

2020.2021

Annual Report

Umvoti Municipality – KZN 245



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VOLUME ONE

CHAPTERS ONE TO FIVE

CHAPTER ONE

Mayoral Forward and Executive Summary

Forward by the Mayor
Cllr TC Ngubane



I would like to take this golden opportunity to extend greetings to all the residence of Umvoti Municipality and also express my sincere gratitude for their continued support and faith in our leadership under 2020 onslaught of Covid 19 pandemic. I wish to also thank the Almighty God who has shielded us under His wings during these difficult times.

The 2020/21 Annual Report for Umvoti Municipality seeks to provide a picture of how the municipality has performed in rendering services to the communities while adhering to rules and regulations governing local government. This report provides information about the Umvoti Municipality's administration's financial, operational, and social performance for the 12 months in review, namely the period from 1 July 2020 to 30 June 2021. It also reflects the Municipality's progress against the objectives of its Integrated Development Plan (IDP) for the five-year period from 2016 to 2021 with a specific focus on achievements against the IDP amendments for the 2016/17 period. In addition to the IDP, the report is informed by a number of other plans and documents produced by various directorates and business areas. These include, but are not limited to, the following:

- The Municipality's 2018/19–2020/21 budget
- The Municipality's Spatial Development Framework
- The Municipality Housing Sector Plan

The past financial year has been a tough year characterized by the increasing basic socio-economic needs of the community against the gradually shrinking revenue sources of the municipality to meet those needs. The municipality has been finding it increasingly difficult to balance the growing socio economic needs against the increasingly limited revenue sources. High electricity distribution losses and theft are the main contributing factors to shrinking revenue.

It is almost a decade since we committed ourselves to building a promising future for the community of uMvoti. The commitment has even become more important in the prevalent crisis where the Coronavirus pandemic has resulted in new challenges that demands us to be more resilient. The COVID -19 pandemic has created profound disruptions to our economy and society. The already deteriorating revenue sources were further impacted upon by the unanticipated arrival of the Global Pandemic Covid 19, which resulted in the declaration of the State of Disaster by His Excellency the president. The declaration of the State of Disaster led to a subsequent level 5-country lockdown and consequently many businesses closing down and individual customers

losing their jobs thus unable to honour their financial obligations, all of which saw a rapid decline of the collection rate from 88% to just above 60% in the last quarter. Not only did the global pandemic impact on our revenue sources, Service delivery was also severely disrupted which meant programs planned for completion in the 4th quarter had to be carried over into the new financial year consequently impacting on the planned service delivery targets as outlined in the organizational scorecard. Added to the financial and service delivery challenges were the disruptions in the normal daily operations of the Municipality.

Governance Structures most of which are regulated by various legislative prescripts resulting in compliance with the legislation. Both the Political leadership and administration has shown incredible resilience and an ability to pull together as government and residents as we have continue to survive the Global Pandemic Covid 19. Amidst the challenges outlined above, the year was also marked by many successes locally as we strive to maintain high levels of service delivery and continued to live up to our commitment of building a caring, inclusive, opportunity, safe and well-run municipality.

Infrastructure development remains the primary challenge as the backlog and needs continues to outweigh the financial capacity to meet those infrastructure needs. The municipality however continues to make strides in the reduction of the infrastructure backlogs amidst these financial limitations, managing to gradually reduce the backlog in access to electricity, housing, public facilities and waste management.

The National Development Plan 2030 under the Chapter ‘ Building Safer Communities indicates that one of its key points is an integrated approach to safety and security require coordinates activity across a variety of sphere of government, departments, the private sector and community bodies. Despite the financial constrains the municipality was able to invest R3,304 162 35 million to establish CCTV cameras to curb crime. The municipality installed 40 cameras in the CBD and in strategic points within the municipality building. The project has been very resourceful in providing evidence on crimes and enabled SAPS to successfully conclude those cases. CCTV management policy was developed and approved by Council to regulate control room operations and access to information and video footage. The municipality has thus managed to achieve one of the key objectives of the South African constitution that is building safe and secured communities

Countless thanks to each and every municipal employee who continues to work tirelessly to achieve excellent service delivery as well as ensure that this great town becomes even better. This annual performance report is a tool that will enable us to reflect on the work we have done. Yet it must also inspire all of us to work even harder, because there is still so much more to be done to bring greater parity of services in the entire municipal area of jurisdiction through redress and investment. I am extremely proud of the work that has been done thus far to improve the lives of our residents, help those most in need of assistance, and striving to make Umvoti an ideal place to live, work, play and invest. May we continue to remember, however, that as civil servants, we must continue to work in partnership with our residents to make progress possible.

I have the honour of submitting the Umvoti Local Municipality Annual Report with all its legislated contents for the period 1 July 2020 to 30 June 2021

Living to serve – not to be served.

*His Worship the Mayor
Councillor TC Ngubane*

1.1 MUNICIPAL MANAGERS OVERVIEW

The significance of an annual report in an accountable, participatory and developmental orientated local government as a valuable assessment tool cannot be over-emphasised. The 2020/2021 financial year has come to an end and, as required by section 127 of the Municipal Finance Management Act no 56 of 2003, we must table and adopt an annual report for the eventful but equally productive 2020/2021 financial year within the prescribed time frames.

The preparation and submission of the annual report is not only a compliance matter but rather an instrument that seeks to provide a fair presentation of the performance of the municipality for the year under review. Our attitude to the annual report is that

all our key stakeholders and partners i.e. Council, traditional & community leaders, administration, communities and business must be encouraged to take a keen interest in tracking and reviewing municipal performance. Thus, the annual report provides one such an opportunity. This essential exercise is vital in shaping and influencing our individual and collective plans, processes and services in our future development. The 2016/2017 Integrated Development Plan set objectives and targets to be realised during term of office and consequently provide the basis for performance monitoring, measurement and evaluation. The Integrated Development Plan has amongst others set objectives and targets to improve provision of basic services such as bulk water supply sources, water reticulation by the District Municipality as well as electrification, access roads, financial viability, good governance and public participation.

In the determination as well as the assessment of our level and standard of performance as a municipality against our entrusted mandate we must continue to do so in full cognisance of our unique context, prevalent environment and conditions, limited resources, global economic factors impacting at the levels of both Council and residents as well as increases in service input costs versus a decreasing revenue basket. The primary service delivery constraint remains the ever shrinking revenue sources against the service delivery imperatives. Whilst the Municipality is not entirely dependent on grant funding, the financial resources of Council remain incredibly constrained as the expenditure categories continue to outweigh the limited revenue sources of the Council. The increase in the number of outstanding debts can be attributable a variety of factors which include but not limited to the general decline in affordability levels, residents' rates boycott, increased unemployment, the poverty & social grant dependency rate and the low revenue base.

The ever-increasing bad debts continue to impact on the liquidity position of the municipality. The low revenue collection rate compromising the funding of planned projects and inherently limits the municipality from exploring reprieve mechanisms such as debt write-off. The decline in revenue and the contrasting general price increases have had a knock-on effect on planned performance. These factors have adversely affected the ability to implement fully our committed plans and projects. Of great significance to note are opportunities created by our supply chain management processes which contributed to the development of the local economy through procurement of services, thereby addressing a whole range of socio-economic challenges including unemployment.

Notwithstanding the above-specified factors and many socio-economic setbacks, the municipality has recorded major progress in delivering the objectives of the IDP and supplementary policies, plans and strategies. This will be explicitly substantiated in detail in subsequent sections of this report. The capacity and support received through intergovernmental cooperation also enabled us to discharge some of our constitutional responsibilities with reasonable efficiency.

We are, as part of the overall government and development machinery, not immune to the challenges of unemployment, poverty, basic service backlogs, land shortage, dwindling business and other developmental opportunities at an individual, communal and organisational level. It is therefore imperative that we improve our institutional

mechanisms to promote social cohesion and sustainable development for us to be able to discharge our mandate and derive direct monetary benefits.

As we move into the future, we strive to improve our financial performance, through a multiplicity of initiatives such as cost effectiveness in how conduct our business. This will be through focusing on service delivery imperatives such as a mutually beneficial partnership between all role players such as government, business and residential customers, which is to be realized through the commitment to pay for municipal service accounts. There will be a concerted effort from the municipality to continue with the undisrupted provision of basic services as well as the enforcement of debt recovery mechanisms and controls that are considerate of our interests and the unique profile of our debtors.

We still have a lot of ground to cover in our quest to improve the quality of life of our communities; we invite all partners to play a role in constructing the desired outlook of our communities. Administratively, we will strive to improve the efficiency of our operating systems and processes, our organizational culture as well as instil values of a responsive and accountable administrative component. There is a solid base to propel excellence even further. We are relying on the Council to create an environment conducive enough for all parties to efficiently play a meaningful role and we depend on our community to provide the much needed support.

It is a privilege to be a public servant and to have the opportunity of working with our residents in continuing to improve the lives of all. It is through this unity, in part, that we continue to provide the basic services to our communities . A privilege such as this – to serve, and partner with, the people of Umvoti is also of course an immense responsibility. A responsibility to which the administration of the Umvoti Municipality is deeply committed. It is when we compile reports such as this one that we reflect on the last 12 months.

This last year has been a challenging one for all of us who call Umvoti our place of residence and some business investment. It is an amazing achievement to look back though, and see how we all got through this together. The 2019/20 financial year was a reminder to us all of just how vulnerable we are to the powers of nature through the global Pandemic But in the face of the many overwhelming challenges that confronted us all, we came together. We are indeed a resilient community of people who are prepared to come together and collaborate to overcome whatever challenges are thrown our way.

To respond to the negative impacts of the pandemic emergency infrastructure was deployed to rural areas and informal settlement to improve health and hygiene. This included delivering of stationary tank stands in both rural and informal settlement. Law enforcement agencies were full in force with high visibility in Greytown CBD monitoring compliance with COVID-19 regulations. Disinfection of the pavements and public building were undertaken to curb the spread of the pandemic .

The impact of COVID 19 requires that the municipality develops strategies to respond to unforeseen circumstances. The COVID -19 pandemic has necessitate a redirection

of government focus, spending and actions towards emergency preparations. Massive job losses and financial pressures have negatively impacted many of the uMvoti residents and business.

The implementation of effective risk management within the municipality is regulated and guided by section 62(1) of the Municipal Finance Management Act which stipulates that the accounting officer of the municipality is responsible for managing the financial administration of the municipality and for this purpose must take all reasonable steps to ensure that the municipality has and remains effective and efficient system of financial and risk management internal control.

During the year under review management embarked on the process of reviewing the effectiveness of the systems of risk management and internal controls and conducted robust assessment of the strategic risks affecting the municipality's ability to attain its strategic goals. The municipality can confirm that risk management mitigation and monitoring processes were effective in limiting the potential impact of risks on the business during the year under review

The municipality is in the process of developing an integrated economic and revenue enhancement strategy to stabilise revenue collection across the municipality. These include reduction of electricity losses and theft, better accountability regarding the implementation of financial controls and identifying new revenue streams.

For the Umvoti administration, the past financial year has been a massive and intensive learning curve. However, as with all learning curves this has provided us with an opportunity to grow, becoming wiser and smarter as we go forward. As the spread of the Pandemic is rapidly decreasing and the lifting of the lockdown regulations, and will hopefully continue to return to normality in the provision of basic services. We at Umvoti Municipality continue to, reaffirm our commitment to serve, and to do so even better. We are excited at the prospect of continuing to work together with the people of this great town as well as the business community to ensure we continue to be a well-run and opportunity town. We are more committed than ever before in our duty to Umvoti even closer to reaching its full potential. Thank you for the privilege of working with you.

In conclusion let me thank the people of uMvoti for their steadfastness during this time of crisis. I extend my gratitude to the Executive Mayor, Members of the various section 79 Committees for their guidance and deliberative action over the past financial year.

On the administrative side, I am grateful to the Chief Financial Officer, Directors and the entire staff of uMvoti Municipality for their effort to serve the people of uMvoti. All frontline service staff especially our Peace Officers, Traffic Officers, Waste management and Disaster management officials who laid down their lives and exposed themselves by rendering services to the communities during lock down period.

The Municipal Manager
Mrs TN Ngiba

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION

The annual report provides an authoritative record of the activities and performance of the municipality for each financial year. It is a strategic tool for decision making, revealing the progress, growth and development of municipal service delivery and financial performance.

The annual report 2020/2021 is hereby submitted to uMvoti Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000 section 46(1) and (2), as well as the MFMA Circular 11 on annual reporting. The annual report provides information on financial and non-financial performance as reflected on the Service Delivery and Budget Implementation Plan and the extent to which the service delivery objectives contained in the IDP were achieved for the year under review.

This report covers the following objectives of the annual report:

- To provide a record of the activities of the municipality or entity.
- To provide a report on performance in service delivery and budget implementation.
- To provide information that supports the revenue and expenditure decisions made.
- To promote accountability to the local community for decisions made.

Performance Management System guided the whole process of formulating this annual report using the six National Key Performance Areas namely,

i. Basic Service Delivery

ii. Local Economic Development

iii. Municipal Institutional Transformation and Development

iv. Municipal Financial Viability and Management

v. Good Governance and Public Participation and

vi. Cross Cutting Measures

1.2.1 BACKGROUND DATA : UMVOTI MUNICIPALITY

Umvoti is the one of 54 Municipalities in the Province of KwaZulu-Natal and forms part of the UMzinyathi District. It has a population of 122 424 (20.1% increase), according to the Community Survey 2016, compared to 103 092 in 2011.

The key demographic trends relating to Umvoti population are as follows:

- The growth rate of 1.11% per annum for the period between 2001 and 2011 has been observed
- The population is distributed unevenly between 14 wards within the Municipal area.
- The age profile shows a largely youthful population with approximately 75% of the population under the age of 34.

This is on the basis of the information provided by Stats SA for 2011 Census and 2016 Community Survey.

TABLE : 1.4 : Population Details

Age	2016/2017			2017/2018			2018/2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	5561	5346	10907	6541	6683	13224	7505	7629	15134
Age: 5 - 9	6196	6292	12488	5377	5857	11234	7418	7563	14981
Age: 10 - 19	11310	12007	23317	12121	12260	24381	14031	11973	26004
Age: 20 - 29	5996	8147	14143	6431	7328	13759	9031	11117	20148
Age: 30 - 39	4344	6612	10956	4737	6835	11572	7038	10125	17163
Age: 40 - 49	3198	4833	8031	3457	5814	9271	5067	7473	12540
Age: 50 - 59	2089	3334	5423	2612	4383	6995	3191	5672	8863
Age: 60 - 69	1199	2447	3646	1678	3012	4690	2427	4809	7236
Age: 70+	855	2529	3384	898	2583	3481	1391	2987	4378

The status of the number of households indicates an increase of 15.9% in households in the area. The number of households in Umvoti has increased to 34 664 in 2016 as compared to 27 282 households in 2011. The average household size is 3.81 and the majority of households are small nuclear households. The increase relates to the fact that the number of wards has increased from 11 to 14.

Table 1.2 Economic Status

Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2017/2018	47%	38%	32%	34%	32% for the whole of Umzinyathi District	24%
2018/2019	47%	38%	32%	34%	32% for the whole of Umzinyathi District	24%
2020/2021	47%	38%	32%	34%	32% for the whole of Umzinyathi District	24%

Table 1.3 Population per Ward\Town

Settlement Type	Population
Towns	
Greytown	9990
Kranskop	50000
Sub-Total	59 990
Townships	
Enhlakahle Township	12000
Sub-Total	12000
Rural settlements	
Matimatolo	4834
Mntembisweni – Mbuba	2905
Makhabeleni	11697
Mbulwane	3801
Muden (Rural)	9523
Eshane	5130
Nseleni	1923
Sub-Total	39 813
Informal settlements	
Tent Town	411
Lindelani	436
Kranskop	350
Brickyard	33
Coloured Village	31
Sub-Total	1261
Total	113 064

Table 1.4 Natural Resources

Major Natural Resource	Relevance to Community
Lake Merthley	Water source and recreation facility
Umvoti Vlei	Tourism significance
Lilani Hotsprings	Community owned and tourism attraction
Ngome Community Game Reserve	Community owned and tourism attraction however it should be noted that this Project is defunct and not operational due to large scale vandalism and a decision was taken in 2014/2015 that this Project will not be resuscitated until the Social Conditions in the Community change.

1.2.2 COMMENTS ON BACKGROUND DATA

Key challenges: ageing infrastructure, dispersed low density settlement patterns in traditional areas, weak road and communication linkages, and poor management of natural environment and high cost of infrastructure.

Opportunities: Rural Housing Projects to address issues of densification, upgrade of R33 road presents a major opportunity for tourism activities, a greening programme in urban and rural areas to provide shade, erosion protection, and beautification.

Development of Lake Merthely as a Tourism destination, Ngome Game Reserve (despite its dilapidated state) and Lilani Hotsprings could benefit the communities with job opportunities, skills development and environmental management awareness. The Municipality has prepared several business plans for Lake Merthely Development the most recent being a Resort Type Complex commissioned by Umvoti Community Tourism Organisation which is an arm of the municipality with Public Participants. The water levels have improved significantly to around 85% - 100% (currently overflowing).

The National Department of Tourism committed R20 million for Lilani Hotsprings Phase 3, however the services of the Implementing Agent were terminated in 2016/2017 due to the non-adherence with the Project Plan. A professional Team has been appointed so that as soon as Covid 19 Restrictions allow, the Construction Teams will be appointed and work will commence. The National Department of Tourism has appointed Trade and Investment KZN to manage the Lilani Hotsprings and R17 million has been allocated to complete the project.

The Ngome Game Reserve project is still unresolved and is on hold. The buildings have been vandalised to the extent that very little exists, all fencing has been stolen and the bulk of the game that was there has been poached. Should this project be considered in the future it would need to start from scratch with complete new funding (the estimate in 2016 was in excess of R79 000 000).

1.2.3 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The Key Performance indicators for this KPA is linked to the Municipality's objectives as contained in the Integrated Development Plan (IDP). These objectives are:

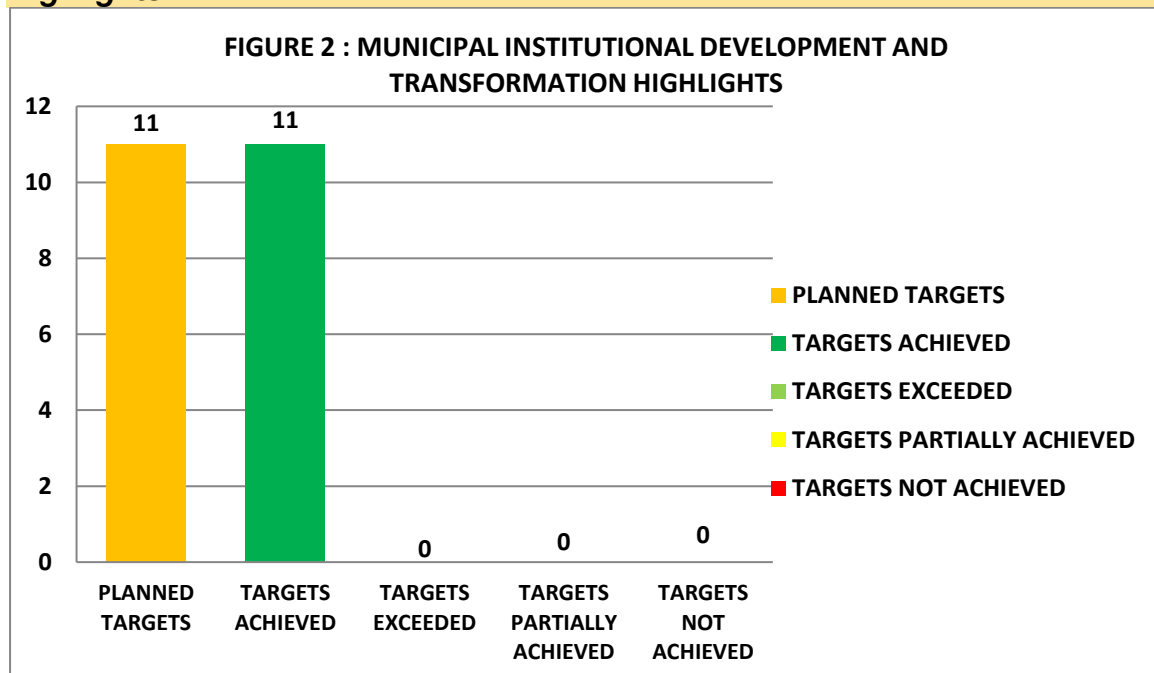
- To ensure Functional Performance Management System
- To improve institutional and organizational capacity
- To enhance and ensure the effectiveness of the Information Communication
- To ascertain the rate of confidence in the municipality's ability to provide basic services

Eleven (11) targets were planned for this KPA in the year under review. Eleven (11) targets of the eleven (11) targets planned were achieved.

Table 1.5 Performance Highlights 2020/2021 financial year

Planned Targets	Targets Achieved	Targets Exceeded	Targets Partially Achieved	Targets Not Achieved
11 (100%)	11 (100%)	0 (0%)	0 (0%)	0 (0%)

Table 1.6 Municipal Institutional Development and Transformation Highlights



1.2.4 HIGHLIGHTS ON ACHIEVED AND EXCEEDED PERFORMANCE TARGETS

- The 2021/2022 Organizational Performance Management Framework and Procedure manual was reviewed and adopted by Council on the 29 June 2021.

- b) Performance Agreements for the Municipal Manager and Managers directly accountable to the Municipal Manager were signed on the 14 July 2020.
- c) The 2020/2021 Formal and informal quarterly assessments were conducted timeously.
- d) The Annual performance Assessments for the 2018/2019 and 2019/2020 financial years were conducted on the 25th June 2021.
- e) The Director Planning and Economic Services was appointed in December 2020.
- f) Four quarterly Performance management reviews were conducted by internal Audit.
- g) The Employment Equity report was submitted to the Department of Labor on the 15 January 2021.
- h) Six (6) capacity building interventions (trainings and workshops) were implemented in the year under review.
- i) Four (4) quarterly ICT forum meetings took place timeously.
- j) Zero (0) health and safety incidents were required to be reported/responded to within the 7 days as per the Compensation of Injuries and Disaster Act.
- k) Hundred percent (100%) of submitted complaints were attended to.

1.3 SERVICE DELIVERY

There is insufficient access to basic services within Umvoti, which can possibly be attributed to the scattered settlement patterns that create challenges around basic service delivery. The change in municipal boundaries has also attributed to the increased demand for services. The Municipality has managed to provide services to its residents within limited human and financial resources. The Municipality continued to supply electricity, refuse removal, roads, storm water management and cleansing services within urban and/or rural areas as the case may be.

The Municipality in terms of its indigent policy provides relief to its customers that qualify as per the required criteria, as determined by Council from time to time. Every year an advert is published calling for registration. Councillors embark on an awareness programme on an annual basis to educate members of the community and stress importance of registration.

The percentage of people with access to electricity has increased from 58.3% in the previous years to 71.11% in the year under review. The increase is due to the number of new connections done by the municipality and ESKOM as well as in fills completed by ESKOM. The number of people with access to water has increased to 62.8% during the year under review as a result of new schemes implemented by UMzinyathi District

Municipality in rural areas. Waste service delivery of the Umvoti Municipality is coordinated from Greytown. There is a clear lack of refuse removal services within the municipal area with 52.7% of households in Umvoti making use of their own refuse dump. Only 27.5% of refuse is removed regularly by the municipality. There is currently no waste removal service for rural areas.

1.4 FINANCIAL HEALTH OVERVIEW

As the end of 30 June 2021 the actual year to date operating expenditure totalled an amount of R344.3 million when compared to the R309.6 million in the 2019/2020 financial year. The main operating expenditure categories comprises of categories such as Employee Related Costs, Councillor Remuneration, and Bulk Purchases with the Employee Related Costs recording the highest expenditure followed by the Bulk Expenditure and General Expenses.

1.4.1 Employee Related Costs

The Employee related cost contributes an amount of R125 million as at 30 June 2021 against a previous R117 million during the 2019/2020 financial year. The employee related costs contribute an amount of 36.3% of the total operating expenditure, which is just below the norm of 40%.

1.4.2 Repairs and Maintenance

The Repairs and Maintenance costs contributes an amount of R8.4 million as at 30 June 2021 against a previous R5.009 million during the 2019/2020 financial year. The Repairs and Maintenance costs contribute a mere 2.5% of the total operating expenditure. Adequate Planning for infrastructure renewal continues to remain a challenge to date. This is because infrastructure renewal is only carried out on an ad hoc basis rather than routinely as informed by a comprehensive infrastructure renewal plan. It is common knowledge that we can maintain the existing infrastructure as well as fund our new infrastructure if our own revenue and credit control activities function effectively. Additional effort is required to undertake a coordinated effort in infrastructure renewal by timeous planning which will in turn facilitate allocation of adequate financial resources in this regard. The municipality also acknowledges the fact that the 1.5% is far below the norm of 8%, emanating from budget constraints and deteriorating cash reserves. The municipality has introduced a cash flow committee, established a Revenue Steering Committee and developed a revenue enhancement strategy and implementation, this measures will assist the municipality to improve collection rate, reduction of costs thus improving our cash reserves and subsequently improve the budget allocation for repairs and maintenance. The asset conditional assessment was conducted in May 2019, however, due to budgetary constraints the municipality have not adequately addressed maintenance requirements.

1.4.3 Operating expenditure

The balance amounting to 56% of the operating expenditure is for expenditure such as bulk electricity purchases as well as expenditure for the day-to-day running of the institution, which includes expenditure such as contracted services, depreciation and

general expenses. As can be observed from the above a substantial amount of our expenditure is still not responding to the basic needs of the communities. Future expenditure prioritization has to address this shortcoming

Table 1.7 Total Operating Income and Expenditure

TOTAL OPERATING INCOME AND EXPENDITURE			
INCOME	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
GRANTS	216,659,400.00	221,473,692.00	218,086,976
TAXES AND TARIFFS	149,168,121.54	137 709 816.01	147,482,737
OTHER	4,719,017.66	8 688 515.00	5,823,675
	370,546,539.20	367 872 023.00	371,393,388
EXPENDITURE	-307 490 272.00	-334 877 781.00	-344,344,765
OTHER COMPREHENSIVE INCOME/ (LOSS)	0	0	-8 703 590
SURPLUS	63 056 268.00	32 994 242.00	18,345,033

Table 1.9 Operating Ratios

OPERATING RATIOS	%
EMPLOYEE COST	36.3%
REPAIRS AND MAINTENANCE	2.5
FINANCE CHARGES AND DEPRECIATION	10.5

As the end of 30 June 2021 the actual year to date operating expenditure totalled an amount of R344.3 million when compared to the R309.6 million in the 2019/2020 financial year. The main operating expenditure categories comprises of categories such as Employee Related Costs including Councillor Remuneration, and Bulk Purchases with the Employee Related Costs recording the highest expenditure followed by the Bulk Expenditure and General Expenses.

The Employee related cost contributes an amount of R125 million as at 30 June 2021 against a previous R117 million during the 2019/2020 financial year. The employee related costs contribute an amount of 39.3% of the total operating expenditure, which is just below the norm of 40%

Table 1.9 Capital Budget

TOTAL CAPITAL BUDGET	
BUILDINGS	0,00
INFRASTRUCTURE	48,214,692.00
COMMUNITY ASSETS	0,00
OTHER PPE	11,216,000.00
Total	59,430,692.00
	T1.4.4

COMMENT ON CAPITAL EXPENDITURE:

As at the end of June 2021 the actual Capital Budget is reflected below as follows

The actual capital expenditure for the 2020/2021 financial year amounts to R44,304,907 across the various categories namely Building, Infrastructure, Community Assets and other PPE combined. A substantial portion of the capital revenue is funded primarily from Grants and subsidies particularly the Municipal Infrastructure grant and the Urban renewal grant.

The municipality has fully expended all the Municipal Infrastructure Grant allocated in 2020/21, thus ensuring that no funds are transferred back to National Treasury. The urban renewal grant was utilised in Enhlalakahle for pedestrian pavements among other repairs.

Operating expenditure

The balance amounting to 60,7% of the operating expenditure is for expenditure such as bulk electricity purchases as well as expenditure for the day-to-day running of the institution, which includes expenditure such as contracted services, depreciation and general expenses. As can be observed from the above a substantial amount of our expenditure is still not responding to the basic needs of the communities. Future expenditure prioritization has to address this shortcoming.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The South African local government sector must be developmental, and it is important for the sustainable growth and development of the country. One of its major responsibilities is to ensure that all citizens have access to and receive the basic services they need. The way in which local municipalities are structured has an impact on how effectively they can deliver services to its communities.

Organization Development (OD) is about improving performance at the individual, group, and organization levels. It is about improving the organization's ability to effectively respond to changes in its external environment, and it's about increasing internal capabilities by ensuring the organizational structures, human resources systems, job designs, communication systems, and leadership/managerial processes fully harness human motivation and help people function to their full potential.

The Organizational Development is a key transformation agent dealing with the structure and workforce of the Municipality to ensure that it remains aligned to its

service delivery requirements. The municipality went through a restructuring process with a view of decreasing a number of departments and creating a new structure which resulted in organizational redesign with a new number of vacant posts, which were through the placement process.

One of the major challenges is that posts in the new structure have not been formally evaluated through job evaluation and employees on new posts have not been fully capacitated but they acquired knowledge through on the job training. To resolve the major challenge of job evaluation will be to appoint an experience suitable qualified service to evaluate all posts through TASK System as approved by SALGA.

As part of capacitating individuals who have been placed in newly created positions, it is important that we move our focus to improving their skills by ensuring that they have access to various training programmes as part of skills development in order to ensure that staff members can perform their duties effectively.

The municipality had a strategic planning session of which part of it was to review the organisational structure and come up with strategies for effective use of human resources within the organization. Although there are some internal challenges within the structure especially with grading of posts, but it was finally approved by council.

The next step will be to consider the services of an organizational specialist to deal with the evaluation of posts to expedite the issues around uncertainties.

Appointment of Senior Managers was completed and resulted in filling in of all critical positions in top management.

Legal services and internal audit services are outsourced. Due to exorbitant costs the municipality is anticipating to insource internal audit services in phases. Two posts have been created in the organogram.

1.6 AUDITOR GENERAL REPORT

The Auditor General conducted the 2020/2021 Audit as per the requirements of Section 21(1) of the Public Audit Act of South Africa read in conjunction with Section 188 of the Constitution of the Republic of South Africa and Section 121 (3) of the Municipal Finance Management Act of South Africa.

We pride ourselves in the great strides that we have made managing to maintain an unqualified audit opinion for the 6th consecutive year although there were matters of emphasis:

- 2020/2021 unqualified audit.
- 2019/2020 unqualified audit
- 2018/2019 unqualified audit
- 2017/2018 unqualified audit
- 2016/2017 unqualified audit

We however are equally mindful of the requisite and critical task of striking a healthy balance between attaining clean governance that is accompanied by a clean bill of financial affairs and striving with intense agility to equally address the chronic underdevelopment in our communities, of particular importance the rural communities.

The Municipality is dedicated to achieving a clean administration and achieving a clean audit opinion. The challenges experienced in 2020/2021 primarily due to the impact of COVID 19 have had a negative impact on uMvoti Municipality s' ability to achieve a clean audit. Management is committed to improving the audit outcomes in future through implementing mitigating measures and Operation Clean Audit Action Plan to ensure that the matters reported on by the Auditor General are remedied.

1.7 STATUTORY ANNUAL REPORT PROCESS

Table 1.10 Annual Report Process

No.	Activity	Timeframe
1.	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3.	Finalise 4 th quarter Report for previous financial year	
4.	Municipality submits annual financial statements and performance report to Auditor General.	August
5.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
6.	Auditor General assesses Annual Financial Statements and Performance data	
7.	Submit draft 2020/2021 Annual Report to Internal Audit and Auditor-General	January
8.	Audit/Performance committee considers draft Annual Report of municipality.	
9.	Mayor tables the unaudited Annual Report	
10.	Municipality submits draft Annual Report to Auditor General.	
11.	Auditor General assesses draft Annual Report including	
12.	Municipalities receive and start to address the Auditor General's comments	
13.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14.	Audited Annual Report is made public and representation is invited	
15.	Oversight Committee assesses Annual Report	
16.	Council adopts Oversight report	March
17.	Oversight report is made public	
18.	Oversight report is submitted to relevant provincial councils	
19.	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	

1.7.1 COMMENT ON THE ANNUAL REPORT PROCESS:

1.7.1.1 IMPORTANCE OF MEETING ANNUAL REPORT DEADLINES

The importance of achieving annual report deadlines will enable Umvoti Municipality to provide:

- Records or evidence of municipal activities during the year under review;
- Report on municipal performance against the budget for the year under review; and
- Account to the local communities for the decisions made by the municipality during the year under review.

1.7.1.2 ALIGNMENT OF IDP/BUDGET / SDBIP

IDP forms the basis on which the annual budget is based and it must be compatible with the National and Provincial Government Development Plans. The SDBIP is directly translated from the adopted IDP and budget. The SDBIP is essentially the management and implementation tool of the IDP. Umvoti municipality has ensured that the IDP, Budget and SDBIP are integrated.

CHAPTER TWO : GOVERNANCE

COMPONENT A : POLITICAL AND ADMINISTRATIVE GOVERNANCE

1. INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Umvoti Municipality is a Category B Municipality as determined by the Demarcation Board in terms of Section 4 of the Municipal Structures Act, 1998. The municipality functions under the Executive system, consisting of 5 members. The Mayor is elected from the Executive Committee. The Council consists of 27 councillors of which 3 are full-time councillors i.e. Mayor, Speaker and Deputy Mayor. Of the 27 councillors, 14 are ward elected councillors with the remaining 13 elected as proportional representation councillors. The number of Executive Committee members has increased to five in the year under review.

The Municipal Manager is the Accounting Officer of the municipality and is assisted by Five (5) Senior Managers heading the following departments: Budget and Treasury; Community Services; Corporate Services, Planning and Economic Services and Technical Services.

2. INTRODUCTION TO GOVERNANCE

Good governance is built upon an effective interface between political office bearers, political structures, councillors and officials, the delegation of appropriate powers to achieve maximum operational and administrative efficiency and the amicable resolution of disputes between the respective role-players.

The Executive Committee and all section 79 and section 80 Committees were established to assist the Council in its oversight function. The Local Labour Forum was also established as per the prescripts of the bargaining Council agreements. This will ensure that Labour related issues are given attention and good relations are maintained between the employer and employees.

Section 79 of the Municipal Structures Act empowers the municipal council to establish committees necessary for the efficient and effective performance of any of its functions and exercise any of its powers. The council appoints members of such committees and may dissolve the committees at any time. These committees are established to assist the council and reports to the council. Examples of section 79 committees are the MPAC, Rules Committee and the like. The Council will appoint a chairperson from amongst the members of the council. Umvoti Municipal Council successfully appointed members of MPAC and have not yet appointed Rules and Ethics Committee members.

Section 80 Committees, on the other hand, are established by the municipal council to assist the Executive Committee. Such committees may not in number exceed the number of members of the Executive Committee. During the year under review, the municipality had the following functional committees:

- Community and Corporate Services Portfolio Committee

- Finance, Planning and Economic Services Portfolio Committee, and
- Technical Services Portfolio Committee.

These committees report directly to the executive committee. These committees are chaired by members of the executive committee

2.1 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The Key Performance indicators for this KPA is linked to the Municipality's objectives as contained in the Integrated Development Plan (IDP). These objectives are:

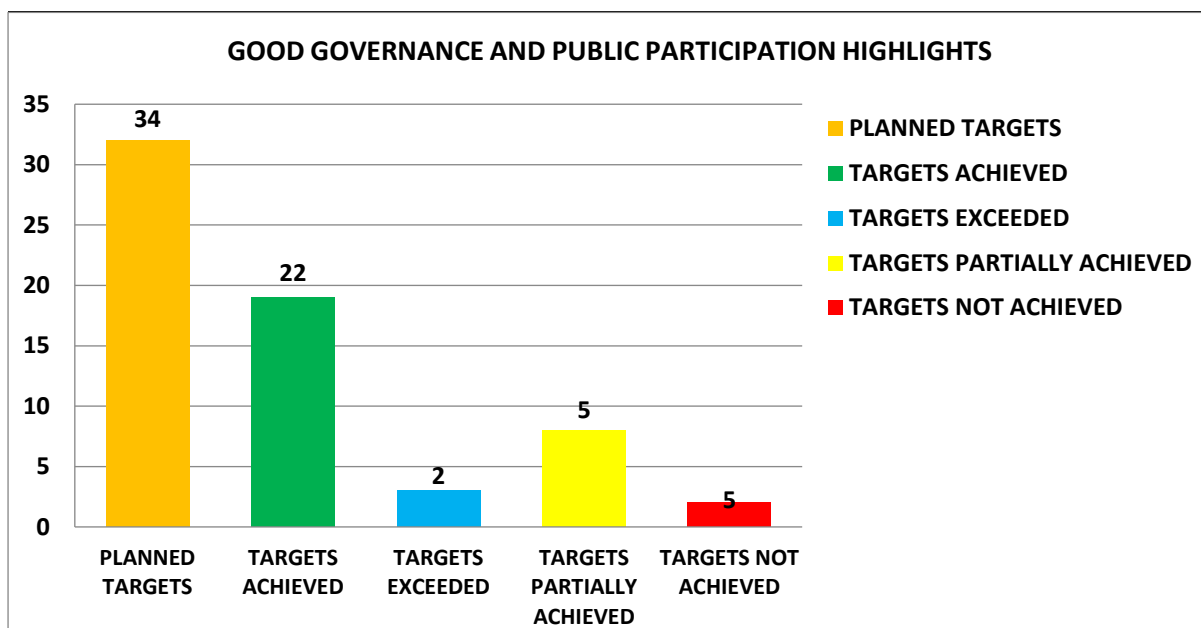
- To promote social cohesion and address the needs of vulnerable groups
- To promote social cohesion and address the needs of vulnerable groups
- To ensure effective public engagement and participation in municipal affair
- To improve the Municipal Audit outcome, Corporate Governance and Accountability
- To ensure that Council is Functioning Effectively and Efficiently
- To ensure safeguarding of municipal records
- To identify and prioritise risk events
- To ensure maximum compliance with legislative framework

Thirty four (34) targets were planned for this KPA in the year under review. Twenty two (22) targets of the thirty four (34) targets planned were achieved. Two (2) targets of the thirty four (34) targets planned were exceeded. Five (5) targets of the thirty four (34) targets planned were partially achieved and five (5) targets planned were not achieved.

Table 3.1 Performance Highlights for the 2020.2021 financial year

Planned Targets	Targets Achieved	Targets Exceeded	Targets Partially Achieved	Targets Not Achieved
34 (100%)	22 (64.7%)	2 (5.8%)	05 (14.7%)	5 (14.7%)

Table 3.2 Good Governance and Public Participation Highlights



2.1.1 HIGHLIGHTS ON ACHIEVED AND EXCEEDED PERFORMANCE TARGETS

- a) Five (5) Special Programmes were implemented during the year under- review.
- b) The Communication policy and strategy were reviewed and adopted by Council on the 29th June 2021.
- c) The Internal Audit plan was developed and approved timeously by the Audit Committee, on the 27th August 2020.
- d) All internal audit reports were concluded as per the internal audit plan.
- e) Eighty percent (80%) of the 2019/2020 Auditor General queries were addressed in the year under review.
- f) The 2019/2020 Annual Financial Statements and Annual Performance Reports were submitted to the Auditor General on the 31st October 2020 due to revised legislative timeframes as a result of the National State of Disaster.
- g) The Annual Report was submitted and adopted by Council on the 29th June 2021 due to revised legislative timeframes as a result of the National State of Disaster.
- h) All Governance Structures were functional during the year under review.
- i) The risk assessments and the review of the risk register were concluded.

Table 2.3 CHALLENGES AND MEASURES TAKEN TO IMPROVE PERFORMANCE ON NON ACHIEVED AND PARTIALLY ACHIEVED PERFORMANCE TARGETS

NO.	INDICATOR	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
1.	Special Programmes Plan reviewed and adopted by 30 June 2021	The special programmes plan was not reviewed due to the Covid-19 pandemic as it is not clear as to which programmes can be implemented during this time.	Special Programmes will be implemented on an adhoc basis taking into consideration budget availability and the ease of lockdown levels.
2.	Number of quarterly functionality of ward committees reports assessed by Cogta submitted to Council by 30 June 2021	Assessed ward committee reports could not be tabled to Council as Cogta did not submit assessment results as they were facing a backlog of reports.	Quarter 1, 2 and 3 assessment results were received on the 27 th July 2021, the results will be submitted to Council on the 31 st August 2021.
	Number of ward committees meetings held per quarter	<p>QUARTER 1 - Wards 1 to 14 did not convene due to various Covid-19 challenges being faced.</p> <p>QUARTER 2 - Ward 2 did not convene due to various Covid-19 challenges being faced..</p> <p>QUARTER 3 - Wards 1,2,4,5,6,7,8,10 and 11 did not convene due to various Covid-19 challenges being faced..</p> <p>QUARTER 4 - Wards 4 and 9 did not convene due to various Covid-19 challenges being faced.</p>	<p>There are no remedial actions identified for the non sitting of ward committee meetings.</p> <p>The rate of infections have continued to increase and until such time that the risk levels have been adjusted permitting community gatherings, ward committee meeting cannot be convened on a monthly basis.</p>
3.	2019/2020 AG Audit Action Plan developed and approved by the Municipal Council by 30 April 2021	The AG Action Plan addressing the issues raised by the Auditor General was not submitted to Council by legislated timeframes due to revised legislative timeframes as a result of the National State of Disaster.	Auditor General presented the audit report to the Council meeting that took place on the 29 th April 2021. The AG Action plan was then developed and adopted by Council on the 05 th August 2021.
4.	2019/2020 oversight report prepared and	<ul style="list-style-type: none"> Auditor General presented the audit report to the 	Due to the revised time frames, MPAC could only prepare an oversight report

NO.	INDICATOR	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
	adopted by Council by 30 June 2021	<p>Council meeting that took place on the 29th April 2021.</p> <ul style="list-style-type: none"> The draft Annual Report was tabled to Council on the 29 June 2021 due to the revised legislative timeframes. The Oversight Report was not tabled and adopted by Council within the legislated timeframes due to revised legislative timeframes as a result of the National State of Disaster. 	after the conclusion of the AG report and the Annual Report. The oversight report was tabled and adopted by Council on the 05th August 2021.
5.	Number of MPAC meetings held by 30 June 2021	The quarter 4 MPAC meeting was scheduled for the 28 April 2021, however due to no quorum the meeting did not materialise.	The MPAC Meeting convened on the 28 July 2021 to consider quarter 4 reports.
6.	Number of MPAC reports submitted to Council by 30 June 2021	The quarter 4 MPAC meeting was scheduled for the 28 April 2021, however due to no quorum the meeting did not materialise.	The quarter 4 report was submitted to Council on the 05 August 2021.
7.	Number of Local Labor Forum Meetings held by 30 June 2021	The quarter 4 LLF meeting scheduled to take place in May, did not convene due to there being no items from management and the union representatives .	Management has resolved that there will be standing items on the LLEF in an effort to ensure that LLF meetings convenes to discuss items of common interest between management and labor, a decision has been taken to develop standard agenda

NO.	INDICATOR	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
			items of common interests between both parties. This will ensure that labor related discussions are more proactive rather than reactive.
8.	Number of Risk actions addressed by 30 June 2020	The indicator was reviewed following comments from Provincial Treasury who encouraged that the Municipality should identify the Top 12 risks and focus on addressing those, however the nature of the top 12 risk is long term and require a high financial injection and therefore could not be addressed during the 2020/2021 financial year due to the constrained Municipal financial position.	The Municipality will monitor the implementation of the remedial actions to prevent the identified risks from occurring.

2.2 POLITICAL GOVERNANCE

The Executive Committee and Council of Umvoti were functional during the year under review. The Mayor is the Chairperson of the Executive Committee (EXCO) and Finance, Planning and Economic Services Committee during the year under review. The EXCO and Council exercised their functions as per the requirements of the Municipal Systems Act and Municipal Finance Management Act.

The Portfolio committees were established in terms of Section 79 and 80 of the Local Government Municipal Structures Act, (act 117 of 1998).

The Municipal Public Account Committee (MPAC) was established as the Section 79 Committee in order to provide oversight role. Three Section 80 Committees, which are Council Portfolio committees were established as follows:

- Community and Corporate Services Portfolio Committee,
- Finance, Planning and Economic Services Portfolio Committee,
- Technical Services Portfolio Committee,

The Audit Committee is playing an advisory role in terms of governance matters and compliance with laws and regulations. This committee has been very functional and has been providing reports to Council on a regular basis.

The municipality appointed Ntshidi and Associates as a Service Provider overseeing the internal audit function and do quarterly audits to all business units of the municipality and issue reports with findings. The Audit Committee and Performance Audit Committees were established in order to assist the municipality with the oversight role. The Audit Committee and Performance Audit Committees are responsible for the following functions:

- financial audits,
- performance audit,
- advise on effective governance; and
- advise on matters referred by municipality

The Audit and Performance Audit Committees were effective and functional during the year under review and made some recommendations to Council

➤ **COUNCILLORS**

During the year under review, the municipality had effective and functional Municipal Council. The Council consisted of 27 councillors of which 3 are full-time councillors. Of the 27 councillors, 14 are ward elected councillors with the remaining 13 elected as proportional representation councillors. The Council has three Portfolio Standing Committees, with members of the Executive Committee serving as Chairpersons. Council has been convening meetings once every month and on exceptional circumstances when required.

➤ **POLITICAL DECISION-TAKING**

Council is the highest decision body maker in terms of Constitutional mandate. The Political Structure of Umvoti Municipality during the year under review is explained below:

POLITICAL STRUCTURE:

MAYOR

Cllr. TC Ngubane

DEPUTY MAYOR

Cllr. NG Masikane

SPEAKER

Cllr. W. Khoza

WHIPS

Cllr. BD Madonsela (ANC)

Cllr. RS.Maharaj (DA)

2.3 ADMINISTRATIVE GOVERNANCE

In terms of Section 60 (b) of the MFMA, the Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers,

and officials of the municipality and any entity under the sole or shared control of the municipality.

In terms of the administrative governance structure; the following structures were in place during 2020/2021 financial year:

The Office of the Municipal Manager: is responsible for strategic directional decisions and functions of the Municipality, as well as the implementation of the Internal Audit function, public relations and marketing, and overall management of governance offices, mayoralty and the implementation of special programmes.

Budget & Treasury Office: is responsible for the implementation of Supply Chain management and Contract Management, Financial administration and reporting as well as Asset management.

Technical Services Department's duties are: planning, design, implementation and management of all new capital projects, provision of electricity, road maintenance, management of minor repairs workshop and provision of public works services management.

Community Services Department: is responsible for Public Amenities, Parks and Gardens, Solid waste management, traffic management services, Firefighting, Disaster management, and Security services.

Planning and Economic Services Department's duties are: Development planning, Building regulation and inspectorate, Local economic development and tourism, IDP and Performance management system, as well as Human Settlements and Municipal Estates.

TOP ADMINISTRATIVE STRUCTURE:

MUNICIPAL MANAGER

Mrs. T.N. Ngiba

DIRECTOR: PLANNING AND ECONOMIC SERVICES

Mr. TS Buthelezi

DIRECTOR: TECHNICAL SERVICES

Mr. N. Qwabe

CHIEF FINANCIAL OFFICER

Mrs CB Mkhize

DIRECTOR: COMMUNITY SERVICES

Mrs. BJ Mchunu

DIRECTOR: CORPORATE SERVICES

Mr. MF Maphanga

COMPONENT B : INTERGOVERNMENTAL RELATIONS**INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS**

Section 3 of MSA requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in Section 41 of the Constitution.

The Intergovernmental Relations Framework Act (13 of 2005) specifies the IGR structures that a municipality must participate in. During the year under review; Umvoti municipality participated in various district, provincial and national IGR structures.

These structures assisted the municipality where there are capacity challenges in terms of support and advice. Government departments, municipalities and other institution such as SALGA, MISA, Trade Unions including the South African Local Government Bargaining Council have played their role in supporting the municipality in intergovernmental relations

2.4 INTERGOVERNMENTAL RELATIONS

- **National Intergovernmental Relations**

Intergovernmental Relations are defined as an interacting network of institutions at national, provincial and local levels, created and refined to enable the various parts of government to cohere in a manner more or less appropriate to our institutional arrangements. It is an evolving system of institutional co-operation that seeks to address the relations of equality and interdependence as defined by the Constitution.

Umvoti Municipality is not an exception from the above arrangements which have been created through the implementation of Intergovernmental Relations Framework Act, 2005 with an aim to provide within the principle of co-operative government set out in Chapter 3 of the Constitution. The municipality participates in a number of IGR Forums from national, provincial and local levels with an aim of achieving objectives as set out in the framework and founding principles of those forums

During the year under review, the municipality participated in the following National Intergovernmental Structures:

- 2020/2021 IMFO Conference
- CIGFARO conference
- SALGA National Conference
- Municipal Property Rates Conference
- Institute of Traffic and Municipal Police Officers of South Africa
- Road Traffic Management Corporation
- National Traffic Indaba
- District Communicators Forum
- Local Government Communicators Forum
- District
- National Department of Tourism
- Office of the Premier
- Ezemvelo Wildlife KZN
- District Tourism Forum
- TiKZN
- TKZN

- **Provincial Intergovernmental Structure**

The Provincial COGTA and Provincial Treasury plays a pivotal role in assisting the Municipality with advice and also hands on support. Regular meetings were held and attended by both officials and councilors.

During the year under review, the municipality participated in the following Provincial IGR meetings:

- Project Management Unit Support meetings
- Provincial Disaster Management Forum
- Provincial Human Resources Forum
- Provincial Planning Advisory Forum
- Provincial CFO's Forum
- Provincial Municipal Property Rates Forum
- Provincial MSCOA Forum
- Provincial ICT Steering Committee
- Provincial District Technical Advisory Forum
- Integrated Traffic Law Enforcement
- Provincial Human Resources Development Forum

2.4.1 RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipality did not have any established Municipal entities during the year under review

- **District Intergovernmental Relations**

UMZINYATHI DISTRICT COORDINATING FORUM

The uMzinyathi District Municipality has established an intergovernmental forum as required by the said act which called the uMzinyathi District Coordinating Forum. On the 30 November 2007, the district family of municipalities signed the intergovernmental relations protocol, rules and procedures. The objective of the forum is to promote and facilitate intergovernmental relations and co-operative governance between the district and local municipalities, the forum meets on quarterly basis and is functioning properly.

A technical support structure has also been established which serves to provide technical support to the District Coordinating Forum and implement their resolutions. Members of the technical support structure include the Municipal Managers of the district family of municipalities, or officials designated by them and it also meets on quarterly basis and is functioning properly.

THE UMZINYATHI PLANNING AND DEVELOPMENT FORUM

The uMzinyathi District Municipality established a Planning and Development Forum with the purpose of the forum being to co-ordinate planning and development within uMzinyathi District by ensuring:

- Improved and continued communication amongst the various planning practitioners in the district, and
- That planning and development within the District is undertaken in a holistic way and that it takes place within the framework of all Municipalities' Integrated Development Plans. The membership of the forum comprises of officials from the DM and LM's under the following components, namely:
 - IDP Managers;
 - Town Planners;
 - LED Managers/Officers;
 - GIS Officers; and
 - Representatives from the Department of Cooperative Governance and Traditional Affairs.

The District EPWP meetings were also attended by the municipality in order to address the EPWP issues in a coordinated way. The District Disaster Forum meetings were attended by the municipality in order to address disaster related issues. The Municipality also participated on the Provincial Disaster Management Workshop aimed at development of integrated response to climate change and disaster related incidents.

COMPONENT C : PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 15(b) of MSA: requires a municipality to establish and organise its administration to facilitate and a culture of accountability amongst its staff. Section 16(i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18(i)(d): requires a municipality to supply its community with information concerning municipal governance , management and development

The public participation structures and related mechanisms are fully functional, such as Ward Committees which consist of various sectors within the community and Traditional leadership

2.5 PUBLIC MEETINGS

2.5.1 COMMUNICATION, PARTICIPATION AND FORUMS

In terms of Chapter 4, Section 16(1) (a)(iv) of the Local Government Municipal Systems Act, municipalities are required to develop a culture of public participation and must consult their respective communities on developmental issues.

The following mechanisms have been utilised for public participation when reviewing the 2020/2021 IDP.

- **IDP Representative Forum (IDP RF):** This forum includes all interested and affected stakeholders within Umvoti such as ward committees, government departments, Non-Government Organisations (NGOs) and Community Based Organisations (CBOs).
- **Media:** The municipality also made use of the local newspaper to inform the public on the process of the IDP/Budget review and schedule of public participation meetings such as IDPRF and community road shows.
- **Ward Committees:** Umvoti established ward committees for all the fourteen wards. The ward committees participated fully during the IDP review process through the IDPRF meeting and IDP/Budget road shows.
- **IDP/Budget Road shows:** Umvoti Local municipality has undertaken IDP public consultation process of 2020/21 through various social platforms, such as Facebook, Municipal website, Radio Khwezi FM and form of writings due to COVID – 19 Pandemic outbreak, which came with lockdown regulations. All inputs were incorporated to CBPs which were developed in February 2017 which clearly indicates community priorities

2.5.2 WARD COMMITTEES

Umvoti established Ward Committees in all the fourteen (14) municipal wards. The ward committees participated fully during the IDP review process through the IDP Representative Forum meetings and IDP/Budget road shows.

Induction of ward committees was conducted on the 27th January 2017 in order to ensure their effective functionality. Training of ward committee members will be conducted during the course of ward committee office term. The stipend of R1000.00

is paid to all ward committee members subject to the attendance of two (2) meetings and submission of one (1) sectoral report per month.

Table 2.4 Public Meetings

Public Meetings						
	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP Road show	26 th April 2019	27	30	9800	Yes	Ward Level/council

The under-mentioned schedule indicates some of the public consultative meetings which were held:

Table 2.5 Consultation Plan

WARD	DATE	VENUE	TARGETED AUDIENCE
All 14 wards	12 May 2021	Greytown Town Hall	<ul style="list-style-type: none"> ➤ Business Chamber ➤ Agriculture ➤ Rate payers Association ➤ Radio Station Slot at IKhwezi FM
	13 May 2021	Greytown Town Hall	<ul style="list-style-type: none"> ➤ Ward Committee members ➤ Councillors

2.5.3 COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The ward committee meetings and public meetings were effective as community concerns have been considered in the municipal planning processes. The ward committee reports also inform the Municipality of the challenges faced by the communities as well as their needs. The public meetings reports were prepared after the meetings and submitted to Council for consideration. The IDP Public Consultation

report was prepared and all issues raised by communities were captured in the reports and later in the 2020/2021 IDP Review

2.6 IDP PARTICIPATION AND ALIGNMENT

Table 2.6 IDP Participation Plan & Alignment Criteria

IDP Participation and Alignment Criteria*	Yes/No
Does the Municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Does the IDP KPIs align to the Section 57 Managers	Yes
Does the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Does the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

COMPONENT D : CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Section 154 of the Constitution of the Republic of South Africa indicates that the national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and perform their functions

2.7 RISK MANAGEMENT

Section 62(i)(c) of MSA requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

A risk assessment was facilitated by Provincial Treasury in 2020 and the risk register was updated capturing all risks identified and confirmed by management during the assessment. A risk register monitor was identified as being a prerequisite to effective risk management. Risk register monitoring has continued throughout the financial year. The municipality's risk maturity profile has moved from low to satisfactory.

Council is committed to risk management and processes are in place to improve the risk management maturity profile. Key to this was the development and approval by council of the risk policy and risk management strategy. To entrench the concept of risk management in the day to day activities of management, the focus and implementation of risk management continues to be an integral part of the balanced scorecards of senior management. In order to evaluate and drive the municipality's performance in risk management the process is guided by a risk committee. It is recognized that risk management is an ongoing process and procedures are in place to identify and include in the monitoring process any emerging risks that might occur.

TOP TWO (2) RISKS PER DEPARTMENT, MITIGATING MEASURES AND STATUS TO DATE

Table 2.7 TOP TWO (2) RISKS – MM Office

MUNICIPAL MANAGER			
NO.	RISK	STRATEGY TO MITIGATE RISK	CURRENT STATUS
1	Reliance on Electricity to subsidise Revenue Base	Source Funding to Replace Ageing Infrastructure.	In-progress
2	Ineffective and uncoordinated Intergovernmental	Facilitate the Development of Protocol Agreement between Local Municipalities and District Municipality.	In-progress

	Relations (IGR) Structures.		
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Table 2.8 TOP TWO (2) RISKS – Planning Dpt

PLANNING SERVICES			
NO.	RISK	STRATEGY TO MITIGATE RISK	CURRENT STATUS
1.	Inadequate management of the forestry.	<p>Expedite the Public-Private Partnership Agreements process.</p> <ul style="list-style-type: none"> Conduct monthly follow ups on the signing of Public Private Partnership Agreement with Treasury. Report monthly on the progress to Portfolio Committee, EXCO and Council. 	In progress
2.	Failure to control land invasion	To train Peace Officers on Land Invasion By-Laws	Not yet actioned

Table 2.9 TOP TWO (2) RISKS Community Services

COMMUNITY SERVICES			
NO.	RISK	STRATEGY TO MITIGATE RISK	CURRENT STATUS
1.	Inadequate Testing Station Facilities	Land Swop to Acquire Land Ownership: Follow up with Planning department on Land Swop between municipality and Plennegy to acquire land ownership	In-progress
		To Source Budget for the Expansion of the Testing Station	Not yet actioned
		DLTC office space: Follow up with Planning Department on identified office space for Drivers Learners Testing Centre (DLTC)	Not yet actioned

2.	Inadequate security Services.	Disciplinary process to be undertaken for theft and non-compliance.	Completed
		To monitor implementation of Security Standard Operating Procedures.	In-progress

Table 2.10 TOP TWO (2) RISKS BTO

BUDGET AND TREASURY OFFICE			
NO.	RISK	STRATEGY TO MITIGATE RISK	CURRENT STATUS
1.	Inability to collect all monies due to the Municipality	Conduct continuous Revenue protection	In-progress
2.	Reconciliations performed promptly	Deputy Chief Financial Officer to submit copies of signed reconciliations to Budget and Treasury Office Committee on a monthly basis	In-progress
		Revision to Internal Audit Plan to include detailed review of reconciliations on a regular basis	In-progress
		Review of Job Descriptions	In- progress

Table 2.11 TOP TWO (2) RISKS Technical Services

TECHNICAL SERVICES			
NO.	RISK	STRATEGY TO MITIGATE RISK	CURRENT STATUS
1.	High rate of electricity distribution loss within municipal licenced area.	To roll-out infrastructure Development Plan in consultation with DBSA. <ul style="list-style-type: none"> The installation of smart meters with Data Concentrator, Conversion to prepaid electricity 	In-progress
		To install LED street lights	In-progress
2.	Theft and Vandalism of Electrical Infrastructure	To install alarm system at the main feeder.	Completed

Table 2.12 TOP TWO (2) RISKS Corporate Services

CORPORATE SERVICES			
NO.	RISK	STRATEGY TO MITIGATE RISK	CURRENT STATUS
1.	Inadequate Management of Fleet	Finalise the procurement of a tracking system	In-progress
		Prepare reconciliations Reports on Fuel used against authorised trip(s)	Not yet actioned
		Finalise the Installation of the Tracking System	In-progress
2.	Inadequate Implementation of Performance Management System	Implement Performance Management System Cascading Strategy	In-progress

CORPORATE SERVICES- IT UNIT			
NO.	RISK	STRATEGY TO MITIGATE RISK	CURRENT STATUS
1.	Exposure to critical Data and Systems to acts of irregularity	Conduct continuous Awareness on Information Security Policy	Not yet actioned
		Conduct Vulnerability Network Assessment	Not yet actioned
		Upgrade Firewalls	In-progress

2.	Disposal or Donation of Information Technology Assets which contains critical and confidential data	Develop an Information Technology Assets Disposal Procedure	Completed
		Review an Assets Management Policy to incorporate Disposal of IT assets	Not yet done

Table 2.13 Summary – List of Risks

SUMMARY OF RISKS IDENTIFIED AND ACTIONS TO MITIGATE RISKS AS AT 30 JUNE 2021			
DEPARTMENT	RISKS IDENTIFIED	NUMBER OF ACTIONS TO MITIGATE RISKS	ACTIONS COMPLETED
Municipal Managers Office	2	2	0
Budget and Treasury Office	2	4	0
Planning and Economic Services	2	2	0
Corporate Services	2	4	0
Corporate Services IT Unit	2	5	1
Technical Services	2	3	1
Community Services	2	5	1
OVERALL	14	25	3

2.8 ANTI CORRUPTION AND FRAUD

A revised Fraud Prevention Policy and Strategy have been approved by Council, the main purpose of the policy is to provide guidelines within the existing legal framework, for dealing with fraud and corruption within the municipality. This policy endeavours to assist in the creation of an environment where fraud and other crimes of dishonesty are efficiently, economically and effectively prevented, detected, investigated and reported with the consequent recovery of losses and action against guilty perpetrators. Council will consider a Whistle Blow Policy, to support the Fraud Prevention Policy. The strategy sets out the processes to implement the policy

2.9 SUPPLY CHAIN MANAGEMENT

2.9.1 OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was reviewed to be aligned with National Treasury's Regulations and it was adopted in May 2016 with the implementation date being the 1st July 2016. A system of managing all goods and services has been implemented to ensure that value for money is received when procuring goods or services.

2.9.1.1 Adequacy of personnel within SCM

- a) All officials in the Supply Chain Management unit have been trained on the functioning of the Supply management processes. All members of the committee underwent an SCM training during the year under review to enhance their Technical Skills in the discharging of their core functions including the SCM personnel.
- b) The municipality in the past financial year has been beneficiary of a Provincial Treasury training initiative on contract management for the past quarter, 2 employees within the SCM unit were beneficiaries of this training namely the SCM Manager and the SCM Practitioner.

2.9.1.2 Functioning Of Bid Committees

The Accounting Officer has as per section 26 of the Supply Chain Management regulations appointed the following committees:

- a) Bid Specification Committee
- b) Bid Evaluation Committee
- c) Bid Adjudication Committee

The bid committees were constituted to be in line with treasury regulations and Section 27-29 of the approved SCM policy. The Budget and Treasury Office in the year under review initiated a BID Committee training for all 3 Bid Committees to assist them in the discharging of their core functions including the SCM personnel.

2.9.1.3 Adequacy of Bid Committee meetings

- a) The SCM unit can report that the Bid Committees recently constitutes performed adequately well for period under review with the exception of the BAC which is comprised of the Senior Managers. The inadequate functionality of the BAC can be attributed to the fact that Senior Managers have to juggle their time between various functions, which impacts on the timeous sitting of the BAC meetings. The SCM unit has also developed a schedule of meetings for all committees.

2.9.1.4 Contract Management

- a) Section 75 (1) (g) of the MFMA stipulates that the municipality must place all awarded contracts above a certain value on the municipal website. The Municipal Council is to adhere to the PPPFA threshold guidelines. Regulation 23 (c) (iii) also specifies that all bid results must be submitted/advertised on the municipal website.
- b) Council in the past financial year has implemented an effective system of

contract management system with the assistance of the Provincial Treasury.

The core function of the unit is as follows:

- (i) Administer all contracts entered into between Council and responsive bidders
- (ii) Facilitate the signing of the SLA with responsive bidders
- (ii) Monitoring of the contracts signed for the delivery of various goods and services in consultation with the relevant departments
- c) It must be noted that due to capacity challenges in the form of personnel, the system is not as water tight as it ought to be and requires to be improved. It is anticipated that with the recent contract management training intervention as offered by Provincial Treasury, this will serve to improve the functionality of the Contract Management unit.

2.9.2 PERFORMANCE MANAGEMENT -

- a) Section 116 (2) (d) stipulates that every contract that the municipality enters into, a regular report must be submitted to council detailing its management and the performance of the contractor. In order to be able to do this, the accounting officer is thus required to compile a schedule summarizing progress against all the contracts that the municipality entered into.
- b) Although Council has approved the Performance Management Policy that regulate the performance of the municipality, the effectiveness of the system was not put in place into test due to the shortage of the human capital within the SCM unit.
- c) The Supply Chain Management is not in position to accurately account in terms of the performance of contractors and suppliers as it solely relied on the information provided by the project managers which may or may not be accurate
- d) Issues such as variation orders, price escalations and handling of contingency fees remained the sole function of the project managers. Measures need to be put in place to ensure that this component of the performance management is managed adequately.

2.9.3 RISK MANAGEMENT

All issues that were identified in the course of the period under review as potentially posing a threat to the optimal functioning of the SCM unit are currently being identified through the risk management process of the municipality and will be addressed in detail in the current financial year.

2.9.4 IMPLEMENTATION OF PROCUMENT PLAN

Timeous Implementation of the procurement plan by user Departments continues to be a challenge, and measures are currently being considered to ensure that the procurement plan are implemented timeously so as to ensure that we avoid under or over expenditure on all Capital and operational projects .

2.10 BY LAWS

The municipality reviewed and adopted the following By Laws for the 2020/2021 Financial year which are in line with legislative requirements

Table 2.14 BY LAWS

No.	BY-LAWS	PROGRESS
1	Property Rates	Adopted by Council on 29 th June 2020
2	Informal Traders	Adopted by Council on 29 th June 2020
3	Impound	Adopted by Council on 29 th June 2020
4	Street Trading	Adopted by Council on 29 th June 2020
5	Cemeteries, Crematoria and Undertakers	Adopted by Council on 29 th June 2020
6	Waste Management	Adopted by Council on 29 th June 2020
7	Traffic & Crime Prevention	Adopted by Council on 29 th June 2020
8	Public Amenities	Adopted by Council on 29 th June 2020
9	Fireworks	Adopted by Council on 29 th June 2020
10	Electricity	Adopted by Council on 29 th June 2020

2.11 WEBSITE

The Umvoti Municipality Website has been running very stable with no downtime or interruptions. New features added are as follows:

- Quick Access Icons for easy direct linking to relevant pages.
 - Addition of a Public advertisements page to allow for external adverts to be uploaded which affect Umvoti residents.
 - Addition of directional map tool to allow website visitors to find directions to the Municipality from any point in South Africa with detailed instructions.
 - Slider with post facilities allows visitors the option to read more about the post by clicking on the slider image.
 - Demographic informational page added.
 - Ward Delamination Maps page
 - User feedback form added to website to ensure users concerns are addressed
 - FAQ's page updated with relevant questions and answers
- Website security has been further improved to ensure no unethical behaviour or actions are allowed to be carried out on the website by hackers by Implementing the following controls
- Firewall
 - Email alerts on user/admin Logins,
 - Block IP addresses of any person trying to access the backend with incorrect username
 - Whitelist & Blacklist IP Addresses
 - Stogner passwords utilized
 - Website Backups

Website is updated with latest information received from various departments on a bi-weekly basis to ensure visitors have access to latest and current information.

Due to the website design and maintenance managed by the IT Department utilizing in-house skills has benefited the Municipality by both saving costs and allowing for more frequent updates as they are available which assists with service delivery.

The IT Department strives to ensure maximum uptime on the website, improving and optimizing the website as technology advances.

2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

2.12.1 PUBLIC SATISFACTION LEVELS

The constitutional mandate of the municipality in terms of section 152 is to ensure the provision of services to communities in a sustainable manner. The survey was in the form of non-experimental, descriptive research method and was used to assess attitudes and characteristics of a wide range of municipal service delivery competencies.

For the purposes of the above, public survey boxes were placed at each front office\public office within the municipality, adverts were placed informing the public of complaints measures and processes for any complaints or queries. This will be further investigated in the new financial year.

CHAPTER THREE : SERVICES DELIVERY PERFORMANCE

COMPONENT A : BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

Umvoti Municipality provision of electricity provision improved during the 2020/21 financial year. The total number of identified and pre-Marketed households across twelve (12) wards in Eskom Licensed Area worked out to One Thousand Nine Hundred and Twenty-Seven (1927).

The backlog consists mostly of Project type 2 & 3 where installation & upgrade of transformers, extension of Medium Voltage Overhead lines (MV OHL) and Low Voltage Aerial Bundle Conductors (LV ABC) will be needed to extend to new households. Ward 1, 6 & 11 villages need Projects (Type 3) with MV Lines, Transformers & LV Network scopes and consists high cost per connection due to area inaccessible, mountainous, poor density and rocky area topography. The Pre-Marketed 1927 households connection average total cost is estimated to R 83.81Million and R43.5k cost per connection.

Umvoti Municipality is a licensed electricity distributor and supplies electricity to areas within its defined urban edge. Like any other licensed municipality, the Municipality is also affected by the distortion in the areas of supply between the Municipality and Eskom, wherein losses contributed to by public lighting become hidden and heavily affects the revenue of the municipality.

The water and sanitation infrastructure in Umvoti Municipality, especially in the town of Greytown and Kranskop is ageing. There is currently high water demand for Greytown and surrounding areas; Umzinyathi District commenced with the

construction of the Craigieburn Dam Pipeline which will service these areas. However; the project experienced delays due to the protest by a community residing in the area where the pipe must pass.

The Greytown Waste Water Treatment Works is currently above its capacity and is sitting at 120%. The town of Kranskop is highly experiencing sanitation problems as there is no proper sewerage works/plant in this town. There was a proposal to expand the public work sewer plant at the prison; however there is no guarantee that this expansion will have enough capacity for the whole of Kranskop.

Refuse removal service is currently rendered in urban areas only and the municipality is investigating means of extending the service to rural areas. The Regional Landfill site in Greytown was constructed and cell one has been completed and is ready for utilisation. The operational issues are being addressed by the District, Msinga Municipality and Umvoti Municipality will be users of the site. Umvoti Municipality intends operating the Landfill site and has sought the services of the service provider to conduct due diligence exercise to determine cost effectiveness of taking over the site.

BASIC SERVICE DELIVERY

The Key Performance indicators for this KPA is linked to the Municipality's objectives as contained in the Integrated Development Plan (IDP). These objectives are:

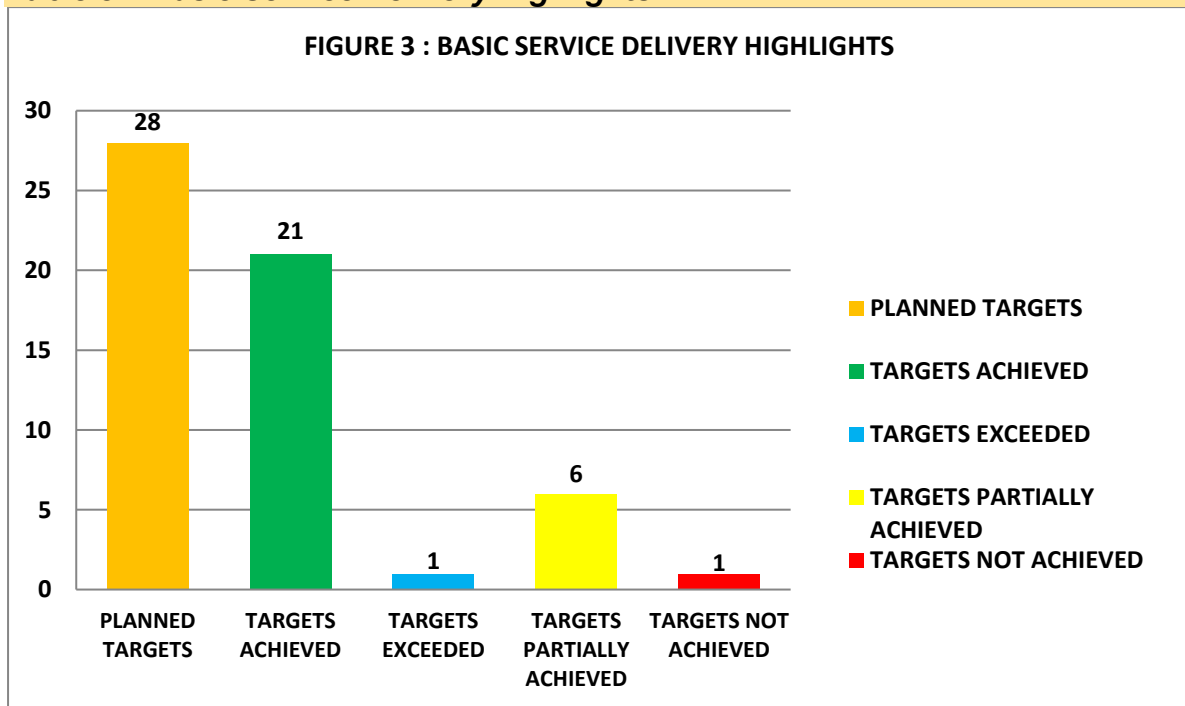
- i. To improve access to electricity services
- ii. To ensure provision of recreational facilities
- iii. To ensure provision of community facilities in rural areas
- iv. To improve access to solid waste removal services
- v. To ensure provision and maintenance of parks, gardens and cemeteries
- vi. To promote the development of sustainable human settlements and quality housing
- vii. To improve access to roads and pavements
- viii. To maintain Municipal vehicles, Plant and Equipment
- ix. Free Basic Services

Twenty 28 targets were planned for this KPA in the year under review. Nineteen (19) targets of the twenty five (25) targets planned were achieved. Zero 90) targets of the twenty five (25) targets planned were exceeded. Six (06) targets of the twenty five (25) targets planned were partially achieved and zero (0) targets of the twenty five (25) targets planned were not achieved.

Table 3.1 Performance Highlights 2019.2020

Planned Targets	Targets Achieved	Targets Exceeded	Targets Partially Achieved	Targets Not Achieved
28 (100%)	21 (75%)	(0%)	06 (21.4%)	1 (3.5%)

Table 3.2 Basic Service Delivery Highlights



HIGHLIGHTS ON ACHIEVED AND EXCEEDED PERFORMANCE TARGETS

- a) MV, LV and stringing of MV cables were completed in Nodlozi and Hillerman farm/oshikishikini.

- b) Five hundred and twelve (512) electricity connections were completed in Greytown Slums Clearance Project.
- c) Council approved the electricity master plan.
- d) Thirty (30) High Mast Lighting poles were installed in Ward 6.
- e) Building foundation and slab for Hlalaphansi and Emsengeni Community Hall were constructed.
- f) All parks and gardens were maintained on a monthly basis.
- g) The Housing Sector Plan was reviewed internally and submitted to Council together with the IDP on the 30 June 2020.

Table 3.3 CHALLENGES AND MEASURES TAKEN TO IMPROVE PERFORMANCE ON NON ACHIEVED AND PARTIALLY ACHIEVED PERFORMANCE TARGETS

NO.	INDICATOR	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
1	Percentage Ward 12(Kwambolo) Electrification Project completed by 30 June 2021	Due to the Covid-19 pandemic, the appointment of a contractor was delayed.	Project implementation is proceeding in the 2021/2022 financial year, an implementation plan with revised activities has since been developed for each delayed contract and monitored on a monthly basis by the Director Technical Services.
2	Percentage of Enhlalakahle Sports field (Ward 7) Completed by 30 June 2021	The appointed consultants contract was terminated due to poor performance causing a revision of the implementation plan.	A new consultant was appointed for completion of the project. Project implementation is proceeding in the 2021/2022 financial year, an implementation plan with revised activities has since been developed for each delayed contract and

NO.	INDICATOR	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
			monitored on a monthly basis by the Director Technical Services. The project will be completed by 30 December 2021.
3	Percentage of Ward 1 Sportsfield (Bhekizwe) completed by 30 June 2021	There were delays caused by subcontractor's demanding 30% CPG at the start of the project.	Dispute resolution was arranged and all issues raised were resolved. Project implementation is proceeding in the 2021/2022 financial year, an implementation plan with revised activities has since been developed for each delayed contract and monitored on a monthly basis by the Director Technical Services. The project will be completed by 30 December 2021.
4	Percentage of Lilani community hall (Ward 4) completed by 30 April 2021	There was a dispute on rates by the subcontractor delaying the appointment process.	Dispute resolution was arranged and all issues raised were resolved. Project implementation is proceeding in the 2021/2022 financial year, an implementation plan with revised activities has since been developed for each delayed contract and monitored on a monthly basis by the Director Technical Services. The project will be completed by 30 October 2021.
5	Percentage of Eyethu community hall/Creche (Ward 11) completed by 30 June 2021	The appointed consultant was terminated due to poor performance causing a revision of the implementation plan.	A new consultant was appointed for completion of the project in quarter 3. Project implementation is proceeding in the 2021/2022 financial year, an implementation plan with revised activities has since been developed for each delayed contract and

NO.	INDICATOR	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
			monitored on a monthly basis by the Director Technical Services.
6	Percentage of Khokhoba Road (Ward 12) completed by 30 June 2021	There was a delay in the appointment of the contractor due to an objection that was received by one of the bidders, this caused a delay in the finalisation of the appointment of the contractor.	Project implementation is proceeding in the 2021/2022 financial year, an implementation plan with revised activities has since been developed for each delayed contract and monitored on a monthly basis by the Director Technical Services. The project will be completed by 30 December 2021.
7	Percentage of Enhlalakahle Urban Renewal Project (Ward 7) completed by 30 June 2020	The main director of the company passed away and the transitional arrangements from the old to the new company management contributed to delays in project implementation. When the project resumed the new company management faced severe cash flow challenges.	The Municipality is in the process of terminating both the main contractor. The Municipality will appoint a new contractor and Project Manager by the end of quarter 1 in the 2021/2022 financial year.

There were delays experienced in completing the Khusane electrification project due to the authorisation for planting of electricity poles not being obtained timeously from land owners. (Farm Owners)

The Municipality has successfully engaged the land owners (farm owners) and agreements concluded in June 2019. The project will be completed in quarter 1 in the 2019/2020 financial year.

There were thirty (30) High Mast lighting planned to be installed in the 2018/2019 financial year however the project was planned to be a multi-year project and the contractor committed that they will fully fund the project by June 2019.

The contractor faced cash flow challenges during the implementation of the Project. Project implementation is proceeding in the 2019/2020 financial year.

The grant allocation for INEP and MIG funding were fully spent including the additional funds for good performance in the implementation of grants programme

3.1 AND 3.2 WATER PROVISION AND SANITATION

Umzinyathi District Municipality is the Water Service Authority, water projects and other related information will be reported by the district.

Waste Water provision is a service of the District Municipality and the sanitation projects related information will be reported by the district

3.3 ELECTRICITY

3.3.1 INTRODUCTION TO ELECTRICITY

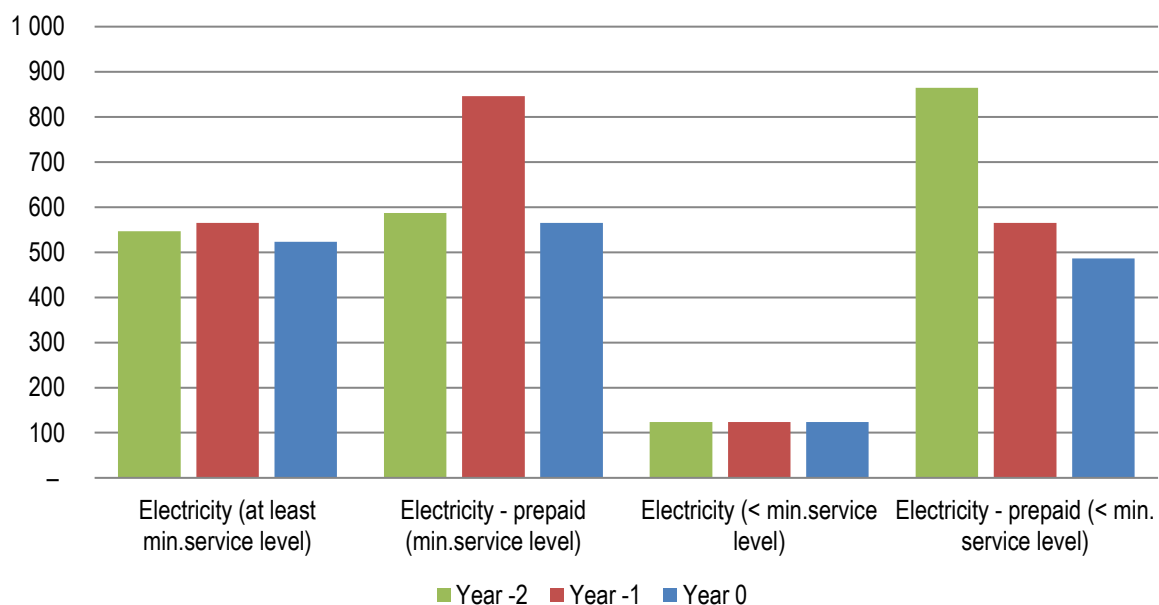
Umvoti Municipality only has a license to distribute electricity in Greytown, Enhlalakahle Township, Solomon Ville, France, Angola and our latest addition is slums clearance known as Gugulethu. ESKOM supplies Kranskop town and the outlying areas. All consumers connected to the electricity network receive a full service at the applicable rates/tariffs as approved by the National Energy Regulator of South Africa (NERSA) every year.

The electrification projects are undertaken with the assistance of the Department of Energy (DoE) Grant funding.

Budget provision is made in the annual operating and capital budgets for the maintenance, refurbishment and/ or upgrading of the electricity network. The allocation for maintenance funding for the Electricity function is increased gradually to achieve the requirement of 6% of the electricity sales on an annual basis as stipulated by NERSA in an effort to improve the preventative maintenance actions and ensure long term continuity of supply. Maintenance on the electricity network is done on a continuous basis. Maintenance on public lighting is done on a regular basis.

Table 3.4 Electricity Service Delivery Levels

Electricity



Electricity Service Delivery Levels				Households
Description	Year -3 Actual No.	Year -2 Actual No.	Year -1 Actual No.	Year 0 Actual No.
<u>Energy: (above minimum level)</u>				
Electricity (at least min.service level)	1,460	1,394	2,665	2,978
Electricity - prepaid (min.service level)	939	1,069	587	1,908
<i>Minimum Service Level and Above sub-total</i>	2,399	2,463	3,252	4,886
<i>Minimum Service Level and Above Percentage</i>	86.0%	82.2%	88.4%	92.0%
<u>Energy: (below minimum level)</u>				
Electricity (< min.service level)	392	497	0	0
Electricity - prepaid (< min. service level)	0	0	425	423
Other energy sources	0	38	0	0
<i>Below Minimum Service Level sub-total</i>	392	535	425	423
<i>Below Minimum Service Level Percentage</i>	14.0%	17.8%	11.6%	8.0%
Total number of households	2,791	2,998	3,677	5,309

Table 3.5 Employee Stats (Electrical)

Employees: Electricity Services		
Job Level	Year -1	Year 0

	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	5	4	1	0%
4 - 6	2	2	2	0	25%
7 - 9	4	4	4	1	50%
10 - 12	3	3	3	0	25%
13 - 15	0	0	0	1	100%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	15	14	13	3	25%
T 3.3.6					

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	5	4	1	0%
4 - 6	2	2	2	0	25%
7 - 9	4	5	4	1	50%
10 - 12	3	3	3	0	25%
13 - 15	1	1	0	1	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	15	16	13	3	25%

Table 3.6 Objectives taken from the IDP

Electricity Service Policy Objectives Taken From IDP						
Service Objectives	Indicators	Year -1 2018-2019		Year 0 2019/2020		
		Target	Actual	Target		Actual
				*Previous Year	*Current Year	
<i>Service Indicators</i>						

Service Objective xxx						
To improve access to electricity	Number of households with access to electricity (municipal licensed area) billed	3353	3353	3353	3353	3381
	Number of businesses with access to electricity (municipal licensed area) billed	562	562	562	562	565
	Number of street lights maintained (routine maintenance) by 30 June 2020	1492	1492	1492	1494	1494

Table 3.7 Electrical Budget

Infrastructure refurbishment/upgrading : Funding has been made available in the

ELECTRICITY SERVICE	BUDGET	ACTUAL	
TOTAL OPERATING REVENUE(EXCLUDING TARIFFS)	83,000,000	80,302,318	THIS IS GRANT INCOME
EXPENDITURE			
EMPLOYEES	6,994,827	3,043,076	
REPAIRS AND MAINTENANCE	3,444,835	3,657,557	
OTHER	107,633,016	75,731,550	
TOTAL OPERATIONAL EXPENSES	118,072,678	82,432,183	
NET OPERATIONAL (SERVICE) EXPENDITURE			
CAPITAL EXPENDITURE - ELECTRICITY	22,080,392	8,020,610	

3.3.2 COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

capital budget to address the upgrading/refurbishment of older infrastructure such as cables, overhead lines, transformers and switchgear and this assists largely in ensuring a continuous supply of electricity to all consumers.

The Electricity Unit is facing many challenges:

- The backlogs on the repairs, maintenance, refurbishment and replacement of electricity infrastructure.

- High demand for electrification in informal settlements
- Protection of revenue from theft and tampering
- High electrical losses, the service provider was appointed to reduce electricity losses by inspecting all connections for meters which have been tampered with, but access was denied by community in Enhlalakahle as a result the project was stopped.
- The revenue losses are mainly due to technical losses, illegal connections, unbilled metered consumers, unmetered street lights and tampering with meters
- Upgrading of the street lighting system and maintenance
- The theft of cables and the vandalism of the electricity infrastructure is still the major problem

Despite all the challenges the Municipality has been able to provide electrification to certain rural areas with the DOE funding

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste management strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term.

The Regional landfill site has been completed and handed over to Mzinyathi District Municipality. However the site cannot be utilised due to the fact that the engineers are

not willing to issue the completion certificate. The Department of Environmental Affairs is addressing this matter.

Kranskop landfill site has been shut down due to non compliance with Environmental Management Act . All waste collected from Kranskop is disposed temporarily at the transfer station

The main contributors to this deficit are delays in the completion of the Greytown Regional Landfill site which is currently under construction. Waste collected from business,industrial and residential generators get stored temporarily at the transfer station. It then get transported to Umsunduzi landfill site on daily basis. The buyback Centre has been completed and is currently functional. The Municipality is in the process of reviewing the Integrated Waste Management Plan through grant funding from DBSA . The Draft IWMP has been concluded.

Table 3.8 Solid Waste Service Delivery Levels

Solid Waste Service Delivery Levels				
Description	Households			
	Year -3	Year -2	Year -1	Year 0
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.

<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	2657	2971	3021	3085
<i>Minimum Service Level and Above sub-total</i>	2657	2971	3021	3085
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week	N/A	N/A	N/A	N/A
Using communal refuse dump	N/A	N/A	N/A	N/A
Using own refuse dump	N/A	N/A	N/A	N/A
Other rubbish disposal	N/A	N/A	N/A	N/A
No rubbish disposal	N/A	N/A	N/A	N/A
<i>Below Minimum Service Level sub-total</i>	N/A	N/A	N/A	N/A
Total number of households	2657	2971	3021	3078

Table 3.9 SDL Below the Minimum

Households - Solid Waste Service Delivery Levels below the minimum						
						Households
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual

	No.	No.	No.	No.	No.	No.
Formal Settlements	N/A	N/A	N/A	N/A	N/A	N/A
Total households	N/A	N/A	N/A	N/A	N/A	N/A
Households below minimum service level	N/A	N/A	N/A	N/A	N/A	N/A
Proportion of households below minimum service level	N/A	N/A	N/A	N/A	N/A	N/A
Informal Settlements						
Total households	100 000	100 000	100 000	100 000	100 000	100 000
Households is below minimum service level	25 000	25 000	25 000	25 000	25 000	25 000
Proportion of households is below minimum service level	25%	25%	25%	25%	25%	25%

Table 3.10 Waste Objectives from the IDP

	Waste Management Service Policy Objectives Taken From IDP				
Service Objectives	Year -1 2018/2019		Year 0 2019/2020		
	Target	Actual	Target		Actual
<i>Service Indicators</i>			*Previous Year	*Current Year	
Service Objective : TO IMPROVE ACCESS TO SOLID WASTE REMOVAL SERVICES					
Number of households with access to solid waste removal	3171	3161	3171	3171	3169
Number of businesses with daily access to solid waste removal	430	410	430	835	649

Table 3.11 Employee stats : Waste Management

Employees: Solid Waste Management Services-Transfer Station and Dumpsite					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)

	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	5	5	5	0	0%
7 - 9	2	3	2	1	33%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	8	9	8	1	11%
T3.4.4					

Table 3.12 Employee Stats Waste and Other

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	75	79	79	0	0%
4 - 6	16	24	14	10	42%
7 - 9	6	5	4	1	20%
10 - 12	0	0	0	0	0%
13 - 15	1	3	3	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	98	111	100	11	10%

Table 3.13 FBS Cost

COST OF FREE BASIC SERVICES		
	BUDGET	ACTUAL
REFUSE	693 728	731 883.04
ELECTRICITY	1,500,000	1,449,002

3.4.1 COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

The Municipality has four (6) refuse trucks in operation (30 tons x 2, 10 tons x 2 and 4 tons x 2) that are collecting refuse from the residential areas and discard it at the Municipal Transfer Station. The Municipality currently transports solid waste to Pietermaritzburg Msunduzi Landfill site using its own vehicles.

The regional landfill site construction has been finalise pending the issuing of the Engineering certificate and will eliminate the need for the Municipality to transport waste to Msunduzi Landfill site thereby reducing waste management costs.

Billing for refuse removal should be improved to include the new housing developments as the refuse removal services have been extended to these areas.

3.5 HOUSING

3.5.1 INTRODUCTION TO HOUSING

Housing delivery within Umvoti Municipal Area is state funded. The Municipality acts as a Developer for low cost housing projects. The Municipality has prepared a Housing Sector Plan as a strategy for addressing the housing demand in its area of jurisdiction.

The Municipality has prioritised both urban and rural housing projects in order to eradicate the housing backlog.

The Municipality has also prioritised the eradication of four (5) informal settlements that exist in the municipal area. None of the informal settlements have been formalized through in-situ upgrading for the following reasons:

- a. Tent Town – 411 households are located within the closed landfill site and it is not environmentally recommended to have the settlement there.
- b. Lindelani – 436 households are located within Transnet owned servitude.
- c. Coloured Village – this small settlement (31 households) is located within a 50 – 100 year flood line and this poses a great danger.
- d. Brickyard - this settlement is located in a wetland and comprises of 33 households.
- e. Kranskop – Area 19, this is a very dense informal settlement with approximately 350 households. It will not be possible to accommodate all the households with the property that they have invaded since the household's structures are too congested. This settlement has grown overtime as the informal settlements were 250 when the project was planned.

The Municipality intends to eradicate these informal settlements and ensure that all households have access to appropriate shelter with decent services. The Greytown Slums Clearance Project comprises of 1027 residential units and Phase 1 (513 units) of construction is completed. Moreover, phase 2 is in progress and the Kranskop Slums Clearance Project delayed, as there is no sewer plant in Kranskop.

Table 3.14 % of Households with Access to basic Housing

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	26060	10971	42.1%
Year -2	26060	10971	42.1%
Year -1	27282	14459	53.0%
Year 0	27282	14459	53.0%

Table 3.15 Housing Objectives taken from the IDP

Housing Service Policy Objectives Taken From IDP						
Service Objectives	Indicators	Year – 1 2019/2020		Year 0 2020/2021		
		Target	Actual	Target		Actual
				*Previous Year	*Current Year	
<i>Service Indicators</i>						
Service Objective						
<i>To promote the development of sustainable human settlements and quality housing</i>	Date Housing Sector Plan reviewed and approved	25 May 2017	30 June 2017	25 May 2017	25 May 2018	0
	Number of Umvoti Housing Forum Meetings held	4	4	4	4	3
	Number of Quarterly progress report submitted to the Municipal Manager	4	4	4	4	4

The National Housing policy set the vision which, is contained on the Housing Act, 1997 (Act No. 107 of 1997) which states that the National Department of Housing has a commitment to the : establishment and maintenance of habitable, stable and private residential environments to ensure viable households and communities , in areas allowing convenient access to economic opportunities and to health, educational and social amenities in which all citizens and permanent residents of the republic will ,on a progressive basis have access to :

- Permanent residential structures with secure tenure, ensuring internal and external privacy and providing adequate protection against elements and
- Potable water, adequate sanitary facilities and domestic energy supply”

Section 16 states that municipality should, within the framework of National and Provincial Housing Policy play a role in the following:

- “take all reasonable and necessary steps to ensure that the inhabitants of its municipal area have access to housing;
- set sustainable housing delivery goals in respect of its municipal area.

identify and designate land for housing purposes;

- ensure the economic, efficient and effective provision, operation and maintenance of services in respect of water, sanitation, electricity, roads and storm water drainage;

- undertake land use planning in accordance with land development objectives;
- Act as a developer.
- regulate health and safety standards relating to housing development; and administer National Housing Programme”

Table 3.16 Employee Stats: Housing

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	3	2	2	1	50%
10 - 12	0	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	4	4	4	1	25%
T3.5.4					

3.5.2 COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Umvoti Municipality is a Developer in terms of the tripartite agreement signed with the Department of Human Settlements. Umvoti Municipality has received an award for the 2015 Govan Mbeki Award for the KwaZulu-Natal Best Rural Housing Project (Matimatolo Rural Housing Project). The Municipality has prioritised both urban and rural housing projects. The following are completed housing projects: 497 Housing Project (497 units); Matimatolo Phase 1 Housing Project (600 units) and Ntembisweni Housing Project (600 units).

The following projects are under construction: Mthembu-Sithole Housing Project which comprises of 1300 units divided into two construction phases. Phase 1 of construction consist of 650 units that has now been completed. Mthembu-Sithole Housing Project phase two consist of 650 units which is under construction; Greytown

slums clearance project consist of 1027 units however it has been divided into two construction phases. Phase one of construction of 514 units have now been completed and phase two of 513 is still under construction. And lastly, Makhabeleni Rural Housing Project which consist of 2573 units.

The Municipality does not fund the housing projects however; the projects are fully funded by the Department of Human Settlements. There are also housing projects that are at planning phase namely: Muden Housing Project (200 units), Mbulwane Rural Housing Project (3500 units), Matimatolo Phase 2 (1000 units), Enhlalakahle Phase 2 (600 units) and Extension 14 gap housing project (900 units).

As the department undertook to grant full subsidy for these projects, no provision was made on the municipal budget to fund any capital expenditure

3.6 FREE BASIC ELECTRICITY AND INDIGENT SUPPORT

In terms of section 74 of the Local Government Municipal Systems Act No. 32 of 2000, a Municipal Council must adopt and implement a Tariff Policy. In terms of section 74 (i) of the Act in adopting a Tariff Policy, the Council should at least take into consideration the extent of subsidization of tariffs for poor households. This policy must provide procedures and guidelines for the subsidization of basic services and tariff charges to its indigent household

The Council also recognizes that many residents simply cannot afford the cost of services provided and, for this reason; the Council will endeavour to ensure affordability through:-

- Setting tariffs that will balance the economic viability of continued service delivery; and
- Determining appropriate service levels.

The relief given is in respect of refuse, electricity, rates and burial. Consumers are given a rebate of R221.00 (full) monthly on the refuse charge which will be reviewed in the new financial year for the benefit to be a full rebate on refuse charges. Indigent consumers with a prepaid meter of 20 to 40 amps meters receives 50Kwh of free electricity per month. With regards to rates rebate the municipality is currently reviewing a rates policy which seeks to exempt indigent customers' properties from being rated, while this is underway Indigent consumers continue to receive a 100% to 75% rebate on the residential rates.

The municipality recently realised that we have been under reporting the indigent support programme, it excluded Eskom supplied areas yet the municipality does pay indigent portion on behalf of Umvoti indigent customers. This has been ratified in 2019/2020, the indigent support reports have incorporated and now includes Eskom supplied areas

Table 3.17 Budget Indigent Support

	2018/2019	2019/2020	2020/2021
BUDGET	1,640,846	4,468,350	2,557,939
ACTUAL	2,038,765	2,936,915	2,751,836
INDIGENT NUMBER	692	900	1104

Table 3.18 Indigent Benefit Thresholds

No	Category of Benefit	Percentage : Indigent	Percentage Pensioners
1	Twice the Government for applicable financial year (SASSA)	Nil	100%
2	Private Pension starting from the maximum (twice counted) government pension to the maximum of R 6500.00 (one income in that household applied for)	Nil	100%
3	Private Pension from R 6500.00 to R 8500.00 one income for that household applied for	Nil	75%
4	Private Pension from R 8500.00 to R 10 000.00 one income for that household applied for	Nil	60%
5	Private Pension from R 10 000.00 to R 15 000.00 one income for that household applied for	Nil	50%
	Any private pension income above R 15000.00 shall not qualify		
6	Employed to the maximum income of R 4000.00 one income for the household applied for	100%	Nil
	Employed earning above R 4000.00 shall not qualify for Indigent status and benefits		
7	Unemployed	100%	Nil

3.6.1 COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The Council only provides free basic electricity and a discounted refuse fee for registered indigents in the urban areas only. The consumers who do not renew their registration forfeit the benefit as registration occurs on an annual basis

COMPONENT B : ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

The Umvoti Local Municipality road network consists of 298km, of which 69km are paved roads, 210km are unpaved roads, and 19km are tracks or earth roads. All roads which fall outside or link the urban and township developments are the responsibility of the Department of Transport. The municipality is expected to inspect, repair and maintain public roads and infrastructure undertaking the following activities: -

- Routine inspection of the road and storm water network
- Repairs to potholes, sinkholes and road subsidence
- Repair or reinstatement of excavations, trenches and localized failures on roads and sidewalks.
- Repair, maintenance and unblocking of storm water drainage systems
- Replacement of missing manhole covers, access lids and bollards
- Repair or replacement of traffic lines and signs
- Blading, re-gravelling and associated maintenance works on gravel roads Crack sealing
- Removal of rubble and sand from the road and road reserve areas

Gravel Road Infrastructure

The maintenance of gravel roads includes operations such as the grading of the gravel road surface to improve the riding quality, the re-graveling process i.e. to re-work and re-compact the pavement layers, and the operation includes drainage improvements on gravel roads.

3.7 INTRODUCTION TO ROADS

ULM is responsible for the provision of functional road network which facilitates the movement of people, goods and services around the municipal area. ULM is currently

experiencing significant challenges due to the poor state of the roads and storm water infrastructure within the municipality area.

ULM Road Network consists of a total of 298.9 kilometres of roads of which only 23% is surfaced roads and 76% gravelled roads. The municipality is unable to upgrade their roads, mainly gravel to surface roads to due to limited Municipal Infrastructure Grant (MIG) allocation, hence majority of their roads are still gravel roads. The main challenge with gravel road is that it limit the community `s mobility to access public amenities (schools, churches, cemetery, etc.) during rainy seasons, when the roads are flooded and vehicles unable to move

3.7.1 GRAVEL ROAD INFRASTRUCTURE

The maintenance of gravel roads includes operations such as the grading of the gravel road surface to improve the riding quality, the re-graveling process i.e. to re-work and re-compact the pavement layers, and the operation includes drainage improvements on gravel roads.

Table 3.20 Gravel Road Infrastructure

Gravel Road Infrastructure				
				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year - 2	110km	5	0	110km
Year - 1	181.80 km maintained	0	0	181.80 km maintained
Year 0	181.80 km maintained	1	0	181.80 km maintained

Table 3.21 Gravel Road KMS

Tarred Road Infrastructure					
					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -2	6	0	5	0	±1
Year -1	0	0	0	0	69
Year 0	0	0	0	0	39.13

Table 3.22 Cost

Cost of Construction/Maintenance						
						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -2	4190000	0	1500000	0	8626758	1000000
Year -1	6303626	0	1000000	0	0	380000
Year 0	0	0	500 000	0	0	1 032 255.90

Table 3.23 Cost Part 2

Table 3.25 Road Employee Stats

Employees: Road Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	17	14	14	0	0%
4 - 6	14	13	13	0	0%
7 - 9	5	7	7	0	0%
10 - 12	2	5	5	0	0%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	40	41	41	0	0%
T3.7.7					

Table 3.26 Capital Expenditure

CAPITAL EXPENDITURE – ROADS	
Rehabilitation of roads in Urban Centre in ward 09 and 10	R 2 968 862.85
Construction of Khokhoba Road to Matshemane road Link.	R 2 550 698.54
Total	R 5 519 561.39

3.7.2 COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The updating of the pavement management system (PMS) through physical visual assessment of the road network indicated that the road network is in a poor state. The paved road network in the urban centre of Greytown was found to be in an average to poor state, whilst the unpaved rural road network was found to be in a poor to very poor condition

3.7.3 STATUS QUO ANALYSIS OF OPERATION AND MAINTAINANCE

Type of Maintenance

Maintaining the municipal road infrastructure includes routine maintenance and rehabilitation activities, all of which require planning and adequate budgets.

Because of budget constraints, maintenance of assets and construction plants are always neglected, leading to a municipal failure to respond to elementary operations and maintenance tasks. Furthermore, it makes it difficult to respond to infrastructure failures in favorable time.

Emergency Repairs.

Emergency repairs are when something rare or unexpected happens, for example severe storm damage to the road. The municipality has the system in place to deal with emergencies when such incidents occur.

Resource Availability

The Umvoti Local Municipality has limited plant to attend to maintenance due to budget. The available plant is old; experiences frequent breakdowns which in turns has a negative impact on the daily and routine operations of the infrastructure. Most of the available plant are in need of routine maintenance, but due to budget constraints they are not maintained frequently.

The Maintenance Department is currently capacitated in terms of key staff personnel, with few vacant posts. There is a Technical Director, 1 Professional Engineer from MISA, 1 Young Graduate from MISA, Maintenance Manager, Acting Technician, 3 Team Leaders and 12 General Workers within the Roads Maintenance Sector.

Maintenance is conducted by in-house teams, which is sometimes a hazard and disadvantage where the internal/in-house teams are not fully capacitated for the task at hand.

The Umvoti Local Municipality currently has a total Operations and Maintenance budget of

R 5, 270,000.00. Out of this budget, the roads infrastructure is allocated **R 2 500,000.00**, which is very low considering the aging infrastructure and high operations and maintenance costs needed.

3.7.4 CHALLENGES WITH ROADS AND STORMWATER INFRASTRUCTURES

Lack of Repairs and Maintenance Plan

The condition of Umvoti Local Municipality roads infrastructure has been declining due to insufficient maintenance and rehabilitation. Due to budget constraints, the municipality hasn't been able to attend to the issues of maintenance. The absence of proper maintenance plan forces the municipality to attend repairs and defects on "as and when required" basis.

Aging infrastructure

Aging and underfunded infrastructure is the greatest challenge in Umvoti Municipality. A Major challenge is the aging of roads and the pipeline network. Most of the roads in Town have reached their limit life making it difficult for the Maintenance team to patch the potholes. Unfortunately, the AC asbestos pipeline needs to be changed to PVC pipeline because it keeps on bursting consequently damaging the road layers. The upgrading of roads in town requires a lot of funding because the current layers are not enough and they are too wide.

Inability to meet the demand

The uMvoti Road Network assessed to date consists of 298.9 kilometers of road; 69.38 kms of paved, 210.05 kms unpaved roads and 19.46 kms being tracks or earth roads. All roads, which fall outside or link these urban/township developments are the responsibility of the Department of Transport. The road widths vary between 4 and 6 meters wide with limited storm water drainage comprising mainly of open V drains cut on the side of the road with pipes under the road or discharges via the road reserve to the watercourses.

All the roads that the Municipality maintains in the rural areas are gravel roads scattered throughout its area of jurisdiction as well as surfaced roads in Kranskop, Greytown and Enhlalakahle Township. On the demand side, Umvoti Municipality spending on infrastructure has not kept pace with the investment demand of the

population growth whilst on the supply side rising capital construction costs. In essence the municipal roads infrastructure is in a state of disrepair, with a cumulative backlog for rehabilitation and maintenance for road network amounting to millions.

High operation and maintenance cost,

The tar roads are currently in poor condition with potholes occurring all over the roads. The Municipality endeavors to arrange training for its personnel to repair potholes and also purchase the necessary equipment and material to do the work in the future.

The Municipality, however, does not have the financial capacity to budget for the repair of all the potholes and rehabilitation. The Municipality will have to seriously consider resealing most of the tar roads in the future before it becomes dilapidated. The Master Plan should be seen as the first step in a continuous process of project identification and prioritization, design, allocation of funding, and development of an asset management programme. The master plan absence makes it difficult to formulate the roads and storm water maintenance, plan covering re-active, pro-active and routine maintenance.

DBSA had appointed JG Africa to compile the roads and stormwater infrastructure plan and the project is sitting at 90% completion.

The final master plan will assist the municipality to align the identification, prioritization and

Implementation of projects towards the achievement of the South African National Government

Outcomes namely:

a) Outcome 6: An efficient, competitive and responsive economic infrastructure network;

b) Outcome 8: Sustainable human settlements and an improved quality of household life;

c) Outcome 9: A responsive, accountable, effective, and efficient local government.

3.8 TRANSPORT

3.8.1 INTRODUCTION TO TRANSPORT

The Municipality does not operate a bus service. It is a licencing authority and deals with the testing and licensing of vehicles.

The Municipality regularly meets with the taxi industry to discuss challenges in order to ensure that there are no disruptions in the transportation within the municipal area

3.8.2 COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

The Municipality does not operate a bus service and only deals with Vehicle Licencing and this section is functioning well. No capital expenditure was incurred during the year under review and no major capital project has been planned as a New Building was erected in 2011

3.9 WASTE WATER (STORM WATER DRAINAGE)

3.9.1 STORM WATER DRAINAGE

Storm Water Drainage

The Storm water division (Public Works) is primarily responsible for the maintenance and construction of storm water infrastructure within the Umvoti Municipal jurisdiction mainly in ward 5, 7, 9 and 10.

Umvoti Municipal Network system is made up of **± 69 000 m** of buried storm water infrastructure and a number of open channels in Greytown, Enhlalakahle, Angola, France, Solomon Village and Kranskop.




Activities undertaken by Technical Services (Public Works Section) are as follows:

- ✚ Unblocking of storm water drainage system
- ✚ Replacement of missing manhole covers
- ✚ Maintaining the entire infrastructure (storm water)
- ✚ Cleaning and rehabilitation of the storm water system and culverts
- ✚ Replacing broken pipes and catch pit inlets and manhole slabs and covers.
- ✚ Installing new storm water systems, construction of open channels and sub-soil drains etc.
- ✚ Protect the health, welfare and safety of the public, and to protect property from flood hazards by safely routing and discharging storm water from developments
- ✚ Responsibility to preserve the natural environment avoiding soil erosions in the outlets.


The main challenges that Umvoti Municipality is faced with stormwater blockages:

- ✚ Illegal dumping of refuse in storm water outlets/inlets, open channels and manholes
- ✚ Damages to infrastructure e.g. broken manhole lids, kerb inlets damaged by vehicles etc.
- ✚ Non Compliance with Building regulations, i.e. Building of boundary walls over Municipal Services.
- ✚ Ill-informed community on the importance of storm water infrastructure


Effects of Blocked Stormwater System.

-  Road surface is damaged by uncontrolled water runoff.
-  Flooding of houses.
-  Roads Accidents caused by stagnant water in the road.


Short and medium term plan in ensuring that storm water system is functional.

-  Currently the division is making use of EPWP employees as a mechanism of maintaining the infrastructure, making sure that properties and roads in particular are not damaged due to un-drained run-off causing traffic delays and inconveniences, and minimizing danger to vehicles and people.

Long term plan in ensuring that storm water system is functional.

-  The division is in a process of developing a Storm water Master Plan which will assist the Municipality to properly plan for any disasters such as flooding, property damages and loss of life due to uncontrolled run-off. As well as to design and construct suitable infrastructure that will be efficient, effective and that is economical.

The role of the community in maintaining the good upkeep of our drainage systems.

-  Community must not use the verges and manholes as dumping site of rubble, Dundee road dump site is the designated area for garden refuse, building material rubble, etc.

Community must ensure that Municipal Stormwater network is not vandalized.

Table 3.27 Storm water Infrastructure

Stormwater Infrastructure				
				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -2	6	0	0	6
Year -1	0	0	0	8
Year 0	0	0	0	69

Table 3.28 Cost

Cost of Construction/Maintenance			
			R' 000
	Stormwater Measures		
	New	Upgraded	Maintained
Year -2	0	0	350,000
Year -1	0	0	380,000
Year 0	0	0	506 666.67

Table 3.29 Cost Part 2**Table 3.31 Employee Stats**

Employees: Storm water Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	3	3	2	1	33%
7 - 9	3	3	3	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%

16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	6	6	5	1	17%

3.9.2 COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The Greytown CBD, Kranskop CBD and Enhlalakahle area is characterised by an urban drainage system. Water is channelled from the roadway to side drain and into the storm water network consisting of a series of manholes, chambers, pipes and outlets. The side drains are in a generally good to average condition, and convey water easily to inlet points. The drain inlets require maintenance in the form of cleaning and debris removal, as localised flooding often occurs during heavy rains. The rural road drainage system is characterised by an absence of formalised drainage.

Potholes and failures in the adjacent roadway are evident, a direct result of the poor drainage

COMPONENT C : PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

The main problem facing Umvoti Municipality can be described broadly as underdeveloped economic base and lack of sufficient diversity in the nature and structure of the local economy. Agriculture is the main economic activity; however there is limited processing of agricultural products taking place within Umvoti municipal area. The other challenges faced by Umvoti Local Economic Development and Tourism are as follows:

- The Tourism opportunities are not exploited due to lack of funding for Tourism Projects and Infrastructure
- Capacity to manage and steer local economic development due to staff shortages
- No marketing strategy to draw investors to the Umvoti area. An audit of all Tourism entities was undertaken by the UCTO in 2018/2019 and a report has been tabled with possible remedial interventions.
- Dilapidated infrastructure

Cross Cutting Interventions

The Key Performance indicators for this KPA are linked to the Municipality's objectives as contained in the Integrated Development Plan (IDP). These objectives are:

- To ensure efficient and credible strategic and spatial municipal planning

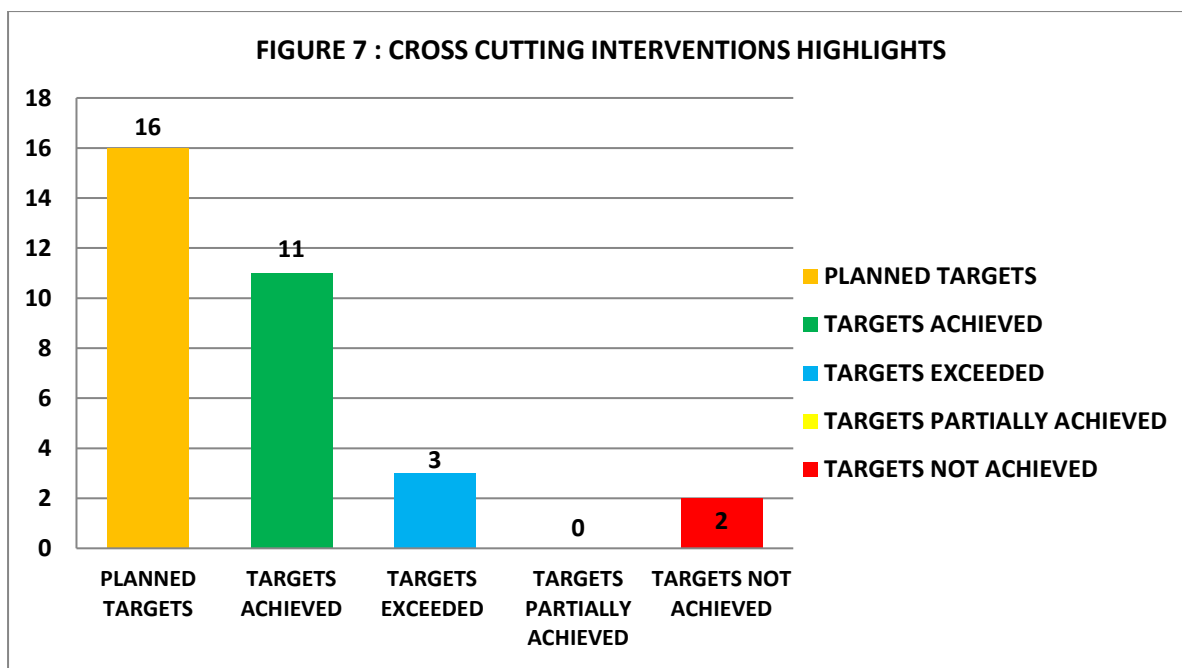
- ii. To ensure effective disaster management
- iii. To mitigate disaster incidents in communities
- iv. To mitigate the effect of disasters and ensure improved responses
- v. To provide a safe and secure environment
- vi. To promote Library and related Services
- vii. To promote Museum and related Services

Sixteen (16) targets were planned for this KPA in the year under review. Thirteen (13) targets of the sixteen (16) targets planned were achieved. Three (3) targets of the sixteen (16) targets planned were exceeded and two (2) targets of the sixteen (16) targets planned were not achieved..

Table 3.32 Performance Highlights 2020.2021

Planned Targets	Targets Achieved	Targets Exceeded	Targets Partially Achieved	Targets Not Achieved
16(100%)	13 (81.25%)	3 (6.25%)	0 (0%)	2 (12.5%)

Table 3.33 Cross Cutting Interventions



HIGHLIGHTS ON ACHIEVED AND EXCEEDED PERFORMANCE TARGETS

- a) The 2021/2022 IDP /Budget Process plan was adopted by Council as per the Legislated time frames.
- b) The draft 2021/2022 IDP review was adopted by Council on the 31st March 2021.
- c) The final 2021/2022 IDP review was adopted by Council on the 29 June 2021.
- d) The SDF was reviewed internally and submitted to Council for adoption on the 29th June 2021.
- e) The Disaster Management Sector plan was reviewed and submitted to Cogta timeously.
- f) All reported disasters were attended to.
- g) Fifty (50) road blocks were conducted during the year under review.
- h) All reported accidents were attended to within the prescribed turn around time of two (2) hours.
- i) One thousand four hundred and thirty four (1434) Section 56 notices (traffic violation summons) were issued.
- j) Sixty five (65) CCTV cameras were installed.
- k) Two (2) museum awareness campaigns were conducted during the year under review.

Table 3.34 Challenges

NO.	INDICATOR	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
1	Number of Disaster Management Forum Meetings held per annum	Due to the Covid -19 Pandemic, Disaster Management Forum Meetings have not taken place. All stakeholders have advised that they do not have access to zoom services.	Stakeholders will advise the Municipality on a way forward in the 2021/2022 financial year.
2	Number of Library awareness campaigns conducted	Due to the Covid -19 Pandemic, library awareness campaigns could not take place as schooling schedules have been disrupted.	As lock down levels ease, library awareness campaigns will take place in the 2021/2022 financial year.

3.10 PLANNING

3.10.1 INTRODUCTION TO PLANNING

The Planning and Economic Services Department focuses on the following services: town planning, spatial planning and land use management and enforcement, integrated development planning, building regulation and enforcement, local economic development, tourism and housing. The Department is fully functional which has established its own Municipal Planning Tribunal and appointed a Municipal Planning Authorised Officer in order to decide on Spatial Planning and Land Use Management Development Applications thus fulfilling the legislative requirements of the Spatial Planning and Land Use Management Act (Act 16 of 2013).

Services offered by the department:

- 1).Town and Regional Planning
- 2). Human settlements instead of housing
- 3). By saying the department is fully function and reference is only made to the SPLUMA requirements we also need to add the other structures involved in the functioning of the department i.e. Director Planning, Line Managers (Human Settlements, LED, IDP)

Table 3.35 Applications for LUM

Applications for Land Use Development						
Detail	Formalisation of Townships		Other SPLUMA App.		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	0	0	1	14	30	0

Determination made in year of receipt	0	0	0	6	27	0
Determination made in following year	0	0	0	5	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	3	3	0

Table 3.37 Employee Stats

Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	2	1	1	0	0%
10 - 12	3	2	2	0	0%
13 - 15	0	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	6	5	5	0	0%
T3.10.4					

3.10.2 COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The Planning function performed relatively well against the budget provisions for the financial year in question. There were no over and/or under expenditure reported for the planning function. Funding constraints to meet the functional area priorities continue to be a generic challenge across the institution

3.10.3 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)**Local Economic Development**

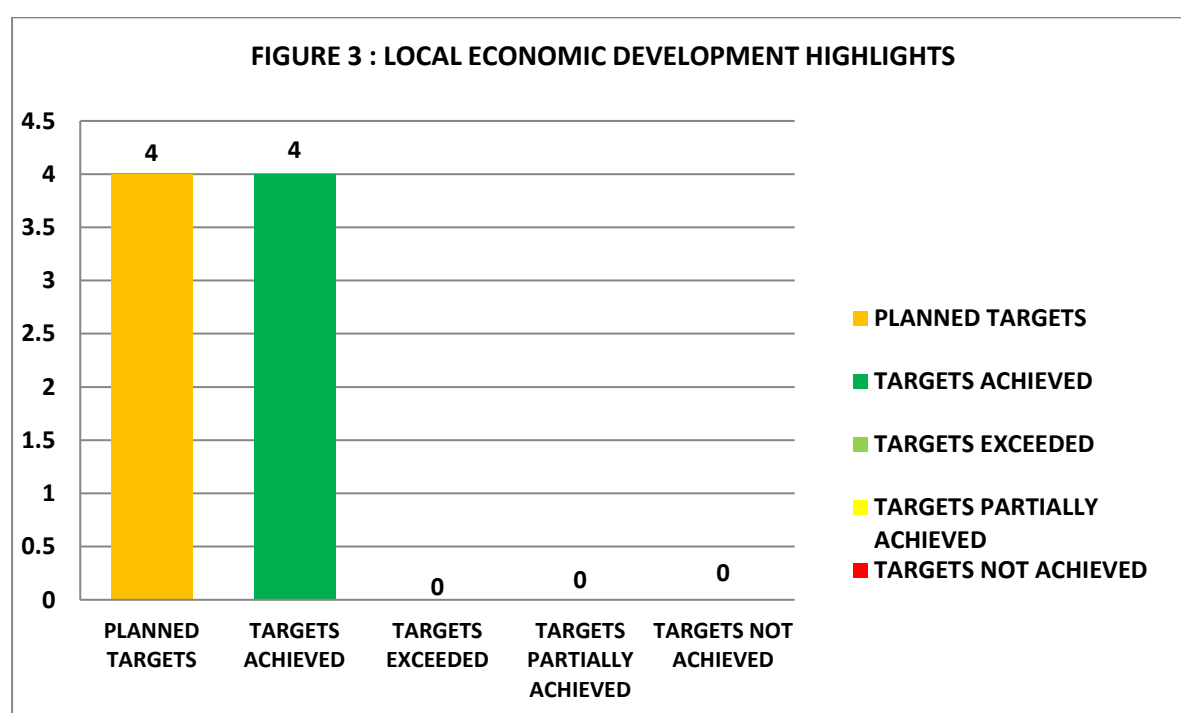
The Key Performance indicators for this KPA are linked to the Municipality's objectives as contained in the Integrated Development Plan (IDP). These objectives are:

- i. To create an environment conducive to economic growth and development

Four (4) targets were planned for this KPA in the year under review. Four (4) targets of the four (4) targets planned were achieved.

Table 3.38 Performance Highlights 2020.2021

Planned Targets	Targets Achieved	Targets Exceeded	Targets Partially Achieved	Targets Not Achieved
4 (100%)	4(100%)	0 (0%)	0 (%)	0 (0%)

Table 3.39 LED Highlights

HIGHLIGHTS ON ACHIEVED AND EXCEEDED PERFORMANCE TARGETS

- Three hundred and fifty (350) Jobs were created through EPWP Programmes.
- Training was facilitated, supported and implemented.
- All compliant CIPC registrations received were completed.
- The LED strategy was reviewed internally and submitted to Council together with the IDP on the 29 June 2021.

Table 3.40 Challenges

NO.	INDICATOR	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
1	Number of jobs created through EPWP	<p>The following projects did not commence in the 2019/2020 financial year due to the Covid-19 Pandemic which affected the appointment of EPWP beneficiaries :</p> <ul style="list-style-type: none"> • Lilane community hall • Emsamo community hall • Eyethu Community Hall. <p>This subsequently delayed the appointment of EPWP beneficiaries.</p>	<ul style="list-style-type: none"> • Project implementation is proceeding in the 2020/2021 financial year, an implementation plan with revised activities has since been developed for each delayed contract and monitored on a monthly basis by the Director Technical Services. • EPWP beneficiaries have since been appointed.

3.10.4 INTRODUCTION TO ECONOMIC DEVELOPMENT

The Local Economic Development (LED) strategy was reviewed with the assistance of KZN-SALGA and the Department of Economic Development, Tourism and Environmental Affairs some years back though the review was not completed. The municipality has reviewed the LED Strategy “in house” internally with the assistance of MISA and EDTEA. This was presented to COGTA in June 2020. The MEC was generally pleased with this submission and added some items he would like to addressed which is currently being attended to. The Municipality has introduced a programme called Umvoti Siyasebenza in order to support SMMEs and Cooperatives. The Municipality is also strengthening relationships with local businesses and a Chamber of Commerce was convened with active Business Partners in 2019/2020. In order to ensure that economic development challenges are addressed. The LED Forum was established and was functional however this needs now to be revived with new vigour as many roll players have opted out of this process. Both EDTEA and COGTA have offered their assistance in this regard.

The Informal Economy is also considered by the Municipality as an important sector of the economy and the Municipality is currently outsourcing funds in order to formalise this sector. During the call for Applications during 2019 for Operation Vula substantial applications were submitted to the Municipality with Business plans and Proposals. However with the advent of Covid 19 during March 2020 when these Applications were being adjudicated – this process fell away due to lack of funding which was needed for emergency during the Covid 19 pandemic. However in October 2020 EDTEA contacted the Umvoti Municipality and asked them to submit a new Proposal as some funding was available via themselves and Treasury. A complete new Proposal and Business Plan was completed and submitted. The Municipality was informed on 15

November that our Application was successful and that a Grant of R3 000 000 would be transferred as a direct deposit to the Municipality – this was done and processed on 15 January 2021. This Grant will be used for 3 activities. (1) Mobile Vending Units which would be branded in Municipality and EDTEA Branding for the 4 different types of Traders - fruit and veg sellers, Clothing and shoes, Small goods, leatherwork and ancillary. (2) A storage unit consisting of 2 containers – one a 40 foot for storage of dry goods, one 12 foot refrigerated unit for storage of fruits and vegetables so their shelf life is longer, a fenced off area for security and storage of mobile vending units for safekeeping at night fully roofed (3) A customised printer which produces Vending Plastic Permits with Vendors details on them as well as a built in QR Code which can be scanned on an APP by our Peace officers who can then check the validity of the Vending Units and owners for compliance, together with a standalone desktop computer attached to this printer for use of this system only. This will not only afford our Informal Economy Traders the Dignity they deserve, it will offer shade, seating and appreciation of the substantial economic contribution they play in our society. The Informal Economy Policy is in place and the Informal Economy Chamber has been established

Table 3.41 Economic Activity by Sector

Economic Activity by Sector		R '000
Jobs		
Sector	Year 2018	
	No.	
Agric, forestry and fishing	6 479	
Mining and quarrying	86	
Manufacturing	887	
Wholesale and retail trade	341	
Finance, property, etc.	322	
Govt, community and social services	5661	
Infrastructure services	899	
Total	18 788	

Table 3.42 Employment Sector

Economic Employment by Sector Jobs			
Sector	Year 1 No.	Year -1 No.	Year 0 No.
Agric, forestry and fishing		13745	13 745
Mining and quarrying		928	928
Manufacturing		10587	10 587
Wholesale and retail trade		14 209	14 209
Finance, property, etc.		10 216	10 216
Govt, community and social services		39 007	39 007
Infrastructure services		13 931	13 931
Total		102 623	102 623

3.10.4.1 COMMENT ON LOCAL JOB OPPORTUNITIES:

Agriculture is the main economic activity in Umvoti and this refers to both subsistence and commercial agriculture. The agriculture sector is the main contributor towards job creation within Umvoti municipal area. However processing of agricultural products produced in the municipal area is imperative. Diversification of agriculture can create more job opportunities if considered as an alternative. The Municipality is currently formalizing street trading in order to ensure that this sector is considered as an important sector in the economy of Umvoti municipal area. The Expanded Public Works Programme (EPWP) is also used by the Municipality as a job creation mechanism We have already issued 700 Temporary Vending Permits and registered our Traders on a Database for both Greytown and Kranskop.

Table 3.43 Job Creation through EPWP

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -2	1	162
Year -1	1	245

Year 0	1	290
* - Extended Public Works Programme	T 3.11.6	

Table 3.44 Jobs Created through LED

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Year -2	38	n/a	38	timesheets and payroll
Year -1	66	n/a	66	timesheets and payroll
Year 0	200	0	200	timesheets and payroll
Initiative A (Year 0)				
Initiative B (Year 0)				
Initiative C (Year 0)				
T 3.11.6				

Table 3.46 Employee Stats

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	2	2	1	1	50%
10 - 12	0	0	0	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	2	1	33%

Table 3.47 Budget

LOCAL ECONOMIC DEVELOPMENT		
	BUDGET	ACTUAL
TOTAL OPERATING REVENUE(EXCLUDING TARIFFS)		
Expenditure		
Employees		
Repairs and maintenance		
Other	500,000	286,876
Total operational expenses	500,000	286,876
Net operational (service) expenditure		
Capital expenditure - L.E.D.		

3.11 COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The Municipality reviewed its LED/Tourism Strategy in order to ensure that a plan is in place for guiding the implementation of local economic development projects and programs. An amount of R3 000 000-00 was set aside by the municipality during the 2020/2021 financial year for LED projects. This amount will be utilized to fund projects in both urban and rural areas. This Budget allocation will be split into various categories. 14 Ward Based Projects (1 in each Ward), Past Interventions who may need further assistance as they are operating successfully, new innovative Projects. The implementation plan has been prepared as part of the LED Strategy. The funding

for other projects will be outsourced in order to ensure that job opportunities are created.

COMPONENT D : COMMUNITY AND SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The Municipality manages two Libraries (Greytown and Kranskop) and one museum in Greytown. The municipality also manages community halls and crèches situated in both urban and rural areas

3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

3.12.1 INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

3.12.1.1 Libraries

The Municipality has two fully functional libraries, in Greytown and Kranskop with 11 full time employees and 2 employee who serves as a relief in case there is shortage of staff. There is a need to extend Greytown Library since there is a proposed FET in the area. The KZN Department of Arts and Culture: Library Services provides support in terms of grant funding and workshops for staff.

There is also a need to resuscitate the old Enhlalakahle Township Library in order to cater for the communities including France, Angola and Solomon Mzolo Village (497 sites) as well as schools within the township which are Tholinhlanhla Primary School and Buhlebuyeza High School.

Muden as one of tertiary town within Umvoti municipal area has a number of schools, hence there is a demand for a library.

The Municipality in partnership with the Department of Arts & Culture is in the process of establishing two Study Libraries in Ward 4 (Eshane) and Ward 12 (Emabovini).

3.12.1.2 Archives/Registry

The Municipality has a fully functional registry with three (3) staff members. The municipal has an approved Filing System Procedure Manual. The section has a challenge of space to keep files and archives.

3.12.1.3 Museum

The museum has a Museum Assistant/Supervisor, General Assistant and Security Guard. It is open five (5) days a week as well as by appointment on Saturdays and Public Holidays. The KZN Department of Arts and Culture: Museum Services provides support in terms of grant funding.

3.12.2 COMMUNITY FACILITIES

3.12.2.1 Sport Facilities

The Municipality in partnership with the Department of Sports and Recreation is in the process of upgrading Lakhi's Sports field utilising MIG funding.

Community Halls

Regular repairs and maintenance have been conducted on the community halls during the year under review. The municipality has allocated EPWP staff as caretakers of these community halls to prevent vandalism.

The following Community Halls were completed in the 2020/2021 Financial Year: Emsengeni Community Hall and Hlalaphansi Community Hall.

King Edward Park/Acacia Park

The King Edward Park serves as both a Park and a sports complex in Greytown. Lots of activities take place during the week and on weekends. On weekends the local football association and schools utilise the fields for their games. The Municipality is in the process of upgrading Acacia Park utilising MIG Funding

3.12.3 SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

In the year 2020/21 the recorded members of the **two libraries** were as follows:

Adults	Young Adults	Juveniles	Total
1332	246	305	1883

Museum

In the year 2020/2021 the recorded local and international visitors at the museum were as follows:

Local		Internationals	
Children	Adults	Children	Adults
6612	348	02	35

Table 3.49 Employee Stats

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	2	5	5	0	0%
4 – 6	19	15	15	0	0%
7 – 9	22	23	22	1	4%
10 – 12	10	13	13	0	0%
13 – 15	3	3	3	0	0%
16 – 18	0	0	0	0	0%
19 – 20	1	1	1	0	0%
Total	57	60	59	1	2%
T 3.12.4					

3.12.4 COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

The year ending on 30 June 2021 has seen the following achievements:

Library staff attended four Book Exchanges and two Interest Group Forums.

Lake Merthley is one of the places which attracts tourists and there is a need to resuscitate it in order to generate income for the Municipality. The renovation of chalets in the lake will also attract visitors.

3.13 CEMETORIES AND CREMATORIUMS

3.13.1 INTRODUCTION TO CEMETORIES & CREMATORIUMS

The Municipality currently operates two cemeteries. The Kranskop cemetery has reached its full capacity.

The Greytown cemetery acts as a regional cemetery for the entire Umvoti area. It is being developed in stages, with stage one completed and is almost 100% filled to capacity. Stage two has reached its full capacity. The new burial sites are ready for operation. There is a need to develop cemetery management plan to identify suitable land for future cemetery establishment.

The Municipality has requested financial assistance from COGTA to develop a long term strategy for establishment of cemeteries in Greytown.

3.13.2 SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

There are three (3) cemeteries within the urban areas of Umvoti Municipality: Kwagijima, Kranskop and Muslim and all are fully functional

ble 3.50 Employee Stats

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	2	2	0	0%
					T3.13.4

3.13.3 COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

There were no major capital projects for cemeteries and crematoriums undertaken during the year under review.

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

3.14.1 INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Umvoti Municipality acknowledges challenges facing vulnerable groups and community development. The Special Programmes have been identified as imperative and the municipality has established the Special Programmes Unit within the office of the Municipal Manager. Umvoti Municipality intends formulating a Gender Equity Programme. It is envisaged that this Programme will promote the municipality where

women and men have equitable access to opportunities and resources to address and meet socio-economic needs and improve the quality life of the community. In order to ensure effectiveness of the said Programme, a Gender Forum will need to be established and all municipal wards will have to be presented. This will assist the Umvoti Municipality to increase the participation of marginalised or target groups in all developmental processes

3.14.2 SERVICE STATISTICS FOR CHILD CARE

The municipality has built crèches across the fourteen wards. The municipality is currently managing fifteen (15) creches. Some of the crèches were built by other organisations. The Department of Social Development through its Early Childhood Development Sub-Programme provide grants for the crèches in order to ensure their sustainability. The number of creches has increased due to the increase to the number of municipal wards from 11 to 14. The municipality is still undertaking an assessment of the child care centres in the new wards

3.14.3 COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL

The municipality needs to develop a Programme for Women Empowerment. There are several programmes rendered by other government departments that the municipality need to align its programmes with. The municipality has budgeted for Women Empowerment however there is no plan of action of how these funds will be spent.

The municipality does not have a programme for the elderly people. The Provincial Department of Social Development has a sub-programme for the elderly people. The objective of the programme is to provide community based care and support to older persons. In terms of the information received from the Department, there are seven (7) organisations funded for the old age: the six are luncheon clubs and one is an Old Age Home.

Currently the municipality does not have a programme for People Living with Disability. The municipality assist the disabled on adhoc basis. However; the municipality has leased a property to the Umvoti People Living with Disability Organisation disabled free of charge for their coffin manufacturing project and other related activities. This organisation has received funds from the Provincial Department of Social Development. There are disabled people serving as ward committee members.

COMPONENT E : ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The Municipality had established working relationships with Mondi, the previous Tenant on these farms, in order to protect the environmental sensitive areas close to municipal properties leased by Mondi. The Lease with Mondi Expired in 2017 and Bracken Timbers were appointed together with LionBee Consultants in the interim to run these Plantations on behalf of Umvoti Municipality until such time as a new Lease with a new tenant is negotiated and entered into. Ezemvelo KZN Wildlife is also working close with the Municipality regarding the environmental services rendered by this organisation such as the Stewardship Biodiversity Programme. Umvoti Environmental Group has been formed and has made its intention to work with the Municipality to address environmental concerns. The Department of Economic Development, Tourism and Environmental Affairs has also committed itself in supporting the Municipality to address environmental challenges.

3.15 POLLUTION CONTROL

3.15.1 INTRODUCTION TO POLLUTION CONTROL

The municipality does not have major pollutants in its area of jurisdiction. The municipality does not have an established environmental unit. There is no pollution control unit in place. The municipality is assisted by the Department of Economic Development, Tourism and Environmental Affairs in dealing with environmental compliance.

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

3.16.1 INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The Municipality entered into partnership with Ezemvelo KZN Wildlife in order to ensure that Lake Merthley is protected as the main natural resource for Umvoti Municipality. The KZN Biodiversity Stewardship Programme was introduced by Ezemvelo KZN Wildlife in order to proclaim Lake Merthley as a Nature Reserve.

The Draft Lake Merthley Management Plan was extensively reviewed by Ezemvelo KZN Wildlife, Umvoti Municipality LED and the Consultants to the Municipality LionBee in 2019 in order to ensure that the Lake is managed properly. It identifies environmental friendly uses for the Lake and also addresses issues of monitoring and evaluation for the Lake. The MEC for Agriculture and Rural Development has approved the proclamation and the formal agreement needs to be finalised by the Municipality and Ezemvelo KZN Wildlife. This was due to be gazetted in early 2020 but due to Covid 19 this has temporarily been placed on hold. The agreement has not been signed to date and the municipality will still be having numerous resuscitating engagements with Ezemvelo KZN Wildlife together with LionBee Consultants.

3.16.2 SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

The Municipality has obtained biodiversity information from Ezemvelo-KZN Wildlife. It is the intention of the Municipality to work in partnership with the Department of

Economic Development, Tourism and Environmental Affairs and Ezemvelo KZN Wildlife in order to ensure proper conservation of biodiversity.

3.16.3 COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

Umvoti Municipality has identified capital projects that relates to bio-diversity and landscape. Lake Merthley Development Project has been identified in both the municipal IDP and Lake Merthley Development Plan as an important project for biodiversity protection. The other projects identified are the Wetlands Rehabilitation, the Umvoti Vlei and adjoining Blinkwater Trails and Umvoti Greening and Beautification Project. A further prospective project which has been investigated is the Fresh Water Dams and River systems for “catch and release fishing”. KZN Fresh Water Fishing Organisation have met with Umvoti Municipality and are very interested in assisting us setting this up in some or another. They have also agreed to (at their own expense bring boats and equipment to Lake Merthley to test the fishing stocks and health of the current fish population in the lake. The Municipality does not have financial resources to fund these projects. It is the intention of the municipality to outsource funding for these projects in order to ensure that they are implemented.

COMPONENT F : HEALTH

INTRODUCTION TO HEALTH SERVICES, FOOD AND ABATTOIR INSPECTION

The municipal area comprises of both Permanent Primary Health Facilities as well as mobile stations. The construction of the Muden Health Care Facility situated in ward 11 was completed in the 2016/2017 financial year. The school health programme is currently being implemented and there is one team that is operating under school health. There are three mobile teams operating in Umvoti Municipal area with sixty (60) stopping points that are servicing a minimum of two thousand (2000) people. The challenge faced by the mobile teams relate to lack of shelters, poor road conditions and poor network coverage in outlying areas.

All health services belong to the Department of Health.

The function of food and abattoir inspection is no longer a local competence and is being carried out by the District Municipality who will be reporting on said function

COMPONENT G : SECURITY AND SAFETY

INTRODUCTION TO SECURITY & SAFETY

Safety and Security is one of the important aspects in the organisation. The Municipality has been outsourcing municipal security for a number of years. The Municipality has established its own security unit as from 1 July 2013. This unit is meant to ensure safety in all municipal assets, staff members and community at large.

The Municipality has completed rolling out a CCTV Camera Project within the CBD to deal with issues of crime. There is a control room to monitor all criminal activities taking place within the CBD. The municipality will partner with private security to provide quick armed response to criminal activities detected by the CCTV cameras

3.17 POLICE

3.17.1 INTRODUCTION TO POLICE

The Municipality has managed to increase the number of Traffic Officers by permanently employing fourteen (14) Officers who had been on a month to month contract. The employment of these officers has assisted the Municipality to improve law enforcement in town. The services such as road blocks, attendance of accidents and complaints, escorting abnormal vehicles etc. has improved as compared to the previous years. The Law Enforcement Unit has formed partnerships such as the Road Traffic Inspectorate, SAPS, Umvoti Taxi Association to enforce traffic laws and improve the safety of road users. The Municipality runs a functional Driver's Licence and Vehicle Test Station which is aimed at enhancing safety of road users.

The Municipality has entered into a Service Level Agreement with the Department of Agriculture to manage a functional Driver's Licence and Vehicle Test Centre which is aimed at enhancing safety of road users.

The Municipality is in the process of finalising the transfer of land properties with a private company in order to build a more spacious and customer friendly DLTC.

Table 3.53 Employee Stats

Employees: Police Officers					
Job Level	Year -1	Year 0			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy	0	0	0	0	0%
Other Police Officers					
0 – 3	0	0	0	0	0%
4 – 6	54	54	46	8	15%
7 – 9	16	17	10	7	41%
10 – 12	20	25	20	5	20%
13 – 15	0	1	0	1	100%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	90	97	76	21	22%

T 3.20.4

3.17.2 COMMENT ON THE PERFORMANCE OF POLICE OVERALL

The employment of these officers has assisted the Municipality to improve law enforcement in town. The services such as road blocks, attendance of accidents and complaints, escorting abnormal vehicles etc. has improved as compared to the previous years. The Municipality has prioritised the upgrade of the Greytown Testing Station in the 2018/2019 IDP, as one of the main capital projects. It is anticipated that the upgrade of the station will improve this service for Umvoti municipal area as well as neighbouring municipalities such as Msinga, Maphumulo, Inkandla and Mshwathi. This service will also contribute to the increase of municipal revenue. Financial aspects are currently being reported under the Rates and General Services account

3.18 FIRE**3.18.1 INTRODUCTION TO FIRE SERVICES**

Umvoti Fire and Rescue is the unit that is dealing with fire in Umvoti Municipality. It is well established with 19 firefighters and Fire Chief Officer. We have a vacant post that has taken us almost 3 years to fill. This unit provides the service to both urban and

rural areas. The fire awareness campaigns are conducted in communities and schools. Fire inspections and issuing of fire compliance certificates are the responsibilities of this unit.

Since this service has been taken over, the relationship with most stakeholders has been improved, such as 911. The Municipality membership with Umvoti Fire Protection Association is still maintained.

Fire unit does not have reliable vehicle. I can safely say we are in crisis. We are in Disaster awaiting.

Table 3.54 Employee Stats

Employees: Fire Services					
Job Level	Year -1	Year 0			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy	1	1	1	0	0%
Other Fire Officers					
0 – 3	0	0	0	0	0%
4 – 6	16	15	15	0	0%
7 – 9	3	4	4	0	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	20	20	20	0	0%
T 3.21.4					

Table 3.56 Employee Stats

Employees: Fire Services					
Job Level	Year -1	Year 0			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy	1	1	1	0	0%
Other Fire Officers					
0 – 3	0	0	0	0	0%
4 – 6	16	15	15	0	0%
7 – 9	3	4	4	0	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	20	20	20	0	0%
T 3.21.4					

3.18.2 COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

There were no major capital projects that were budgeted for in the 2019/2020 financial year. However, there is no capital budget provided as it was cut for small tools and equipment. Financial aspects are currently being reported under the Rate and General Services account. Overall performance is rated very well. Fire engine is the only problem under this unit. Manpower is satisfactory.

Budget is the crisis and we end up having no equipment. No proper fire vehicles. One day we shall have a disaster.

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

3.19.1 INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Umvoti Municipality has established a Disaster Operational Office (DMC). It is responding to all the cases of unforeseen incidents occurring as a result of natural and manmade causes. The most common incidents are caused by house fires, veld fires, storm damages, strong winds, drought, lightning and heavy rains. The recovery measures undertaken by the Municipality include blankets, plastic sheets, sponge mattresses, supply of tents to the affected families and lightning conductors.

The only grant that was received was Covid 19 grant. It was not managed by Disaster unit.

The Head: Disaster Management has currently submitted budget for animal pound as per requirement but nothing appears on the 2020/2021 budget and believe it was cut. There are number of meeting attended by a number of Municipal Official. So far there is no light for pound establishment. As Disaster head, I have submitted a number of options that can be explore.

SPCA is currently the service provider that is utilised by the Municipality to impound domesticated animals within its area of jurisdiction

Table 3.58 Employee Stats

Employees: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	0	1	0	0%
7 - 9	2	3	2	0	0%
10 - 12	0	0	0	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	4	4	4	0	0%
T 3.22.4					

3.19.2 COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

The Municipality is currently investigating means of establishing a municipal pound. Financial aspects are currently being reported under the Rates and General Services account. Disaster Management Unit is one of the best performing in our District and the Province. The unit is under staffed.

COMPONENT H : SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

Sports plays an important role in promoting social cohesion, nation building and healthy lifestyle. The municipality also encourages wards participation in all sporting codes by allocating budget towards sports programmes.

The Municipality provides sport field facilities to accommodate all the activities which are planned as part of sports and recreation, however the Municipality faces the following challenges:

- Shortage of well-equipped sports facilities in all wards
- Shortage of sports equipment
- Lack of monitoring of existing associations

Even though the above remains a challenge; the Municipality regularly organise sporting events that include SALGA games, Mayoral Cup, Work and Play and Workers Day. There are two marathons (J G Zuma Marathon and Muden Marathon) which are held within Umvoti Annually and attract athletes from various provinces and other countries

COMPONENT I : CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc.

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

3.20 EXECUTIVE AND COUNCIL

3.20.1 INTRODUCTION TO EXECUTIVE AND COUNCIL

The primary role of the Municipal Council is that of political oversight of the Municipality's functions, programmes and the management of the administration. All the powers of local government are vested in the Municipal Council. It has the power to make by-laws (legislative authority) and the power to put those laws into effect (executive authority). The Municipal Council has executive and legislative authority over the matters set out in part B of schedule 4 and schedule 5 of the Constitution of the Republic of South Africa 108 of 1996. The Municipality may also administer any other matter assigned to it by national or provincial legislation.

Powers and duties of Municipal Council

The Municipal Council must:

- (a) Provide democratic and accountable government for local communities.
- (b) Ensure the provision of service to communities in a sustainable manner.
- (c) Promote social and economic development.
- (d) Encourage the involvement of communities and community organisations in the matter of local government

Powers and duties of Executive Committee:

The Executive committee is responsible for ensuring that the resources at the disposal of the Municipality are used in a way that meets the variety of needs of local citizens. The Executive Mayor or Executive Committee must:

- (a) Identify the variety of needs that exist in the Municipality.
- (b) Review and evaluate those needs in order of priority.

(c) Develop strategies, programmes and services to address priority needs.

(d) When formulating strategies applicable to National and Provincial developments plans must be taken into account. These strategies, along with revenue and expenditure estimates, must be recommended to the municipal council.

(e) Recommend the best methods, including partnerships and other approaches to deliver those strategies, programmes and services for the maximum benefit of the community

COUNCIL MEETINGS:

2020/2021 Financial Year

28 August 2020

22 September 2020

29 September 2020

13 October 2020

29 October 2020

31 October 2020

25 November 2020

15 December 2020

29 January 2021

25 February 2021

31 March 2021

29 April 2021

28 May 2021

29 June 2021

EXECUTIVE COMMITTEE:

2020/2021 Financial Year

29 July 2020

8 August 2020

25 September 2020

27 October 2020

25 November 2020

28 January 2021

23 February 2021

26 March 2021

28 April 2021

26 May 2021

24 June 2021



3.20.2 COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

The following is a summary of the major service delivery initiatives which were prioritized, planned and executed for the period under review:

CATEGORY OF SERVICE	AMOUNT
Infrastructure Provision: Electricity	R23 511 955.82
Infrastructure Provision: Roads	R3 774 963.36
Infrastructure Provision: Community Facilities	R11 213 607.16
Infrastructure Provision: Electricity High Mast	R5 369 382.92

3.21 FINANCIAL SERVICES

3.21.1 INTRODUCTION FINANCIAL SERVICES

The following budget principles and guidelines directly informed the compilation of the 2020/2021 MTREF:

- The 2020/2021 budget priorities and targets, as well as the base line allocations contained in final Budget were adopted as the upper limits for the new baselines for the 2020/2021 annual budget;
 - Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
 - Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
 - There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- Had a mammoth task of having to balance the budget between the limited revenue sources available against the demand to provide quality yet affordable services to our communities but of greater challenge addressing the historical infrastructure backlogs in our communities.
- This task had to be undertaken amidst persistent challenges of escalating high debts and declining collection rates, historic over expenditure patters, recent review of the employee wage bill which saw our employee related cost double to historic extremes.
 - Compounding to these budget challenges was the recent demarcation process which has brought about added financial implications which includes but not limited to an increase ward committee expenditure, councillor remuneration as well as additional service delivery needs

of the wards recently incorporated into the Umvoti Jurisdiction. The balancing act between all these factors was indeed not one which could easily be achieved.

- The broader economic factors that were at the helm of the compiling of the Final Budget for 2020/2021 which are contained in the Municipal Budget Circular for the Medium Term Revenue and Expenditure Framework.



3.21.2 COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

The main challenges experienced during the compilation of the 2020/2021 MTREF have not changed from those experienced in the previous financial year as well as the budget review process, for ease of reference they have been summarized as follows:

- The on-going difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Additional staff request from management without any due diligent studies being conducted and the establishment of a security and disaster section.
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2020/21 MTREF process; and
- Availability of affordable capital/borrowing.
- The restructuring of the organization.
- Obtaining council resolutions as there is a continuous walk out by Councillors.
- Poor prioritization of projects.
- The collection of outstanding debtors is alarmingly high and requires that far more attention is needed to be paid to minimising debt at an early stage, that is, before it reaches 90 days

3.22 HUMAN RESOURCE SERVICES

3.22.1 INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources Section is under the Department of Corporate Services. This section deals with recruitment and selection, employee benefits, skills development and conditions of service. As at 30 June 2021, the municipality had a staff complement of 408.

3.22.1.1 Recruitment

The municipality was able to fill in 23 vacancies from 01st July 2020 to 30 June 2021 by and some of these posts were very critical and part of essential services.

3.22.1.2 Skills Development

Municipal employees benefited from the municipality's training budget, and the following trainings were covered during the 2020/2021 financial year:

Course Name	Skills Area	Type of Intervention
Introduction to Project Management Technical		Skills Programme
Project Management	Technical	Skills Programme
Municipal Budgeting	Finance	Structured Learning
Municipal Finance Management Programme	Admin, Legal & Finance	PIVOTAL
Contract Drafting Master class	Technical	Skills Programme
Occupational Health & Safety	Safety	Skills Programme
Fleet Management	Admin	Skills Programme
Municipal Public Accounts & Risk Management	Finance	Skills Programme
Community Based Participation	Admin	Skills Programme
Payroll & Tax Reconciliation	Finance	Skills Programme
Technical Report Writing Skills	Technical	Skills Programme
Basic Plumbing	Technical	Skills Programme

Report Writing & Minutes Taking	Admin	Skills Programme
Introduction to Local Government	Finance	PIVOTAL
Accounting		
Security Training	Public Safety	PIVOTAL
Advanced Local Government	Finance	PIVOTAL
Accounting Certificate		

3.22.2 SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

3.22.2.1 STAFF APPOINTMENT AND TERMINATION

STAFF APPOINTMENT AND TERMINATION

2020/2021 Financial Year

Twenty-three vacant positions were filled in the 2020/2021 financial year per department as follows:

MM	Corporate	Technical	Community	Planning	Finance	Total
0	0	0	6	1	1	08

3.22.2.2 TERMINATION (RESIGNATION, DISMISSALS, MEDICAL BOARDING, RETIREMENT AND DEATH)

From the period 01st July 2020 to 30 June 2021 there were 12 employees who left the organization.

Resignation	Dismissal	Retirement	Contract Expiry	Medical Boarding	Death
4	1	3	1	1	4

2020/2021 Financial Year

Eight (23) vacant positions were filled in the 2020/2021 financial year per department as follows:

MM'S Office	Corporate	Technical	Community	Planning	Finance	Total
1	0	2	17	1	2	23

3.22.2.3 TERMINATION (RESIGNATION, DISMISSALS, MEDICAL BOARDING, RETIREMENT AND DEATH)

From the period 01st July 2020 to 30 June 2021, there were 14 employees who left the organization.

Resignation	Dismissal	Retirement	Contract Expiry	Medical Boarding	Death
1	1	3	1	1	6

Table 3.61 Objectives Taken from IDP

Human Resource Services Policy Objectives Taken From IDP						
Service Objectives	Indicators	Year -1 2019/2020		Year 0 2020/2021		
		Target	Actual	Target	Actual	
Service Indicators				*Previous Year	*Current Year	
						(vii)
Service Objective xxx						
To improve institutional and organizational capacity	Date employment equity report submitted to the Department of Labour	15 January 2020	15 January 2020	15 January 2020	15 January 2021	15 January 2021
	Date Skills Development Plan submitted to LGSETA (WPSP)	30 April 2020	30 April 2020	30 April 2020	30 April 2021	30 April 2021
	Amount of budget spent implementing WSP	R 1 272 629.68	R 1 272 629.68	R 1 272 629.68	R 175 000.00	R 175 000.00
T 3.26.2						

3.22.3 COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The Umvoti municipality has developed a number of Human Resource (HR) strategies and policies which include the following:

- Overtime Policy
- Recruitment and Selection Policy
- Sexual Harassment Policy
- S & T for Councillors
- S & T for Officials
- Cellular
- Housing Policy
- Subsistence and Travelling Policy
- Placement Policy
- Roles and Responsibilities of Political Structures, Political Office Bearers and the Municipal Manager for Municipal Officials
- Recruitment, Selection and Appointment Policy
- Remuneration Policy for Officials
- Overtime Policy
- Acting Allowance Policy
- Cell phone Policy
- Intoxicating and Substance Abuse Policy
- Relocation Policy
- Nepotism Policy
- Transfer Policy
- Retention Policy
- Funeral Policy
- Employment Equity Plan

- Re-imbursement of out of Pocket and Travel expenses for Councillors

3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

3.23.1 INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

During the year under review there have been changes for the IT infrastructure in order to ensure maximum performance, Data integrity and Network reliability. The following upgrades were carried out during the year under review:

- Server Room Revamp
- Installation of Fire Suppression within the Server Room
- Server Room Monitoring
- LAN/WAN Optimization
- Introduction of NIC Teaming to improve Network & Processing throughput
- WAN Hardware Upgrade to improve speed to 450Mbps +
- Additional Backup Storage introduced
- Firewall and logging services upgraded
- Lightning and Water protection measures improved
- Offsite backup storage
- IT Asset Register established and maintained.
- Policies and procedures for relevant systems implemented

3.23.2 SERVICE STATISTICS FOR ICT SERVICES

No statistical data is currently available as the Municipality has recently upgraded the IT infrastructure

Table 3.62 Employee Stats

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	1	1	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	0%
					T3.27.1

3.23.3 COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The ICT service at the Municipality is relatively stable and fully functional. The unit is performing core functions to ensure service delivery in a timely manner.

Improvements have been made to the overall functionality of the unit and improvement has been noticed in both reliability and performance. The future and ongoing improvements include but not limited to:

- Progression to a paperless Environment
- Replacement of aging infrastructure
- Improving on Backup methods and offsite secure storage
- IT Governance and Strategies

COMPONENT J : MISCELLANEOUS

INTRODUCTION TO MISCELLANEOUS INFO UP TO 30.06.21

The Municipality owns forest plantations and were leased to MONDI. Mondi lease agreement expired end of September 2017 and was not renewed. The Municipality procured services of a local company, Bracken Timbers to manage the plantation for a period of one year

CHAPTER 4

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 4.1 Employees

Employees					
Description	Year -1	Year 0			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	–		–	–	0.00%
Waste Water (Sanitation)	–	–	–	–	0.00%
Electricity	13	21	20	1	42.11%
Waste Management	98	116	110	6	0%
Housing	4	5	4	1	0.00%
Waste Water (Storm water Drainage)	6	6	5	1	0.00%
Roads	40	43	42	1	27.27%
Transport	-	-	-	-	0.00%
Planning	6	6	5	1	42.86%
Local Economic Development	2	3	2	1	50.00%
Planning (Strategic & Regulatory)	–	–	–	–	0.00%
Local Economic Development	–	–	–	–	0.00%
Community & Social Services	63	63	59	4	100.00%

Environmental Protection	–	–	–	–	0.00%
Health	–	–	–	–	0.00%
Security and Safety	90	90	76	14	27.50%
Sport and Recreation	1	1	1	0	0.00%
Corporate Policy Offices and Other	84	72	71	1	18.07%
Total	407	426	395	31	416.40%

Table 4.2 Turnover Rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2	23	15	75%
Year -1	33	12	300%
Year 0	12	17	16%

CHAPTER FOUR

ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

The Umvoti Municipality 2020/2021 Annual performance report reflects the institution's service delivery and developmental achievements, as well as challenges, in recognition of the Municipality's obligation to be an accountable, transparent and efficient organization, and the municipality's financial position. The compilation of this report is done in compliance to various pieces of legislation. Key amongst such legislations is Local Government: Municipal Systems Act (MSA) No. 32 of 2000, Local Government: Municipal Finance Management Act No 56 of 2003, and National Treasury Circulars (circulars 11 and 63). Section 46 of MSA state that a municipality must prepare for each financial year a performance report and further that the referred to report must form part of the municipality's annual report for each financial year in terms of chapter 12 of the MFMA . This annual performance report is a reflection of the municipality's actual performance in relation to what was planned for in the IDP and SDBIP. It is therefore a post-reflection of planned targets and their actual performance with a provision for reasons for variance as well as mitigating\corrective measures taken. This report of the Umvoti Municipality is aligned to the Municipal IDP and Budget for the 2020/2021 financial year and that it is aligned to the Service Delivery and Budget Implementation Plan and in-year reports.

PERFORMANCE MANAGEMENT PROCESSES

The Performance Management Framework and performance procedures and processes for Umvoti Municipality were reviewed internally and was adopted by Council on the 29 June 2020, furthermore the performance agreements for the Senior Managers and Municipal Manager were signed on the 14th July 2020 and submitted to the Department of Cooperative Governance and Traditional Affairs on the 12th August 2020.

The OPMS framework was implemented and monitored on a monthly and quarterly basis in the 2020/2021 financial year through various Municipal Governances Structures. The informal Organizational Performance Management Reviews were conducted in various Management Committee and Extended Management Committee meetings in order to be in line with the Organizational Performance Management Framework.

The Audit and Performance Audit Committee was fully functional during the year under review. The Committee meetings were convened on a quarterly basis in order for the committee to exercise its oversight role and eight (8) Audit and Performance Audit committee meetings were held for the year under review. The Municipal Public Accounts Committee was functional during the year under review and exercised its oversight role in monitoring the financial and organizational performance of the Municipality, two (2) MPAC meetings were held for the year under review.

SUMMARY

Performance Achievements:

It is acknowledged that not all the planned targets for the year under review were achieved. There were challenges that led to the non-achievement of some of the targets. The challenges are addressed under Section 12.2 to 12.7 where individuals KPAs are discussed. The municipality has instituted various measures that are put in place in order to address the performance challenges that include but are not limited to the revision of the performance targets in line with the municipal resources and submission of monthly SDBIP progress reports to Portfolio Committees on the basis of oversight.

The Municipality had six directorates, including the office of the Municipal Manager, during the period under review. Those Directorates were (1) Budget and Treasury; (2) Corporate Services; (3) Community Services, (4) Planning and Economic Services; (5) Technical Services; and (6) Office of the Municipal Manager.

All the six directorates cumulatively contributed to the annual performance report of the Municipality for the period under review. The SDBIP and Annual Performance Report 2020\2021 is arranged in terms of the six Key Performance Areas of Local Government, viz, (1) Basic Service Delivery, Municipal Transformation and Institutional Development; (3) Local Economic Development; (4) Good Governance and Public participation; (5) Financial Viability; and (6) Cross Cutting interventions.

The municipality had a total of 117 targets and managed to achieve eighty six (86) targets withdrew three (3) targets while two (2) targets were recorded as unachieved due to various reasons highlighted on a detailed report attached. The Council at a

meeting held on the 28 February 2021, approved the adjustments to the 2021/2022 SDBIP to integrate KPIs relating amended KPI's

One hundred and seventeen (117) targets were planned in the year under review. Eighty seven (87) targets of the total One hundred and seventeen (117) targets planned for the year under review were achieved; this represents 74.35% of the total planned targets that were achieved for the year.

Four (4) targets off the total One hundred and seventeen (117) targets planned for the year under review exceeded achievement; this represents 3.41% of the total planned targets that were achieved for the year.

Seventeen (17) targets of the total One hundred and seventeen (117) targets planned for the year under review were partially achieved; this represents 14.53% of total planned targets that were partially achieved for the year.

Nine (09) targets of the total One hundred and seventeen (117) targets planned for the year under review were not achieved, this represents 7.69 % of total planned targets that were not achieved for the year.

Table 4.1 Performance Highlights 2020.2021

The below gives a comparison of 2019/2020 and 2020/2021 financial year performance:

TRAFFIC LIGHT STATUS	NUMBER	2019/2020 PERFORMANCE	NUMBER	2020/2021 PERFORMANCE
TARGETS EXCEEDED	09	8%	4	3.41%
TARGETS ACHIEVED	78	69%	87	74.35%
OVERALL ACHIEVEMENT	09 +78 =87	77%	87+4=91	77.76%

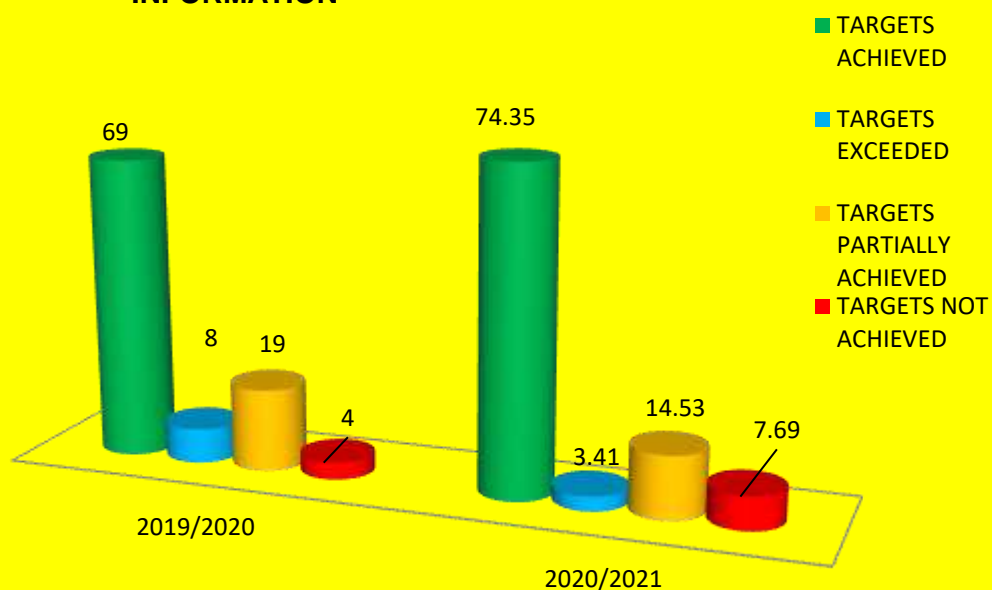
TARGETS PARTIALLY ACHIEVED	22	19%	17	14.53%
TARGETS NOT ACHIEVED	4	4%	9	7.69%

The above table reflects:

- 1.1.1 that the performance has increased by 5.35% when compared to the previous year. In 2019/2020 financial year, 69% of the targets were met and 74.35% of the targets were met during the year under review.
- 1.1.2 Performance targets that exceeded achievement has decreased by 4.59% as compared to the 2019/2020 financial year, 8% of the targets were exceeded and 3.41% of the targets were exceeded during the year under review.
- 1.1.3 **Performance overall** : Performance targets that were met and exceeded achievement increased by 0.76% as compared to the 2019/2020 financial year, 77 % of the targets were achieved and exceeded achievement and 74.35% of the targets were achieved and exceeded achievement during the year under review.
- 1.1.4 Performance Targets that were partially achieved amounts to 14.53% during the year under review.
- 1.1.5 Performance targets that were not achieved has increased by 3.69% as compared to the 2019/2020 financial year, 4% of the targets were not achieved and 7.69% of the targets were not achieved during the year under review.

Table 4.2 Comparative Target

FIGURE 1 : COMPARATIVE TARGET ACHIEVEMENT INFORMATION



KEY AREAS TO NOTE

Improving Performance

The OPMS framework has been reviewed in the 2020/2021 financial year, taking into account Internal Audit and Audit Committee recommendations, which outlines performance-reporting criteria that will assist the municipality to improve its performance. The Performance Management processes and procedures are now in place and will assist in ensuring that organisational performance is improved and in line with the legislated requirements.

In an effort to improve the performance planning, implementation, measurement and reporting the institution will strive to implement the following during the 2020/2021 financial year.

- a) Striving to ensure that the Service Delivery Implementation Plan is implemented and progress is reviewed regularly (monthly and quarterly) by all Governance Structures to ensure improved oversight.

- b) Ongoing monitoring of the implementation process of both the IDP and where there are gaps to ensure amendment processes during the mid-year review.
- c) The Municipality is in the process of cascading of Performance management to lower levels with the assistance from SALGA.
- d) The cascading policy has been developed, workshopped and adopted by Council on the 29th June 2021.
- e) Umvoti Municipality has been identified as a beneficiary for cascading performance management from SALGA, the support entails ongoing training of officials.
- f) The municipality has commenced with the Appointment of a service provider to provide E-PMS tool to assist the Municipality in cascading performance Management to lower levels.

LESSONS LEARNT AND WAY FORWARD

The Umvoti Municipality has not achieved all that it has set itself to achieve owing to the numerous challenges experienced during the 2020/2021 financial year including cash flow restrictions and the Covid-19 pandemic.

The Municipality has had to put in place alternate ways to conduct business in a manner that will minimise disruption in delivering on its constitutional mandate, for example i.e. the Covid- 19 regulations prohibit gatherings which consequently impacted on the communication method with the public such as the IDP/Budget Izimbizo for the 2021/2022 financial year.

In an effort to comply with the legislative framework for such public participation methods, the Municipality for the first time conducted these initiatives through Zoom and Facebook platforms.

The Municipality also organized community participation engagements by organizing the community per sector grouping.

The municipality has instituted various measures and put them in place in order to address the performance challenges that include but are not limited to the revision of the performance targets in line with the municipal resources.

The Municipality remains committed to respond to the expectations of the residents and local business fraternity by the provision of access to quality and affordable basic services whilst doing our utmost to maintain and improve on the existing levels of development

The Umvoti Municipality continues to strive to be a well –functioning local government institution because of effective, efficient but most importantly, responsible use of its resources. The IDP five year plan of the municipality bears testimony to the municipality’s acknowledgement that all is not yet done but continues to clearly articulate the social , economic and infrastructure needs of the Umvoti Municipality in the remaining years in the term of office. The participation of the members of the local community in the planning processes and governance structures of the municipality remains an imperative for the success of this Municipality.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The municipality prides itself with having developed policies and also ensuring correct implementation of collective agreements to ensure consistency with the country’s legislation and other good practices. The municipality is still facing some challenges with the absenteeism and staff neglecting their duties during work hours and embark on their own personal activities.

The introduction of control measures such as strict supervision, forms of discipline and possibly the biometric access system to monitor time and attendance will ensure improved provision of basic services to communities of Umvoti Municipality at large.

Below are following policies which have also been developed as part of ensuring uniform practices and service conditions within the organization.

4.2 POLICIES

4.2.1 COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The policies highlighted in the table below have been prepared by the municipality and adopted by Council for the 2020/2021 Financial Year.

Table 4.5 Policies

No.	POLICIES	PROGRESS
1.	Rates Policy	Approved during 2020/2021 as part of budget submissions
2.	Supply Chain Management	Approved during 2020/2021 as part of budget submissions
3.	Fraud Prevention Policy	Approved during 2020/2021 as part of budget submissions
4.	Credit Control and Debt Collection Policy	Approved during 2020/2021 as part of budget submissions
5.	Tariff Policy	Approved during 2020/2021 as part of budget submissions
6.	Risk Management Framework	Approved during 2020/2021 as part of budget submissions
7.	E-mail Registry Policy Records Management Policy	Approved during 2020/2021 as part of budget submissions
8.	Study Aid Policy	Approved during 2020/2021 as part of budget submissions
9.	Placement Policy	Approved during 2020/2021 as part of budget submissions
10.	Subsistence and Travelling Policy	Approved during 2020/2021 as part of budget submissions

11.	Roles and Responsibilities of Political Structures, Political Office Bearers and Municipal Manager for Municipal Officials	Approved during 2020/2021 as part of budget submissions
12.	Recruitment, Selection and Appointment Policy	Approved during 2020/2021 as part of budget submissions
13.	Overtime Policy	Approved during 2020/2021 as part of budget submissions
14.	Informal Economy Policy	Approved during 2020/2021 as part of budget submissions
15.	Umvoti Immovable Property Disposal Policy Framework	Approved during 2020/2021 as part of budget submissions
16.	Communication Policy	Approved during 2020/2021 as part of budget submissions
17.	Intoxicating and substance abuse policy	Approved during 2020/2021 as part of budget submissions
18.	Relocation Policy	Approved during 2020/2021 as part of budget submissions

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Table 4.6 Number of Cost of Injuries on Duty

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	5	1	0.52%	7	7175.97
Temporary total disablement	0	0	0%	0	
Permanent disablement	23	0	0%	0	
Fatal	0	0	0%	0	
Total	28	1	12%	7	7500

Table 4.7 Number of Days and Cost of Sick Leave

Number of days and Cost of Sick Leave (excluding injuries on duty)

Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	24	90%	10	30	0.15	0
Skilled (Levels 3-5)	40			22	0.26	26000
Highly skilled production (levels 6-8)	136			58	0.88	37000
Highly skilled supervision (levels 9-12)	6	95%	2	26	0.04	11000
Senior management (Levels 13-15)	230			11	1.48	17300
MM and S57	65			8	0.42	27000
Total	501	93%	12	155	3.23	133700

4.4 PERFORMANCE REWARD

No performance rewards were granted during the year under review

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Learning is a continuous thing and the municipality will forever encourage employees to improve their knowledge for improved capacity, hence each employee is at liberty to enrol for either short course or formal qualification. Learning programmes cater for employees from senior managers to lower levels.

Municipal employees benefited from the Municipality's training budget, and the following trainings and workshops were attended by staff and councillors during the 2020/2021 financial year:

Course Name	Beneficiaries
Accredited Councillor Training Phase 2	Councillors
Councillor Development Programme NQF 3	Councillors
Municipal Planning and Performance Management	Councillors
Cherry Pick and Truck Mounted Crane NQF 3	Officials
Municipal Finance Management Programme NQF 6	Officials
Examiners Course	Officials
Supervisory Skills	Officials
Electrical Trade Test NQF 5	Officials
Pump Course for Fireman	Officials
Local Economic Development NQF 6	Officials
Disaster Management	Officials

The Municipality relies on internal budget to capacitate employees and a portion of grant funding from LGSETA also assist in carrying out the above function.

The Municipality provided study assistance to more than 141 tertiary students coming from Umvoti Municipality wards by paying in excess of R700 000.00 to various institutions of higher learning for those students who are in the process of obtaining qualifications.

The study assistance is not only limited to local government related studies, but covers all fields of study as students are experiencing difficulties in paying their fees

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

**COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE
FINANCIAL COMPETENCY REGULATIONS:**

In terms of the Minimum Competency Regulations, the following table indicates the number of unit standards required to be confirmed as competent for the various levels of officials as follows:

Grouping of Official per NT Regulations	Number of US Standards to be covered
Accounting Officer (Municipal Manager)	18
Chief Financial Officer	21
Senior Managers	16
Deputy Chief Financial Officer	15
Supply Chain Managers	15
Finance Management Interns	19
Middle Managers	15

The following officials have been enrolled with various accredited service providers appointed by the Municipality in order to meet the prescribed Minimum Competency Levels Regulations as promulgated in 2007 as follows:

Completed:

Director Planning and Economic Services
 Acting Municipal Manager
 Chief Financial Officer
 Director Technical Services
 Director Community Services
 Director Corporate Services
 Expenditure Accountant
 Assistant Accountant Expenditure: Salaries
 Assistant Accountant Income: Rates & Services

Payroll Administrator

Head: Disaster, Fire & Rescue Services

Head: Committees Administration

Assistant Manager Waste

Assistant Accountant: Credit Control

Assistant Accountant: Debtors

Head: Fleet Management

Rates and Services Clerk

Civil Engineering Technician

Supply Chain Practitioners

Budget Control Officer

Credit Controller

Deputy Chief Financial Officer

Finance Interns x6

The municipality is looking to further extend the Municipal Finance Management Programme to other office based officials promoted through placement process.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The Municipality prepares its budget and align it with the organizational structure in order to respond to service delivery needs as per the priorities in the IDP. It is important for each and every head of department to do the budget control and manage workforce expenditure to avoid over expenditure. The Municipality will also ensure that value for money is obtained.

4.6 EMPLOYEE EXPENDITURE

Table 4.8 Workforce Expenditure

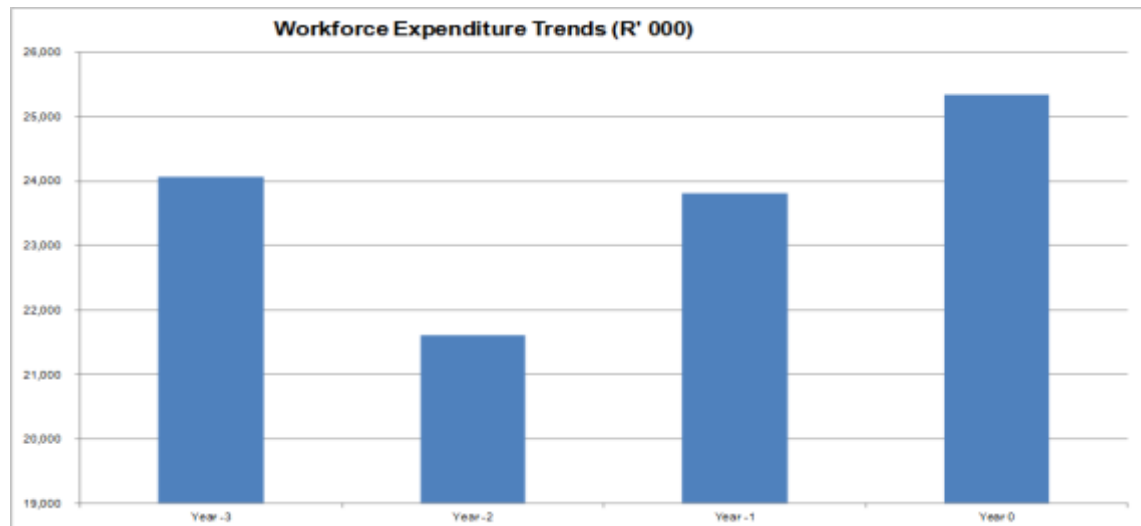


Table 4.9 Increase in Salaries due to Upgrade in Positions

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	0
	Male	0

MM and S 57	Female	0
	Male	0
Total		0
T4.6.2		

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Nil				
T4.6.3				

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

There were no upgraded posts that were at variance with normal practice

DISCLOSURES OF FINANCIAL INTERESTS

All Staff and Councillors are required to declare their financial interest on an annual basis and this information is then referred to the Accounting Officer for noting and to council for approval.

CHAPTER 5

FINANCIAL PERFORMANCE

Financial Viability

The Key Performance indicators for this KPA are linked to the Municipality's objectives as contained in the Integrated Development Plan (IDP). These objectives are:

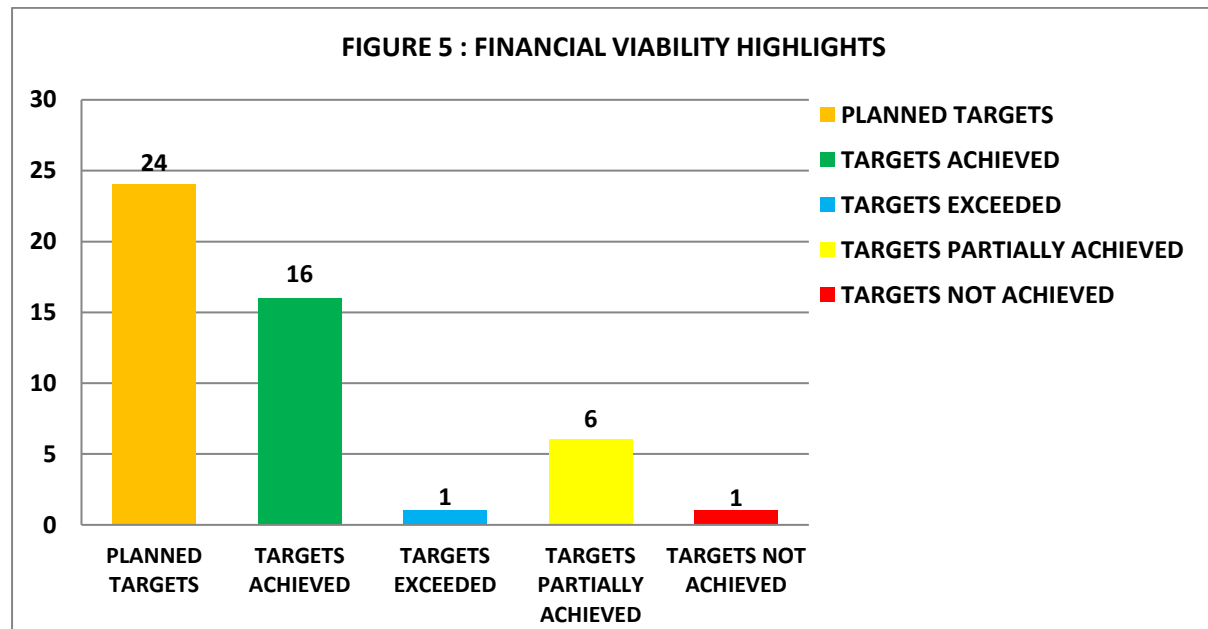
- i. To ensure compliance with the MFMA on expenditure management
- ii. To ensure compliance with the MFMA on liability management
- iii. To achieve sustainability and liquidity ratios
- iv. To safeguard Municipal Assets
- v. To achieve effective financial reporting
- vi. To improve budget implementation in the municipality
- vii. To Improve budget implementation in the municipality

Twenty four (24) targets were planned for this KPA in the year under review. Sixteen (16) targets of the twenty four (24) targets planned were achieved. One (1) target of the twenty four (24) targets planned were exceeded. Six (06) targets of the twenty four (24) targets planned were partially achieved and one (1) target of the twenty four (24) targets planned was not achieved.

TABLE 5.1 Performance Highlights 2020/2021

Planned Targets	Targets Achieved	Targets Exceeded	Targets Partially Achieved	Targets Not Achieved
24 (100%)	16 (66.6%)	1 (4.1%)	6 (25%)	1 (4.1%)

TABLE 5.2 Viability Highlights



HIGHLIGHTS ON ACHIEVED AND EXCEEDED PERFORMANCE TARGETS

- a) Supply Chain Management quarterly reports were submitted to Council on a quarterly basis.
- b) Stock taking was conducted on a quarterly basis.
- c) All Budget Related Policies were workshopped during the financial year and adopted by Council.
- d) The 2020/2021 Budget Adjustment was adopted by Council as per the legislated time frames.
- e) The 2020/2021 Mid-Year Performance Assessment was submitted to the Mayor on the 25th January 2021.

The 2021/2022 Annual Budget was adopted by Council on the 30 June 2021.

Challenges

TABLE 5.3

NO.	INDICATOR	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
1	% of items implemented as contained in the procurement plan	The Municipality met 50% of its target. A delay in SCM processes and cash flow issues crippled the procurement plan, which meant the different departments couldn't fulfil their planned procurements for the year.	The procurement plan will be closely monitored in the next financial year to ensure that should issues arise then proper adjustments be made during the adjustment budget process. The monitoring of the bid committees will also assist in ensuring that bids are awarded timeously.
2	% of collection of debtors in respect of service billings	The Municipality exceeded achievement. The municipality ran an incentive program for the financial which yielded good results. An intervention by COGTA between the municipality and the provincial departments regarding payments of historic debt also assisted the municipality.	The municipality will properly adjust their targets whilst taking into account actual figures during the adjustment period in the future.

NO.	INDICATOR	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
3	Bad Debts written off as a percentage of bad debts provision	Covid 19 impacted on the affordability of customers consequently impacting on their ability to honour their financial obligations.	Structure payment arrangements with those that can afford to honour their debts.
4	% spent on Capital expenditure programme	The Municipality achieved 70% of its target. Delays in implementation of Urban Renewal projects & own funded programmes were delayed in due consideration of the cash flow	Internal funded projects has been reviewed in consideration of cash flow position.
5	% of operational expenditure	The Municipality met 96% of its target. Cash flow constraints impacted on the operational expenditure budget due to the fact that some of the non urgent items had to be put on hold.	Alignment of planned operational expenditure with realistic cash flow projections.
6	current ratio 1.5:1	The municipality's liabilities are not in apportion with the assets to due to high vat payable and the employee obligations	The municipality has come up with a leave plan to ensure that staff are not left with a high number of leave days at year end to reduce the liability. The Vat payable is because of the INEP vat that the municipality is owing SARS for vat

NO.	INDICATOR	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
			calimed. We are in the process of solving the issue with SARS.

INTRODUCTION TO FINANCIAL STATEMENTS

OPERATING REVENUE

OPERATING REVENUE

As at the end of the financial year, the actual year to date operating revenue represented an amount of **R371 Million**. Whilst we have recorded overall favorable operating revenue when compared to the 2019/2020 financial year, it must be conservatively noted that a substantial portion of the operating revenue is made up of the operating grants, particularly the equitable share which contributes at least **59%** of the operating revenue. This is indicative of the fact that the municipality is largely dependent on grants and subsidies for its day-to-day operations.

Other additional operating revenue sources such include other sources such as **Property Rates, Electricity, and Refuse Removal, Interest on investments, rental Income, fines, licenses**. The actual performance of these revenue sources indicate that we ought to continue to apply strict conservative measures when projecting revenue sources, exercising caution against overly ambitious revenue projections as well ensuring that past performance of the revenue sources is a major factor of consideration. The requirement of exercising caution in revenue projection is informed primarily by the fact that the under-collection of revenue against the budgeted revenue sources, impacts directly on the expenditure projections to be funded from these revenue sources.

OPERATING AND CAPITAL EXPENDITURE

As the end of **30 June 2021** the actual year to date operating expenditure totaled an amount of **R344 million** when compared to the **R309 million** in the 2019/2020 financial year. The main operating expenditure categories comprises of categories such as **Employee Related Costs, Councilor Remuneration, and Bulk Purchases with the Employee Related Costs** recording the highest expenditure followed by the **Bulk Purchases and General expenditure**. Substantial component of the General Expenditure category is primarily the hire charges, inventory consumed and utilities.

OPERATING AND CAPITAL EXPENDITURE

As the end of 30 June 2021 the actual year to date operating expenditure totalled an amount of R344.3 million compared to R309.5 in the 2019/2020 financial year. The main operating expenditure categories comprise categories such as Employee Related Costs, Councillor Remuneration, and Bulk Purchases with the Employee Related Costs recording the highest expenditure followed by the Bulk Expenditure and other expenditure. Substantial component of the Other Expenditure category is primarily the electrification programs implemented during the year under review the municipality has managed to fully expend all the conditional grants allocation and furthermore, funding allocation for the preceding financial period has been fully committed

5.1 DEBTORS MANAGEMENT

The summary report of the debtor's age analysis indicates that the debtors balance for property rates, electricity, refuse removal and rental income as at **30 June 2021** amounts to **R77,6 million** when compared to the **R85,9 million in the 2019/2020 financial year a decrease of R8.3 million**. The Households Category contributes the largest amount followed by the Commercial Category. The increase of the outstanding debt is due to two main factors namely the increase of both rates of **7%**, electricity of **15.83%** refuse removal of **7%** during the approval of the **2020/2021** financial year and the main one and second one being the well as poor payment culture by consumers. There is also a capacity constraint within the credit control section. As well as inadequate debtor information which requires data cleansing.

The municipality's own revenue contributes over 46% of the revenue budget. It is therefore imperative that the revenue collection measures are effective & efficient for the sustainability of the municipality.

It is common knowledge that we can only pay for our bulk services, maintain the existing infrastructure as well as fund our new infrastructure if our own revenue and credit control activities function effectively. The above therefore implies that effective credit control and debt collection are key to our sustained financial viability. This spiral increase of debtors continues to be a concerning trend and requires that a much more stringent debt collection and credit control process be considered to improve the debtor collection rate. In order for us to effectively support our budget on a yearly basis, we require a revenue collection rate of at least 85% to 95% to not only be achieved but maintained, This will enable us to provide services to the community in a sustainable manner and within the budget. Numerous interventions had been instituted, for instance, credit control policy review which incorporates incentive programmes, filling of posts within credit control section, development of the revenue enhancement strategy and implementation plan, support by National Treasury on Revenue Management and DBSA appointed service provider for 18 months to undertake a detailed revenue enhancement programme, Municipal Project Steering Committee convenes on a monthly basis.

A detailed debtors Age Analysis of 2018/19, 2019/2020 and 2020/2021 is annexed.

5.1.1 Assessment of arrears on municipal taxes and services:

As per sect 121 3(g)- the collection rate on municipal taxes and services had been fluctuating the entire financial year and numerous initiatives and measures had been implemented and those measures dealt with debt collection and management holistically, i.e. data cleansing process, establishment of revenue steering committee and capacity enhancement of the credit control unit. There are number challenges though, but, closely monitored by the municipality. The municipal taxes and services debtors for 2019/20 and 2020/21 are as follows:

Table 5.5 Rates and Taxes

DESCRIPTION	FINANCIAL YEAR	AMOUNT OWED	% INCREASE OR DECREASE
RATES AND TAXES	2019/20	R 69,932,408	-1.24% Decrease
RATES AND TAXES	2020/21	R 82,058,332	17.34% Increase

5.2 Creditors Management

The municipality has complied with sect 65 of the MFMA in terms of processing all invoices within 30 days. There has been some challenges with the timeous submission of invoices to Budget and Treasury office by user departments and other service providers. The remedial measure to address this shortcoming, the municipality has created a centralised email for submission of invoices which is premised under creditors section and those departmental heads who happen to have invoices and delay submission have to draft a motivation detailing reasons. There is continuous communication with the service providers reminding them of sending invoices to a centralised email.

Table 5.6 Accounts Payable

Accounts Payable Age Analysis								
Umvoti Local Municipality								
Exclude Zero Balances								2021/06/30
Allocate Unallocated Debits to Oldest								
Accounts Payable Age Analysis								Page 1 of 2
Supplier	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
BRYAN HUGHES CONSULT (ACTIVE POWER CONSTRUCTION PRIMARY CO-OPERATIVE							109 544.30	109 544.30
AHE005 (AHEERS MULTISAVE)							4 998.60	4 998.60
AST001 (ASTRA TRAVEL)							114 092.18	114 092.18
AUD002 (AUDITOR GENERAL)							8 873.63	8 873.63
AYA0004 (AYANDA MBANGA COMMUNICATIONS)							46 571.19	46 571.19
BES0002 (BEST GUY CONTRACTORS)							585 306.94	585 306.94
BON0008 (BONAKUDE CONSULTING)							614 823.48	614 823.48
BRA001 (BRACKEN TIMBERS)							2 674 312.66	2 674 312.66
CAM001 (CCG SYSTEMS)							67 025.00	67 025.00
CES LIZARD PYT LTD (CES LIZARD PYT LTD)							29 900.00	29 900.00
CNH0001 (CNH INDUSTRIAL SA)							171 004.46	171 004.46
COM001 (COMMUNITY FOR LAW AND ORDER)							465.00	465.00
DFM001 (D F MAJOLA CONSTRUCTION)							279 990.00	279 990.00
DNA001 (DNA STRUCTURES)							247 054.49	247 054.49
TEL002 (ENGICO TRADING AND PROJECTS)					291.98			291.98
ESK001 (ESKOM HOLDINGS)			21 578.93	1 585.82	2 821.35	47.45	9 868 099.31	9 894 132.86
FIR003 (FIRST NET TECHNOLOGY SERVICES)							8 324.85	8 324.85
FIR002 (FIRST TECHNOLOGY KWAZULU NATAL)							2 443.75	2 443.75
FIR004 (FIRST TECHNOLOGY KWAZULU NATAL)							1 138.50	1 138.50
HAM001 (HAMSA CONSULTING ENGINEERS)						86 250.00	86 250.00	172 500.00
K200002 (K2015342457)							2 000 000.00	2 000 000.00
KGO0003 (Kgolo Institute)							18 000.00	18 000.00
KON0003 (KONICA MINOLTO SA)						12 036.46	16 434.43	28 470.89
MKH005 (MKHABELA ENTERPRISE)							1 000.00	1 000.00
MTN0001 (MTN)							41 881.96	41 881.96
NEF001 (NEFFCON ROADTECH TEST STATION)							11 360.85	11 360.85
SAB0006 (SABALALA MANAGEMENT CONSULTING)							182 390.00	182 390.00
SAG001 (SAGE SOUTH AFRICA)							16 540.91	16 540.91
SEE002 (SEETHAL ATTORNEYS)							15 059.64	15 059.64
SHA0006 (SHANTIS ELECTRICAL)							100 436.40	100 436.40
SHI001 (SHIVRIKA FIELD SECURITY)							88 090.00	88 090.00
SPC001 (SPCA)							50 105.00	50 105.00
TIP003 (TIPUBLOX)							1 259 398.90	1 259 398.90
UMZ001 (UMZINYATHI DISTRICT MUNICIPALITY)							5 210.78	5 210.78
VOD001 (VODACOM)					3 847.50			3 847.50
VOD002 (VODAMAP)				6 520.50	6 520.50		13 041.00	26 082.00
WIS001 (WISE TRAINING CENTRE)							457 313.16	457 313.16
XBR0001 (XBRANDS COMPANY)							6 750.00	6 750.00
ZULU ZWILE (ZULU ZWILE)							15 620.00	15 620.00

5.2.1 COMMENT ON OPERATING TRANSFERS AND GRANTS:

Transfers recognized operating grants includes the Local Government equitable share and other operating grants from both the National and Provincial Government.

Operational grants transfers amounted to an actual amount of R135 million, a substantial 48% towards the total Operating Revenue Budget of R282 million during 2019/2020. The table above gives a breakdown of the various grants and subsidies allocated to the municipality over a medium term.

A detailed grant register is annexed which entail comprehensive details of grants allocations and expenditure movements and balances thereon.

Table 5.8 Monthly Budget Statement

KZN245 Umvoti - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

REN249 Unvoted - Supporting Table C07 (1) Monthly Budget Statement - transfers and grant expenditure - m12 2019

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		150,824	186,926	12,000	444	182,246	182,078	168	0.1%	-
Local Government Equitable Share		127,815	165,931		-	165,931	165,931	-		
EPWP Incentive		1,674	1,447		-	1,447	1,447	-		
Finance Management		2,335	2,700		444	2,700	2,700	(0)	0.0%	
Integrated National Electrification Programme		19,000	16,848	12,000	-	12,168	12,000	168	1.4%	
								-		
Other transfers and grants [insert description]								-		
Provincial Government:		2,173	2,248	-	707	2,248	2,248	-		-
								-		
								-		
								-		
Museum and Library		2,173	2,248		707	2,248	2,248	-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Total operating expenditure of Transfers and Grants:		152,997	189,174	12,000	1,151	184,494	184,326	168	0.1%	-
Capital expenditure of Transfers and Grants										
National Government:		29,802	29,623	29,259	7,046	33,660	29,259	4,401	15.0%	-
Municipal Infrastructure Grant (MIG)		29,802	29,623	29,259	7,046	33,660	29,259	4,401	15.0%	
								-		
								-		
Other capital transfers [insert description]								-		
Provincial Government:		3,250	5,750	-	1,467	6,757	5,750	1,007	17.5%	-
								-		
Sports and Recreation		3,250	5,750		1,467	6,757	5,750	1,007	17.5%	
District Municipality:		-	-	-	-	-	-	-		-
								-		
Other grant providers:		-	-	3,000	-	-	3,000	(3,000)	-100.0%	-
								-		
EDTEA			3,000			3,000		(3,000)	-100.0%	
Total capital expenditure of Transfers and Grants		33,052	35,373	32,259	8,513	40,417	38,009	2,408	6.3%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		186,049	224,547	44,259	9,664	224,911	222,335	2,576	1.2%	

5.3 ASSET MANAGEMENT

5.3.1 INTRODUCTION TO ASSET MANAGEMENT

A proxy for asset consumption can be considered by the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital program was determined based on renewal of existing assets versus new asset construction.

5.3.2 COMMENT ON ASSET MANAGEMENT:

Improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. In addition, the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

The municipality reviewed the policy as prescribed in the legislative requirements and the asset register fully complied with GRAP. The process to develop asset renewal plan is underway, the municipality has appointed the service provider to undertake asset conditional assessment which will inform the asset renewal plan and maintenance plan.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

As at the end of June 2021 the actual Capital Budget is reflected below as follows

Table 5.9 Total Capital Expenditure

TOTAL CAPITAL EXPENDITURE	
BUILDINGS	109,862
INFRASTRUCTURE	11,203,603
COMMUNITY ASSETS	32,494,170
OTHER PPE	497,272
	44,304,907

The actual capital expenditure for the 2020/2021 financial year amounts to R44,304,907 across the various categories namely Buildings, Infrastructure, Community Assets and other PPE combined. A substantial portion of the capital revenue is funded primarily from Grants and subsidies particularly the Municipal Infrastructure grant. The municipality fully expended its allocation for the period and already committed all funds for the next financial year.

Although there are no out of the norm performance in the capital expenditure category, it still advisable that a more long term and sustainable approach be considered during the financial planning processes. This should entail a gradual commencement with an exercise of allocating a portion of the own internal resources towards the building of capital reserves for infrastructure investment so as to refrain from the practice of having such an important component of service delivery being so heavily reliant upon grant funding.

5.6 SOURCES OF FINANCE

5.6.1 COMMENT ON THE SOURCES OF FINANCE

The primary funding sources of Umvoti comprise of the following sources largely

Operational Revenue & Capital Revenue

1. Grant Funding

- Equitable Share
- Conditional Grants:
- MIG

2. Own Revenue Sources

- Electricity Revenue
- Waste Management
- Property Rates

- d. Interest on Investments
- e. Licenses and Fines
- f. Rental Income

It should be conservatively noted that whilst we have recorded an overall favorable operating revenue for the period in question, a substantial portion of the operating revenue is made up primarily of the operating grants, particularly the equitable share. Which is indicative of the fact that the municipality is largely dependent on grants and subsidies for its day-to-day operations. Other operating revenue sources such as Property Rates, Electricity, and Refuse Removal, continue to reflect a trend of under-performance.

However, items such as Interest on investments, rental Income, fines, licenses, operational grants are recorded on a cash basis and have recorded a relatively favourable performance this performance is suggestive of improvement in the accuracy of the budget estimates against these income sources. We must continue to apply strict conservative measures when projecting revenue sources, exercising caution against overly ambitious revenue projections as well ensuring that past performance of the revenue sources is a major factor of consideration. The requirement of exercising caution when in the revenue projections is informed primarily by the fact that the under-collection of revenue against the budgeted revenue sources, impacts directly on the expenditure projections to be funded from these revenue sources.

The impact of the non-collection of the billed property rates and electricity revenue contributes significantly on the alarming amount and upward spiralling of outstanding debt as reflected in the Debtors Age Analysis report. Although Council has commenced with initiating some debt collection and credit control efforts, which includes amongst other initiatives, review of credit control policy which incorporates incentive programmes and debtor's settlement agreements, development of revenue enhancement strategy and implementation plan, adequate capacitation of the credit control unit and process to appoint data cleansing and enrichment service provider is underway.

5.6.2 COMMENT ON CAPITAL PROJECTS

The Municipality is highly relying on consultants for Project Management, however irrespective of this challenge the Municipality managed to achieve 73% of MIG spending during the year under review.

5.7 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

5.7.1 INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The percentage of people with access to electricity has increased from 67.63% in the previous years to 71.11% in the year under review. The increase is due to the number of new connections done by the municipality and ESKOM as well as in fills completed by ESKOM. The number of people with access to water has increased to

62.8% during the year under review as a result of new schemes implemented by UMzinyathi District Municipality in rural areas.

5.7.2 COMMENT ON BACKLOGS:

The MIG funding has assisted the Municipality to reduce the service delivery backlogs in the rural areas.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash and cash management is vital for both the short-term and long-term survival of the Municipality. It is essential that an effective cash management process is established that will contribute to a positive current ratio, whereby the municipality's turnaround of current assets in relation to current liabilities is at least 2:1. This ratio refers to the Municipality's ability to convert current assets into cash and settle current liabilities within a 12 months period.

Numerous interventions had been instituted in order to improve deteriorated cash reserves, and those measures are improving collection rate, establishment of cash flow committee which is entrusted with the responsibility of costs reduction and to also come up with intervention to reduce electricity losses.

Table 5.10 Financial Ratios

FINANCIAL RATIOS			
	NORM	ACTUAL 2019/2020	ACTUAL 2020/2021
CASH COVERAGE	1 - 3 Months	1 Month	1 Month
CURRENT RATIO	2 : 1	0.7 : 1	0.92 : 1

5.8 BORROWING AND INVESTMENTS

5.8.1 INTRODUCTION TO BORROWING AND INVESTMENTS

Umvoti Municipality is currently exploring funding models for a conversion of the meters to prepaid and the borrowing is amongst the few options at the municipality disposal.

5.9 PUBLIC PRIVATE PARTNERSHIPS

There were no Public Private Partnerships entered into with any organization during the year under review.

COMPONENT D: OTHER FINANCIAL MATTERS

SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was reviewed to be aligned with National Treasury's Regulations and it was adopted in May 2017 with the implementation date being the 1st July 2017. A system of managing all goods and services has been implemented to ensure that value for money is received when procuring goods or services.

1. Adequacy of personnel within SCM

All officials in the Supply Chain Management unit have been trained on the functioning of the Supply management processes. All members of the committee underwent an SCM training during the year under review to enhance their Technical Skills in the discharging of their core functions including the SCM personnel.

2. Functioning Of Bid Committees

The Accounting Officer has as per section 26 of the Supply Chain Management regulations appointed the following committees:

- a) Bid Specification Committee
- b) Bid Evaluation Committee
- c) Bid Adjudication Committee

The bid committees were constituted to be in line with treasury regulations and Section 27-29 of the approved SCM policy.

2.1 Adequacy of Bid Committee meetings

- a) The SCM unit can report that the Bid Committees recently constituted performed adequately well for period under review. The development of schedule of meetings greatly assisted in ensuring that Bid Committees timeously sits and the challenge of BAC sittings reported previously has been eliminated.

3. Contract Management

- a) Section 75 (1) (g) of the MFMA stipulates that the municipality must place all awarded contracts above a certain value on the municipal website. The Municipal

Council is to adhere to the PPPFA threshold guidelines. Regulation 23 (c) (iii) also specifies that all bid results must be submitted/advertised on the municipal website.

b) Council in the past financial year has implemented an effective system of contract management system with the assistance of the Provincial Treasury. The core function of the unit is as follows:

- (i) Administer all contracts entered into between Council and responsive bidders
- (ii) Facilitate the signing of the SLA with responsive bidders
- (iii) Monitoring of the contracts signed for the delivery of various goods and services in consultation with the relevant departments

c) The municipality has assigned an official to deal with contract management and the said official has undergone a training as capacity enhancement. It must be noted that there are still shortcomings which results in the municipality incurring irregular expenditure emanating from expired contracts. To avert that, the contract register gets presented to the Management and Council Committees on a monthly basis.

Contract register is annexed which entail comprehensive details of existing contracts in the period under review

4. PERFORMANCE MANAGEMENT

a) Section 116 (2) (d) stipulates that every contract that the municipality enters into, a regular report must be submitted to council detailing its management and the performance of the contractor. In order to be able to do this, the accounting officer is thus required to compile a schedule summarizing progress against all the contracts that the municipality entered into.

b) The Supply Chain Management is not in position to accurately account in terms of the performance of contractors and supplies as it solely relied on the information provided by the project managers which may or may not be accurate. Whilst the contract management practitioner has been placed to manage all contracts, there seem to be notable gaps when it comes to the process flow of performance contract management. To address that gap, the municipality has introduced a monthly reporting tool, whereupon the project managers and user departments submits monthly report of the ongoing projects.

c) Issues such as variation orders, price escalations and handling of contingency fees remained the sole function of the project managers. Measures need to be put in place to ensure that this component of the performance management is managed adequately.

5. RISK MANAGEMENT

a) Risk assessment has been conducted in the period under review and risk register which seeks to mitigate risks identified was developed. All issues that were identified in the course of the period under review as potentially posing a threat to the optimal functioning of the SCM unit were identified and factored into internal audit plan.

b) The audit outcomes issued in prior years has reflected numerous issues, i.e. non-compliance with SCM policy and procedures which negatively impacts on overall audit outcome and new contracts which are wrongly awarded and thus results in irregular expenditure. The municipality has since resolved that the Bid Committees be trained on an annual basis, development of a compliance checklist and internal audit unit has been assigned to audit all tenders prior issuing intent to award.

6. IMPLEMENTATION OF PROCUREMENT PLAN

Timeous Implementation of the procurement plan by user Departments continues to be a challenge, and measures taken to ensure that department adhere to procurement plan targets, the municipality has since introduced a monthly procurement plan reporting which assists in tracking the implementation of the procurement plan.

5.10 GRAP COMPLIANCE

The Municipality is committed to ensuring that its financial system is GRAP compliant. Successful GRAP compliance will ensure that the municipal accounts are comparable and more informative. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

5.14. MSCOA COMPLIANCE

The Municipality was assessed as having achieved 69% implementation by the Provincial Treasury. There are modules that are still to be implemented which are the Costing (including the Job Costing module), Contract Management Modules and the Document Management System. Modules not fully implemented include the full life cycle asset management. The Municipality developed an MSCOA Road Map and Action Plan to improve on implementation achieved.

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GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.

Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES A COUNCILLOR STATS

Council Members	WARD NUMBER	Full Time / Part Time	Committees Allocated	*Ward and/ Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
		FT/PT			%	%
CLLR TC NGUBANE		FT	Finance, Planning & Economic Services Portfolio Committee (Chairperson)	ANC : Mayor	83.33%	16.67%
CLLR NG MASI KANE		FT	Technical Services Portfolio Committee (Chairperson)	ANC : Deputy Mayor	91.66%	8.34%
CLLR W KHOZA	9	FT	Ex – Officio	Ward : ANC : Speaker	100%	Nil
CLLR NJ NZAME	1	PT	Municipal Public Accounts Committee	Ward : ANC	91.66%	8.34%
CLLR ZC NGEMA	2	PT	Technical Services Portfolio Committee	Ward : ANC	75%	25%
CLLR PS HLOPHE	3	PT	Community & Corporate Services Portfolio Committee	Ward : ANC	100%	Nil
ALD SV ZONDI	4	PT	Executive Committee	Ward : IFP	83.33%	16.67%

CLLR MS YENGWA	5	PT	Community & Corporate Services Portfolio Committee	Ward : IFP	58.33%	41.66%
CLLR SS XULU	6	PT	Technical Services Portfolio Committee	Ward : ANC	100%	Nil
CLLR PG MAVINDLA Term of Office (5/9/19 – 13/01/2020 Resigned)	7	PT	Technical Services Portfolio Committee & Finance, Planning & Economic Services Portfolio Committee	Ward : ANC	100% (for his term of office i.e. 4 months)	Nil
CLLR Z ZAKWE	8	PT	Planning, Economic Services Committee	Ward : IFP	100%	Nil
CLLR BD MADONSELA	10	PT	Municipal Public Accounts Committee (Chairperson)	Ward : ANC	100%	Nil
CLLR MR DLAMINI	11	PT	Community & Corporate Services Portfolio Committee	Ward : IFP	100%	Nil %
CLLR MD KHANYILE	12	PT	Municipal Public Accounts Committee	Ward : ANC	100%	Nil
CLLR MS ZONDI	13	PT	Community & Corporate Services Portfolio Committee, & Finance, Planning &	Ward : ANC	100%	Nil

			Economic Services Portfolio Committee			
CLLR ZN NDOLVU	14	PT	Municipal Public Accounts Committee	Ward : ANC	100%	Nil
CLLR LT GWALA	10	PT	Community & Corporate Services Portfolio Committee (Chairperson)	PR : ANC: Exco Member	83.33%	16.67%
ALD R MAHARAJ	8	PT	Executive Committee Member	PR : IFP	58.33%	41.66%
ALD PMS NGUBANE	5	PT	Technical Services Portfolio Committee	PR : IFP	33.33%	66.66%
CLLR PT ZUMA	7	PT	Finance, Planning & Economic Services Portfolio	PR : ANC	91.66%	8.34%
CLLR F MAYAT	9	PT	Community & Corporate Services Portfolio Committee	PR : ANC	100%	Nil
CLLR NP DLAMINI	6	PT	Finance, Planning & Economic Services Portfolio	PR: IFP	83.33%	16.67%
CLLR GZ MALEMBE	3	PT	Local Labour Forum	PR : IFP	66.66%	33.34%

CLLR JM MWELI	13	PT	Municipal Public Accounts Committee	PR : IFP	83.33%	16.67%
CLLR SE LEMBETHE	14	PT	Finance, Planning & Economic Services Portfolio	PR : IFP	91.66%	8.34%
CLLR CN MKHIZE	1	PT	Technical Services Portfolio Committee	PR : IFP	100%	Nil
CLLR RS MAHARAJ		PT	Municipal Public Accounts Committee	PR : DA	83.33%	16.67%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Executive Committee	The principle Committee of Council that oversees other Committees and makes recommendations to Council, when it cannot dispose of matters in terms of its delegated powers.
Community & Corporate Services Portfolio Committee	<p>Oversight role over the following municipal business unit, Municipal Managers office, Mayoralty support, Corporate Governance, Public Relations and Marketing, Human Resources, Administration and Committees, Records, Council Support, Information Technology, Fleet Management and Public Participation.</p> <p>Oversight role over the following municipal business unit, Public Amenities, Parks and Gardens and Cleansing and Street sweeping, Cemeteries, Traffic Law enforcement and By-laws, Licensing of Motor Vehicles and Drivers, Disaster Management, Fire Fighting Services, and Security and VIP Protection.</p>
Technical Services Portfolio Committee	Oversight role over the following municipal business unit, Project Management, Electricity, Public Works and Maintenance, EPWP administration and the Workshop.
Finance, Planning & Economic Services Portfolio Committee	Oversight role over the following municipal business unit, Planning Development, Housing and Municipal Estates, Building Control, Performance Management System, Local Economic Development and Tourism, The Treasury Office, Supply Chain, Contract Management.
Local Labour forum	advise EXCO/Council on all Human Resources related issues
Audit Committee	external oversight on Municipal Finance and Performance

Risk and Internal Audit Committee	oversight on all risks and internal audit procedures and findings
Housing Fourm	oversight and co-ordination on all Housing projects in the area of jurisdiction
11X Ward Committees	Support Ward Councillor, advise on ward needs and communicate the affairs of the Municipality to the Community
Governance & Intergovernmental Relations	this function is being dealt with at District level
MANCO	co-ordinate departmental operations and formulate Municipal Administrative strategies and views
Section 4 Committee meetings	approve/dis-approve applications received in terms of the gathering act

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	Municipal Manager - Mrs. TN Ngiba
Planning and Economic Services Department	Acting Director : Mr TC Buthelezi
Corporate Services Department	Director : Mr. MF Maphanga
Finance Department	CFO: Mrs. CB Mkhize
Community Services Department	Acting Director: Mrs BJ Mchunu
Technical Services Department	Director: Mr. N. Qwabe

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions	
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes

Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>	

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 1 Mbulwane	Cllr. NJ Nzame MN Majosi, HZ Nzama, TD Gwala, TR Ngcobo, S Makhoba, L Mkhize, JS Khuzwayo, SZ Mnyandu, T Ngubane, NP Zulu	Yes	12	4	4
Ward 2 Matimatolo	Cllr ZC Ngema S Sithole, ML Lembethe, N Myeza, WF Ngcobo, M Ndlovu, TR Zondi, FG Mzila, T Xulu, TD Khumalo, LO Mdlalose	Yes	12	4	4
Ward 3 Ntembisweni	Cllr PS Hlophe Z Shange, JD Majosi, S Ndlovu, GP Skhakhane, MC Mbambo, BJF Skhakhane, T Mthembu, NS Ngubane, Z Majosi, MA Ngubane	Yes	12	4	4

Ward 4 Eshane	Ald SV Zondi BN Ndlovu, AM Diadla, TV Ngubane, PE Mkhize, SQ Mngoma, NP Budeinhost, SE Mzila, CL Mveli, JGS Msani	Yes	12	4	4
Ward 5 Kranskop	Cllr MS Yengwa PB Hlophe, SV Zondi, N Mkhize, DP Mthembu, SE Ngcobo, T Zondi, NS Diadla, NH Sithole, S Mazibuko, MM Khathi	Yes	12	4	4
Ward 6 Makhabeleni	Cllr SS Xulu SL Khathini, LJ Dlomo, NT Dlomo, DA Ntuli, MO Mhlongo, L Nala, LZ Khoza, AM Dube, SH Xulu, ML Hlophe	Yes	12	4	4
Ward 7 Nhlalakahle	Cllr VB Njoko- Sibisi M Bhengu, NV Xaba, TL Mzila, BC Ngubane, MB Dlamini, ZM Sithole, LP Hlongwa, GG Xulu, NF Ngubane	Yes	12	4	4
Ward 8 Muden	Cllr Z Zakwe K Mchunu, S Sibisi, ZM Mncube, S Chonco, K Mkhize, M Mveli, S Mkhize, N Ndlovu, MJ Ndawonde, Z Ximba	Yes	12	4	4
Ward 9 CBD	Cllr W Khoza TP Ngwenya, MBP Baxter, SB Langa, TA Mchunu, ZA Khumalo,	Yes	12	4	4

	PM Baxter, AK Aheer, LL Seme, Y Sayed				
Ward 10 Seven Oaks	Cllr BD Madonsela LL Khumalo, DZ Khumalo, C Eke, TB Gwala, EM Zondi, TS Mkhize, Z Bhengu, SI Madonsela, BS Mkhize	Yes	12	4	4
Ward 11 Muden	Cllr MR Dlamini DE Myaka, SV Buthelezi, LG Mthalane, MXN Zakwe, DS Dladla, NH Zakwe, M Ximba, CC Dladla, TM Shezi, S Mkhize	Yes	12	4	4
Ward 12 Mabomvini	Cllr MD Khanyile TA Ngubane, NS Madlala, NN Ngubane, MM Khumalo, MG Ndlovu, NC Gwala, NX Mhlongo, Q Mkhize, V Ngubane, MC Ngubane	Yes	12	4	4
Ward 13 Mbuba	Cllr MS Zondi NZ Mchunu, S Ndlovu, X Mzolo, N Maseko, BE Ximba, Z Bhengu, S Mathonsi, QP Mthethwa, D Phungula, DE Mhlongo	Yes	12	4	4
Ward 14 Engome	Cllr ZN Ndlovu S Zondi, SM Ngubane, S Makhaye, F Malinga, M Zondi, MJ Zondi, D	Yes	12	4	4

	Ntenjwa, N Kweyama, PS Zondi, N Mbeje				
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