# NQUTHU LOCAL MUNICIPALITY

**202н/2o π нлнскнт 5w!C¢Lb¢9Dw!¢95 59±9[h t a 9b¢**

**PLAN**

# IDP OUTLINE


| CONTENTS | PAGE(S) |
|---|---|
| Section A: Executive Summary | **1 - 24** |
| Section B: Legislative Framework and Development Principles and Strategies | **25 - 36** |
| Section C: Situational Analysis | **37 - 256** |
| C.2 Cross Cutting Issues | **58 - 119** |
| C.3 Kpa: Municipal Transformation and Institutional Development | **120 - 135** |
| C.4 Basic Service Delivery | **136 - 161** |
| C.5 Local Economic Development and Social Development | **162 - 192** |
| C.5.2 Social Development | **192 - 212** |
| C.6 Municipal Financial Viability and Management | **213 - 242** |
| C.7 Good Governance and Public Participation | **243 - 256** |


**ATTACHMENTS:**

- 2022/23 DRAFT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
- 2022/23 – 2026/27 DRAFT IDP IMPLEMENTATION PLAN
- 2022/23 DRAFT SPATIAL DEVELOPMENT FRAMEWORK REVIEW
- 2020/21 AUDIT AG ACTION PLAN

## SECTION A: EXECUTIVE SUMMARY

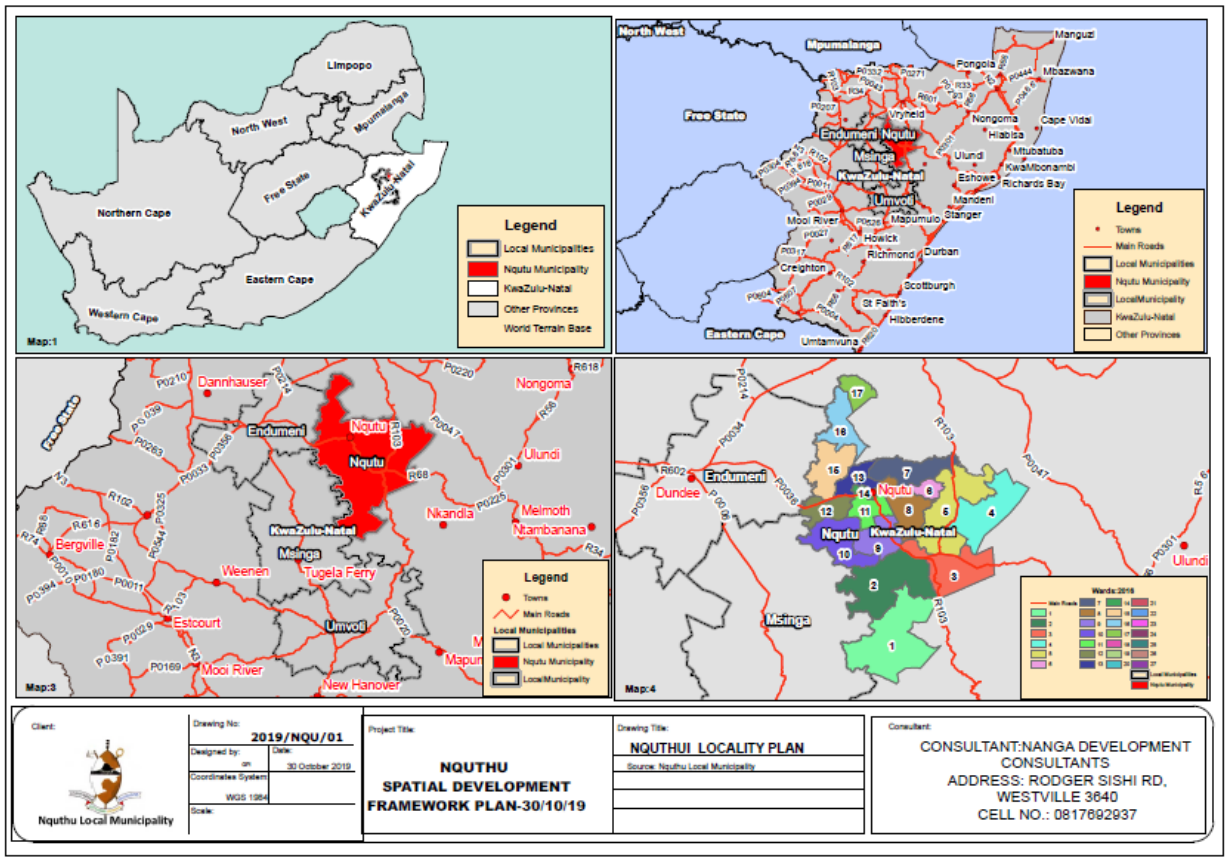
This section summarizes the contents of this IDP and briefly explains who and/or what Nquthu Local Municipality is in terms of its municipal category, location, vision, mission, values, development plans and; challenges and opportunities. This section also outlines what the municipality aims to achieve and how its performance shall be measured.

### A.1 WHO WE ARE?

### (a) Municipal category and geographical location

Nquthu LM is a category B municipality located north east of the province of the Province of KwaZulu-Natal and seats at the north eastern boundary of Umzinyathi DM and share borders with the following local municipalities:

- eMadlangeni and Abaqulusi local municipalities on the North. Abaqulusi LM is located within Zululand DM while eMadlangeni is located within Uthukela DM;
- Ulundi LM on the East which is also located within Zululand DM;
- Nkandla LM on the South which is located within King Cetshwayo DM; and
- Msinga LM and Endumeni LM to the West both of which are located within Umzinyathi DM.

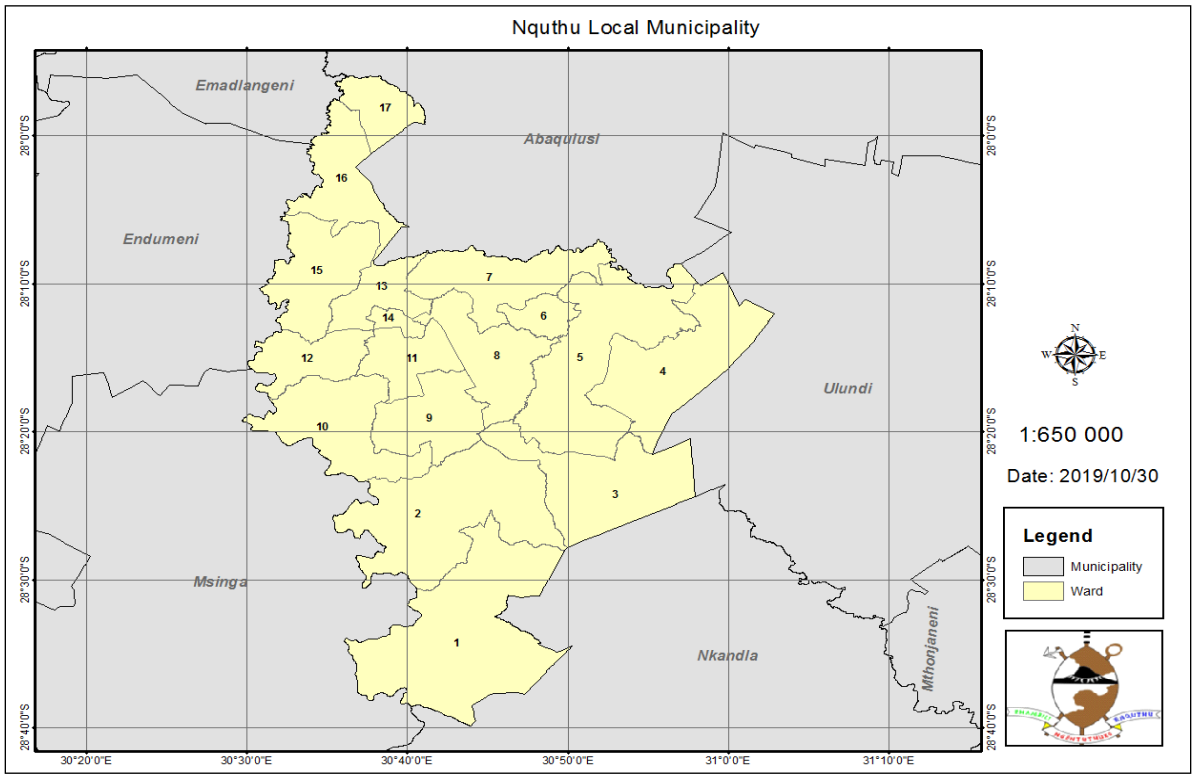


## (b) Municipal powers and functions

Section 152 of the Constitution sets out the objects of municipalities and Section 153 determines the developmental duties of municipalities. In light of this constitutional mandate, the Municipal Structures Act assigns specific powers and functions to district and local municipalities in a matter that allows an effective system of local government. The Umzinyathi DM is responsible for water and sanitation while Nquthu LM has the following powers:

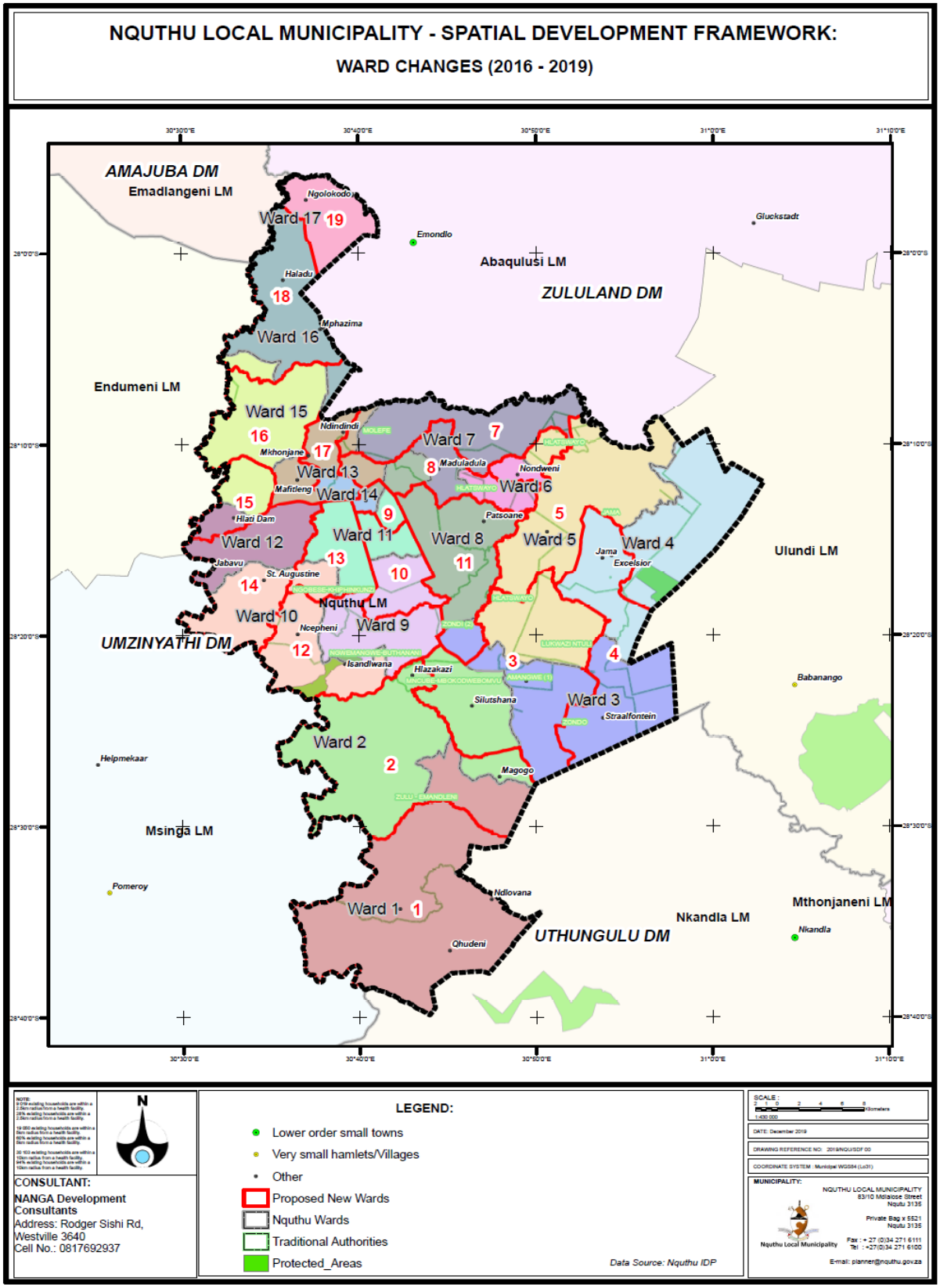
- Access roads and storm water construction and maintenance;
- Billboards and outdoor advertising regulation;
- Street cleaning;
- Local amenities;
- Local tourism;
- Public facilities and spaces;
- Municipal planning and building regulations, and
- Local economic development.

## (c) Municipal wards and Ward Councilors



| Ward | Name and Surname | Gender |
|---|---|---|
| 1 | Z. Sithole | Male |
| 2 | C.S Thusini | Male |
| 3 | L. Mkhwanazi | Male |
| 4 | S.S Langa | Male |
| 5 | M.E Mnguni | Male |
| 6 | S.B Simelane | Male |
| 7 | N.M Buthelezi | Male |
| 8 | M.I Khoza | Male |
| 9 | S.D Masimula | Male |
| 10 | M.R Ngobese | Female |
| 11 | S.M Buthelezi | Male |
| 12 | Cllr. S. Radebe | Female |
| 13 | Z. Ndlovu | Female |
| 14 | Cllr. P.W.J Buthelezi | Female |
| 15 | J.N Khoza | Male |
| 16 | M.C Mnguni | Male |
| 17 | T.M Hadebe | Male |
| 18 | Cllr. T.A Dlamini | Male |
| 19 | Cllr. S.M C Zikode | Male |

The municipality was demarcated into 17 wards after the Demarcation Board increased them from 15 wards in May 2011 before local government elections. From 01 November 2021 the municipality transitioned to 19 wards after the new demarcation processes. Ward delimitation is the responsibility of the Municipal Demarcation Board (MDB) which is identified by the Local Government: Municipal Structures Act, 1998 as an independent authority which performs its functions impartially, and without fear, favour or prejudice. The aim of ward delimitation is to ensure that all wards in the municipality have approximately the same number of voters. The process of ward delimitation occurs just before local government elections and involves rigorous consultation between the role players. The intention of the consultative process is to allow municipalities to show the people in their areas what the MDB is proposing with respect to wards in their Municipalities, these processes resulted in wards show below.


NQUTHU LOCAL MUNICIPALITY - SPATIAL DEVELOPMENT FRAMEWORK:
WARD CHANGES (2016 - 2019)
AMAJUBA DM
Emadlangeni LM
Abaqulusi LM
ZULULAND DM
Endumeni LM
Ulundi LM
Nquthu LM
UMZINYATHI DM
Msinga LM
Nkandla LM
Mthonjaneni LM
UTHUNGULU DM
Ward 1
Ward 2
Ward 3
Ward 4
Ward 5
Ward 6
Ward 7
Ward 8
Ward 9
Ward 10
Ward 11
Ward 12
Ward 13
Ward 14
Ward 15
Ward 16
Ward 17
Ngolokodo
Emondlo
Gluckstadt
Haladu
Mphazima
Ndindindi
Mkhonjane
Mafitleng
Hlati Dam
Jabavu
St. Augustine
Ncepheni
Isandlwana
Hlazakazi
Silutshana
Straalfontein
Babanango
Helpmekaar
Magogo
Pomeroy
Ndlovana
Qhudeni
Nkandla
Maduladula
Nondweni
Patsoane
Jama
Excelsior
LEGEND:
Lower order small towns
Very small hamlets/Villages
Other
Proposed New Wards
Nquthu Wards
Traditional Authorities
Protected_Areas
Data Source: Nquthu IDP
CONSULTANT:
NANGA Development Consultants
Address: Rodger Sishi Rd,
Westville 3640
Cell No.: 0817692937
MUNICIPALITY:
NQUTHU LOCAL MUNICIPALITY
83/10 Molaiose Street
Nquthu 3135
Private Bag x 5521
Nquthu 3135
Fax : +27 (0)34 271 6111
Tel : +27(0)34 271 6100
E-mail: planner@nquthu.gov.za
Nquthu Local Municipality

### (d) Proportional/Party representative Councillors

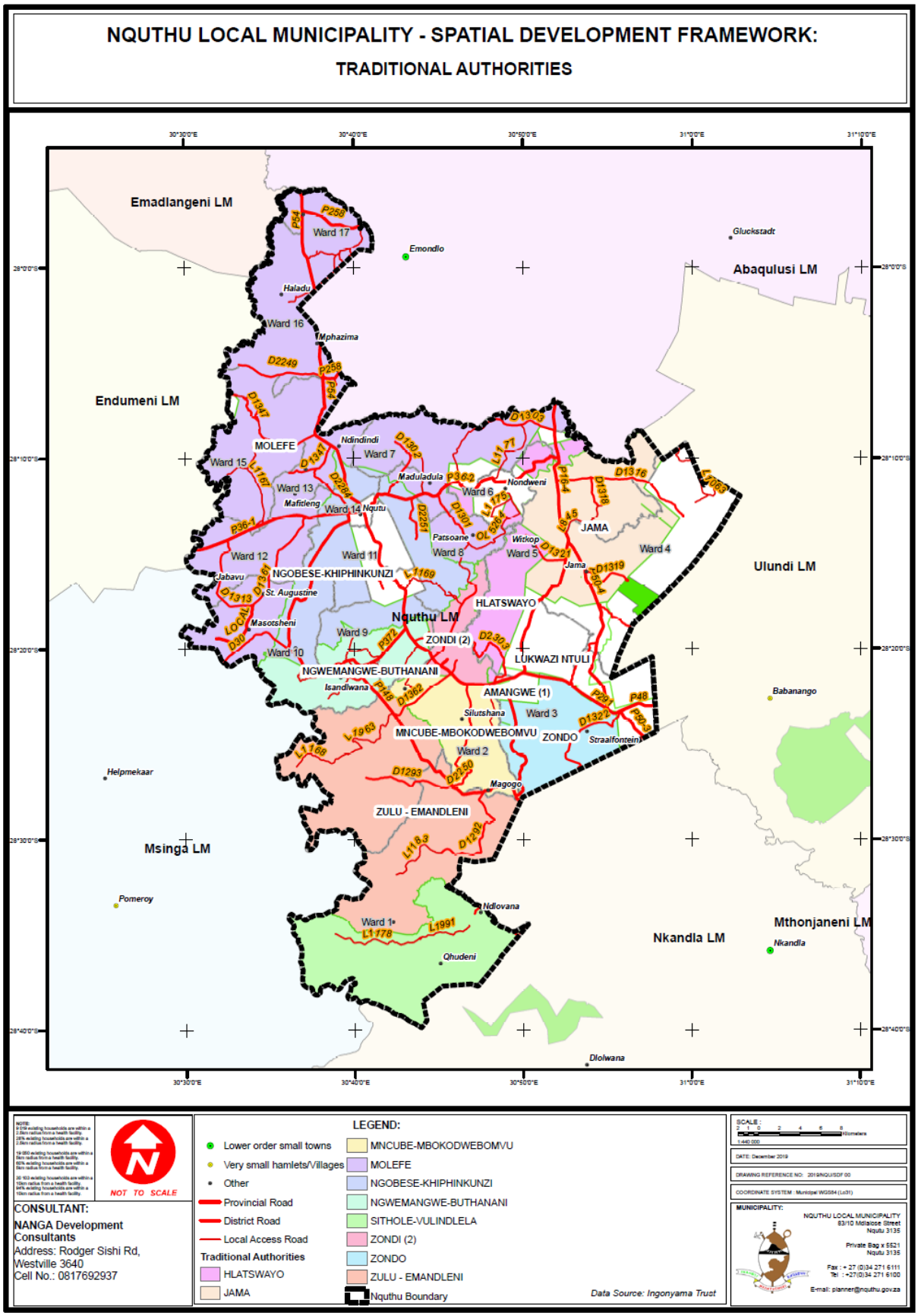
Sixteen (18) Councillors are elected on a proportional basis through political party lists as they are listed in the table below:

| | NAME OF COUNCILLOR | GENDER | PARTY |
|---|---|---|---|
| 1. | Cllr IL Shabalala | M | IFP |
| 2. | CT Buthelezi | F | ANC |
| 3. | LS Hoffman | F | ANC |
| 4 | CN Xulu | F | ANC |
| 5. | MN Khanye | F | ANC |
| 6. | NS Mkhize | F | ANC |
| 7. | TJ Motloung | M | ANC |
| 8. | Cllr BS Chambule | M | ANC |
| 9. | Cllr S Ngcobo | F | ANC |
| 10. | Cllr RA Ndlovu | | |
| 11. | Cllr SM Kunene | M | ABC |
| 12. | Cllr KA Msimanga | M | ABC |
| 13. | Cllr SH Ngobese | F | ABC |
| 14. | Cllr NM Zungu | F | IFP |
| 15. | Cllr CT Nyoka | | |
| 16. | Cllr GS Hlatshwayo | F | IFP |
| 17. | Cllr RA Ndlovu | | |
| 18. | Cllr QM Ngobese | M | IFP |

### (e) Traditional Councils in Nquthu

Nquthu LM has a good working relationship with traditional leadership and the vast majority of Nquthu falls under the control of traditional leaders. Nquthu has nine (9) Traditional Council areas; namely:

- Sizamile
- Jama
- Khiphinkunzi
- Emandleni
- Mbokodebomvu
- Vulindlela
- Mangwe-Buthanani
- Molefe
- KwaZondi


NQUTHU LOCAL MUNICIPALITY - SPATIAL DEVELOPMENT FRAMEWORK:
TRADITIONAL AUTHORITIES
Emadlangeni LM
Endumeni LM
Msinga LM
Pomeroy
Helpmekaar
Ward 17
Emondlo
Haladu
Ward 16
Mphazima
MOLEFE
Ward 15
Ward 7
Ndindindi
Ward 13
Mafidleng
Ward 14
Nqutu
Maduladula
Ward 6
Nondweni
Ward 12
Ward 11
Ward 8
Patsoane
Witkop
Ward 5
JAMA
Ward 4
Jabavu
NGOBESE-KHIPHINKUNZI
St. Augustine
Masotsheni
Nquthu LM
HLATSWAYO
Ward 9
ZONDI (2)
Ward 10
LUKWAZI NTULI
NGWEMANGWE-BUTHANANI
Isandlwana
AMANGWE (1)
Silutshana
Ward 3
MNCUBE-MBOKODWEBOMVU
ZONDO
Straalfontein
Ward 2
Magogo
ZULU - EMANDLENI
Ndlovana
Ward 1
Qhudeni
Dlolwana
Abaqulusi LM
Gluckstadt
Ulundi LM
Babanango
Nkandla LM
Mthonjaneni LM
Nkandla
NOT TO SCALE
CONSULTANT:
NANGA Development Consultants
Address: Rodger Sishi Rd,
Westville 3640
Cell No.: 0817692937
LEGEND:
Lower order small towns
Very small hamlets/Villages
Other
Provincial Road
District Road
Local Access Road
Traditional Authorities
HLATSWAYO
JAMA
MNCUBE-MBOKODWEBOMVU
MOLEFE
NGOBESE-KHIPHINKUNZI
NGWEMANGWE-BUTHANANI
SITHOLE-VULINDLELA
ZONDI (2)
ZONDO
ZULU - EMANDLENI
Nquthu Boundary
Data Source: Ingonyama Trust
SCALE :
DATE: December 2019
DRAWING REFERENCE NO: 2019/NQU/SDF 00
COORDINATE SYSTEM : Municipal WGS84 (Lo31)
MUNICIPALITY:
NQUTHU LOCAL MUNICIPALITY
83/10 Mdlalose Street
Nquthu 3135
Private Bag x 5521
Nquthu 3135
Fax : + 27 (0)34 271 6111
Tel : +27(0)34 271 6100
E-mail: planner@nquthu.gov.za

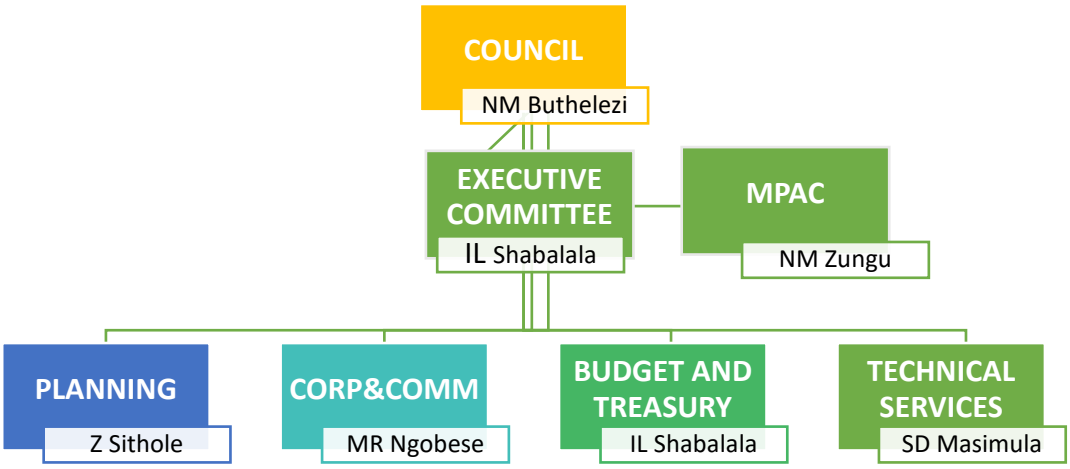
### (f) AmaKhosi sitting in Nquthu LM Council

The following AmaKhosi were elected by their structure to sit in Nquthu LM Council:

- INkosi FP Hlatshwayo
- Iso leSilo SD Buthelezi

## A.2 POLITICAL STRUCTURE

The municipality's highest decision making structure is Council which is presided over by the Speaker. The structure which looks into the day to day business of the municipality is the Executive Committee which is presided over by the Mayor and has subcommittees which are generally referred to as 'portfolio committees'. All chairpersons of portfolio committees are EXCO members and report and/or make recommendations to EXCO which subsequently reports to Council through the Mayor. MPAC is the primary oversight arm of Council and play an oversight role over EXCO and reports directly to Council.




### (a) Municipal political office bearers/full-time councillors

| MAYOR | SPEAKER | DEPUTY MAYOR |
|---|---|---|
| • Cllr IL Shabalala<br>• PR Councillor | • Cllr NM Buthelezi<br>• Ward | • Cllr MR Ngobese<br>• Ward |

### (b) Structures of the municipality and their functions

The legislative and the highest decision making body of Nquthu LM is Council which is made up of thirty seven (37) Councillors and is chaired by the Speaker. Council has an Executive

Committee which is a day to day committee and attends to the everyday business of the municipality and is directly accountable to Council; this committee is chaired by the Mayor who is the political face of the municipality. Council also has portfolio committees which are arranged in line with municipality's own internal departments, these committees, except the MPAC, report to the Executive Committee.

| *STRUCTURE/COMM* | *FUNCTIONS* |
|---|---|
| ***Municipal Council*** | • *Highest decision making body of the municipality.*<br>• *Pass by-laws and policies of the municipality.*<br>• *Appoint the Municipal Manager and HODs.*<br>• *Approve the IDP and Budget of the municipality.*<br>• *Play an oversight role in the municipality.*<br>• *Represent the views and aspirations of the public.* |
| ***Executive Committee*** | • *Supervise the work of Portfolio Committees.*<br>• *Receive reports form Portfolio Committees and report to and/or make recommendations to Council.*<br>• *Assist the Mayor in the performance of his/her duties.* |
| ***Municipal Public Accounts Committee*** | • *Play an oversight role on the Executive Committee and municipal administration and report directly to Council.*<br>• *Make a draft oversight report and table it to Council.*<br>• *Investigate matters refereed to it by Council.* |
| ***Financial Services Committee*** | • *Play an oversight role on the management of the municipal finances.*<br>• *Make recommendations to the Executive Committee on financial matters.* |
| ***Technical Services Committee*** | • *Play an oversight role on al technical services matters, especially project implementation progress.*<br>• *Make recommendation to the Executive Committee on matters related to technical services.* |
| ***Corporate and Community Services Committee*** | • *Play an oversight role on all matters pertaining corporate and community services in the municipality.*<br>• *Make recommendations to the Executive Committee on all corporate and community services matters.* |
| ***Planning, Local Economic Development and Housing Committee*** | • *Play an oversight role on all matters concerning planning, local economic development and housing.*<br>• *Report to and make recommendations to the Executive Committee on all matters relating to its sphere of operation.* |

### (c) Members of the Executive Committee

Members of the Executive Committee of the municipality are shown below.

- Cllr IL Shabalala
- Cllr MR Ngobese
- Cllr Z Sithole
- Cllr SD Masimula
- Cllr Cllr BS Chambule
- Cllr TJ Motloung
- Cllr. N.S Mkhize

### (d) Members of MPAC

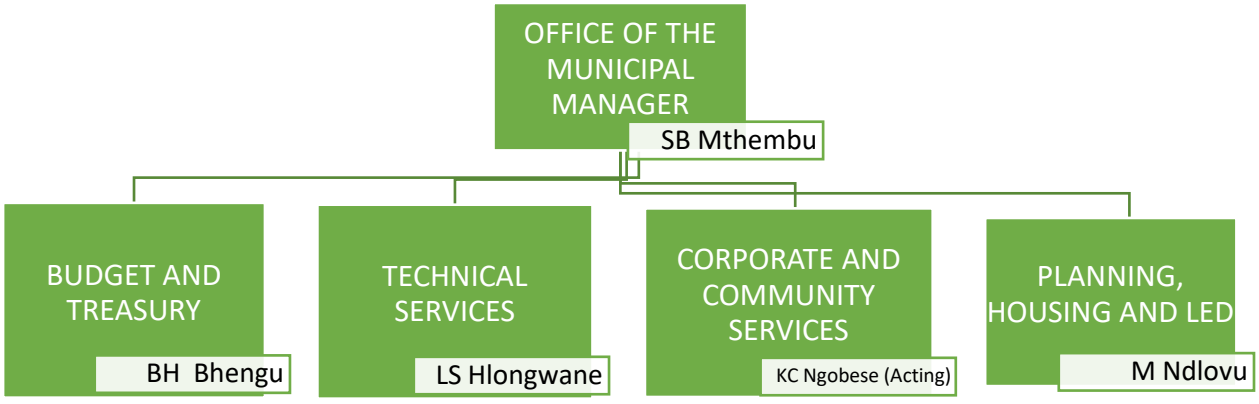
| MPAC Members | |
|---|---|
| **1.** | Cllr NM Zungu (Chairperson) |
| **2.** | Cllr G.A. N. Buthelezi |
| **3.** | Cllr T.A Dlamini |
| **4.** | Cllr S.B Simelane |
| **5.** | Cllr J.N Khoza |
| **6.** | Cllr S.M.C Zikode |
| **7.** | Cllr T.M Hadebe |
| **8.** | Cllr K.A Msimango |
| **9.** | Cllr S.Y Nyoka |
| **10.** | Cllr S.S Langa |

### (e) Members of portfolio committees

| *FINANCIAL SERVICES* | *PLANNING, LED AND HOUSING* | *CORPORATE AND COMMUNITY SERVICES* | *TECHNICAL SERVICES* |
|---|---|---|---|
| **1. Cllr. I.L Shabalala (Chairperson)** | **1. Cllr. Z. Sithole (Chairperson)** | **1. Cllr. M.R Ngobese (Chairperson)** | **1. Cllr. S.D Masimula (Chairperson)** |
| 2. Cllr. M.I Khoza | 2. Cllr. S.G Hlatshwayo | 2. Cllr. T.A Dlamini | 2. Cllr. S.B Simelane |
| 3. Cllr. M.C Mnguni | 3. Cllr. G.A.N Buthelezi | 3. Cllr. J.N Khoza | 3. Cllr. M.E Mnguni |
| 4. Cllr. S. Radebe | 4. Cllr. Q.M Ngobese | 4. Cllr. L. Mkhwanazi | 4. Cllr. C.T Buthelezi |
| 5. Cllr. Z. Ndlovu | 5. Cllr. S.M Buthelezi | 5. Cllr. T.J Motloung | 5. Cllr. N.S Mkhize |
| 6. Cllr. B.S Chambule | 6. Cllr. C.T Buthelezi | 6. Cllr. L.S Hoffman | 6. Cllr. M.N Khanye |
| 7. Cllr. R.A Ndlovu | 7. Cllr. P.W.J Buthelezi | 7. Cllr. C.S Thusini | 7. Cllr. S.H Ngobese |
| 8. Cllr. C.N Xulu | 8. Cllr. S.M C Zikode | 8. Cllr. S. Radebe | 8. Cllr. S. Ngcobo |
| 9. Cllr. S.M Kunene | 9. Cllr. K.A Msimanga | 9. Cllr. T.M Hadebe | |

### A.3 ADMINISTRATIVE STRUCTURE

All the municipality's administrative powers are vested in the MM and duly delegated to all lower levels of administration which has different departments dealing with specific municipal functions and each headed its own HOD. The structure of municipal administration is structured as depicted below:



Senior managers listed in the structure above constitute MANCO and sits regularly to attend to all administrative matters of the municipality. This committee is fully functional and execute all its responsibilities quite effectively.

*The Office of the Municipal Manager*

| SECTION | FUNCTIONS |
|---|---|
| **Office of the Mayor** | • Integration and coordination of the Mayor's programs.<br>• General administration of the Mayor's office.<br>• Mayor's security.<br>• Mayor's protocol. |
| **Youth Development** | • Youth development (educational, skills development, economic and social aspect).<br>• Early Childhood Development.<br>• Advocacy and coordination of youth development programmes provided by government and other stakeholders. |
| **IDP/PMS** | • Manage all IDP related activities.<br>• Compile the municipal IDP.<br>• Compile the municipal Annual Report.<br>• Ensuring compliance with PMS regulations. |
| **Communications** | • Media and community liaison.<br>• Complaints management and promotion of Batho Pele principles.<br>• Intergovernmental relations.<br>• Event management. |
| **Internal Audit** | • Monitor compliance with legislation.<br>• Identifying gaps in internal controls.<br>• Develop an audit plan and perform internal audit function. |
| **Risk Management** | • Stimulate risk awareness.<br>• Conduct risk assessments.<br>• Risk mitigation.<br>• Produce risk management reports. |

*Finance Department (Budget and Treasury)*

| SECTION | FUNCTIONS |
|---|---|
| **Supply Chain Management** | • Manages the procurement of products and services<br>• Ensure value for money for products and services procured<br>• Ensures the empowerment of local enterprises |
| **Budget Planning and Statutory reporting** | • Ensure compliance with Municipal Budget and Reporting Regulations and other applicable laws<br>• Coordinate budgeting processes within the municipality |
| **Revenue and Debt Management** | • Ensures that billable municipal services are paid for<br>• Issue bills to municipal debtors and coordinate the rate/bill collection |

| | |
|---|---|
| | activities of the municipality |
| **Expenditure and Asset Management** | • Ensure adherence to procurement plans and/or budget.<br>• Keep record of municipal assets (number, type, condition and value of municipal assets). |

*Planning, Local Economic Development and Housing*

| SECTION | FUNCTIONS |
|---|---|
| **Development Planning** | • Development Control- maintaining town planning scheme (wall to wall), Spluma by-laws, SDF, etc.<br>• Development Facilitation- processing of development applications.<br>• Land Use Management- enforcing of legislation and by-laws. |
| **Local Economic Development and Tourism** | • LED project management.<br>• LED programmes- SMME development, Informal Traders development, agriculture and commercial actrivities.<br>• Tourism Promotion- arts and culture, heritage and community tourism. |
| **Housing and Land Administration** | • Development and implementation of the Housing Sector Plan.<br>• Planning for housing projects.<br>• Implementation and/or management of housing project.<br>• Land Administration- implementation of land disposal policy. |
| **Building Inspectorate** | • Submission and approval of building plans.<br>• Inspecting new and existing buildings.<br>• Enforcing building regulations and by-laws.<br>• Condemning and/or mitigating illegal developments. |
| **Government Information Systems** | • Policy development and implementation.<br>• Data capturing, analysis, manipulation and integration.<br>• Provision of mapping services. |

*Corporate Services Department*

| SECTION | FUNCTIONS |
|---|---|
| **Administration** | • Promotion of service delivery through Back 2 Basics.<br>• Ensuring effective Registry services (record management).<br>• Council support services (minutes taking, bookings, etc.).<br>• Management of municipal facilities.<br>• Ensuring public participation and ensuring effective Ward Committees. |
| **Human Resources** | • Formulation and review of HR related policies.<br>• Ensuring compliance with labour laws and collective agreements.<br>• Recruitment and selection of staff.<br>• Drafting of employment contracts for employees.<br>• Employee benefits administration.<br>• Occupational Health and Safety- ensuring a safe working environment.<br>• Coordinate and facilitate employee training. |
| **Information** | • Upgrading and maintenance of IT infrastructure for MSCOA purposes. |

| | |
|---|---|
| **Technology** | • Develop and implement IT Disaster Recovery Plan.<br>• Ensuring connectivity, data integrity and information security.<br>• Ensure back-up power supply to IT systems.<br>• Monitoring access control (through biometric finger print reader) in Server room, Registry and Cashier. |

*Community Services*

| SECTION | FUNCTIONS |
|---|---|
| **Law Enforcement** | • Traffic management- enforcement of traffic legislation and municipal by-laws.<br>• Driver's License unit- eye tests, learner's application, driver's license renewals, professional driving permits, etc. |
| **Library Services** | • Provision of library services including, out-flung areas.<br>• Free basic computer training.<br>• Free computer and internet access.<br>• Career guidance to learners. |
| **Priority Programmes** | • HIV/AIDS awareness campaigns and support.<br>• Disability and albinism support programmes.<br>• Gender programmes (women, men and widows).<br>• Senior citizens programmes.<br>• Sports and recreation (organizing SALGA games, etc.) |
| **Disaster Management** | • Disaster awareness and mitigation campaigns.<br>• Disaster incident response.<br>• Scuba diving (search and rescue).<br>• Provision of fire-fighting services. |

*Technical Services*

| SECTION | FUNCTIONS |
|---|---|
| **Infrastructure Development** | • Planning and management of infrastructure development project as outlined in the municipality's IDP |
| **Waste Management** | • Conduct awareness campaigns to promote safe and responsible disposal of waste<br>• Promotion of recycling<br>• Maintenance of land fill site<br>• Waste collection and disposal |
| **Public convenience** | • Monitoring and maintenance of public ablutions |
| **Electricity** | • Management of electrification projects<br>• Maintenance of electricity reticulation networks<br>• Household electrification<br>• Street lights and high mast light installation and maintenance<br>• Identification or monitoring of illegal connections |
| **Parks, Gardens and Cemetery** | • Administer or control the utilization by the public<br>• Perform cleaning/maintenance work |

| | |
|---|---|
| **Buildings and Maintenance** | • Monitor the condition of municipal building<br>• Maintain buildings where necessary |
| **Roads and Strom water Management** | • Installation and maintenance of storm water infrastructure<br>• Maintaining municipal road infrastructure (closing potholes, fixing pavements, gravel road blading, etc.) |

## A.4 KEY CHALLENGES

| KPA | KEY CHALLENGE | DEVELOPMENT IMPLICATIONS |
|---|---|---|
| **Municipal Institutional Development and Transformation** | *Insufficient internal capacity to perform some of the local government functions to the desired levels.* | • Unnecessary reliance on consultants which divert financial resources which should be ideally invested in service delivery.<br>• Inability to reach the municipality's true potential. |
| **Service Delivery and Infrastructure Development** | *Huge infrastructure and services backlog and insufficient financial resources.* | • Limited access to public facilities and/or services.<br>• Poor telecommunications infrastructure and therefore poor network receptions/signal.<br>• Poor road network drive up transportation costs and limits economic activity.<br>• Huge capital investment negatively affects other development areas and limit resources available for maintaining existing infrastructure. |
| **Local Economic Development and Social Development** | ➢ *High unemployment rate and non-inclusive economic growth.*<br>➢ *High levels of social inequality* | • High dependency ratio and indigence rate resulting in low revenue base for the municipality.<br>• Youth unemployment may result in high levels of crime, drug abuse and unplanned pregnancy.<br>• Inequality results in high social vulnerability for particular sections of society who are the bottom of the social ladder. |
| **Good Governance and Public Participation** | *Inability to reach real municipal potential in terms of good governance and public participation.* | • Failure to attain a clean audit outcome as a result of irregular expenditure and performance related issues.<br>• Inadequate public participation may result in an unnecessary community unrest which may disrupt service delivery or vandalism. |
| **Financial Management and Viability** | *Lack of sufficient revenue base and grant dependency.* | • Limited financial resources available to invest in service delivery and infrastructure development.<br>• Grant dependency. |
| **Cross Cutting** | • *Unplanned sprawling rural settlements which impacts on negatively on* | • Unplanned development undermines the economic viability of the municipality since such development does not align to economic opportunities and |

| | | |
|---|---|---|
| | *proper planning and cost-effective delivery of services.*<br>• *Insufficient capacity to manage disasters within the municipality.* | potential.<br>• Service delivery also becomes unplanned and become intervention orientated.<br>• Nquthu is disaster prone and the some out-flung areas cannot be reached on time in cases of disaster incidents. |

## A.5 OPPORTUNITIES THAT NQUTHU

| OPPORTUNITY | DESCRIPTION |
|---|---|
| ***Rich heritage and tourism potential*** | *Nquthu is very rich in heritage. As such, there is a lot of untapped into potential in the tourism sector despite the good work that the municipality has done in promoting tourism in Nquthu which is hampered by limited resources. Tourism is one of the economic sectors with the potential of becoming the economic drivers of Nquthu.* |
| ***Underdeveloped agriculture*** | *While Nquthu has a challenge of soil erosion and water shortage, it has some arable tracts of land that has an agricultural potential and can be utilized for food production for commercial purposes, especially in maize production and livestock farming. In most cases, communal land is freely available for use.* |
| ***Controlled development*** | *The municipality's proper spatial planning, implementation and enforcement of laws can result in a more equitable development of all nodes which can results in more economic opportunities.* |
| ***Positive entrepreneurial spirit*** | *Nquthu has no local industries; most economic activity is centered on retail, services, taxis industry, informal sector and government procurement. The informal sector is a very important component of the local economy of Nquthu because of the positive entrepreneurial spirit of the locals. There are many people who thrive on participating in this sector of the economy to make living. The survival and self-reliance mindset of the people of Nquthu represents an opportunity for local economic growth if the informal sector is properly developed through training of informal traders and exposing them to variety of business capacity so that they can branch out other forms of trading other than buying and selling.* |
| ***Labour supply*** | *Due to high unemployment rate especially among the youth, there is a huge supply of low skill and semi-skilled labour suitable to work in the agriculture, services and manufacturing sectors.* |
| ***Investor friendly environment and potential*** | *Nquthu LM is open to investors and ready to work with them to establish a mutually beneficial relationship to unlock the economic potential of Nquthu. Densely populated areas like Nondweni have immense investment potential especially in the retail and services sector.* |
| ***Suitable geographical position and accessibility*** | *Nquthu is strategically located between Dundee and Vryheid with a road infrastructure which enhances its ability to supply neighboring areas like should it improve its production/manufacturing capacity. There is also sufficient road network to facilitate transportation of goods to and from Nquthu.* |

## A.6 MUNICIPAL VISION, MISSION, CORE VALUES AND SPATIAL VISION

### *Vision*

*"To govern with integrity through servant leadership, accountability and responsive governance in order to meet the developmental needs of the people of Nquthu"*

### *Mission*

To fight underdevelopment by promoting a culture of self-help and self-reliance in our communities through skills development, infrastructure development, protecting the vulnerable groups, fighting drug abuse, promoting safer communities, building the local economy and working hand-in-hand with AmaKhosi and all other stakeholders.

### *Core values*

We subscribe to the value system inspired by and premised on the principles of Batho Pele and Ubuntu, which are:

- Solidarity
- Freedom
- Unity in diversity
- Accountability
- Responsiveness
- Customer focus
- Innovation
- Efficiency
- Transparency
- Self-help and self-reliance
- Integrity

### Spatial Vision

*"By 2040 the Nquthu Municipality will have changed its spatial and socio-economic landscape through innovative spatial planning principles of justice, sustainability, efficiency, resilience and good administration that will position the municipality as a destination of choice for tourism and investment".*

### Spatial development principles

The development principles for Nquthu Municipality are informed by the SPLUMA principles as set out in the Act and apply to all stakeholders (government and private sector) responsible for the implementation of legislation regulating the use and development of land. The following table illustrates. These principles are detailed in the following page.

| SPLUMA PRINCIPLES | APPLICATION TO THE MUNICIPALITY |
|---|---|
| **Spatial justice** | Integrate Low Income residential areas to high order centers and new economic opportunities in growth area and adjacent to major roads and redressing imbalances with improved infrastructure and new economic opportunities. |
| **Spatial sustainability** | Protecting environmentally sensitive areas, coherent and reinforcing infrastructure, protecting agriculture potential areas and upgrade residential areas with appropriate infrastructure. |
| **Efficiency** | Intensity of development on the periphery of CBD, adjacent major nodes, limited mixed-use activity spines between focus points, new and Infill development focused to create coherent system, mainly in urban and peri-urban areas of Nqutu, Nondweni and Ngolokodo |
| **Spatial resilience** | Planning of human settlements in such a manner that they are more resilient to climate change impacts. |
| **Good administration** | Alignment of programmes with sector departments, facilitating processes which deal with Development Applications from lodgment to decision making by MPTs and Authorized Officers and Appeal process within the legislated timeframes. |

## A.7 DEVELOPMENT GOALS, OBJECTIVES AND STRATEGIES

**National KPA 01: Municipal Institutional Development and Transformation**

| KEY CHALLENGES | GOALS | IDP OBJECTIVE | IDP STRATEGY / IDP PROGRAMME |
|---|---|---|---|
| Insufficient internal capacity to performance of some of the local government functions to desired levels. | **National Development Plan:** Goal 7 - Building a capable state.<br><br>**Provincial Growth and Development Strategy:** Goal 2 – Build government capacity.<br><br>**Municipal Goal:** Ensure human capital development and improve institutional capacity. | 1.1 To improve municipal capability. | 1.1.1 Implementation of WSP by ensuring the training of staff and councillors as per the WSP. |
| | | | 1.1.2 Ensure that appointments for advertised posts are finalized on time. |
| | | | 1.1.3 Ensuring that critical posts and all budgeted vacant posts are filled. |
| | | | 1.1.4 Provide in-service training to students who have completed their degrees/diplomas. |
| | | 1.2 To enhance institutional development. | 1.2.1 Strive to attain demographic equity in municipal workforce. |
| | | 1.3 To ensure an effective municipal ICT | 1.3.1 Monitor the ICT systems by ensuring a functional IT |

| KEY CHALLENGES | GOALS | IDP OBJECTIVE | IDP STRATEGY / IDP PROGRAMME |
|---|---|---|---|
| | | system. | Steering Committee. |
| | | 1.4 To ensure effective management of municipal performance. | 1.4.1 Table performance reports to enable Council to monitor performance. |
| | | 1.6 To ensure effective fleet management system. | 1.6.1 Implementation of Fleet Management Policy. |

**National KPA 02: Service Delivery and Infrastructure Development**

| KEY CHALEENGES | GOALS | IDP OBJECTIVE | IDP STRATEGY / IDP PROGRAMME |
|---|---|---|---|
| Huge infrastructure and services backlog and insufficient financial resources. | **National Development Plan:** Goal 2 - Expanding infrastructure.<br><br>**Provincial Growth and Development Strategy:** Goal 2 – Infrastructure development.<br><br>**Municipal Goal:** Improved access to Basic services. | 2.1 Ensure quality of municipal road network and expansion of access road network. | 2.1.1 To ensure improved quality of municipal road network. |
| | | | 2.1.2 To ensure improved quality of municipal road network. |
| | | | 2.1.3 To ensure the expansion of access road network. |
| | | 2.2 Improvement of electricity services, affordability, access, connection, and energy sustainability. | 2.2.1 Improved affordability of electricity. |
| | | | 2.2.2 To ensure improved access to electricity. |
| | | | 2.2.3 Improved energy sustainability. |
| | | 2.3 To improve access to network connectivity. | 2.3.1 To improve access to network connectivity. |
| | | 2.4 Improve access to public facilities in terms of community halls, Sport fields, and ECDs. | 2.4.1 Ensuring access to public facilities by construction of community halls. |
| | | | 2.4.2 Expanding access to Early Childhood Development facilities. |
| | | | 2.4.3 Expanding access to Sport field facilities. |
| | | | 2.4.4 Improvement of residential development. |

**National KPA 03: Local Economic Development and Social Development**

| KEY CHALLENGES | GOALS | IDP OBJECTIVE | IDP STRATEGY / IDP PROGRAMME |
|---|---|---|---|
| High unemployment rate and non-inclusive economic growth. | **National Development Plan:** Goal 1 - Creating jobs and livelihoods.<br><br>**Provincial Growth and Development Strategy:** Goal 2 – Inclusive economic growth.<br><br>**Municipal Goal:** Achieve inclusive Economic growth and development to alleviate poverty. | 3.1 Ensure growing the local economy. | 3.1.1 Development and implementation of Agricultural Strategy. |
| | | | 3.1.2 Average time taken to process business license applications |
| | | | 3.1.3Promote the formalization of SMMEs. |
| | | | 3.1.3 Build the capacity of local SMMEs to make them competitive and sustainable. |
| | | | 3.1.4 Use local procurement and sub-contracting as an instrument to grow SMMEs. |
| | | | 3.1.5 Support local youth enterprises to unleash their potential and innovation. |
| | | 3.2 To ensure growing the tourism sector in the municipality. | 3.2.1 Facilitate tourism initiatives and events. |
| | | 3.3 Promotion of Social cohesion through Arts and Culture development programmes. | 3.3.1 Facilitate and participate in all art, culture and heritage activities. |
| | | 3.4 To ensure more effective poverty alleviation. | 3.4.1 Creation of jobs to alleviate poverty by implementing EPWP, CWP, Waste Ambassadors. |
| High levels of social inequality. | **National Development Plan:**<br>• Goal 5 - Improving education and training.<br>• Goal 9 - Transforming society and uniting the nation.<br><br>**Provincial Growth and Development Strategy:** Goal 3 – Human and community development. | 11.1 Promotion of all sports codes in the municipality. | 11.1.1Ensure the implementation of all sports development and plans. |
| | | 11.2 To ensure the welfare of vulnerable groups within the municipality. | 12.2.1Establish and ensure the functionality of representative forums for the targeted social groups. |
| | | 11.3 Ensuring Early Childhood Development in Nquthu. | 11.3.1 Providing support to ECD centres. |
| | | 11.4 Ensuring youth development in Nquthu. | 11.4.1 Initiating and implementing youth development initiatives. |

| KEY CHALLENGES | GOALS | IDP OBJECTIVE | IDP STRATEGY / IDP PROGRAMME |
|---|---|---|---|
| | **Municipal Goal:** Ensure accelerated social development of the people of Nquthu. | | |

**National KPA 04: Good Governance and Public Participation**

| KEY CHALLENGES | GOALS | IDP OBJECTIVE | IDP STRATEGY / IDP PROGRAMME |
|---|---|---|---|
| Inability to reach real municipal potential in terms of good governance and public participation. | **National Development Plan:** Goal 8 - Fighting corruption and enhancing accountability.<br><br>**Provincial Growth and Development Strategy:** Goal 6 – Governance and policy.<br><br>**Municipal Goal:** To attain a well governed and accessible municipality that is rooted in the will of the people. | 4.1 Improved municipal responsiveness. | 4.1.1 Ensure that all complaints received are attended to on time. |
| | | | 4.2.1 Ensure that all ward committees are functional. |
| | | 4.3 More effective municipal administration. | 4.3.1 Prevent recurrence of AG findings. |
| | | | 4.3.2 Ensure that councillors declare their interests. |
| | | 4.5 Improved council functionality. | 4.5.1 Prevent disruption of council meetings to ensure smooth functioning of council. |
| | | 4.6 To ensure the municipality maintains a functional Back to Basics status. | 4.6.1 Back to Basics programme implementation. |
| | | 4.7 To ensure improved communication with communities. | 4.7.1 Engaging communities about all development or infrastructure projects. |
| | | 4.8 To ensure effective risk management. | 4.8.2 Implement the municipality's risk management policy and strategy. |
| | | 4.9 Strive to attain a clean audit. | 4.9.1 Ensure that the AG Action Plan is implemented and that Audit Committee sits and reports to Council. |
| | | 4.10 To ensure effective records management system. | 4.10.1 Awareness of staff on the implementation of records management system. |

| KEY CHALLENGES | GOALS | IDP OBJECTIVE | IDP STRATEGY / IDP PROGRAMME |
|---|---|---|---|
| | | 6.1 Ensure effective strategic planning by developing a credible IDP. | 6.1.1 Ensure that the IDP is compliant and meet all prescribed timelines. |

**National KPA 05: Financial Management and Viability**

| KEY CHALLENGES | GOAL | IDP OBJECTIVE | IDP STRATEGY / IDP PROGRAMME |
|---|---|---|---|
| Lack of sufficient revenue base and grant dependency. | **National Development Plan:**<br>• Goal 8 - Fighting corruption and enhancing accountability.<br>• Goal 7 - Building a capable state.<br><br>**Provincial Growth and Development Strategy:**<br>Goal 6 – Governance and policy.<br><br>**Municipal Goal:**<br>To attain a well governed and accessible municipality that is rooted in the will of the people. Improved and sound financial management and viability. | 5.1 To ensure effective expenditure management. | 5.1.1 Ensuring that the municipality execute its procurement plan. |
| | | 5.2 Ensure municipal financial sustainability. | 5.2.1 Maintain proper municipal financial sustainability. |
| | | 5.3 To ensure improved municipal liquidity position. | 5.3.1 Ensure that the municipality is in a good position to meet its short-term liabilities by maintaining a set current ratio. |
| | | | 5.3.2 Ensure municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month. |
| | | | 5.3.3 Prudent management of municipal finances to ensure sustainability Liquidity Ratio. |
| | | 5.4 To ensure improved debt management. | 5.4.1 Improve debt collection by billing of all municipal debtors. |
| | | | 5.4.2 Keep municipal assets in good state by efficient spending of maintenance budget. |

| KEY CHALLENGES | GOAL | IDP OBJECTIVE | IDP STRATEGY / IDP PROGRAMME |
|---|---|---|---|
| | | | 5.4.3 Invest optimally in infrastructure by spending budgeted capital expenditure. |
| | | 5.5 To ensure improved financial management. | 5.5.1 Ensure proper budget implementation and that expenditure is incurred in acceptable standards. |
| | | | 5.5.2 Ensure effective procurement management by adhering a set average turn-around time for awarding of bids. |
| | | | 5.5.3 Ensure that electricity distribution loses does not exceed 10%. |
| | | | 5.5.4 Ensure effective and consistent reporting. |

**National KPA 06: Cross Cutting**

| KEY CHALLENGES | GOAL | IDP OBJECTIVE | IDP STRATEGY / IDP PROGRAMME |
|---|---|---|---|
| Unplanned sprawling rural settlements which impacts on negatively on proper planning and cost-effective delivery of services.<br><br>Insufficient capacity to manage disasters | **National Development Plan:**<br>Goal 4 - Transforming urban and rural spaces.<br><br>**Provincial Growth and Development Strategy:**<br>Goal 7 – Spatial equity.<br><br>**Municipal Goal:**<br>Improved strategic planning and municipal spatial planning. | 6.1 To ensure effective land use management and development planning. | 6.1.1 Reviewing of Urban Design Framework (UDF) and SDF to address spatial challenges in Nquthu Town. |
| | | 6.2 To ensure provision of gathering, managing, and analysing spatially related data through GIS. | 6.2.1 Implementation of GIS Policy. |
| | | 6.3 Ensure compliance with National building Regulations Act and Building Standards and Bylaws. | 6.3.1 Creating awareness to local community National Building Regulations Act and building standards. |

| KEY CHALLENGES | GOAL | IDP OBJECTIVE | IDP STRATEGY / IDP PROGRAMME |
|---|---|---|---|
| within the municipality | | | |
| | **Provincial Growth and Development Strategy:** Goal 5 – Environmental sustainability. **Municipal Goal:** Achieve improved response to disaster. | 7.1 Improve mitigation effects of emergencies and disasters. | 7.1.1 Improve disaster response time and Alertness to the community. |
| | **Provincial Growth and Development Strategy:** Goal 3 – Human and community development. **Municipal Goal:** Safe municipal environment. | 8.1 Ensure a secure and safe internal municipal environment. | 8.1.1 Implementation of municipal safety plan. |
| | | 8.1 To ensure safer local roads. | 8.1.1 Maximum enforcement of road traffic laws and municipal bylaws. |
| | **Provincial Growth and Development Strategy:** Goal 5 – Environmental sustainability. **Municipal Goal:** Sustainable development and environmental management. | 10.1 To ensure effective environmental protection. | 10.1.2 Initiating and implementation of all municipal environmental management programmes. |

## A.8 HOW WAS THIS IDP DEVELOPED?

### (a) Public consultations

The municipality has adopted a continuous consultation approach whereby WBPs are identified as strategic tool for a more effective public consultation process whereby Councillors use their meetings to gather the views of the public about their needs and priorities. WBPs then becomes the basis for the IDP review as it specifically identifies community needs, backlog and priorities at a ward level and then align and consolidate that information into the IDP. However, after the municipality approved its draft IDP, it was put on the municipal website and notices

were published in newspaper and also communicated on the municipality's social page. All direct public engagements were cancelled due to lockdown.

**(b) Input by Councillors**

Councillors are the main representatives of the people and they understand the needs of the people better. Inputs are continuously received from Councilors during the process.

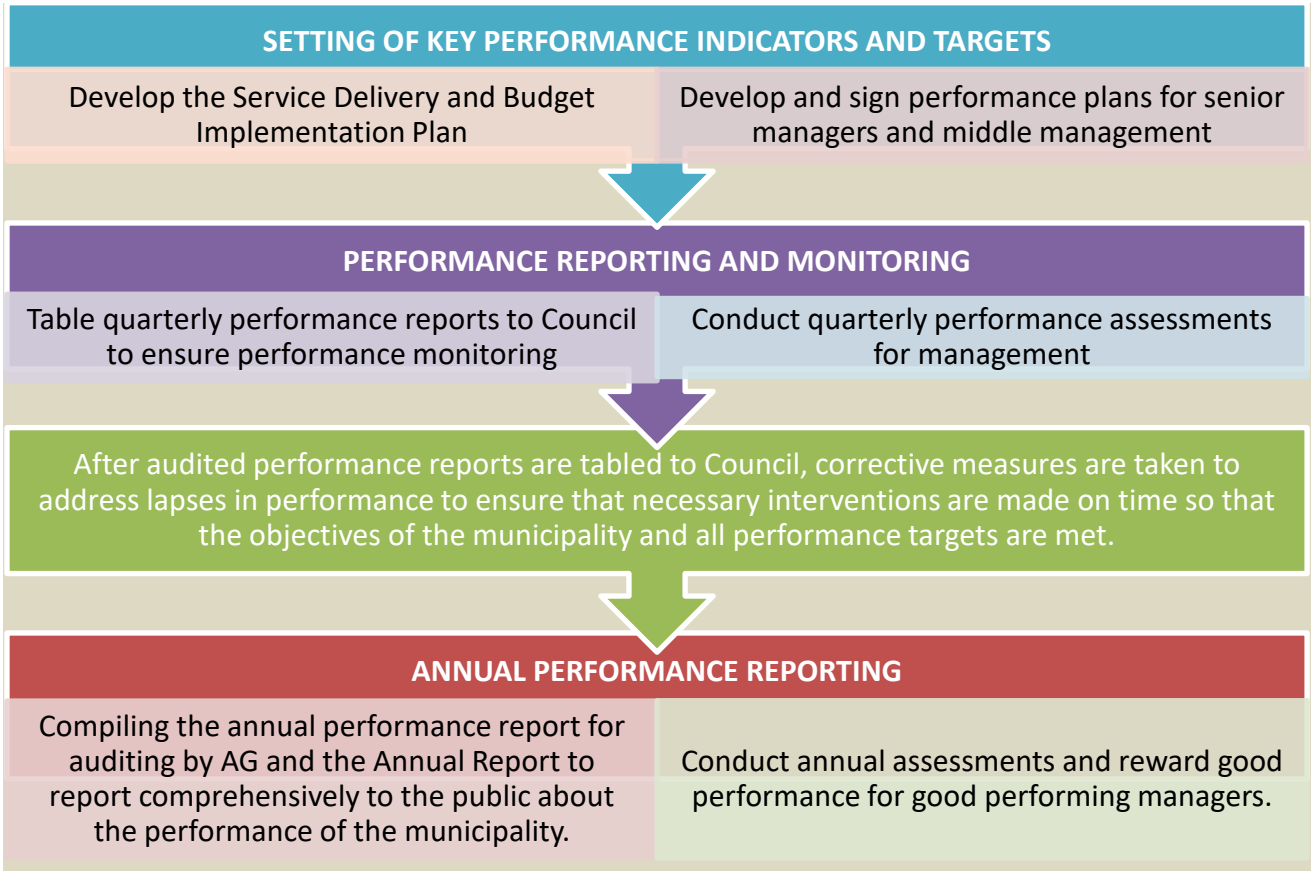
**(c) Strategic planning resolutions**

The strategic planning made recommendations which eventually adopted by Council. Such recommendations provide a strategic direction and define the development trajectory for the municipality upon which the IDP is based.

**(e) Approval by Council**

The IDP was duly approved by Council and a resolution to approve the IDP is herein attached as an annexure to this IDP.

**A.9 HOW WILL MUNICIPAL PERFORMANCE BE MEASURED?**



## SECTION B: LEGISLATIVE FRAMEWORK AND DEVELOPMENT PRINCIPLES AND STRATEGIES

The Constitution of the Republic of South Africa establishes three (3) spheres of government; the national, provincial and local sphere of government. The Constitution requires all these spheres to work in a cooperative and complementary manner. The local sphere of government is the most closest to the people and is at a coalface of service delivery. As such, the local sphere of government has to take into accountnational and provincial policy imperatives and programmes in the planning and implementation of all its projects and programmes while at the same time paying attention in pursuing the global and continental development agenda. This section outlines the principles that informed and guided Nquthu LM in compiling this IDP, the manner in which it determines its development priorities as well as the manner in which it conducts its business as it endeavors to develop Nquthu.

For purposes of compiling a well informed and aligned IDP, the municipality will is informed and guided by the following:

- Legislative provisions;
- Sustainable Development Goals;
- The African Union 2063Agenda;
- The National Development Plan;
- The Medium Term Strategic Framework;
- The Provincial Growth Development Plan;
- The District Growth Development Plan;
- The State of the Nation Address;
- The State of the Province Address;
- The Integrated Urban Development Framework;
- The Back to Basics programme;
- The municipality's Spatial Development Framework;
- The Local Economic Development Strategy and,
- The municipality's Vision, Mission and Development Priorities.

Moreover, it is very important to keep a constant eye on all plans and/or programmes of government, private sector and non-profit sector that are aimed to support the development aspirations of municipalities and communities in general in a variety of ways. These plans or programmes should then be taken into account in municipal plans to identify areas of cooperation between the municipality and all stakeholders and also to prevent duplication.

## B.1 LEGISLATIVE PROVISIONS

Our mandate and our processes are governed by different pieces of legislation that give effect to Section 152 of the Constitution which establish the objects of local government and Section 153 which defines the exact functions of local government. Such legislative is listed and briefly explained in the table below, especially as it relates to integrated development planning:

| ***Constitution of the Republic of South Africa (Act No. 108 of 1996)*** |
|---|
| *The Constitution requires municipalities to undertake developmental orientated planning to ensure that it:*<br>• *Strives to achieve the objectives of local government as indicated in Section 152;*<br>• *Gives effect to its developmental duties as required by Section 153, and*<br>• *Together with other organs of state it contributes to the progressive realization of fundamental rights contained in Section 24, 25, 26, 27 and 29.* |
| ***Municipal Structure Act (Act No. 117 of 1998)*** |
| *The Municipal Structures Act No 117 of 1998 makes provision for the powers and functions between the Metro, Districts and Local Municipalities. It mandates district wide functions to the district municipalities and critical day to day functions to the local municipalities.* |
| ***Municipal Systems Act (Act No. 32 0f 2000)*** |
| *According to Chapter 5, Section 32 of the Municipal Systems Act of 2000, all municipalities (i.e. Metros, District Municipalities and Local Municipalities) are required to undertake an integrated development planning process to produce integrated development plans (IDPs). A credible IDP is a single, inclusive strategic plan for the municipality. That:*<br>• *Is based on up to date and accurate statistics and empirical data that can inform strategic decision making;*<br>• *Integrates, co-ordinates and facilitates service delivery, local economic development and wise land use management within the municipal area of jurisdiction;*<br>• *Forms the general basis on which annual budgets are developed;*<br>• *Aligns the resources and capacity of the municipality with the implementation of the plan;*<br>• *Assists a municipality in fulfilling its constitutional mandate as developmental local government; and*<br>• *Facilitates the processes of democratization and sustainability through vigorous public participation.* |
| ***Municipal Finance Management Act (Act No. 56 of 2003)*** |
| *The annual Budget and the IDP have to be linked to one another and that has been formalised through the promulgation of the Municipal Finance Management Act (2004). Chapter 4 and Section 21 (1) of the Municipal Finance Management Act indicates that at least 10 months before the start of the budget year, table in the municipal Council a time schedule outlining key deadlines for:*<br>• *The preparation, tabling and approval of the annual Budget;*<br>• *The annual review of the integrated development plan in terms of Section 34 of the* |

*Municipal Systems Act, and the Budget related policies*

- *The tabling and adoption of any amendments to the integrated development plan and budget related policies, and*
- *The consultative processes forming part of the processes referred above.*

***Disaster Management Act (Act No. 53 of 2002)***

*The Disaster Management Act No 53 of 2002, Section 25 requires each municipality must, within the applicable municipal disaster management framework, to:*

- *Prepare a disaster management plan for its area according to the circumstances prevailing in the area;*
- *Co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players;*
- *Regularly review and update its plan: and*
- *Through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), consult the local community on the preparation or amendment of its plan.*

***Municipal Planning and Performance Management Regulations, 2001***

*In 2001, the Municipal Planning and Performance Management Regulations were issued to further provide guidelines and clarity on the issues of IDP and PMS. The Municipal Planning and Performance Management Regulations provide details on the requirements of the IDP and Performance Management System.*

***Intergovernmental Relations Act***

*The Intergovernmental Relations Act is a very important piece of legislation because it establishes a legal obligation on all spheres and organs of government to work in a manner that is cooperative and complimentary.*

***Promotion of Access to Information Act (PAIA)***

*Section 32 of the Constitution provides for a right of everyone to have access to information that concerns him/her and/or he/she requires to exercise his/her rights. PAIA gives effect to this constitutional right and outline all procedures that should be put in place by government organs in giving effect to this right and also determine the extent or limits to which this right can be exercised.*

***Promotion of Administrative Justice Act (PAJA)***

*PAJA is a piece of legislation that ensures that the actions of all government organs are just and establishes a principle of consultation with affected parties. This is very important and relevant to a local municipality because laws, decisions and processes of the municipality should be open to the public and be subjected to a consultation process. The public is entitled to a just and fair administration.*

***Division of Revenue Act***

*This Act is a legal instrument to distribute and/or allocate revenue collected nationally to all spheres of government to fund different government programmes and outline the following:*

- *Explain the formula used to allocate funds to different spheres of government, especially*

*local government;*

- *Prescribe conditions upon which these funds shall be utilised and how they shall be accounted for;*
- *Determine intergovernmental principles and/or obligations applicable between different levels and organs of government in planning and spending of funds allocated;*
- *Determine the role of transferring and receiving officers especially national departments and municipalities, and*
- *Provide for any related matters.*

## B.2 POLICY DIRECTIVES

### (a) Sustainable Development Goals

On the 25th of September 2015, hundred and ninety-three (193) countries under the United Nations banner adopted Sustainable Development Goals (SDGs) with a shared goal of ending poverty, protect the planet and ensure prosperity for all.

While these goals are quite ambitious and a mammoth task to achieve, Nquthu LM believes that they can be achieved and are achievable if everyone put maximum effort in realizing them. These goals are:

1. End extreme poverty in all forms by 2030.
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
3. Ensure healthy lives and promote well-being for all at all ages.
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5. Achieve gender equality and empower all women and girls.
6. Ensure availability and sustainable management of water and sanitation for all.
7. Ensure access to affordable, reliable, sustainable and modern energy for all.
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
10. Reduce inequality within and among countries.
11. Make cities and human settlements inclusive, safe, resilient and sustainable.
12. Ensure sustainable consumption and production patterns.
13. Take urgent action to combat climate change and its impacts.

14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.

**(a) The African Union 2063 Agenda**

This agenda is essentially an instrument to achieve the vision of the African Union which says "An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena". In pursuit of this noble vision, the AU set seven (7) aspirations that seek to define the kind of Africa we want, these are:

1. A prosperous Africa based on inclusive growth and sustainable development.
2. An integrated continent, politically united and based on the ideals of Pan-Africanism and the vision of African Renaissance.
3. An Africa of good governance, democracy, respect for human rights, justice and the rule of law.
4. A peaceful and secure Africa.
5. An Africa with a strong cultural identity, common heritage, values and ethics.
6. An Africa where development is people-driven, unleashing the potential of its women and youth.
7. Africa as a strong, united and influential global player and partner.

**(b) The National Development Plan (Vision 2030)**

This is the blueprint for South Africa's long term development vision. The NDP identifies and focuses on solutions and strategies to attain the following goals:

1. Creating jobs and livelihoods;
2. Expanding infrastructure;
3. Transitioning to a low carbon economy;
4. Transforming urban and rural spaces;
5. Improving education and training;
6. Providing quality health care;
7. Building a capable state;

8. Fighting corruption and enhancing accountability, and
9. Transforming society and uniting the nation.

### (c) The Medium Term Strategic Framework (MTSF)

This MTSF is a national strategic plan for the 2014-2019 national government electoral term that is inspired by and/or based on the vision of the NDP. The MTSF focuses on fourteen (14) priority outcomes, which are:

1. Quality basic education;
2. A long and healthy life for all South Africans;
3. All people in South Africa are and feel safe;
4. Decent employment through inclusive growth;
5. A skilled and capable workforce to support an inclusive growth path;
6. An efficient, competitive and responsive economic infrastructure network;
7. Vibrant, equitable, sustainable rural communities contributing towards food security for all;
8. Sustainable human settlements and improved quality of household life;
9. Responsive, accountable, effective and efficient local government (**Outcome 09**);
10. Protect and enhance our environmental assets and natural resources;
11. Create a better South Africa and contribute to a better Africa and a better world;
12. An effective, efficient and development-orientated public service;
13. A comprehensive, responsive and sustainable social protection system, and
14. A diverse, socially cohesive society with a common national identity.

### (d) The Provincial Growth Development Plan (PGDP)

The KZN PGDP is inspired by the vision of the NDP and encapsulates all the principles and aspirations of the people of KwaZulu-Natal of which Nquthu is part.

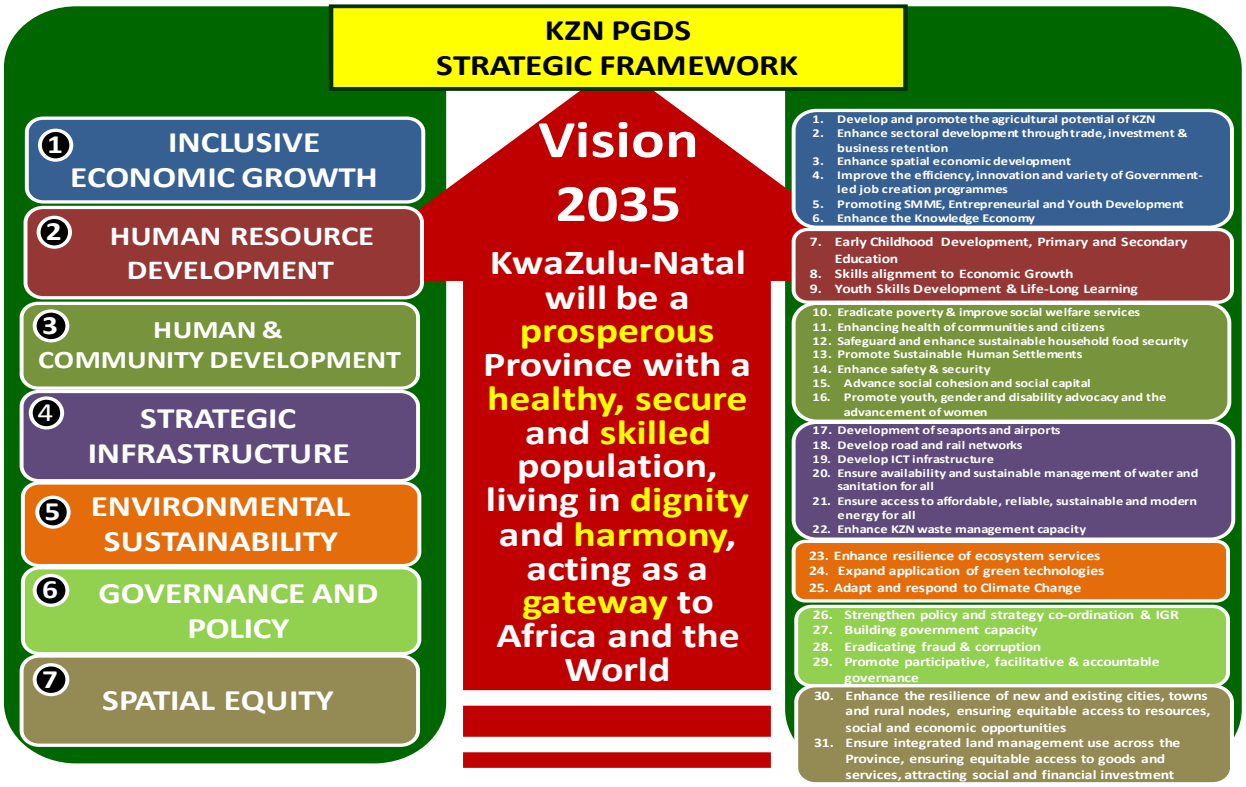



**Figure 03:** KZN PGDS Strategic Framework

### (e) The District Growth Development Plan (DGDP)

The Umzinyathi DM is in the process of developing its plan together with local municipalities under it. When the plan has been developed and adopted it will be incorporated into this IDP.




**Figure 03:** UDM Strategic Goals

### (f) The State of the Nation Address (SONA)

In his State of the Nation Address delivered to the Nation on 07 February 2019, the President of the Republic of South Africa, His Excellency President CR Ramaphosa, cajoled the nation to work together around the following ideals:

- Accelerating economic growth and job creation;
- Improving education and skills development to endow our nation, especially the youth, with the skills that are required by a modern economy that will inevitable have to grapple with the demands of the fourth industrial revolution;
- Improving the living condition of all South Africans, especially the poor and the vulnerable groups in our society;
- Stepping up the fight against corruption in all its forms and also working to prevent the abuse of state resources and fighting state capture, and
- Strengthening the capacity of the state to best serve its people.

### (g) The State of the Province Address (SOPA)

On 27 February 2019, the Premier of KwaZulu-Natal, Hounorable TW Mchunu, delivered the State of the Province Address in which he reflected on the progress that has been made thus far and also outlined the plans of the provincial government going forward. The key message of the Premier was the drive of government and all sectors or stakeholders in KZN to work towards realizing the provincial government's eight priorities, which are:

- Building an inclusive economy that creates jobs;
- Developing and transforming our rural areas to address challenges of poverty and urban migration;
- Ensuring decent living conditions and sustainable human settlements;
- Improving and expanding education and training;
- Ensuring quality health care for all people;
- Expanding comprehensive social security;
- Fighting crime and corruption, and
- Building a united nation and promote social cohesion.

The State of the Province address highlighted focus areas in the province which are of relevance to municipal strategic planning.

### (h) The Integrated Urban Development Framework (IUDF)

South Africa is faced by a serious challenge of rapid and uncontrolled urban migration as people move to urban areas in pursuit of economic opportunities. The IUDF's main objective is to ensure spatial transformation whereby development in our towns and cities is planned in a manner that gives effect to four (4) strategic goals, which are:

- **Spatial integration-** to forge new spatial forms in settlement, transport, social and economic areas;
- **Inclusion and access-** to ensure that people have access to social and economic services, opportunities and choices;
- **Growth-** to harness urban dynamism for inclusive, sustainable growth and development, and
- **Governance-** to enhance the capacity of the state and its citizens to work together to achieve spatial and social integration.

### (i) The Back to Basics programmes (B2B)

The B2B is a national initiative aimed at promoting and ensuring good governance, public participation, sound financial management, accountability and delivery of services to communities at local government level. This initiative put emphasis on existing local government laws and programmes and put in place reporting requirements with a sole aim of monitoring and evaluating the actual performance of municipalities.

The Nquthu LM B2B implementation approach is herein outlined in the implementation plan section of this IDP.

### (j) The Spatial Development Framework (SDF)

The SDF is a very important planning instrument for the municipality because it outlines and analyses the challenges and opportunities of the municipality in terms of its environmental situation, water scarcity and access, agricultural potential, biodiversity, climate, socio-economic conditions, settlement patterns and other related information that is central to allow the municipality to develop proper plans and programmes.

Nquthu LM has reviewed its SDF in March 2017 and used it extensively in compiling this IDP as it provide a very important data and analysis for purposes of planning (*See Situational Analysis section*).

### (k) The Local Economic Development Strategy (LED Strategy)

Local economic development is one of the foremost developmental priorities of Nquthu LM. In this light, the LED strategy becomes a very strategic facts gathering and planning tool that guides the municipality to enable it to develop economic development projects and programmes that are economically feasible and sustainable.

Nquthu LM has a LED strategy that was adopted back in 2014 but could not be reviewed annually due to financial constraints. However, the existing strategy is a good base and framework that can be reviewed internally since the fundamental aspects of a credible LED strategy are already incorporated into that strategy.

### (m)The municipality's Vision, Mission and Development Priorities

Council, at its Strategic Planning Session, resolved to review vision, mission and development priorities of the municipality to give effect to the new electoral mandate of Council that was inaugurated on 06 June 2017.

The revised vision, mission and development priorities takes into account political direction of new Council and also take into account the new policy direction of government as a whole, especially with regard to the emphasis that is put in economic redistribution through procurement and local enterprise development. The revised vision also put emphasis on a dynamic and transformational political leadership that is conscious of the current political, social and economic environment and is capable of steering the municipality in a correct growth path.

## B.3 COMMONALITIES AND RELATIONSHIP BETWEEN POLICY DIRECTIVES

A careful analysis of these policy directives as expressed at a global, continental, national and provincial levels reveal a particular pattern by which there is a broad convergence of ideas and aspirations between all of them. Even though the wording may differ, but the principles, objectives and goals remain the same. In essence, there is a clear unity of purpose between all these policy directives which makes them inherently aligned in principle and in essence. Such unity of purpose is summarized below as follows:

- **Sustainable development:** emphasis that development should be planned and implemented in such a way that it can be sustained in the long term. This means that all development programmes must be financially feasible, cost effective, consistent and continuous for as long as they are necessary.

- **Fighting poverty:** there is broad consensus that every effort must be put in fighting and eliminating poverty. Poverty is a broad phenomenon that can take many forms, including; lack of income, hunger, lack of shelter, lack of access to proper health care, etc.
- **Inclusive growth and job creation:** while economic growth is a prerequisite for any society to prosper, economic growth that is not inclusive and which does not benefit the majority of citizens can never produce a prosperous nation. As such, emphasis is put on the need to ensure that all people, especially the previously disadvantaged or the former oppressed, do participate in the economy and reap the benefits of economic growth through employment opportunities and also through enterprise development and ownership.
- **Environmental protection and conservation:** development, especially infrastructure development and industrialization, can be a very resource intensive process that can endanger our environment either through natural resource depletion or environmental pollution. In light of this reality, government, the private sector and anyone else should be environmentally conscious and follow a prescribed protocol and also take all necessary measures to protect and preserve our environment for future generations, especially as we are faced with a challenge of climate change which result in terrible natural disasters like floods and drought.
- **Democracy, good governance, peace, justice, human rights and the rule of law:** these are the fundamental requirements for any nation to be economically, political and socially stable and prosperous, as such; all governments are expected to meet these requirements without fail.
- **Redress and social cohesion:** in order for any nation to attain social cohesion, there has to be a concerted effort to redress the imbalances of the past so that the former oppressed and the former oppressor have same access to opportunities and share equally in the wealth on the nation. Social cohesion shall always be a product of equality; it can never be an isolated phenomenon.
- **Social justice, equality and transformation:** undoing the social injustices and discriminatory practices of the past especially in respect of race and gender in order to effect a change of mindset and undo unjust social norms and practices.
- **Infrastructure development and access to basic services:** infrastructure development and access to services goes together since services are dispersed to the community through infrastructure that is a conduit for them to be delivered. Infrastructure and access to services is central in changing the daily lives of the people for the better.
- **Spatial planning and integration:** development that is unplanned can produce unintended and undesirable outcomes. Hence, emphasis is put on a well planned development that takes into account a variety of factors, including; environmental considerations, integrating settlements to critical public facilities, proximity to places of work, anticipated or potential

future developments, eliminating racial and economic segregation and also take into account other related factors.

## B.4 ALIGNMENT STRATEGY AND APPROACH

The commonalities and relationship between these policy mandates, as explained above; means that they talk to each other and are interrelated and complementary. As such, we are of the view that the NDP, PGDP and DGDP are inherently aligned to policy mandate at a continental and global level. Therefore; this IDP will be directly aligned to the NDP, PGDP, DGDP and Back to Basics. It was noted in the 2020 MEC IDP Assessment letter that the Back to Basics indicators were not properly incorporated into the SDBIP; this IDP addresses that factor so that Back to Basic indicators also inform the targets for PMS purposes.

The alignment table is attached to this IDP in the addendum of annexures.

## B.5 MEC RESPONSES AND CORRECTIVE MEASURES

### Matters raised in the MEC letter

Arising from 2020/21 IDP assessment, the MEC for COGTA in KZN identified a number of gaps and made recommendations as to how those gaps should be closed. All the issues that were raised in the MEC Letter have been taken into account and form part of the municipality's planning processes. MEC responses are attached as an annexure.

## SECTION C: SITUATIONAL ANALYSIS

This section provides an assessment of Nquthu LM in terms of its demographics, infrastructure backlog, socio-economic conditions, access to services and the municipality's institutional capacity to deliver on its development mandate.

### C.1 Overall population

| Municipality | Census 2011 | | | CS 2016 | | |
|---|---|---|---|---|---|---|
| | N | % | Households | N | % | Households |
| Endumeni | 64 862 | 12.7 | 16,852 | 76639 | 13.8 | 21134 |
| **Nqutu** | **165 307** | **32.4** | **31,613** | **171325** | **30.9** | **32622** |
| Msinga | 177 577 | 34.8 | 37,723 | 184494 | 33.3 | 38372 |
| Umvoti | 103 093 | 20.2 | 27,282 | 122423 | 22.1 | 34664 |
| Umzinyathi | 510 838 | 100 | 113,470 | 554 882 | 100 | 126791 |

***Table C.1:*** *Overall population (CS 2016)*

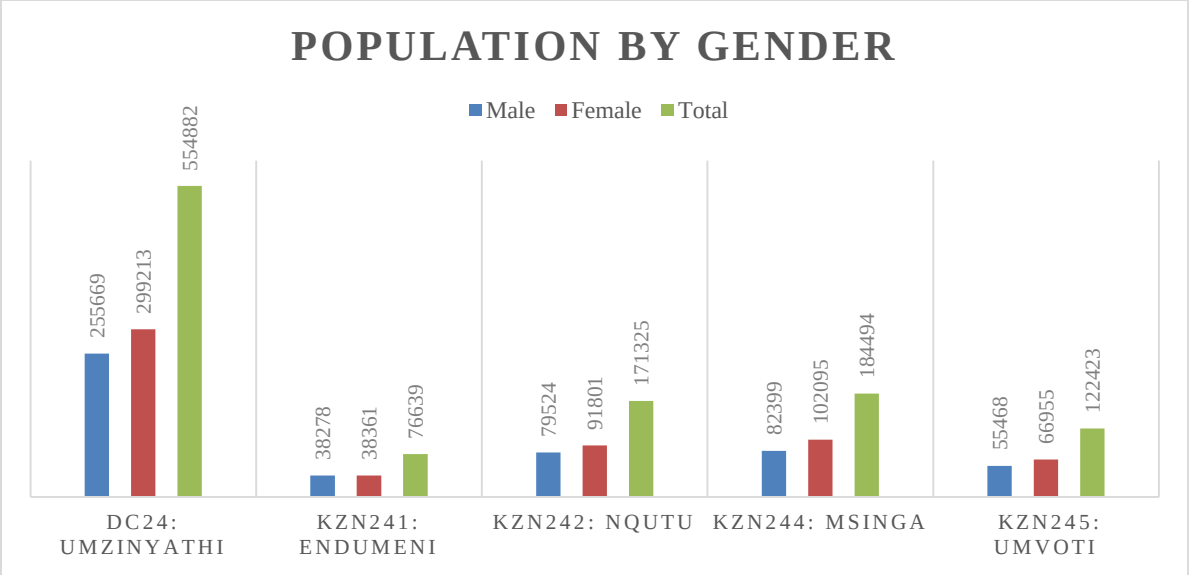
Key findings and developmental implications:

- The population of Nquthu is growing as it grew by around 6000 people between 2011 and 2016, meaning that the fertility rate is more than the mortality rate, therefore; every development plans made must take population growth factor into account.
- While population growth has a positive effect on equitable share allocation, such growth is undermined by the persistent economic dependency ratio of the growing population, especially the youth.

### C.1.2 Population by gender

| Municipalities | Male | Female | Total |
|---|---|---|---|
| DC24: Umzinyathi | 255669 | 299213 | 554882 |
| KZN241: Endumeni | 38278 | 38361 | 76639 |
| **KZN242: Nqutu** | **79524** | **91801** | **171325** |
| KZN244: Msinga | 82399 | 102095 | 184494 |
| KZN245: Umvoti | 55468 | 66955 | 122423 |

***Table C.1.2:*** *Population by gender (CS 2016)*




**Stats SA:** Community Survey 2016

Key findings and developmental implications:

- Women population is more than that of man in Nquthu by a sizeable margin in the municipality.
- Births are given to more males than women, therefore; there are more males than women from 0 to 24 years. From 24 to 34 years there is equilibrium in numbers between males and females, but from 35 years upwards male numbers decreases dramatically which means that the mortality rate of males is higher than that of females.
- Generally, single parents are single mothers, and even in co-parenting situations; men pass away first. This means there are many women headed households and that women generally have more dependents than men.
- Moreover, women are mostly behind men in terms of income levels and social status, therefore; the inevitable implication of this reality is that women should become the priority in terms of empowerment in every respect, that is; educationally, socially and economically. This is so because improving the social and economic conditions will trickle down to most households and directly result in improved living conditions in society.

### C.1.3 Population by race

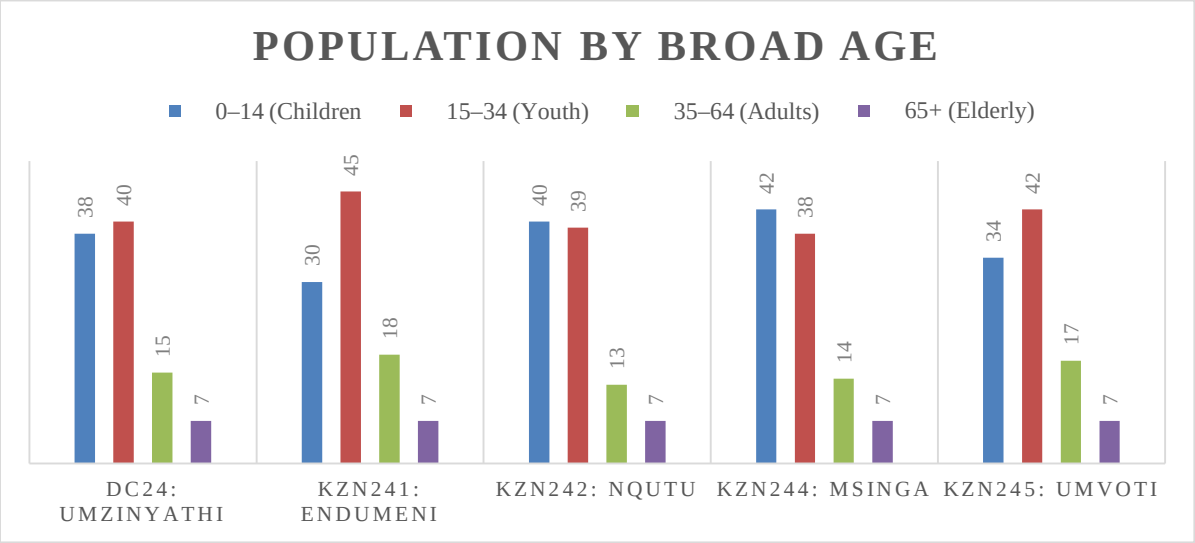
| Black Africans | Coloured | Indian/Asian | White | Other |
|---|---|---|---|---|
| 99.7% | 0.1% | 0.1% | 0.1% | 0.1% |

**Table C.1.3:** Population by race (CS 2016)

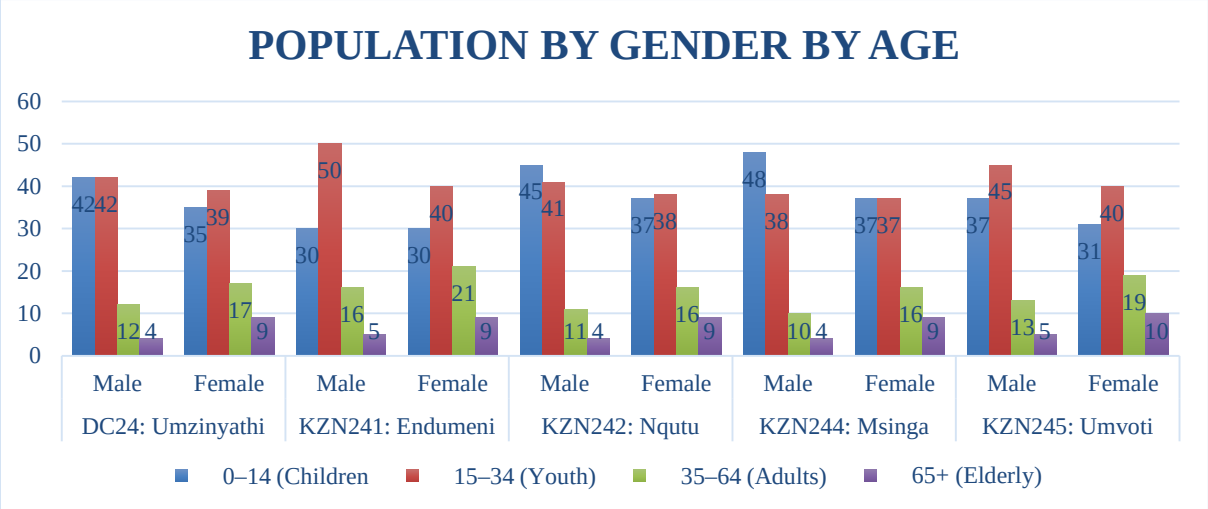
Key findings:

- The table above shows that Black Africans constitute an overwhelming and almost absolute majority of the population in the municipality.
- All development plans, especially empowerment initiatives, should take this factor into account because to only way to develop the majority of the people of Nquthu is ensure social and economic transformation in favor of Black Africans who are in majority.

### C.1.4 Population by broad age




**Stats SA:** Community Survey 2016



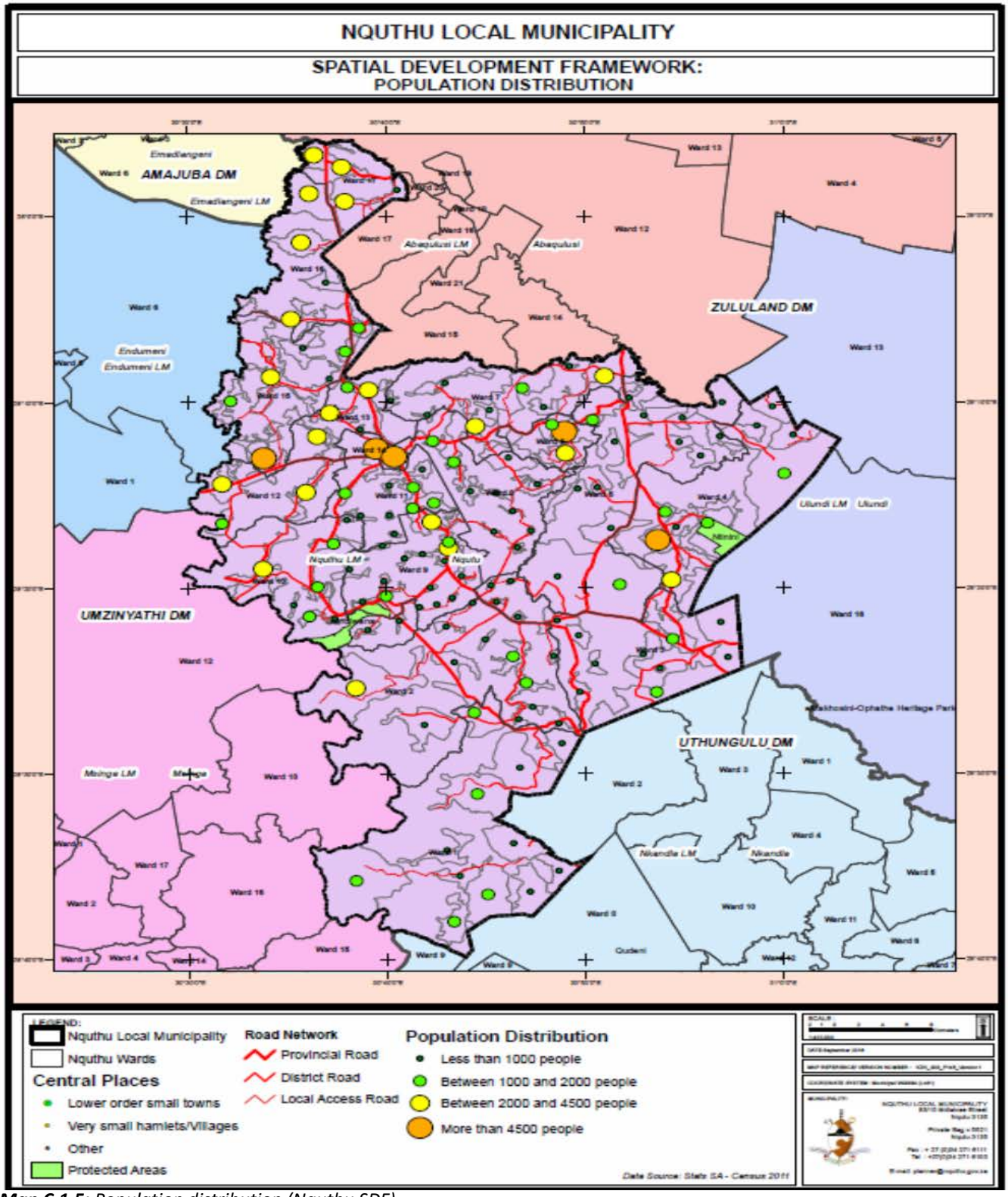

**Stats SA:** Community Survey 2016

Key findings and developmental implications:

- The youth constitute the largest majority in terms of population size.
- This has direct development implications for the municipality in terms of development strategies and programmes that it has to initiate and implement.
- Working with all other stakeholders and social partners, the municipality must ensure that there are youth development programmes addressing issues of education and training, skills development, social ills, sports and recreation, arts and culture, unemployment/job creation, enterprise development and all other related issues that affect our youth.

### C.1.5 Population distribution

The map below shows population distribution in Nquthu between different wards. It is quite evident from the map below that urban or semi urban wards have more people clustered together than wards which comprises of completely rural areas.




***Map C.1.5:*** *Population distribution (Nquthu SDF)*

Key findings and developmental implications:

- Six (6) wards have a population over ten thousand while ten other wards have a population of between eight to ten thousand, with one ward having a population below one thousand.
- Population is denser in areas where settlements take a form of settlement villages and communal grazing areas.
- It is much easier to develop and provide services in densely populated areas than in those with thinly spread settlement patterns.

### C.1.1 Socio-economic conditions

### (a) Unemployment rate

| Unemployment rate | | Youth unemployment rate | | Unemployed Household Head |
|---|---|---|---|---|
| **2001** | **2011** | **2001** | **2011** | **2011** |
| 81.6% | 44.4% | 87.9% | 53.3% | 66% |

***Table C.1.1(a):*** *Unemployment rate (CS 2016)*




Unemployment is the biggest challenge that faces the people of Nquthu. Unemployment figures above paint a gloomy picture for people since all needs of people require money. Unemployment is even higher among the youth and women, which make matters even worse.

Key findings and developmental implications:

- There a high economic dependency rate which results in a high number of indigent households which negatively affect the municipality's revenue raising capacity since most people can't pay for municipal services.
- Decreased buying power of the people which hampers economic development because businesses rely on selling products and services.
- Low income resulting in poor nutrition and lack of choice to education and private health services.
- Poor living conditions and increased criminality.
- There is a great need to invest more in employment creating programmes and also invest in enterprise development especially in the agricultural sector and tourism which have better potential in Nquthu.
- There is also a need to utilize municipal procurement of services and product to benefit most local people as revised PPPFA regulations allow ring-fencing.

**(b) Child headed households**

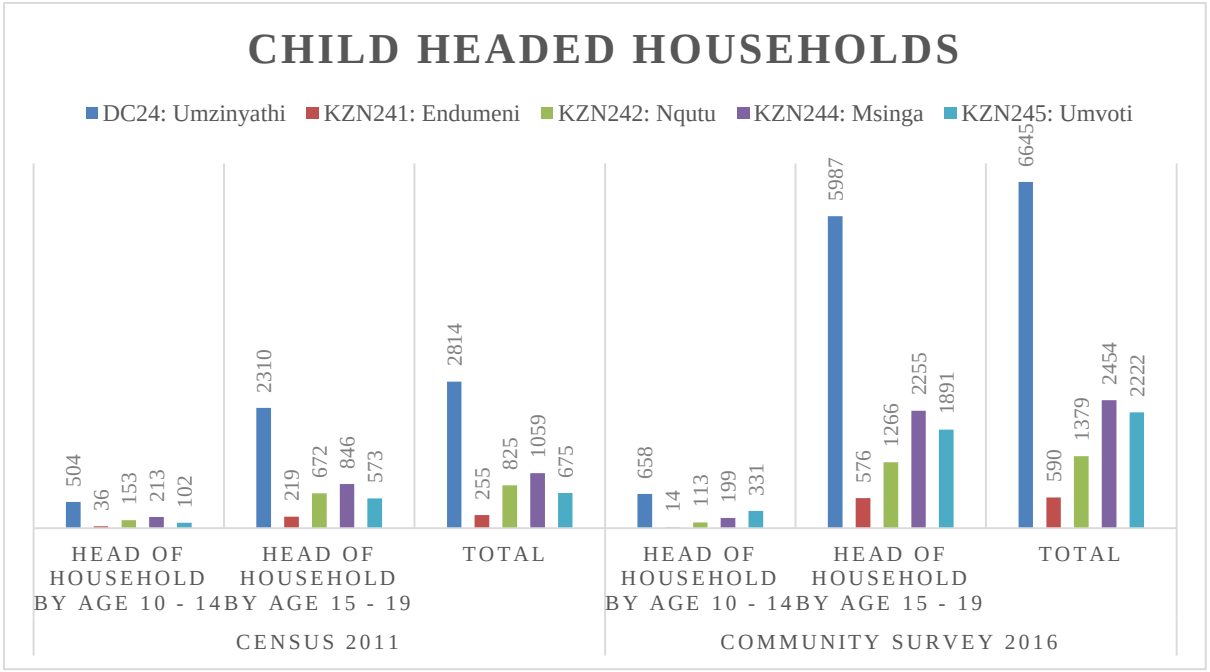



***Table C.1.1 (b) :*** *Child headed households (CS 2016)*

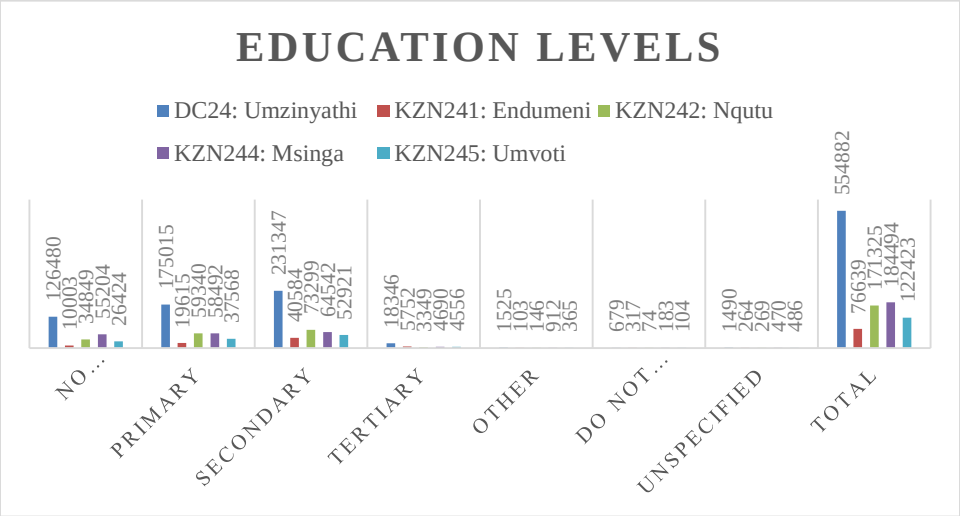
Key findings and developmental implications:

- While the number of child headed households has decreased by 40 households in the category of 10 to 14 years between 2011 and 2016, it has increased by a whopping 594 households in the category of 15 to 19 years in the same period, resulting in a combined increase of 554 child headed households between 2011 and 2016.
- The numbers above indicate that the challenge of child headed households is growing which may be a result of coincidental misfortune, HIV/AIDS related deaths, or both.
- This requires a concerted effort by the municipality, government departments and all stakeholders to initiate clear interventions to provide consistent support to child headed households.

**(c) Level of education**

| Level of Education | DC24: Umzinyathi | KZN241: Endumeni | KZN242: Nqutu | KZN244: Msinga | KZN245: Umvoti |
|---|---|---|---|---|---|
| No schooling | 126480 | 10003 | 34849 | 55204 | 26424 |
| Primary | 175015 | 19615 | 59340 | 58492 | 37568 |
| Secondary | 231347 | 40584 | 73299 | 64542 | 52921 |
| Tertiary | 18346 | 5752 | 3349 | 4690 | 4556 |
| Other | 1525 | 103 | 146 | 912 | 365 |
| Do not know | 679 | 317 | 74 | 183 | 104 |
| Unspecified | 1490 | 264 | 269 | 470 | 486 |
| **Total** | **554882** | **76639** | **171325** | **184494** | **122423** |

***Table C.1.1 (c):*** *Level of education (CS 2016)*

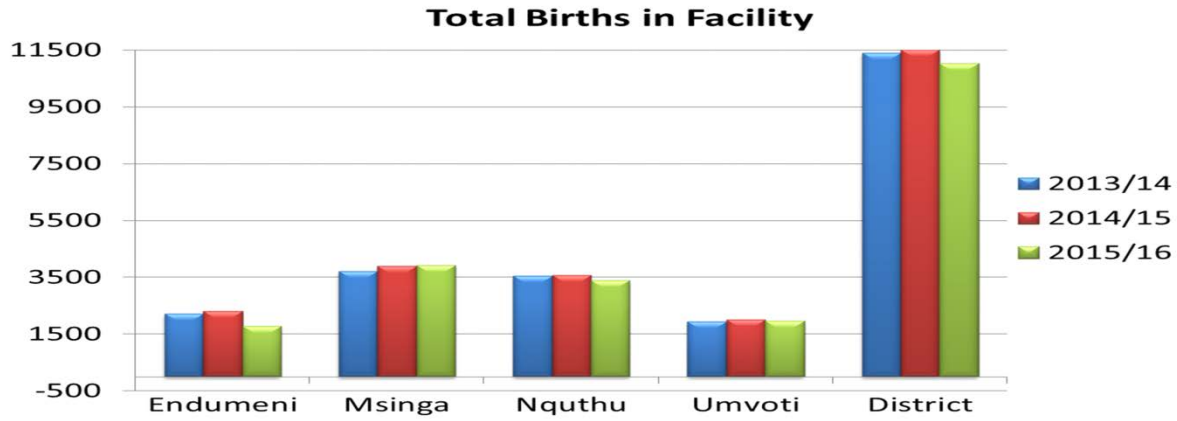


Key findings and developmental implications:

- Of the total population of 171 325 people, 34 849 have no schooling which represent a high illiteracy rate.
- The numbers show that most people have primary education and secondary education, which means most people do not have trading skills that can enhance their job finding opportunities.
- Only a tiny minority have tertiary qualifications which are quite low relative which is a course for concern.
- There is a strong need to improve access and also improve education levels in Nquthu especially with regard to post school education and skills development.

**(d) Health**

*Birth rate*




**Source:** UDM IDP (KZN DOH figures)

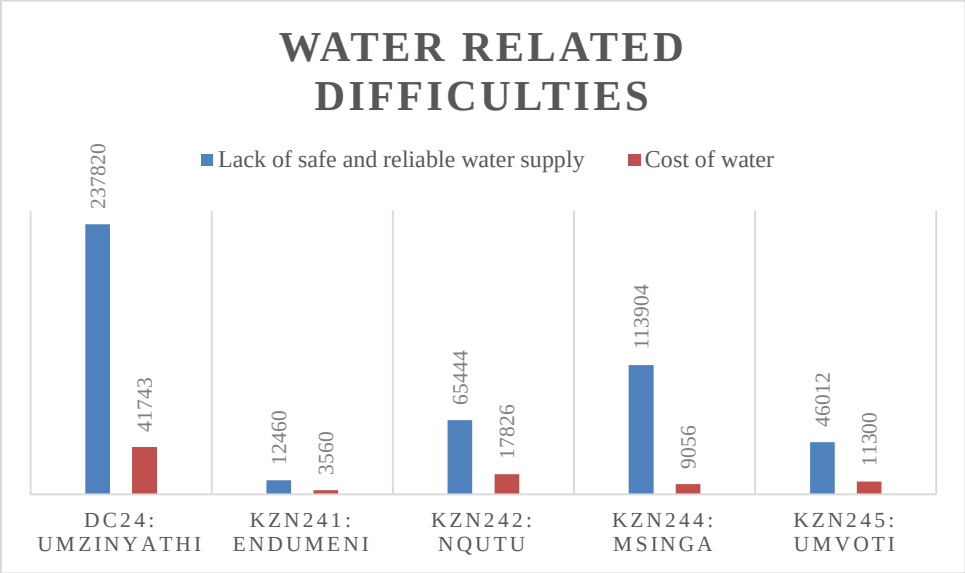
## C.1.2 Access to basic services

### (a) Water

| Source Water | DC24: Umzinyathi | KZN241: Endumeni | KZN242: Nqutu | KZN244: Msinga | KZN245: Umvoti |
|---|---|---|---|---|---|
| Piped (tap) water inside the dwelling/house | 16917 | 10433 | 1401 | 669 | 4415 |
| Piped (tap) water inside yard | 30496 | 6440 | 13322 | 4024 | 6709 |
| Piped water on community stand | 24618 | 1617 | 8293 | 9252 | 5457 |
| Borehole in the yard | 2360 | 138 | 397 | 298 | 1527 |
| Rain-water tank in yard | 2843 | 257 | 117 | 1574 | 895 |
| Neighbours tap | 1094 | 61 | 442 | 131 | 459 |

| | | | | | |
|---|---|---|---|---|---|
| Public/communal tap | 6605 | 102 | 2180 | 1103 | 3220 |
| Water-carrier/tanker | 7322 | 1244 | 443 | 3057 | 2578 |
| Borehole outside the yard | 11364 | 506 | 2899 | 6496 | 1463 |
| Flowing water/stream/river | 17795 | 30 | 2157 | 9422 | 6186 |
| Well | 707 | - | - | - | 707 |
| Spring | 3613 | 78 | 614 | 2200 | 721 |
| Other | 1057 | 228 | 357 | 146 | 326 |
| **Total** | **126791** | **21134** | **32622** | **38372** | **34664** |

***Table C.1.2 (a):*** *Water access (CS 2016)*

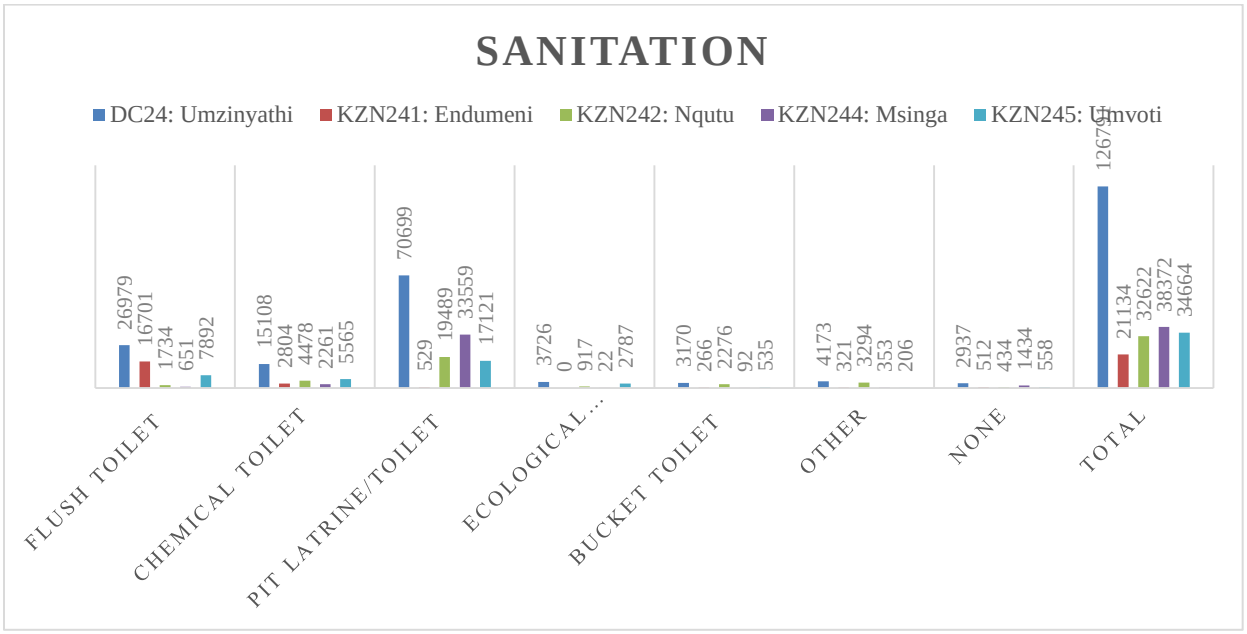



**Stats SA:** Community Survey 2016

Key findings and developmental implications:

- While there is still much to be done in terms of water infrastructure, it is clear that main challenge is not so much water infrastructure, but the main challenge is water scarcity.
- Nquthu is very prone to draught which exacerbates water scarcity even in areas where there is water infrastructure.
- While water provision is the function of Umzinyathi DM, people expect Nquthu LM to play a key role in ensuring that water is provided to them as it is the main basic need.
- There is a need to identify innovative ways to source and save water, including; water catchment during rainy seasons, combating leakages, water saving campaigns, etc.

## (b) Sanitation

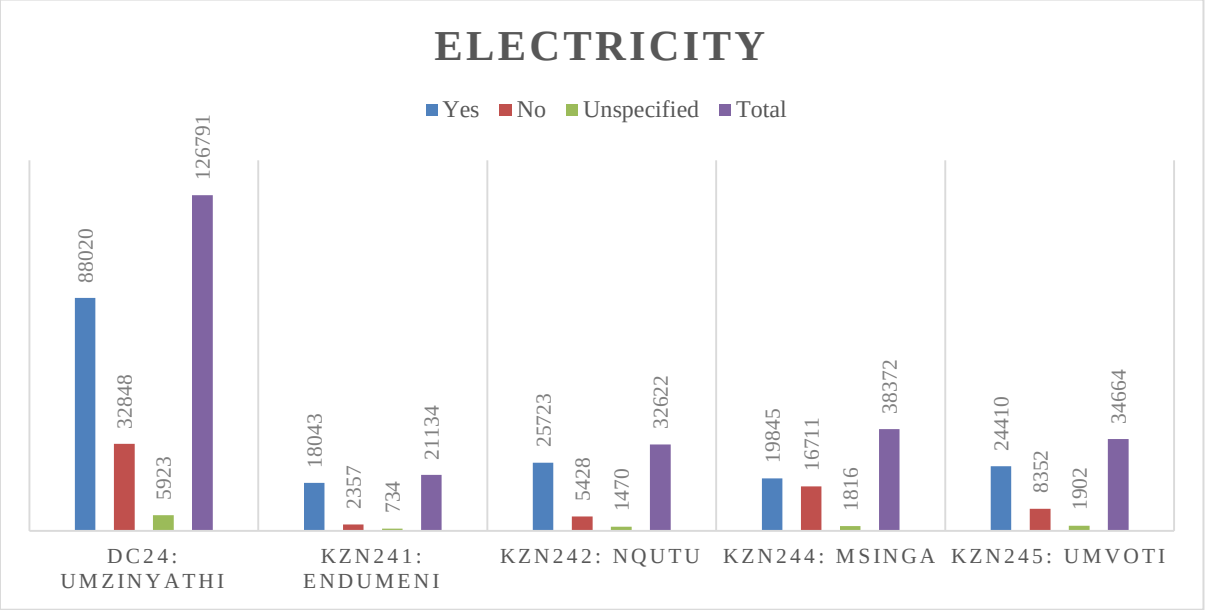



**Stats SA:** Community Survey 2016

Key findings and developmental implications:

- The overwhelming number of households does have sanitations with pit toilets being the dominant form of sanitation.
- There are still a sizeable number of bucket system toilets that has to be attended to and eliminated.
- While the amount of households that do not have toilets is too small in relation to a total number of households, such situation is undesirable and is very unhealthy and may cause water contamination and break out of diseases.

## (c) Electricity




**Stats SA:** Community Survey 2016

Key findings and developmental implications:

- With an overwhelming number of households being already electrified in 2016,it is clear that improving access to electricity is one area where Nquthu LM has performed very well, especially taking into account the fact that there were electrification projects that were implemented after the Community Survey.
- Despite tremendous progress that has been made, there is a strong need to move with speed to electrify more households as a total electrification of Nquthu has become a possibility should there be sufficient funding.

## (d) Refuse removal

| Municipalities | Removed by local authority/private company/community members at least once a week | Removed by local authority/private company/community members less often than once a week | Communal refuse dump | Communal container/central collection point | Own refuse dump | Dump or leave rubbish anywhere (no rubbish disposal) | Other | Total |
|---|---|---|---|---|---|---|---|---|
| DC24: Umzinyathi | 23730 | 1844 | 5450 | 3802 | 76463 | 10140 | 5362 | 126791 |
| KZN241: Endumeni | 15579 | 402 | 377 | 15 | 3105 | 849 | 807 | 21134 |
| **KZN242: Nqutu** | **1867** | **456** | **1990** | **1496** | **20042** | **4923** | **1848** | **32622** |
| KZN244: Msinga | 113 | 47 | 2482 | 74 | 32839 | 484 | 2333 | 38372 |
| KZN245: Umvoti | 6171 | 939 | 601 | 2217 | 20478 | 3884 | 374 | 34664 |

***Table C.1.2 (d):*** *Refuse removal (CS 2016)*

Nquthu LM is doing its utmost best to grapple with the challenge of waste management despite capacity challenges. A total of 3 228 households are serviced with refuse collection as per the schedule in the table below:

| PLACE | MON. | TUES. | WED. | THURS. | FRI. | SAT. | SUN. |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| NQUTHU TOWNSHIP | | ONCE per day | | ONCE per day | ONCE per day | | |
| NONDWENI | | | ONCE per day | | | | |
| NQUTHU TOWN | DAILY – TWICE per day | DAILY – TWICE per day | DAILY – TWICE per day | DAILY – TWICE per day | DAILY – TWICE per day | DAILY – TWICE per day | DAILY – TWICE per day |

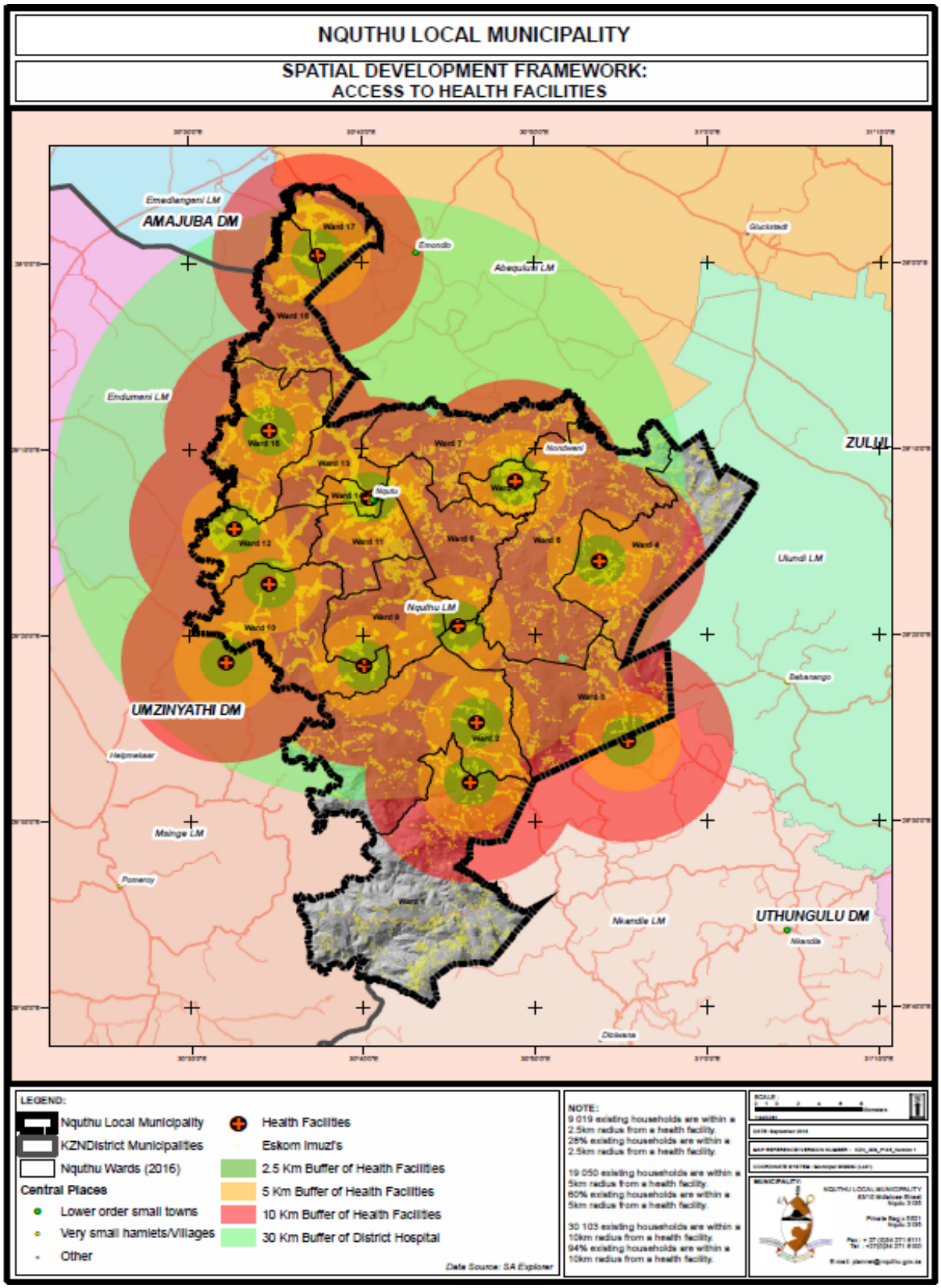
### C.1.3 Access to public facilities

### (a) Access to health facilities

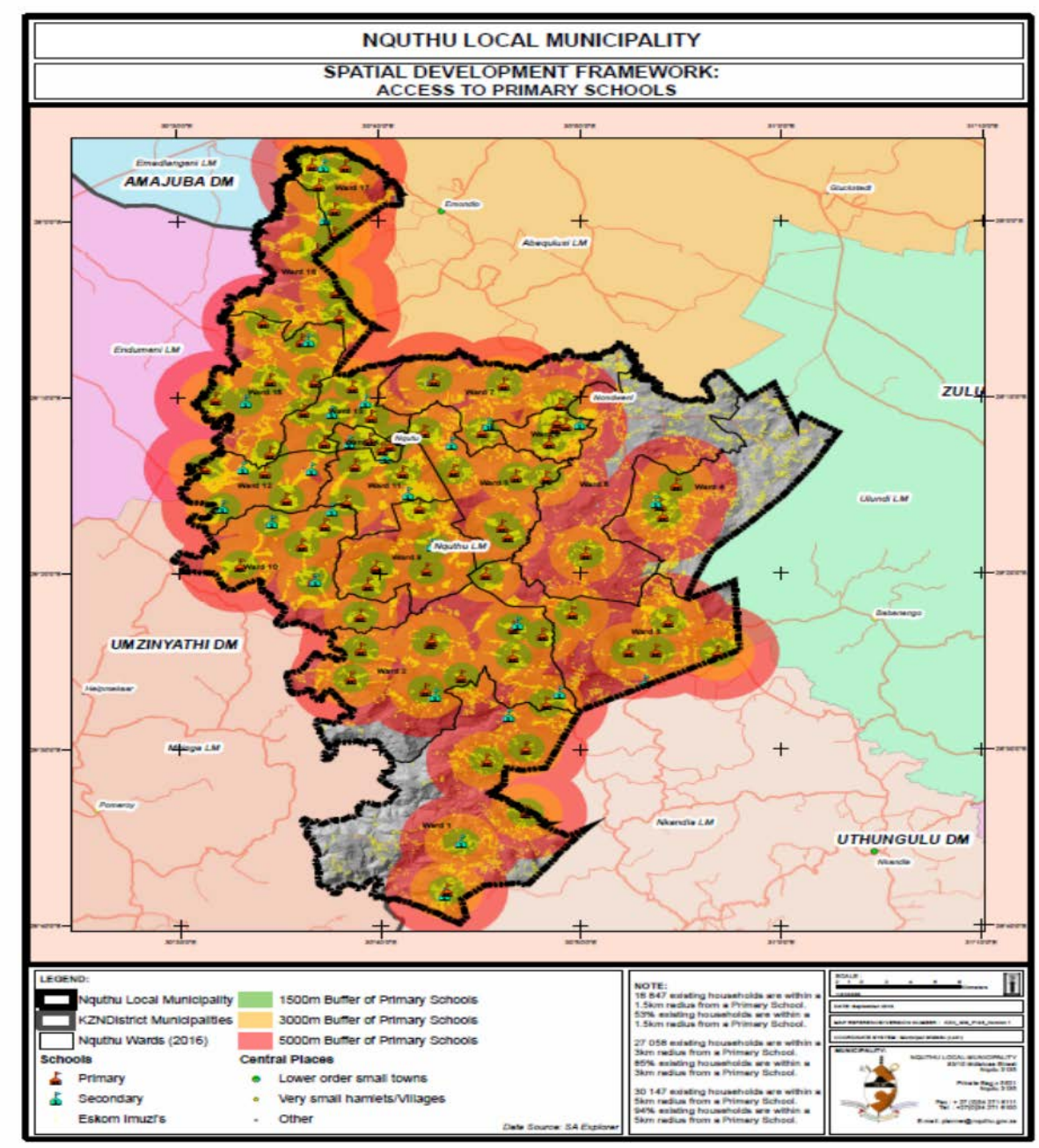
Nquthu has 01 hospital, 15 clinics and 04 mobile clinics to attend to far flung areas. These health facilities are listed in the figure below and shown in map ? further down:

| Endumeni | Msinga | Nquthu | Umvoti |
|---|---|---|---|
| 1. Dundee Gateway<br>2. Empathe Clinic<br>3. Glenridge Clinic<br>4. Sakhimpilo Clinic<br>5. Siphimpilo Clinic<br>6. Wasbank Clinic | 1. COSH Gateway<br>2. Collessie Clinic<br>3. Cwaka Clinic<br>4. Douglas Clinic<br>5. Elandskraal Clinic<br>6. Ethembeni Clinic<br>7. Gunjana Clinic<br>8. Mandleni Clinic<br>9. Mawele Clinic<br>10. Mazabeko Clinic<br>11. Mbangweni Clinic<br>12. Mhlangana Clinic<br>13. Mumbe Clinic<br>14. Ngubevu Clinic<br>15. Ngabayena Clinic<br>16. Nocomboshe Clinic<br>17. Qinelani Clinic<br>18. Rorkes Drift Clinic<br>19. Mkhuphula Clinic (to be opened)<br>20. Msizini Clinic (to be opened) | 1. CJM Gateway<br>2. Clinic Felani Clinic<br>3. Hlathi Dam Clinic<br>4. Isandlwana Clinic<br>5. KwaNyezi Clinic<br>6. Mangeni Clinic<br>7. Manxili Clinic<br>8. Masotsheni Clinic<br>9. Mhlungwane<br>10. Mkhonjane Clinic<br>11. Nkande Clinic<br>12. Nondweni Clinic<br>13. Ntinini Clinic<br>14. Thathezakhe Clinic<br>15. Zamimpilo Clinic | 1. Greytown Gateway<br>2. Amakhabela Clinic<br>3. Amatimatolo Clinic<br>4. Ehlanzeni Clinic<br>5. Eshane Clinic<br>6. Kranskop Clinic<br>7. KwaSenge Clinic<br>8. Muden Clinic<br>9. Ntembisweni Clinic<br>10. Pine St Clinic<br>11. Sibuyane Clinic<br>12. Ukuthula Clinic |

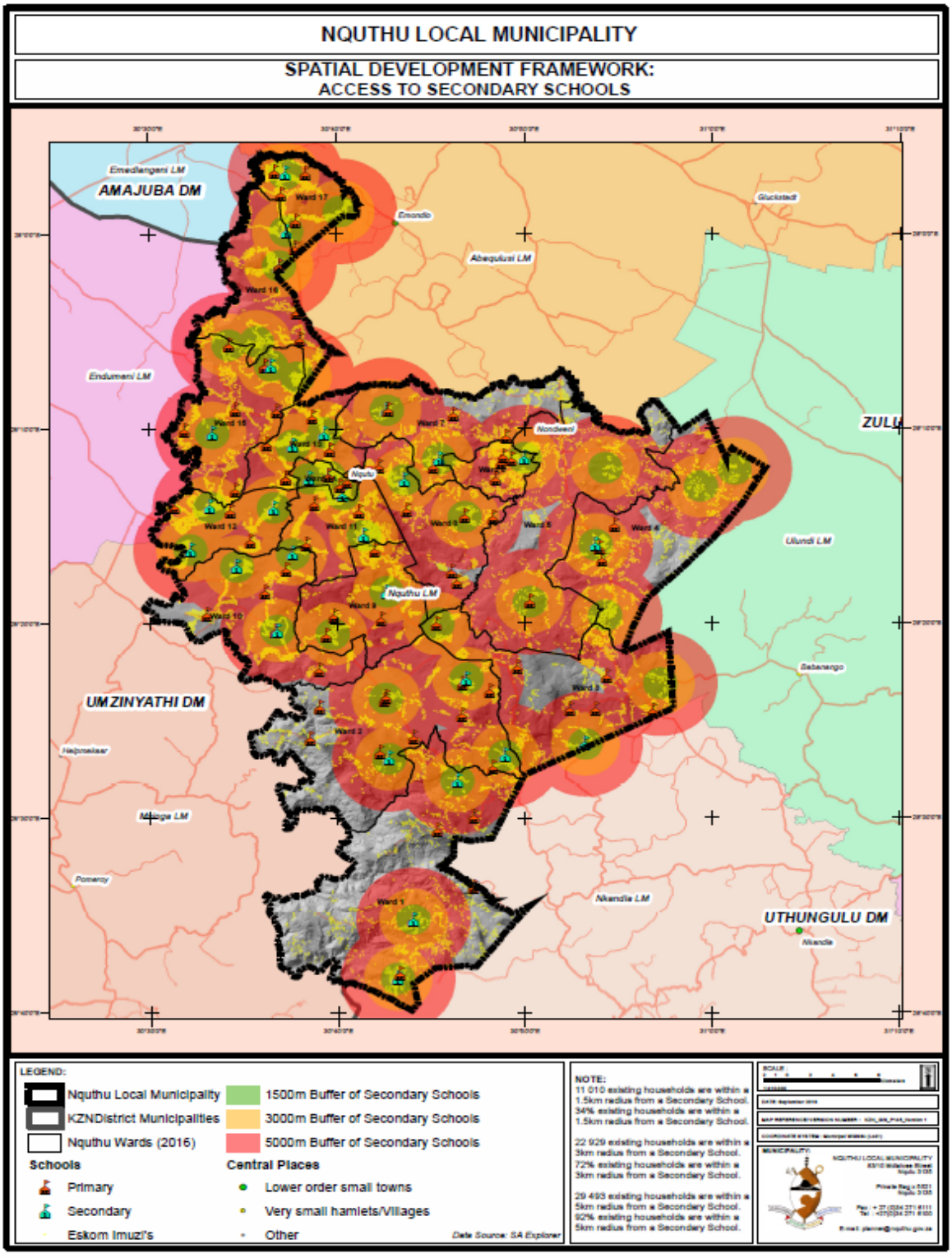
**Source:** Umzinyathi DM: 2017


NQUTHU LOCAL MUNICIPALITY
SPATIAL DEVELOPMENT FRAMEWORK:
ACCESS TO HEALTH FACILITIES
Emadlangeni LM
AMAJUBA DM
Ward 17
Emondlo
Abaqulusi LM
Gluckstadt
Endumeni LM
Ward 15
Ward 13
Ward 7
Nondweni
ZULU
Nquthu
Ward 12
Ward 11
Ward 6
Ward 5
Ward 4
Ulundi LM
Nquthu LM
Ward 9
Ward 10
Babanango
UMZINYATHI DM
Ward 3
Ward 2
Helpmekaar
Msinga LM
Pomeroy
Ward 1
Nkandla LM
UTHUNGULU DM
Nkandla
Dlolwane
LEGEND:
Nquthu Local Municipality
KZNDistrict Municipalities
Nquthu Wards (2016)
Central Places
Lower order small towns
Very small hamlets/Villages
Other
Health Facilities
Eskom Imuzi's
2.5 Km Buffer of Health Facilities
5 Km Buffer of Health Facilities
10 Km Buffer of Health Facilities
30 Km Buffer of District Hospital
Data Source: SA Explorer
NOTE:
9 019 existing households are within a 2.5km radius from a health facility.
28% existing households are within a 2.5km radius from a health facility.
19 050 existing households are within a 5km radius from a health facility.
60% existing households are within a 5km radius from a health facility.
30 103 existing households are within a 10km radius from a health facility.
94% existing households are within a 10km radius from a health facility.
SCALE:
MUNICIPALITY:
NQUTHU LOCAL MUNICIPALITY

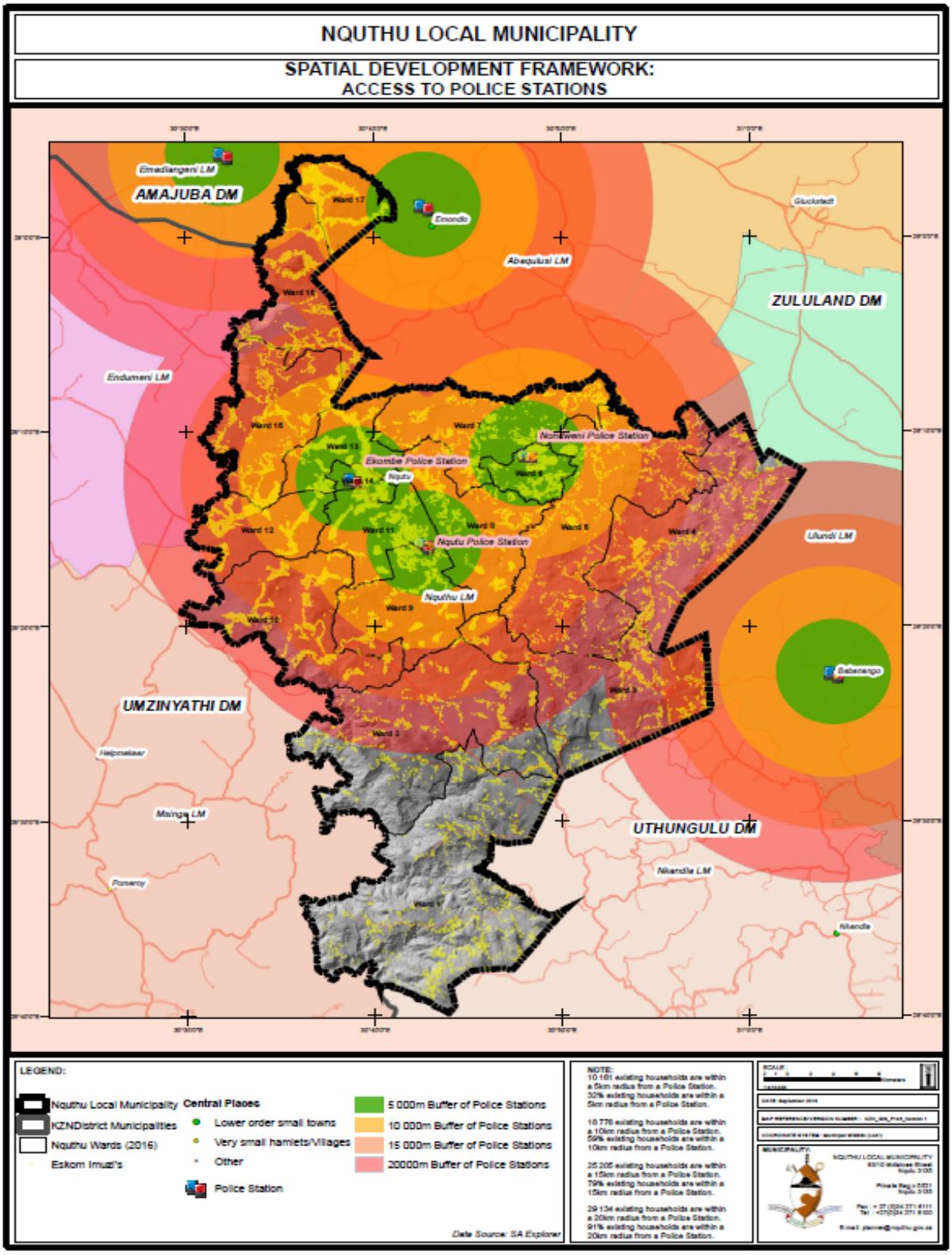
## (b) Access to public schools



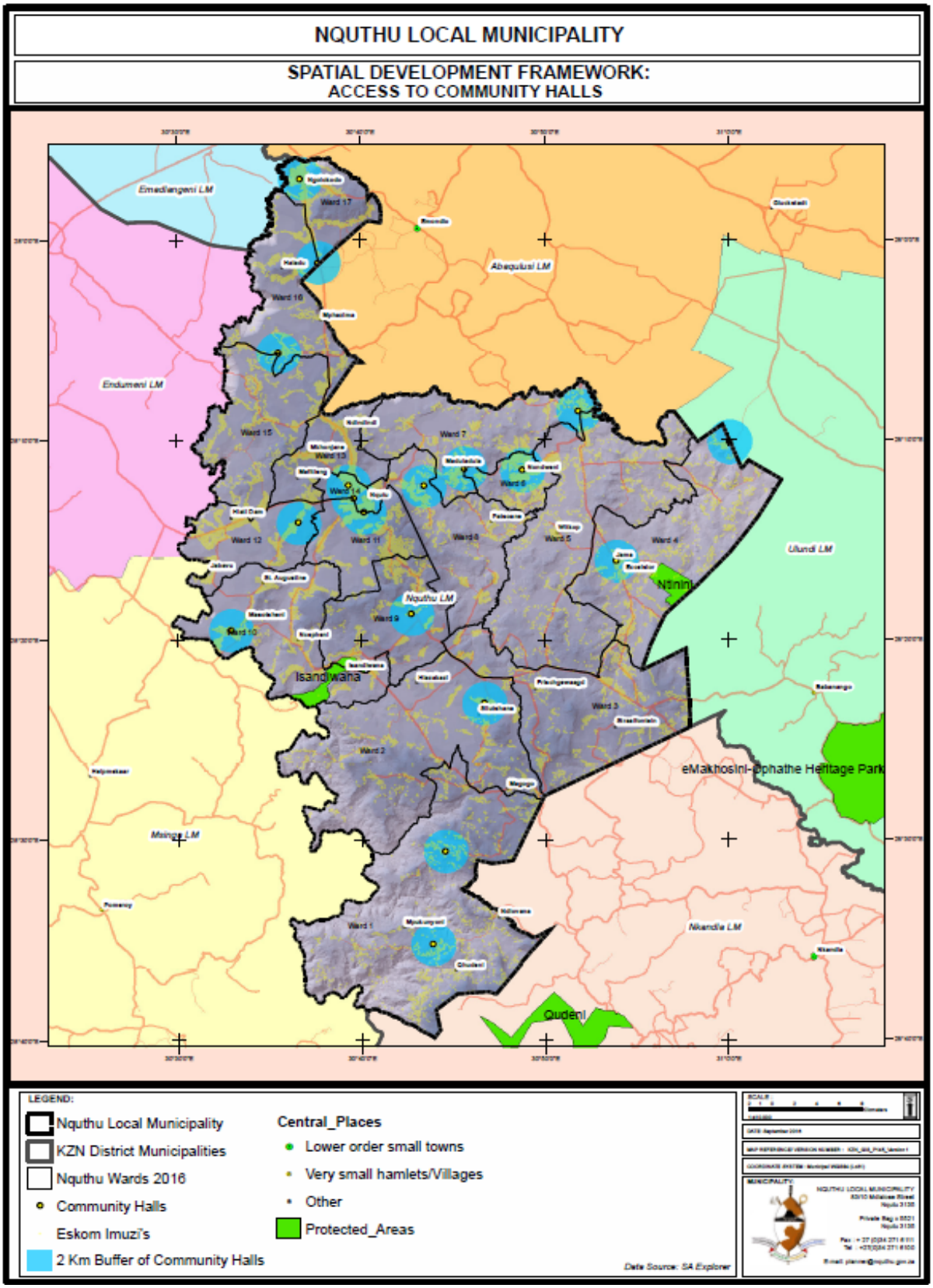
Map


NQUTHU LOCAL MUNICIPALITY
SPATIAL DEVELOPMENT FRAMEWORK:
ACCESS TO SECONDARY SCHOOLS
AMAJUBA DM
UMZINYATHI DM
UTHUNGULU DM
ZULU
Emadlangeni LM
Emondlo
Abaqulusi LM
Gluckstadt
Endumeni LM
Nondweni
Nquthu
Ulundi LM
Nquthu LM
Babanango
Nkandla LM
Nkandla
Pomeroy
LEGEND:
Nquthu Local Municipality
KZNDistrict Municipalities
Nquthu Wards (2016)
Schools
Primary
Secondary
Eskom Imuzi's
1500m Buffer of Secondary Schools
3000m Buffer of Secondary Schools
5000m Buffer of Secondary Schools
Central Places
Lower order small towns
Very small hamlets/Villages
Other
Data Source: SA Explorer
NOTE:
11 010 existing households are within a 1.5km radius from a Secondary School.
34% existing households are within a 1.5km radius from a Secondary School.
22 929 existing households are within a 3km radius from a Secondary School.
72% existing households are within a 3km radius from a Secondary School.
29 493 existing households are within a 5km radius from a Secondary School.
92% existing households are within a 5km radius from a Secondary School.

## (c) Police stations



## (d) Halls


NQUTHU LOCAL MUNICIPALITY
SPATIAL DEVELOPMENT FRAMEWORK:
ACCESS TO COMMUNITY HALLS
Emadlangeni LM
Abaqulusi LM
Endumeni LM
Ulundi LM
Nquthu LM
Msinga LM
Nkandla LM
Ntinini
Isandlwana
eMakhosini-Ophathe Heritage Park
Qudeni
LEGEND:
Nquthu Local Municipality
KZN District Municipalities
Nquthu Wards 2016
Community Halls
Eskom Imuzi's
2 Km Buffer of Community Halls
Central_Places
Lower order small towns
Very small hamlets/Villages
Other
Protected_Areas
Data Source: SA Explorer

### (e) Sports fields

Nquthu area has a number of sport facilities namely; Nondweni Sports field (ward 6), Nquthu Stadium(ward 14), Isilojana Sports field (ward16) Nkande Sportfield . The municipality have completed the upgrade of the Nquthu stadium in ward 14 and the indoor sport facility.

### (f) Libraries

Libraries are very important community service centres aimed at servicing the communities with a vast range of their information needs. Municipal libraries are co-funded by Department of Arts and Culture which complement in-house funding. Nquthu LM has two main libraries, namely Nquthu Public Library that is in Nquthu Township (ward 14) and Nondweni Public Library in Ward 6. Due to vastness of our Municipal wards, 06 centres were identifies in order to house books and other reading material and six volunteers were employed to run the service.The centres are at Isandlwana Tribal court, Mhlungwane community hall, Ntanyandlovu Primary school, Kwa-Nyezi Primary school, Msimbu secondary school and S'celimfundo combined school.

Currently we are in a process of opening a modular library in ward 17 (Ngolokodo area) which will provide all the services as the main libraries. A library has been build and electrified, furniture is already at Nquthu library and the staff will be recruited in April 2018. Another modular library will be constructed in ward 8 (Patsoana area) in 2018/19 financial year.

Among other services and activities, our libraries provides the following:

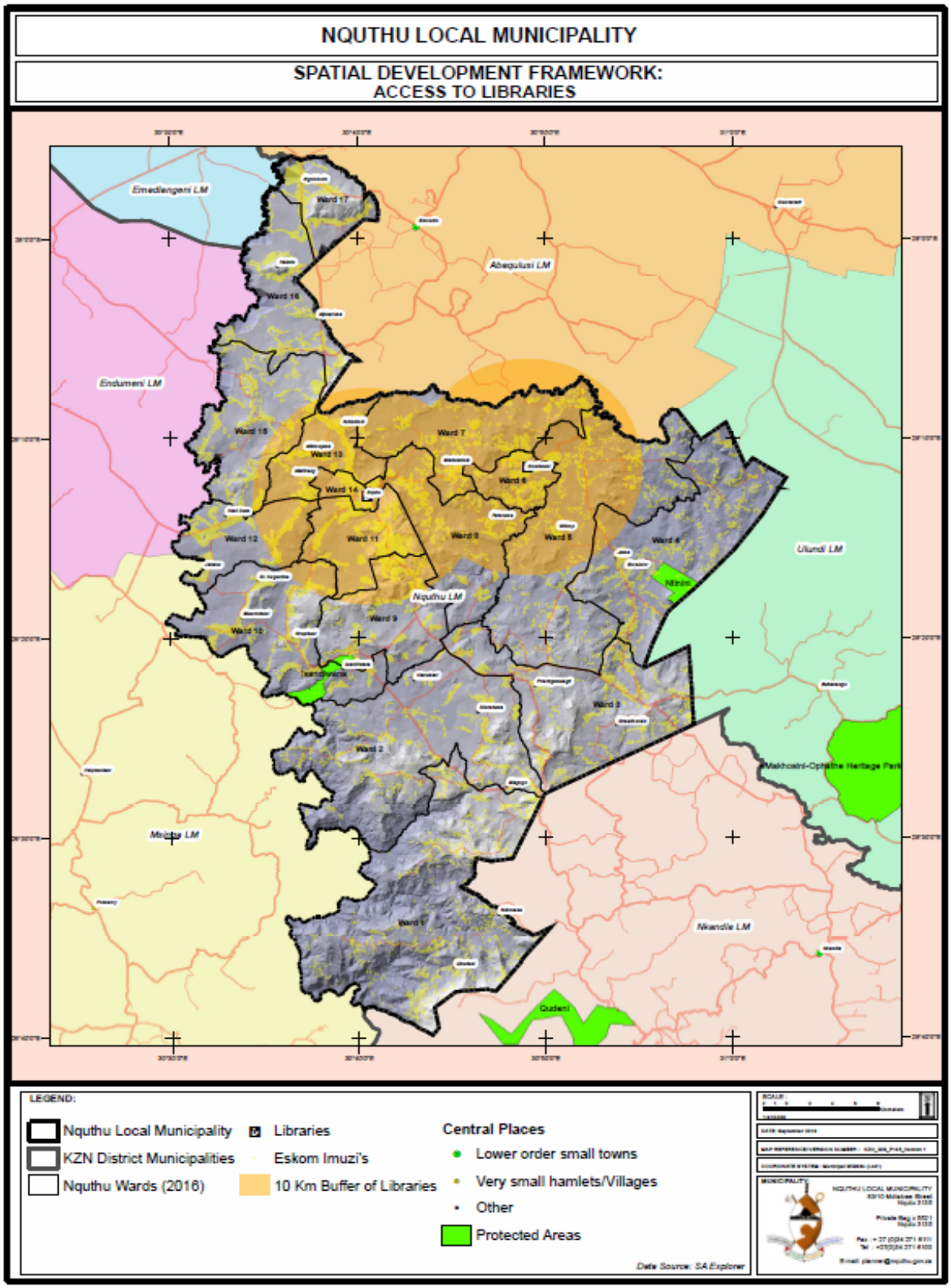
- **Study area with furniture**: learners & students are provided with quiet space and furniture conducive for studying.
- **Free Computer & internet access**: library users are offered an opportunity to book computers to type their activities / correspondences. They also are provided with computers with internet to search for themselves whatever they need.
- **Free basic computer training**: our libraries are also assisting the communities on how to use computer & search on the internet. This is done through classes that are conducted for 3 weeks. Once they are competent, certificates of attendance are issued for them to prove that they can use computers.They produce these certificates when proving that they can use computers when applying for work.
- **Wide range of books**: Our libraries provide books on different subjects and genre. We provide non-fictions (books on learning areas) and fictions (books on stories / leisure). These books are free circulating to members for 14 days except reference books and study guides. We only charges members for late returns of material (overdue) and if they lost our material or requesting to replace membership cards.
- **Newspapers & Magazines**: we subscribes to number of newspapers (local &national) for community to use them for their interests. Magazines are also being provided for community utilization.

- **Discussion / meeting space**: our libraries have group activities rooms for members of community to use for their gatherings and library related activities.
- **Scanning & emailing**: we provide free scanning facilities for the public to scan their documents. Communities have access to email their documents using our equipment.
- **CAO Forms & application**: we ensure to avail CAO forms for learners to apply for access to tertiary institutions. In addition, we assist them when applying online using library facilities.
- **Career guidance assistance**: we also assist learners in choosing their career paths. We also provide books on different careers for learners to make informed decisions.
- **Projects / assignments assistance**: we give assistance to learners and students with their projects and assignments. We also do Inter Library loans for more specific information when required. Inter library loans are loans that we do from other libraries outside the Provincial Library Services.
- **Library orientation**: we orientate new people / patrons on how to use our services and introduce them to the services that we provide. Schools usually make appointments for their learners to come and get orientated.
- **School Visits**: we also visit schools in promoting our library services and ensuring that learners understand what our library offers. We receive many invites from schools to come and encourage learners on the importance of education and reading in general.

Key findings and implications:

- There are currently 2 main libraries and 6 satelite libraries that are aimed at improving accessibility for out-flung areas. The construction of a third main library has been completed and plans to start operations it are well under way.
- Access to libraries remain a challenge in far-flung wards that have not nearby libraries as users of library services from these areas have to use public transport and incur costs to reach libraries.
- Expansion of municipal library network will greatly improve community access to libraries especially in and around the ward where it will be located.

The map below show the access to libraries in Nquthu:


NQUTHU LOCAL MUNICIPALITY
SPATIAL DEVELOPMENT FRAMEWORK:
ACCESS TO LIBRARIES
Emadlangeni LM
Abaqulusi LM
Endumeni LM
Ulundi LM
Nquthu LM
Ward 17
Ward 16
Ward 15
Ward 13
Ward 14
Ward 12
Ward 11
Ward 7
Ward 6
Ward 5
Ward 4
Ward 9
Ward 10
Ward 3
Ward 2
Ward 1
Nkandla LM
Qudeni
Nkonjeni
Makhosini-Ophathe Heritage Park
LEGEND:
Nquthu Local Municipality
KZN District Municipalities
Nquthu Wards (2016)
Libraries
Eskom Imuzi's
10 Km Buffer of Libraries
Central Places
Lower order small towns
Very small hamlets/Villages
Other
Protected Areas
Data Source: SA Explorer

## C.2 CROSS CUTTING ISSUES

### C.2.1 SPATIAL AND ENVIRONMENT MATTERS

#### (a) Structuring elements

Nquthu Municipality boundaries were determined in terms of the Municipal Demarcation Act, Act number 27 of 1998 taking into account sections 24 and 25 of the act. As such, the municipal boundaries are not simple administrative, but also planning and developmental boundaries.

#### (b) Densification and the urban edge

Nquthu Municipality identified an urban boundary/urban edge for each of the identified development nodes which has been clearly defined and has been taken further through the municipality's Land use management scheme. The urban boundary facilitates a planned environment while protecting the natural environment so as to promote sustainable development. The urban boundary intends to ensure that *ad hoc* development will not have a negative impact on planned development. Further, it facilitates the efficient delivery of services and infrastructure. It is proposed that future urban uses are contained within the existing urban areas and development first seeks to densify and infill the existing urban areas. The land use management scheme is not adopted as yet, and although the concept urban boundary is relatively correct, it will be incorporated into the SDF on final adoption of the LUMS by the municipality.

#### (c) Residential areas

Various areas have been earmarked for Urban Infill through the identification of developable land with the following characteristics,

- Land that is Unoccupied;
- Land that is not cultivated or used for any agricultural purposes;
- Land that is classified as undisturbed by the *"2005 land cover data from Ezemvelo Wildlife"*, should enjoy protection. This is mitigated by only earmarking land adjacent to existing residential areas.
- Land larger than 25ha (accommodate 100 families)
- Situated adjacent to existing residential areas.
- Land with slopes of less than 1:3.

Please refer to Figure below for Future Residential Areas, for a depiction of the localities of the existing and proposed residential areas.

The most significant areas for infill are situated in Ward 7 and 8 to the north of Nquthu & Nondweni, as well as in the west around Mkonjane and Mkanjane. Various other settlements have potential for expansion as far as land potential is concerned. It must be kept in mind that although the land potential allows for residential expansion, infill development and compact residential areas is preferable over wide expanding residential areas. This allows for more cost effective implementation of infrastructure. As mentioned in the previous section, the municipality is busy developing an urban edge which will be considered as soon as it is adopted. The goals of compact residential areas and urban infill developments are to promote sustainable functional and integrated settlement patterns in order to:

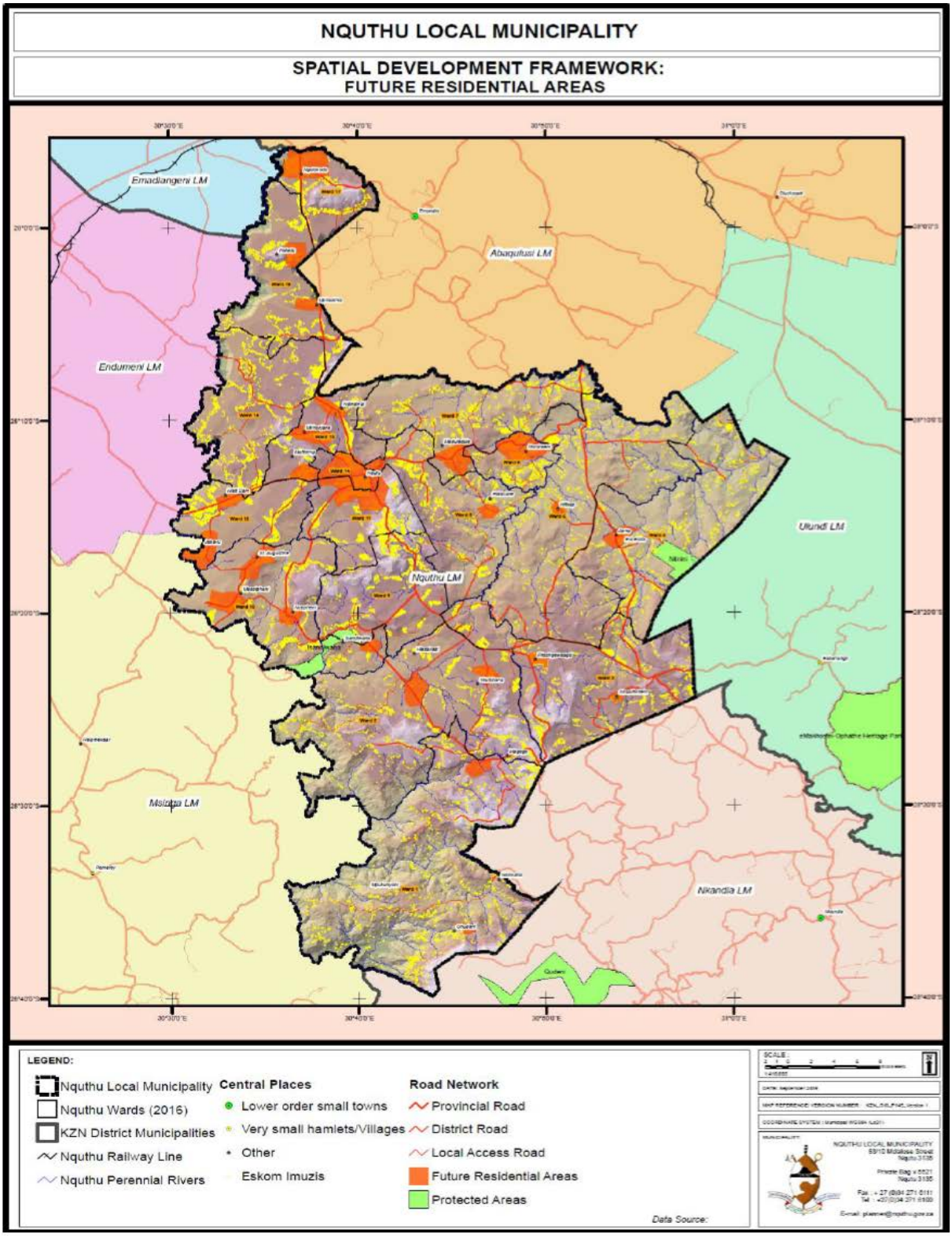
- Discourage low density urban sprawl;
- Generate social and economic opportunities for people; and
- Promote easy accessibility to opportunities.

In turn it also has an effect on maximizing resources efficiency through:

- Ensuring the protection of the available environmental resources within a municipality, and
- Protection of productive land for agricultural purposes.

As discussed in the previous section, only land in excess of 25ha is identified for residential infill. The department of housing will seldom, if ever, fund projects less than 100 units. Traditional standards for erf sizes are 2,500m² which is large enough to accommodate the traditional extended families. These portions of land also need to be situated in close proximity to current settlements with existing infrastructure, or in an area where the new development will create densities in the existing settlement which will justify the provision of services.

**Future residential areas**



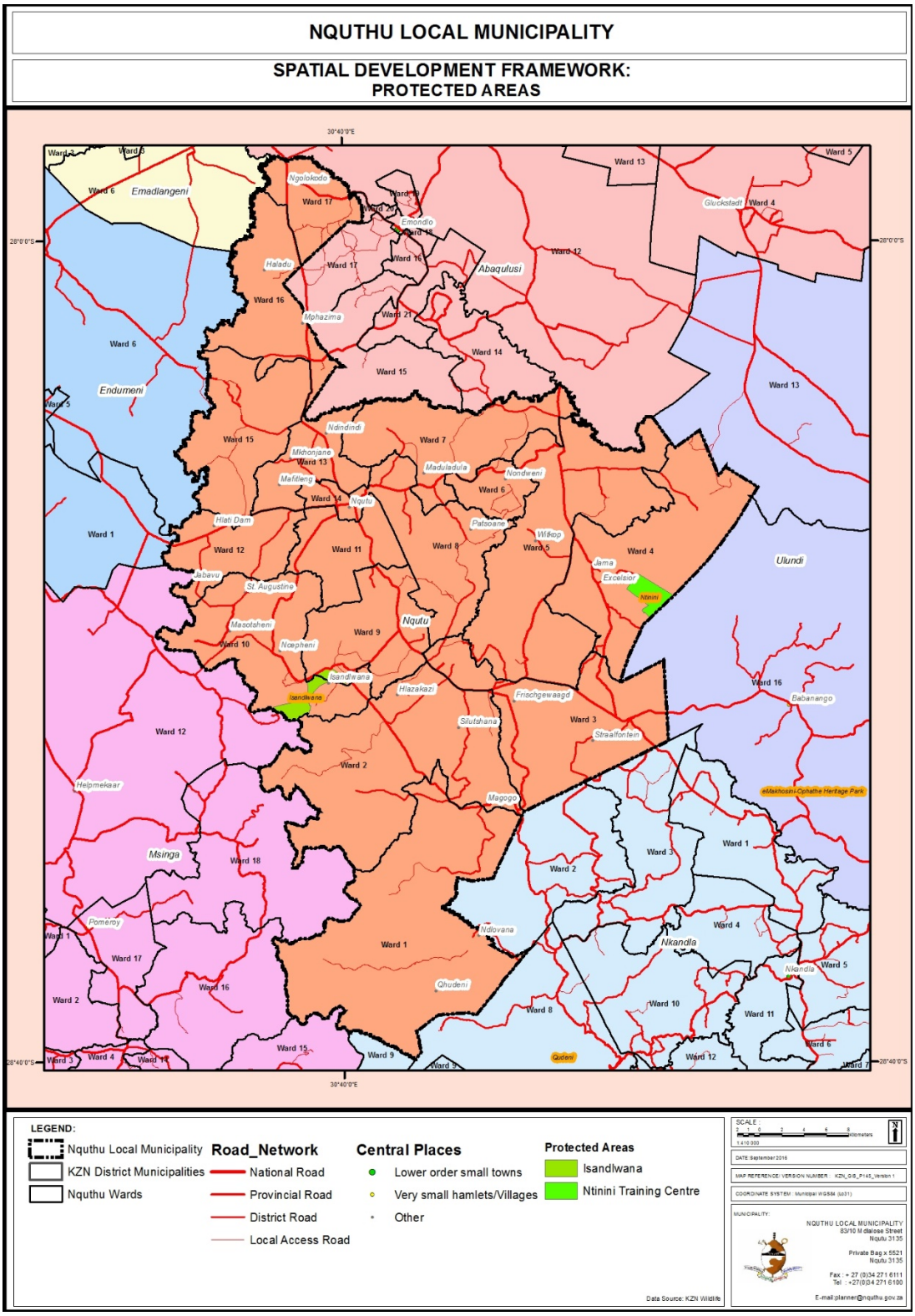
### (d) Protected and Conservation areas

As indicated in a Map below, there are 2 protected areas within the Nquthu Local Municipality which fall under the Provincial Nature Reserve Category. The Isandlwana covers 780.7ha (0.4% of municipality) of land and the Ntinini Training Centre covers 747.2ha (0.38% of municipality). Isandlwana is located in Ward 4 and the Ntinini Training Centre is located in Ward 14.

According to the Protected Area Management Plan, The Isandlwana Heritage Reserve is strategically situated in the midst of well-known Anglo-Zulu war and Anglo-Boer war sites of central KwaZulu-Natal. It is situated approximately 15 km directly south of the town of Nqutu and approximately 47 km south east of Dundee. The reserve was first proclaimed as a National Monument in 1969, several further proclamations led to the latest proclamation as a nature reserve in terms of the Protected Areas Act. Although the reserve was initially proclaimed for its historical and cultural importance it also conserves portions of the KwaZulu-Natal Highland Thornveld and the Thukela Thornveld. It is also important to note that recent discovery of new invertebrates species are a good indication of the important and potentially undiscovered biodiversity present in the reserve (Ezemvelo, 2015).

Isandlwana Heritage Reserve also forms part of a corridor that includes Ntinini Nature Reserve to the North East and Ophathe Nature Reserve which is a broad scale landscape corridor that links Ophathe Nature Reserve, Ntinini Nature Reserve and Chelmsford. This corridor is also called the Chelmsford corridor and links two of the main corridors namely the Berg Corridor and the Northern Interior Corridor. As illustrated on the attached thematic map, the Chelmsford Corridor traverses Wards 4 and 14 of Nquthu Local Municipality (Ezemvelo, 2015).

**Protected Areas**

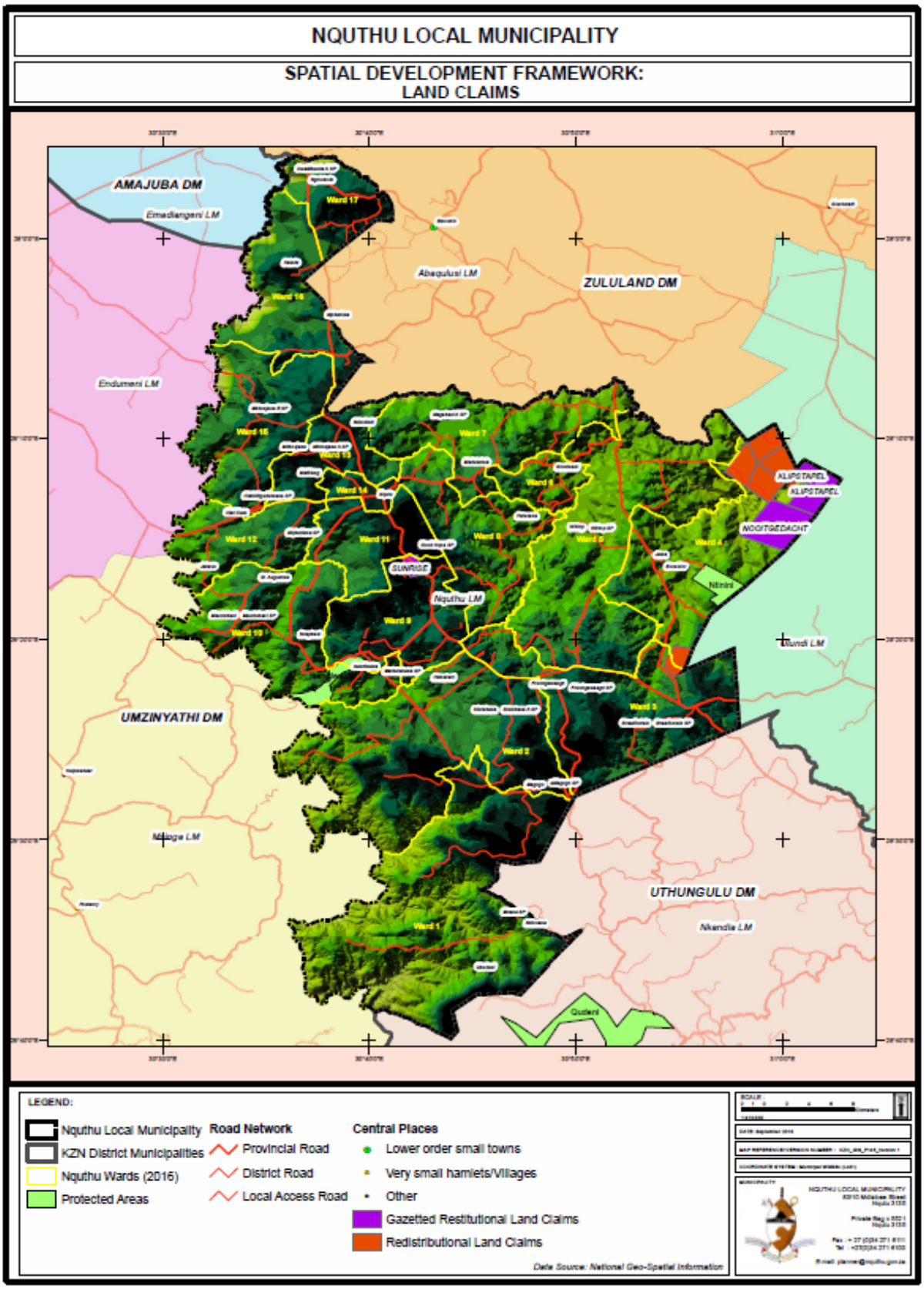


### (e) Land ownership

Apart from the towns of Nquthu and Nondweni, and selected farm portions on the eastern side of the municipality, about 93% of land within the Municipality is owned by Ingonyama Trust and managed on day-to-day basis by the respective traditional councils. Depending on existing communication structures between the local authority and the Traditional Authority, there is a need for careful, strategic and co-ordinated planning to ensure that proper and effective provision of services in the areas administered by the Traditional Authorities is done in harmony.

The underlying title of Erf 100 Nquthu and Erf 17144 Nondweni has been transferred to the municipality, and this will enable the municipality to transfer individual erfs to their respective owners. However, there are land invasions within these erven numbers due to directives from the traditional authority. This has a negative impact to urban form and consumes the space that may be effectively used for future developments**.**

The municipality is not substantially affected by the general land reform issues such as land restitution and land redistribution since most of the land within the area falls under Ingonyama Trust. However, there is a need to address the land tenure rights of people who occupy state land in Nondweni and erf 100 Nquthu. Furthermore, as indicated on the attached thematic map, there are some areas in the East and central sections of the Municipality that are subject to re-distributional land claims and gazette restitutional land claims.


NQUTHU LOCAL MUNICIPALITY
SPATIAL DEVELOPMENT FRAMEWORK:
LAND CLAIMS
AMAJUBA DM
Emadlangeni LM
Abaqulusi LM
ZULULAND DM
Endumeni LM
Nquthu LM
Msinga LM
UMZINYATHI DM
Nkandla LM
UTHUNGULU DM
Mpofana LM
Impendle LM
Ward 1
Ward 2
Ward 3
Ward 4
Ward 5
Ward 6
Ward 7
Ward 8
Ward 9
Ward 10
Ward 11
Ward 12
Ward 13
Ward 14
Ward 15
Ward 16
Ward 17
KLIPSTAPEL
KLIPSTAPEL
NOOITGEDACHT
SUNRISE
Ntinini
LEGEND:
Nquthu Local Municipality
KZN District Municipalities
Nquthu Wards (2016)
Protected Areas
Road Network
Provincial Road
District Road
Local Access Road
Central Places
Lower order small towns
Very small hamlets/Villages
Other
Gazetted Restitutional Land Claims
Redistributional Land Claims
Data Source: National Geo-Spatial Information

## (f) Environmental issues

(S=short term; M = medium term; L = long term)

| Issues | Objectives | Strategies | Interventions | Time-frames | Locations | Roles & Responsibilities |
|---|---|---|---|---|---|---|
| **CLIMATE** | | | | | | |
| Risks posed by climate change | Ensure UTDM's preparedness for climate change risks | Develop Climate Change Strategy | Climate Change Strategy to include Implementation Plan. | M | Municipal-wide | • DEA<br>• EDTEA<br>• DWS<br>• Department of Energy<br>• Relevant municipal units |
| **SURFACE WATER** | | | | | | |
| Lack of protection of watercourses and encroachment of development along rivers. | Protection of regulated areas for watercourses (i.e. 1:100 year floodline or delineated riparian / wetland habitat, whichever is greatest) | Control development alongside watercourses. | • Adopt 30 metres buffer area from boundary of regulated area of major watercourses for strict regulation of development. Implementation through adequate provisions in the municipal LUMS.<br>• Alien clearing programme.<br>• Rehabilitation of riparian areas. | S | Major watercourses | • EDTEA<br>• DWS<br>• Relevant municipal units |
| **SOIL** | | | | | | |
| High levels of erosion. | Management of erodible areas. | Establish an understanding of the areas susceptible to erosion. | • Mapping of areas where the soil has a high erodibility factor.<br>• Rehabilitation programme for priority areas.<br>• Education on best land use practices. | M | Municipal-wide | • EDTEA<br>• DAFF<br>• DWS<br>• EKZNW<br>• Relevant municipal units |
| | Management and protection of the grasslands in the primary catchment of the Tugela River. | Maintain the vegetation cover that ensures the protection of the soil during precipitation events, effective absorption of water into the soil, and the slow release of the water into | | | | |

| Issues | Objectives | Strategies | Interventions | Time-frames | Locations | Roles & Responsibilities |
|---|---|---|---|---|---|---|
| | | the system thereafter. | | | | |
| **HERITAGE RESOURCES** | | | | | | |
| Threats to heritage resources | Protection of UDM's heritage assets. | Identify and preserve heritage assets located in the District. | • Prepare detailed inventory of heritage resources in UDM. Classify in terms of national (Grade 1), provincial (Grade 2) and local (Grade 3) significance.<br>• Strict regulation of inappropriate development within footprint / buffer zone of National and Provincial Heritage Sites.<br>• In heritage areas strict regulation is required for any alterations, additions or new structures that are contradictory to the protected buildings or the general character of area.<br>• Optimise opportunities associated with tourism and job creation linked to the conservation of cultural and heritage resources.<br>• Clear institutional responsibilities at a municipal level for heritage preservation.<br>• Either a heritage officer/s is appointed to the UDM or relevant official/s are trained in the management of heritage sites so that the UDM and LMs benefit from these sites in terms of increased visitor numbers and tourism revenue. | S | Municipal-wide | • Amafa<br>• KZN Tourism Authority<br>• Relevant municipal units |

| Issues | Objectives | Strategies | Interventions | Time-frames | Locations | Roles & Responsibilities |
|---|---|---|---|---|---|---|
| | | | • Establish a District Heritage Forum. | | | |
| **AGRICULTURE** | | | | | | |
| Risk of loss of high potential agricultural land | Optimal protection and utilisation of land with high agricultural potential | Identify and protect high agricultural potential land. | • Mapping and inventory of land with high agricultural potential.<br>• IDP, SDF and LUMS to consider the KZN Agricultural Land Categories Spatial Decision Support tool.<br>• Establish sustainable land use practices for areas of high agricultural importance (grazing and cultivation) | S - M | Municipal-wide | • DARD<br>• DAFF<br>• EDTEA<br>• DWS<br>• Agricultural Sector<br>• Relevant municipal units |
| Overgrazing. | Decline in land degradation from overgrazing. | Establish programme to manage overgrazing. | • Education programme for emerging farmers on best practices.<br>• Support to farmers on land acquired through land claim. | S | Areas exposed to overgrazing | • DARD<br>• DAFF<br>• EDTEA<br>• Relevant municipal units |
| **INFRASTRUCTURE & MUNICIPAL SERVICES** | | | | | | |
| Permitting of waste disposal sites | Landfills to be operated according to legal requirements. | Integrated Waste Management Plan (IWMP) for UDM. | • Implement IWMP.<br>• Compliance and enforcement monitoring. | M | UDM Landfills | • DEA<br>• EDTEA<br>• DWS<br>• Relevant municipal units |
| **INSTITUTIONAL ENVIRONMENT** | | | | | | |
| Non-compliance of municipal activities with environmental | 100% compliance with enviro-legal obligations | Establish system to ensure compliance of municipal activities with enviro-legal requirements. | Screening of municipal activities and functions against enviro-legal requirements<br>Implementation of UDM EMF, including | S - M | Municipal-wide | • Relevant municipal units<br>• EDTEA |

| Issues | Objectives | Strategies | Interventions | Time-frames | Locations | Roles & Responsibilities |
|---|---|---|---|---|---|---|
| legislation | | | the use of the GIS to screen municipal projects<br>Environmental compliance monitoring of municipal projects, functions and activities<br>Appoint dedicated Environmental Managers for DM and LMs | | | |
| Institutional problems associated with environmental management within the municipality | Alignment of municipal functions with requirements for IEM. | Provide enabling environment to municipal officials to adopt and implement IEM. | • Develop IEM Implementation Plan, with provisions for institutional arrangements and implementation of environmental management tools.<br>• Conduct environmental training. Create environmental awareness among municipal officials.<br>• EMF to be incorporated in the review of the municipal IDP and SDF.<br>• Evaluate municipal project and programmes against the EMF, environmental vision and sustainability criteria.<br>• Establish a co-operative environmental governance forum to engage with key environmental authorities.<br>• Establish communication channels with civil society for environmental matters. | S | | • Relevant municipal units |

## (g) Monitoring, Evaluation and Review of Environmental Impacts

The Monitoring and Evaluation Framework to gauge the Municipality's progress in terms of environmental aspects are indicated in Table below. This table is an extract from the Umzinyathi District Municipality's EMF.

**KPI's for Municipal Prioritised Environmental Issues**

| Objectives | Strategies | KPI's |
|---|---|---|
| **CLIMATE** | | |
| Ensure UDM's preparedness for climate change risks | Develop Climate Change Strategy | o % implementation of Climate Change Strategy |
| **SURFACE WATER** | | |
| Protection of regulated areas for watercourses (i.e. 1:100 year floodline or delineated riparian / wetland habitat, whichever is greatest) | Control development alongside watercourses. | o Number of encroachments<br>o Specific provision in LUMS |
| **SOIL** | | |
| Management of erodible areas. | Establish an understanding of the areas susceptible to erosion. | o Identification of priority areas with high erodibility factor |
| **HERITAGE RESOURCES** | | |
| Protection of UTDM's heritage resources | Identify and preserve heritage resources located in the district. | o Inventory developed<br>o % of classification completed<br>o Specific provision in LUMS<br>o Number of tourism opportunities identified<br>o Designation of responsibilities at a municipal level for heritage management<br>o Convening of District Heritage Forum |
| **AGRICULTURE** | | |
| Optimal protection and utilisation of land with high agricultural potential | Identify and protect high agricultural potential land. | o Inventory developed<br>o Sustainable land use practices developed<br>o Specific provision in |

| | | |
|---|---|---|
| | | LUMS |
| Decline in land degradation from overgrazing. | Establish programme to manage overgrazing. | o Education programme developed<br>o % implementation of education programme<br>o Number of farmers assisted<br>o Level of support provided |
| **INFRASTRUCTURE & MUNICIPAL SERVICES** | | |
| Landfills to be operated according to legal requirements. | IWMP for UDM. | o % implementation of IWMP<br>o Number of monitoring events<br>o % compliance achieved |
| **INSTITUTIONAL ENVIRONMENT** | | |
| 100% compliance with enviro-legal obligations | Establish system to ensure compliance of municipal activities with enviro-legal requirements. | o Number of municipal projects for which legal screening has been undertaken<br>o Number of municipal projects that have been screened against the EMF<br>o Number of municipal officials trained on the EMF<br>o Environmental Managers for DM and LMs appointed |
| Alignment of municipal functions with requirements for IEM | Provide enabling environment to municipal officials to adopt and implement IEM. | o IEM Implementation Plan developed<br>o Training needs assessment conducted<br>o Number of municipal officials that have undergone environmental training<br>o Environmental Awareness Programme developed<br>o % implementation of Environmental Awareness Training<br>o EMF incorporated into |

| | | |
|---|---|---|
| | | IDP and SDF<br>o Number of municipal projects that have been screened against the sustainability criteria<br>o Co-operative environmental governance forum established<br>o Public communication channels established |

## (h) Municipal Projects and EMF Zones

The available municipal projects have been map in terms of the identified EMF Zones to highlight any spatial impacts the various projects could have in terms of the identified zones (See Map below). The EMF Zones and land use compatibility is summarised in Table below.

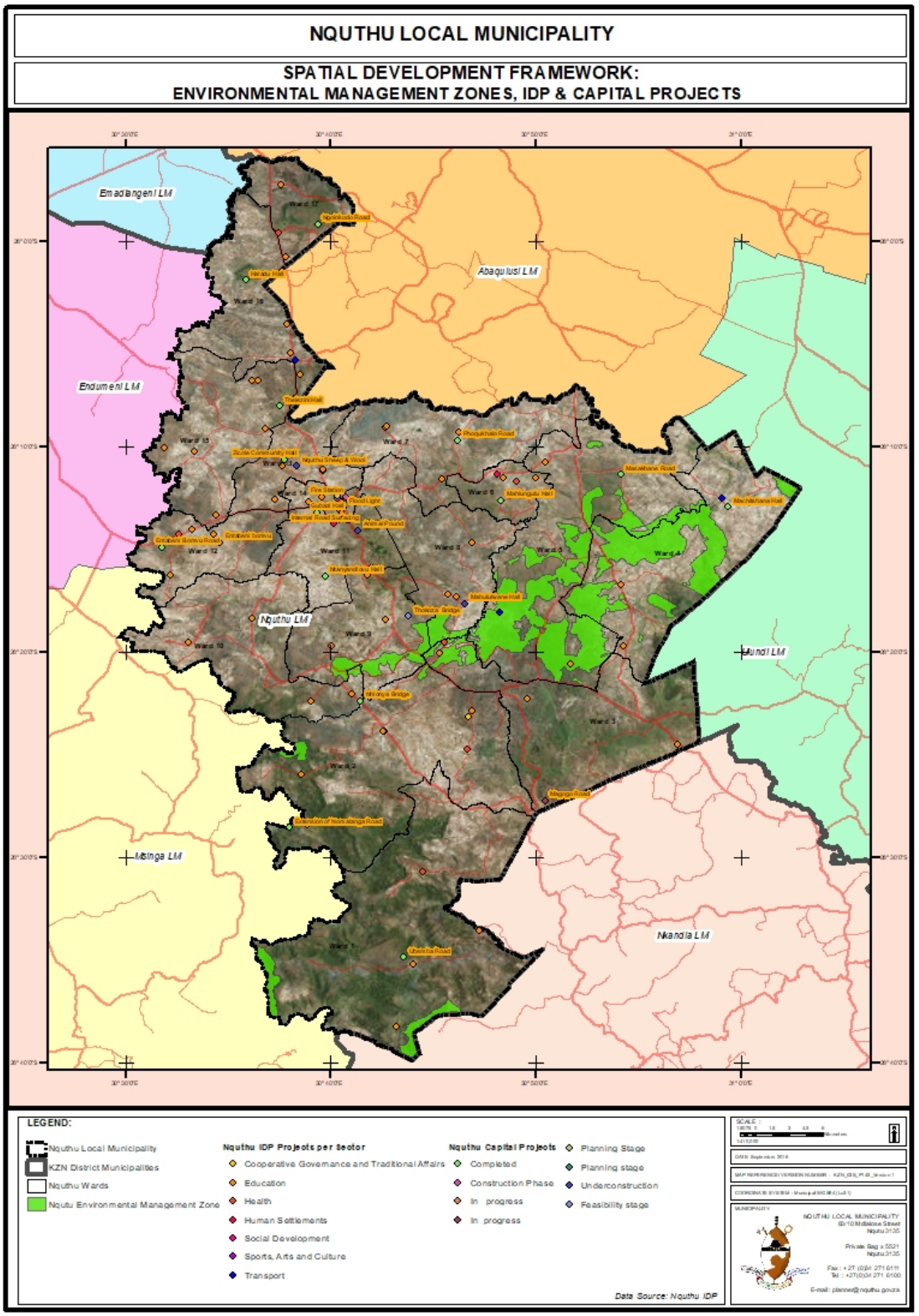
**EMF Zones & Land Use Compatibility**

| Environmental Management Zone | Compatible Activities | Incompatible Activities |
|---|---|---|
| **Formally Protected Areas EMZ** | o Adhere to Zoning Plan of IMPs (where relevant).<br>o Comply with EKZNW's Biodiversity Sector Plan. | o Activities that compromise the integrity of the Protected Area.<br>o No un-authorised developent in Protecred Areas.. |
| **Terrestrial Biodiversity EMZ** | Comply with EKZNW's CBAs and Biodiversity Sector Plan, including compliance with Land Use Management Objectives for the Terrestrial and Aquatic Conservation Categories, as well as Land Use Management Practices, Controls and Guidelines. | |
| **Aquatic Biodiversity EMZ** | Comply with EKZNW's CBAs and Biodiversity Sector Plan, including compliance with Land Use Management Objectives for the Terrestrial and Aquatic Conservation Categories, as well as Land Use Management Practices, Controls and Guidelines. | |
| **Agriculture EMZ** | o Activities that support primary agricultural production (including associated infrastructure) | o Any activity which poses a threat to land with high agricultural potential.<br>o Poor farming practices, especially related to water |

| | | |
|---|---|---|
| | o Agricultural supplies and services, including agri-industrial facilities.<br>o Private residential use associated with farming activities.<br>o Farm worker villages.<br>o Tourism (regulated and agriculture-focused). | conservation, soil degradation and water pollution.<br>o Mining.<br>o Heavy industries.<br>o Dense settlements. |
| **Heritage EMZ** | o Conservation.<br>o Tourism (regulated; low impact).<br>o Ecological Corridors.<br>o Open space (regulated; low impact; excluding any permanent structures). | o Any activity that poses a threat to cultural and heritage resources.<br>o Illegal activities (i.e. not authorised). |
| **Urban Areas EMZ** | Urban - General | |
| | o Development complementary to the LUMS.<br>o  Infill development.<br>o  Commensurate infrastructure and utility services. | o Development that clashes with the LUMS.<br>o Mining.<br>o Heavy industry.<br>o Agriculture (including agri-industry).<br>o Activities that threaten cultural and historical resources.<br>o Activities that encroach upon open space corridors. |
| | Mining & Industry | |
| | o Development complementary to the LUMS.<br>o Permissible activities include the authorised mining activities that adhere to conditions of authorisation, Environmental Management Plan / Programme and mining | o Development that clashes with the LUMS.<br>o Development that compromises mineral resources.<br>o Illegal mining activities (i.e. not authorised).<br>o Activities that are in conflict with desired state and after use plans.<br>o Urban and infrastructure development prior to mineral extraction. |

| | | |
|---|---|---|
| | best practices.<br>o Infrastructure and activities associated with mining and industry.<br>o Engineering and utility services and infrastructure.<br>o Solid waste disposal facilities.<br>o Sub-stations and electrical infrastructure.<br>o Sewage treatment facilities.<br>o Tourism (regulated and mining-focused). | o Intensive agriculture. |

**EMF Zones and Municipal Projects**




From the Map above it is clear that some of the identified projects within the Municipality are located within environmental sensitive areas and cognizance needs to be take in terms of the list of incompatible activities to ensure the projection of the environment.

(i) **Climate Change**

As the dominant driver of biodiversity loss by the end of the 21st century (Millennium Ecosystem Assessment, 2005), climate change impacts, such as increased severity and unpredictability of droughts, storms, and floods, and altered rainfall patterns, higher temperatures and higher evaporation and transpiration will place more pressure on biodiversity assets and ecosystems. Increased spread of diseases, increased fire risk and spread of exotic species are amongst the secondary impacts of climate change placing increased pressure on biodiversity. As a result, biodiversity and ecosystem support areas need to be managed in such a way that their resilience to extreme events is maintained and enhanced. Resilience enables ecosystems to absorb both expected and unforeseen change, in order to retain ecological functioning (Cadman, Petersen, Driver, Sekhran, Maze, & Munzhedzi, 2010).

The healthier and more biodiverse an ecosystem, and the better the maintenance of biodiversity patterns, connectivity and ecosystem processes, the more resilient the biodiversity and ecological support areas will be to climate change impacts. As a result, biodiversity planning and management needs to take account of the findings of climate change risk assessments (Laros & Jones, 2010). Ecological corridors and habitat buffer areas are important mechanisms for maintaining ecological networks, allowing plants and animals to migrate, disperse and adapt to the pressures of changing habitat conditions and climate (Cadman, Petersen, Driver, Sekhran, Maze, & Munzhedzi, 2010).

- **Impacts of climate change on biodiversity and ecosystem services**

  The White Paper on the National Climate Change Response (DEA, 2011a) details the following findings regarding the impacts of climate change on biodiversity and ecosystem services in South Africa:

  - Biodiversity: impacts of climate change
    - Up to 30% of endemic species may be at an increasingly high risk of extinction by the latter half of this century if climate change is unmitigated.
    - Marine ecosystems and species are at risk from changes in water temperature, ocean acidification and changes in ocean current.
    - Changes in rainfall patterns and temperatures, and rising atmospheric carbon dioxide levels could shift the distribution of terrestrial biomes with many

implications for species diversity, ecosystem processes such as wildfires, and critical ecosystem services such as water yield and grazing biomass.

- Increasing frequency of extreme rainfall events will influence runoff quality and quantity in complex ways, significantly affecting the marine and estuarine environment. Reduced water flow will increase the salinity of estuaries, affecting the breeding grounds and nursery areas of many marine species. Coastal estuaries will also be vulnerable to long-term sea-level rise.
- Rising atmospheric carbon dioxide has poorly known direct effects on ecosystems. It may be increasing the cover of shrubs and trees in Grassland and Savannah Biomes, with mixed effects on biodiversity and possible positive implications for carbon sequestration.
- Additional stresses to biodiversity resulting from climate change include wildfire frequency (which appears to already show climate change-related` increases in the Fynbos Biome), and the prevalence of invasive alien species. These stresses combined with reduced and fragmented habitats will further increase the vulnerability of biodiversity to climate change.

- Water resources: impacts of climate change
  - Based on current projections South Africa will exceed the limits of economically viable land-based water resources by 2050. The adequate supply of water for many areas can be sustained only if immediate actions are taken to stave off imminent shortages. The water sector must balance the allocation of limited water resources amongst major users (agriculture, domestic urban use and industry), whilst addressing the need to ensure fair access to water for all South Africa's people as well as a sufficient ecological allocation to maintain the integrity of ecosystems and thereby the services they provide.
  - Rainfall is expected to become more variable, with an increase of extreme events such as flooding and droughts resulting in a much more variable runoff regime.
  - Increased rainfall intensity will exacerbate scouring in rivers and sedimentation in dams, potentially impacting on water supply and treatment infrastructure.
  - Higher temperatures, combined with higher carbon dioxide levels, will contribute to increased growth of algae as well as faster evaporation rates negatively impacting water resources.

- Downscaled climate modelling suggests that the western and interior parts of the country are likely to become drier, and the eastern parts of the country wetter.

- **Mitigation of climate change impacts on biodiversity and ecosystem services**

The climate change impact mitigation strategies proposed in the White Paper on the National Climate Change Response (DEA, 2011a) and which have relevance to activities at a municipal level, include the following:

- Biodiversity: mitigation of climate change impacts
  - Conserve, rehabilitate and restore natural systems that improve resilience to climate change impacts or that reduce impacts. For example, mangrove forests reduce storm surge impacts and riparian vegetation and wetland ecosystems reduce the potential impact of floods.
  - Opportunities to conserve biodiversity and extend the conservation estate through the development of carbon off-set programmes to be actively developed.
  - Expand the protected area network (in line with the National Protected Area Expansion Strategy) where it improves climate change resilience, and manage threatened biomes, ecosystems, and species in ways that will minimise the risks of species extinction.
  - Encourage partnerships for effective management of areas not under formal protection, especially freshwater ecosystem priority areas, critical biodiversity areas, ecological support areas and threatened ecosystems.
  - Enhance existing programmes to combat the spread of terrestrial and marine alien and invasive species, especially in cases where such infestations worsen the impacts of climate change.
- Water resources: mitigation of climate change impacts
  - Integrating climate change considerations in the short-, medium- and long-term water planning processes across relevant sectors such as agriculture, industry, economic development, health, science and technology.
  - Ensuring that water adaptation measures are managed from a regional perspective given the transboundary nature of our major rivers.

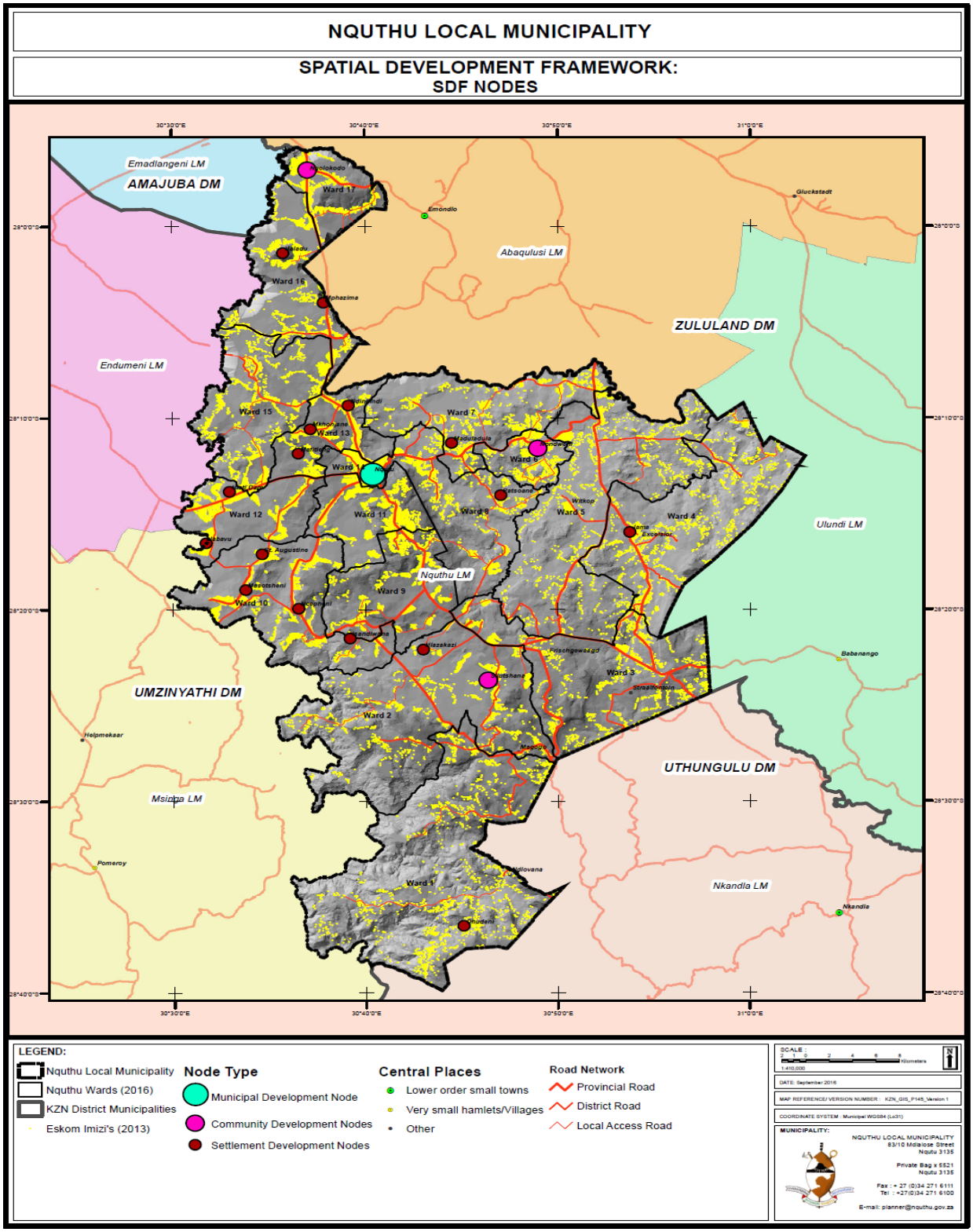
- Implementing best catchment and water management practices to ensure the greatest degree of water security and resource protection under changing climatic conditions and, in particular, investment in water conservation and water demand management.
- Exploring new and unused resources, particularly groundwater, re-use of effluent, and desalination.
- Reducing the vulnerability and enhancement of the resilience to water-related impacts of climate change in communities and sectors at greatest risk.

**(j) Nodes and corridors**

The economy of Nquthu Local Municipality, as is the case with most rural municipalities in KwaZulu-Natal, operates on a marginalized economic level, and cannot be compared to larger municipal areas with large population numbers, and stronger more vibrant economies. The classification of nodal areas in terms of Primary, Secondary, and tertiary nodes might therefore be misleading in terms of describing the character of the specific nodal area. Main nodal areas are assisted by various lower order nodes to distribute and provide essential services to the population groupings in their vicinity.

The major structuring element for determining the existing and future concentration of development, activity and investment in the Nquthu Municipality consists of an access and movement hierarchy that has been established through the major internal and external national and provincial linkages.

**Nquthu Nodes**



### I.Municipal Primary Nodes

Nquthu Town has been identified as the Municipal Primary Node, providing much needed services to the total extend of the municipal area. It has a strong service component and plays a role as a commercial and community service centre for an extended rural settlement area.

As a small rural town, Nquthu experiences an exclusion and underdevelopment conditions which is the result of the complex apartheid bureaucracy in terms of administration. The infrastructure and services in the town is not in good condition and this affects an effort by Municipality to promote and attract investments.

### II.Municipal Secondary Nodes

Nondweni which is located to the east of Nquthu Town within Ward 6 has been identified as a Municipal Secondary Node. A Local Development Framework has been prepared for this node inclusive of an Urban Edge/Development Boundary. The area has a potential to be developed into a smaller service area since it is the only semi-urban area within Nquthu.

The area is fairly well organised with a well-defined boundary although it is affected by river areas. A large amount of the area is owned by government with high amount of land invasions through the directive from traditional leadership.

(k) **Rural service centres and Points**

These centres perform a variety of functions including administration, service delivery and limited commercial activity. Being service centres, they serve as focus points for a range of services, which is provided to the adjacent rural areas, and typically have basic engineering infrastructure, together with community facilities, schools, commercial facilities, local markets, transportation nodes and basic public administrative functions and small scale industrial and administrative activities. These centres are growing and should be encouraged to develop. It is therefore necessary to encourage the implementation of capital projects within these areas.

There are two rural service centres that have been identified and they are:

- Ngolokodo located within Ward 17 towards the northern boundary of the municipality, and
- Silutshane which provide access to supporting facilities for the community residing in the southern portion of the municipality.

**Ngolokodo** is situated in the most northern parts of the municipality and is the third largest settlement after Nquthu and Nondweni. A very large number of people is serviced and it serves as the main service node for the northern areas. A development boundary has been proposed for this settlement.

**Silutshana** is an important node specifically for the community residing in the access restricted southern portion of the municipality.

**(l) Rural service Points**

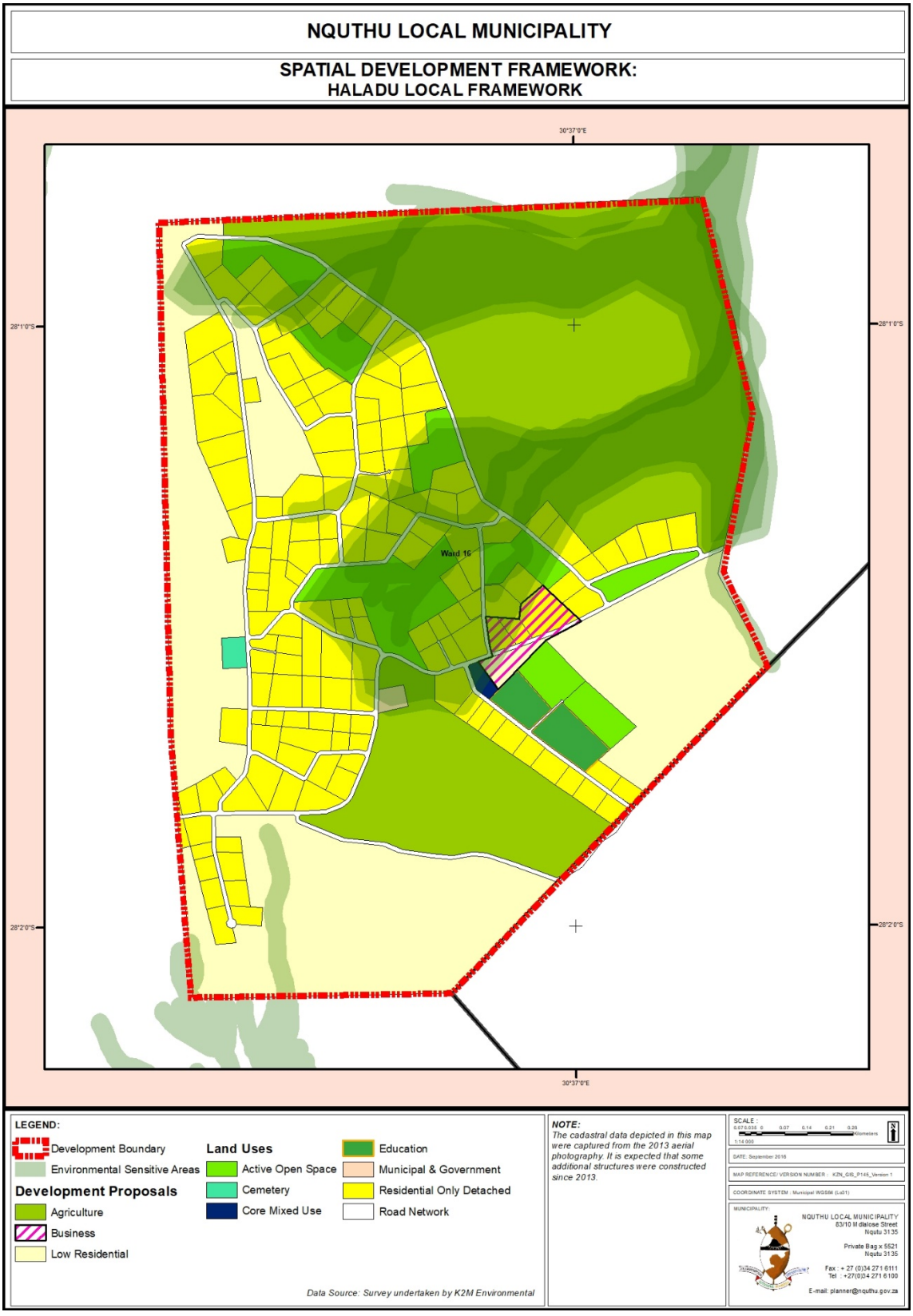
A number of rural service points has been identified throughout the municipal area. These settlement development nodes service areas are limited to the surrounding settlements and include low order public, shopping and small business enterprise facilities. It serves as a link between the local communities and Nquthu Town. The settlements identified as Rural Service Points within the Nquthu Municipal SDF include:

- **Haladu** is situated in the north of the Nquthu town along the mobility spine that is connecting Nquthu and to Vryheid in ward 16.
- **Hlati Dam** is situated on the Western Boundary of the Municipality on the R66 leading from Nuthu to De Jagers Drift in Endumeni Local Municipality. This node contains quite a large number of populations, and has a very urbanized and organized character as can be seen from the image below.
- **Hlazakazi** is situated in ward 2 in the way to Qhudeni. The area is on the Nquthu rural areas with service centers that have a potential of being developed as a node.
- **Isandlwana** is situated on the south of the Nquthu town. It is one of the main tourism attractions within the municipality. The area still needs to be developed to be a well-established tourism node.
- **Jabavu** is situated in ward 12 along the mobility spine that is connecting Nquthu and St. Augustine.
- **Jama** is situated in ward ward 4.
- **Maduladula** is situated in ward 7 and ward 8 along the mobility spine to Nondweni. The area is vibrant with different government service institutions.
- **Mafitleng** is situated in the north west of the Nquthu town in ward 15.

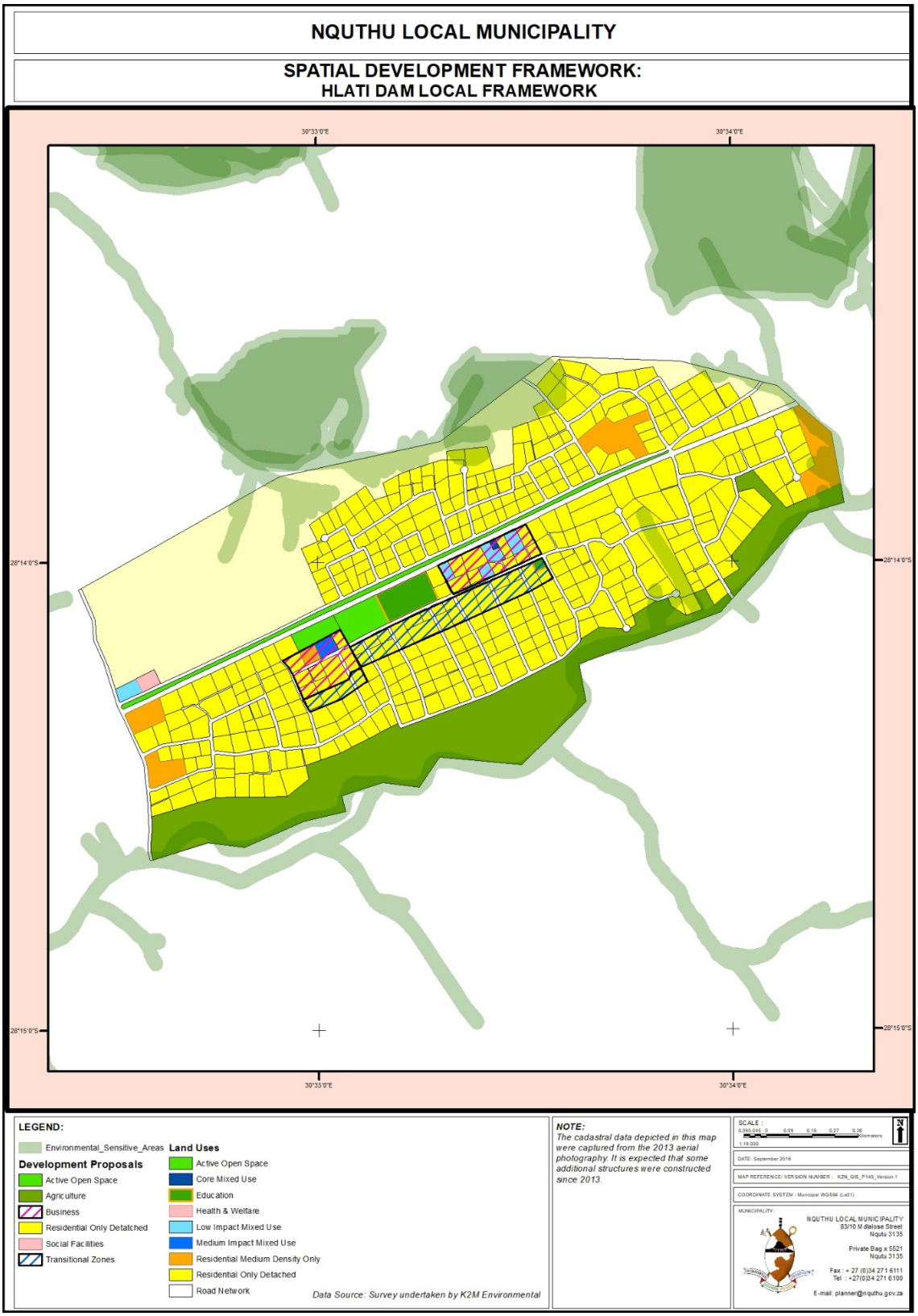
- **Masotsheni** is situated near the western regions of Nquthu LM near the St. Augustines Missionary. In relation to most other service centers,
- **Mkhonjane** is situated in the noth of the Nquthu town in ward 15. The area has a potential for agriculture.
- **Mphazima** is situated in the north of the Nquthu town in ward 16.
- **Ncepheni** is situate along the mobility spine towards Isandlwa in ward 10. The area has business potential linked to tourism since it is along the route that is used by the tourists.
    - **Ndindindi** is situated on the P54 leading from Nquthu in a northerly direction connection Nquthu Town with Abaqulusi and Emadlangeni Municipalities. This node is situated to the east of Mkhonjane near the Abaqulusi LM border. Please refer to Plan 40 Spatial Development Framework (attached at back of report) for a depiction of the locality of the node. This node serves a fairly large number of residents which are all spread out along theP54 main thoroughfare. A densification boundary has been proposed for this node and is included in the SDF.
- Patsoane is situated in ward ward 8.
- **Qhudeni** is situated in the south of the Nquthu town in the municipal boundary of Msinga in the West and Nkandla in the East. The area is one of deep rural areas of Nquthu. There are service areas with a potential of being developed as a node.
- **St. Augustine** is fairly well- serviced. This centre serves a relatively small number of people who are situated along the road leading in a western direction. A very spread-out settlement is situated just to the east of Masotsheni on large plots where land use activities mimics Urban Agriculture. The node serves more than the direct population and also services a community on the road to Rourkes drift.

Local frameworks have been prepared for each of the abovementioned settlement development nodes, which include proposed land uses as well as a proposed development boundary to encourage densification and combat further urban sprawl. The maps bellow depicts the local framework for the settlements above:

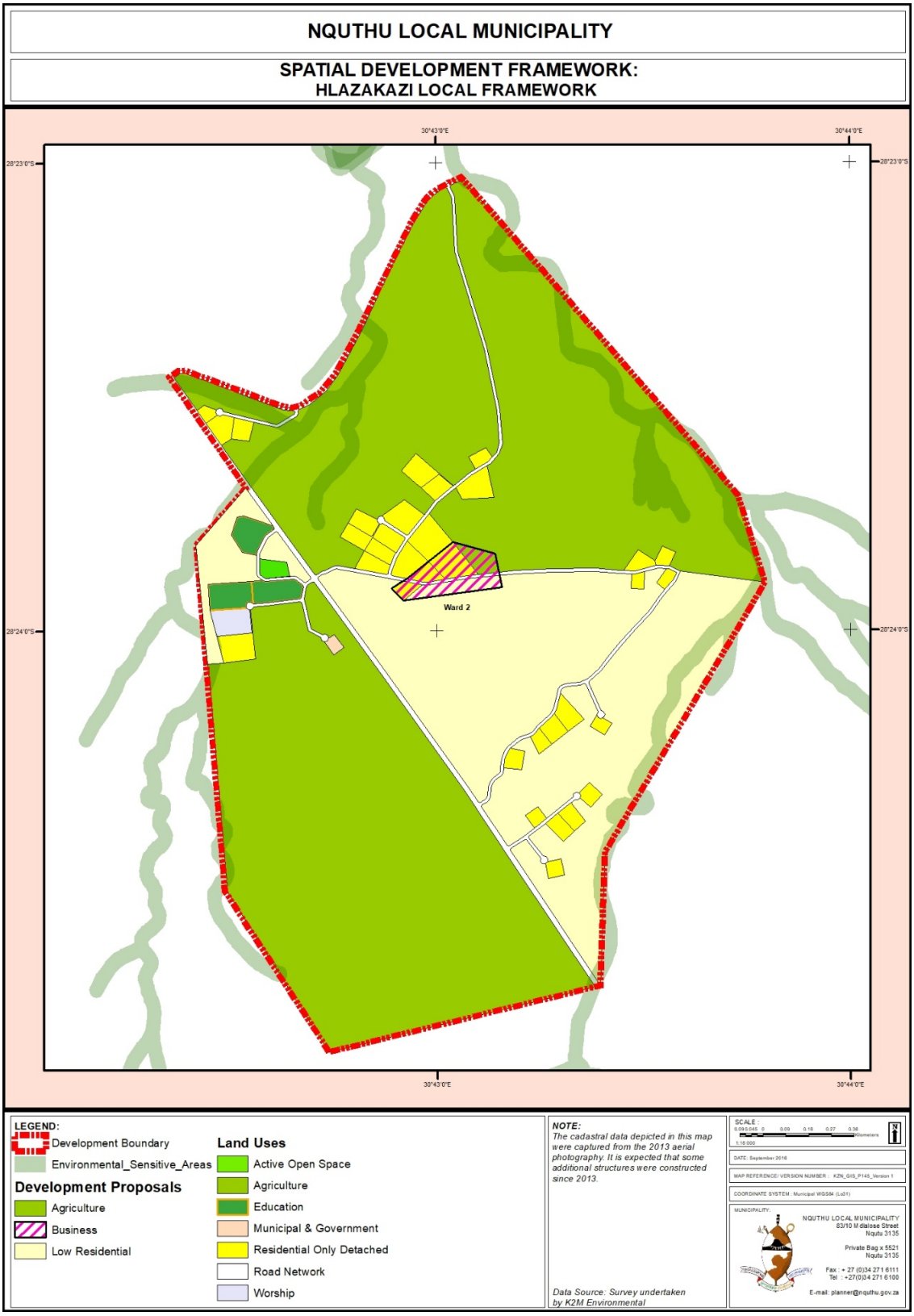
Haladu Local Framework



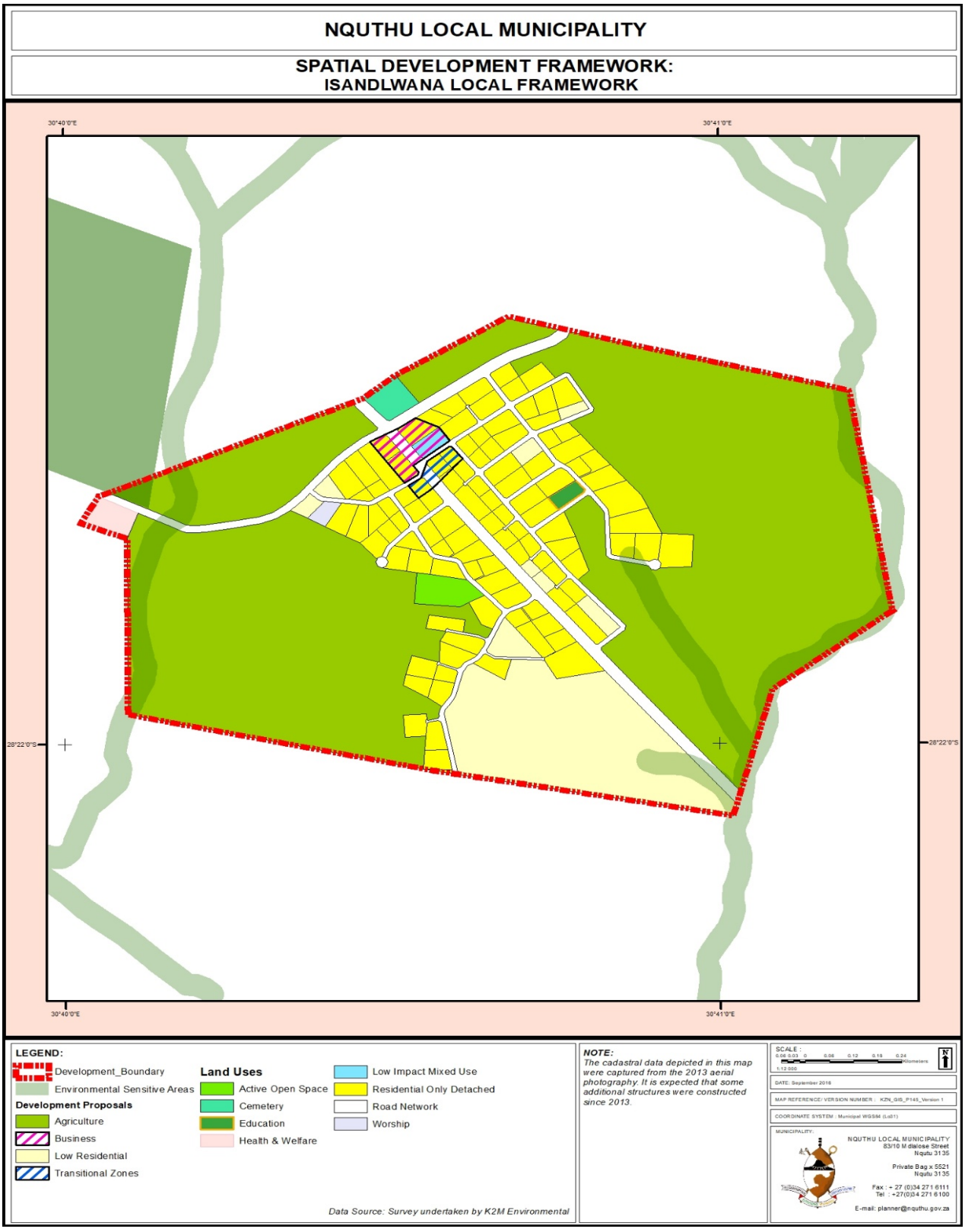
**Hlati Dam Local Framework**



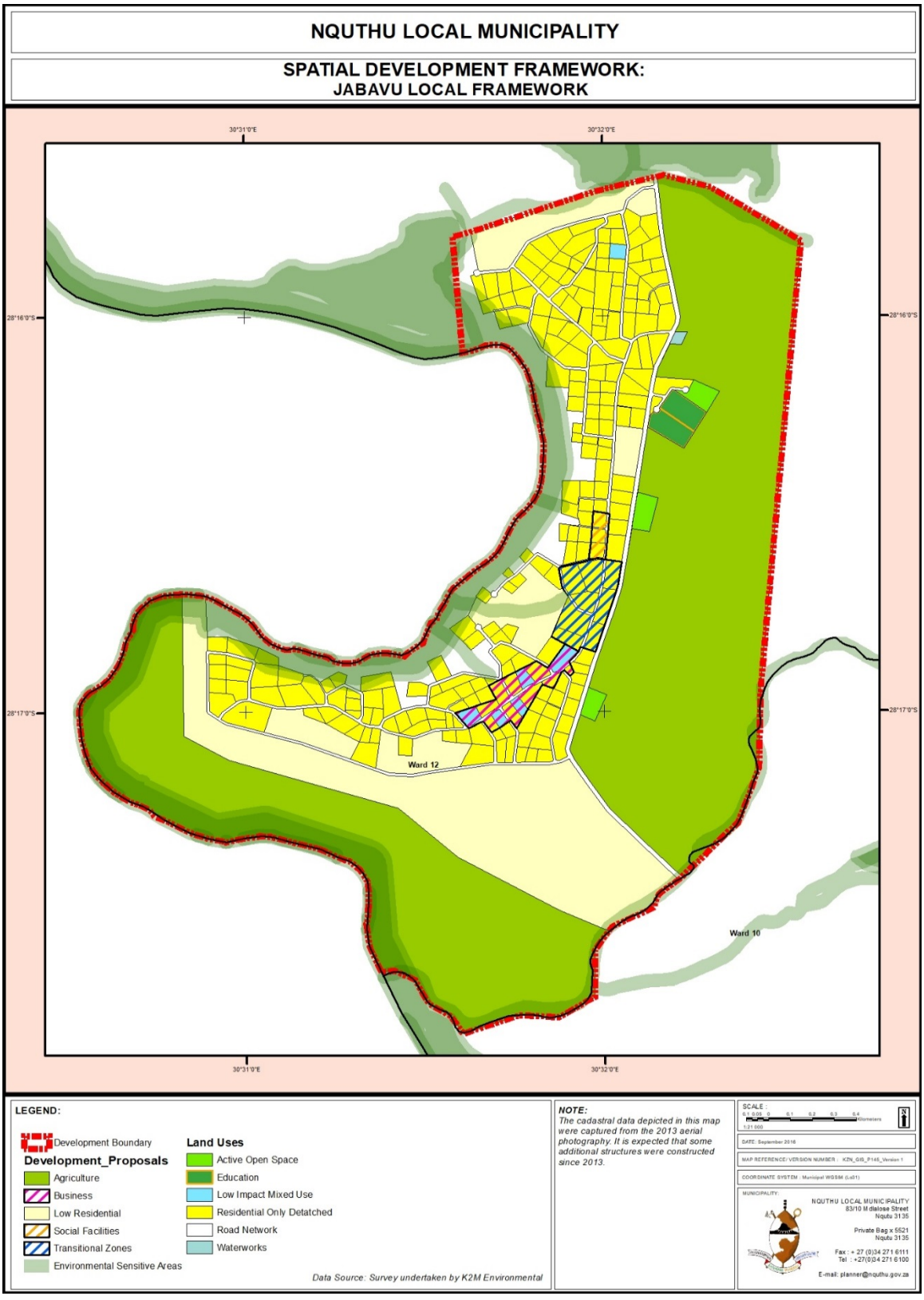
Hlazakazi Local Framework



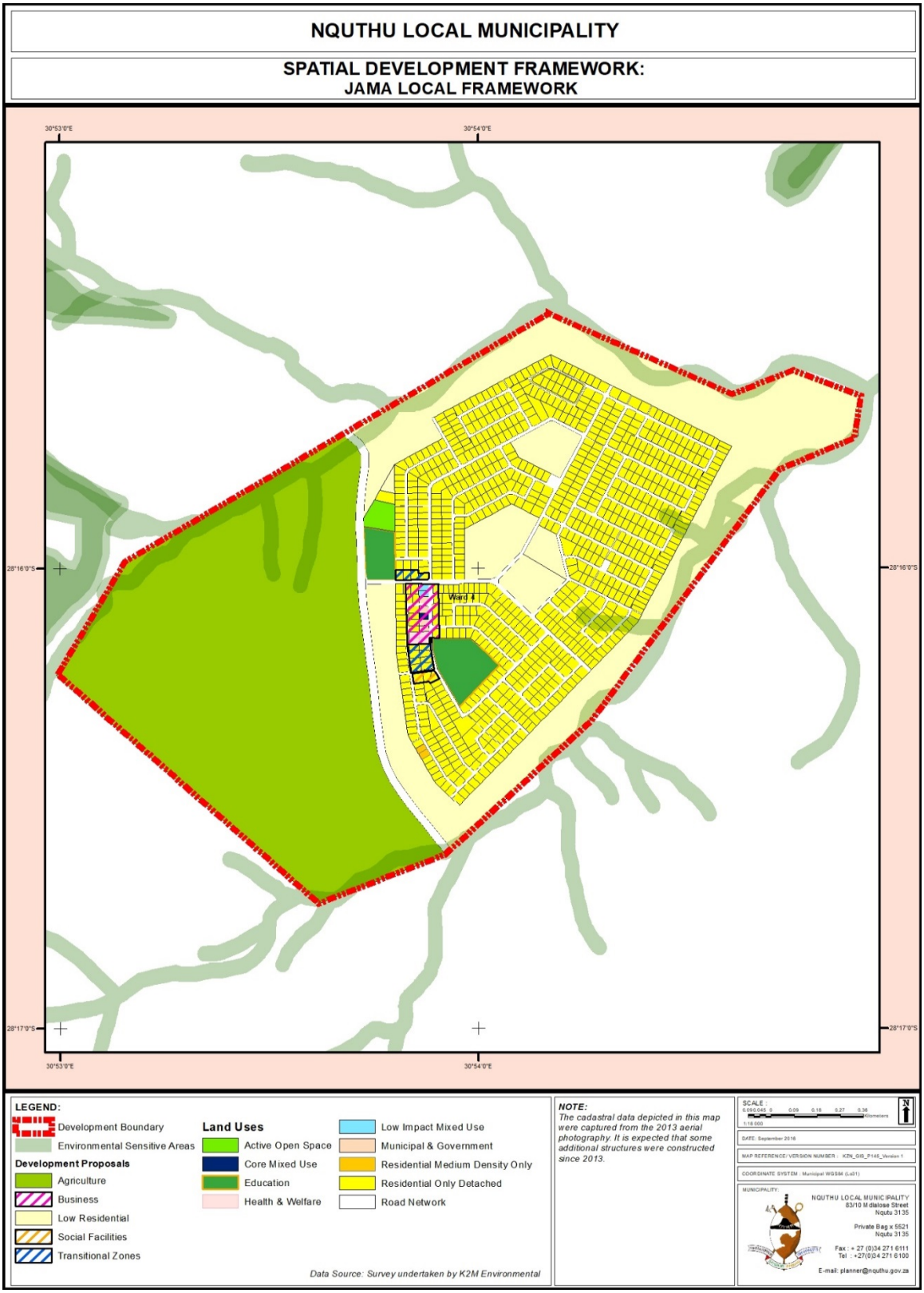
**Isandlwana Local Framework**



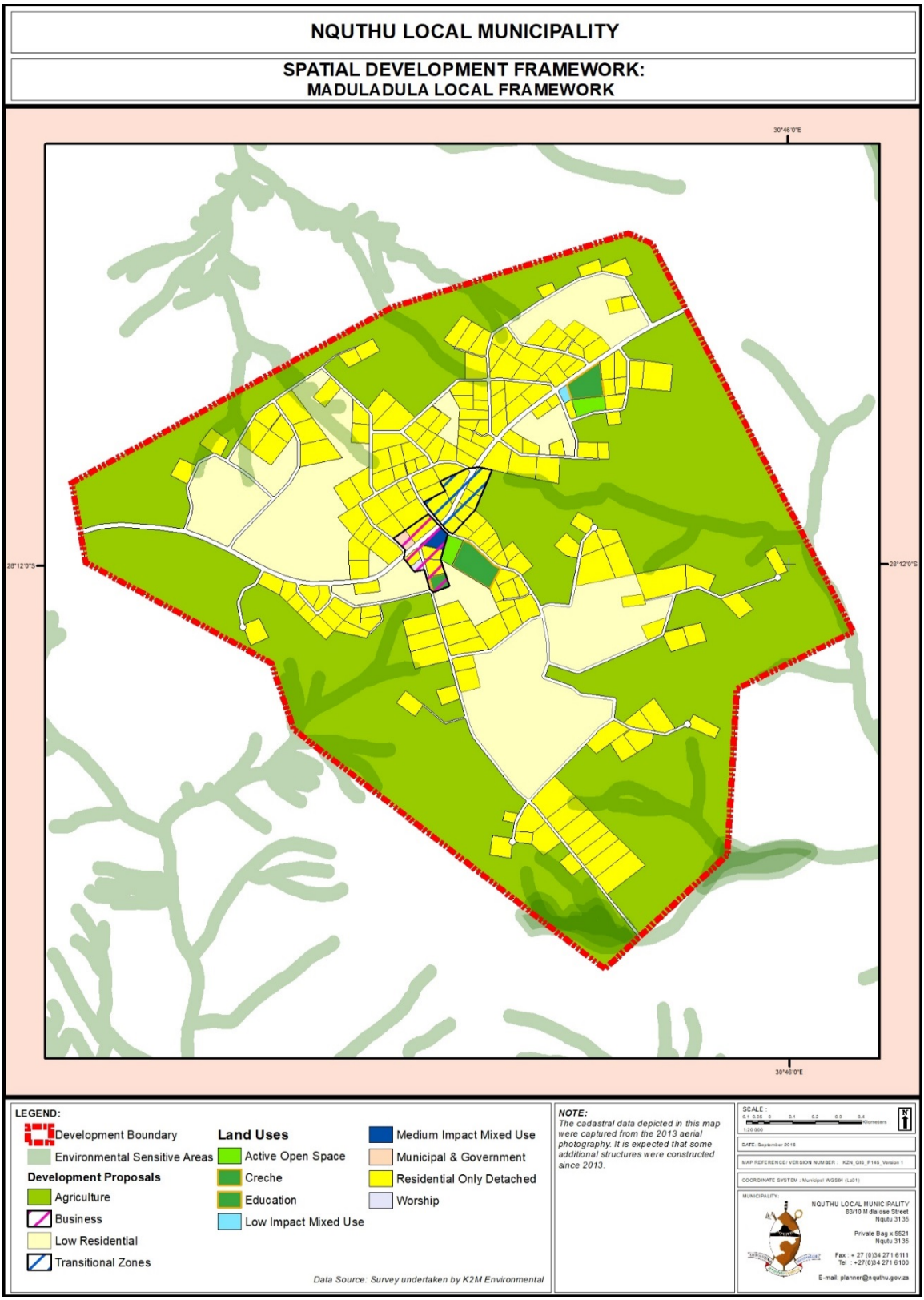
Jabavu Local Framework



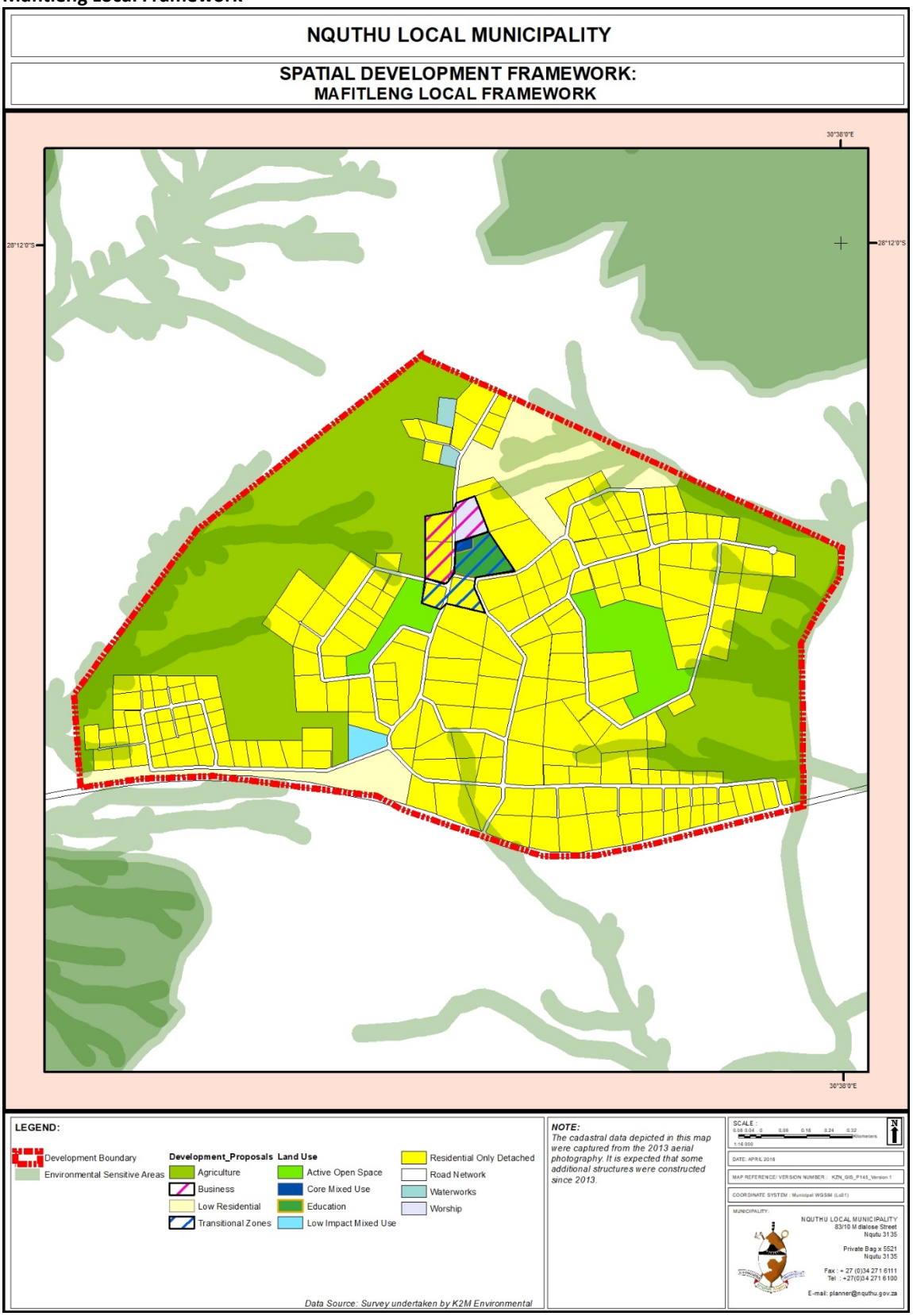
Jama Local Framework



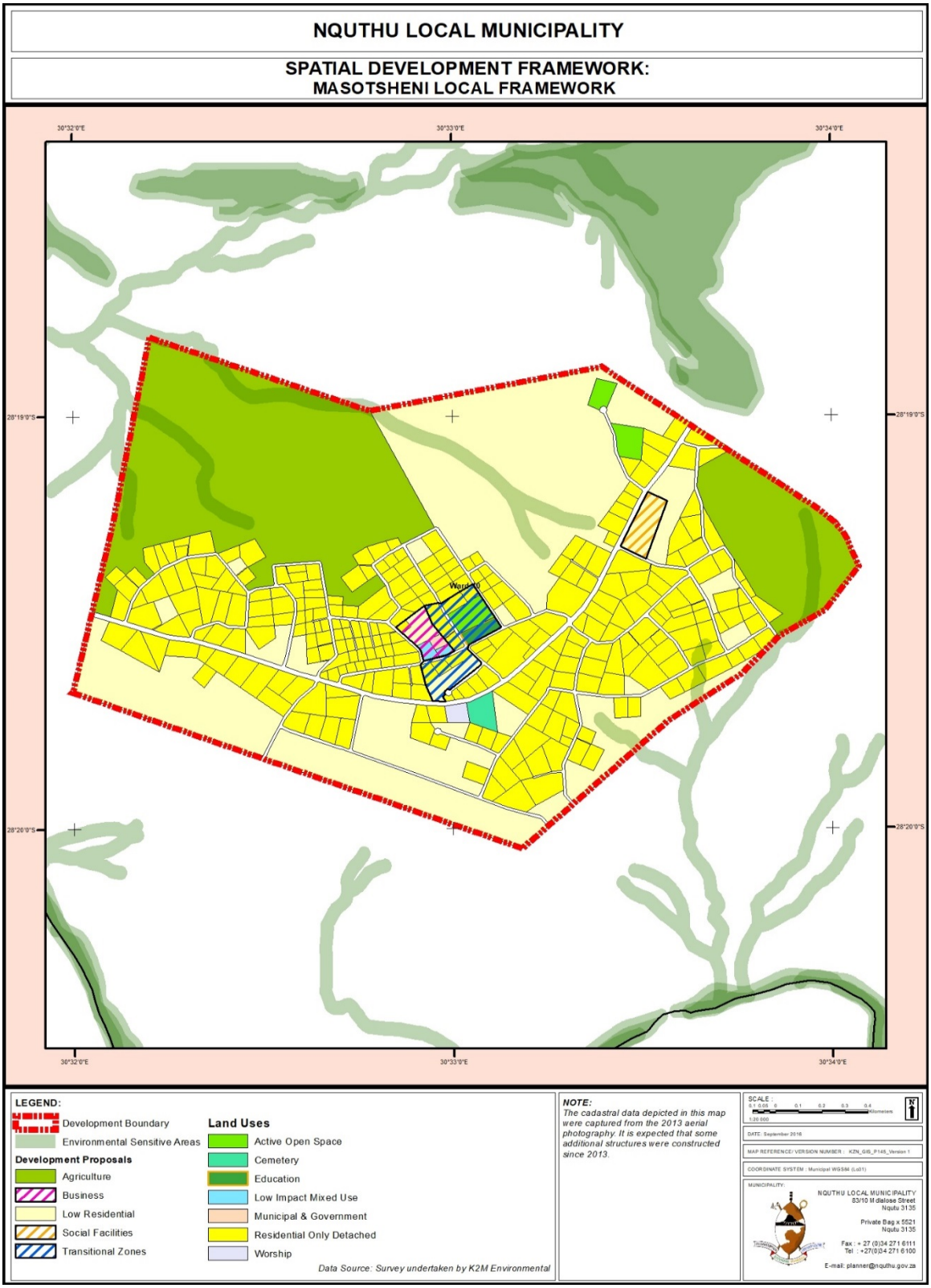
**Maduladula Local Framework**



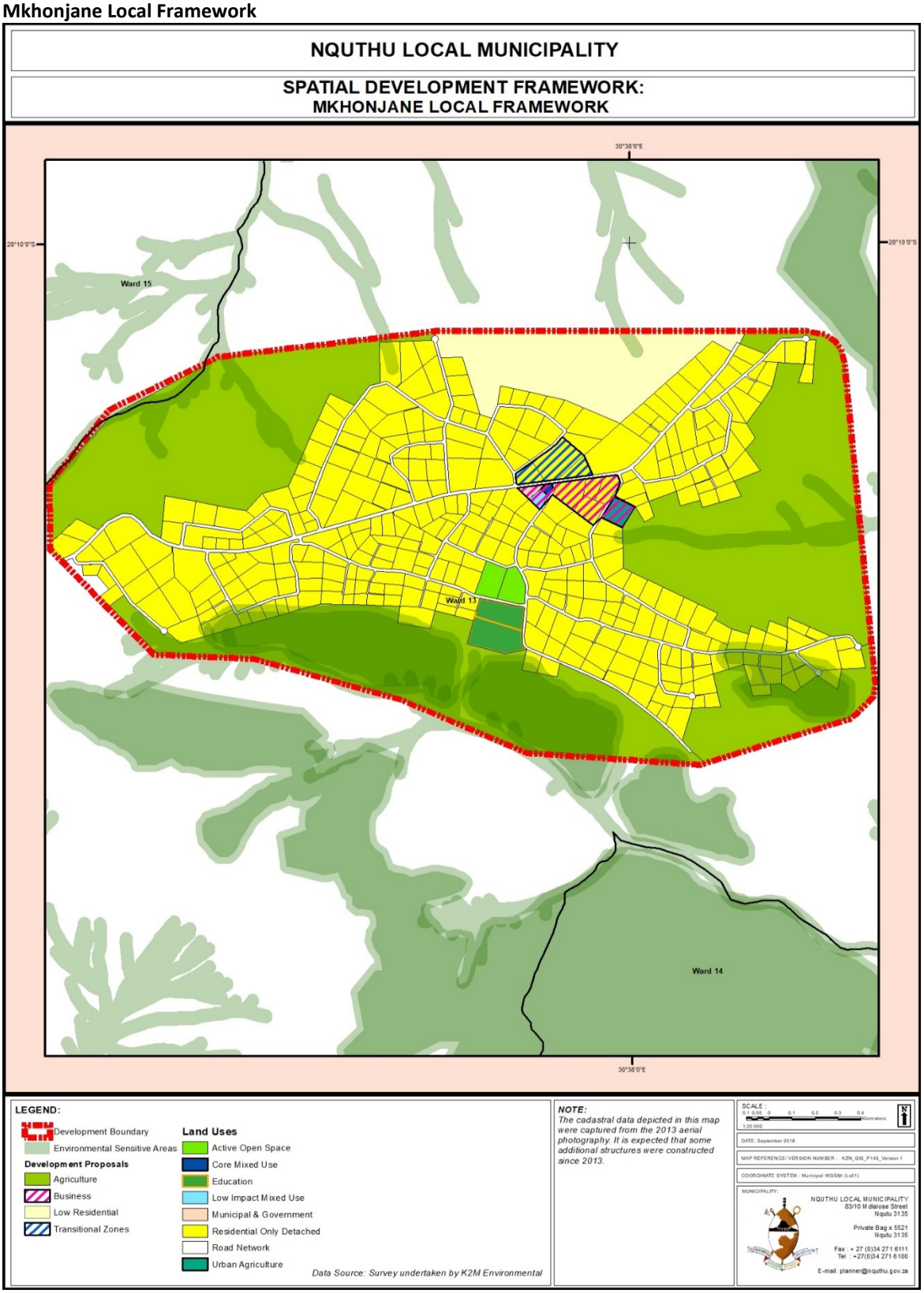
**Mafitleng Local Framework**



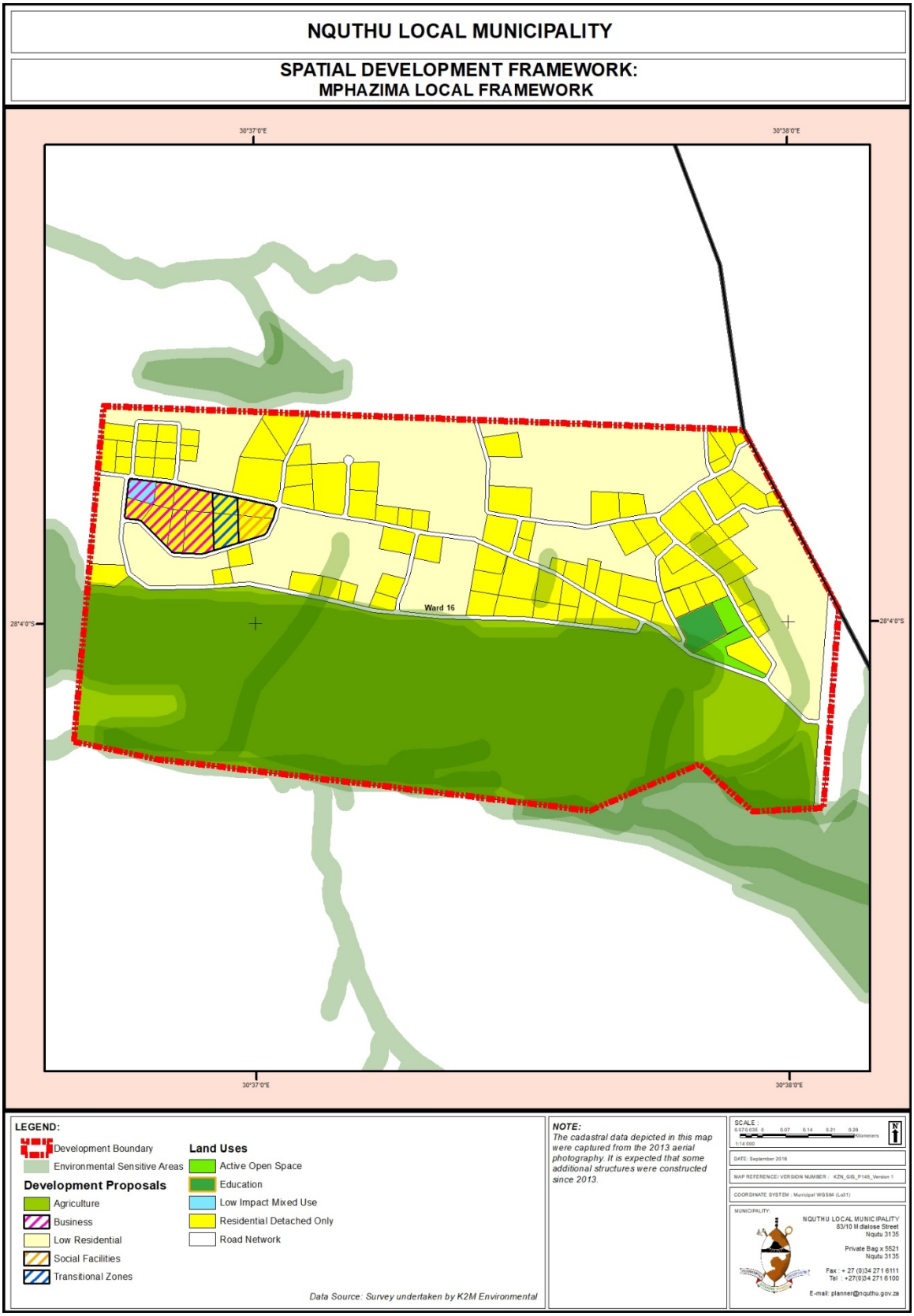
**Masotsheni Local Framework**



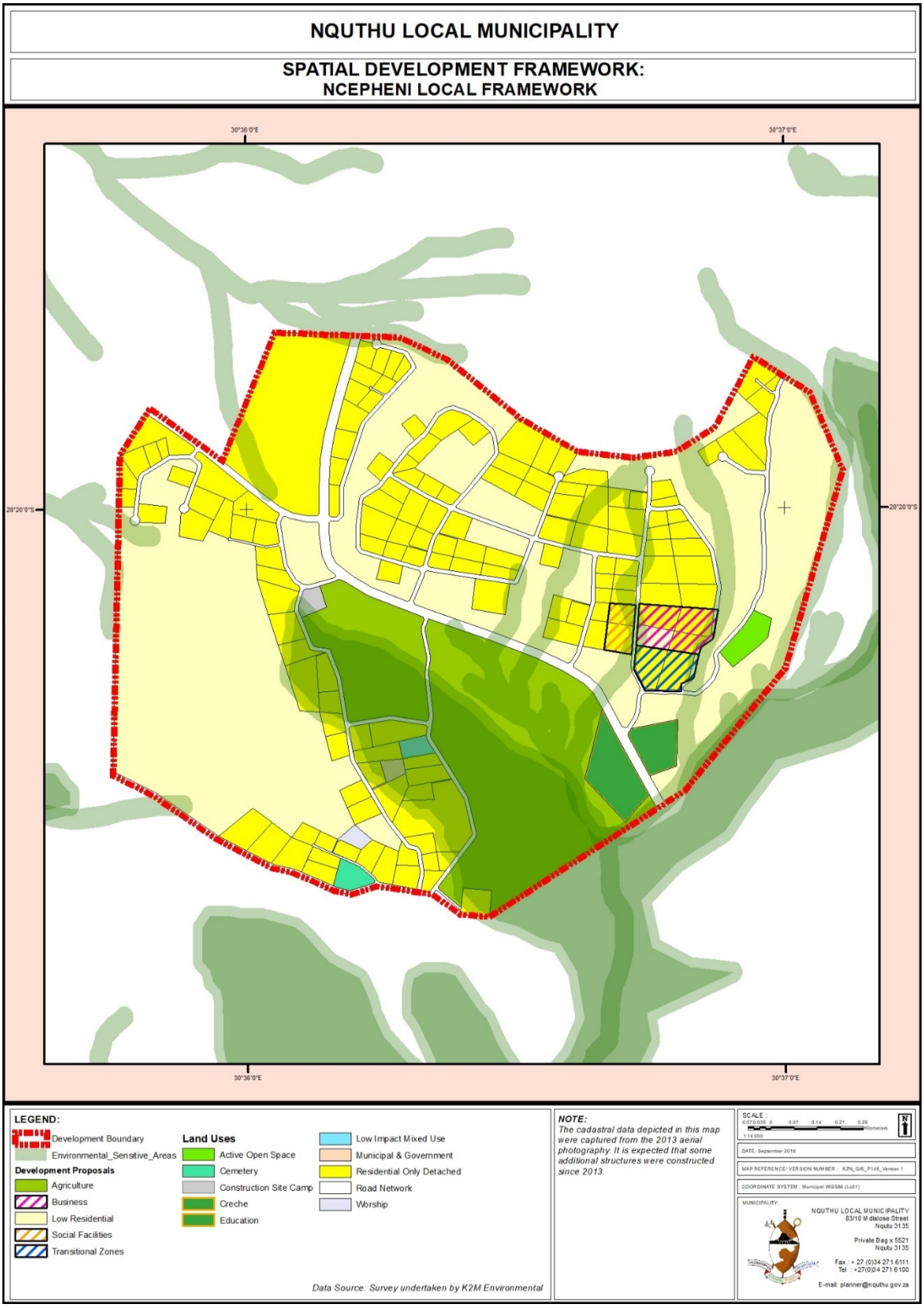
**Mkhonjane Local Framework**



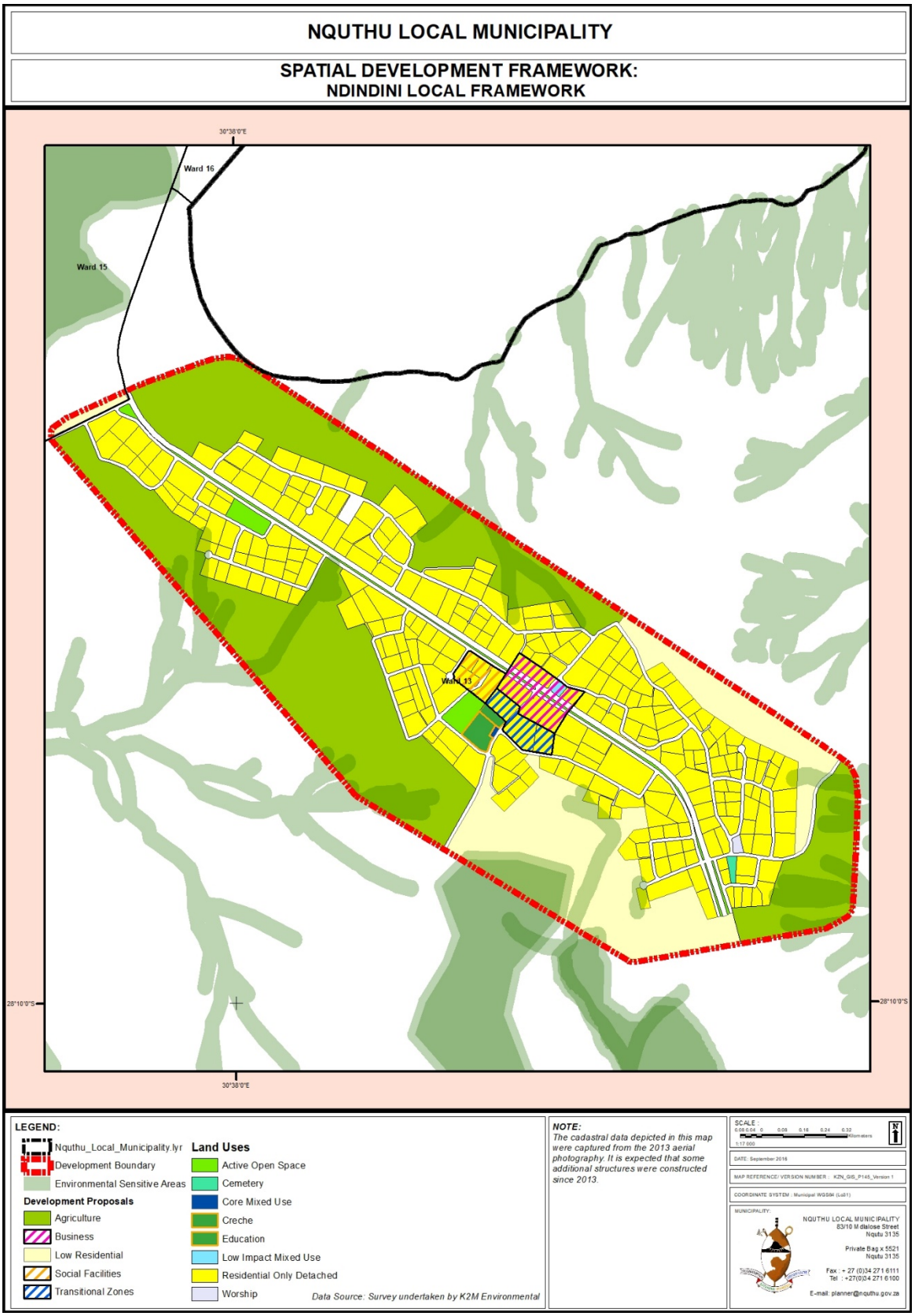
Mphazima Local Framework



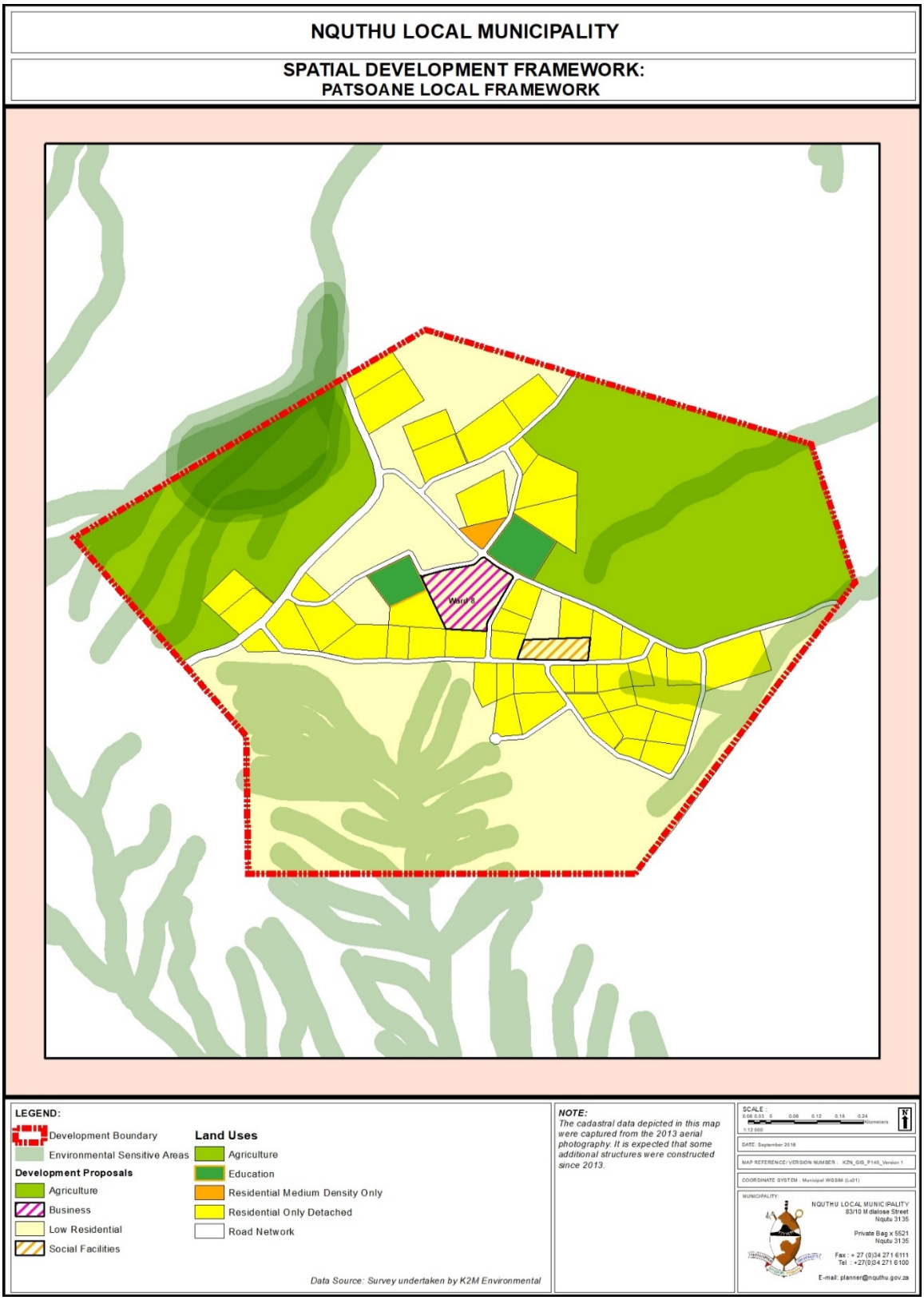
Ncepheni Local Framework



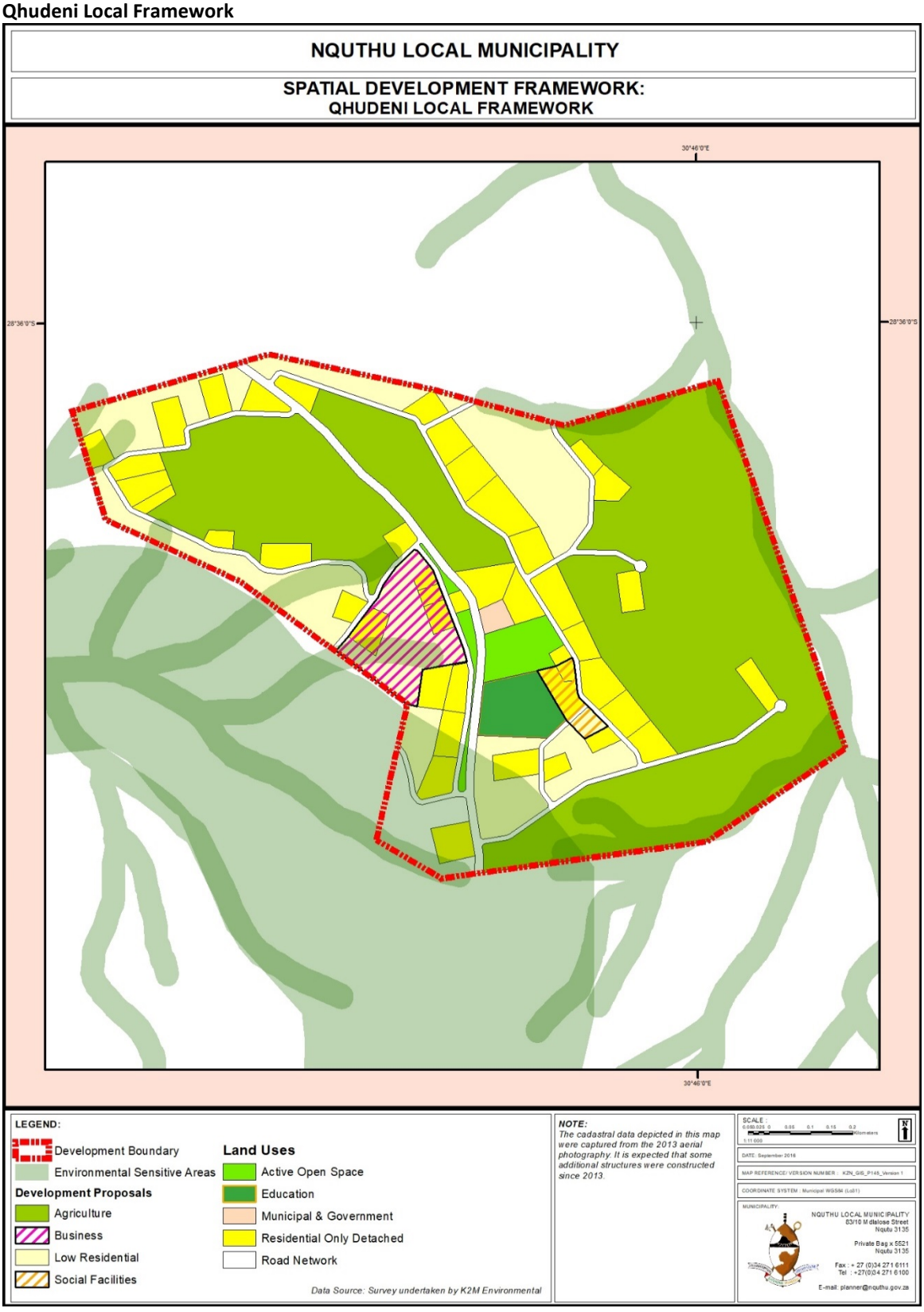
**Ndindindi Local Framework**



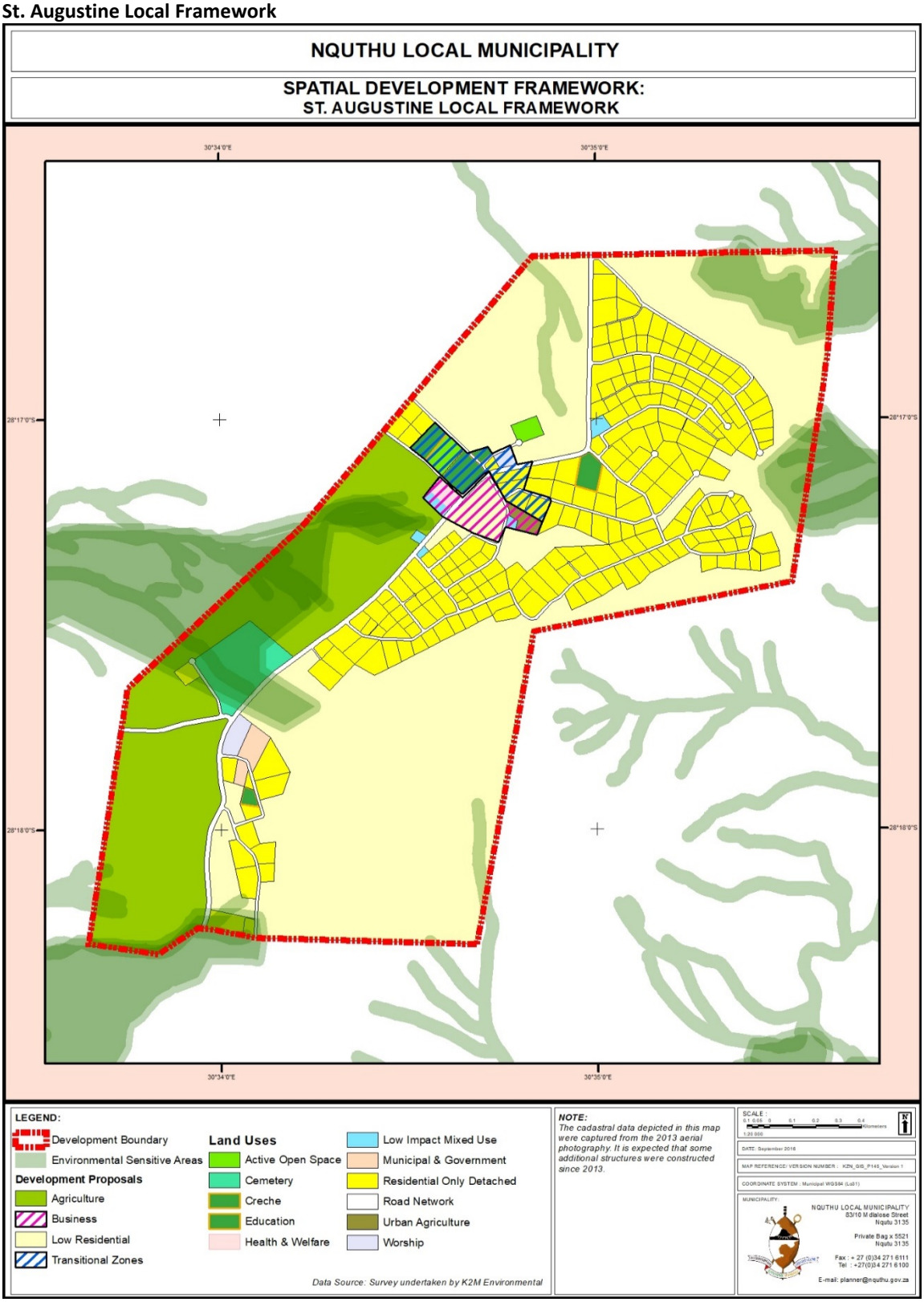
**Patsoane Local Framework**



**Qhudeni Local Framework**



**St. Augustine Local Framework**



**(m) Development corridors**

The major structuring element for determining the existing and future concentration of development, activity and investment in the Nquthu Municipality consists of an access and movement hierarchy that has been established through the major internal and external national and provincial linkages.

- **Secondary corridors**

The Nquthu SDF 2017 identifies the secondary corridors are as follows:

P36-1

P291

P48

The P36-1 links Nquthu town and Dundee whilst the P48 links Nquthu to Babanango and Melmoth. The primary focus of these corridors is long distance traffic movement within the DM and these corridors link places of economic opportunity with places of residence. Development can be encouraged at appropriate locations along these corridors.

Public interventions envisaged in this area relate to:

- Tarring of roads which will provide transport services access to the remote regions, and open up additional economic opportunity in opening the areas. Accessibility is of key importance;
- Developing a localised Corridor Development Strategies which will focus on spatial structure, infrastructure provision and attracting both public and private sector investment, and
- Ensuring multimodal transport integration occur along these roads at key points.

- **Tertiary corridors**

The Nquthu SDF 2017 identifies the tertiary corridors are as follows:

P16-4

P50-4

P54

Tertiary corridors link areas and lower order settlements within the municipalities to the secondary and tertiary nodes. These are generally slower moving corridors in terms of social interaction and economic activities.

- **Lower order corridors**

These corridors ensure linkages between settlements and serve as strategic areas for the location of public facilities and webs of settlement. They are not demarcated on the maps as there are a large number of such access routes, which do not provide vital strategic information, or require to be strategically evaluated within this spatial development framework.

- **Agricultural corridors**

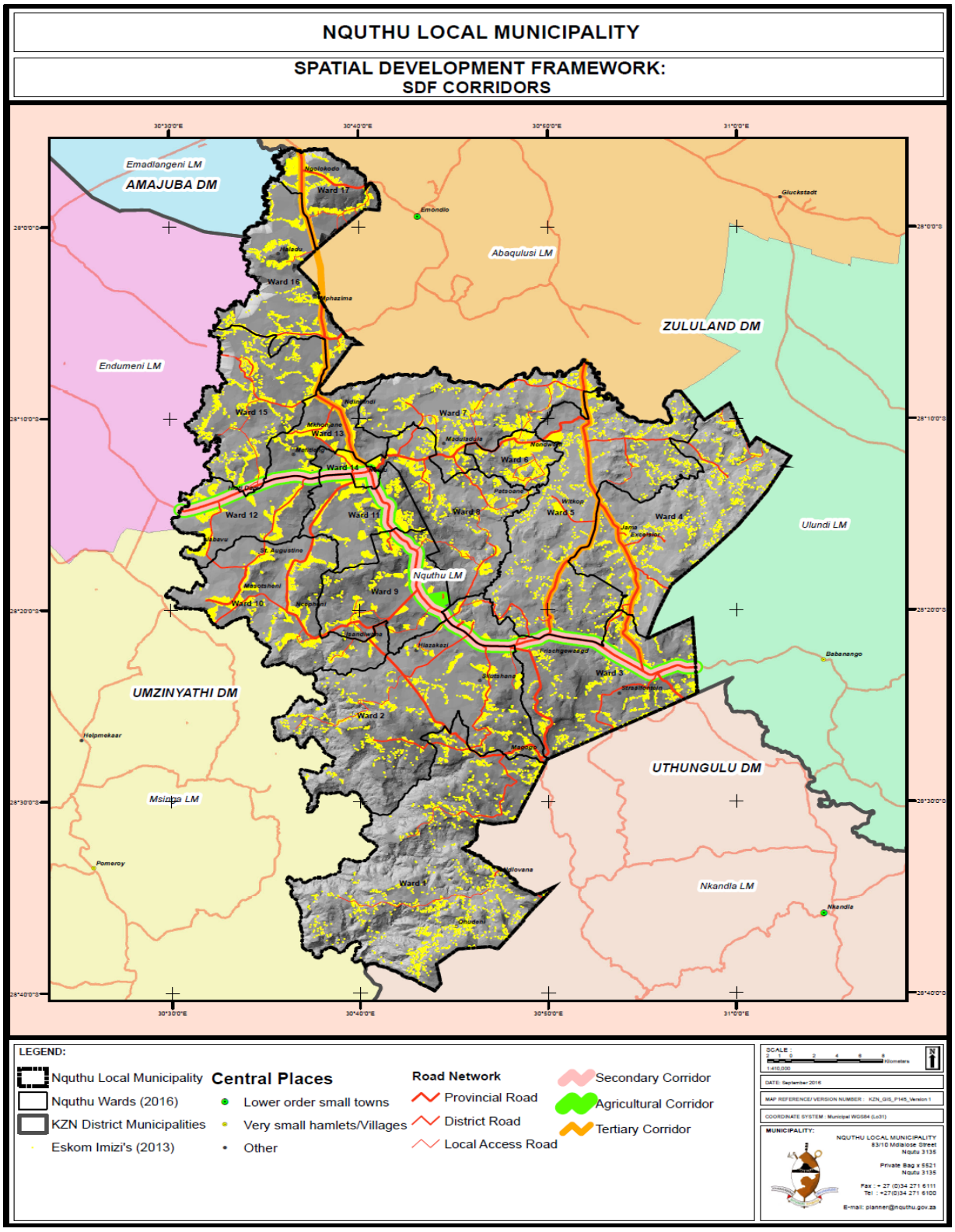
Nquthu Local Municipality has much potential for agricultural development. This is evident from the fact that the Provincial Spatial Economic Development Strategy (PSEDS) identified an important regional Agricultural Corridor traversing the Municipality.

The components of the identified corridor consist of the following roads:

P36-1
P291
P48

Public interventions envisaged in this area relate to-

- Establishing agro-processing facilities. Additional income generating opportunities are needed within areas of economic need. Agro processing, especially within an area situated on an agricultural corridor provides the potential for additional income. Agro Processing entails the turning of primary agricultural products into other commodities for market,in other words, beneficiation of primary agricultural com oddities.
- To involve communities in agro processing the following option can be considered: Establishing small-scale, appropriate and sustainable processing businesses that are flexible require little capital investment and can be carried out in the home without the need for sophisticated or expensive equipment.
- Expansion of trade opportunities – formal and informal


NQUTHU LOCAL MUNICIPALITY
SPATIAL DEVELOPMENT FRAMEWORK:
SDF CORRIDORS
Emadlangeni LM
AMAJUBA DM
Abaqulusi LM
ZULULAND DM
Endumeni LM
Ulundi LM
Nquthu LM
UMZINYATHI DM
UTHUNGULU DM
Msinga LM
Nkandla LM
Ward 1
Ward 2
Ward 3
Ward 4
Ward 5
Ward 6
Ward 7
Ward 8
Ward 9
Ward 10
Ward 11
Ward 12
Ward 13
Ward 14
Ward 15
Ward 16
Ward 17
Emondlo
Gluckstadt
Babanango
Helpmekaar
Pomeroy
Nkandla
Ohodeni
LEGEND:
Nquthu Local Municipality
Nquthu Wards (2016)
KZN District Municipalities
Eskom Imizi's (2013)
Central Places
Lower order small towns
Very small hamlets/Villages
Other
Road Network
Provincial Road
District Road
Local Access Road
Secondary Corridor
Agricultural Corridor
Tertiary Corridor
MUNICIPALITY:
NQUTHU LOCAL MUNICIPALITY
83/10 Mdlalose Street
Nquthu 3135
Private Bag x 5521
Nquthu 3135
Fax : + 27 (0)34 271 6111
Tel : +27(0)34 271 6100
E-mail: planner@nquthu.gov.za

## (n) Land use management Systems

In terms of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), and the KwaZulu-Natal Planning and Development Act, 2008 (Act No. 6 of 2008), (PDA), each municipality is required to prepare a Land Use Scheme for the whole municipality. A key component of Integrated Development Plans is the requirement to prepare a Spatial Development Framework together with a Land Use Management System (LUMS) which can be applied to the whole municipality. In terms of the new Land Use Management System for KwaZulu-Natal, a system of wall-to-wall Planning Schemes is proposed as forming the basis for the single LUMS required for municipalities.

Nquthu Municipality has an urban land use scheme and Urban Development Framework in place that are also adopted which guides the development within Nquthu jurisdiction. The municipality is currently at the verge for completing its single land use scheme. This is a response to the requirement in terms of the Spatial Planning and Land Use Management Act, 2013 which requires every municipality to have single land use schemes in place. The Nquthu single land use scheme was prepared in year 2013 but not completed because after being assessed it was discovered that there were aspects which were not SPLUMA compliant and not covered in the scope of the project. The project was placed on hold due to the lack of funds. The traditional leadership was involved in the process of Wall to Wall Scheme development.

A Rural Component of a Scheme should primarily be applied to manage land:

- Outside defined urban areas;
- So as to promote the general principles of sustainability, efficiency and integration;
- To ensure that prime agricultural land is protected, and
- To ensure that important areas of environmental significance and bio-diversity are protected

| CROSS CUTTING ISSUES SWOT ANALYSIS | |
|---|---|
| **STRENGTHS**<br><br>• Town Planning and GIS posts have been filled<br>• Land use management systems in place<br>• Functional JMPT<br>• Availability of a planning compliant committee<br>• Receive land use applications | **WEAKNESSES**<br><br>• Lack of good working relationship between the municipality and the traditional authority.<br>• No single land use scheme<br>• Scattered settlements, public facilities and services.<br>• Lack of effective distribution routes and link roads to corridors.<br>• Lack of effective economic investment in the rural service nodes.<br>• Prevention of worthy and sensitive areas not done efficiently.<br>• Reliance on external resource for environmental compliance (no internal capacity) |
| **OPPORTUNITIES**<br><br>• Credible spatial development framework has been adopted.<br>• The single land use scheme is almost complete.<br>• Developments along the main road networks<br>• Functional tourism attraction zones<br>• Part of the land is owned by the municipality<br>• There are chiefs who show interest in using municipal expertise to enhance development in their areas. | **THREATS**<br><br>• Poor infrastructure<br>• Climate change<br>• Dispersed settlements<br>• Difficult terrains<br>• Droughts<br>• Migration |

### C.2.2 Disaster Management

#### C.2.2.1 Status of municipal disaster related institutional capacity

**(a) Municipal disaster management centre**

Nquthu Disaster Management Centre was established in January 2013, the centre is manned 15 officials working on a shift system. The centre uses 24/7 system and respond to all disastrous incidents. Even though there the structure is not yet built to accommodate disaster management function, the park homes are used to accommodate such function. However, the municipality has planned for the construction of a fully-fledged fire station from which the disaster management unit will operate from. The municipality designated 034 271 6102 as the call centre number. The number has been disseminated to communities through disaster awareness campaigns and through Councillors, Ward Committees, CDWs and Traditional Leadership.

**(b) Staffing**

The municipality appointed Disaster Management Manager to implement its disaster management plan. Fourteen qualified fire-fighters are serving the Municipality on a permanent basis. Station Officer, Disaster Management Officer, and four Fire Fighter positions are vacant. There are no volunteers recruited currently.

**(c) Vehicles**

Nquthu Disaster Management Centre has six specialized vehicles allocated to it. Three of these vehicles fall under specialised categories which are 1 Fire Engine, 1 Fire Tanker and 1 Rapid Intervention Vehicle. The other three are skid unit bakkies which specialise in wild fire fighting and disaster response.

**(d) Other equipment**

The municipality has also procured a life-saver boat since Nquthu has a lot of water catchment areas and our disaster unit is required to respond to drowning cases quite often.

### C.2.2.2 Municipal Disaster Management Policy Framework

The policy framework for disaster management was developed and adopted by the council in 2012.

(a) **Municipal Disaster Management Sector Plan**

The Disaster Management plan for Nquthu Municipality has been reviewed for 2019/2020 financial year and is attached in the addendum of annexures.

(b) **Municipal Disaster Management Inter-Departmental Committee**

The inter-departmental committee is not yet established but through the strengthening of OSS functionality this committee is going to be established before the end of September 2019.

(c) **Municipal Disaster Management Advisory Forum**

The municipality established the advisory forum through OSS for consultation purposes and technical advice.

### C.2.2.3 Disaster Risk Assessment

**(a) List of Priority Risks (Hazards)**

Nquthu faces increasing levels of disaster risk. It is exposed to a wide range of weather hazards, including lightning, thunderstorms; strong winds, hailstorms, veld fires, structural fires, land degradation, drought, and heavy rains that result in flooding that can trigger widespread hardship and devastation. In addition to these natural and human-induced threats and despite ongoing progress to extend essential services to poor urban and rural communities, large numbers of people live in conditions of chronic disaster vulnerability in underserved, ecologically fragile or marginal areas where the face recurrent natural and other threats.

The risk profile is tabled below. The municipal disaster management officials in partnership assessed the disaster risk with ward committees to public participation programmes.

| Type of hazards | Potential Consequence | | |
|---|---|---|---|
| | Moderate | Major | Extreme |
| Thunderstorm and Lightning | | | All wards |
| Heavy rain and floods | | Ward 10, 2, 1, 14,16, 17 | |
| Structural fires | | All wards | |
| Veld fires | | | Ward 1-17 *except* Ward 14 |
| Drought | All Wards | | |
| Epidemics | All wards | | |
| Hailstorm and strong winds | | Ward 2, 10, 4, 12 | |
| Land degradation | | All wards | |

| Event | Likelihood | Consequence | Overall risk rating comments | Controls | Mitigations |
|---|---|---|---|---|---|
| Thunderstorm & Lightning | Almost certain | Major | Very High | • Educational awareness.<br>• Issue warning orders. | • Installation of lightning prevention devices.<br>• Nquthu Ready Summer Campaign. |
| Heavy rain & Floods | Almost certain | Moderate | High | • Educational awareness.<br>• Issue warning orders.<br>• Floods awareness maps | • Relocation to safer sites<br>• Weather forecast |
| Road network | Almost certain | Moderate | High | • Flood awareness maps | • Floodwise education<br>• Operational |

| | | | | | |
|---|---|---|---|---|---|
| floods | | | | • Signage<br>• Educational awareness | preparedness and response |
| Veldfires | Almost certain | Major | Very high | • Bushfire hazard risk map.<br>• Pre-burning. | • Resourced and trained fire staff.<br>• Community and stakeholder engagement.<br>• Fire-fighting vehicles.<br>• Fire breaks maintained. |
| Structural fires | Possible | Major | Very high | • Issue warning orders.<br>• Continuous inspections. | • Awareness creation.<br>• Fire-fighting equipment and vehicles. |
| Major transport accidents | Possible | Major | Medium | • Issue warning orders.<br>• Network Coordination Centre. | • Planning in effect. |

**Hazard Maps**

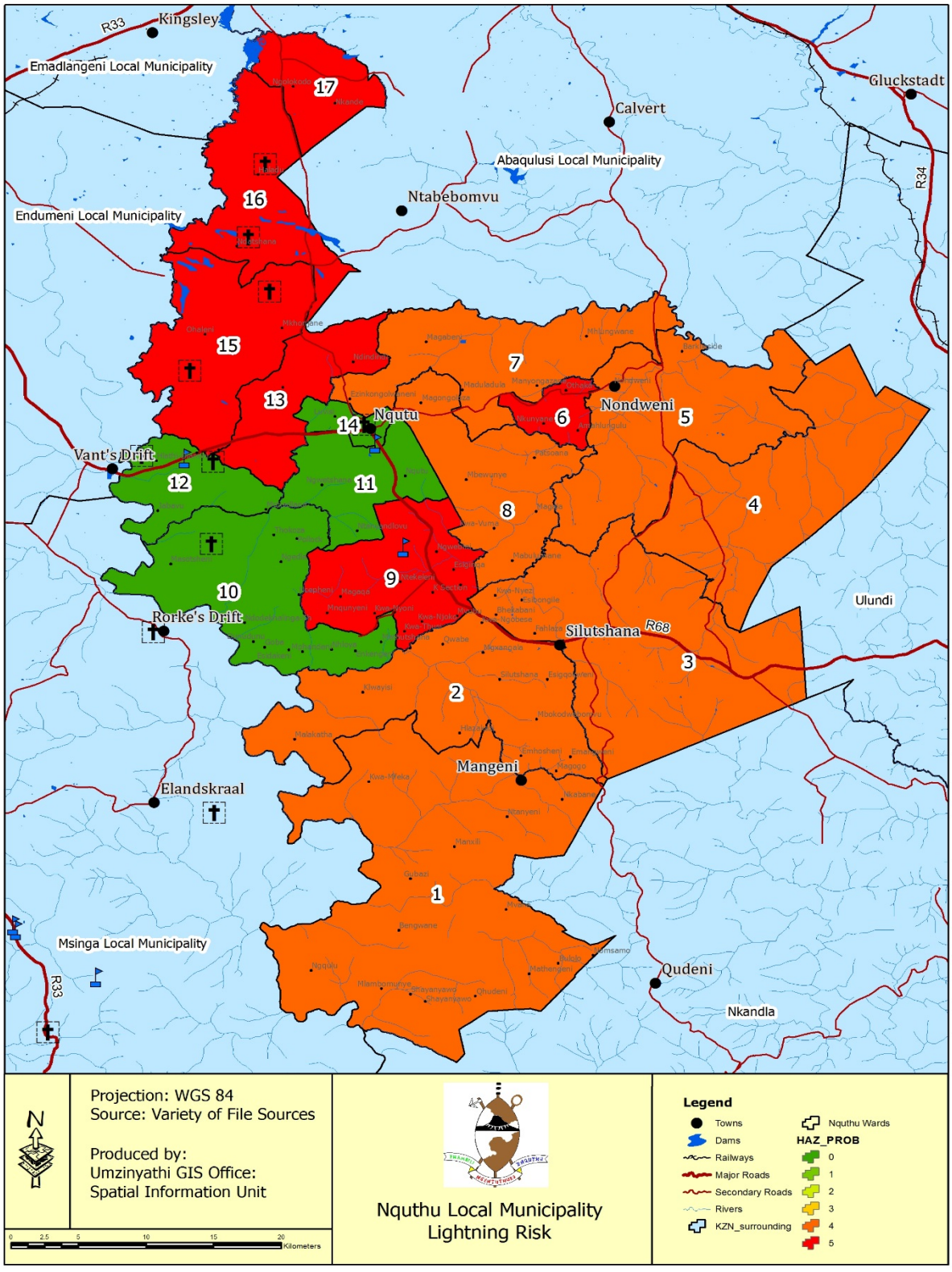



***Figure 1: Lightning hazard map***

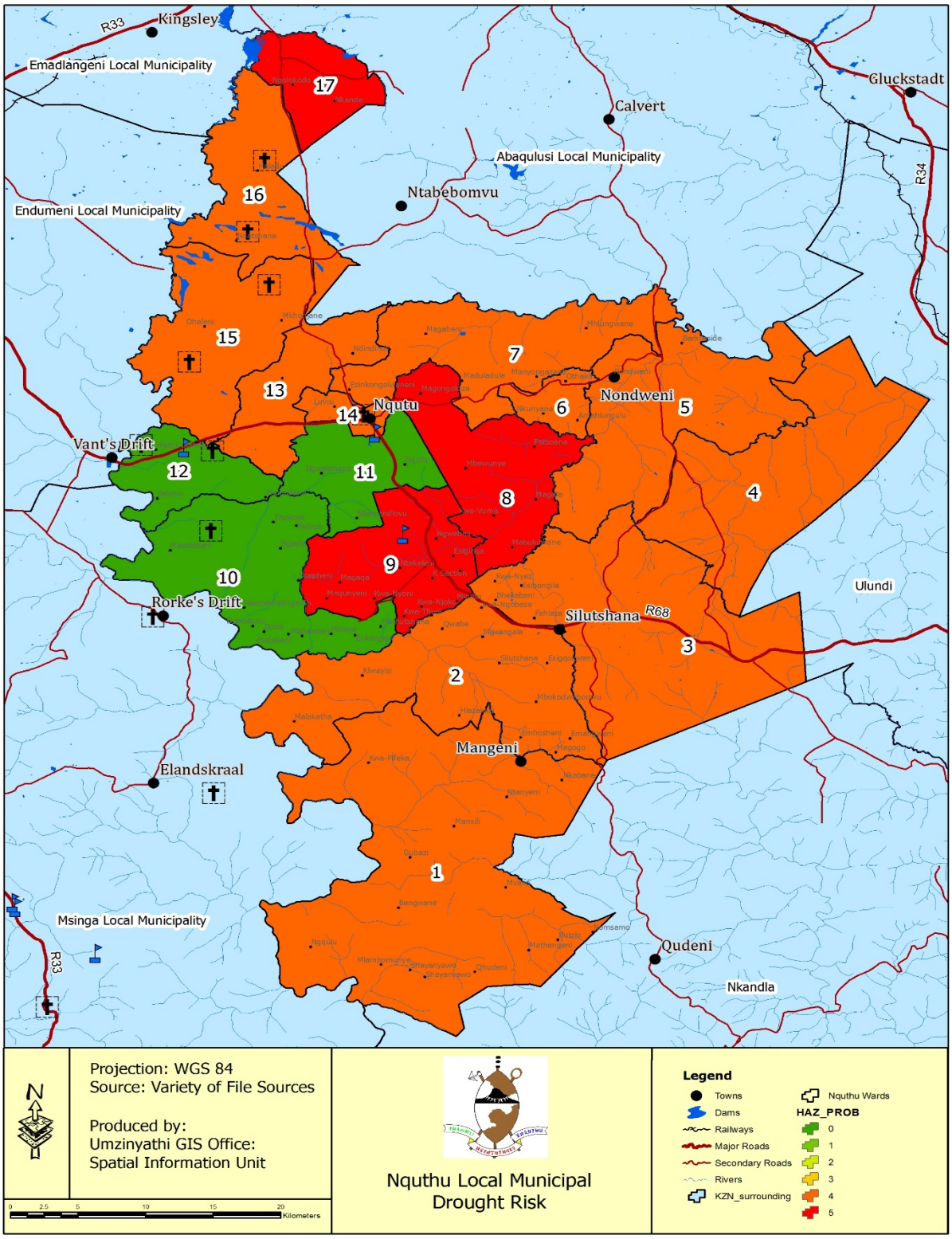



***Figure 2: Map depicting drought hazards in Nquthu***

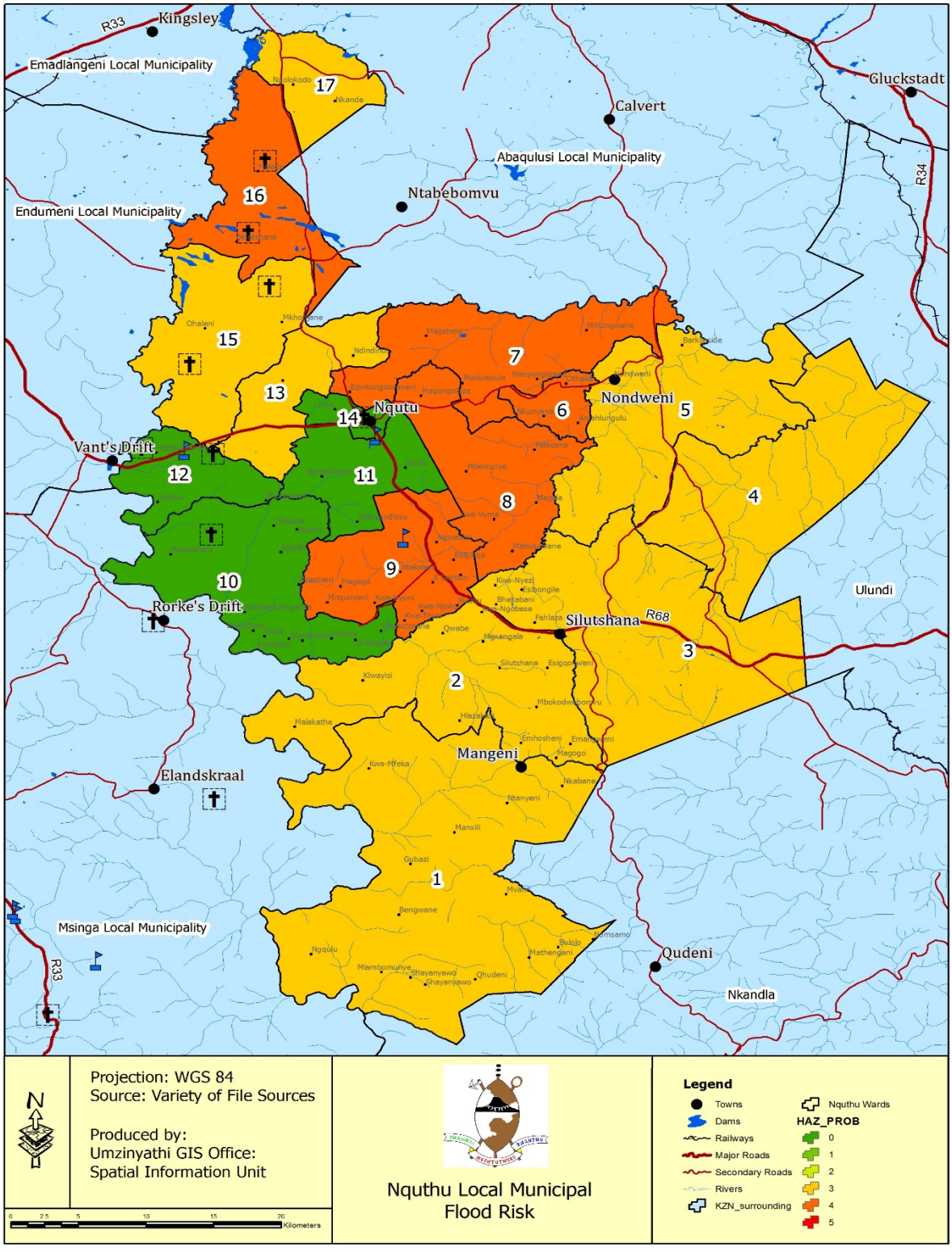



***Figure 3: Map depicting flooding hazards in Nquthu***

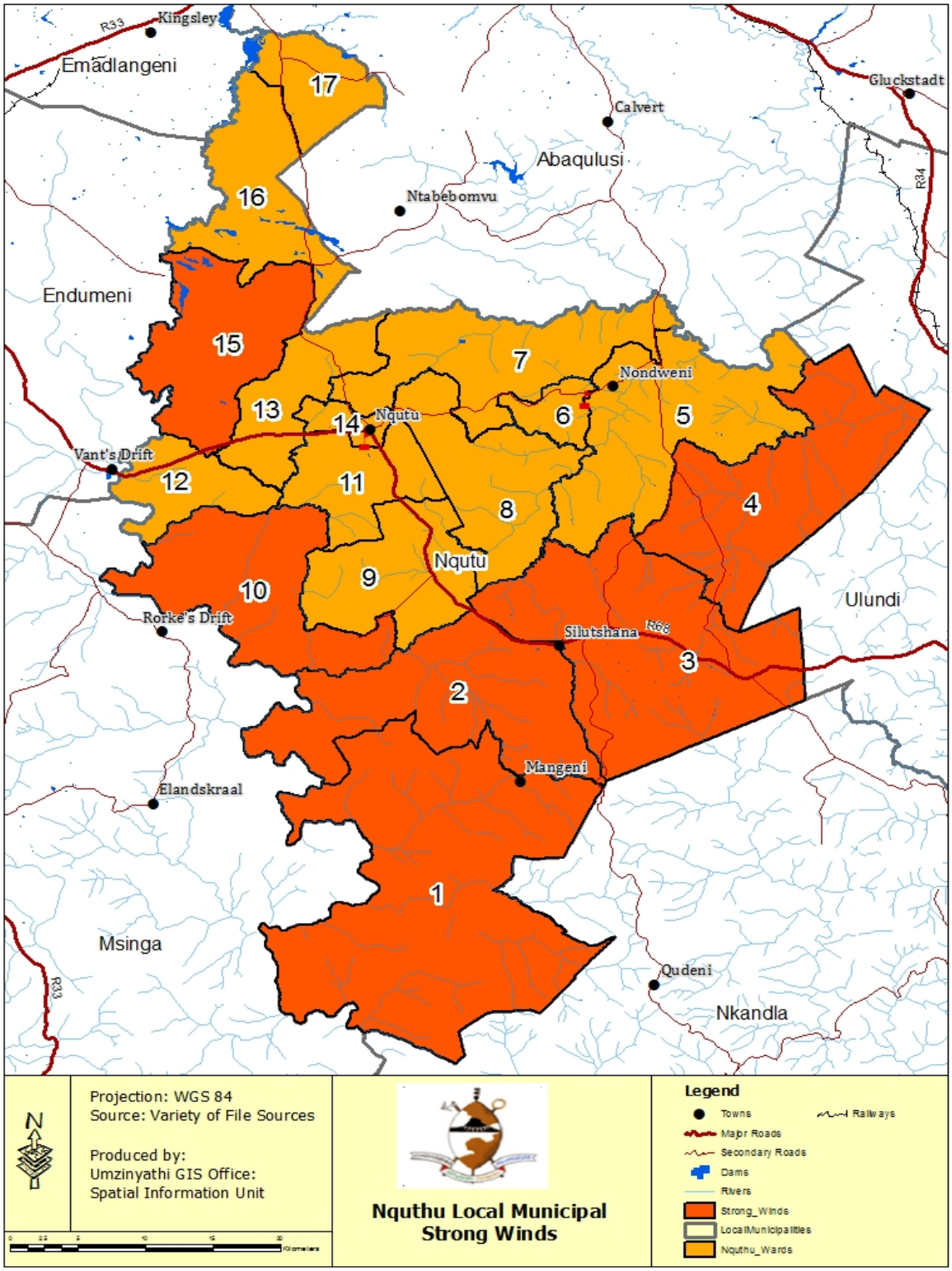



***Figure 4: Map depicting strong winds hazards in Nquthu***

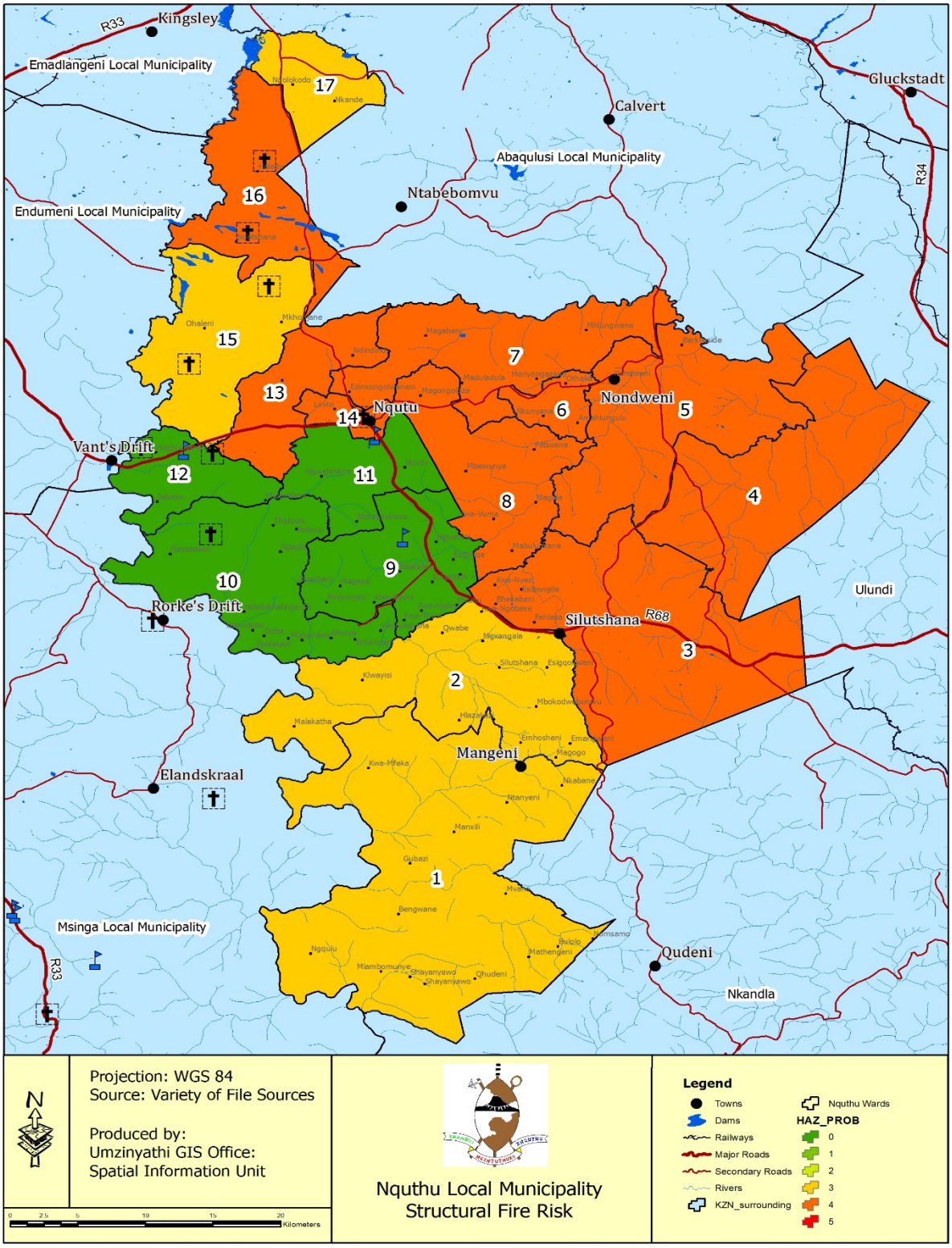



***Figure 5: Map depicting structural fire hazards in Nquthu***

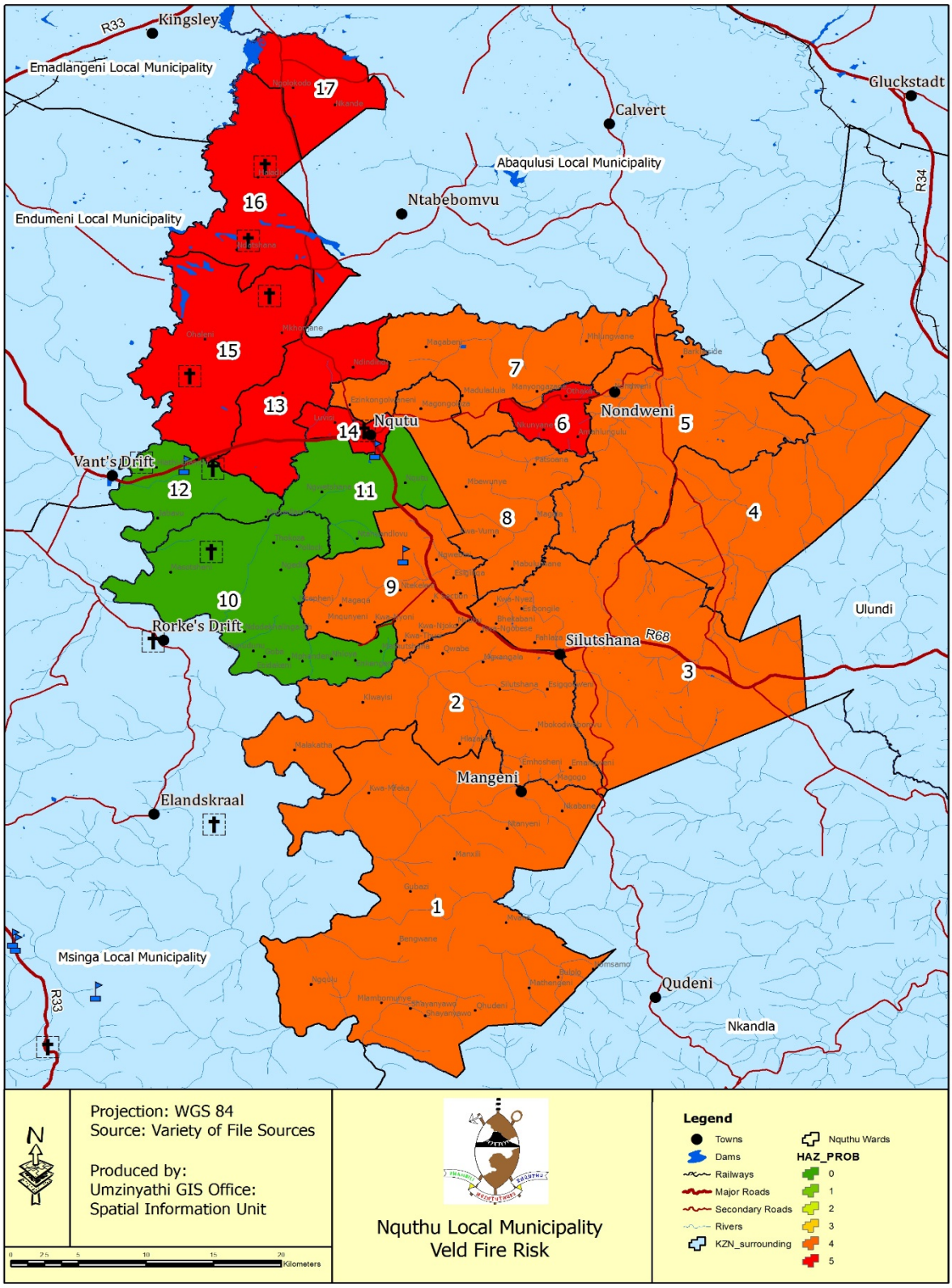



***Figure 6: Map depicting veldfire hazards in Nquthu***

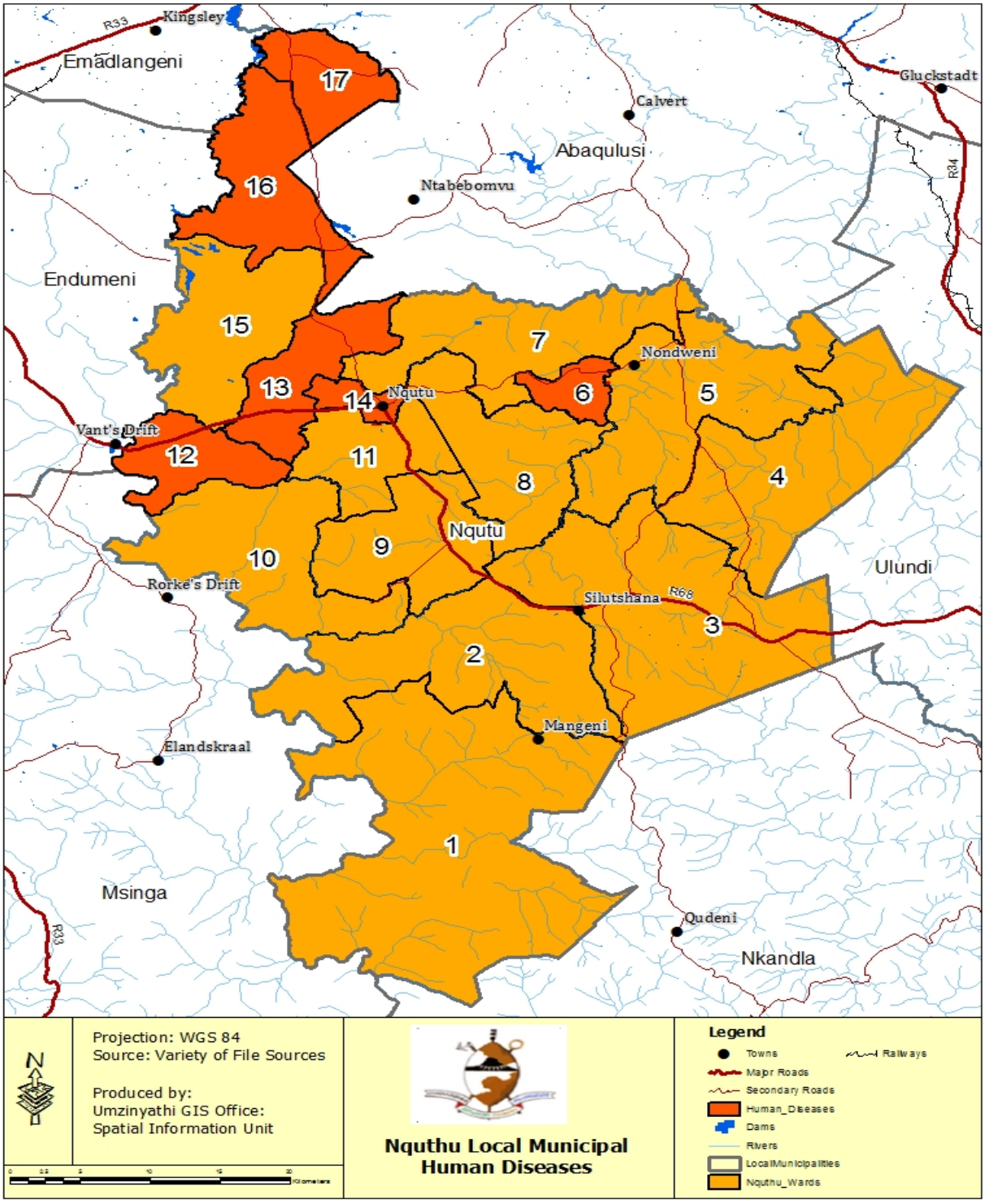



***Figure 7: Map depicting Human diseases in Nquthu***

## Vulnerability Maps

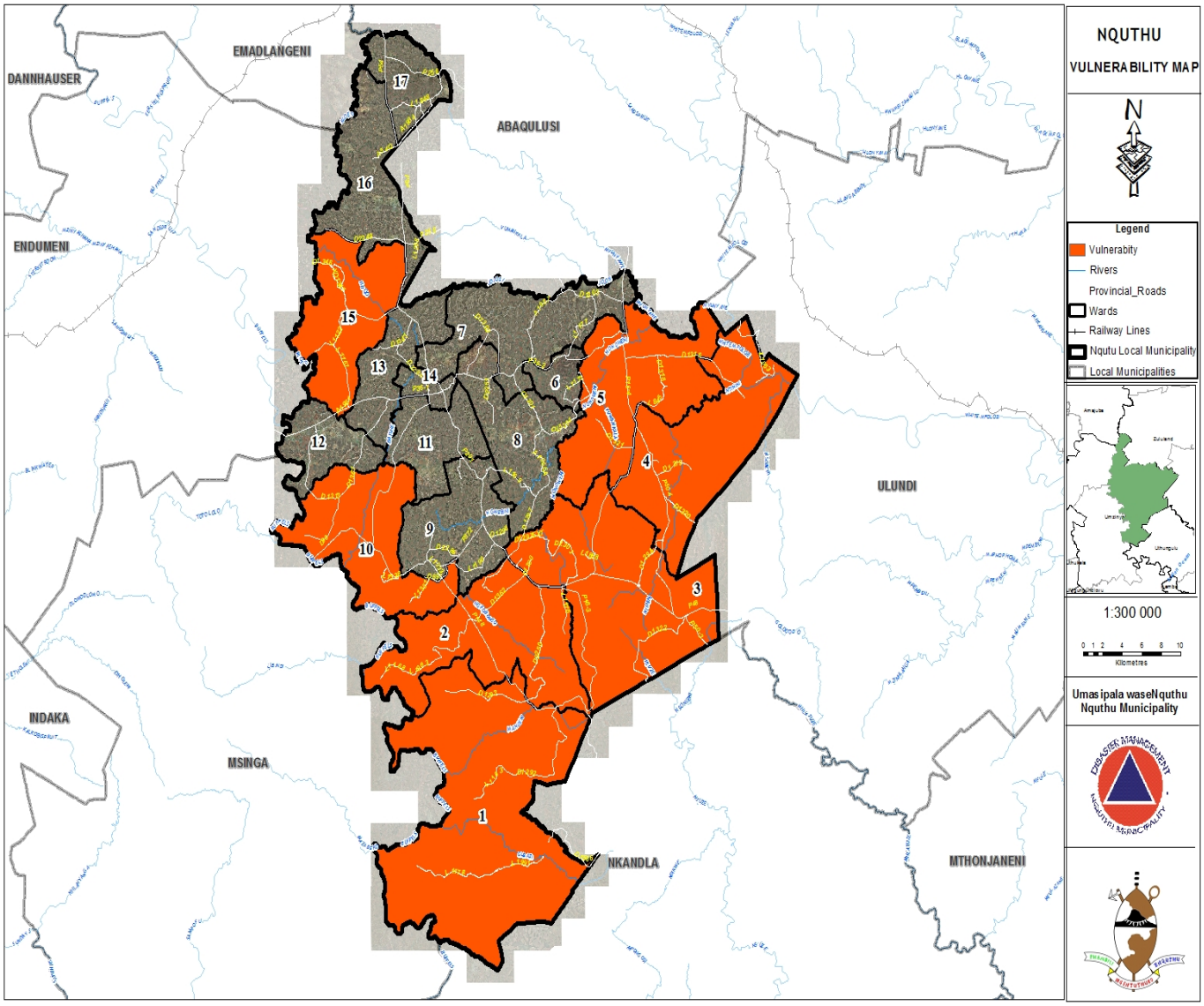
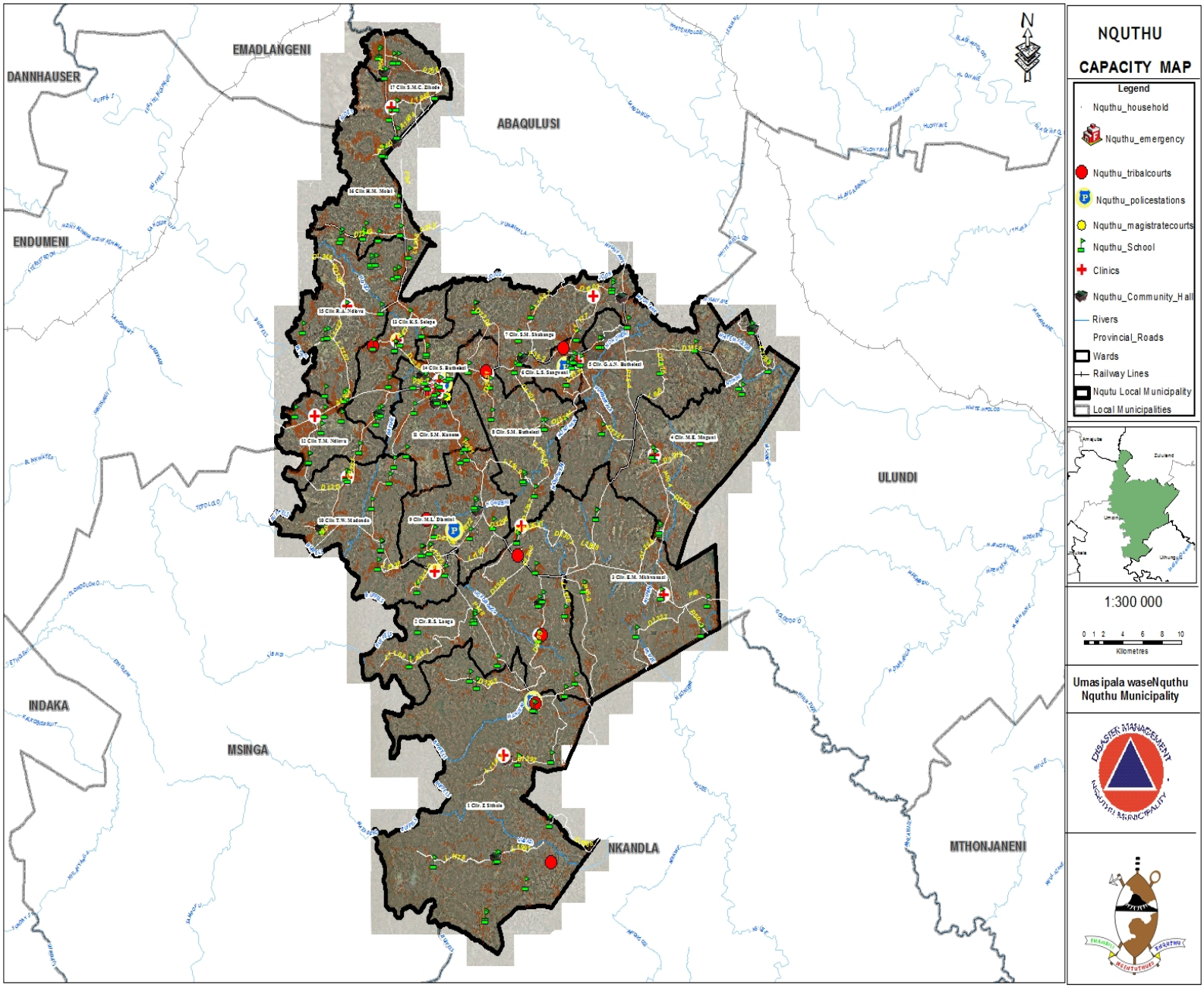



***Figure 9: Map depicting vulnerability in Nquthu***




## Capacity Maps

***Figure 10: Map depicting capacity in Nquthu***

## C.2.2.4 Disaster Risk Reduction

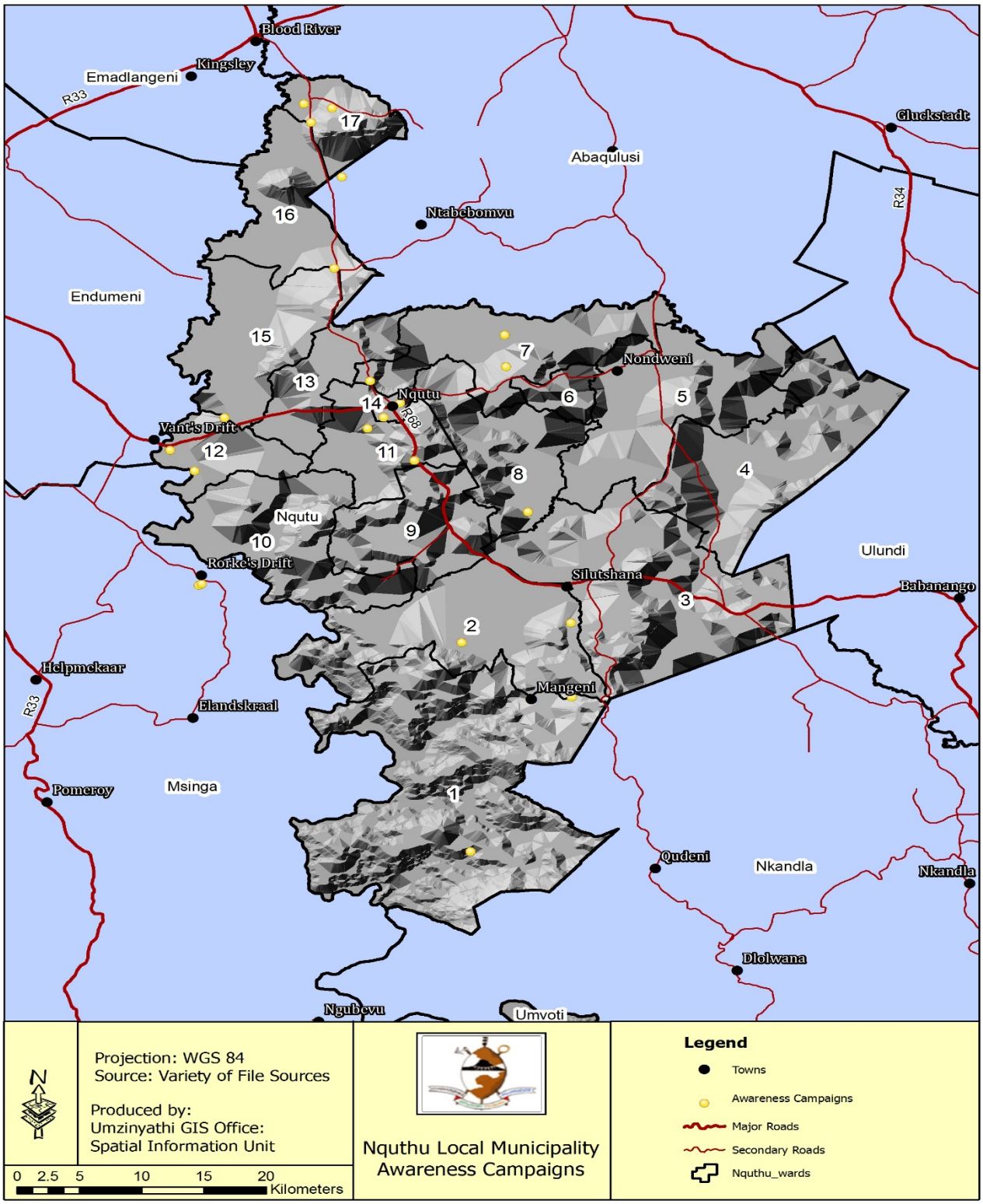



***Figure 12: Map showing disaster risk management awareness coverage***

### C.2.2.5 Disaster response and recovery

**(a) Municipal capacity in terms of response and recovery**

The municipality makes budget provision every financial year to procure disaster relief stock in a form of food parcels, blankets, plastic sheets, and sponges. The relief stock gets distrusted to victims when assessments and needs are identified. The municipality responds to all disastrous incidents in partnership with relevant stakeholders.

### C.2.2.6 Information management and communication

**(a) Early warning strategy**

The municipality receives early warnings messages form PDMC and SAWS. The municipality has developed a SMS system to disseminate early warnings or to communicate any other critical information to all linked stakeholders.

### C.2.2.6 Education, training, public awareness and research

**(a) Capacity building programmes**

The municipality aims to train Ward Committees and other community structures on disaster management programmes 2-3 times a year.

**(b) Public awareness campaigns**

The municipality aims to conduct more than 45 disaster risk reduction awareness campaigns every year. Through war rooms, public events, schools visits, and OSS, the municipality shares disaster risk reduction messages with attendees.

### C.2.2.8 DISASTER MANAGEMENT SWOT ANALYSIS

| Strengths | Weaknesses |
|---|---|
| • Fully functional disaster management unit<br>• Disaster management sector plan<br>• Fire station budgeted for<br>• Support from district and provincial government<br>• Big budget for lightning conductors<br>• Consistent disaster awareness campaigns<br>• Committed disaster management personnel | • Insufficient satellite stations for far flung areas<br>• Insufficient funding for disaster management unit<br>• Under staffed disaster management unit |
| **Opportunities** | **Threats** |
| • Establishing satellite stations for far flung areas<br>• Recruiting disaster management volunteers from communities to assist the municipality<br>• Improving response times | • Nquthu is vulnerable to lightning strikes<br>• Climate change make natural disasters more unpredictable |

## C.3 KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

### C.3.1 Human resources strategy and human resource related policies

The municipality has last adopted its Human Resource Strategy and all its human resource related policies on the 28 May 2021 to ensure a stable, well-managed and motivated workforce. The reviewed policies will be submitted to council for approval in June 2022. The human resource strategy and policies are contained in the policy addendum (See Table C.3.1 below).

| No. | Policy | Review/adoption date |
|---|---|---|
| 1 | Recruitment, selection and appointment policy | 28-May-21 |
| 2 | Induction policy | 28-May-21 |
| 3 | Placement policy | 28-May-21 |
| 4 | Promotion, transfer and secondment policy | 28-May-21 |
| 5 | Relocation policy | 28-May-21 |
| 6 | Acting allowance policy | 28-May-21 |
| 7 | Job evaluation policy | 28-May-21 |
| 8 | Termination of service policy | 28-May-21 |
| 9 | Overtime, stand-by, shift and night work allowance policy | 28-May-21 |
| 10 | Leave policy | 28-May-21 |
| 11 | Training and skills development policy | 28-May-21 |
| 12 | Experiential training policy | 28-May-21 |
| 13 | Succession plan policy | 28-May-21 |
| 14 | Internal bursary policy | 28-May-21 |
| 15 | Disciplinary code and procedure | 28-May-21 |
| 16 | Grievance policy | 28-May-21 |
| 17 | Diversity management policy | 28-May-21 |
| 18 | Employment equity policy | 28-May-21 |
| 19 | HIV and AIDS policy | 28-May-21 |
| 20 | Occupational health policy | 28-May-21 |
| 21 | Sexual harassment policy | 28-May-21 |
| 22 | Smoking in the workplace policy | 28-May-21 |
| 23 | Employee assistance policy | 28-May-21 |
| 24 | Work attendance policy | 28-May-21 |
| 25 | Bereavement policy | 28-May-21 |
| 26 | Dress-code, uniform and protective clothing policy | 28-May-21 |
| 27 | Information and communication usage policy | 28-May-21 |
| 28 | Housing allowance policy | 28-May-21 |

| No. | Policy | Review/adoption date |
|---|---|---|
| 29 | Remuneration policy | 28-May-21 |
| 30 | Payroll management and administration policy | 28-May-21 |
| 31 | Performance management policy | 28-May-21 |
| 32 | Human Resource strategy and Plan | 28-May-21 |

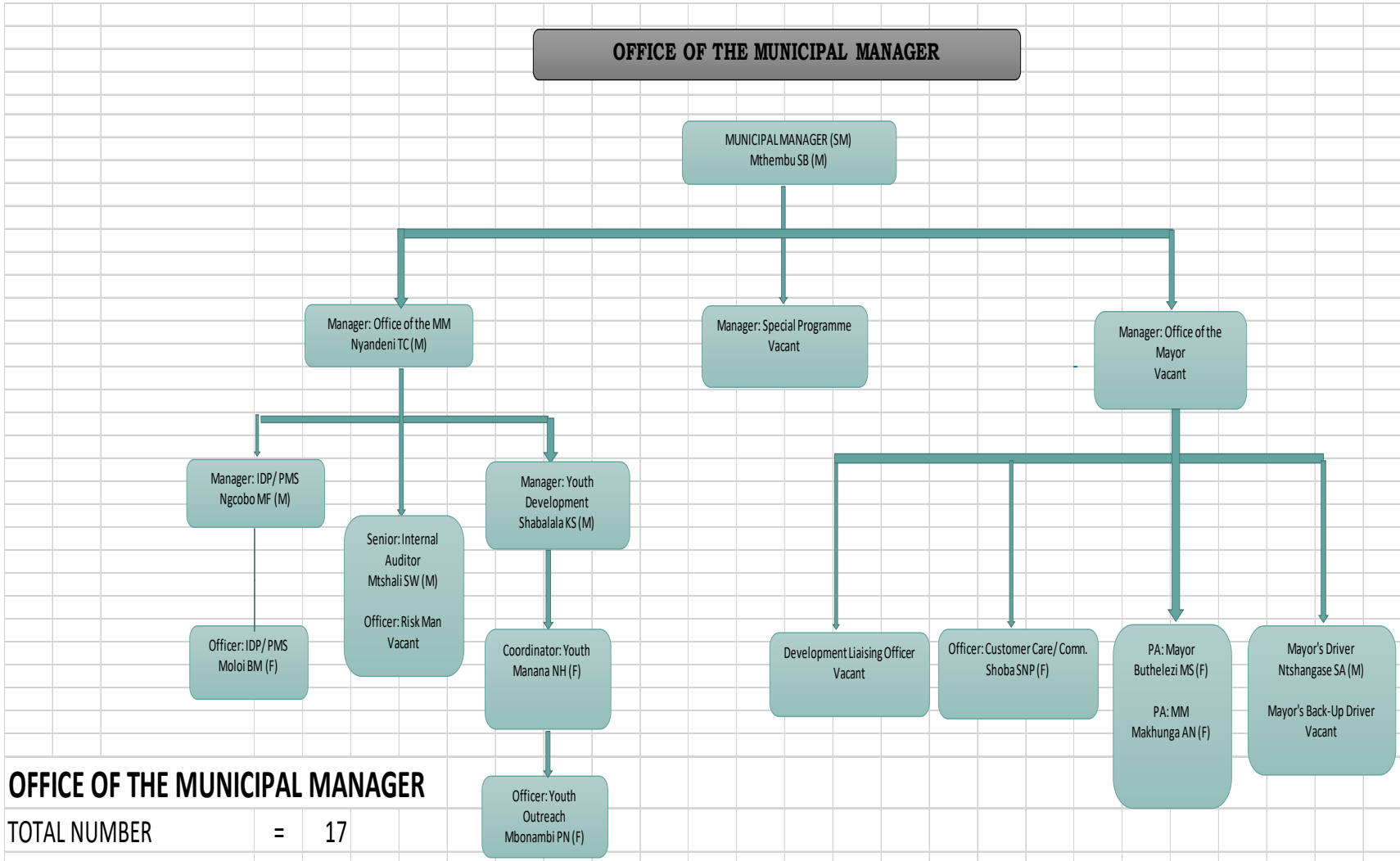
***Table C.3.1:*** *Human resource policies*

### C.3.2 Municipal administrative organizational structure

The draft organizational structure is still on reviewal stage and will be adopted by Council in May 2022, as it is reviewed on an annual basis. The below structure has been considered appropriate for the Nquthu Municipality, to achieve its mandate assigned in terms of Municipal Structures Act. The Municipality's organizational structure has five administrative components that are managed and headed by the Municipal Manager as follows:

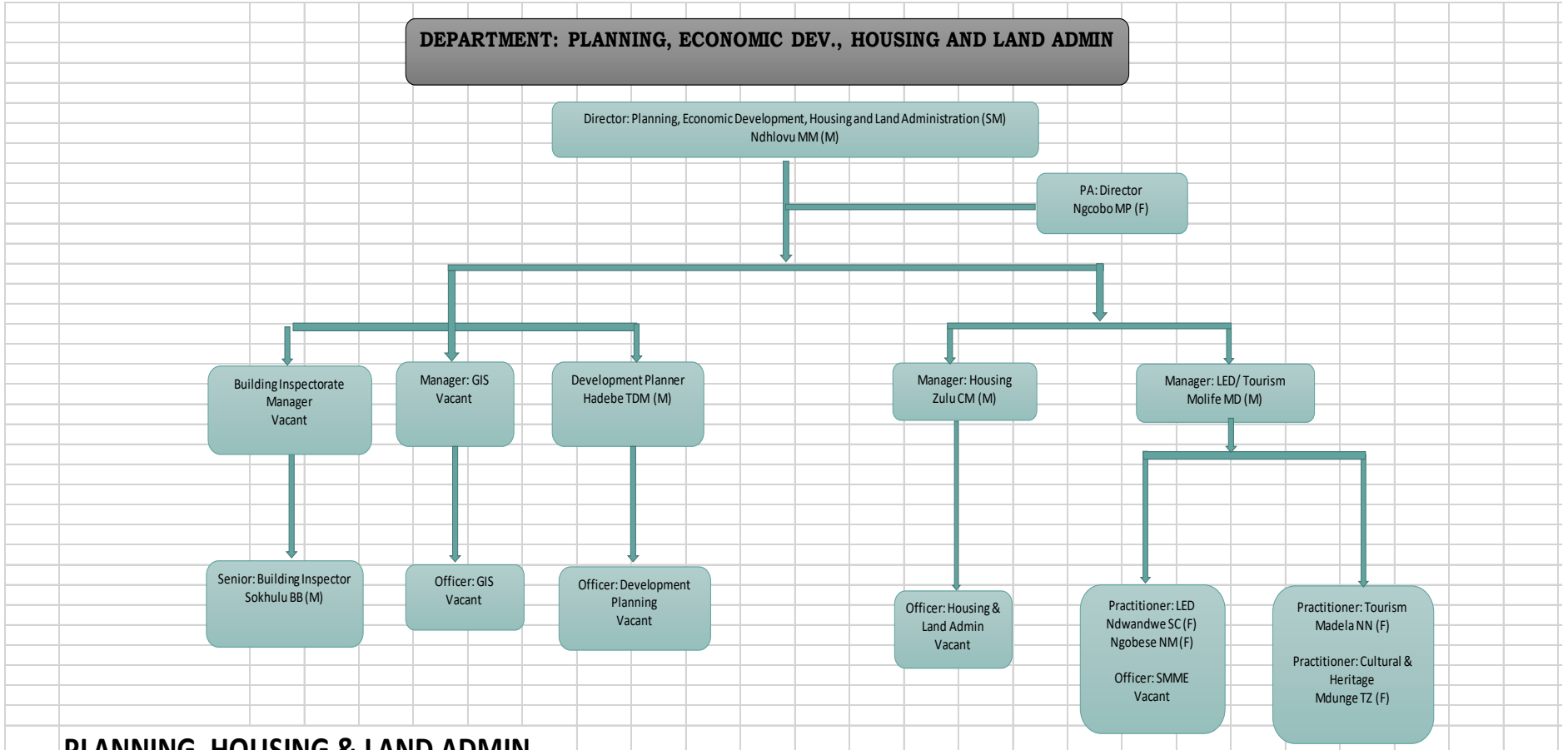
- Office of the Municipal Manager
- Budget and Treasury
- Technical Services
- Corporate Services and Community Services
- Planning, Local Economic Development, Housing and Tourism

The diagram depicting this organizational structure per each department is attached in the addendum of annexures.



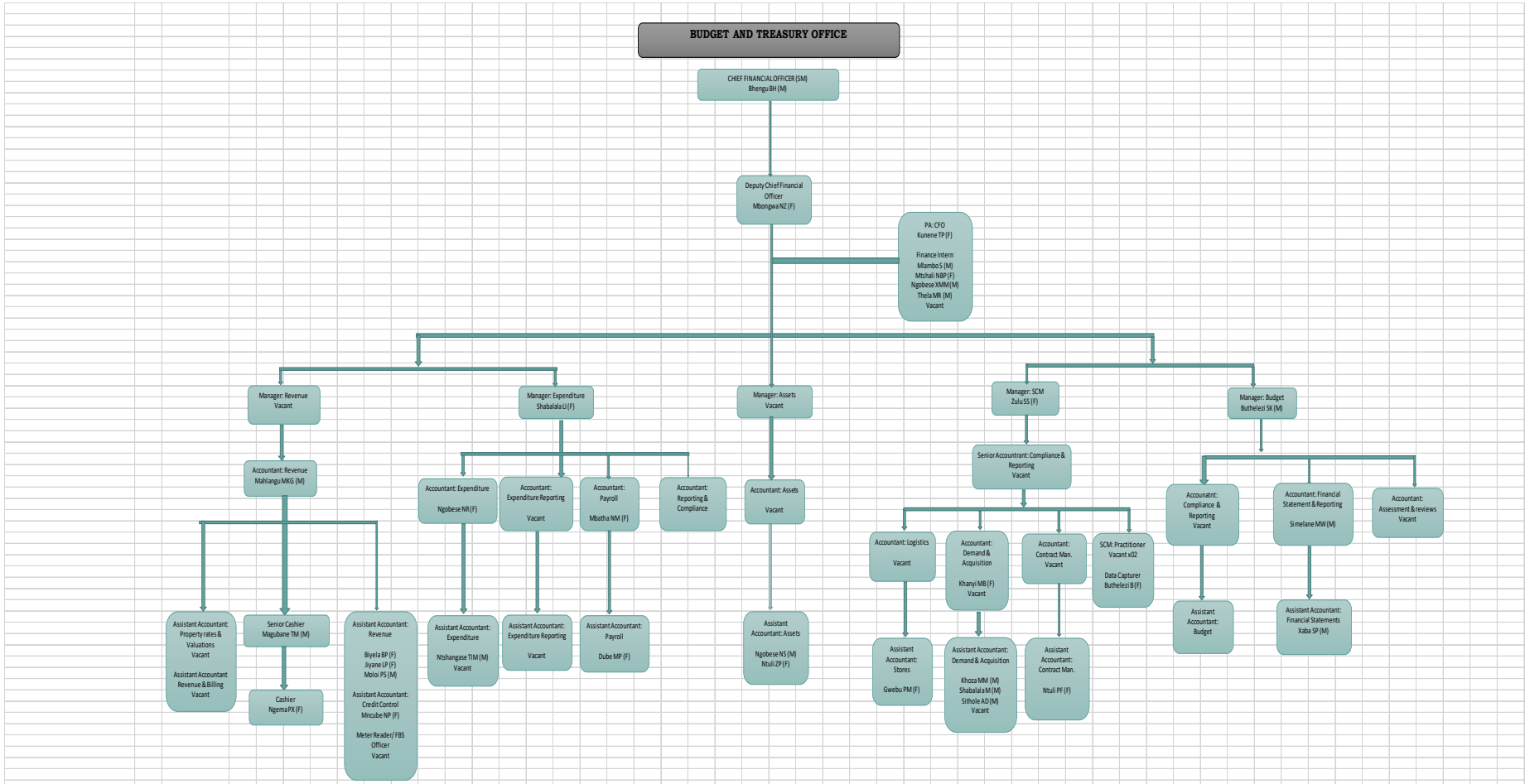

## OFFICE OF THE MUNICIPAL MANAGER

| | | |
|---|---|---|
| TOTAL NUMBER | = | 17 |
| POST FILLED | = | 13 |
| VACANT POSTS | = | 4 |
| NUMBER OF MALES | = | 6 |
| NUMBER OF FEMALES | = | 7 |

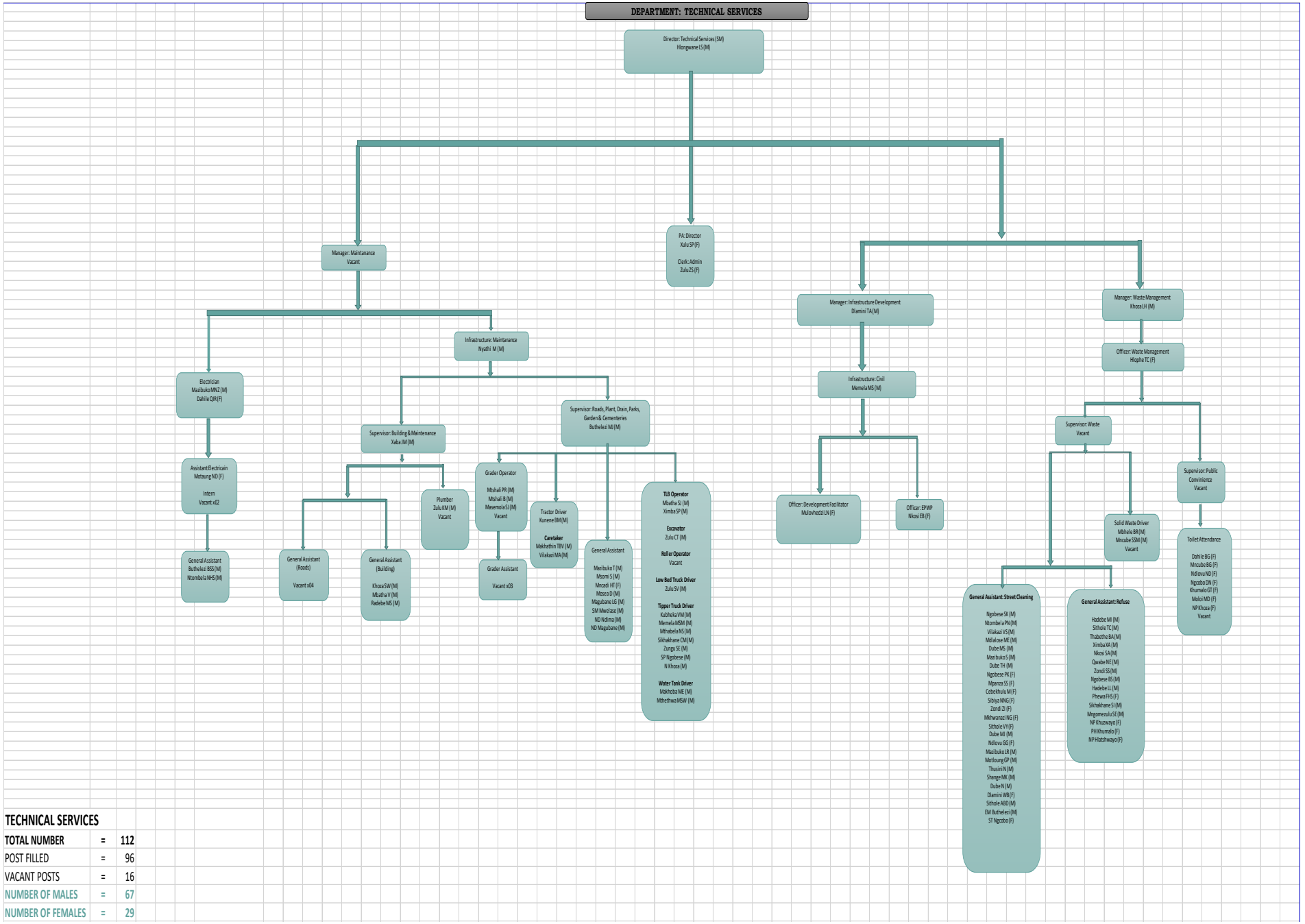



## PLANNING, HOUSING & LAND ADMIN

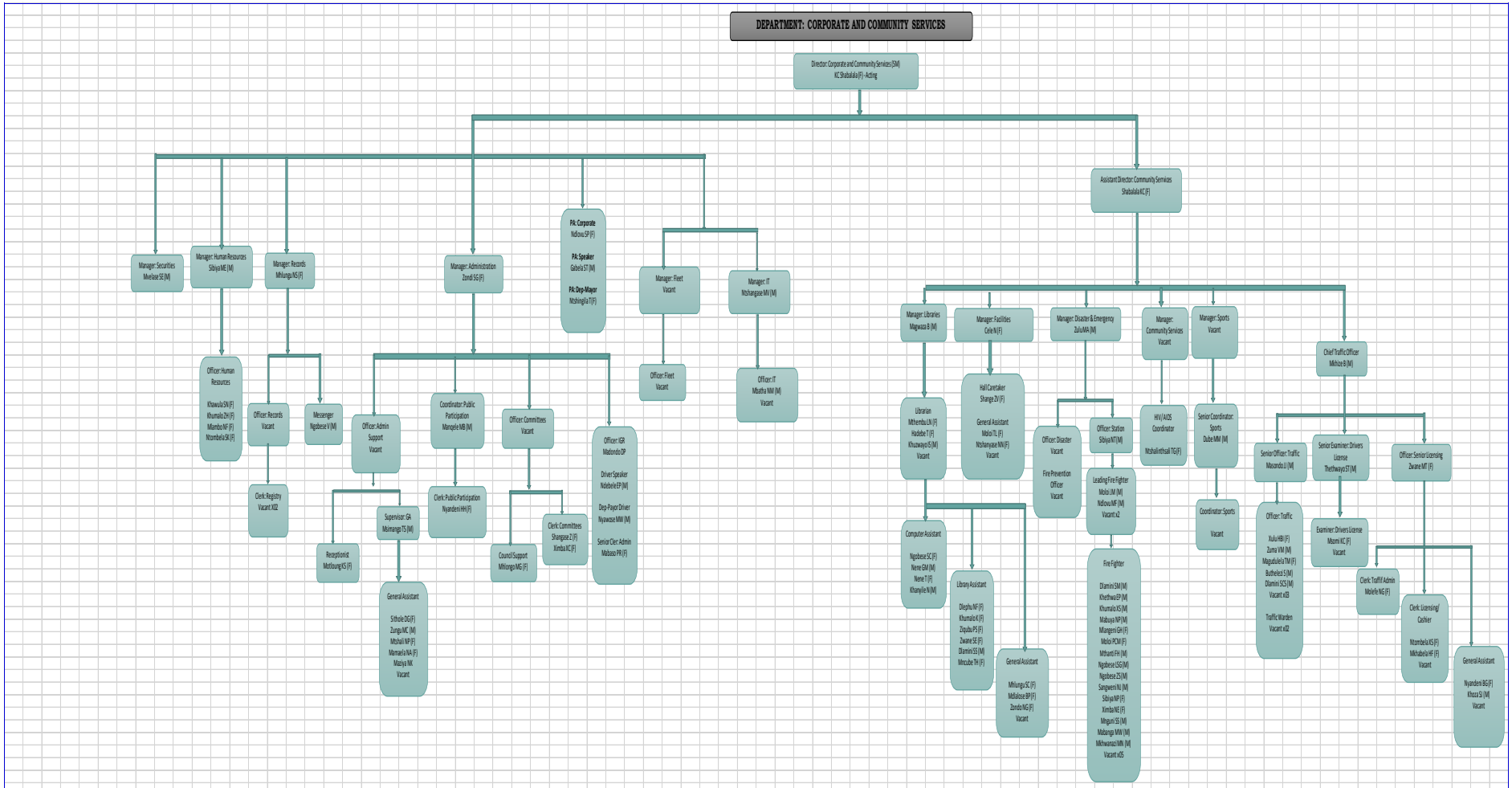
| | | |
|---|---|---|
| **TOTAL NUMBER** | = | **16** |
| POST FILLED | = | 10 |
| VACANT POSTS | = | 6 |
| NUMBER OF MALES | = | 5 |
| NUMBER OF FEMALES | = | 5 |




| BUDGET & TREASURY OFFICE | | |
|---|---|---|
| TOTAL NUMBER | = | 53 |
| POST FILLED | = | 33 |
| VACANT POSTS | = | 20 |
| NUMBER OF MALES | = | 16 |
| NUMBER OF FEMALES | = | 17 |




| TECHNICAL SERVICES | | |
|---|---|---|
| TOTAL NUMBER | = | 112 |
| POST FILLED | = | 96 |
| VACANT POSTS | = | 16 |
| NUMBER OF MALES | = | 67 |
| NUMBER OF FEMALES | = | 29 |

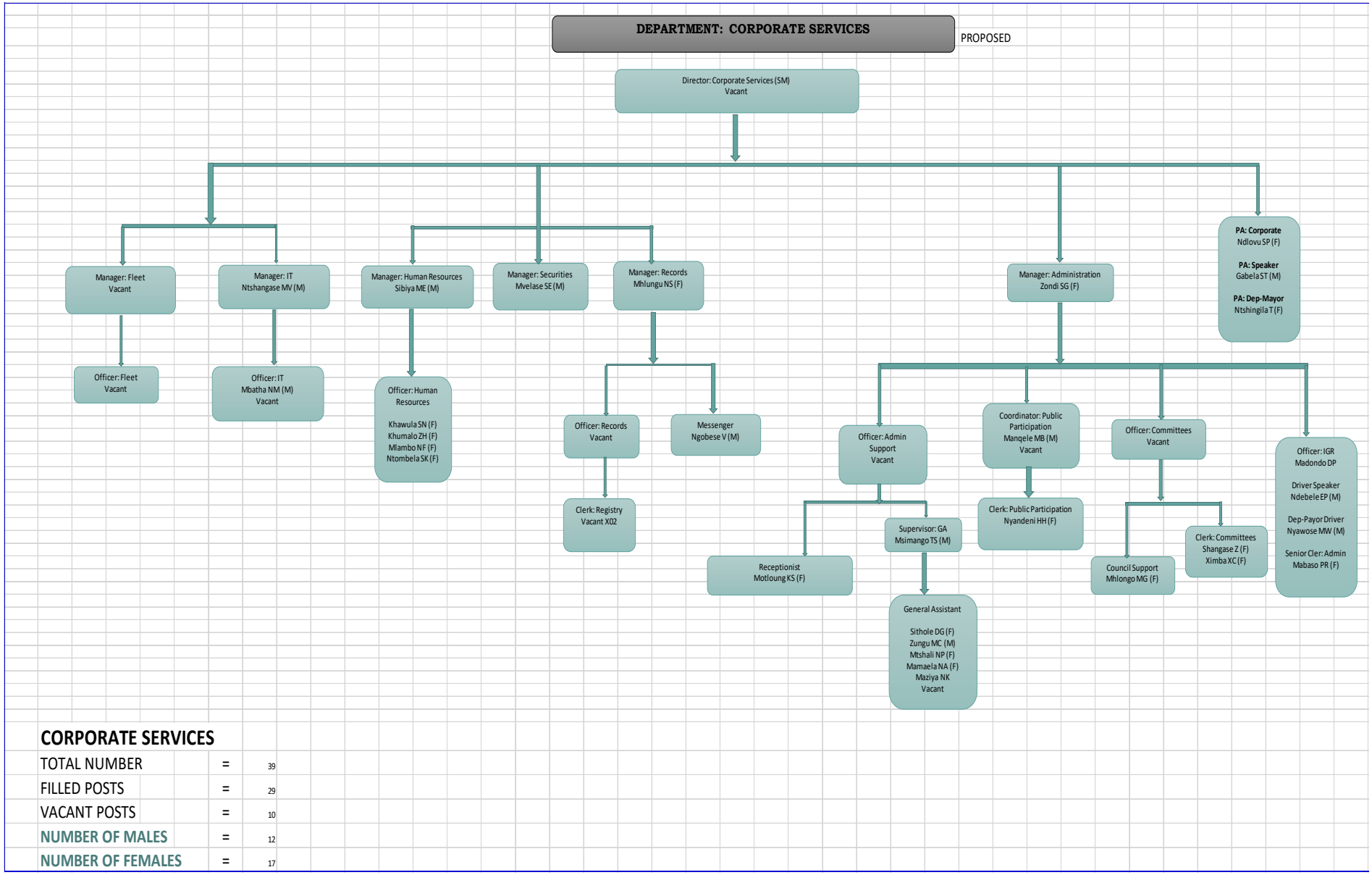



**CORPORATE SERVICES**

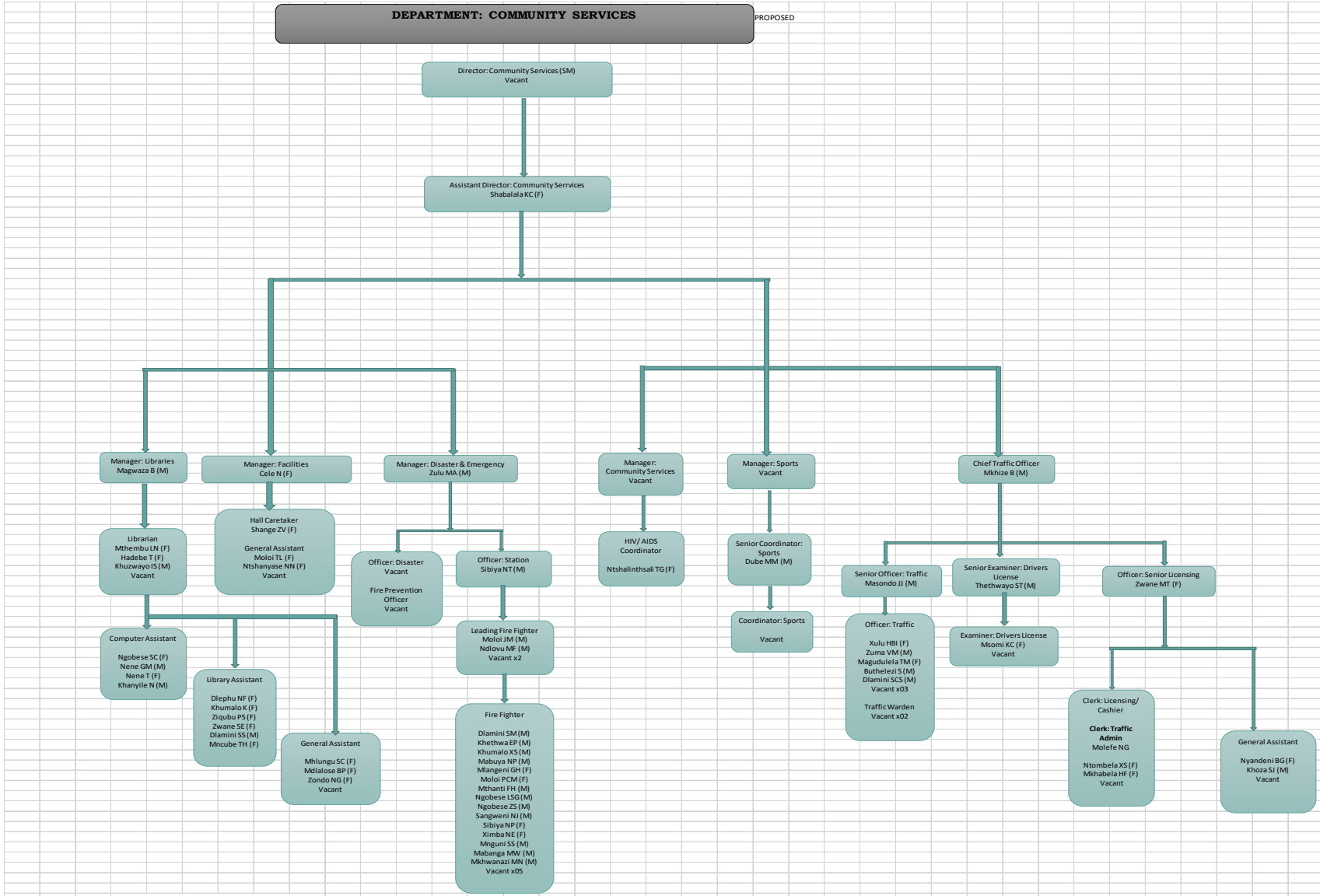
| | | |
|---|---|---|
| TOTAL NUMBER | = | 39 |
| FILLED POSTS | = | 29 |
| VACANT POSTS | = | 10 |
| NUMBER OF MALES | = | 12 |
| NUMBER OF FEMALES | = | 17 |

**COMMUNITY SERVICES**

| | | |
|---|---|---|
| TOTAL NUMBER | = | 81 |
| FILLED POSTS | = | 58 |
| VACANT POSTS | = | 23 |
| NUMBER OF MALES | = | 28 |
| NUMBER OF FEMALES | = | 30 |




| CORPORATE SERVICES | | |
|---|---|---|
| TOTAL NUMBER | = | 39 |
| FILLED POSTS | = | 29 |
| VACANT POSTS | = | 10 |
| NUMBER OF MALES | = | 12 |
| NUMBER OF FEMALES | = | 17 |




| COMMUNITY SERVICES | | |
|---|---|---|
| TOTAL NUMBER | = | 82 |
| FILLED POSTS | = | 58 |
| VACANT POSTS | = | 24 |
| NUMBER OF MALES | = | 28 |
| NUMBER OF FEMALES | = | 30 |

### C.3.3 Vacancy Rate

The municipality is working to build internal capacity as far as human resources are concerned. In this light, most vacancies have been filled and remaining vacancies have been identified and budgeted for and will be filled next financial year as per the draft organizational structure. The current vacancy rate for 2022 is illustrated in the table below and represents an overall increase from 40% vacancy rate of 2021 to 39.50% vacancy rate as at 30 March 2022.

| DEPARTMENTS | Filled | Vacancies | Vacancy Rate |
|---|---|---|---|
| **OFFICE OF THE MUNICIPAL MANAGER** | 17 | 04 | 23,53% |
| **PLANNING, LED, HOUSING AND TOURISM** | 16 | 6 | 37,5% |
| **CORPORATE SERVICES** | 29 | 10 | 34,48% |
| **COMMUNITY SERVICES** | 58 | 24 | 41,37% |
| **BUDGET AND TREASURY** | 33 | 20 | 60,61% |
| **TECHNICAL SERVICES** | 96 | 16 | 16.67% |
| **Overall vacancy rate as at 30 March 2022** | | | 39,50% |

***Table C.3.3:*** *Vacancy rate*

### C.3.4 Filling of critical posts

In regards to Section 54 and 56 manager's positions, there are 5 positions on the organogram since Corporate and Community Services departments is merged with a purpose of attaining a lean management structure. The vacant positions are still on recruitment process. There are three vacancies and two filled positions. The status of critical positions is as follows:

| No | Position | Acting/Filled | Status |
|---|---|---|---|
| 01. | Municipal Manager | Filled | N/A |
| 02. | Chief Financial Officer | Filled | N/A |
| 03. | Director Corporate & Community Services | Acting basis | Still in recruitment process |
| 04. | Director Planning and LED | Filled | N/A |
| 05. | Director Technical Services | Filled | N/A |

### C.3.5 Municipal powers and functions

Section 152 of the Constitution sets out the objects of municipalities and Section 153 determines the developmental duties of municipalities. In light of this constitutional mandate, the Municipal Structures Act assigns specific powers and functions to district and local municipalities in a matter that allows an effective system of local government. The Umzinyathi District Municipality is responsible for water and sanitation while Nquthu Local Municipality has and exercises its powers and functions on the following matters:

- Access roads and storm water construction and maintenance;
- Billboards and outdoor advertising regulation;
- Street cleaning;
- Local amenities;
- Local tourism;
- Public facilities and spaces;
- Municipal planning and building regulations, and
- Local economic development.

However, the municipality performs other functions as part of its developmental agenda, even though those functions may not be actually assigned to the municipality in terms of law; the municipality intervenes wherever there is a need and is possible.

### C.3.6. Policy implementation status

#### C.3.6.1. Employment equity Plan

Employment Equity Plan was adopted by Council on the 28 May 2021 and the reviewed plan will be submitted Department of Employment and Labour in 14 January 2022. Nquthu Municipality is an equitable employer with targeted groups represented in various layers of the municipal structure. However, there is still a lot to be achieved so that the municipality can fulfil the provisions of its Employment Equity Plan and also meet transformational requirements especially with regard to gender equity. On the positive, three disabled workers and one councillor in total, but disabled worker was employed during 2017/18 financial year and the municipality is committed to improving its equity status. The municipality has not yet meet the racial demographic in terms of appointment of whites, coloureds and Indians because no interest of application have been shown on advertised vacancies. However, the municipality is committed in meeting racial demographic in terms its employment equity. The employment equity plan is attached on the IDP.

#### C.3.6.2 Workplace skills plan

The municipality seeks to empower its staff by enhancing their skills in order that the services they render are effective, efficient and sustainable. To achieve this, the Municipality's annual

Workplace Skills Plan (WSP) is developed as per the LGSETA guidelines. The WSP and ATR will be submitted to LG Seta on the 31 April 2022 and it will be implemented vigorously and also report on its implementation to Council on a quarterly basis. The implementation of WSP is prescribed by Municipal Planning and Performance Management Regulations as one of general KPIs that has been prescribed and it is accordingly included in the municipality's SDBIP for purposes of monitoring and evaluations. The municipality is committed in providing in-service training to students who have completed their degrees/diplomas in order for them to gain work experience.

The following policies relevant to Human Resource Development are in place in the Nquthu Municipality: -

- Training and skills development policy;
- Experiential Training Policy;
- Internal Bursary Policy;
- Induction Policy;
- Succession plan policy

**C.3.6.3 Recruitment and selection policy**

The selection and recruitment policy is in place and recruitment processes are conducted as per the provisions of this policy. The municipality fully adheres to and implements this policy. The vacancies outlined in the organizational structure will be filled according to the Recruitment and Selection Policy.

**C.3.6.4 Retention Policy**

As part of its skills retention strategy, the municipality employs different strategies contained in other policies to ensure that people with skills are retained in the municipality. The municipality does offer incentives benefits such as pension or provident fund, medical aid, car allowance and staff development leave. Further to that, the municipality has implemented job evaluation and as from 01 July 2019 performance management has been cascaded to middle management level with a view to reward good performers and promote a culture of outstanding performance. The municipality is developing a retention policy aiming to guide the municipality in implementing all of its strategies that has been put in place.

### C.3.7 IT related policies and IT Steering Committee

The municipality has developed a number of policies and procedures to ensure that the municipality's IT infrastructure and systems are constantly developed and adapted to new developments while also ensuring the effectiveness and security of the systems. Currently, the policies that are in place are as follows:

- Corporate Governance of Information and Communication Technology Policy;
- Information and Communication Technology Policy;
- Information Technology Security Policy;
- Information Technology Disaster Recovery Plan;
- Antivirus, Firewall and Patch Management Control Policy;
- Backup and Restore Policy;
- Activity Monitoring Policy and Procedures;
- Backup and Restore Procedures, and
- Change Management Procedure.

The IT Steering Committee has also been established to monitor the implementation of these policies and procedures and also attend to all IT related matters that arises. This committee is chaired by the Corporate and Community Services Director and the IT Manager is providing secretarial services to ensure that this committee is effective and represented at top management level.

The municipality has filled in all the vacancies in the IT unit to ensure that it is adequately capacitated to perform all its function optimally.

### C.3.8 Human Resources Strategy

The Human Resources Strategy acts as an instrument which provides the foundation for the achievement of organizational goals through comprehensive planning of human resources. The Human Resource Strategy was formulated and will be approved by council in May 2022 together with a Human Resource Plan. The action plans that were set were for short-term and long-term goals. The aim of the strategy was to highlight the current strategies the municipality has in place in as far as the Human Resource Management policies and practices, and what needs to be done by the department to achieve the overall organizational goals.

### C.3.8 SWOT analysis on Municipal Transformation and Institutional Development

| STRENGHTS | WEAKNESSES |
|---|---|
| • Policies and By-Laws in place.<br>• Employment Equity Plan in place.<br>• Human Resource Policies and Strategy in place and implemented.<br>• Job Evaluation implemented.<br>• OPMS Framework in place and filled positions in PMS unit.<br>• Functional Local Labour Forum.<br>• Continuous Councillors Capacity Development<br>• Functional and effective Risk Management. | • Poor achievement of set EEP targets, especially with regard to representation of women in senior management.<br>• Insufficient Human Resources development budget/ resources<br>• Exposure to fraudulent practices on recruitment of staff (qualifications vetting) |
| **OPPORTUNITIES** | **THREATS** |
| • Grading of the mmunicipality to a higher grade.<br>• Properly skilling the workforce to eliminate unnecessary reliance on consultants.<br>• Investing more in internships and in-service training to build a skills base to recruit form.<br>• Acquisition of SAQA services to eliminate fraudulent and complete vetting of applicants<br>• Cascading performance management to all employees.<br>• Linking PMS to Job Evaluation outcomes. | • Escalating wage bill exceeding 40%.<br>• Insufficient WSP funding to properly train employees resulting in avoidable spending on consultants.<br>• Industrial Actions due to Categorization and Wage Curves<br>• Reputational damage due to fraudulent jobs for money scam that arises from time to time conducted by fraudsters masquerading as municipal officials. |

## C.4 BASIC SERVICE DELIVERY

### C.4.1 Water and sanitation

### C.4.1.1 Water

#### C.4.1.1.1 Water Services Authority (WSA)

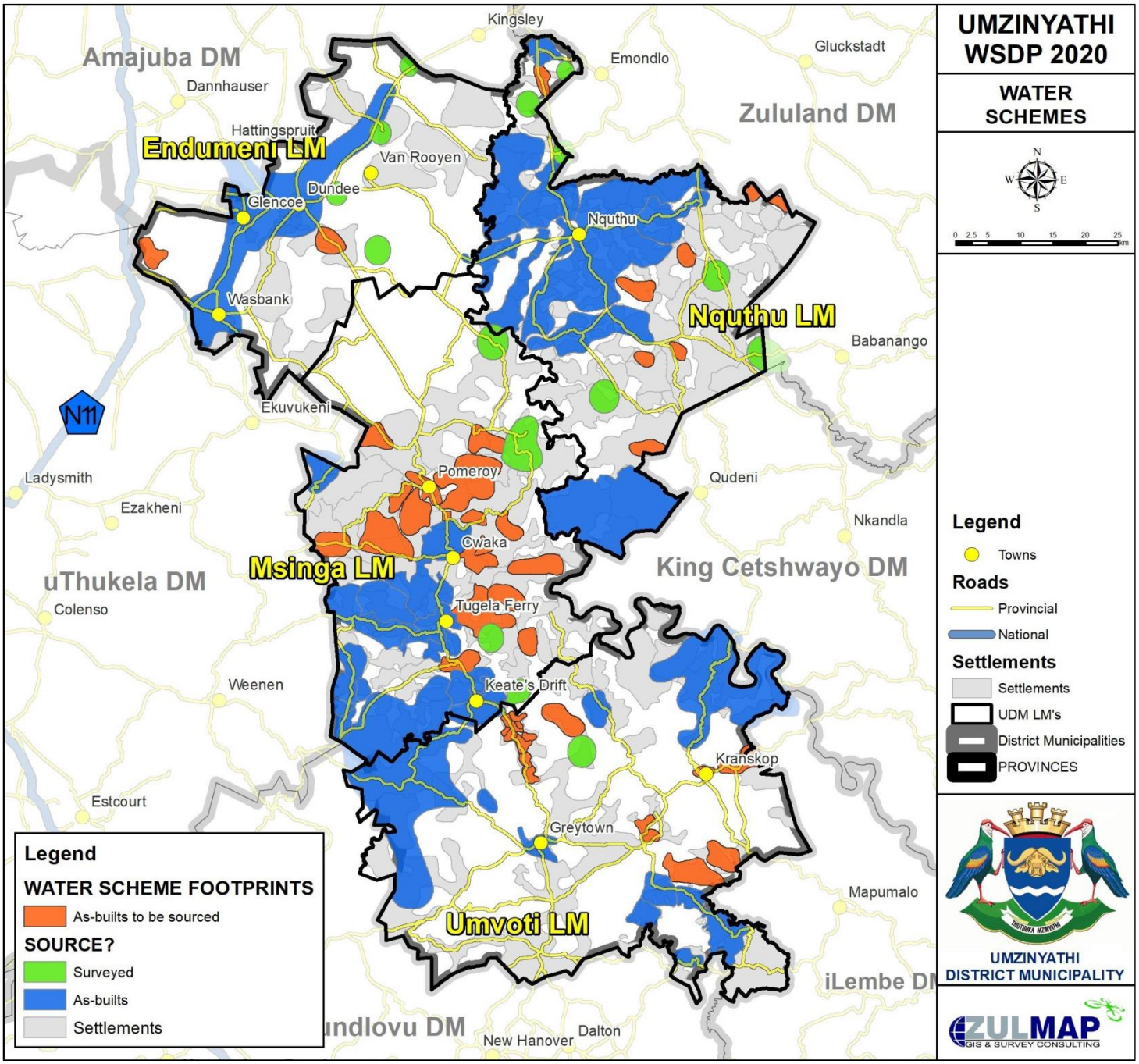
Nquthu LM is not a WSA municipality, but it is Umzinyathi DM that is the WSA in the municipality and is responsible for water provision and sanitation within its area of jurisdiction under which Nquthu LM falls. All water and sanitation related services are the function of Umzinyathi DM. However, Nquthu LM also plays a critical role in terms of intergovernmental planning and providing feedback on the services provided by UDM within Nquthu.

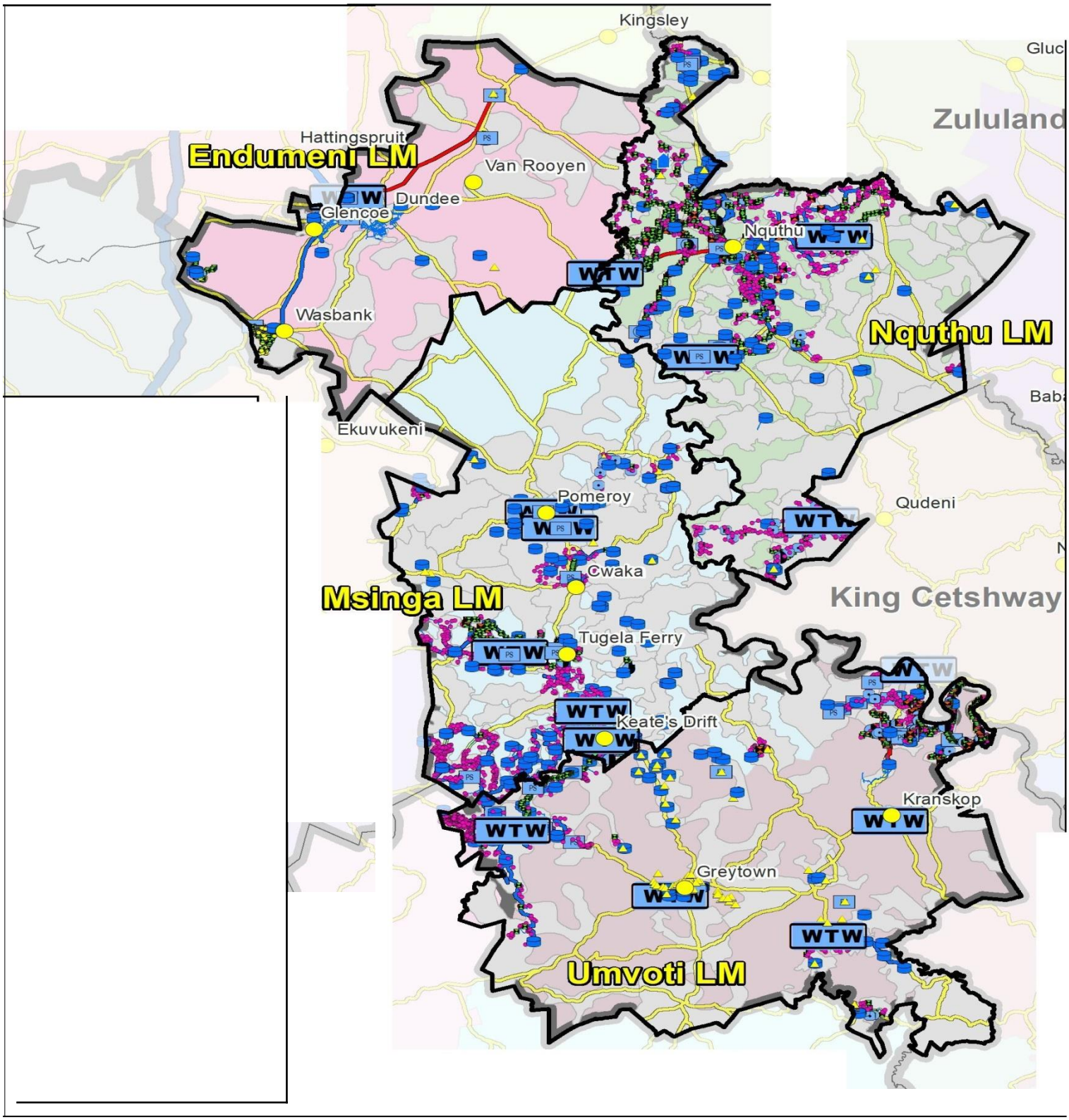
#### C.4.1.1.2 Water Services Development Plan (WSDP)

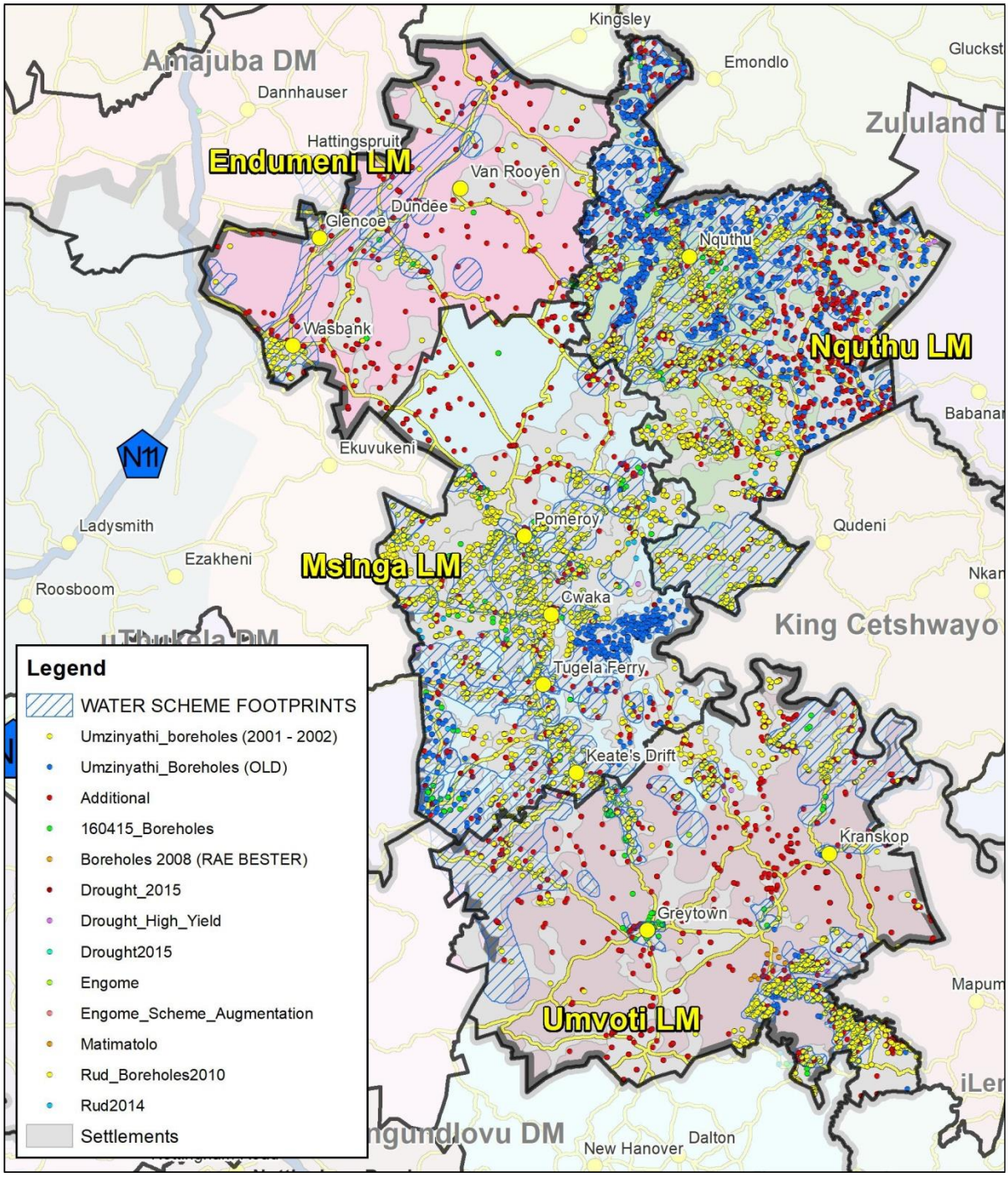
Umzinyathi DM has developed a WSDP for the whole district which Umzinyathi DM as the Water Services Authority. This WSJP is found on the municipal website under the IDP section.

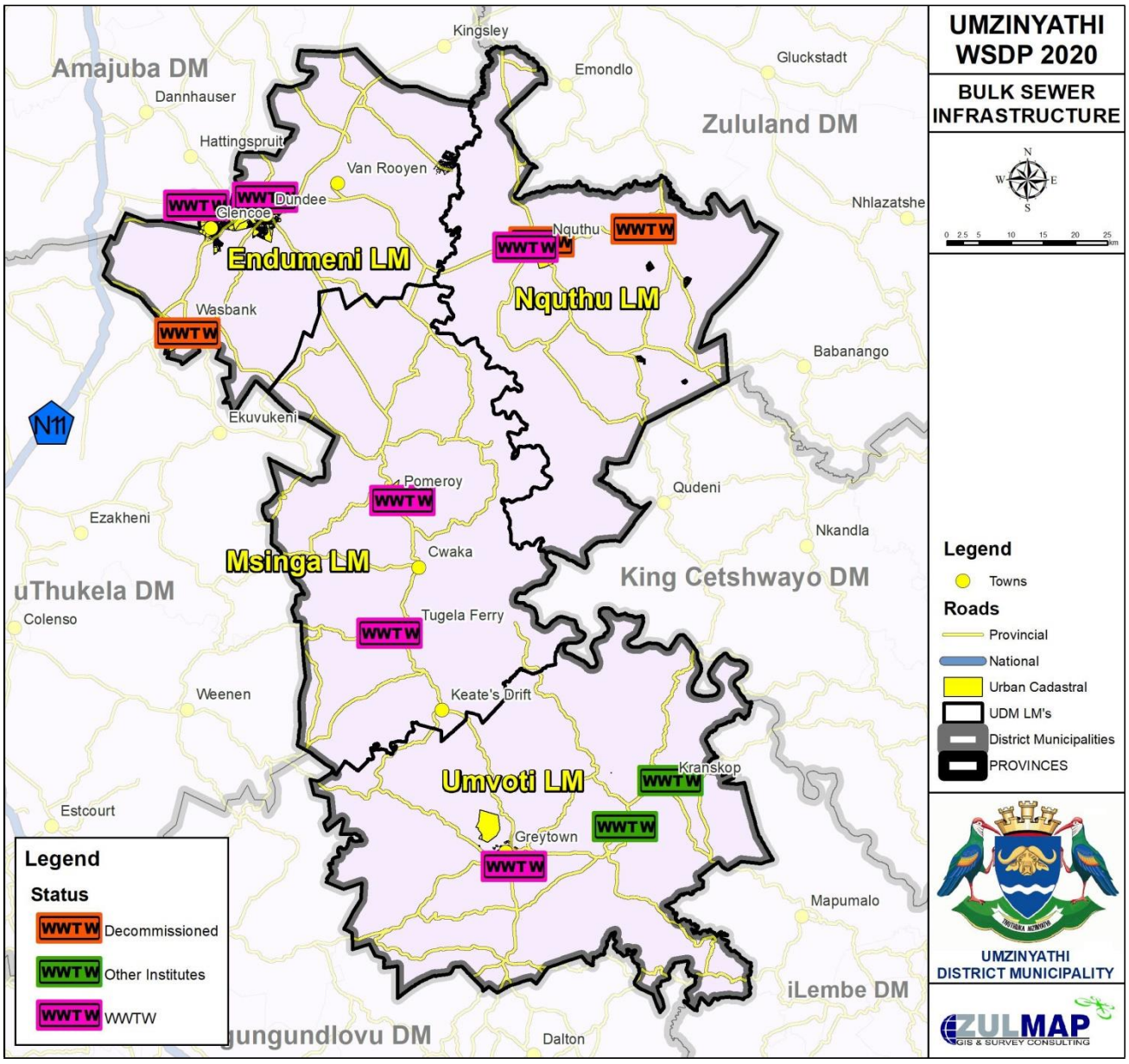
#### C.4.1.1.3 Water supply infrastructure

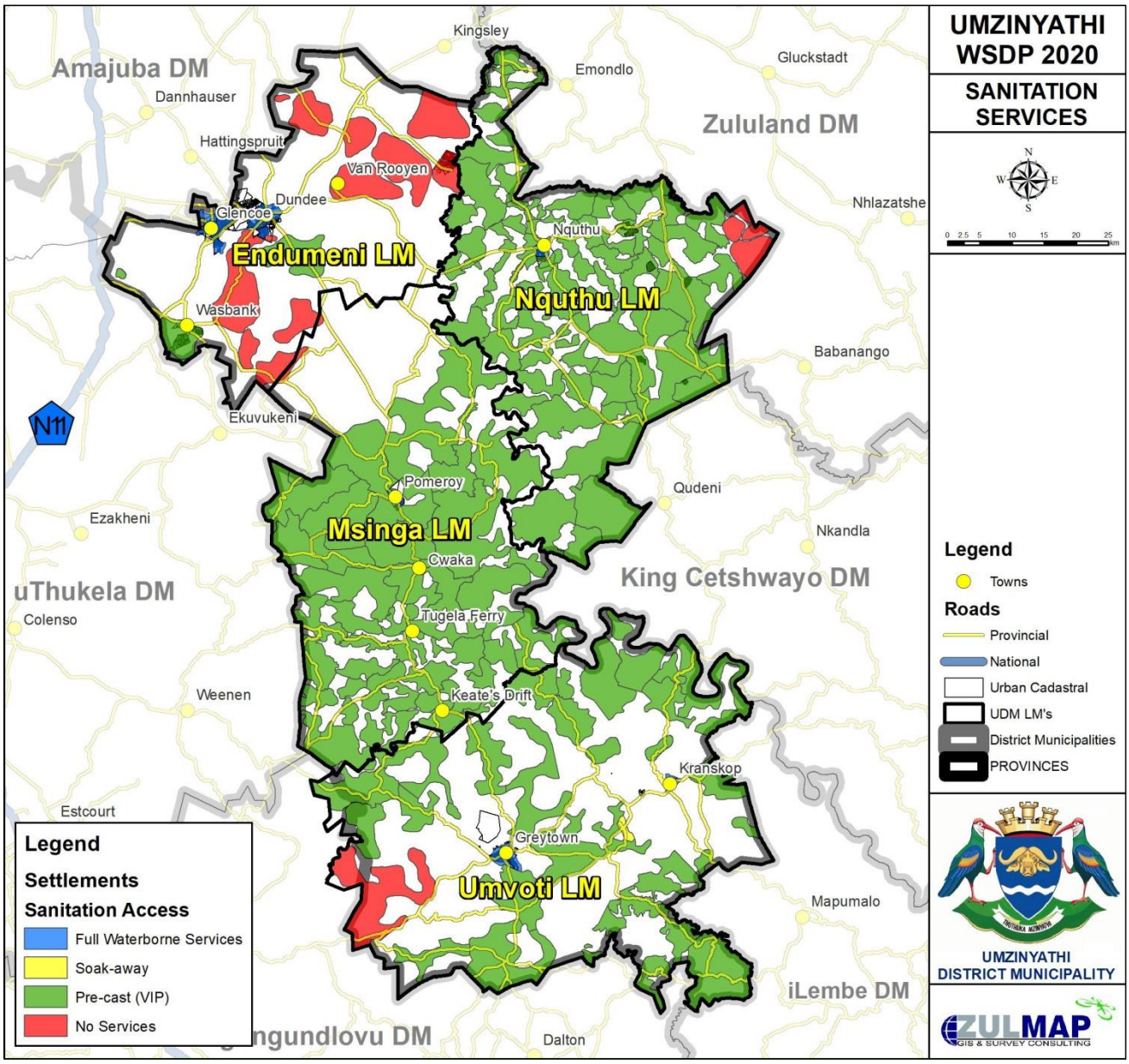
Umzinyathi DM has in the past put water supply infrastructure in Nquthu in the form of water schemes. But this infrastructure is, in some areas; either decaying or poorly maintained resulting in huge water loss or complete dysfunctionality. There seems to be no clear plan to maintain existing water infrastructure which results in high levels of water shortage in Nquthu. The maps in the following pages depict water and sanitation infrastructure, including existing water schemes.


UMZINYATHI WSDP 2020
WATER SCHEMES
Kingsley
Amajuba DM
Dannhauser
Emondlo
Gluckstadt
Zululand DM
Hattingspruit
Endumeni LM
Van Rooyen
Dundee
Glencoe
Nquthu
Wasbank
Nquthu LM
Babanango
N11
Ekuvukeni
Ladysmith
Pomeroy
Qudeni
Ezakheni
Nkandla
Cwaka
Msinga LM
King Cetshwayo DM
uThukela DM
Colenso
Tugela Ferry
Weenen
Keate's Drift
Kranskop
Estcourt
Greytown
Mapumalo
Umvoti LM
iLembe DM
New Hanover
Dalton
Legend
Towns
Roads
Provincial
National
Settlements
Settlements
UDM LM's
District Municipalities
PROVINCES
Legend
WATER SCHEME FOOTPRINTS
As-builts to be sourced
SOURCE?
Surveyed
As-builts
Settlements
UMZINYATHI DISTRICT MUNICIPALITY
ZULMAP
GIS & SURVEY CONSULTING


Kingsley
Hattingspruit
Endumeni LM
Van Rooyen
Dundee
Glencoe
Wasbank
Ekuvukeni
Nquthu
Nquthu LM
Zululand
Pomeroy
Cwaka
Msinga LM
Qudeni
King Cetshway
Tugela Ferry
Keate's Drift
Kranskop
Greytown
Umvoti LM


Kingsley
Amajuba DM
Emondlo
Dannhauser
Zululand
Hattingspruit
Endumeni LM
Van Rooyen
Dundee
Glencoe
Nquthu
Wasbank
Nquthu LM
Babanan
N11
Ekuvukeni
Ladysmith
Pomeroy
Qudeni
Ezakheni
Msinga LM
Roosboom
Cwaka
King Cetshwayo
Tugela Ferry
Keate's Drift
Kranskop
Greytown
Mapum
Umvoti LM
New Hanover
Dalton
Legend
WATER SCHEME FOOTPRINTS
Umzinyathi_boreholes (2001 - 2002)
Umzinyathi_Boreholes (OLD)
Additional
160415_Boreholes
Boreholes 2008 (RAE BESTER)
Drought_2015
Drought_High_Yield
Drought2015
Engome
Engome_Scheme_Augmentation
Matimatolo
Rud_Boreholes2010
Rud2014
Settlements


UMZINYATHI
WSDP 2020
BULK SEWER
INFRASTRUCTURE
Amajuba DM
Zululand DM
King Cetshwayo DM
uThukela DM
iLembe DM
Endumeni LM
Nquthu LM
Msinga LM
Umvoti LM
Kingsley
Emondlo
Gluckstadt
Dannhauser
Hattingspruit
Van Rooyen
Dundee
Glencoe
Nhlazatshe
Nquthu
Wasbank
Babanango
Ekuvukeni
N11
Pomeroy
Qudeni
Ezakheni
Nkandla
Cwaka
Colenso
Tugela Ferry
Weenen
Keate's Drift
Kranskop
Estcourt
Greytown
Mapumalo
Dalton
WWTW
Legend
Towns
Roads
Provincial
National
Urban Cadastral
UDM LM's
District Municipalities
PROVINCES
Legend
Status
Decommissioned
Other Institutes
WWTW
UMZINYATHI
DISTRICT MUNICIPALITY
ZULMAP
GIS & SURVEY CONSULTING


UMZINYATHI
WSDP 2020
SANITATION
SERVICES
Kingsley
Amajuba DM
Dannhauser
Emondlo
Gluckstadt
Zululand DM
Hattingspruit
Van Rooyen
Dundee
Glencoe
Nhlazatshe
Nquthu
Endumeni LM
Nquthu LM
Wasbank
Babanango
N11
Ekuvukeni
Pomeroy
Qudeni
Ezakheni
Msinga LM
Nkandla
Cwaka
King Cetshwayo DM
uThukela DM
Colenso
Tugela Ferry
Weenen
Keate's Drift
Kranskop
Estcourt
Greytown
Umvoti LM
Mapumalo
iLembe DM
Dalton
Legend
Towns
Roads
Provincial
National
Urban Cadastral
UDM LM's
District Municipalities
PROVINCES
Legend
Settlements
Sanitation Access
Full Waterborne Services
Soak-away
Pre-cast (VIP)
No Services
UMZINYATHI
DISTRICT MUNICIPALITY
ZULMAP
GIS & SURVEY CONSULTING

### C.4.1.1.3 Water provision backlog

Nquthu has a serious water supply problem due to a variety of factors, including; lack of adequate water supply infrastructure, poor water infrastructure maintenance, insufficient water tankers areas without water infrastructure, poor water usage practices or lack of water conservation and lack of funding. Even where there is water supply infrastructure, the reliable water supply remains a very big challenge. There are areas where there is a water supply infrastructure but there is no water. The map and pictures below clearly illustrate this challenge. And due to unreliable water provision and decayed or neglected infrastructure, it is very difficult to accurately assess the levels of water backlog but, if water related complaints and dissatisfaction is to be considered, the water delivery backlog is alarmingly serious.

| Water Services Backlogs | | | | |
|---|---|---|---|---|
| | | | **% Backlogs** | **% Backlogs** |
| **LM** | **HH 2020** | **Backlogs** | **(Within LM)** | **(Within UDM)** |
| Endumeni | 22 779 | 2 929 | 12.9% | 8.1% |
| Msinga | 47 818 | 13 842 | 28.9% | 38.3% |
| Nquthu | 48 867 | 11 011 | 22.5% | 30.5% |
| Umvoti | 36 491 | 8 376 | 23.0% | 23.2% |
| **Grand Total** | **155 954** | **36 159** | **23.2%** | **100%** |

*Umzinyathi DM Water and Sanitation Strategy*

In 2015, the Umzinyathi DM developed the Water and Sanitation Strategy which outlines the short, medium and long-term objectives of the district in terms of addressing water and sanitation backlog. This strategy has the following objectives:

- Develop a Bulk Water Master Plan and Regional Schemes for water supply planning that will ensure sustainable water service delivery throughout the district;
- Reduce water backlogs to 7 350 households by 2022;
- Eradicate sanitation backlog by 2018, and
- Revise the planning and design approach which is based on an unsustainable and inefficient local stand-alone schemes.

Nquthu LM continues to work with Umzinyathi DM as the WSA to address the water supply challenge in Nquthu.

*Water funding requirements*

The Umzinyathi DM put the amount of funds required to eradicate water supply backlog in Nquthu at R825 645 160, 75. At present, Umzinyathi DM does not have these funds and this means that alternative means should be devised to provide water to the people.

*(a) Planned water projects for Nquthu*

Planned water projects for Nquthu LM, including projects that are already in implementation:

| **MUNICIPAL INFRASTRUCTURE GRANT PROGRAMMES** *(**NB**: All amounts in Rands)* | FINANCIAL YEAR | | | **BULK** | **DISTRIBUTION** | **PUMPSTATION** | **BOREHOLES** | **RESERVOIR** | **WASTE WATER TREATMENT WORKS** |
|---|---|---|---|---|---|---|---|---|---|
| **PROJECT NAME** | **2022/2023** | **2023/2024** | **2024/2025** | **2022/2023** | **2022/2023** | **2022/2023** | **2022/2023** | **2022/2023** | **2022/2023** |
| ***Hlazakazi Water Scheme Phase 1 - Isandlwana*** | 3,000,000 | 10,000,000 | 15,000,000 | 3,000,000 | | - | - | - | - |
| ***Ntinini Water Project Geohydrological Survey*** | 20,000,000 | 15,000,000 | 10,000,000 | 5,000,000 | 5,000,000.00 | 5,000,000.00 | 2,500,000.00 | 2,500,000.00 | - |
| ***Upgrade of Nquthu -Thelezini Water Supply Scheme*** | 15,000,000 | 16,000,000 | 16,000,000 | 5,000,000 | 5,000,000 | 5,000,000.00 | - | | - |
| ***Nquthu Regional Water Supply Scheme*** | 30,000,000 | 30,000,000 | 35,000,000 | 20,000,000 | - | | - | - | 10,000,000 |
| ***Nquthu Ward 5 ( Ntababovu, Vuyizwa,Mayicentele) Water Supply*** | 15,000,000 | 10,000,000 | 10,000,000 | 5,000,000 | 3,000,000.00 | 2,500,000.00 | 2,500,000.00 | 2,000,000.00 | - |

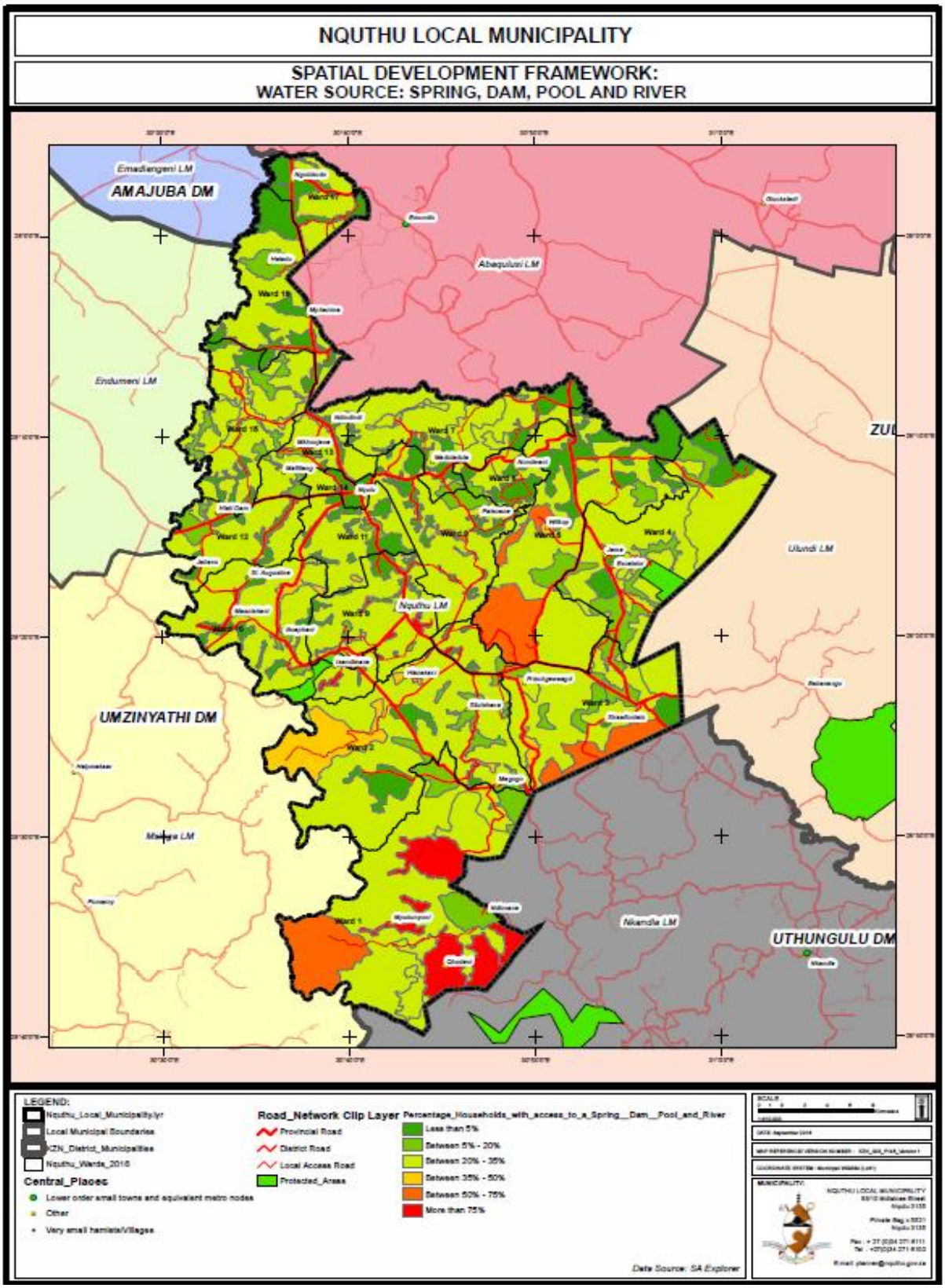
| **MUNICIPAL INFRASTRUCTURE GRANT PROGRAMMES** ***(NB****: All amounts in Rands)* | FINANCIAL YEAR | | | **BULK** | **DISTRIBUTION** | **PUMPSTATION** | **BOREHOLES** | **RESERVOIR** | **WASTE WATER TREATMENT WORKS** |
|---|---|---|---|---|---|---|---|---|---|
| **PROJECT NAME** | **2022/2023** | **2023/2024** | **2024/2025** | **2022/2023** | **2022/2023** | **2022/2023** | **2022/2023** | **2022/2023** | **2022/2023** |
| ***Nqulu Ward1 Surrounding Water Supply Scheme*** | 5,000,000 | 2,000,000 | 1,000,000 | 2,500,000.00 | - | 2,500,000.00 | - | - | - |
| ***Mtshongweni & Nondweni Waste Water*** | - | - | 10,000,000 | - | - | - | - | - | - |
| ***TOTAL MIG*** | **88,000,000** | **83,000,000** | **97,000,000** | **40,500,000** | **13,000,000** | **15,000,000.00** | **5,000,000.00** | **4,500,000.00** | **10000000** |

*Coordination with sector departments*

Sector departments are the main partners of local government since they are primarily responsible for policy formulation, regulation and funding. In Nquthu, WSA is Umzinyathi DM, it is therefore incumbent upon them to work hand in hand with relevant sector departments to address the water backlog in the district, which include Nquthu. However, Nquthu LM tables its water shortage challenges and plans to sector departments through intergovernmental platforms and instruments like DTAC, IDP Representative Forums and OSS. Inevitably, the municipality will require the support of all relevant sector departments since some of its planned interventions and partnerships has legal and environmental implications, e.g. drilling of boreholes.

*(b) Planned alternative water provision interventions*

Despite the fact that Nquthu LM is not a WSA, it has taken an initiative to engage other partners to assist in fixing of existing boreholes and drilling new boreholes, especially in areas where there are serious water shortages. These interventions are made in partnership with Umzinyathi DM and meant to complement its water provision programmes. The Gift the Givers entered into a partnership with Nquthu LM as the main non-governmental partner in addressing water shortage in Nquthu.


NQUTHU LOCAL MUNICIPALITY
SPATIAL DEVELOPMENT FRAMEWORK:
WATER SOURCE: SPRING, DAM, POOL AND RIVER
Emadlangeni LM
AMAJUBA DM
Abaqulusi LM
Endumeni LM
Ulundi LM
Nquthu LM
UMZINYATHI DM
Msinga LM
Nkandla LM
UTHUNGULU DM
LEGEND:
Nquthu_Local_Municipality.lyr
Local Municipal Boundaries
KZN_District_Municipalities
Nquthu_Wards_2016
Central_Places
Lower order small towns and equivalent metro nodes
Other
Very small hamlets/Villages
Road_Network Clip Layer
Provincial Road
District Road
Local Access Road
Protected_Areas
Percentage_Households_with_access_to_a_Spring__Dam__Pool_and_River
Less than 5%
Between 5% - 20%
Between 20% - 35%
Between 35% - 50%
Between 50% - 75%
More than 75%
Data Source: SA Explorer

### C.4.1.2 Sanitation

*(a) Sanitation backlog*

Although Nquthu does have a sanitation backlog, it is less severe than the water backlog. But there is a huge backlog in terms of flush toilet system, mainly due to lack of sewerage infrastructure and water scarcity. In actual fact, the increasing shortage of water requires that an alternative and sustainable sanitation model be investigated for long term purposes because the water guzzling flush toilets will unavoidably put more pressure on the already scarce water supply.

| Sanitation Services Backlogs | | | | |
|---|---|---|---|---|
| | | | % Backlogs | % Backlogs |
| **LM** | **HH 2020** | **Backlogs** | **(Within LM)** | **(Within UDM)** |
| Endumeni | 22 779 | 2 811 | 12.3% | 47.9% |
| Msinga | 47 818 | 362 | 0.8% | 6.2% |
| Nquthu | 48 867 | 831 | 1.7% | 14.2% |
| Umvoti | 36 491 | 1 869 | 5.1% | 31.8% |
| **Grand Total** | **155 954** | **5 875** | **3.8%** | **100%** |

*(b) Sanitation funding requirements*

Umzinyathi DM puts the funding required to eradicate the sanitation backlog in Nquthu at R 263 601 338, 61. Currently, Umzinyathi DM has a budget allocated for sanitation.

*Sanitation projects planned for Nquthu LM*

The Umzinyathi DM has set aside the budget to deal with sanitation in Nquthu as part of its drive to eradicate sanitation backlog. Processes to identify households that have no or unsuitable toilets are underway.

| PROJECT | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|
| ***Eradication of Sanitation Backlogs in Nquthu LM*** | R 3,000,000 | R 3,000,000 | R 3,000,000 |

## C.4.2 Solid Waste Management

*(a) Waste management unit capacity*

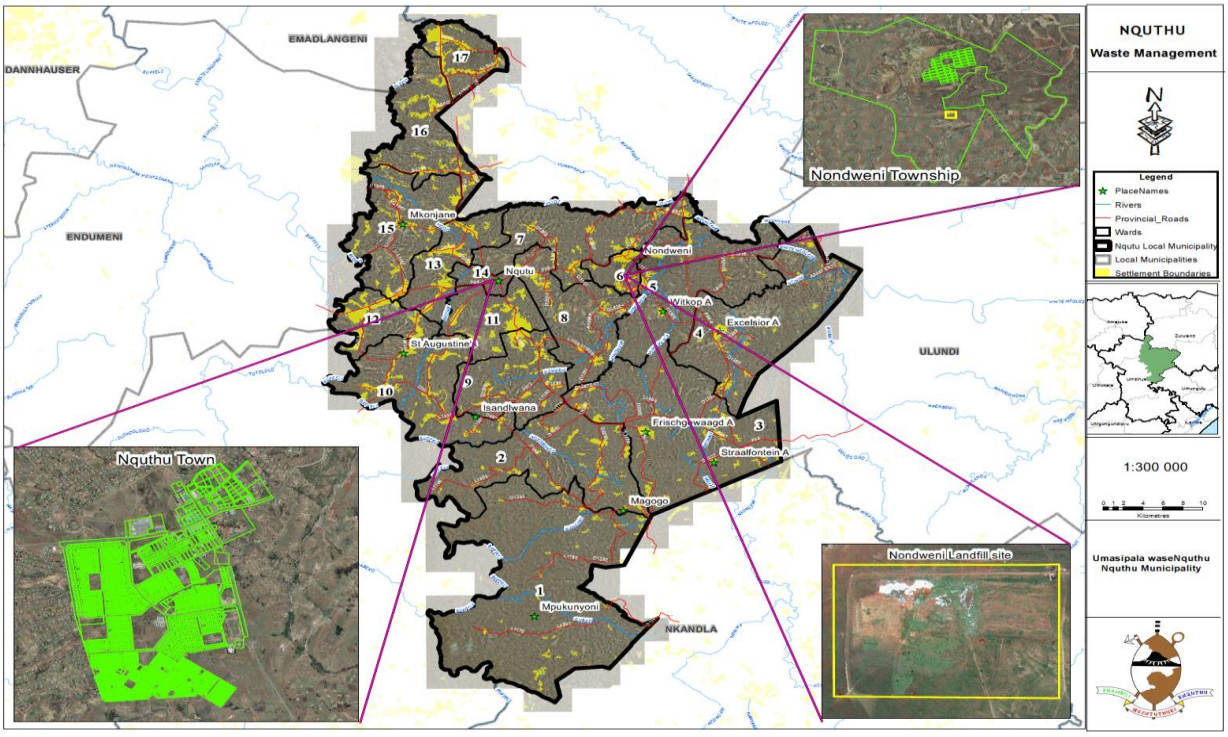
The municipality has a dedicated waste management unit located in the Technical Services department. However, the municipality does not have enough capacity to deal with waste management as best as it wishes due to financial constraints. On the meager funding that it has, the municipality's waste management unit is resourced as follows:

**Waste management fleet:** two compactor trucks

*(b) Integrated Waste Management Plan (IWMP)*

The municipality has developed an Integrated Waste Management Plan (IWMP) and it was adopted by the council on June 2015, and this plan was reviewed during 2020/21 financial year, and remains the municipality's waste management blueprint until the revised plan is developed to ensure that the municipality is compliant and better manages its waste. The plan will address the following:

- An environmental impact assessment of waste management options;
- An evaluation of environmentally friendly practices for re-cycling and land fill sites; and
- The identification of economic opportunities associated with recycling.




*(c) Nondweni landfill site*

The municipality has a formal landfill site situated at Nondweni in Ward 05. This site is approved and licensed by the sector department responsible for environmental affairs, EDTEA. This is the main waste disposal site in Nquthu and also feeds the recyclable waste to

the Buy Back Center in order to reduce waste accumulation at the site and also extract economic benefits from that waste recycling processes.

*(d) Recycling*

The municipality has a Buy Back Center which is a hub which buys all recyclable material from communities. This center is central in to the municipality's endeavour to create job and/or income opportunities through refuse collection and selling while at the same time contributing in reducing waste accumulation and mitigating environmental contamination. The Buy Back Center has created a number of jobs and economic opportunities and a detailed information is contained in the addendum of annexures.

### C.4.3 Transport infrastructure

**(a) Road network**

Nquthu is strongly linked to the surrounding town of Dundee, Melmoth, Vryheid and Newcastle. Dundee is linked to Nquthu via a tarred road R68, and provides most of the administrative and institutional needs. It serves as the commercial core for Nquthu residents particularly those in the southern portion of the Municipality. The main transportation route through Nquthu Local Municipality is R68 linking Ulundi and Newcastle/Dundee. Other important roads in the area are the R33 passing through the northern part of the Municipality, the road passing east of Nondweni linking Vryheid with the R68 and the gravel road linking Nquthu with Kranskop road.

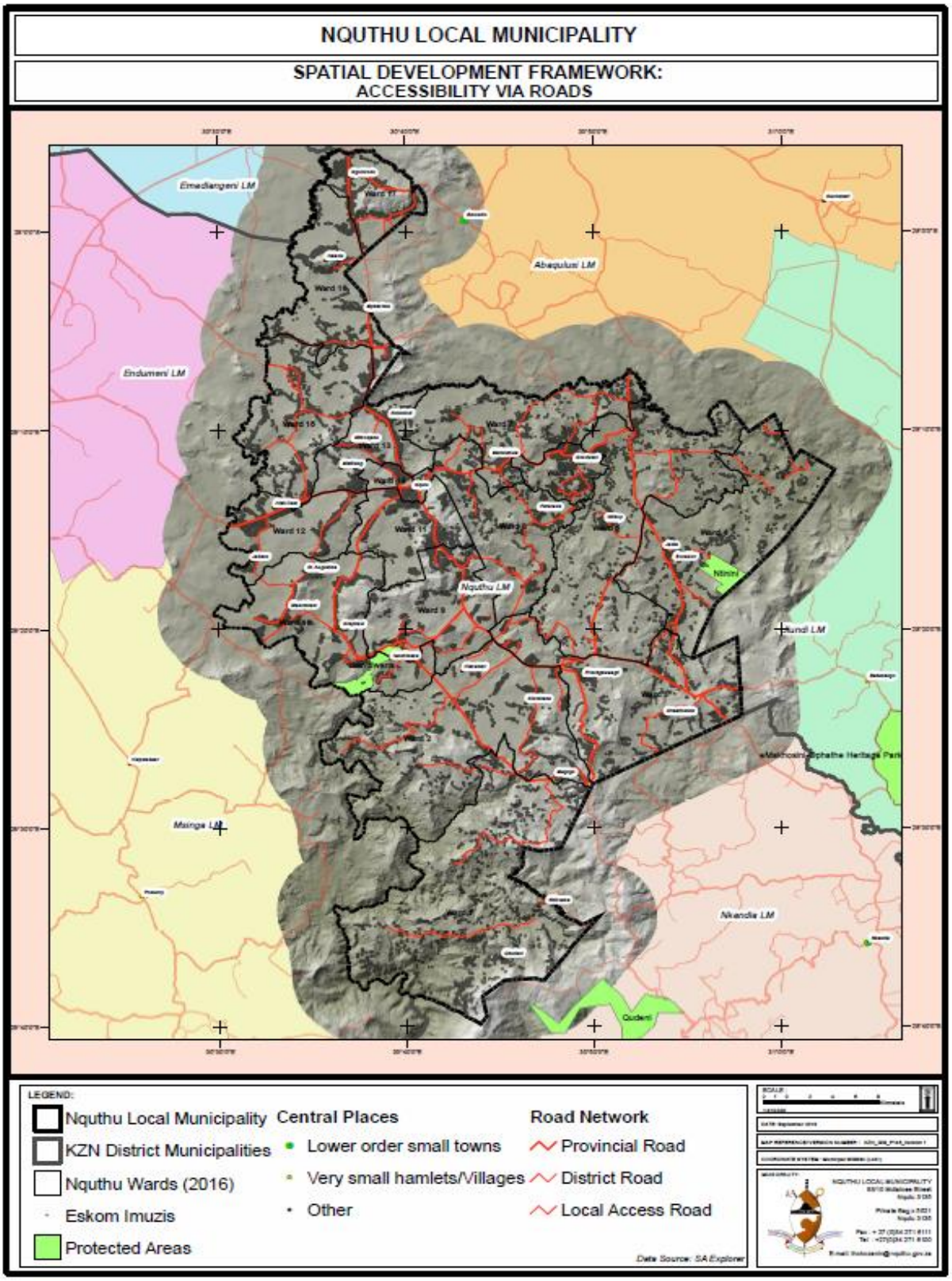
Due to these routes passing through the Municipality, Nquthu is fairly accessible, with the route from Dundee to Melmoth being the shortest route from Newcastle/Ladysmith and Ulundi and the KwaZulu Natal north coast.

A link road that would pass through Nkandla is nearing its completion and is fully funded and constructed by the Provincial Department of Transport and Road. In addition to this, the National Department of Roads commissioned the upgrade of D1566, which forms one of the potential economic links to the development a nature conservation, multi-purpose center as well as grape farming at Qhudeni. Nquthu in general has great potential for growth and development in terms of agricultural produce and tourism at has the heritage sites i.e. Isandlwana and Ncome that are annually visited and only require a good infrastructure and strategy to unlock this untapped potential.

Nquthu has improved the accessibility of roads within the jurisdiction. The area has five taxi ranks of which four are well established and one is an informal ranks. This taxi rank connects and distributes to different places of the area. This has made good connectivity from Nquthu to various neighboring town. The Nquthu Municipality is slowly improving its infrastructure, due to its high volume of rural area which is scattered in the mountainous areas, it is difficult to undertake all infrastructure projects and be completed at a given timeframe. The municipality thus has a number of projects to address the road infrastructure. There are no railways in Nquthu but they exist within the District.

**(c) Access roads construction**

The access roads network is constantly growing as a direct result of a continuous road construction by both the Department of Transport and the municipality.


NQUTHU LOCAL MUNICIPALITY
SPATIAL DEVELOPMENT FRAMEWORK:
ACCESSIBILITY VIA ROADS
Emadlangeni LM
Abaqulusi LM
Endumeni LM
Nquthu LM
Ntinini
Dundi LM
Msinga LM
Nkandla LM
Qudeni
LEGEND:
Nquthu Local Municipality
KZN District Municipalities
Nquthu Wards (2016)
Eskom Imuzis
Protected Areas
Central Places
Lower order small towns
Very small hamlets/Villages
Other
Road Network
Provincial Road
District Road
Local Access Road
Data Source: SA Explorer

### (c) Public transport

*Transport mode*

The public transport of Nquthu is dominated by the taxi industry which is mainly made up of 15 seater mini buses and few 22 seater mini buses. These taxis are categorized into many routes, local and away, which makes it more easier for travelers to reach their destinations. This kind of transport is meant for passengers and their light luggage, larger loads like building material and other heavy goods are transported through pickups/bakkies which deals specifically with heavy or bulky loads which cannot be transported by taxis. The taxi industry in Nquthu is fairly stable and free form violence, which is a good thing.

*Taxi ranks*

Nquthu has two main taxi ranks. One taxi rank is positioned next to the Nquthu Plaza which is the main retail hub of Nquthu and is viewed by many as a one stop shopping complex. This makes it easier for community members to ferry their shopping laggage to the taxis. The second taxi rank is also conveniently located nearby government departments and another smaller shopping complex and it is also easily accessible. Both taxi ranks have trading shelters and/or huts that are rented by local informal traders to do their different businesses and make a living while also providing convenience to taxi users. There are ablution facilities in both these ranks that are maintained by municipal personnel, but they do require further improvements to ensure tidiness and ease of use.

*Integrated Local Transport Plan (ILTP)*

The municipality has developed the ILTP internally due to the lack of financial resources. This plan will be further developed and reviewed annually with the support of the Department of Transport and other relevant role-players.

### (d) Roads Maintenance Plan

*Nquthu Town*

The municipality through its Technical Services department do conduct maintenance work in all roads of Nquthu Town, especially with regard to fixing potholes, fixing faulty traffic signals and keeping pavements in a good state.

*Access roads maintenance*

The municipality has the following equipment/plant that it depends on as the backbone of its access roads maintenance:

- **Two graders:** used to blade gravel roads to keep them in a usable state.
- **Two tippers:** used to transport gravel used to maintain roads.
- **One compactor roll:** used to compact the roads that has been bladed.
- **One excavator:** used to do heavy duty digging or removing big rocks.
- **Low-bed truck:** used to transport all the plant to working sites.

All the plant mentioned above is used by the municipality to continuously maintain all the roads that are under the control of the municipality in all wards. The Technical Services department has a maintenance plan that informs how this plant is deployed to different wards to keep roads in a usable state.

The municipality is not a transport authority as that is the function of the provincial government. However, the municipality is responsible for the construction and maintenance of access roads within its area of jurisdiction and also conducts road maintenance in Nquthu Town. Furthermore, the municipality works hand in hand with the Department of Transport in identifying road infrastructure gaps and infrastructure planning through IGR structures.

**(e) Department of Transport projects**

(To be provided in the final IDP)

### C.4.4 Energy/electricity

The main form of energy that is most useful and most publicly acceptable is electricity. Nquthu LM has made significant progress as far as electrification of households is concerned as shown by Community Survey 2016 statistics in 3.2.5.3. of this IDP. In addition to these 2016 figures, there are electrification projects that were implemented in the 2016/17 and 2017/18 financial years that added more electricity connections and further reduced the backlog.

The municipality is responsible for electricity reticulation and network maintenance in Nquthu Town/ward 14, but the rest of Nquthu's electricity network is maintained by Eskom as the power utility.

*Electricity Master Plan*

An Electricity Master Plan has been developed to improve the municipality's capacity and approach in dealing with (i) electricity backlog (ii) electricity distribution losses (iii) electricity infrastructure maintenance and (iv) determine future electricity demands. The municipality has also appointed expert service providers to assess the overall state of the municipality's electricity infrastructure to determine interventions that are needed to renew it and also assist to identify the causes of electricity distribution losses. This plan is attached in the addendum of annexures.

### C.4.5 Access to Community Facilities

The municipality is investing immensely in community facilities like community halls, ECD centers and sport-fields with the aim of ensuring adequate access to these facilities. The capital budget of the municipality clearly outlines community facilities that are budgeted for in the 2022/23financial year.

## C.4.6 Human settlements/housing

### (a) Housing sector plan

The municipality is classified as the housing developer for human settlements and it has adopted a Housing Sector Plan in 2012 (and it was reviewed in 2020) which form the basis upon which the municipality plans and execute all its housing projects. The Housing Social Survey was conducted to inform the review of the Housing Sector Plan to be aligned to the KZN Master Spatial Plan as recommended by successive MEC IDP Assessment letters and also update housing backlog figures and update all statistical figures. As mentioned above, the Housing Sector Plan was reviewed and approved by Council in 2021/22 financial year.

### (b) Current settlement patterns

Nquthu is composed largely of rural areas whereby people use land communally and own it collectively through Ingonyama Trust. The Housing Sector Plan summarises the settlement patterns of Nquthu as follows "*Nquthu is a rural municipality with people's homes built along the road. This linear pattern makes it easier for provision of water and other bulk infrastructure services. The residents have enough space to build or further sub-divide the land for their sons and grandchildren. However, there are other residents who still have homes built on the hilltop, which might be difficult for the contractor to move his material during construction*."

What is clear from the quote above is that the settlement patterns of Nquthu, in general, make it easier for the delivery of housing, although there are few cases where homes are built on hilltops or are sparsely located.

### (c) Housing backlog

In terms of the Housing Sector Plan, the initial backlog was 12 464 and has been reduce to 3 593 if housing projects that are under implementation and those that has been approved for implementation are regarded as having a backlog reducing effect.

### (d) Housing project status

**NQUTHU PHASE 2 HOUSING PROJECT**

PROJECT DETAILS

| | |
|---|---|
| Project Name | : Nquthu Phase 2 Housing Project |
| Project Type | : IRDP |
| Project No. | : K19970131 |
| Implementing Agent | : Sarkum Housing |
| No. of Sites | : 1223 |
| No. of Beneficiaries | : 1196 |
| Project Value | : R 115 327 570.60 |
| Project Expenditure | : R110 748 159.51 |
| No. of Units Completed | : 1196 |
| Financial Year Budget | : R 0(2021/2022) |

- The project was approved as a Project Linked subsidy by the MEC for Housing in 1997.
- The project is completed at 1196 due to missing beneficiaries.

## NONDWENI HOUSING PROJECT

**PROJECT DETAILS**

| | |
|---|---|
| Project Name | : Nondweni Housing Project |
| Project Type | : IRDP |
| Project No. | : K19970075 |
| Implementing Agent | : Metroprojects Developments |
| No. of Sites | : 500 |
| No. of Beneficiaries | : 393 |
| Project Value | : R 46 657 152,16 |
| Project Expenditure | : R 34 504 677,72 |
| No. of Units Completed | : 380 |
| Financial Year Budget | : R 0 (2021/2022) |

- Project is not budgeted for in 2020/21 but a virement will be done to complete the project.
- The 500 new units will close at 393 units due to missing beneficiaries.
- The project is active.

## UMZINYATHI OPERATION SUKUMA SAKHE: NQUTHU LOCAL MUNICIPALITY

**PROJECT DETAILS**

| | |
|---|---|
| Project Name | : OSS for 96 beneficiaries at Nquthu Municipality |
| Project Type | : Emergency Program |
| Project No. | : K14020017/47 |
| Implementing Agent | : Brocon Miands JV |
| No. of beneficiaries | : 96 |
| Project Value | : R10 650 312.00 |
| Project Expenditure | : R 7 336 188,52 |
| No. of Units Completed | : 64 |
| Financial Year Budget | : R 3 520 000 (2021/2022) |

**APPROVED BENEFICIARIES TO DATE:**

## NQUTHU LOCAL MUNICIPALITY
## 2021/22 FINACIAL YEAR (ACTIVE PROJECTS)

### QHUDENI RURAL HOUSING PROJECT

PROJECT DETAILS
Project Name : Qhudeni Rural Housing Project
Ward No. : 01
Project Type : Rural
Project No. : K16010002
Implementing Agent : Fezeka Business Services
Project Yield : 1 000 units
Project Value(Planning Stage) : R3 086 740.00
Project Expenditure : R 2 231 000.00
Total Balance Remaining: R855 740.00 (2021/22)
Financial Year Budget: R650 (2021/22)

I.A currently concluding and consolidating all remaining tranche 1 milestones and preparing to close out stage 1

### NDATSHANA RURAL HOUSING PROJECT

1.PROJECT DETAILS
Project Name : Ndatshana Rural Housing Project
Ward No. : 15 & 16
Project Type : Rural
Project No. : K16010003
Implementing Agent : Z.D Project Management
Project Yield : 1 000 units
Project Value(Planning Stage) : R3 086 740.00
Project Expenditure : R 2 498 909.00
Total Balance Remaining : R 587 831.00 (2021/22)
Financial Year Budget: R 440 000.00 (2021/22)

I.A currently concluding and consolidating all remaining tranche 1 milestones and preparing to close out stage 1.

**ISANDLWANA RURAL HOUSING PROJECT**

1.PROJECT DETAILS
Project Name : Isandlwana Rural Housing Project
Ward No. : 09 & 10
Project Type : Rural
Project No. : K191000051
Implementing Agent : KaMawewe Developments
Project Yield : 1 000 units
Project Value(Planning Stage) : R3 086 740.00
Project Expenditure : R 1 100 000.00
Total Balance Remaining : R 1 986 740 (2021/22)
Financial Year Budget : R460 000.00 (2021/22)

Project approval granted. Stage 1 milestones currently ongoing.

**(e) Funding**

Funding for planning and implementation of housing projects is provided by the Department of Human Settlements. However, the municipality has a fulltime official dedicated to the all administrative, coordination and facilitation of all housing related programmes and projects.

**(f) Bulk infrastructure**

Bulk infrastructure is not, in the main, a direct responsibility of the municipality in terms of funding and implementation. However, through integrated planning and intergovernmental systems and structures; the municipality play a key role in identifying bulk infrastructure needs together with relevant authorities like sector departments, district municipality, power utility Eskom and other relevant stakeholders.

### C.4.7 Telecommunications

Telecommunications has become one of the most important need in modern society and to the economy. Most services that were previously rendered manually and/or directly can now be performed digitally in a self-service fashion using communication gadgets and devices. Communication has become very easy and seamless. In Nquthu, network signal remains a challenge which makes communication a bit of a challenge. The issue of network signal was sharply raised by the community during IDP consultations.

The statistics figures below show the level of telecommunications accessibility in Nquthu. It is quite clear from the figures below that the cellphone remains the most accessible and used communication tool. But overally, Nquthu remains challenge with a very poor signal and the municipality is engaging relevant authorities to address this challenge.

| Geography by Radio | | | |
|---|---|---|---|
| for Household weighted | | | |
| | | | |
| | Yes | No | Total |
| 52402001: Ward 1 | 1443 | 930 | 2373 |
| 52402002: Ward 2 | 1113 | 582 | 1701 |
| 52402003: Ward 3 | 1476 | 489 | 1968 |
| 52402004: Ward 4 | 1050 | 399 | 1452 |
| 52402005: Ward 5 | 1362 | 378 | 1740 |
| 52402006: Ward 6 | 1158 | 393 | 1554 |
| 52402007: Ward 7 | 1230 | 405 | 1635 |
| 52402008: Ward 8 | 1068 | 465 | 1533 |
| 52402009: Ward 9 | 1269 | 462 | 1728 |
| 52402010: Ward 10 | 1503 | 561 | 2067 |
| 52402011: Ward 11 | 1641 | 642 | 2283 |
| 52402012: Ward 12 | 1209 | 450 | 1659 |
| 52402013: Ward 13 | 1335 | 570 | 1905 |
| 52402014: Ward 14 | 1953 | 474 | 2427 |
| 52402015: Ward 15 | 1521 | 633 | 2154 |
| 52402016: Ward 16 | 1224 | 435 | 1659 |
| 52402017: Ward 17 | 1254 | 525 | 1782 |

| Geography by Satellite television | | | |
|---|---|---|---|
| for Household weighted | | | |
| | | | |
| | Yes | No | Total |
| 52402001: Ward 1 | 9 | 2361 | 2373 |
| 52402002: Ward 2 | 27 | 1674 | 1701 |
| 52402003: Ward 3 | 39 | 1926 | 1968 |
| 52402004: Ward 4 | 39 | 1410 | 1452 |
| 52402005: Ward 5 | 111 | 1629 | 1740 |
| 52402006: Ward 6 | 186 | 1368 | 1554 |
| 52402007: Ward 7 | 54 | 1584 | 1635 |
| 52402008: Ward 8 | 21 | 1512 | 1533 |
| 52402009: Ward 9 | 21 | 1707 | 1728 |
| 52402010: Ward 10 | 75 | 1989 | 2067 |
| 52402011: Ward 11 | 69 | 2214 | 2283 |
| 52402012: Ward 12 | 81 | 1575 | 1659 |
| 52402013: Ward 13 | 84 | 1824 | 1905 |
| 52402014: Ward 14 | 480 | 1944 | 2427 |
| 52402015: Ward 15 | 51 | 2103 | 2154 |
| 52402016: Ward 16 | 54 | 1605 | 1659 |
| 52402017: Ward 17 | 96 | 1683 | 1782 |

| Statistics South Africa | | | |
|---|---|---|---|
| Household Goods_Electoral_Wards | | | |
| Table 1 | | | |
| Geography by Television | | | |
| for Household weighted | | | |

| | | | |
|---|---|---|---|
| | Yes | No | Total |
| **52402001: Ward 1** | 249 | 2124 | 2373 |
| **52402002: Ward 2** | 663 | 1038 | 1701 |
| **52402003: Ward 3** | 666 | 1299 | 1968 |
| **52402004: Ward 4** | 585 | 864 | 1452 |
| **52402005: Ward 5** | 960 | 777 | 1740 |
| **52402006: Ward 6** | 1161 | 390 | 1554 |
| **52402007: Ward 7** | 834 | 804 | 1635 |
| **52402008: Ward 8** | 669 | 864 | 1533 |
| **52402009: Ward 9** | 672 | 1059 | 1728 |
| **52402010: Ward 10** | 828 | 1239 | 2067 |
| **52402011: Ward 11** | 1122 | 1161 | 2283 |
| **52402012: Ward 12** | 1047 | 615 | 1659 |
| **52402013: Ward 13** | 1140 | 765 | 1905 |
| **52402014: Ward 14** | 1950 | 477 | 2427 |
| **52402015: Ward 15** | 1272 | 879 | 2154 |
| **52402016: Ward 16** | 1029 | 630 | 1659 |
| **52402017: Ward 17** | 1284 | 495 | 1782 |

### C.4.8 Infrastructure Projects Relating to National and Local Government Election

The municipality has provided offices for the IEC to operate from municipal offices and is engaging the IEC on other areas where municipal support is required. The municipality will do anything within its powers and available resources to ensure that the IEC execute its function without hindrance.

### C.4.11 Basic Service Delivery and Infrastructure SWOT analysis

| STRENGTHS | WEAKNESSES |
|---|---|
| • Provincial road R68 running through Nquthu improves accessibility<br>• Existing working equipment/plant<br>• Job Creation: EPWP, CWP, Food for Waste, EPIP<br>• Integrated Waste Management Plan<br>• Licensed Landfill Site<br>• Big majority of households connected to the grid | • Unreliable water sources and supply<br>• Maintenance of existing infrastructure/ Plan<br>• Electrical: illegal connections and ageing infrastructure and electricity losses<br>• Limited Infrastructure funding not meeting high infrastructure backlog<br>• Poor spending of capital expenditure<br>• Overreliance on consultants/outsourcing |
| **OPPORTUNITIES** | **THREATS** |
| • Improved internal capacity at Technical Services department to prevent unnecessary outsourcing<br>• Properly skilling of maintenance personnel to improve maintenance<br>• Improved contract management to improve project implementation | • High cost implications on projects due to poor terrain<br>• Low level of Connectivity (transport and telecommunications<br>• High investment in infrastructure development and less investment in maintenance |

## C.5 LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT

### C.5.1 Local Economic Development

Nquthu Local Municipality is one of the economically underdeveloped municipalities in the Province of KwaZulu-Natal. Therefore, the municipality needs to take a leading role in ensuring that there is a proper assessment of the economic challenges, opportunities and potential in Nquthu so that correct economic programmes and projects are implemented to turn the economic situation of Nquthu around for the better. Most importantly, economic development and transformation is one of the foremost priorities of government, therefore; Nquthu LM as the local sphere of government which represent the economic interests and aspirations of the people of Nquthu has an obligation to give effect to all national, provincial and district economic programmes through a clear, coherent and realistic economic programmes and projects.

#### C.5.1.1 The municipality's LED unit capacity

The municipality's LED unit is located within the department of Planning, Local Economic Development and Housing. To ensure effective implementation of LED programmes, this unit is staffed by a team of four (4) suitably qualified personnel who consist of an LED Manager, LED Practitioner, Projects Management Officer and Tourism Practitioner.

#### C.5.1.2 LED related policies

| By-law/Policy | Objectives |
|---|---|
| *Informal Economy Policy* | • Promote co-operation between all departments of the municipality; between private sector and public sector and between informal economy actors and local government officials;<br>• Develop guiding principles that can be applied in supporting and developing the informal economy, and<br>• Create support machenisms or an enabling environment for the informal economy since the existing by-laws mainly been geared towards policing, regulation and taxation. |
| *Informal Traders Policy* | This policy is meant to regulate the informal trading by prescribing the rights and responsibilities of informal traders. |
| *Investor Policy* | To facilitate an enabling environment for investment by eliminating unnecessary red tape and providing incentives to investors. |

| | |
|---|---|
| *Property Encroachment Policy* | To prescribe rules to regulate how public and private property owners impose resctrictions to their proparties and also protect them from unauthorized entry or improper property blockage or invasion. |

### C.5.1.3 Nquthu LM LED Strategy

In 2015, Nquthu LM adopted an LED Strategy which is the blueprint upon which the approach of the municipality is based as far as economic development and transformation is concerned. The strategy was developed by the service provider due the lack of adequate internal capacity in the municipality. While some of the provisions of this strategy have become outdated due to the rapidly changing socio-economic environment, especially with regard to statistics; the fundamental findings, objectives, principles and the general economic situation remain relevant and applicable. So while the strategy shall undergo a review in due course, the strategy remains relevant and credible especially because the municipality is also utilizing the support and guidance of the district and provincial governments. This section shall extract important sections of this strategy and demonstrate through existing and planned programmes how this strategy is implemented. The LED Strategy is attached in the addendum of annexures.

### C.5.1.4 The national, provincial and district policy framework and its application to Nquthu

The box below provides an extract from Nquthu LED Strategy clearly detailing the implications of government policies of Nquthu local economic development:

***THE NATIONAL POLICY FRAMEWORK***

***The National Development Plan (NDP)***

*The NDP 2030 Vision spells out the following key development areas, which require focus:*

- *Creating jobs and livelihoods;*
- *Expanding infrastructure;*
- *Transition to a low-carbon economy;*
- *Transform urban and rural spaces;*
- *Improving education and training;*
- *Providing quality health care;*
- *Building a capable state;*
- *Fighting corruption and enhancing accountability;*
- *Transforming society and uniting the nation.*

***Implication of NDP to Nquthu LED***

*The policy gives Nquthu Municipality a framework to set its own target in terms of poverty alleviation, job creation and inequality reduction. The municipality is also provided with a foundation to generate LED projects that are geared towards addressing the aforementioned NDP key development areas which is not only a compliance issue but addresses the socioeconomic wellbeing of the Nquthu society.*

***New Growth Path (NGP)***

*The emphasis of New Growth Path is to address unemployment, inequality and poverty. The policy is principally reliant on creating a significant increase in the number of new jobs in the economy, mainly in the private sector. The New Growth Path sets a target of creating five million jobs by 2020. This target is projected to reduce unemployment from 25% to 15%. The government acknowledges that this employment target can only be achieved if the social partners and government work together to address key structural challenges in the economy.*

*The government will focus on unlocking the employment potential in the following six key sectors:*

*1) Infrastructure, through the massive expansion of transport, energy, water, communications capacity and housing, underpinned by a strong focus on domestic industry to supply the components for the build-programmes;*

*2) The agricultural value chain, with a focus on expanding farm-output and employment and increasing the agri-processing sector;*

*3) The mining value chain, with a particular emphasis on mineral beneficiation as well as on increasing the rate of minerals extraction;*

*4) The green economy, with programmes in green energy, component manufacture and services;*

*5) Manufacturing sectors in IPAP2 and;*

*6) Tourism and certain high-level services*

***Implication of NGP to Nquthu LED***

*The NDP provides Nquthu LM with guidelines that allow incorporation of programmes and projects focused on key critical development areas / sectors such as agriculture, mining, manufacturing and green economy, and the improvement of bulk infrastructures in the municipal area.*

***Strategic Infrastructure Programme (SIP)***

*The government recently adopted an infrastructure plan that is to reshape the infrastructure landscape of South Arica. The infrastructure development focuses on provision of basic services and economic support infrastructure such as water, sanitation, logistics, electricity*

*and other sources of energy. The plan goes beyond the provision of the basic infrastructure services that affect the South African population but integrate the economies of Africa through the improvement and construction of road, railway network and sea ports. The plan sets out 18 strategic programmes that the Presidential Infrastructure Coordinating Commission (PICC) Team is integrating and coordinating the infrastructure build. These infrastructure programmes are to be rolled out in strategic areas within the South African boarders.*

***Implication of SIP to Nquthu LED***

*Among all the 11 SIPs, SIP 11 (Agri-logistics and rural infrastructure) focuses on improving investment in agricultural and rural infrastructure that supports expansion of production and employment, smallscale farming and rural development, including facilities for storage (silos, fresh-produce facilities, packing houses); transport links to main networks (rural roads, branch train-line, ports), fencing of farms, irrigation schemes to poor areas, improved R&D on rural issues (including expansion of agricultural colleges), processing facilities (abattoirs, dairy infrastructure), aquaculture incubation schemes and rural tourism infrastructure. The Municipality should take advantage of this programme given that the municipality is rural and agriculture is the potential sector that can drive the municipality to economic prosperity.*

***Industrial Policy Action Plan***

*The Industrial Policy Action Plan (IPAP) was introduced as an overarching approach to industrial development, and is essentially a means to:*

- *Facilitate diversification beyond the current reliance on traditional commodities and non-tradable services;*
- *Facilitate the long-term intensification of South Africa's industrialisation process and movement towards a knowledge economy;*
- *Promote a more labour-absorbing industrialisation path with a particular emphasis on tradable labour-absorbing goods and services and economic linkages that catalyse employment creation;*
- *Promote a broader-based industrialisation path characterised by the increased participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy; and*
- *Contribute to industrial development on the African continent, with a strong emphasis on building its productive capacity.*
- *The key sectors of this programme are clustered into three (3) areas, with a key action programme developed for each sector. Clusters 1 and 2 are the most relevant for the Nquthu Local Municipality.*
- *Cluster 1 relates to new areas of focus such as 'green' and energy-saving industries, and*

*agroprocessing linked to food security.*

- *Cluster 2 is intended to broaden interventions in existing IPAP sectors such as automotive, pharmaceuticals and chemicals, clothing and textiles, bio-fuels and forestry, paper, pulp and furniture. It also seeks to strengthen linkages between traditional industries and tourism.*

***Implication of IPAP to Nquthu LED***

*Nquthu does not have a manufacturing base but can promote agro-processing given its potential in its agriculture sector. The municipality can also align to the policy by:*

- *Facilitating financing for the expansion of real economic sectors;*
- *Leveraging both public and private procurement; and*
- *Aligning skills towards sectoral priorities and industry demand*

***National Tourism Sector Strategy (NTSS)***

*The strategy seeks to reposition South Africa to the top 20 tourist destinations in the world by 2020, and it outlines the following strategic framework for a progressive shift towards this goal:*

- *Growing the tourism industry and improving its contribution to the national economy;*
- *Enhancing both local and international visitor experience;*
- *Promoting sustainable tourism and good governance across spheres of government.*

*The NTSS allocates functions such as development of tourism attractions, tourism infrastructure support and the general maintenance of the environment. It also requires local government to facilitate the establishment of duly accredited Local Tourism Boards as stakeholder representative structures.*

***Implication of NTSS to Nquthu LED***

*The NTSS lays a framework for the municipality to promote tourism in its area of jurisdiction. It encourages municipality to provide infrastructure that support tourism and facilitate the development of tourism. There are renowned historical sites and an array of tourism products that the municipality can enhance. The improvement or development of the tourism sector can improve job creation and economic growth of Nquthu.*

***The National Framework for LED***

*The framework outlines the following as the primary areas of focus for municipalities in facilitating LED:*

- *Provision of infrastructure and quality and reliable services;*
- *Managing spatial policies;*
- *Land-use regulation and development applications;*
- *Managing service tariff policies;*

- *Managing a progressive property tax system;*
- *Marketing the territory*

***Implication of National Framework for LED***

*The framework directs Nquthu to offer quality infrastructure, encourages it to provide good land use regulations, service tariffs and progressive property tax systems which are all key components to economic growth and development of Nquthu Municipality. The municipality is therefore expected to develop an LED Strategy that enhances the aforementioned key areas.*

***PROVINCIAL POLICY FRAMEWORK***

***Provincial Growth and Development Strategy (PGDS)***

*The KZN PGDS which is aligned to the NDP sets out short and medium term programmes and projects for the province that are geared towards the attainment of the vision 2030. The strategy summed up the attainment of the vision through seven (7) goals and thirty (30) strategic objectives.*

***Implication of PGDS to Nquthu LED***

*The reviewed Nquthu LED strategy should integrate the principles and strategic goals outlined within the PGDS, and tailor them to the local context. By doing so, the LED Strategy will not just be a tool for coordinating development locally, but also a means for the practical implementation of government's economic development programmes. The achievement of the PGDS objectives and goals however, depends on the nature and extent of collaboration and partnership between the various LED Stakeholders.*

***Provincial Growth and Development Plan (PGDP)***

*The Provincial Growth and Development Plan (PGDP) provides for the implementation of the Provincial Growth and Development Strategy (PDGS). It outlines activities to be undertaken towards the attainment of each of the strategic goals and objectives. Therefore it clearly stipulates indicators and targets, strategic interventions and catalytic projects in support of the interventions. The aim of the PGDP is therefore to translate the strategy into a detailed implementation plan, inclusive of a detailed activity level framework with targets and responsibilities assigned to the appropriate government department.*

*In addition to the more detailed focus on the interventions identified, the PGDP proposes specific milestones/targets that will have to be achieved in priority sectors. It proposes indicators by which to measure success in achieving the goals and objectives of the PGDP and in doing this, also proposes how the growth trajectory could be shaped with targets to the year 2020 and 2030.*

***Implication of PGDS to Nquthu LED***

*The LED should generate projects / programmes aligned to the goals and objectives of the PDGS. The LED Strategy should also set targets that can be translated into indicators to measure achievement of the LED Strategy towards the PGDS goals and objectives.*

***KZN Investment Strategy (KIS)***

*The KZN Investment Strategy was introduced with the aim of attracting foreign and domestic investors to the province. The objective of the strategy is to create a conducive environment that can allow the private and public sectors work together in investing in productive industries thereby promoting the provincial economy and job creation. The key areas of focus of the strategy are:*

- *Improving structures and systems of investment promotion and facilitation, and working together;*
- *Attracting investment to meet job targets;*
- *Channellingresources to where they have the greatest impact (i.e. foreign countries, geographic areas, economic sectors);*
- *Ensuring that competitive advantages are utilised to the fullest and building on these;*
- *Alignment and integration with national, provincial and local policies, strategies and programmes (incl. Richards Bay IDZ, DTP);*
- *Maximisation of job creation and retention through business retention & expansion;*
- *Gaining optimal benefit from incentives such as DTI sector-based Incentives and service & utility incentives;*
- *Public sector investment into infrastructure to lead the private sector (incl. rural and small towns).*

***Implication of KZN Investment Strategy to Nquthu LED***

*The Provincial Investment Strategy gives direction on how municipalities can participate in attracting investment in the province. The Nquthu LED Strategy should therefore facilitate attraction of investment in Nquthu. The strategy can do this by:*

- *Making firm suggestions on improving the business environment in Nquthu;*
- *Seeking to improve coordination between key stakeholders who are required to work together to promote and facilitate investment;*
- *Identifying key sectors and focus areas for inward investment (based on comparative advantages); and*
- *Promoting the sharing and development of research and information.*

***KZN Export Strategy (KES)***

*The KZN Export Strategy was undertaken to identify the major challenges facing the province in terms export promotion and present implementable solutions to these challenges. In response*

*to this, the*

*Strategy presents five key programmes:*

- *Programme No. 1: Enhancing the Export Climate and Competiveness;*
- *Programme No. 2: Improving Market Penetration;*
- *Programme No. 3: Exporter Development;*
- *Programme No. 4: Export Promotion;*
- *Programme No. 5: Export Strategy Performance Measurement, Management & Review*

***Implication of KZN Export Strategy to Nquthu LED***

*The municipality can achieve the objectives and goals of the strategies by:*

- *Ensuring the there is a conducive business environment (minimise red-tape);*
- *Provision of the required bulk infrastructure;*
- *Efficient road and rail network;*
- *SMME and business development;*
- *Skills development and training;*
- *Promotion and facilitation of local exporters.*

***KZN Small Enterprise Development Strategy (KSEDS)***

*The KZN Small Enterprise Development Strategy (KSEDS) was developed to provide a framework forcoordinating, orientating and guiding all small enterprise development programmes and related activities in the province of KwaZulu-Natal. The key objective of the strategy are as follows:*

- *Developing entrepreneurship skills;*
- *Facilitating easy access to local and international markets;*
- *Facilitating access to finance;*
- *Providing relevant and effective training to small enterprise operators; and*
- *Facilitating a mentoring and incubation programme for all small enterprises in KZN*

***Implication of KSEDS to Nquthu LED***

*The strategy offers a platform for the municipality to thrive towards growing its SMMEs. The LED Strategy is expected to generate precise interventions that enhance the growth and development of SMMEs in the municipal area.*

***UMZINYATHI DISTRICT POLICY FRAMEWORK***

***UMzinyathi Local Economic Development Strategy***

*uMzinyathi District Municipality developed its LED Strategy in 2008/2009 and reviewed it in 2013/14.*

*The primary aims and objectives of the LED strategy are:*

- *To provide facilitation for partnership initiatives that exploit the district's*

*competitive advantage;*

- *To develop a practical and implementable LED Strategy and Programme for the District; and*
- *To provide institutional support to the District and local LED units within the municipalities and to strengthen networking and co-ordination between local government, business chambers and sector business networks through a process of mentorship and support for institutional development.*

*To get the economy rolling, the District Municipality established or intends to establish the following:*

- *Economic Development Agency;*
- *Establish Economic services Zones (to create a vibrant economy);*

*The district further intends to support implementation of the following programmes:*

- *Agricultural development and diversification;*
- *Tourism Development;*
- *Infrastructure Development;*
- *Mining Development;*
- *SMME development;*
- *Skills Development (establishment of small business support centres in partnership with SEDA and other institutions)*

***Implications of UDM LED Strategy to Nquthu LED***

*Nquthu Municipality has a role to play in the District's economy. The municipality has some of the key sectors that the District LED is pursuing. The LED should therefore consider programmes that are aligned to the District LED Strategy (i.e. tourism, infrastructure, SMME Development and agriculture projects).*

***UMzinyathi Spatial Development Framework***

*The District SDF points out the following as the fundamental purpose of the SDF:*

- *To improve the physical environment of the community as a setting for human activities- to make it more functional, beautiful, decent, healthful, interesting, and efficient;*
- *To promote the public interest, the interest of the community at large, rather than the interests of individuals or special groups within the community;*
- *To facilitate the democratic determination and implementation of community policies on physical development;*
- *To effect political and technical coordination in community development; and*
- *To inject long-range considerations into the determination of short-range actions.*

***Implication of Umzinyathi DM SDF to Nquthu LED***

*The municipal LED will consider the fundamental purposes of the District SDF when proposing*

*the LED Strategic Programmes.*

### C.5.1.5 Nquthu LM perspective on radical socio-economic transformation

South Africa is witnessing an intensive debate around the issue of an accelerated socio-economic transformation especially to the benefit of the previously oppressed groups, Africans in particular. This debate is necessary and important.

First and foremost, the concept of radical socio-economic transformation is not new, the difference now is that it has been placed firmly in the public discourse and is debated vigorously, which is a good thing. In terms of policy, BBBEE, PPPFA and other related policies reflect a radical approach in designing policy instruments to drive economic transformation in South Africa, what has been lacking is the debate about how these policies can be best implemented to produce the desired results. In terms of implementation, there have been pockets of successes although the overall outcome has been that of poor economic transformation or redistribution, reflecting poor implementation. The Ithala SOC (previously KwaZulu Finance Corporation) also demonstrates that the empowerment of the previously disadvantaged groups is an old concept. Secondly, this debate should be viewed as a national interest and transformation issue that goes beyond political orientation. Thirdly, it should be viewed beyond public procurement and equity ownership. Indeed, public procurement and equity ownership are strategic levers of economic transformation and wealth distribution that are at the disposal of government and should be utilized fully; but focus must also be put firmly on the productive side of business whereby people produce the product or design the services that are procured, not just be the middlemen between the procuring state and those who owns the means of production. And lastly, this debate should be used as a platform to produce innovative and practical ideas and/or approaches that can be used to bring about real economic development and socio-economic transformation. And therefore; every sphere of government and/or organ of government should clearly define their role and ensure that they implement clear, coherent, pragmatic and relentless economic development and transformation programmes within their sphere of influence, without hesitation and without fail.

The local sphere of government occupies a very strategic position because it is closer to the people and clearly understands the economic dynamics of a particular locality. Municipalities have at their disposal adequate instruments to effect economic development and transformation, especially through innovative and transformational public procurement practices and also aggressively supporting local enterprises.

Nquthu LM believes that the following approaches may yield the desired results in a drive to develop and transform the economy of Nquthu moving forward:

- **Subcontracting programme:** Nquthu LM is already implementing a 30% subcontracting programme on all construction projects. In terms of PPPFA regulations, subcontracting is

compulsory for all tenders above R30million, most of local tenders are much lower since Nquthu is a low capacity municipality. So the municipality resolved to use the subcontracting as one of the conditions of tender since the R30million threshold is too high for a low capacity municipality.

- **Cooperatives formation and training:** Nquthu LM has also embarked on an aggressive cooperative registration and training programme that is the first phase in creating a framework for spreading the benefits of public procurement to as many people as possible. Nquthu LM has a partnership with the Durban University of Technology Business development Unit through the support of Umzinyathi DM. This unit conduct competency training to endow small and aspirant business people with the required skills to run their businesses.
- **Market and/or opportunity identification:** there is ample economic opportunity within the value chain of products and services that the municipality and other organs of government require through public procurement processes. With the right support and long term contracts, some of the products and services procured can be sourced from emerging local enterprises so that they can establish themselves before they venture into the open business environment of serious competition. This is especially important for products and services that do not require specialized skills and/or expertise to provide like, for example; building materials, work-wear/uniforms, bulk fuel supply for government fleet, furniture, etc.
- **Trading among and between SMMEs:** local SMMEs at a district and local levels must engage and determine the kind of products and services that each business require to conduct business and thereafter determine how can they trade among themselves by providing services to each other. One example of this potential cooperation and/or trade among SMMEs unemployed graduates in the district can form a cooperative whereby they provide financial management services to local SMMEs to ensure that their financial systems and management practices are solid and sound. Another example of potential trade practice among local SMMEs can take place within the taxi industry whereby local small enterprises can provide maintenance work to the taxi industry while other supply maintenance products like tyres, brakes, etc.
- **Innovative procurement practices:** public procurement is the most accessible and effective instrument of local economic development and transformation at a local level. But such instrument needs to be utilized effectively and wisely to extract real economic benefit for local enterprises. Among the alternatives that Nquthu LM will explore in this regard, are the following; (1) including the objective criteria as a condition for all tender whenever and wherever possible, (2) publishing procurement plans so that local businesses prepare and plan their bids in advance and (3) train local service providers about means to source funding from institutions like Ithala whenever the municipality has awarded a contract.

- **Encouraging joint ventures:** the municipality shall encourage emerging businesses to partner with experienced businesses to ensure that they also grow and acquire field experience, especially in construction.
- **Worker cooperatives as a form of outsourcing:** for low skill outsourced services like security, the municipality shall introduce a concept whereby people with security qualifications form worker cooperatives so that they benefit both as workers and also shareholders. If such worker cooperatives do not meet the minimum requirements they should embark on joint ventures.

**Economic profile of Nquthu**

(a) Economic drivers of Nquthu

While the figures used by the LED Strategy dates back to 2013, a closer observation revel that there has not been much changes in terms of economic structure, what is progressively changing are economic figures in terms of growth and inflation. The contribution to the economy in terms of GVA remains more or less the same. The tables illustrate Nquthu economic drivers in terms of GVA contribution and employment creation.

| Sector | uMzinyathi | Endumeni | Nquthu | Msinga | uMvoti |
|---|---|---|---|---|---|
| Agriculture | 10,5 | 8,2 | 10,9 | 7,6 | 13,2 |
| Mining and quarrying | 3,6 | 6,1 | 2,7 | 1,1 | 2,8 |
| Manufacturing | 13,1 | 11,9 | 10,0 | 10,5 | 15,9 |
| Electricity | 2,9 | 4,4 | 0,6 | 1,4 | 3,1 |
| Construction | 4,0 | 6,4 | 1,4 | 9,1 | 1,2 |
| Wholesale & retail trade | 18,4 | 13,9 | 27,2 | 15,9 | 19,5 |
| Transport | 8,7 | 9,2 | 6,8 | 13,6 | 7,2 |
| Finance | 12,5 | 11,5 | 12,4 | 10,0 | 14,3 |
| Community | 7,7 | 5,2 | 8,5 | 10,0 | 8,4 |
| Government | 18,7 | 23,1 | 19,6 | 20,6 | 14,3 |

Source: Calculation based on Quantec data 2013

**(GVA contribution in %)**

| Sector | uMzinyathi | Endumeni | Nquthu | Msinga | uMvoti |
|---|---|---|---|---|---|
| Agriculture | 10,7 | 7,9 | 11,0 | 7,0 | 13,8 |
| Mining and quarrying | 2,0 | 4,2 | 1,3 | 0,7 | 1,3 |
| Manufacturing | 7,4 | 7,5 | 6,2 | 7,0 | 8,0 |
| Electricity | 0,2 | 0,4 | 0,0 | 0,1 | 0,2 |
| Construction | 7,0 | 11,3 | 3,9 | 12,2 | 3,3 |
| Wholesale & retail trade | 23,7 | 20,8 | 30,0 | 19,9 | 24,7 |
| Transport | 4,8 | 5,6 | 4,1 | 7,5 | 3,5 |
| Finance | 7,7 | 6,9 | 8,1 | 6,0 | 8,7 |
| Community | 20,1 | 16,5 | 16,7 | 20,5 | 23,5 |
| Government | 16,5 | 18,8 | 18,8 | 19,3 | 13,2 |

Source: Calculation based on Quantec data 2013

**(Employment contribution in %)**

(b) Potential and/or competitiveness of different economic sectors in Nquthu

This section, based on competitiveness assessment extracted for the LED Strategy, illustrate the potential and/or competitiveness of different economic sectors of Nquthu to provide a clear picture of the current economic situation, identify challenges or weakness and also identify opportunities.

| POSITIVE FACTORS (+) | NEGATIVE FACTORS (-VE) |
|---|---|
| **FACTOR CONDITIONS** | |
| + Abundant land;<br>+ Access roads;<br>+ Abundant grazing land | - Poor soil type (not viable for vegetable farming);<br>- Lack of water / rainfall;<br>- Lack of river / streams |
| **FIRM STRUCTURE & RIVALRY (+/-)** | |
| + New opportunities (sisal, groundnut, sheep farming, cattle farming, etc.); | - Lack of adoption of knowledge by the farmers;<br>- Small scale farmers and not competitive;<br>- Farming not considered as a business<br>- A good number of "non-commercial" producers; |
| **DEMAND CONDITIONS (MARKETS) (+)** | |
| + Large local population;<br>+ Opportunities to supply local retailers;<br>+ Immense value chain opportunities;<br>+ Relatively easy access to regional markets | - Lack of fresh produce market;<br>- Lack of livestock market |
| **RELATING AND SUPPORTING INDUSTRIES (-)** | |
| + Existence of farmers association (livestock association, agriculture forum); | - Associations not effectively used to grow the sector; |
| + Existence of business chamber | - Business Chamber not effectively in operation |
| **GOVERNMENT (-)** | |
| + Technical support;<br>+ Financial Support;<br>+ KZN (PSEDS 2009), identified an agricultural corridor traversing Nquthu Municipality | - Understaffed Extension Officers;<br>- Delay in repairs on broken farm equipment (department of agriculture) |

**Source:** Nquthu LED Strategy

## Agricultural sector

| POSITIVE FACTORS (+) | NEGATIVE FACTORS (-VE) |
|---|---|
| **FACTOR CONDITIONS** | |
| + Hundreds of recorded archaeological sites;<br>+ Many heritage sites;<br>+ Anglo Zulu War Monuments;<br>+ Anglo-Boer War Monuments;<br>+ Nquthu sites falls within the battlefields route | - Products not well packaged;<br>- Lack of tour guides;<br>- Lack of information centre |
| **FIRM STRUCTURE & RIVALRY (+/-)** | |
| + Opportunities exist (accommodation, cultural tourism, arts & crafts, food, etc.);<br>+/- Well established lodge; | - Lack of accommodation facilities;<br>- Products included as Dundee's |
| **DEMAND CONDITIONS (MARKETS) (+)** | |
| + Increase in local tourism;<br>+ Relatively easy access to regional markets | - Lack of / poor marketing of the products;<br>- Limited attention to skills development;<br>- Seasonal nature of demand (and specific periods in season);<br>- Lack of international tourists; |
| **RELATING AND SUPPORTING INDUSTRIES (-)** | |
| + Community Tourism Organization;<br>+ Tourism Centre | - Tourism Association not functioning;<br>- Tourism Centre not yet in operation |
| **GOVERNMENT (-)** | |
| + Existence of Municipal Tourism Practitioner;<br>+ Clear National Tourism Strategy | - Lack of tourism budget from municipality;<br>- Little focus has been directed to the tourism sector; |

**Source:** Nquthu LED Strategy

## Tourism sector

| POSITIVE FACTORS (+) | NEGATIVE FACTORS (-VE) |
|---|---|
| **FACTOR CONDITIONS** | |
| +/- High pedestrian movements in Nquthu Town;<br>+ Growing informal trading | - Pressure for municipality to provide services in town; |
| **FIRM STRUCTURE & RIVALRY (+/-)** | |
| + Informal traders sale a range of products; | - Informal trading concentrated in Nquthu Town;<br>- Majority of traders are survivalists; |
| **DEMAND CONDITIONS (MARKETS) (+)** | |
| + Good population buying goods from informal traders; | - Majority of rural population is of low income; |
| **RELATING AND SUPPORTING INDUSTRIES (-)** | |
| + Existence of business chamber;<br>+ Existence of other business associations<br>+ Taxi rank in Nquthu Town;<br>+ Nquthu Plaza | - Narrow view of informal economy; |
| **GOVERNMENT (-)** | |
| + LED and other related capacity in Nquthu; | - Lack of trading facilities; |

| | |
|---|---|
| + Existence of Informal Traders Strategy; | - Poor drainage systems;<br>- Lack of / poor refuse removal services;<br>- Lack of ablution facilities;;<br>- Lack of trading regulations;<br>- Lack of water and electricity;<br>- Lack of business support (capacity building, marketing, information);<br>- Difficulties in obtaining trading licence/permit;<br>- Lack of synergies between municipal officials and informal traders; |

**Source:** Nquthu LED Strategy

**Informal sector**

All these sectors are important to the economy of Nquthu and have to be developed simultaneously to ensure a balanced local economy. Emphasis need to be put on supporting the informal, agricultural sector and also the taxi industry because they contribute directly to income generation for local residents.

### C.5.1.6 Nquthu LED strategies

The LED Strategy has identified quite a number of strategies that have to be employed by the municipality to accelerate and/or ensure economic development in Nquthu. Indeed, not all of these strategies can be implemented as desired because of institutional and financial constraints, however; they provide the necessary direction and constitute a framework that must inform all municipal LED programmes and projects.

These strategies are listed in a series of tables starting from the next page:

| STRATEGY | STRATEGIC PROGRAMMES | PROJECTS / ACTIVITIES |
|---|---|---|
| **AGRICULTURE** | | |
| **1. Unleash and diversify Agriculture Sector** | 1.1. Promote other farming practices | 1.1.1. Develop Agriculture Development Plan;<br>1.1.2. Undertake bioresearch study and mapping; |
| | 1.2. Promote agro-processing | 1.2.1. Undertake feasibility study; |
| | 1.3. Improve water supply | 1.3.1. Facilitate irrigation systems to strategic agriculture land;<br>1.3.2. Rehabilitate municipal water catchment areas;<br>1.3.3. Facilitate establishment of irrigation schemes |
| | 1.4. Facilitate training / skills capacity to farmers | 1.4.1. Facilitate training for farmers to participate in SEDA, DAEA or DEDT programmes;<br>1.4.2. Train farmers and cooperatives to operate their farming / agricultural activities as business; |
| | 1.5. Facilitate establishment of farming facilities | 1.5.1. Establish a sheep market & training facility;<br>1.5.2. Facilitate establishment of livestock and a fresh produce market;<br>1.5.3. Facilitate feasibility study for abattoir;<br>1.5.4. Facilitate fencing of grazing camps |
| | 1.6. Strengthen farmers' association | 1.6.1. Mobilize local farmers to strengthen the farmers' association;<br>1.6.2. Develop a formal platform for frequent engagement between Agricultural Association, municipal officials and other relevant stakeholders like the DAEA, AFASA and ADA;<br>1.6.3. Encourage farmers association to actively participate in IDP Rep Forum<br>1.6.4. Undertake agriculture awareness campaigns |

| STRATEGY | STRATEGIC PROGRAMMES | PROJECTS / ACTIVITIES |
|---|---|---|
| **TOURISM** | | |
| **2. Develop & Support the Tourism Sector** | 2.1. Undertake road names & improve tourism signage | 2.1.1. Undertake road naming of municipal roads;<br>2.1.2. Improve tourism signage |
| | 2.2. Improve road conditions to tourism products | 2.2.1. Identify and improve all roads leading to tourism products |
| | 2.3. Rehabilitate the Tourism Information Centre; | 2.3.1. Renovate the Tourism Information Centre;<br>2.3.2. Equip the centre with the necessary information material |
| | 2.4. Packaging of the Tourism Products; | 2.4.1. Identify and package all municipal tourism products;<br>2.4.2. Integrate municipal tourism initiatives with Battlefield initiatives |
| | 2.5. Marketing and Promotion; | 2.5.1. Develop a tourism product webpage and incorporate information on travel routes and tourism destinations |
| | 2.6. Promote Community Based Tourism; | 2.6.1. Undertake community tourism awareness campaigns |
| | 2.7. Increase LED Budget | 2.7.1. Develop a multi-year budget linked to MTEF for an LED Program |
| | 2.8. Develop a Tourism Strategy / Plan | 2.8.1. Facilitate development of a Tourism Strategy / Plan |
| **COMMERCIAL** | | |
| **3. Develop and Support the Commercial Sector** | 3.1. Unlock land parcels for commercial development | 3.1.1. Identify land with potential for commercial development;<br>3.1.2. Negotiate with land owners to transfer ownership to municipality or convince land owners to allow land to be invested |
| | 3.2. Improve property rates | 3.2.1. Review property rates policy |
| | 3.3. Improve communication between investors and municipality | 3.3.1. Develop communication plan / strategy to improve communication between municipality and investors |
| **SMME AND INFORMAL ECONOMY** | | |
| **4. SMME Development and Support to the Informal Economy** | 4.1. Provision of SMME / Informal Traders Infrastructure | 4.1.1. Facilitate construction of trading stalls / kiosks;<br>4.1.2. Facilitate construction of informal traders market; |

| | | |
|---|---|---|
| | | 4.1.3. Facilitate construction of ablution facilities on all informal traders markets/stalls;<br>4.1.4. Facilitate development of SMME trading centres in rural nodes;<br>4.1.5. Facilitate development of light and service industrial parks on municipal land;<br>4.1.6. Facilitate finalization of Thusong Centre Agreements (Jama & Molefe) |
| | 4.2. Facilitation of Business Support | 4.2.1. Establish a business incubation program based on an SMME hub concept in each of the major economic centres;<br>4.2.2. Introduce an electronic SMME opportunity advisory system;<br>4.2.3. Develop and maintain an SMME database;<br>4.2.4. Review street trading bylaws |
| | 4.3. Business Retention and Expansion | 4.3.1. Facilitate development of a Business Development & Retention Strategy |
| | 4.4. Enhance Local Procurement | 4.4.1. Review / develop procurement policy framework to make provision for the targeted procurement of certain goods and services from local SMMEs;<br>4.4.2. Encourage SMMEs that qualify to deliver goods / services to register in the municipal database;<br>4.4.3. Identify and ring-fence specified contracts for local SMMEs |
| **STRATEGY** | **STRATEGIC PROGRAMMES** | **PROJECTS / ACTIVITIES** |

| STRATEGY | STRATEGIC PROGRAMMES | PROJECTS / ACTIVITIES |
|---|---|---|
| **INVESTMENT ATTRACTION** | | |
| **5. Facilitate Investment Attraction to Nquthu** | 5.1. Develop an Investment Attraction Strategy | 5.1.1. Facilitate development of an Investment Attraction Strategy |
| | | |
| **YOUNG ENTERPRISE / ENTREPRENEURS** | | |
| **6. Promote Young Enterprise / Entrepreneurs** | 6.1. Sector-Specific Youth Catalytic Projects | 6.1.1. Package the existing business opportunities;<br>6.1.2. Leveraging pre-formation, formation and funding support;<br>6.1.3. Develop Youth Database. |
| | 6.2. Nquthu Youth Service Programme | 6.2.1. Engage young people in the delivery of services to communities;<br>6.2.2. Inculcate in young people an understanding of their role; |
| | | 6.2.3. Inculcate a culture of service to communities;<br>6.2.4. Develop the skills, knowledge and abilities of young people;<br>6.2.5. Improve youth employability through opportunities for skills development, work experience and support<br>6.2.6. Develop Youth Development Strategy |
| | 6.3. Young person to work programme | 6.3.1. Influence young people to choose careers in the area of industrial and enterprise development<br>6.3.2. Market the Municipality and DTI and its services to young people<br>6.3.3. Develop Job Creation Strategy |
| | 6.4. Youth Entrepreneurship Competition Awards | 6.4.1. Initiate Entrepreneurial Bursary Award;<br>6.4.2. Initiate Youth Enterprise Award;<br>6.4.3. Initiate Entrepreneurial Ambassador Award |
| | | |
| **STRATEGY** | **STRATEGIC PROGRAMMES** | **PROJECTS / ACTIVITIES** |
| **LED UNIT INSTITUTIONAL CAPACITY** | | |
| **7. Improve the Institutional Capacity of the LED Unit** | 6.1. Restructuring LED Unit / Organogram; | 6.1.1. Review LED Organogram |
| | 6.2. Appointing LED Practitioner / Business and Cultural / Heritage Practitioner | 6.1.2. Facilitate recruitment of LED Practitioner / Business and Cultural / Heritage Practitioner |

| | | |
|---|---|---|
| **SKILLS AND CAPACITY BUILDING** | | |
| **8. Promote Education, Skills and Capacity Development** | 7.1. Skills training and capacity development | 7.1.1. Facilitate training for farmers, SMME and informal businesses (SEDA or DEDT programme);<br>7.1.2. Facilitate the establishment of small business incubator / satellite (for SMMEs and cooperatives skills development);<br>7.1.3. Promote trades (like hairdressers, carpenters, electricians, plumbers, etc.) as employment opportunities to young people;<br>7.1.4. Provide an on-going accredited LED training for the LED portfolio councillors;<br>7.1.5. Workshop senior and middle management on the mainstreaming of LED in the municipal service delivery program; |
| | | 7.1.6. Facilitate on-going staff training and skills development |
| | 7.2. Development of relationships between industry and tertiary / training institutions | 7.2.1. Establish a platform for engagement between training / tertiary institutions and business to ensure programmes are aligned with industry demand |
| | 7.3. Retention of skilled residents | 7.3.1. Develop a marketing and retention programme in conjunction with Business Organisations in order to retain skilled residents in Nquthu |

| STRATEGY | STRATEGIC PROGRAMMES | PROJECTS / ACTIVITIES |
|---|---|---|
| **LED GOVERNANCE** | | |
| **9. Improve Local Economic Governance** | 8.1. Forward planning development frameworks | 8.1.1. Formulate development frameworks for development nodes identified in the SDF;<br>8.1.2. Facilitate the preparation of a rural development framework and the associated framework plans;<br>8.1.3. Identify and map unsettled land with good to high agriculture potential and impose restrictions;<br>8.1.4. Enforce the municipal town planning scheme;<br>8.1.5. Clamp down on unauthorized land uses;<br>8.1.6. Facilitate implementation of Urban Design Framework |
| | 8.2. Effective bylaws and other regulations that impact on business performance | 8.2.1. Develop Property Rates Policy / bylaws;<br>8.2.2. Develop Trading bylaws;<br>8.2.3. Review credit control and debt management by-laws |
| | 8.3. Settlement Plans | 8.3.1. Categorise agricultural land including land suitable for grazing, crop production, and irrigated farming;<br>8.3.2. Confirm development nodes and provide guidance for the clustering of public facilities and services in each of these areas;<br>8.3.3. Ascertain infrastructure required to unlock development opportunities and potential in various nodes / areas;<br>8.3.4. Establish a framework for housing development and transformation of these areas into sustainable rural human settlements;<br>8.3.5. Identify poverty alleviation and rural development projects; |
| | | 8.3.6. Facilitate an agreement with the traditional councils on planning & development of human settlements;<br>8.3.7. Facilitate preparation of settlement plans for each rural settlement in association with traditional councils |
| | 8.4. Review of supply chain management systems | 8.4.1. Facilitate review of SCM Systems to give preference to local procurement of municipal goods and services;<br>8.4.2. Develop and maintain a database of all local emerging construction companies;<br>8.4.3. Break down certain portion of capital contract into smaller scale to support small scale contractors e.g.<br>• Construction<br>• Other construction (head walls, installation of road signs, gabions, guard rails, course ways, pedestrian pavements, etc.<br>• Building (plastering, plumbing, painting, electrification, other small jobs) |
| **STRATEGY** | **STRATEGIC PROGRAMMES** | **PROJECTS / ACTIVITIES** |

| STRATEGIC ECONOMIC INFRASTRUCTURE | | |
|---|---|---|
| **10. Improve Strategic Economic Infrastructure** | 9.1. Water and sanitation | 9.1.1. Facilitate provision of water to areas earmarked for economic development (e.g. commercial, agro-processing industry, market, etc.);<br>9.1.2. Elevate the sewer systems particularly in town and economic nodes to cope with an increase in demand and provide for future expansion and growth;<br>9.1.3. Develop irrigation infrastructure on potential agriculture land;<br>9.1.4. Establish and maintain a storm water management system |
| | 9.2. Roads and transportation infrastructure | 9.2.1. Identify critical roads that require upgrading in view of their potential to unlock some economic development opportunities and improve economic linkages;<br>9.2.2. Engage the DOT/Transport Forum to prioritize development of roads with potential to unlock economic development potential; |
| | | 9.2.3. Facilitate formulation of a roads and public transport master plan for the municipality;<br>9.2.4. Facilitate fencing of the taxi rank at Nquthu Town;<br>9.2.5. Participate in the Rural Road Transport Forum;<br>9.2.6. Facilitate upgrading of CBD road infrastructure;<br>9.2.7. Facilitate continuous maintenance of municipal plant & equipment |
| | 9.3. Electricity | 9.3.1. Assist ESKOM with the identification and prioritization of electrification projects;<br>9.3.2. Engage ESKOM about the provision of electricity in all areas that have been earmarked for agri-processing, agriculture, tourism and potential commercial centres;<br>9.3.3. Provide / upgrade of electricity in all development nodes;<br>9.3.4. Develop an Electricity Master Plan for the municipality |
| | 9.4. Solid Waste Management | 9.4.1. Improve refuse removal services in the CBD and other municipal economic nodes;<br>9.4.2. Facilitate development of an Integrated Waste Management Plan (IWMP) |
| **STRATEGY** | **STRATEGIC PROGRAMMES** | **PROJECTS / ACTIVITIES** |
| **ANCHOR PROJECTS** | | |
| **11. Initiate development of Anchor Projects** | 9.2. Undertake feasibility studies on potential anchor projects | Undertake feasibility studies on:<br>9.2.1. Traditional Hub<br>9.2.2. St Augustine Spring Water Project;<br>9.2.3. Hotel Resort Project;<br>9.2.4. Airstrip Development;<br>9.2.5. Further Education & Training Centre;<br>9.2.6. Stone crushing plant |

### C.5.1.7 Current LED programmes and projects

Nquthu LM has embarked on a number of programmes aimed at supporting local SMMEs and informal traders who are contributing greatly to addressing the challenge of unemployment and lack of income to different households. Among others, the municipality has embarked on the following programmes:

- **Cooperative establishment support:** the LED office directly provide assistance to people who are registering businesses to ensure that they understand all applicable processes and all relevant compliance matters.
- **Business management training:** the LED unit also from time to time organizes business management training to small businesses to provide them with basic required skills that is needed to grow and sustain a business.
- **Agricultural support:** on the agricultural side, the LED unit has two tractors that are used to assist agricultural cooperatives with soil cultivation and also provide fencing for crop-fields as far as the budget allows. A total of R600 000 has been invested in fencing alone in the 2018/19 financial year.
- **Subcontracting:** the subcontracting programme has already started and is progressing smoothly and the municipality plan extending its scope. The main purpose of the subcontracting programme is to enable skills transfer and also allow emerging contractors to progress in terms of their grading.
- **Sheep and wool project:** this project is located in Ward 13 and aims to enable community run enterprises to get into the field of livestock farming with a particular emphasis on wool production. Construction of all required buildings has been completed, the municipality is now planning to procure the necessary equipment, sheep and conduct all the necessary training for people who will directly operate this project.
- **Driver's licence programme:** the municipality identified driver's licence as one of the foremost requirement that disadvantage the youth of Nquthu from finding jobs. This because in most cases, especially in the public sector which is the biggest employer in Nquthu; the driver's licence is one of the main requirements. Therefore; the municipality initiated a driver's licence programme whereby thirty four (34) youths (two per ward) are sponsored by the municipality to attain driver's licence. This programme is progressing very well and shall be improved and expanded going forward, subject to availability of financial resources.
- **Poverty alleviation:** in the 2018/19 financial year, a total of R1.2million was invested in poverty alleviation programme which takes the form of buying equipment that cooperatives need to perform their business activities. These include tents, chairs, catering equipment and other kinds of equipment as required.

- **Umzinyathi DM alien plant eradication programme:** Umzinyathi DM initiated a huge alien plant eradication programme situated at Jabavu area alongside Umzinyathi river in Ward 12 and Ngonini area in Ward 10. This programme is very important in terms of preventing the invasion of alien plants and also creating work opportunities, in total, eighty five (85) people are employed in this programme.

*Report on LED programmes to date*

**Subcontracting programme**

The LED section in its initiative to develop Small Medium Micro Enterprises within Nquthu Municipality established a Subcontracting Program. The Program is aimed at growing these businesses through Subcontracting on Municipal Big Projects. The Municipality, through the LED Section, facilitates the process of linking appointed main contractors with potential Local Subcontractors.

**COMPLETED PROJECTS FROM AUGUST 2018 TO MAY 2019**

| COMPANY NAME | PROJECT NAME | VALUE OF PROJECT | COMPLETION DATE | WARD |
|---|---|---|---|---|
| Tibello Construction | Savuye Gravel Road | R277 651.50 | 06 August 2018 | 03 |
| Gonizwe (PTY) LTD | Savuye Gravel Road | R279 641.25 | 06 August 2018 | 03 |
| Ekwandeni (PTY) LTD | Ubemba Access Road | R279 840.50 | 21 September 2018 | 01 |
| Mgedwana Trading | Ubemba Access Road | R268 950.50 | 21 September 2018 | 01 |
| Fourways (PTY) LTD | Nhloya Bridge | R161 000.00 | 28 September 2018 | 10 |
| Zime-du Trading | Nquthu Southern Road Phase 1 | R 268 000.00 | December 2018 | 14 |
| Mazwai Construction | Nquthu Southern Road Phase 1 | R 464 984.10 | November 2018 | 14 |
| Amaphozi (PTY) | Ekudukeni Gravel | R 198 402.00 | November 2018 | 17 |

| | | | | |
|---|---|---|---|---|
| LTD | Road | | | |
| Nkunzemnyama | Springlake Sports Field | (PLANT HIRE) | November 2018 | 12 |
| Monzamnyama Construction | Nquthu Southern Road Phase 1 | R 1 115 760.10 | 04 April 2019 | 14 |

**THEY HAVE SUCCESSFULLY COMPLETED THE FOLLOWING TASKS:**

- Installation of Storm Water Pipes
- Construction of Storm Water Headwalls
- Construction of Storm Water Catch pits
- Grouted Stone Pitching
- Installation of permanent Traffic signs
- Construction of Gabions
- Erection of Permanent Signs
- Health and safety requirements
- Environmental requirements
- Manholes , catch pits , precast inlet and outlet structures

**PROJECTS CURRENTLY ON PROGRESS STATUS (MAY 2019):**

| COMPANY NAME | PROJECT NAME | VALUE OF PROJECT | STATUS | WARD |
|---|---|---|---|---|
| KwaMazwane (PTY) LTD | Eziqhazeni Hall | R 246 052.79 | Subcontractor established on site in October 2018 and so far 50% of work is completed due to issues that we encountering on site | 15 |
| Tiyoyo (PTY) LTD | Springlake Sports Field | R 189 232.72 | Subcontractor established on site in November 2018 and so far 90% of | 12 |

| | | | | |
|---|---|---|---|---|
| | | | work is completed | |
| Gonizwe (PTY) LTD | Nquthu Southern Road Phase 2 | R240 675.80 | Subcontractor established on site on the 3rd of April 2019 and so far 60% of work is completed | 14 |
| Sogaduzela Trading | Nquthu Southern Road Phase 2 | R181 850.00 | Subcontractor established on site on the 3rd of April 2019 and so far 50% of work is completed | 14 |
| Mashedemqethule (PTY) LTD | Nquthu Southern Road Phase 2 | R191 800.00 | Subcontractor established on site on the 3rd of April 2019 and so far 55% of work is completed | 14 |
| Cuwana Trading | Nquthu Southern Road Phase 2 | R205 750.00 | Subcontractor established on site on the 3rd of April 2019 and 50% of work is done | 14 |
| Syolugcina (PTY) LTD | Nquthu Southern Road Phase 2 | R185 005.75 | Subcontractor established on site on the 3rd of April 2019 and 50% of work is done | 14 |
| Bongeliwe Trading | Nquthu Traffic Offices | R110 000.00 | Main contractor have issues on site hence the delay on establishment from subcontractor | 14 |

One of our main objective is to Nurture, empower and develop our local emerging and small enterprises, we have managed to grow 3 of our emerging contractors:

- Tibello Construction
- Gonizwe (PTY) LTD
- Amaphozi (PTY) LTD

They have all moved from CIDB Stage 1 to CIDB stage 2

- Mazwai Construction is also in a process of moving from stage 2 to stage 3

**CHALLENGES:**
We do encounter operational challenges mainly on:

- Late appointed of subcontractor by main contractor
- Late delivery of Material on site by main contractor
- Incorrectly priced of Bill Of Quantities ( Main contractor add totals of the work that will not be done by subcontractor on Subcontractors BOQ and that causes conflict)
- Short payments and Late payments of invoices
- Local laborers demanding high salaries
- Community threatening subcontractors

**Subcontracting policy**
The Subcontracting policy have been developed and approved by Council to address some of the challenges mentioned above. This policy will be further developed as the municipality also plans to extend subcontracting to expand beyond construction projects and look at other areas like security and auditing to ensure that procurement benefits are equitably distributed to local small businesses, especially the youth, disabled and women.

### C.5.1.8 Expanded Public Works Programme

This programme is located in the municipality's Technical Services department. However, the LED unit works with all internal and external departments in the planning and execution of any programme that has a potential to yield economic benefits for the people. Therefore, the LED unit does participate fully in the planning and monitor the progress and impact of EPWP programmes within the municipality, but the actual supervision of such programme falls under Technical Services because of the nature of the work that is performed by EPWP beneficiaries.

### C.5.1.9 Planned LED programmes

| **Short term**<br>*(programmes that the municipality seeks to immediately implement and achieve)* | |
|---|---|
| **Programme name** | **Programme description** |
| *Subcontracting* | Ensuring that all qualifying constraction related tenders contain subcontracting as a tender requirement so that that they can impart skills to emerging contractors and also ensure that they benefit financially from public procurement and also improve their grading. This programme has been started already, but it still has to be improved and expanded. |
| *Business registration support* | The municipality is to help existing and new businesses to register as formal entities so that whenever opportunities arise those businesses are recognized. The municipality has already started a programme to register cooperatives, but it needs to expand to other forms of ownership and also target existing businesses that are not registered. |
| *Agricultural support* | The municipal shall intensify its agricultural support programme for purpose of both food security and trading. One of the major challenges identified in agriculture is lack of fencing and water scarcity. The municipality will intensify its fencing programme to protect the produce of farmers, especially cooperatives and/or communal gardens. Working with DARD, Umzinyathi DM and other stakeholders, the municipality will also facilitate training to improve the skills and knowledge of those who are devoted to agriculture. The municipality will also encourage the youth to see agriculture as one of the important economic development and poverty alleviation instrument. **The Nquthu Agricultural Support Plan is attached to the addendum of annexures.** |
| *Business management skills training* | This programme has also been started and implemented by the municipality. However, it stills needs to be intensified and its scope expanded to provide specific and specialized training to cater for specific needs or to address specific skills deficit in existing businesses. For example, most businesses owners do not have adequate knowledge about how to handle their insurance and tax affairs of their businesses. |
| *Support for informal traders* | The municipality established an association for informal traders. And while there are informal trading stalls in both ranks in |

| | |
|---|---|
| | Nquthu, those who work from the sides of the road do not have shelters. The municipality has set aside R2 million to build trading shelters for informal traders in Nquthu Town so that their conditions improve. |
| *Incubator project Phase 02* | The municipality has an SMME incubation programme which will be escalated by building a Phase 02 facility. This facility will consist of a communal workshop where all SMME will be practically skilled to produce their products. This project has been budgeted for in the current financial year. |

| **Medium term**<br>*(programmes the municicipality seeks to implement achieve in or withi the next three years)* | |
|---|---|
| **Programme name** | **Programme description** |
| *Communal manufacturing hub and warehousing* | The municipality shall lobby private donors and mobilize government funding to construct and equip communal manufacturing hubs. These hubs shall contain machinery to allow SMMEs to produce their products from without the need to acquire expensive or unaffordable machinery. Only worker cooperatives shall be allowed to utilize these facilities. These facilities shall include equipment or machinery to perform the following production functions; bed making, carpentry, gutter making, dress making/sewing, food processing, warehouses, rock/granite engraving, roof making, recycling and other potential light manufacturing functions. |
| *Communal food market* | This food market shall perform the role of a wholesaler from which local shop owners and other retailers shall buy from. A big building shall contain built in stalls whereby each stall shall sell a single type product. These sellers will be assisted to source their products in bulk so that they become part of the value chain and address the monopoly dominance in the wholesale sector, in which Africans do not enjoy real or meaningful participation yet they constitute the biggest market in terms of buying power. |

| **Long term**<br>*(programmes that should be implemented and achieved within PGDP's 2035 vision)* | |
|---|---|
| **Programme name** | **Programme description** |
| *Vendor financing fund* | This fund shall be established by the municipality or a separate non-profit company facilitated by the municipality. This fund will |

| | |
|---|---|
| | local businesses that have been awarded contracts but do not have the financial power to fund the implementation of those contracts. |

### C.5.1.10 Investment environment

Nquthu LM is very much open to and encourages investment as means to unlock its economic potential and create job opportunities. The municipality does have an Investor Policy that is meant to facilitate a suitable environment for investors and also prevent unnecessary red tape when investments are initiated. This policy was last reviewed in May 2017 and will be further developed and reviewed to take into account new developments and to accelerate investment.

### C.5.1.11 Local economic development stakeholders

Economic development is not only the responsibility of government, but it is also the responsibility of the private sector, labour, civil society organizations and the general public at large. The municipality realizes this fact and will mobilize all stakeholders in order to facilitate an enabling environment for local economic development and transformation. The municipality has identified the following types of stakeholders, as described in the table below, as being key to realize the local economic development goals of Nquthu.

| **Type of stakeholder** | **Role of stakeholder** |
|---|---|
| *Sector departments* | Sector departments are responsible for most public procurement and play a very important role in economic development through preferential procurement practices. |
| *Government economic development/funding institutions* | Government also has supportive and/or funding institutions that help to facilitate business development and access to capital. These institutions include, among other:<br>• The National Empowerment Fund<br>• Ithala SOC<br>• Industrial Development Corporation<br>• Small Enterprises Development Agency |
| *SETAs* | These institutions is responsible for spending the skills levy and ensures that there is skills development in all sectors of the economy to enable every sector to grow and absorb more labour. SETAs issue learnerships to facilitate skills development and these skills can be very useful for its beneficiaries to start and sustain their businesses. |
| *Umzinyathi District* | Umzinyathi DM is the parent municipality of Nquthu LM and is |

| | |
|---|---|
| *Municipality* | a very important partner because it has a host of good LED programmes and provides institutional support and also run some of their LED programmes in Nquthu. |
| *Department of Small Business Development* | This department's main mandate is to create an enabling environment for emerging and small businesses, especially cooperatives to be able to thrive and grow and fully participate in the economy. It serves as a one stop hub for small business upon which they rely for guidance and support. |
| *KZN Department of Economic Development, Environmental Affairs and Tourism* | This department's main mandate is to drive socio-economic development and transformation in the province by providing a strategic direction in terms of economic development policies and their implementation.<br>This department also initiates economic development and empowerment projects in order to unlock the economic potential of the Province of KwaZulu-Natal. The municipality shall rely heavily on this department for guidance and support in various aspects of economic development. |
| *CICP* | This is a business registration authority that should be fully utilized to ensure that small businesses are registered as formal entities so that they can benefit from support programme earmarked to develop them. |
| *Local business forums* | These forums are very important platforms of engagement and they constitute representative bodies that speak on behalf of local or small businesses and advance their business interest. |
| *Business support Non-profit Organizations* | There are NPOs whose sole mandate is to develop and support small businesses, especially through development of practical skills. These NPOs should be identified and engaged to render support to existing and aspirant local small businesses. |
| *Traditional leadership* | Traditional leadership is key in a rural municipality like Nquthu because they are the custodians of the land within which most LED projects shall take place. |
| *Private sector* | The role of the private sector is three fold; (1) they create work opportunities through employing people to produce products or render services and, (2) when they invest in the area they positively contribute to economic growth and, (3) they make a public contribution by funding social or any other programmes through their social investment budgets. |
| *Tertiary learning institutions* | Most tertiary institution are will to and do work communities |

| | |
|---|---|
| | in supporting them to deal with challenges of unemployment and economic development. Therefore, they should be engaged to provide support and expertise wherever possible. The DUTs small business programme is one good example of the role that tertiary learning institutions can play in economic development. |

### C.5.1.12 Municipal LED budget

Nquthu LM regards local economic development as one of the most critical aspects of service delivery and social development. Therefore, the municipality has set aside a sizeable amount through the LED unit and also through other municipal departments with local economic development orientated programmes.

### C.5.1.13 Monitoring and evaluating the implementation of LED programmes and projects

The LED Strategy establishes a clear framework for monitoring and evaluation of LED projects and programmes. However, some of the targets set have lapsed and become inapplicable. The best way to put in place a clear mechanism is to review the whole strategy and in order to also review the monitoring and evaluation network to be more updated and relevant. Reviewing the strategy can be conducted in-house since the structure of the strategy has been established, what is now is to update the statistics, align with reviewed district development strategies and also take into account any new policy development or programmes.

### C.5.1.14 Informal Economy Policy, Policy Regulating for Street Vendors, Investment Policy and EPWP 3 Aligned Policy

The municipality has an adopted informal economy policy (2015) which is reviewed annually. The policy support and regulate (permits and zoning for street vendors) the functioning of all informal trading businesses in Nquthu.

*Potential Partners:*

- Informal trade and Commercial.
- Key economic Partners
- Shanduka
- NYDA
- The Branson Centers of Entreneurship
- Aqua Culture Development and enhancement Programme

- Black business supplier Development
- The cooperative incentive scheme

The municipality is planning to review and adopt the following policies during 2018/18 financial year

- Informal Economy Policy / Street Vendor Regulating Policy
- Investment/ Retention Policy
- EPWP Policy

Database for Coorporatives and SMMEs is being updated on a regular basis to ensure sustainable development and empowerment of the community.

### C.5.1.15 Local Economic Development SWOT analysis

| Strengths | Weaknesses |
|---|---|
| • Functional LED unit<br>• Funding of LED projects<br>• Credible LED Strategy<br>• Vibrant informal economy sector<br>• Investor friendly environment<br>• LED related policies in place<br>• Road infrastructure ensure accessibility<br>• Nquthu people enthusiastic about agriculture<br>• Low crime levels as it relates to business robberies or burglary or cash in transit<br>• Progressive subcontracting programme<br>• Vibrant and innovative LED personnel | • Poor implementation of LED Strategy<br>• Budget for LED not sufficient due to financial constraints<br>• Large portions of Nquthu land not suitable for large scale agriculture<br>• Poor water supply<br>• Poor network signal making communication difficult<br>• Insufficient sourcing of funds from outside source to complement municipal funds<br>• Inadequate alignment to national and provincial LED priorities |
| **Opportunities** | **Threats** |
| • Reviewing the LED Strategy internally to make it easier to relate to<br>• Accelerated implementation of the LED Strategy<br>• Mobilizing private sector funding and investments<br>• Initiating a cooperative revolution to ensure maximum economic activity and participation<br>• Mobilizing the massive unemployed workforce into productive economic activities<br>• Investing in light manufacturing industries<br>• Organizing the local retail sector so that local businesses play more role in the retails sector | • Water dependent economic activities not easy to perform due to unreliable water supply<br>• Poor land management leading to unplanned development<br>• High unemployment rate results in high economic dependency |

### C.5.2 Social development

While there are sector departments and government agencies designated to attend to specific social issues and special and vulnerable groups in our communities; the municipality still has a developmental responsibility to initiate its own programmes to address the social challenges faced by our communities and ensure their wellbeing.

### C.5.2.1 Youth development

The future prospect of any nation is solely dependent on its ability to protect and develop its young people and also instill in them good values and principles. Young people represent the future of the nation and it is within the upon which leaders, business people, public servants, scientists and other societal role players emerge and move the nation forward.

It is for this reason that Nquthu LM has put youth development at the top of its development agenda and has developed a comprehensive and a wide ranging intervention programmes to ensure that the youth of Nquthu have access to a variety of opportunities that will enable them to develop themselves, pursue their dreams and realize potential.

**(a) Legislative provisions**

*a) National Youth Policy 2015-2020 (NYP 2020)*

Government has developed the National Youth Policy 2015-2020 that defines, informs and guides the approach that government and all stakeholders should take in advancing the interests and ensuring the wellbeing and development of our youth. The essence of this policy is summarized in the table below.

| Policy objectives | Identified youth challenges | Proposed policy interventions |
|---|---|---|
| • Integrating and mainstreaming youth development into all government policies, programmes and budget.<br>• Capacity building and strengthening of youth development institutions.<br>• Empowering young people to enable to develop themselves and realize their potential.<br>• Inculcate the culture of good citizenry and patriotism to grow to be good and caring family and community members.<br>• Foster social cohesion, unity in diversity, | • Unemployment and joblesseness<br>• High drop-out rate and inadequate skills development<br>• Inadequate framework for youth employment<br>• Poor health, high HIV/AIDS prevalence, and high rates of violence and substance abuse<br>• Lack of access to sporting and cultural opportunities<br>• Lack of social cohesion and volunteerism<br>• Disability and exclusion<br>• Policy priorities | • Economic participation and transformation<br>• Education, skills and second chances<br>• Health care and combating substance abuse<br>• Nation building and social cohesion<br>• Effective and responsive youth development institutions |

| | | |
|---|---|---|
| patriotism and active citizenry. | | |

*b) Integrated Youth Development Strategy 2020*

The Integrated Youth Development Strategy (IYDS), adopted in December 2017, is a policy implementation tool that seeks to translate the policy proposals of the National Youth Policy 2020 into specific youth development programmes and activities that shall ensure that the youth development objectives are realized. This strategy sets out clear strategic objectives, sub-outcomes, actions to be taken, responsible implementing agents, indicators and targets for the 2018/2019 and 2019/2020 financial years.

*c) National Youth Development Agency Act*

The National Youth Development Agency Act establishes the National Youth Development Agency which is the primary youth development institutions in South Africa.

*d) Youth Employment Accord*

This accord is an agreement between organized labour, government, business community, youth organizations and other NEDLAC constituency representatives. It is a commitment by all stakeholders to contribute to realizing the objectives of the youth employment strategy which is aimed at accelerating the absorption of young people into employment. The strategy focuses on the following areas:

- Training, internships and apprenticeship;
- Private sector commitments and programmes, and
- Youth brigades to give youth a chance to serve their communities, provide some work experience and training, integrate youth into a social movement, build social cohesion and earn a stipend.

*e) Broad Based Black Economic Empowerment Act (BBBEE)*

This law is a primary instrument by which government seeks to undo the economic imbalances of the past, and present, especially with regard to ownership of the means of productions and ownership of big enterprises so that the black majority is absorbed into the economy.

*f) Preferential Procurement Policy Framework Act and Regulations*

This law is the main instrument that government seeks to drive the redistribution of wealth and transform the economy through public procurement. BBBEE compliance is a central criterion upon which this law is applied. Black Africans, the **youth**, women and people with disabilities are the main targeted beneficiaries of this law.

## (b) Youth development institutions

*a) South African Youth Council*

The South African Youth Council (SAYC) is a voluntary council that is constituted of and also represents the interests of different youth organizations that are affiliated to it. Its main function is to mobilize the youth to participate in all aspects of life and in nation building. The affiliates of SAYC are drawn from youth political organizations and also issue-specific youth organizations.

*b) National Youth Development Agency*

The National Youth Development Agency (NYDA) was established through an act of parliament by merging the National Youth Commission and the Umsobomvu Youth Fund into a single youth development institution. The National Youth Policy describes the aims of NYDA as follows:

- Initiate, design, coordinate, evaluate and monitor all programmes working to integrate into the economy and society in general.
- Promote a uniform approach by all organs of state, private sector and NGOs to youth development.
- Establish annual national priority programmes for youth development.
- Promote the interest of the youth, particularly young people with disabilities.
- Guide efforts and facilitate economic participation and empowerment, and the achievement of excellence in education and training.

## (c) Nquthu LM youth development unit and youth representative structures

*a) Youth development unit*

Nquthu LM has a fully fledged youth development unit which is strategically located within the office of the Municipal Manager. This unit consists of three full time officials consisting of a manager and two officers. It is responsible for initiating and implementation of youth development programmes in Nquthu and also responsible for coordinating and complimenting youth development programmes by other government agencies, private sector, communities and any other organizations. The matters of early childhood development are also managed and coordinated by this office in cooperation with other internal units like the special programmes unit and all other relevant external stakeholders like the Department of Social Development and all organizations involved in early childhood development.

*b) Nquthu LM youth council*

Nquthu LM has established a youth council which is the representative body of young people in Nquthu and is constituted by representatives of political youth organizations in line with

political representation of Council. The youth council is a platform for youth engagement and debate and also plays an advocacy role on all youth matters and lobby Council to influence its policy direction in advancing the interests of young people of Nquthu.

(d) **Current state of youth development in Nquthu**

*a) Youth unemployment rate*

High unemployment rate is one of the major challenges facing young people of Nquthu. The official youth unemployment rate is standing at 53.3%. This is an even more serious challenge when taking into account that the general unemployment rate is 26% while 42% represent discouraged work seekers, with only 32% employment rate. Since in most cases the unemployed youth is dependent on family or parent support, their situation becomes even direr because of lack of sufficient income in households.

*b) Education and skills development*

Of the entire population of Nquthu, 27.29% have primary education; 30.20% have secondary education; 20.46% have matric, and a tiny 3.76% have tertiary education. Almost all people attend school or post school education at a young age, therefore; this low education levels represent a poor education levels in our youth. This also indicate a relatively high dropout rate and a low pass rate (but the pass rate is improving) at a school level. The low percentage of people with tertiary education represent both lack of access to education and also low number of people who qualify for bursaries/scholarships and also represent lack of access to career guidance and education support (e.g. bursaries) information.

Among others, some of the challenges within the schooling environment are lack of educational resources like laboratories, computer facilities and long distances to schools. In 2017, Equal Education (which is a voluntary membership-based organization of learners, parents, teachers and community members) conducted school visits in Nquthu and assessed the situation and interviewed learners in three schools; Hlinzeka Primary School, Ukuphumula Secondary School and Ubongumenzi Secondary School and found that long distances to schools is one of the foremost challenge that learners of Nquthu experience.

However, there are positive developments as far as access to education in relation to funding is being addressed by government through no fee education measures that are being developed. The Department of Education has also introduced a learner transport programme in some selected schools in Nquthu, but this programme has left out many deserving learners.

The municipality has made serious interventions and made great progress in assisting young people from poor households with registration fees to enable them to enter tertiary education. School uniforms were also provided to identified learners from poor households as part of this intervention by the municipality.

There are also no adequate opportunities and programmes as far as skills development is concerned, especially the kind of trade skills that can allow the youth to open their own businesses or provide certain services to the market. This is one of the areas that require serious attention of the municipality with the assistance of other role-players.

*c) Working experience opportunities*

In most cases, internships and in-service opportunities are provided by government and, to a lesser extent, by the private sector. Availability of opportunities to attain working experience is very important for the youth because working experience remain one of the central criteria in recruitment, which is a big disadvantage to our youth. In Nquthu it is even more difficult because there are no local industries, which leave most of the responsibility to provide these opportunities in the hands of government departments and the municipality.

*d) Exposure and access to information*

Access to self development opportunities is mostly dependent on the availability of information concerning those opportunities. There is no well coordinated and effective model currently in place to ensure the dissemination of development information to the youth. This is one of the aspects that the municipality needs to address as part of its youth development interventions.

*e) Talent development and opportunities*

One critical aspect of youth development is creating a platform to showcase and develop talent so that young people can realize their potential, especially in the field of sports, arts and recreation. The municipality has done serious work in this area but there is still ample room for improvement so that the young people of Nquthu receive maximum support in this area.

*f) Enterprise development*

The municipality through its LED unit is doing a lot in the area of enterprise development, including youth enterprises. However, youth participation in the economy in the area of public sector procurement and also business ownership and control remain very low.

*g) Social ills*

High unemployment rate, lack of economic opportunities, lack of skills, inadequate platforms or opportunities to nurture and develop talent, and other related factors; have a very negative impact on the social conduct to young people. Young people are frustrated by the redundancy that defines their daily lives and, because of this; negative energy find space in their lives which leads to unhealthy and irresponsible lifestyles and behavior.

The most prevalent social ills engulfing the youth of Nquthu are teenage/unplanned pregnancy and/or impregnation, unprotected sexual activities, alcohol and drug abuse, and also crime. The municipality and government departments like DSD do have programmes to address this

challenge, however; more needs to be done in this area to scale up and improve the impact of these programmes which in most cases take a form of awareness campaigns.

*h) Social cohesion*

Social cohesion is one of the critical elements of nation building. The youth in general do understand and appreciate the importance of social cohesion, but this has to be broadened and deepened so that we build a strong and stable society that is not hindered by issues of race, political affiliation, tribe, rural-urban divide, class or socio-economic status.

Moreover; the question of social cohesion should be addressed in relation to access to economic opportunities and redistribution of wealth in order to reduce pervasive inequalities and ensure improved living conditions for the majority. Therefore; youth development, especially with regard to skills development and economic participation, is of paramount importance if we are to achieve social cohesion that is both genuine and sustainable.

**(e) Programmes**

Nquthu LM municipality has developed specific programmes to drive and coordinate all youth development interventions in Nquthu. These programmes are detailed below.

*a) Youth development index*

The municipality shall establish a voluntary database whereby by all young people shall upload their information to create a personal profile so that they can be accurately identified. This database shall capture per each person the following information; initials and surname, date of birth, gender, matric status/highest school grade, qualifications, employment status, email address, mobile number, ward and voting station.

The municipality will design forms that will enable the municipality to collect important data to assist the municipality to accurately identify young people who require assistance and determine a better approach to assist them. Each ward shall compile its own database and the municipal youth development unit shall use those databases to compile a consolidated municipal database that includes all wards. Young people will participate in this programme on a voluntary basis and the programme will be designed in such a way that it is economical and cost effective. Also, an agreement should be reached with all government departments so that they provide the data of all the young people that have benefited from their programmes.

*b) Economic participation and development*

Economic participation and development programmes shall be two fold; (1) the enterprise development aspect and (2), the employment opportunity aspect. These two are related because, in most cases, small businesses create employment opportunities and both result in income to individuals which take the form of either a profit or a salary.

The enterprise development part will be implemented in conjunction with the municipality's LED unit which has programmes and a budget for this purpose. The specific role of the youth development unit will be, in this regard, the following, to:

- First and foremost, gather information about all enterprise development programmes and/or initiatives from all role-players, including but not limited to; government departments and/or agencies, NGOs and private sector. This information shall then be disseminated to young people so that they can take position themselves to benefit from those programmes.
- Lobby the municipality, government departments and private sector to procure some of their products and services from youth owned enterprises.
- Work with the municipality's LED unit and all relevant stakeholders to develop programmes that will foster youth economic participation and development.
- Identify funding sources for youth start-up (active or aspirant) and compile a comprehensive database of these funding sources, including application and qualification criteria.
- Ensure that existing or start-up youth enterprises receive business management training to provide them with basic skills that they require to successfully run their businesses.

With regard to employment opportunities, the municipality's youth development unit role shall be the following, to:

- Working with the municipality's human resources section to mobilize internships, learnerships, apprecenteship and public works opportunities for the youth in both the public and private sector.
- Gather all the information in respect of the above; and also any available job opportunities and disseminate that information to young people so that those who meet the set criteria lodge their applications.

*c) Education and skills development*

Education and skills development forms a fundamental foundation of any society to sustain itself politically, socially and economically. Inevitably, the future prospects of any young person and, by extension, of any nation, is primarily dependent on whether young people receive the necessary education and training so that they become productive, support themselves and their families and; participate and contribute to the economy.

In relation to education and skills development, the following initiatives shall be implemented:

- **Career guidance:** the youth need to be exposed to different career disciplines so that they can make informed choices about academic and/or vocational path they take. In this regard, the municipality shall work with all stakeholders to ensure that information

is disseminated to all young people. Different measures shall be undertaken by the municipality to ensure consistent dissemination of information including, but not limited to; (1) distributing career guides produced by SETAs and other organs of government and professional bodies to all secondary schools and libraries and, (2) career guidance workshops or exhibitions.

- **Bursary opportunity information and financial support:** gathering of all information relating to bursaries and scholarships from either government or the private sector. This information shall then be disseminated to the youth and application assistance workshops shall be conducted to ensure that as many as possible number of young people who meets the qualification criteria do apply. Those who comes from poor families and have not received any educational support, the municipality shall intervene by providing registration assistance to those persons. However, this will depend on whether the government successfully implements no-fee education for the poor or not.
- **Academic Excellence Awards:** the municipality shall introduce Academic Excellence Awards at a secondary education level whereby annual performance wards shall be conferred to best performing learners per every grade and per every subject.
- **Skills development initiatives:** in addition to learnerships and other related skills development programmes that are mobilized through the HR section's WSP unit, the municipality organize or fund training for young people every year to provide them with skills that is required by the local economy which include, among others; agriculture, light manufacturing and the services sector.
- **Former learner mobilization:** almost all schools in Nquthu are grappling with a serious challenge of lack of educational facilities and resources. At the same time, almost all schools in Nquthu have produced learners who has went become successful in life and occupy important positions in a variety of sectors; in business, academia, leadership or in different careers. Similarly, almost all people have a deep connection with the schools that molded them to become successful in life, most are willing and committed to make a meaningful contribution to their former schools in order to improve the quality of education in those schools. It is for this reason that the municipality shall establish an initiative to mobilize former learners for every school to create a platform for them to make a contribution in a variety of ways including, but not limited to; resources mobilization, motivational programmes, providing any required expertise or assistance, etc.

*d) Social cohesion and nation building*

Social cohesion and nation building is a very important aspect of youth development. However, there is normally no single or specific activity that constitutes nation building or is an act of

fostering social cohesion. However, there are activities or practices that an effect of fostering social cohesion, and by extension, therefore; is an act of nation building.

As an approach to social cohesion and nation building, the municipal youth development unit and municipal youth structures shall mobilize the youth to participate in municipal programmes and programmes of other organs of government and also any other organization that have an effect of fostering social cohesion and/or are an act of nation building. The municipality hosts a lot of events which include, among others; youth day celebration, Mandela Day, cultural events, and others; the youth should participate fully in all these events and other related programmes.

*e) War on social ills*

The youth development unit is responsible for Operation Sukuma Sakhe coordination in the municipality, therefore; it is part of coordinating different social interventions initiated by other organs of government and other stakeholders. This put the youth development unit in a strategic position to influence and work with other stakeholders in streamlining youth development and improving the impact of all interventions made. However, the youth development unit, working with all stakeholders, shall intensify all awareness campaigns both in terms of frequency and reach for maximum effect and impact.

Also, more focus will be put on the preventive part of fighting social ills, whereby more arts, sports and recreational activities shall be organized as it is believed that it is a deterrent to most social ills. When young people are occupied with activities which they enjoy and which allows them to express their talents and prowess, they are likely to have hope and positive outlook on life. It shall be ensured that such programmes are cascaded to all wards to extend their reach.

*f) Talent development*

Talent can take many forms, depending on a particular discipline in question. In almost all disciplines including, among many; arts, sports, science and others, there are people who have extraordinary natural capabilities. It is very important that these capabilities are identified, promoted and nurtured so that success can be made out of them.

The youth development unit, working with other relevant stakeholders, shall embark in the following programmes either through direct implementation or by playing a supportive role:

**Sports:** the sports unit of Nquthu local municipality is quite an effective one, however; the youth development unit shall work hand in hand with it to expand its scope in terms of catering for different sports codes which were previously perceived as white sport or as sport for the privileged.

**Arts and culture:** first and foremost, schools should be lobbied and encouraged to take extramural activities at a school level, even more so because they are part of the curriculum.

More importantly, the municipality should mobilize all relevant stakeholders, especially the department of sports, art and culture and non-governmental organization in this field to work with the municipality in identifying challenges, areas of improvement and provide support. Secondly, the youth shall be encouraged to participate in all arts and cultural activities organized by the municipality and other stakeholders. And finally, arts and cultural talent showcasing events and/or competitions shall be organized and be timed in such a manner that those selected shall qualify to be assisted by the municipality to attend other major national talent showcase competitions or, alternatively, when talent showcasing events or competitions are held, the municipality shall invite recruiting agents or other players in the field to identify those that believe are capable to be further developed.

One other effective way of enabling showcasing of talent is holding of recreational events and, alternatively, utilize municipal events whereby people are invited to deliver performances and entertain the crowds through performing arts, including but not limited to; poetry, comedy, music, etc.

**Science:** it is without doubt that there are many young people who are immensely innovative and talented in the field of science, but they do not receive encouragement and guidance in order for them to further develop their knowledge and showcase their capabilities. This shall be achieved by making sure that all the information about innovation and/or invention exhibitions and competitions is correctly disseminated to schools and the youth in general so that those interested can register with the youth office so that those with new innovative concepts can be assisted to participate.

*g) Environmental matters*

Environmental protection and conservation is one critical aspect of youth development and development in general. We are living in an era of global warming whereby our climate is becoming more unpredictable and hostile, resulting in droughts, floods and tornados. We are now more obligated to ensure an environmentally responsible generation is build in order to preserve our environment for future generations. The municipality should, in regard, ensure that it develops awareness and related activities programme and link it to the national calendar so that the environmental conscience of our youth is properly developed. These programmes should focus mainly on awareness about global warming, water conservation and tree planting.

*h) Information dissemination platform*

The youth development shall develop a communication system that is both efficient and cost effective. This system must be based on the most commonly used cost effective and accessible social networking system to curtail communication cost to both the municipality and the end user. Social network group shall be created in all seventeen wards and be administered by a youth representative in each wards and/or the wards councillor, depending on circumstances.

*i) Children's parliament*

The municipality will host a Children's Parliament session whereby children under the age of fourteen will be debating topics that concern their wellbeing and nation building. A criterion to select children that will participate will be set by the youth development unit.

*j) Taking a girl and a boy child to work*

During the take a girl child to work day, the municipality should honour this day but also include a boy child so that our boys are not neglected. During this day, the youth office shall ensure that each section in the municipality host one boy and one girl and provide lunch for them and also allow them to be addressed by councillors and management before they start their day.

*k) Young men and women development*

The municipality has men's and women's forums. These forums are not discriminatory in terms of age. So it is important that the youth do not isolate themselves from these forums and participate in them fully to enable the older generation to impart knowledge and wisdom to them. Indeed, the challenges and needs of the younger generation are different, so it would be important that these forums should be organized in such a manner that they take such facts into account. However, ensure integration and avoid duplication and incurring unnecessary costs, the youth should not formulate their own separate gender based forums and programmes, but rather participate in brother gender based programmes of the municipality.

*l) Youth day commemoration*

The municipality should on an annual basis host a youth day to commemorate the heroic sacrifice of the generation of 1976 and also to this platform to define the mission of the youth of today.

**(f) The strategic approach**

*a) Review of Nquthu Youth Development Policy*

The Nquthu Youth Development Policy is undergoing a review. The review of this policy focuses on aligning it to the vision of the NYP and IYDS and, also takes into account changing political, economic and social environment.

*b) Registering the Nquthu Youth Council as a non-profit organization*

The Nquthu Youth Council is the main youth representative body in Nquthu. While it is a structure of the municipality, it is semi-autonomous in terms of decision making and also its operations. The youth development unit shall investigate the feasibility and implications of registering it as a non-profit body so that it can be able to raise funds for its programmes.

*c) Youth development streamlining and coordination*

The municipality recognizes its capacity constraints as far as financial resources are concerned. It is therefore important that youth development is seen as a collective responsibility of all stakeholders; especially other internal municipal sections (e.g. LED unit, sports unit, etc), other organs of government, non-governmental sector and the private sector. For youth development to have an impact, all stakeholders should combine their efforts, communicate continuously and work in a complementary manner to avoid duplication while at the same time ensuring coordination.

*d) Strategic assets*

The youth development unit does have access to operational resources and/or equipment like cars, banners, printing facilities, gazebos, communication tools, etc. However, some envisaged initiatives and interventions require that some strategic assets like a sound system, projectors, portable printers and portable photo printers and other related strategic assets need to be procured. This would help to eliminate procurement processes and costs, especially considering the fact that service providers tend to inflate their prices when dealing with government entities.

*e) National calendar*

It is very important that the youth development activities coincide with specific timelines in terms of the national calendar for purposes of alignment and to improve the impact of the message being delivered or an activity that is conducted.

*f) Cost effectiveness*

With the South African economy not doing well and the municipality being largely grant dependent, it is very important that available financial resources are used in the most cost effective manner and that wastage is avoided at all costs. Among ways to pursue cost effectiveness, the following strategies shall be employed:

- Avoid using consultants by benchmarking with other municipalities in developing plans and strategies for youth development.
- Promoting and effectively utilization of social networking to disseminate information by using these platforms in an innovative manner, and
- Creating a youth development desk/section in all municipal libraries so that all youth development information/documentation can be packaged into that section for convenience purposes.

*g) Networking, partnerships and information sharing*

The municipality's youth development unit should always network with and strive to create partnerships with all relevant stakeholders in youth development by inviting them in their activities and attending their activities wherever possible. Also, a common platform should be

created where youth development information can be shared between different municipalities, other organs of government and all other stakeholders. For example, common communication group can be created for all Umzinyathi youth officials for them to be able to share information and support each other where applicable.

### C.5.2.2 Development of people with disabilities

Nquthu Municipality takes an initiative in accommodating and supporting people with disability. A number of activities are conducted within the area. The municipality ensures descent employment through inclusive growth (Employment - 2%). Facilitate collaboration between Government and the Disability Sector to enhance service delivery. Nquthu Municipality also supports the disability sport with equipment that is needed to interact in the disability games within the area and at the District level. Nquthu Municipality has funded disability project. Siyaphambili disabled Organisation has been trained on sign language.

### C.5.2.3 Elderly development matters

The development of the elderly is taken into account at Nquthu. The municipality is organizing Golden Games for Senior Citizens in each year, this develop the involvement of Senior Citizens. During the festive season the municipality organizes the Christmas gift day for the elders. All this is conduct in terms of Older Act (Act No.13, 2006)

### C.5.2.4 Women development

The structure of women development has been launched and it meets on the quarterly basis. Nquthu Municipality has supported the women development in funding their projects such as sewing and poultry. This will be complaint with WEGE BILL (Women's Empowerment and Gender Equality) and CEDAW (Convention on the Elimination of All Forms of Abuse Against Women).

### C.5.2.5 People affected by HIV/AIDS, crime and drugs.

HIV/Aids Strategic Plan is in place. Wards Aids Committee (WAC) has been established in all wards and the Local Aids Committee (LAC) meets quarterly. To date the LAC has not met due to the fact that the municipality have no council structure in place. LAC has conducted campaign on adherence to HIV / Aids treatment. The support groups are in all wards of the area through Ward Aids Committee. The community awareness's are conducted to fight against crime.

In Umzinyathi District Municipality, the HIV/AIDS infection rate for 2005 was 23% (Monitor Group, 2006) which is lower than the national average of 27.9% and significantly lower than the 37.5% average for the province of Kwa-Zulu Natal. The province has the highest HIV prevalence rate in South Africa. According to KZN Department of Health, April-November 2015 data on

HIV/AIDS prevalence Nqutu Local Municipality has HIV prevalence of 5.8 % which is relatively high than the other local municipalities.

### C.5.2.6 Early childhood development

*Legal and developmental framework*

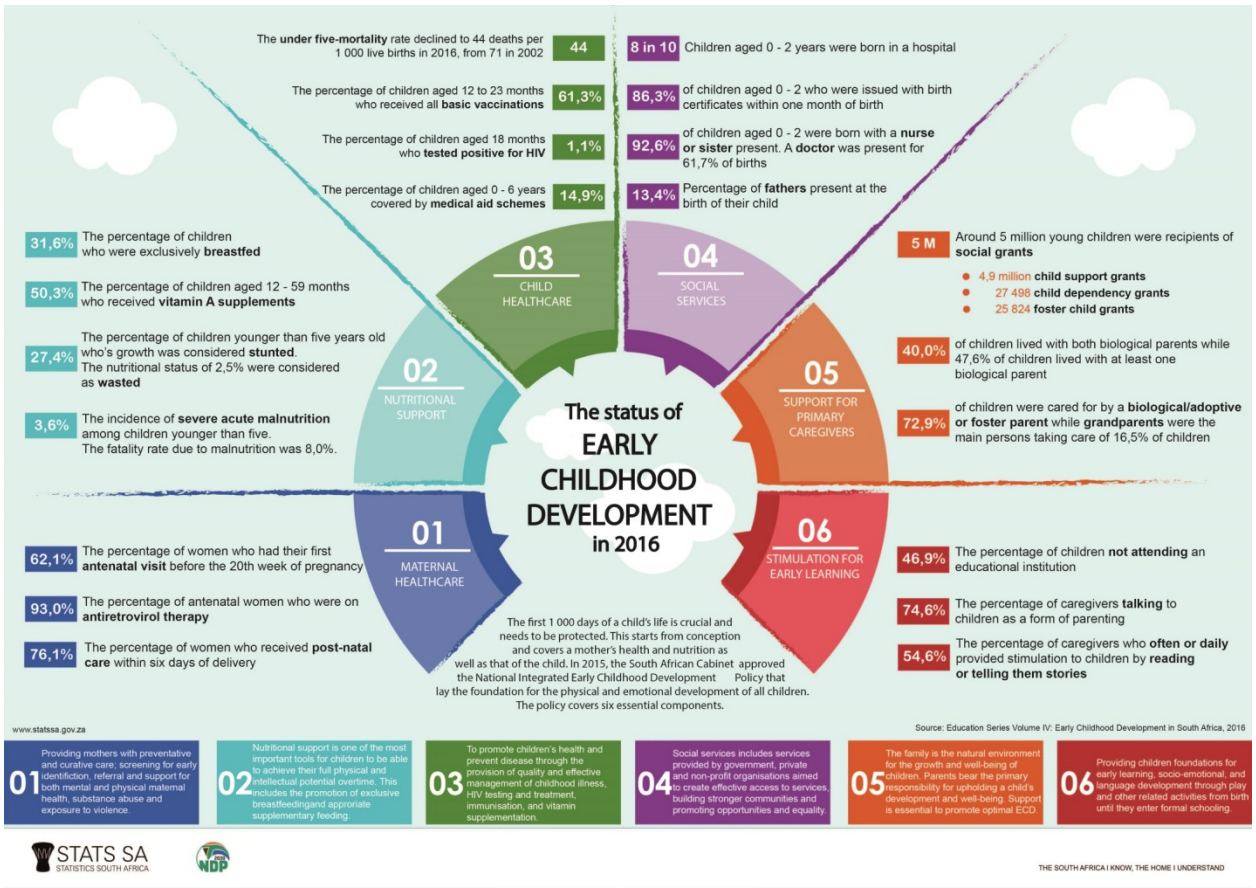
Protecting the rights of children and safeguarding their welfare is the priority of all global and continental bodies as well as all governments. Listed below is a host of different pieces of legal and/or developmental provisions from an international to national perspectives; these are:

- The UN Convention on the Rights of the Child (ratified by South Africa in 1995)
- The African Charter on the Rights and Welfare of the Child (ratified by South Africa in 2000)
- The UN Sustainable Development Goals (adopted in 2015)
- The UNESCO Dakar Framework of Action for Attaining Education for all (adopted in 2000)
- The UN World Fit for Children (adopted in 2002)
- The National Integrated Early Childhood Development Policy (approved by Cabinet on 09 December 2015)

For purposes of early childhood development planning by the municipality, emphasis is put on the National Integrated Early Childhood Development Policy. The policy clearly prescribes the role of local government in ECD development. Section 6.2.3 of this policy says:

*"Local and metropolitan municipalities must participate in the planning of early childhood development services. They are responsible for supporting child care facilities to meet minimum infrastructural health and safety standards; registration of child-minding services ; development of new early childhood development service provision infrastructure; and audit and identification of available infrastructure that may be used for the expansion of early learning services and programmes in areas of need. Where capacity exists, responsibility for the provision (registration, regulation and delivery) of early childhood development programmes and services may be assigned to municipalities by the provincial Department of Social Development, as provided for by the Children's Act No. 38 of 2005. As such, it is responsible for the equitable provision of play and recreation facilities for young children".*

*Current state of ECD in South Africa*




**Source:** Stats SA

*Current ECD status in Nquthu*

The survey of ECD centres conducted by Project Preparation Trust (PPT) revealed the following situation:

| ECD centres surveyed | Registered (NPOs) | DSD subsidy recipients | Infrastructure deficits | No. of children in centres |
|---|---|---|---|---|
| 98 | 95 | 59 | 86 | 3 938 |

It is quite clear from the findings of the survey above that early childhood development remains a big challenge that has to be addressed especially with regard to infrastructure and financial support to ECD centres. However, it should be noted that began the construction of two ECD centers in the 2018/2019 financial year and a further two ECD centers have been budgeted for in the 2019/2020 financial year.

*Current municipal ECD programmes*

The municipality is currently supporting care centers which provide nutrition services to poor children to combat hunger and malnutrition. A total of six care centers have been provided with catering equipment and more equipment has been procured to be provided to another six care centers this financial year. The municipality also hosts a learn-and-play programmes that is led by the municipality's libraries section with the financial support received through a City to City partnership with Bornem.

Nquthu LM is committed to and takes early childhood development very serious will build two ECD centres in the 2020/21 financial year in ward 14 and ward 07 from its MIG funding despite the pressure on this funding source.

In terms of infrastructure development, social partners. Assupol Commuity Trust has also made an extensive contribution as mentioned below:

- 20 ECD Centres improvements - Assupol Community Trust (2017/18)
- 20 ECD centre improvements (2018/19)

The municipality has also budgeted for the construction of 03 ECD centers form its own internal funds in a drive to improve early childhood development in Nquthu.

*Interventions by social partners*

The Assupol Community Trust has an early childhood development programme that identifies poor areas in which underdeveloped in terms of ECD. Through this programme, Assupol Community Trust (ACT) has identified 20 ECD centres for either infrastructure construction or innovation. Work is underway and continuing inn these identified centres and the Assupol has undertaken to work hand in hand with the municipality going forward through a district level coordinating forum to ensure integrated planning and project implementation.

As part of the ECD development drive, ACT through Project Preparation Trust (PPT) undertook an intense ECD audit to determine the state of early childhood development in Nquthu in terms of ECD centres buildings, toilet facilities, training of educators, number of children attending ECD centres, nutrition at ECD centres, ECD funding, registration status and management.

*Summary of findings:*

- A whopping 79% of children in Nquthu do not receive ECD services.
- Almost all ECD centres have governance structures and 99% of these have constitutions.

- ECD practitioners lack skills and capacity. 15% of ECD centres do not have trained practitioners, 36% of ECD training have no ECD training while 16% of ECD principals have no ECD training.
- 60% of ECD centres have no financial support from DSD.
- 64% of ECD centres have been in operation for more than 10years and 15.3% were established in the last 5years.
- 69% of ECD centres are registered with DSD as partial care centres.

*Recommendations:*

- **NPO registration and funding:** that DSD assist identified ECD centres that are not registered to register so that they become formal entities that are eligible to receive support, especially funding
- **Training and skills development:** training should be organized and provided to ECD principals who play a management role and also governing committees. All staff members especially those who teach kids and use educational toys. Kitchen staff and cooks are properly trained on nutrition. It is also recommended that parents or guardians are properly orientated or inducted on matters of ECD for school preparedness, nutrition and safety.
- **Health, safety and hygiene:** DSD and municipal Environmental Health Practitioners must organize workshops on health, safety that compulsory for every role-players to attend. It must also be ensured that first aid kits and fire extinguishers are provided to ECD centres and that staff are trained on their use.
- **ECD centres-government relations:** DSD and municipalities should visit all ECD centres to identify their needs and required support.
- **Children-practitioner ratio:** ECD centres that have children over 30 should be given specific attention.
- **Nutrition and food gardens:** DSD and DoH should organize workshops on proper menu planning. Enroll the help of NGOs providing nutrition meals and/or services. The Department of Agriculture and NGOs like LIMA should assist ECD centres to establish food gardens.
- **Infrastructure:** municipalities should capture ECD infrastructure needs in their IDPs and budgeted for, especially with regard to buildings and also ensure that water and sanitation services are provided to ECDs. Special attention should also be given that ECD centres have proper windows, are fenced, sickbays, separate kitchens, playrooms and also ensure that during construction buildings meet all required standards.
- **Indoor and outdoor equipment:** standard kits should be provided to ECD centres to ensure that all of them have necessary educational toys and outdoor equipment including jungle gyms and other playground equipment.

- **Refuse management and removal:** ECD centres should be given wheelly bins that can be closed to safely manage their refuse. EHPs must also provided guidance on how best can disposable nappies be disposed in a safe and responsible manner.

*Capacity constraints*

The municipality has serious capacity constraints when it comes to infrastructure development due to lack of adequate financial resources. The MIG funding allocation to the municipality is not sufficient to cater for all municipal infrastructure development needs. However, the municipality regards early childhood development as one of the foremost developmental priorities and is committed in devising strategies to ensure improved early childhood development in Nquthu.

*Proposed municipal early childhood development model*

The municipality is committed to safeguarding the rights and welfare of all children of Nquthu because children are the most vulnerable group in society. The municipality shall implement the following measures to enhance and strengthen early childhood development within Nquthu as a whole:

- **ECD Policy:** the municipality will develop an ECD Policy that will constitute a clear legal framework to determine the municipality's functions and outline how the municipality plan and implement its ECD programmes. This policy shall be adopted as part of municipal policy review that accompanies IDP review processes.
- **Incorporating ECD into the IDP:** the municipality will ensure that ECD developmental needs; especially infrastructure like buildings, child friendly toilets, water provision and fencing are reflected in IDP priorities.
- **Stakeholder mobilization:** ECD is a developmental obligation of almost every sector in society. Government, the private sector, nongovernmental organizations and private individuals have an interest in early childhood development and the municipality shall mobilize them and create a platform for them to make a contribution wherever possible.
- **ECD register and donor database:** working together with the Department of Social Development and other stakeholders, the municipality will compile a database of all ECD centres and their developmental needs and, compile a list of all potential donors that can fund ECDs.


Nquthu Surveyed ECD Centres
Buhlebuyeza Creche
Nomkhosi Creche
17
Maseseng Creche
Zamani Creche (Z)
Kopanang Little Flowers Creche
Thusanang Creche
Jabulani Pre & Creche
16
Zizameleni creche
Indatshana Creche
Sifisokuhle Creche
Qaphelani Pre-school
Vukuzakhe creche
15
Simunye Creche
Sibahle Creche
Buhlebuyavama Creche
7
13
Nothisiwe creche
Msoni Creche
Siyazama Creche
Vukukhanye Creche
Sizanani Creche
Mafitleng Creche
14
Nkanyisweni Creche
Sikhulakahle Creche
Simbonile Creche
Lafezeka Creche
Isibanisethu
Zakheleni Pre School
Siyakhulisa Creche
Khuthala Creche
Ndlelenhle Creche
Ntshisekelo creche
12
11
Ntuzuma Creche
8
Phitani Creche
Ntethelelo Creche
Masisizane Creche
Kwanele Creche & Pre-school
Bulelani Creche
Lesedi Creche
Hluzinggondo Creche
Mdumezulu Creche
9
Ntandoyesizwe Creche
10
Isiyazama creche
Entokozweni creche
Vukuzithathe Creche
Isandlwana creche
Ncelamntwana Creche
Zamafuthi
Siyakhula Creche
khethelo creche
Fahlaza Creche
Scelukuthula/ Mathutshana Creche
3
Sonqoba
Khulakancane Creche
Isibusisiwe Creche
Phakamani Creche
2
Hlangabeza Creche
Esigqokweni Creche
Hlanganani Creche
Sibonelelo Creche
Landulwazi Creche
1
Khulani Creche
Tholulwazi Creche
Thandanani Creche
Siyathuthuka creche
Ntuthukokazulu Creche
Sinenhlanhla Creche
Silindonkuhle
6
Mahlungulu Creche
Bambuhlanga Pre-School & Creche
Nkanyezi Yokusa Creche
5
Siyamukela Creche
4
1:300,000
Km
0 1 2 4 6
N
W
E
S
Legend
Surveyed ECD Centres
New demarcation
Municipal Wards
PPT
Project Preparation Trust of KZN
ECD SURVEY & INFRASTRUCTURE
Map Created by: N Mzobe
25/4/2018

### C.5.2.7 Social development SWOT analysis

| STRENGTHS | WEAKNESSES |
|---|---|
| • Youth Policy<br>• Staff capacity (youth department)<br>• Men's Forum<br>• Disability Forum<br>• Senior Citizen's<br>• Support Group<br>• Sport Council<br>• 98 CD centres surveyed of which 90% are formal buildings | • Budget Constraints<br>• Children's Forum |
| **OPPORTUNITIES** | **THREATHS** |
| • Development of youth within the area<br>• Donor support for ECD infrastructure improvements for 2017 /18 and 2018/19 | • Poor public awareness about the importance of early childhood development |

## C.6 KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

### C.6.1 Capital funding and expenditure to address service delivery

Nquthu remain an underdeveloped municipality that is lacking in infrastructure like roads, early childhood development centers (ECDs), market stalls, lack of infrastructure in all identified nodes which are supposed to be areas where economic activity is taking place within the municipality and, also lacking in sufficient programmes to promote job creation.

#### C.6.1.1 Capital grants expenditure performance

The table below details the funds received and outlines the spending patterns and also explains reasons for unspent grants in the past three financial years:

***(Details awaiting audited AFS)***

All grants that have not been spent are ring-fenced and invested until such time that they are actually spent to serve the purpose for which they were intended. Therefore, while there is room for improvement in grant spending, it is to be noted that the municipality has never returned or lost any grant due to failure to spend.

(Other grants)

**C.6.1.2 Planned capital projects**

| No. | Project name | Ward | Budget | Target date |
|---|---|---|---|---|
| **MIG FUNDED** | | | | |
| **1** | GUBAZI ROAD | | R 11 707 990,80 | 30-Jun-23 |
| **2** | NTUZUMA ROAD | | R 8 385 842,59 | 30-Jun-23 |
| **3** | HWANQANA ROAD | | R 839 683,78 | 30-Jun-23 |
| **FUNDED INHOUSE** | | | | |
| **4** | HLATHI DAM HALL | 15 | R4 000 000,00 | 30-Jun-23 |
| **5** | TLOKWENI HALL | 19 | R1 800 000,OO | 30-Jun-23 |
| **6** | MSAWETHU CRECHE | | R3 100 000,00 | 30-Jun-23 |
| **7** | EZINKONDLWANENI HALL | | R 6 700 000,00 | 30-Jun-23 |
| **8** | KWABIYA HALL | | R 2 700 000,00 | 30-Jun-23 |
| **9** | GOBINSIMBI HALL | | R4 800 000,00 | 30-Jun-23 |
| **10** | SIZAMILE HALL | | R 4 200 000,00 | 30-Jun-23 |
| **11** | TRAFFIC STATION | 9 | R 2 000 000,00 | 30-Jun-23 |
| **12** | FIRE STATION | 9 | R 4 300 000,00 | 30-Jun-23 |
| **INEP FUNDED** | | | | |
| **13** | NQUTHU ELECTRICITY INFILLS | ALL | R 9 00 000,00 | 30-Jun-23 |

**GRAND TOTAL:**

### C.6.1.3 Asset management

The municipality's assets are the tools that enable the municipality to drive service delivery. It is therefore important that the municipality look after its assets to ensure that they retain its value and enable delivery of services. The municipality has vast assets at its disposal and such assets are safeguarded and managed through the municipality's assets management policy.

Key elements of the municipality's asset management approach are the following:

- Keeping a well updated asset register;
- Writing off unusable or damaged assets that holds no value;
- Disposing assets that are no longer needed or which need to be replaced, and
- Protecting, repairing and maintenance of assets.

***Net asset value***

***Value of assets to be disposed***

### C.6.1.4 Investments

The municipality invests its monies when they are not yet in use in order to generate interest that will add value in funding service delivery. Such investments are regulated by the municipality's investment policy. The municipality has always invested in reputable financial service providers to ensure that all municipal monies are safe. Municipal investments are as set out in the investment register below.

| EXTERNAL INVESTMENT REPORT FEBRUARY 2021 | | | | | | |
|---|---|---|---|---|---|---|
| **Financial Institution/Bank** | **Date invested** | **Amount invested** | **Interest rate** | **Balance** | **Interest** | **Maturity date** |
| ABSA (1394) HOUSING A/C | 01-Feb-21 | R863 717.71 | 2.30% | R865 404.90 | R1 687.19 | CALL A/C |
| ABSA CALL (5892) | 01-Feb-21 | R54 007.67 | 2.20% | R54 108.60 | R100.93 | CALL A/C |
| ABSA BANK (7106) | 01-Feb-21 | R59 120 258.80 | 3.45% | R59 293 489.25 | R173 230.45 | 28-Feb-21 |
| ABSA BANK (2373) | 18-Feb-21 | R43 213 830.14 | 3.60% | R43 407 601.74 | R193 771.60 | CALL A/C |
| NEDBANK 1 | 01-Feb-21 | R46 839 883.91 | 3.30% | R46 958 459.40 | R118 575.49 | CALL A/C |
| FIRST NATIONAL BANK (2554) | 23-Nov-20 | R8 151 101.74 | 3.83% | R8 234 921.87 | R83 820.13 | 23-Apr-21 |
| FIRST NATIONAL BANK (1408) | 18-Feb-21 | R8 374 262.61 | 3.0% | R8 394 223.95 | R19 961.34 | CALL A/C |
| FIRST NATIONAL BANK (2166) | 29-Nov-20 | R13 249 481.99 | 3.81% | R13 376 459.48 | R126 977.49 | 19-Feb-21 |
| FIRST NATIONAL BANK (0889) | 23-Nov-20 | R6 892 725.89 | 3.83% | R6 963 605.77 | R70 879.88 | 23-Apr-21 |
| INVESTEC (500) | 01-Feb-21 | R55 943 065.53 | 3.35% | R56 086 831.53 | R143 766.00 | CALL A/C |
| STANDARD BANK | 12-Jan-21 | R14 068 652.13 | 3.35% | R14 139 477.19 | R70 825.06 | 07-May-21 |
| STANDARD BANK | 01-Feb-21 | R6 308.27 | 1.47% | R6 317.62 | R9.35 | CALL A/C |
| STANDARD BANK | 24-Nov-20 | R20 576 917.92 | 3.38% | R20 765 281.28 | R188 363.36 | 20-Mar-21 |
| **TOTAL** | | **R277 354 214.31** | | **R278 546 182.58** | **R1 191 968.27** | |

### C.6.2 Social and economic redress through indigent management

#### C.6.2.1 Indigent policy

The municipality has an indigent policy that regulates how the municipality assists its poorest residents with free basic services support. The indigents receive free basic services that are rendered by the municipality, which is electricity (municipal licensed area) and refuse removal. Eskom provides free basic electricity (FBE) to all areas outside the municipal licensed area and

provides a schedule of beneficiaries to the municipality on a monthly basis together with invoices for the municipality to make payments.

### C.6.2.2 Indigent register

The municipality has attached an indigent register which has been developed under difficult conditions with the help of councilors and existing households profiles. The register is available to the public for viewing on request protect the privacy on residents.

### C.6.2.3 Indigent budget

Indigent budget is outlined in the 2021/22 Annual Budget which a simplified version is attached as part of IDP annexures.

### C.6.2.4 Free basic services projections

FBS projections are outlined in the 2021/22 Annual Budget which a simplified version is attached as part of IDP annexures.

### C.6.2.5 Indigent spending in the past three years

Explanation of indigent spending in the past three years are outlined in the 2021/22 Annual Budget which a simplified version is attached as part of IDP annexures.

### C.6.2.6 Budget for people with disabilities

Outlined in the 2021/22 Annual Budget simplified version which is attached as part of IDP annexures contained in the addendum.

## C.6.3 Revenue raising strategies

### C.6.3.1 Revenue raising strategy

The municipality does have the revenue protection and enhancement strategy that focuses on how better the municipality can be financially sustainable and avoid being grant-dependent. The municipality's revenue enhancement strategy is outlined in the table below:

*Core elements of the revenue raising strategy*

- **Electricity** - the electricity if all the loss causing issues are addressed can improve the revenue of the municipality, there are strategies being investigated by the Technical Department to reduce these losses and will be finalized in the current financial year. Also the electrification of all the houses built by Human Settlement to increase the base. In

any case, electricity serves as a useful instrument to address households whose rates are not paid as their electricity is switched off at some point.

- **Property Rates** - there is a huge undeveloped land that the municipality must first develop and install services so that this can be disposed and be rated. The Human Settlement Services Sites programme that is going to be implemented in this financial year will make a positive contribution to the revenue raising potential of the municipality.
- **Revenue raising services** – the municipality appreciate the importance investing in revenue generating infrastructure or functions. That is why the municipality has invested in the vehicle testing ground offices so that while an important service is rendered to the people, the municipality is generating revenue at the same time.

**(Revenue sources-graphs to be incorporated)**

### C.6.3.2 Tariff structure

Tariffs are approved together with the budget and be incorporated into the IDP once the has been tabled to Council.

#### *(a) Tariff policy*

The municipality's tariff policy is reviewed and approved by Council on an annual basis together with the annual budget to ensure that it remains relevant and credible.

#### *(b) Guiding principles*

In terms of the above mentioned tariff policy, the municipal tariffs are guided by the following principles:

- Service tariffs imposed by the local municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the ability of the relevant consumer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigent relief measures approved by the municipality from time to time).
- The municipality shall develop, approve and at least annually review an indigent support programme for the municipal area. This programme shall set out clearly the municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.
- The municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.
- In considering the costing of its electricity service, the municipality shall take due cognisance of the high capital cost of establishing and expanding such service, and of the

resultant high fixed costs, as opposed to variable costs of operating these services. The municipality therefore undertakes to plan the management and expansion of the services carefully in order to ensure that both current and reasonably expected future demands are adequately catered for, and that demand levels which fluctuate significantly over shorter periods are also met. This may mean that the services operate at less than full capacity at various periods, and the costs of such surplus capacity must also be covered in the tariffs which are annually levied.

***(c) 2022/23 municipal tariffs***

The table below outlines tariffs for the 2022/23 financial year as approved by Council:

(Insert table)

**C.6.3.3 Implementation and effectiveness of the strategy**

It remains difficult for the municipality to reach its true revenue raising potential due to, among other things, high indigent or poverty levels and few ratable properties outside ward 14 which is the municipality's rate base. The revenue base of the municipality is rising with the expansion of formal businesses in Nquthu Town. However, while the municipality is far from achieving revenue raising levels that it aspires to, it is making progress which is testimony to success of this strategy.

**C.6.4 Debt management**

The municipality raise the majority of its revenue from grants. It is therefore very important that municipal services and rates owed to the municipality are paid for. The municipality is having a serious challenge due to the following factors:

- Culture of non-payment of municipal services and rates;
- The municipality consists mainly of rural areas;
- The unemployment rate is very high, and
- High number of indigent consumers.

However, the municipality is doing very well under the circumstances and has a collection rate of 107% which is an achievement for a rural municipality. The municipality has also developed strategies aimed at dealing with debt collection, these include:

- Entering into paying arrangements with consumers, and
- Establishment of the Debt Collection Steering Committee.

### C.6.4.1 Debtor's age analysis

The debtor's age analysis is attached in the addendum of annexures due to its size. However, it should be noted that the municipality is doing its utmost best to improve revenue collection through effective debt collection. (Tables and charts)

### C.6.4.2 Debt management related policies

Debt management is a function which requires that a number of policies, especially those relating to tariffs, are set and properly communicated to the communities so that they clearly understand their obligation and responsibilities towards paying rates and services rendered to them by the municipality. The municipality has a specific Credit Control and Debt Collection Policy and, for this policy to work effectively, the following policies set the background so that all the processes of debt collection have a clear basis:

- Tariff Policy on Property Rates;
- Tariff Policy on Electricity;
- Tariff Policy on Refuse Removal/Solid Waste, and
- Municipal Property Rates Policy.

### C.6.5 Financial management

### C.6.5.1 Supply chain management

Supply chain management function is performed by a dedicated supply management unit that is located in the municipality's Budget and Treasury unit that is adequately capacitated in terms of personnel. This unit is primarily responsible to source or procure goods and services for the municipality to be able to operate and deliver services so this is a very important unit that must always function adequately.

#### C.6.5.1.1 SCM Policy

The MFMA and SCM Regulations requires a municipality to develop its own SCM Policy to argument or operationalize the provisions of the Regulations. There is a SCM Policy and it was duly reviewed on ???????? as part of an annual policy review process and will also be subjected to a review process before the beginning of the 2022/23 financial year to address any policy issues that may be there.

In future, reforms are expected to take place since there is Public Procurement Bill that will probably become law in the near future once the President signs it. This Bill will bring about uniformity between different organs and levels of government as far as procurement law is

concerned and also bring about more flexibility to enable organs of government to fully utilize public procurement as an instrument of economic distribution and empowerment.

#### C.6.5.1.2 Functionality of bid committees

*Bid committees*

The municipality has functional bid committees that sits as required and are adequately trained by either private institutions or by Provincial Treasury, however; it has been observed that the training provided by Provincial Treasury is the most effective. In the past, there was a finding that was raised by AG regarding the constitution or composition of the Bid Adjudication Committee because there was no senior SCM practitioner who was a full time member of this committee but this was addressed in the 2020/21 financial year.

| COMMITTEE | FUNCTIONS |
|---|---|
| **Bid specification committee** | Determines the exact requirements, qualities, qualities or specifications of the product or service to be procured to ensure that it shall correctly serve the purpose for which it was procured for. |
| **Bid evaluation committee** | Evaluate all received bids to determine the one that meet or exceed the set requirements in term of functionality, price and empowerment requirements in order to determine the highest scorer to be recommended to the bid adjudication committee. |
| **Bid adjudication committee** | Receive recommendations from bid evaluation committee and recommends to the accounting officer to make an appointment having satisfied itself that the bid was correctly evaluated in terms of applicable laws and set criteria and standards. |

#### C.6.5.1.3 Alignment of SDBIP and procurement plan

The procurement plan has been aligned to the SDBIP to ensure that all service delivery targets of the municipality are achieved in prescribed timelines (refer to the table below).

#### C.6.5.1.4 SCM appeals

There was one appeal lodged relating to the procurement of the municipality's financial system. Except for this bid mentioned above, appeals are quite a rare occurrence in the municipality.

#### C.6.5.1.5 SCM challenges

The municipality's SCM processes have not experienced insurmountable challenges to date, the municipality's SCM systems and structures are up to the task. However, there are occasional challenges with service providers who sometimes fail to deliver on set timeframes and also deviations from procurement plans by internal departments which have an unfavourable effect on SCM planning processes. The municipality is constantly strengthening its ability to implement its procurement plans except in exceptional cases where deviating cannot be avoided.

The table below contains specific challenges and proposed solutions that will be implemented going forward:

| No. | Challenge | Proposed solution |
|---|---|---|
| 1. | Failure to fully apply local content provisions | Relevant municipal officials are undergoing constant training by Provincial Treasury and this is bearing good results. |
| 2. | Order splitting by user departments | Utilising panel of service providers to procure goods or services of a similar nature that are required on an continuous basis by the municipality. |
| 3. | Late requisitions | Strengthening the implementation of departmental procurement plans through the incorporation of procurement plan implementation indicator for every department. |
| 4. | Inability to identify service providers in the service of the state | The municipality relies on the National Treasury's Central Supplier Database (CSD) for purposes of preventing appointment people in the service of the state. However, AG uses a different system that uncovers people who have not been identified by CSD. A list of these people will kept to prevent them from getting appointments in future. |

### C.6.5.2 Assets and infrastructure

#### C.6.5.2.1 Asset renewal plan

The municipality has developed an asset renewal plan that is meant to find a balance between addressing infrastructure backlog (i.e. accumulating more assets) while at the same time renovating existing assets to make them retain their value and continue to be utilized. The asset renewal plan is attached in the addendum of annexures.

### C.6.5.2.2 Feasibility of the asset renewal plan

The manner in which the renewal plan is structured is both feasible and sustainable. All the provisions of the renewal plan are within the financial capacity of the municipality. The municipality has also appointed the facilities manager who will ensure that the plan is continuously developed and implemented.

### C.6.5.3 Repairs and maintenance

Repairs and maintenance are one of the most critical aspects of asset management because the monetary value of assets and their usefulness to in performing the function that they were acquired for is largely dependent on proper maintenance.

### C.6.5.3.1 Repairs and maintenance plan

There is an existing repairs and maintenance plan that is meant to regulate all repairs and maintenance activities and also provide a monitoring and evaluation framework to ensure that all set targets are met. This plan is attached as ANNEXURE?

### C.6.5.3.2. Repairs and maintenance challenges

The only way for the municipality to retain the monetary value and usefulness of its assets is to keep them in good condition. However, the municipality has to grapple with the following challenges as it strives to improve repairs and maintenance:

- There is not enough sense of ownership of public infrastructure or facilities by communities which sometimes results in vandalism. The municipality cannot afford to hire security personnel for every facility, and
- Most assets which are utilized by municipal departments like vehicles, equipment, furniture, buildings, etc. are in the custody of user departments. There is no adequate of appreciation by departments of the need to take good care of such assets; assets are not well managed and controlled and repairs and maintenance is not sufficiently given prominence when departments compile their budgets.

The repairs and maintenance plan seeks to address all the weaknesses that are within the control of the municipality.

### C.6.5.4 Financial viability and sustainability

### C.6.5.4.1 Financial ratios

Table **C.6.5.4.1** expresses the position of the municipality in relation to financial ratios that are prescribed to measure the municipality's financial viability and sustainability. These ratios are

analyzed in terms of the provisions of MFMA Circular 71 which sets out norms and applicability of these ratios.

| INDICATOR | PURPOSE/ USE OF THE RATIO | NORM | STATUS |
|---|---|---|---|
| **Collection rate** | The Ratio indicates the collection rate; i.e. level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration. | 95% | 97 |
| **Cash / Cost Coverage Ratio** | The Ratio indicates the Municipality's or Municipal Entity's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month. | 1-3 Months | 9 months |
| **Electricity Distribution Losses (Percentage)** | The purpose is to measure the percentage loss of potential revenue from Electricity Services through electricity units purchased and generated but not sold as a result of losses incurred through theft (illegal connections), non or inaccurate metering or wastage. It is expected that implementation of the free basic service policy is included in the calculation for sale of electricity. | 10% | 24% |
| **Revenue Growth (%)** | This Ratio measures the overall revenue growth. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by an increase in Revenue base or by some other means. | CPI rate | -0.92 |
| **Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure)** | The ratio measures the extent of Remuneration to Total Operating Expenditure: If the ratio exceed the norm it could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure. | 25% to 40% | 1.12 |
| **Repairs and Maintenance as a % of Property, Plants and Equipment and Investment Property (Carrying Value)** | The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services. | 8% | 0.148 |

***Table** C.6.5.4.1 Financial ratios*

### C.6.6 Borrowings and grant dependency

#### C.6.6.1 Borrowings

The municipality is committed to being debt free which eliminates the costs associated with servicing debt which would put the municipality in a vulnerable financial position. The municipality plans to remain debt free going forward.

#### C.6.6.2 Grant dependency

The municipality is largely grant dependent since most of its operational and capital budgets are funded from equitable share and conditional grants. However, the municipality is making serious stride in raising own revenue. ***(Please refer to the chart below)***

### C.6.7 Municipal Standard Chart of accounts

The municipality is currently undertaking all the regulated processes and directives of the M-SCOA circulars. Our current service provider being Sebata will be our main system provider for EMS and then we will use the following sub-system.

- Payroll – VIP/Sage
- Assets – Baud/PWC
- Prepaid – Ontec (formerly Itron)

The integration processes are currently underway that will ensure that this is seamlessly as required by the regulations.

### C.6.8 Auditor-General's opinion

#### C.6.8.1 AG opinion in the last financial year

The audit opinion in the last financial year was a disclaimer opinion which is greatly undesirable and unfortunate. In the main, this opinion was caused by the transition from FMS to EMS in the financial system and the discrepancies that arose could not be addressed before the finalization of an audit by AG, hence the disclaimer opinion. Further to that, a number of lessons have been learned and the municipality is committed and hard at work to turn things around by fully implementing the AG Action Plan that is fully outlined in the following section and also procuring a new financial system.

Auditor-General of South Africa

# Nquthu Local Municipality

## Audit report for the year ended 30 June 2021

# Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and council on Nquthu Local Municipality

## Report on the audit of the financial statements

### Disclaimer of opinion

1. I was engaged to audit the financial statements of the Nquthu Local Municipality as set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. I do not express an opinion on the financial statements of the municipality. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for disclaimer of opinion

#### Investment property

3. I was unable to obtain sufficient appropriate audit evidence for investment property, due to the status of the accounting records. I was unable to confirm investment property by alternative means. Consequently, I was unable to determine whether any adjustments were necessary for investment property stated at R99,87 million in note 4 to the financial statements.

#### Property, plant and equipment

4. I was unable to obtain sufficient appropriate audit evidence for property, plant and equipment, due to the status of the accounting records. I was unable to confirm property, plant and equipment by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to property, plant and equipment stated at R545,57 million (2019-2020: R420,59 million) in note 5 to the financial statements.

#### Cash and cash equivalents

5. I was unable to obtain sufficient appropriate audit evidence for cash and cash equivalents, due to the status of the accounting records. I was unable to confirm cash and cash equivalents by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to cash and cash equivalents stated at R192,92 million in note 18 to the financial statements.

### Receivables from exchange transactions

6. I was unable to obtain sufficient appropriate audit evidence for receivables from exchange transactions, as the underlying records could not be reconciled to the financial statements. I was unable to confirm receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to receivables from exchange transactions stated at R13,48 million (2019-2020: R682 000) in notes 12 and 17 to the financial statements.

### Receivables from non-exchange transactions

7. I was unable to obtain sufficient appropriate audit evidence for receivables from non-exchange transactions, as the underlying records could not be reconciled to the financial statements. I was unable to confirm receivables from non-exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to receivables from non-exchange transactions stated at R65,58 million (2019-2020: R56,26 million) in notes 13 and 17 to the financial statements.

### Payables from exchange transactions

8. I was unable to obtain sufficient appropriate audit evidence for payables from exchange transactions, as the underlying records could not be reconciled to the financial statements. I was unable to confirm payables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to payables from exchange transactions stated at R34,33 million (2019-2020: R44,97 million) in note 23 to the financial statements.

### Employee benefit obligations

9. I was unable to obtain sufficient appropriate audit evidence for employee benefit obligations, as the underlying records could not be reconciled to the financial statements. I was unable to confirm employee benefit obligations by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the employee benefit obligations stated at R4,08 million (2019-2020: R2,96 million) in note 8 to the financial statements.

### Provisions

10. I was unable to obtain sufficient appropriate audit evidence for provisions, as the underlying records could not be reconciled to the financial statements. I was unable to confirm the provisions amount by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to provisions stated at R37,91 million (2019-20: R8,07 million) in note 22 to the financial statements.

### Revenue from exchange transactions

11. I was unable to obtain sufficient appropriate audit evidence for revenue from exchange transactions: service charges, as the underlying records could not be reconciled to the financial statements. I was unable to confirm revenue from exchange transactions: service charges amount by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to revenue from exchange transactions: service charges stated at R23,33 million (2019-20: R17,45 million) in note 26 to the financial statements.

12. I was unable to obtain sufficient appropriate audit evidence for revenue from exchange transactions: interest from investments, due to the status of accounting records. I was unable to confirm revenue from exchange transactions: interest received from investments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to revenue from exchange transactions: interest received from investments stated at R10,13 million in the financial statements.

### Revenue from non-exchange transactions

13. I was unable to obtain sufficient appropriate audit evidence for revenue from non-exchange transactions: property rates, as the underlying records could not be reconciled to the financial statements. I was unable to confirm the revenue from non-exchange transactions: property rates amount by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to revenue from non-exchange transactions: property rates stated at R31,56 million (2019-20: R42,62 million) in note 34 to the financial statements.

14. I was unable to obtain sufficient appropriate audit evidence for revenue from non-exchange transactions: government grants and subsidies, as the underlying records could not be reconciled to the financial statements. I was unable to confirm revenue from non-exchange transactions: government grants and subsidies by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to revenue from non-exchange transactions: government grants and subsidies corresponding figure stated at R184,42 million in note 36 to the financial statements.

### Employee related costs

15. I was unable to obtain sufficient appropriate audit evidence for employee related costs, as the underlying records could not be reconciled to the financial statements. I could not confirm the employee related costs amount by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to employee related costs stated at R82,27 million (2019-2020: R68,99 million) in note 37 the financial statements.

### Commitments

16. The municipality did not properly account for capital commitments as required by South African Standard of Generally Recognised Accounting Practice (SA Standard of GRAP) 17 *Property, plant and equipment*. Discrepancies were identified between amounts recorded in the underlying records and the financial statements. Consequently, capital commitments stated at R83,93 million (2019-20: R179,59 million) in note 50 the financial statements, were misstated by an amount of R5,81 million (2019-20: R5,72 million).

### Contingencies

17. I was unable to obtain sufficient appropriate audit evidence for contingencies, as the municipality did not maintain accurate and complete records. I could not confirm contingencies by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to contingencies as stated in note 51 to the financial statements.

## Related parties

18. The municipality did not disclose a related party relationships as required by SA Standard of GRAP 20, *Related party disclosures.* The appointment of an administrator at the municipality in terms of section 139(1) of the constitution was not disclosed in the financial statements. Consequently, I was unable to determine the full extent of the understatement of the related party disclosure in note 52 to the financial statements, as it was impracticable to do so.

## Irregular expenditure

19. The municipality did not include the full extent of the irregular expenditure incurred in the financial statements, as required by section 125(2)(d) of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA). This was due to payments made in contravention of the supply chain management (SCM) requirements, which resulted in the irregular expenditure. In addition, I was unable to obtain sufficient appropriate audit evidence to confirm the irregular expenditure disclosed in the notes to the financial statements as the irregular expenditure could not be reconciled to the financial statements. I was unable to quantify the full extent of the understatement of irregular expenditure stated at R447,93 million (2019-20: R233,84 million) in note 57 to the financial statements as it was impracticable to do so.

## Unauthorised expenditure

20. I was unable to obtain sufficient appropriate audit evidence for unauthorised expenditure due to the status of the accounting records. I was unable to confirm the unauthorised expenditure by alternative means. Consequently, I was unable to determine the full extent of the understatement of unauthorised expenditure as it was impracticable to do so.

## Prior period errors

21. The municipality did not disclose prior period errors in the financial statements, as required by SA Standard of GRAP 3, *Accounting policies, changes in accounting estimates and errors.* The nature and the amount of the correction for each financial statement item affected, and the amount of the correction at the beginning of the earliest prior period were not disclosed, as identified by the auditors.

## Statement of changes in net assets

22. The municipality did not prepare and disclose the statement of changes in net assets as required by SA Standard of GRAP 1, *Presentation of financial statements.* This was due to errors identified on the opening5 balance of the accumulated surplus as disclosed in the statement of changes in net assets. Consequently, I was unable to determine the full extent of the errors in the opening balance of the accumulated surplus, stated at R610,24 million in the statement of changes in net assets, as it was impracticable to do so.

### Net cash flows from operating and investing activities

23. The municipality did not correctly prepare and disclose the net cash flows from operating and investing activities as required by SA Standard of GRAP 2, *Cash flow statements*. This was due to multiple errors in determining cash flows from operating and investing activities. I was unable to determine the full extent of the errors in the net cash flows from operating and investing activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities stated at R67,68 million and investing activities as stated at R128,94 million in the cash flow statement.

### Statement of comparison of budget and actual amounts

24. The municipality did not prepare the statement of comparison of budget and actual amounts in accordance with the requirements of SA Standard of GRAP 24, *Presentation of budget information in the financial statements*. Differences were identified between the budget amounts disclosed in the financial statements and the final approved budget. Consequently, the statement of comparison of budget and actual amounts was misstated. Additionally, an explanation of material differences between the budget and actual amounts was not disclosed in the notes to the financial statements.

### Segment information

25. The municipality did not disclose segment information in accordance with the requirements of SA Standard of GRAP 18, *Segment reporting*. The disclosure in the financial statements did not include the following:

    - Information about reported segment surplus or deficit, including specified revenues and expenses included in reported segment surplus or deficit, segment assets, segment liabilities and the basis of measurement.

    - Reconciliations of the totals of segment revenues, reported segment surplus or deficit, segment assets, segment liabilities and other material segment items to corresponding entity amounts.

    - Reconciliations of the amounts in the statement of financial position for reportable segments to the amounts in the entity's statement of financial position are required for each date at which a statement of financial position is presented.

    I was unable to quantify the full extent of the misstatement to the segment information disclosure in note 61 to the financial statements as it was impracticable to do so

### Accounting by principals and agents

26. The municipality did not correctly disclose the accounting by principals and agents in accordance with requirements of SA standard of GRAP 109, *Accounting by principals and agents*. The disclosure in the financial statements did not include the following:

    - Significant terms, conditions of the arrangements and whether any changes occurred during the reporting period

- A description of risks that are transferred from the principal to the agent
- A description of any liabilities incurred on behalf of a principal that have been recognised by the entity

I was unable to quantify the full extent of the misstatement to the accounting by principals and agents disclosure, in note 62 to the financial statements as it was impracticable to do so.

## Other matter

27. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### Unaudited disclosure note

28. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

## Responsibilities of the accounting officer for the financial statements

29. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and the Division of Revenue Act of South Africa, 2020 (Act No. 4 of 2020) (Dora), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

30. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## Auditor-general's responsibilities for the audit of the financial statements

31. My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

32. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code), as well as the other ethical requirements that relevant to my audit of the in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

## Report on the audit of the annual performance report

### Introduction and scope

33. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected development priority presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

34. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

35. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the basic service delivery and infrastructure development priority presented in the municipality's annual performance report on pages x to x for the year ended 30 June 2021.

36. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

37. The material findings on the usefulness and reliability of the performance information of the selected development priority are as follows:

#### KPA 2: Basic service delivery and infrastructure development

##### Various indicators

38. The method of calculation for achieving the below planned indicators were not clearly defined.

| Indicator as per the SDBIP | Target per the SDBIP | Reported achievement per the APR |
|---|---|---|
| Percentage of reported potholes fixed by year end | 100% | 97,87% |
| Percentage of total electricity losses | 10% | 27,5% |
| Number of new electricity connections (Wards: 1, 2, 3, 4, 5, 9, 10, 11, 12, 13 & 14) by year end | 643 | 369 |

### Various indicators

39. The method of calculation for measuring the planned indicators were not clearly defined and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. I was also unable to obtain sufficient appropriate audit evidence for the reported achievements of three of the 36 indicators relating to this programme. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators listed below:

| Indicator description | Target per the SDBIP | Reported achievement per the APR |
|---|---|---|
| Number of dwellings provided with connections to mains electricity supply by the municipality | 32 622 | 30 383 |
| Percentage of new electricity connections completed within 14 day turn-around time for all approved applicants | 100% | 100% |
| Number of households with electricity connections receiving Free Basic Electricity | 4 172 | 4 394 |

### Nquthu Bulk Storm-water

40. I was unable to audit the usefulness and reliability of the reported indicator of "Nquthu Bulk Storm-water" and the reported achievement of 60%, since it was not pre-determined and not included in the approved service delivery and budget implementation plan for the year under review.

## Other matters

41. I draw attention to the matter below.

### Achievement of planned targets

42. The annual performance report on pages … to … sets out information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 38 to 40 of this report.

### Adjustment of material misstatements

43. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA 2: Basic service delivery and infrastructure development priority. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## Report on the audit of compliance with legislation

### Introduction and scope

44. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

45. The material findings on compliance with specific matters in key legislation are as follows:

#### Financial statements

46. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a disclaimer audit opinion.

#### Expenditure management

47. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for disclaimer of opinion paragraph. The majority of the disclosed irregular expenditure was caused by non-adherence to Supply chain management (SCM) regulations.

48. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the unauthorised expenditure could not be quantified as indicated in the basis for disclaimer of opinion paragraph. The majority of the disclosed unauthorised expenditure was caused by overspending on expenditure and on grants.

#### Consequence management

49. Some of the irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

50. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.

#### Strategic planning and performance management

51. The service delivery and budget implementation plan (SDBIP) for the year under review did not include monthly revenue projections by source of collection and/or the monthly operational and capital expenditure by vote for each quarter, as required by section 1 of the MFMA.

52. The local community was not afforded the opportunity to comment on the final draft of the Integrated Development Plan (IDP) before adoption, as required by section 42 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and municipal planning and performance management regulation 15(3).

53. Amendments to the IDP were made without making the proposed amendments available for public comment, as required by section 34(b) of the MSA and municipal planning and performance management regulation 3(4)(b).

### Revenue management

54. An adequate management, accounting and information system which accounts for revenue, debtors, receipt of revenue was not in place, as required by section 64(2)(e) of the MFMA.

55. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

### Asset management

45. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.

56. Some of the investments were not made in accordance with the requirements of the investment policy. Three quotations were not obtained from financial institutions, as required by municipal investment regulation 3(3).

### Procurement and contract management

57. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).

58. Some of the construction contracts were awarded to contractors that did not qualify for the contract in accordance with Regulations 17 and 25(7A) issued in terms of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000).

59. Some of the invitations to tender for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 Preferential Procurement Regulation 8(2).

60. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis, as required by section 116(2) of the MFMA.

61. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA.

## Other information

62. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected development priorty presented in the annual performance report that has been specifically reported in this auditor's report.

63. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

64. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objective presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

65. As a result of the disclaimer of opinion expressed on the financial statements, I do not conclude on material misstatements of the other information relating to the financial statements. If, based on the work I have performed relating to the audit of performance information and compliance with legislation, I conclude that there is a material misstatement of this other information, I am required to report that fact.

## Internal control deficiencies

66. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for disclaimer opinion and the findings on compliance with legislation included in this report.

67. Management did not adequately resolve the numerous material misstatements identified between the underlying records and the financial statements in the prior and current financial years, due to inadequate application of the financial reporting framework as well as the inability to provide the required supporting documentation.

68. Additionally, there was inadequate oversight and monitoring over the achievement of the audit action plans coupled with the slow response in addressing and implementing recommendations and transgressions reported.

69. Management did not adequately monitor and review the performance against predetermined objectives to ensure that reported performance information was useful and reliable.

70. Management did not perform adequate monitoring and review over compliance with applicable legislation.

## Other reports

71. I draw attention to the following engagement conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

## Investigation

72. The Department of Cooperative Governance and Traditional Affairs instituted an investigation into allegations of maladministration, fraud and corruption at the Nquthu Local Municipality in terms of section 106 of the Local Government: Municipal Systems Act 32 of 2000. The outcome of this investigation is still awaited at the date of this auditor's report.

Auditor-General

Pietermaritzburg

28 February 2022

AUDITOR-GENERAL
SOUTH AFRICA

*Auditing to build public confidence*

### C.6.8.2 Measures to improve audit outcome (AG Action Plan)

The AG Action Plan has been developed and approved by Council for implementation. The implementation of this plan will be monitored closely by being a standard item at every MANCO and EXCO meetings as well as being discussed by the Audit Committee on a quarterly basis and every role player in the implementation of this plan will be held accountable.

## C.7 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

### C.7.1 Batho Pele, Service Delivery Improvement Plan, Service Delivery Charter and Standards

#### (a) Batho Pele

*Batho Pele policy*

The municipality has developed and adopted a Batho Pele policy as part of its commitment to putting people first and entrenching a culture of excellent service and accountability to the public. The policy was submitted to Council in 28 May 2021 and the review of the policy is still in process which will be finalised by end of May 2022. The policy clearly stipulates the kind of conduct that is expected and required from municipal employees as servants of the people in line with the well-established Batho Pele principles of:

- Consultation
- Service standards
- Access
- Courtesy
- Information
- Openness and transparency
- Dealing with complaints
- Best value for money
- Encouraging innovation and recognising excellence
- Leadership and strategic direction
- Service delivery impact

Since compliance with these principles has now been integrated into the municipality's operations through a policy instrument, acting contrary or in their violation by the municipality's employees shall constitute misconduct.

*Batho Pele procedure manual*

The Batho Pele procedure is in the reviewal stage and will be adopted by full council to be conducted in May 2022. Its main purpose is to inform and guide the municipality's employees in aligning their conduct, practices and operations to the principles of Batho Pele and implementing them fully.

#### (b) Service Delivery Improvement Plan and Service Delivery Charter and Standards

The municipality have the approved Service Delivery Charter and Standards in place and it will continue to be implemented accordingly. The Service Delivery Improvement Plan will be reviewed and be approved by Council in June 2022. The municipality is committed to address all key challenges identified in the SDIP to be improved in order to ensure proper service

delivery. In accordance with Public Service Regulation, the municipality is expected to provide a report on the implementation of Service Standards as well as Service Delivery Improvement Plan. Below is the tool to improve service delivery in the municipality.

Below key challenges that was identified on the SDIP for previous financial year have addressed:

- Branding of municipal vehicles,
- Installation of CCTV Camera in the municipal building
- Metal detector be installed,
- Signage

The charter reflects the belief of Nquthu Local Municipality in its implementation of Batho Pele; a better life for all Nquthu Citizens by putting people firsts. It is our commitment to our customers that we will do our utmost to help you and provide you with the quality of service you deserve.

Upon compilation of Service Delivery Improvement Plan, the municipality has identified the following services to be improved.

| **MANDATE** | **KEY SERVICE** | **PROBLEM STATEMENT** | **PROCESS FOR TECHNICAL SUPPORT** |
|---|---|---|---|
| Provision of fleet services | • Monitoring and reporting on vehicle usage | • Misuse of vehicles<br>• Unauthorized trips<br>• High fuel consumption<br>• Management of vehicles<br>• Asset disposal Policy | • Implement the trip authorization system.<br>• Enforcement of vehicle policy<br>• Review of Fleet Policy |
| Assist community to easily identify location of municipal buildings and municipal assets | • Identification<br>• Provide directions to internal / external structure of municipality.<br>• Prevent abuse of municipal assets | • Confusion<br>• Misuse/abuse of municipal Assets | • Provide proper signage<br>• To install barcodes in all municipal assets and monitor the assets.<br>• Ensure the proper branding of all municipal buildings and assets. |
| Provision of solid waste manage services | • Provision of effective waste management | • Insufficient waste bins<br>• Community unawareness of By Law. | • Installation of waste bins on strategic areas<br>• Conduct awareness on bylaws |
| Provision of fleet | • Monitoring and | • Misuse of vehicles | • Implement the trip |

| | | | |
|---|---|---|---|
| services | reporting on vehicle usage | • Unauthorized trips<br>• High fuel consumption<br>• Management of vehicles<br>• Asset disposal Policy | authorization system.<br>• Enforcement of vehicle policy<br>• Review of Fleet Policy |

## C.7.2 Operation Sukuma Sakhe

### (a) Functionality of the Local Task Task and War Rooms

- Local Task Team is functional. The LTT meetings are conducted on a monthly basis. The Nquthu Department of Social Development Boardroom was identified as the LTT war room.
- War Room Functionality

| War Room as per Ward | Functionality |
|---|---|
| Ward 1 (a) | Functional |
| Ward 1(b) | Functional |
| Ward 2 | Functional |
| Ward 3. | Functional |
| Ward 4. | Functional |
| Ward 5. | Functional |
| Ward 6. | Functional |
| Ward 7. | Functional |

| | |
|---|---|
| Ward 8. | Functional |
| Ward 9. | Functional |
| Ward 10. | Functional |
| Ward 11. | None Functional |
| Ward 12. | Functional |
| Ward 13. | Functional |
| Ward 14. | Functional |
| Ward 15. | Functional |
| Ward 16. | Functional |
| Ward 17 | Functional |
| Ward 18 | To be assessed |
| Ward 19 | To be assessed |

**(b) Participation of Stakeholders**

Nquthu Local Task Team is established and functional. The attendance of stakeholder departments on the Local Task Team meetings have been improved.

The following departments are attending Local Task Team

- Department of Health
- Department of Agriculture and Rural Development
- Department of Social Development
- Department of Home Affairs
- Independent Electoral Commission
- SASSA
- Department of Education,
- SAPS,
- Department of Human Settlement,
- Department Sport and Recreation.

**(c) Operation Sukuma Sakhe Programmes**

Conducting awareness campaigns to schools regarding substance abuse and burglaring in schools. The municipality have also conducted Covid-19 Awarenesses and Screening of the community in all wards in conjunction with Department of Health. The programme was being led by CJM Hospital and local clinics. These programmes will continue to take place in order to fight social challenges facing the community.

**(d) OSS Challenges**

Limited attendance by some of the departments due to Covid-19 regulations.

## C.7.3 Intergovernmental relations structures

*(a) Umzinyathi District IGR structure and its functionality*

There is an existing Umzinyathi District Intergovernmental Forum that is functional even though its sittings are being affected by Covid 19 regulations. Below is the list of District Municipality Forum that we as the local municipality participate on:

- Mayor's Forum
- Speaker's Forum
- Municipal Manager's Forum
- Planning Forum
- Corporate Services Forum
- Infrastructure Forum [ Technical]
- Disaster Management Forum
- Communicator's Forum

- General and Social Services Forum
- Chief Financial Officer's Forum

This structure discusses all pronouncements from provincial and national level. The municipality ensures that it table report emanating from this structure to council. However, there are challenges of miscommunication and non-attendance by some stakeholders. It is the belief of the municipality that this structure and other forums can and should be strengthened and well-coordinated for the betterment of every stakeholder and for better communication and better working relationship of all stakeholders.

*(b) Nquthu LM's role in IGR structures*

Nquthu Local Municipality is fully committed to support and participate in all intergovernmental forums because it is the only way that different government role players can work in a well-coordinated and complementary manner. There are no established forums specifically for Nquthu Municipality but we participate at all district level forums with full commitment. And the sector departments attend all IGR forum meetings at a district level.

*(c) Dedicated IGR official*

Nquthu LM has a fulltime official specifically dedicated to matters of intergovernmental relations. This is part of the municipality's commitment to working in partnership with all other role players in government.

*(d) Provincial IGR*

At the Provincial level, the municipality participates on the Premiers Coordinating Forum and Min-Mec Forum for Municipal Managers.

(e) Intergovernmental Relations Report

The municipality report quarterly to council on issues emanated from IGR Forum. And we are committed to implementing District Development Model (DDM) as a one plan, one budget approach.

**C.7.4 Functionality of Ward Committees**

Nquthu LM has established ward committees in all its nineteen (19) wards soon after the local government elections. All these ward committees will be trained and hold meetings on a monthly. The municipality submit reports, minutes of meetings and attendance registers to Cogta for assessment in order to determine functionality of ward committees. Ward Committees sits on a monthly basis to discuss community challenges and development interventions and submits report. However, there is still more work to be done to improve the overall capacity and ensure better functioning of ward committees through training and better

information dissemination to ward committees through its chairpersons who are ward councillors.

Ward Committees will undergo trainings related to their functions on Local Government. The municipality is committed to providing Ward Committees with all relevant accredited trainings. The municipality considers ward committees as one of the institutional bodies to fast-track service delivery and deepen democracy. Ward Committees represents a wide range of community interest through the IDP Representative Forum meetings and Ward Based Planning Meetings, and their inputs are always considered. They are also being used to disseminate the information about the developmental agenda of the municipality.

The functionality of Ward Committees are monitored through the submission of ward reports regarding Ward Committee Performance, which basically assesses the performance of Ward Committees within Nquthu. The performance is measured in terms of the following indicators:-

- Number of Ward Committee Meeting held – 1 per month;
- Number of Ward Committee Meetings chaired by the Councillor – 1 per month;
- Percentage of attendance – 50 plus 1;
- Number of community meetings held – 1 per quarter;
- Number of sectoral reports – 10 per month; and
- Number of reports submitted to the municipality – 1 per quarter

**C.7.5 Representation and participation of AmaKhosi in Council**

Municipal Structures Act, Section 81 require Traditional Leaders to be represented in municipal councils. In line with this law and in pursuance of a better communication and working relationship with traditional leadership and also to ensure that they are part of the local authority which has jurisdiction in their areas, six AmaKhosi sit in council and all the committees of the municipality. While there are some very few challenges on issues of land ownership or control between the municipality and AmaKhosi, the fact that they sit in council provide for a very suitable platform to deal with and resolve any differences. Nquthu LM respects and is committed to working with AmaKhosi in Nquthu appreciating the importance of indigenous leadership and understanding their role both historically and currently as custodians of African culture and customs and vanguards of communal and/or collective land ownership of the people.

### C.7.6 IDP steering committee

The IDP steering committee is central to formulating a credible and realistic IDP that reflects the actual plans of the municipality. The municipality's has a functional IDP steering committee that is made of the municipal manager, all section 56 managers and the IDP manager. This committee sits as planned and as per IDP Process Plan.

### C.7.7 Functionality of Management Structures

Management structures, especially MANCO, are fully functional and sit as planned and as is required or dictated by circumstances. In addition to MANCO, there are other issue orientated committees like the following:

- Batho Pele Committee
- Departmental Meetings
- Rapid Response Team

### C.7.8 Communication Plan / Strategy

The municipality has an existing Community Strategy or Plan which is reviewed on an annual basis. The reviewed strategy will be tabled to Council in May 2022. And the plan aimed at ensuring a coherent and effective communication both with the municipality and between the municipality and outside stakeholders.

### C.7.9 Functionality of the Internal Audit Unit

The municipality has a functional audit unit comprises of a dedicated specific official and an outsourced service provider [Tshidi] that supports the municipality in terms of internal audit processes. The internal audit units compiles and submit report to Audit Committee on a quarterly basis in accordance with IA Plan.

### C.7.9 Functionality of the Internal Audit Committee

The Audit Committee of Nquthu was formally established in accordance with section 166 of the Municipal Finance Management Act No 56 of 2003. The Audit committee serves as an Independent advisory body that advice the municipal council, political bearers, the accounting officer and the management staff of the municipality on matters relating to :-

- Internal Financial Control
- Risk management
- Accounting policies
- The adequacy, reliability and accuracy of the financial reporting and information
- Performance management
- Effective governance
- Compliance with the act, the annual Division of Revenue Act

- Performance evaluation and any other issues referred to it by the municipal entity
- Review the annual Financial statements
- Respond to the council on any issue raised by the Auditor General in audit report

There is effective Audit Committee that sits on a quarterly basis. The Chairperson of the Audit Committee also serves on Performance Audit Committee and these meetings also sits on a quarterly basis for assessment of the Municipal Manager and Directors. The Audit Committee reports quarterly to Council on internal audit reports. Below is the schedule of Audit Committee and Performance Audit Committee for 2022/23 financial year.

| **Audit Committee** | **Performance Audit Committee** |
|---|---|
| 24July 2022 | 15 July 2022 |
| 21 October 2022 | 16 October 2022 |
| 22 January 2023 | 15 January 2023 |
| 23 April 2023 | 14 April 2023 |

**C.7.10 Risk management**

The Municipal Manager is responsible for financial administration of the municipality and must for this purpose take all reasonable steps to ensure the municipality maintains effective, efficient & transparent systems of financial and risk management and internal control. Nquthu Municipality operates under the Enterprise Risk Management Framework (ERM) which specifically addresses the structures, processes and standards implemented to manage risks on an enterprise-wide basis in a consistent manner.

Nquthu Municipality have an upto date Risk Management Policy that was adopted by the Council and the reviewed policy will be tabled to Council in June 2022 for approval. Risk Committee which sits on quarterly basis and was established by Nquthu Municipality to assist the Municipal Manager in discharging his accountability for risk management by reviewing the effectiveness of the municipality's risk management systems, practices and procedures, and providing recommendations for improvement.

The committee has 8 members who are managers from different departments (Finance, Technical, Community and Corporate services ) and full time employees of the municipality.
Annually the municipality conducts different risk assessments which include fraud , IT and operational risk assessments. These risk assessments are monitored by action plans from the fraud risk register, and the operational and IT risk register.

The municipality have Anti-Fraud and Anti-Corruption Strategy in place adopted by Council that the municipality comply with address and prevent fraud and corruption. The strategy will will reviewed and be tabled to Council in June 2022 for approval.

*Risk management is highly prioritized by the municipality and its effectiveness has been highly improved by, among others, the following:*

- **Independent Risk Chairperson:** the municipality appointed an independent Risk Chairperson who is also the member of the Audit Committee to ensure that risk management sthrengthened within the municipality;
- **Risk Committee:** this is the highest Risk management structure in the municipality and is composed of the Municipal Manager, Risk Chairperson and all senior managers to ensure that it has adequate decision making powers;
- **Risk Forum:** this is a platform representative of all departments represented by designated officials who are Risk Champions, as outlined below;
- **Risk Champions concept:** every department has a Risk Champinon who coordinate all risk management matters within the department to ensure that risk management is part all municipal processes so that it can be managed and mitigated effectively;
- **Capacity building:** an intesnsive and indepth Risk Management training for all Risk Committee and Risk Forum members has been conducted to capacitate them to carry out their responsibilities effectively and competently;
- **Risk Management Policy and Strategy:** the municipality has developed and approved the policy and strategy to form a framework and guideline on all matters of risk management;
- **Risk Management Assurance and Compliance Review Annual Plan-**2022/22: this plan unpacks the provisions of Risk Management and Strategy and packages them into practical and measurable activities and outputs.

### C.7.11 Municipal policies

All HR and finance related policies are attached in the policy addendum of this IDP. The Policy Index of that addendum list all policies and the adoption/review status and adoption date is reflected.

### C.7.12 By-laws

The municipality have the following By-Laws in place

| By-law |
|---|
| Municipal Public Transport-by laws |
| Out-door advertisement – by laws |
| Electricity supply- by laws |
| Property encroachment – by laws |
| Street trading- by-laws |
| Standing rules of order- by-laws |
| Tariff policy for indigent persons- by-laws |

### C.7.13 Functionality of BID Committees

The municipality has established functional bid committees and have appointed members that serve on each of the following Bid Committees.

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

Appointed bid members will be trained before the 31st March 2022 to ensure effectiveness of Bid committees. The below specify members that are appointed for each bid committee

| Bid Specification Committee | Bid Evaluation Committee | Bid Adjudication Committee |
|---|---|---|
| IDP/PMS Manager | Infrastructure Civil Technician | Director Technical Services, |
| Town Planner | Assistant Accountant: | Acting Chief Financial officer |

| | | |
|---|---|---|
| | Demand and Acquisition | |
| Communication Officer | Manager: Youth Development | Director Planning and LED |
| Assistant Accountant : Revenue | Manager: Office of the Mayor | Director Corporate & Community Services |
| Assistant Accountant: Demand and Acquisition | Infrastructure Civil Technician | Manager : SCM |

**C.7.14 Functionality of MPAC**

Nquthu LM had a fully functional and vibrant MPAC that meets regularly. The new members were elected after election of new council. This committee will report directly to council and assist council to play its oversight function better and conduct investigations on any matter as directed by council or as required. This committee will continuously be empowered and strengthened through training.

The following members serve on the MPAC:

**C.7.15 Functionality of Portfolio Committees**

All portfolio committees are in place and fully functional. These portfolio committees attend to all matters relevant to their spheres of interest and report to the Executive Committee through their chairpersons. Names of portfolio committees, their functions and their members are provided in the Section 01 of this IDP.

**C.7.16 Back to Basics programme implementation**

The Back to Basics programme has been established as both a catalyst and also a monitoring instrument to ensure good governance and service delivery. The municipality is fully implementing the Back to Basics programme and has implemented the following measures to improve implementation:

- The municipality as assigned the responsibility of Back to Basics implementation to the Manager in the Office of the Municipal Manager so that it is coordinated by a senior official that can ensure compliance and implementation, and

- The Back to Basics reports submitted to Cogta has been made one of the key performance indicators to ensure that its implementation is not seen as a by the way or compliance issues, but is seen as a performance issue.

### C.7.17 Good governance and public participation SWOT analysis

| STRENGTHS | WEAKNESSES |
|---|---|
| • Council structures in place<br>• Representation of traditional authority<br>• Functional Local Labour Forum<br>• Functional Audit Committee<br>• Ward Committees in place<br>• Public community meetings regularly conducted<br>• operation Sukuma Sakhe: ward war rooms<br>• Men's forum<br>• Disability forum<br>• Senior citizen's forum<br>• Support groups<br>• Sports council<br>• Involvement of War Committees in setting KPIs<br>• Communication Strategy | • Children's Forum<br>• Dysfunctional of ward committee in certain wards<br>• non-attendance of government departments on Operation Sukuma Sakhe<br>• Public Participation<br>• IGR Forum Sittings |
| OPPORTUNITIES | THREATS |

| | |
|---|---|
| • Enforce monitoring and evaluation<br>• Proper reporting<br>• Community involvement and public participation | • non sitting of IGR Forum affect organization at large<br>• non enforcement of by-laws leading to dysfunctionality of the organization and lead to the loss of revenue and litigation |