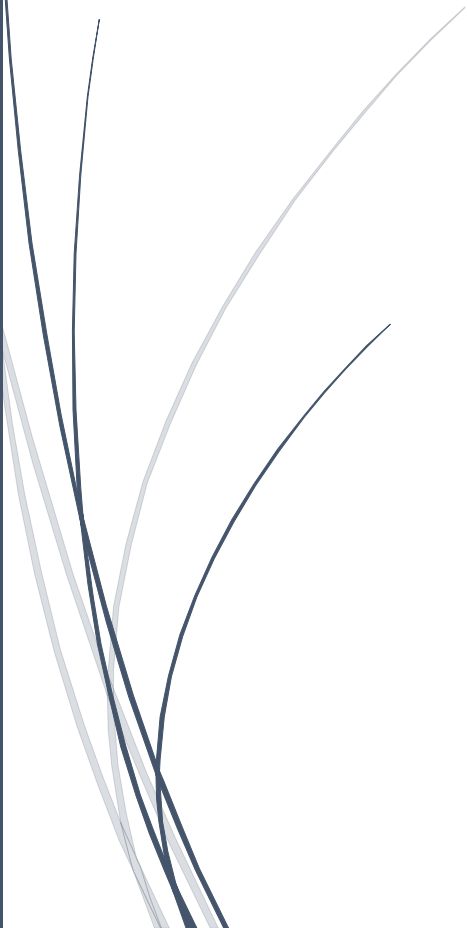




UTHUKELA
UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

**UTHUKELA
DISTRICT
MUNICIPALITY
DRAFT ANNUAL
REPORT
2016/2017**

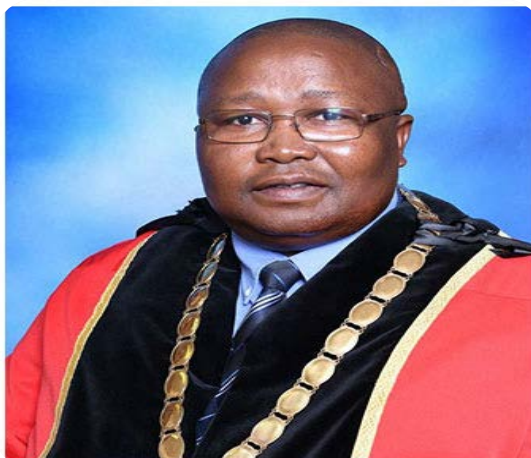


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CHAPTER 1: INTRODUCTION

COMPONENT A: MAYOR'S FOREWORD



The 2016/17 financial year was the first year of our council term and it was a year that saw the district municipality firing on all cylinders to consolidate all suits of capital projects, targets and achievements.

It was a year that was characterized by major changes in the political composition of our district. Notable amongst these changes was the reorganising of our executive committee and the Council. These changes required out of us to reconstruct the vision of council and accelerate efforts to speed up service delivery in our local communities.

It is now that time of the year when we look back not only to the past financial year but also to the entire five-year period and take stock of all activities and programmes; the achievements as well as challenges that characterized our performance in the last financial year. But for purposes of reporting and compliance, this annual report will only look back to the previous 12 months cycle. This report, therefore, doesn't close the chapter on 2016/17 financial year but builds on our achievements and the milestones we made in removing the stranglehold of poverty and freeing more of our people out of the morass of poverty. It therefore gives us pleasure to present this Annual Report for the financial year 2016/17. This report describes the work of the District Municipality in fulfilling its Constitutional mandate and in meeting its obligations as dictated by the applicable local government statutes.

During the year under review, a number of exciting developments that are an indication of change for the better have unfolded in our mandate. All hands were on deck as the municipality worked hard and smart to expand access to basic services. At the end of this financial year, 82% of the district population had access to piped water, while 81% had access to sanitation. This service delivery record inspired the Municipality to press ahead harder with more projects on the cards to meet Millennium Development Goals. On the economic front, our LED initiatives yielded positive results in reducing unemployment, especially amongst youth and women. To this end, more support was provided to small and medium enterprises and further provided training to aspiring entrepreneurs in order to re-skill them to become self-reliant and create jobs opportunities.

To ensure sound financial management, the municipality worked hard to maintain and retain its previous audit outcome of unqualified audit opinion, which meant that our financial records were credible.

To conclude I would like to take this opportunity to thank the Deputy Mayor, the Speaker, Chairpersons of Portfolio Committees (EXCO Members), the full Council, the Municipal Manager,

the staff from different departments established and the entire community of the uThukela District for their hard work, determination, commitment and valuable support to service delivery.

Cllr AS Mazibuko
Mayor: uThukela District Municipality

COMPONENT B: EXECUTIVE SUMMARY

MUNICIPAL MANAGER'S OVERVIEW



Another financial year has come to an end and it is once again time to take stock of the year that was and reflect on our achievements, shortcomings and challenges. The year under review was indeed a very challenging year, especially in the areas of the continuous provision of basic services such as water, sanitation and other basic services.

As a Water Services Authority (WSA) we are faced with the harsh reality that some of the existing infrastructure for water and sanitation has aged beyond its reasonable lifespan and in the absence of continuous maintenance, upgrades and refurbishment over the past few years, these services has now reached a critical mass stage that has led to the provision of services in some areas having been rather erratic at times.

To realise 2030 Growth Development strategy vision, Uthukela District Municipality envisaging a society in which citizen enjoy a decent standard of living, basic human rights, and such human rights include access to water. Although water crisis in the district is at its peak, the District has made significant progress in that regard despite the drought in the province. Persistent heat and lack of rain in the last few years unfavourably affected water supply to households and the commercial sector. Our residents and commercial sector had to scramble for water as piped water was severely affected as a result of low dams.

We managed to foster partnership with the Department of Water and Sanitation in mitigating the impact of drought. None (9) additional water tankers were received by the municipality from the Department of Water and Sanitation. The Water Master Plan, in partnership with the Department of Water and Sanitation and DBSA, was developed as a delivery mode to consider

ways of making water a catalyst for fighting poverty and enhance economic development in the district.

This Annual Report confirms that the Municipality has made progress in basic service delivery, rolling out and expanding the provision of water, sanitation, local economic development, disaster management services, and sound financial management to local communities but much more still needs to be done.

Efforts to ensure that the Municipality's IDP and budget speak to one another is ongoing, however must be acknowledged that this area needs further focus and refinement which will be addressed as an ongoing matter of priority to constantly improve on this as well as to also further improve alignment with the SDBIP. Service delivery performance must constantly be improved upon and with the gradual implementation and strengthening of performance management system within the Municipality, it will always be important to that performance is regularly reported on to further improve the quality of service delivery.

Lastly, I would like to record my sincere gratitude for the political support given to the administration as well as the efforts and hard work of the staff of the Uthukela District Municipality, without which the service delivery progress reported in this Annual Report would not have been possible. Their commitment and dedication, in the face of constraints and challenges, to serving the communities is commendable.

Mr SN Kunene
Municipal Manager

COMPONENT C: MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.1. GEOGRAPHICAL LOCATION OF UTHUKELA DISTRICT MUNICIPALITY

The uThukela District Municipality is a Category C municipality and is located on the western boundary of the KwaZulu-Natal Province. It is bordered by three other district municipalities: Amajuba, uMzinyathi and uMgungundlovu. It consists of three local municipalities: Okhahlamba, Alfred Duma and Inkosi Langalibalele.

The district derives its name from one of the major rivers in KwaZulu-Natal, the UThukela River, which rises from the Drakensberg Mountains and supplies water to a large portion of KZN, as well as Gauteng.

It is predominately rural and is characterized by poor socio-economic indicators such as low revenue base, poor infrastructure, limited access to services, and low economic base.

Uthukela District Municipality is 11 326.12 kilometre square in extent and has a population of 723 844. The area is characterized by a low revenue base, poor infrastructure, limited access to services, high levels of poverty and unemployment, skills shortage, lack of resources, low level

of education, underdeveloped land and settlement patterns that make it difficult to plan for effective service delivery. The attraction of investors, tourists and skilled human resources is a challenge due to UThukela's location away from the two major cities, namely Durban and Johannesburg.

The district is rich in history, with a wealth of historical buildings, battle sites and memorials. Uthukela District Municipality derives its name from one of the major rivers in KwaZulu-Natal, the UThukela River that rises from the Drakensberg and supplies water to a large portion of KwaZulu-Natal as well as Gauteng. The district municipality includes three local municipalities, namely Okhahlamba, Inkosi Langalibalele and Alfred Duma.

The Uthukela region has an abundance of natural resources and opportunities, including the Drakensberg, Tugela River, N3 and N11 national roads and industrial developments in Ladysmith and Estcourt. The natural beauty of Uthukela should be turned to advantage through marketing and the maintenance of infrastructure in order to secure a lucrative tourism industry. Uthukela has developed the multicultural center concept to gain some benefits from the 2010 Soccer World Cup but requires funding and buy-in.

The proposed cableway in the Mweni Valley, linking KwaZulu-Natal and Lesotho, will also promote tourism in the district and investigations are underway to establish a tourism development (chalets and hotel) at the Woodstock Dam. An initial viability study was also completed for the Big Five Game Reserve/Bridge to Nowhere initiative, which has the potential to create 4 000 jobs.

1.1.1. Demographic Characteristics

The population of uThukela District Municipality forms part of the ultimate objective of the development process, as well as being a subject in the process, since the people provide labour and entrepreneurship for production also consume the output of production. Likewise, demographic processes e.g. fertility, mortality and migration determine the demographic outcomes such as size, age-sex structure and spatial distributions of the population which affect the functioning of socioeconomic processes of land use, labour absorption, consumption and expenditure which in turn define the socio-economic outcomes in terms of income, employment, education, health, housing etc. In short, this analysis will shade some light on the dynamics of uThukela District population, which can then be used to develop strategic interventions.

1.1.2. Total Population and Growth Rate

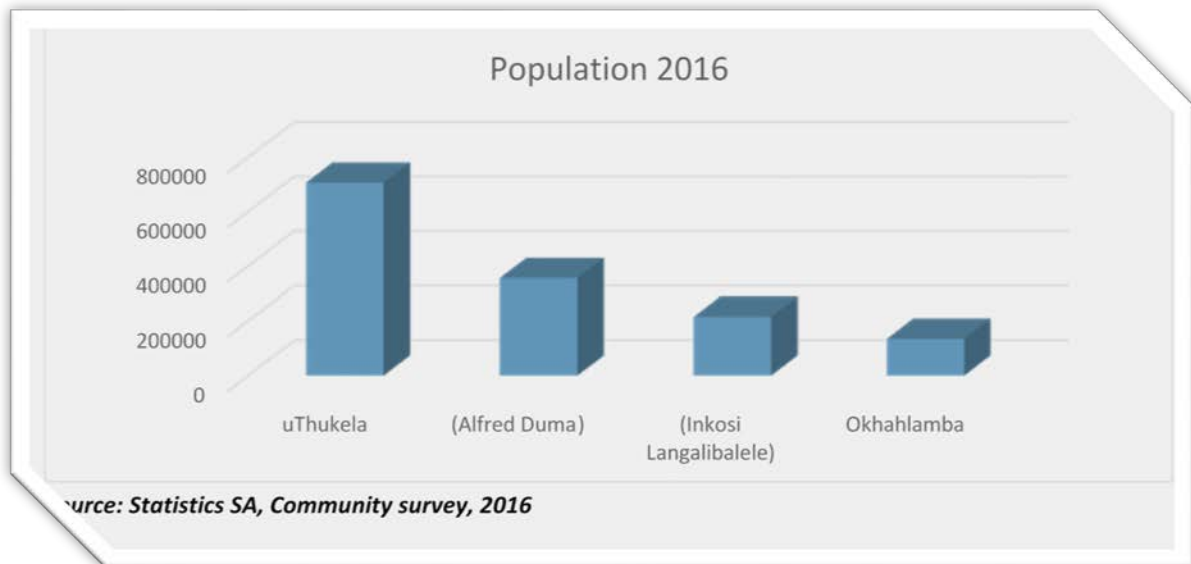
The population of uThukela District increased from 668,848 in 2011 to 706,590 in 2016 recording approximately 2% growth, which translates to an annual growth rate of 0.17% during the period. Alfred Duma municipality experienced the highest increase followed by Inkosi Langalibalele municipality (1.69%). Okhahlamba also experienced an increase in its population recording 4.2% respectively between 2001 and 2016.

The increase of the population in uThukela district is attributed by amongst other factors the impact of high birth rate and immigration. The following figure indicates the population size of uThukela district and its family of municipalities before and after amalgamation from 2001 to 2016:

Figure 1: Population Size

| | uThukela | Ennambithi/ Ladysmith | Indaka | Umtshezi | Imbabazane | Okhahlamba |
|-------------|----------|--------------------------|--------|------------------------|------------|------------|
| | | (Alfred Duma) | | (Inkosi Langalibalele) | | |
| 2001 | 656986 | 225459 | 113644 | 60087 | 120622 | 137924 |
| 2011 | 668848 | 237437 | 103116 | 83153 | 113073 | 132068 |
| 2016 | 706590 | 356276 | | 215182 | | 135132 |

Source: Statistics SA, Census 2001, 2011, 2016



Source: Statistics SA, Community survey, 2016

1.1.2.1. Population Distribution by District Municipality

The population of the uThukela district municipality is unevenly distributed. The largest population is in Alfred Duma local municipality and the small population is in Okhahlamba local municipality. It is noted that the population distribution has changed after the emerging of Ennambithi with Indaka and Umtshezi with Imbabazane local municipalities. The table below shows the number of wards in the uThukela district and how the population is distributed from the 2007 to 2016.

Table 2: Population Distribution

| Municipality | Wards | 2007 Survey | 2011 Census | 2016 Survey | Percentage |
|-----------------------------|-------|-------------|-------------|-------------|------------|
| Okhahlamba | 15 | 151 441 | 132 068 | 135 132 | 19.12% |
| Inkosi Langalibalele | 23 | 224 651 | 196 226 | 215 182 | 30.45% |
| Alfred Duma | 36 | 338 305 | 340 5530 | 356 276 | 50.42% |
| Total | 74 | 714 909 | 668 848 | 706 590 | 100% |

(Source: Statistics SA: Census 2001 and 2011 and Community survey 2007&2016)

1.1.2.2. Population Groups

The majority of the people that live in the uThukela district municipality are Africans and Coloureds are minority. The following table shows the population breakdown of the uThukela district municipality. This breakdown is showing the Africans, Coloureds, Indians and Whites.

Table 3: Population Distribution by Race

| Group | Population Group per Survey Year | | | | | |
|-----------------|----------------------------------|------------|------------|------------|------------|------------|
| | 2007 | | 2011 | | 2016 | |
| | Population | Percentage | Population | Percentage | Population | Percentage |
| African | 681998 | 95.40 | 636394 | 95.30 | 679912 | 96.22 |
| Coloured | 2231 | 0.31 | 3923 | 0.59 | 3789 | 0.54 |
| Indian | 23200 | 3.25 | 16023 | 2.40 | 15310 | 2.17 |
| White | 7482 | 1.05 | 11437 | 1.71 | 7578 | 1.07 |
| Total | 714911 | | 667777 | | 706590 | |

Source: Statistics South Africa: Census 2011 and Community Survey 2007 and 2016

1.1.2.3. Age Structure & Gender

According to the Census 2011, the number of people between 15-64 aged has increased to 391,369. Females are more than male and are occupying 55% in this category whereas male are on 45%. With regards to 0-14, males are leading with 51% while females are sitting in 49%. The last category which is 65-120, females are more with 69% and males are in 31% compare to males.

Table 4: The breakdown below shows age and gender of uThukela district municipality

| Age | Males | % | Females | % | Total |
|---------------|---------|-----|---------|-----|---------|
| 0-14 | 124,497 | 51% | 121,712 | 49% | 246,209 |
| 15-64 | 177,056 | 45% | 214,314 | 55% | 391,369 |
| 65-120 | 9,631 | 31% | 21,638 | 69% | 31,269 |

Source: Statistics South Africa, Census 2011

1.1.2.4. Migration (Internal / External)

The population movement in the district follows the concentration of economic and employment opportunities. These are located mainly in the town of Ladysmith followed by the smaller industrial town of Estcourt in Inkosi Langalibalele. Ladysmith has a high concentration of social and economic infrastructure resulting in a development imbalance compared to other towns in the district. People from smaller towns and rural settlements in Okhahlamba and other dispersed areas flock to Ladysmith for a number of activities beyond employment.

The same trend is noticed with small towns and rural settlements of UMzinyathi district municipality coming to Ladysmith. This could be influenced by the number of regional government offices located in Ladysmith and serving both uThukela and uMzinyathi district municipalities. Subsequently, this puts pressure on Ladysmith suggesting strain on local and physical infrastructure. Few economic and employment opportunities in the district pulls people to larger urban areas in the district. The N11 leads them to Newcastle and Johannesburg, while the N3 corridor leads them to the north of Gauteng, Pietermaritzburg and Durban in the south.

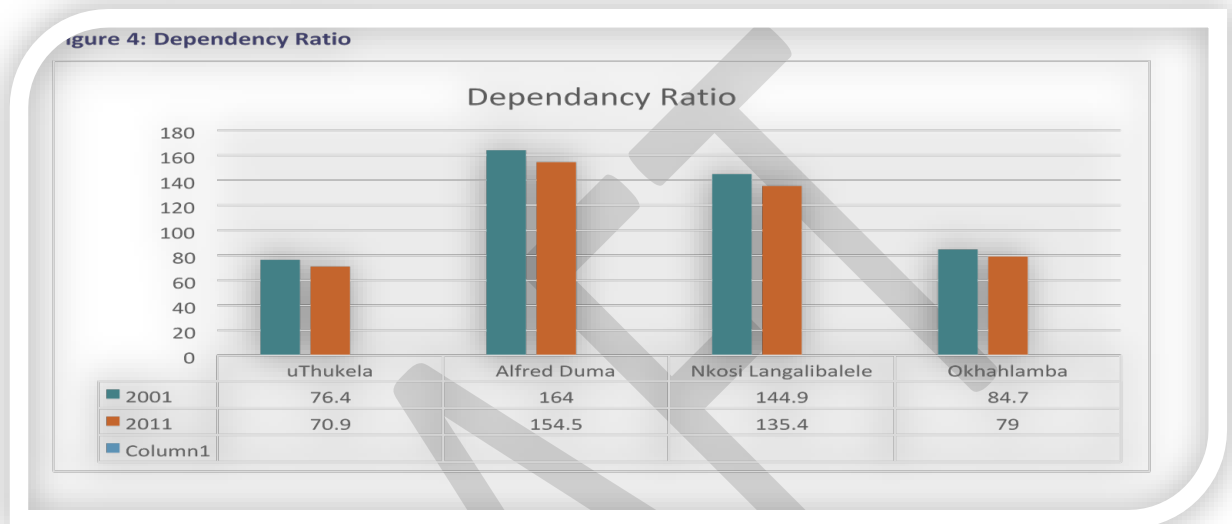
1.1.2.5. Dependency Ratio

Dependency ratio defines the number of dependents (i.e. people under the age of 15 and over the age of 65 years) per 100. A high dependency ratio is a challenge to guardians who in many instances are unemployed particularly in rural parts of uThukela. The dependency ratio

in uThukela declined from 76.4 to 70.6 between 2001 and 2011. Dependency ratio is high in Alfred Duma local municipality compared to all other municipalities within uThukela. Alfred Duma especially the part of former Indaka is a settlement economy without any core economic source, hence the high dependency ratio. Okhahlamba also have high dependency ratio (79%).

Generally, uThukela District experienced a decline in its dependency ratio between 2001 and 2011. However, the ratio is still high compared to the provincial (65.4%) and national (58.7%) averages. The following diagram illustrates the dependency ratio per local municipality.

Figure 1: Dependency Ratio



Source: Statistics South Africa, Census 2011, community survey 2016

1.1.2.6. HIV/AIDS

HIV and AIDS have had a major impact on both the quality of life of communities and families and on the economy. Number of initiatives have been carried through the National Department of Health to combat the current epidemic however, major challenges remain.

Among the 11 districts in KwaZulu-Natal, the impact of the HIV epidemic when a five-year comparison was done between 2009 and 2013. The 2013 National Antenatal Sentinel HIV Prevalence Survey, South Africa illustrates that the most significant decrease in HIV prevalence is in UThukela district which decreased by 6.4%, i.e. from 46.4% in 2009 to 40.0% in 2013, but still remains very high. The table below shows the HIV Prevalence from 2009 to 2013 in the whole districts of KZN.

Table 5: HIV/AIDS Distribution per District Municipalities

| Districts | Prevalence in 2009(%) | Prevalence in 2013(%) | Variances |
|----------------|-----------------------|-----------------------|-----------|
| Amajuba | 37.3 | 37.8 | 0.5 |
| Harry Gwala | 35.2 | 36.6 | 1.4 |
| UGu | 40.2 | 39.9 | -0.3 |
| King Cetshwayo | 37.7 | 38.9 | 1.2 |
| uThukela | 46.4 | 40.0 | -6.4 |

| | | | |
|---------------|------|------|------|
| UMzinyathi | 28.2 | 35.7 | 7.5 |
| Zululand | 36.7 | 38.1 | 1.4 |
| EThekweni | 41.5 | 41.1 | -0.4 |
| ILembe | 40.6 | 45.9 | 5.3 |
| UMgungundlovu | 40.9 | 42.4 | 1.5 |
| UMkhanyakude | 39.7 | 44.1 | 4.4 |
| KZN | 39.5 | 40.1 | 0.6 |

Source: The 2013, National Antenatal Sentinel HIV Prevalence Survey, South Africa

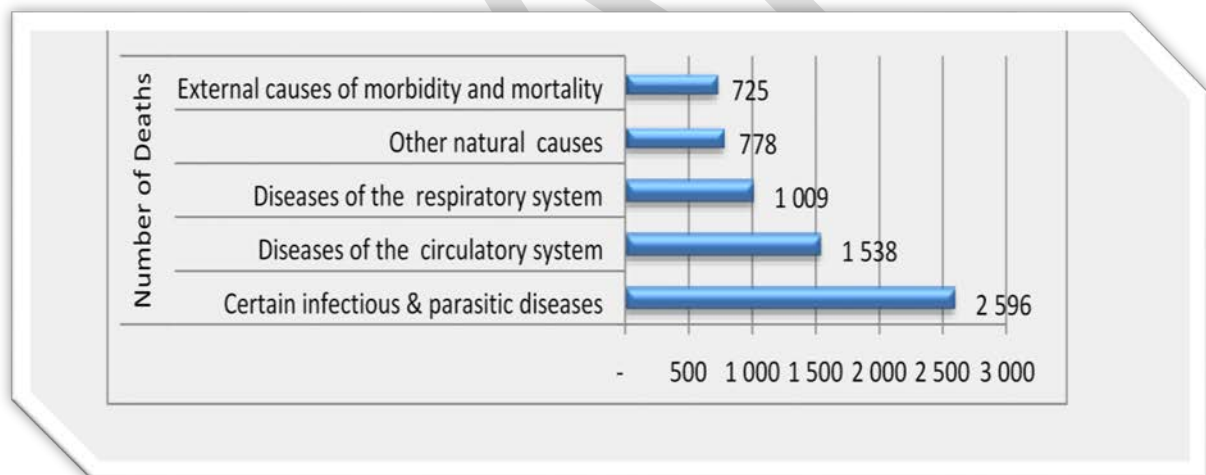
1.1.2.7. Mortality Rate

1.1.2.7.1. Perinatal Mortality Rate

The perinatal mortality rate is the number of perinatal deaths per 1000 live births. The perinatal period starts as the beginning of foetal viability (28 weeks gestation or 1000g) and ends at the end of the 7th day after delivery. Perinatal deaths are the sum of stillbirths plus early neonatal deaths. The PNMR is the most sensitive indicator of obstetric care. For developed countries, the rate for babies over 1000g is usually less than 6/1000 births, whereas for developing countries PNMR ranges from 30-200. The average PNMR rate for uThukela District is approximately 37 per 1000 which is slightly above the SA average (34.5 per 1000).

1.1.2.7.1. Leading Causes of Death

Figure 2: Number of deaths by main groups of causes of death



1.1.2.7.2. The 10 leading underlying natural causes of death

Table 6: The 10 leading underlying natural causes of death

| No | | Number | % |
|----|--|--------|------|
| 1 | Tuberculosis (A15 A19)** | 1 349 | 15,8 |
| 2 | Intestinal infectious diseases (A00-A09) | 648 | 7,6 |
| 3 | Influenza and pneumonia (J09-J18) | 644 | 7,5 |
| 4 | Cerebrovascular diseases (I60-I69) | 598 | 7,0 |
| 5 | Other forms of heart disease (I30-I52) | 429 | 5,0 |
| 6 | Diabetes mellitus (E10-E14) | 358 | 4,2 |
| 7 | Certain disorders involving the immune mechanism (D80-D89) | 340 | 4,0 |

| | | | |
|----|---|-------|------|
| 8 | Ischemic heart diseases (I20-I25) | 229 | 2,7 |
| 9 | Inflammatory diseases of the central nervous system (G00-G09) | 223 | 2,6 |
| 10 | Hypertensive diseases (I10-I15) | 214 | 2,5 |
| 11 | Other natural causes | 2 792 | 32,7 |
| 12 | Non-natural causes | 725 | 8,5 |

Source: Department of Health

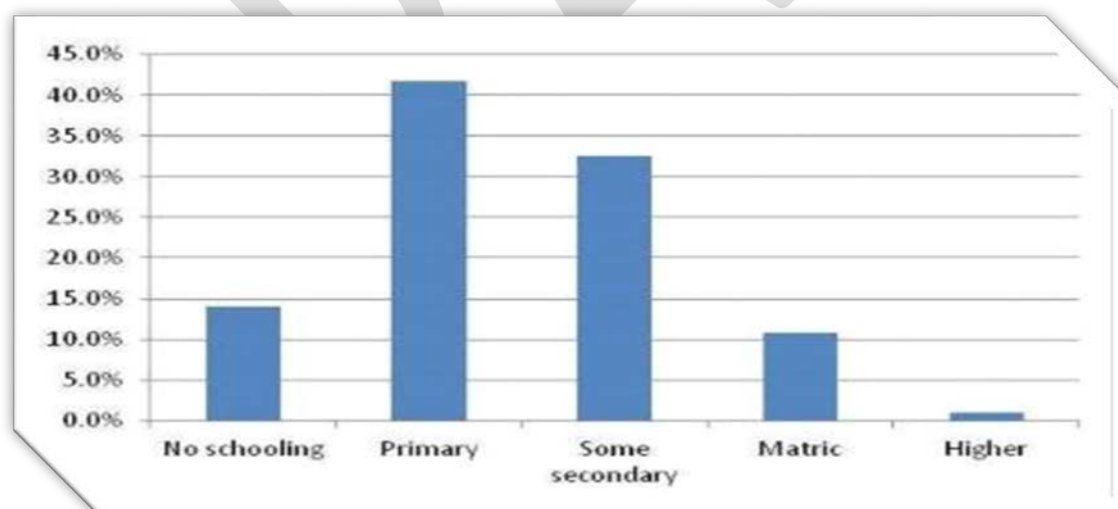
1.1.2.8. Education Profile

Education serves as the means to bring about the desired change in society, to develop a generation of virtuous individuals and thus contribute to the development of good human beings. The importance of education is that it empowers individuals to take better care of themselves and their children. Education also serves as a gate to higher economic growth through higher level of skilled society. This is why the provision of good education and educational resources remains a high priority for uThukela district municipality. The department of education in uThukela district is playing a vital role in ensuring that the education is given the priority.

1.1.2.8.1. Education Level

A small percentage of the population in the district has post-matric qualifications at only 1%, whilst 14% of the population has no schooling whatsoever. 41% have primary school education and 33% have some secondary schooling, whilst only 10.9% achieved matric. This means that there is a limited pool of skilled labour in the municipality and that basic education needs to be addressed in order to improve skills levels in the future. Basic education is considered fundamental to the future success of the local economy.

Figure 3: Education Level



Source: Statistics South Africa, Community survey 2016

The matric results has shown some increase in 2016 from 61.09% to 67.75% and this translate that the matric results has increased by 6.66%. The graph below shows the performance of uThukela district (education) from 2012 to 2016.

1.1.2.8.2. Average Education Attainment

The number of people with no schooling dropped between 2011 and 2016 with a further decline between 2010 and 2011 in uThukela, while the number of those people with grade 0-11 shows a significant increase over the period under review. The number of people with matric only has shown a

Table 7: Average education attainment of uThukela and its family of municipalities from 2011 to 2016.

| Level of Education | KZN | Uthukela | Alfred Duma | Inkosi Langalibalele | Okhahlamba |
|---|-----------|----------|-------------|----------------------|------------|
| Grade 0 | 351,701 | 26,129 | 13,119 | 7,82 | 5,190 |
| Grade 1/Sub A | 337,208 | 25,522 | 12,238 | 7,82 | 5,465 |
| Grade 2/Sub B | 334,645 | 25,197 | 12,151 | 7,432 | 5,615 |
| Grade 3/Standard 1/ABET | 342,542 | 26,036 | 12,646 | 7,555 | 5,834 |
| Grade 4/Standard 2 | 392,225 | 29,405 | 14,324 | 8,739 | 6,343 |
| Grade 5/ Standard 3/ABET 2 | 384,132 | 27,847 | 13,943 | 7,973 | 5,931 |
| Grade 6/Standard 4 | 397,690 | 28,320 | 14,235 | 8,284 | 5,801 |
| Grade 7 Standard 5/ABET 3 | 471,585 | 33,651 | 17,125 | 9,73 | 6,796 |
| Grade 8/ Standard 6 /Form 1 | 619,449 | 40,467 | 21,379 | 11,647 | 7,442 |
| Grade 9/ Standard 7/ Form 2/ ABET 4 | 530,018 | 34,714 | 18,013 | 9,772 | 6,928 |
| Grade 10 / standard 8 / Form | 732,789 | 47,127 | 24,801 | 13,376 | 8,950 |
| Grade 11/ Standard 9 Form 4 | 788,117 | 49,272 | 25,427 | 14,797 | 9,048 |
| Grade 12 / Standard 10 / Form 5 | 1,934,771 | 100,496 | 54,491 | 29,947 | 16,458 |
| NTC N1/NIC/ V Level 2 | 15,273 | 753 | 450 | 224 | 80 |
| NTC /N2/NIC/V Level 3 | 11,388 | 434 | 267 | 135 | 35 |
| NTC /N3/NIC/V Level 4 | 15,606 | 617 | 356 | 198 | 63 |
| N4/NTC 4 | 12,001 | 440 | 280 | 114 | 45 |
| N5/NTC 5 | 10,537 | 399 | 257 | 107 | 35 |
| N6/NTC 6 | 13,255 | 514 | 316 | 141 | 57 |
| Certificate with less than Grade 12 / Standard 10 | 12,248 | 502 | 300 | 141 | 61 |
| Diploma with less than Grade 12/ Standard 10 | 14,499 | 599 | 304 | 327 | 76 |
| Certificate with Grade 12/ Standard 10 | 90,427 | 4,346 | 179,43 | 1186 | 553 |
| Diploma with Grade 12 / Standard 10 | 119,312 | 5,795 | 363,325 | 2335 | 718 |
| Higher Diploma | 100,777 | 3,521 | 184,814 | 939 | 575 |
| Post Higher Diploma Masters: Doctoral Diploma | 17,305 | 564 | 326 | 169 | 70 |
| Bachelor's Degree | 80,354 | 2,524 | 110,451 | 653 | 310 |
| Bachelor's Degree and Post graduate Diploma | 32,913 | 979 | 585 | 241 | 153 |
| Honours degree | 34,948 | 1,121 | 720 | 276 | 126 |

| | | | | | |
|----------------------------|-------------------|----------------|-----------------|-----------------|----------------|
| Higher Degree Masters/ PhD | 24,019 | 564 | 346 | 131 | 88 |
| Other | 16,632 | 791 | 546 | 185 | 59 |
| No schooling | 720,791 | 54,503 | 23,952 | 18,356 | 12,195 |
| Unspecified | - | - | - | - | - |
| Not applicable | 1,308,143 | 95,694 | 47,802 | 26,924 | 20,968 |
| GRAND TOTAL | 10,267,300 | 668,848 | 6103,245 | 7691.092 | 132,068 |

Source: Department of Education, 2016

1.1.2.9. Income Levels

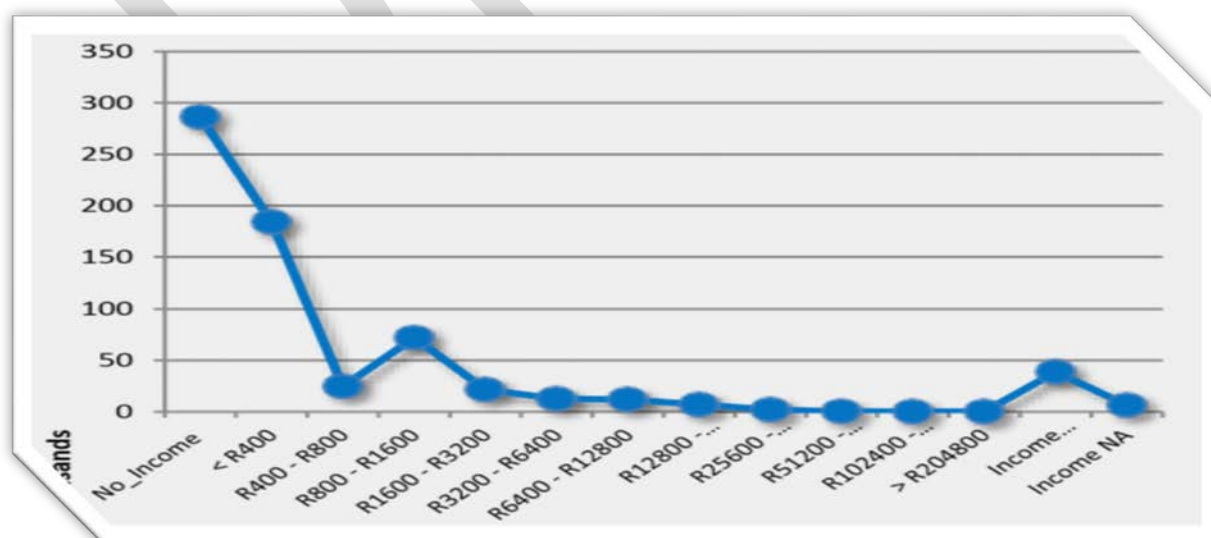
1.1.2.9.1. Households Income

Household income can be used as a proxy for economic well-being of household and individuals, as it determines their consumption and savings potentials. Changes in the income by households is one of the direct indicator available that can be used to establish who benefits from economic development and by how much are the beneficiaries benefiting. Furthermore, data on household income can be used to inform poverty analysis.

In uThukela the R1-R4, 800 and R, 4801-R9600 household income categories have increased considerably throughout the years; this can be an indication of improvement in the socio-economic status of the households in the district. The number of households in the upper end income categories (i.e.R1 228 801-R 457 600) have decreased throughout the years. The table below displays the household's income of uThukela district municipality and KZN province in 2011.

Approximately 286, 410 (i.e. 42.8%) of the population has no source of income and about 184, 170 (i.e. 27.5%) earn less than R400 per month which translate to almost 70.3% of the population leave below the poverty line. Approximately 2,894 of the population in uThukela earn over R25, 600 per month. These people work around Ladysmith, Estcourt, and Bergville in senior management and professional positions in government and private institutions. The diagram and table below illustrate the status of the individual monthly income in uThukela district as per the 2011 statistics South Africa.

Graph 1: Individual Income



Source: Statistics South Africa, Census 2011

1.1.2.9.2. Employment Profile

The unemployment rate in the municipality decreased from 58.8% in 2001 to 39.6% in 2011. The level of unemployment in the district is bigger to that of the province, which was 49.0% in 2001 and 33.0% in 2011. Alfred Duma local municipality has the highest levels of unemployment with the rate being 92.2% in 2016, whilst the lowest unemployment rate in 2011 was in Okhahlamba local municipality at 43.4%. The number of people who are not economically active increased from 207 830 in 2001 to 268 503 in 2011 (29% increase), compared to an increase in employed people of 21%.

Table 8: Unemployment rate per local municipality from 2011 to 2016.

| | uThukela | Emnambithi/ Ladysmith (Alfred Duma) | Indaka | Umtshezi | Imbabazane | Okhahlamba |
|-------------|----------|--|--------|----------|------------|------------|
| | | | | | | |
| 2011 | 39.6% | 34% | 57.2% | 36.9% | 48.6% | 43.4% |
| 2016 | 39.6% | 92.2% | | | 85.5% | 43.4% |

Source: (Statistics South Africa: Census 2011, community survey, 2016

Table 9: Employment Levels in the uThukela District

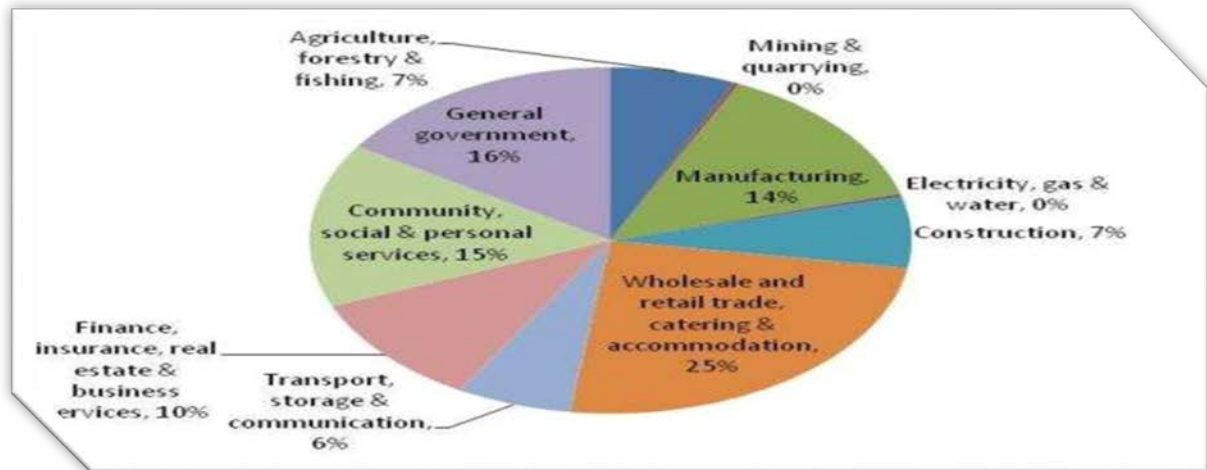
| | Total population | Population - Working age | Total employed | Unemployed | Not economically active | Unemployment Rate | Labour Force Participation Rate |
|-------------|------------------|--------------------------|----------------|------------|-------------------------|-------------------|---------------------------------|
| 2001 | 656986 | 351 530 | 97 545 | 46 155 | 207 830 | 32% | 41% |
| 2006 | 699 941 | 384 081 | 112 228 | 60 079 | 211 774 | 35% | 45% |
| 2011 | 668,848 | 418 990 | 118 190 | 32 297 | 268 503 | 39.6% | 36% |

Source: uThukela LED strategy

1.1.2.9.3. Employment by sector

The main source of employment within the district in 2011 was wholesale and retail trade, catering and accommodation at 25%. This was followed by government at 16% and community, social and personal services at 15% Employment in the primary sector comprised around 7% of total employment in the district in 2011.

Bar Chart1: Employment per Sector



Source: uThukela LED strategy

From an employment growth perspective, the agriculture; manufacturing; and electricity, gas and water sectors showed an average decrease in employment of 5%, 2% and 1% respectively between 2001 and 2011. The biggest employment gains were in mining and quarrying (6% growth); finance, insurance, real estate and business services; transport, storage and communications; and general government (all 5% growth respectively).

1.1.2.10. Poverty Levels

The overall proportion of people living in poverty in uThukela is about 65.7% in 2016, and the indications is that number of people living in poverty is increasing in uThukela.

Within the district context, the most poverty-stricken areas are found in some areas of Alfred Duma and Inkosi Langalibalele municipalities (The former Indaka and Imbabazane). The overwhelming majority of people living in poverty are from the black community. The three measures of poverty and social inequality clearly show that poverty is concentrated in the Black communities and that inequality are widening over time.

1.1.3. Spatial Density

Uthukela district municipality boundaries were delineated in terms of the Municipal Demarcation Act taking into account a number of factors including physical features of the area, population movement patterns, economic trends and social organisation of communities. As such, the boundaries are not simple administrative, but also provide a framework for regional economic development planning. This section provides a broad spatial analysis and it should be appropriate if it reads together with the uThukela district municipality adopted Spatial Development Framework for 2016/2017.

During the process, the principles that direct the preparation of the uThukela SDF and its implementation is summarized hereunder:

- Spatial development principles as founded in the Sustainable Development Goals (SDG's), National Spatial Development Perspective (NSDP), National Development Plan (NDP), Provincial Growth and Development Strategy (PGDS), District Growth and Development Plan (DGDP) Spatial Land Use Management Act (SPLUMA) and Provincial Spatial Economic Development Strategy (PSEDS)

1.1.3.1. Regional Context

UThukela is located within the middle west of KwaZulu-Natal Province. The district comprises of three local municipalities, namely:

- Okhahlamba (KZ235)
- Inkosi Langalibalele (KZ237)
- Alfred Duma (KZ238)

It is strategically positioned within the centre of Durban and Johannesburg, which are the national hubs within the country in terms of trade of commerce. It also largely comprises of Okhahlamba Drakensberg Park that is a declared World Heritage Site and this places the area as global interest. The district is anchored around Ladysmith Town, which serves as a service and administrative centre, and a commercial hub for UThukela District and beyond. However, the role and function of Ladysmith commercial centre cannot be exaggerated a regional scale given the fact that it is a relatively smaller town when a comparison is drawn from the nearest regional centres such as Newcastle and Pietermaritzburg.

Therefore, Ladysmith can be classified as a sub-regional centre and not a regional centre that serves as a feeder for smaller towns that are located between 100km to 200km away from it. Although UThukela does not boost with a notable regional centre, it is strategically located at the intersection of two major national and provincial development corridors and trade routes that is:

- The N11 which runs in a north- south direction linking KwaZulu-Natal with Mpumalanga Province; and
- The N3, which runs in an east west direction linking Durban and Johannesburg Metropolitan areas.

The railway line linking KwaZulu-Natal with Gauteng and Mpumalanga Provinces runs through the UThukela District Municipality (UTDM). As such, the UTDM is highly accessible at both regional and national level. The size of the Municipality is approximately 11,500km² and is located along the western boundary of KwaZulu-Natal. It is predominately rural. The Municipality is characterised by socio-economic challenges such as a low revenue base, poorly maintained infrastructure and limited access to social and other services. High levels of poverty, unemployment, skills shortage, a lack of resources and low levels of education is also prevalent. The settlement patterns are dispersed, which resulted in underdeveloped land and settlement patterns that make it challenging and expensive to deliver effective services.

Map 1: Uthukela Regional Context



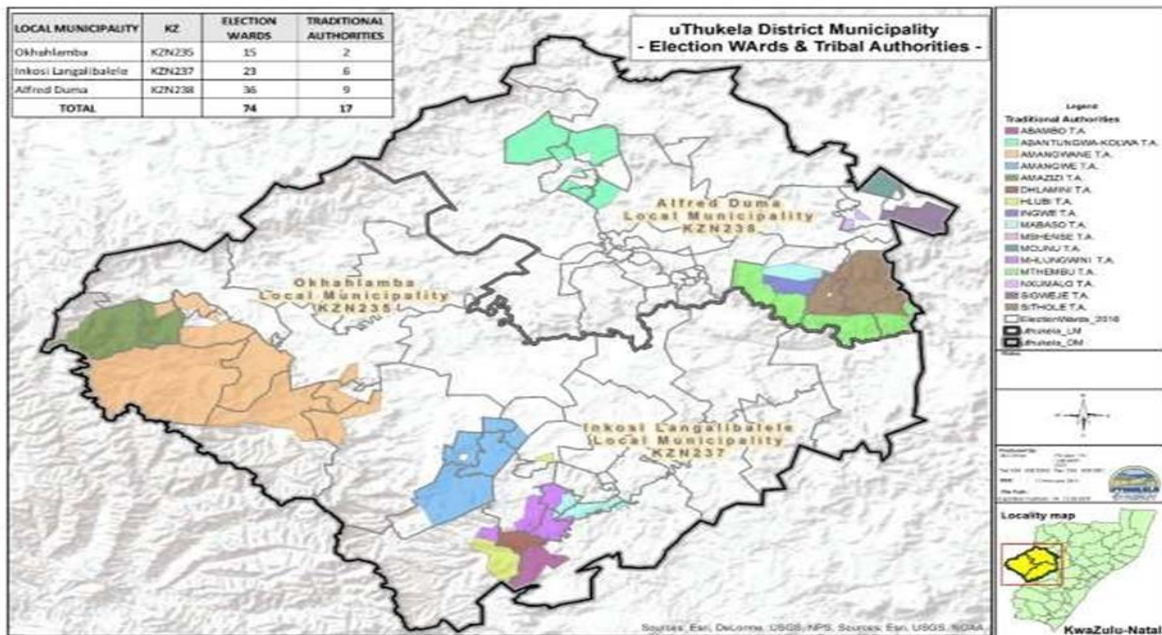
1.1.3.2..Administrative Entities

Most parts of UThukela District Municipality are farmlands, which are managed in terms of the Agricultural Act 70 of 1970. Under the KwaZulu-Natal Planning and Development Act No. 06 of 2008 (PDA), these areas are also subjected to land use controls when the municipalities develop the Wallto-Wall Land Use Management Schemes. In case of land that is under Ingonyama Trust there are additional local structures that have the influence in terms of land allocation.

The local municipalities have expressed challenges in terms of managing land allocation within the areas that are under Amakhosi. The municipality communicates with the Amakhosi during the IDP and Budget processes about land allocations. This affords the municipality a platform to advise the Amakhosi if their land allocation issues are not ideal. The implementation of the recommendation of the PDA (to have wall-to-wall Land Use Management Scheme) by local municipalities will assist in this issue.

1.1.4. Traditional Authorities

The traditional authority areas account for 18% (2078 km²) of the whole district. These areas comprises of settlements, subsistence agricultural land and limited social and economic activities.



1.2. SERVICE DELIVERY OVERVIEW

- Some of the highlights and challenges of service delivery include the following:
 - Replacement of all powered pump engines to electrical pump engines;
 - Completed a feasibility study to funding for dredging of Oliphantskop Dam under Alfred Duma Local Municipality;
 - Development of Maintenance Plan for water service infrastructure for refurbish, replace and recapitalise of our water schemes infrastructure;
 - Appointment of additional PMU Manager to strengthen the capacity of the project management by enhancing quality assurance;
 - Approved a Water Master Plan in partnership with the Department of Cooperative Governance and Traditional Affairs and DBA, which is a comprehensive and far-reaching review of our water development strategy that provides a framework for planning and implementation of the water projects in our local municipalities;
 - In the financial year under review there has been progress in filling of the following vacant position of the General Manager: Water, Sanitation & Technical Services;
 - The Municipal Manager and all section 56 managers have signed performance agreements, which form the basis of their performance reviews;
 - Uthukela District Municipality has a performance evaluation system in place for Section 54/56 managers, and has cascaded it to all middle managers in terms of the Systems Act;
 - The municipality also has an audit and performance committee in place;
 - The municipality has reviewed the organizational structure to enhance career development for its employees;
 - We are participating in environmental awareness campaigns as one of the key ways to ensure increased knowledge and awareness of the environment among schools across the district to influence their actions where the environment is concerned;
 - We also reviewed our local economic development strategy to embrace the growing dynamics of the sector for the growth of our economy;

- In building clean administration, we continue to take a zero-tolerance approach to ill-discipline, corruption, fraud, impropriety, deceit and deviant behaviour;
- Communication remains the backbone of our institution and we have made progress to strengthen it internally and externally by working with various stakeholders to create partnerships, engage the public through various media platforms from print to electronic and social media

1.3. FINANCIAL HEALTH OVERVIEW

Financial viability is about being able to generate sufficient revenue to meet operating and capital payments and where applicable, to allow growth while maintaining service levels. The focus of the financial viability assessment was on the audited financial statements for the previous financial year.

The unlocking of the financial management systems allows us to review our compliance process and procedures in line with the Municipal Financial Management Act (MFMA). The systems enable tighter control on process, extensive protection of financial resources to ensure that the service to be acquired is value adding.

The following has been executed:

- Development of a Revenue Strategy to enhance income generation

1.4. ORGANISATIONAL DEVELOPMENT OVERVIEW

Human Resource Management is central to the strategic thrust of the District. It is geared to achieve optimal outcomes and impact on Service Delivery. The function is organized and discharged through the following units: Human Resources Provision, Training, Labour Relations and Leave Administration.

- Responsible for implementation of the organizational structure through recruitment, both internally and externally;
- Responsible for benefits administration for employees;
- Manages and ensures sound labour relations and practices
- Organizational structure review as well as job design.
- Co-ordinates training programmes in an integrated approach for both employees and councillors.

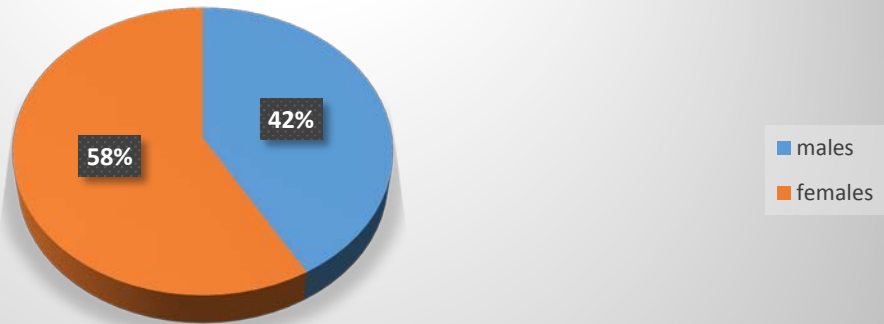
The Human Resource Management (HRM) is further strengthened through various Committees in line with Good Governance.

- Corporate Services and Performance Management Portfolio Committee
- Local Labour Forum

1.4.1. External Bursary Programme

113 young people were awarded bursaries to pursue at various institutions of higher learning for the 2016/2017 financial year, 47 were males and 66 were females.

Awarded External Bursary



1.4.1. Internal Employee bursary programme

16 employees were awarded bursaries to pursue studies at various institutions of higher learning for the 2016/2017 financial year, 9 were male and 7 were female.

Awarded Internal Bursary



1.5. PERSONNEL PROVISIONING

a) Recruitment and retention of employees

A total of 123 employees were appointed in the year under review including Job creation program and permanent employees.

b) Employment Equity

A five year Employment Equity Plan was developed and submitted to the Department of labour in line with the requirements of the Employment Equity Act in June 2016. Implementation reports have been prepared and submitted accordingly for the financial year 2016/2017.

| Employment Equity all Employees | |
|---------------------------------|------------|
| Females | 177 |
| Males | 792 |
| Grand Total | 969 |

c) Disability profile for the whole organization is represented hereunder.

| Disability profile for the whole organization | |
|---|-----|
| Number of total employees | 969 |
| Number of people with disability | 0 |
| Percentage | 0% |

- d) **Equity Status** at managerial level as per the Employment Equity report submitted to the Department of Labour in January 2017 is as follows:

| Females | | | | Males | | | |
|---------|----------|---------|--------|---------|----------|---------|--------|
| African | Coloured | Indians | Whites | African | Coloured | Indians | Whites |
| 1 | 0 | 0 | 0 | 5 | 0 | 0 | 0 |

- e) **Occupational Health and Safety** – Occupational Health and Safety committees were established.
- f) **Workplace Skills Plan (WSP)** and the **Annual Training Report (ATR)** have been developed and submitted to the Local Government SETA by the 30th of April 2017.
- g) **Leave Administration-** Leave management system is operational using both Premier VIP Leave Management Module software and other desktop backup programs.
- h) **Labour Relations-** the Municipality has good relations with the Unions and issues of the Local Labour forums were attended and resolved amicably. All disputes of interest were resolved without labour having to embark on a strike or protest action.

1.6. STATUTORY ANNUAL REPORT PROCESS

| Activity | Legislation and Guidance | Process Player | Owner | Role | Timeframe |
|--|--|---|-----------|------|-------------|
| Consideration of next financial year's Budget and IDP process plan. In-year reporting formats should ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the beginning of the Budget / IDP implementation period. | MSA S41(1)(e) | MM Assisted by other managers & the CFO | other s56 | | July |
| Implementation and monitoring of approved Budget and IDP through the approved SDBIP commences (In-year financial reporting and quarterly performance reports). | MSA S41(1)(e) | MM Assisted by other s56 managers & The CFO | | | July |
| Finalise 4th quarter report of previous financial year | MFMA S52(d) | MM Assisted by other managers & CFO | other s56 | | July |
| Submit draft previous financial year Annual Report and evidence to Internal and the Auditor General including annual financial statements and financial and non-financial information ¹ . | Submission of annual financial statements as per section 126(1) of the MFMA. Additional step, a draft Annual Report is prepared. Annual Performance report needs to be included as per section 46 of the MSA. | MM & CFO | | | July |
| Submit Annual Report including annual financial statements and Annual Performance Report to the Combined Audit/Performance Committee. | Joint Committee assessing both financial and non-financial performance advances accountability and expedites corrective measures | MM & CFO | | | July/August |
| Combined Audit/Performance committee considers unaudited Annual Report of municipality and entities (where relevant). | Joint Committee assessing both financial and non-financial performance advances accountability and expedites corrective measures | Audit and Performance Committee | | | August |
| Mayor tables the unaudited Annual Report in Council. | The Annual Report submitted complies with the requirements of Section 121(3) (a-k). Information on pre-determined objectives to be included. | Mayor | | | August |
| Municipality submits Annual Report including final annual financial statements and annual performance report to Auditor-General for auditing purposes – due 31 August. Council to submit unaudited tabled annual report to MPAC for vetting and verification of councils' directive on service delivery & the committee to evaluate senior managers' performance against agreement entered into. | Note that it is unaudited and will not include any of the Auditor-Generals reports as the auditing thereof will still be in progress. (Municipalities with Municipal entities to submit a consolidated Unaudited Annual Report by September) | CFO | | | August |

| | | | |
|---|---|--------------------------------|--|
| Commencement of IDP analysis of institutional, services and infrastructure provision, backlogs and priorities. Unaudited Annual Report as submitted to Auditor-General to be used as input into the IDP strategic phase process and community verification & input by MPAC on reported performance. Such information includes that of various entities incorporated into the information of the parent entity. | If the above process is followed, the unaudited Annual Report can add value to the IDP/Budget planning process for the next year as well as oversight by MPAC on the reported deliverables by communities and achievements targets reached. | Council | August |
| Auditor-General audits the unaudited Annual Report and submit an audit report to the accounting officer for the municipality / municipal entity. | Section 126(3) (b) require the Auditor- General to submit an audit report within three months after receipt of statements from the municipality. | Auditor- General | November for municipalities without entities & December for municipalities with entities |
| Annual Report and oversight report process for adoption to be used as input into public participating meetings for the IDP review process. | Section 127,128,129 and 130 | Council | September November |
| The Auditor-General's reports are issued during the period of Oct/Nov. Once the AG audit reports have been issued no further changes are allowed as the audit process is completed | Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website. | MM | November/December |
| Mayor tables audited Annual Report and financial statements to Council | Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website. | Mayor | November/December |
| Audited Annual Report is made public, e.g. posted on municipality's website. | Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website. | MM and Manager: Communications | November/December |
| Oversight committee finalises assessment on Annual Report. This must be concluded within 7 days of receipt of AGs report. Council is expected to conclude on this matter before going on recess in December. | Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website. | Oversight Committee | January |
| Council adopts Oversight report. | The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year. | Council | January |

| | | | |
|---|--|-------|---------|
| Oversight report is made public. | The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year. | MM | January |
| Oversight report is submitted to Legislators, Treasuries and Cogta | The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year. | Mayor | January |

DRAFT

CHAPTER 2 – GOVERNANCE

At National level, the Implementation Plan of Action for the 5 year Local Government Strategic Agenda, as adopted by Cabinet in January 2006, is used as the basis for determining a number of key performance areas for all municipalities. These set out the mandate to be achieved by all municipalities and as such represent an important guiding principle for municipal organizational design.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Council comprises of the political and administrative components responsible for decision-making and implementation respectively. The Mayor and the Speaker head the political component of the municipality. The Municipality has all the powers assigned to it in terms of the Constitution as well as relevant national and provincial legislations. The Municipality has the authority to take any possible actions to effectively exercise powers assigned to it. Uthukela District Municipality has an approved delegation system that seeks to decentralize and democratize decision-making within the institution, and improve the pace at which services are delivered to the community. This is intended to maximize administrative and operational efficiency and provide for adequate checks and balances. In line with the delegations system, some decision-making powers have been cascaded from Council to the Mayor, Executive Committee, Council Committees (Portfolio Committees) and the full-time Councillor(s). Other powers have been delegated to the Municipal Manager.

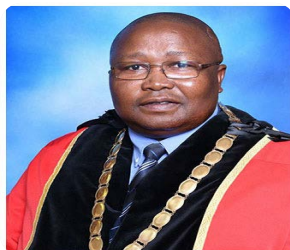
✓ *Political Governance*

- **Introduction**

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

The Uthukela Council is the highest decision making body within the Municipality. It is made up of 32 Councillors. The Chairperson of Council is the Speaker. There are four portfolio committees in the municipality.

- **Political Structure**



Mayor
Cllr AS Mazibuko

A delegated powers and functions to our mayor-

- to promote the image of the municipality
- to ensure that the executive committee performs its functions properly
- to lead and promote social and economic development in municipality
- to preside over public meetings and hearings
- to convene public meetings and hearings
- to promote inter-governmental and inter-institutional relations
- to identify those of the municipality's activities that need a specific committee of councillors to investigate, discuss, evaluate and report and make recommendations to the executive committee after consultation with the municipal manager;
- to appoint a member of the executive committee as chairperson for each committee established by the council;
- to ensure, in consultation with the municipal manager, that a proper committee service responsible for the agendas and minutes is in place for the executive and other committees, that all committees meet regularly and that they submit reports to the executive committee timely;
- to take responsibility for the quality and speed of decision-making in the executive committee;
- to, build, maintain and enhance sound relationships between the council, councillors and the administration in consultation with the municipal manager;
- to be available on a regular basis to interview the public and visitors to the municipal offices, and to interact with prominent business people as well as developers;
- to perform such ceremonial role as the council may determine by resolution from time to time; and
- to assess the performance of the municipal manager and the mayor's personal assistant, if any, in terms of the relevant performance agreement.



The Speaker Cllr DCP Mazibuko

The speaker of a municipal council is assigned the following functions per section 37 of the Local Government: Municipal Structures Act, No. 117 of 1998 (Municipal Structures Act):

- To preside at meetings of the Council;
- To perform the duties and exercise the powers delegated to the speaker;
- To ensure that Council meets at least quarterly;
- To maintain order during council meetings;
- To ensure compliance in the council and council committees with the Code of Conduct for Councillors; and
- To ensure that Council meetings are conducted in accordance with the rules and orders of the council.



2.1. EXECUTIVE COMMITTEE

The Executive Committee is made up of six (6) Councillors. The chairperson of the Executive Committee is the Mayor.

The following are the committees of Council: Planning, Local Economic Development, Disaster Management, Special Programmes, Communications, Public Participation and Operation Sukuma Sakhe Portfolio Committee, Finance and Budget Portfolio Committee, Corporate Services and Performance Management Portfolio Committee and Water, Sanitation, Technical and Municipal Health Portfolio Committee.

The Executive Committee is made up of six (6) Councillors as follows:

| Councillor | Designation/Portfolio | Political Party |
|---|--|--|
|  <p data-bbox="39 667 231 696">Cllr AS Mazibuko</p> | <p data-bbox="375 309 973 338">Hon. Mayor & Chairperson: Finance Portfolio Committee</p> | <p data-bbox="1141 309 1425 338">African National Congress</p> |
|  <p data-bbox="39 1055 199 1084">Cllr NW Sibiya</p> | <p data-bbox="375 696 1117 786">Deputy Mayor & Chairperson: Planning, Local Economic Development, Disaster Management, Special Programmes, Communications, Public Participation and Operation Sukuma Sakhe Portfolio Committee</p> | <p data-bbox="1141 696 1425 725">African National Congress</p> |
|  <p data-bbox="39 1534 231 1563">Cllr MV Khumalo</p> | <p data-bbox="375 1084 1109 1151">EXCO Member & Chairperson: Water, Sanitation, Technical and Municipal Health Services Portfolio Committee</p> | <p data-bbox="1141 1084 1425 1113">African National Congress</p> |
|  <p data-bbox="39 1971 231 2000">Cllr TP Shabalala</p> | <p data-bbox="375 1563 1109 1630">EXCO Member & Chairperson: Corporate Services and Performance Management Portfolio Committee</p> | <p data-bbox="1141 1563 1425 1592">African National Congress</p> |

| | | |
|---|-------------|-----------------------|
|  <p data-bbox="39 712 220 734">Cllr S A Mvelase</p> | EXCO Member | Inkatha Freedom Party |
|  <p data-bbox="39 1261 236 1283">Cllr S V Shabalala</p> | EXCO Member | Inkatha Freedom Party |

The Executive Committee (Mayor) must submit a report and recommendation to the Municipal Council before Council decides to:

- Adopt and Enforce a By-Law;
- Approve a Budget;
- Impose Rates, Taxes or Other Charges;
- Take out Loans;
- Approve the IDP; and
- Decide Human Resource issues such as the Hiring and Conditions of Service of the Municipal Manager and Heads of Administrative Departments

2.1.1. Water, Sanitation, Technical and Municipal Health Services Portfolio Committee

The terms of reference of this committee are to advise and make recommendations to the Executive Committee on:

- The municipality technical tasks, such as, water and sanitation constructions and maintenance thereof,
- Water quality, municipal health services and environmental management services.

The Water, Sanitation & Technical Services and Municipal Health Portfolio Committee made up of the following councillors:

| Councillor | Political Party |
|--------------------|--------------------------------------|
| Cllr M V Khumalo | African National Congress |
| Cllr M A Mkhize | African National Congress (Deceased) |
| Cllr S B Dlungwane | African National Congress |
| Cllr M B Mbhele | African National Congress |
| Cllr S Z P Msibi | African National Congress |
| Cllr M C Mkhize | Inkatha Freedom Party |
| Cllr S M Buthelezi | Inkatha Freedom Party |
| Cllr M M Khoza | Inkatha Freedom Party |

2.1.2. Planning, Local Economic Development, Disaster Management, Special Programmes, Communications, Public Participation and Operation Sukuma Sakhe Portfolio Committee

The terms of reference of this committee are to advise and make recommendations to the executive committee on:

- All applicable legislation relating to social and economic development, national development programmes, provincial development programmes, trading regulations, investment opportunities, Tourism, youth, sports and gender, Public Participation, project facilitation and Communications.

| Councillor | Political Party |
|--|---------------------------|
| Cllr N W Sibiyi | African National Congress |
| Cllr N M Mlotshwa | African National Congress |
| Cllr G Ndaba (replaced Cllr S B Dlungwane who moved to WST&MHS in March) | African National Congress |
| Cllr N L Zikalala | African National Congress |
| Cllr E M Majola | Inkatha Freedom Party |
| Cllr S V Shabalala | Inkatha Freedom Party |
| Cllr G S Mdluli | Democratic Alliance |

2.1.3. Corporate Services and Performance Management Portfolio Committee

The terms of reference of this committee are to advise and make recommendations to the executive committee on:

- All aspects of Human Resources Development, Administration, Fleet Management, Legal Services and Performance Management Systems

The Corporate Services and Performance Portfolio Committee made up of the following councillors:

| Councillor | Political Party |
|--------------------|---------------------------|
| Cllr T P Shabalala | African National Congress |
| Cllr E S Ndumo | African National Congress |
| Cllr P A M Mfuphi | African National Congress |
| Cllr N K P Mbongwa | Inkatha Freedom Party |
| Cllr G E Mbhele | Inkatha Freedom Party |

2.1.4. Finance and Budget Portfolio Committee

The terms of reference of this committee are to advise and make recommendations to the executive committee on: budgeting, supply chain, asset management, revenue and expenditure.

The Finance Portfolio Committee made up of the following councillors:

| Councillor | Political Party |
|-------------------|---------------------------|
| Cllr A S Mazibuko | African National Congress |
| Cllr B S Dladla | African National Congress |
| Cllr M H Msimanga | African National Congress |
| Cllr S A Mvelase | Inkatha Freedom Party |
| Cllr N M Hadebe | Inkatha Freedom Party |

2.1.5. Municipal Public Accounts Committee

The terms of reference of this committee are to advise and make recommendations to Council on: All the reports of the Audit and Performance Committee and Council may refer matters to this committee for investigation.

The Municipal Public Accounts Committee made up of the following councillors:

| Councillor | Political Party |
|------------------|---------------------------|
| Cllr S Z Khumalo | African National Congress |
| Cllr T B Njapha | African National Congress |
| Cllr S E Mbongwa | African National Congress |
| Cllr T P Dlamini | Inkatha Freedom Party |
| Cllr X F Mhlongo | Inkatha Freedom Party |
| Cllr Z Msobomvu | Economic Freedom Fighters |
| Cllr M R Suddaby | Democratic Alliance |

2.1.6 Traditional Leadership

In terms of Section 81 of the Municipal Structures Act, Act 117 of 1988, the participation of traditional leaders in Municipal Council is being implemented in UThukela District Council. The Traditional leaders serving in UThukela District Municipality's Council are as follows:

| Name of Traditional Leader | Representing |
|----------------------------|-----------------------------|
| Inkosi NS Sithole | Sithole Tribal Authority |
| Inkosi TR Khumalo | Abantungwa Tribal Authority |
| Inkosi M Hlongwane | Amangwane Tribal Authority |
| Inkosi CN Zwane | Ingwe Tribal Authority |
| Inkosi SS Kunene | Sgweje Tribal Authority |
| Inkosi SN Mkhize | Abambo Tribal Authority |

2.1.7. Decision Making

The Council takes all the major decisions of the Municipality. However, Uthukela District Municipality has an approved delegation system that seeks to decentralize and democratize decision-making within the

institution, and improve the pace at which services are delivered to the community. This is intended to maximize administrative and operational efficiency and provide for adequate checks and balances.

In line with the delegations system, some decision-making powers have been cascaded from Council to the Executive Committee and its Portfolio Committees. Other powers have been delegated to the Municipal Manager and General Managers. These powers have to be further cascaded to the other management levels in the institution. The proper application of the delegations system will improve time management within the institution and fast track the pace of service delivery in the community.

2.2. ADMINISTRATIVE GOVERNANCE

The administrative structure of Uthukela District Municipality comprises of six (6) departments with their small units. The Municipal Manager is the head of the administrative component and acts as the municipality's Accounting Officer. The administrative structure is divided into six departments headed by Section 56 Managers reporting directly to the Municipal Manager. The departments are: Office of the Municipal Manager; Budget and Treasury; Corporate Services; Water, Sanitation & Technical Services; Water Service Authority & Municipal Health Services and Social and Development Planning.





2.2.1. Duties in relation to the administration

The Municipal Manager is responsible, subject to the policy direction of the council, for the management of the administration in accordance with the Systems Act and other applicable legislation. Importantly, the municipal manager is tasked with the implementation of the IDP and the monitoring of its progress and making sure that the municipality is financially viable.

The onus is on the municipal manager, as head of the administration, to see to the implementation of the principles and values in his or her administration. Critically, section 51(d) of MSA stipulates that all staff and councillors must align their roles and responsibilities with the priorities and objectives of the IDP. The municipal manager also ensures that everyone within the administration contributes towards the implementation of the IDP.

2.2.2. Executive Management and Management

Uthukela District Municipality council also appointed General Managers, after consultation with the Municipal Manager. Municipal manager has negotiated performance contracts (section 56 of the Systems Act) with new appointees. This represents a balance between the council's interest in appointing a Senior Management team to drive its IDP goals and the municipal manager's interest in having an opportunity to influence appointments and subsequently formalizing what is expected of the new manager in a performance agreement. The working relations in Uthukela District Municipality is of high-quality. The Municipal Manager together with Section 56 managers has established a Senior Management committee where departmental issues of the municipality are deliberated and such matters are taken to Council for decision making.

| Name | Portfolio | Roles and Responsibilities |
|--|--|--|
|  <p>Mr SN Kunene</p> | Municipal Manager | <p>To ensure effective executive management of the municipality addressing agreed political priorities, ensuring that the operation of the Municipality is restructured to deliver effectively and also to ensure that citizens are given sufficient information, opportunity and encouragement to participate in and influence the affairs of the municipality. The Municipal Manager's Office has the following divisions:</p> <ul style="list-style-type: none"> • Internal Audit Section • Performance Management Systems Section • Integrated Development Plan Section • Monitoring and Evaluation • Mayoral |
|  <p>Mrs PZH Kubheka</p> | Chief Financial Officer | <p>To ensure that the District Municipality's finances are managed in a sustainable manner and meet the needs of the community in the following sections:</p> <ul style="list-style-type: none"> • Revenue • Expenditure • Budgeting and Financial Management Services • Supply Chain Management Services • Contract Management • Asset Management |
|  <p>Mr MF Hadebe</p> | General Manager: Corporate Services | <p>To ensure that effective and efficient services are rendered by the Municipality. This division has the following units:</p> <ul style="list-style-type: none"> • Human Resources Services • Administration • Legal Section • Information & Communication Technology • Fleet Management |
|  | Acting General Manager: Water, Sanitation and Technical Services | <p>The main function of this division is to operate and maintain the water and sanitation networks in both urban and rural areas within the District and to also ensure that water and waste water infrastructure is managed properly in order to produce water which is of good standard. This division has the following units:</p> <ul style="list-style-type: none"> • Project Management Section • Operations and Maintenance • Bulk Water • Waste Water Management • Rural And Urban Water Reticulation |

| | | |
|--|---|--|
| <p>Mr SCB Zikalala</p>  | <p>General Manager: Municipal Health and WSA</p> | <p>To perform the governance and compliance functions which include planning, regulating and ensuring access to basic water and sanitation services and also to ensure the health and wellness of the employees within the working environment. This division has the following sections:</p> <ul style="list-style-type: none"> • Municipal Health Services • Water Services Authority • Occupational Health & Safety |
| <p>Mr BH Khoza</p>  <p>Mr ZN Khuzwayo</p> | <p>General Manager: Social and Economic Development</p> | <p>To assist economical distressed communities by promoting a favourable business environment through strategic investment public infrastructure and technology and also to provide tools and information to maximise district competitiveness and enable economic growth for UThukela Industries. The main purpose of this division is to enhance economic growth for communities by developing partnership with private sectors and non-governmental organisations. This division is comprised of the following sections:</p> <ul style="list-style-type: none"> • Planning and Local Economic Development • Disaster Management |

COMPONENT B: INTERGOVERNMENTAL RELATIONS

Our Inter-Governmental Relations (IGR) was really about improving the delivery of outcomes through effective systems, processes and procedures that ensured cooperation of different role players around policy formulation, planning, monitoring and support and delivery.

2.3. INTERGOVERNMENTAL RELATIONS

Uthukela District Municipality has established IGR Structures in terms of the Intergovernmental Relations Act 13 of 2005. The District Mayor IGR is the decision making within the District and its family of municipalities. The Mayor's forum participates to the Premier's IGR forum that is convened by the Premier to implement resolutions taken at Provincial level.

The Municipal Managers' IGR sits on regular bases to recommend issues to be discussed and implement resolutions of the political IGR. The following are "political" and non-political inter-governmental Structures that facilitate inter-governmental relations within the province, between the district, province and local municipalities:

| Structure | Participants | Responsibilities |
|---|--|---|
| Political Structures | | |
| Premier's | Premier Mayors Heads of Departments Municipal Managers | Co-ordination of inter-governmental relations (Provincial and Local Government) |
| Intergovernmental Relations (Mayors) Forum | Executive Mayor Mayors Traditional Leaders Municipal Managers | Co-ordination of inter-municipal relations (District and Local Municipalities) |
| Speakers' Forum | Speakers of District and Local Municipalities | Co-ordinate public participation processes in the municipalities |
| Non-Political Structures | | |
| Technical support (Municipal Managers) Forum | All municipal managers within the District as well as sector departments | To support the District Intergovernmental Forum (DIF) by promoting and supporting the facilitation of intergovernmental relations and cooperative governance in the UDM area by: <ul style="list-style-type: none"> – ensuring effective and efficient service delivery unhampered by jurisdictional boundaries, powers and functions – supporting the DIF by ensuring that sufficient technical analysis has been conducted before making recommendations – coordinating activities and/or functions throughout the district – Implementing decisions its own decisions as well as those of the DIF in a coordinated and cooperative manner. |
| District Area Finance Forum | All Chief Financial Officers within the District | To promote and support the facilitation of intergovernmental relations and cooperative governance in the Uthukela District Municipal area by: <ul style="list-style-type: none"> – ensuring effective and efficient service delivery unhampered by jurisdictional boundaries, powers and functions – supporting the TSF by ensuring that sufficient technical analysis has been conducted before making recommendations – coordinating activities and/or functions throughout the district – Implementing decisions of the DIF, TSF as well as those of the forum in coordinated and cooperative manner. |
| Planning and Development Forum | All Planning General Managers within the District | To promote and support the facilitation of intergovernmental relations and cooperative governance in the Uthukela District Municipal area by: <ul style="list-style-type: none"> – Ensuring effective and efficient service delivery unhampered by jurisdictional boundaries, powers and functions – Supporting the TSF by ensuring that sufficient technical analysis has been conducted before making recommendations – Coordinating activities and/or functions throughout the |

| | | |
|--|---|---|
| | | <p>district</p> <ul style="list-style-type: none"> – Implementing decisions of the TSF as well as those of its own in coordinated and co-operative manner. |
| Technical/ Infrastructure Forum | All Technical and Engineering Senior Managers within the District | <p>To promote and support the facilitation of intergovernmental relations and cooperative governance in the Uthukela District Municipal area by:</p> <ul style="list-style-type: none"> – ensuring effective and efficient service delivery unhampered by jurisdictional boundaries, powers and functions – supporting the TSF by ensuring that sufficient technical analysis has been conducted before making recommendations – coordinating activities and/or functions throughout the district – Implementing decisions of the DIF, TSF as well as those the forum in coordinated and cooperative manner. |
| General and Social Services | All Social including communications Senior Managers | <p>To promote and support the facilitation of intergovernmental relations and cooperative governance in the Uthukela District Municipal area by:</p> <ul style="list-style-type: none"> – ensuring effective and efficient service delivery unhampered by jurisdictional boundaries, powers and functions – supporting the TSF by ensuring that sufficient technical analysis has been conducted before making recommendations – coordinating activities and/or functions throughout the district – Implementing decisions of the DIF, TSF as well as those the forum in coordinated and cooperative manner. |
| Corporate services | All Corporate Services General Managers within the District | <p>To promote and support the facilitation of intergovernmental relations and cooperative governance in the Uthukela District Municipal area by:</p> <ul style="list-style-type: none"> – ensuring effective and efficient service delivery unhampered by jurisdictional boundaries, powers and functions – supporting the TSF by ensuring that sufficient technical analysis has been conducted before making recommendations – coordinating activities and/or functions throughout the district – Implementing decisions of the DIF, TSF as well as those of the forum in coordinated and cooperative manner. |
| Technical Task Team | Sector Departmental Officials Municipal Senior Managers (Directors) Municipal Officials | Provide inter-governmental inputs into the work of Clusters |

| | | |
|--|---|--|
| Provincial Development Planning Forum | IDP Managers at local and District level; Development Planners from the Provincial Sector Departments; and Parastatals | Provide for a coherent intergovernmental planning framework and alignment and integration of development plans in the province. |
| IDP District Steering Committee | Managers in IDP, LED, Infrastructure and Town Planning Units at local and district level; Development Planners from the Provincial Sector Departments at district and provincial level; and Parastatals | Forum wherein planners in the district converge and conduct joint planning as well as co-act on the directives from both the National Development Planning Forum and the Provincial Development Planning Forum |
| District Technical Advisory Committee (PMS) | PMS Officials and IDP Managers | Provide for a district wide OPMS & IPMS frameworks implementation plans |

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. COMMUNITY/PUBLIC PARTICIPATION

Uthukela District Municipality had public participation mechanisms within its area of jurisdiction which included among others Council Outreach programme and IDP/Budget Public Consultative meetings.

2.5. COMMUNICATION

The Uthukela District Municipality had achieved remarkable progress in institutionalizing and implementing its Communication Strategy, Consultation mechanisms, Stakeholder participation and Customer Care. The mechanisms that the District utilizes in communication included a quarterly District newsletter, the annual report, website, print media, events, as well as loud hailing and local radio station.

2.6. PUBLIC PARTICIPATION PROGRAMMES

The District has put in place various programmes of public participation to strengthen interaction with community members and stakeholders in local municipalities, that is, through outreach programmes and IDP/Budget Consultative Meetings. The main purpose of this interaction is to create platform and opportunity for political leadership of the District to directly communicate with community members and stakeholders on issues relating to service delivery in municipalities implemented in line with the IDP, as well as to promote transparency and accountability. The following programmes were held during the financial year- 2016/17:

| Programme | Venue | Date |
|---------------------------------|---|-----------------|
| Community consultation Roadshow | eMamfemfetheni Community Hall, Okhahlamba LM | 7 February 2017 |
| Community consultation Roadshow | eZakheni Section B Community Hall, Alfred Duma LM | 8 February 2017 |
| Community consultation Roadshow | eMoyeni Community Hall, Inkosi Langalibalele LM | 9 February 2017 |



| Programme | Venue | Date |
|--|---|---------------|
| Community consultation Roadshow | Jonono Community Hall, Alfred Duma LM | 11 April 2017 |
| Community consultation Roadshow | Ekuvukeni Community Hall, Alfred Duma LM | 12 April 2017 |
| Stakeholders engagement with Sector Departments | Ladysmith Town Hall | 12 April 2017 |
| Stakeholders engagement with Traditional Leaders | UThukela District Boardroom | 18 April 2017 |
| Stakeholders engagements with CCG's, CDW's and ward committees | Ladysmith Town Hall | 21 April 2017 |
| Community consultation Roadshow | Wembezi Community Hall, Inkosi Langalibalele LM | 25 April 2017 |
| Community consultation Roadshow | Mahlutshini Community Hall | |
| Community consultation Roadshow | Langkloof Community Hall | 28 April 2017 |
| Community consultation Roadshow | Bethany Community Hall | |

2.7. WARD COMMITTEES

All local municipalities in the District have established ward committees in all their wards and have ward committee annual programmes, which are in line with the Provincial Guidelines. The work and functionality of ward committees are accounted for quarterly in the District Speakers Forum which is convened and presided over by the Speaker of Uthukela District Municipality. The District Speakers Forum is held quarterly and is attended by all the Speakers of the local municipalities.

2.8. IDP PARTICIPATION AND ALIGNMENT

| IDP Participation and Alignment Criteria | Yes/No |
|--|--------|
| Does the municipality have impact, outcome, input, output indicators? | Y |
| Does the IDP have priorities, objectives, KPIs, development strategies? | Y |
| Does the IDP have multi-year targets? | Y |
| Are the above aligned and can they calculate into a score? | Y |
| Does the budget align directly to the KPIs in the strategic plan? | Y |
| Do the IDP KPIs align to the Section 54/56 Managers | Y |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP? | Y |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes | Y |
| Were the indicators communicated to the public? | Y |
| Were the four quarter aligned reports submitted within stipulated time frames? | Y |

COMPONENT D: CORPORATE GOVERNANCE

2.9. RISK MANAGEMENT

Uthukela District Municipality is in a continuous process of ensuring pro-activeness by putting in place preventative and protective measures that will mitigate business risks, thus ensuring that all the objectives set out in the IDP are achieved. The Risk Management Strategy and Anti-Fraud Corruption Strategy are in place and being implemented. The risk management committee is there to monitor the implementation of risk mitigation strategies employed by departments on a quarterly basis. The fraud hotline is fully functional with reported cases being investigated continuously. Awareness campaigns are conducted annually.

2.9.1 Legal Mandate

Municipal Finance Management Act No 56 of 2003

Section 62(1) (c) (i) of the Municipal Finance Management Act, 2003 requires that:

“The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure –

(c) that the municipality has and maintains effective, efficient and transparent systems –

(i) of financial and risk management and internal control”

2.9.2 Risk Committee Members

The Risk Committee Members are nominated annually by the Municipal Manager. A risk committee charter is reviewed annually by the Risk Committee and approved by the Municipal Manager. The Risk Committee meet quarterly for risk committee meetings.

Municipal Top 10 risks 2016/2017 financial year

| Risk No. | Risk Description | Risk Action Plan Progress Annual | Risk Action Plan Progress Quarterly | Q1 Progress % | Q2 Progress % | Q3 Progress % | Q4 Progress % | Total progress Achieved % |
|----------|---|----------------------------------|-------------------------------------|---------------|---------------|---------------|---------------|---------------------------|
| 1 | Lack of universal access to safe water supply and appropriate sanitation services | 5 | 1.25 | 0.42 | 1 | 0.42 | 0.42 | 2.26 |
| 2 | Inadequate project management | 5 | 1.25 | 1.25 | 1.25 | 0.42 | 1 | 3.92 |
| 3 | Aging infrastructure | 5 | 1.25 | 0.86 | 1 | 0.67 | 0.67 | 3.2 |
| 4 | Failure to account for water loses | 5 | 1.25 | 0.67 | 1 | 0.67 | 0.67 | 3.34 |
| 5 | Shortage of supply of water due to drought | 5 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 5 |
| 6 | Non-compliance with green drop | 5 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 5 |
| 7 | Ineffective implementation of occupational health and safety | 5 | 1.25 | 1 | 1.25 | 1.25 | 1.25 | 5 |
| 8 | Inability to implement programmes aimed at reducing the impact of HIV /AIDS in the District | 5 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 5 |
| 9 | Failure to sustain financial viability | 5 | 1.25 | 1 | 1 | 1.25 | 1.25 | 4.5 |
| 10 | Inability to improve revenue collection | 5 | 1.25 | 1 | 1 | 1 | 1 | 4 |

The Municipality has achieved 4 risk action plan progress as per annual target and did not achieve 6 risk action plan progress as per annual target. Risk action plan progress achieved for top 10 is 40%. Risk action plan progress not achieved for top 10 is 60%.

2.9.3 Anti-fraud and corruption

The Anti-Fraud and Corruption Policy and Prevention Plan and Whistle Blowing Policy has been developed and reviewed annually by Council. Awareness on Anti-Fraud is conducted annually to employees. A District Anti-Fraud Hotline is established and is operational for fraud and corruption to be reported.

2.9.4 Challenges

- The challenges in Risk Management is Risk Committee members and employees not understanding the concept of risk management.
- Shortage of staff in risk management.

2.9.5 Interventions

- In-house workshops and training for Risk Committee Members and employees on Risk Management Policies
- The Council has approved the proposed organigram to accommodate more staff in Risk Management.

The risk management committee meetings held as follows:

| Quarter 1 | | Quarter 2 | | Quarter 3 | | Quarter 4 | |
|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
| Target | Actual | Target | Actual | Target | Actual | Target | Actual |
| 1 | 2 | 1 | 0 | 1 | 2 | 1 | 1 |

2.10. INTERNAL AUDIT

The Internal Audit reviews are conducted regulatory through the approved Audit plan. The reviews are conducted to assess the effectiveness on the internal control system put by management. The audit areas covered includes performance audits, Information Technology audits and Risk based audits which reports are presented to Audit and Performance Committee on quarterly basis. We also do follow up on the finding raised by the Auditor General to review whether that proposed controls as suggested by the Auditor General of South Africa are put in place and functioning. The Audit and Performance committee is functional and reports to Council on quarterly basis highlighting shortcomings which may hinder the achievements of our business objectives.

2.11. SUPPLY CHAIN MANAGEMENT

2.11.1. Overview Supply Chain Management

Uthukela District Municipality has a centralized supply chain management function responsible for the procurement of goods and services. The supply chain management unit is supported by the three committees namely, the Bid Specification, Evaluation and Adjudication Committees, appointed in terms of the municipal SCM policy.

The reviewed supply chain policy is in place and in line with MFMA, Supply Chain regulations and MFMA circulars. The goal of this policy is to provide a framework to ensure a sound and accountable system of supply chain management within the Uthukela District Municipality to ensure a value for money, open and effective competition, fair dealing, accountable and equity.

2.11.2. Order Register

| Quarter 1 | |
|-----------|---------------|
| July | R50 810.70 |
| August | R1 706 086.28 |
| September | R634 345.15 |
| Quarter 2 | |
| October | R1 210 689.89 |
| November | R320 493.44 |
| December | R171 666.47 |
| Quarter 3 | |
| January | R171 666.47 |
| February | R229 247.21 |

| | |
|-----------|-------------|
| March | R103 373.51 |
| Quarter 4 | |
| April | R560 210.83 |
| May | R406 848.82 |
| June | R15 885.04 |
| | |

2.11.3 Deviations Register

| | |
|-----------|-------------|
| Quarter 1 | |
| July | R0 |
| August | R48 746.00 |
| September | R87 404.50 |
| Quarter 2 | |
| October | R52 496.40 |
| November | R0 |
| December | R15 259.13 |
| Quarter 3 | |
| January | R607 282.60 |
| February | R0 |
| March | R0 |
| Quarter 4 | |
| April | R0 |
| May | R20 632.40 |
| June | R0 |

2.11.4. Expenditure

Uthukela District Municipality focuses on providing water and sanitation infrastructure services, the urgent need of maintenance and upgrades to existing infrastructure. To this end it is pleasing to note that the municipality spend 100% of its Municipal Infrastructure Grant (MIG) towards water infrastructure.

2.12. WEBSITE

Section 75 of the Municipal Finance Management Act requires municipalities to place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies, Sections 21 (a) & 21 (b) of the Municipal Systems Act also obliged municipalities to convey specific documents and information to the public, displaying these documents on the municipality's official website. Based on the abovementioned, the ICT Unit strives to place all relevant and updated information on the website. The Municipality views its website as an integral part of communication infrastructure and strategy. The website serves as a tool for community participation, information sharing and disclosure information about decisions taken, council's finances and activities.

| Documents Published in Municipal Website | Yes/ No | Year published |
|---|------------|----------------|
| Current annual and adjustments budgets and all budget related documents (2016/17) | Y | 2016 |
| All current budget-related policies for the 2016/17 budget | Y | 2016 |
| The annual report for 2015/16 | Y | 2016 |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2016/17) | Y | 2016 |

| | | |
|---|---|-----------|
| All quarterly reports tabled in the council in terms of section 52 (d) during 2016/2017 | Y | 2016-2017 |
| | | |

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (SIX KEY PERFORMANCE AREAS)

COMPONENT A: KEY PERFORMANCE AREAS

3.1. BASIC SERVICE DELIVERY

3.1.1. Water Supply

Uthukela district is not resistant to drought, persistent heat and lack of rain which adversely affected water supply to households and the commercial sector. Uthukela District Municipality residents and commercial sector had challenges in providing piped water, as a result of low water levels in dams and the low yield in production boreholes.

The District Municipality has over the years moved with speed to expedite the provision of water to mitigate backlogs and redress water supply imbalances that were long inherited from the apartheid regime. For the year in review, we have thus increased access to water to 82% of the District population.

The water supply challenges are compounded by the fact that our district is water scarce and that most of our district population depends on ground water source. The influx into the towns and the growing patterns of our communities over the past year have weakened our reticulation network, resulting in compromised capacity of the bulk infrastructure. The challenge of ageing and inadequate bulk water infrastructure is as a result of the apartheid spatial planning which excluded the majority of our people.

To address the bottlenecks, in the last financial year (2015/2016), Seven (7) multi-phased water projects were straddled to the financial year under review 2016/17. The seven projects are expected to be complete in the 2017/2018 financial year.

It is a general imperative to provide free basic water to all households that are classified as indigent. This was done through indigent policy to ensure that poor households are not excluded from accessing clean water because of their poor socio-economic status. In the financial year under review, 244 yard connections were made throughout the district and the main focus was at Inkosi Langalibalele Local Municipality. Uthukela District Municipality constructed 64.2 kilometres of bulk lines supplying to 17 reservoirs at a combined capacity of 6 mega litres. 181 existing hand pump boreholes have been refurbished, 83 new hand pump boreholes, 3 new production boreholes drilled and equipped.

In areas where the water supply was affected an alternative supply in a form of water tankers was provided as a temporary relief.

Uthukela District Municipality also steamed ahead with efforts to perform water quality tests to ensure that all households received clean drinkable water. Although there was lack of water in some water schemes during collection, Uthukela District Municipality managed to collect 2308 water samples by 30 June 2017 for testing.

A percentage of 34.50% was achieved on Blue Drop status at the end of financial year under review.



Table 12: Summary of Water Provision per Local Municipality

| LM | Total Households | | Households with access to adequate water | Percentage adequate access to water | | Households without access to access |
|-------------------------------|------------------|----------------|--|-------------------------------------|----------------|-------------------------------------|
| | Uthukela Count | STATSSA (2016) | | Uthukela Count | Uthukela Count | |
| KZN 235: Okhahlamba | 34 565 | 29 510 | 20 401 | 59.0% | 51.0% | 14 164 |
| KZN 237: Inkosi Langelibalele | 44 687 | 46 953 | 38 985 | 87.2% | 60.4% | 5 702 |
| KZN 238: Alfred Duma | 83 717 | 85 326 | 75 356 | 90.0% | 75.4% | 8 361 |
| Uthukela DM | 162 969 | 161 789 | 134 742 | 82.7% | 66.6% | 28 227 |

Uthukela DM Backlog Study for Water & Sanitation Services: 2017

3.1.2. Sanitation

Our dream is to restore the dignity of our people by providing them with a proper and decent sanitation facilities. About 81.1% of our households has got access to sanitation facilities. In order to make significant progress in reducing the 9.6% backlog, there is a dire need to multiply our efforts.

We dispatched honey suckers to the areas where they still use substandard methods like VIP toilets to go empty them to enhance environmental health concerns. We also managed to complete a new Waste Water Treatment Works under Okhahlamba Local Municipality and busy with sewer reticulation in the town.

To reduce sanitation backlog, we spend R21 million for sanitation to give 2221 households access to sanitation in Inkosi Langelibalele and Alfred Duma Local Municipalities in a form of Ventilated Improved Pit (VIP). An amount of R9.5 million was spent for the provision of water borne sewerage system at Ezakheni E to 344 households.

Table 14: Summary of Sanitation Services per Local Municipality

| LM | Total Households | | Households with access to adequate sanitation | Percentage adequate access to sanitation | | Households without access to access sanitation | Percentage of Sanitation access |
|---------------------|------------------|----------------|---|--|----------------|--|---------------------------------|
| | Uthukela Count | STATSSA (2016) | | Uthukela Count | Uthukela Count | | |
| KZN 235: Okhahlamba | 34 565 | 29 510 | 20 576 | 59.5% | 31.5% | 13 989 | 40.5% |

| | | | | | | | | |
|------------------------|--------|---------|---------|---------|-------|-------|--------|-------|
| KZN 237: Langalibalele | Inkosi | 44 687 | 46 953 | 35 835 | 80.2% | 40.8% | 8 852 | 19.8% |
| KZN 238: Alfred Duma | | 83 717 | 85 326 | 75 679 | 90.4% | 55.5% | 8 038 | 9.6% |
| Uthukela DM | | 162 969 | 161 789 | 132 090 | 81.1% | 46.9% | 30 879 | 18.9% |

Uthukela DM Backlog Study for Water & Sanitation Services: 2017

3.1.3. Disaster Management

Uthukela District Disaster Management Centre has twelve (12) staff members and the call centre has its staff members. The relief stock required now is Temporary Shelters, Blankets, Plastic Sheets and Food Parcels. The District Municipality has to visit all the local municipalities to support staff and the councils to develop their policy frameworks, Memorandum of understanding, disaster management plans and contingency plans for their municipalities. The District Disaster Management Centre must continue building phase 2 of the centre, which is fire service unit.

3.1.3.1. Municipal Disaster Management Policy Framework

Section 42 of the Disaster Management Act (Act 57 of 2002) states that each metropolitan and each district municipality must establish and implement a framework for disaster management in the municipality aimed at ensuring an integrated and uniform approach to disaster management in its area. The Uthukela district municipality Disaster Risk Management Framework was developed. The framework is in line with the National and Provincial frameworks and deals with each of the four Key Performance Areas as well as the three enablers. Key performance indicators have been set for each of the KPA's as well as the three enablers and it will be reviewed.

3.1.3.2. Municipal Disaster Management Plan

In terms of the Disaster Risk Management Act 2002, (Act No.57 of 2002), Section 53, each municipality must prepare a disaster risk management plan for its area according to the circumstances prevailing in the area. The uThukela district municipality, through a service provider developed a district disaster management plan in collaboration with all relevant stakeholders in 2015 and was adopted by council. The plan will be reviewed in the financial year 2017/2018 to incorporate the new municipal demarcation, which has been effective from the 3rd of August 2016.

3.1.3.3. Municipal Disaster Management Inter-Departmental Committee

IGR Structure is actively working. Hence, few senior management participating in this structure whereas many of them are expected to participate in this committee.

3.1.3.4. Municipal Disaster Management Advisory Forum

Section 51 of the Disaster Management Act (Act 57 of 2002) states that district municipalities may establish a municipal disaster management advisory Forum. The uThukela District Disaster Risk Management Advisory Forum was established. According to subsection (1) a forum is a body in which the municipality and other key stakeholders consult one another and co-ordinate their actions on matters relating to disaster management in areas under their jurisdiction. The uThukela district municipality advisory forum is made up of all relevant stakeholders within the district who may be involved in issues related to disaster management. One of the challenges faced by the forum is non-attendance of key stakeholders at the meetings; the forum meets on quarterly basis.

3.1.3.5. Risk Reduction and Prevention

Disaster prevention refers to actions that provide “outright avoidance” of the adverse impact of hazards and related environmental, technological and biological disasters.

The Uthukela District Municipality uses the following strategies applicable to preventive intervention:

- Effective land-use planning;
- Basic public works and
- Effective municipal services that factor in the frequency and severity of natural or other hazards as well as human actions.

It is not possible to completely prevent all disaster events. Their severity can be reduced, however, through on-going disaster mitigation efforts.

3.1.3.6. Response and Discovery

Section 53 of the Disaster Management Act (Act 57 of 2002) deals with disaster management plans for municipal areas. Section 53 (1) (k) of the Act prescribes that a disaster management plan must contain contingency plans and emergency procedures in the event of a disaster, providing for prompt disaster response and relief and the procurement of essential goods and services.

The Disaster management centre budgets annually for the purchase of relief materials in the form of temporal shelters/tents, blankets, lightning conductors and plastic sheeting. This material is provided to victims of disasters or serious incidents when necessary. All local municipalities are supported in this programme and relief materials are provided to them when it is necessary. Relief efforts, in the event of disasters and/or incidents, are coordinated through the local municipality disaster management officials and the district disaster management centre.

In the month of February 2017, the disaster management team attended to 344 incidents for the assessment and the provision of required assistance to victims of disaster. Disaster management volunteers were activated to assist with the erection of temporary shelters and the provision of immediate relief material such as plastic sheets and blankets to the most affected communities.



Table 10: Outlines the incidents reported in our local municipalities

| Local Municipality | Type of Incidents | Number of Incidents | Households Affected | People Affected | Fatalities | Injuries | Missing Persons | Fire |
|----------------------|-------------------|---------------------|---------------------|-----------------|------------|----------|-----------------|------|
| Inkosi Langalibalele | HR | 99 | 99 | 597 | 0 | 0 | 0 | 0 |
| Okhahlamba | HR | 99 | 133 | 845 | 1 | 1 | 0 | 0 |
| Alfred Duma | HR | 146 | 142 | 896 | 0 | 144 | 0 | 0 |

Sections 15 and 20(2) of the Disaster Risk Management Act (Act 57 of 2002) specifies the promotion of education and training, the encouragement of a broad-based culture of risk avoidance, and the promotion of research into all aspects of disaster risk management.

This key performance area addresses the development of education and training for disaster risk management and associated professions as well as the inclusion of disaster risk management and risk-avoidance programmes in school curricula. It also outlines that awareness needs to be created within the community.

The Uthukela District Municipality is exposed to a wide range of natural and human induced hazards that can cause wide spread of hardship and devastation of lives. Natural disasters are often frightening and difficult for the community to understand, because they have no control over and where they happen. What we can manage to control, however, is the level of preparedness for the communities and organs of state and civil society organizations to deal with the dangers that natural disasters bring.

During this summer and winter season, several incidents have been reported with severe damage to both people's lives and property. Common major incidents in the district include: Runaway veldfires that affect the entire district, especially the rural black communities; the severe storms and strong winds claimed many lives and damages to property and agricultural commodities. Severe flash floods that usually affect communities that have informal houses next to the rivers or small river basins.

In line with the provisions of the Disaster Management Act 57 of 2002, this Community Awareness Campaign is a corner stone of ensuring that:

- Communities understand the hazards in their localities;
- Communities are acutely aware of the effects of those hazards and
- Communities are capacitated to deal with identified hazards;

In this regard, communities need to be made aware and educated on the risks in their areas, and what to do when the disaster strikes. The District Disaster Management unit has therefore developed this Community Awareness, Educational Programme, Capacity Building and Workshops in order to create resilient communities on disaster management. One of the fundamental aims of this campaign is to ensure the visibility of District Disaster Management unit at local level.

District Disaster Management unit in consultation with other stakeholders rolled out campaigns to in the form of Community Awareness, Educational Programme, Capacity Building and Workshops, where locals will play a huge role in identifying proper venues and mobilising local communities, amongst other things. During the programme itself, all messages were based on the district risk profiles for those particular areas. The target audience were communities, community leaders, Operation Sukhuma Sakhe, schoolchildren and stakeholders.

As it was indicated earlier that awareness campaigns in Uthukela district are continuous in nature. The latest awareness campaign took place from the 28 March 2017 to the 7th April 2017 in the whole family of the

local municipalities, Uthukela District Municipality has embarked on the disasters awareness campaigns in all the identified areas as per the risk assessment plan. During the awareness campaigns the following topics were covered: Heavy rainfall, Strong winds, Hailstorm Floods, Prevention of fires, Mitigation and prevention of all winter and summer incidents, Snow protocol issues and Drought.

3.2. LOCAL ECONOMIC DEVELOPMENT

Guided by the NDP, the Uthukela District Municipality is trying to respond to slow economic growth and unemployment and shall do so by identifying areas or sectors where job creation is possible and sustainable with a clear intent to fight poverty and inequalities.

3.2.1. Economic transformation

When President Jacob Zuma addressed the inaugural meeting of the Broad Based Black Economic Empowerment Council (B-BBEE Council) this week, he put emphasis on the urgency of implementing our economic policies so as to effectively transform its structure and that it reflects the country's demographic.

The President issued a direct challenge to black business: The idea of transformation of the economy lies in investing in spaces that were historically regarded as slumps for cheap labour in the apartheid economy. Investments must stay in townships and rural areas. Yes, the face of Sandton, the wealthiest square kilometre space on the continent, should be changed. But it is important that black business should build factories and industry next to where our people stay. The consumer basket (before the decline of the price of petrol) shows that most workers spend their wages on transport costs.

In responding to the above the Uthukela District Municipality have to double its effort to put entrepreneurship as a catalyst for economic development and job creation, especially for young people. To achieve this, we therefore continued to work with like-minded agencies, through multifaceted support mechanisms, and create an enabling environment for businesses to start, grow and create employment. It is worrying that the duet challenge of unemployment and poverty is higher in Inkosi Langalibalele and Okhahlamba with little contribution to the district economy. Alfred Duma, in contrast, has the highest contribution of approximately 15% to the district economy per annum, as a district our approach focused on investment promotion for all the sectors, infrastructure development, and technical support services to SMME's and cooperatives as well as skills development.

In partnering with other government agencies, we have successfully hosted a District SMMEs fair with an intention of providing a support to our emerging businesses, we are pleased to report that we managed to create 817 jobs opportunities through EPWP and 1365 through LED programmes in the 2016/17 financial year. Apart from the SMME Skills development programme, one of our SMMEs has been selected to participate in the 2017 Champion Programme at the Graduate School of Business & Leadership at the University of KwaZulu Natal. The Champion Programme is a community development initiative that is a partnership between the Provincial Economic Development Tourism and Environment Affairs Department (KZN EDTEA) and the University of KwaZulu Natal that has housed the regional and the Local Economic Development initiative (RLED) in the and Graduate School of Business Leadership.

And we are also pleased to report that as District we managed to establish a Municipal Informal Economy Chamber in our local municipalities. We are in the process of launching the District Informal Economy Chamber. The function of the Chambers are to allow stakeholders to engage in dialogue on strategic informal economy issues and to deliberate on developmental issues pertaining to informal traders and recommend appropriate mechanism of addressing these. In line with the Agri-parks Concept, we are currently compiling a database on farming activities in all local municipalities. We are working with the relevant stakeholders and existing structures based on the classification of products e.g. Livestock, crop, etc.

3.2.2. UThukela Economic Development Agency

A development agency is a Special Purpose Vehicle and independent legal entity that can be used effectively by municipalities to facilitate the implementation of economic development projects. Development agencies throughout South Africa have been designed to bridge the gap between the public and private sectors in terms of industrial and economic development. Such agencies are developed to become competitive enterprises within the industry that operate using sound business management principles in order to stimulate local economies and increase regional economic growth.

The key objective of development agencies in KwaZulu-Natal is to facilitate, package and achieve the implementation of strategic and sustainable economic development investment projects.

UThukela District Municipality has established a District Development Agency and the following board of directors were appointed.

| Board Member | Gender |
|-------------------------|--------|
| Augustine Mxolisi Msomi | Male |
| Mumtaz Asmal | Female |
| Osman Dawood Amla | Male |
| Peter Arthur Stockil | Male |
| Joseph Mhambi Mosia | Male |
| Kwazi Henry Nduli | Male |
| Sanele Shabalala | Male |

3.2.3 Agri-park

In his State of the Nation address in 2015, the President of the Republic of South Africa emphasised the potential of agricultural sector as a catalyst for growth and food security, and highlighting the government intending to collaborate with the private sector in developing a plan to ensure optimal utilisation of the agricultural sector. One of the proposed initiatives in encouraging growth in the agricultural sector and transforming rural economies is the establishment of Agri-Parks in the 27 of the poorest Districts on the country. All 10 Districts, in the Province of KwaZulu Natal, including uThukela District Municipality fall within this category and they have been identified as beneficiaries of the project.

In order to respond to the National Government Agri-Park initiative driven by the Department of Rural Development and Land Reform (DRDLR), uThukela District developed and adopted a concept framework in 2016. The District Agri-Park concept framework focuses on 5 primary commodities, namely, maize and beans, poultry, beef, piggery, and vegetables.

As part of implementing the District-wide Agri-Park, the uThukela DAPOTT has reached a consensus in respect of setting up its Agri-Hub in Bergville as one of the economically challenged areas, which warrants immediate economic interventions. Okhahlamba local municipality has invested at the Agri-Hub site, they are currently constructing the access roads and the Department of Corporative Governance and Traditional Affairs (COGTA) has completed the construction of a fresh produce market. The fresh produce market is operational through a lease agreement between a service provider and Okhahlamba local municipality.

DAPOTT has also endorsed three (3) Farmer Production Farmer Support Units (FPSUs), namely Matthews Farm (located at Alfred Duma LM); Hlathikhulu and Sunnyside (both located at Inkosi Langalibalele LM).

Progress on the implementation of the uThukela District Agri-Park 2016/2017:

i. **Bergville Agri-Hub site**

The fresh produce market located in the site is operational. Currently, Okhahlamba local municipality is busy with the construction of access road, and the budget of R13 million has been set aside and 15 people have been employed for this project.

ii. **Matthews Farm FPSU**

Small scale vegetable processing is taking place at the site.

Tannery equipment was procured by ADA and AFO for R650 000 during the 2016/2017 financial year. ADA is in a process of appointing a service provider for the renovations of the infrastructure where the tannery operations will be taking place. The budget for the renovation is R3 150 000. The tannery will be run by Siyaphambili Co-operative.

DRDLR has allocated R700 000 to support Sesifikile Primary Co-operative. The funds will go to the installation of greenhouse tunnels at Matthews Farm, inputs, training and pay for jobs for the period of 6 months. The co-operative consists of unemployed agricultural graduates.

iii. **Hlathikhulu FPSU**

COGTA has funded the construction of steel structure and equipment for the Imbabazane Pack house for R3 Million. Currently, the contractor is on site erecting the Pack house steel structure. On average, 6 people have been employed for the construction of the Pack house steel structure. A request for additional funding to complete the Pack house infrastructure was submitted to DRDLR, Rural Infrastructure Development (RID) section by Cogta.

iv. **Sunnyside FPSU**

Currently, only primary production of vegetable, maize and livestock is taking place at the site.

On the 19th April 2017, the uThukela DAPOTT endorsed the inclusion of grape / vineyards to the list of priority commodities due to the current developments at Okhahlamba. Three project sites of 15ha each have been identified for the project and vineyards have been planted on two sites thus far. Expertise support for the project is provided by Cathedral winery and a secure market is also present. The project has been funded by COGTA (R7.7 Million) and DRDLR (R5.2 Million). With regards to employment, 163 people were employed at the initial stage of the project, and 30 people will be kept to maintain the project at each site.

3.3. MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Municipal transformation and organisational development relates to a fundamental and significant change in the way the municipalities perform their functions and the calibre of human resources used in the delivery of quality services to the communities served. Service delivery planning has changed from municipal centred approach to community participatory approach.

Transformation is part of the municipality's strategy and has to be driven from the highest level of management and leadership. Municipalities need to enhance management skills to facilitate team players who will cascade the transformation assignment to the lowest levels of staff.

The Uthukela District Municipality has always been a recognized institution with a model culture of stability and dynamic administration which has so far grown in leaps and bounds to an organisation with a well-

structured and balanced senior management team. Five (5) out of the six (6) Section 54/56 managers were appointed and the posts of the General Manager: Water, Sanitation and Technical Services remained unfilled.

Uthukela District Municipality have made significant progress in ensuring that our district municipality attracts, appoints, develops and retains qualified, competent and dedicated personnel at the technical and strategic levels of the administration. Uthukela District Municipality cannot afford to make the mistakes of employing people based on reasons other than qualification, competence and passion to serve our people and deliver on the District Vision with fortitude and excellence. So far, our organisational structure provides for 124 budgeted and approved posts and 100% of those budgeted posts were filled in line with the IDP and budget. We therefore recruited and appointed 124 staff members in the financial year under review.

3.3.1. Situational Arrangement

Sub-structures such as the Executive Committee, Finance & Budget portfolio committee, Corporate Services & Performance Management System Portfolio Committee, Planning, Local Economic Development & Disaster Management Special Programmes, Communication, Public Participation & Operation Sukuma Sakhe Portfolio Committee, Water, sanitation, Technical Services, Health Services Portfolio Committee, have been established to carry out the decision-making and oversight functions of the Uthukela District Municipality. In addition to these sub-structures the district has the MPAC (Municipal Public Accounts Committee) and Audit & Performance Committees that also oversee the administrative undertakings. As far as the municipal administrative structure is concerned, there are five main municipal departments namely the Budget and Treasury Office, Corporate Services, Municipal Health Services and Water Service Authority, Water, Sanitation and Technical Services as well as Social and Economic Services that report directly to the Office of the Municipal Manager.

Uthukela District Municipality has reviewed the organizational structure to ensure that is aligned to the Powers and Functions assigned to the district municipality and implementation of the IDP. The organizational structure for 2017/2018 financial year was prepared and workshopped with all councillors on the 03 and 05 May 2017. It was adopted on the 30 June 2017.

The District has the institutional capacity to undertake powers and functions. The district is equipped with well-trained and qualified General Managers that are capable of achieving the municipal set targets. The current vacancy rate is sitting at 22.25%.

3.4. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The municipality has improved in spending the Municipal Infrastructure Grants (MIG). A total spent of 100% has been recorded in terms of MIG for the financial year 2016/17.

With regard to municipal revenue, we have identified water supply as a viable cost recovery mechanism and a primary source of revenue. Insufficient collection of revenue affects growth of our budget unfavourably and we are moving to implement cost recovery measures where there are yard connections. We also embarked on the Masakhane Campaign in most township areas to encourage a culture of payment for services.

3.4.1. Revenue Management

The District Municipality progressed well in looking for alternative sustained sources of revenue other than grants to boost our cost recovery mechanism, reduce reliance on grants and improve our budget growth. We are pleased to report that, with engagements with our communities in townships through Masakhane Campaign and we are in a process of source a service of an external debt collector.

3.5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Our district municipality entered the new term office with a good record of good governance performance that put people at the centre of development. Our stakeholder's engagements spoke volumes about how people wanted their government to be. Uthukela District Municipality worked tirelessly to improve our systems and give them timely feedback throughout the service delivery planning cycle.

Mayoral outreach programmes contributed a lot in changing lives of the needy across our district and contributed to social development of our communities in deferent ways. We have established a Rapid Response Committee led by the Speaker. In fraud prevention, we've done everything possible to identify areas where fraudulent activities were potential and suspected. We have launched our Hotline number: 0800 03 36 60.

Over the years, we have demonstrated our willingness to act against deeds of corruption by councillors and officials. We have worked smart to change our people's perception of local government for the better by involving them in the fight against corruption for them to report any suspicion of fraud and misdemeanour.

Communication remains the lifeblood and backbone of our institution and we have made strides to strengthen it internally and externally by working with various stakeholders to create partnerships, engage the public through various media platforms from print to electronic and social media. Our hard work and excellence in communication has earned us the best marketed district.

3.6. SPATIAL DEVELOPMENT PLANNING

The administrative and spatial outlook will strengthen our capacity and resources for us to fire on all cylinders and deliver more and rapidly to meet the demands of our people and reduce service delivery backlogs.

3.6.1. Social development Services

The district municipality has forged progressive partnerships with key role players in strategic development sectors with intent to transform the lives of special groupings through high-impact support and empowerment initiatives. We have worked together with organised youth structures to provide conditions under which all young people can be empowered and make use of their abilities to harness prosperity. This will free many of them from all social ills such as crime, alcohol/ substance abuse, teenage pregnancies, HIV/Aids and many others that inhibit their development. In partnership with our local municipalities within a district we organised a Youth Day Event under Okhahlamba Local Municipality which focused on awareness campaign and March against killings of women and children.

3.6.2. HIV and AIDS

Uthukela District Municipality has established a co-ordinating forum for HIV/AIDS issues involving all stakeholders and role players called uThukela District Aids Council to fulfil the following functions as outlined under the terms of reference:

- Development of the District AIDS Plan;
- Monitor the implementation of the District AIDS Plan quarterly;
- Review and evaluate the implementation of the District AIDS Plan annually;
- Facilitate the establishment of Local AIDS Councils;
- Facilitate multi-sectoral and interdepartmental collaboration in the campaign against AIDS;
- Facilitate capacity building on HIV related issues;

- Mobilise financial and technical resources for the campaign against HIV/AIDS and ensure equitable distribution of such resources;
- Commission relevant research and review statistics and other research reports relating to the District;
- Serve as the leading District public advocate to create an enabling environment for HIV/AIDS prevention, care and support;
- Report to the Provincial AIDS Council quarterly and annually on the progress made and challenges, which need to be addressed to combat HIV/AIDS in the District.

Uthukela District Municipality has developed the HIV/AIDS strategy for both the community and for the workplace. In the strategy there are number of projects identified in mitigating the impact of HIV/AIDS such as awareness programmes.

3.6.3. Sport Development

Uthukela District Municipality hosted the annual Mayoral Cup soccer games on 17 July 2016. This was the 14th anniversary since the inception of the Mayoral Cup soccer games. The Soccer Mayoral Cup tournament is growing from strength to strength and is proving to be the Mayoral Cup amongst the biggest Mayoral tournament in the country.

The Games have been a huge success since they started 13 Years ago and are highly supported by the community of UThukela District and UThukela District sister Local Municipalities and the KZN Provincial community in general. Since the introduction of this initiative, the support of the games has increased and it now enjoys the support of not less than 10 000 spectators.

Different Premier Soccer League clubs have shown interest in participating to this tournament, clubs like Free State Stars, Maritzburg United FC, Chippa United FC, Thanda Royal Zulu FC, Amazulu FC, Jomo Cosmos FC, Wits University FC, Golden Arrows FC, Supper Sports United FC, Bloemfontein Celtics and the Swaziland Professional League Soccer Teams.

The fundamental objective of the tournament is to raise awareness of sports and soccer as an active lifestyle as opposed to crime and drugs abuse and to afford youth opportunity to demonstrate their innate potentials

The games are aimed at creating platform for the young footballers to display their skills whilst positively contributing their lives raising awareness of social ills.



COMPONENT B: BASIC SERVICES

This component includes: water; waste water (sanitation); and a summary of free basic services.

UThukela District Municipality is the Water Service Authority (WSA). The core function of Uthukela District Municipality is the provision of water and sanitation services. The primary objective is to extend portable water and sanitation services throughout the district by eliminating the backlogs and also to maintain and ensure sustainability of the existing water and sanitation infrastructure.

The main objective of the municipality is to ensure the quality of drinking water in the region is improved in as far as the blue and green drop is concerned.

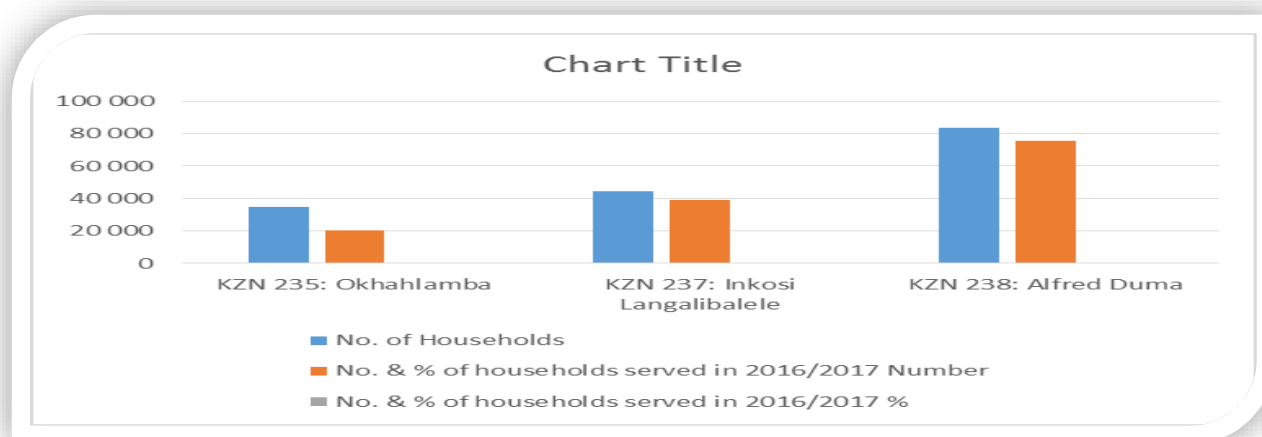
- **Introduction to Basic Services**

Availability of infrastructure services such as water and sanitation are necessary conditions for economic growth and improvement in the quality of life of citizens. The state of infrastructure within the district has improved over the past years, the challenge in the district is however not primarily the lack of public investment on infrastructure, but poor coordination between the various spheres of government, although this can still be improved.

3.7. WATER PROVISION

| Water Supply to Households Municipality | No. of Households | No. & % of households served in 2016/2017 | |
|---|-------------------|---|-------|
| | | Number | % |
| KZN 235: Okhahlamba | 34 565 | 20 401 | 59.0% |
| KZN 237: Inkosi Langalibalele | 44 687 | 38 985 | 87.2% |
| KZN 238: Alfred Duma | 83 717 | 75 356 | 90.0% |

Uthukela DM Backlog Study for Water & Sanitation, 2017



In terms recent legislation includes the Water Services Act 1997, the Uthukela District Municipality is both a Water Services Authority (WSA) and Water Services Provider (WSP).

3.7.1. Status of Water Services

Sixty seven (67) drinking water sampling points were monitored in uThukela Region. Chemical and Physical analysis were conducted over a period of 12 months by qualified and experienced Laboratory Technicians. Analysis is done to ensure that the water supplied to the public is fit for human consumption.

The overall microbiological compliance rate for uThukela District Municipality has reduced from 94.7% to 92.3%. This percentage is reflected on the Department of Water Affairs' Blue Drop website. Results are compared with the SANS-241 drinking water quality standard for South Africa.

Uthukela district municipality's Water Treatment Works and Waste Water Treatment Works performances are evaluated according to the Blue Drop and Green Drop criteria. The Blue Drop and Green Drop Status scores for uThukela District Municipality are low. Based on the Department of Water and Sanitation Blue Drop regulator's assessment, the district achieved a score of 34.50%. The Green drop score was <30%. Uthukela District Municipality is still not on par with the expectations of the Blue Drop and Green Drop regulatory programme as per compliance and best practices requirements.

3.7.2. The Status of Drought in Uthukela and its Family of Municipalities

It is important for the municipality report on the update on the impact of drought experienced by the KZN province particularly in uThukela district municipality and its family of municipalities. The Premier in consultation with other MEC' s declared the province of KwaZulu Natal a disaster area in respect of drought in January 2015. This was in line with the legislation (Disaster Management Act 57 of 2002). It must be noted that the drought has never been fully eradicated and currently Uthukela district is experiencing severe water shortages.

3.7.2.1. Alfred Duma Local Municipality

The operation of the water treatment works at or supplied with raw water from Oliphantskop Dam which had silted up and the storage capacity reduced drastically. The direct impact of the non-operation of the plant is that; communities that were supplied by a minimum of 6Ml/day are without piped water.

The Ladysmith Water Treatment Works extract water from the Klip River; during the period under review, the flow in this river didn't up to standard and two raw water pumps have been switched off. Normally the treatment works in Ladysmith receive a total of +-31 000 000 L/d i.e. 750 000 L/d from Spoienkop Dam and 541 000 L/d from the Klip River; it therefore means that the raw water supply was 40% less than normal. The 40% was for the higher lying areas of Ladysmith namely Golf Course, Observation Hill, Hyde Park, Mkhamba Gardens, Model Kloof, Limit Hill and Danskraal Industries, Steadville (parts), St Chads (until the new Clinic) and Roosboom.

Driefontein block accessed water from boreholes/underground water; the areas benefiting from this source were without water. The raw water abstraction point Embizeni/Ezakheni plant designed to produce 34 000 000 L/d however during the period under view, it produced 52 800 000 L/d.

3.7.2.2. Okhahlamba Local Municipality

Okhahlamba has 4 water treatment works namely Bergville WTW, Winterton, Zwelisha/Moyeni and Langkloof. The Zwelisha Treatment Works is where a challenge of raw water shortage was experienced, especially when a farmer in close proximity was irrigating the crops. The farmer sources his irrigation water above our abstraction within a canal controlled by a public member.

Four (4) water tankers serviced the entire Bergville area during the financial year under review. Of the thirteen (13) existing boreholes, five (5) were not in use, two (2) were undergoing repairs, and two (2) more had undergone electrical repairs with six (6) were non-functioning.

3.7.2.3. Inkosi Langalibalele Local Municipality

The Injisuthi river abstraction always gives challenges in winter months. The situation is aggravated with the drought.

3.7.3. Municipal Response to Drought

The proposed interventions to refurbish boreholes (hand pumps), drill and equip new production boreholes, drill and equip new boreholes hand pumps, protect and supply water storage to springs, and erect a package plant.

The progress achieved during the financial year 2016/17:

- Fifteen (15) static tanks (5kl) have been delivered and distributed in Alfred Duma Local Municipality.
- A detailed study and design for one (1) package plant at Tugela Estate (Alfred Duma Local Municipality) has been carried out and approved.
- COGTA has approved the drilling of Boreholes and the work commenced.
- Twelve (12) boreholes have been identified, six (6) have been drilled and six (6) awaiting to be equipped.

The Department of Co-operative Governance and Traditional Affairs has approved R10 million for upgrading and refurbishment of boreholes within Uthukela District Municipality:

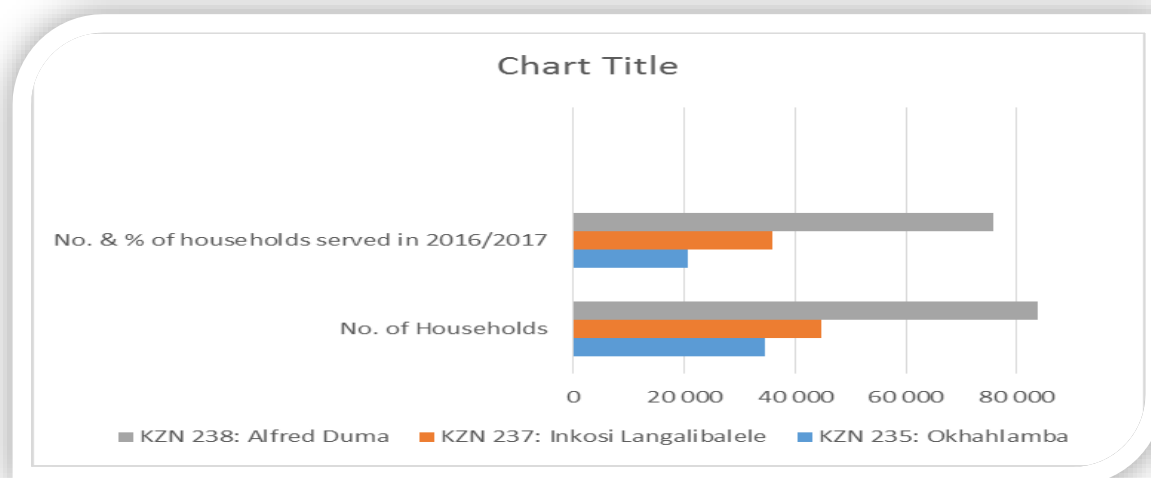
| March 2017 | 181 boreholes (hand pumps) refurbished throughout the District |
|---------------|--|
| December 2016 | 54 hand pumps refurbished |
| January 2017 | 47 hand pumps refurbished |
| February 2017 | 30 hand pumps refurbished |
| March 2017 | 50 hand pumps refurbished |

3.8. WASTE WATER (SANITATION) PROVISION

Sanitation is the hygienic means of promoting health through prevention of human contact with the hazards of wastes. The fact that most households within the district do not have RDP level sanitation constitutes a major risk in terms of ground water pollution, environmental and health problems. The main types of sanitary systems used in the district are water-borne sewerage (flush toilets), septic tanks and Ventilated Improved Pit latrines. Water-borne sewerage is mainly found in towns and townships, septic tanks are mainly on privately owned properties like farms, hotels, etc.

| Sanitation Supply to Households Municipality | No. of Households | No. & % of households served in 2016/2017 | |
|--|-------------------|---|------|
| | | Number | % |
| KZN 235: Okhahlamba | 34 565 | 20 576 | 59.5 |
| KZN 237: Inkosi Langalibalele | 44 687 | 35 835 | 80.2 |
| KZN 238: Alfred Duma | 83 717 | 75 679 | 90.4 |

Uthukela DM Backlog Study for Water & Sanitation, 2017



Operational and Maintenance Plan for Water and Sanitation

Generally, water and sanitation projects experience their most serious problems with operation and maintenance and with cost recovery aspects. Infrastructure projects have a finite design life and require routine maintenance. Therefore, it is imperative to plan for operation and maintenance, with a planned withdrawal of external support as local ownership builds.

Uthukela District Municipality as a Water Service Authority have developed the Operational and Maintenance (O&M) Plan that was adopted by Council on the 18 May 2016 and the plan is under implementation.

The Uthukela District Municipality Operational & Maintenance Plan refers to all of the activities needed to run water supply and sanitation schemes, except for the construction of new facilities. The overall aim of the uThukela district municipal Operational and Maintenance (O&M) plan is to ensure efficiency, effectiveness and sustainability of water and sanitation facilities in the uThukela family of municipalities. The following are some of the advantages of the uThukela district municipality Operational and Maintenance (O&M) Plan:

- Operation and Maintenance activities ensure that the project is sustainable in a long-term
- Operational and Maintenance activities enhances the efficiency of the infrastructure and sustains the provision of services

Challenges

Since demographic details are dynamic and changes all the time, it is recommended that the household and settlement data sets be updated on a continuous basis in order for the data sets, any spatial analysis thereof, be kept relevant.

Operations and maintenance budget does not cater for aging infrastructure.

Intervention

It is hoped that the abovementioned water supply challenges will be addressed if all relevant role players namely, the community, private sector and spheres of government co-operate and play their respective roles in supporting uThukela District Municipality in managing water services. The implementation of effective interventions to address water and sanitation challenges will not only improve the quality of water and

sanitation services delivery in the district. The effective monitoring of the water and waste water treatment plants will improve the Blue Drop and Green Drop scores.

3.9. ELECTRICITY

Energy distribution has important economic development implications with a potential to make a considerable development impact in relation to improved living conditions, increased productivity and greater sustainability of the environment.

Electricity is largely generated and distributed by ESKOM However, Alfred Duma Local Municipality is an electricity services provider (electricity license holders) in Ladysmith town, Colenso, Steadville, Tsakane/Shayamoya and part of Embulwane areas.

3.9.1. Challenges

Even though people have access to electricity, there is still a number of households relies on firewood for cooking and heating due to electricity cost. This is a concern as the cutting of trees for energy provision leads to deforestation and soil erosion.

3.9.2. Interventions

Provision of sustainable energy is to be achieved by implementing grid and solar energy infrastructure in areas where there is none. There is also a need to expand a pool of financial resources to provide energy infrastructure to communities and engagements with Eskom on fast tracking of free basic electricity systems. Subject to availability of funds, the district will also explore the alternative sources of energy and the implementation of the energy saving strategy.

COMPONENT C: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

The location of the Uthukela District Municipality is strategic in that it situated along the N3 connecting the big cities of Johannesburg and Durban and have an advantage of N11 road to Newcastle.

3.10. ROADS

Responsibility for the road network in Uthukela District Municipality rests with four agencies/authorities, as follows:

- **The South African National Roads Agency Limited (SANRAL):** responsible for the national road network. The national road network within the Uthukela district area comprises of portion of the N3, N11, R74 and including full access interchanges.
- **KZN Department of Transport:** responsible for the provincial road network
- **Local Municipalities:** responsible for (access) local roads and networks

3.10.1. Rural Roads Asset Management Systems (RRAMS)

The visual assessments of both paved and unpaved pavements throughout the district as well as capturing of traffic data and other road infrastructure data.

3.10.1.1. Storm water Structures Assessment

Storm water structures were divided into following two (2) categories:

- Bridges Culvert; and
- Gravelled road

Summary of the number of different types of roads structures in the Uthukela District Municipality is indicated in the table below:

| Summary of Road Structures within Uthukela District Municipality | | |
|--|----------|---------------------------|
| Structure | Quantity | Total % Completed To Date |
| Kilometres of paved surface | 1754 | 100% |
| Kilometres of unpaved surface | 358 | 100% |
| Bridges | 52 | 100% |
| Culverts | 158 | 100% |
| Traffic Data | 70 | 100% |

The transport unit is mostly incapacitated, major reliance is on engineers due to be inherited from the RRAMS programme.

3.11. TRANSPORT SYSTEM

3.11.1. Road Transport

The major public transport services in Uthukela District Municipality are bus and taxi industry operations and very few metered taxis in operation. Public transport is therefore based largely on the road network.

Alfred Duma and Okhahlamba Local Municipalities are responsible for vehicle licensing and issuing of learner's and driver's licences.

3.11.2. Railway Transport

The only rail line is the route from Durban to Johannesburg with Ladysmith and Estcourt stations being the major points of access for mainline passengers in the Uthukela District Municipality area. The whole rail network in the Uthukela District Municipality is owned and operated by Transnet, and the rail service only serves long distance passengers. Train facilities are restricted to the main stations in Ladysmith and Estcourt. The stations has proper facilities but serve only mainline passengers.

The Passenger Rail Agency (PRASA) operates the Shosholozha Meyl, a long distance passenger service between Johannesburg and Durban. It is an economy class (sitter accommodation) intercity train service that operates 3 days per week per direction.

Comment on the Performance of Transport Overall:

Challenges

Transportation costs are considered a key factor that affects competitiveness in the district. This affects other sectors of business including tourism as the accessibility of the district, and the province at large is made much

costly due to high transport costs arising from the remoteness of the district in relation to other main economic centres of the country.

Above all that transport functions and responsibilities were largely fragmented between and within the various spheres of government, that is, the national, provincial, and municipal spheres of government. This lead to difficulties with the effective management and co-ordination of providing effective transport services.

Interventions

To address the challenges indicated above, national government, provincial government and local municipalities need to put their efforts and resources on the following strategic components of transportation capacity and skills development:

- Motivate subsidised public transport coverage in the Uthukela District Municipality with the objective of reducing travelling costs;
- Install public transport infrastructure such as shelters, lay-bays, and inter-modal facilities;
- Upgrade road infrastructure and streets between residential and business nodes;
- Support the non-motorised transport plan and implement projects, to manage congestion in Ladysmith CBD;

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

- **Introduction to Planning and Development**

The Spatial Development Framework is an integral part of the Municipality's IDP. It represents the spatial expression of the Council's development vision.

3.13. PLANNING

3.13.1. Land Development and Land Use Management

The SDF integrate and coordinate on a broader level spatial information which includes the four local municipalities and Land Use Management Schemes on the other hand deals with the detailed administration of land development and land use change. These schemes assist to guide development and land control management. The implementation of the Land Use Management Schemes is still a challenge as majority of the settlements in the district are not formalized therefore, a phased approach will be used in order to address the challenge. The recent promulgation of Spatial Planning Land Use Management Act (SPLUMA) Act; 16 of 2013 requires all local municipalities to develop wall to wall Land Use Schemes according to the reviewed guidelines that are now aligned to the Act.

3.13.2. Land Use Management and Implementation of Spatial Planning and Land Use Management Act, 16 of 2013 (SPLUMA)

Spatial Planning and Land Use Management Act (SPLUMA) was signed into law by the President on 02 August 2013, and formally published in the gazette on the 05 August 2013. The enactment of SPLUMA has

brought several fundamental changes in spatial planning and land use management. Among those changes are:-

- Reiteration of the sole mandate of municipalities where municipal planning (land development, land use management) is concerned, placing municipalities as authorities of first instance in validating inconsistent parallel mechanisms, parallel systems, measures or institution that existed dealing with land development application;
- Establishment and composition of Municipal Planning Tribunals and Appeals structures by municipalities to determine and decide on land development applications. Also providing municipalities with options for Tribunals and appeals structures to be created based on capacity.

3.14. LOCAL ECONOMIC DEVELOPMENT

The purpose of the LED Strategy is to position the Uthukela district as a centre of sustainable economic growth and development. The LED is in partial fulfilment of the district's IDP goals, which will position the district in attaining its vision as "An improved quality of life for all in a globally interconnected, stable and developed region."

3.14.1. Sectoral Contribution to Uthukela District Municipality's economy

Growth Value Added Contribution per Sector

| | 2001 | 2006 | 2011 | Average Growth 2011 | Average Growth 2016 |
|--|-------|-------|-------|---------------------|---------------------|
| Agriculture, forestry and fishing | 425 | 619 | 946 | 8% | 7% |
| Mining and quarrying | 90 | 75 | 76 | -2% | 1% |
| Manufacturing | 1 917 | 2 389 | 2 857 | 4% | 21% |
| Electricity, gas and water | 333 | 378 | 402 | 2% | 3% |
| Construction | 184 | 249 | 394 | 11% | 3% |
| Wholesale and retail trade, catering and accommodation | 1 116 | 1 688 | 2 342 | 8% | 17% |
| Transport, storage and communication | 806 | 1 326 | 1 873 | 9% | 14% |
| Finance, insurance, real estate and business services | 833 | 1 433 | 2 069 | 10% | 15% |
| Community, social and personal services | 475 | 617 | 730 | 4% | 5% |
| General government | 1 116 | 1 334 | 1 784 | 5% | 13% |

Source: (Statistics South Africa: Census 2016)

3.14.2. Comment on Local Economic Development Performance Overall:

Due to financial constraints, many projects could not be implemented in the 2016/2017 financial year. Projects that were completed included the uThukela Carnival, Tourism Graduate Development Programme partnership with EDTEA, Siyaphambili Custom Feed Scheme, 3 District Billboards, Agri-Park Support Programme, Interactive Tourism Development and the erection of 30 Informal Trader Stalls.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.15 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

3.15.1 Introduction to Child Care; Aged Care; Social Programmes

The Special Programmes section ensures that all previously marginalised groups - the youth, women, elderly and disabled in the municipality are mainstreamed into the developmental agenda. In making sure that Uthukela District Municipality responds to the needs of these groups of people, various special programmes structures have been launched and implemented. During the period under review the district successfully coordinated and commemorated the following special programmes:

Women's Day Celebration



UThukela District Municipality celebrated and honoured women on the 26th of August 2016 in Indaka. We recognise the important role of women in the transformation to a democratic South Africa. Women should be treated with dignity and honoured for the endless unpaid work. We celebrated the event with the Women's Prayer that was held at Indaka, where all women from UThukela District were gathered to attend the event with Sgweje tribe. We had speeches from different stakeholder's ondlunkulu, Pastors, Traditional healers and women organisations.





Golden Games Provincial Selection

The overall aim of the Golden Games is to improve the quality life of all the people involved. The Golden Games are held under the theme “Building a caring society for all ages”. The games encourage older people to live a healthy life style by participating in sports and other social activities. The games are also a way to encourage all South Africans to provide support to older people by helping them live healthier lives. Golden games were held at EThekweni Metro from the 6-8 September 2016. UThukela District Municipality had 130 people who participated in all 18 sporting codes. 34 of our participants were selected to represent the KZN Province team in the National Golden Games.



16 Days of Activism

Annual sustainable program of action and awareness on GBV communities to raise awareness on Gender Based Violence to Women, Senior Citizens and Children. 2000 people attended the program and all sectors and Departments were attending the event. Different speakers delivered their speeches to support and empower women and children. Office of the Premier hosted the event. Women and children from UThukela Local Municipality benefited from this program. Some of the community members received food parcels and wheel chairs, the event was very successful.

Reeds Ceremony

The main event was held at KwaNongoma, Enyokeni. UThukela District maidens were part of the event where they presented their reeds to the Zulu King Zwelithini. The group were dressed in their district colours presenting their reeds.

Mayoral Matric Excellence Awards

Uthukela district municipality in conjunction with the KZN Department of Education hosted a Mayoral Matric Excellence awards.

National Disability Parliament and IDDP

Disability Parliament was held in uMgungundlovu District from the 1-3 December 2016. The event was successful.

Walk for life

To encourage healthy living for women and Senior Citizens as we know that women are the victim of most diseases and also celebrating workers day.

Empowering the youth to move the country forward

The youth office of uThukela District Municipality held a youth month even called “youth day career Expo”. The programme was mainly to educate youth about their history and role played by young people in the struggle against apartheid 40 years ago.

Uthukela district municipality in conjunction with the KZN Department of Education hosted a Mayoral Matric Excellence awards.



Tourism expo attracts young go-getters, Tourism career expo’s main focus was to facilitate interaction between the youth and relevant industry stakeholders



COMPONENT E: ENVIRONMENTAL PROTECTION

3.16 Introduction to Environmental Protection

- To manage all the components of environmental management within the Uthukela district, including planning, monitoring, enforcement, education and awareness, air quality management, environmental advisory services as well as capacity building and empowerment to ensure that the function of environmental management is established and promoted with the Uthukela district.

3.17 Introduction to Pollution Control

- Uthukela District Municipality aims to manage and direct the effective rendering of a comprehensive and professional Environmental Management service to residents of the district to ensure a sustainable, healthy and safe environment for every person to live, work and recreate within the district.

3.18 Comment on the Performance of Pollution Control Overall

- Uthukela District Municipality in conjunction with relevant sector departments celebrated environmental calendar days and offered environmental awareness education campaigns and other capacity building initiatives to stakeholders throughout the district to address environmental management challenges.
- Compliance monitoring inspections and enforcement actions were undertaken on Environmental Management by our team together with other enforcement agencies.

COMPONENT F: HEALTH

3.19. HEALTH INSPECTION: FOOD AND PREMISES INSPECTIONS, ETC

3.19.1 Introduction to Health Inspections: Food and Premises Inspections

Health inspections involve inspection of food handling premises, non-food handling premises and institutions and issuing of compliance certificates and notices. These include inspection of water, waste water and solid waste management. The three main targets include waste water management, food safety monitoring and water quality monitoring services.

| Service Statistics For Health Inspection | |
|--|------|
| Number of water samples taken | 2108 |
| Number of waste water samples taken | 621 |
| Number of food premises inspected | 2008 |

Comment on the Performance of Health Inspections:

Section 32 of the National Health Act No.61 of 2003 mandates District and Metropolitan municipalities to perform Municipal Health Services in their areas of jurisdiction. In terms the division of powers and functions

between Local and District municipalities as provided for in section 84 of the Municipal Structures Act No.117 of 1998, Municipal Health Services must be performed by District Municipalities.

Since the District is the custodian of municipal health services, it has drafted and adopted Municipal health Services by-laws and submitted them to be gazetted.

The Municipal Health system functions within the Uthukela district municipality and ensures that there is improvement in the quality of:- food, water, waste, communicable diseases control, the monitoring of compliance as well as holding formal health and hygiene education sessions.

The following aspects of Municipal Health Services were rendered in Uthukela District during the period under review: Water Quality Monitoring, Food Safety Control, Waste Management, Health Surveillance of Premises, Surveillance and Control of Communicable Diseases, Control of Disease Vectors, Control of Environmental Pollution, Control of the Disposal of the Dead, Ensure Chemical Safety.

COMPONENT G: SECURITY AND SAFETY

3.20 Introduction to Security & Safety

In terms of law enforcement facilities, CDM has 12 police stations and 4 magistrates spread across its local municipalities.

3.21. POLICING

Not a function of the District but of the Local Municipality. However, our Intergovernmental relations also coordinated such forums.

3.22. FIRE AND RESCUE

The uThukela district municipality has two personnel coordinating fire service unit at a district level. The operations on fire services are currently based at our family local municipalities, which is Alfred Duma, Inkosi Langalibalele and Okhahlamba.

Uthukela district municipality has a draft document for fire bylaws which is being circulated to various departments for comments and it will also be presented to the IGR, Advisory forum meeting, Portfolio committee and the council for adoption. However, they are currently facilitating that all local municipalities in our family to submit their draft fire bylaws.

Table 8: Identified Hazards for uThukela District Municipality

| Identified Hazards |
|--|
| Lightning |
| Strong Winds |
| Chlorine leakage or an hazcem incident (esp. in Ladysmith) |
| Large industrial fires, bulk depots spillages or fires |
| Lightning |
| Fires |
| Railway Accidents (railway passes dam wall) |
| Strong winds and storms |
| Soil Erosion |

| |
|--|
| Environmental Degradation |
| Floods |
| Snow |
| Hazmat |
| Air Pollution (CO2, Acid rain, Plants) |
| Water contamination |
| N3 or N11 incidents |
| Possible dam failure (Thukela and Bushman intersect) |

These risks have been identified during risk analysis workshops with communities throughout the district as well as historical data gathered from incident assessments over the past five years.

It was possible to compile appropriate GIS profile maps Using the detail disaster hazard, vulnerability and risk assessments of UDM. These GIS-profile maps summarise the disaster hazard, vulnerability and risk analysis of UDM. Hence, these profile maps indicate the risk profile of the UDM area of jurisdiction. Below is the disaster hazards profile map and a diagram of uThukela district municipality and its family of municipalities.

Map 3: Hazard Map

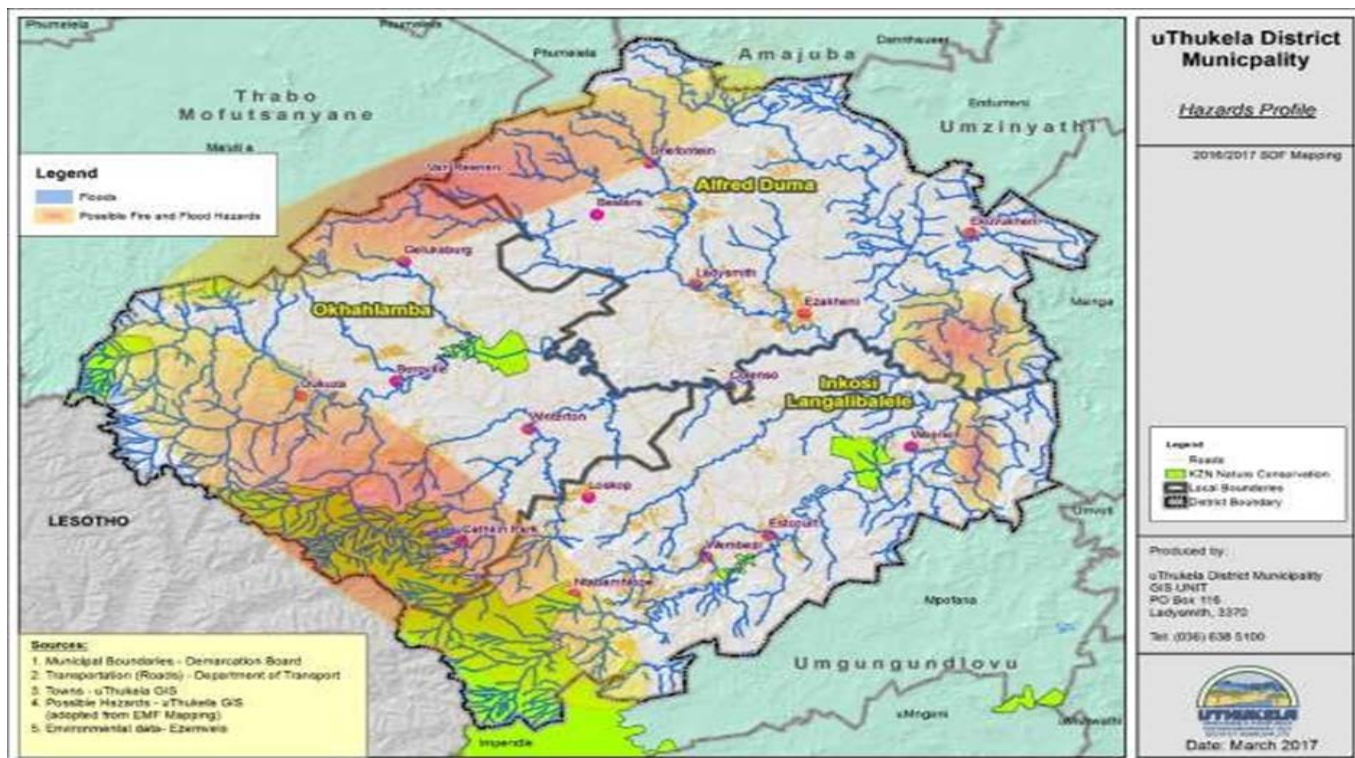
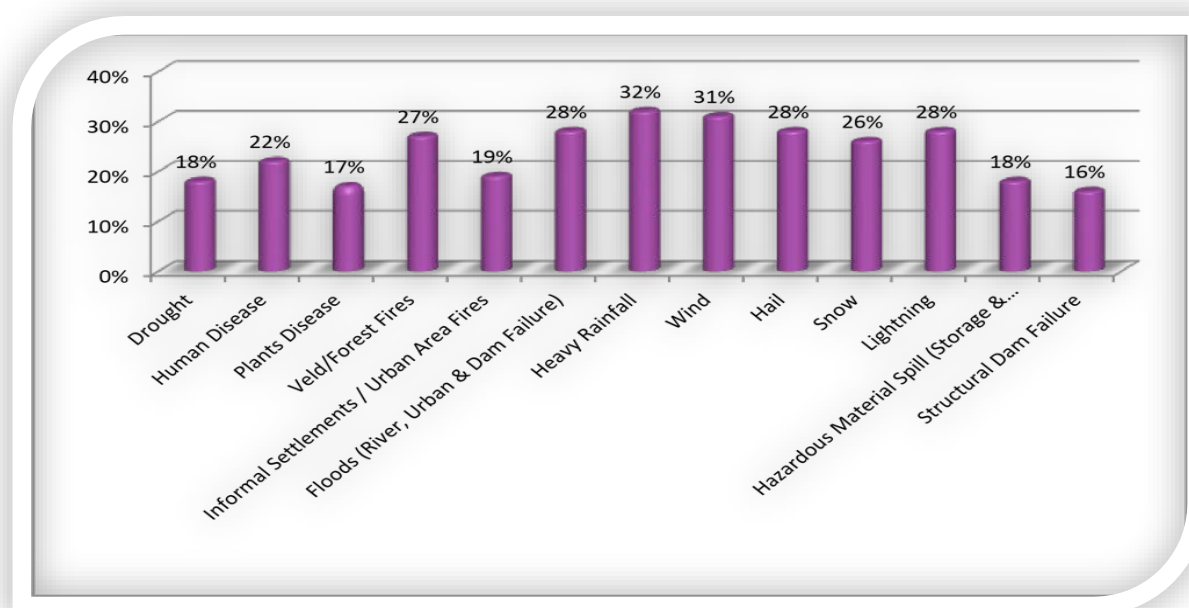


Figure 5: Hazard Identification



3.23. OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

The District Disaster Management Centre is located under Alfred Duma Local Municipality servicing the entire district. Main Disaster hazards identified in the District are the strong winds, drought, heavy storms and veld fires amongst others. Almost all communities in the district are affected in one way or the other by these hazards although, the degree in which they are affected differs based on their vulnerability.

The focus of the services is measured based on the following key performance areas and enablers:

- Institutional Capacity building for the Disaster Management
- Pre-Disaster Risk Reduction
- Post Disaster Recovery
- Public Awareness Campaigns

| The top service delivery priorities | |
|--|--|
| Institutional Capacity Building | <ul style="list-style-type: none"> • Recruitment and establishment of Disaster Management Volunteers • Capacity building program –for community based structures to promote disaster risk reduction programs. |
| Pre-Disaster Risk Reduction | <ul style="list-style-type: none"> • Development of risk reduction strategies • Incorporating risk reduction strategies and plans into the municipal IDP. |
| Post –Disaster Recovery | <ul style="list-style-type: none"> • Responding to disasters (windstorms, displaced families due to disaster activities). • Facilitated provision of disaster emergency houses to disaster victims with the help of different stakeholders |
| Education, Training, Awareness campaigns | <ul style="list-style-type: none"> • Conducting community based training and awareness campaigns (primary and secondary schools as well as in communities). |
| Response and relief interventions | <ul style="list-style-type: none"> • Respond to all reported incidents within the set standard of 72 hours. |

Challenges

Disaster Management Services is run from a minimum budget and this can pose a challenge in case of a major disaster, another challenge that is experienced by Disaster Management Services is not receiving cooperation from sector departments and Local Municipalities.

Interventions

- Disaster Management Services convened a session with sector departments and the sector departments committed to cooperate and assist where they can regarding disasters in the district.
- A Disaster Management workshop was conducted for all councillors
- Community based training and awareness campaigns were conducted
- Operation Sukuma Sakhe works closely with Disaster Management Services

COMPONENT H: SPORT AND RECREATION

3.24 Introduction to Sport and Recreation

The district is playing a minimum role within the context of its powers and functions. Most of these services reside within the ambit of department of Sport, Arts and Culture as well as that of local municipalities with the district offering some support within the extent of available resources. However the following were some sport activities the sports office carried out.

3.24.1. SPORT AND RECREATION

| Sports activity | Description |
|----------------------------|---|
| Work and Play | This is the social games played by Government officials and Municipality Officials. It is played in the District. The District had two teams and they both won and proceeded to represent the District at the Provincial Work and Play Tournament which was held at Amajuba District. |
| District Schools Athletics | The District had a School's Athletics Competition to select the Athletes that would represent the District at the Provincial Athletics Competition which was held in Durban, Kings Park Athletics Stadium. |
| Boxing | Our District had a boxing Tournament where more than 10 Boxers in the District were selected to fight in the National Boxing Tournament. |
| Chess | District Chess had a Tournament called Mandela Tournament in preparation for the Msholuzi Chess Tournament which took place in December at Inkandla, the homestead of the State President. |
| Table Tennis | The Team made their selections in preparation for the National Championship which was held in Cape Town. |
| Netball | The District Netball Tournament which took place at Umtshezi, the selected team represented the District in the Provincial Tournament which was held in Durban. |
| District Rugby | The purpose of the Rugby Tournament and League is to prepare players for the National championship and the Cravy week tournament where all the Provinces participate. |
| Football | District league was played, all the local Municipalities where the winner represented the District at the Provincial play-offs which was at Harry Gwala District. |
| Indigenous Games | These are the recreation games played from the local Municipalities up to the National. The District was played at Kandahar Sports Ground at Mnambithi/Ladysmith Municipality, the Provincial was |

| | |
|----------------------------|--|
| | played at Ugu District Municipality and the National Games were played at Tshwane Metro in Gauteng Province. |
| District Traditional Dance | The District had a Traditional Dance that was held at KwaShuzi in Umhlumayo. The Groups were from all over the District. |

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

Introduction to Corporate Policy Offices, Etc.

The main objective is to provide support and auxiliary services to all departments and the political component of the Municipality. Some of the functions include fleet management control, office accommodation, effective security services, reliable and efficient telecommunication service. Timely and well-collated qualitative documents.

3.25. EXECUTIVE AND COUNCIL

This component includes: Executive offices (mayor; councillors; and municipal manager).

Introduction to Executive and Council

Uthukela District Municipality was established in terms of the Municipal Structures Act, 1998 (Act No. 117 of 1998) in 2000 - Provincial Government Notice No. 307 of 2000. Uthukela District Municipality is a Category C municipality as determined in terms of Section 4 of the Municipal Structures Act, 1998.

The Mayor and the Speaker head the political component of the municipality. Uthukela District Municipality has an approved delegation system that seeks to decentralize and democratize decision-making within the institution, and improve the pace at which services are delivered to the community. This is intended to maximize administrative and operational efficiency and provide for adequate checks and balances. In line with the delegations system, some decision-making powers have been cascaded from Council to the Mayor, Executive Committee, its Portfolio Committees and the full-time Councillor(s). Other powers have been delegated to the Municipal Manager.

3.26. FINANCIAL SERVICES

Introduction Financial Services

One major area of change is citizens' expectations of their governments regarding public services and their willingness to pay for these services. Every level of government is expected to live within its financial resources and provide as good or better service than in the past.

A Viable Municipality is able to:

- Grow in population and economic terms
- Govern and democratically represent the interests of the community
- Satisfy the responsibilities for administration and services in accord with legislation

- Provide the services needed at a cost that the residents are willing to pay
- Fund services from its financial resources.

3.27. HUMAN RESOURCE SERVICES

Human Resource Services is to attract, develop, manage, reward, engage and retain Uthukela District Municipality's employees to ensure that municipality's strategic objectives are achieved and help to make Uthukela District Municipality the employer of choice.

3.28. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services

3.28.1 Introduction to Information and Communication Technology (ICT) Services

Top service delivery priorities:

- ICT strategy has been reviewed and implemented
- Disaster recovery plan implemented for immediate restoration of ICT systems downtime

Service Statistics for ICT Services

- Information Technology Policies are implemented
- Effective management of infrastructure and network security

3.28.2 Comment on the Performance of ICT Services Overall:

- IT Strategy reviewed
- Improved ICT support
- Policies and procedures are implemented
- Upgrading of the infrastructure network was implemented
- Improved ICT systems

CHAPTER 5 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

Human Resource Management is central to the strategic thrust of the District. It is geared to achieve optimal outcomes and impact on Service Delivery. The function is organized and discharged through the following units; Human Resources Management and Human Resources Development.

- Human Resources Management – the unit is responsible for employee relations, provisioning and maintenance which include recruitment, selection, labour relations as well as benefits administration.
- Human Resources Development – the unit is responsible for training and development of employees and implementation of the organizational structure.

In terms of human resources development the municipality ensures that employees realize their personal as well as organizational goals as far as career development is concerned. Employee personal problems that may adversely impact their work performance, health and wellbeing are dealt with through the Employee wellness programme.

Recruitment and selection of positions is done continuously as a result of vacancies. The human resources division has facilitated municipal transformation by ensuring the implementing the Employment Equity Act. The municipality implements a performance management system and assessments are done on a quarterly basis for all municipal employees. Performance rewards for eligible employees are paid annually to the municipal personnel.

COMPONENT A: TURNOVER AND VACANCIES

| Employees | | | | |
|--|------------------|-----------------------|------------------|-----------------------|
| Description | 2015/16 | | 2016/17 | |
| | No. of Employees | No. of Approved posts | No. of Employees | No. of Approved posts |
| Water, Sanitation & Technical Service | 517 | 750 | 559 | 788 |
| Municipal Health and WSA | 38 | 56 | 40 | 56 |
| Social and Economic Development & Planning | 09 | 12 | 09 | 16 |
| Disaster Management and Customer Services | 32 | 33 | 34 | 38 |
| Corporate Services | 49 | 87 | 54 | 87 |
| Budget and Treasury Office | 86 | 121 | 93 | 121 |
| Office of the Municipal Manager | 35 | 81 | 54 | 81 |

| Labour Turn Over Rate: 2016/17 | | | |
|--------------------------------|-------------------|-------------------------|----------------|
| Details | Appointments Made | Termination of Services | Turn Over Rate |
| Quarter One | 82 | 10 | 25.05% |
| Quarter Two | 6 | 4 | 23% |
| Quarter Three | 4 | 6 | 22.25% |
| Quarter Four | 0 | 2 | 22.25% |

In terms of the Employment Equity Act, 1998, it is the duty of uThukela district municipality to consult, draft and implement the Employment Equity Plan in order to achieve equity in the workplace. Uthukela District Municipality has developed and adopted the Employment Equity Plan that is promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination.

In drafting of the Employment Equity Plan all, the relevant stakeholders were involved including the Local Labour Forum. One of the objectives of the Plan is to focus on the development of present staff and an affirmative action programme aimed at specifically addressing the training and advancement needs of previously disadvantaged groups.

Critical Posts (MM & Section 54/56 posts)

Table 13: Critical Posts

| Name | Department | Status | Gender |
|--------------|--|--------|--------|
| SN Kunene | Municipal Manager | Filled | Male |
| MF Hadebe | General Manager: Corporate Services | Filled | Male |
| PHZ Kubheka | Chief Finance Officer | Filled | Female |
| SCB Zikalala | Acting General Manager: Water, Sanitation and Technical services | Acting | Male |
| BH Khoza | General Manager: Municipal health and water service authority | Filled | Male |
| NZ Khuzwayo | General Manager: Social and Economic Services | Filled | Male |

Human Resource Strategy

Uthukela district municipality has developed and adopted the human resource strategy. On the other hand, the municipality have compiled and adopted the Human Resource Policies in an enabling spirit and sets out the policy relating to employment within the municipality. These policies are the enabling tool to facilitate human resources management within the municipality. In compiling the uThukela District Municipality Human Resource Policies, reference was made to documents such as the Employment Equity Act No.55 of 1998, the Labour Relations Act No.66 of 1995, the Skills Development Act No97 of 1998, the Municipal Finance Management Act No.56 of 2003, White Paper on Affirmative Action in the Public Service and the White Paper on Human Resource Management in the Public Service. Uthukela district municipality has developed and adopted the following HR policies.

Comment on Vacancies and Turnover:

The municipality is committed in filling in critical vacant positions at all times, guided by the available budget. In the financial year under review 100 % of budgeted positions were filled.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

The municipality places a very high value on workforce management and as a result, policies and procedures have been put in place. This is a continuous process; systems are still developed and reviewed where and when necessary.

5.1. POLICIES

5.1.1. Recruitment and Selection Policy

The municipality developed and adopted the Recruitment and Selection Policy, which is being implemented. Recruitment and selection in the municipality is done according to the documented municipal policy.

The recruitment policy highlights that all posts shall be analysed to determine realistic person and post requirements that meet the needs of the job and which do not privilege people with higher qualifications than those needed for the position. The selection policy emphasises that first preference will be given to the best candidate as per the interview results regardless of whether the applicant is internal or external.

Among others, the following HR related policies were also developed, reviewed and developed:

| HR Policies & Plans | | | | |
|---------------------|--|-------------|------------|-------------------------|
| | Name of Policy | Completed % | Reviewed % | Date adopted by council |
| | Placement Policy | 100% | 100% | 18 May 2016 |
| | Employment policy | 100% | 100% | |
| | Employment Equity policy | 100% | 100% | |
| | Leave policy | 100% | 100% | |
| | Recruitment, Skills Retention and Selection policy | 100% | 100% | |
| | Permanent employment policy | 100% | 100% | |
| | Temporal employment policy | 100% | 100% | |
| | HIV/AIDS policy | 100% | 100% | |
| | Smoking policy | 100% | 100% | |
| | Sexual Harassment policy | 100% | 100% | |
| | In service Training policy | 100% | 100% | |
| | Communication policy | 100% | 100% | |
| | Training and Development policy | 100% | 100% | |
| | S&T policy | 100% | 100% | |
| | Promotion policy | 100% | 100% | |
| | Placement Policy | 100% | 100% | |
| | Employment policy | 100% | 100% | |
| | Employment Equity policy | 100% | 100% | |

5.2 INJURY ON DUTY STATISTICS

| Injury on duty statistics 2016/2017 | | | |
|-------------------------------------|--------------------|----------------------|----------------------|
| Number of reported injury on duty | Temporary disabled | Permanently disabled | Cost to municipality |
| 03 | 0 | 0 | R0 |
| | | | |

5.3. PERFORMANCE REWARDS

| Performance Rewards | | | | |
|---------------------|---------|------------------------------------|-------------------------|--------------------------------|
| Designation | Gender | Total number of employees in group | Number of beneficiaries | Expenditure on rewards 2016/17 |
| Section 56 Managers | Females | 1 | 1 | R79 250.64 |
| | Males | 4 | 3 | R256 829.76 |
| Municipal Manager | Male | 1 | 1 | R139 580.28 |

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

The municipality will as required by legislation, develop a Workplace Skills Plan on annual basis. This will be followed by a development of a detailed implementation plan that will outline the process to be followed in implementing the plan. The municipality will continue to make funds available on each financial year to ensure that capacity building is funded and both the organization and employees benefit from this project.

Bursaries were issued to all eligible employees for career development purposes. More employees continued to be enrolled for studies for the financial year under review. Furthermore the municipality has sought to ensure that the requirements of the MFMA Regulations on Competency Levels are met by prescribed employees. These would include senior management team and special attention is paid to officials in supply chain management as well as other employees within the Finance Department.

5.4. SKILLS DEVELOPMENT AND TRAINING

Workplace Skills Plan

Skills planning are central to the improvement of the overall skills level of the municipal officials as well as the unemployed in the Uthukela District Municipality. The municipality identifies what skills are required and develop strategies, tasks and schedules to ensure that we build those skills in order to deliver on our Integrated Development Plan strategic objectives.

Uthukela District Municipality do comply with Skills Development Act. The District has developed and implementing workplace skills development plan in order to enhance the skills of the staff and thereby improve their competencies. The Workplace Skills Plan is developed on annual basis and adopted by Council. After the adoption, it is then submitted to LGSETA for accessing funds. However, the funding that was received was insufficient to meet the needs of the District. Uthukela workplace skills plan outlines the training and development for the municipality. It also addresses the gaps and shortfalls in skills required and identified positive ways of addressing them.

During the financial year under review, the municipality rolls-out Learnerships programme with assistance from SETAs. During this financial year, 03 Learnerships are currently running, i.e. Certificate: Municipal Integrated Development Planning NQF L 5 (18 employed learners), Certificate: Local Government Accounting NQF L3 (25 employed and 30 unemployed learners), these Learnerships are facilitated by Regent Business School. The last Learnerships is for Municipal Financial Management Programme (MFMP) (17 Employed learners) training conducted by Moses Kotane Institute.

5.5. EMPLOYEE EXPENDITURE

| Skills Development Expenditure | | | | | |
|---|---------|--|--|-------------------|--|
| Management Level | Gender | No. of employees as at the beginning of the financial year | Original Budget and Actual Expenditure on skills development 2016/17 | | |
| | | | Skills programmes & other short courses/Formal Qualifications | | |
| | | | Original Budget | Actual | |
| MM and s56 Managers | Females | 1 | R350 000.00 | R25 600.00 | |
| | Males | 0 | | - | |
| Middle Manager | Females | 1 | | R11 740.00 | |
| | Males | 0 | | - | |
| Technicians and Professionals | Females | 1 | | R18 985.00 | |
| | Male | 5 | | R88 190.00 | |
| Clerks | Females | 4 | | R81 580.00 | |
| | Males | 4 | | R27 660.00 | |
| Employee Expenditure | | | | | |
| Beneficiaries | | Gender | | Total Expenditure | |
| Municipal Manager | | Male | | R1, 736, 032 | |
| Chief Financial Officer | | Female | | R1, 359, 506 | |
| GM: Corporate Services | | Male | R1, 158, 920 | | |
| GM: Municipal Health & WSA | | Male | R1, 379, 371 | | |
| GM: Social & Economic Development | | Male | R 1, 219, 133 | | |
| Acting GM: Water, Sanitation & Technical Services | | Male | R1 301, 357 | | |

COMPONENT D: DEPARTMENTAL SERVICE DELIVERY REPORT

This component includes gives a brief departmental performance for the current year.

a) Introduction

In terms of section 46 of the Municipal Systems Act of 2000, municipalities are required to prepare an Annual Performance Report that is to form part of the Annual Report to be prepared in terms of the Municipal Finance Management Act. This Report therefore reports on performance on Organisational Objectives with regard to the progress made by the Municipality. It also gives an indication of achievements and failures made with regard to the implementation of programmes and projects' on planned targets as set out in the approved Service Delivery and Budget Implementation Plans (SDBIP).

b) Purpose of a Performance Management System

PMS is defined as “ a strategic approach to management which equips leaders, managers, employees and stakeholders at different levels, with a set of tools and techniques to regularly plan, continuously monitor and periodically measure and review performance of the organisation (municipality) in terms of indicators and targets for efficiency, effectiveness and impact.” A PMS is also intended to assist the Council to improve service delivery by channelling its resources to meet performance targets and in doing so, ensure that the municipality achieves its strategic objectives as contained in its IDP.

c) Service Delivery Excellence

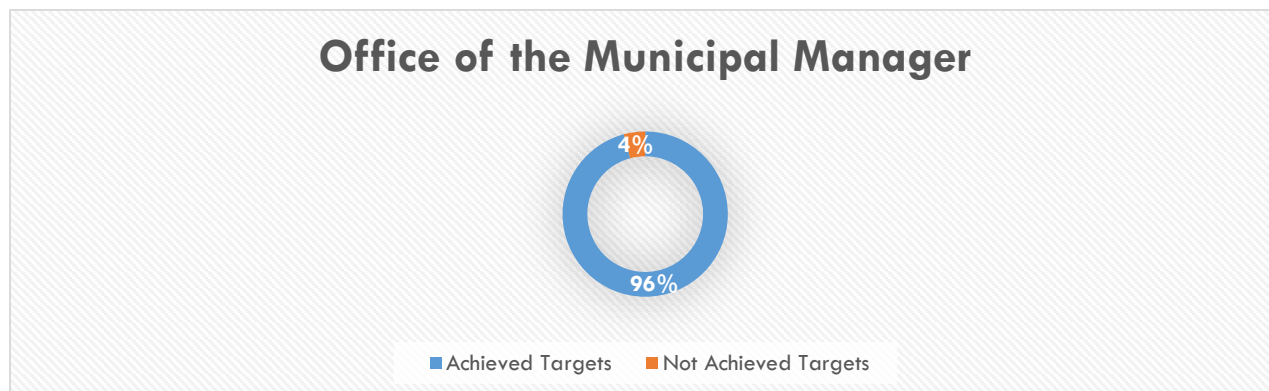
Essentially, service delivery excellence has its firm basis on providing the optimum services to the community of Uthukela District Municipality in its area of jurisdiction.

The following is a breakdown of performance as per the SDBIP per departments and Key Performance Areas:

| Department | No. of Targets Achieved | No. of Targets Achieved | % Achieved | | No. of Targets Not Achieved | % Not Achieved |
|--|-------------------------|-------------------------|------------|--|-----------------------------|----------------|
| Office of the Municipal Manager | 24 | 23 | 96% | | 01 | 4% |
| Corporate Services | 12 | 08 | 67% | | 04 | 33% |
| Municipal Health & WSA | 08 | 08 | 100% | | 00 | 0% |
| Water, Sanitation & Technical Services | 20 | 17 | 85% | | 03 | 15% |
| Budget & Treasury Office | 20 | 18 | 90% | | 02 | 10% |
| Social & Economic Development | 09 | 03 | 33% | | 06 | 67% |
| Total | 93 | 77 | | | 16 | |

Office of the Municipal Manager

The Office of the Municipal Manager achieved 96% targets at the end of the financial year, 23 targets were achieved out of 24 planned targets.

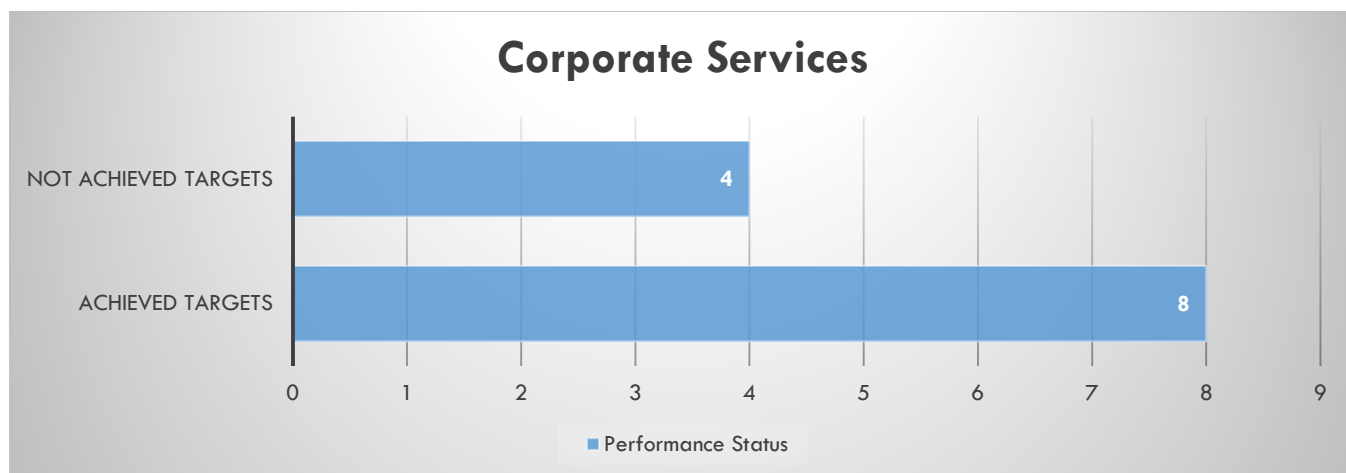


Some of the successes were as follows:

- The Audit charter was developed and approved by the Audit Committee.
- Performance quarterly reports were submitted to Council.
- The Annual Performance Report was submitted to the Auditor General on time.
- The risk register was reviewed and approved for the entire municipality.
- The Communication Strategy was reviewed and approved by Council.

Corporate Services

Corporate Services department had a total of 12 indicators planned for the financial year, this department managed to achieve 8 indicators, they did not achieve 4.

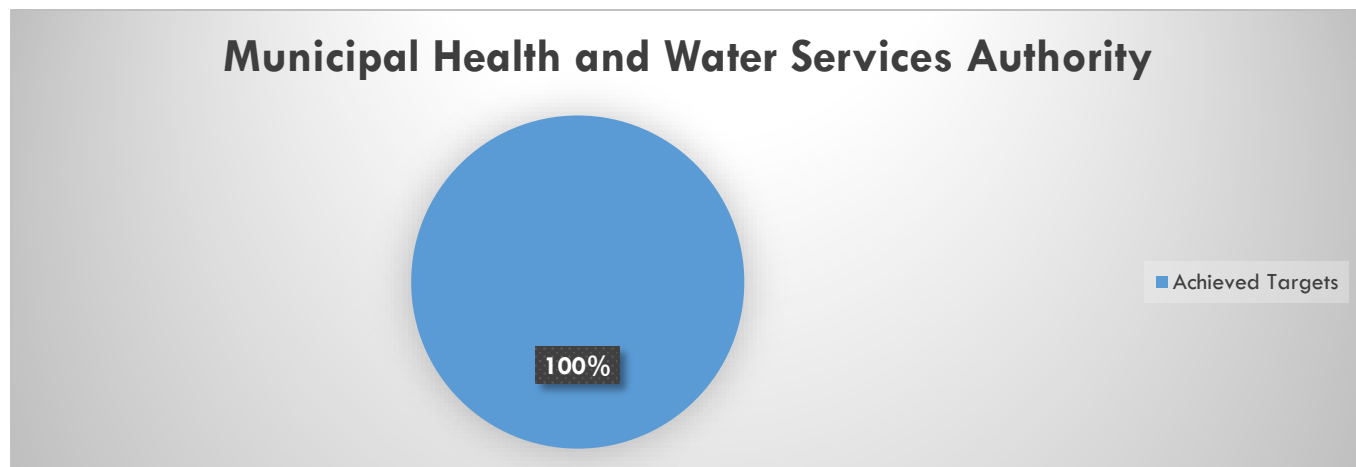


Some success and achievements were made by the department during the financial year includes the followings:

- Review of the organisational structure.
- Review of HR related policies.
- Submission of Workplace Skills Plan on time.
- Review of Employment Equity Plan

Municipal Health and Water Service Authority

Municipal Health and Water Service Authority Department achieved 100% of their planned targets for the year under review.



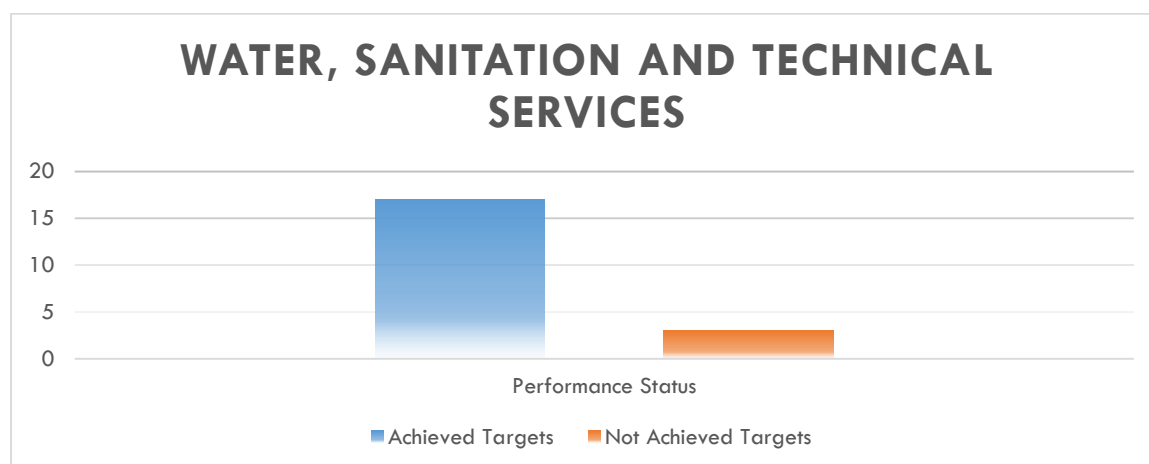
Among other things, the department is working hard to ensure that both blue and green drop compliance results improved by developing a blue drop and green drop improvement plans. These plans will assist the municipality in improving its overall performance in the subsequent Green Drop and blue drop assessments.

In the 2009 audit, the municipality achieved a score of 34% in Green Drop. Thereafter in the 2011 assessment period a slight improvement of 37% was achieved. In the following 2013 assessment period, the WSA dropped its overall performance to a level of 26.66% (below 30.0%).

Uthukela District Municipality is experiencing a critical shortage of experienced Process Controllers. Short-term interventions recommended includes operational monitoring data to be implemented and uploaded on the GDS website, implementation of the W₂RAP, improvement of the final effluent compliance and obtaining the relevant technical skills. Medium to long-term interventions for the WSA includes focused attention on the Waste water operational processes, undertaking of a maintenance plan and sourcing of funding.

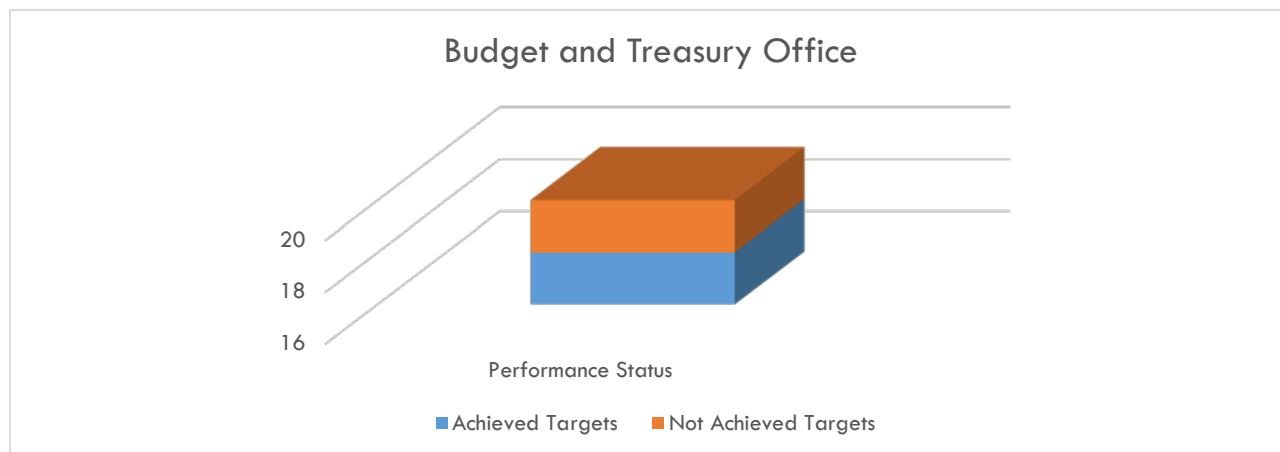
Water, Sanitation and Technical Services

This department had planned to implement 20 targets, they managed to achieve 17 targets and did not achieve 3 targets in the year under review.



Budget and Treasury Office

Budget and Treasury Office had planned to implement 20 indicators, they managed to achieve 18 targets. The remaining 2 targets were not achieved.

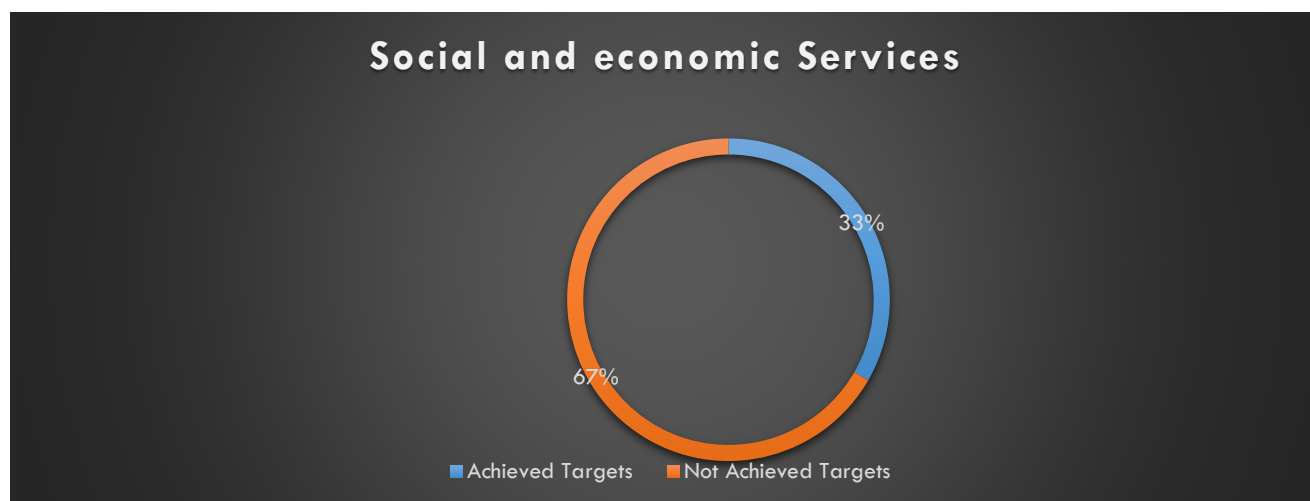


Additional achievements includes the followings:

- Development of Revenue Enhancement Strategy
- Update an Asset Register

Social and Economic Services

Social and Economic Services Department had planned for 9 indicators, they managed to achieve 3 targets and the remaining 6 targets were not achieved.



Part of the departmental achievements includes, among other things, the followings:

- Bergville Agri-Hub site- fresh produce market
- Matthews Farm FPSU- Small scale vegetable processing
- Hlathikhulu FPSU- Imbabazane Pack house
- Sunnyside FPSU- Produce vegetable, maize and livestock

CHAPTER 6 – FINANCIAL PERFORMANCE

Introduction to Financial Performance

- Compliance with legislation and implementation of proper internal controls
- Management of risk inclusive of Business Continuity Plan and implementation of proper internal controls
- Develop sound financial reporting mechanism for the above functions
- Implementation and the annual review of the District's:
 - Indigent policy
 - Incentive policy
 - Tariff policy
 - Reporting on the above policies
- Monitoring of all grant funding as Gazette by National and Provincial departments
- Submission of financial information for AFS preparation
- Prompt responses to internal and external audit queries
- Credit and Debt control policy

A key indicator of wealth from a municipal perspective is its ability to generate revenue from its communities. A holistic approach to local government sustainability is therefore crucial to ensure maximization of revenue, reducing inefficiency and costs and reducing uncollectible debt.

Therefore, there is currently insufficient planning and institutional gearing for the funding and human resources requirements and resources flow between national, provincial sector departments on one hand, and the district and local municipalities on the other. In turn, this means that the operation and maintenance costs associated with the assets and other resources being transferred to municipalities are inappropriately accounted for. The role of the finance department is to carry out REAL (Revenue, Expenditure, Assets and Liability) management. The challenge that Uthukela District Municipality faces is to manage these REAL efficiently, effectively and economically. The District also drafted the Financial Plan which indicates the budget projections for the next MTERF, source of revenue and cost recovery plan.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

6.1 STATEMENTS OF FINANCIAL PERFORMANCE

Statement of Financial Performance

| | Note(s) | 2017 | 2016 Restated* |
|--------------------------------------|---------|-------------|-------------------|
| Revenue | | | |
| Service charges | 23 | 155,820,514 | 153,121,673 |
| Interest received - trading services | 22 | 38,545,914 | 20,214,647 |
| Other income | 22&24 | 4,761,034 | 3,496,813 |
| Interest received - investment | 22 | 7,189,148 | 11,991,453 |
| Government grants & subsidies | 22&26 | 621,619,784 | 568,331,256 |

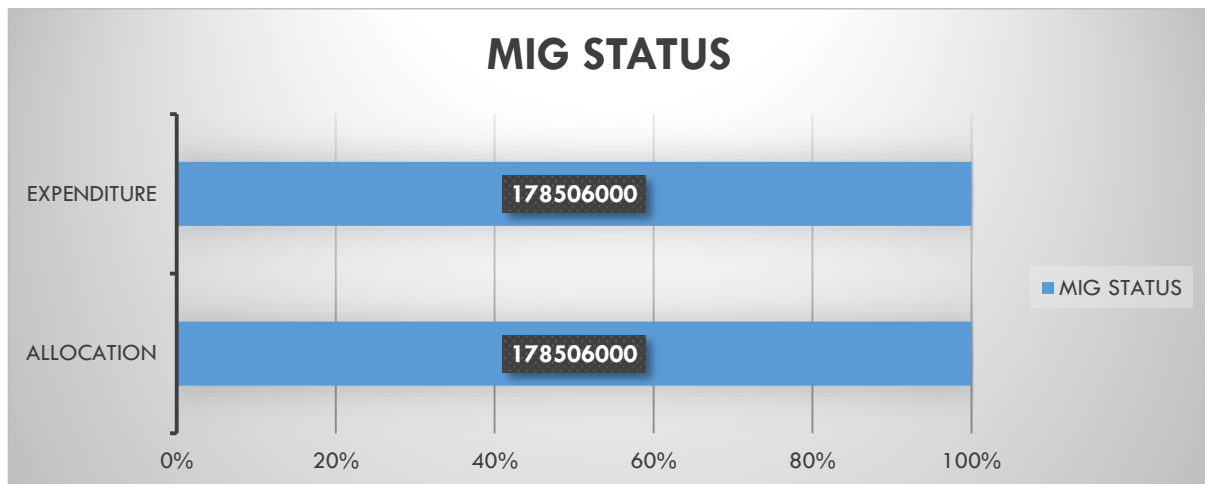
| | | | |
|-------------------------------------|----|--------------------------|--------------------------|
| Public contributions and donations | 22 | 20,000 | 70,000 |
| Total revenue | | 827,956,394 | 757,225,842 |
| Expenditure | | | |
| Employee related costs | 27 | (218,649,140) | (199,309,646) |
| Remuneration of councillors | 28 | (5,482,999) | (6,381,097) |
| Depreciation and amortisation | 29 | (62,535,117) | (49,197,065) |
| Impairment loss | 4 | (10,807,571) | - |
| Finance costs | 30 | (11,686,266) | (1,125,317) |
| Lease rentals on operating lease | 36 | (768,735) | (740,575) |
| Debt Impairment provision | 31 | (94,881,113) | (57,975,475) |
| Bad debt written off | 47 | (32,257,350) | (34,811,417) |
| Bulk purchases | 32 | (8,061,187) | (7,698,102) |
| Contracted services | 33 | (95,583,748) | (68,609,084) |
| General Expenses | 34 | (216,795,146) | (253,396,391) |
| Total expenditure | | (757,508,372) | (679,244,169) |
| | | - | - |
| Total revenue | | 827,956,394 | 757,225,842 |
| Total expenditure | | (757,508,372) | (679,244,169) |
| Operating surplus | | 70,448,022 | 77,981,673 |
| Gain (Loss) on write off of assets | 4 | (5,204,839) | (1,231,708) |
| Inventories losses/write-downs | | (828,880) | (344,075) |
| Gain (loss) on actuarial valuations | 7 | 2,363,782 | (12,280,604) |
| | | (3,669,937) | (13,856,387) |
| Operating surplus/deficit | | (3,669,937) | (13,856,387) |
| Surplus before taxation | | 66,778,085 | 64,125,286 |
| Taxation | | - | - |
| Surplus for the year | | <u>66,778,085</u> | <u>64,125,286</u> |

6.2. GRANTS AND SUBSIDIES

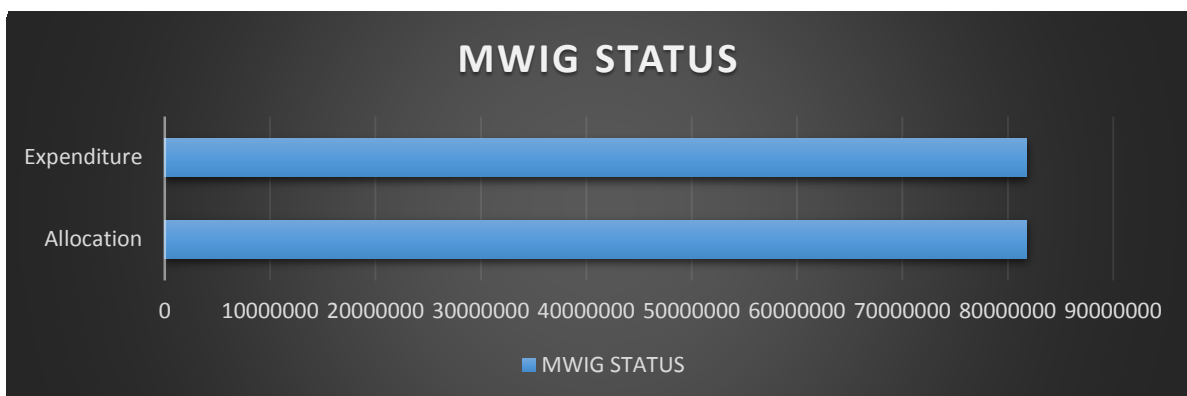
Grant allocation to the value of R621, 619, 784 was received from various funders during the 2016/2017 financial year. The allocations comprised R332, 370,000 unconditional grants and the balance being conditional grants. Of the total allocations received an amount of R289, 249, 784 was recognized as revenue.

| Grants vs Expenditure Status | | | |
|------------------------------|---------------|---------------|-------------|
| Grant | Allocation | Expenditure | Balance |
| MIG | 178, 506, 000 | 178, 506, 000 | 0 |
| MWIG | 81, 807, 000 | 81, 807, 000 | 0 |
| RBIG | 64, 000, 000 | 12, 605, 020 | 51, 394,980 |
| RRAMS | 2, 378, 000 | 1, 166 653 | 1, 211,347 |
| | | | |

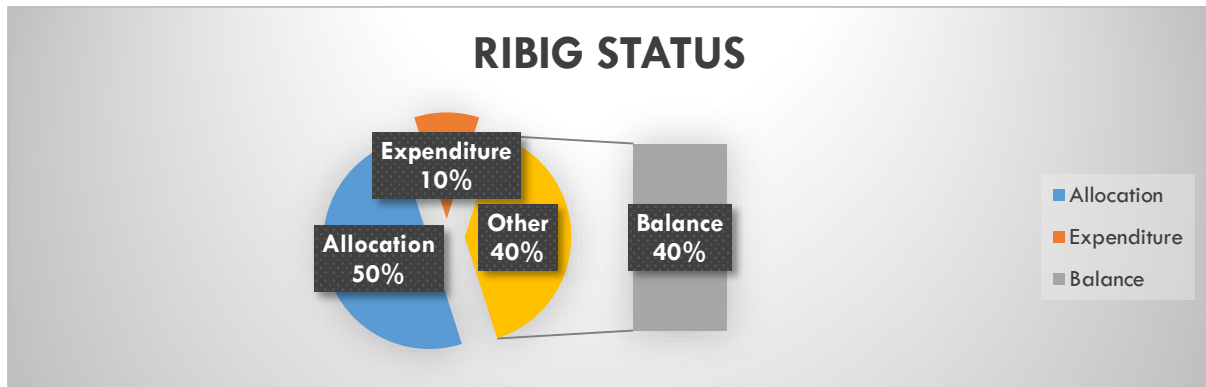
MIG Status



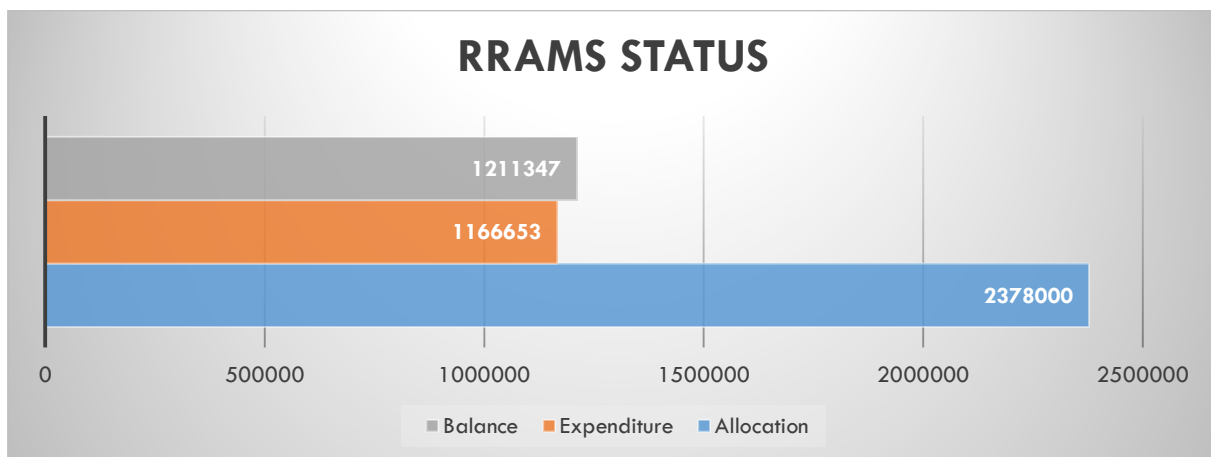
MWIG Status



RIBIG Status



RRAMS Status



6.3. ASSETS MANAGEMENT

The utilization and management of property, plant and equipment is the prime mechanism by which a municipality can fulfil its constitutional mandate for delivery of sustainable services and providing the basic needs to the community.

Assets are maintained and recorded in the fixed asset register which is in the format that complies with current standards of accounting practice and in accordance with the applicable GRAP as well as National Treasury.

Largest Assets Acquired

Asset 1

| Name | Ladysmith Water Treatment Works | | | |
|-------------|---------------------------------|-----------|-----------|-----------|
| Description | Water Treatment Works | | | |
| Asset Type | Infrastructure | | | |
| | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 |

| | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|
| Asset value | R 35 456 666 | R 33 858 766 | R 32 317 893 | R 30 389 636 |
| Policies in place to manage asset | Yes | | | |

Asset 2

| Name | Gorge Cross Water Treatment Works | | | |
|-----------------------------------|-----------------------------------|-------------|-------------|-------------|
| Description | Water Treatment Works | | | |
| Asset Type | Infrastructure | | | |
| | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 |
| Asset value | R49 213 159 | R47 309 389 | R45 685 680 | R43 676 465 |
| Policies in place to manage asset | Yes | | | |

Asset 3

| Name | Ezakheni Water Treatment Works | | | |
|-----------------------------------|--------------------------------|--------------|-------------|-------------|
| Description | Water Treatment Works | | | |
| Asset Type | Infrastructure | | | |
| | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 |
| Asset value | R37 390 873 | R 35 252 256 | R33 480 076 | R30 841 611 |
| Policies in place to manage asset | yes | | | |

6.4. INVESTMENTS, CASH FLOWS AND BORROWINGS

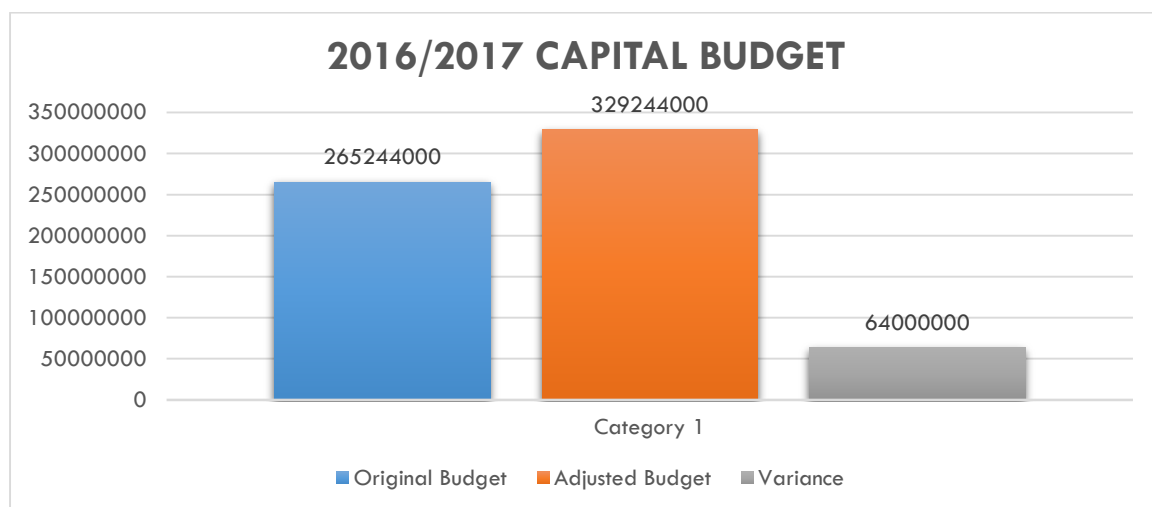
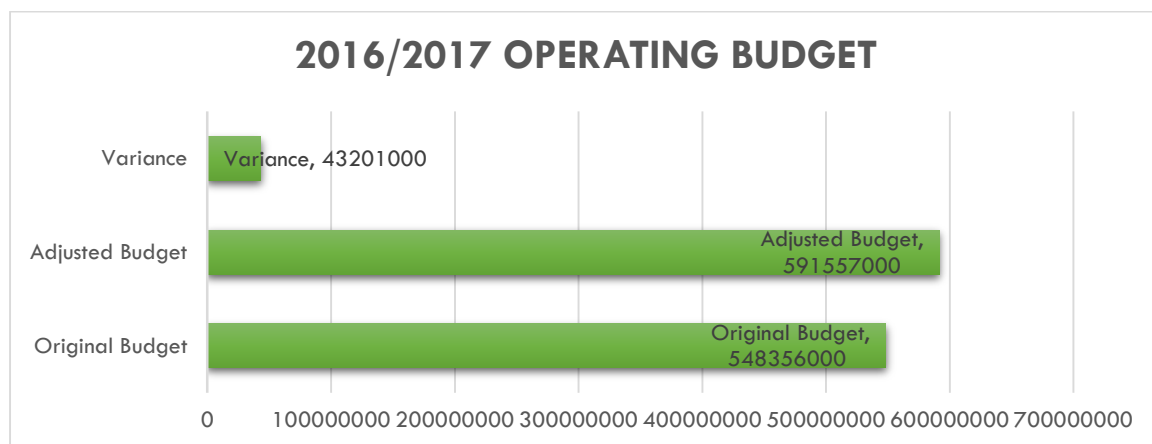
Compliance with all legislation applicable to local government and the compilation of fully GRAP compliant financial statements has been a challenging task which has been overcome through the cooperation of every department within the finance section. All inputs are coordinated by the Management accounts section and such information ultimately forms the core of the Annual Financial Statements.

The following table depicts some of the key ratios which gives a snap shot of the performance of the district municipality over the years.

| Ratio | 2015/2016 | 2016/2017 |
|---------------|-----------|-----------|
| Current Ratio | 0.95 | 0.66 |
| Debt Coverage | 0 | 0 |
| Cost Coverage | 1 Month | -3 months |

COMPONENT B: BUDGET AND REPORTING

| 2016/2017 Adjustment Budget Summary | | | |
|-------------------------------------|-----------------|-----------------|---------------------|
| Areas of Focus | Original Budget | Adjusted Budget | Variance |
| Operating Budget | 548,356,000 | 591,557,000 | 43,201,000 (7,87%) |
| Capital Budget | 265,244,000 | 329,244,000 | 64,000,000 (24,12%) |
| | | | |



Challenges Facing Municipalities' Budgets

- Global economic meltdown
- Huge maintenance and service delivery backlogs
- Rising cost of Operations and Maintenance of water schemes
- Persistent drought in the region, requiring carting of potable water
- Maintaining collection rates at targeted levels
- Unpredictable sporadic changes to cost of fuel
- Increasing cost of electricity

- High maintenance and refurbishment expenditure of ageing infrastructure

6.4. EXPENDITURE

The Expenditure Section is structured into several subsections so as to ensure that adequate focus is placed on every aspect i.e. stringent monitoring of payments so as to comply with the requirements of the MFMA Act, as the accurate and timeous payments of staff salaries.

The core vision of the expenditure section, is to, with very limited resources, endeavour to settle payments timeously and ensure that payments are valid, accurate and in accordance with the statutory bodies such as SARS, National Treasury etc. The department also attempts to pay Service Providers within 14 working days of receipt of invoices, to assist small businesses who are cash-strapped.

The challenges that are faced by the department are that of the suppliers' inability to send invoices and required documents on time in order to enable the department to fully achieve the vision of timeous payments of creditors.

CHAPTER 7 – AUDITOR GENERAL AUDIT FINDING

7.1. AG REPORT 2015/2016

2015/16 Audit Opinion

The Consolidated Annual Financial Statements for 2015/2016 were submitted to the Auditor-General on 31 August 2016 for auditing in compliance with Section 126 (1) (b) of the MFMA. An unqualified Audit Report was received.

APPENDIX A: PORTFOLIO COMMITTEES

| Committee | Members | Planned Meetings | Actual Meetings Held | Comments |
|--|---------|------------------|----------------------|---|
| Planning, Local Economic Development, Disaster Management, Special Programmes, Communications, Public Participation and Operation Sukuma Sakhe Portfolio Committee | 7 | 12 | 7 | The sitting is based on the 12 planned meetings as per the yearly schedule, due to the elections in August 2016 meetings were only held from October 2016 |
| Finance and Budget Portfolio Committee, | 5 | 12 | 8 | |
| Corporate Services and Performance Management Portfolio Committee | 5 | 12 | 8 | |
| Water, Sanitation, Technical and Municipal Health Portfolio Committee. | 7 | 12 | 10 | |

APPENDIX B: COUNCILLOR COMMITTEE AND ATTENDANCE ANALYSIS REPORT – COUNCIL MEETINGS

| Council Members | Party Represented | Number of Meetings for the Year | Number of Meetings Attended | Number of Special Council Meetings | Reasons for Not Attending |
|-----------------|-------------------|---------------------------------|-----------------------------|------------------------------------|---|
| Buthelezi SM | IFP | 12 | 7 | 2 | Absent x 3, Absent with apology x 1 |
| Dladla BS | ANC | 12 | 10 | 2 | Absent |
| Dlamini TP | IFP | 12 | 10 | 2 | Absent with apology |
| Dlungwane BS | ANC | 12 | 11 | 2 | |
| Hadebe NM | IFP | 12 | 11 | 2 | |
| Khoza MM | IFP | 12 | 10 | 2 | Absent |
| Khumalo SZ | ANC | 12 | 11 | 2 | |
| Khumalo MV | ANC | 12 | 11 | 2 | |
| Majola EM | IFP | 12 | 7 | 2 | 3 Meetings were coinciding with Inkosi Langalibalele Local Municipality |

| | | | | | |
|-------------------|-----|----|----|---|---|
| Mazibuko AS | ANC | 12 | 10 | 1 | Absent with apology x 2 |
| Mazibuko DCP (Ms) | ANC | 12 | 10 | 1 | Absent with apology x 2 |
| Mbhele GE (Ms) | IFP | 12 | 10 | 2 | Absent |
| Mbhele MB | ANC | 12 | 10 | 2 | Absent with apology |
| Mbongwa NKP (Ms) | IFP | 12 | 11 | 2 | |
| Mbongwa SE | ANC | 12 | 6 | 2 | Elected as representative in October 2016, Absent x 1 |
| Mdluli GS | DA | 12 | 11 | | Absent with apology x 1, Absent x 1 |
| Mfuphi PAM | ANC | 12 | 11 | 1 | Absent x 1 |
| Mhlongo XF (Ms) | IFP | 12 | 10 | 2 | Absent with apology |
| Mkhize MA | ANC | 12 | 6 | | DECEASED - FEB' 2017 |
| Mkhize MC | IFP | 12 | 10 | 2 | Absent, 3 meetings coinciding with Inkosi Langalibalele LM |
| Mlotshwa MN (Ms) | ANC | 12 | 10 | 1 | Absent with apology |
| Msibi SZP (Ms) | ANC | 12 | 11 | 1 | Absent |
| Msimanga MH | ANC | 12 | 11 | 1 | Absent |
| Msobomvu Z | EFF | 12 | 8 | 1 | Absent |
| Mvelase SA | IFP | 12 | 10 | 2 | Absent with apology |
| Ndaba G (Ms) | ANC | 12 | 5 | 2 | Elected in Feb'17 |
| Ndumo ES | ANC | 12 | 7 | 2 | Absent with apology x1, 3 Meetings were coinciding with Inkosi Langalibalele Local Municipality |
| Njapha TB | ANC | 12 | 10 | 1 | Absent |
| Shabalala SV (Ms) | IFP | 12 | 9 | 1 | Absent with apology x 2' Absent x 1 |
| Shabalala TP (Ms) | ANC | 12 | 11 | 2 | |
| Sibiya NW (Ms) | ANC | 12 | 11 | 2 | |
| Suddaby MR | DA | 12 | 10 | 1 | Absent with apology |
| Zikalala NL (Ms) | ANC | 12 | 11 | 1 | Absent |

APPENDIX C: POWERS AND FUNCTIONS OF DISTRICT AND LOCAL MUNICIPALITIES

A municipality has all the powers and functions assigned to it in terms of sections 156 and 229 of the Constitution, and must exercise them subject to Chapter 5 of the Municipal Structures Act.

The Municipal Structures Act of 1998 made provision for the division of powers and functions between district and local municipalities. It assigned district-wide functions to district municipalities and most day-to-day service delivery functions to local municipalities. The provincial MECs were empowered to adjust these powers and functions according to the capacity of municipalities to deliver services.

The powers and functions of Uthukela District Municipality are as follows:

- a. Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
- b. Potable water supply systems.
- c. Domestic waste-water and sewage disposal systems.
- d. Municipal health services.
- e. Promotion of local tourism for the area of the district municipality.
- f. Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.
- g. The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.
- h. The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.

APPENDIX D: PROJECT CONSTRUCTION PER WARDS PER LOCAL MUNICIPALITY

| | Project Name | Location | Ward | Project Value | Expenditure |
|---|---|----------------------------|----------------|-----------------|-----------------|
| 1 | Kwanobamba/Ezitendeni water project-Phase 2 A | Inkosi Langalibalele Local | 5 and 8 | R 20,772,079.86 | R 21,403,866.70 |
| 2 | Kwanobamba/Ezitendeni water project-Phase 2 B | Inkosi Langalibalele Local | 8 | R 5,174,182 | R 5,749,091.43 |
| 3 | Fitty Park Phase 2 Reticulation | Alfred Duma Local | 7,28,29and 31 | R 3,708,811.49 | R 3,880,415.28 |
| 4 | Ezakheni E Sanitation Infrastructure Upgrading | Alfred Duma Local | 6 and 7 | R 6,345,177.44 | 6,926,414.39 |
| 5 | Bhekuzulu/Ephangwini Phase 7 (bulk) | Inkosi Langalibalele Local | 12 | R 7,467,899.10 | R 6,415,972 |
| 6 | Bhekuzulu/Ephangwini Phase 8 (bulk) | Inkosi Langalibalele Local | 13 | R 16,342,339.17 | R 18,696,760.24 |
| 7 | Ntabamhlophe CWSS Phase 13 | Inkosi Langalibalele Local | 2 | R 15,474,598.51 | R 15,480,635.87 |
| 8 | Lombardskop Bulk Water Feeder Main and Appurtenant Work | Alfred Duma Local | 9,20,14 and 27 | R 38,098,064.52 | R 40,325,609.53 |

APPENDIX E: SERVICE PROVIDERS PERFORMANCE FOR CAPITAL PROJECTS

UThukela District Municipality-Assessment of External Service Providers

Section 46 of Municipal Systems Act requires reflection on the performance of service providers

| | Project Name | Consulting Engineers | Contractor | Project Value | Expenditure | Start Date | End Date | Progress | | Site Establishment | Development of safety file | Implementation of EPWP programme | Skills Transfer Methodology | Overall Performance |
|---|--|----------------------|-------------------------|-----------------|-----------------|------------|-----------|------------------|--------------------------|--------------------|----------------------------|----------------------------------|-----------------------------|---------------------|
| | | | | | | | | Target | Actual | | | | | |
| 1 | Kwanobamba/Eziteneni water project-Phase 2 A | ECA | Shula | R 20,772,079.86 | R 21,403,866.70 | 24-Mar-16 | 19-Jun-17 | 98% | 100% | Yes/No | Yes/No | Yes/No | Yes/No | Yes/No |
| | | | | | | | | | | Yes | Yes | Yes | Yes | Yes |
| 2 | Kwanobamba/Eziteneni water project-Phase 2 B | ECA | Hydrotech | R 5,174,182 | R 5,749,091.43 | 30-Mar-17 | 28-Jun-18 | 15% | 25% | Yes | Yes | Yes | Yes | Yes |
| 3 | Fitty Park Phase 2 Reticulation | Sivest Consulting | R&D Contractor | R 3,708,811.49 | R 3,880,415.28 | 18-Oct-16 | 14-Jun-18 | 45% | 43% | Yes | Yes | Yes | Yes | Yes |
| 4 | Ezakheni E Sanitation Infrastructure Upgrading | Sukuma Consulting | Sinethemba Construction | R 6,345,177.44 | 6,926,414.39 | 28-Nov-16 | 29-Jun-18 | 2km reticulation | 6.8km reticulation lines | Yes | Yes | Yes | Yes | Yes |
| 5 | Bhekuzulu /Ephang | Sukuma Consulting | Winwater | R 7,467,899.10 | R 6,415,972 | 22-Feb-16 | 18-May-16 | 40% | 43% | | | | | |

| | | | | | | | | | | | | | | | |
|---|---|-------------------|--------------------|-----------------|-----------------|-----------|-----------|-----|-----|--|-----|-----|-----|-----|-----|
| | wini Phase 7 (bulk) | | electric al | | | | | | | | | | | | |
| 6 | Bhekuzulu /Ephang wini Phase 8 (bulk) | Sukuma Consulting | JJS Leomat | R 16,342,339.17 | R 18,696,760.24 | 30-May-16 | 30-Sep-17 | 45% | 65% | | Yes | Yes | Yes | Yes | Yes |
| 7 | Ntabamhlophe CWSS Phase 13 | JG Afrika | SBT Civils | R 15,474,598.51 | R 15,480,635.87 | 3-Feb-16 | 3-Oct-17 | 93% | 96% | | Yes | Yes | Yes | Yes | Yes |
| 8 | Lombardskop Bulk Water Feeder Main and Appurtenant Work | WMN Consultancy | Esoor Construction | R 38,098,064.52 | R 40,325,609.53 | 24-Feb-16 | 24-Jan-17 | 98% | 99% | | Yes | Yes | Yes | Yes | Yes |

APPENDIX F: RECOMMENDATIONS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE 2016/2017

| Date of meeting | Committee recommendations | Recommendation adopted (Y/N) |
|-----------------|---|------------------------------|
| 22 August 2016 | The Council and management need to further enhance internal controls over SCM processes; as findings in this area revealed that there is need for improvement, especially as the breakdown in the processes in SCM has led to the delays in the commencement of the current year's capital projects, which has a negative effect on service delivery. | Y |
| | Management should ensure that accurate, reliable and complete financial and performance information is submitted quarterly for review by the Committee. This information must be further supported by suitable evidence. | Y |

| | | |
|------------------------|--|---|
| | Management should prioritise the implementation of the Internal audit and AG action plans, to ensure that matters raised by the Internal audit and the AG are addressed timeously, especially qualification matters. | Y |
| | Council and management need to urgently implement the policy and monitoring controls over performance management and reporting, including holding management accountable for the non-submission of relevant information supporting actual performance. | Y |
| | Management to review the current system for document management at the municipality, at the moment there are still instances where documents cannot be located. This could potentially lead to a limitation scope and could affect the audit opinion negatively. | Y |
| | The cash flow management plan should be closely monitored by Council and management, and there must be clear recovery plans, with clear timelines and targets. The municipality must identify critical expenditure and prioritise this, and all other incurred must be closely monitored and re prioritised. A financial recovery task team must be formed, and this team will be asked with only looking at the financial position the municipality | Y |
| | The municipality must focus on the credit management at the municipality, in order to improve the collect of outstanding balances owed by debtors. This should also form part of the credit management strategy | Y |
| | Management must review the use of consultants at the municipality against the capacity and resources available, where capacity does not exist, management must formulate a plan for the of transfer of the procured skills to the municipality, including a review of the organogram. | Y |
| | Water losses must be investigated and management to formulate a plan for the minimisation of water losses at the municipality | Y |
| | Unauthorised, irregular, fruitless and wasteful expenditure must be properly investigated to determine the root cause and whether any person was liable for it. | Y |
| 31 October 2016 | The Audit and Performance committee Charter and Work Plan be approved | |
| 12 April 2017 | Council and management need to exercise stricter monitoring controls over performance management and reporting, including holding management accountable for the non-submission of relevant information supporting actual performance | Y |
| | The cash flow management plan should be closely monitored by Council, the steering committee and management, and there must be clear recovery plans, with clear timelines and targets. The municipality must identify critical expenditure and prioritise this, and all other non-critical expenditure incurred must be closely monitored | Y |

| | | |
|---------------------|---|---|
| | Requisitions and payments must be approved by the cash flow steering committee in order to ensure that spending is controlled in line with the recovery plan. | Y |
| | In general there has to be stricter budgetary controls over expenditure at the municipality, especially for high value items like salaries, security, water tankers, fuel and oil etc. This will assist in improving the cash flow position at the municipality. | Y |
| | The municipality must focus on the credit management at the municipality, in order to improve the collection of outstanding balances owed by debtors. This should also form part of the cash flow management strategy. | Y |
| | Management must review the use of consultants at the municipality against the capacity and resources available, where capacity does not exist, management must formulate a plan for the of transfer of the procured skills to the municipality, including a review of the organogram. | Y |
| 28 June 2017 | That Council and management considers the provisions of this section of the Act (section 135 of the MFMA) in addressing the challenges faced by the municipality. | Y |

CONCLUSION

The Uthukela District Municipality served the community with distinction during the 2016/2017 financial year. This report clearly demonstrates the commitment of the municipality to ensure that the local community have access to their basic needs. After almost five years at the forefront of this battle, it is quite humbling to account to the citizens of Uthukela District Municipality on how we have responded to this clarion call.

Uthukela District Municipality present this report mindful of the disastrous socio-economic conditions in the District. We are aware of the many young people sitting in their villages and townships looking for odd jobs, of the young graduates going from pillar to post trying to find employment, the young entrepreneurs seeking opportunities to grow and build sustainable businesses.

Uthukela District Municipality is also aware of the good work carried by the District despite the disparaging current economic situation in the district, province and that of our country at large. As a district municipality, we are guided by amongst others, five (5) pillars of Back to Basics for Local Government, the National Development Plan, Uthukela District Municipality 2030 Growth Development Strategy and all other policy frameworks pertinent to the work of local government.

We pride ourselves, as a District, with a municipality that belongs to the people and that works for and with the people. We have placed the promotion of community engagement at the centre, which is critical in enabling communities to provide feedback on their experience regarding the municipality.

We wish to express our appreciation to the newly elected Municipal Council, Mayor and his Executive Committee, and the Executive Management Team together with all municipal employees for their continued willingness to strive to the top and ensuring that Uthukela District Municipality is well on its way to becoming one of the institutes who excel in service delivery.