2013/14

DRAFT ANNUAL REPORT

NEWCASTLE MUNICIPALITY

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APPENDIX 3 – DRAFT ANNUAL FINANCIAL STATEMENTS 2013/14

PREFACE

Legislative

Section 121 of the Local Government : Municipal Finance Management Act 56 of 2003 (MFMA) stipulates that "

Every municipality and every municipality entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.
The purpose of an annual report is-

To provide a record of activities of the municipality or municipal entity during the financial year to which the report relates;
To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
To promote accountability to the local community for the decision made throughout the year by the municipality or municipality entity

The annual report of the municipality must include-

- ✓ *The annual financial statements of the municipality, and in addition, if section 122 (2) applies, consolidated annual financial statements, as submitted to the Auditor General for audit in terms of section 126 (1);*
- ✓ *The Auditor General report in terms of section 126 (3) on those financial statements.*
- ✓ *The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal System Act;*
- ✓ *The Auditor General's audit report in terms of section 45 (b) of the Municipal Systems Act.*
- ✓ *An assessment by the municipality 's accounting officer of any arrears on municipal taxes and service charges;*
- ✓ *An assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17 (3) (b) for revenue collection from each revenue sources and for each vote in the municipality's approved budget for the relevant financial year;*
- ✓ *Particulars of any corrective action taken or to be taken in response to the issues raised in the audit reports referred to in paragraphs (b) and (d)*
- ✓ *Any explanation that maybe necessary to clarify issues that in connection with the financial statements;*
- ✓ *Any information as determined by the municipality;*

- ✓ *Any recommendations of the municipality's audit committee; and*
- ✓ *Any other information as may be prescribed.*
- ✓ *The annual report of a municipal entity must include-*
- ✓ *The annual financial statements of the entity as submitted to the Auditor General for audit in terms of section 126 (2) on those financial statements*
- ✓ *The Auditor General's audit report in terms of section 126 (3) on those financial statements;*
- ✓ *An assessment by the entity's accounting officer of any arrears on those financial statements;*
- ✓ *An assessment by the entity's accounting officer of the entity's performance against any measurable performance objectives set in terms the service delivery agreement or other agreement between the entity and its parent municipality*
- ✓ *Particulars of any corrective action taken or to be taken in response to issues raised in the audit report referred to in paragraph (b);*
- ✓ *Any information as determined by the entity or its parent municipality;*
- ✓ *Any recommendations of the audit committee of the entity or its parent municipality; and*
- ✓ *Any other information as may be prescribed."*

ABBREVIATIONS

AG	-	Auditor-General
BEE	-	Black Economic Empowerment
CBD	-	Central Business District
CBP	-	Community Based Planning
CIF	-	Capital Investment Framework
COGTA	-	Co-operative Governance and Traditional Affairs
DBSA	-	Development Bank of South Africa
DAERD	-	Department of Agriculture, Environmental Affairs and Rural Development
DLTGA	-	Department of Local Government and Traditional Affairs (Now Cogta)
DME	-	Department of Minerals and Energy
DOE	-	Department of Education
DOH	-	Department of Housing
DORA	-	Division of Revenue Act
DOT	-	Department of Transport
DWAF	-	Department of Water Affairs and Forestry
EIA	-	Environmental Impact Assessment
EPWP	-	Extended Public Works Programme
EXCO	-	Executive Committee
GGP	-	Gross Geographical Product
GIS	-	Geographical Information System
HIV/AIDS	-	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
ICT	-	Information Communication Technology *also referred to as IT*
IT S	-	Information Technology
IDP	-	Integrated Development Plan
IDP RF	-	Integrated Development Plan Representative Forum
IWMP	-	Integrated Waste Management Plan
KPI	-	Key Performance Indicator
KZN	-	KwaZulu-Natal
LED	-	Local Economic Development
LGTAS	-	Local Government Turn Around Strategies
LRAD	-	Land Redistribution for Agricultural Development

LUMS	-	Land Use Management System
MEC Affairs)	-	Member of the Executive Council (Local Government and Traditional
MDB	-	Municipal Demarcation Board
MFMA	-	Municipal Finance Management Act No. 56 of 2003
MIG	-	Municipal Infrastructure Grant
MPAC	-	Municipal Public Accounts Committee
MTCF	-	Medium-term Capital Framework
MTEF	-	Medium-Term Expenditure Framework
MTSF	-	Medium-Term Strategic Framework
NHBRC	-	National Home Builders Registration Council
NNTAS	-	Newcastle Turnaround Strategy
NSDP	-	National Spatial Development Perspective
NWMS	-	National Waste Management Strategy
PSEDS	-	Provincial Spatial Economic Development Strategies
PGDS	-	Provincial Growth and Development Strategy
PMS	-	Performance Management System
PIMS	-	Planning, Implementation and Management System
PMS	-	Performance Management System
PMU	-	Project Management Unit
PPP	-	Public-Private Partnership
PSEDS	-	Provincial Spatial Economic Development Strategy
PTP	-	Public Transport Plan
RDP	-	Reconstruction and Development Programme
RSC	-	Regional Service Centre
SADC	-	Southern Africa Development Community
SCOPA	-	Standing Committee on Public Accounts
SEA	-	Strategic Environmental Assessment
SDF	-	Spatial Development Framework
SDBIP	-	Service Delivery and Budget Implementation Plan
SDP	-	Site Development Plan
SMME	-	Small, Medium and Micro Enterprise
TA	-	Tribal Authority
TLC	-	Transitional Local Council
VTC	-	Voluntary Testing and Counseling
WSB	-	Water Services Backlog
WCDM	-	Water Conservation and Demand Management
WSDP	-	Water Services Development Plan

BIBLIOGRAPHY

1. IDP 2013/14
2. National Treasury website (www.treasury@gov.za)
3. Local Government Turn Around Strategy
4. Newcastle Municipality Annual Financial Statements 2013/14
5. Report of the Auditor-General for the Newcastle Municipality for 2013/14
6. UThukela Water Annual Report 2013/14
7. Newcastle Municipality Annual Performance Report 2013/14
8. Annual Report of the IT section 2013/14
9. All relevant policies and frameworks
10. All relevant legislation

ACKNOWLEDGEMENT

Special Thanks to :

- ✓ *Councillors and officials of the Newcastle Municipality*
- ✓ *Officials of Uthukela Water (Pty) LTD*
- ✓ *Officials of the Office of the Auditor-General*
- ✓ *Officials of Cogta*
- ✓ *Audit Committee of the Newcastle Municipality*

Information required	Council Consideration and questions	

Financial Matters	Financial reporting to be considered	Responsible Official
The annual financial statement (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General	Draft AFS attached as Annexure 1	CFO/KPMG
The Auditor-General's reports on the financial statement of the municipality and the entities	Pending	CRO
Any explanations that may be necessary to clarify issues in connection with the financial statements	Explanations will be provided under each note to the AFS	CFO/KPMG
An assessment by the accounting officer on any matters on municipal taxes and services charges, including municipal entities	Included	CFO/KPMG/ SED : Technical Services (WSA)
Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports	This will be addressed upon receipt of the audit report.	CFO/KPMG/CRO
An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives	To be included after final AFS is compiled	CFO/KPMG

Financial Matters	Financial reporting to be considered	Responsible Official
for revenue collection from each revenue source and for each vote in the approved budget		
An assessment by the municipal entity's accounting officer of the entity's performance against any measurable performance objectives set in terms of the service deliverey agreements or other agreement between the entity and the municipality	Included + SDBIP from UTW	SED : Technical Services (WSA)
Any information as determined by the municipality, the entity or its parent municipality	None	MM/COO
Recommendations of the audit committee in relation to the AFS and the audit report of the municipality and its entities	Pending	Chairperson of Audit Committee

Allocations received and made	Considerations	Responsible Official
Allocations received by and made to the municipality	Included in the Notes To Financial Statements Note 24	CFO/KPMG
Allocations received and made to the municipality entity	None	CFO/KPMG
Information in relation to the use of allocations received	Included in the Notes To Financial Statements	CFO/KPMG

Allocations received and made	Considerations	Responsible Official
	Note 19	
Information in relation to outstanding debtors and creditors of the municipality and entities	Notes 12 and 17 to the AFS have details of outstanding debtors and creditors respectively	CFO/KPMG

Disclosures in notes to AFS	Considerations relating to section 124	Responsible Official
Information relating to the benefits paid by municipality and entity to councilors, directors and officials	Included in the Notes to Financial Statements, Note 25 – Employee Related Cost. Note 26 – Remuneration of Councillors	CFO/KPMG

Municipal Performance	Considerations	
The annual performance reports of the municipality and entities	Included with Annual performance Report and will be appendix to Annual report	Performance Manager : SED : Technical Services (WSA)

Municipal Performance	Considerations	
Audit report on performance	Pending	CRO
Performance of municipal entities and municipal service providers		Performance Manager : SED : Technical Services (WSA)
For municipal entities –an assessment of the entity's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between in entity and municipality	Included Uthukela Waters SDBIP	SED : Technical Services (WSA) and Uthukela Water

General information	The following general information required to be disclosed in the annual report.	Responsible Official
Relevant information on municipal entities	Annual report from Entity pending	SED : Technical Services (WSA)
The use of any donor funding support	None	CFO/KPMG
Agreement, contracts and projects under Private -Public-Partnerships	None	CFO/KPMG
Service delivery performance on key service provided	Included in Annual performance Report	Performance Manager
Information technology and systems purchases and the	Included	Director : IT

General information	The following general information required to be disclosed in the annual report.	Responsible Official
effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations		
Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework	Included	SED : Technical Services

CHAPTER 1

MAYOR'S STATEMENT ON POLICY AND COMMITTMENT

To be inserted

_____

Mayor, Cllr Afzul Rehman

FORE-WORD OF THE MUNICIPAL MANAGER

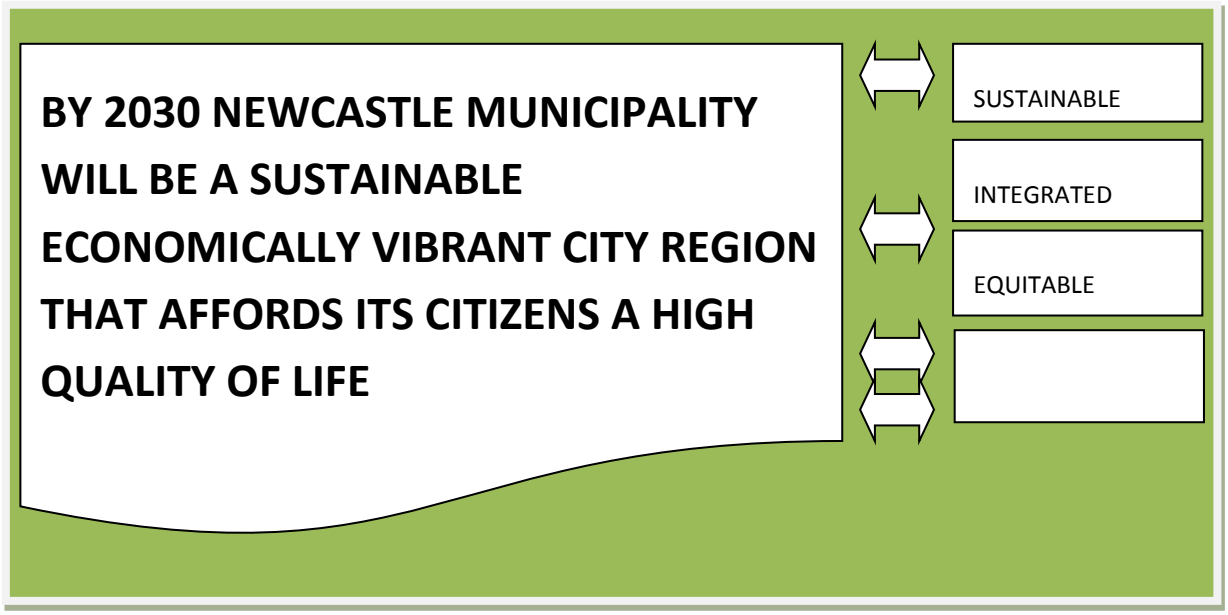
Kebone Masange

To be inserted

MR K MASANGE(Mr)
Municipal Manager

VISION

The Vision of the Newcastle Municipality is :



MISSION STATEMENT

The Mission of the Newcastle Municipality is:

Newcastle Municipality commits to the following mission Statement:

- **Render sustainable services**
- **Creating an environment conducive to economic growth.**
- **To become the Regional Centre for Investment attraction for Northern KZN.**
- **Improve service delivery.**
- **Offer good governance and public participation.**
- **Best ITC municipality in the local government sphere**

VALUE SYSTEM

It was considered appropriate to develop and promote organisational culture as follows :

NATION BUILDING

EQUITY

WELLBEING

CUSTOMER SATISFACTION

ACCOUNTABLE

SUSTAINABLE

TRANSPARENT

LEADERSHIP

EFFICIENT/EFFECTIVE/ECONOMICAL/EXCELLENCE

HIGH LEVEL STRATEGIES

The Development strategy for the NLM is designed to fit-in and give effect to the intention of both the national and provincial development strategies. This includes at a national development plan (Vision 2030) and various government programs. NLM IDP also fits within the provincial development framework as set out in the PGDS. The NLM strategy covers the following:

- Strategic fit (alignment with national and provincial development strategies).
- NLM long-term strategic direction and organizational culture.
- NLM short to medium term strategies and action plans.

ALIGNMENT WITH NATIONAL AND PROVINCIAL STRATEGIES

STRATEGIC FIT: NATIONAL

The strategic approach is meant to highlight the impact that the municipality seek to create in the short to long term period. As indicated in the IDP, in addition to outcome 9, the NLM will contribute to the attainment of outcomes 2, 4, 5, 6, 8, 9, 10 and 12 with the 5 KPA as the strategic areas for intervention. As such, the development strategy for the NLM is designed to address issues that are specific to the NLM while also contributing to the attainment of the national and provincial priorities.

LOCAL GOVERNMENT TURN AROUND STRATEGY

In line with the National Turnaround strategy, the Newcastle Municipality also strives to address the turnaround priorities as identified below. The PMS of the municipality caters for the monitoring of targets set against these activities as included in the IDP.

The outcomes of meeting these objectives as identified by the Local Government Turnaround Strategy include:

- The provision of household infrastructure and services
- The creation of live-able, integrated and inclusive cities, towns and rural areas
- Local economic development
- Community empowerment and distribution

Accordingly Newcastle Municipality has prioritised the following as part of the municipal turnaround strategy:

- Service Delivery (Maintenance existing levels, Rehabilitation of infrastructure and backlogs)
- Fast Track Sustainable Human Settlements through Housing and Rural Development Program
- Develop Consolidated Infrastructure Plan and Capital Investment Plan for implementation

- Debt Management – increase payment factor
  - ✓ Revenue enhancement
  - ✓ Debt Control
  - ✓ Revenue Collection
- Integration and Co-ordination (Establishment of Economic Forums)
- Clean Audit by 2014
- Intergovernmental relations
- Identify infrastructure that support economic development
- Development of Communication Strategy
- Halving poverty and unemployment by 2014

LOCAL GOVERNMENT OUTCOME 9

The national government has adopted an Outcomes Based Approach to development as a means to focus government initiatives and manage public expectations. Based on the Medium Term Expenditure Framework (MTEF), Outcome 9 deals with local government and affects Newcastle Municipality directly. It moves from a premise that local government is a key part of the reconstruction and development effort in South Africa, and that aims of democratizing society and growing the economy inclusively can only be realized through a responsive, accountable, effective and efficient local government system that is part of a developmental state. The Newcastle Municipality PMS also supports Outcome 9 and specific KPI's aligned to outputs specified below are included in both the Organisational scorecard and SDBIP's.

The government has identified the following outputs for Outcome 9:

- Output 1: Implement a differentiated approach to municipal financing, planning and support.
- Output 2: Improving access to basic services
- Output 3: Implementation of the Community Work Programme
- Output 4: Actions supportive of the human settlement outcome
- Output 5: Deepen democracy through a refined Ward Committee Model
- Output 6: Administrative and financial capability
- Output 7: Single window of coordination

PRIORITY ISSUES AS IDENTIFIED IN THE 3RD GENERATION IDP

- ☐ Delivery of human settlements – housing
- ☐ Upgrading and expansion of existing infrastructure
- ☐ Inefficient spatial integration and poor land use management.
- ☐ Poverty and unemployment.
- ☐ Rural development and Urban renewal
- ☐ Public participation and Governance

- ☐ Insecurity of land tenure
- ☐ Infrastructure investment Program
- ☐ Debt collection and management

CHAPTER 2

MUNICIPAL OVERVIEW

LOCALITY AND BACKGROUND

Newcastle is the third largest urban center in KwaZulu-Natal South Africa, and is categorized as a Secondary city and is the biggest municipality within the Amajuba District. Newcastle is located in the North West corner of the province along the Ncandu River and is moderately industrial. The upper part of the Drakensberg mountain range curls along the west side of the town The town was strategically placed in 1854 by the Surveyor General of the Natal Colony, Dr PC Sutherland. The town was later known as the Waterfall River Township because of the Ncandu River. In 1864, the town of Newcastle was founded on the site, becoming the fourth town to be established in Natal. The Town was named after the British Colonial Secretary, the Duke of Newcastle.

Newcastle functioned as a major transport junction and popular stopover for wagons and post chaises during the late 1800s. In 1890, the first train arrived in Newcastle. In 1891, Newcastle was declared a borough. The discovery of coal brought a new era of prosperity to the town and several ambitious building projects were planned for Newcastle in the late 1900's.

DEMOGRAPHIC PROFILE

POPULATION SIZE AND GROWTH PATTERNS

The official government figures reflected in the 2011 census data estimates the total population of the NLM to 363 237 people. This marks a net population increase of 0.87% per annum between 2001 and 2011. It is estimated that the population has grown further to 334 001 people between 2011 and 2012. It is noted that between 1996 and 2001, population increased by 2.93% per annum.

Table 1: Population Growth and Density

District	Population Size	% Share of KZN Population	% Share of Amajuba Population	Area in Square km	Population Density (ppl/km2)
KwaZulu-Natal	10 267 299			93 378	110.8
Amajuba	499 839	4.9		6 921	72.9
Newcastle	363 237	3.5	72.7	1 689	197.7

Emadlangeni	34 440	0.3	6.9	3 714	18.3
Dannhauser	102 162	1.0	20.4	1 518	67.5

Source: Stats SA, 2011 Census Data

This trend is characteristic of the whole district with municipalities such as Dannhauser recording a negative growth rate between 2001 and 2011. Population growth rate in Newcastle is above district average of 0.66% making Newcastle the fastest growing municipality in the district in terms of population.

Newcastle accounts for 73% of the district population. 20% of the district population resides in Dannhauser while only 7% is found in Emadlangeni Municipality.

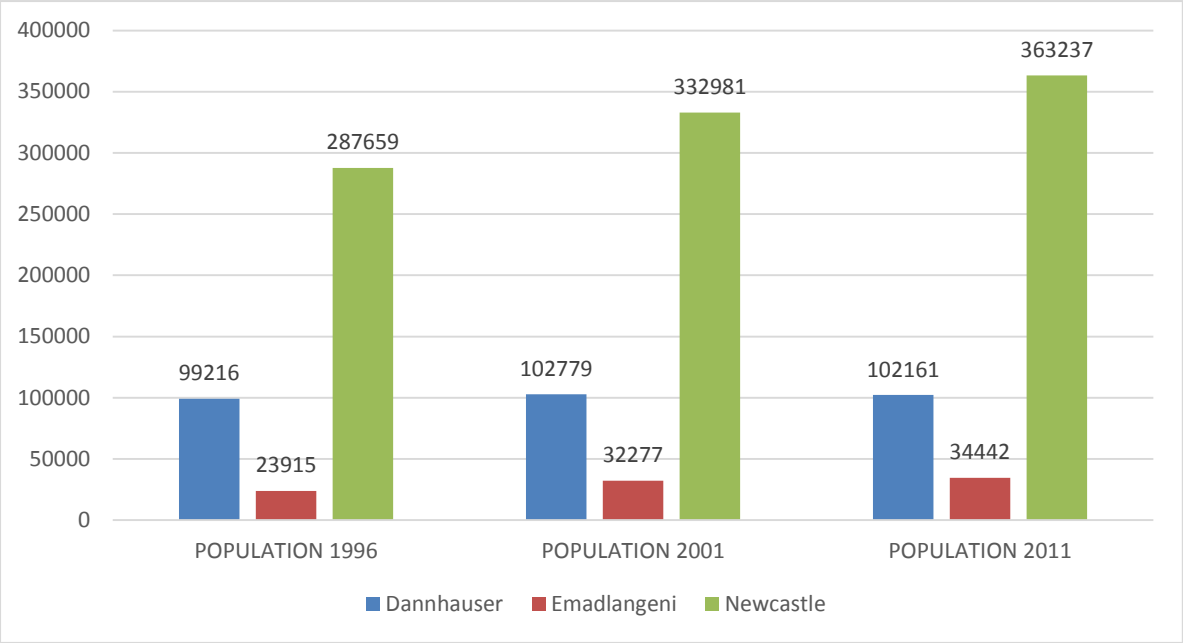
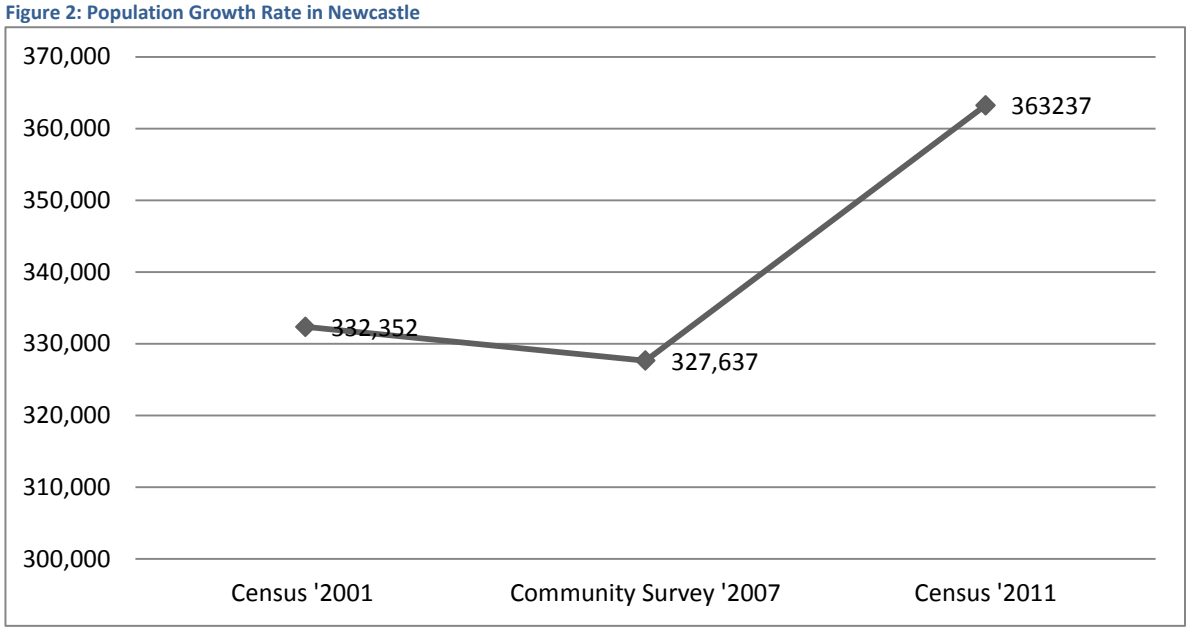


Figure 1: Population Growth in Amajuba District

Source: Stats SA, 2011 Census Data

Figure 2: Population Growth Rate in Newcastle



Source: Stats SA, 2011 Census Data

As indicated in Figure 2 and 3 below, population growth rate in Newcastle is in an upward trajectory with the majority of the growth occurring mainly in the eastern areas – around Madadeni and Osizweni Townships. These are largely underdeveloped areas occupied mainly by low income and poor communities. Current population movement patterns in the region suggest that the urbanization phenomenon continues with factors such as natural growth rate, breakdown in extended families and in-migration being the main drivers. In-migration arises mainly from perceived urban opportunities and prospects for a better life, poor access to services and lack of employment opportunities in the rural hinterland and general decline in employment opportunities in the agricultural sector. Over the last ten years, Newcastle agricultural regional has registered a net decline in both production and employment opportunities.

HOUSEHOLD SIZE

Similarly, Newcastle accounts for the majority (84 272) households found within Amajuba District. This is consistent with the population distribution which suggests that the majority of the population within the district resides in Newcastle Municipality. Average household size is 4.3 people which suggest a slight decline in average household size from recorded in 2001.

Figure 3: Households in Newcastle Municipality and Amajuba District

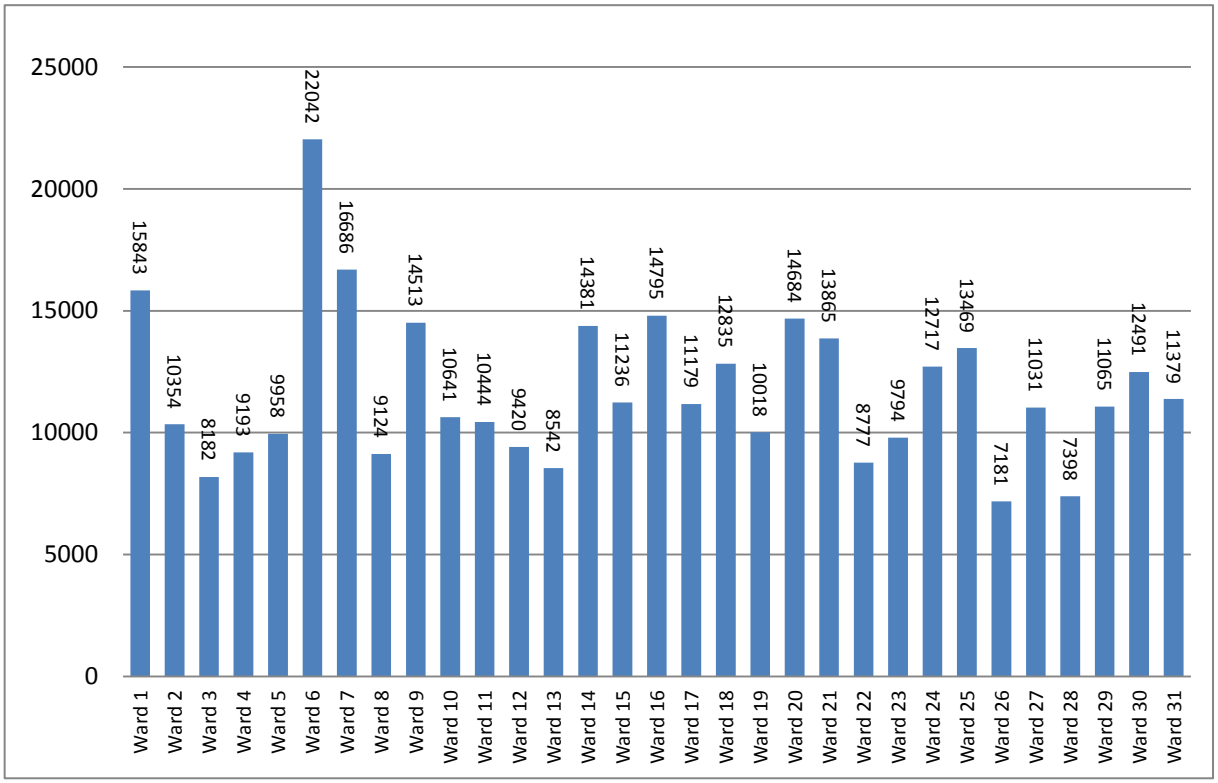
DISTRIBTION OF HOUSEHOLDS BY MUNICIPALITIES	NUMBER OF HOUSEHOLDS		AVERAGE HOUSEHOLD SIZE		FEMALE HEADED HOUSEHOLDS %	
	2001	2011	2001	2011	2001	2011
Newcastle	**71164**	**84272**	**4.6**	**4.3**	**45.1**	**47.5**
Emadlangeni	6187	6252	4.8	5.5	32.2	38.8
Dannhauser	19320	20439	5.3	5.0	48.6	50.7
Amajuba	96670	110963	4.8	4.5	44.9	47.6

Source: Stats SA, 2011 Census Data

The number of households headed by women has increased from 45.1% in 2001 to 47.5% in 2011 in line with the district average of 4.7.6%. This read together with the relative decline in population growth rate suggests an increasing level of circular migration coupled with an increasing breakdown in extended and compounded households.

POPULATION DISTRIBUTION BY WARD

The population is spread unevenly amongst thirty one (31) municipal wards, with ward 6 being the most populated ward followed by ward 7 and ward 1. The main settlement areas that are found in ward 6 include Ncandu Park, Riverside Industrial Area and Arbor Park. Ward 7 comprises of the Airport, Industrial Area, KwaMathukuza Township and parts of Madadeni Township. Ward 1 is rural with settlements such as Kilbarchan, Ingagane and



farmlands with different rural settlements.

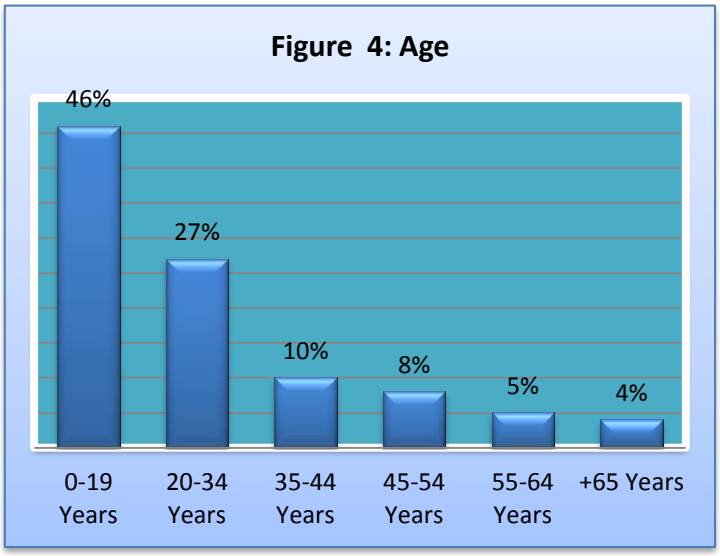
Figure 4: Population Distribution by Ward

Source: Stats SA, 2011 Census Data

AGE STRUCTURE

Newcastle population is relatively young with 46% of the population being younger than 19 years of age, while the age group between 20 and 34 years accounts for 27% of the population. This puts pressure on the provision of e0ducational facilities, social welfare, health services and the stimulation of the economy to provide job opportunities and economic development. In-migration of the youth and economically active population implies an increasing need for recreation, educational facilities and employment opportunities.

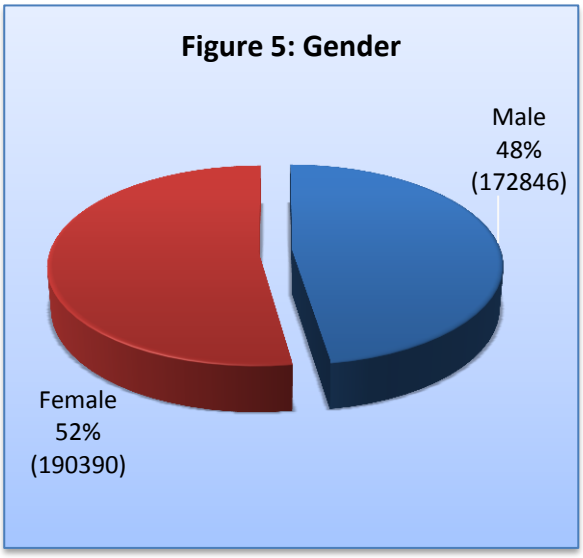
Figure 5: Population Distribution by Age



GENDER

52% of the population is female while males account for the remaining 48%. This gender distribution conforms to the National norm. Thus the need for programmes specifically targeted to gender equity is critical. In response to this, the Newcastle Municipality has prioritized Gender issues as part of its Special Programmes. Specific projects and programmes aligned to the National Program should be developed and rolled out

Figure 6: Population Distribution by Gender



in line with the municipal program of action.

HIV AND AIDS

HIV and AIDS have had a major impact on both the quality of life of communities and families and on the economy. Number initiatives have been implemented through the National Department of Health to combat the current epidemic however major challenges still remain. Within Newcastle, the number of HIV positive persons has increased at an average annual growth rate of 2.9% between 2000 - 2010, bringing the percentage of the population with HIV to almost 17% of the total population. The number of AIDS related deaths has increased at an average annual growth rate of 8.7% between 2000 – 2010, with AIDS deaths accounting for about 62% of total deaths in the municipality. This highlights the severity of the current situation and the need for interventions that target and attempt to address these HIV/AIDS challenges.

SOCIO-ECONOMIC PROFILE

EDUCATION PROFILE

Education profile of the population shows significant improvement since 2001. The number of people who do not have any formal education declined from 13% in 2001 down to 7.8% in 2011. This was coupled by a substantial increase in the number of people with secondary education (Metric) from 25.8% to 32.8% during the same period. However, a low representation of people with higher education is worrisome as this category has recorded a remarkable decrease from 8.2% in 2001 to 4.4% in 2011. This phenomenon could be attributed to the general lack of tertiary institutions and employment opportunities in the area. It limits the ability of the area to attract and keep highly qualified people.

Table 2: Education Profile

	NO SCHOOLING		HIGHER EDUCATION		MATRIC		PRIMARY EDUCATIONAL ENROLMENT AGED 6-13	
MUNICIPALITIES	2001	2011	2001	2011	2001	2011	2001	2011
Amajuba	16.1	7.8	7.0	3.7	23.1	30.5	91.0	94.6
Newcastle	**13.3**	**7.0**	**8.2**	**4.4**	**25.8**	**32.8**	**90.9**	**94.7**

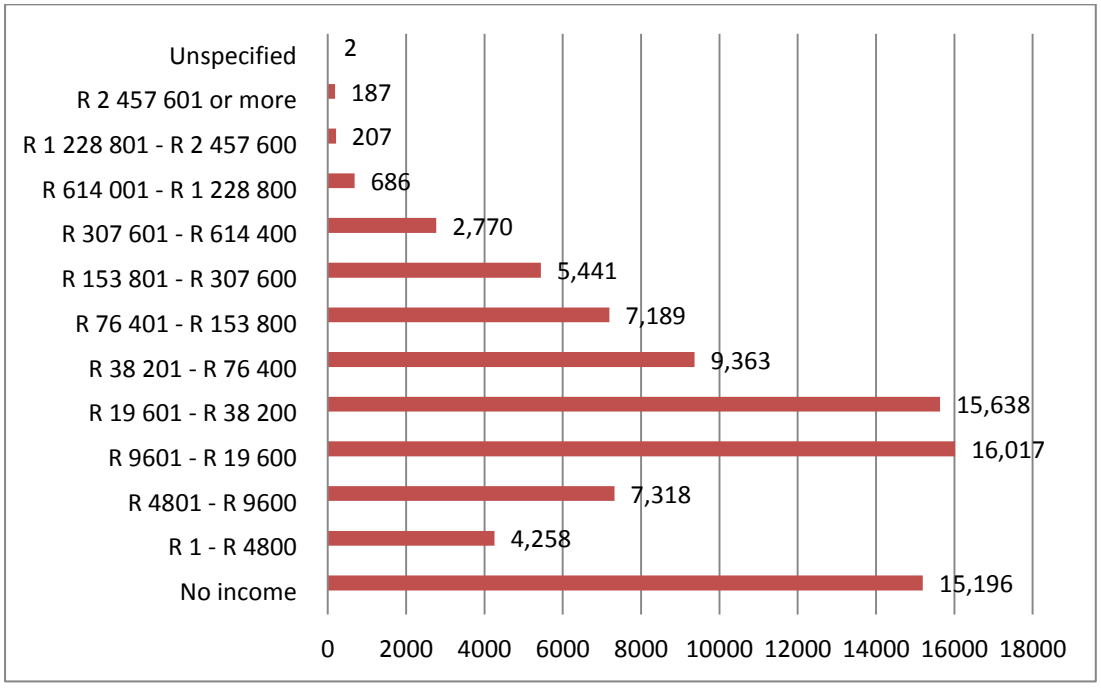
Emadlangeni	25.2	14.0	4.4	2.6	11.6	18.8	87.3	93.0
Dannhauser	22.8	8.9	3.4	1.3	17.1	25.3	92.2	94.9

Source: Stats SA, 2011

The number of children between 6 and 13 years of age enrolling for primary education has increased from 90.9% in 2001 to 94.7% in 2011.

INCOME PROFILE

Figure 7: Annual Household Income



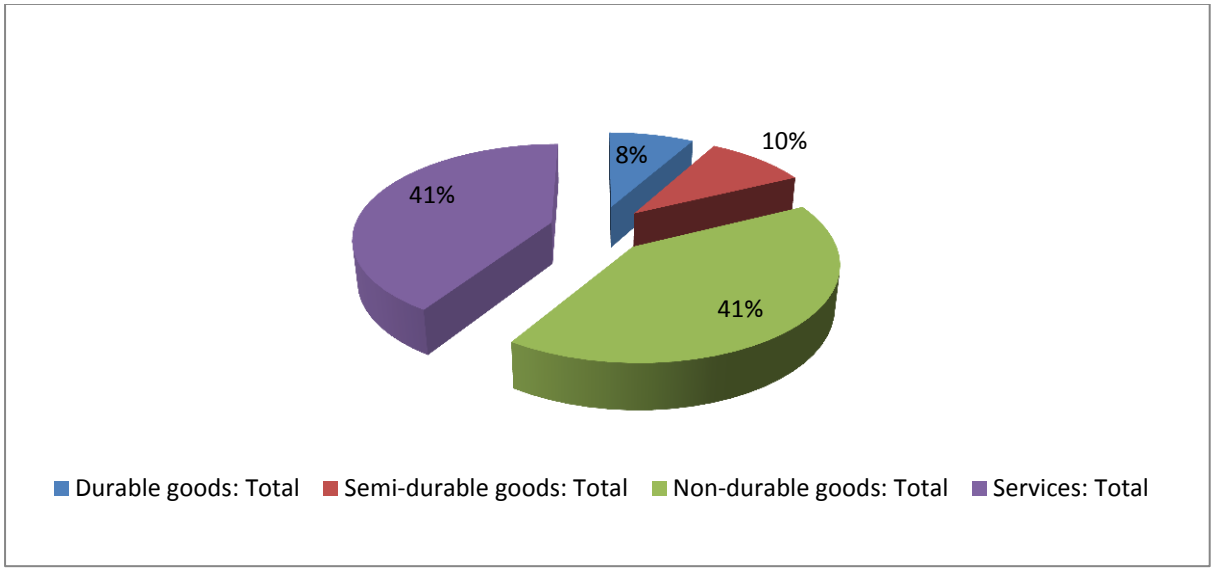
Source: Stats SA, 2011

Newcastle Municipality has a generally low income population with a large number of people (R15 196) living in abject income poverty as they do not have a reliable source of income. Those who earn some income earn less than R38 200 per annum or R3 183.33 per month. Dependence on grants funding such as welfare grants and pension is also relatively high. As indicated figure 6 above, the level of representation drops sharply as income brackets increases. As a result, affordability level is generally low while dependency on social grants is high. 22000 people applied to be registered on the indigent list for the municipality in 2010.

HOUSEHOLD EXPENDITURE

Total household income in 2010 was approximately R7.8 billion in Newcastle, of which 69.2% is remuneration (R5.4 billion) and 30.8% is unearned income (R2.4 billion). Of the total household income, 93.7% is household expenditure, which consists of the purchase of goods and services. Savings were negative in 2010 suggesting that and additional R250 million worth of credit is being utilised in addition to total expenditure. The graph below displays the breakdown of expenditure into the major purchase categories.

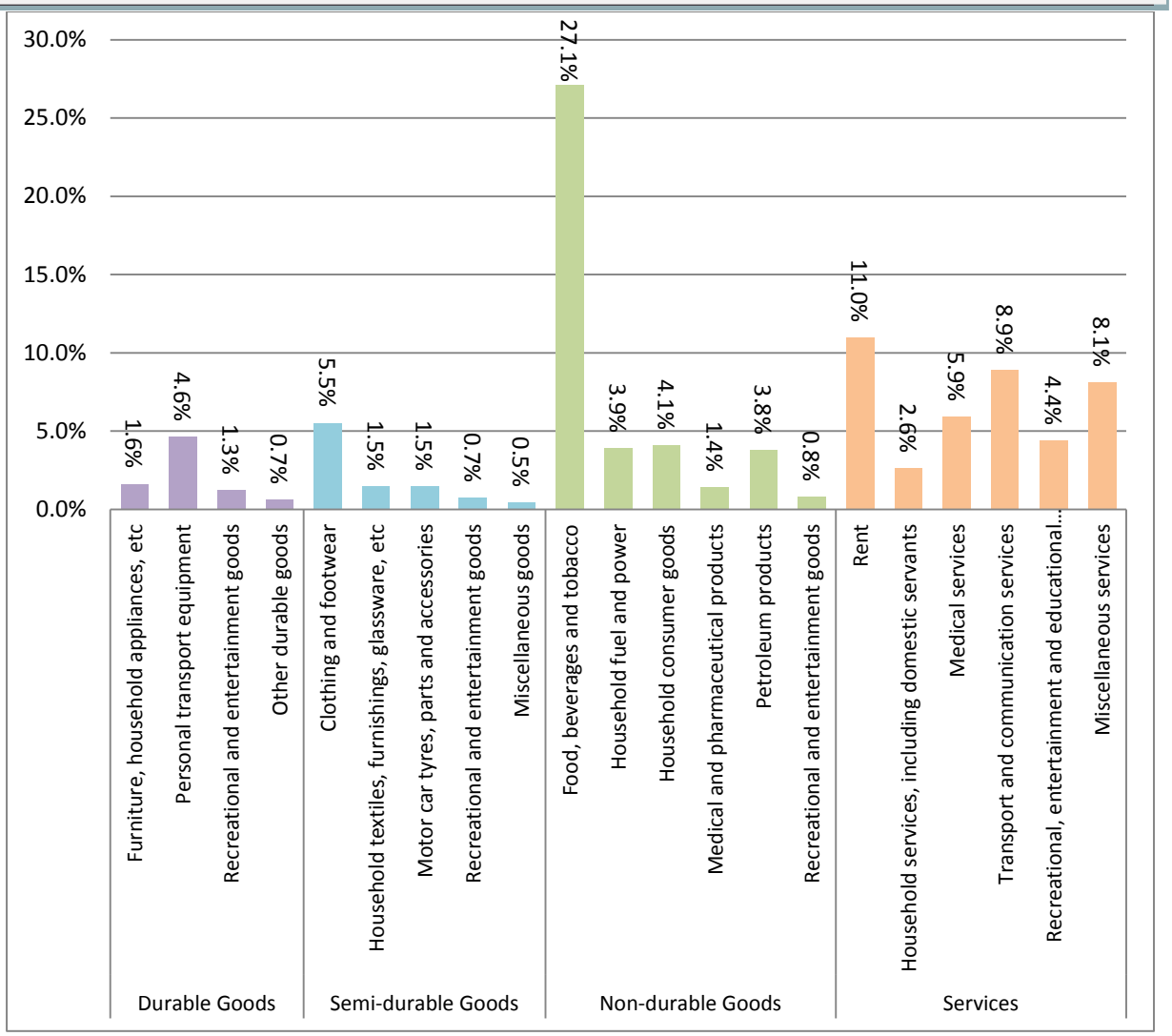
Figure 8: Household Expenditure



Source: Urban-Econ calculations based on Quantec Data (2012)

The largest sub-category of expenditure is food, beverages and tobacco contributing just over 27% to total expenditure within Newcastle. This is followed by rental (11%), transport and communication (8.9%), miscellaneous goods (8.1%), medical services (5.9%), and clothing and footwear (5.5%). This indicates that a large portion of expenditure is being used for basic necessity items such a food and clothing, as well as rent, transport and communication, with little left over for items such as household furnishings, transport equipment, recreation and entertainment, as well as luxury items.

Figure 9: Sub-category Contribution to Total Expenditure (2010)



Source: Urban-Econ calculations based on Quantec Data (2012)

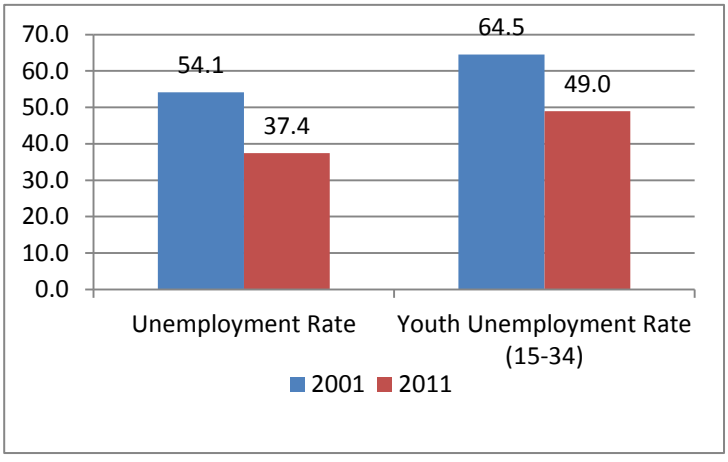
EMPLOYMENT

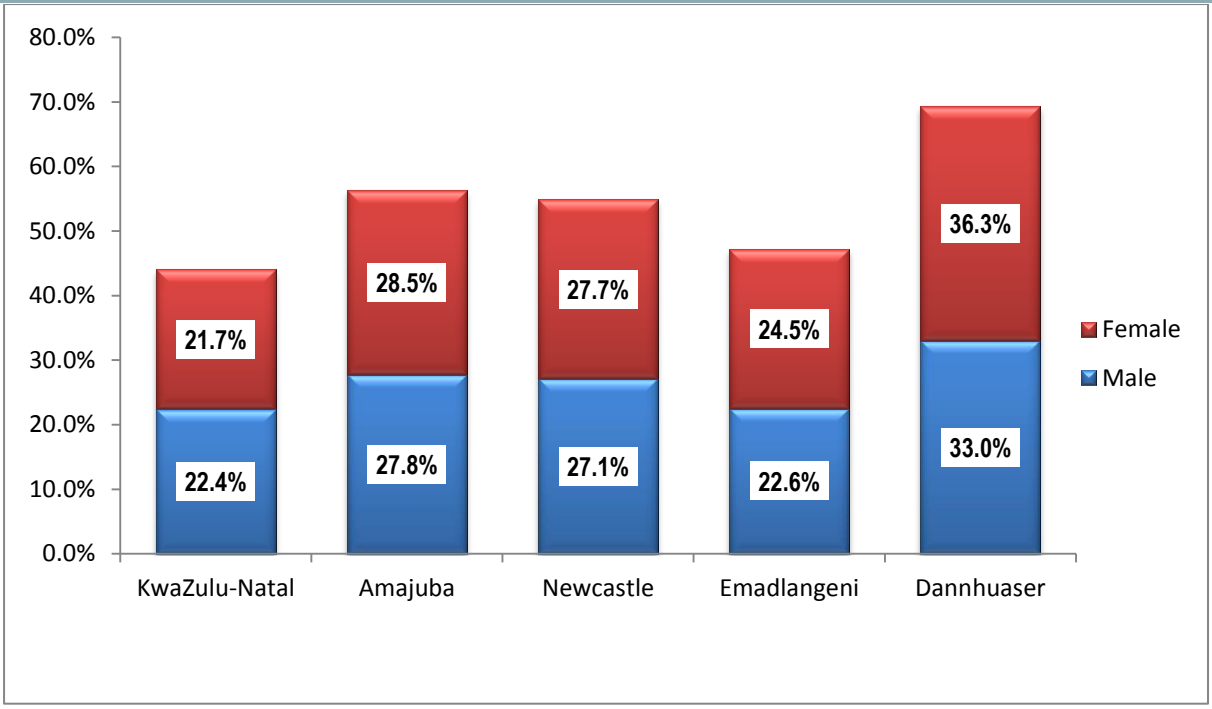
UNEMPLOYMENT RATE

As indicated on Figure 8, unemployment rate in Newcastle Municipality is estimated at 37.4%. This marks a slight decline from 54.1% recorded in 2001. Unemployment among the youth (15 to 34years of age) has also declined from 64% in 2001 down to 49% in 2011.

Figure 11: Unemployment Rate

Figure 10: Employment Rate





However, an analysis of the unemployment rate using the official expanded defition of unemployment reveals a slightly different picture. Average rate of unemployment in Newcastle Municipality is comparable to the Amajuba District, but is higher than the provincial average of 21.7% and 22.4% among the females and males respectively.

EMPLOYMENT RATE

The Newcastle Municipality accounts for 82.9% of the total informal and 76% of the total formal employment within Amajuba District Municipality (refer to Table 3). This confirms the role of Newcastle as the main economic hub within the district.

Table 3: Employment Profile

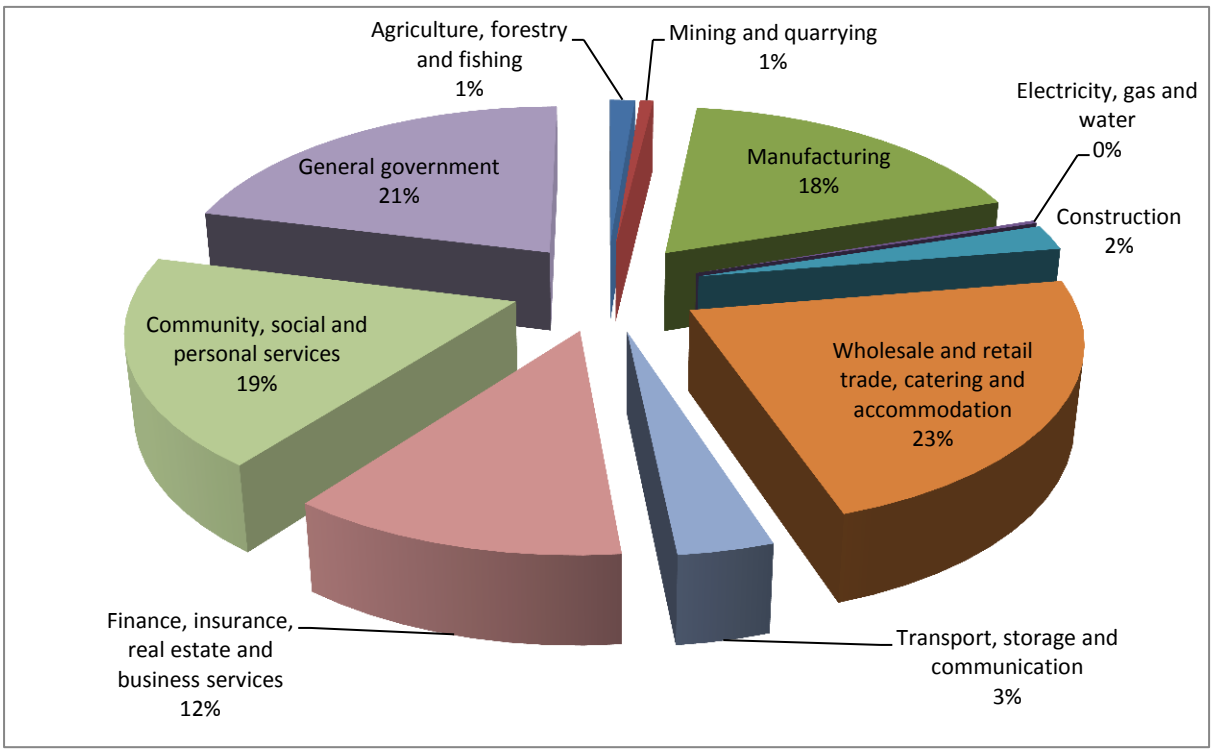
	Formal Employment	Informal Employment	Total Employment	% Share of KZN Formal Employment	% Share of KZN Informal employment	% Share of Amajuba Formal Employment	% Share of Amajuba Informal Employment
KwaZulu-Natal	1 503 482	550 992	2 054 474				
Amajuba	61 393	34 259	95 652	4.1	6.2		
Newcastle	46 661	28 397	75 058	3.1	5.2	76.0	82.9
Emadlangeni	8 918	3 838	12 756	0.6	0.7	14.5	11.2

Dannhauser	5 814	2 023	7 837	0.4	0.4	9.5	5.9

FORMAL EMPLOYMENT BY INDUSTRY

There is an almost equal share of skilled and semi/unskilled persons within Newcastle, consisting 44% and 43% of those employed in the formal economy, respectively. Only 13% of those employed in the formal economy are classified as highly skilled. The graph below displays the distribution of those employed in the formal economy by industry.

Figure 12: Formally Employed by Industry in Newcastle (2010)



Source: Urban-Econ calculations based on Quantec Data (2012)

The primary sectors of the economy only contribute 2% to total employment within Newcastle, with agriculture contributing 1.3% (800 people) and mining 0.7% (426 people). Of concern is the average annual growth rate of employment within the agriculture and mining sectors, which have declined by 16% and 7.5% per annum since 2000 respectively. The manufacturing sector contributes 17.9% to total employment (11,453 people) within the municipality, and has also experienced negative growth with an average annual decline in employment of 5.2% since 2000. These trends are alarming as they highlight the decline in employment within the primary and secondary sectors, which form the foundation of the economy, and are generally more labour intensive than tertiary

sectors. Major intervention will be required to ensure that the agricultural and manufacturing sectors are regenerated to absorb more labour and stimulate economic activity.

The wholesale & retail trade and catering & accommodation sector is the largest employer with 22.6% of total employment (14,426 people), and has declined at a much lower rate of -0.4% on average per annum. The finance, insurance, real estate and business services sector contributes 11.9%, while the community, social and personal services contributes 18.6%, and general government services 21.1%. All these sectors have experienced a low level of positive growth. The entire tertiary sector contributes 77.6% to total employment, which again is concerning given that the service sector relies on growth within the primary and secondary sectors to generate wealth.

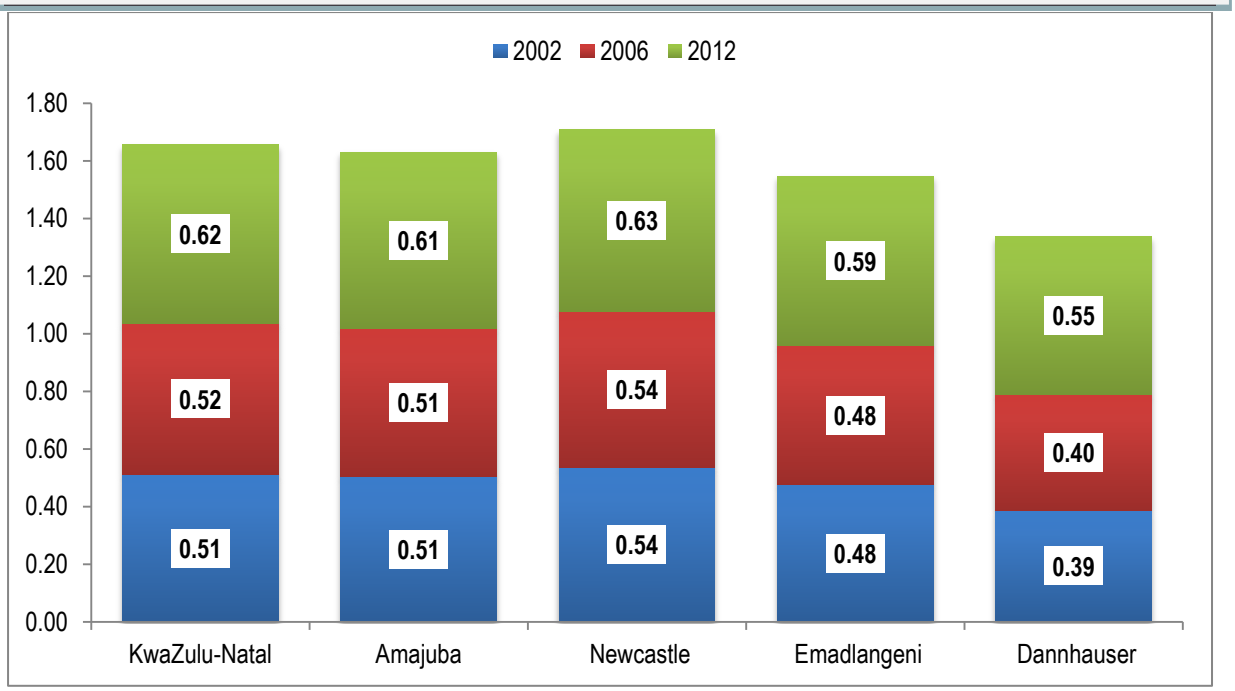
ECONOMICALLY ACTIVE POPULATION

Of the total population of Newcastle, 61% are within the working age bracket (16-64 years). Approximately 55% of those within the working age bracket are not-economically active. In terms of the strict definition of unemployment (those who are unemployed, and have given up looking for employment), 29.2% of the labour force (those willing and able to work) are classified as unemployed. This is in line with the district unemployment rate of 29.7%, but is higher than the provincial average of 23.2%. Of those employed, 79.7% are employed within the formal market, while the remaining 20.3% are employed in the informal market. The graph below displays the level of skill of those employed in the formal employment market.

HUMAN DEVELOPMENT INDEX

The Human Development Index (HDI) for Newcastle has improved significantly since 1996 (refer to table 12). This is symbolised by the net decrease in representation of people living in poverty from 45% in 1996 and 2001 down to 39% in 2007. This is however, below the provincial average of 33% in urban areas. Most of the poverty-stricken households of Newcastle are located in the East as well as the Traditional Authority areas. The urbanized population is generally better off than the rural communities affordability levels are significantly low and access to basic services is a major challenge. The provision of sustainable basic and essential services to these communities is to be one of the greatest challenges of the Newcastle Municipality and innovative service delivery options is encouraged.

Figure 13: Human Development Index

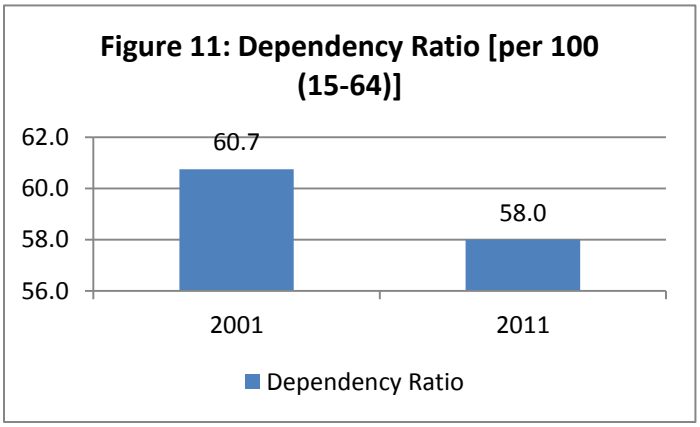


Source: Global Insight

DEPENDANCY RATIO

The dependency ratio indicates the number of young people (under 16) and older people (over 64) who depend on people of working age (16 to 64). As indicated on Figure 9, dependency ratio in Newcastle has declined from 60.7% in 2001 down to 58% in 2011.

Figure 14: Dependency Ratio [Per 100 {15 - 64)]



POVERTY LEVELS

The table below compared the number of people living in poverty in Newcastle with that of KwaZulu-Natal, Amajuba District and other local municipalities within the district. Newcastle Municipality has the least (44.4%) number of people living in poverty within Amajuba District which has an average of 50.9%. The provincial average is 45.7%. 72.1% of the population in Dannhauser Municipality lives under poverty conditions.

Table 4: People Living in Poverty

	2002		2006		2012	
Districts	People living in poverty	Percentage of people living in poverty	People living in poverty	Percentage of people living in poverty	People living in poverty	Percentage of people living in poverty
KwaZulu-Natal	5 586 644	58.1%	5 224 176	52.8%	4 729 241	45.7%
Amajuba	301 878	64.4%	287 427	59.4%	256 987	50.9%
Newcastle	**170 620**	**56.0%**	**162 113**	**51.0%**	**148 150**	**44.4%**
Emadlangeni	43 787	69.1%	43 273	64.6%	34 941	51.3%
Dannhauser	87 471	86.8%	82 041	82.6%	73 896	72.1%

Source: Global Insights

SPATIAL ANALYSIS

Newcastle 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 should be read together with the Spatial Development Framework.

DISTRICT CONTEXT

Newcastle is by far, the largest economic hub within the administrative boundaries of Amajuba District. It is located on the north-western side of KwaZulu-Natal province and shares the boarders with the neighbouring Provinces. Newcastle Local Municipality has a geographical coverage of ±1854.6 km^2 land; it is bounded by Utrecht Municipality to the east, Dannhauser to the south, Free State Province (Thabo Mofutsanyane District Municipality) to the west and Mpumalanga Province (Gert Sibande District Municipality) to

the north. The city of Newcastle is a service centre serving a wide, mainly rural hinterland with the CBD being the primary economic and social node for the city itself as well as the surrounding Newcastle also serves a number of small settlements which surround it.

Newcastle is well placed to benefit from regional economic growth given its strategic location at the nexus of major tourism, logistics, farming and industrial routes, and as the seat of government in KwaZulu Natal. Newcastle is centrally located in the northern region, of KZN halfway between Johannesburg and the harbours of Durban and Richards Bay, contributes to the export of manufactured goods, as well as for distribution to the Gauteng market. Newcastle is also provided with good access infrastructure to these areas, which includes road and rail networks. It is situated on the national rail route between the Durban Container Terminal and City Deep in Gauteng, and has within its confines, major rail exchange yards, supporting railway stations and extensive goods conversion/warehousing facilities. Previous reviews of the local economy have identified manufacturing, tourism and agriculture as the three main economic sectors in the area. In Newcastle, there are 34 sectors that contribute to the GVA-R[1], of which metal products, machinery and household appliances products is the largest contributor, followed by the education and land and the land and transport sector. The GVA-R of Newcastle has experienced a significant increase over the last 12 years.

REGIONAL AND LOCAL ROAD NETWORK

Movement within Newcastle can be divided into two categories, that is:

Movement that traverses the Municipal Area not having any settlement within the Municipal Area as a destination; and

Movement that takes place between destinations or settlements within the Municipal Area.

With regard to the former, movements along the national road apply. For example, the N11 is used as the connecting route between Northern KwaZulu-Natal and Mpumalanga.

LOCAL ACCESS AND MOVEMENT

With regard to internal movement, a number of prominent routes can be identified. Firstly, there is a strong movement of people between Madadeni and Osizweni, the latter being the core area of the Municipal Area. Secondly, a strong movement axis exists between Madadeni and Osizweni along the MR483. Thirdly, a movement axis is found between the Newcastle CBD on other smaller settlements, such as Memel to the west and Ingogo, Charlestown and Volksrust to the north.

[1]Gross Value Added by Region (GVA-R) is a measure in economics of the value of goods and services produced in an area, industry or sector of an economy

REGIONAL ACCESS AND MOVEMENT

Newcastle Municipality enjoys relatively good access at a national and regional scale. North-south linkages are facilitated by the N11 and east west linkages by the P483 and R34. The N11 is a primary movement and mobility corridor. It runs in a north-south direction from the N2 in Ermelo to the N3 in Ladysmith through Newcastle Town thus making the area highly accessible and well connected to the national, provincial and regional road network.

Although the SDF identifies this route a primary corridor, access to it is governed in terms of the South African National Roads Agency Limited (SANRAL) regulations. This includes limitations imposed on the number and location of direct access points and location of uses, which may be viewed as having potential to interrupt traffic flows.

Secondary corridors are the R34 which runs east from Newcastle to Utrecht and beyond to Vryheid and Richards Bay and west to Memel and Vrede as well as the R621 linking to Dannhauser. These routes all originate from the CBD. The Madadeni-Osizweni section of the road to Utrecht (MR483) has been identified as a mixed-use corridor and is to be developed with nodes of services and economic opportunities. Regional access routes are subject to the rules and regulations of the Department of Transport.

SETTLEMENT PATTERN

Settlement pattern in the NLM has largely followed access routes thus forming an economic system with definite interdependencies between and among various elements. However, it has also been highly influenced by the past apartheid planning and segregationist policies. The current settlement pattern reflects a continuum of settlements from a highly urban Newcastle town through peri-urban settlements in the JBC to extensive commercial farmlands with small isolated farm-dweller settlements.

URBAN AREAS

The urban component of the NLM comprises three distinct sections, namely:

Newcastle West;

a central industrial area; and

Madadeni and Osizweni to the east.

An urban edge has been determined around this entire complex within which it is proposed that all future urban development takes place in order to integrate, densify and diversify it as well as to limit the loss of high yield agricultural land.

NEWCASTLE WEST

The CBD is located in Newcastle West on the southern side of the confluence of the Ncandu and Jordan Rivers. Newcastle West is predominantly residential with the northern section being the most

affluent. Ribbon development runs south-eastwards from the CBD along the R34 and includes a new shopping centre, restaurants, garage and car showroom, hotels and lodges. The northern portion of Newcastle West also accommodates the show-grounds, Monte Vista Casino and Conference Centre, a golf course and technical college.

Immediately south of the CBD are the original residential areas of the town also laid out in the same gridiron pattern and home to the Newcastle Private Hospital and Newcastle Provincial Hospital, the police station and a number of home offices which have spread outwards from the CBD. South-west of the CBD are further residential suburbs.

Newcastle CBD is currently going through a process of spatial transformation. This involves three main processes, namely:

Decentralisation of commercial and office space;

Redevelopment; and

Expansion of town area.

Decentralisation of commercial and office space occurs in the form of nodular development at both eastern and western entrances/gateways into Newcastle CBD. Newcastle west development includes a number of service industries, a community commercial centre, hotels and a number of associated developments. The area is earmarked for further commercial development.

Rights have been granted for the development of regional shopping centre next to the new Casino. A new office complex has also been developed in the area while infrastructure has been laid for mixed land use development. Other developments expected in this node in future include motor-showrooms, restaurants, etc. Redevelopment on the other hand, involves refurbishment of buildings vacant or under-utilised, because of economic downturn and relocation of offices to the new office node. This process also includes intrusion of office use, particularly professional offices, into residential areas that abut into the CBD. A number of dwelling units have been granted office use rights or are being used as offices.

Newcastle Municipality has accordingly developed strategic responses to these trends. These include Newcastle West Precinct Plan, CBD Development Plan and Newcastle South Spatial Development Plan (SDP). The latter provides for a range of residential products, mixed land use and commercial nodes. The net effect of these plans is the extension of the town built-up area, shifting of the urban edge and opening of new interface zones. In view of its strategic location in northern KwaZulu-Natal, Newcastle is likely to remain a regional service centre unchallenged by other nearby town in the foreseeable future. Its market threshold is relatively secure but its economic and social vitality remains dependent on the state of its regional hinterland. The CBD itself has remained relatively stable.

CENTRAL INDUSTRIAL AREA

East of the CBD lies large industrial areas, the N11 and Iscor facility as well as an airfield and landfill site. The Amcor Dam and Recreation Area are also located in this area. The area occupies approximately 516ha of land zoned for industrial use, of which only a small portion is developed. While the area accounts for a significant amount of employment opportunities in the NLM, it historically developed as a buffer between the former white only areas in the Newcastle West and the former black only townships of Madadeni and Osizweni.

MBO COMPLEX

MBO is located along P483 and comprises of the Townships of Madadeni and Osizweni, and the JBC area. Madadeni and Osizweni were laid out in the 1970s on the basis of a Master Plan developed in 1975, and reviewed in June 1985. The plan was based on the dominant planning doctrine and highly influenced by the political regime. It gave rise to a compact linear urban form with rectilinear road network based on 3 to 4 km grid spacing of major arterials. The JBC area, which joins the Madadeni and Osizweni areas, has a more peri-urban character, consisting mainly of informal settlements. This area developed as a result of "shack farming" thus transforming the area from agriculture into an urban slum, with no formal planning. This has given rise to a complex set of land legal issues including title adjustment, beneficial occupation rights, tenancy and freehold ownership rights.

The MBO complex is characterised by poor condition of services and general lack of amenity and pleasant appearance. This robs the area of private sector investment and perpetuates dependency on Newcastle town. Urban renewal programmes being initiated in the MBO complex will address the upgrade of the public realm and improve the quality of life of the previously disadvantaged. It will also promote both public and private sector investment in the area. Access to public facilities and a safe environment are the other important aspects of quality of life that should be addressed in these areas.

RURAL SETTLEMENTS

The rural component of the municipality is dominated by expansive commercial farmland, which is used mainly for livestock farming and crop production. Some of the farms are affected by land reform, particularly land restitution and labour tenant, program that may lead to the creation of new settlements and erosion of agricultural land.

However, there are few established settlements on commercial farmlands. These include smaller rural settlements such as Charlestown and Ingogo. Charlestown provides basic services and functions to the surrounding agricultural areas and is identified as a tertiary node in the SDF, together with Lennoxton. Ingogo, on the other hand, is a purely rural settlement based on its low population numbers, and is classified as a rural node, as is Leokop.

Other rural settlements are located within Ubuhlebonzinyathi Community Authority area and include settlements that generally fall within the traditional leadership of AmaHlubi in the Drycut area and Khathide along the northern boundary of the NLM.

FORMER MINING AREAS

A number of settlements are also located in the south-eastern portion of NLM. These settlements are scattered throughout the area and are mainly as a result of mining activity, which is concentrated along a mining belt that runs from the centre of the municipal area towards the south east. The mines have stimulated the development of numerous smaller settlements, such as Kilbarchan, Ingagane and Ballengeich. It has however impacted negatively on the spatial structure of the Municipal area by preventing development of an integrated urban structure. Higher standards of housing and access to infrastructure are found in these formal settlements. The settlement pattern can mainly be ascribed to the mining activities and the Ingagane power station in the area, which caused the discrete pockets of settlements. These are mostly around or close to mining activities. Some of the mining activities have however been downscaled or closed down.

IMPACT OF POST-APARTHEID SPATIAL PLANNING

Past apartheid policies had a profound impact on the structure and functionality of the Newcastle Municipality. It fragmented communities, marginalised their economic activities and undermined their participation in the economy. It located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development. Spatial fragmentation was implemented to effectively separate the urban complex of Newcastle west and the former dormitory suburbs of Madadeni and Osizweni. These two areas are situated at least between 15km and 35km from Newcastle central business district (CBD) in line with apartheid spatial engineering. Spatial fragmentation, referring to separate blobs of development with no linkages, has the potential to undermine the role of Newcastle in its regional context and impact negatively on its ability to perform its functions effectively and efficiently.

LAND USE MANAGEMENT

In terms of the Municipal Systems Act, a Land Use Management System is a legal requirement that Newcastle Municipality is obliged to meet. In response, Newcastle municipality has developed a wall-to-wall scheme as part of a comprehensive review of the existing Newcastle Town Planning Scheme, and a process towards the introduction of land use controls in areas hitherto not covered by the scheme. However, this document has not been implemented as due process is being followed to amend the Newcastle Town Planning Scheme as provided for in the KwaZulu Natal Planning and Development Act, 2008 (Act No. 6 of 2008). The Newcastle municipality has taken an incremental approach toward the implementation of the town-planning scheme in all areas, except the

agricultural land. At present, Newcastle town is the only area that is covered by a Town Planning Scheme within the municipality.

SPATIAL TRENDS AND PATTERNS

The urban part of Newcastle Local Municipality is characterized by a highly inefficient and fractured spatial pattern inherited from the apartheid past. Historically, the town of Newcastle was divided along racial (now class lines), with the poorer communities situated away from job and economic opportunities, and excluded from the social fabric of the town. The main residential areas for the poor – Madadeni, Osizweni and JBC area located approximately 20 to 35km from the CBD.

The following are some of the key structural elements of the MBO complex:

Explosive low density sprawls in the form of informal and traditional settlements that have developed within the MBO area. Some of this occurs on privately owned land in the JBC complex. The direction of this development is not controlled, but accommodates people who either cannot afford formal housing in legally designated areas or who seek location closer to the urban opportunities while wanting to maintain a rural lifestyle.1975.

Loose character of the urban fabric epitomised by the single storey house on a plot type of development. Nearby housing projects have reproduced the same type of settlements albeit with lower level of services. High space standards applied in the provision of public facilities also contribute to the loose character of the urban fabric.

Urban rural interface as the outer boundaries of the area adjoins onto agricultural land and rural settlements located on Ingonyama Trust land.

Inwardly oriented discreet pockets of mono-functional developments operating in isolation. Creating separation of different land uses, particularly between residential, commercial and industrial areas.

The net effect of this situation is an inefficient disintegrated spatial system, characterised by an enormous amount of movement between the Node and surrounding areas and especially between the Newcastle CBD and the JBC complex on a daily basis.

LAND REFORM PROGRAMME AND RURAL DEVELOPMENT

The Newcastle Area has long been grappling with the land issues and has been involved in the implementation of the land reform since its inception. Land issues in the area cover both urban and rural areas, and cuts across the various elements of the land reform programme. Despite this, the area still lacks a common and coordinated vision for land and agrarian reform. Attempts by the Department of Rural Development and land Reform, in association with Amajuba District to develop an Area Based Plan dealing comprehensively with the land issues in the area has not made any significant impact in this regard.

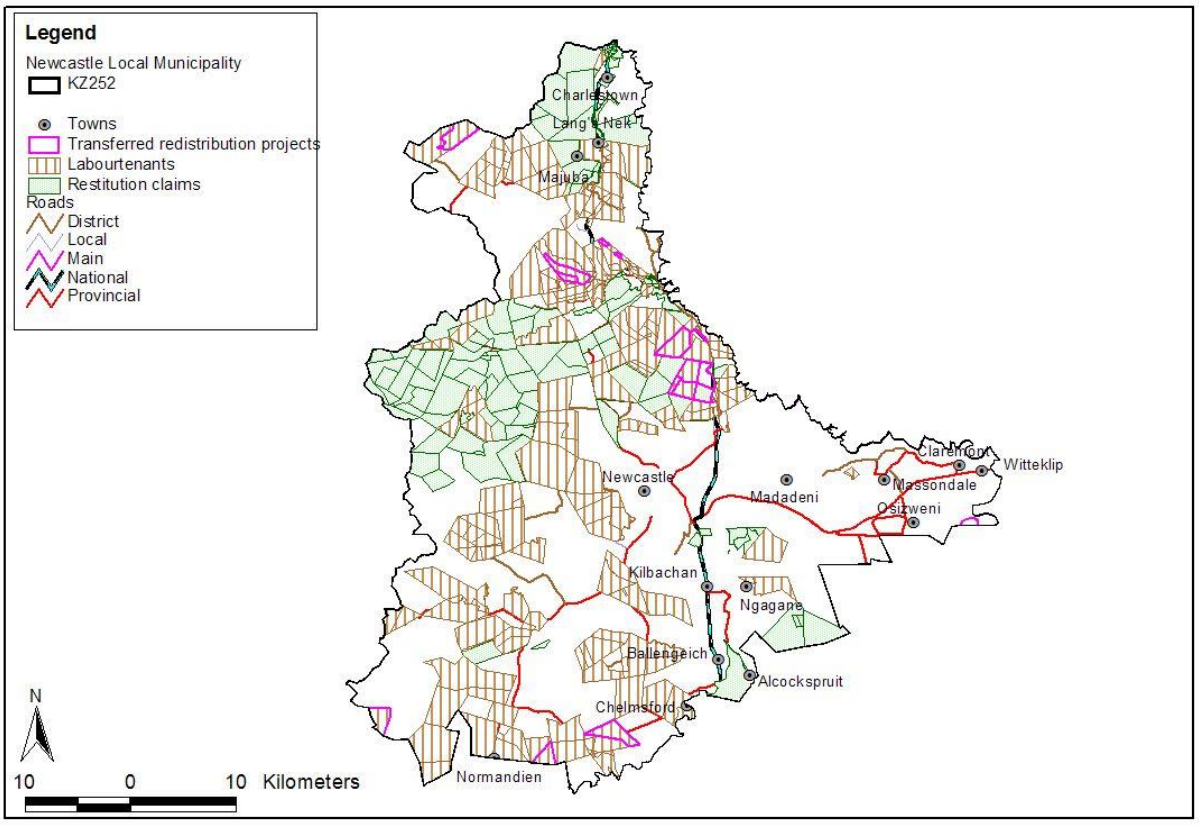
STATUS OF LAND REFOFORM PROGRAMME

According to Amajuba District Municipality Area Based Plan, the Department of Rural Development and Land Reform is implementing the following projects within Newcastle Municipality:

Land Redistribution (LRAD): There are 15 completed land restitution projects where 5,097ha of land has been transferred to 283 households (1456 individuals).

Land Restitution: There are 130 claims on farms in the Newcastle area, totalling 53,000ha. Of this, 34 claims have been settled, making up 12,700ha.

Map 1: Land Reform Projects



Tenure Security (Labour Tenants): There are tenure security claims on 99 farms, making up a total area of 973ha.

The Amajuba ABP further notes that 73,212ha of land has been transferred under the land reform programme. An application of the 30% target suggests that 109,447ha is required in order to bring the programme in Newcastle in line with the national targets.

As indicated on the Map (figure 5) above, the programme will have significant economic and spatial impact in the area. Strategies should be devised to integrate the programme into the service delivery and economic development programme of the municipality. Careful management and support to beneficiaries is necessary to sustain the production potential of land in the area.

LAND TENURE UPGRADING

The need for land tenure upgrading in the NLM affects four types of communities, namely:

People who hold Deeds of Grant to land

People who require their title deeds to be adjusted

Tenants in the JBC area

Farm dwellers

MADADENI AND OSIZWENI TOWNSHIPS

The title upgrading process undertaken as part of the Extended Discount Benefit Scheme and involving areas where people held their properties through Deeds of Grants (eg. Madadeni and Osizweni Townships) has virtually been completed.

JBC AND CHARLESTOWN

Similarly, substantial progress has been made with the title adjustment process involving land owners in the JBC and Charlestown areas. The completion of this exercise is critical to unlocking privately owned land in these areas for the development of sustainable human settlements. In fact, a comprehensive scheme which involved the provincial Department of Human Settlements and the national Department of Rural Development and Land Reform should be initiated as part of the urban Renewal Programme to deal with the land issues in the JBC and Charlestown areas. This includes people who occupy the area as tenants whose land tenure remains insecure.

UBUHLEBOMZINYATHI

Communities occupying the area that falls under the jurisdiction of Ubuhlebomzinyathi Community Authority should also be considered for land tenure upgrading. These include Khathide, Dicks, Mndozo, etc. At present, these communities enjoy beneficial occupation rights protected in terms of the Interim protection of Informal Land Rights (IPILRA). These areas require careful management as they are fast deteriorating into urban slums. Densities are increasing and accounts for some of the huge urban service backlogs in the NLM.

AMAHLUBI SETTLEMENT

The land occupied by AmaHlubi Community in the vicinity of Drycut Cemetery should be investigated as it may fall outside the proclaimed area of Ubuhlebomzinyathi Community Authority. The land has been subject of a court case between Ingonyama Trust and AmaHlubi Traditional Council. Other areas that require attention in terms of tenure security are the settlements located to the north of Osizweni Township and JBC area.

LABOUR TENANT CLAIMS

As indicated on the Map above, a number of labour tenant claims were registered against various farms within the Newcastle Municipality Area. The process towards the resolution of these claims has been frustratingly slow. It is critically important for the municipality to follow this process closely as it may result in the establishment of small isolated settlements. A rural development strategy is required to guide this process and ensure that settlements do not encroach onto agricultural land in an uncontrolled manner.

LAND RESTITUTION

A number of land restitution claims were lodged against various properties in the Newcastle Area. The majority of these are large in size and riddles with complexities. Charlestown which involves dairy farming, timber plantations, crop production and livestock farming has been resolved successfully with the community obtaining access to more than 10000ha of good agricultural land. The challenge is now to develop the farms, sustain productivity and create employment opportunities. The process towards the resolution of the other land claims such as Ingogo is progressing slowly. In view of the size of these claims and potential for agricultural development, it is critically important for Newcastle Municipality to ensure that they are integrated into the economic and service delivery programmes of the municipality.

IMPACT OF THE LAND REFORM PROGRAMME

As indicated on figure 5 above, the land reform programme has a significant spatial impact in the area. Other impacts are as follows:

The loss of productive agricultural land to residential development, resulting in reduced contributions by agriculture to the local economy and loss of job creation opportunities

Land reform resulting to the loss of productive agricultural land. If operations on productive land are unsustainable, this will "virtually destroy the agricultural sector, result in massive unemployment and poverty and a loss of food security"

Provision of adequate water supplies. An adequate and sustainable supply of water is critical to the long term development of agriculture. Threat includes climate change, invasive alien plants and pollution.

SWOT ANALYSIS

STRENGHTS	WEAKNESSES
▪ Newcastle is a city that is resilient and adaptive. ▪ It is organized around mobility and development corridors with complete transportation network (Road, Rail, and Air) ▪ It is anchored by its natural resources which make it unique and desirable with good potential agricultural land. ▪ The N11 route bisects the eastern and western halves of the Municipal urban Area respectively. The road is also used as an alternative route from Durban to Gauteng ▪ It is the anchor city within the northern Natal region and 2nd order node in KZN. ▪ Located on boundaries of Free State and Mpumalanga provinces which allow for capital spent in Newcastle Municipal area.	▪ Higher densities are found close to established nodes. ▪ Urban sprawl lead to Infrastructure backlogs and new informal settlements mushrooming ▪ Fragmented spatial structure with limited future spatial growth options which lead to shortage of residential land ▪ Industrial sector stagnated with very few new industrial developments ▪ Poor management of open spaces and large tracks of undermined areas that cannot be utilized within the built-up areas. ▪ Poor accessibility due to mobility function of corridors being compromised and undefined road network towards MBO areas while the railway lines and airport been underutilized.

OPPORTUNITIES	THREATS
▪ Clustering of social and community facilities around development nodes and corridors including Service Delivery Centres which in turn contribute to land use and transportation integration. ▪ Tourism is growing and drawing tourists investment to the town ▪ Mining, a growing demand on resources such as coal. ▪ The Road infrastructure, Railway lines and airport which provide connectivity. ▪ Informal sector can become long term economic reality while private investment also on the increase ▪ Open spaces with densification potential	▪ Investments-private investments patterns remain in nodes of Newcastle west and general decline in investment ▪ Natural Environment, lack of environmental assessment ▪ Urbanisation made it difficult to formalize settlements which are time consuming. ▪ Lack of personnel and resources, issue of unregistered planners. ▪ Unplanned Informal Settlements and developments creeping onto natural resources and neighbouring municipalities ▪ Urban decay in major nodes

NATURAL ENVIRONMENT

TERRAIN

The terrain of NLM is relatively flat. Elevation is the lowest in the eastern portion of the municipality, with more elevated relief towards the western portion of the municipality. The most urban development and industry are located on relatively flat terrain. This generally refers to the urban complex of Newcastle town and MBO complex and the industrial area located in between. The elevated relief towards the west refers to the Drakensburg range to the west and the Amajuba Mountain to the north.

CATCHMENTS

Newcastle is located in the catchment of the Ngagane River with Ncandu River being one of the major tributaries. The Ngagane River flows into the Buffalo River which is one of the major rivers in the Thukela Water Management Area (WMA).

Five main catchments areas form part of NLM. This includes the larger Buffalo River catchment, which ultimately forms part of the Tugela River system. These include:

the Ngagane River where it meets the Incandu River (Ngagane Catchment);

the Incandu River where it meets the Ngagane River (Incandu Catchment);

the Ngagane River where it meets the Buffalo River (Additional Ngagane Catchment, which includes the upstream Incandu and Ngagane River Catchments);

the Buffalo River at its confluence with the Ngagane River (Buffalo Catchment); and

the Buffalo River to where it intersects with the Newcastle LM boundary (Additional Buffalo Catchment, which includes the upstream Ngagane and Incandu River Catchments).

Two significant dams were identified within the study area, namely that of the Chelmsford Dam, also known as the Ntshingwayo Dam, located to the south of Newcastle within the Ngagane River catchment, and the Zaaihoek Dam located to the north east of Newcastle within the Buffalo River catchment. In addition to this, two significant wetland systems were identified, namely the Wakkerstroom Wetland located just outside Wakkerstroom and the Boshoffsvlei Wetland located to the north east of Newcastle Town. It should be noted that legislation dictates (as per the National Water Act 36 of 1998) that wetland areas are protected and therefore development within 30 m of the wetland is prohibited.

The total flow and Mean Annual Runoff (MAR) per quaternary catchment located within the study area and above-mentioned catchments is expected to exit the Buffalo River at the south-eastern boundary of the LM boundary.

The majority of water abstracted (85%) is used for irrigation. The total area registered for irrigation is equal to 55 124ha within the NLM. The total water abstracted compared to that which is available (as per the MAR) is equal to 10.5 %.

WATER QUALITY

SOURCES OF WATER CONTAMINATION

The land cover indicates that a large expanse of the municipality is natural grassland with isolated thickets, natural forest, agriculture and forestry. Urban settlement is centred on the town of Newcastle, which is sited across the boundaries of the Buffalo Ngagane, Buffalo LM and the Ngagane catchments. The residential land use comprises informal land use as well as well-established medium to low cost housing.

Noxious industry is primarily situated within the Ngagane Catchment and the Additional Buffalo River Catchment where it intersects with the Newcastle LM. The industry comprises of ore beneficiation, power stations, steel manufacturing and chemical manufacturing. Mining is largely inactive in the area and isolated in the Ngagane and Buffalo LM catchments.

The potential contaminants associated with the non-point source land-use in the Newcastle LM are limited given the extensive natural grassland. The isolated nature of agriculture practises, which could have impacts such as excessive nutrient loading and suspended particles, is not considered to be significant other than in the Buffalo River.

Industrial land use is likely to be the significant impact on water quality in the region. The potential contaminants include:

heavy metals;

particulate matter;

organic contaminants;

soluble salts which translates into low oxygen levels;

high turbidity;

increased levels of tropic sensitivity; and

elevated toxicity of water.

Furthermore, the issue of Acid Mine Drainage in the Ballengeih area deserves the urgent intervention of authorities and a concerted effort involving relevant parties. This is noted as a possible source of both surface and ground water pollution both now and in years to come.

The resultant impact is the applicability of water for agricultural, domestic and ecological use. Increased water treatment costs would also be realised to facilitate potable water.

QUALITY OF WATER

The DWA results within the Newcastle LM indicate good water quality; however the river water quality is impacted by poorly performing WWTW or urban run-off by total coliforms and faecal coliforms. The industrial impact is not evident and seems to manifest through fluctuating levels of Fe, Mn, TDS and sulphate. This assessment of water quality is based on the current water quality data, however, following discussions with DWA and based on the potential contaminant sources it is suspected that the impact may be more pronounced should additional variables be analysed especially along reaches of the Ngagane River.

The Ngagane River experiences the majority of the industrial impact with several noxious industries located within this catchment. Monitoring data from DWA suggests that an impact is occurring at sampling site 188866 (immediately downstream of Siltech operations). This is evident from TDS values deviating from upstream results and is likely associated with increased sulphate (494mg/l) content of the river from the ash dump or colliery yard in that area. These levels decrease downstream to an average of 235mg/l downstream of ArcelorMittal Steel. The sulphate and TDS levels increase again following the confluence with the Ncandu River suggesting an impact, from either the Ncandu River, or a point source on the Ngagane River in this area.

GROUNDWATER

Groundwater quality is generally moderate to poor and often exceeding Class 1 of the Kempster Classification and this renders this resource mostly suitable for short-term use without sophisticated

and costly treatment. There are a number of contributing factors to poor water quality, and based on the determinants exceeding Class1, the more probable sources are:

Poor or low rates of recharge;

Mining activities, particularly coal mining;

Local industry;

Farming activities.

Based on first order harvest potential calculations, groundwater has the potential to service the whole of the Newcastle LM basic water needs, and thus should be considered a valuable resource. Areas of particular sensitivity are all existing groundwater resources in relation to the potential yield they may deliver, geological structures (faults, dykes and lineaments) that may act as preferential groundwater flow paths, areas of high potential production and zones of potential recharge. Groundwater quality is typically moderate to poor, however, treatment may be required and costs to purify determinants (calcium, iron, and manganese) requiring treatment are typically manageable.

Sources of increased quantities of particular determinants have not been establish with any conviction, however, major sources of concern are mining activities, heavy industry, and urban areas have a high probability of altering pristine groundwater conditions in a significant manner. It is evident that there are instances of very significant groundwater supply potential when located in geo-hydrological favourable locations, and this figure is potential inflated. Data deficiencies are a concern and meaningful statistical analysis is restricted. A full and comprehensive hydro-census study should be implemented for the whole of the Local Municipality.

BIODIVERSITY ASSESSMENT

STATUS OF VEGETATION

Transformed land is mostly associated with cultivation, mining, urban and dense rural development, and the spread of alien trees. Although many of the 'natural' areas have been degraded to some extent, these could be classified as untransformed, i.e. the loss of biodiversity was likely to be minimal. In all, approximately 50% of the area could be classified as transformed.

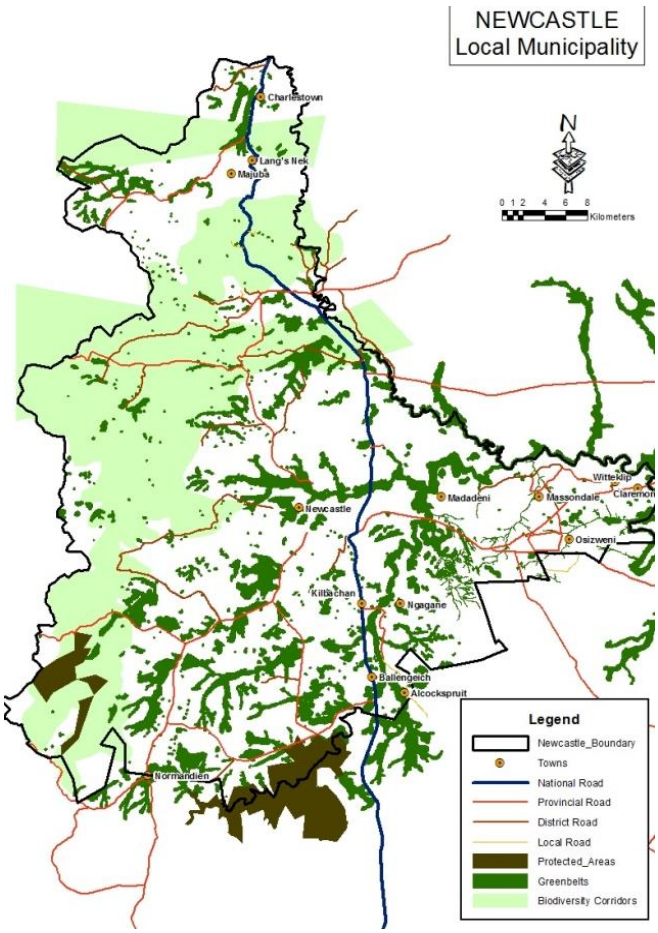
Land that has been transformed is likely to have lost a large number of plant species, as well as most of the larger mammals that previously occurred in the area. Conversely the man-made irrigation dams and the wetlands that feed them might still contain a significant number of species, including some of high conservation significance. The wetlands are also likely to be important corridors for dispersal of many water-dependent species. As regards the terrestrial component, it is highly likely that the transformed land is no longer functional as a corridor.

BIODIVERSITY CORRIDORS

Aerial images were examined for assessing important ecological corridors, which are required for facilitating migration of fauna and flora in the long term. Emphasis was placed on untransformed land that spanned three or more of the Mucina & Rutherford (2006) vegetation types (The assumption in this exercise was that vegetation in good condition would have high floral diversity, thus having the potential to function as corridors and to support high faunal diversity.

While it was evident from the study that a number of areas with high levels of transformation were compromised as functional corridors, there were some contiguous stretches of vegetation that appeared to be viable. These spanned three or more vegetation types and were considered a priority for further investigation.

Map 2: Biodiversity Corridors



The only north-south axis that represented a viable corridor was along the western boundary, but was confined to one vegetation type, namely the Low Escarpment Moist. This area has maintained a relatively untransformed vegetation condition due to the high elevations of between 200 m and 1800 m above sea level, and relatively inaccessible terrain.

The assumption was that east-west orientation of corridors was likely to be more effective, as this would encompass a significant portion of the topographic diversity and resultantly, water catchments and habitat diversity. In the case of both the recommended corridors, altitude ranged from about 2100 metres above sea level in the west to 1500 metres in the east, over a distance of under 15 km.

PRIORITY MANAGEMENT AREAS

The condition of biodiversity in the Newcastle Municipality relative to the provincial ecological statistics suggests that almost 50% (approximately 42%) of the provincial vegetation type referred to as Low Escarpment Moist Grassland is located within the Newcastle Municipality. Although this vegetation type is relatively untransformed (20% transformation) in the municipality and is therefore least threatened, the fact that it houses

a large percentage of the provincial vegetation type confers high management significance for this area of biodiversity. The analysis also indicates that the endemic Northern KwaZulu Natal Moist Grassland, the near endemic Income Sandy Grassland, and the Northern Zululand Sourveld are significantly transformed in the municipality and thus all three vegetation types are recommended as critically endangered in the municipality. The biodiversity analysis results need to be translated into management areas on the ground and management actions. The key vegetation areas that are threatened are the Northern KwaZulu-Natal Moist Grassland, KwaZulu-Natal Highland Thornveld, and the Income Sandy Grassland.

SWOT ANALYSIS

STRENGTHS	WEAKNESSES
• Clusters of forests along Western cliff of plateau region • Agriculture contributes significantly to the LED, household income and food security. • Mining is a major contributor to GDP, LED income. • Large wetland areas with tourism potential. • Baseline Water Quality is relatively good. • Beautiful landscapes of scenic significance • Climate conditions favourable for agric-hub • Large water catchment area • Direct involvement of KZN Dept. of Agricultural and Environmental affairs in agricultural sector • Good system of open spaces	• Large Scale of alien infestation. • Most abandoned coal mines are high risk areas. • Waste treatment infrastructure is under pressure and needs upgrading. • Landfill facility need better management and rehabilitation. • Some residential zones have developed in close proximity where air quality impacts are likely to be greatest. • Lack of environmental education • Lack of qualified environmental planners dealing with environmental issues • Lack of air quality study
OPPORTUNITIES	**THREATS**

STRENGTHS	WEAKNESSES
• Eradicating alien plants and creating job opportunities at the same time. • Rehabilitation of degraded land in MBO area. • Investigate, rehabilitate and revert mining areas to alternative land uses. • Establishing biodiversity conservation corridors along Western highland plateau region. • Improve infrastructure to address infrastructure backlogs which might impact negatively on the environment. • Formalization and upgrading informal settlements. • Relocation of settlements located in high risk areas such as flooding. • Opportunities for small and emerging farmers	• Large scale loss of biodiversity. • Settlement, industrialization & mining threaten biodiversity. • Loss of good agricultural land to settlement, mining & industry. • Mining impacts on water quality. • Need for new landfill site. • Illegal mines pose a health and safety risk. • Informal and illegal dumping sites. • Poor agricultural practises in some instances.

POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Newcastle Municipality is a Category B Municipality as determined by the Demarcation Board in terms of Section 4 of the Municipal Structures Act, 1998. The municipality functions under the Collective Executive system, consisting of 9 members. The Mayor is elected from the Executive Committee. The Council consists of 61 councillors of which 10 are full-time councillors. Of the 61 councillors, 31 are ward elected councillors with the remaining 30 elected as proportional representation councillors. The Council has five Portfolio Standing Committees, with members of the Executive Committee serving as a Chairperson and Deputy Chairpersons.

FUNCTIONAL ANALYSIS

In order to maximise administrative and operational efficiency, all powers subject to section 32 of the Local Government : Municipal Structures Act 1998, not otherwise delegated, have been delegated to the Executive Committee excluding the following :-

- ✓ Approval of an Integrated Development Plan
- ✓ Passing of by-laws
- ✓ Approval of budgets
- ✓ Imposition of rates and other taxes, levies and duties
- ✓ Raising of loans

The following councillors have been designated as full-time councillors :-

- ✓ Speaker
- ✓ Members of the Executive Committee
- ✓ Chief Whip

The Speaker is also Chairperson of the whips committee.

R. Mdluli (Deputy Mayor), A.Rehman (Mayor), M.Zikhali (Speaker)

ANALYSIS OF MEETINGS

	2011/12	2012/13	2013/14
Council meetings	10	9	11
Special Council meetings	6	2	5
Executive Committee meetings	10	10	11
Special Executive Committee meetings	27	23	21
Number of reports considered by Executive Committee	240	313	344
Number of resolutions formulated	189	261	290
Number of recommendations to Council	51	52	54

COUNCIL REPRESENTATION

The following table reflects the composition of Council in terms of party representation and gender representation over the 2013/14 term of Council. Note that with the National elections held in May 2014, 2 DA councillors vacated seats due to parliamentary seats. There figures below include these 2 councillors as the replacement councillors were only nominated in the new financial year.

PARTY NAME	NUMBER	%age	MALE	%age	FEMALE	%age
	2013/14					
ANC	33	54%	22	36%	11	17%
AZAPO	3	5%	3	5%	-	0
DA	5	8%	2	3%	3	5%
FCON	1	2%	1	2%	-	0
IFP	12	20%	8	13%	4	7%
NFP	5	8%	4	7%	1	2%

PARTY NAME	NUMBER	%age	MALE	%age	FEMALE	%age
	2013/14					
RLP	2	3%	2	3%	-	0
TOTAL	**61**	**100%**	**42**	**69%**	**19**	**31%**

The full time Chief Whip of Council is Councillor SM Thwala.

EXECUTIVE COMMITTEE MEMBERS AND THEIR PORTFOLIOS

The portfolio committees are aligned to the macro structure of the municipality as follows :

Portfolio Standing Committee : Finance
Portfolio Standing Committee : Community Services
Portfolio Standing Committee : Corporate Services
Portfolio Standing Committee : Development Planning and Human Settlements
Portfolio Standing Committee : Technical Services

Each Portfolio Committee is chaired and deputy chaired by a member of EXCO .

EXECUTIVE COMMITTEE MEMBERS for 2013/14

EXCO MEMBERS	PARTY	PORTFOLIO	DESIGNATION
Cllr A F Rehman -Mayor	ANC	Finance	Chairperson
Cllr R M Mdluli - Deputy Mayor	ANC	Technical Services	Chairperson
Cllr T Z Hadebe (July 2013 to May 2014)	DA	Community Services	Deputy Chairperson
Cllr N P Kunene	ANC	Community Services	Chairperson
Cllr S B M Lukhele	NFP	Development Planning and Human Settlements	Deputy Chairperson

EXCO MEMBERS	PARTY	PORTFOLIO	DESIGNATION
Cllr R B Ndima	IFP	Corporate Services	Deputy Chairperson
Late Cllr B S Ntombela	ANC	Corporate Services	Chairperson
Cllr M Shunmugam	ANC	Development Planning and Human Settlement	Chairperson
Cllr J A Vorster	IFP	Technical Services	Deputy Chairperson

The Newcastle Municipality underwent a restructuring process in the 2011/12 financial year. The new Macro Structure of the Newcastle Municipality was approved in June 2012 as indicated below.

The post of SED : Development Planning and Human Settlements was filled in the year under review.

The following top management positions were held as at the 30 June 2014 :

Municipal Manager	Mr K Masange
Chief of Operations	Mr B E Mswane
Executive Manager : Legal Services	Mr M Nkosi
Chief Audit Executive	Ms S Chenia
Strategic Executive Director : Budget and Treasury	Mr MJ Mayisela until 31 December 2013
Strategic Executive Director :Technical Services	Mr S Dube
Strategic Executive Director : Community Services	Mr M Sithole
Strategic Executive Director : Corporate Services	Mr E Hauptfleisch
Strategic Executive Director : Development Planning and Human Settlements	Ms N S Thusi

The SED : BTO position remained unfilled at 30 June 2014. A secondment from KPMG to the Acting position of SED : BTO is filled by Mr S Dube with effect January 2014. The recruitment process for the filling of this post is in progress.

POWERS AND FUNCTIONS

The following Local Government Powers and Functions as authorised to Newcastle Municipality were separated into core and non-core functions.

Core Functions	
Schedule 4 Part B	RESPONSIBLE DEPARTMENT
Storm-water Management systems in Built up areas	Civil Services
Water and Sanitation Services	Civil Services
Municipal Public Works	Civil Services
Fire Fighting Services	Community Services
Air Pollution	Community Services
Child Care facilities	Community Services
Municipal Airports	Community Services
Municipal Health Services	Community Services
Municipal Public Transport	Community Services
Building Regulations	Development Planning and Human Settlements
Municipal Planning	Development Planning and Human Settlements
Trading Regulations	Development Planning and Human Settlements
Local Tourism	Development Planning and Human Settlements
Electricity and Gas Reticulation	Electrical Services
Pontoons, ferries, jetties etc	N/a

Non-Core Functions	
Schedule 5 Part B	RESPONSIBLE DEPARTMENT
Municipal Roads	Civil Services
Control of undertakings that sell liquor to the public	Community Services

Non-Core Functions	
Schedule 5 Part B	RESPONSIBLE DEPARTMENT
Facilities for the accommodation, care and burial of animals	Community Services
Licensing of dogs	Community Services
Licensing and control of undertakings that sell food to the public	Community Services
Noise Pollution	Community Services
Pounds	Community Services
Public Places	Community Services
Control of public nuisances	Community Services
Local Sports facilities	Community Services
Municipal parks and recreation	Community Services
Cemeteries	Community Services
Cleansing	Community Services
Refuse Removal, refuse dumps and solid waste disposal	Community Services
Traffic and parking	Community Services
Billboards and the display of advertisements in public places	Development Planning and Human Settlements
Fencing and fences	Development Planning and Human Settlements
Markets	Development Planning and Human Settlements
Street Trading	Development Planning and Human Settlements
Street lighting	Electrical Services
Beaches and Amusement Facilities	N/A
Municipal Abattoirs	N/A

Schedule 5 Part B	Non-Core Functions RESPONSIBLE DEPARTMENT
Funeral parlours and crematoria	N/A

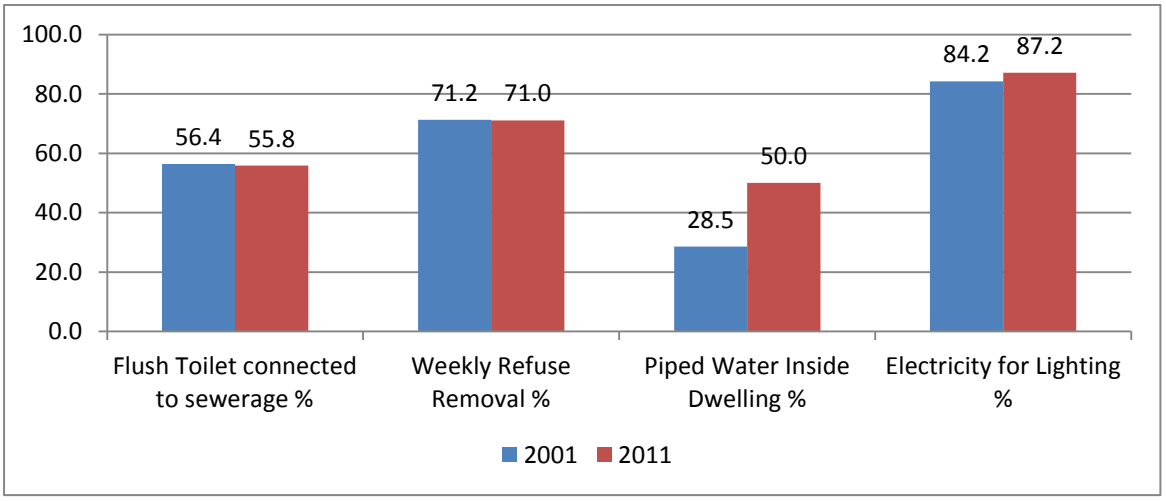
SERVICE DELIVERY OVERVIEW

The NLM is one of a few local municipalities that are having the responsibility to plan, provide and regulate infrastructure development throughout its area of jurisdiction. This includes both bulk infrastructure development and reticulation.

1.1.1 GENERAL ACCESS TO BASIC SERVICES

As indicated on Figure 12 below, access to basic household services in Newcastle Municipality has improved substantially since 2001 with more people (50% as opposed to 28.5% in 2001) having piped water inside their dwellings, and 87.2% having electricity for lighting marking an increase from 84.2% in 2001. The situation with regard to sewer connection and refuse removal remains largely unchanged reflecting the impact of population growth.

Figure 15: Household Services

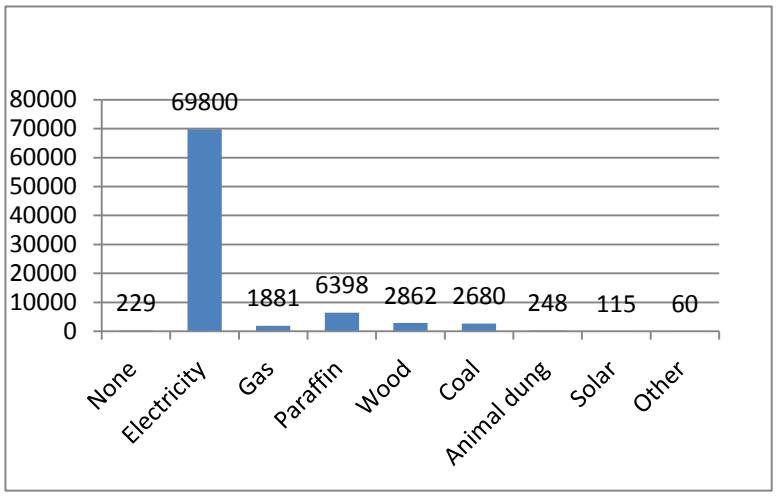


Source: Stats SA, 2011

However, the standard and level of service differ significantly among areas reflecting the impact of the past apartheid policies. The JBC area and the surrounding settlements are characterised by severe service backlogs and underdevelopment. Table 6 below indicated a summary of service backlogs for 2010.

1.1.1.1.1 SOURCES OF ENERGY

Figure 16: Sources of Energy for Cooking



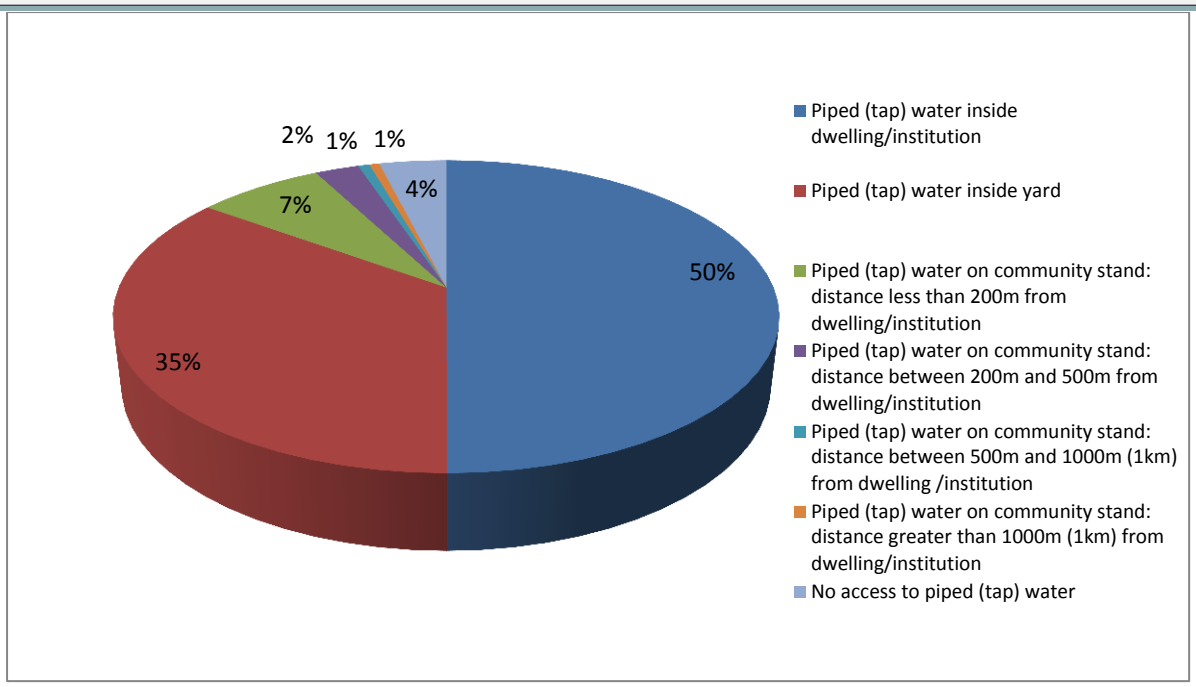
The municipality with the assistance of ESKOM has made substantial progress with the provision of electricity throughout its area of jurisdiction. 69 800 and 73 449 households are using electricity for cooking and lighting respectively. The number of people using sources of energy such as paraffin, wood, gas, coal, etc has declined substantially.

However, there is a few areas where lack of services has been reported. These include informal settlements and areas that were settled after the settlement was electrified.

1.1.1.1.2 ACCESS TO WATER

Water supply infrastructure in Newcastle Municipality varies between areas reflecting the impact of separate development and urban bias of the past planning and development practices. Newcastle town is generally well provided with water while a few households in Madadeni and Osizweni Townships are experiencing shortage in this regard. Severe backlogs have been reported in rural wards where the level of backlog is high. A review of the 2011 census data reveals that 50% of the population has water inside their dwelling units. However, a significant number of people (more than 35%) still obtain water beyond a 200m radius of communal stand pipes. People who do not have access to piped water account for only 4% of the total population.

Figure 17: Access to Water



The Newcastle Municipality, in line with National policy on FBW, makes budgetary provision of 12kl per household for indigent families, funded through the Equitable Share. The recently updated Water Services Development Plan (WSDP) indicates that there has been a reduction of 18% in water backlogs between the 2002 and 2010 with an existing water service backlog of 24%.Breakdown of the level of access to water by municipal wards is indicated on the table below:

Table 5: Access to Sanitation

Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/ stagnant water	River/ stream	Water vendor	Water tanker	Other
Municipal Wards	851	933	452	93	94	258	20	341	87
Ward 1	3 242	6	1	2	1	1	5	5	20
Ward 2	2 294	16	1	3	9	12	8	7	34
Ward 3	2 789	6	-	7	3	1	8	13	9
Ward 4	2 873	7	1	1	3	1	6	4	8
Ward 5	3 821	82	11	29	5	7	55	552	249

Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/ stagnant water	River/ stream	Water vendor	Water tanker	Other
Ward 6	3 216	32	2	15	6	5	20	93	239
Ward 7	1 765	17	-	1	2	-	5	49	22
Ward 8	3 632	11	-	3	-	-	4	5	70
Ward 9	2 108	2	-	1	1	-	5	7	38
Ward 10	2 436	8	4	1	4	-	12	4	32
Ward 11	1 701	31	7	2	1	-	7	14	68
Ward 12	1 667	3	3	1	-	-	2	7	6
Ward 13	3 287	13	5	2	2	-	-	89	214
Ward 14	1 444	216	27	5	12	4	13	280	212
Ward 15	2 613	117	2	7	2	-	5	17	345
Ward 16	2 368	8	-	-	-	-	25	1	7
Ward 17	2 148	99	-	1	-	-	20	29	277
Ward 18	2 215	21	7	1	6	1	2	230	22
Ward 19	3 705	41	1	4	-	-	12	11	17
Ward 20	2 583	118	5	76	2	12	17	149	136
Ward 21	1 949	1	-	2	-	-	5	4	1
Ward 22	1 800	7	-	2	-	-	11	112	9
Ward 23	2 906	25	2	1	2	-	3	4	17
Ward 24	3 382	301	1	2	-	5	6	-	13

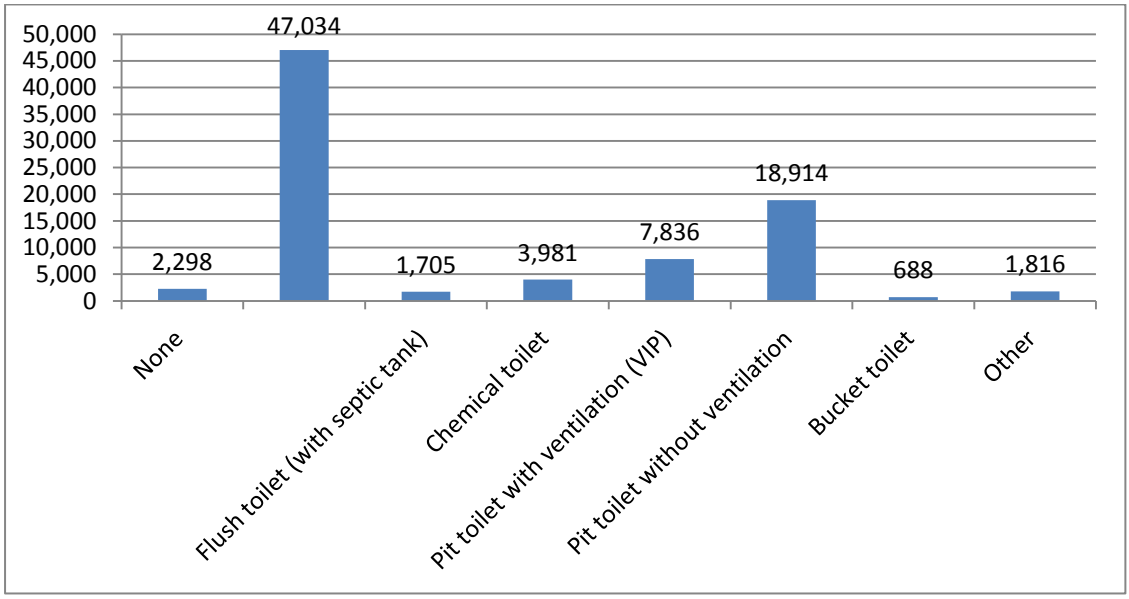
Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/ stagnant water	River/ stream	Water vendor	Water tanker	Other
Ward 25	1 601	4	-	1	1	-	2	1	8
Ward 26	2 453	6	-	-	2	-	5	1	14
Ward 27	1 633	2	5	1	4	1	1	7	8
Ward 28	2 497	2	-	2	1	-	8	17	8
Ward 29	2 576	13	2	7	5	1	5	87	24
Ward 30	2 171	87	4	1	1	2	9	270	81
Ward 31	75 725	2 235	545	278	169	312	305	2 411	2 292
Grand Total	75 725	2 235	545	278	169	312	305	2 411	2 292

Source: Stats SA, 2011

The graph below illustrates the demand for water and indicates the crisis that might face NLM is water issues are not given priority within LM.

1.1.1.2 ACCESS TO SANITATION

Figure 18: Access to Sanitation



Source: Stats SA, 2011

Similarly, the peri-urban and rural areas with the JBC and rural settlements in the Khathide and AmaHlubi communities are characterised by high sanitation backlogs. The JBC node has no sewerage reticulation in place. The residents rely on over 15 000 ventilated improved pit (VIP) latrines. Most of the VIPs are full and the Municipality spends about R1, 0 million every month in de-sludging the VIPs. Plans are underway to formalize Blaauwbosch and considerable sewage flows are expected. A breakdown of level of access to sanitation by municipal wards is indicated in the table below. 688 people said to be on bucket system is a source of concern and will be attend immediately.

Table 6: Access to Sanitation by Electoral Wards

MUNICIPAL WARDS	NONE	FLUSH TOILET (CONNECTED TO SEWERAGE SYSTEM)	FLUSH TOILET (WITH SEPTIC TANK)	CHEMICAL TOILET	PIT TOILET WITH VENTILATION (VIP)	PIT TOILET WITHOUT VENTILATION	BUCKET TOILET	OTHER
Ward 1	168	456	343	87	136	1777	36	124
Ward 2	2	3259	14	-	2	-	2	2
Ward 3	19	2339	2	-	10	6	1	6
Ward 4	-	2802	9	-	15	4	-	5
Ward 5	2	2888	3	-	3	2	-	7
Ward 6	440	28	23	583	1577	1993	22	145
Ward 7	329	804	38	170	1151	891	241	4
Ward 8	21	1673	99	4	53	2	4	7
Ward 9	337	1917	52	128	702	546	10	32
Ward 10	62	2075	19	-	2	1	1	2
Ward 11	18	1649	42	283	9	122	7	372
Ward 12	42	17	12	21	21	1580	2	137
Ward 13	7	1505	1	6	5	148	10	7
Ward 14	14	75	13	422	1180	1851	42	15

MUNICIPAL WARDS	NONE	FLUSH TOILET (CONNECTED TO SEWERAGE SYSTEM)	FLUSH TOILET (WITH SEPTIC TANK)	CHEMICAL TOILET	PIT TOILET WITH VENTILATION (VIP)	PIT TOILET WITHOUT VENTILATION	BUCKET TOILET	OTHER
Ward 15	85	7	5	35	44	1868	7	163
Ward 16	156	18	12	28	91	2659	19	127
Ward 17	17	2169	17	1	3	138	28	37
Ward 18	65	333	49	160	143	1691	18	117
Ward 19	31	1006	20	559	253	617	3	17
Ward 20	68	3253	201	17	9	17	168	58
Ward 21	24	1970	240	127	88	620	4	25
Ward 22	2	1878	53	2	-	-	22	3
Ward 23	1	1608	270	2	1	12	6	39
Ward 24	17	2864	19	1	21	2	3	34
Ward 25	120	2444	10	4	14	1040	5	73
Ward 26	11	1600	2	-	-	1	-	3
Ward 27	6	1651	19	139	481	6	6	173
Ward 28	5	1643	10	1	2	-	-	-
Ward 29	36	1325	71	186	675	230	3	8
Ward 30	78	1724	18	118	328	383	13	57
Ward 31	115	54	18	897	817	707	3	16
Grand Total	2298	47034	1705	3981	7836	18914	688	1816

1.1.2 WATER

1.1.2.1 PLANNING FOR WATER SERVICES DELIVERY

Although the NLM developed and adopted a Water Services Development Plan (WSDP) in 2009, planning for water infrastructure development has largely been project based and *adhoc*. The WSDP and various other strategic documents identify a number of critical issues. These range from issues of service backlog through the capacity of the existing infrastructure to the sustainability of the infrastructure into the future. Critical issues that require attention in this regard include the following:

- Preparation of a long term plan to guide investment in water infrastructure in the short to long term.
- Maintenance of the existing infrastructure.
- Funding for maintenance and new water infrastructure projects.

1.1.2.2 RAW WATER SOURCES

The supply of raw water within the NLM is as follows:

- The Buffalo River Abstraction Works through a 32km long 800mm diameter steel pipe to the Ngagane Water Purification Works. The average supply is 10 Ml/day;
- The Ngagane River Abstraction Works through a 1.5km long 600mm concrete lined steel pipe, which supplies and average of 20 Ml/day and;
- The Ntshingwayo Dam through two pipes, an 800 mm concrete pipe 18km long and 700mm diameter steel pipe, 13km long, both supply a combined total of 92 Ml/day.

Ntshingwayo Dam situated on the Ngagane River has a storage capacity of 194million m^3. The dam was raised during 1982 and cannot be augmented further to increase the system yield. An excess firm yield of 21 million m^3/a (57Ml/d) is available at Ntshingwayo Dam for further allocation to Newcastle which should be sufficient until 2017 at the present demand without any water conservation and water demand management initiatives being implemented. If these initiatives are implemented, this horizon could extend to 2023.

However, the current available yield from the Ntshingwayo Dam is not sufficient to support a major irrigation-based agricultural development. As such, water augmentation in the upper Buffalo system would be required in the time horizon 2015-2025 without any agricultural development because of the domestic and industrial demand growth in Newcastle. Therefore, the proposed Ncandu River Dam is not just the only viable option for increasing the system yield in order to support agricultural development, but it is also the only viable option to ensure continued economic growth for the Newcastle industrial and commercial sector beyond 2015-2015. Table 10 below indicates the expected peak demand for the next 25 years with the expected shortfalls.

Table 7: Demand Forecast

Year	Peak demand (Ml/day)	Supply			Total	Surplus (shortage) (Ml/day)
		Ntshingwayo Dam	Ngagane river	Buffalo river		
2011	104	70	18	15	103	(1Ml/day)
2014	128	70	18	15	103	(25Ml/day)
2020	153	70	18	15	103	(50Ml/day)
2025	167	70	18	15	103	(64Ml/day)
2030	190	70	18	15	103	(87Ml/day)
2035	213	70	18	15	103	(110Ml/day)

From the above table it is evident that the bulk raw water supply is creating a bottleneck resulting in the plant not being able to meet the demand. Noting that the installation of a new supply line will take at least 3 years at which time the expected shortfall will be in the order of 25Ml/day, it is evident that the situation is serious. This could be a conservative figure as the supply line to Utrecht is completed; new bulk infrastructure is being provided to supply water to a planned development called Viljoen Park; the Stafford Hill area comprising of 8000 households is to be provided with water borne sanitation and plans are being finalised to commence a 3 phased high density development for JBC.

1.1.2.3 POTABLE WATER TREATMENT FACILITIES

During February 2013, Newcastle was awarded with a **BLUE DROP** water status (quality) accolade. The town of Newcastle has three WTWs with two plants having recently been decommissioned. The Ngagane WTW is the only plant that is currently operational, and which is supplying treated water to the area. The Ngagane Water Treatment Works is located next to the Ngagane River on the south-eastern side of Newcastle and is operated by uThukela Water (Pty) Ltd on behalf of Newcastle Municipality. The total peak hydraulic design capacity of the Ngagane WTW is 105 Ml/d. The average annual flow rate of the WTW is estimated to be 103.3 Ml/d.

The average annual capacity of the water treatment works is not sufficient to meet the future (from 2012) water requirements. An overall score of 95% is required to achieve a blue drop status. UThukela Water has achieved a score of 97% during 2010.

1.1.2.4 WATER SUPPLY AND RETICULATION

Six pumping mains supply purified water to two bulk storage reservoirs, the Braakfontein and Hilldrop reservoirs. A combination of a 600mm diameter steel pipe, 375mm diameter asbestos cement pipe and 600 mm diameter GRP pipe supply the 78 Ml Braakfontein reservoirs. The 29 Ml Hilldrop Reservoirs are supplied through a 700mm steel pipe and 375mm asbestos cement pipe. Water from the Braakfontein reservoirs then feeds the following;

- Stafford Hill and Madadeni through a combination of various pipe sizes ranging from 800mm diameter to 200mm diameter
- 6 Ml Blaauwbosch reservoir that in turn feeds Blaauwbosch
- The Waterval Reservoir and Ngagane
- Osizweni Township through a 3.85km long 450mm diameter AC pipe. The pipeline splits into two lines, one serves the 6Ml reservoir at Blaauwbosch and the other serves the 2Ml tower at Osizweni.

The Hilldrop reservoirs feed the Newcastle CBD, the suburbs and industrial areas. The JBO Node is fed from the Braakfontein reservoirs. The average consumption for the whole of Newcastle is estimated at 75Ml/day. The consumption figures from the Braakfontein reservoirs are about 46 Ml/day. The Braakfontein reservoirs therefore have adequate capacity for future expansion. The total unaccounted for water is very high and averages about 36%. Once this is addressed, additional capacity can be realized.

The increase in demand for the townships of Madadeni, Osizweni, Stafford Hill and Blaauwbosch including the Newcastle West area is necessitating the need for an additional 20Ml reservoir at the Hill drop reservoir site including an additional 45Ml reservoir for the Braakfontein reservoir site.

1.1.2.5 THE CONDITION OFWATER INFRASTRUCTURE

The infrastructure in Newcastle East is in a fairly good condition which is more than what can be said about the condition of water infrastructure in the Newcastle West area which is mainly the CBD and surrounding suburbs. The area has aging asbestos networks which are resulting in high maintenance costs. The estimated capital investment required for this is in the order of R500 million rand. Investigations also need to be carried out in how to improve the pressure management in the Arbour Park, Lennoxton areas where low pressures are being experienced.

A new pumping main from Ngagane Plant to Braakfontein Reservoirs is needed. The existing two lines do have sufficient capacity for the medium term but require maintenance and to decommission one line to carryout repairs will result in inadequate supply owing to the insufficient storage capacity at Braakfontein reservoirs.

1.1.2.6 WATER LOSSES

A preliminary assessment of the level of water use efficiency and the level of Non-Revenue Water (NRW) in the Newcastle Water Supply Scheme area indicated that the total system losses are high. It was estimated that the total Non-Revenue Water (NRW) in the supply area is a staggering 65%. The main areas of concern are Madadeni and Osizweni where water losses mainly from onsite leaks are resulting in losses of at least 26Ml/day. The average consumption per household in Madadeni is 44.6kl per month with almost zero payment and no credit control interventions. The situation is not any different in Osizweni where the total number of households is in the order of 27,200. An amount of R24 million has been approved by MIG to reduce the non-revenue water in Madadeni although a R150 million will be required to complete the programme. The programme will include the repair of private leaks and install flow regulators to each household in Madadeni and Osizweni thereby creating an additional 26Ml per day allowing a window period for the construction of the raw water supply line from Ntshingwayo dam to the Ngagane WTW and simultaneously increasing the capacity of the Ngagane WTW's. Without these interventions there will be insufficient water to supply for any new developments.

1.1.3 SANITATION

NLM face a number of challenges with regard to sanitation. One of the main problems is the need for a sewer master plan, which will enable the municipality to plan for future developments including addressing the backlogs in basic sanitation services. Other areas of concern are the lack of adequate sewer systems for 13 481 households that do not have waterborne sanitation. This need is especially evident in the MBO area.

1.1.3.1 CONDITION OF EXISTING INFRASTRUCTURE

The absence of a Sewer Master plan does not allow for effective forward planning with regards to the impact of new developments and future areas to be provided with water borne sanitation. The new areas to be developed include Blaauwbosch and Viljoen Park. Stafford Hill has been provided with sewer reticulation where 8,000 existing VIP toilets are to be converted to flush toilets. Madadeni has water borne sanitation for all 15,000 households although the structures of 5,000 households are dilapidated and flush into the old conservancy tank system with the overflow of the tank connected to the sewer connection. In many cases the contents of the tank is exposed and a health hazard. The existing networks are in a fairly good condition with infiltration into the groundwater not seen as a problem. The reticulation in the higher income areas such as Aviary Hill is operating at full capacity as the density of the area increases, exceeding the maximum design flows of the networks. Investigations revealed that there were two properties in Lennoxton being serviced by the old bucket system. Septic tanks have since been provided for these properties.

1.1.3.2 WASTE WATER TREATMENT WORKS

The waste water and sewage from the Newcastle Municipality is currently treated at three major plants:

- **Newcastle (KwaMathukuza) Waste Water Treatment Plant:** The works currently serves the Newcastle Central Business District, the industrial and surrounding areas. The works has a design capacity of 25 Ml/day and is currently running at 20 Ml/day Average Dry Weather Flow. The Works have a spare capacity of 5 Ml/day and will serve future housing developments at Viljoen Park and Tuam Farm.
- **Osizweni Waste Water Treatment Plant:** The Works' catchment is the greater Osizweni Township and the surroundings. The current capacity of the Works is 14 Ml/day and the current hydraulic loading is 15 Ml/day. The Works is currently running at capacity in terms of hydraulic loading, but the biological loading is below design capacity.
- **Madadeni Waste Water Treatment Works:** The catchment area for Madadeni WWTW is the Madadeni Township, Ithala Industrial area, and the surrounding areas.

The design hydraulic loading is 12 Ml/day. The Works are currently operating at 15Ml/day. However, during the wet season, the flows peak at between 25Ml/day to 30Ml/day due to high infiltration. Plans are underway to increase the hydraulic capacity to 35Ml/day. The project is scheduled for 2010. It is envisaged that future flows from Blaauwbosch, Johnstown and Cavan will be directed to Madadeni WWTW.

1.1.4 ELECTRICITY AND POWER SUPPLY

1.1.4.1 SOURCES OF ENERGY

Eskom supplies in the order of 125,000 KVA per month. An alternative energy source is provided by International Power South Africa (IPSA) from gas turbines. IPSA has resumed operations at its cogeneration plant at Newcastle. The 18MW combined heat and power plant is now supplying electricity to the national grid under a medium-term power purchase agreement with Eskom dated 26 August 2010.IPSA has successfully restarted operations at its cogeneration plant at Newcastle, following a final agreement on a gas supply contract with Spring Lights Gas. According to ESKOM, there is limited capacity in the Newcastle East to accommodate the planned housing and commercial development.

1.1.4.2 RETICULATION

The municipality manages the electricity networks for the Newcastle West area (the CBD and surrounding suburbs). The outlaying townships and rural areas are supplied by Eskom. The electricity backlog in NLM is estimated at 11.3%. In terms of electricity issues, the need to investigate pre-paid electricity in Newcastle license area is highlighted. Electricity metering and billing also needs to be addressed and is a priority for the municipality, as this will ensure the accuracy of consumer accounts. There is no electricity master plan and therefore long term planning is not in place from a capacity point of view. Electricity losses are currently estimated at 9%.Currently, Eskom is undertaking a study which will indicate the energy capacity required for NLM

if we are to pursue with future developments. In addition, the Newcastle Municipality is investigating the viability of installing solar system in Normandien and some parts of Ingogo (portions where MV lines are far from houses). These areas were identified for non-grid electricity due to their locations and extreme high cost of building electrical infrastructure. The Department of Energy is keen to fund these projects.

The municipality sells about 93.5% of the bulk electricity that is purchased from Eskom while 6.5% run at a lost. In order to remedy the situation the municipality has begun with the auditing of electricity meters and the process is estimated to be completed by end of June 2012. Hence, the issue of smart-meters is envisaged as a catalytic solution into this electricity loss challenges. However, it must be noted that the installation of smart-meters will cost the NLM an estimated amount of 80 million. In an attempt to address electricity backlogs, there are a number of ongoing electrification projects in the municipality. There are also a number of housing development projects where the project is implemented by the local municipality but are situated in the ESKOM area of supply. As such, close coordination and cooperation between these two entities are required. There are plans underway to take over the Eskom licensed areas in the East such as Madadeni and Osizweni in order to increase the revenue for the municipality. Provisions for capacity challenges are being addressed through the revised organogram in order to establish a new electricity department separated from Technical Services.

1.1.4.3 FREE BASIC ELECTRICITY

Another challenge is the roll out of Free Basic Electricity within the ESKOM license area, which is problematic due to systems compatibility with both electricity providers. Further to this, maintenance, upgrade and rehabilitation of electricity infrastructure through the ring-fencing of the function for the transfer to RED's, is identified as an important issue.

In terms of national government mandate, NLM is meant to provide 50Kw of free basic electricity to indigent households including areas licensed under Eskom. Currently, there are people registered as indigents who qualify for free basic electricity. This cost the municipality the estimated amount of over R5 million per annum.

There are a number of on-going electrification projects in the municipality especially in rural areas. These include Bosworth at about 379 households, Drycut which is about 573 households, Roypoint at about 100 households and Charlestown at about 115 households.

1.1.5 ROADS, STORMWATER AND PUBLIC TRANSPORT

1.1.5.1 ROADS

In terms of road infrastructure, 91% of all roads in Newcastle are in a poor state, of which 732km are unpaved. In an attempt to address this, the municipality has intensified their roads programs over the past 5 years, which addresses primary and secondary roads. The IDP also indicates that the

operational budget has significantly increased during this time to ensure minor maintenance through grading and storm-water clearance. A total of 34kms was upgraded over the last five years. The MBO is a priority area for road upgrading.

1.1.5.2 STORMWATER

There is no storm water master plan resulting in *adhoc* projects being identified where complaints are received. Problems are being experienced in the CBD area where concrete pipes are collapsing owing to fatigue from heavy traffic loads. Victoria Mall area has been identified as a problem area as flooding of private property is occurring at various low points. Magnolia Street has insufficient storm water infrastructure and also has been identified as a priority. Storm water damage to the environment is receiving little attention with soil erosion progressing unabated in certain area. Similarly, MBO has been identified as a priority for storm water development and upgrading given the lack of service in this area.

1.1.5.3 PUBLIC TRANSPORT

The majority of public transport facilities in the Newcastle Municipality area is informal and requires serious upgrading. Table 12 below provides a summary of the state of the existing public transport facilities audited in Newcastle.

Table 8: Taxi Ranks

FACILITY NAME – TAXI RANKS.	STATUS	OWNERSHIP	LOCATION
Osizweni Formal Taxi Rank	Formal	Municipal	Off Street
Makhanya Informal Taxi Rank	Informal	Municipal	On street
Top Rank Informal Taxi Rank	Informal	Municipal	On street
9 Mile Informal Taxi Rank	Informal	Municipal	Off Street
Moyomuhle Informal Taxi Rank	Informal	Municipal	Off Street
Madadeni Sec 4&5 Informal Taxi Rank	Informal	Municipal	Off Street
Madadeni Shoprite Checkers Informal Taxi Rank	Formal	Municipal	Off Street
Madadeni Court Informal Taxi Rank	Informal	Municipal	Off Street
Newcastle Formal Taxi Rank	Formal	Municipal	Off Street
Charlestown Informal Minibus-Taxi Rank	Informal	Municipal	Off Street
Ingogo Informal Minibus-Taxi Rank	Informal	Municipal	Off Street
Macadam Informal Bus Rank	Informal	Municipal	Off Street
Newcastle Formal Bus Rank	Formal	Municipal	Off Street

57% (203,9km) of roads in Newcastle being utilised by the public transport industry is unsurfaced. The highest number of vehicles in Amajuba is on the N11 south of Newcastle with high traffic

volumes on the main provincial road P483 between Newcastle, Madadeni and Osizweni. TheN11 between the P204 (turn-off to Dannhauser) and Newcastle carries in excess of 10 000 vehicles per day while the P483 carries between 5 000 and 10 000 vehicles per day. Specific recommendations regarding upgrading of facilities, development of transport corridors etc. to meet the demand of public transport is highlighted in the PTP.

1.1.6 SOLID WASTE MANAGEMENT

1.1.6.1 LANDFILL SITE

The refuse removal service caters for Newcastle West and Madadeni/Osizweni area. There is however a backlog of 25.6% affecting mainly the informal and rural settlements. According to Amajuba Integrated Waste Management Plan (IWMP) Newcastle west and Newcastle east produces generates about 113 tons and 87.9 tons per day, and this is projected to increase to 123.9 tons and 97 tons per day in 2015 respectively. The projected growth is linked to projected population growth, and emphasises a need for environmentally friendly waste management practices. The municipality has initiated a process towards the identification and establishment of a new landfill site, whilst simultaneously addressing the closure and rehabilitation of the existing site. An amount of R15m was set aside in the 2010/11 financial year, with a further R60m required in the next two financial years.

1.1.6.2 ILLEGAL DUMPING

The result of illegal dumping affects the other service sectors, as the illegally dumped waste blocks up storm water drains/manholes, which in turn results in damages to road infrastructure as water builds up at low points and causes flooding. The existing vehicle fleet managing waste of the municipality is satisfactory except for the vehicle used for the clearing of illegal waste which is old and has high maintenance costs. There is a need for law enforcement with regards to the illegal dumping and enforcement of bylaws.

1.1.7 EDUCATION FACILITIES

Access to education facilities seems to be generally good. The municipality is developed with about 118 schools including both primary and secondary schools. This can be broken down further as follows:

- 10 combined schools;
- 12 junior primary schools;
- 7 senior primary schools;
- 55 primary schools;
- 34 secondary schools.

The average size of schools, taking into consideration the amount of the population of a school going age, is 995. Planning standards for education facilities reveal that in terms of threshold, NLM should have between 90 and 120 primary schools to accommodate the population size. There is thus a need for additional primary schools.

Table 9: Planning Standards for Educational Facilities

Facility	Catchment population	Distance & Walking time	Location factors	Teacher/children ratio
Primary schools	3 000-4000	1.5km of 30min	Walking distance-1.5km	1:40
Secondary schools	6 000-10 000	5km	Located on public transport route	1:40

Source: Provincial Planning & Development Commission

The application of planning standards in respect of secondary schools indicates that between 36 and 60 secondary schools are needed. The number of schools in the area seems to be adequate, but the quality of each facility and the teacher pupil ratio's are important aspects which must be borne in mind for future planning and development in the area.

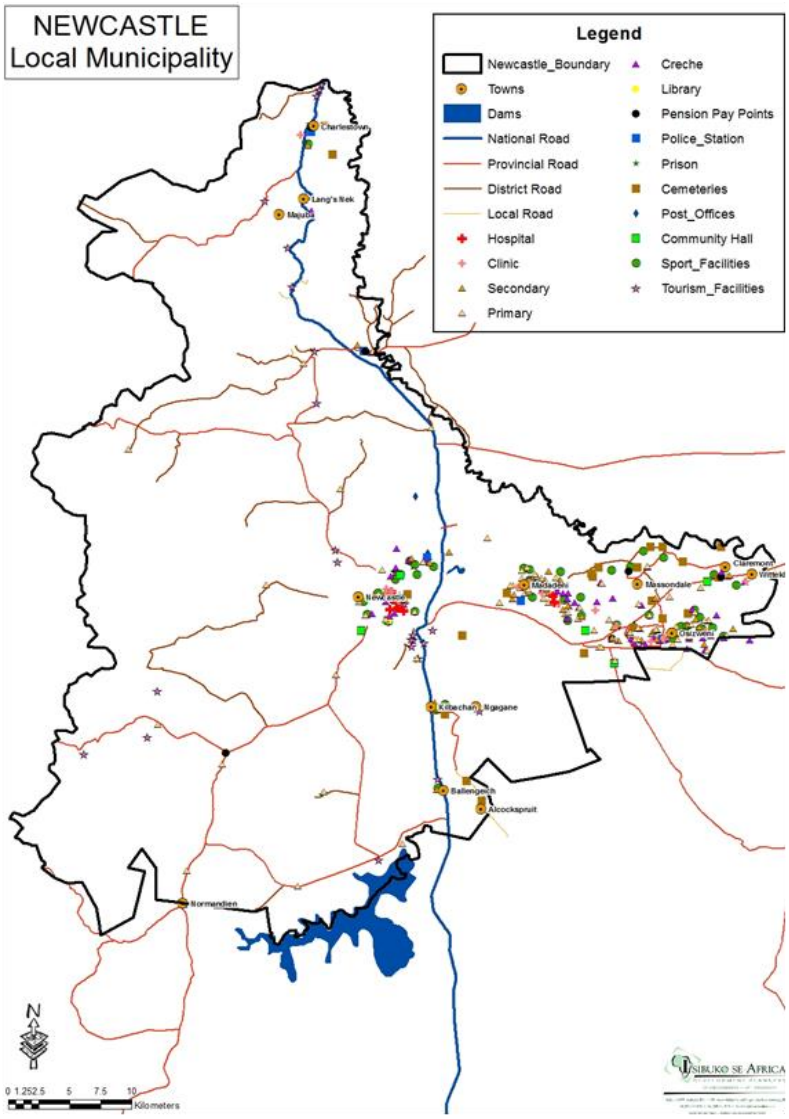
Tertiary education facilities include the old Madadeni College of Education (which is now used as a College for Further Education and Training), the Majuba FET (Newtech Campus), Majuba College FET, and Majuba FETC (MTC Campus).

There are approximately 48 early childhood educational facilities within NLM, which is spread throughout the municipal area. The crèches in the area operate from either a dedicated facility, community facility or a home.

1.1.8 HEALTH INSTITUTIONS

There are approximately twelve mobile clinics that serve the municipality and 10 permanent clinics. The backlog is mainly in the Newcastle East where the majority of the population lives. At least two hospitals are found within Newcastle Municipality. One if located in town while the other is in Madadeni Township. While Madadeni Hospital serves the district function, Newcastle Hospital is classified as a Provincial Hospital and provides service to the whole of Amajuba District and the surrounding areas.

Figure 19: Public Facilities



The spatial representation of these facilities clearly indicates that these facilities are concentrated in the urban complexes, in the central and eastern portions of the municipal area.

Emergency Rescue Services (EMRS) is located in Madadeni. The Newcastle Private Hospital is the only private hospital within the municipal area.

Table 10: Planning Standards for Health Facilities

Facility	Catchment population	Distance & Walking time	Location factors
Mobile clinic	<5 000	1km / 20min	Located on public transport routes and near taxi and bus ranks and shops.
Clinic	Small:5 000-10 000 Large: 30 000-50 000	1km / 20min	
Community health	70 000-100 000		

centre			
Hospital	10 000-80 000	2km(40min) 5km	

Source: Provincial Planning & Development Commission

1.1.9 SPORTS FACILITIES

Newcastle municipality has a total of 4 sports complexes, namely Paradise Playgrounds, Phelandaba Playgrounds, Fairleigh and Amajuba Sports Complex. In addition, there is the K.R. Rumelin Stadium, 18 sports fields and the Newcastle Swimming Pool. Newcastle East, particularly JBC and the surrounding settlements are poorly provided with sports facilities. Urban renewal programme in the JBC, and infrastructure upgrading in the MBO areas should prioritise the provision of adequate sports facilities. Parks and play lots should also be prioritised in these areas. The age structure of the population and the dominance of the youth support this assertion.

The municipality is in the process to revamp the Phelandaba sport field thereby providing a range of sporting codes including the soccer field, race track for athletics, volley ball and netball. This project has begun with the development of a swimming pool which will cater for the residents of Madadeni and surrounding areas. The same project will be done in Osizweni in the future years. It is anticipated that these kinds of projects will assist in attracting the youth into the sport while building the healthy communities.

1.1.10 POLICE STATIONS

There are seven permanent police stations in NLM and one satellite station. Services offered range from child protection, serving the community and domestic violence. Newcastle has four libraries, located in its area of jurisdiction, namely the Newcastle Public library, Osizweni, Madadeni and Fairleigh. Newcastle Municipality participates in crime policing forums through the Office of the Speaker. The NLM is in the process of installing the CCV cameras to the CBD, industrial areas, and suburbs and in the townships of Madadeni and Osizweni in order to fight against crime. Special attention is given to hot spot crime zones identified by the SAPS through the installation of high mast lights. These include Eskom licensed areas in the townships and rural areas. The objective is to have a free crime municipality whereby all residents enjoy their lives without fear or intimidation.

1.1.11 LIBRARIES

A main library is located in town while satellite libraries are found in outlying areas such as Madadeni and Osizweni. Provision of libraries in the Newcastle East should be prioritised given the structure of the population and lack of such facilities in the area.

Newcastle Municipality has a challenge of maintaining the CBD as a main administrative centre thereby catering sufficient facilities. A need has been identified to expand the main library or developed a cultural precinct which includes a theatre, museum and library next to the civic centre. Satellite libraries are also considered as a priority for the municipality especially in the rural areas like Charlestown and JBC area. The plans and consultation with the Department of Arts and Culture are underway in order to secure funding for these projects.

1.1.12 COMMUNITY HALLS

The municipal area has a total of nine community halls. Four of these are administered by the district municipality, while the other three is administered by NLM. There is a need for additional about 16 halls based on the size and geographic spread of the population. Development of multi-use community facilities which may serve as pension-pay-points, indoor sports facility and place of assembly should be investigated.

1.1.13 CEMETERIES

Access to burial facilities is one of the key challenges facing the Newcastle Municipality. There are 27 cemeteries (8 formal or registered and 19 informal burial sites). Registered cemeteries include 3 cemeteries in Charlestown, Roy Point cemetery, Cavan, (Drycut), Newcastle cemetery, Osizweni and Madadeni cemeteries. One of the unregistered cemeteries is Ngagane cemetery to the south of the Newcastle town. However, only two formal cemeteries are in operation, namely RoyPoint and Drycut cemeteries.

Although Drycut Cemetery was properly planned and laid out, it appears that the plan has not been followed. As a result, some graves are located in environmentally sensitive areas, and the facility remains poorly developed. This facility is currently the main cemetery that services the eastern parts of the NLM.

Similarly, the Roy Point Cemetery which serves as a regional facility for the whole of Newcastle and beyond is also fast approaching capacity clearly indicating a need for the identification and development of anew cemetery for the area. Cemeteries in Madadeni and Osizweni have been closed due to unfavourable geological conditions (high water table).

In response to the above cemetery challenges, the Newcastle Municipality commissioned an investigation of identifying new suitable sites for cemeteries. The project was initially setk to be completed by September 2012 and the planning exercise was to begin with the implementation of the Environmental Impact Assessment (EIA), and other processes.

1.1.14 SUSTAINABLE HUMAN SETTLEMENTS

According to the Vancouver Declaration (1976), 'Human Settlements' are defined as "the totality of the human community - whether city, town or village - with all the social, material, organizational, spiritual and cultural elements that sustain it. The fabric of human settlements consists of physical elements and services to which these elements provide the material support."

The physical elements entail the following:-

- Improved access to shelter (a house);
- Improved access to basic services;
- Upgrading of land tenure rights;
- Improved access to social facilities and services;
- Affirmation of the integrity and dignity of the settlement beneficiaries;
- Actions towards unlocking the economic development potential of the settlement; and
- Improved access to amenities.

The Newcastle Municipality Housing Sector Plan was adopted by Council in 2010. It provides an analysis of the housing situation within the municipality and outlines strategies to address the backlog and the associated housing problems. It clearly indicates the growth of the urban core and the need to accommodate the ever increasing demand for housing. The result of the ever increasing demand for housing has been the spawn of informal settlements or back-yard shacks. However, this plan is now outdated as it predates the introduction of a new national housing policy and does not provide sufficient guidance towards the development of sustainable urban human settlements.

1.1.14.1 HOUSING NEED

According to the 2011 census data, within the NLM jurisdictional area 88.64% of households reside in formal housing units. Traditional housing units and informal settlements account for 3.13% and 5.29% respectively. Households residing in a flat/room in backyard/caravan/tent and in other forms of housing make up 2.94% collectively. The census data does not provide information regarding the type and quality of houses. However it is evident that a large number of people in the eastern part of the NLM reside in houses that are substandard. The total number of households in the NLM is 84 270 and from the total number of households, 4 461 households are informal settlements that are in need of formal housing. A detailed analysis of the type of dwelling reveals a rather more

complex picture. The number of people who live in a concrete brick structure has increased substantially from 45 665 in 2001 to 71 133 in 2011 marking an increase of about 35.81% (25 468 units). On the contrary, the number of people who reside in informal settlements, back yard shacks and other substandard housing units has declined substantially.

Furthermore, 95% of the total population resides in the urban part of the municipality. Nearly, 60% (195 216) of Newcastle Municipality's population resides within the eastern settlements along P483. These include the townships of Madadeni and Osizweni, the peri-urban settlements of Johnston, Blaauwbosch and Cavan, and the rural settlements of Khathide and AmaHlubi. Rural areas, dominated mainly by the extensive agricultural farms, account for only 5% of the population. It therefore, follows that the housing need in the Newcastle Municipal area is concentrated in the urban areas, and occurs as follows:

- Informal settlements located in close proximity to Newcastle Town: This entails settlements such as Siyahlalala which indicate a need to create housing opportunities close to areas with higher concentration of employment opportunities.
- Peri-urban settlements located in the JBC area: The area is poorly provided with basic services and public facilities, yet is one of the areas that have experienced high levels of population growth over the last few years.
- Settlements located within the Ubuhlebomzinyathi area: this area is rapidly degenerating into urban slums. The majority of these are located to the north of the Osizweni Township and the JBC area.
- Organized land invasion in areas such as Tuam Farm: Again this serves to highlight a need to create settlement opportunities closer to employment opportunities.

Other areas that require attention in terms of the development of sustainable human settlements include the following:

- Charlestown area which includes both tenants and informal areas.
- Small mining towns, the majority of which are located along the southern boundary of the municipality.
- Isolated settlements located on agricultural land such as Ingogo.
- Settlements being established in terms of various elements of the land reform programme.

According to the Housing Sector Plan the estimated housing backlog, based on the income profile of the population residing within the NLM jurisdictional area, is sitting at approximately 74 981 households (88.97%). These are basically the households that are eligible for a housing subsidy based on the 2011 Census Data. The housing sector plan further estimates housing backlog at between 19 000 and 30 000 units and a Housing Waiting list of 35 000 people. However, the waiting list has not been updated thus to cater for the changing circumstances of those who are in the waiting list. There's also a large number of forms which have not yet been captured into the database.

The current projects indicated in the HSP, suggests that the majority of housing need is in the Madadeni/Osizweni (MBO) and JBC complex, which is currently expanding outwards. The housing need is evident in the quality of the existing structure, poor access to basic services and unsecured land tenure. It also relates to the consequences and impact of urbanization and the inflow of people into the urban areas of Newcastle. In order to address the housing need the MBO complex and Newcastle town need to be integrated and the quadrant between P483 and the N11 must be unlocked for housing development.

1.1.14.2 HOUSING DELIVERY

In stark contrast to the huge demand, Newcastle housing delivery was last done in the past 10 years and delays have been experienced to get housing projects approved and delivered timeously. However, concentrated efforts have been made by the municipality to deliver housing as per the constitutional mandate. The approved pipeline projects are as follows:

- Madadeni H39 – 890 beneficiaries.
- Charlestown Housing – 1500 beneficiaries.
- Siyahlalala Housing – 1200 beneficiaries.
- KwaMathukuza Storm damage – 1385 housing units.
- Madadeni storm damage 1 - 850 units.
- Madadeni storm damage (2) – 800 Units .
- Khathide Phase (2) – 2000 housing units.
- Blaauwbosch housing – 2011 housing unit.
- Osizweni Phase III – 670 housing units.
- Emawozeni Housing – 250 units.

Future housing projects should go beyond the delivery of housing units and focus on the creation of sustainable communities and settlements. This includes improving access to basic services, social/public facilities and creating opportunities for economic development. The municipality has submitted an application to the Department of Human Settlements for Community Residential Units in Fairley, Central along N11 and social housing next to the private hospital. It is hoped that these housing developments will play a significant role in assisting the municipality to alleviate housing shortages.

1.1.14.3 HOUSING RENTAL STOCK

The KZN Department of Human Settlements through the Social Housing Regulatory Authority has called in all municipalities in the province to submit proposals for the identification and delineation of Social Housing Restructuring Zones to facilitate the

development of Social Housing units. Newcastle municipality has been identified as one of the municipalities to submit proposals for the identification of Social Housing Restructuring Zones for consideration for funding the development of Social Housing units in the Municipality's area of jurisdiction. The Department of Human Settlements is at the same time embarking on the establishment of Community Residential Units which cater for families earning an income of R3500 and less. This leaves a gap in housing provision for income groups earning between R3501 and R7500. The Social Housing project seeks to close this gap and at the same time achieving the objectives mentioned in this report.

The project seeks to achieve the following objectives:

- Spatial restructuring by bringing lower income people into areas of economic opportunity;
- Social restructuring by promoting mixing of races and class; and
- Economic restructuring by promoting spatial access to economic opportunities and job creation through the building of medium density housing.

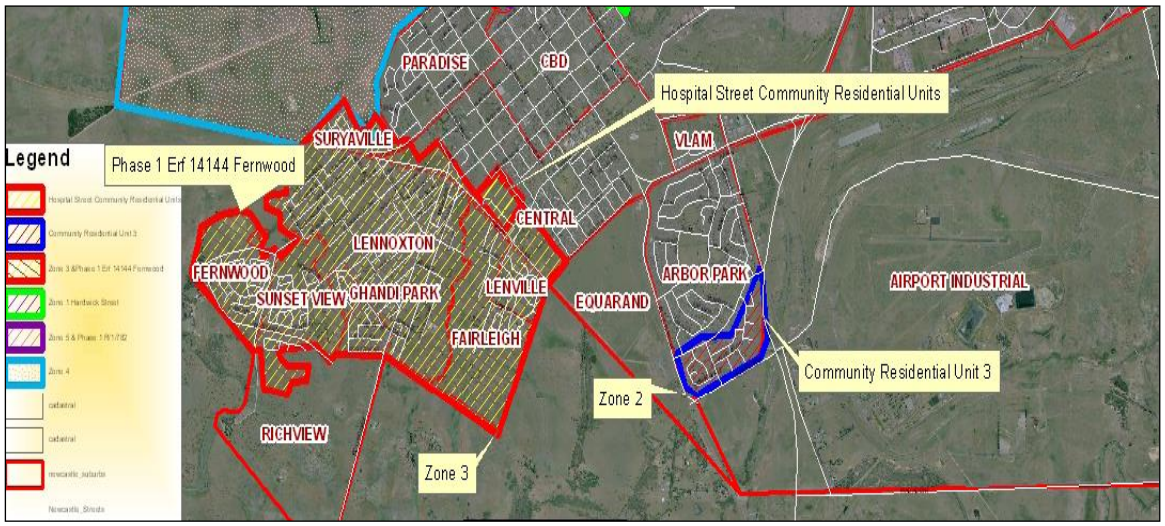
According to the Guidelines provided by the Department of Human settlements, for areas to be identified as Social Housing Restructuring Zones they should satisfy the following criteria:

- Social Housing Restructuring Zones should often coincide with development nodes (inner-city and decentralized) and corridors;
- They should not be about regeneration or renewal in townships but could be adjacent to nodes or within corridors linking townships to the city;
- Ideally restructuring should satisfy all 3 objectives above, but either economic access or mixing of race and class each, on its own can be sufficient motivation;
- A Restructuring Zone cannot however, be motivated solely on the grounds of creating change in spatial morphology of the city e.g. just for the sake of densification/compaction.

A total of six (6) Social Housing Restructuring Zones have been identified by the Department of Development Planning and Human Settlements of which two have been prioritised. The identification of the restructuring zones is in line with the set guidelines. The six zones are as follows:

- **Zone 1 –** Hardwick Street Social Housing Restructuring Zone.
- **Zone 2 –** Arbor Park Housing Restructuring Zone **(Prioritized).**
- **Zone 3 –** Fairleigh, Lennoxton, Lenville, Fernwood, Restructuring Zone **(Prioritized).**
- **Zone 4 –** Amiel Park, Hutten Heights, Pioneer Park, Aviary Hill, Schuinshoogte, Signal Hill, Sunny Ridge, Barry Hertzog Park, Amajuba Park and Ncandu Park.
- **Zone 5 -** P483 Corridor Mobility Spine, Activity Spines and Activity Nodes.
- **Zone 6 –** Future Development Zones (Erven 15048 and 15049, Newcastle).

Map 3: Prioritized Restructuring Zones 2 and 3



1.1.14.4 INFORMAL SETTLEMENTS

As indicated on table 15 below, informal settlement is one of the key challenges facing the NLM. The total demand for dwelling units (in informal settlements) can thus be calculated at approximately 19 000 units (this figure could however be much higher/lower depending on the number of households for the JBC Informal Settlement).

Table 11: Informal Settlements

SETTLEMENT NAME	NR OF HOUSEHOLDS	POPULATION SIZE	EXTENT	ROAD NETWORK	SANITATION	WATER	REFUSE REMOVAL	ELECTRICITY
Roy Point Informal Settlement	800	1000	50ha	None	Pit Latrines	None	None	None
Charlestown Informal Settlement	1500	6000	56ha	None	Pit Latrines	None	None	None
Bosworth Informal Settlement	500	3500	NA	None	Pit Latrines	None	None	None
Siyahlalala Informal Settlement (Fairleigh)	1000	5500	84ha	None	None	4 Stand Pipes	None	None
Soul City Madadeni Section 3	60	300	NA	None	VIP	Stand Pipes	Collected	None
Soul City : Madadeni Stafford Hill	3000	4500	NA	None	Pit Latrines	4 Stand Pipes	None	Eskom
Dry Cut Informal Settlement	500	2500	NA	None	Pit Latrines	4 Stand Pipes	None	None
Ingogo Informal Settlement	600	3000	NA	None	Pit Latrines	None	None	None
Ingqayizivele Informal Settlement	600	3000	NA	None	Pit Latriness	None	None	None

SETTLEMENT NAME	NR OF HOUSEHOLDS	POPULATION SIZE	EXTENT	ROAD NETWORK	SANITATION	WATER	REFUSE REMOVAL	ELECTRICITY
JBC Informal Settlement	NA	45191	2408ha	Access Roads	Pit Latrines	Stand Pipes	None	Eskom

1.1.14.5 URBAN RENEWAL

Madadeni and Osizweni are the two main townships located within Newcastle Municipality area of jurisdiction. The area, generally referred to as the MBO (Madadeni, Blaauwbosch and Osizweni areas) is the main focus of urban renewal initiatives by the municipality. To this extent, a regeneration framework has been developed as a means to provide guidance, coordination and alignment of sectoral activities to facilitate development of MBO complex. Key performance areas with their identified strategies identified for the MBO complex include:

- Quality Living Environment: this key performance area deals with strategies to improve the quality of the environment. It includes, amongst others, strategies for conservation, environmental health, rehabilitation and reclaim of degraded areas, air quality, water resource management, waste management.
- Access to Public Services and Amenities includes strategies for road maintenance, ensuring adequate and reliable bulk resources for all services over next 20 year period site and service strategies, etc.
- Functional Local Economy: this KPA identifies strategies for recycling programmes, encouragement of home enterprises, mixed activity Economic Opportunity Zones, multi modal transport interchanges at major nodes, secondary residential property market, land tenure upgrading as part of all housing projects, etc.
- Linkages and Integration: Strategies of importance are inter-neighbourhood linkages, extension of new road linkages towards improved integration, Investment Promotion Office dealing with specifically the former township areas (now economic opportunity zones).

1.1.14.6 UPGRADING AND FORMALISATION OF JBC AREA

The JBC Framework identifies six development units or precincts, and recommends that these form the basis of a housing development program in the area. Layout plans and development applications have already been packaged for some of these precincts. It further suggests the following initiatives for the area:

- Effective environmental management.
- Provision of bulk engineering services, particularly waterborne sewerage.
- Upgrading of main transport networks and the associated public transport networks. This includes walkways and pavements.
- Promoting local economic development through the development of a new town centre in the area.
- Introducing an effective land use management system.

It further acknowledges the importance of P483 as the primary development corridor running through the area, and a number of mixed use strips (activity streets). It also suggests at least three development nodes with the major node being the proposed JBC Town Centre.

1.1.14.7 SWOT ANALYSIS

STRENGHTS	WEAKNESSES
▪ Well developed infrastructure network. ▪ Availability of bulk infrastructure and services to support the economy and meet basic needs. ▪ Relatively well-resourced Technical Services Department. ▪ Aerodrome with potential to develop as a regional airport. ▪ Relatively good road network. ▪ Good access to social facilities and infrastructure (schools and health facilities). ▪ Level 2 Accreditation for the delivery of housing projects. ▪ Blue Drop water status (quality) ▪ Spare capacity for electricity	▪ Lack of sector plans particularly Water Services Development Plan. ▪ Ageing infrastructure particularly in the CBD and Newcastle West generally. ▪ Bulk infrastructure working at capacity (water treatment works). ▪ Water loses due to old infrastructure. ▪ Limited capacity for future development. ▪ Huge housing backlog particularly in the JBC area and informal settlements. ▪ Gravel roads in Newcastle East. ▪ Slow pace of housing projects. ▪ Lack of bulk services in the JBC area. ▪ Poor storm water management, particularly in the vicinity of Victoria Mall. ▪ Poorly located landfill site. . ▪ Illegal dumping.
OPPORTUNITIES	**THREATS**
• Urban renewal programme. • Municipal Infrastructure Grant and other conditional grants. • Informal Settlement Upgrading Programme. • Public private partnerships. • Development of the New dam (Ncandu)	• Increasing rate of urbanisation in areas where there is inadequate bulk infrastructure. • Reduction in infrastructure grants from national and provincial government. • Old infrastructure in the Newcastle west

CORPORATE GOVERNANCE

RISK MANAGEMENT

Section 62 (1) (c) (i) of the Municipal Finance Management Act (MFMA) No. 56 of 2003 assigns an extensive responsibility to the Accounting Officer/Municipal Manager to take all reasonable steps to ensure that the Municipality has and maintains effective , efficient and transparent systems of risk management and internal controls. Risk management policy of Newcastle Municipality as approved by the council further extends responsibility to all Municipal officials to implement effective systems of risk management within their areas of responsibility. Accordingly the Risk Management Unit is established in the Office of the Municipal Manager.

In accordance with the requirements of the MFMA, the annual risk assessment was conducted during the month of May, 2013 through intensive door-to-door departmental sessions and risk assessment workshops. The annual risk assessment covered both strategic and operational risks of the Municipality, fraud and corruption risks were also identified in both strategic and operational levels.

A detailed risk register was developed comprised of both strategic and operational risks with the top 10 risks being prioritized by management. All identified risks were grouped into specific risk categories to get a more manageable risk register with greater possibility to overview risks, followed by the rating of the risks and controls. Intervention measures were incorporated into the Risk Register through actions plans with clear time frames and assigning of responsibilities to relevant process owners and risk owners.-

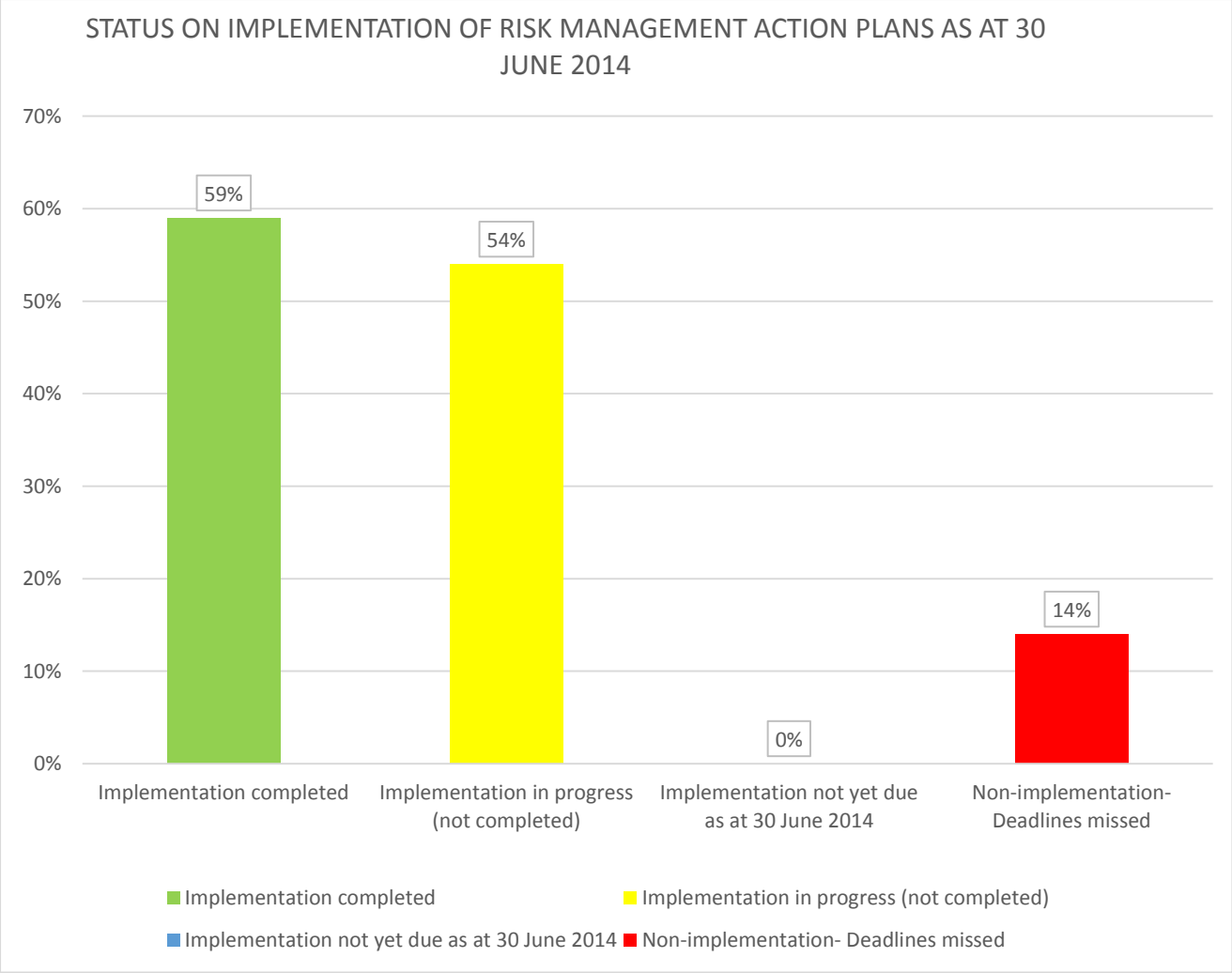
MONITORING OF THE IMPLEMENTATION RISK MANAGEMENT ACTION PLANS

All departments of Newcastle Municipality submitted monthly progress reports on implementation of risk management action plans to the Chief Risk Officer for monitoring by the Accounting Officer through the Risk management Unit within the office of the Municipal Manager;

The Chief Risk Officer submitted quarterly reports to MANCO, Audit Committee and EXCO for oversight monitoring purposes.

THE STATUS ON IMPLEMENTATION OF RISK MANAGEMENT ACTION PLANS AS AT 30 JUNE 2014

The chart below depicts the status of implementation of risk management action plans as at 30 June 2014:



Non-implementation of risk management action plans were mainly due to financial constraints, however, in addressing this challenge, as from the new financial year (2014/15), all action plans shall be aligned to budget.

Apart from above, management shares the same sentiments with the audit committee that the implementation of risk management system within Newcastle Municipality is progressing very well, however there is still more room for improvement, and this will be addressed during the 2014/2015 financial year with the introduction of risk management assurance and compliance reviews whereby all internal controls that are contained in the risk register will be validated through verification procedures for existence thereof, adequacy assessment, and effectiveness testing, and we strongly believe that this will present an improved credible information in our risk register.

AUDIT COMMITTEE

The Audit Committee of the Newcastle Municipality comprises of 4 members to ensure effectiveness and functionality -(previously 3 members)

The following members are members of the Audit Committee :-

T C Ndlela – Chairperson

- ✓ Mr GS Majola
- ✓ Mr Ismail Simjee
- ✓ Mr M A Jordan
- ✓ Ms F Buckus

The term of office of the Audit Committee ended on the 30 June 2014 and was extended to 30 September 2014 to allow for continuity is respect of the review of the AFS and Annual Performance report for submission to the Auditor-General.

The appointment of a new Audit Committee is presently in progress.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The municipality has established a Municipal Public Accounts Committee (MPAC) to oversee the expenditure and accountability for public funds entrusted to the municipality. The structure and current membership of this committee is indicated below as proportionately represented :

PARTY	REPRESENTATIVE
FEDCON	Cllr G A Mncube (Chairperson) (July 2013 to April 2014). Presently vacant

PARTY	REPRESENTATIVE
ANC	Cllr J K Gabuza
	Cllr T S Hlabisa
	Cllr H S Madonsela
	Cllr D E Tshabalala
	Cllr N A Zwane
IFP	Cllr D X Dube
	Cllr M S Mlangeni
DA	Vacant
NFP	Cllr N T Ntshangase

PUBLIC PARTICIPATION

The functional public participation structures of the municipality are :

- ✓ IDP Representative Forum
- ✓ Planning Co-ordination committee
- ✓ AFLED and Sub-structure (Agriculture, Tourism, Industry)
- ✓ ICT Co-ordination Forum
- ✓ GIS Co-ordination Forum
- ✓ District wide Sector Plans
- ✓ Siyenza Manje
- ✓ IDP Representative Forums
- ✓ Traditional Leaders
- ✓ Landowners – JBC Steering Committee
- ✓ Ward Committee Structures - 31 wards

Annual mass road-shows by ward is also a tradition of the municipality, allowing the Mayor to interact with the community to allow for input on the Budget/IDP/PMS.

WARD COMMITTEE STRUCTURES

Section 152(1)(e) of the Constitution of the Republic of South Africa, read together with Section 72 (1) and (2) of the Municipal Structures Act (Act 117 of 1998) give a direct mandate to Municipalities

to encourage the involvement of communities and community organizations in matters of local government and to establish community participatory systems.

Sections 8 (g and h), 9 (f) and 72 of the Structures Act, authorise Municipalities to establish ward participatory systems as mechanisms to enhance participatory democracy in local government.

Accordingly, 31 ward committees are operational in the Newcastle Municipality. A Ward Committee consists of the relevant Ward Councillor, who automatically assumes chairpersonship of the committee, and ten (10) other members. This composition is in terms of Section 73 (2) (a) and (b) of the Municipal Structures Act, which further states that the other ten (10) members should be elected into the Ward Committee. The composition of ward committees takes into cognizance issues of gender, disability groups, civil society, religious groups and any other organized groups within the community.

The primary objective of the ward committee is to enhance public participation of the community of Newcastle in the programmes of the Municipality.

A public Participation section established in the Office of the Municipal Manager Integrated Development Planning Unit under the and supports the Speaker, is responsible to ensure that the ward committees are functional in line with an approved Ward Committee policy.

Ward Committee members have been assigned portfolios aligned to the IDP priorities to ensure that issues pertaining to communities and the IDP are aligned.

Ward Committees have also played an active role in Special Programmes of the municipality as highlighted below.

SPECIAL PROGRAMMES

The Special Programmes (SP) Unit aims to redress previous imbalances, create equal opportunities, and promote accessibility, transparency and accountability of target groups development programmes. It comprises of cross-cutting issues, of which a blind eye cannot be turned as far as service delivery is concerned. Both the political and administrative wings have a critical role to play in the effectiveness of this psychologically tuned mandate.

NOTE: Special Programmes goes deeper than any other projects/ programmes. They are about behavioral change and this change calls for the change in cognitive and social stimuli. It has been evident that development is not just about providing shelter, roads etc. but also about the psychological wellbeing of an individual. Children, Youth, Senior Citizen, People Living with Disabilities, Men and Women must have a voice in governance.

The municipality is at the stage whereby it is acknowledged that people are different yet the same. In no way the municipality can implement service delivery alone but with the people.

Newcastle Municipality has launched the Provincial Sukuma Sakhe program at ward 9 as an attempt to declare war against poverty and social challenges facing the community of Newcastle. Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) seeks to institute food security, fight disease, in particular HIV, AIDS and TB, and poverty, to empower women and youth, and to instil behavioural change amongst the citizens of the province. The formulation of this 3rd Generation IDP has adopted the principles of Operation Sukuma Sakhe Program thereby establishing partnerships with the local community and getting involved into War Rooms.

Operation Sukuma Sakhe has a 'whole of Government approach' as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government...therefore delivery of services is required through partnership with community, stakeholders and government. Newcastle Municipality has ensured that all 310 ward committees together with ward councillors do participate in this program through formation of war rooms at ward level.

Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve the 12 National Outcomes. The program encourages the social mobilization where communities have a role, as well as delivery of government services in a more integrated way. The Government has structured programs which need to get as deep as to the level of the people are serving. This is at ward level, translating to all 31 wards and all households within the Newcastle area of jurisdiction. The KwaZulu Natal provincial government humbly accepts that it cannot achieve this alone, but needs community's hands in building this nation together.

The following Provincial departments have been prominent in spearheading the Operation Sukuma Sakhe program in Newcastle Municipality. These include; Department of Health, Education, Sports and Recreation, Social Development, Office of Premier and Co-Operative Governance and Traditional Affairs through Community Development Workers (CDWs).

The table below includes some key highlights in during 2013/14 financial year

HIGHLIGHT	CONTENT
1.War rooms establishment	The Newcastle has 31 wards and establishing war rooms was one of the most critical mechanisms for service delivery. See attachment
2.Senior citizen forum establishment	The target group is mostly not considered in decision making as one might say they are 'óutdated'. The onus is therefore on the SP to readdress this type of discrimination. Thus the forum was established in order to include them in governmental activities.
3.Disability forum establishment	This target group is normally deserted and one might argue that the way the community/decision makers do things hinder them in maximising their potential. It is without any doubt that the structure will provide advisory services to Council e.g. building structures, sign language etc.
4.Children Living with disabilities	This target group is normally neglected. In addition, they are double 'victim'… living with disabilities and being children. The First Lady of Newcastle took part in empowering this target group through sports. Lastly, Vumanisabelo, YWCA and Bumbisizwe were given sports equipments.
5.Condom distribution TO ENSURE ZERO NEW INFECTION	The stigma still surrounds HIV/AIDS with people being afraid to even ask or take condoms. The campaign destroyed the stigma by having community leaders, officials, community members etc. publicly distributing condoms.
6.HIV/AIDS awareness	This was done through the Municipal HIV/AIDS vehicle stickers. Where ever one sees the municipal vehicle he is reminded about being responsible.
7. Establishment and training of Ward Aids Committees	In order to deal with HIV/AIDS, SANAC, PCA, DAC and the LAC; agreed that one need to start form the ward level. Consequently, instead of creating many committees within the ward level, ward committees were trained on being WARD AIDS COMMITTES. The training was supported by the Office of the Premier KZN.
8. Mens march	This was the first of its kind. The men's forum organised a march in order to portray their stand on what manhood is and should be. The Mayor of Newcastle (as the first citizen) took part in this history making event. It didn't end there. Men discussed on what should be their role as men within the community.

INFORMATION TECHNOLOGY

Information Technology has become an important component of NLM in the quest to improve and transform lives of communities, and to assist and enable other departments within the Municipality to render a quality service to stakeholders and the public at large.

2012/13 will be seen as the year that set the foundation for the existence of IT in the Municipality.

IT VISION

The Newcastle Municipality's IT vision is:

To be a catalyst for change and a world class leader in delivering technology solutions and services that directly contribute to mission accomplishment; and an essential partner in business transformation, resulting in excellent customer service, strong partnerships, secure and reliable infrastructures, and cost efficient performance.

IT MISSION

The Newcastle Municipality's IT mission is as follows:

We provide the information and communication technology leadership and governance that enables the programs and operations of the Newcastle Municipality to deliver their respective missions in an efficient, effective, and secure manner through the use of IT solutions and services.

The IT mission spans a wide range of areas and includes enhancing business capabilities in the municipality by providing:

- A secure IT environment;
- Effective IT leadership;
- A capable and adequate IT workforce; and
- An excellent customer service.

The table below shows the IT staff compliment as at period ending 30 June 2014:

Position	Number	Gender		Race*
		M	F	
Director: IT	1		1	1 AF
Systems/Network/Office Administrators	3	1	2	1 AM 2 AF
Technicians (Desktop, Network, Security)	2	2	1	1 AM 1 WM 1 AF
Interns	8	8	0	8 AM

***Race**: AM = African Male; AF = African Female; WM = White Male

IT STEERING COMMITTEE

The 2013/2014 financial year saw a number of IT governance meetings due to a raised awareness of systems and budgetary challenges that were entailed. The meetings were also used as a platform to discuss the action plans that were laid out after the Auditor General's findings.

As from June 2013, the IT Steering Committee had the following members:

- Chief Risk Officer (Chairman)
- Manager: Performance Management
- Director: Budget
- Director: Supply Chain Management
- Director: Economic Development
- Director: IT

The committee is governed by an approved charter that outlines the committee's roles and responsibilities along with the committee's mandate.

IT POLICIES AND PROCEDURES

Aside from the IT Steering Committee, progress was made in terms of the development and implementation of critical policies and procedures that are crucial in the governance of IT. The following were developed and approved in the 2013-2014 financial year:

- User Access Management Procedures
- IT Disaster Recovery Plan (reviewed)
- Password Management Procedures
- Standard Naming Convention
- Data Center Access Procedures

IT RISK MANAGEMENT

IT risk management is a component of a wider enterprise risk management system. The establishment, maintenance and continuous update of an IT risk register provides a strong indication that the Newcastle Municipality is using a systematic approach for the identification, assessment and management of information security risks.

IT PERFORMANCE AND OVERSIGHT REPORT

Service Delivery and Budget Implementation Plan (SDBIP)

The Service Delivery and Budget Implementation Plan (SDBIP) details the implementation of service delivery and the budget for the 2013-2014 financial year in compliance with the MFMA, 2003 (Act 56 of 2003). The SDBIP facilitates the process of holding management accountable for the performance of their respective units and departments. It provides a basis for measuring performance in the delivery of services.

The key performance indicators for IT are in compliance with the information Technology Infrastructure Library (ITIL) KPIs as prescribed by the Council approved IT Governance Framework. The ITIL is a framework of best practice approaches intended to facilitate the delivery of high quality information technology services. ITIL KPIs are used to assess if the Newcastle Municipality's IT processes are running according to expectations.

Key Performance Indicators

The following are the IT KPIs as defined in the SDBIP are linked to the operating budget of 2013-2014 financial year:

- Number of ICT Steering Committee meetings held
- Percentage of the ICT Strategic Plan implemented
- Percentage of uptime maintained
- Review of Disaster Recovery Plan
- Number of ICT security incidents
- Percentage of website requests addressed within 24hrs

CAPITAL AND OPERATIONAL PROGRAMMES

The 2013-2014 financial year saw the implementation of a number of key planned projects.

NEWCASTLE MUNICIPALITY WEBSITE

The municipality's new website went live in February 2014. This new website has a modern, clean and fresh look-and-feel as compared to the old design. Even though departments have not been forthcoming with website content, the number of visitors on the website has increased profusely with many of the visitors focusing on open tender advertisements.

The site will be officially launched after the second phase has been completed and is live. Phase 2 of the website includes the introduction of interactive portals for the purchasing of tender documents including more details on advertised bids such as bidders, bidder prices, and successful bidder. This phase will also introduce online access to municipal accounts and meter readings.

The final product will be an informative site that provides easy access to the Newcastle Municipality's services. Visit the site by clicking here: http://newcastle.gov.za

MICROSOFT ENTERPRISE AGREEMENT

The Enterprise Agreement (EA) offered by Microsoft is their flagship products for easy access to business applications utilized by medium-large corporations. The EA is the best licensing program for organizations that want to standardize IT across the enterprise. Some of the benefits of having an EA include:

- Flexible, cost-effective and manageable licensing
- Full benefits of Software Assurance
- Simplified license management through a single company-wide agreement

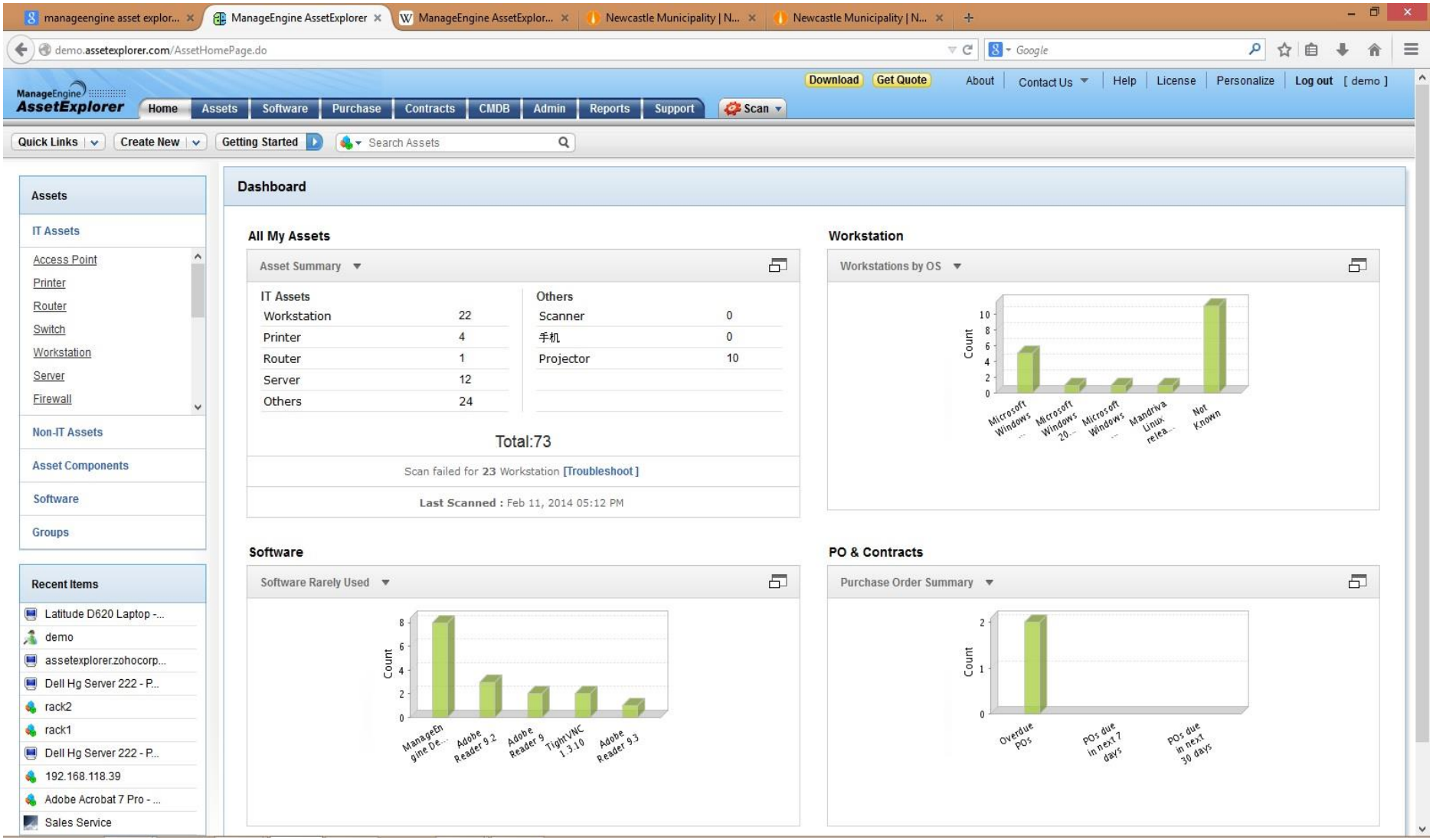
The benefits of Microsoft's Software Assurance includes:

- Improved productivity across the organization through the implementation of the latest software versions as soon as they are available
- Improved productivity of officials through access to the e-Learning portal (online training portal)
- Home Use Program which offers employees the latest Office programs to use at home, via a low-cost download

The Newcastle Municipality currently has 400 Microsoft Office Professional and Windows 8 licenses, plus additional select licenses for Microsoft Visio, Project, SQL Server, and Windows Server for the next couple of years ending in 2018.

IT ASSET MANAGEMENT SOFTWARE

ManageEngine's AssetExplorer software was procured to provide a single interface for the tracking and viewing of all IT assets, auditing of hardware and software, and tracking of asset ownership. The software features include software license compliance and usage tracking, asset tracking, IT asset scanning, asset ownership tracking, hardware and software inventory, maintain audit history, software asset management, software license management, maintain software compliance and software usage tracking. Additional features include contract management and purchase order management. Below is an example of the application's dashboard: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Google
ManageEngine AssetExplorer
Download
Get Quote
About
Contact Us
Help
License
Personalize
Log out [demo]
Home
Assets
Software
Purchase
Contracts
CMDB
Admin
Reports
Support
Scan
Quick Links
Create New
Getting Started
Search Assets
Assets
IT Assets
Access Point
Printer
Router
Switch
Workstation
Server
Firewall
Non-IT Assets
Asset Components
Software
Groups
Recent Items
Latitude D620 Laptop -...
demo
assetexplorer.zohocorp...
Dell Hg Server 222 - P...
rack2
rack1
Dell Hg Server 222 - P...
192.168.118.39
Adobe Acrobat 7 Pro - ...
Sales Service
Dashboard
All My Assets
Asset Summary
IT Assets
Workstation 22
Printer 4
Router 1
Server 12
Others 24
Others
Scanner 0
手机 0
Projector 10
Total:73
Scan failed for 23 Workstation [Troubleshoot]
Last Scanned : Feb 11, 2014 05:12 PM
Workstation
Workstations by OS
Count
Microsoft Windows ...
Microsoft Windows 20...
Microsoft Windows ...
Mandriva Linux relea...
Not Known
Software
Software Rarely Used
Count
ManageEngine De...
Adobe Reader 9.2
Adobe Reader 9
TightVNC 1.3.10
Adobe Reader 9.3
PO & Contracts
Purchase Order Summary
Count
Overdue POs
POs due in next 7 days
POs due in next 30 days

TELECOMMUNICATIONS AUDIT

The telecommunications audit was an initiated as a means to understand the municipality's telecommunications infrastructure so as to develop cost cutting strategies. The telecommunications function was re-allocated to the IT unit in February 2013 and the wheels of motion have been moving slowly. In 2013-2014 financial, the audit was conducted and completed by the service provider, and it provided immediate interventions that will assist the municipality in cutting costs. These interventions include termination of unused lines that are still billed by Telkom; termination of lines into the homes of officials that were implemented before municipality officials were given access to mobile phones; termination of outdated extensions that are expensive to keep and have not been in use since installation; these and many other interventions will see the municipality save in excess of R120 000 per month.

The objectives of the telecommunications audit were as follows:

- Quantify the number of telecommunications systems that are currently used by departments and associated charges;
- Produce telecoms service billing to determine billing trends;
- Terminate systems and telecoms lines that are not necessary;
- Determine sustainable solutions that will assist in reducing costs.

The ideal situation for the municipality is the implementation of a single, centralized telecommunications system that will service all municipal sites.

ICT STRATEGY IMPLEMENTATION REPORT

The following report gives indication of the action plans, as laid out in the approved ICT Strategic Plan, that were implemented in the 2013-2014 financial year.

The following goals make up the backbone of the ICT Strategy 2013 – 2016:

ICT Strategy Key Goals 2013/14 – 2015/16		
No	**Goal**	**Description**
1	**ICT Infrastructure**	Maintaining and rationalizing ICT services
2	**Business Transformation**	Transforming customer services and access to services

3	**Information management and security**	Continuing to improve internal and external security and information management standards
4	**Cost effectiveness**	Achieving value for money, maximizing income, transforming procurement and driving business transformation
5	**ICT governance**	The effective management of ICT resources
6	**Partners and Suppliers**	The effective use of ICT partners and suppliers in providing services

1.1 OUTCOMES AND SUCCESS MEASURES PER STRATEGIC GOAL

No	Goal	Outcomes and Success Measures
1	ICT Infrastructure	• Successful management of desktop computing as evidenced by user satisfaction and flexible working performance monitoring. • Phased adoption of Office 2013 and Windows 8 across all personal computers during 2013/14 and 2014/15. • The development of local-area and wide-area networks across operational Municipal sites including increased transmission rates during 2013/14. • The provision of ICT to help support the Newcastle Municipality's accommodation plans in light of the construction of the new Civic Centre offices in 2013/14, 2014/15 and 2015/16. • The adoption of virtualized server technology with an increasing proportion of cost-effective virtualized servers. • The development and strengthening of the Newcastle Municipality's ICT security framework. • Improved ICT business continuity plans for the municipality's website and all major business systems linked to annual testing. • Contract benchmarking, KPI and customer satisfaction monitoring to demonstrate the cost and effectiveness of the ICT service. • Standardization of desktop and laptop computers to a single high performance and reliable brand (Dell). • Extensive decrease in communications costs through the implementation of a centralized system and Unified Communications.

2	Business Transformation	• Development of self-service and web-based forms for all high volume customer transactions. • The use of the Newcastle Municipality's website as the premier channel for customer self-service facilities. • The use of mapping and spatial facilities to enhance customer website use. • Technical resilience for the Council's website to minimize risks of Internet disruptions and peak demands.
3	Information management and security	• Web-based customer self-service facilities using e-forms and transaction middleware. • Development of an Electronic Document Management System business case. • Assessment and piloting of the Microsoft SharePoint as a central point for information holding and search. • Assessment and piloting of data warehouse approaches including website public data publication. • Development of the Information Asset Register and associated information handling guidelines during 2013/14.
4	Cost effectiveness	• Provision of personal computing facilities to suit all categories of staff and their working locations. • The use of thick and thin client computing to support flexible working. • The deployment of mobile network SIM based methods of access such as 3G (and 4G). • Deployment and support of Smart Phone devices for staff on a business case basis. • The introduction of IP Telephony to reduce communications costs across all Municipal sites. • The targeted introduction of the Microsoft SharePoint and MS Lync products to optimize staff collaboration and productivity. • The introduction of shared printing points across the organization to promote prudence and reduce printing costs throughout the whole organization.
5	ICT governance	• Development of the corporate ICT governance framework providing a strong gate-keeping role and enforcing compliance to agreed ICT standards and procedures. • ICT advice, guidance and services to all municipal ICT related initiatives. • Management of ICT partner development resources in accordance with approved ICT projects. • Adherence to the Council's ICT project management methodology.
6	Partners and Suppliers	• Optimization of the use of First Technology, Vesta, Microsoft, Sage VIP Payroll & HR, Vodacom and Telkom as the Council's ICT partners and ICT service providers. Maximization of the benefits of the partnerships until the end of any contractual relationship, where applicable.

		• Foster close working ties with Council's Financial Management System (FMS) partner, Vesta Technologies, to effectively and efficiently manage changes to the FMS system. Establishing a service level agreement that will guarantee that the benefits of the partnership are maximized and that Council gets value for money for the functionality of the system. • Work closely with other outsourced service providers and partners across all Council business units. • Continue use of proven third party software solutions. • Planning for the ICT procurement procedures that will need to be in place from September 2013.

STRATEGIC GOAL 1: ICT INFRASTRUCTURE

Strategy Goal and Work Area	*Action Plans to be started and/or finalized in 2013/14*	*Actual Action Plans started and/or finalized in 2013/14*
ICT Infrastructure		
1.1 Upgrade to Office 2013	Y	Y
1.2 Windows 8 operating system assessment and upgrade	Y	Y
1.3 Local Area Network optimization	Y	Y
1.4 MPLS architecture implementation	Y	N
1.5 Assessment of Unified Communications implementation	Y	N
1.6 Assessment and upgrade of telephony technology – IP telephony	Y	Y
1.7 Storage Area Network and resilience	Y	Y
1.8 Growth and use of server virtualization	Y	Y
1.9 Server software maintenance and upgrades	Y	Y
1.10 Develop corporate MS SQL database environment	Y	N
1.11 Development of layered ICT security model	Y	N
1.12 Development of thin-client services	Y	N
1.13 Introduce replicated SAN and new DR arrangements	Y	N
1.14 Business Continuity and Disaster Recovery Plan reviews	Y	Y
1.15 Annual cost and satisfaction benchmarking	Y	N

1.16 Review of Cloud Computing and off-site hosting options	Y	N
1.17 Continued standardization of desktop and laptop computers to Dell brand	Y	Y
Total Number of Action Plans	**17**	**9**
Total Percentage of ICT Infrastructure Action Plans started and/or completed in 2013-2014	**53%**	

STRATEGIC GOAL 2: BUSINESS TRANSFORMATION

Strategy Goal and Work Area	***Action Plans to be started and/or finalized in 2013/14***	***Actual Action Plans started and/or finalized in 2013/14***
Business Transformation		
2.1 ICT support and advise to departmental ICT projects	Y	Y
2.2 Website resilience improvements	Y	Y
2.3 Website customer channel/Portal development	Y	N
2.4 Use of E-Forms to standardize municipal customer forms	Y	N
2.5 Development of Website dataflow middleware	Y	N
2.6 Introduction of line of business systems self-service modules	Y	N
2.7 Development and use of mapping and spatial web tools	Y	Y
2.8 Development of departmental Service Level Agreements to ensure that business receives efficient, reliable and expected service levels from the ICT business unit	Y	Y
Total Number of action plans	**8**	**4**

Total Percentage of Business Transformation Action Plans started and/or completed in 2013-2014	**50%**

STRATEGIC GOAL 3: INFORMATION MANAGEMENT AND SECURITY

Strategy Goal and Work Area	*Action Plans to be started and/or finalized in 2013/14*	*Actual Action Plans started and/or finalized in 2013/14*
Information Management and Security		
3.1 Development of annual Business Systems Plan and Information Systems Strategy	Y	N
3.3 SAN (Storage Area Network) development and monitoring	Y	Y
3.4 Assess Data Warehouse for corporate reporting	Y	N
3.5 Develop Information Asset Register	Y	Y
3.6 Information Management Awareness and Publicity	Y	N
3.7 Develop and implement ICT Security Action Plan	Y	N
Total Number of action plans	**6**	**2**
Total Percentage of Information Management and Security Action Plans started and/or completed in 2013-2014	**33.3%**	

STRATEGIC GOAL 4: COST EFFECTIVENESS AND FLEXIBLE WORKFORCE

Strategy Goal and Work Area	*Action Plans to be started and/or finalized*	*Actual Action Plans started and/or*

	in 2013/14	*finalized in 2013/14*
Cost Effectiveness and Flexible Workforce		
4.1 Support to all departmental ICT projects requiring ICT input	Y	Y
4.3 Provision and support of technical and skills staff training in line with the Workplace Skills Plans and Personal Development Plans.	Y	Y
4.4 Monitor, review, and adjustment of the technical deployment approach for each item of business software	Y	N
4.5 Review and re-tender of SIM-based mobile devices contract	Y	N
4.6 Tender of personal computer and laptop provision as and when required	Y	N
4.7 Development of corporate printing management plan	Y	N
Total Number of action plans	**6**	**2**
Total Percentage of Cost Effectiveness and Flexible Workforce Action Plans started and/or completed in 2013-2014	**33.3%**	

STRATEGIC GOAL 5: ICT GOVERNANCE

Strategy Goal and Work Area	*Action Plans to be started and/or finalized in 2013/14*	*Actual Action Plans started and/or finalized in 2013/14*
ICT Governance		
5.1 ICT Steering Committee to meet every 6-8 weeks	Y	Y
5.2 ICT Steering Committee to monitor annual Business Systems Plan	Y	N
5.3 ICT Directorate to manage local ICT developments	Y	Y

5.4 Promotion of ICT project management	Y	Y
5.5 Reporting to Executive Committee on key ICT matters	Y	Y
5.6 Directorate and ICT Steering Committee to monitor the Service Level Agreements between the municipality and external service providers; and between business units and the ICT business unit	Y	N
Total Number of action plans	**6**	**4**
Total Percentage of ICT Governance Action Plans started and/or completed in 2013-2014	**66.6%**	

STRATEGIC GOAL 6: SUPPLIERS AND PARTNERS

Strategy Goal and Work Area	*Action Plans to be started and/or finalized in 2013/14*	*Actual Action Plans started and/or finalized in 2013/14*
Suppliers and Partners		
6.1 Joint working with the municipality's ICT partners Vesta, First Technology, Telkom, Microsoft, Sage VIP Payroll & HR, and Vodacom, and the ongoing objective of service improvement and efficiencies	Y	Y
6.2 Provision of ICT services to support both existing and new outsourced service providers	Y	Y
6.3 Develop and monitor Service Level Agreements with all ICT suppliers and partners	Y	N
Total Number of action plans	**3**	**2**
Total Percentage of Suppliers and Partners Action Plans started and/or completed in 2013-2014	**66.6%**	

Percentage of strategic action plans started and/or finalized in the 2013-2014 financial year is: 50%

The implementation of the Newcastle Municipality's approved ICT Strategic Plan 2013 – 2016 is progressing well with focus placed on a number of action plans in the 2013/2014 financial year. The ICT Strategic Plan lays out actions to be undertaken over a period of 3 years; most of these action plans run throughout the 3 year period.

Strategy Goal and Work Area	*Number of Action Plans to be started and/or finalized in 2013/14*	*Actual Number of Action Plans started and/or finalized in 2013/14*
1. ICT Infrastructure	17	9
2. Business Transformation	8	4
3. Information Management and Security	6	2
4. Cost Effectiveness and Flexible Workforce	6	2
5. ICT Governance	6	4
6. Suppliers and Partners	3	2
Total Number of action plans	**46**	**23**
Total Percentage Action Plans Started and/or Finalized in 2013-14	**50%**	

CHAPTER 3

ANNUAL FINANCIAL STATEMENTS 2013/14

To be inserted. See Annexure 1 (Draft AFS 2013/14) – Final AFS to be inserted as submitted to AG.

FINANCIAL DIAGNOSTIC ANALYSIS

To be inserted

CHAPTER 4

ORGANISATIONAL DEVELOPMENT OVERVIEW

As at 30 June 2014, the Municipality had a staff compliment of 1514 personnel (which includes temporary employees), servicing areas of Newcastle, Madadeni, Osizweni, Blaauwbosch, Ngagane, Kilbarchan, and Charlestown. The new macro structure was approved, with the micro structure being delegated to the Municipal Manager to approve. This was approved during the year under review with a placement process to be finalized during 2013/14 financial year.

The following table reflects the gender breakdown of employees as at 30 June 2013 :

DEPARTMENT	NO. OF EMPLOYEES	MALES	FEMALES
MUNICIPAL MANAGER AND MAYOR'S OFFICE	73	32	41
COMMUNITY SERVICES • Culture & Amenities • Protection / Community Services	 91 466	 202 298	 89 168
CORPORATE SERVICES • Administration • Human Resources	 26 24	 5 11	 21 13
DEVELOPMENT & PLANNING • Town Planning • Housing & Land • Economic Development	 29 33 6	 15 15 3	 14 18 3
TECHNICAL SERVICES • Civil Services • Electrical / Mechanical Services	 393 70	 293 54	 100 16
FINANCIAL SERVICES	103	38	65
TOTAL	**1514**	**966**	**548**

The following occupational levels were recorded as at 30 June 2014 :-

Occupational Level	MALES				FEMALES				TOTAL
	A	C	I	W	A	C	I	W	
Top management	20	0	2	4	5	0	2	1	34
Senior management	14	0	1	3	9	0	2	1	30
Professionally qualified and experienced specialists and mid-management	30	1	3	8	39	1	4	9	95
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	146	10	20	12	78	5	11	29	311
Semi-skilled and discretionary decision making	165	0	13	3	81	1	14	10	287
Unskilled and defined decision making	392	5	5	1	158	1	1	0	563
TOTAL PERMANENT	**767**	**16**	**44**	**31**	**370**	**8**	**34**	**50**	**1320**
Temporary employees	104	2	2	3	70	0	7	6	194
GRAND TOTAL	**871**	**18**	**46**	**34**	**440**	**8**	**41**	**56**	**1514**

The total cost to employer for the year was …… (From AFS)

OCCUPATIONAL LEVEL	POST LEVEL	NO. OF EMPLOYEES	AMOUNT
Top Management	0 – 1	34	
Senior Management	2 – 3	30	
Professionally qualified and experienced specialists and mid-management	4 – 6	95	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	7 – 10	311	
Semi-skilled and discretionary decision making	11- 15	287	

Unskilled and defined decision making	16 – 20	563	
TOTAL PERMANENT		**1320**	
Temporary employees		194	
GRAND TOTAL		**1514**	

SKILLS DEVELOPMENT

The following training has been conducted for employees during the 2013/2014 financial year:

OCCUPATIONAL CATEGORY	FEMALE				MALE				TOTAL				TOTAL
	A	C	I	W	A	C	I	W	A	C	I	W	
LEGISLATORS	0	0	0	0	0	0	0	0	0	0	0	0	0
MANAGERS	6	0	0	2	6	0	1	1	12	0	1	3	16
PROFESSIONALS	24	0	1	2	13	0	0	0	37	0	1	2	40
TECHNICIANS AND TRADE WORKERS	3	0	0	1	69	0	6	5	72	0	6	6	84
COMMUNITY AND PERSONAL SERVICE WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0
CLERICAL AND ADMINISTRATIVE WORKERS	59	3	7	18	23	0	3	3	82	3	10	21	116
SALES WORKERS	24	0	2	0	51	0	6	2	75	0	8	2	85
MACHINE OPERATORS AND DRIVERS	2	0	0	0	30	0	0	0	32	0	0	0	32
ELEMENTARY WORKERS	56	0	0	0	66	0	2	0	122	0	2	0	124
TOTAL	174	3	10	23	258	0	18	11	432	3	28	34	497

The following training were covered in the 2013/14 financial year :-

Municipal Key Performance Area	Type of Learning Intervention	Name of Learning Intervention	NQF Level	Numbered Trained	
				Female	Male
Municipal Financial Viability and Management	Skills Programme	Advanced Computer Training	3	15	3
Basic Service Delivery and Infrastructure Development	Skills Programme	Competency Certificates	2	22	
Municipal Financial Viability and Management	Skills Programme	Supervisory Skills Certificate	5	5	10
Basic Service Delivery and Infrastructure Development	Skills Programme	Firearm Training	1	2	5
Municipal Transformation and Institutional Development	Skills Programme	Certified Junior Office Administrator Certificate	5	10	2
Municipal Transformation and Institutional Development	Short Course : Non – Credit	Driver Licences (code 10 & 14)	1	6	4
Municipal Financial Viability and Management	Learnership	MFMP Certificate	6	6	6
Good Governance and the Deepening of Demogracy	Short Course : Non-credit	Work ethics training		17	5
Basic Service Delivery and Infrastructure Development	Skills Programme	CCTV Surveilance Certificate	3	8	12
Municipal Financial Viability and Management	Bursary	Local Government Management Certificate	5	3	
Good Governance and the Deepening of Demogracy	Bursary	Public Relations Certificate	5	1	
Municipal Financial Viability and Management	Skills Programme	N1 – N6 Business Studies Diploma	3		5
Municipal Transformation and Institutional Development	Skills Programme	Registry Management Certificate	1	20	5

Municipal Key Performance Area	Type of Learning Intervention	Name of Learning Intervention	NQF Level	Numbered Trained	
				Female	Male
Basic Service Delivery and Infrastructure Development	Skills Programme	SAMTRAC Certificate	3	1	
Basic Service Delivery and Infrastructure Development	Skills Programme	Artisan Development Training	4	20	
Basic Service Delivery and Infrastructure Development	Skills Programme	Incident investigation	4	20	
Basic Service Delivery and Infrastructure Development	Skills Programme	Grader Operator Training		10	
Basic Service Delivery and Infrastructure Development	Skills Programme	Crane Operator Training		8	
Basic Service Delivery and Infrastructure Development	Skills Programme	TLB Operator Training		10	
Basic Service Delivery and Infrastructure Development	Skills Programme	Cherry Picker Operator Training		2	2
Basic Service Delivery and Infrastructure Development	Bursary	IT Studies	5	1	
Basic Service Delivery and Infrastructure Development	Skills Programme	Security Training (Grades E-A)		3	8
Basic Service Delivery and Infrastructure Development	Skills Programme	Waste Water Treatment Certificate	2	56	46
Municipal Financial Viability and Management	Skills Programme	Business Management Certificate	4	6	3
Basic Service Delivery and Infrastructure Development	Bursary	Risk Management Certificate	6	1	
Basic Service Delivery and Infrastructure Development	Skills Programme	N1-N6 Engineering Studies	3		2
Municipal Transformation and	Short course –	Induction		17	5

Municipal Key Performance Area	Type of Learning Intervention	Name of Learning Intervention	NQF Level	Numbered Trained	
				Female	Male
Institutional Development	Non-credit	Training			
Basic Service Delivery and Infrastructure Development	Skills Programme	Electricians Development Programme	4	26	
Basic Service Delivery and Infrastructure Development	Skills Programme	Security Officers Development Programme	3	2	5
Municipal Transformation and Institutional Development	Bursary	Management Development Programme	6	1	
Basic Service Delivery and Infrastructure Development	Skills Programme	Emergency Services Training	4	3	10
Basic Service Delivery and Infrastructure Development	Skills Programme	OHS Training	3	13	2
Municipal Financial Viability and Management	Skills Programme	Records Management	4	2	1
Basic Service Delivery and Infrastructure Development	Learnership	Artisan Development Training (Plumbing, Electrical)	4		1
Basic Service Delivery and Infrastructure Development	Learnership	Project Management Certificate	5		1
Municipal Financial Viability and Management	Skills Programme	Advanced Microsoft Excel	3	20	13
Basic Service Delivery and Infrastructure Development	Skills Programme	Swimming Pool Supervisors Training	2	1	2
Municipal Transformation and Institutional Development	RPL	Artisan Development Training	3	3	6
Municipal Transformation and Institutional Development	Skills Programme	Traffic Development	5	3	9

Municipal Key Performance Area	Type of Learning Intervention	Name of Learning Intervention	NQF Level	Numbered Trained	
				Female	Male
		Training			

CHAPTER 5

ANNUAL PERFORMANCE REPORT 2013/14

The Newcastle Municipality's Annual Performance Report 2013/14 is compiled in terms of the legislative requirements of Chapter 6 of the Municipal Systems Act, 32 of 2000 and Chapter 12 for the Municipal Finance Management Act, 56 of 2003. The Municipal Systems Act prescribes the role of each sphere of government in the municipal performance reporting.

According to the provisions of the Municipal Systems Act, 32 of 2000, municipalities must monitor and measure the progress of their performance by preparing quarterly and mid-year performance reports, in terms of Chapter 6 of the MSA, on performance management systems. These quarterly and mid-year reports make up the municipalities' annual performance reports (Section 46 report), which are submitted to the Auditor-General, together with the financial statements, for auditing. After adoption of the audited performance report by the municipal council (a component of the Annual Report), it must then be submitted to the MEC for Local Government.

Section 46 of the Municipal Systems Act requires a municipality to prepare for each financial year a performance report reflecting–

- The performance of the municipality and of each external service provider during that financial year;
- A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
- Measures taken to improve performance

An annual performance report must form part of the municipality's annual report in terms of chapter 12 of the Municipal Finance Management Act.

Section 121 of the Municipal Finance Management Act (MFMA) 56 of 2003, requires that:

> *(1) Every municipality and every entity must for each financial year prepare an annual report. The Council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.*

Section 129 of the Municipal Finance Management Act (MFMA) 56 of 2003, requires that:

> (1) *The Council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council:*
>
> - *has approved the annual report with or without reservations;*
> - *has rejected the annual report; or*
> - *has referred the annual report back for revision of those components that can be revised.*

Reporting requires that the priorities of the organisation, its performance objectives, indicators, targets, measurements and analysis, are taken and presented in a simple and accessible format, relevant and useful to the specified target groups for review. While it is important that the reporting formats are relevant, useful and cater for the reader's need in reviewing performance, the existence of too many reporting formats can become both confusing and burdensome to the organisation. The ideal situation is the existence of one reporting format that contains the necessary information for all users, yet remains simple and accessible to all users.

It is also apparent that in order for an effective PMS, it is necessary for all stakeholders to be involved in the planning, monitoring and review process. Of specific note is the need for the streamlining of oversight activities by the Council and Community through processes specified in a framework to be aligned to other key strategic processes of the organisation.

Perhaps one of the critical factors influencing performance in the organisation is the value chain and instilling a culture of performance. This would include amongst others - change management and team building techniques, awareness of and practicing of Batho Pele principles and a Code of Ethics. Leadership and management processes are key to ensuring an outcome driven entity with

recognition and acknowledgment systems being implemented. It is therefore deemed appropriate to ensure that performance management is cascaded to all levels of employees.

For the performance Management process to be efficient, it is necessary for an automated system to be implemented to ensure accurate reporting that is aligned to financial reporting processes. This must be followed by effective risk management and internal audit processes to ensure that review mechanisms are implemented timeously.

The institutional arrangements within the organization must be such that it supports the process. This would include sufficient capacity to lead the process and to ensure that compliance issues are administered. The need for each department to also identify performance champions administratively to co-ordinate performance information to support performance managers and leaders is critical for ensuring compliance with reporting requirements. This would include adequate administrative systems such as record keeping, consistency with administrative support officials. Furthermore, ongoing awareness and training is necessary to ensure that the entity is abreast of all performance related issues and how this integrates into other municipal processes.

The need for improved Intergovernmental relations to ensure streamlining of performance based reporting processes i.s also necessary This would require that all spheres of government to integrate and co-ordinate these reporting requirements through the identification and rationalization of key performance indicators aligned to the National Growth Path. Furthermore the alignment to the national government Medium Term Strategic Framework and national priorities is necessary to ensure that all spheres of government are striving to common goals and targets. It is also deemed appropriate for a common reporting, monitoring and assessment process be developed for all spheres of government in respect of specific key intervention /performance areas.

ORGANISATIONAL SCORE-CARD 2013/14 ANALYSIS

The above-mentioned strategic priorities as identified in the IDP, cascades into the performance management system of the municipality through the a 5 year organisational score-card ***(Appendix 1).***

For the 2013/14 financial year, a total of 147 key performance indicators (relevant and applicable) are evaluated against targets set as summarized below:-

NATIONAL KPA	TARGET MET	IN PROGRESS	TARGET NOT MET	TOTAL APPLICABLE KPI'S
SOCIAL DEVELOPMENT	11	2	0	13
MUNICIPAL PLANNING	16	13	0	29
LED	13	3	0	16
INSTITUTIONAL TRANSFORMATION	14	8	0	22
GOOD GOVERNANCE	25	8	0	33
FINANCIAL VIABILITY	9	5	0	14
BASIC SERVICE DELIVERY	11	8	1	20
	99	47	1	147
	67%	32%	1%	

From the above 67% Of targets were achieved for all key performance indicators on the organisational score-card linked to the IDP compared to 72% from the previous financial year. 33% of targets were not achieved, with 32% of targets being partially achieved or still in progress and 1% not met at all.

Where performance was not reported and/or reported but was not backed with relevant or sufficient evidence, the target was deemed to have not been achieved or still in progress. This could account for the regressed performance in the year under review.

The graph below illustrates the performance against each KPA as included in the organisational score-card for the 2013/14 financial year.

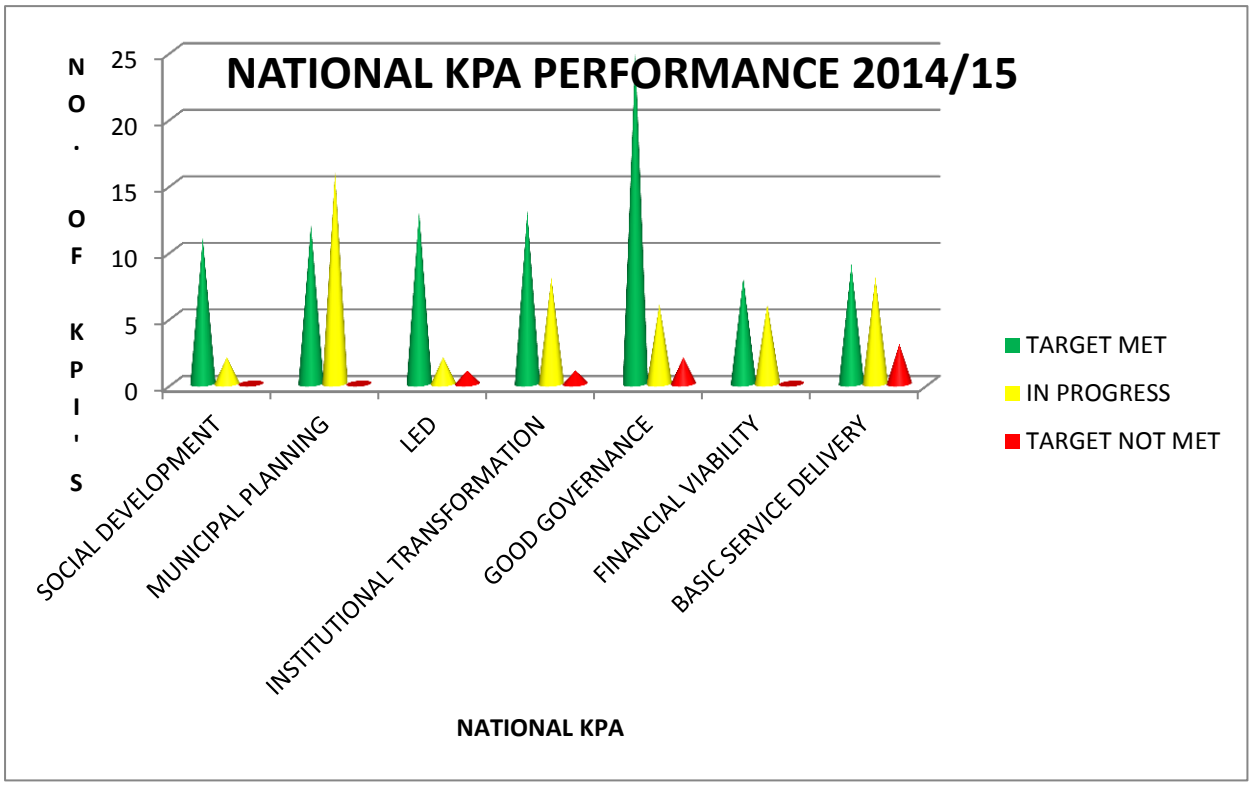


Figure 20 Performance against National KPA's 2013/14

SERVICE DELIVERY BUDGET IMPLEMENTATION PLANS(SDBIP) 2013/14

Performance on SDBIP's for each of the departments is attached as **Appendix 2** , with the assessment being done on reviewed Actuals against Portfolio of evidence submitted by departments. An internal audit process was carried out.

The methodology used for the assessment is based on the rating calculator for Municipal Manager's and managers directly accountable to the Municipal Manager, aswell as the Dashboard illustrations used by the Auditor-General. The Score-cards were reviewed against actuals reported against submission of Portfolio of evidence which was also subject to an internal audit process. Where a target was not met, an evidenced Reason for the variance was required together with recommended corrective action to be taken to ensure that the target was to be pursued further. For the purpose of this report only the Dashboard results will be highlighted in terms of :

DASHBOARD ASSESSMENT KEY	
	TARGET MET
	TARGET IN PROGRESS
	TARGET NOT MET

Departments were required to submit quarter 4 reports by the 10 July 2014 together with a referenced portfolio of evidence file. This was subjected to a technical assessment process by the Performance Management unit as well as an internal audit process. The progressive performance for all 4 quarters was assessed against the annual target to determine the annual actual – and thus annual performance.

The Draft Reports were communicated with all departments allowing departments to respond to both the technical assessment and internal audit findings. Further door-to –door visits were conducted to allow departments to clarify areas of contention and to agree the dashboard status as assessed. Departments used the opportunity to fill in gaps identified. Furthermore, departments continued to submit performance information to the PMS unit after close out of the internal audit report. This information was accepted where it improved performance against the dashboard as assessed by the PMS unit.

The table below highlights the annual SDBIP performance using the dashboard as mentioned above :-

DEPARTMENT	TARGET MET	TARGET IN PROGRESS	TARGET NOT MET	Total Number of KPI's
Budget and Treasury Office	27	16	0	43
Civil Servicess	23	7	0	30
Community Services	28	9	0	37
Corporate Services	17	11	0	28
Development Planning and Human Settlements	37	22	0	59
Electrical and Mechanical	14	5	3	21
Municipal Manager	50	12	0	62
	196	**82**	**3**	**280**
	70%	**29%**	**1%**	

The total number of KPI's on the performance score-cards (Departmental SDBIP's) is 280 (relevant and applicable) of which targets on the score-cards forms the basis of this assessment.

From the table above, 196 KPI's (70%) of targets have been met for the year under review on the SDBIP's holistically compared to 71% from the previous financial year. 29% of targets are either partially met or still in progress. Only 1% of the targets are not met at all where an intervention is required. A target is assessed as not met or in progress if no actual has been reported and/or where insufficient or irrelevant evidence is submitted to support reported performance or reason for variance.

The following is a Graphical representation of performance by Department.

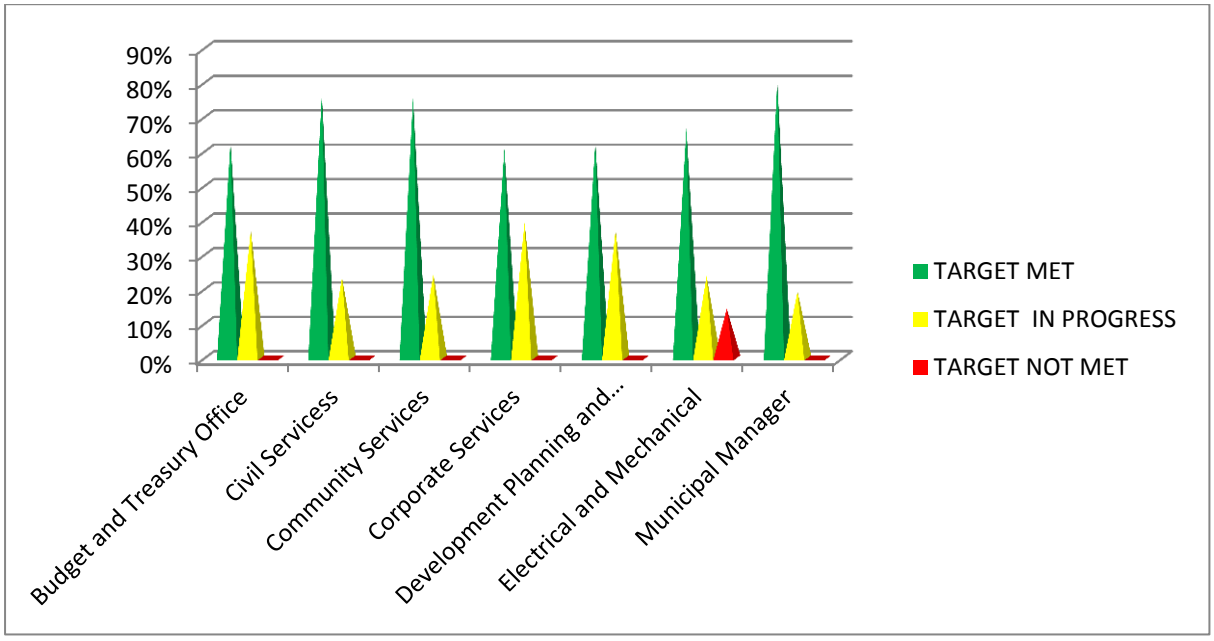


Figure 21 Departmental SDBIP Performance 2013/14

CAPITAL PROGRAMME PERFORMANCE 2013/14

A detailed capital status report highlighting the status of the capital programme as at the 30 June 2014 is included as ***Appendix 3***.

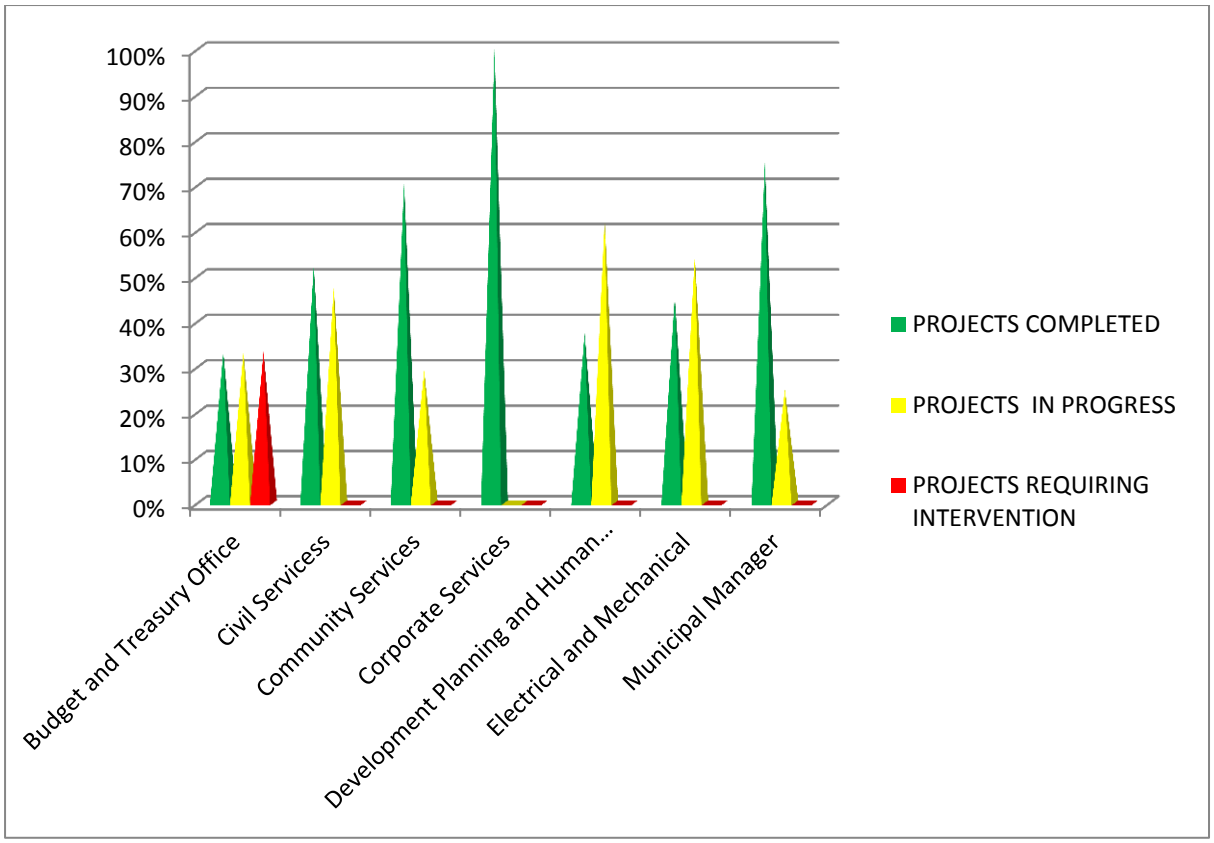
This assessment is based on reported information only as well as a technical review against the submitted Portfolio of evidence.

The status of the capital program is illustrated below :

DEPARTMENT	PROJECTS COMPLETED	PROJECTS IN PROGRESS	PROJECTS REQUIRING INTERVENTION	Total Number of Projects
Budget and Treasury Office	2	2	2	6
Civil Services	32	29	0	61
Community Services	29	12	0	41
Corporate Services	5	0	0	5
Development Planning and Human Settlements	6	10	0	16
Electrical and Mechanical	10	12	0	22
Municipal Manager	3	1	0	4
	87	66	2	155
	56%	43%	1%	

From the above table 56% of projects were completed during the 2013/14 financial year compared to 53% from 2012/13. 43% of project were still in progress and 1% of projects were either not commenced with or required an intervention.

The total number of projects under review is 155 of which 87 have been completed. 66 of the projects are in progress, of which many of the projects are not aligned to the cash flow projections approved at the beginning of the financial year, for which roll-overs would have to be effected and the capital budget for 2014/15 adjusted accordingly. 2 projects as detailed in Appendix 3 require interventions to be implemented by the relevant department.



The graph above illustrated performance of departments in relation to the number of projects per department.

Monitoring of projects depends on the accuracy of cash flow projections for in year appropriations and roll over projects. These were either not submitted, or does not align to the total project allocation. Project implementation plans for the revised budget in most instances are outstanding or incomplete – limiting the ability to monitor these projects effectively and therefore to report accurately on performance thus far. Increased in-house project management and project planning tools and/or mechanisms are required to support improvement in capital programme implementation. This could include skills development coupled with an automated project management system.

Furthermore, administrative inadequacies in certain departments, which ideally must support the reporting, and thus monitoring processes – need to be addressed holistically. Primarily, the administrative human resource component relating to performance reporting, and the record

keeping processes need to be streamlined to support quality reporting, thus eliminating negative internal audit findings and poor performance results.

Whilst reasons for variance and recommended corrective action have been specified for projects that challenges are being experienced against, adjustments through roll-overs as indicated for many projects are inevitable. There is also a need to identify savings on certain projects to further reduce the cash flow challenges experienced by the municipality. The increased savings where applicable, and in-year veriments against some projects, also is reflective of poor project planning and costing processes, and is impacting negatively on holistic capital programme performance.

Furthermore, delays in the sourcing of external loans, and the limitation of bridging finance for the capital program internally, further inhibits progress on the capital program. It is therefore essential to secure loan funding earlier to ensure that the capital program is implemented timeously and in line with Project implementation plans and procurement planning processes.

Project Implementation plans encouraged at the beginning of the year to serve as a tool to be used for the planning and monitoring of projects against cash flow projections are also not being utilized effectively by departments. Interdepartmental co-ordination and co-operation (ICC) is encouraged at the planning stage to ensure alignment with planned targets. ICC processes are also encouraged throughout the implementation stages of the capital programme to identify potential bottlenecks earlier, and implement solutions accordingly.

For this purpose, joint door-to-door visits to departments between Office of the Municipal Manager and Budget and Treasury Office were carried out during year. Regular Extended ManCo's were also convened to eliminate challenges experienced with internal communication as an intervention. The year under review also saw the Executive Committee actively monitoring the performance against the capital programme with joint EXCO/Extended ManCo meetings.

The capital expenditure has shown a progress in performance of 94% (Vat inclusive) in comparison 72% in 2012/13 and 54% in 2011/12. The performance gaps identified in respect of capital expenditure in relation to the declined number of completed projects completed, is most likely due to the fact that 43% of projects were still in progress at year end, and should be completed early in the new financial year, through roll-over funding to be approved by Council.

FINANCIAL VS NON-FINANCIAL PERFORMANCE 2013/14

The Budget and Treasury office reported[2] the following financial performance against the Adjusted Budget for the 2013/14 financial year :-

- ✓ Operating Budget (Expenditure) – 88%
- ✓ Capital Expenditure (VAT inclusive) – 94%
- ✓ Capital Expenditures (Vat Exclusive) – 83%

The debate as to whether a municipal budget is inclusive or exclusive of VAT is still ongoing in the financial arena within local government. For the purpose of this report, both VAT inclusive and exclusive year to date expenditure is included and compared to non-financial performance.

In relation to the departmental performance on SDBIP and Capital programme implementation against the budget (operating and capital expenditure), the following table and graph illustrates comparisons :-

DIRECTORATE	OPEX	CAPEX (VAT incl)	CAPEX (VAT excl)	SDBIP TARGET MET	CAPEX PROJECT COMPLETE
Budget & Treasury Office	113%	71%	63%	63%	33%
Civil Services	71%	100%	90%	77%	52%
Community Services	99%	82%	73%	76%	71%
Corporate Services	99%	98%	86%	61%	100%
Development Planning & Human Settlement	85%	85%	77%	63%	38%
Electrical Services	99%	77%	69%	67%	45%
Municipal Manager	86%	76%	73%	81%	75%

The Graph below illustrates performance of department in relation to each other against the Operating, Capital spend and the non-financial performance based on %age of targets met.

[2] Subject to change after final AFS and AG report

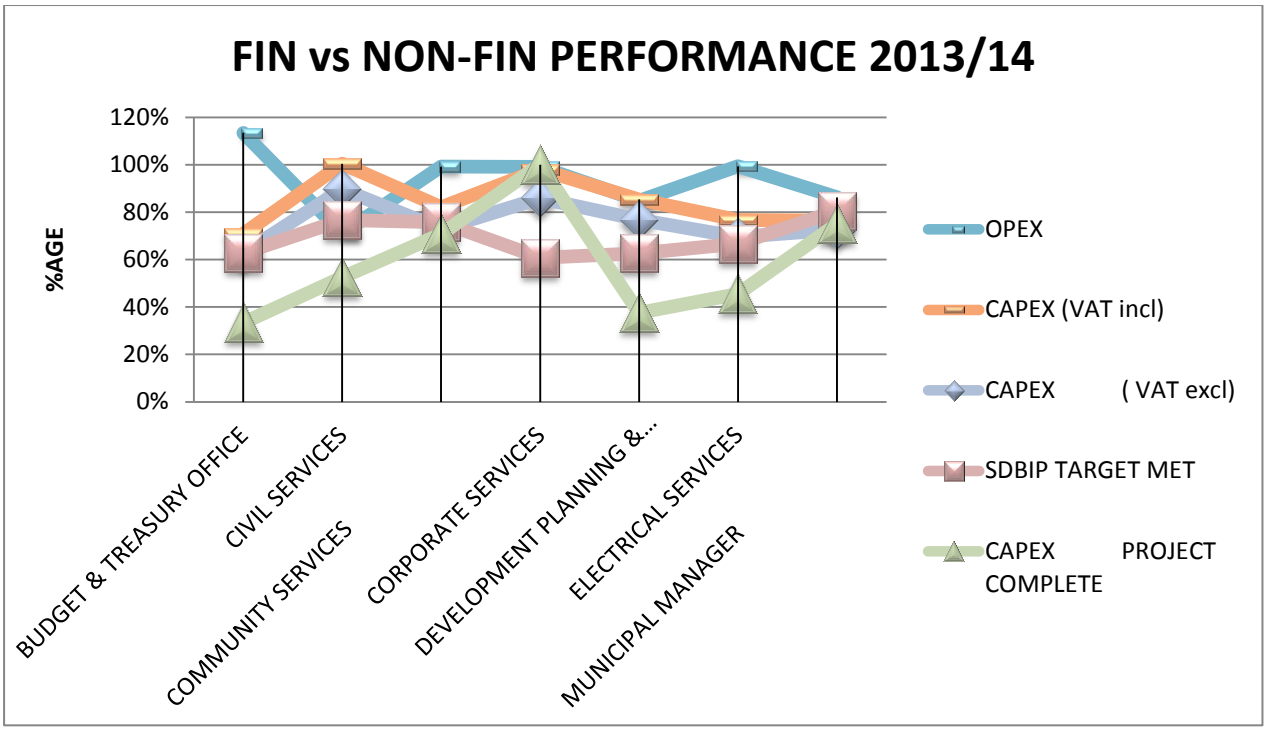


Figure 22 : Departmental Performance : Financial/Non financial

There is a definite need to improve alignment between the financial and non-financial targets through improved planning at the budget stage. The development of and implementation of operational plans aligned to procurement plans are essential for this purpose. The gaps were applicable could also be attributed to many projects on the capital programme still being in progress at year end, and necessitated a roll-over into the 2014/15 financial year.

Administrative capacity within departments to support the performance reporting and monitoring process is also inadequate resulting in inadequate record keeping and negative audit findings – thus regressed performance. The administrative processes within departments require streamlining to the performance management process. Furthermore, dedicated administrative support should be identified within departmental institutional arrangements to ensure consistency and continuity in respect of performance reporting. This must include skills development and enhancing record keeping systems within departments.

OVERALL COMMENT

1. Whilst progressive expenditure performance is commended against both the operational and capital programme, there is a need to enhance the alignment between the financial and non-financial performance processes.
2. Additional monitoring, evaluation and review at a departmental level on at least a monthly basis is compulsory to encourage adherence to planned programmes;
3. Departments' ability to report timeously and provide relevant portfolio of evidence has impacted drastically on the non-attainment of targets where applicable. Inadequate record keeping and administrative systems within departments are possibly contributing to the quality of reporting by departments. This has a negative impact on the monitoring process. Furthermore, more regular reporting, monitoring and review processes need to be practiced by senior managers to ensure that targets set are realistic and attainable.
4. Too many strategic and operational objectives in the IDP is resulting in too many KPI's and targets within the organization. This overburdens the administration and management with performance reporting, monitoring and review processes in an already stressed administration. For improved strategic focus to be enhanced, a rationalization of these objectives in the IDP is necessary.
5. Internal co-ordination systems and processes require review to ensure improved co-ordination.
6. Alignment of the Financial System to the Performance Management system must be fast tracked - this would need to include a project management tool or mechanism to improve project planning, reporting and monitoring
7. Record keeping and document management approaches within departments will determine the quality of the evidence to be submitted for evaluation purposes
8. Alignment of Procurement Planning processes to Project implementation plans and programme management is essential to support service delivery targets being attained

9. Continuous skills development and awareness on performance management is required to ensure quality reporting, monitoring and review process are complied with
10. It is necessary to move performance management beyond just compliance. This would entail the fast tracking of performance to all employees.
11. Performance management capacity to be increased organisational wide to improve processes relating to performance management

GENERAL RECOMMENDATIONS FOR IMPROVEMENT

(a) The development of Monthly Operational plans and alignment thereto with the SDBIP and Procurement Plan of the organization ;

(b) That alignment of financial and non-financial performance through relevant IT systems. This should include a project management system

(c) That Head of department and responsible managers conduct monthly meetings to monitor compliance with all targets and reporting requirements. These reports to be elevated to the relevant Portfolio Committees for oversight purposes.

(d) That the strategic objectives in the IDP be rationalised further to inform the Performance management process for the 2015/16 financial year in line with recommendations of the Audit Committee.

(e) Administrative systems and processes should be enhanced and geared towards supporting performance management within departments

(f) That a system be developed to ensure monitoring of all service providers;

(g) That Continuous skills development plan be implemented to ensure consistency and continuity in reporting, monitoring processes

(h) That the roll out of individual performance to all employees be fast tracked

(i) That the human resource capacity in respect of performance management holistically be increased to ensure that the recommendations are implemented

ASSESSMENT OF SERVICE PROVIDERS 2013/14

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement and is currently being done by SCM. The end user department monitor performance of Service providers who fail to perform the necessary action is taken including the termination of the contract or cancellation of an order is taken by the relevant department. This is now managed by the newly established Contract Management section falling with the Legal Services Unit within the Office of the Municipal Manager.

For the purpose of this report – an assessment is conducted on external service providers appointed on the capital programme. In respect of all other contracts, a contract register and electronic database is in the process of being compiled and will be reported in the new financial year.

Due to the takeover of the reticulation of water and sanitation by the Municipality with effect the 01 July 2014, and due the MEC intervention at Uthukela water still being applicable in so far as the bulk services relating to water and sanitation is concerned, a formal monitoring mechanism is not yet in place. Uthukela Water have however forwarded the SDBIP's relating to 2013/14 which is attached at Appendix 4.

The following assessment key is used for this purpose :-

Assessment Key	
Good (G)	The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract
Satisfactory (S) / In Progress	The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract / contract still in progress
Poor (P)	The service has been provided below acceptable standards

The following are the service providers engaged in each business unit during the 2013/14 financial year.

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
18/2012	SUPPLY,DELIVERY AND COMMISSIONING OF NEW 4X2 TRUCK CHASSIS WITH MANUFACTURES GVM RATING NOT LESS THAN 15000KG FITTED WITH A LIGHT INDUSTRIAL/DOMESTIC REAR END LOADING REFUSE COMPACTOR BODY WITH A CAPACITY OF ATLEAST $12M^3$	SHORTS NISSAN CC	R 1 421 174	19 July 2012	30 August 2013	Discharge of an obligation by Performance (Once off delivery)	Electrical / Mechanical Services
183/2011	SUPPLY OF BASIC WATER SERVICE TO NGOGO	LEGENT INTERNATIONAL TRADING	R 1 200 118	12 September 2012			Technical Services (PMU)
185/2011	SUPPLY OF BASIC WATER SERVICE TO CHARLESTOWN	MUNTUKAZANA TRADING ENTERPRISE	R 1 503 778	19 July 2012			Technical Services (PMU)
10/2012	SUPPLY,DELIVERYINSTALLATION AND COMMISSIONING OF 115 NEW ELECTRICAL SERVICE CONNECTIONS IN CHARLESTOWN	SIZAZONKE ELECTRICAL CC	R 898 150	06 September 2012	31 October 2013	Discharge of an obligation by Performance (Once off delivery)	Electrical / Mechanical Services

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
11/2012	SUPPLY,DELIVERYINSTALLATION AND COMMISSIONING OF 100 NEW ELECTRICAL SERVICE CONNECTIONS IN ROYPOINT	SIZAZONKE ELECTRICAL CC	R 897 718	08 October 2012	30 November 2013	Discharge of an obligation by Performance (Once off delivery)	Electrical / Mechanical Services
37/2012	SCOTT STREET AND ST DOMINIC STREET INTERSECTION UPGRADE IN LENNOXTON,NEWCASTLE	INGOLOVHANE PROPERTY DEVELOPMENT AND PROJECTS	R 404 273	19 September 2012		Discharge of an obligation by Performance	Technical Services (PMU)
43/2012	DEVELOPMENT OF THE TOURISM DEVELOPMENT AND MARKETING STRATEGY	GRANT THORNTON THL CONSULTING (PTY) LTD	R 263 455	19 September 2012		Discharge of an obligation by Performance	DP & HS (ED, Faka)
51/2012	CUTTING,REMOVAL AND DE-STUMPING OF ALIEN VEGETATION WITHIN THE BOUNDARIES OF THE NEWCASTLE MUNICIPALITY	SR GWABINI	R 396 008	14 August 2012		Discharge of an obligation by Performance	Community Services (Green) Gwabeni

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
110/2012	SUPPLY AND DELIVERY OF PHYSICAL FITNESS TRAINING EQUIPMENT FOR FIRE FIGHTERS	MASHOLA TRADING AND ENTERPRISE CC	R 110 499	03 September 2012			Community Services
111/2012	SUPPLY AND DELIVERY OF FIRE FIGHTING & RESCUE EQUIPMENT	RURAL FIRE RESCUE(PTY) LTD	R 85 619	03 September 2012		Discharge of an obligation by Performance	Community Services
29/2012	CONSTRUCTION OF OSIZWENI TAXI RANK AND THE RELATED SERVICES	NDUMO GROUP PROJECTS	R 7 674 258	19 September 2012	5 June 2013	Non-performance	
83/2012	SUPPLY AND DELIVERY OF 16KV SURGE GENERATOR AND LISTENING DEVICE COMPLETE	HV TEST PRIVATE LIMITED	R 345 550	08 October 2012			
106/2012	SUPPLY,INSTALLATION AND COMMISSIONING OF 132KW SUBSTATION PROTECTION	WJ COETZEE ELECTRICAL AND MECHANICAL	R 2 781 982	19 September 2012		Discharge of an obligation by Performance	Electrical / Mechanical Services

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
		MAINTENANCE					
117/2012	CONSTRUCTION OF A BRICK MANUFACTURING YARD AT MADADENI	MANDLE-MVELO TRADING CC	R 1 955 745	08 October 2012		Discharge of an obligation by Performance	DP & HS (ED, S Mkhize)
131/2012	REQUEST FOR PROPOSALS FROM INTERESTED PARTIES TO ASSIST WITH UNDERTAKING AN ENVIRONMENTAL IMPACT ASSESSMENT ON REMINDER OF PORTION 1 OF ERF 782,NEWCASTLE,SCHUINSHOOGTE	ASANDE PROJECTS	R 194 060	02 October 2012		Discharge of an obligation by Performance	DP & HS (ED, S Mkhize)
45/2012	SUPPLY AND DELIVERY OF LED TRAFFIC SIGNAL HEADS PER UNIT	TRAFFIC SIGNALS AND ACCESSORIES	R 438	02 November 2012	15 January 2013	Discharge of an obligation by	Electrical / Mechanical

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
						Performance	Services
			R 331		15 January 2013	Discharge of an obligation by Performance	Electrical / Mechanical Services
			R 353		15 January 2013	Discharge of an obligation by Performance	Electrical / Mechanical Services
			R 291		15 January 2013	Discharge of an obligation by Performance	Electrical / Mechanical Services
			R 353		15 January	Discharge of an	Electrical /

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
					2013	obligation by Performance	Mechanical Services
			R 291		15 January 2013	Discharge of an obligation by Performance	Electrical / Mechanical Services
115/2012	CONSTRUCTION OF SPEED HUMPS WITHIN THE BOUNDARIES OF NEWCASTLE MUNICIPALITY PHASE 3	INGOLOVHANE PROPERTY DEVELOPERS AND PROJECTS	R 196 209	19 November 2012		Discharge of an obligation by Performance	Technical Services (PMU)
128/2012	SUPPLY,DELIVERY AND CONSTRUCTION OF THE COMPLETE HEAVY DUTY CONCRETE PALISADE FENCE AT RIVERSIDE SUBSTATION	MFB CONCRETE WALLING CC	R 250 421	19 November 2012		Discharge of an obligation by Performance	Community Services

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
138/2012	CALL FOR PROPOSALS TO ASSIST WITH DETERMINING THE EXPROPRIATION VALUATION OF FARM PORTIONS IN BLAAUWBOSCHLAAGTE	NDLALA MASS EVALUATION SSERVICES	R 216 030	30/10/2012		Discharge of an obligation by Performance	DP & HS (ED, Phumlani Mkhize
167/2012	CALL FOR PROPOSALS TO ASSIST WITH DETERMINING THE EXPROPRIATION VALUATION OF FARM PORTIONS IN BLAAUBOSCHLAAGTE	EBALENI PROPERTY CONSULTANTS & VALUERS	R 220 476	19/11/2012		Discharge of an obligation by Performance	DP & HS (ED, S Phumlani Mkhize
87/2012	SUPPLY,DELIVERY AND COMMISSIONING OF MOBILE/REFUSE CONTAINERS	STHANDESONKE COMMUNITY SERVICES	R 99 864	02 November 2012		Discharge of an obligation by Performance	Community Services
89/2012	THE PROPOSED LANDSCAPING AND IMPROVEMENT TO	MSOLWA TRADING ENTERPRISE	R 148 543	30 October 2012	May 2013	Discharge of an obligation by	DP & HS (ED, Andile

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
	HAWKERS SHELTERS					Performance	Buthelezi)
91/2012	THE PROPOSED BUILDING IMPROVEMENT TO HAWKERS SHELTERS	JUST A WISH 37 CC	R 197 138	30 October 2012	May 2013	Discharge of an obligation by Performance	DP & HS (ED, Andile Buthelezi)
120/2012	CONSTRUCTION OF SEWAGE RETICULATION IN OSIZWENI UNIT E & F	2 GOOD CONSTRUCTION	R 3 709 972	02 November 2012	March 2014	Non performance	Technical Services (PMU)
145/2012	SUPPLY,INSTALLATION AND MAINTENANCE OF AN INFRASTRUCTURE OF SERVERS FOR THE NEWCASTLE MUNICIPALITY	FIRST TECHNOLOGYPTY) LTD	R 672 565	12 December 2012		Discharge of an obligation by Performance	DP & HS Phiri

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
112/2012	RENOVATION OF ABLUTION BLOCK FOR FERNWOOD	MPHAZIMA TRADING ENTERPRISE	R 447 528	16 January 2013		Discharge of an obligation by Performance	Community Services
140/2012	CONSTRUCTION OF SEWER PUMPSTION AND PUMPING MAIN AT MADADENI SECTION 7-STAFFORD UNIT R	THE BIG FOUR TRADERS 38 CC	R 3 250 626	12 December 2012			Technical Services (PMU)
141/2012	SUPPLY AND INSTALL ZONAL METERS AND PRESSURE REDUCING VALVES IN MADADENI	CASTLE CONSTRUCTION CC & NORTHERN CIVILS JV	R 1 297 765	12 December 2012			
142/2012	SUPPLY AND INSTALLATION OF VIP TOILETS-JBC SANITATIONPHASE II	KHULANI CIVILS & ETHALA CONSTRUCTION SERVICES CC JV	R 4 992 500	12 December 2012			Technical Services (PMU)

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
143/2012	SUPPLY,DELIVERY,INSTALLATION AND COMMISSIONING OF 211 NEW ELECTRICAL SERVICE CONNECTIONS IN CHARLESTOWN PHASE II	OMPHILE ELETRICAL AND CONSTRUCTION	R 2 838 276	12 December 2012		Discharge of an obligation by Performance	Electrical / Mechanical Services
149/2012	CONSTRUCTION OF NEW TOILETS FACILITY FOR OSIZWENI CBD	JABUMILL TRADING ENTERPRISE	R 291 034	16 January 2013			Community Serv
150/2012	CONSTRUCTION OF NEW TOILETS FACILITY FOR MADADENI CBD	NOBONGILE TRADING ENTERPRISE	R 297 271	16 January 2013			Technical Serv
151/2012	SUPPLY AND DELIVERY OF TRACTORS	ENDUTRAC CC	R 167 000	16 January 2013			Community Serv
166/2012	UPGRADING OF BRIDGE ROAD IN MNDOZO TOWNSHIP	PMPZ CONSTRUCTION CC	R 7 675 064	10 December 2012	April 2014	Poor work Performance	Technical

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
							Services (PMU)
186/2011	SUPPLY AND INSATLL OF BULK WATER METERS AND PRESSURE REDUCING VALVES(MADADENI)	ABAPHUMELELI TRADING 337 CC	R 1 089 350	19 July 2012			Technical Services (Buyi)
147/2012	SUPPLY,INSTALLATION AND COMMISSIONING OF ONE SPLIT TYPE 95KW AND TWO MIDWALL SPLIT UNIT AIRCONDITIONERS WITH ALL CONTROLS,CB,HEATING CONTROLS,CABLING AND DUCTING AND REMOVAL OF OLD UNIT:MAIN LIBRARY-NEWCASTLE	UBHAQA AIRCONDITIONING & REFRIGERATION	R 365 258	19 February 2013			Community Serv
152/2012	SUPPLY AND DELIVERY OF 5 TON VEHICLE WITH CHERRY PICKER	MENMAT MOTORS	R 716 713	19 February 2013	13 March 2013	Discharge of an obligation by	Electrical/ Mechanical

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
						Performance (Once off)	Services
165/2012	CONSTRUCTION OF NEW ANIMAL POUND:NEWCASTLE	MATILDA PLUMBING AND PROJECTS CC	R 1 480 259	16 January 2013			Community Serv
184/2012	SUPPLY OF BASIC WATER SERVICES TO NORMANDIEN	LOKOTHWAYO TRADING	R 669 119	05 March 2013			Water Buyi
186/2012	UPGRADING OF ROOF AT OSIZWENI CIVIC OFFICES	STHANDESONKE COMMUNITY SERVICES	R 268 871	05 March 2013			Corporate Serv
219/2012	SUPPLY AND DELIVERY OF WEEDKILL CHEMICAL SPRAYER	CONSTRUCTION & CUTTING MACHINES	R 14 500	19 February 2013			Community Serv
220/2012	SUPPLY AND ERECTION OF PRECAST CONCRETE WALLS AND 220MM BRICK WALLS WITH	SITHATHAKONKE CONSTRUCTION & PROJECTS	R 115 008	08 February 2013			Community Serv

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
	STEEL SLIDING GATES AT MADADENI ENGINEERS						
192/2012	SERVICING OF NEWCASTLE MUNICIPALITY'S VEHICLE FLEET	MOTOR AND DIESEL TECH	R 1 966 142	03 April 2013			Electrical / Mechanical Services
193/2012	CONVERSION OF VIP TOILETS INTO WATER BORNE TOILETS AT MADADENI SECTION 7-STAFFORD	MAZCON CONSTRUCTION	R 7 680 197	22 April 2013		Discharge of an obligation by Performance	Technical Services (Water) Buyi
194/2012	WIDENING OF ASIPHEPHE DRIVE PHASE 1 (1.KM) IN NEWCASTLE	KLUS CIVILS CC	R 25 645 859	21 May 2013			Technical SErv

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
208/2012	REQUEST FOR PROPOSALS FROM INTERESTED PARTIES TO ASSIST WITH THE ESTABLISHMENT OF PLAY-PARKS WITHIN BOUNDARIES OF NEWCASTLE MUNICIPALITY	SANDMAN SIZASONKE CC	R 3 499 052	14 March 2013			Community Serv
	DRILLING OF BOREHOLES IN WARD 01 - AMAJUBA FOREST, BRINKS HOOP, CLONTAF FARM AND RED MAIN FARM	MANATTY TRADING CC	R 296 003		12 July 2013	Discharge of an obligation by Performance	Technical Services (Water) Sbu Ndlovu
224/2012		ETHALA CONSTRUCTION AND SERVICES	R 306 222	03 April 2013	12 July 2013	Discharge of an obligation by Performance	Technical Services (Water) Sbu Ndlovu

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
		ZOMZILIWE CONSTRUCTION CC	R 340 900		12 July 2013	Discharge of an obligation by Performance	Technical Services (Water) Sbu Ndlovu
		ZOMZILIWE CONSTRUCTION CC	R 307 230		12 July 2013	Discharge of an obligation by Performance	Technical Services (Water) Sbu Ndlovu
11/2013	SUPPLY AND DELIVERY OF TRACTOR PROCUT	AYANDA CONSULTING AND PROJECTS (PTY) LTD	R 178 690	05 March 2013			Community Serv
56/2013	EXPRESSION OF INTEREST FOR NEWCASTLE MUNICIPAL MAYORAL GOLF DAY	CHAMP MARKETING	R 198 800	25 March 2013		Discharge of an obligation by Performance	Office of the Mayor

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
180/2012	REPAIRS AND GENERAL MAINTENANCE OF INTERNAL AND EXTERNAL STRUCTURES OF JACARANDA DPLEX FLATS	MATILDA PLUMBING AND PROJECTS CC	R 798 909	22 April 2013	30 April 2014	Discharge of an obligation by Performance	Done. Green. DP & HS (Janine Columbine)
	SUPPLY,DELIVERY AND COMMISSIONING OF NEW MOBILE REFUSE BINS-1.75 CUBIC METRES:PAYLOAD OF 2000KG EACH		R 10 493				Community Services
227/2012	SUPPLY,DELIVERY AND COMMISSIONING OF SKIP TYPE REFUSE CONTAINERS-5.5 CUBIC METRES:PAYLOAD OF 6000KG EACH	TROLLEY AND BIN (PTY) LTD	R 12 807	27 May 2013			Community Services

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
	SUPPLY,DELIVERY AND COMMISSIONING OF OPEN TOP ROLL ON/OFF REFUSE CONTAINERS-30.0 CUBIC METRES:PAYLOAD OF 8000KG EACH		R 67 722				Community Services
	SUPPLY,DELIVERY AND COMMISSIONING OF NEW MOBILE REFUSE BINS-1.1 CUBIC METRES:PAYLOAD OF 2000KG EACH	STHANDESONKE COMMUNITY SERVICES	R 10 317				Community Services
	SUPPLY,DELIVERY AND COMMISSIONING OF CLOSED TOP ROLL ON/OFF REFUSE CONTAINERS-30.0 CUBIC METRES:PAYLOAD OF 8000KG EACH		R 67 260	27 May 2013			Community Services

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
164/2012	PHELINDABA COMMUNITY CENTRE AND SPORTS COMPLEX PHASE 1	PHILANABANTU TRADING	R 9 976 491				Community Services
172/2012	THE RE-OPENING OF A PORTION OF DRAPER STREET IN LENNOXTON,NEWCASTLE	LOWVELD MATERIAL HANDLERS CC/SUPERGOLD TRADING 177 CC JV	R 4 923 975	21 May 2013	31 July 2014	Discharge of an obligation by Performance	Technical Services
217/2012	SUPPLY AND DELIVERY OF A NEW 3 TON DELIVERY VEHICLE	CMH FLEET SOLUTIONS	R 396 262	27 May 2013	27 June 2013	Discharge of an obligation by Performance	Electrical / Mechanical Services
218/2012	SUPPLY AND DELIVERY OF A NEW 7 TON TIP TRUCK WITH HIGH-UP CRANE AND GRADER	CMH FLEET SOLUTIONS	R 925 380	29/05/2013	18 February 2013	Discharge of an obligation by Performance	Electrical / Mechanical Services

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
231/2012	SUPPLY AND DELIVERY OF NEW TIP TRUCKS: 1X10M^3	CMH FLEET SOLUTIONS	R 1 157 621	27 May 2013	13 August 2013	Discharge of an obligation by Performance	Electrical / Mechanical Services
	SUPPLY AND DELIVERY OF NEW TIP TRUCKS: 1X6M^3	CMH FLEET SOLUTIONS	R 693 919		13 August 2013	Discharge of an obligation by Performance	Electrical / Mechanical Services
10/2013	CONSTRUCTION OF AQUARAND LINK ROAD	MOLOGADI A NAPE BUSINESS ENTERPRISE(PTY) LTD	R 13 909 769	21 May 2013		Discharge of an obligation by Performance	Technical Services
13/2013	WIDENING OF AYLIFF STREET-ROADS AND STORM WATER	MOLOGADI A NAPE BUSINESS ENTERPRISE(PTY) LTD	R 3 275 695	08 May 2013		Discharge of an obligation by	Technical Services

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
						Performance	
31/2013	REFURBISHMENT OF EARL SUBSTATION AND ASSOCIATED WORKS	GEECO NATAL CC	R 3 501 618	13 June 2013		Discharge of an obligation by Performance	Electrical / Mechanical Services
33/2013	PROVISION OF MAINTENANCE SERVICES FOR RETROFIT OF 11KV PANELS AND REYROLLE CIRCUIT BREAKERS	ABB SA (PTY) LTD	R 3 064 620	14 June 2013	31 July 2013	Discharge of an obligation by Performance	Electrical / Mechanical Services
34/2013	CONSTRUCTION OF ABLUTION FACILITIES AND CHANGE ROOMS AT MADADENI ENGINEER'S OFFICE	MBANGOMUNI CLEANING SERVICES	R 453 962	06 June 2013	31 January 2014	Discharge of an obligation by Performance	Technical Services

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
27/2013	REQUEST FOR PROPOSALS FROM INTERESTED PARTIES TO ASSIST IN TRAINING OF MUNICIPAL EMPLOYEES FOR CUSTOMER CARE	SONANI TRADING & COMMUNICATIONS	R 49 500				n/a
28/2013	REQUEST FOR PROPOSALS FROM INTERESTED PARTIES TO ASSIST IN TRAINING OF MUNICIPAL EMPLOYEES FOR SUPERVISOR DEVELOPMENT PROGRAMME	IT CAREERS (PTY) LTD	R 85 500				n/a
43/2013	REQUEST FOR PROPOSALS TO CONDUCT BASIC ASSESMENT REPORT FOR THE ENVIRONMENTAL ASSESSMENT FOR THE INGOGO FRESH PRODUCE MARKET	EPROCON CC	R 67 032	02 May 2013	30 September 2013	Discharge of an obligation by Performance	DP & HS (ED, Andile Buthelezi)

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
77/2013	REPAIRS AND PAINTING OF TECHNICAL SERVICES BUILDING	AMADWALA TRADING 262 CC	R 54 550	21 May 2013		Discharge of an obligation by Performance	Technical Services
225/2012	SUPPLY,DELIVERY,INSTALLATION AND COMMISSIONING OF 170 NEW ELECTRICAL SERVICE CONNECTIONS IN ROYPOINT PHASE II	VEEZ MICRO ENTERPRISE	R 1 163 737	14 June 2013	20 December 2013	Discharge of an obligation by Performance	Electrical/ Mechanical Services
66/2013	SUPPLY,DELIVERY AND INSTALLATION AND CONSTRUCTION OF GUARD HOUSE AND FENCING AT FAILEGH	MPONDUMUSA TRADING ENTERPRISE	R 152 805	11 June 2013	8 August 2014	Discharge of an obligation by Performance	Community Services
72/2013	CONSTRUCTION OF 10 CARPORTS AT COMMUNITY SERVICES OFFICES,39 HARDWICK	UKUKHANYAOKOHLE TRADING ENTERPRISE	R 50 000	11 June 2013			Community Services

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
	STREET						
93/2013	UPGRADING OF MALE AND FEMALE ABLUTION BLOCK INCLUDING KITCHEN,DISTRIBUTION, MEN AND PAINTING	SIYAFUKUTHA TRADIN (PTY) LTD	R 48 660	14 June 2013			Community Services

ASSESSMENT OF ENTITY – UTHUKELA WATER (PTY) LTD 2013/14

Due to the takeover of the reticulation of water and sanitation by the Municipality with effect the 01 July 2014, and due the MEC intervention at Uthukela Water still being applicable in so far as the bulk services relating to water and sanitation is concerned, a formal monitoring mechanism is not yet in place.

As assessment of Uthukela Water (Pty) Ltd is however included hereunder, together with the SDBIP's relating to 2013/14 of UTW which is attached at Appendix 4.

DIVISION: WATER SERVICES AUTHORITY:					
STRATEGICOBJECTIVES	**KEY PERFORMANCE INDICATORS**	**2013/2014**		**CHALLENGES**	**CORRECTIVE MEASURES**
		TARGETS	**ACTUAL ACHIEVEMENT**		
Operations meetings to discuss	Operations Monthly meetings	12	6	The finalisation of UTW transfer took precedence over operations meetings	Transfer matters to be finalised
	Operational Meetings to ensure water demand is met	12	12	It was difficult to coordinate pumping in order to balance water supply to Brackfontein and Hilldrop reservoirs	A task must be formed between Newcastle LM, Amajuba DM and UTW to ensure coordination of pumping instruction in order to ensure that Brackfontein and Hilldrop reservoirs supply are balanced
Service Level agreement	signed SLA	1 signed SLA	none	The decision for the New water board is still pending so no SLA was signed	An interim SLA must be done between NLM and UTW
Midyear financial reporting	Submit Mid-Year Budget and Assessment Report to CFO	Submit Mid-Year Budget and Assessment Report to CFO	submitted	none	none
Ensure That Water and Waste water Quality meets he standard	% Compliance with Quality Standards	Ensure water quality meets SANS 241 class 1 standards	97% compliance	none	none

Ensure Good Corporate Governance	Risk Assessment reports	Carry out an organisational Risk Assessment	Completed	none	none
	Assessment report on compliance with MFMA 9clause by clause score card)	100% compliance with MFMA	100% compliance	none	none
Ensure Proper Asset management	Water Balance reports	Compile monthly reports covering bulk production and bulk losses	submitted 12 monthly report	the monthly reports only mentions bulk productions and has Raw Water balance from the source to the Treatment plant outlet	UTW to prepare a monthly raw water balance and include it in the monthly report
	Approved Asset management strategy	Compile asset management strategy	did not comply	No reason for none compliance was submitted	UTW must submit the Asset management Plan or strategy to NLM without fail

Ensure Effective Strategic Financing	Compile a balanced short term medium term and plan and strategy	Financial model	did not comply	UTW sited that the new water board will do the financial model	UTW must submit short and medium term plan and strategy based
Minimise negative operational impact on the environment	Compile an Environmental management policy and procedures	Approved Environmental management policy and procedures	did not comply	No reason for none compliance was submitted	UTW must submit the Environmental policy and procedures to NLM without fail
To ensure management and compilation of a collective budget process in accordance with MFMA and national treasury guidelines	Income and expenditure reports	Operating expenditure to be in line with budget	monthly financial reports submitted to CFO	Expenditure reports are not submitted and discussed with director water services and WSA manager	Monthly financial reports must be submitted and discussed with the WSA manager and the water Services director

CHAPTER 6

AUDITOR GENERAL REPORT

To be inserted

CORRECTIVE ACTION TAKEN OR TO BE TAKEN IN RESPONSE TO AUDIT ISSUES

To be inserted

CHAPTER 7

AUDIT COMMITTEE REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014.

To be inserted

CHAPTER 8

ANNUAL REPORT OF THE MUNICIPAL ENTITY

To be inserted

CHAPTER 9

ASSESSMENT BY THE ACCOUNTING OFFICER OF ANY ARREARS ON MUNICIPAL TAXES AND SERVICE CHARGES

The Newcastle municipality was owed R 994,9 million by the ratepayers and municipal services customers on 30 June 2014, while the corresponding figure at 30 June 2013 was R 829,8 million. This calculates to an increase of 19.9% over the previous financial year.

The Debt Collection, Credit Control and Customer Care, Indigent and the Debt Write-off Policies are reviewed annually as part of the budget approval process. Debt escalation has been controlled to a certain extent by the implementation of the Council's Policies; however the systems currently in place need to be enhanced in order to address the continual growth of debtors.

The increase in the outstanding debtors of the municipality can be partially attributed to the lack of restriction of water to 12 kl per month to the indigent households, whilst the full amount is debited to the account. Punitive action is not being taken against the accountholder who is not paying the monthly water consumption account in all areas and the accountholder has no incentive to settle his account. Interest at a rate of 9% continues to be debited to arrear non-residential accounts.

Council has identified funding to purchase the smart water meters which will be used to regulate the flow of water to the respective property. It appears that the project with regard to the installation of the water meters will be rolled out per zone. The zone meters continue to be installed to ensure that proper monthly water balance reconciliations can be carried out, and to ensure that water leaks

are addressed on an ongoing basis. This will enable the consumers to take up the responsibility to attend to their own leaks as they arise, or face restriction of services should the account no be paid.

Electricity is terminated for non-payment in the Municipality's area of supply, thereby ensuring that the accumulation of arrears is halted and the debt is collected prior to it accumulating to the extent of the other areas. Where there is no electricity consumption to make use of this action, the water needs to be used as leverage to halt the accumulation of outstanding debt.

Councillor and staff municipal accounts are still monitored on a regular basis with monthly deductions being processed from salaries where applicable.

The risk assessment performed by TransUnion during May 2014 will once again result in the information being updated on our financial system debtors' ledger database. The indigent register will be audited and accountholders will be deregistered should they no longer qualify according to the policy.

The Debt Management Task Team that was set up during February 2012 is now being chaired within the Budget and Treasury Office and the 10 point plan has been stopped in order to concentrate on other actions to be undertaken within the Budget and Treasury Office.

The debt collection section continues to carry out many of the legal processes originally performed by the Attorneys, such as obtaining emoluments orders and judgments, lodging writ-of-executions, etc. It is, therefore, not considered feasible to hand arrear accounts over to the attorneys unless the accountholder defends the action, or the value is such that we need to in terms of legislation. The attachment of tenant rentals paid to the owner in terms of their lease agreement has been attached where the rates account is in arrears.

The Council still has problems with the collection of specific types of accounts, which is still being addressed by our Legal Services Section. Some of the specific problems are noted hereunder:

- Current levies and arrears that accumulate against deceased owners, specifically in the East but not limited thereto, where the remaining spouse/child does not have the required cash settle the outstanding account in order to effect registration of transfer into their name;
- Child headed households – This becomes a problem when the consumption of water exceeds the allowed 12 kl and the electricity in the West exceeds the allowed 50 kWh.
- Closed consumer accounts sometimes become a problem to collect when the accountholder leaves town without providing a forwarding address and the deposit is too low to cover said final account. The deposits, however, will be increased in the forthcoming year.
- Consumer accounts where the termination of electricity cannot be used as leverage to obtain payment for the full account.

THREE YEAR CAPITAL PLAN FOR ADDRESSING INFRASTRUCTURE BACKLOGS IN TERMS OF THE MUNICIPAL INFRASTRUCTURE GRANT (MIG) FRAMEWORK

The following is a proposed MIG Framework for the following 3 years :-

PROPOSED PROJECT	2014/15	2015/16	2016/17
OB7	3,600,000	9,625,000	-
AC pipe replacement phase 2	-	30,000,000	40,000,000
AC pipe replacemnt and upgrades phase3	-	25,000,000	50,000,000
Blauwbosch Bulk sewer	-	20,000,000	20,000,000
Blauwbosch Bulk water	-	40,000,000	40,000,000
Bosworth farm Bulk water	-	10,000,000	15,000,000
BR10 Road Construction	-	5,000,000	-
Bulk sewer H39	2,500,000	4,000,000	-
Bulk sewer Siyahlala	4,600,000	15,000,000	15,000,000
Charlestown Bulk sewer		40,000,000	40,000,000
Charlestown Bulk water		20,000,000	30,000,000
Completion of ME18	1,700,000		
Completion of ME 28	2,000,000		
Construction of Charlestown Roads		10,000,000	10,000,000
Construction of Kwa-Mathukuza Road	5,500,000	5,000,000	-
Construction of Madadeni Side Walks	1,500,000	1,500,000	-
Construction of OB24,OB44,OB62 & OB65 Construction	10,000,000	3,200,000	-
Construction of Osizweni Side Walks	1,500,000	1,500,000	
Construction ofOc16,Oc14 & Oc2 (Road R)	2,000,000	-	-
JBC Roads Construction	-	10,000,000	10,000,000
JBC Sanitation Ward 12	814,286	1,000,000	1,000,000

PROPOSED PROJECT	2014/15	2015/16	2016/17
JBC Sanitation Ward 13	814,286		
JBC Sanitation Ward 15	814,286	1,000,000	
JBC Sanitation Ward 16	814,284	1,000,000	
JBC Sanitation Ward 18	814,286	1,000,000	
JBC Sanitation Ward 6	814,286	1,000,000	
JBC Sanitation Ward 7	814,286	1,000,000	
MADADENI PONDS	5,000,000		
Madadeni Road Slipway and Widening of Inkosi Bhambatha road: SAB Beer wholesalers		10,000,000	
Madadeni WWTP (Refurbishment)	11,000,000	10,000,000	
ME1,ME2,ME3 and ME7	8,700,000		
ME26,ME30,ME33		8,910,000	
Newcastle waste water treatment plant(Viljoenpark bulk)	-	8,000,000	
Newcastle West: Contruction of Sidewalks	500,000		
Ngagane WTP(refurbishment of existing raw water bulkline and installation Booster pump station)	-	10,000,000	
OA5,OA36,OA37	-	-	
OB39	2,200,000		
OB97	1,700,000	-	
OC41	-	10,950,000	
OE5,Osiz 5	9,500,000	8,000,000	
Osizweni E & F: Phase 3	4,500,000		
Provision of Basic Sanitation services to Charlestown	500,000	1,000,000	
Provision of Basic Sanitation services to Ingogo	500,000	1,000,000	
Provision of Basic Sanitation services to Normandien	500,000	1,000,000	
Pumping mains from Hilldrop Reservoir & Gravity main to Siyahlala la (Viljoenpark)	10,000,000	-	

PROPOSED PROJECT	2014/15	2015/16	2016/17
Rural gravel roads		8,000,000	
Sewer Pump station H39	2,500,000	2,000,000	
Staffordhill Waterborne Sewerage Scheme:Phase 4	11,120,000		
Stormwater Management Madadeni		2,000,000	
Stormwater Management Newcastle West		2,000,000	
Stormwater Management Osizweni		2,000,000	
Upgrade of Ngagane WWTW	2,000,000		
Water and sanitation master Plan		4,000,000	
WCDM Madadeni	4,000,000	5,000,000	
WCDM : Newcastle West bulk meters	2,000,000		
WCDM Osizweni	7,040,000	14,825,000	
Widening and Rehabilitation of Mandela Road		10,900,000	
	123,860,000	**375,410,000**	**271,000,000**

CHAPTER 10

DEPARTMENTAL HIGHLIGHTS 2013/14

BUDGET AND TREASURY OFFICE

ORGANOGRAM

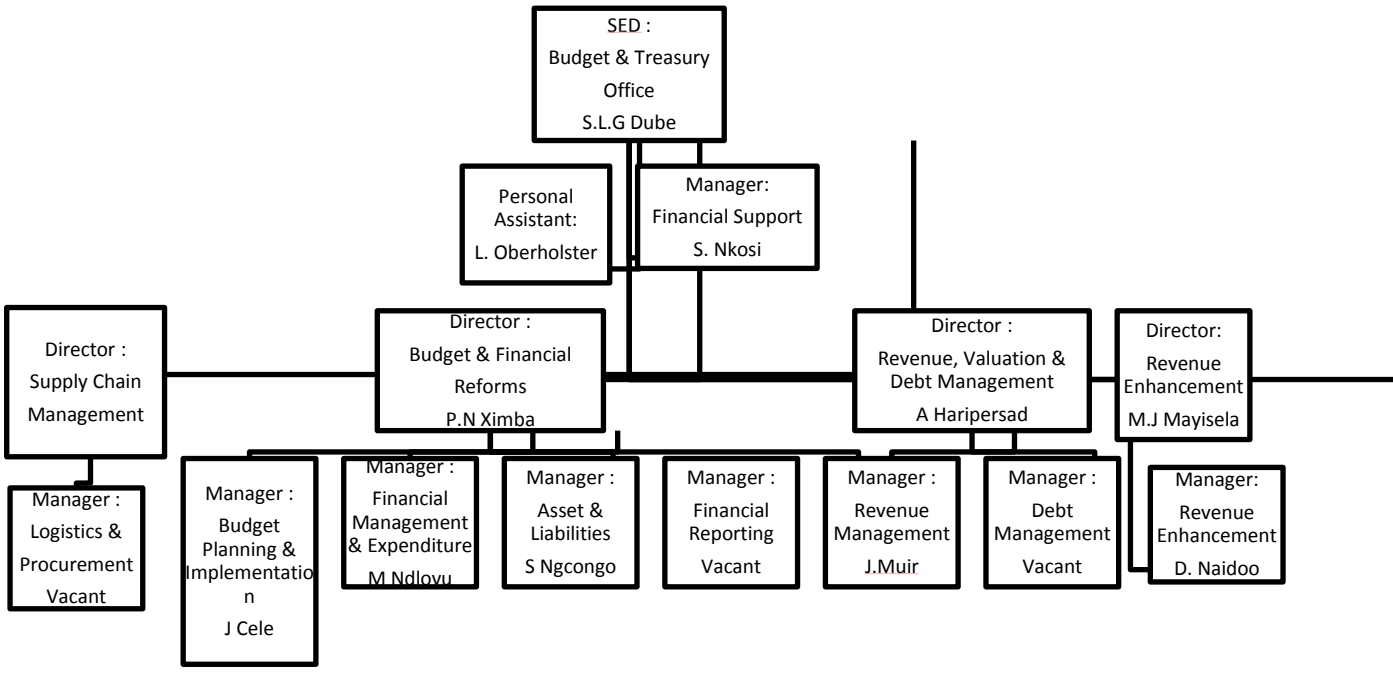


Figure 23 Budget & Treasury Office Organogram

OVERVIEW OF FUNCTIONS

The Budget and Treasury Office is divided into the following sections:

- Municipal Supply Chain Management
- Budget & Financial Reforms
- Revenue, Debt Management and Valuations
- Revenue Enhancement.

UNIT	FUNCTIONS
Budgets and Financial Reforms	•
Supply Chain Management Unit	•
Revenue, Debt Management and Valuations	•
Revenue Enhancement	•

PERFORMANCE HIGHLIGHTS 2013`14

- Tabling of the 2014`15 credible Budget to the amount of R2, 302 billion to Newcastle Community which comprises of R444 million Capital expenditure and R 1, 858 billion for Operating budget, on 22 May 2014 before the legislated target date.

- The following Critical positions within the department were filled in the 2013/14 financial year in pursuit of our drive to achieve clean audit in the near future:
- Director: Revenue and Debt Management.
- Director: Supply Chain Management.
- Director: Revenue Enhancement Strategy.
- Plans are afoot to fill the positions of Accountant: AFS & Audit File, Accountant: Creditors and Accountant: Financial Accounting, with sole aim of enhancing capacity and achieving favorable audit outcomes.
- All general ledger balances are now being reconciled on a monthly basis, which assists in ensuring credibility of financial information presented in Section 71 reports. With the assistance of the service provider, all Budget & Treasury staff are undergoing in-depth on the job training in all pertinent finance disciplines, which will ultimately bring innovation, flexibility and dedication that will build a truly dynamic organization through well trained workforce. All these initiatives will help in inculcating credible month end discipline, which will also ensure that the Municipality will get favorable audit outcomes.
- A fully fledged Asset Management Unit has been established. Our Asset Register is fully GRAP compliant, which will help the municipality in achieving clean audit outcome.
- Processes have been implemented to enhance compliance with our SCM policy including, reduction of turn-around times for completion of bids, implementation of checklists to ensure compliance prior to finalization of each payment, preparation of a contracts register to manage payments against contracts and timeous renewal of contracts.

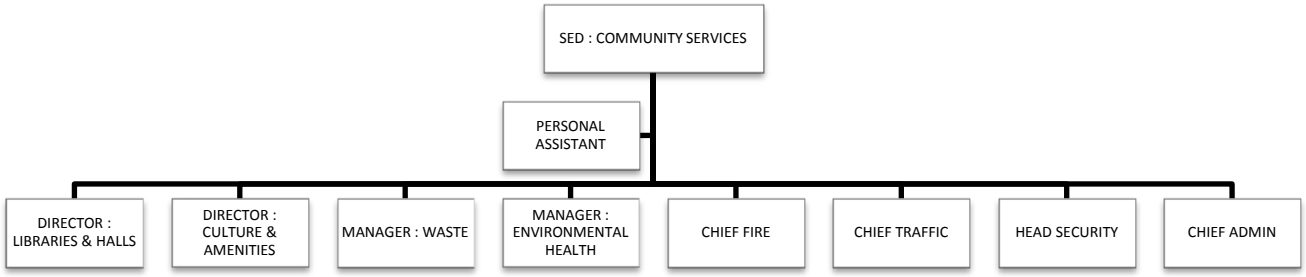
SERVICE DELIVERY CHALLENGES EXPERIENCED AND INTERVENTIONS IMPLEMENTED TO RESOLVE THESE CHALLENGES

CHALLENGES	INTERVENTIONS
Timeous availability of information from other stakeholders	Communication plan has been developed in order to ensure that people are aware of information required and will improve the processes within the organization
Revenue Enhancement Unit has been established.	Strategy has been prepared and various areas that could yield positive results on enhancing our revenue have been put in place
Qualified Audit in the previous years	The Municipality is working towards the improvement on Capital and Operational expenditure, to ensure sound and sustainable financial management *inter alia* through maximization of debt collection, create employment and improve the access and quality to/of services to all communities and create institutional capacity for our Finance unit.
Some fundamental reconciliations not done	Training and development of finance unit to ensure effective delivery
Non – compliance with Legislation,	Each Section 57 official is to ensure that their

Policies, deadlines etc	department complies with the various legislation, policies, deadlines, etc. Outdated bylaws and policies
Various areas of improvement in the financial system	The department has identified and rectified some aspects of our financial system to ensure adequate financial management
Increase in outstanding debtors	Revenue and Debt Management unit has been capacitated by appointment of a Director in the unit who is an expert in the financial field
Management of reports on Capital Expenditure	BTO supports the rest of the organization by distributing capital expenditure reports on a monthly basis as one of the measures of performance on each project
Cash management processes not in place	We have developed a comprehensive cash management process with a view to improve our liquidity position. This has been presented to management at the strategic planning session

COMMUNITY SERVICES

ORGANOGRAM



OVERVIEW OF FUNCTIONS

UNIT	FUNCTION
Waste Management	➢ Domestic Refuse collection ➢ Business refuse collection ➢ Environmental awareness ➢ Landfill ➢ Street cleaning & litter picking
Environmental Health	➢ Environmental Health services ➢ Public Ablution facilities ➢ Animal Pounding functions ➢ Health Legislation compliance inspections ➢ Addressing Public Complaints ➢ Vector control services
Parks and Recreation	➢ Play Parks -recreational ➢ Parks and Gardens grass/tree cutting/ maintenance

	➢ Sports Grounds and Sporting Facilities rugby, soccer, squash, cricket, netball, hockey ,tennis ,bowls, athletics scuba diving, karate and golf ➢ Recreational facilities – Pools- swimming
UNIT	**FUNCTION**
	➢ Caravan Park-camping facilities ➢ Dams - fishing ➢ Cemetery Facilities- burials
Culture & Amenities	➢ Library services ➢ Amenities/ Halls ➢ Arts and culture ➢ Museums
Fire & Disaster Management Services	➢ Fire Compliance Prevention Inspection ➢ Fire Brigade Bylaw Enforcement ➢ Disaster management response and recovery ➢ Emergency Response Call outs ➢ Fire Prevention Awareness campaigns
Traffic Management Services	➢ Law Enforcement ➢ Traffic Administration ➢ Roadblocks ➢ Vip Escorts and other ➢ Emergency Control Room Operations ➢ Scholar Patrols ➢ Road Safety Education ➢ Safety Awareness campaigns ➢ Crime prevention operations ➢ Traffic Control Duties
Security Management	➢ Guarding Services ➢ Armed Response ➢ Special Events Security ➢ Vip protection ➢ CCTV control room operations ➢ Intervention operations

WASTE MANAGEMENT PERFORMANCE HIGHLIGHTS

- ✓ Receiving Recycle Bins
- ✓ Clean up project using EPWP Workers
- ✓ Purchase of Waste Vehicles
- ✓ Launch of Ncandu River Clean-up Project
- ✓ Purchase of Bulk Containers and Pole Litter Bins
- ✓ Addressing backlogs – Blaauwbosch

Figure 24 Newcastle Municipality Receives 500 Recycle Bins

Figure 25 Beneficiaries ready to clean up H39 & construction of the Buy Back Center

Figure 26 Waste Management Awareness Programs

Figure 27 Specialised Plant Vehicle

Figure 28 Purchase 3 New Compactors

Figure 29 Purchase of new front end operator

* **Figure 30 Bulk Containers And Pole Litter Bins**

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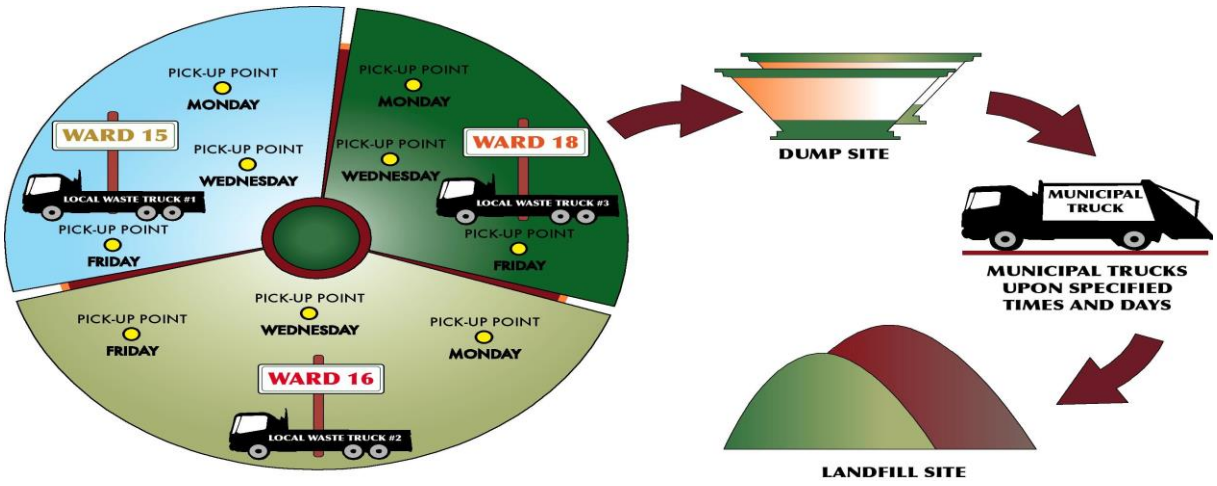
Figure 31 Purchase of new roll crane truck

Figure 32 Launch of the Ncandu River Clean Up Project



ISAZISO SOMPHAKATHI

Umphakathi wase Blaauwbosch uyacelwa ukuba ubambisane nomnyango kaHulumeni Omkhulu Wezokunakekelwa kweZemvelo (Department of Environmental Affairs) uhlangene nomasipala wase Newcastle (Newcastle Municipality) ekulweni nobubha, ukunakekela imvelo nokuveza amathuba omsebenzi:-

- Njengamanje kunabasebenzi abafake imfaniswano eluhlaza okotshani (Green Overalls) abasebenza ukukhuculula indawo yethu esekuhlaleni ezigcemeni 15, 16 and 18.
- Siyazi ukuthi indawo esihlala kuyona nempilo yethu kubalulekile, yingakho kufanele siyigcine ihlanzekile.
- Izikhwama zepulasitiki ezimnyama (Black Garbage Plastic Bags) mazingadatshulwa uma sezifake inkunkuma.
- Masingalahli udoti ezindaweni ezivulekile, nalapho kungavumelekile ukuthi siwulahle khona, masiwulahle kuphela ezindaweni ezibekelwe ukuthi siwulahle khona.

NEWCASTLE MUNICIPALITY

Kuyilungelo lawo wonke umphakathi wase Ningizimu Afrika ukuphila impilo nokuhlala endaweni ehlanzekile, ngakhoke, lokhu kubalulekile ukuthi sikwenze ngokuzimisela nangokubambisana ekuvikeleni izifo, nokugcina indawo yethu ihlanzekile.

Ngokomugomo wesivumelwano phakathi kukahulemeni wedolobha lase Newcastle nomnyango kaHulumeni Omkhulu Wezokunakekelwa kweZemvelo (Department of Environmental Affairs), isivumelwano sibophezela izinyanga ezibekiwe kuhla lwayo imigomo eshicileliwe.

Lesisivumelwano siqoke ukusebenzisana nomphakathi waseBlaauwbosch nezakhamuzi zakhona kwazise uhulumeni wedolobha uzama ukungenelela ezindaweni ezingakaze zibe sohlweni lokukhucululwa kukadoti ngaphambilini.

"SIYABONGA NGOKUBAMBISANA NANI"

environmental affairs

EXPANDED PUBLIC WORKS PROGRAMME
Contributing to a Nation at Work

Figure 33 Addressing Waste Backlogs Blaauwbosch

ENVIRONMENTAL HEALTH SERVICES PERFORMANCE HIGHLIGHTS

- ✓ Establishment of a Pound
- ✓ Establishment of Ablution Facilities
- ✓ Purchase of Vehicles

Figure 34 Animal pound establishment

Figure 35 New Ldv Vehicle (Bakkie) Purchased

Figure 36 New Specialised Animal Pound Vehicle

Figure 37 Ablution Facilities Madadeni & Osizweni

PARKS AND RECREATION PERFORMANCE HIGHLIGHTS

- ✓ Establishment of Parks and Gardens
- ✓ Establishment of Futsal Court
- ✓ Fencing of Cemeteries

- ✓ Purchase of Vehicles
- ✓ Purchase of Grass Cutting, Plant Equipment's
- ✓ Phelindaba Swimming Pool

Figure 38 Play park projects in various wards

Figure 39 Futsal Courts At Paradise And Osizweni Stadium

Figure 40 Fencing Of Rooi Point Cemetery

Figure 41 Fencing at Charlestown Cemetery

Figure 42 4X TRUCKS

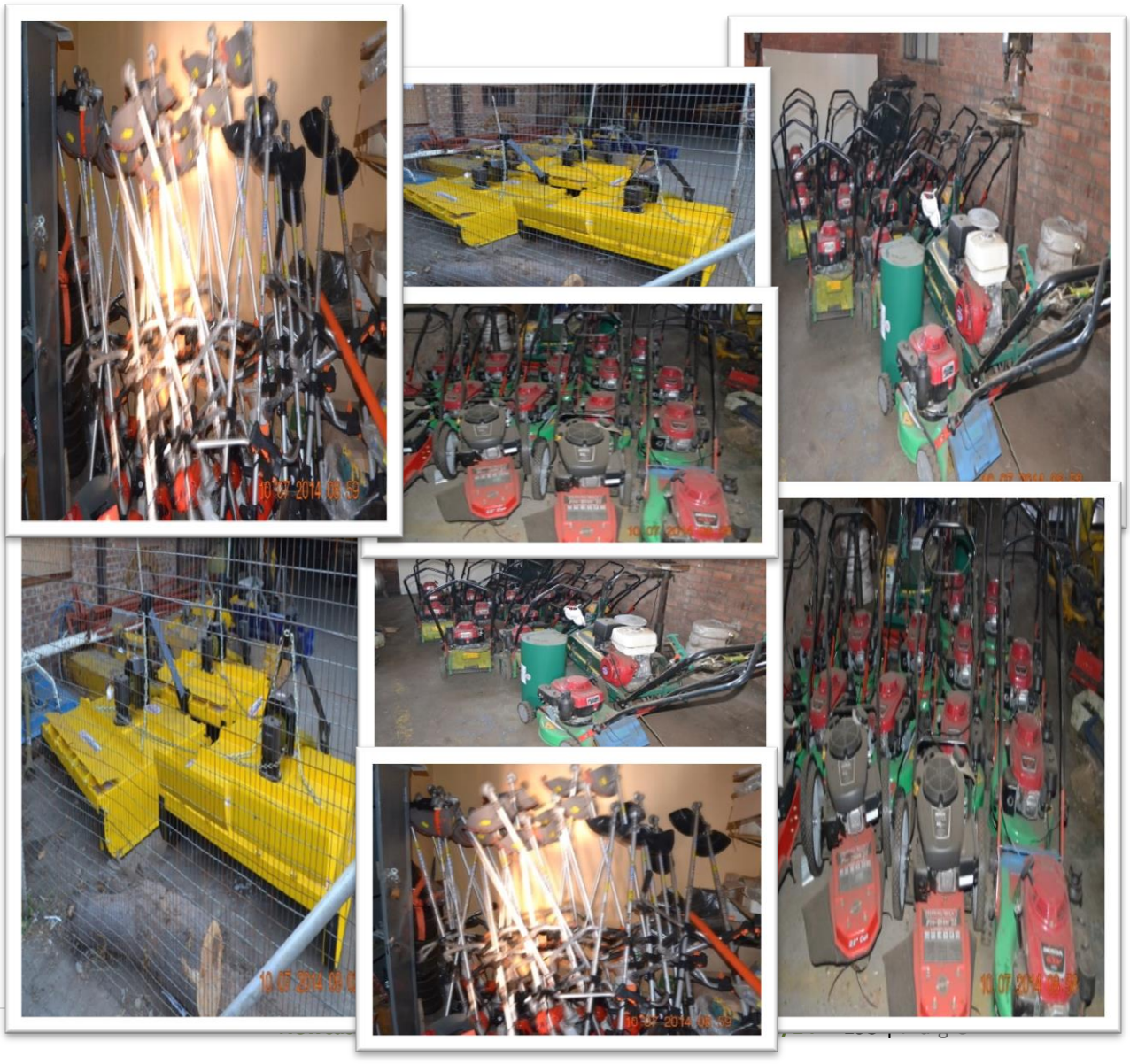


Figure 43 Grass Cutting Equipments And Machinery

Figure 44 PHELINDABA PROJECT

CULTURE & AMENITIES PERFORMANCE HIGHLIGHTS

- Fencing of Library and Community Hall
- Maintenance of Library Rooms
- Conducting Educational Programmes
- Conducting Exhibitions and Events

Figure 45 Fairleigh Library And Community Hall Fence

Figure 46 Ingagane Library Issue Counter, Identification Card Printer And Lennoxton Library Issue Counter

Figure 47 Madadeni Library

Figure 49 Educational Programmes

Figure 50 Textile Exhibition

Figure 51 Junior Art Classes

Figure 52 Art Expo

Figure 53 Art Events and Exhibitions

Figure 54 Ganadhi walk

Figure 55 Madadeni Cultural Development

Figure 56 Passport project

Figure 57 Anglo Boer Monument & Museum Lapa Building

Figure 58 Battle Fields Development

FIRE, TRAFFIC AND SECURITY

CCTV CONTROL ROOM

MONTHS	INCIDENTS DETECTED	DRUG ARRESTS MADE	DRUGS/DAGGACONFISCATED	HOUSE BREAKINGS RECORDED	FIRES DETECTED	VEHICLE ACCIDENTS RECORDED
July	7	2	0	0	0	1
August	5	2	0	1	0	0
September	4	3	1	0	0	0
October	3	0	0	2	0	0
November	34	3	4	1	4	3
December	16	5	2	0	1	1
January	31	13	4	1	0	4
February	18	1	0	0	1	0
March	4	0	0	0	1	2
April	3	0	0	0	0	3
May	2	2	0	0	0	1

June	14	7	0	0	2	3
TOTAL	141 CASES	38 CASES	12 CASES	5 CASES	9 CASES	18 CASES

TOTAL = 223 INCIDENTS CAPTURED

REVENUE GENERATED THROUGH TRAFFIC UNIT

ACTIVITIES	INCOME IN RAND
RANK PERMITS RENEWED	240 877.91
ESCOURTS PERFORMED	19241.31
PARKING FINES ISSUED	477 883.00
SECTION 56 SUMMONDS/ FINES ISSUED	2 213 990.00
TOTAL REVENUE GENERATED 2013/2014	**R 3 124 891 .90**

PERFORMANCE HIGHLIGHTS

Figure 59 Fire Disaster Management Vehicle

Figure 60 Vehicle For Impounding Unauthorised Parked Vehicles And Blockages

Figure 61 Traffic Awareness Campaigns

Figure 62 Guard Rooms With Changing Rooms

Figure 63 Security Vehicle

CHALLENGES AND INTERVENTIONS IN THE COMMUNITY SERVICES DEPARTMENT

PROJECT OR AREA	CHALLENGE	INTERVENTION
Waste	1. Landfill Site nearing its design capacity	➢ Formalised recycling ➢ Establishment of Buy Back Facility ➢ Site investigations EIA underway

		➢ Source funding for a MRF ➢ Appointment of CBC to address the challenge/ sustainability ➢ Utilisation of GMC funding to address
	2. Backlogs to un-serviced households	➢ Appointment of CBC to address the challenge/ sustainability ➢ Utilisation of GMC funding to address
	3. Increase in business and cluster development- insufficient resources to meet their demand	➢ Include in the forthcoming budget
	4. Insufficient staff and supervision	➢ These positions should be advertised and filled
Parks	5. Vandalism and Theft	➢ Security deployment ➢ Inclusive planned security methodology approach
	6. Shortage of Toilet facilities	➢ Vip toilet rentals ➢ To be included in planned play park developments and new budget
	7. Unplanned Maintenance	➢ Maintenance plan to be Include in the new play park developments
	8. Insufficient staff and supervision	➢ These positions should be advertised and filled

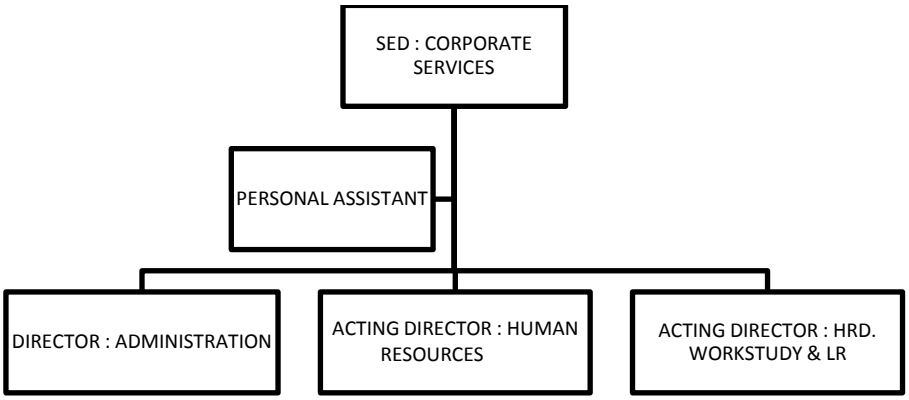
PROJECT OR AREA	CHALLENGE	INTERVENTION
Fire	9. Specialized aerial Vehicle required 10. Hazmat Unit Vehicle to be prioritised 11. Breathing A apparatus Trailer to be acquired 12. Insufficient staff and supervision to deal with disasters and fire prevention operations	➢ To be budgeted for in New Financial year ➢ To be budgeted for in New Financial year ➢ To be budgeted for in New Financial year ➢ These positions should be advertised and filled
Traffic Management	13. Extending traffic law enforcement in Madadeni and Osizweni that were inadequate on a full time basis. 14. Lack Insufficient staff and supervision to deal with operations of continuous training 15. Specialised Aerial Vehicle required, Hazmat Unit Vehicle and Breathing A apparatus Trailer to be acquired	➢ Employment of more Traffic Officers to accommodate the current shortage ➢ These positions should be advertised and filled & training intervention to be prioritised ➢ To be budgeted in the New Financial Year
Security	16. Vandalism and theft	➢ Increased External Security deployment

	17. Insufficient security staff supervision and management 18. No approved Security Policy and procedures 19. Excessive overtime expenditure and dependency	➢ Inclusive planned security methodology approach ➢ These positions should be budgeted for and filled to ensure proper control and supervision ➢ Draft policy to be work shopped ➢ OT study underway
Culture and Amenities	20. Lack of facilities in previously disadvantaged areas 21. Lack of human resources 22. Lack of exhibition and storage space at Carnegie Art Gallery	➢ JBC and Charlestown community halls in the process of being constructed ➢ List of critical positions to be filled was submitted to the SED: Community Services ➢ Funding requested from Council- no funding has been allocated for this project as yet.

CONCLUDING REMARKS BY THE COMMUNITY SERVICES

The Community Services department will continue to support the vision of the municipality and to ensure that our customers continue to receive excellent service.

ORGANOGRAM



OVERVIEW OF FUNCTIONS

UNIT	FUNCTION
Administration	➢ Secretariat ➢ Building and Maintenance ➢ Printing ➢ Registry and Records ➢ Switchboard
Human Resources	➢ Recruitment & Selection ➢ Enforcing Occupational Health and Safety ➢ Establishment of Occupational Health and Safety Committees ➢ Leave Management ➢ Exit Management ➢ Administering Employees Benefits ➢ Long Services Awards ➢ HR Administration ➢ Employee Wellness (EAP)
HRD, Workstudy & LR	**HRD** ➢ Monitoring and reporting on all training and development projects in the Newcastle Municipality ➢ Identify human resources development needs and align with organisational objectives

	➢ Provide expert advice on education, training and development ➢ Advise management on training and development matters ➢ Provide Induction Programme
UNIT	**FUNCTION**
	➢ Implement the Skills Development Act No. 97 of 1998 ➢ Present training programmes and evaluate the state of training ➢ Administer study assistance for employees & administration on bursary scheme ➢ Render a succession planning and career pathing service ➢ Administer Adult Education and Training (AET), Internships,Learnerships & in-service training **WORKSTUDY** ➢ Organisational Structure ➢ Job Evaluation and Grading ➢ Job Study ➢ Compilation of Job Description **LABOUR RELATIONS** ➢ Ensuring that Basic Service Conditions Employment Act Procedures are adhered to ➢ Deals with Grievance and Disciplinary Matters ➢ Strike Management ➢ Misconduct of Employees

ADMINISTRATION PERFORMANCE HIGHLIGHTS

- The section planned for 11 Council Meetings and achieved 32 and 10 Executive Committee Meetings and achieved 16
- The department has budgeted R101 000 000.00 for the Tower block building and spent R108 000 000.00 .
- The originally planned building floors were 6 but due to the expansion of the municipal staff establishment the provision is now made for 7 floors
- The Records function is now centralized in Administration section, this intervention will ensure the consistency in application of Archives regulations
- Paper less environment project is reaping good results, in such has been extended further to staff and other function such as electronic filling which is in the pipeline.

HUMAN RESOURCES PERFORMANCE HIGHLIGHTS

- Developed and implemented Employment Equity Plan aimed at promoting gender equality in the workplace.
- The number of people from employment equity target groups on the three highest levels of management was over exceeded
- Occupational Health and Safety section worked tirelessly to promote zero fatality and ensured a health and safe working environment.
- Recruitment and Selection section provided adequate human capital through the filling of 92 budgeted positions.
- 31 Critical positions as identified and approved by the Municipal Manager budgeted for were filled during the financial year.
- EAP section has encouraged team spirit and organizational strategy focus

ADHOC DELIVERABLES – HUMAN RESOURCES

- A total of 4561 leave forms processed during the year.
- A total of 165 employees received long service pay-outs.
- A total of 313 employees received leave encashment.
- A total of 99 employees assisted through the Employee Assistance Programme.
- Conducted information sessions on Exit Management and new funeral scheme offered by Natal Joint Pension Fund.
- Recruitment & Selection induction training conducted to more than 300 employee transferred from uThukela to the Newcastle Municipality

- A total of 4 information sessions conducted by EAP.
- A total of 3 referrals made to Professional Bodies for Employee Assistance.
- 72 employees received Hepatitis B injection through EAP.
- 140 employees received medical check-up .

- 4 memorial services were held.

HRD, WORKSTUDY & LABOUR RELATIONS PERFORMANCE HIGHLIGHTS

1. The Human Resources Development (HRD) Division in line with its mandate of capacity building in the organisation was able to enrol 680 employees across Departments on skills Development programmes that are aimed at sharpening skills, career development and multi-skilling.

The following programmes represents our highlights for the financial year 2013/14:

- Supervisory Skills Certificate 60
- Customer Care Certificates 100
- Advanced Computer Certificate 100
- Learners and Driving Licences (code 10 & 14) 60
- Plumbing Certificate 20
- RPL 11
- Bursaries 85
- Interns 80
- PETS Students 46
- MFMP 40
- Operators Training 69
- Records & Registry Management 30
- Project Management 11
- SAMTRAC 10

2. Although the MFMP was initiated in terms of competency level regulations which mainly covered the Municipal Manager and SED's, a total of 57 employees qualified, and currently 40 employees are enrolled for the programme.
3. Workstudy & Labour Relations units has been established which will be populated and fully functional within the next year.

CHALLENGES AND INTERVENTIONS IN THE CORPORATE SERVICES DEPARTMENT

PROJECT OR AREA	CHALLENGE	INTERVENTION

Administration	1. There was no budget allocated to Records Management during the period 2013/2014 2. There was no suitable space for Ward Councillors	➢ R2 000 000.00 was the made available for the 2014/2015 financial year. ➢ A provision is made in 2014/2015 to satisfy the identified need.
Human Resources	3. Recruitment &Selection. The departments do not want to adhere to the processes applicable to the filling of vacancies. 4. Acting allowance and other adjustments. Memorandums are directly sent to MM without HR comments. Personnel movement without the knowledge of HR for example: resignations, transfers, dismissals, etc. 5. Department are doing alterations to Job description with Workstudy unit 6. The recruitment & selection policy has been reviewed and submitted for approval but not yet approved. 7. No criteria to elect panel members, this lead to inconsistent scoring of points candidate during interviews and leads to audit query. 8. Shortage of staff, No Assistant Personnel Officers. Personnel Officers find themselves to do the work of Senior Personnel Officers, Manager Personnel,	➢ SED's to enforce the Standard Operating Procedures. ➢ The acting allowance memorandum must be sent directly to the SED: Corporate Services for comments. All documentation supporting Personnel movements to be submitted to HR. ➢ If the department wants to do alterations on job descriptions they must first consult Workstudy before it comes to Personnel for advertisement. ➢ Approval of new Recruitment & Selection Policy. ➢ Panel members must have the relevant skills and knowledge for the position advertised. ➢ Shortage of staff: to fill all HR positions as matter of urgency Shortage of

	Assistant Personnel Officers & Admin Officer. Shortage of equipment	equipment: ➢ interns must be provided with computers in order to assist Personnel Officers with typing and other work allocated to them.
PROJECT OR AREA	**CHALLENGE**	**INTERVENTION**
	9. Network problem and freezing of computers that causes the loss of information 10. Line of communication 11. Medical examination 12. Shortage of staff in Occupational Health & Safety Unit 13. Absence of clear reporting lines, No budget allocated to OHS Section	➢ Network problem: buying of 3G cards and new laptops to assist Personnel Officers in drafting question during or prior to interviews and assist with access to VIP that is always offline ➢ A new VIP system was bought and will be rolled out in October ➢ Line of communication: SED's and Directors communicate with the Director: HR directly not with Personnel Officers. ➢ Council to take a decision to tenderise the service of a medical Practitioner as matter of urgency. ➢ Establishment of OHS unit ➢ Allocation of Occupation Health & Safety budget ➢ Provision of office space and working tools ➢ Establishing a good relations with the

	14. Lack of sufficient office space 15. Lack of commitment from senior management to support EAP functions 16. Leave administration is not seen as a support function and therefore do not play a pivotal role in giving advice in terms of leave management and leave policy. 17. Management and organisation do not take leave function seriously 18. Constant network problems creates a barrier for service delivery, this leads to leave balances not being updated, new employees cannot be created on VIP system.	Clinics and Hospital to avail series that are suppose to be offered by Professional Bodies ➢ EAP structure was finalised, vacancies can be now filled ➢ Arrangements were made with BTO to utilise one office for capturing leave and employees to system. ➢ Numerous meeting were held with IT department to try resolve the network problem
PROJECT OR AREA	**CHALLENGE**	**INTERVENTION**
HRD, Workstudy & LR	19. 80 % vacancy rate within the directorate 20. Non-compliance of policies 21. Students & interns are utilized to fill vacant professional positions 22. No budget provision for Workstudy and Labour Relations	➢ Numerous requests and motivations submitted to fill vacant positions

CONCLUDING REMARKS BY THE CORPORATE SERVICES

In order for Corporate Services to achieve any goal and objective and to encourage staff to achieve it is important to follow set procedures and policies. Human Resources would like to play a role of partnership and not to be observer. We are proud to say that we have achieved some goals during the financial year. Without the dedication and hard work of staff members this achievement would not have been possible. The Directorate : HRD; Labour Relations and Workstudy was recently configured. Although there is still an immense workload, this directorate is confident that the potential exist to take this organization to greater heights if the necessary resources can be provided.

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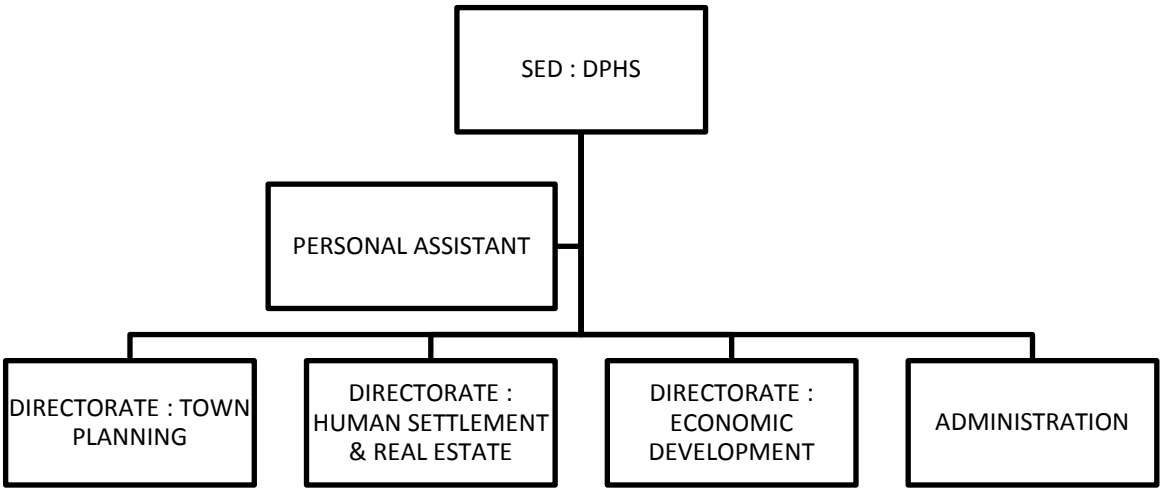
ORGANOGRAM



OVERVIEW OF FUNCTIONS

UNIT	FUNCTION
Town Planning	➢ Spearheading urban renewal interventions in the municipality. ➢ Identify the desired urban development interventions and manage implementation of programmes and projects. ➢ Processing of special development projects. ➢ Coordinate the activities of municipal departments, national departments, the private sector, local communities and other stakeholders to ensure alignment of functions in the urban renewal area. ➢ Land Use Management and Building Development Management. ➢ Manage spatial growth and change by establishing sound spatial planning frameworks, development guidelines, policies and local area plans.

	➢ To ensure efficient and integrated GIS system.
Housing & Land	➢ Provision / Promotion of Sustainable Human Settlements ➢ Facilitate Tenure upgrade within Newcastle Municipality Area ➢ Facilitate land disposal for Residential; Commercial and Industrial
Local Economic Development	➢ Provision / Promotion of Sustainable Human Settlements ➢ Facilitate Tenure upgrade within Newcastle Municipality Area ➢ Facilitate land disposal for Residential; Commercial and Industrial.

TOWN PLANNING PERFORMANCE HIGHLIGHTS

Land Use Management in keeping with the rapid growth the town has seen in the recent past has substantially improved the turnaround times on development application. Not only is this sound legislative compliance but symbolical of the pragmatic approach town planners have deployed in retaining existing and expanding investment in the town

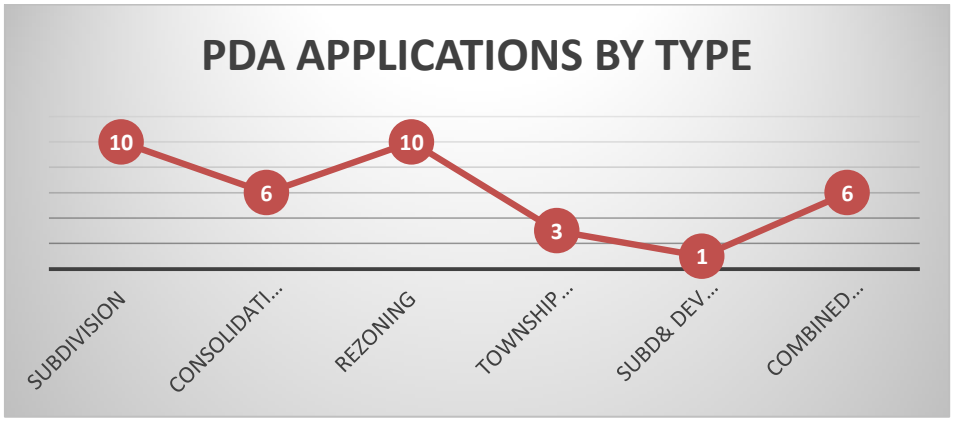
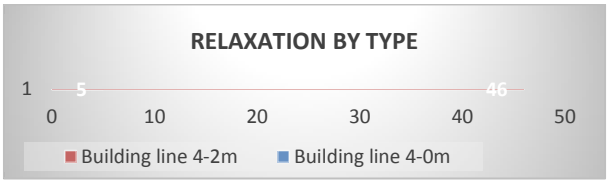


Figure 64 PDA Application



Whilst the culture of reckless outdoor advertising was on the rise, land use management for those detracting from the bylaws equally intensified. This was achieved through Expanded Public Works foot solders, who act swiftly on early warning signs of such illegality. To this end the municipality is receiving more enquiries about forms of advertising than previously.

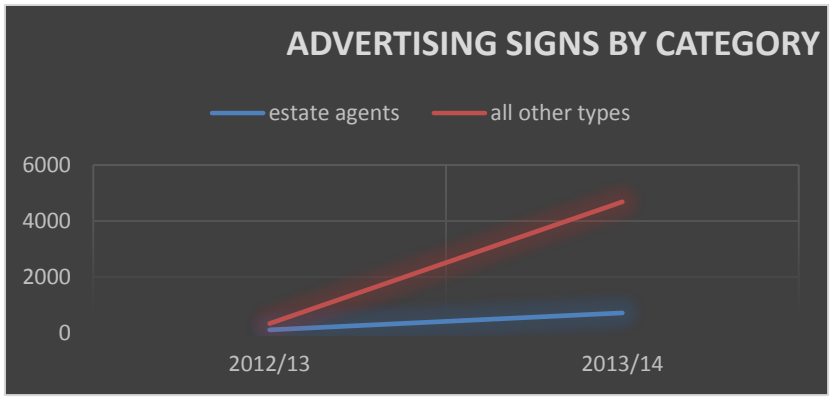


Figure 65 Outdoor Advertising

There are also development pressures in the form of special consent applications which the department has observed to be on the upswing. So much so that some of these pressures has rendered certain types of growth in the parts of the town natural.

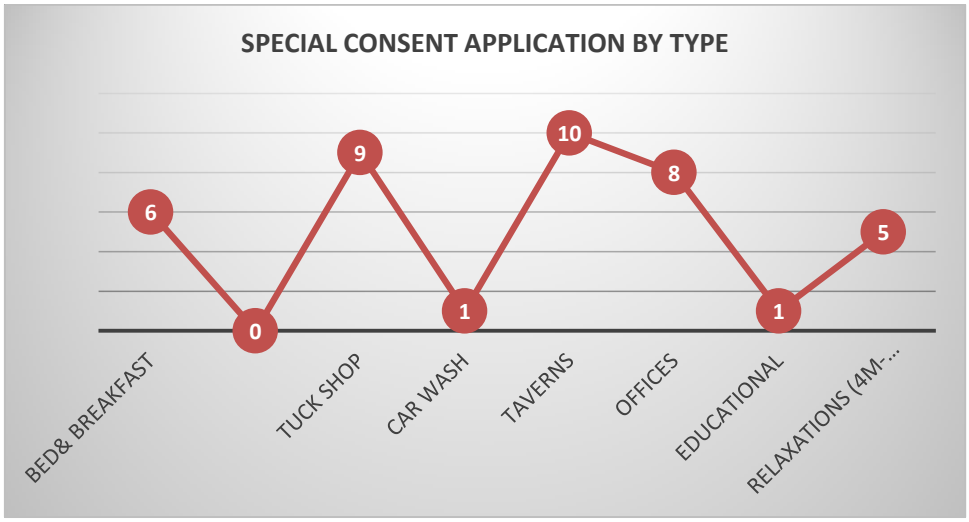


Figure 66 Special Consent Application

The number of building plans approved has been reconciled with development applications where possible to facilitate compliance as such a total of 435 building plans were approved during 13/14 FY.

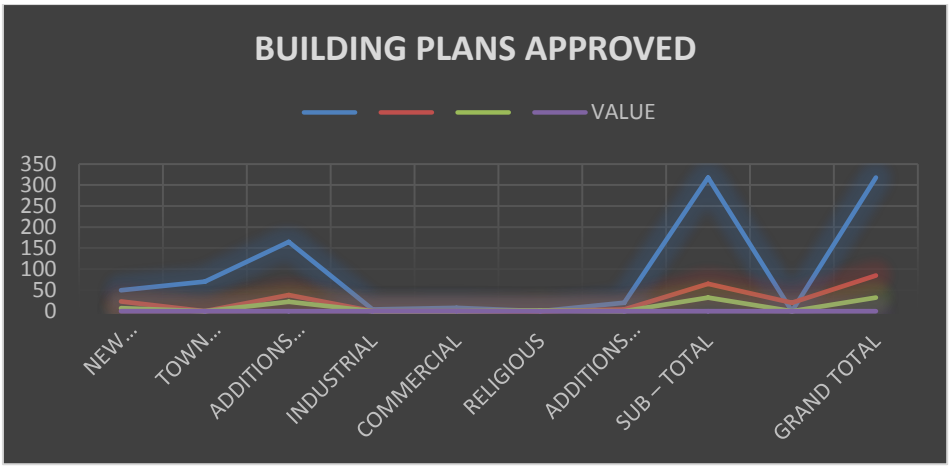


Figure 67 Building Plans

There were numerous breakthrough on this projects which commenced 5 years ago. At the main was the quality of the information which had detrimental effects on the proposals and the objective the study was trying to achieve. During 2013/14 the team was resuscitated and expectations of both the Provincial and Municipality was clarified.

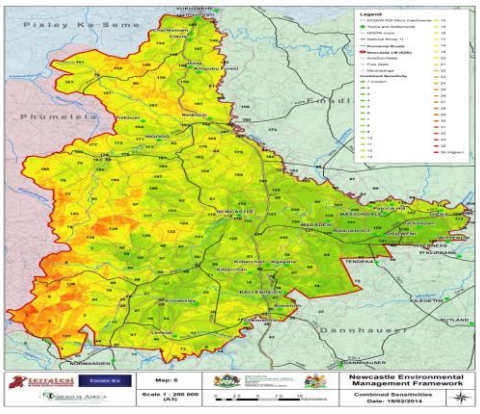


Figure 68 Environmental Management Framework

Newcastle continues to be the shining examples with regards to spatial illustration of the municipality. Our SDF is ranked within the top 5 in the Province. And such effort goes to show spatial planning leaves nothing to chance when it comes to giving shape to the town.

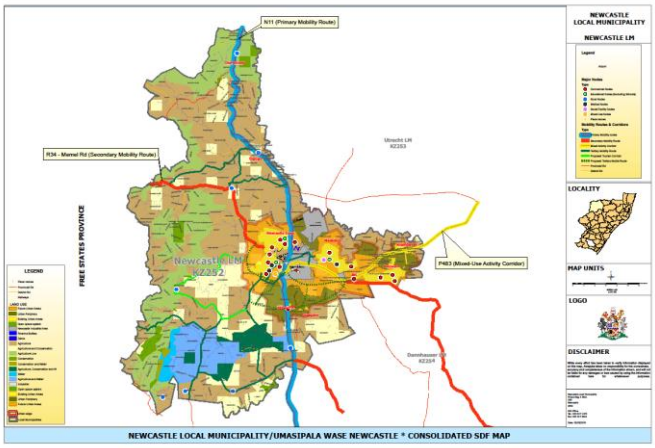


Figure 69 Spatial Development Framework

The shrinking lifespan of the existing landfill is indicative of the household growth experienced by this town. Following a laborious process of the acquisition of land and examination of various site with primary intent, to establish a new landfill, the department celebrated an imperative milestone in 2013/14. The detailed investigations favoured a privately owned site identified for landfill.

Preliminary designs and environmental impact assessment are now being set in motion in the establishment process and should be finalised during 2014/15 financial year.

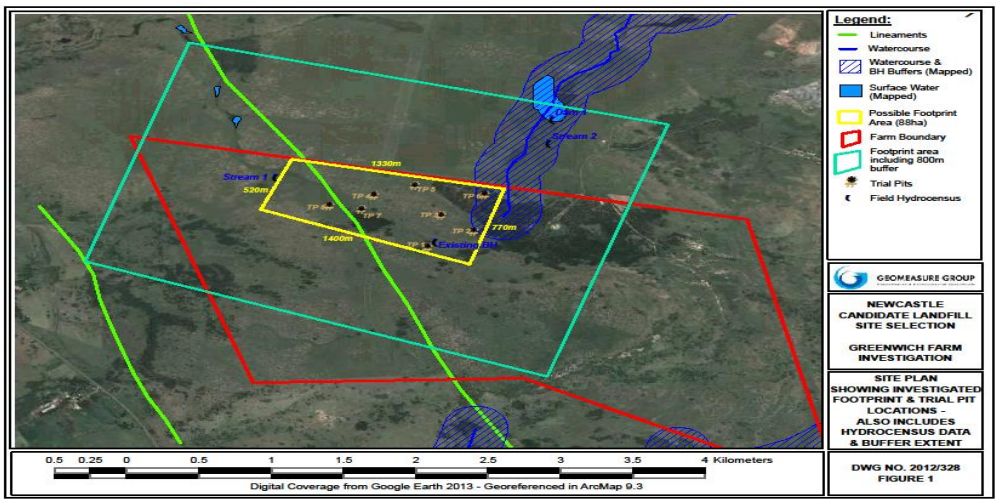


Figure 70 Preliminary Designs And Environmental Impact Assessment – Landfill Site

The extent to which Newcastle is multi-culturelirism is evident in its land use diversity and design thereof. A critical milestone was reached when the Department of Environmental Affairs issued an Environmental Authorisation for the expansion of the Muslin cemetery.

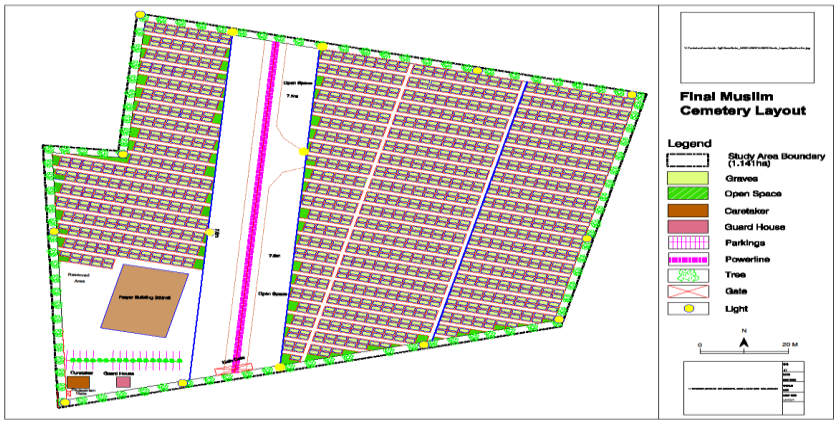


Figure 71 Muslim Cemetery

Dicks, Mdonzo Local Area Development Plan was finalized and approved by Council. This report outlines a development strategy and future a vision for the development of the area. The strategy responds to a range of issues as identified in the status quo report. Also included in the report is an implementation plan, indicating the schedule of catalytic projects and programme for the area.

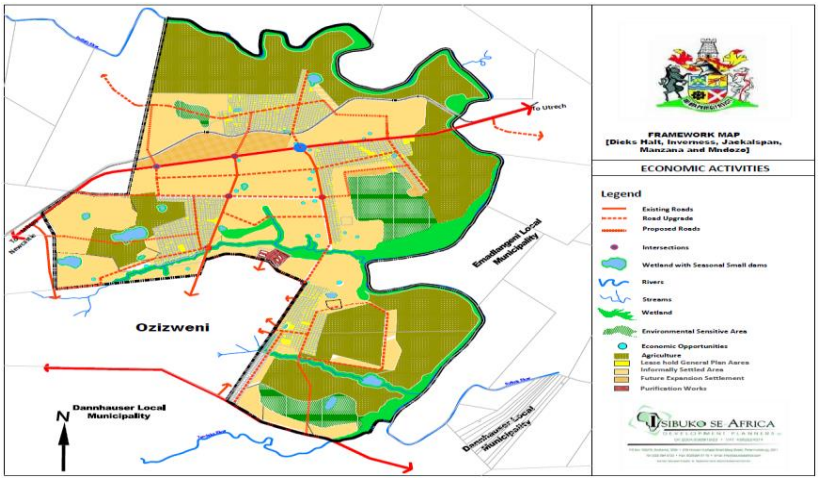


Figure 72 Dicks, Mdozo Local Area Development Plan

Financial year 2013/2014 saw verification of 43432 properties on the town planning scheme. The verification process was assisted by the valuation Unit of the Municipality and COGTA's Development Information Services.

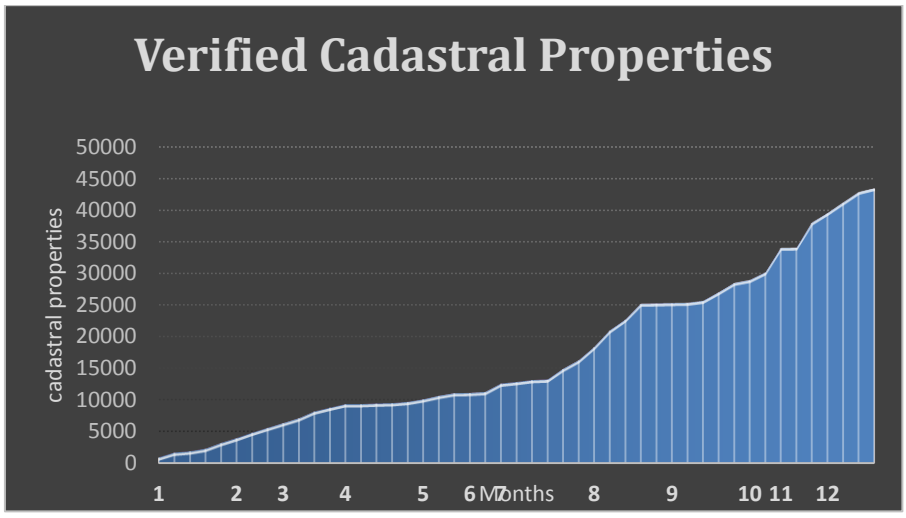


Figure 73 Cadastral Properties

Theku Mall was opened to the public on 26 July 2013. It was partly an implementation of the JBC Primary Node where the municipality and National Treasury invested 7.6 million as leverage for private sector investment

Figure 74 Itheku Mall

CBD Regeneration - Osizweni CBD regeneration has seen the development of a taxi rank and upgrading of the CBD Main street and further road upgrades planned for 2014/15 financial year as part nodal redevelopment by National Treasury (NDPG) to leverage for public and private sector investment

Figure 75 Upgrading Of Osizweni Cbd Main Road

Improvement of transportation infrastructure and support to informal sector - Madadeni taxi rank and Hawker shelters developed as part nodal redevelopment by National Treasury (NDPG) to improve transportation infrastructure and support to informal sector.

Figure 76 Madadeni Taxi Rank And Hawker Shelters

Development of Concrete Products manufacturing facility (Brickyard) – to serve as training facility for skills transfer to beneficiaries as well as use the products in urban renewal interventions

Figure 77 Brick manufacturing yard

SERVICING OF LAND - Provision of service infrastructure on Portion 1 of Erf 782 Newcastle athough the project was stopped due to an objection and subsequent court interdict at the stage shown below.

Figure 78 Provision of new service infrastructure

HUMAN SETTLEMENT & REAL ESTATES

LAND ACQUISITION

The acquisition of land through expropriation has proved to be very innovative and quick process towards gaining access to privately owned land for housing development. The approval of expropriation of JBC land (farms) by the MEC on the 04th of June 2014 was indeed a good evidence that this innovative method of Land Acquisition is quick and good.

FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAM

The approval of the first FLIP's for Newcastle Municipality scheme by the Provincial Department of Humans Settlements is a milestone indeed; as this Directorate will no longer provide houses for low income category; as this will assist the very important GAB Market Houses,

Emawozeni Housing Project –

Total number of units : 148 units

Total cost of the Project : 11 Million

The Directorate is building 148 houses at Osizweni Township Section A commonly known as "Emawozeni Housing Project. The houses are constructed for predominately disabled residents of this Township. The houses at Emawozeni are the best houses that this Municipality has produced so far.

Figure 79 Emawozeni Housing Project

Osizweni Section "E" Phase II

Total Number of : 1240

Total cost of the Project : R80 Million

During the 2013/2014

Figure 80 Osizweni Section E Phase II

Financial Year Newcastle Municipality commenced with the construction of 1240 housing units at Osizweni Section “E” Phase II. This is an old project that was conceptualized in 2002 but the project only came into the construction stage in July 2013. The houses are being build with face brick and roof tiles and the poor residents some of whom have stayed in shacks since 2002 are now

Khathide Rural Project Phase II

Total no of units : 2000

Total cost : 123 Million

Even communities who stay in rural areas are benefiting from the housing programmes that Newcastle is rolling out. During the 2013/2014 financial year, the Khathide Housing Project was also initiated, the project is meant to assist residents who do not have houses in Ward 6 and Ward 12, some of these residents never had a house of their own and now they are happy occupants of new RDP Houses.

Figure 81 khathide housing project

ECONOMIC DEVELOPMENT PERFORMANCE HIGHLIGHTS

NEWCASTLE SMALL BUSINESS WEEK –

An initiative between Newcastle Municipality, Seda and DEDT - to promote small businesses within Newcastle.

NEWCASTLE/NPC KHULANATHI CONTRACTOR DEVELOPMENT -

An initiative between NPC, Seda and Newcastle Municipality that assists block makers to improve the quality of their blocks and ensure that they meet SABS and building standards. Skills development initiative.

NEWCASTLE/ARCELOR MITTAL CONTRACTOR DEVELOPMENT –

Partnership between Arcelor Mittal and Newcastle Municipality. Seda has come on board to provide the services of a mentor. The aim is to incubate 4 contractors over a period of three years and allows a closed competitive bidding process.

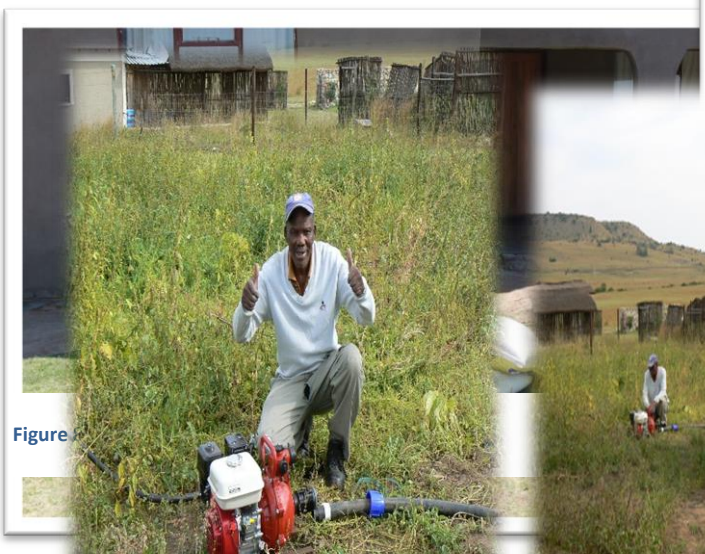
POVERTY ALLEVIATION PROGRAMME -

Supports emerging businesses or that have already started up or start up especially those who have a strong business case in agriculture, manufacturing, tourism and service sectors.

HAWKER SHELTERS

To provide proper facilities for Hawkers to trade.

Figure 82 Poverty Alleviation Projects



Figure

Figure 84 Poverty Alleviation Projects

Figure 85 Poverty Alleviation Projects

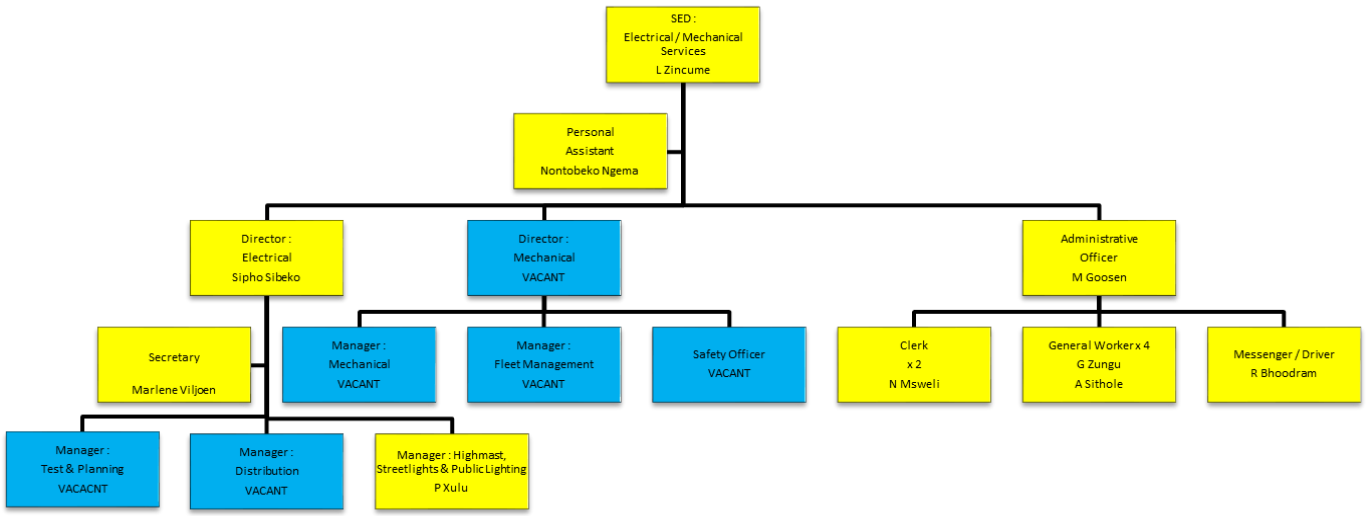
CHALLENGES AND INTERVENTIONS IN THE DEVELOPMENT PLANNING & HUMAN SETTLEMENT

PROJECT OR AREA	CHALLENGE	INTERVENTION
DPHS	23. Shortage of qualifies construction Managers with the Municipality. 24. Interference by local Sub-Contractor and stoppages of work by labour. 25. Bricklayer shortages in and around Newcastle. 26. Shortage of suitable land for housing.	➢ Position have been advertised using level 2 Accreditation funding to solve this challenges. ➢ Regular meetings are being held with the representatives of the Sub Contractors to ensure that they understand the appointment process of Sub – Contractors. ➢ Amajuba FET College Intervention known as “a decade of artisan” will go a very long way in alleviating the shortage of bricklaying skills in Newcastle and Surrounding areas. ➢ Land audit that is being carried out will assist in solving this challenge,

CONCLUDING REMARKS BY THE DPHS

The Development Planning & Human Settlement department will continue to support the vision of the municipality and to ensure that our customers continue to receive excellent service.

ORGANOGRAM



OVERVIEW OF FUNCTIONS

UNIT	FUNCTION
ELECTRICAL DEPARTMENT	Responsible for the provision and maintenance of electrical, mechanical and fleet management services within the municipality. ➢ Network Planning ➢ Test and Measurement ➢ Protection and Control ➢ Distribution ➢ Public Lighting
MECHANICAL DEPARTMENT	➢ Mechanical ➢ Fleet Management

ELECTRICAL AND MECHANICAL HIGHLIGHTS

RURAL ELECTRIFICATION OF HOUSEHOLD IN THE FOLLOWING AREAS:

- Ingogo = 140 households
- Dicks Hault = 190 households
- Bosworth = 69 households
- Normandien = 38 households
- Amajuba Forest = 94 households

Figure 86 Roypoint Electrification

Figure 87 Amajuba Forest Electrification

EARL SUBSTATION UPGRADE

Figure 88 Earl Substation upgrade

Figure 89 switching on of Earl substation by her worship the Deputy Mayor

COMPLETION OF 22 HIGH-MAST LIGHTS AND 120 STREET LIGHTS

Figure 90 Highmast Light

Figure 91 highmast light handover to community by his worship the mayor

PURCHASING OF MUNICIPAL VEHICLES

The following vehicles were purchased by the Mechanical department:

- A forklift and
- Backhow (TLB)

Figure 92 forklift

Figure 93 BACKHOW (TLB)

INSTALLATION OF MUNICIPAL MONITORING SYSTEM INTO ALL MUNICIPAL VEHICLES

Background - The municipality had the following challenges regarding management of the municipal fleet.

- High Fuel Consumption Cost
- Wear and Tears Costs (parts, Tyres and repairs)
- Vehicle Management (Fines, Expired Disc)
- Poor Vehicle responsibility Management (kilometres travelled)
- Authorization of trips and Personnel
- Vehicle Safety.
- It was also an insurances requirement

The vehicle monitoring system is a system that will produce reports which allow the municipality to monitor all vehicles and ensure that the above mentioned challenges are addressed.

Figure 94 municipal vehicles with monitoring system installed

PROVISION OF ELECTRICITY FOR ELECTION 2014 IEC VOTING STATIONS

Figure 95 voting station

PURCHASING OF FESTIVAL LIGHTING

R 600,000.00 was utilized for the purchasing of Festival Lighting for the whole Newcastle

Figure 96 festival lighting

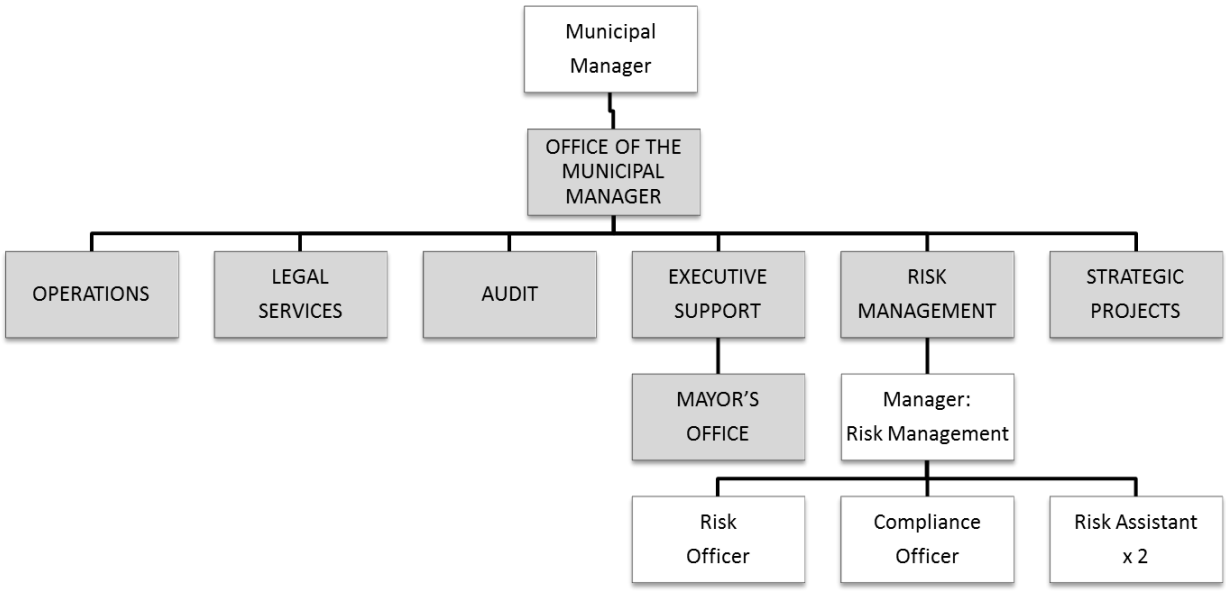
CHALLENGES AND INTERVENTIONS IN THE ELECTRICAL AND MECHANICAL DEPARTMENT

PROJECT OR AREA	CHALLENGE	INTERVENTION
Amajuba Forest	Amajuba Forest Land Use Rights for Amajuba Forest	Intervention of the Executive Committee and negotiations with the Trust
External loan funded projects	Delay in funds being available	Fast tracked projects
Shortage of skilled staff	Staff shortage	Accelerated intake of trainees and funding application for Infrastructure Skills Development Grant

CONCLUDING REMARKS BY THE ELECTRICAL MECHANICAL DEPARTMENT

The electrical/mechanical department will continue to support the vision of the municipality and to ensure that our customers continue to receive excellent service.

ORGANOGRAM



OVERVIEW OF FUNCTIONS

UNIT	FUNCTION
Senior managers	➢ Provide administrative support to the office of the mm ➢ Communicate with community, staff and senior managers in consultation with mm
Executive support	➢ Investigate and give mm full report in order for him to make an informed decision ➢ Provide information to the mm on matters before him ➢ Build a good relationship between the departments and the executive support office ➢ Need to establish the agenda of the mm for the day and make priorities or what the mm hopes to accomplish for the day ➢ Develop effective & sustainable stakeholder relations

	(complaints & complaints register) ➢ Need to establish the agenda of the mm for the day and make priorities or what the mm hopes to accomplish for the day ➢ Develop effective & sustainable stakeholder relations (complaints & complaints register) ➢ This monitoring and implementation includes manco resolutions as well, and follow up on implementation of same through sed's ➢
Chief of operations	➢ **Special programs** - To establish ward aids committees - Establishment of the war rooms - Organizing workshops - Adherence, dissemination and implementation of legislation. - To commemorate. Womens day, childrens day etc - Establishment and maintenance of forums - Research on best practices - Policy formulation - To partner and support other stakeholders to implement programmes through Operation SukhuMa Sakhe - ➢ **Performance management** - Monitoring and evaluation of Section 56/57 Employees - Quarterly Monitoring and evaluation of the Service Delivery Budget Implementation Plans (SDBIP) - Monthly monitoring and evaluation of the Capital Status - Quarterly reports and monthly reports on performance to Exco, Mpac, Audit committee, COGTA and Auditor General - Compilation and submission of the Annual Report and Oversight report

	- Coordination of the Municipal Excellence Awards
Integrated Development Planning	➢ Strategically manage the unit. ➢ Development and effective implementation of the idp. ➢ Supervision of staff and guidance thereof. ➢ Co-ordination of service delivery functions of the municipality. ➢ Facilitation of community and stakehokder participation. ➢ Annual review of the idp in compliance with legislation and council's policy. ➢ Managing the idp in line with the proposals of the mec. ➢ Ensuring that the idp document is prepared accordingly. ➢ Responding to comments and enquiries. ➢ Ensuring alignment of the idp with other idp's within the district. ➢ Co-ordinating the inclusion of sector plans into the idp document. ➢ Development, management and co-ordination of the community participation programmes and strategies for the municipality. ➢ Provision of support to the office of the speaker. ➢ Preparation of reports for exco and council on public participation activities. ➢ Responsible for ward committee functionality. ➢ Facilitating communication between ward communities and municipal departments on administration issues. ➢ Implementation of policies and maintenance of standards regarding municipal strategic projects. ➢ Cross-functional project management support and co-ordination. ➢ Provision of support regarding planning and co-ordination - project scheduling, budgeting and administration. ➢ Provision of assistance regarding the development of presentations.

	➢ Recording of meetings minutes and action items during meetings and the performance of a basic follow-up
Internal audit	➢ The Internal Audit Activity is established in terms of Section 165 of the Municipal Finance Management Act No 56 of 2003 (MFMA). ➢ The mission of the Internal Audit Activity is to provide independent, objective assurance and consulting service designed to add value and improve the organization's operations. ➢ The scope of work of the Internal Audit Activity is to determine whether Newcastle Local Municipality's network of risk management, control and governance processes, as designed and represented by management, are adequate and functioning in a manner to ensure: ➢ that risks are appropriately identified and managed; ➢ that interaction with the various governance groups occurs as needed; ➢ that significant financial, managerial, and operating information is accurate, reliable, and timely; ➢ that employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;

	➢ that resources are acquired economically, used efficiently, and adequately protected; ➢ that programs, plans, and objectives are achieved; ➢ that quality and continuous improvement are fostered in Newcastle Local Municipality control process; and ➢ that significant legislative or regulatory issues impacting Newcastle Local Municipality are recognized and addressed appropriately. ➢ Evaluate and report on Performance Management
Legal services	➢ To provide legal opinions to the municipality ➢ To address supply chain objections ➢ Addressing of all labor disputes ➢ To review contracts between service providers and municipality ➢ Reviewing of policy and legislation ➢ To address all legal matters for Newcastle municipality ➢ Debt management ➢ Strike Management ➢ Court Appearances
Mayor's office	➢ The coordination of events for the Mayor ➢ Ensuring that correct protocol is followed ➢ Mass mobilization of communities

	➢ To address any matter referred to the Mayor ➢ Mayoral bursary scheme ➢ Mayoral program ➢ Communication between the mayor, community and other stakeholders
Risk management	➢ Providing oversight and direction to the institution on the risk management related strategy and policies; ➢ Influencing how strategy and objectives are established, institutional activities are structured, and risks are identified, assessed and acted upon;
Information technology	➢
Communications	➢

OFFICE OF THE MUNICIPAL MANAGER PERFORMANCE HIGHLIGHTS

INTEGRATED DEVELOPMENT PLANNING

- Provincial recognition as one of the municipalities that has produced the best IDP for the 2013/14 financial year in the Province of KwaZulu-Natal.
- Successful conduction of the 2013/14 IDP and Budget Roadshows together with the office of the Mayor.
- Successful conduction of the 2013/14 IDP Representative Forum.
- Successful conduction of the Ward Committee Functionality conference for the 2013/14 financial year.

Figure 97 IDP RF meetings

Figure 98 IDP budget roadshows

INNOVATIVE SERVICE DELIVERY ACHIEVEMENTS TOWARDS MUNICIPAL EXCELLENCE - "PROVINCIAL RECOGNITION AS ONE OF THE MUNICIPALITIES

THAT HAS PRODUCED THE BEST IDP FOR THE 2013/14 FINANCIAL YEAR IN THE PROVINCE OF KWAZULU-NATAL."

Figure 99 Director IDP receiving award for The Best IDP in the Province

INTERNAL AUDIT PERFORMANCE HIGHLIGHTS

- Appointment of a CAE with CA qualification
- Appointment of audit manager with CIA qualification
- 6 audit committee meetings held during the year.

LEGAL SERVICES PERFORMANCE HIGHLIGHTS

- Appointment of additional staff:
  - 2 Legal officers
  - Manager: Contract Management
- Acquisition of An Electronic Library
- The review of 19 policies/by-laws
- The average number of days to address disciplinary matter was 57.1 days
- The average number of days taken to address SCM Objections was 4.76 days

SPECIAL PROGRAMS PERFORMANCE HIGHLIGHTS

- **HIV aids and health open days (2 events) –** *Build up to World Aids day encouraging the public to know their status and live a healthy lifestyle.*

- **HIV/Aids and substance abuse awareness campaign (4 campaigns) –** *raising awareness on HIV/Aids and substance abuse to prevent the occurrence of the pandemic.*

- **Base camp (1 event) –** *honoring/showing appreciation to stakeholders (government departments) for their continuous assistance in the special programs events.*

- **Youth employability workshop (16 Workshops) –** *equipping youth with employability skills, present bursary/learner ship opportunities and also registration on job seeker database, providing career guidance.*

- **Local Aids Council (2 meetings) –** *discussing strategies to overcome the HIV/Aids disease.*

- **Gender based violence training (5 trainings) –** raising awareness on gender based violence training and also teaching the community how to protect themselves against such violence.

- **Counselling and testing (1 two-day workshop) –** training for HIV/Aids counselling and how it should be carried out before and after testing, weather positive or negative.

- **TB for lay counsellors – (2 two-day workshop) –** training the councilors on TB (prevention, treatment process and defaulting treatment).

- **Adherence and counselling (1 two-day workshop) –** people are taught to adhere to the medication because if they don't their bodies will develop resistance to the drugs causing MDR (multi-drug resistance) how to counsel people about adherence.

- **Nelson Mandela day (1 event) –** *volunteering to servicing the community for 67 minutes or more. Building a house in Mndozo for a needy family whose house collapsed because it was built out of mud*

YOUTH EMPLOYMENT WORKSHOP

Figure 100 Youth employment workshop

ESTABLISHMENT OF SENIOR CITIZENS FORUM

HIV AND HEALTH OPEN DAYS

GENDER BASED VIOLENCE TRAINING

BASE CAMP CERTIFCATE

LOCAL AIDS COUNCIL

GOLDEN WEDNESDAY

NELSON MANDELA DAY

PERFORMANCE MANAGEMENT SYSTEM HIGHLIGHTS

- Tabling and submission of Annual Report
- Tabling and submission of the Annual Performance Report
- Tabling and Submission of the Oversight Report
- Quarterly door-to-door visits to all departments at Newcastle Municipality
- Coordination of the Municipal Excellence Awards – Mayor was awarded the Best Performing Mayor in KZN
- Coordination of the CPSI Awards
- No findings on the PMS by the Auditor General for the 2012/13 Annual Performance Report

COMMUNICATIONS

- 12 Internal newsletters were published
- 17 radio talk shows were conducted
- 100% of the communication plan was executed
- 100% of all queries/complaints/comments from the public/community was address

OFFICE OF THE MAYOR

- Budget roadshows were coordinated from the 01/042014 to the 3/05/2014
- 1 Meeting with the USA Consulate General in July 2013
- Women's day Celebration for all Government officials
- Diwali Celebration
- 20 years of Freedom Celebration
- Full bursary for 6 students
- Registration fees for 130 students
- State of the Town Address
- Greenest Town in KZN

INFORMATION TECHNOLOGY HIGHLIGHTS

- Microsoft Enterprise Agreement: is the best licensing program for organizations that want to standardize IT across the enterprise.

- Benefits of EA:
    - ✓ Flexible, cost-effective, manageable licensing
    - ✓ Full benefits of Software Assurance
    - ✓ Simplified license management through a single company-wide agreement
- Software Assurance:
    - ✓ Improve productivity across the organization by implementing the latest software versions as soon as they are available
    - ✓ Help employees be more productive with convenient online training developed by Microsoft experts.
    - ✓ Home Use Program which offers employees the latest Office programs to use at home, via a low-cost download
- 400+ Microsoft Office Professional, Sharepoint, MS Lync, and Windows 8.1; additional select licenses for MS Visio and Project for the next 3 years ending in 2018.
- Procurement of IT Asset Management software to provide a single interface for the tracking and viewing of all IT assets, auditing of hardware and software, and tracking of asset ownership. Its features includes software license compliance and usage tracking, asset tracking, IT asset scanning, asset ownership tracking, hardware and software inventory, maintain audit history, software asset management, software license management, maintain software compliance, and software usage tracking.

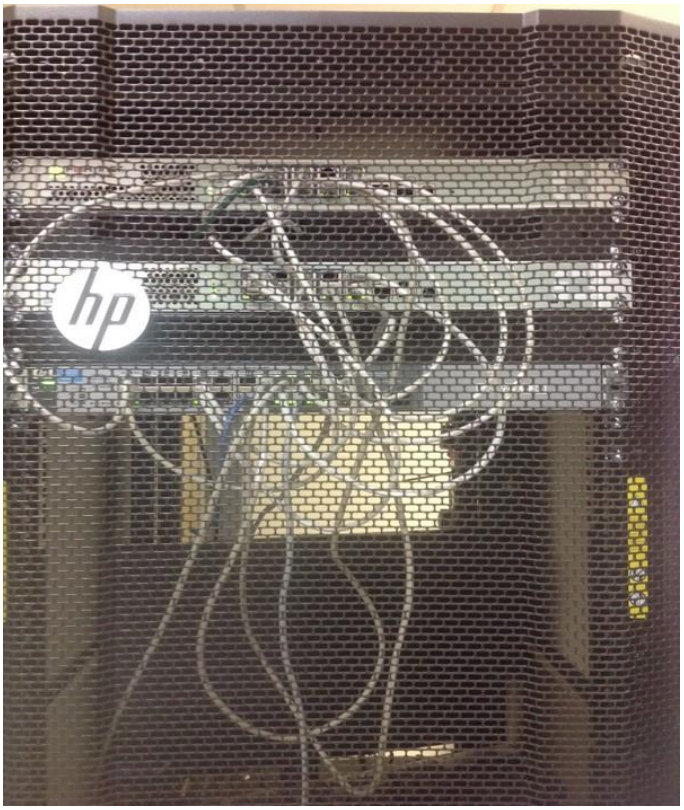


Figure 101 Fortigate Firewall Components

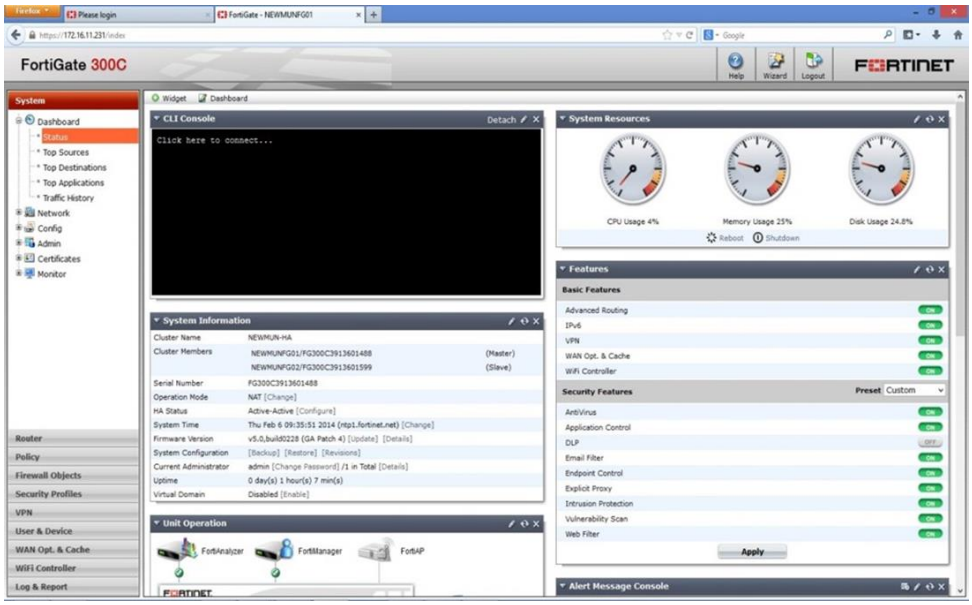


Figure 102Infrastructure Upgrade - Fortigate Firewall Management Console

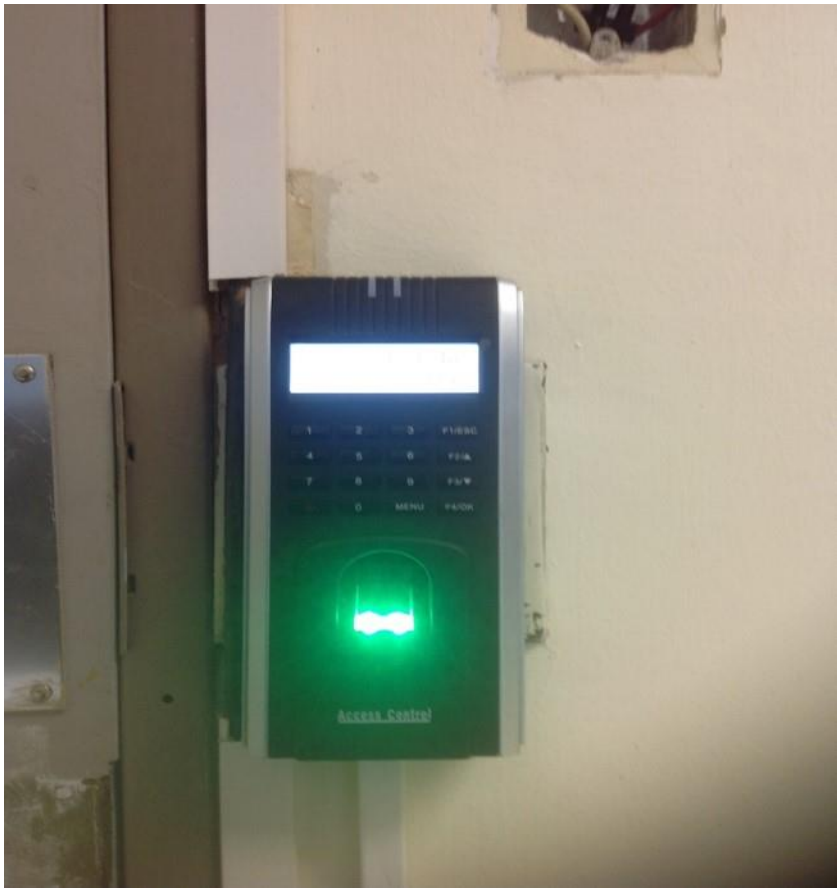


Figure 103 Biometric System

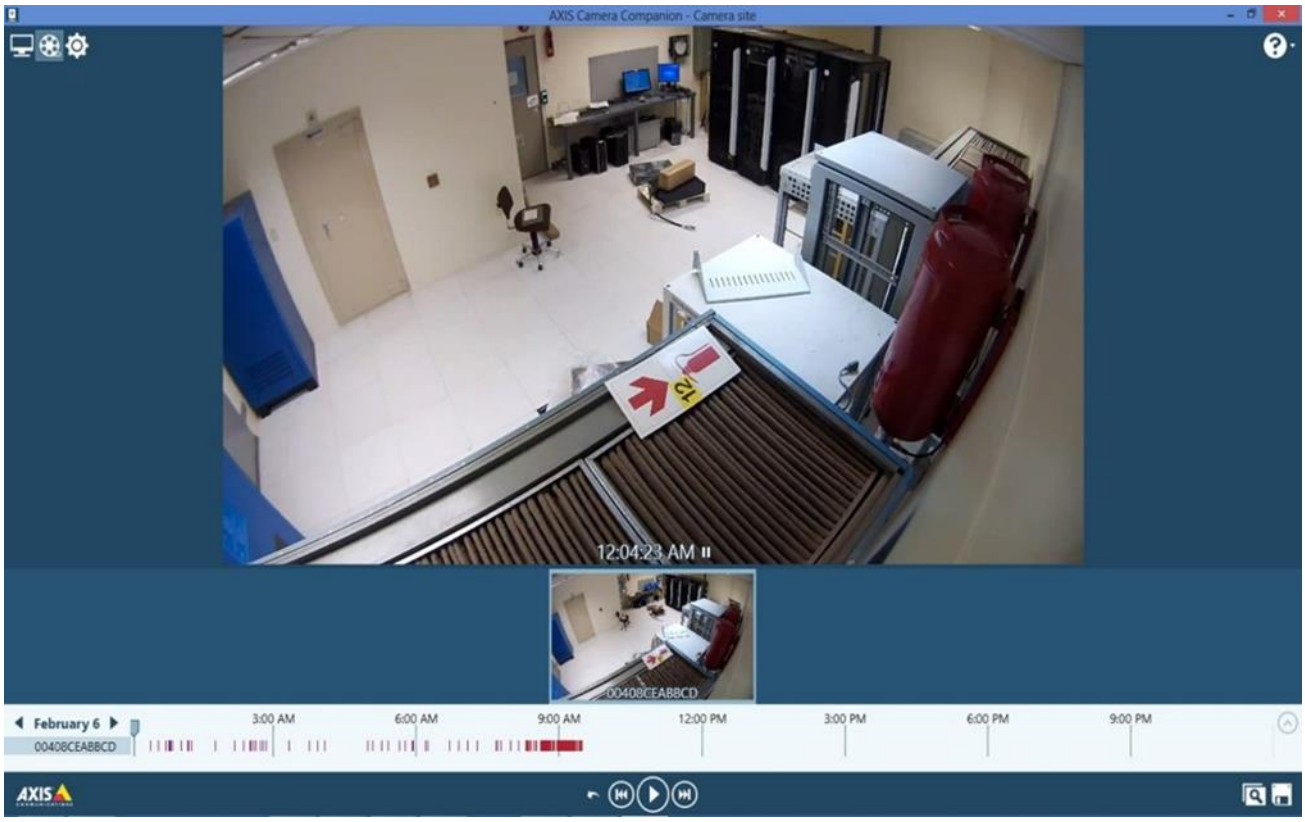


Figure 104 Data Center Security

CHALLENGES AND INTERVENTIONS IN THE OFFICE OF THE MUNICIPAL MANAGER

Project or Area	Challenge	Intervention
IDP	➢ MONTLHY Ward Committee meetings are not held as frequently as possible. ➢ QAURTERLYN public meetings ARE NOT held as required. ➢ Monthly reports are not submitted by SOME WARD COMMITTEE members. ➢ Secretary not competitive. ➢ monthly meetings NOT held AS PER THE REQUIREMENTS. ➢ ABSENCE OF team-work & cooperation between the ward Councilor and the ward committee. ➢ Political bickering between the ward Councilor and the ward committee THUS hindering THE community work. ➢ Some ward committees are dysfunctional. ➢ Deadline for submission of reports were not met in the first and second quarter. ➢ Reports: no reports are submitted from portfolio and individual members.	➢ Quarterly meetings with ward Councilors ➢ Ward committee Operational Plan Development. ➢ Monthly secretaries meetings. ➢ Portfolio committee meetings. ➢ Annual meetings. ➢ Constituency meetings. ➢ Capacity Building Workshops.

	➢ No proper cooperation between the ward Councilor and the committee. ➢ The ward Councilor is always not available for convening the meetings. ➢ There's a general lack of cooperation between the ward Councilor and some committee members. ➢ Absenteeism is a big problem.	
Insufficient human capacity	Insufficient staff in most units that are in the Office of The Municipal Manager	Critical posts have been identified, some were advertised and others will be advertised and filled in the 2013/14 financial year.
Performance Management	➢ Inadequate Monitoring and Reporting – departmental level ➢ Effect standing item on Portfolio Committee Agenda ➢ Integration and co-ordination with other processes ➢ Resource Constraints	➢ Effect standing item on Portfolio Committee Agenda ➢ Effect standing item on Portfolio Committee Agenda ➢ IDP/Budget/PMS task team to be established ➢
Special Programs	➢ Mainstreaming of special programmes ➢ Budget being shared by other departments ➢ Politicisation of special programmes ➢ Short staffed most staff, are interns ➢ Places of Work outreached ➢ Office space	➢ Establish Special Programmes ICC ➢ Ring fence special Programme activities organisational wide ➢ ➢ Prioritise vacancies to be filled

		➢ Develop Outreach strategy ➢ In progress
Legal Service	➢ Not being consulted timeously by department to give legal advice. ➢ By-laws: Department not co-operative in identifying crucial by laws. ➢ Department's failure to deal with less serious misconduct at Department level, thus overburdening the Unit.	➢ Departments to ensure that all submissions are submitted to the legal service unit timeously ➢ Department to identify all by-laws that are relevant to their departments ➢ Posts have been advertised and awaiting HR Process to appoint successful staff ➢ Information notices have been circulated to all staff members
	➢ Inadequate capacity ➢ Inadequate Management Commitment ➢ Inadequate reporting by Departments ➢ Inadequate communication ➢ ERM not embedded into municipal operations and processes	➢ Capacity enhancement ➢ Management commitment ➢ Proper and timeous reporting ➢ Improved communications strategy ➢ ERM to be embedded into municipal operations and processes
Internal Audit	➢ Communication ➢ Lack of Co-operation from Departments ➢ Staff Turnover/Staff Shortages ➢ Staff Capacity	➢ Improve communications ➢ Management commitment ➢ Fill in critical posts
	➢ Network performance upgrade	➢ Multi Protocol Label

	➢ Decentralized telecoms budget ➢ Human Capital	Switching (MPLS) roll over ➢ Termination of contract with Telkom due to none delivery ➢ Delays in securing section 32 documents from City of Johannesburg ➢ BTO to assist with centralizing the telecoms system budget, departments to still retain telecoms usage budget ➢ None delivery of critical services due to lack of capacity

CONCLUDING REMARKS FROM THE OFFICE OF THE MUNICIPAL MANAGER

INFORMATION TECHNOLOGY

We become what we think about" *by Earl Nightingale*

ORGANOGRAM

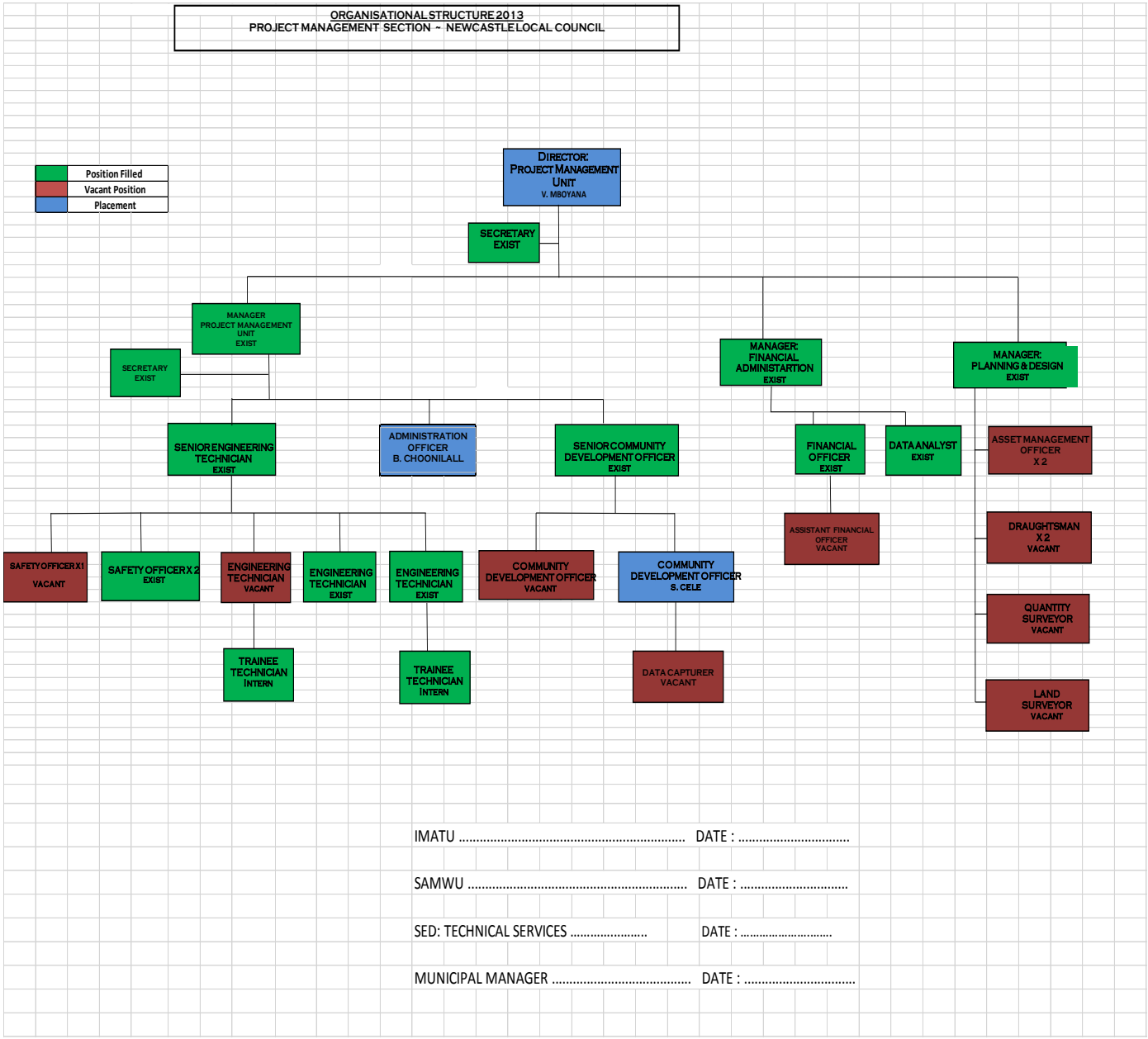


Figure 105 Technical Service Organogram

OVERVIEW AND FUNCTIONS OF TECHNICAL SERVICES

UNIT	OVERVIEW OF FUNCTIONS
PMU	➢ To ensure that the Municipality complies with the provisions of the Municipal Finance Management Act, Act No. 56 of 2003. ➢ To ensure that internal control measures are in place to monitor expenditure on Capital Projects. ➢ To ensure that records of expenditure on Capital Projects are kept. ➢ To evaluate internal controls implemented to produce complete, reliable and accurate sets of financial reports related to Capital Projects. ➢ To evaluate the internal controls implemented to select service providers to achieve the Municipality objectives in order to address infrastructure backlogs and to provide basic services to the poor.
ROADS & STORM WATER	➢ To provide, cost effective, safe, efficient and affordable roads and storm water infrastructure in Newcastle in order to improve the quality of life our communities ➢ To provide safe and accessible civil infrastructure for vehicles and pedestrian traffic ➢ To render an efficient and effective roads and storm water function ➢ To provide and upgrade storm water drainage ➢ To ensure the maintenance of industrial sidings ➢ To provide safe and accessible civil infrastructure for locomotives and rolling stock ➢ To provide and upgrade storm water drainage on railway siding ➢ To manage the repairs and maintenance of all municipal buildings ➢ To maintain council property to a pre-determined standard ➢ To prevent deterioration of council property
WATER SERVICES	➢ Abstraction & WTW (UThukela Water) ➢ Water Services Operations and Project Management

AUTHORITY	➢ Planning and Regulation including WCDM ➢ Customer Services & Public Relations ➢ To provide at least a minimum level of Water and sanitation services to all communities within the jurisdiction of Newcastle Municipality in a sustainable manner

TECHNICAL SERVICES PERFORMANCE HIGHLIGHTS FOR 2013/14

PROJECT MANAGEMENT UNIT HIGHLIGHTS

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
Equarand Link Road	R 11,000,000	R 1,930,000	R 11,078,150	The processing of base layer is completed and primed. The contractor is awaiting surfacing.	Ward 25

Figure 106 Equarand Link Road

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
Construction	R6,449,235	-R3,449,235	R2,426,061	The tipping of	Ward 20

of Kwa-Mathukuza Road				base layer is in progress.	

Figure 107 Construction OF Kwa-MATHUKUZA ROAD

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
Hillbrow Street Construction	R1,815,000	R 385,000	R 1,108,049	Contractor is busy processing base layer.	4

Figure 108 Construction Of Hillbrow Street

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY

Kirkland/Hardwick Completion	R 2,000,000	-R495,035	R 1,335,767	Project Completed	4

Figure 109 Kirkland/ Hardwick Street

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
MB6& MB 10 Roads	R7,800,000	R1,828,465	R 5,588,920	Project Completed	22

Figure 110 MB 6 & MB10 Roads

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY

Madadeni Johnston Link Road Portion A&B (Sidewalks)	R 622,189	R	R 612,022	Project Completed	26

Figure 111 Madadeni Johnston Link Road

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
MC1,MC2 & MC3 Roads	R 6,100,000	-R 1,095,763	R 4,668,995	Project Completed	23

Figure 112 MC1 Road

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
MC23, MC36, MC43 & MC45 Roads	R 5,580,286	R 1,597,796	R 6,889,474	Project Completed	23

Figure 113 MC 23 Road

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
ME1,ME2,ME3&ME7 Roads	R1,500,000	R500,000	R1,867,174	Contractor is busy processing sub base layer.	21

Figure 114 ME 1 Road

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY

ME31,ME35,&ME38 Roads	R7,400,000	-R2,083,040	R1,335,767	Project Completed	28

Figure 115 ME 31 Road

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
Osizweni Urban Access Roads Phase II	R9,453,553	R	R8,102,052	The contractor for road H has completed the base layer and awaiting for surfacing. The contractor for Road R is busy with storm water pipe works and with the sub-base layer	

Figure 116 Osizweni Urban Access Roads Phase II

PROJECT	BUDGET	ADJUSTED	EXPENDITURE	STATUS	WARD

NAME		BUDGET			LOCALITY
Panorama Storm water	R1,000,000	R120,000	R899,785	Project Completed	3

Figure 117 Storm-water piping on Panorama Drive

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
Rehabilitation of Ayliff Street	R900,000	R2,285,694	R2,388,117	Project Completed	4

Figure 118 Ayliff Street

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY

Bridger Road	R770,000	R330,000	R626,527,38	Contractor busy with base layer	4

Figure 119 Construction of Bridger Road

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
Rehabilitation of Dongas	R1,000,000	-R25,577	R974,423,00	Project Completed	2

Figure 120 Rehabilitated Donga in ward 2

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY

Soul City pedestrian bridge	R300,000	R400,000	R241,947,65	Construction phase	20

Figure 121 Construction of Soul City Bridge

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
Traffic Calming Device	R600,000	R7,399	R568,656	Project Completed	Multi - wards

Figure 122 Completed Traffic Calming Device (Speed Hump)

PROJECT	BUDGET	ADJUSTED	EXPENDITURE	STATUS	WARD

NAME		BUDGET			LOCALITY
Widening and Rehabilitation of Murchison extension	R1,500,000	R0	R636,276	Contractor is busy with base layer and kerbing	4

Figure 123 Construction At Murchision Street

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
Widening of Allen street	R10,000,000	-R 4,889,125.00	R 4,802,571.00	Contractor is busy with relocation of 700mm diameter pipe and fill earthworks	4

Figure 124 Construction At Allen Street

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
Widening of Asiphephe Road Marconi to Clifford Manana	R22,000,000	R935,837	R20,647,217	Project Completed	22

Figure 125 Asiphephe Road

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
Re-Opening of Draper of portion of Draper Street	R4,536,567	R	R3,666,612	The contractor is busy with the remedial works	3

Figure 126 Construction On Draper Street

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
Dry-cut Cemetery Road	R4,280,000	R	R4,001,474	Project Completed	

Figure 127 Dry-Cut Cemetery Road

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
Long Bridge Street-Mndozo	R3,858,175	R	R3,557,973	PMPZ Construction was terminated, we have recently appointed another contractor to complete the outstanding works.	

Figure 128 Consruciton On Long Street Bridge

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
Construction of Ncandu River Bridge	R4,034,918	R	3,450,437	Project Completed	4

Figure 129 Ncandu River Bridge

TOTAL KM'S OF ROADS CONSTRUCTED, KM'S OF STORM WATER PIPE COMPLETED AND KM'S OF SIDEWALKS COMPLETED

PROJECT NAME	KM's	KM's STORMWATER PIPE WORK	KM's Sidewalks
Equarand Link Road	1,870 km	600mm dia – 50m quantity concrete class 100D 750mm dia – 14.60m quantity concrete 900mm dia – 39.00 m quantity 1050mm dia – 27.00 quantity	1.870 km
Rehabilitation of Ayliff Street	0,192 km	450mm dia – 120m quantity	0.384 km

		concrete class B	
Re-opening & Construction of Draper Street	0.575 km	450mm dia – 260m quantity concrete 310x210x100 canal lining – 2000m^2 quantity 160mm dia – 600m quantity PVC	0.575 km (Internal)
Construction of ME31,ME35,ME38	1.148 km		1.1488 km
Widening of Asiphephe Road	1.7 km	450mm dia – 45m quantity concrete	1.7 km
Construction of MB6 & MB10	1.234 km	110mm dia – 800m quantity PVC 450mm dia – 625 quantity concrete class 50D 600mm dia – 210 quantity concrete class 50D	1.234 km
Construction of MC23,MC36,MC43,MC45 & MC48	2,362 km	75D – Load type sc pipes with inter locking joints 1. 600mm dia – 260m quantity 2. 750mm dia – 50m quantity 100D – Load type sc pipes with inter locking joints 1. 600mm dia – 20m quantity 2. 750mm dia – 10m quantity Removing and relaying existing	2.362 km (Internal)

		pipes 1. 450mm dia – 20m quantity 2. 600mm dia – 20m quantity	
Construction of MC1,MC2 & MC3	0.898 km	375 dia – 650m quantity concrete class 50D 480mm dia – 100m quantity 600mm dia – 150m quantity	0.898 km
Construction of Long Bridge Street	1,4 km	750mm dia – 12m quantity concrete 750mm dia – 15m quantity concrete 75D class 750mm dia – 15 m quantity concrete class B	0
Drycut Cemetery Road	1,357 km	100D Load type sc pipes with inter locking joints 1. 600m dia – 40m quantity 2. 750m dia – 15m quantity Portal and rectangular culverts 1. 1800x900mm dia – 40m quantity	0
Kirkland & Hardwick	37 m	160mm dia – 240m PVC 450mm dia – 10m class 75D	0

		concrete 450mm dia – 10m class 100D concrete 600mm dia – 10m class 75D concrete 600mm dia – 10m class 100D concrete	
TOTAL	13.106KM		10.171

ROADS AND STORM WATER CAPITAL PROJECT HIGHLIGHTS

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
ALBERT WESSELS STORMWATER	R 800,000	R	R 427,922.53	This project is in progress and will be rolled over to the 2014/15 financial year	25

Figure 130 Construction On Albert Wessels Drive

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
NEWCASTLE WEST STOCKPILE YARD FENCING	R 200,000.00	R	R 127,700.48	Project completed in January 2014	Institutional

Figure 131 After Fencing Was Completed

Figure 132 Before Fencing Was Completed

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
NEWCASTLE WEST CONSTRUCTION OF SIDEWALKS	R 500,000.00	R	R 500,000.00	Project completed in June 2014	Wards

Figure 133 Before Construction

Figure 134 After Construction

Figure 135 Completed Sidewalks In Ward 25

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
CONSTRUCTION OF SESIYABONGA BRIDGE	R 686,542.00	R	R 581,799.20	The project is completed	

Figure 136 Construciton Of Sesiyabonga Bridge

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
STAFF LOCKERS: MADADENI, OSIZWENI & NEWCASTLE	R 300,000.00	R	R 138 566.10	Remaining funds will be utilized for additional lockers. This project will be rolled over to the 2014-2015 financial year	Institutional

Figure 137 Staff Lockers That Were Purchased

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
TRAFFIC SIGNS: SAFETY DEVICE	R	R 2447.10	R 1804.32	Project is completed	Institutional

Figure 138 Road Traffic Signs That Were Purchased

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
BUILDING ABLUTION BLOCK MADADENI	R	R 105,036.13	R 100,238.21	Project completed	

Figure 139 Madadeni Ablution Block

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	STATUS	WARD LOCALITY
STORMWATER PIPING: AMAJUBA MALL	R	R 107,677.59	R 102,754.67	Project completed	

Figure 140 Storm Water Piping At Amajuba Mall

OPERATIONAL MAINTENANCE BY ROADS AND STORM WATER UNIT

REPAIRS TO BASE FAILURE AT JORDAN PARKING

Figure 141 Repairs On Jordhan Road

TAR PATCHING AT INTERSECTION OF HARDING AND VOORTREKKER

Figure 142 Tar Patching On Intersection Of Harding And Voortrekker Streets

RESEALING OF DRAKENSBURG ROAD

Figure 143 Drakensburg Road Before

Figure 144 Drakensburg Road After

RESEALING OF IMPALA ROAD

Figure 145 Impala Road Before

Figure 146 Impala Road After

Figure 147 Road M 17 After Resealing

WATER SERVICES STATISTICS FOR 2013/14

Water Category	Water Need Description	Settlements	Population	Households
10	No Service	-	-	-
7	Infrastructure Upgrade			
7	Infrastructure Extension	15	27 906	6 474
7	Infrastructure Refurbishment			
6	O&M Need (Total Settlement)	0	0	0
5	Water Resource Needs	0	0	0
8	Infrastructure O&M Need	15	27 906	6 474
9	Infrastructure & O&M Need & Water Resource Needs	15	27 906	6 474
Adequate:	Stand Pipe		26 552	6 160
Adequate:	Yard Connection	16	127 192	29 508
Adequate:	House Connection		181 586	42 127
Informal Below	No Service	-	-	-
Informal Adequate	Temporary Services Provided	-	-	-
TOTALS		31	363 236	84 269

Water Category	Water Need Description	Settlements	Population	Households
10	No Service	-	-	-
7	Infrastructure Upgrade			
7	Infrastructure Extension	15	27 906	6 474
7	Infrastructure Refurbishment			
6	O&M Need (Total Settlement)	0	0	0
5	Water Resource Needs	0	0	0
8	Infrastructure O&M Need	15	27 906	6 474
9	Infrastructure & O&M Need & Water Resource Needs	15	27 906	6 474
Adequate:	Stand Pipe		26 552	6 160
Adequate:	Yard Connection	16	127 192	29 508
Adequate:	House Connection		181 586	42 127
Informal Below	No Service	-	-	-
Informal Adequate	Temporary Services Provided	-	-	-
TOTALS		31	363 236	84 269

WATER SERVICES AUTHORITY CAPITAL PROJECT HIGHLIGHTS

REPAIR OF THE GRP WATER MAIN

Figure 148 repair of GRP MAIN PIPE

REFURBISHMENT OF NEWCASTLE

WASTEWATER TREATMENT WORKS PHASE I

The objectives of this project are as follows:

- To refurbish the Newcastle Wastewater Treatment Works to improve its operational efficiency.
- To bring the plant back to their design capacity and ensure compliance of the effluent discharged into the environment

Figure 149 Newcastle Waste Treatment Works

MADADENI WASTE WATER TREATMENT PLANT

This refurbishment project was intended to revive the Madadeni Wastewater Treatment Works by refurbishing the chlorine contact tank, upgrading of chlorination system, drying beds drainage system and associated mechanical works, secondary sedimentation tanks mechanical equipment, electrical control panels and Operator building to ensure effluent quality and safety compliance and that the aforementioned certain process unit are operated at their design capacity since the works is already hydraulically overloaded.

Figure 150 Madadeni Waste Water Treatment Plant

JOBS CREATED THROUGH THE MADADENI WASTE WATER TREATMENT PLANT PROJECT

Number of persons planned to be employed	Total Number of persons	Adult		Youth		Disabled	
		Women	Men	Female	Male	Female	Male
Number of persons planned to be employed (A)	62	7	6	18	32	0	0
Average length of employment (Days) (B)	81	48	27	58	81	0	0
Number of planned person days C=AxB	5 022	336	162	2 592	5 022	0	0

STAFFORDHILL WATERBORNE SEWER PUMP STATION

The project is for construction of a sewer pump station in Stafford for the areas that cannot flow to the bulk sewer main by gravity.

The municipality has an enormous task of emptying the VIP toilets as they fill up regularly. The goal of the project is to eradicate this operation task and cost by providing flushable toilets which will require much less maintenance. With this aim comes the requirement of having waterborne sewerage pipelines. There are some areas that cannot drain using gravity and a pump station is required

Figure 151 Construction Of Stafford Waterbourne Sewerage Pumpstation

Figure 152 Site Inspection By Mr N Mncube: Wsa Manager At Stafford Water Borne Sewerage Pumpstation Project

JBC SANITATION

The construction of 120 VIP toilets in each of the following wards:

- Ward 6
- Ward 7
- Ward 12
- Ward 13
- Ward 15
- Ward 16
- Ward 18

Figure 153 Handover Of Vip Toilets

Figure 154 Handover Of VIP Toilets By The Deputy Mayor

CONSTRUCTION OF NEW 400mm DIA RISING MAIN AND 500mm DIA GRAVITY FEED BETWEEN HILLDROP RESERVOIR AND VILJOENPARK RESERVOIR

The objective of this specific project is to provide a new 400mm diameter rising main from the Hilldrop Reservoir pumping station to the Viljoenpark Reservoir and a new 500mm diameter gravity feed from the Viljoenpark Reservoir to supply:

- high lying areas in Newcastle (in the vicinity of the casino);
- the new Siyahlalala housing development;
- and future developments in the surrounding area

Figure 155 Construction Of New 400mm Dia Rising Main And 500mm Dia Gravity Feed Between Hilldrop Reservoir And Viljoenpark Reservoir

CHARLESTOWN BASIC WATER SUPPLY

The project entails the installation of a water reticulation scheme in the Northern section of Charlestown community comprising of reticulation pipework approximately 15000m and its associated valves and fittings.

The goal of the project is to provide an upgraded water supply solution to the community of Charlestown.

Figure 156 Charlestown Basic Suppy Of Water

NORMANDIEN BASIC WATER SUPPLY

Drilling and Equipping Of Boreholes, Spring Protection and Rudimentary Water Supply at Normandien Ward The goal of the project is to provide water supply solution to the community of Normandien who did not have water at all and where pipelines are impossible to install.

Figure 157 Community With Access To Water In Normedian

INGOGO BASIC WATER SUPPLY

Drilling And Equipping Of Boreholes, Spring Protection And Rudimentary Water Supply At Normandien Ward 1

The goal of the project is to provide water supply solution to the community of Normandien who did not have water at all and where pipelines are impossible to install.

Figure 158 Boreholes In Ingogo

CONSTRUCTION OF SEWAGE RETICULATION STAFFORD HILL (SECTION 7 MADADENI) AND CONVECTION OF VIPS TO WATERBORNE

The project is for construction of

- 8000m of sewer main lines
- Convert 2300 VIP to waterborne sewer

The municipality has an enormous task of emptying the VIP toilets as they fill up regularly. The goal of the project is to eradicate this operation task and cost by providing flushable toilets which will require much less maintenance. With this aim comes the requirement of having waterborne sewerage pipelines.

Figure 159 Toilets In Section 7 Of Madadeni

SEWAGE RETICULATION OSIZWENI AND CONVECTION OF VIPS TO WATERBORNE UNIT E&F PHASE 3

The project is for construction of

- 7410m of sewer main lines
- Build 301 new toilets
- Convert 1301 VIP to waterborne sewer
- Renovate 400 VIP toilets and convert to waterborne sewer
- Install 1301 yard stand pipes

The municipality has an enormous task of emptying the VIP toilets as they fill up regularly. The goal of the project is to eradicate this operation task and cost by providing flushable toilets which will require much less maintenance. With this aim comes the requirement of having waterborne sewerage pipelines.

Figure 160 VIP Toilets Osizweni E & F

INNOVATIVE SERVICE DELIVERY ACHIEVEMENTS TOWARDS MUNICIPAL EXCELLENCE

Newcastle Local Municipality was awarded with **3rd BEST** municipality in the country in the category of Local Municipalities for Water Conservation and Water demand Management

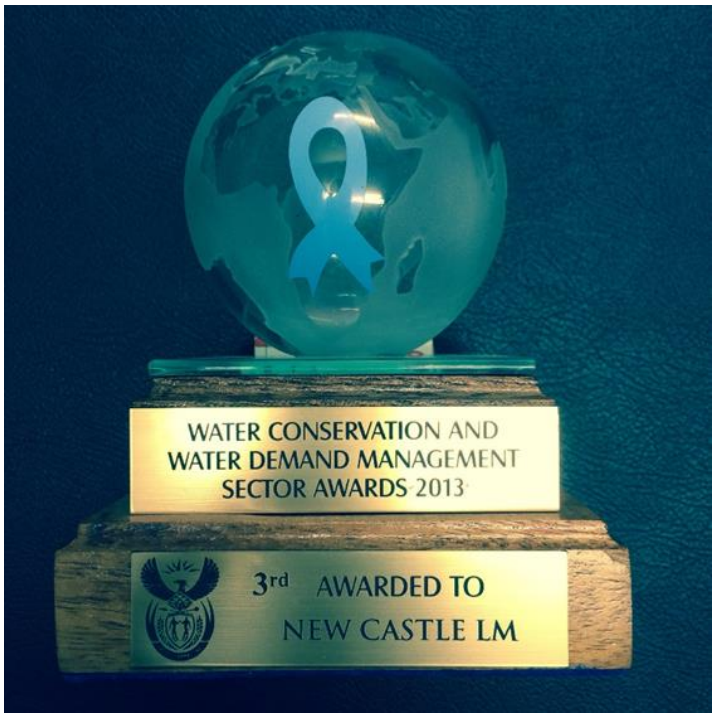
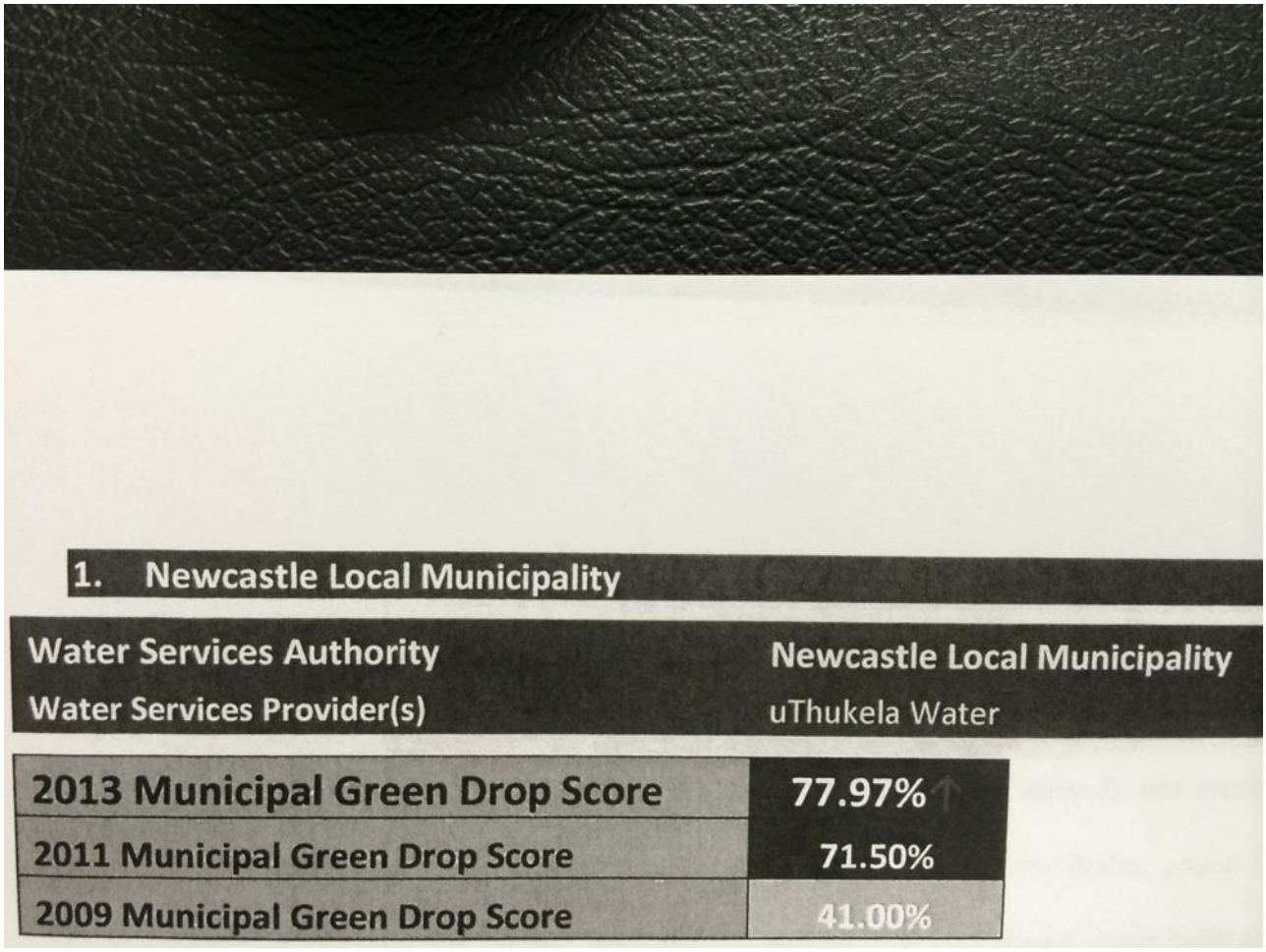


Figure 161 Award For 3rd Best WCDM In 2013

Figure 162 Certificate Received For 3rd Best WCDM In South Africa



1. Newcastle Local Municipality

Water Services Authority	Newcastle Local Municipality
Water Services Provider(s)	uThukela Water
2013 Municipal Green Drop Score	77.97%
2011 Municipal Green Drop Score	71.50%
2009 Municipal Green Drop Score	41.00%

Figure 163 Awarded 77.97% Green Drop Status

ADDITIONAL DELIVERABLES ACHIEVED BY TECHNICAL SERVICE

UNIT	DELIVERABLES
PMU	➢ Monthly meetings with Consultants and Contractors to monitor performance on capital projects. ➢ Site Inspections Audit so as to comply with the provisions of Occupational Health and Safety Act (Act No.85 of1993), the Construction Regulation Act of 2003 and other applicable legislation. ➢ To facilitate and enhance good coordination on all project implemented, making sure that all relevant stakeholders (Ward Councilors, Service providers and Community) are happy with the services rendered. ➢ The internal implementation of Gabion projects so as to prevent the erosion of Municipal and Community assets.

	➢ The creation of temporary job opportunities through the Expanded Public Works Program (EPWP).
ROADS & STORMWATER	➢ Repair of trenches and potholes. ➢ replacement of missing manhole covers ➢ unblocking of storm water drainage systems ➢ repairs to guard rails ➢ construction of vehicle access too properties (at owners o Expense) ➢ Storm water control and related problems ➢ maintain clean water course, rivers and streams ➢ rehabilitation of internal borrow-pits ➢ tar patching ➢ sweeping of roads, cleaning catch-pits and reconstruction of catch-pits and manholes ➢ repair damaged paving in CBD cleaning of open drains ➢ Maintenance of all council buildings
WATER SERVICES AUTHORITY	➢ Upgraded level of water services from JOJO tanks to communal standpipes within 100m in outlying areas of Newcastle. ➢ Leak repairs & installation of new water meters for households. ➢ Over disludged of VIP toilets. ➢ Provision of water tanker services

CHALLENGES AND INTERVENTIONS

Unit	PROJECT	CHALLENGES	INTERVENTIONS

PMU	**Various projects that were delayed or still in progress**	Late appointment of Service Providers.	The department has provided Project Implementation Plans to SCM to be incorporated to the procurement plan
	Various projects that were delayed or still in progress	Minimum DoRA allocation delays the accelerated service delivery.	National Treasure to assist in acquiring front loading budget.

ROADS AND STORM WATER	**ACCESS TO MUNICIPAL ROADS**	Finalisation of roads & storm water maintenance plan. -Inadequate budget -Insufficient budget allocation to the roads. -Insufficient resources -Inadequate skills -Lack of experienced staff -Review and implement maintenance plan(Asset Management Plan) -Budget allocation of all planned projects. Internal controls to be implemented -Appointment of staff as per organogram. Filling critical posts. -Purchase of new plant and equipment. -Review asset replacement	Investigate methods for sourcing funds for maintenance. -Review and implement maintenance plan -Improve on management policies and practices -Capacity and competency to be reviewed

	GRAVEL ROADS	Insufficient funds to gravel roads in the areas mentioned below: Madadeni (163km) –R125 716 500,00 -Osizweni (158km) – R118 295 250,00 Funds required for 150mm gravel;	Investigate methods for sourcing funds for re-gravelling
WATER SERVICES		Raw water pipelines from Ntshingwayo can only supply 100ML/d due to losses	
		Ngagane WTW treating capacity is 93ML/d though design capacity is 115ML/d	
		Expected water Demand is 104ML/d vs supply of 101Ml/d	

CONCLUDING REMARKS FOR TECHNICAL SERVICE

Unit	CONCLUDING REMARKS
PMU	The municipal Finance Management Act imposes extensive governance obligations as officials and executive associated with municipal finance administration. Through the good governance the Department of Technical Services for the past four (4) consecutive years, we've been obtaining 100% expenditure on Municipal Infrastructure Grant (MIG). The lack of intergovernmental relation within municipal departments and delays in the procurement of service providers has a detrimental effect on service delivery.
ROADS & STROMWATER	The 2013-2014 financial year has been a successful year for the Roads, Storm water and Buildings Department. Expenditure within the Department has been excellent with all the planned maintenance and additional unforeseen maintenance accomplished
WATER SERVICES AUTHORITY	Water services main objective was to take over all WSP functions for Reticulation. Although there were challenges the take-over was smooth. The Section also was awarded as the 3rd best local Municipality in the country for Water Conservation and Demand management. We also managed to maintain Blue Drop status of 97% marking us as one of the best cleanest and safest water in the world. The Green Drop also saw us improve from 71.5% to 77.97% meaning we lost by 0.03% to get a Green Drop Status. Water Services is continuing to render Water Services in a sustainable manner

WELCOME
newcastle
SIYAKWAMUKELA
My home is My Newcastle