity of water consumed on such premises shall be determined by reference to the Council's water meters in the case of water obtained from the Council and by meter or by calculation in the case of water obtained from any other source, including water emerging from material processed on the premises. In determining the quantity of trade effluent so discharged, due allowance shall be made for the quality of water which it is estimated is used for domestic purposes including gardening on such premises or any other purpose not resulting in the discharge of trade effluent and for water lost by reaction or evaporation during any processes on the manufacturing premises concerned and for water present in the final products or materials produced on such premises and, generally, the District Municipality shall take into consideration such matters as will enable it to estimate for the purpose of the by-laws the quantity of trade effluent discharged as aforesaid during any given period.

Industries linked to water borne sewer will be liable for the sanitation basic fee and charges per kilolitre as per charges set, over and above the industrial effluent charge, based on the calculated quota.

#### 9. **ACCEPTANCE OF SEWAGE DELIVERED BY ROAD HAULAGE**

Description	2016/2017	2015/2016
		<b>R</b>
The charges for any sewage delivered for disposal to any Council facilities shall be assessed by an authorised officer in accordance with the prescribed tariff of charges:		
(a) Disposal of trade effluent from within the Council's area of jurisdiction delivered by private road tanker to Council facilities		
Per tanker load	R588.79	R557.04
(b) Disposal of trade effluent from without the Council's area of jurisdiction delivered by private road tanker to Council facilities		
Per tanker load	R1,056.36	R999.40
(c) Disposal of domestic effluent from within or without the Council's area of jurisdiction to Council facilities		
(i) delivered by private road tanker per kilolitre, measured as the nominal carrying capacity, of the tanker	R176.06	R166.57
(ii) delivered by private road haulage in drums per drum of capacity not exceeding 150 litres	R35.21	R33.31

#### 10. **TARIFFS FOR INSTALLATION OF BASE TELECOMMUNICATION STATIONS**

The MONTHLY tariffs for the new installation and the renewal of existing leases of base telecommunication stations on municipal property shall be as per the below mentioned tariff of charges:

- R5, 644.23 (R5,339.86) on property with an existing structure.

*Tower erected on Municipal land (a Greenfield site)*

- R2, 822.11 (R2,669.92) for Co-Locators (Sub-leases)

*Billed to the main lessee, applicable to new leases signed or renewed after 1 July 2012*

-R1, 128.85 (R1,067.97) for antennae's with no base stations

*Dependant on technical criteria, frequency emissions and site size being no greater than 5m2*

It should be noted that for a single installation, a lease agreement will be entered into with one service provider. In the event of co-use of telecommunications masts by cellular network providers, the primary service provider with whom the municipality entered into lease agreement will be responsible for the account.

#### 11. **OFFENCES AND PENALTIES**

Any offences and/or penalties raised by the municipality shall be affected as per Part 7 (General Provisions), clause 34, of the Gazetted Water Services Bylaws, as adopted in terms of Section 21 of the Water Services Act, Act No. 108 of 1997.

#### 12. **SPORTFIELDS AND MULTI – COURTS TARIFFS 2016/2017**

The municipal has leased out the Ugu Sports and Leisure Centre to Cyassound Holdings for a period of 5 years ending 28 February 2020. The tariffs for the use of the facility will be determined by the lessor until the expiry of the lease contract.

#### 13. **PROMOTION OF ACCESS TO INFORMATION ACT (PAIA) SCHEDULE OF FEES**

(Act No. 2 of 2000)[Regulation 6]

A request for access to a record, as contemplated in Section 18(1) of the Act, must be made in the form of Form A – PAIA REQUEST FOR ACCESS TO RECORD.

##### 1. FEE STRUCTURE

Fees chargeable for the records of Ugu District Municipality;

<b>A. REPRODUCTION FEES</b>		
1.	For every photocopy of an A4 Size page or part thereof	R0.82
2.	For every printed copy of an A4 size page or part thereof held on a computer in electronic or machine readable form	R 0.58
3.	For a copy in a computer readable form on;	
3.1	Compact Disc (CD)	R54.14
3.2	Digital Video Disk (DVD)	R54.14
4.		
4.1	For transcription of visual images for an A4 size page or part thereof	R29.78
4.2	For a copy of visual images	R85.70

5.		
5.1	For a transcription of an audio record, for an A4 size page or part thereof	R17.13
5.2	For a copy of an audio record	R23.01
6.	The request fee payable by every requested, other than a personal requestor referred to in section 22(1) of the Act	R47.35
<b>B.</b>	<b>ACCESS FEES</b>	
	Access fees payable by a requester referred to in section 22(7) of the Act, unless exempted under section 22(8) of the Act	
1.	For every photocopy of an A4 Size page or part thereof	R0.82
2.	For every printed copy of an A4 size page or part thereof held on a computer in electronic or machine readable form	R0.58
3.	For a copy in a computer readable form on;	
3.1	Compact Disc (CD)	R54.14
3.2	Digital Video Disk (DVD)	R54.14
4.		
4.1	For transcription of visual images for an A4 size page or part thereof	R29.78
4.2	For a copy of visual images	R81.19
5.		
5.1	For a transcription of an audio record, for an A4 size page or part thereof	R 16.24
5.2	For a copy of an audio record	R23.01
6.	To search for the record for disclosure, excluding the first hour, reasonably required time for such a search.	R20.29 per hour or part of an hour

### **COUNCIL'S TARIFF OF CHARGES FOR ATMOSPHERIC EMISSIONS LICENCE PROCESSING**

- (a) All activities listed in terms of section 21 of the NEM-Air Quality Management Act (Act no. 39 of 2004) and Section 6 of Ugu District Municipality Air Quality Management by-law will be subject to the payment of an AEL processing fee.
- (b) The cost shall be calculated by using the AEL processing fee calculator which is prescribed by Ugu District Municipality with due consideration given to a myriad of factors.
- (c) The fee shall be implemented on all AEL applications submitted to the Air Quality Officer (AQO) for scrutiny and approval.

#### **AEL FEE BANDS**

APPLICATION BANDS	BAND SIZE		FEE SCHEDULE (R)/YEAR
Band 1	0	13	4,494.30
Band 2	14	21	11,235.75
Band 3	22	40	17,977.20
Band 4	41	60	24,718.65
Band 5	61	80	67 414.50
Band 6	81	100	89,886.00

**SERVICE DELIVERY AGREEMENT**

**BETWEEN**

**UGU SOUTH COAST TOURISM (PTY) LTD  
(2009/003419/07)**

**AND**

**UGU DISTRICT MUNICIPALITY**

**(together herein referred to as "the Parties")**

**And established in terms of Section 93C of Act  
32 of 2000 (the Municipal Systems Act)**

*Handwritten signatures and initials:*  
A. Sim  
M. S.

## INDEX

### PREAMBLE

### DEFINITIONS

1. RECORDAL OF INSTITUTIONAL HISTORY
2. FUNCTIONS OF SOUTH COAST TOURISM
3. POWERS OF UGU SOUTH COAST TOURISM
4. RESTRICTIONS ON UGU SOUTH COAST TOURISM
5. ACTIVITIES OF UGU SOUTH COAST TOURISM
6. OWNERSHIP OF COMPANY
7. DUTIES OF PARENTAL MUNICIPALITIES
8. POWERS AND DUTIES OF DIRECTORS OF TOURISM
9. THE CHIEF EXECUTIVE OFFICER AND STAFF OF SOUTH COAST TOURISM
10. ACCOUNTABILITY TO THE UGU COMMUNITY
11. SENIOR MANAGERS REPORTING TO THE CHIEF EXECUTIVE OFFICER
12. MEETINGS OF THE BOARD OF DIRECTORS
13. GENERAL MEETINGS OF TOURISM
14. REPRESENTATION AT GENERAL MEETINGS OF TOURISM
15. CODE OF CONDUCT FOR DIRECTORS AND STAFF OF TOURISM
16. MUNICIPAL REPRESENTATIVES
17. EXISTING AGREEMENT
18. DURATION

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19. FINANCIAL CONTRIBUTION BY MUNICIPALITY
20. FUTURE EVOLVEMENT OF SOUTH COAST TOURISM
21. PREMISES
22. AUDIT
23. PERFORMANCE EVALUATION
24. DOMICILIUM AND NOTICES
25. JUDICIAL PROCEEDINGS AND DISPUTE RESOLUTION
26. NON VARIATION
27. INTERPRETATION

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A.S.M.  
L.M.  
H.D.

**PREAMBLE**

**WHEREAS** the District Municipality is a Municipality as defined in terms of the Local Government Municipal Systems Act 32 of 2000 and the Municipal Structures Act 117 of 1998;

**AND WHEREAS** the parties wish to give effect to and recognition of the Principles enshrined in the Constitution of the Republic of South Africa of 1996, and with specific reference to Section 156 of such Constitution and the parties are obliged to take cognizance of Section 93C and 93D of the Systems Act.

**AND WHEREAS** the parties are also cognizant of and acknowledge that they are properly bound by the Municipal Finance Management Act 56 of 2003, and more specifically Section 87 of such Act as well as rules pertaining to National Treasury Funding.

**AND WHEREAS** Section 38 of the Kwa Zulu Natal Tourism Act of 1996 has application to the relationships between the parties.

**AND WHEREAS** Ugu is, inter alia, empowered, and wishes to in terms of the Municipal Structures Act and Systems Act conclude such an Agreement, and to create a uniform, co-ordinated and measure Tourism Structure by dissolving pre-existing Tourism structures and bringing them within the knowledge and scope of Local and District Municipalities.

**AND WHEREAS** Tourism as a properly created Municipal Entity as defined herein has the capacity, experience and know-how to implement its statutory functions.

A.S.M.  
A.M. L.M. H.D.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:-

## DEFINITIONS

The definitions as contained in all Acts mentioned in the text of this Agreement and Regulations are applicable to this contract. In addition, the following definitions are applicable:-

- 1.1 "Constituent member" or "Member" shall mean the Ugu Regional Tourism and Community Tourism organisations as provided for in Ugu Tourism Constitution or a member of them.
- 1.2 "Contract" means this Service Level Agreement of which the only two parties, shall be Ugu and South Coast Tourism (Pty) Ltd, and shall, in context, hereinafter be referred to as the "parties".
- 1.3 "Effective date: means the 1<sup>st</sup> of July 2009
- 1.4 "Integrated Development Plan" or "IDP" shall mean development planning as provided for in terms of the Division of Revenue Act 1 of 2007, the Municipal Structures Act and the Municipal Systems Act.
- 1.5 "Parent Municipality" means the Ugu District Municipality;
- 1.6 "Person" includes reference to a juristic person.
- 1.7 "Preferential Procurement" means the process provided for in the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of

A.S.M  
L.M  
[Signatures]

2000) and read with and shall comply fully with the Ugu Supply Chain Management Policy.

- 1.8 "South Coast Tourism" means Ugu South Coast Tourism (Pty) Ltd, company registration number 2009 / 003419 / 07 (a company incorporated in terms of the Companies Act, 1973) and represented herein by the Chief Executive Officer; he being duly authorized, as Chief Executive Officer.
- 1.9 "South Coast Tourism's address" means:
- 1.9.1 For postal purposes: PO Box 570, Port Shepstone, 4240.
  - 1.9.2 For communications by telephone and facsimile:  
Telephone (039) 682 7944 and Fax (039) 682 1034
  - 1.9.3 For other purposes: 16 Bisset Street, Port Shepstone, 4240;
- 1.10 "a sponsorship" or "a sponsor" shall mean the support of an event, activity, person, organisation financially or through the provision of products or services. A sponsor is the individual or group that provides the support, similar to a benefactor, as it applies to the Municipal Entity.
- 1.11 "The Articles" means the Articles of the Company and any and every other Statute or subordinate legislation from time in force concerning companies and necessarily affecting the Company.
- 1.12 "The CEO" means the Chief Executive Officer in the company;

A.S.M.  
A.M.G. M. H. H.

- 1.13 "the Companies Act" means the Act 61 of 1973, as amended or any Act which replaces it, and any and every other statute or subordinate legislation from time to time in force concerning Companies generally and necessarily affecting the company, South Coast Tourism (Pty) Ltd.
- 1.14 "The Constitution" shall mean the Constitution of Ugu South Coast Tourism (Pty) Ltd.
- 1.15 "the Company" or "the Entity" shall mean South Coast Tourism (Pty) Ltd.
- 1.16 "the Municipality" or "Ugu" means the Ugu District Municipality, established in terms of section 12 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), represented herein by the Municipal Manager thereof, he being duly authorized.
- 1.17 "The Municipal Finance Management Act" means Local Government Municipal Finance Management Act No. 56 of 2003;
- 1.18 "The Municipality's address" means:
- |        |   |
|--------|---|
| 1.18.1 | PO Box 33, Port Shepstone, 4240   |
| 1.18.2 | For communications by<br>Facsimile: 039 682 1720<br>Telephone 039 688 5700        |
| 1.18.3 | For other purposes: Ugu Municipal Offices,<br>28 Connor Street,<br>Port Shepstone |

*A.S.M.*  
*[Signature]*

1.19 "The Service" or "Service Level Agreement" shall mean the measurable and expected outcomes of Tourism as they pertain to:

- 1.19.1 Feasibility;
- 1.19.2 The quality of ongoing service delivery to the tourist industry and community; in line with the objectives as set out in the IDP of the Parent Municipality.
- 1.19.3 Feedback from the tourist industry and community; and
- 1.19.4 Compliance with the shareholders directives; and
- 1.19.5 Compliance with the terms and conditions of this Agreement by all affected parties.
- 1.19.6 Compliance with the Articles and Memorandum of Association of the Entity.

1.20 "The Systems Act" or "the Act" means the Local Government: Municipal Systems Act 32 of 2000;

1.21 "Tourism" or references to "Tourism" shall specifically include the provisions of Section 38 of the Kwa Zulu Natal Tourism Act of 1996 and such references shall also refer to the Constitution of the Entity.

1.2.1 "Service Level Agreement" shall mean this Service Delivery Agreement, and "Service Delivery Agreement" shall have a corresponding meaning.

WHEREAS:-

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It was resolved at a meeting of the Ugu District Municipality on 6 March 2007 to establish a single Tourism Body in accordance with all Statutory Prescripts. This has been done.

## NOW THEREFORE

### 1. RECORDAL OF INSTITUTIONAL HISTORY

1.1.1 The Municipality has, over a period of time, entered into various Agreements with the Hibiscus Coast Tourism Association, Umdoni Coast & Country Tourism Association, Ezingoleni Tourism and Ugu Tourism Association (UTMA); and these bodies have been incorporated in to South Coast Tourism and are thereafter known as Ugu - South Coast Tourism (Pty) Ltd (UguSCT).

1.1.2.1 The parties recognize that Tourism is a central activity and a source of revenue and a basis for economic empowerment of all people in the Ugu District, by virtue of the District's abundant natural resources, its ancient and complex historic ethnic cultures, its vibrant tribal diversity and its unique demographics; supported by its existing tourism infrastructure.

1.1.2.2 The parties acknowledge and appreciate the historical events leading up to the formation of the entity, which historical events are captured in the Constitution.

1.1.2.3 The parties are enjoined by signature of this Agreement to give effect to the spirit as well as the content of this Agreement.

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A.M.S.  
A.S.M.  
L.M.  
15-  
16-

- 1.2 The parties have agreed to maintain continuity of the relationship between the Municipality and these various bodies or their successors for the purpose of facilitating tourism within the Ugu District Municipality area, and a Constitution has been created to give effect to this purpose, and to recognize this appointment of the Municipal Managers of Local Municipalities as Directors of the Company, and the integral and fundamental role of such Municipal Managers in representing the ongoing interests of such local Municipalities.
- 1.3 A principal object of the parties in entering into this Agreement is to achieve tourism growth for the Ugu District Municipality area by marketing it as a premier tourist destination and to develop tourism infrastructure products to be evolved within previously disadvantaged and under developed areas within the Ugu District Municipality as may be feasible, with particular emphasis on the hinterland.
- 1.4 Secondary aims will be provision of quality visitor service centers, to update membership services and responsible tourism advice, and monitoring of local Tourism operations and establishments for compliance with provincial, district and local policies and administration.
- 1.5 Ugu and the National Treasury of the Republic of South Africa requires a Service Level Agreement in terms of which its measurability, deliverability and its plans can be objectively quantified.

*Handwritten signatures and initials:*  
A.M.S.  
A.S.M.  
D.



## 2. FUNCTION OF UGU SOUTH COAST TOURISM

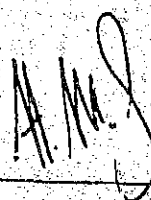
- 1.1 The main business which the Company is to carry on; is the promotion and implementation of tourism within the Parent Municipality's area of jurisdiction, predicated on the Kwa Zulu Natal Tourism Act as needs be, and based on the Parent Municipality's Integrated Development Plans and Policies.
- 1.2 To engage in and facilitate an ongoing community consultation process as envisaged by Section 80(2) of the Systems Act and Section 38 of the Tourism Act during the establishment of this Agreement, as well as with the constituent members as defined herein.
2. The main object of Tourism shall be to contribute to the economic, social and environmental development of the area of jurisdiction of the Parent Municipality through Tourism as contemplated inter alia in Section 8 read with Section 86E of the Local Government: Municipal Systems Act.
3. The specific ancillary objects, if any, referred to in Section 33(1) of the Systems Act, form an integral part of the main objective of the company.

## 3. POWERS OF UGU SOUTH COAST TOURISM

1. Schedule 2 of the Companies Act of 1973 shall not apply to the Company.

*[Handwritten signatures and initials]*  
A.S.M. *[initials]*

2. The Company is a private company established in terms of Section 86C of the Systems Act and accordingly is restricted to act as a municipal entity in terms of:
  - 2.1 Chapter 8A of the Systems Act; and
  - 2.2 Chapter 10 and 11 and Section 116 of the Local Government Municipal Finance Management Act No. 56 of 2003; and
  - 2.3 Section 41 of the Systems Act; and
  - 2.4 Section 38 of the Kwa Zulu Natal Tourism Act 113 of 1996; and
  - 2.5 Its Articles and Memorandum of Association.
3. Section 86D(2) of the Systems Act shall apply namely that Tourism must restrict its activities to the purpose for which it is used by its Parent Municipality in terms of Section 86E(1)(a); and Tourism shall have no competence to perform any activity which falls outside the functions and powers of its Parent Municipality contemplated by Chapter 8 of the Act.
4. The company has incorporated into Ugu South Coast Tourism the following three (3) community tourism associations, namely:
  - 4.1 Hibiscus Coast Tourism Association;
  - 4.2 Umdoni Coast & Country Tourism Association; and
  - 4.3 Izingolweni Tourism Association;into one Municipal entity, and



A.S.M.



5. Ugu South Coast Tourism shall register as a Community Tourism Association with the accredited Government approved Tourism Bodies, and as provided in the Tourism Act.

#### 4. RESTRICTIONS ON UGU SOUTH COAST TOURISM

1. All the income, expenditure, sponsorship and property of Tourism shall be applied solely towards the promotion of its main objective;
2. No portion of Tourism's income, expenditure and property shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise to Ugu or directors of the Company, or its Parent Municipality; provided that nothing herein contained shall prevent the payment in good faith or reasonable remuneration to an officer or servant of the Company or to any member in return for any services actually rendered to the company, nor shall Tourism be precluded from acquiring bona-fide sponsors to improve and further its objects and functions, provided that this is done in line with a sponsorship policy, which policy shall be approved by the Parent Municipality, within a reasonable time period after signature hereof
3. The winding-up of the company, shall be in terms of the stipulations contained in the Local Government: Municipal Systems Act, The Local Government: Municipal Finance Management Act and other relevant Acts.

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4. The company shall monitor and annually review its annual budget process as set out in Section 87 of the Municipal Finance Management Act.
5. Ownership of, equity interest or shares or any alienation or transfer of that share in the Company may only be alienated or disposed of in terms of Section 86G of the Systems Act and, in the following manner:
  - (a) to a wholly owned private company, subject to the Municipal Finance Management Act; or
  - (b)(i) subject to Section 14 of the Municipal Finance Management Act; and
  - (ii) if that transfer or disposal would not result in an infringement of Section 86C(2) by another Municipality which holds an interest in the company.
6. To only provide goods and services only as provided for in respect of the preferential Procurement Policy Framework Act of 2000 (Act 5 of 2000).
7. To acquire goods and services only as provided for in this Service Level Agreement.

5. **ACTIVITIES OF UGU SOUTH COAST TOURISM**

1. Schedule 2 of the Companies Act shall not apply to the Company.
2. Section 86D (2) of the Systems Act shall apply and provides that:

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A.S.M. *[initials]*

A private company which is a municipal entity –

- (a) must restrict its activities to the purpose for which it is used by its parent municipality in terms of Section 86H(1)(a);
- (b) and has no competence to perform any activity which falls outside the functions and powers of its parent municipality contemplated by Chapter 8.

- 3. Section 120 read with Section 104 of the Municipal Finance Management Act shall apply.
- 4. To render an objectively quantifiable and measurable service to the Parent Municipality.

6. **OWNERSHIP OF COMPANY**

- (a) The Company is established and fully owned by the Parent Municipality in terms of Section 86C of the Systems Act, and as such the Parent Municipality holds all the shares therein.
- (b) No other party shall be a party to this Agreement, or claim enforceable rights, or obligations from the parties arising from this Agreement, or resulting from the Constitution of South Coast Tourism (Pty) Ltd.
- (c) No District or Area Tourism Committee shall have any enforceable rights in respect of the Company.

*A.M.J.* *A.S.M.* *L.M.*

## 7. DUTIES OF PARENT MUNICIPALITY

Sections 93A and 93B of the Systems Act stipulates the following duties of the Parent Municipality with respect to the Company:

### 1 The parent municipality must:

- (a) exercise any shareholder, statutory, contractual or other rights and powers it may have in respect of the municipal entity to ensure that –
  - (i) both the municipality and the municipal entity comply with the Systems Act, the Municipal Finance Management Act and any other applicable legislation; and
  - (ii) the municipal entity is managed responsibly and transparently, and meets its statutory, contractual and other obligations as well as the provisions of its own Constitution;
- (b) allow the board of directors and chief executive officer of the municipal entity to fulfill their responsibilities; and
- (c) establish and maintain clear channels of communication between the municipality and the municipal entity.

### 2 The Parent Municipality having sole control over the Company must:

- (a) ensure that annual performance objectives and indicators for the municipal entity are established by Agreement with the

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A.M.J.  
A.S.M.  
L.M.  
H.  
S.

municipal entity and included in the municipal entity's multi-year business plan in accordance with Section 87(5)(d) of the Municipal Finance Management Act;

- (b) must monitor and annually review, as part of the municipal entity's annual budget process as set out in Section 87 of the Municipal Finance Management Act, the performance of the municipal entity against the agreed performance objectives and indicators; and
- (c) may liquidate and disestablish the municipal entity –
  - (i) following an annual performance review, if the performance of the municipal entity is unsatisfactory or due to non-compliance in terms of Section 116(1)(b)(ii) of the MFMA;
  - (ii) in the event of financial difficulties if the municipality does not impose a financial recovery plan in terms of the MFMA (Municipal Finance Management Act) and the municipal entity continues to experience serious or persistent financial problems; or
  - (iii) if the municipality has terminated the services delivery Agreement or other Agreement it had with the municipal entity.

- (d) If the company is liquidated and/or disestablished: -

*A. M. J.*  
*L. M.*  
*A. S. M.*

3.1 Audited financial statements, within 60 days of South Coast Tourism year end.

3.2 Three annual finance progress reports.

3.3 A quarterly summary activity report detailing:

3.3.1 Information and Provision.

3.3.2 Marketing

3.3.3 Finances.

3.3.4 Development.

Cognizance shall also be taken of:

1. Political
2. Environmental;
3. Economic;
4. Social;
5. Logistical;
6. Quality

consideration of Tourism's role.

4. Board minutes from time to time shall be forwarded to the Municipal Manager.

5. Annual board review of company performance to be forwarded to the municipal manager within 90 days of its year-end. This to include quantifiable and detailed evaluations of the outcome of the chief executive officers key performance areas.

6. Marketing Action Plan

7. Development Action Plan

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A.M.J.  
B. M.  
W.  
Ar. Sin  
D



## 24. DOMICILIUM AND NOTICES

The parties select their addresses as hereinbefore stated as their respective *domicilia citandi et executandi* for all purposes arising out of this Agreement or the cancellation thereof.

Any notice sent to the *domicilia citandi et executandi* of a party by previous registered post or delivered there by hand shall be deemed to have been received on the fifth business day after posting or on the date of delivery, as the case may be.

Any party may, by written notice to the other, change his *domicilia citandi et executandi* to another physical address (not being a post office box number or *poste restante*) within the Republic of South Africa and such change shall become effective seven days after the giving of such notice.

All notices which may or may have to be given in terms of this Agreement shall be in writing.

## 25. JUDICIAL PROCEEDINGS AND DISPUTE RESOLUTION

1. The parties acknowledge that with reference to interpretation of powers and obligations of the parties, and in the event of a dispute between the parties that:
  - 1.1 This Service Level Agreement shall have application and;
  - 1.2 The Articles and Memorandum of the Company shall have application.

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2. Should a dispute arise at any level between the parties, which cannot be resolved by intervention, of the CEO, the Municipal Manager, and/or the directors of the Entity, then the parties acknowledge that Chapter 4 of The Intergovernmental Relations Framework Act 113 of 1995 shall have application (Act 113 of 2005).
3. In terms of Section 41 read with 42(2) of Act 113 of 2005,
  - 3.1. Any dispute which may arise between the parties relating to the interpretation, effect or termination of this Agreement or to their rights or obligations in terms hereof shall be submitted for facilitation if any party to the dispute so requires.
  - 3.2. The Facilitator shall then make his/her finding available to the relevant MEC in terms of Section 44 of Act 113 of 2005.
4. The Arbitrator shall be a practising or retired attorney or Senior Government Official who have had not less than 10 (ten) years experience. He/she shall be appointed by Agreement between the parties to the dispute, and failing such Agreement, within 7 (seven) days after the date upon which the arbitration is demanded, by the relevant MEC in Kwa Zulu Natal, or his nominee.

## 26. NON VARIATION

This Agreement shall constitute the entire Agreement between the parties, as to the regulation of the Municipal Entity, and no addition to or variation, consensual cancellation or novation of this Service Level Agreement and no waiver of any right arising from this Agreement or its breach or

*A.M.J.* *L.M.* *MS*

termination shall be of any force or effect unless reduced to writing and signed by all the parties or their duly authorized representatives.

## 27 INTERPRETATION

- 1.1 Headings of clauses shall be deemed to have been included for purposes of convenience only and shall not affect the interpretation of this Agreement.
- 1.2 Unless inconsistent with the context, words relating to any gender shall include the other genders, words relating to the singular shall include the plural and vice versa and words relating to natural persons shall include associations of persons having corporate status by statute or common law.
- 1.3 In the event that any of the provisions of this Agreement or its collateral Constitution, are found to be invalid, unlawful or unenforceable, such terms shall be severable from the remaining terms which shall continue to be valid and enforceable.
- 1.4 This Agreement incorporates the Annexures and Constitution, which Annexures shall have the same force and effect as if set out in the body of this Agreement. The various documents forming part of this Agreement are to be taken as mutually explanatory. In the event of any conflict or inconsistency the provisions contained in the main body of the Agreement will prevail.
- 1.5 If any provision in a definition is a substantive provision conferring any right or imposing any obligation on any party, then

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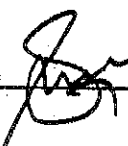
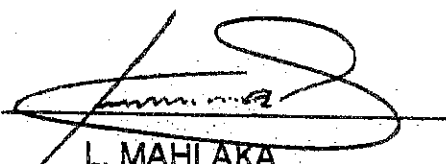
notwithstanding that such provision is only in this interpretation clause or in a definition elsewhere in this Agreement, effect shall be given to it as a substantive provision of this Agreement.

- 1.6 When any number of days is prescribed in this Agreement, the same shall be reckoned exclusively of the first and inclusively of the last day unless that last day falls on a Saturday, Sunday or proclaimed public holiday in the Republic of South Africa, in which event the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday.
- 1.7 Any reference to an enactment is to that enactment as at the date of signature hereof and as amended or re-enacted from time to time.
- 1.8 If any provision in this Agreement is in conflict or inconsistent with any law, the invalidity of any such provision shall not affect the validity of the remainder of the provision hereof.
- 1.9 Where figures are referred to in words and in numerals, if there is any conflict between the two, the words shall prevail.

THUS DONE and SIGNED by UGU DISTRICT MUNICIPALITY at Port  
Shepstone on this 26<sup>th</sup> day of April 2010.


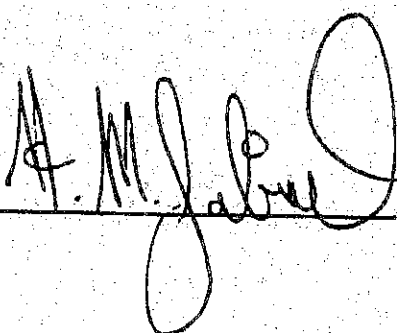
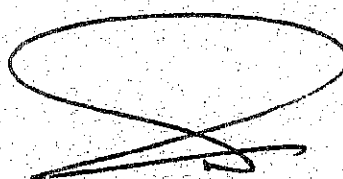
*Handwritten signatures and initials:*  
A.M.J.  
L.M.  
A.S.M.  
H.B.

## AS WITNESSES:

1.  \_\_\_\_\_2.  \_\_\_\_\_  
L. MAHLAKA  
MUNICIPAL MANAGER  
Duly Authorised

THUS DONE and SIGNED by SOUTH COAST TOURISM at Port  
Shepstone on this 17 day of May 2010.

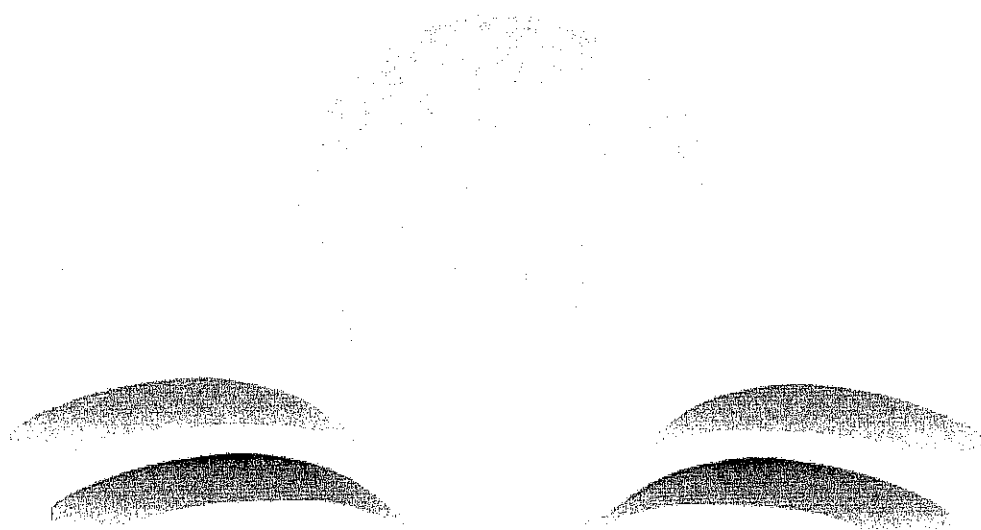
## AS WITNESSES:

1.  \_\_\_\_\_2.  \_\_\_\_\_  
MICHAEL BERTRAM  
CHIEF EXECUTIVE OFFICER -  
SOUTH COAST TOURISM  
Duly Authorised

# UGU DISTRICT MUNICIPALITY

## DRAFT IDP, PMS AND BUDGET PROCESS & FRAMEWORK PLAN

2016/2017



Prepared In-house by:

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Development Planning Unit

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## TABLE OF CONTENTS

<b>SECTION A: FRAMEWORK PLAN.....</b>	<b>5</b>
<b>1. Introduction and Background .....</b>	<b>5</b>
1.1. Legislative Requirement .....	5
1.2. What is a District Framework Plan? .....	6
1.3. Underlying Approach to the Framework Plan .....	6
1.4. What is the Process Plan? .....	6
1.5. Alignment of Government Policies and Plans .....	7
<b>2. Institutional Arrangements for the IDP .....</b>	<b>7</b>
2.1. Council .....	8
2.2. EXCO .....	8
2.3. Mayor .....	8
2.4. Office of the Municipal Manager .....	8
2.5. IDP STEERING COMMITTEE .....	9
2.5.1. Terms of Reference for the IDP Steering Committee .....	9
2.5.2. Schedule of Steering Committee Meetings .....	9
2.6. IDP Representative Forum .....	9
2.6.1. Terms of Reference for the IDP Representative Forum .....	10
2.6.2. Schedule of IDP RF Meetings .....	10
2.7. Project Task Team .....	10
2.8. UGU District Development Planning Forum (UDDPF) .....	10
2.8.1. Schedule of DDPF Meetings .....	11
2.9. Development Planning Unit .....	11
<b>3. Roles and Responsibilities .....</b>	<b>11</b>
3.1. Role Players .....	11
3.2. Internal Role-players .....	11
3.3. External Role-players .....	11
3.4. ROLES AND RESPONSIBILITIES .....	12
<b>4. Mechanisms and Procedures for Participation and Alignment .....</b>	<b>15</b>
4.1. Functions and Context of Public Participation .....	15
4.2. Mechanisms for Participation .....	15
4.2.1. IDP Representative Forum (IDP Rep Forum) .....	15
4.2.2. Media .....	15
4.2.3. Ward Committees .....	15
4.3. Procedures / Process for Participation .....	16
4.3.1. Council .....	16
4.3.2. EXCO .....	16
4.3.3. MAYOR .....	16
4.3.4. IDP Representative Forum .....	16
4.3.5. IDP Steering Committee .....	16
4.3.6. District Planners Forum .....	17
4.3.7. Newspapers .....	17
4.3.8. Roadshows / Izimbizo .....	17
4.3.9. RADIO SLOTS .....	18
<b>SECTION B: PROCESS PLAN .....</b>	<b>19</b>
<b>5. Section One: 2012 / 2013 IDP Action Programme .....</b>	<b>19</b>
5.1. Municipal and Provincial Budget and IDP Review Alignment .....	19
5.2. Horizontal, Vertical and Cross Border Alignment .....	20
5.2.1. Horizontal Alignment .....	20
5.2.2. Vertical Alignment .....	20

5.2.3.	Cross Border Alignment .....	20
5.3.	Integrated Development Planning & Budget:.....	21
5.3.1.	Key Budget Dates for 2014 / 15 .....	21
5.3.2.	Key elements to be addressed during the review process .....	22
5.4.	Performance Management.....	22
5.4.1.	Performance Management Systems Dates 2014 / 15 .....	23
5.5.	Action Programme.....	23
5.5.1.	Preparatory Phase .....	24
5.5.2.	Analysis Phase .....	24
5.5.3.	Strategic Phase .....	24
5.5.4.	Project Phase.....	24
5.5.5.	Integration Phase .....	25
5.5.6.	Adoption Phase .....	25
5.6.	Cost Estimate for the Planning Process .....	30
5.7.	Conclusion .....	30

## GLOSSARY

AG	Auditor General
AIDS	Acquired Immune Deficiency Syndrome
ART	Antiretroviral therapy
ARV	Antiretroviral
BBBEE	Broad Based Black economic Empowerment
CDWs	Community Development Workers
DBSA	Development Bank of Southern Africa
DAEA	Department of Agriculture and Environmental Affairs
DEAT	Department of Environmental Affairs and Tourism
DFA	Development Facilitation Act
CoGTA	Department of Cooperative Government and Traditional Affairs
DM	District Municipality
DoHS	Department of Human Settlement
DWAF	Department of Water Affairs & Forestry
EIA	Environmental Impact Assessment
EKZNW	Ezemvelo Wildlife
EMF	Environmental Management Framework
EMP	Environmental Management Plan
EPWP	Expanded Public Works Programme
FBS	Free Basic Services
FET	Further Education and Training
HH	Households
HIV	Human Immune-deficiency Virus
HR	Human Resources



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<b>ICMA</b>	Integrated Coastal Management Act
<b>ICT</b>	Information Communications Technologies
<b>IDP</b>	Integrated Development Plan
<b>IDPRF</b>	Integrated Development Plan Representative Forum
<b>IGR</b>	Inter Governmental Relations
<b>ISRDP</b>	Integrated Sustainable Rural Development Programme
<b>IWMP</b>	Integrated Waste Management Plan
<b>LED</b>	Local Economic Development
<b>LGSETA</b>	Local Government SETA
<b>LM</b>	Local Municipality
<b>LRAD</b>	Land Redistribution Programme
<b>LUMS</b>	Land Use Management System
<b>GDS</b>	Growth and Development Strategy
<b>LUMF</b>	Land Use Management Framework
<b>MDG</b>	Millennium Development Goals
<b>MIG</b>	Municipal Improvement Grant
<b>MSIG</b>	Municipal Systems Improvement Grant
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NEMA</b>	National Environmental Management Act
<b>NSDP</b>	National Spatial Development Perspective
<b>PGDS</b>	Provincial Growth and Development Strategy
<b>PMS</b>	Performance Management System
<b>PSEDS</b>	Provincial Spatial Economic Development Strategy
<b>SANRAL</b>	South African National Roads Agency Limited
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>SEA</b>	Strategic Environmental Assessment
<b>STATSSA</b>	Statistics South Africa
<b>VCT</b>	Voluntary Counselling and Testing

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#### GLOSSARY OF LEGISLATIVE ENACTMENTS

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<b>The Constitution</b>	Republic of South Africa's Constitution, Act 108 of 1996
<b>The Systems Act</b>	Municipal Systems Act, No 32 of 2000
<b>The Structures Act</b>	Municipal Structures Act, No 117 of 1998
<b>DFA</b>	Development Facilitation Act, No 67 of 1995
<b>MFMA</b>	Municipal Finance Management Act, No 56 of 2003

## SECTION A: FRAMEWORK PLAN

### 1. Introduction and Background

An IDP is one of the key tools for Local Government to achieve its developmental role and seeks to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development, and institutional transformation in a consultative, systematic and strategic manner. The Ugu District Municipality is in a process of developing a comprehensive 5 year Integrated Development Plan (IDP) in terms of Chapter 5 of the Municipal Systems Act, 2000.

#### 1.1. Legislative Requirement

In terms of Chapter 5, Section 34 of the Municipal Systems Act, 2000 it requires that all municipalities to annually review and amend its IDP in accordance with an assessment of its performance measurements, Section 41 of the Act requests the inclusion in to the extent that changing circumstances to demand. Section 26 of the Act also describes the core components of integrated development plans. Section 28 stipulates that the Municipal Council must adopt a process to guide the planning, drafting, adoption and review of its IDP. The Municipal Finance Management Act, No.56 of 2003 (MFMA), Section 21 (1) (b) prescribes that the Mayor must table in the Municipal Council a time schedule outlining the key deadlines for the preparation, tabling and approval of the annual budget, annual review of the IDP as well as the budget related policies and related consultative processes, approval of the annual budget, annual review of the IDP as well as the budget related policies and related consultative processes.

The Process Plan of the District and its Local Municipalities need to be prepared in line with this IDP Review Framework Plan as agreed to by all the Municipalities in the District. The IDP Process Plan provides guidance with respect to the programme of action that has to be followed during the IDP development process. The purpose of this process plan is to identify and detail the elements identified in the Framework Plan and set out the specific time frames in which all activities should be achieved.

Ugu District Municipality (DC 21) has six category B municipalities under its jurisdiction. The six local municipalities are:

- KZN 211 Vulamehlo
- KZN 212 Umdoni
- KZN 213 Umzumbe
- KZN 214 Umuziwabantu
- KZN 215 Ezinqoleni
- KZN 216 Hibiscus Coast.

The Framework Plan and Process Plan are two distinct documents which talk to each other.

## 1.2. What is a District Framework Plan?

The objective of a Framework Plan is to ensure that the processes of both the District and Local Municipalities IDP development and reviews are mutually linked and do inform each other. The Framework Plan is to be used by all municipalities in the district as a basis for drafting their process plans; the framework plan has to be agreed by all local municipalities. The Framework Plan binds the District and Local Municipalities.

The Framework Plan specifies the roles of different role players in the IDP process and determines procedures for coordination, consultation and alignment between the district and the local municipalities. The Framework Plan guides each municipality in preparing its Process Plan.

## 1.3. Underlying Approach to the Framework Plan

The Framework Plan as stipulated in Section 27 (2) of the Municipal Systems Act of 2000 identifies the following:

- Identify plans and planning requirements that bind the District and Local Municipalities in terms of national and provincial legislation.
- Identify matters that require alignment between the District and Local Municipalities.
- Specify the principles to be applied and coordinate the approach to be adopted in respect of the matters identified.
- Determine procedures for consultation between the municipalities during the process of drafting their respective IDPs and to effect essential amendments to the framework.

## 1.4. What is the Process Plan?

The Process Plan fulfils the function of a "business plan", it therefore details and sets out timeframes to the processes that will be followed during the IDP development stages ensuring that all aspects are covered on time for adoption. The Process Plan must also consider and include amongst others what has been set out in the Framework Plan, the MEC comments, Council priorities, Draft IDP Assessments and Self Assessments, community input etc.

In terms of Section 34 of the MSA:

A municipal council-

- (a) must review its integrated development plan-
  - (i) annually in accordance with an assessment of its performance measurements in terms of section 4i; and
  - (ii) to the extent that changing circumstances so demand; and
- (b) may amend its IDP in accordance with a prescribed process

In order to ensure effective IDP development during this new 5 year plan, the municipality must prepare and adopt an IDP Process Plan which must be reviewed annually. The preparation of a Process Plan for the annual review is referred to in chapter 5, Section 28 of the MSA as follows:

Adoption of a process-

- (1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting and *adoption and review of its integrated development plan*.

In all the Process Plan must indicate what has to happen, when, by whom, with whom and where, and it should include cost estimates.

### 1.5. Alignment of Government Policies and Plans

Alignment of government policies and plans is crucial in strategic planning. 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. The key mandates relevant to the municipal context in co-operative governance will be considered and addressed. These includes amongst others, Provincial Growth and Development Strategy, the New Growth Path, the MTSF as stipulated below.

## 2. Institutional Arrangements for the IDP

This institutional arrangement is set out to ensure the following:

- Institutionalization of the participation process
- Effective management in the drafting of objectives and
- To give affected parties access to contribute to the decision-making process.

Organizational structure of the Ugu District Municipality IDP development process is illustrated in Figure 1.

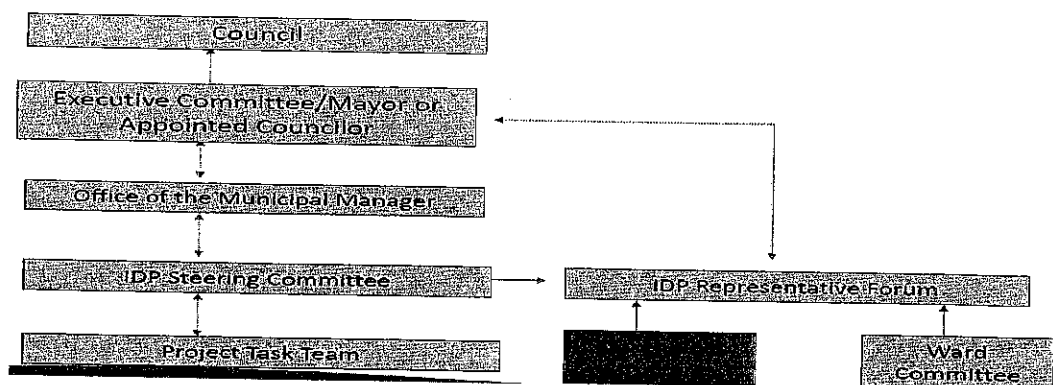


Fig 1: Organisational Arrangements

## 2.1. Council

The Council is the political decision-making body of the municipality and with regard to the 2016/17 IDP review will:

- Consider comments made in the 2015/16 IDP Review Process and adopts a new Framework / Process Plan (FP / PP);
- Ensures the consideration of the national and provincial budgeting processes as well as inform the municipal budgeting process;
- Adopts the final IDP or IDP Review by the end of June annually; and
- Approves Sector Plans upon their completion

The Council follows the following critical generic dates annually:

- Finalisation & adoption of FP's and or PP's between **July and Sept**;
- Submission of draft IDP & budget to COGTA & Provincial Treasury in March;
- Finalisation and adopts IDP / IDP Review in June.

## 2.2. EXCO

- Responsible for overseeing the IDP Review process;
- Political responsibility and accountability regarding the IDP Review process.

## 2.3. Mayor

- Responsible for overseeing the IDP Review process, tabling and approval of the IDP process;
- Political responsibility and accountability regarding the IDP Review process.

## 2.4. Office of the Municipal Manager

The Municipal Manager or IDP Manager on his behalf is the responsible person for championing the Integrated Development Planning process.

IDP Manager falls under the office of the Municipal Manager and:

- Chair IDP Steering Committee meetings;
- Prepare FP and/or PP;
- Are responsible for management and co-ordination of IDP process;
- Respond to comments on the IDP;
- Avails documents to inform the IDP process;
- Promote involvement of all stakeholders; and
- Adjust the IDP according to the MEC's proposals.

## 2.5. IDP STEERING COMMITTEE

The Ugu District Municipality took a decision that the Management Committee and extended Management Committee will fulfill the role of IDP Steering Committee.

The composition of the IDP Technical Committee will have to take the manageability of a working committee into consideration and should preferably be chaired by the accountable or responsible official for IDP (Municipal Manager or IDP Manager).

### 2.5.1. Terms of Reference for the IDP Steering Committee

The technical committee will be an internal committee made up of the full management component of the municipality. It also serves to improve the participation of internal staff members in the IDP process and should result in better understanding and buy-in in the process. The committee will be responsible for, amongst other things, to;

- Consider all work and documentation that needs to be submitted to the IDP Steering Committee;
- Ensure the validity and technical correctness of the information presented to the other important IDP stakeholders; and
- Ensure the integration of the IDP policies, objectives, strategies and projects into the daily functioning and planning of the municipality.

### 2.5.2. Schedule of Steering Committee Meetings

The meetings of the IDP Steering Committee will sit as per the schedule of MANCO and extended MANCO as and when IDP issues need to be addressed.

## 2.6. IDP Representative Forum

The IDP Representative Forum (IDP Rep Forum) is constituted as part of the preparation phase of the IDP and continues its functions throughout the annual IDP Review process.

The proposed composition of the IDP Rep Forum is as follows:

- Councillors
- Traditional leaders
- Ward Committee Chairpersons
- Senior municipal officials
- Stakeholder representatives of organised groups
- NGO's
- Advocates of unorganised groups
- Resource persons
- Other community representatives

- National and Provincial Departments regional representatives
- Parastatal organisations

### 2.6.1. Terms of Reference for the IDP Representative Forum

The summarised terms of reference for the IDP Representative Forum could be based on the composition of the constituency's interests in the IDP process, and is proposed to be as follows:

- Represent the interest of the municipality's constituency in the IDP process
- Provide an organisational mechanism for discussion, negotiation and decision making between the stakeholders inclusive of municipal government
- Ensure communication between all the stakeholder representatives inclusive of municipal government
- Monitor the performance of the planning and implementation process

### 2.6.2. Schedule of IDP RF Meetings

The IDP RF meetings are scheduled to sit bi-monthly as follows

2016		2017			
AUGUST	OCTOBER	FEBRUARY	APRIL	JUNE	SEPTEMBER
21	23	TBC	TBC	TBC	TBC

### 2.7. Project Task Team

- Acts as support to the IDPRF
- Effective management in the drafting of objectives and
- To give affected parties access to contribute to the decision-making process.
- Ensure vertical and horizontal alignment of programs and projects
- Monitoring and evaluation of programs and projects

### 2.8. UGU District Development Planning FORUM (UDDPF)

- Provide relevant technical, sector and financial information regarding their municipality;
- Facilitate vertical alignment between DMs and LMs;
- Facilitate horizontal alignment with sector department and public utilities.

### 2.8.1. Schedule of UDDPF Meetings

The UDDPF meetings are scheduled to sit bi-monthly as follows

2014			2015		
JULY	OCTOBER	DECEMBER	FEBRUARY	MAY	JUNE
06	02	04	TBC	TBC	TBC

### 2.9. Development Planning Unit

- Responsible for the compilation on overseeing on the IDP document
- Monitoring and evaluation

## 3. Roles and Responsibilities

### 3.1. Role Players

Table 1 & 2 captures the internal and external role players that have been identified to ensure a successful and useful IDP Process within the municipality. Each of these role players will contribute immensely to the success of the 5 year IDP.

### 3.2. Internal Role-players

- Council and the Executive Committee;
- Mayor;
- IDP Representative Forum;
- IDP Cluster;
- IDP Steering Committee;
- Extended Management Committee;
- Management Committee;
- IDP Manager.

### 3.3. External Role-players

- National, Provincial Government Departments and Local Municipalities;
- State Owned Enterprises;
- Planning professionals/facilitators;
- Civil Society Organisations;
- Traditional Leadership;
- IDP Clusters.
- Neighbouring District Municipalities



### 3.4. ROLES AND RESPONSIBILITIES

As with the preparation of the IDP the main roles and responsibilities allocated to each of the internal and external role players are set out in table 1 and table 2 respectively. The tables provide an indication of the various roles and responsibilities of the different groupings relating to specifically the IDP Review, PMS and Budgeting processes.

**Table 1: Internal Roles and Responsibilities**

Role/Player	Roles and Responsibilities	Function
Council	<ul style="list-style-type: none"> <li>✓ Final decision making.</li> <li>✓ Approval of the IDP documentation.</li> <li>✓ Coordination roles for local municipalities.</li> <li>✓ Ensuring horizontal alignment of the IDP's of the municipalities in the district council area.</li> <li>✓ Ensuring vertical alignment between the district and local planning.</li> <li>✓ Facilitation of vertical alignment of IDP's with other spheres of government and sector departments.</li> <li>✓ Provide events for joint strategy workshops with local municipalities, provincial and national role players and other subject matter specialists.</li> <li>✓ Linking the IDP process with their constituencies</li> <li>✓ Organising public participation.</li> </ul>	IDP
	<ul style="list-style-type: none"> <li>✓ Final decision making.</li> <li>✓ Consider and adopt final report.</li> <li>✓ Consider and approve the performance agreement of the MM.</li> <li>✓ Popularising PMS within their constituencies.</li> </ul>	PMS
	<ul style="list-style-type: none"> <li>✓ Final decision making.</li> <li>✓ Approve the budget before the start of the financial year.</li> <li>✓ Council to approve unforeseen and unavoidable expenses.</li> <li>✓ Approve Service Delivery and Budget Implementation Plan.</li> </ul>	BUDGET
Mayor	<ul style="list-style-type: none"> <li>✓ Responsible for overseeing the process.</li> <li>✓ Political responsibility and accountability regarding the process.</li> </ul>	IDP
	<ul style="list-style-type: none"> <li>✓ Establishing the performance agreement for the Municipal Manager in terms of the PMS.</li> <li>✓ Determine KPA's for MM based on Institutional KPI's.</li> <li>✓ Determine the performance objectives and targets that the MM must meet in relation to the KPA's.</li> <li>✓ Negotiate the performance objectives and targets that the MM must meet.</li> <li>✓ Submit draft performance agreement for the MM via EXCO to the Council for consideration and approval.</li> <li>✓ Conclude and sign performance agreement with the MM on behalf of Council.</li> </ul>	PMS
	<ul style="list-style-type: none"> <li>✓ Table budget to Council at least 90 days before the start of the financial year.</li> <li>✓ Table budget timetable to Council.</li> <li>✓ Report authorization of unforeseeable and unavoidable expenses at Council meeting after having authorized such expenses.</li> <li>✓ Submit SDBIP to Council, 14 days after approval of budget.</li> <li>✓ Ensure conclusion of management's performance agreements.</li> <li>✓ Ensure that the management's performance agreements are made public.</li> <li>✓ Submit to Council an annual report within 7 months after the end of the financial year.</li> </ul>	BUDGET
Ugu	<ul style="list-style-type: none"> <li>✓ Provide technical/sector expertise through the IDP Steering Committee (Senior officials).</li> </ul>	IDP

Role Player	Roles and Responsibilities	Function
Municipal Officials	<ul style="list-style-type: none"> <li>✓ Prepare selected Sector Plans.</li> <li>✓ Provide comments on the IDP document as members of staff.</li> </ul>	
	<ul style="list-style-type: none"> <li>✓ Setting KPI's for administrative components and service providers.</li> <li>✓ Prepare progress reports- Top management: Monthly</li> <li>✓ Reporting on the performance measures.</li> <li>✓ Verification of interim PMS measurement results.</li> </ul>	PMS
Municipal Manager	<ul style="list-style-type: none"> <li>✓ Decide on planning process.</li> <li>✓ Monitor process.</li> <li>✓ Overall Management and co-ordination.</li> </ul>	IDP
	<ul style="list-style-type: none"> <li>✓ Submission of annual performance report to Council for approval.</li> <li>✓ Submission of audit to Council.</li> <li>✓ Submit report to the Council about mechanisms, systems and processes for auditing the results of performance measurements as part of the internal auditing process.</li> <li>✓ Establishment of a performance audit committee.</li> <li>✓ Entering into performance agreements with departmental heads.</li> <li>✓ Performance monitoring.</li> <li>✓ Submission of approved annual performance report, together with financial statements, to the Auditor General.</li> <li>✓ Receive external Auditors report.</li> <li>✓ Submission of audit report via EXCO to Council within 1 month of receipt.</li> <li>✓ Within 14 days of adopting the annual report:               <ul style="list-style-type: none"> <li>✓ Make copies available to the public and the media;</li> <li>✓ Submit a copy of the report to the MEC for local government in the province;</li> <li>✓ Submit a copy of the report to the Auditor General and any other institutions prescribed by regulation.</li> </ul> </li> </ul>	PMS
	<ul style="list-style-type: none"> <li>✓ Give notice of bank account to National Treasury (NT) and Auditor General (AG).</li> <li>✓ Supply NT and AG with list of bank accounts.</li> <li>✓ Table consolidated report of all withdrawals from bank account to Council within 30 days after the end of each quarter.</li> <li>✓ Submission of draft budget implementation plan to Mayor within 14 days after approval of the budget.</li> <li>✓ Perform mid-year performance assessment of the municipality and the submission of the report to the Mayor.</li> <li>✓ The submission of the annual financial statements to the AG within two months after the end of the Financial Year.</li> <li>✓ Submission of annual oversight reports to the Provincial Legislature within 7 days after adoption by Council.</li> </ul>	BUDGET
	<ul style="list-style-type: none"> <li>✓ Ensure that the Process Plan is finalised and adopted by Council;</li> <li>✓ Day-to-day management of the IDP process.</li> <li>✓ Ensure continuous and improved participation of role players through IDPRF and other means;</li> <li>✓ Prepare documentation and submissions;</li> <li>✓ Co-ordinate the preparation of the Sector Plans and their inclusion into the IDP documentation;</li> <li>✓ Co-ordinate the inclusion of the Performance Management System (PMS) into the revised IDP;</li> </ul>	IDP

Role Player	Roles and Responsibilities	Function
	✓ Submit the reviewed IDP to the relevant authorities.	
	✓ Day-to-day management of the process	
	✓ Performance management review planning and preparation.	
	✓ Prepare documentation and submissions;	PMS
	✓ Ensure that the Process Plan is adopted by Council;	
	✓ Day-to-day management of the IDP process	
Manager Budget Office	✓ Interact with Budget Officer for alignment of processes.	
	✓ Ensuring IDP process conducted timeously for budgeting purposes.	BUDGET
	✓ Interact with IDP manager to ensure processes are aligned.	IDP
	✓ Ensuring budget proposals are in line with IDP.	
	✓ Ensure that the Process Plan is adopted by Council;	
	✓ Day-to-day management of the budgeting process.	
	✓ Make information available to staff members for budgeting purposes.	
	✓ Prepare documentation and submissions;	BUDGET
	✓ Ensure draft budget is in place for submission to Council.	

Table 2: External Roles and Responsibilities

Role Player	Roles and Responsibilities
Planning Professionals	<ul style="list-style-type: none"> <li>✓ Specialist &amp; targeted input.</li> <li>✓ Facilitation of planning workshops.</li> <li>✓ Sector Plans.</li> <li>✓ Documentation.</li> </ul>
Representative Forum/Civil Society	<ul style="list-style-type: none"> <li>✓ Representing interest and contributing knowledge and ideas.</li> <li>✓ Identify and priorities community needs.</li> <li>✓ Provide comments on the IDP document.</li> </ul>
Government Departments	<ul style="list-style-type: none"> <li>✓ Provide data and information.</li> <li>✓ Budget guidelines.</li> <li>✓ Alignment of budgets with the IDP.</li> <li>✓ Provide professional and technical support (sector specialization)</li> </ul>
Amakhosi	<ul style="list-style-type: none"> <li>✓ Provide traditional leadership.</li> <li>✓ Joint planning.</li> <li>✓ Makes land available.</li> <li>✓ Provide data and information.</li> </ul>
Communities	<ul style="list-style-type: none"> <li>✓ Joint planning.</li> <li>✓ Provide data and information.</li> <li>✓ Identifies community issues and needs.</li> <li>✓ Priorities needs.</li> <li>✓ Monitors the implementation of projects.</li> </ul>
Local Municipalities	<ul style="list-style-type: none"> <li>✓ Joint planning.</li> <li>✓ Alignment of budgets with the IDP.</li> <li>✓ Documentation.</li> <li>✓ Preparation of the Sector Plans.</li> <li>✓ Communication with civil society.</li> </ul>

## **4. Mechanisms and Procedures for Participation and Alignment**

### **4.1. Functions and Context of Public Participation**

Four major functions can be aligned with the public participation process namely:

- Needs orientation;
- Appropriateness of solutions;
- Community ownership; and
- Empowerment.

Like with the preparation of the IDP, the public participation process in the IDP phases has to be institutionalised in order to ensure all residents have an equal right to participate. The public participation process during the IDP development phase is closely linked to the activities of developing the municipal IDP, such as contributing to the municipal issues, objectives, ensuring the appropriateness of municipal strategies and forming part of project development task teams.

The completed performance management system (PMS) for the municipality will contribute to the public participation process, through regular information and consultation workshops and the preparation and audit of performance reports.

The importance of alignment is crucial as part of the 2016 / 2017 IDP Process. Alignment in terms of Spatial Development Frameworks, Land Use Management Systems (LUMS), cross boarder and institutional alignment between the municipality and the various processes ongoing at national and provincial government levels.

### **4.2. Mechanisms for Participation**

Municipalities will confirm the following mechanisms for participation:

#### **4.2.1.IDP Representative Forum (IDP Rep Forum)**

This forum will represent all stakeholders and will be as inclusive as possible. Efforts will be made to bring additional organisations into the Rep Forum and ensure their continued participation throughout the process.

#### **4.2.2.Media**

Local newspapers will be used to inform the community of the progress of the 2015/2016 IDP development.

#### **4.2.3.Ward Committees**

These forums will provide open dialogue between the municipality and the community. The municipality will provide regular support to the committee and will attend meetings per invite.

### 4.3. Procedures / Process for Participation

#### 4.3.1. Council

The Council will consider, for comments, a draft 2016/2017 IDP document by February 2016. This will ensure inclusion into the national and provincial budgeting processes as well as inform the municipal budgeting process. The final IDP document will be adopted by 31 May 2015 together with the municipal budget. Sector Plans will be approved by Council on their completion.

#### 4.3.2. EXCO

- Responsible for overseeing the IDP process;
- Political responsibility and accountability regarding the IDP process.

#### 4.3.3. MAYOR

- Responsible for overseeing the IDP Review process, tabling and approval of the IDP process;
- Political responsibility and accountability regarding the IDP Review process

#### 4.3.4. IDP Representative Forum

In order to ensure maximum participation in the Rep Forum meetings from members of the public, representatives and relevant government officials, it is recommended that Rep Forum meetings are scheduled as and when required during the key stages of the IDP Process:

- The first Rep Forum meeting will involve a presentation of this Process Plan focusing on identifying areas to be addressed in the IDP Phase.
- Following the Rep Forum, workshops will be held to provide feedback on the IDP Process, acquire input from the Rep Forum members and to ensure participation in all activities such as PMS, LUMS and Budget development of the 2016/2017 IDP Review Process.

#### 4.3.5. IDP Steering Committee

- Provide technical/sector expertise in IDP process;
- Ensure preparation of Sector Plans relating to their functional areas;
- Provide comments on the IDP document;
- Ensure preparation of cross dimensional issues, strategies and plans;
- Identify key needs to meet strategies, objectives for budgeting.

#### **4.3.6.District Planners Forum**

- Provide relevant technical, sector and financial information regarding their municipality;
- Facilitate vertical alignment between DMs and LMs;
- Facilitate horizontal alignment with sector department and public utilities;
- Provide developmental planning input.
- Self assessment of district IDP documents.

#### **4.3.7.Newspapers**

Two newspaper adverts will be posted, the first one at the beginning of the process inviting the public to participate, the second advert will be posted once draft budget and IDP are in place inviting the public to comment and to comply with legislative requirement to advertise for 21 days for the public, once 21 day period has lapsed, the final draft will be sent to Council for approval.

#### **4.3.8.Roadshows / Izimbizo**

They will be held in 3 venues (on average) per municipality for all 6 six local municipalities. They will be held in March to May 2016 to consider draft IDP and budget including the announcement of municipal programme of action. The municipality is to look at a more friendly approach so that elements raised are fully included in the strategic document. The language is also believed to be a barrier so these should be conducted in languages that best suit the majority so as to increase meaningful participation.

The meetings in 2015/2016 financial year will focus on the needs that the community have rather than the projects that the community proposes.

#### **How many meetings**

Two meetings per ward in the venues that are accommodative to most of the community members. In other words these meetings will make a clear distinction between what is needed by the community and what can be done. Thereafter the municipal officials together with the community will identify the support required in addressing the community needs.

#### **Types of meetings**

The focus of the meetings will ensure that many community members participate in the process; however the quality of the input will not be compromised. This is because one of the challenges within the participation process is that in some of the instances people do not contribute meaningfully in the participation process. The quality of the contribution will be ensured by having

the group breakaways within the meetings. In addition to that within the invitations there will be specific invitations that will be sent to the civil society organisations.

There will be two types of meetings with the first meetings being aimed at confirming the communities' current priority issues. From the community issues these will then be budgeted for. Thereafter the second set of meetings will be the IDP Budget road shows aimed at involving the communities within the budgeting process. However a dialogue will be formed between the municipality and the community through ward meetings/community forums.

**With who**

These meetings will target all the community members within the Ugu district municipality. This in one way or the other will allow the community to be involved rather than informed about the development planning process.

**Objectives**

Move towards a community needs driven development with the community being involved both in the planning and budgeting process.

**By When**

These will be completed by April 2016. Ongoing dialogue is also being encouraged.

**4.3.9.RADIO SLOTS**

These are mainly used by the political leadership. These are recommended where possible if they suit the municipality's programme financially and otherwise.

## SECTION B: PROCESS PLAN

### 5. Section One: 2016/ 2017 IDP Action Programme

#### 5.1. Municipal and Provincial Budget and IDP Review Alignment

Legislation requires of district municipalities to prepare and adopt a Framework Plan which indicates how the district and local municipalities will align their IDPs. The Framework Plan provides the linkages and binding relationships to be established between the district and local municipalities in the region and in doing so, proper consultation, coordination and alignment of the IDP review process within the district and the various local municipalities can be maintained.

Every attempt has been made in this Process Plan to align the IDP and Budget preparation process, and the Performance Management System (PMS) review. The linkages of the three processes are summarised in figure 2.

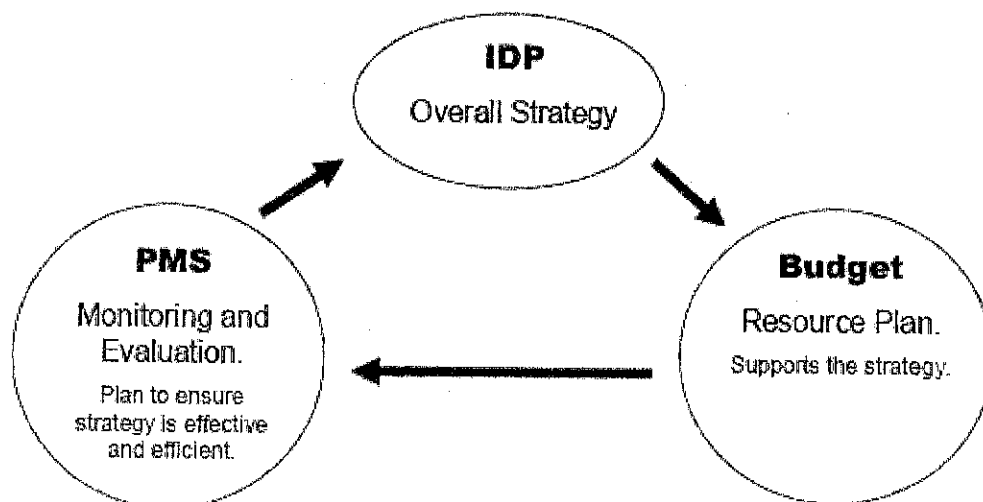


Fig 2: IDP, Budget & PMS Alignment

The 2016/2017 IDP Action Programme is based on the alignment of the internal municipal processes (IDP, PMS and Budget) with the external processes (planning and budgeting) of national and provincial government. This alignment has a substantial impact on the 2016/2017 IDP Process, specifically in terms of key milestones and deadline dates. The Municipal Finance Management Act (MFMA) No 176 of 2004 also has a direct and large impact on the 2016/ 2017 IDP Review Process in terms of alignment. Section 1.4 in the Process Plan indicates to the municipal and provincial budget and IDP alignment process, which also points to the critical dates for IDP and budget approval and development.



## **5.2. Horizontal, Vertical and Cross Border Alignment**

The IDP forum, Ugu District Development Planning Forum (UDDPF), IGR Cluster meetings etc. will provide a platform/Mechanism for discussion on vertical, horizontal and cross border alignment issues since the three spheres of government are represented at the forum. Special strategic planning sessions and workshops will also be held.

### **5.2.1. Horizontal Alignment**

Alignment of the district IDP with the local municipalities is very important to ensure that there is a sharing of information – particularly with regards to strategies, objectives, programmes and projects, and it will be undertaken through the UDDPF meeting which sits on bi-monthly basis. The frequent UDDPF meetings will assist the district family to monitor alignment issues constantly.

Furthermore, the District will ensure alignment with its entity, the South Coast tourism to ensure the tourism goals and objectives are met.

### **5.2.2. Vertical Alignment**

Alignment with Service Providers is essential so as to ensure that the DM and LM's priorities can be reflected in their project prioritisation process, as well as so that Service Provider projects can be reflected in the IDP documentation. Alignment with Sector departments and Service providers will also take place as it is essential in order for the District family to have consistence planning and also priorities can be indicated in their project prioritization. This will be undertaken through meetings or one-on-one basis. The district holds its IDP RF meetings on a bi-monthly basis.

Department of Cooperative Government and Traditional Affairs will also be having a district wide alignment session with all the Sector Departments for the Ugu District area of jurisdiction on the 29<sup>th</sup> of November 2014.

### **5.2.3. Cross Border Alignment**

Cross-border alignment is necessary to ensure the spatial coordination of development efforts. This can be done through existing organisational structures such as the Ugu District Development Planning Forum and IDP RF. A concerted effort will be made to facilitate such alignment and coordination.

Ugu District Municipality will further arrange one on one meetings with cross border district municipalities to align and integrate issues of functional areas on the IDP and Spatial Development Framework. It will also assist the municipalities to align development issues in an efficient, effective and sustainable manner especially where there are shared and interdependent

functional areas across the district. The one on one cross border meetings will be arranged with Alfred Nzo, Harry Gwala, Umgungundlovu Districts and eThekweni Metro municipalities.

### 5.3. Integrated Development Planning & Budget:

The budget planning cycle considers a review of the IDP, service delivery targets and objectives for the next 3 years. It also considers local, provincial and national issues, previous year's performance and current economic and demographic trends. It is essential that such alignment is indicated so that the municipality can be able to ensure that all budgeted projects are implemented within the budget year whilst continuing to outsource funding for those projects which are non-funded.

#### 5.3.1. Key Budget Dates for 2016 / 17

The key budget dates for the 2016/17 financial year are captured in Table 3. The Budgetary Process will address the various budget requirements and focus areas identified through self-assessment, i.e. compliance issues. The spotlight is on the alignment of the Budget to the IDP, Organisational PMS and SDBIP.

**Table 3: Key Budget Dates**

KEY BUDGET DATES		
DATE	ACTIVITY	RESPONSIBILITY
Aug 2015	Budget Framework <b>Preparation of budget framework to provide parameters and request budget inputs for the 2016/17 budget</b>	CFO
Oct 2015	Submission of three year capital plan to National Treasury	CFO
Oct 2015	Preliminary community engagement process	CFO
February 2016	Budget Review <b>Review of current budget and preparation of adjustment budget</b>	MANCO
February 2016	Submission of Budget Inputs <b>HODs to submit departmental budget inputs</b> <b>Capital projects submitted through IDP process</b>	HODs
March 2016	Budget Discussion Document <b>Compile discussion document from inputs and submit to EXCO and MANCO</b>	CFO
March 2016	Budget Workshop <b>Discuss budget inputs, link capital and operational plans to IDP and determine preliminary tariffs</b>	EXCO MANCO
March 2016	Draft Budget <b>Submit draft multi-year operational and capital budget to Council, Provincial Treasury, DLGTA and National Treasury</b>	CFO
April 2016	Public Consultation Process <b>Public consultation on draft budget throughout the district</b>	MAYOR EXCO MM
May 2016	Respond to Public Comments <b>Responding to public comments and sector comments and incorporate recommendation into draft budget where possible</b>	MAYOR CFO

May 2016	Approval of Final Draft Budget Approve draft multi-year operational and capital budget	COUNCIL
June 2016	Advertising Publications of approved budget and promulgation of water tariffs	MM CFO
June 2016	Submission of Budget Submit approved budget to Provincial Treasury, DLGTA and National Treasury	CFO
June 2016	Compile SDBIP Compilation of service delivery and budget implementation plans (SDBIP) and submit to Council for approval	MAYOR MM

### 5.3.2.Key elements to be addressed during the review process

The following is a summary of the main activities to be undertaken during this IDP Review 2016 / 2017 process:

- Comments received from CoGTA in the assessment of the IDP 2015/2016 Review held on April 2015 and July / August 2015;
- Areas requiring additional attention in terms of legislative requirements that were not addressed during the previous years of the IDP process;
- Consideration, review and inclusion of any relevant and new information such as New Council priorities;
- Shortcomings and weaknesses identified through self-assessment;
- Review and updating of the strategies and objectives as circumstances dictate;
- Review and updating of Water and Sanitation Backlogs;
- On-going alignment of the Ugu IDP to the PGDS and PDP, Outcome 9, MTAS, COP17 and other relevant National and Provincial development guidelines and policies;
- Review and updating the Sukuma Sakhe/ War on Poverty and War Rooms on a monthly basis;
- Preparation, review and alignment of relevant sector plans with the IDP.
- On-going alignment of the Municipality's Performance Management System in terms of Chapter 6 of the MSA, with the IDP.
- Update of the Financial Plan as well as the list of projects, inclusive of a 3-year Capital Investment Framework (CIF).

### 5.4. Performance Management

The process plan and its activities will be monitored in the Municipality. The PMS will be developed and will be reported by both internal and External Role players through the following strictures: Top Management, Extended To p Management and IDP Forum.

#### 5.4.1. Performance Management Systems Dates 2015 / 16

The key Performance Management System dates are summarised in Table 4 below.

**Table 4:** Performance Management System Dates

PERFORMANCE MANAGEMENT SYSTEMS DATES	
ACTIVITIES	TIMELINE / TARGET DATES
Approval of the draft PMS Review 2015/16	Before end of July 2015
Advertise and adopt PMS Review 2015/16	29 August 2015
Advertise 2015/16 SDBIP	Mid-July 2015
2014/15 Annual Municipal Performance Report	August 2015
Sect 57 Managers signing of 2015/16 performance agreements	Due by 31 July 2015
SDBIP performance assessment and organisational performance reporting (Jul – Sept)	October 2015
Sect 57 Managers formal mid-year appraisals (Oct - Dec)	January 2016
Mayor tables 2014/15 annual report to Council	Due by 30 January 2016
SDBIP performance assessment and organisational performance reporting (Oct – Dec)	January 2016
IA reporting and Special AC meeting (audit of mid-year performance assessment)	March 2016
SDBIP performance assessment and organisational performance reporting (Jan – Mar)	April 2016
Make public annual report and invite community inputs into report	21 days in Feb 2016
Council to adopt Oversight Report	Due by 31 March 2016
Publicise Annual Report and Submit copy to Provincial Legislature	Mid-April 2016
Draft and submit draft performance agreements to Mayor	June 2016

#### 5.5. Action Programme

Table 5 provides the detailed action plan for the 2016 / 2017 IDP. The action plan is broken up into the 4 quarters of the municipal financial year with activities reflecting being either IDP, PMS or Budget related with budget Estimates. The development of the 2016/17 IDP review will be done in five phases as outlined in 5.5.1. to 5.5.6.

### 5.5.1. Preparatory Phase

This is a phase in which the municipality positions itself to comply with the policy and legislature requirements that guide the IDP process. The local municipalities are guided by the common district IDP Review Framework Plan and each local adopts a process plan set out in writing.

The Drafting and approval of the IDP Framework and Process Plan is the deliverable of this phase and will take place between **July and August 2015**.

### 5.5.2. Analysis Phase

This is the phase which deals with the existing situation in a municipality and focused on understanding the types of problems / challenges facing the communities in each municipality. Once these are identified the municipality then considers community's opinion of their problems and needs, but also facts and figures. The cause of the problem rather than the symptom should be well understood. It is also critical for the municipality to prioritise the key issues, due to capacity constraints.

The deliverable of this phase is **Chapter 3: Situational Analysis**, of the IDP and will take place between **September and November 2015** and will inform the strategic phase.

### 5.5.3. Strategic Phase

This is the phase whereby the municipality formulates the solutions to address the problem or challenges that have been identified in the analysis phase, once it understands the problem. It includes the formulation of the vision that would reflect ambitious, credible, inspiring and achievable statements about the future of the municipality. Then statements are developed (developmental objectives) of what it would like to achieve in the medium term in order to address the problem issues and also contribute to the realisation of the vision. Once all of that is in place, the strategies that provide answers to the question how they will reach their objectives needs to be then developed. Once strategies are formulated they result in the identification of projects. The deliverable of this phase is **Chapter 4: Development Strategies**, of the IDP and will take place between **November and December 2015**.

### 5.5.4. Project Phase

This is the phase that is about the design and specification of projects for implementation. The projects identified need to have a direct linkage to the priority issues and the objectives that were identified in the preceding phases. The location, commencement & completion dates, project managers, project costs, sources of funding for each project as well as the intended beneficiaries of these projects are captured.

The deliverable of this phase is **Chapter 5: Implementation Plan**, of the IDP and will take place during **December 2015 and January 2016**.

### 5.5.5. Integration Phase

This phase deals with the sub programme proposals, which were presented in the preceding phase have to be harmonised in terms of contents, location and timing in order to achieve consolidated programmes for municipalities.

The deliverable of this phase is an operational strategy (SDBIP) and OPMS, Chapters 7 & 8 of the IDP and will take place between **February and March 2016**. Furthermore, this is the phase that will ensure the adoption of the Draft 2014/15 IDP Review.

### 5.5.6. Adoption Phase

Once the IDP is completed it is submitted to the municipal council for consideration and approval. The council must make sure that the IDP complies with legal requirements before the approval. The final deliverable of this phase is the adoption of the 2015/16 Ugu District Municipality IDP Review and will take place between **April and May 2016**.

The following steps will be taken to facilitate the final approval of this 2016/2017 Ugu IDP Review:

#### i. Public Involvement

- The Mayor must make presentations to all Wards by means of a Public Participation.
- Various IDP Steering Committee and EXCO meetings need to be held to facilitate reporting on progress with regard to the IDP process.
- IDP Representative Forum meetings need to be held and proper attendance ensured.

#### ii. Critical Procedural Steps

- Simultaneously, the general public need to be informed that the IDP is open for comment and representation.
- After the comment/representation period has closed, the draft IDP with relevant amendments must be submitted to the Ugu Council for adoption.
- To achieve District and Family alignment, the Ugu Development Planning Forum needs to ensure co-ordination and consultation between the district council and local municipalities.
- Draft IDP containing Finance Plan as well as draft SDBIP to be approved by EXCO and Council.

Table 5: Ugu District Municipality Action Programme 2016 / 2017

FIRST QUARTER																
PHASE	ACTIVITY	RESPONSIBILITY	KEY DEADLINES	JULY				AUGUST				SEPTEMBER				
				1	2	3	4	1	2	3	4	1	2	3	4	
PREPARATORY	1. Drafting of Framework and Process Plan	Manager IDP	July – Aug 2015													
	1.1. Submission draft Framework & Process Plan to Cogta for comment		31 July 2015													
	1.2. Submit draft Framework & Process Plan to IDP Steering Committee, IDPRF and EXCO for consideration and recommendation		21 August 2015													
	1.3. Adoption by Council		27 August 2015													
	1.4. Advertise on local news paper for commencement of the IDP review process.	Ugu family	31 August 2014													
ANALYSIS	2. Submit Annual Performance Report to AG	PMS Officer	30 August 2015													
	3. Evaluate the changed circumstances and conduct socio analysis research	Manager IDP	Monthly													
	3.1. Review IDP Implementation Plan (by reviewing alignment of objectives strategies and projects against the METF budget)		30 September 2015													
	3.2. Determine funding availability and requirements and all the necessary preparations															
	3.3. Determine which sector plans need to be reviewed and commence with the process of reviewing thereof															
	4. Consider MEC Comments															
	4.1. Action Plan to Address MEC Comments															

SECOND QUARTER															
PHASE	ACTIVITY	RESPONSIBILITY	KEY DEADLINES	OCTOBER				NOVEMBER				DECEMBER			
				1	2	3	4	1	2	3	4	1	2	3	4
Strategic & Projects	5. Submission of the 1st Draft Annual Report to Auditor General.	Snr. Manager CS & SS	30 August 2015												
	6. Conduct financial sustainability strategy with revenue enhancement focus	GM: Treasury	31 October 2015												
	7. Conduct Community needs Consultation	Manager IDP, Snr Manager Political Support	October - November 2015												
	7.1. Mayoral Izimbizo														
	7.2. Ward Committee Imbizo Workshop														
	8. Hold strategic sessions (to include sector departments and feed local analysis into sector strategic plans thereof)	Manager IDP	December 2015												
	8.1. Align the strategic framework with internal and external policies														
	8.2. Submit the draft reviewed strategic framework to the Steering Committee and IDPRF														
	9. Estimate available sources & provide guidance for way forward for budgeting	GM: Treasury	27 November 2015												
	9.1. Submit 2014/2015 budget framework to all relevant persons (Budget framework to include salary, operational and capital budget related information).														
	9.2. District IDP mini assessments	GM: Treasury	10 December 2014												
	9.3. Preparation of a summary of available funds from: Internal Funds, e.g. CRR and External Funding, e.g. MIG														
	9.4. Council finalises draft tariff policies in principle for 2013/2014 budget year.														
	10. Sector - Municipal Alignment sessions under the auspices of COGTA	COGTA		29 November 2015											



UGU DISTRICT MUNICIPALITY			2016 / 2017 IDP & BUDGET PROCESS PLAN																
11. Integrate Reviewed Sector Plans into the IDP.		Manager IDP	30 December 2015																
12. Alignment meetings with neighboring District Municipalities																			
Third Quarter																			
PHASE	ACTIVITY	RES	KEY DEADLINES	JANUARY				FEBRUARY				MARCH							
				1	2	3	4	1	2	3	4	1	2	3	4				
Integrati on	13. Assess financial Feasibility of proposed new projects based on existing and potential funds. (Budget Examination)	GM: Treasury	21 January 2016																
	14. Mid-Year Review and submission of report to COGTA Provincial	PMS Officer	23 January 2016																
	15. Tabling of Draft Annual Report to Council	PMS Officer	30 January 2016																
	16. 1 <sup>st</sup> draft 2015/16 IDP review	Manager IDP	January – February 2016																
	16.1. Submit 1 <sup>st</sup> draft IDP review to Steering Committee, IDRF and EXCO for recommendations.	Manager IDP	13 March 2016																
	16.2. Submit 1 <sup>st</sup> draft IDP review to Council for adoption	Manager IDP	31 March 2016																
	16.3. Submit 1 <sup>st</sup> draft IDP review to province (CoGTA) for assessment.	Manager IDP	27 March 2016																
	16.4. Advertise IDP for public comments	Ugu Family	March 2016																
	17. Tabling of Annual Report to Oversight Committee and adoption	Snr. Manager CS & SS	31 March 2016																
	18. Consideration of 2014/2015 Draft Budget by a joint meeting of the Budget Steering Committee and EXCO	GM: Treasury	21 March 2016																
	19. Tabling of 2014/2015 draft budget to Council		31 March 2016																

## FOURTH QUARTER

PHASE	ACTIVITY	RES	KEY DEADLINES	APRIL				MAY				JUNE			
				1	2	3	4	1	2	3	4	1	2	3	4
Approval	19.1. Publicise tabled budget within 5 days after tabling, on website and the media	GM: Treasury	04 April 2016												
	19.2. Send copy of tabled budget to National and Provincial Treasury for comments		11 April 2016												
	20. Ugu Decentralised IDP Assessment Forums	CoGTA	07 April 2016												
	20.1. Incorporate comments received from IDP Provincial Assessment and all other outstanding comments	Manager IDP	30 April 2016												
	21. Conduct Community Consultation	Manager IDP, Senior Manager Communications	April /May 2016												
	21.1. Attend IDP/Budget Roadshows		April/May 2016												
	21.2. Ward Committee Imbizo Consultations	Manager IDP	22 May 2016												
	22. Submission of Budget for 2015/16 to Council for approval		29 May 2016												
	22.1. Prepare Budget in the required format and submit Provincial and National Treasury.														
	22.2. Set up expenditure, revenue and asset management system, incorporating budget	GM: Treasury	29 May 2016												
	22.3. Publication of the approved 2014/2015 tariffs of charges in Gazette, website and local media.		03 June 2016												
	23. Final draft 2015/16 IDP review	Manager IDP	April – June 2016												
	23.1. Submit final draft IDP review to Steering Committee, IDRF and EXCO for recommendations.	Manager IDP	26 May 2016												
	23.2. Submit final IDP review to Council for adoption	Manager IDP	31 May 2016												
	23.3. Submit final draft IDP review to province (CoGTA) for assessment.	Manager IDP	10 June 2016												

### 5.6. Cost Estimate for the Planning Process

Council has received grant funding from the Department of Local Government and Traditional Affairs for the IDP review process. The municipality has budgeted R10 590.00 for IDP review however grant funding from COGTA will also be utilized for IDP review but will not be reflected on the document. The planning process is outlined below:

ITEM	COST ESTIMATE
IDP Advertising	R12 000.00
Workshops and Meetings	R30 000.00
Printing Costs	R200 000.00
IDP / Budget Roadshows	R150 000.00
Translating Costs	R100 000.00
<b>Total</b>	<b>R482 000.00</b>

The IDP review is mainly done in-house; the planning process will therefore be to a large extent and be accommodated within the available funding. However, additional funds may be obtained from other sources and such funds will be utilized to complete certain aspects of the review process such as the sector plans that might need specialist assistance.

### 5.7. Conclusion

The Ugu IDP Review 2016/2017 will focus on the achievements of the Ugu DM in accomplishing what it has set out to do within the third year of the planning cycle. It is necessary to measure achievement in terms of backlog eradication and the effective spending of allocated funds. Ugu DM must assess its performance and the achievement of its targets and strategic objectives for the District IDP to remain relevant. The IDP therefore has to be reviewed annually in order to:

- Ensure its relevance as the Municipality's Strategic Plan.
- Inform other components of the Municipal business process including performance management and institutional and financial planning and budgeting.
- Inform the cyclical inter-governmental planning and budgeting cycle.

In the light of this development process, the IDP will reflect the impact of successes as well as corrective measures to address challenges. The IDP process will address internal and external circumstances that impact on the priority issues, objectives, strategies, projects and programmes of integrated planning.

The IDP, as the Ugu District Municipality's Strategic Plan, informs Municipal decision-making as well as all the business processes of the Municipality. The IDP must inform the Municipality's financial and institutional planning and most importantly, the drafting of the annual budget.

Although the IDP, Budget and Organisational PMS Process are three distinct processes, they are integrally linked processes which must be coordinated to ensure that the IDP, the Budget and the Organisational PMS with their related policies are tabled as mutually consistent and credible.

**BUDGET POLICY**



**UGU DISTRICT MUNICIPALITY**

**BUDGET POLICY**



# BUDGET POLICY

## Contents

1. Principles
2. Definitions
3. Object of the Policy
4. Scope and Intended Audience
5. Regulatory Framework
6. Roles and responsibilities
7. Annual schedule of key deadlines
8. Budget principles
9. Funding of expenditure
10. The Capital Budget
11. Operating Revenue
12. Operating Budget
13. Salaries and Allowances
14. Provision for maintenance
15. Finance Charges, Depreciation and Impairment
16. Consultation on tabled budgets
17. Approval of the Annual Budget
18. Publication of the budgets
19. Monthly Budget Reports
20. Related Policies
21. Review of the Policy



# BUDGET POLICY

## 1. PRINCIPLES

Section 215 (1) of the Constitution of the Republic of South Africa states that National, provincial and municipal budgets and budgetary processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector. It also states in S215 (3), that Budgets in each sphere of government must contain

- a. estimates of revenue and expenditure, differentiating between capital and current expenditure;
- b. proposals for financing any anticipated deficit for the period to which they apply; and
- c. an indication of intentions regarding borrowing and other forms of public liability that will increase public debt during the ensuing year.

Section 26(h) of the Municipal Systems Act (Act 32 of 2000) requires a municipality's Integrated Development Plan to reflect a financial plan, which must include a budget projection for at least the next three years;

Section 21 of the Municipal Finance Management Act (Act 56 of 2003) prescribes the function of the Mayor who must coordinate the processes for preparing the annual budget and for the reviewing of the municipality's Integrated Development Plan and budget related policies and to ensure that any revisions are mutually consistent and credible;

Section 16 of the Municipal Finance Management Act, requires the municipal council to approve an annual budget for the municipality before the start of the financial year;

The Minister with the concurrence of the Minister for Provincial and Local Government, has in terms of S168 of the Municipal Finance Management Act issued the Municipal Budget and Reporting Regulations which aim to secure sound and sustainable management of the budgeting and the reporting practices of the municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes;

Now **THEREFORE**, the Council of Ugu District Municipality adopts the Budget Policy as set out in this document.

## 2. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act, has the same meaning as in that Act.

References will be made in the policy to particular legislation without quoting it verbatim. The users should therefore refer to the legislation for the exact text.



# BUDGET POLICY

## 3. OBJECT OF THE POLICY

To set a broad framework within which Budget related decisions of the municipality will be taken and implemented to ensure efficient and transparent financial planning that will promote sound and sustainable financial management, essential for the achievement of the municipality's developmental priorities as contained in its Integrated Development Plan.

## 4. SCOPE AND INTENDED AUDIENCE

This Policy will serve as a guideline for the effective management of the municipal budgetary processes, in order to attain the strategic objectives of the municipality within the ambits of the applicable legislation, and shall apply to all departments within the municipality.

Council has considered the guidelines distributed by National Treasury to local government which detail the processes and formats to be followed when preparing the budget documents.

The municipality shall comply with the provisions of this policy in the compilation of each of its budgets.

## 5. REGULATORY FRAMEWORK

In the process of preparing the budget, the municipality, its Mayor, political office bearers, Municipal Manager, Chief Financial Officer and other officials comply with all relevant legal requirements , including:-

- a) The provisions of Chapter 4 of the Municipal Finance Management Act, 2003, ('the MFMA'), as well as Sections 42, 43, 53, 54, 55, 68, 69, 70, 71, 72, 75, 80, 81, and 83 thereof; and
- b) The Municipal Budget and Reporting Regulations published in terms of Section 168 of the MFMA.
- c) All relevant budget related Circulars and notices issued by the National Treasury.

## 6. ROLES AND RESPONSIBILITIES

### (1) Role of Council

- a) Must provide political leadership & direction
- b) Play an oversight role by approving budget related policies, and ensuring that the priorities are reflected in the budget. (Council may not delegate approval of budgets & policies)
- c) Approve the Integrated Development Plan, the Annual Budgets and the Service Delivery Budget Implementation Plan.
- d) Monitor the outcomes of the implementation of the policies and budgets.

### (2) Role of the Mayor

- a) Provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. (S53, MFMA)



## BUDGET POLICY

- b) Prepare and table a schedule of key deadlines for the preparation, tabling and approval of the budget, annual review of the IDP and the consultative process. (S16, MFMA)
- c) Take all reasonable steps to ensure that the municipality approves its annual budget before the start of the financial year and report to the municipal council and the MEC for finance in the province any delays in the tabling of the annual budget. (S53, MFMA)
- d) Must establish a Budget Steering Committee to provide technical assistance to the mayor in discharging the responsibilities set out in S53, MFMA. (Reg 4(1))

### **(3) Role of the Accounting Officer (Municipal Manager)**

- a) Assist the Mayor in performing budgetary functions assigned to him in terms of Chapter 4 & 7 of the MFMA and to provide administrative support, resources and information necessary for the performance of those functions. (S68, MFMA)
- b) Is responsible for the implementation of the approved budget and must take all reasonable steps to ensure that the spending of funds is in accordance with the budget and is reduced as necessary when anticipated revenue is anticipated to be less than the projected in the budget.
- c) Ensure that revenue and expenditure are properly monitored.
- d) Must prepare an adjustments budget and submit it to the Mayor for consideration and tabling in the municipal council when necessary.
- e) Report to the municipal council any shortfalls in budget revenue, overspending and necessary steps taken to prevent shortfalls and overspending.
- f) Submit to the Mayor actual revenue, borrowings, expenditure and where necessary report variances on projected revenue and the budget.

### **(4) Role of the Chief Financial Officer (CFO)**

- a) Must advise the Accounting Officer on the exercise of powers and duties assigned to him in terms of the MFMA.
- b) Must assist the Accounting Officer in the preparation and implementation of the municipality's budget.
- c) Must perform all budgeting and other duties as delegated by the accounting officer in terms of S79, MFMA.

### **(5) Role of Senior Managers & Other Officials**

- a) Each Senior Manager and each municipal official exercising financial management responsibilities must take all reasonable steps within her area of responsibility to ensure that the financial resources of the municipality are utilised effectively, efficiently, economically and transparently.

