

2011

UMZIMVUBU
LOCAL
MUNICIPALITY



UMZIMVUBU
— LOCAL MUNICIPALITY —

**[UMZIMVUBU LOCAL MUNICIPALITY DRAFT IDP & BUDGET
FOR 2011/12]**

THE DOCUMENT CONTAINS DRAFT IDP & BUDGET FOR 2011/12

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CHAPTER 1

1 INTRODUCTION

The Umzimvubu Local Municipality IDP (2011/2012) will serve as a strategic guide within all spheres of development within the municipality . It will be based on the issues articulated by the stakeholders and will be aligned with the national and provincial development imperatives such as National Spatial Development Perspective (NSDP), Accelerated and Shared Growth Initiatives for South Africa (ASGISA) and the Eastern Cape Provincial Growth the Development Strategy (PGDS).

In terms of the Municipal Systems Act, 2000 Chapter 5 part 3, a municipal council must review its Integrated development plan annually in accordance with its performance measurements in Section 41 and to the extent that changing circumstances so demand and may amend its integrated development plan in accordance with a prescribed process. This involves an assessment of the Municipality's implementation performance and the achievement of its targets and strategic objectives.

The IDP is reviewed to reflect the impact of successes as well as corrective measures to address problem. The IDP has to be reviewed annually in order to ensure its relevance as the Municipality's Strategic Plan, to inform other components of the Municipal business process including institutional and financial planning and budgeting and to inform the cyclical inter-governmental planning and budgeting cycle. As a preparatory stage a local Municipality is required to prepare a process plan. In formulation of local Municipality needs to consider that in terms of the MSA of 2000, section 84 one of its functions includes integrated development planning for the local municipality as a whole including a framework for integrated development plans . In the review process changes to the IDP process and content may be required from three main sources:

- Comments from the MEC
- Amendments in response to changing circumstances and
- Improving the IDP process and content

While there are many areas that require "tightening up" in Umzimvubu Municipal IDP, there are a number of areas where particular areas where particular attention is required:

- Institutional issues
- Sector plan and associated spatial frame work
- IDP budget link and
- Updated list of projects

In accordance with a philosophy behind the Municipal structures act, 1998, section 84 (i) that states A local Municipality has the following functions and powers:-

(a) Integrated Development Planning for its area of jurisdiction.

The Municipal Finance Management Act 56 of 2003 section 21 (1)(a) provides that the Mayor of the Municipality must:

- (a) Co-ordinate the processes for preparing the annual budget and for reviewing the Municipality's Integrated Development Plan and budget related policies to ensure that the tabled budget and any revisions of the Integrated Development Plan and budget related policies are mutually consistent and credible.
- (b) At least ten months before the start of the budget year, table in the municipal Council a time schedule outlining key deadlines for :-
 - (ii) (aa) the annual review of the Integrated Development Plan in terms of section 34 of the Municipal Systems Act 32 of 2000.

The Municipal Systems Act 32 of 2000 section 34 provides that a Municipal Council:-

- (a) Must review its Integrated Development Plan
 - (i) Annually in accordance with an assessment of its performance measurements in terms of section 41 and
 - (ii) To the extent that changing circumstances so demand; and
 - (iii) May amend integrated development plan in accordance with a prescribed process.

Section 27 (1) of the Municipal Systems Act, further states that, each district municipality, within a prescribed period after the start of its elected term and after a consultative process with local municipalities within its area, must adopt a framework for integrated development planning in the area as a whole".

Objectives

- To draw up a review process plan that would engender inclusivity and transparency;
- To encourage participation by all stakeholders and communities;
- To solicit and determine priorities of the Municipality; and
- To enhance service delivery and development.

2. Organisational Arrangements

(a) Role players

The following role players will be involved in the IDP review process:

- Council
- Mayor
- Executive Committee

- Municipal Manager
- IDP Steering Committee
- IDP Technical Steering Committee
- Ward Councilors and ward committees
- Community Development Workers
- IDP Representative Forum (residents, communities and other stakeholders)
- ANDM
- Provincial Government Departments in terms of their sector programmes

(b) Roles and Responsibilities

(i) Council

The Council will consider and adopt the process plan.

(ii) The Honorable Mayor

The Honorable Mayor must ensure that the IDP is reviewed annually.

Chairs the IDP Representative Forum

Chairs the IDP Steering Committee

(iii) Executive Committee

The Council of Umzimvubu Municipality through the Mayor and his/her Executive Committee is legally responsible for managing and formulating the Municipality's IDP. In terms of Section 30(b) of the Systems Act, 2000 this responsibility can be delegated to the Municipal Manager.

2.1 Municipal Manager

The Municipal Manager has delegated the function of the IDP development, review and implementation to the Assistant Director IDP, IGR and Municipal Performance under the Municipal Manager's Office; therefore the division of IDP, IGR and Municipal Performance will co-ordinate the IDP review process for 2011/2012.

The terms of reference include:

- Preparing the process plan
- Undertaking the overall management and co-ordination of the planning process ensuring:
 - ❖ Participation and involvement of all different role players
 - ❖ That time frames are adhered to

- ❖ That the planning process is aligned to the Provincial Growth and Development Strategy
 - ❖ Conditions for community participation provided
 - ❖ That the results of the planning and IDP review process are documented.
- Responding to comments on the draft IDP from the public and other spheres of Government to the satisfaction of the municipal Council
 - Accommodates and consider IDP comments and proposals from the office of the MEC for Housing, Local Government and Traditional Affairs

2.2 IDP Steering Committee

The IDP Steering Committee will assist the Honorable Mayor in guiding the review process. It comprises of the following members:

- ❖ Honorable Mayor
- ❖ Selected relevant Executive Committee Portfolio Heads
- ❖ Municipal Manager
- ❖ Assistant Director IDP, IGR and Municipal Performance
- ❖ Budget and Treasury Office Manager
- ❖ Deputy CFO
- ❖ Corporate Services Manager
- ❖ Citizens and Community Services Manager
- ❖ Infrastructure Planning and Development Manager
- ❖ Chief Operating Officer Manager
- ❖ Local Economic Development Manager

Terms of reference

The terms of reference for the IDP Steering Committee shall be the following:

- ❖ To draw terms of reference for the various planning activities
- ❖ Establish sub-committees
- ❖ Commission research studies
- ❖ Consider and comment on:
 - Inputs from sub-committees, study teams and consultants
 - Inputs from provincial sector departments and support providers
- ❖ Processes, summarize and document inputs
- ❖ Make content recommendations
- ❖ Define the terms of reference for the IDP Representative Forum
- ❖ Inform the public about the establishment of the IDP Representative Forum
- ❖ Identify stakeholders to be part of the Forum in such a way that the public is well represented
- ❖ Providing relevant technical, sector and financial information for analysis and for determining priority issues
- ❖ Contributing technical expertise in the consideration of financial strategies and identification of projects

- ❖ Providing operational and capital budget information
- ❖ The IDP Steering Committee is chaired by the Honorable Mayor or his/her delegate. The secretariat for this committee will be Corporate Services Department.
- ❖ The IDP Steering Committee may delegate some or all its responsibility to the IDP Technical Steering Committee.

2.3 IDP Representative Forum

The IDP Representative Forum of Umzimvubu Municipality is the organizational mechanism for discussions, negotiations and decision-making between stakeholders within our municipal area. It is envisaged that the following organizations and/or stakeholders may be involved:

- ❖ Councilors
- ❖ Ward Committees
- ❖ Community Development Workers
- ❖ Inter Governmental Forums
- ❖ Traditional Leaders
- ❖ Ministers Fraternal
- ❖ Stakeholder Representatives of Organized Groups
- ❖ Advocates of Unorganized Groups
- ❖ Community Representatives
- ❖ Resource Persons
- ❖ Traditional Leaders

Terms of Reference

The terms of reference for the IDP Representative Forum shall be as follows:

- ❖ Represent the interests of their constituents in the IDP process
- ❖ Provide an organizational mechanism for discussion, negotiation and decision-making between stakeholders including municipal government
- ❖ Ensure communication between all stakeholders including municipal government
- ❖ Monitor the performance of the planning and implementation process.
- ❖ Provide a platform for engagement, input and feedback to stakeholders on the IDP and PMS.

The IDP Representative Forum is chaired by the Mayor or duly delegated Councilor.

The Secretariat for the IDP Representative Forum shall be an official from the Corporate Services Department of the Municipality duly appointed or delegated such function by the Manager Corporate Services.

Code of Conduct

The IDP Representative Forum needs to have a code of conduct which will regulate such issues as:

- ❖ Meeting schedule (frequency and attendance) based on phases of the IDP
- ❖ Agenda, facilitation and documentation of meetings
- ❖ Understanding by members of their role as representatives of their constituencies
- ❖ Feedback to their constituencies
- ❖ Resolution of disputes
- ❖ Conditions of attendance of meetings

2.4 IDP Technical Steering Committee

Our IDP Technical Steering Committee will do the ground work and feeds the information into the IDP Steering Committee, it will involve:

- ❖ Municipal Manager
- ❖ HOD's
- ❖ MANCO members,
- ❖ Relevant officials

Terms of reference

The Terms of reference for this committee shall be as follows:

- ❖ Collect and collate information for IDP Steering Committee
- ❖ Conduct research and
- ❖ Advises the IDP Steering Committee

2.4.1 IDP Technical Steering Committee Focus Areas

The IDP Technical Steering Committee shall focus on the following KPA:

KPA	PRIORITY ISSUES
<p>Municipal transformation and institutional development</p>	<ul style="list-style-type: none"> • Municipal Administration • Human Resources • Research • Legal Services • Information & Communication Technology • Finance

Socio-Economic Development	<ul style="list-style-type: none"> • Agriculture • Manufacturing • Tourism • SMME Development • Forestry • Municipal/Environmental health • HIV/ AIDS • Disaster Management and Fire Fighting • Primary Health Care • Environmental Services • Waste Management • Law Enforcement • Community Safety
Infrastructure Development and service delivery	<ul style="list-style-type: none"> • Water and Sanitation • Roads • Telecommunication and electricity • Land and Housing • Public Transport • Community Facilities • Building Control
Good governance and public participation	<ul style="list-style-type: none"> • Intergovernmental Relations • Communications • IDP Co-ordination • Performance Management System • Public Participation • Special Programmes

2.5 Mechanism And Procedures For Public Participation

Umzimvubu Local Municipality comprises a large geographical area with many people. This situation requires that public participation be structured.

The structure for public participation in as far as the IDP process is concerned is the IDP Representative Forum. In order to ensure that there is representation of the various organized and unorganized groups within our municipal area. The following approach shall be used:

- Placing adverts in our local newspaper(s), Daily Dispatch, in English and isiXhosa which people and organizations to be part of the Representative Forum
- In order to reach those parts of our community that do not read newspapers, the information of the Representative Forum will be announced through radio stations such as Alfred Nzo Community Radio Station and Umhlobo Wenene
- Making use of other methods such as flyers, ward councilors, ward committees and community development workers, announcements through church gatherings and community based organizations, posters etc.

- Making an effort to reach unorganized groups and marginalized groups to ensure that their voices are heard. We will do this by approaching non-governmental organizations that represent the need of such groups.
- Our Local Communicators Forum will be utilized as another platform to mobilize for these meetings.

The IDP Representative Forum will meet throughout the IDP process with most meetings being held in the first, second and third phases of the review. The frequency of meetings will be highlighted in the “Action Programme” section.

It is envisaged that all meetings will be held at Umzimvubu Local Municipality, or alternatively, determined as and when need arises.

In order for members of the IDP Representative Forum to report to their constituencies, three weeks after each meeting will be allowed to make responses and comment on what is presented at the meeting, that is, should what is discussed at the meeting require a feedback.

Inputs to the IDP Representative Forum will be in the form of documentation, presentations and other forms deemed acceptable

MECHANISMS AND PROCEDURES FOR ALIGNMENT

<i>Phase</i>	Structures Involved	Activity
<i>Analysis</i>	Category B's and the District Municipality	<ul style="list-style-type: none"> • Re-defining priority issues • Incorporating aspects of sector information (assessing plans from relevant sectors) • Agree on parallel process
<i>Strategies</i>	Category B's and the District Municipality	<ul style="list-style-type: none"> • Vision, goals and objectives • Aligning strategies to the ISRDS, Social Plan etc.
<i>Projects</i>	Relevant Government Departments, Sector Specialists, Project Task Teams – Category B's and District	<ul style="list-style-type: none"> • Technical inputs by relevant sectors and governments • Relevant sector plans in order to align with project proposals accordingly • Business plans Project proposals with budgets • Alignment of projects and plans with government department plans and budget
<i>Integration</i>	Category B's, District Municipality and Government departments – Technical Specialists	<ul style="list-style-type: none"> • Screening of project proposals and making the necessary adjustments • Developing integrated programmes
<i>Approval</i>	Category B's, District Municipality	Final comments and adjustments and approval by the Council.

3. Monitoring And Amending

It is critical that the monitoring and review mechanisms be catered for in the planning process. The following with regards to monitoring and amendment of the Process Plan is recommended:

- That the Municipal Manager and IDP manager coordinate and monitor the whole process;
- Progress to be reported to the Municipal Manager and any deviations from the municipality's process plan be highlighted;
- The Mayor be mandated by Council to make amendments to the process plan should these be required.

4. Action Programme

In line with the district framework plan and process, the action plan will begin with the drafting and adoption of this process plan by the end of September 2010. Our action plan, programme and the overall process plan will be aligned with the budget process plan. The action programme will be developed in consultation with the Steering Committee and will be reviewed from time to time when necessary

4.1 IDP Review Process Plan 2011/2012

ACTIVITY	DATE
July 2010	
Compilation of Draft IDP Review Process Plan	01 July 2010
August 2010	
Draft IDP Review Process presentation to IDP EXCO	18 July 2010
Draft IDP review process plan submitted to council for Noting	29 July 2010
IDP Review Process Plan presentation to IDP Steering Committee	18 August 2010
September 2010	
Submission of IDP Review Process Plan to ANDM	03 September 2010
Advertise IDP Review Process Plan	15 September 2010
IDP & Budget Steering Committee and Rural Development Programme	21 September 2010
IDP Representative Forum. Sector departments engagement	27 September 2010
Council consider the adoption of the IDP Review process plan for 2011/2012	30 September 2010
October 2010	

ACTIVITY	DATE
Situational analysis discussions and Data collection	From 10-25 October 2010
IDP & Budget Steering Committee and Rural Development Programme	18 October 2010
November 2010	
IDP and Budget Steering committee	05 November 2010
IDP Technical Steering Committee meeting to deal with Objectives and strategies, Key Performance Indicators and targets, programmes and Projects. Programmes and projects linked to Budget (Capital and Operating)	08-12 November 2010
IDP Rep Forum	22 – 30 November
December 2010	
IDP & Budget Steering Committee & Rural Development Programme	3 December 2010
January 2011	
IDP and Budget Steering Committee to present updated situational analysis, refined objectives and strategies and projects, budget allocation to departments, operational budget and IDP and organizational review structure in support of IDP implementation, produce the draft SDBIP and Scorecards	19 -21 January 2011
IDP and Budget technical steering committee meeting: Confirm Indicators and targets, confirm programmes and projects	24-26 January 2011
February 2011	
IDP and Budget Steering Committee to align IDP with Budget and produce Draft IDP and Budget	02 February 2011
IDP Rep Forum to review progress on IDP implementation for 2010/11 and present draft IDP, Budget and SDBIP for 2011/2012	09 February 2011
IDP Steering Committee, drafting of IDP inputs from Sector Plans, IDP operational and financial plans	16 February 2011
Presentation of draft reviewed IDP to the Standing Committee	23 February 2011
March 2011	
Presentation of draft reviewed IDP to the Executive Committee	March 2011
Adoption of Draft IDP by Council	30 March 2011
Submission of Draft IDP document to MEC for comments after the adoption	31 March 2011 – 10 April
April 2011	
IDP advertised for public comments, public meetings and consultation	01-21 April 2011

ACTIVITY	DATE
Out Reach	01-19 April 2011
IDP Steering Committee	20 April 2011
IDP Rep Forum	30 April 2011
May 2011	
Final draft Reviewed IDP presented to IDP Steering Committee	04 May 2011
Final draft presentation to Executive Committee	12 May 2011
Final Draft presented to Council for final adoption	27 May 2011
June 2011	
Strategic Planning session to produce the final SDBIP and Strategic Scorecard	8-10 June 2011
IDP, Budget and SDBIP submitted to National , Provincial Treasury and ANDM	15 - 22 June 2011
Treasury and ANDM	
IDP, MTREF Budget, Budget related policies, annual report, performance agreements, service delivery agreements, Long Term Borrowing contracts published on Council website.	22 - 30 June 2011

Action Plan

Each phase of the IDP review will be initiated by the Steering Committee meeting followed by the Representative Forum. Action plan with activities and proposed dates. requirements binding on the municipality in terms of legislation.

IDP's must be reviewed on an annual basis and adjusted and revised in accordance with the monitoring and evaluation of existing performance and changing circumstances.

The integrated development planning methodology comprises five interrelated phases namely;

- ⇒ Analysis
- ⇒ Strategies
- ⇒ Projects
- ⇒ Integration
- ⇒ Approval

the analysis phase aims to assess the existing level of development within the Municipality through analysis of the prevailing environment and impact of the prevailing environment on the inhabitants of the Municipality. The analysis process facilitates the identification and analysis of

the environmental challenges facing the municipality and allows the municipality to accurately prioritise these challenges.

The ensuing phases of the integrated development planning process build on the analysis phase, and it is therefore imperative that the analysis phase be compiled accurately. Planning, budgeting, decision making and service delivery are largely informed by the existing environment and its inherent challenges. A plan that is not based on an accurate understanding of the current environment will lack credibility and efficacy.

This report will contain a comprehensive analysis of the Umzimvubu Local Municipality including the legislative and policy environment, the Municipal vision and mission, the geographic positioning and composition of the study area, and an environmental analysis in the broadest sense of the word that includes a demographic, socio economic, spatial and biophysical environmental analysis. An analysis will also be done of service provision including infrastructural services, community services and community facilities. Economic growth and development will be analysed with specific reference to current trends in terms of poverty, employment trends and the predominant sectors. An analysis of the institutional and governance environment as well as the financial viability of the Umzimvubu Local Municipality will also be done to ascertain its capacity to provide sustainable service delivery.

CHAPTER 2

2 LEGISLATIVE AND POLICY FRAMEWORK

Municipalities are subject to a myriad of policy and legislation. This section aims to provide an overview of legislation and policy that is directly relevant to the integrated development planning process. A brief overview will also be provided of other legislation and policy that Municipalities need to take cognisance of.

2.1 Republic of South Africa Constitution Act 108 of 1996

The Republic of South Africa Constitution Act provides a fundamental legal framework that Municipalities must adhere to and uphold. Section 239 of the Constitution defines an organ of state as any “department of state or administration in the National, Provincial or Local sphere of Government”. All references to organs of state in the Constitution therefore include the local sphere of government.

Chapter 2 of the Constitution contains the Bill of Rights. The Bill of Rights applies to all law and binds the legislature, the executive, the judiciary and all organs of state¹. The state has an obligation to respect, promote and fulfil the rights contained in the Bill of rights². Municipalities, being an organ of state must comply with these obligations.

Chapter 3 of the Constitution deals with the principle of co-operative governance. The Government of the Republic comprises a National, Provincial and Local sphere of Government which are distinctive interdependent and interrelated. This chapter sets out a number of principles which collectively provide the co-operative governance framework that all spheres of government must adhere to³.

Chapter 7 regulates the local sphere of government. Section 152 stipulates the local government objectives which a municipality must endeavour to achieve within the confines of its financial and administrative capacity. These objectives are:

⇒ “To provide democratic and accountable government to the communities

¹ Republic of South Africa Constitution Act 108 of 1996: (8)

² Republic of South Africa Constitution Act 108 of 1996: (7)(2)

³ Republic of South Africa Constitution Act 108 of 1996 (40 &41)

- ⇒ To ensure the sustainable provision of services to the community
- ⇒ To promote social and economic development
- ⇒ To promote a safe and healthy environment
- ⇒ To encourage communities and community organisations to get involved in local government matters”

Section 153 provides that municipalities have a developmental duty. This duty entails managing and structuring the budget, administration and planning processes of the municipality in a manner that prioritises the basic needs of the community while promoting the social and economic development of the community. Municipalities are required to participate in National and Provincial development programmes.

Section 154 expounds the role of municipalities within the cooperative governance framework by requiring national and provincial governments to support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.

2.2 MUNICIPAL LEGISLATION

The following paragraph gives an overview of municipal legislation that is most relevant to the IDP process; namely the Municipal Structures Act 1998, Municipal Systems Act 2000, the Municipal Performance Management and Planning Regulations 2001 and the Municipal Finance Management Act 2003.

2.2.1 Local Government Municipal Structures Act, 117 Of 1998

Chapter 3 deals with municipal councils. Section 19(1) reiterates the Constitutional obligation of municipalities to achieve the objectives of local government. Municipalities are required to review the needs and priorities of their communities on an annual basis. Municipalities must set priorities to enable them to meet the needs of their people, develop processes for involving the community in the determination of these needs and establish organisational and delivery mechanisms for meeting the needs of the community and evaluating their overall performance in achieving the objects of local government as required by the Constitution. Section 19(3)

obliges a municipality to develop mechanisms to consult the community and community organisations in performing its functions and exercising its powers.

Chapter 4 deals with internal structures and functionaries. Section 73 provides for the establishment of Ward Committees. The duties of Ward Committees entail making recommendations on matters affecting their wards to the Ward Councillor or to the Executive Mayor /Executive Committee or Municipal Council through the Ward Councillor. Ward Committees they are integral to the local IDP process.

Chapter 5 deals with functions and powers of municipalities. Section 84 regulates the division of powers and functions between local and district municipalities. Subsection (1)(a) provides that a district municipality must do integrated development planning for the district as a whole, which includes developing a framework for the integrated development plans of the local Municipalities who share a jurisdiction with the district municipality. District municipalities and the local municipalities within the area of a district municipality must co-operate with one another by assisting and supporting each other.⁴

2.2.2 Local Government Municipal Systems Act, 32 Of 2000

Chapter 2 regulates the legal nature, rights and duties of a municipality. Section 2 defines the legal nature of a municipality and provides that a municipality is composed of the political structures, administration and the community of the municipality. The emphasis of this provision is that the community form an integral part of the municipality.

Chapter 4 is devoted entirely to the regulation of community participation. A municipality is required to develop a culture of community participation by encouraging and creating conditions for the local community to participate in the municipality's affairs. Section 16(1) (a) stipulates certain activities of the municipality where public participation must be encouraged and includes the preparation, implementation and review of the integrated development plan.

⁴ Local Government Structures Act 117 of 1998: 88

Chapter 5 deals with the principle of integrated development planning. Integrated development planning is one of the core functions of a municipality in the context of its developmental mandate.

Section 24 requires municipalities to adopt an inclusive plan for the development of municipality which;

- ⇒ “Links, integrates and coordinates plans and takes into account proposals for the development of the municipality;
- ⇒ Aligns the resources and capacity of the municipality with the implementation of the plan;
- ⇒ Forms the policy framework and general basis on which annual budgets must be based; and
- ⇒ Is compatible with national and provincial development and planning requirements that are on the municipality in terms of legislation”

All municipalities are required to adopt an IDP which is the key strategic planning tool of the municipality. A municipality must give effect to its IDP and conduct its affairs in a manner consistent with its approved IDP⁵

The integrated development plan is defined as;

“the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality”.⁶

Municipalities are legally obliged to give effect to their integrated development plan and conduct their affairs in a manner which is consistent with their integrated development plan.⁷

⁵ Local Government Municipal Systems Act 32 of 2000 section 36

⁶ Local Government Municipal Systems Act 32 of 2000 section 35 (1)

⁷ Local Government Municipal Systems Act 32 of 2000 section 36

An integrated development plan must be reviewed on an annual basis and adjusted and revised in accordance with the monitoring and evaluation of existing performance and changing circumstances. The development and review of an IDP must take place within the parameters of a prescribed process. Section 27 requires a district municipality to adopt a framework for integrated development planning in the area as a whole. Section 28 requires all municipalities to adopt a process plan that guides the planning, drafting, adoption and review of the integrated development plan.

Chapter 6 deals with performance management. It requires all municipalities to establish a performance management system that is in line with the priorities, objectives, indicators and targets as contained in its IDP. Municipalities must also create a culture of performance management within their administration, council, political structures and political office bearers. The performance of the municipality in relation to its achievement of the objectives as contained in the IDP must be monitored, reviewed and reported on annually.

2.2.3 Local Government Municipal Planning And Performance Management Regulations, 2001

These regulations supplement the provisions of the Municipal Systems Act by outlining the requirements and core components of the performance management framework and integrated development plan.

2.2.4 Local Government Municipal Finance Management Act, 56 Of 2003

The Municipal Finance Management Act (MFMA) seeks to regulate financial planning and management in municipalities as public institutions. The object of this Act is to secure sound and sustainable management of the fiscal and financial affairs of municipalities and its entities by establishing norms and standards and other requirements for;

- ⇒ ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities
- ⇒ the management of their revenues, expenditures, assets and liabilities and the handling of their financial dealings

- ⇒ budgetary and financial planning processes and the co-ordination of those processes with the processes of organs of state in other spheres of government
- ⇒ borrowing
- ⇒ the handling of financial problems in municipalities
- ⇒ supply chain management
- ⇒ Other financial matters.

Section 21(1) of the MFMA requires municipalities to coordinate the process of preparing the annual budget and revising the IDP to ensure that there is integration between the two. MFMA also provides for the drafting of a Service Delivery Budget Implementation Plan (SDBIP). The SDBIP is a detailed plan approved by the Mayor/Executive Mayor of the municipality for the implementation of service delivery in accordance with the annual budget. The SDBIP should include monthly revenue and expenditure projections, quarterly service delivery targets and performance indicators.

2.2.5 Inter-Governmental Relations framework, Act 13 of 2005

This Act supplements the provisions of Chapter 3 of the Constitution which regulates co-operative governance. The Act provides a framework to promote and facilitate functional horizontal and vertical relationships between the various departments of government, and the various spheres of government. The Act also provides mechanisms and procedures to facilitate the settlement of inter-governmental disputes. The envisaged multi sector nature of the IDP is dependant on sound intergovernmental relationships

2.2.6 Development Facilitation Act, Act 65 Of 1995 (DFA)

Chapter 1 of the DFA sets out a number of principles, which apply to all land development. The following principles would apply to the formulation and content of a Spatial Development Framework:

- A. Policies, administrative practice and laws should:
 - i. Provide for urban and rural land development;
 - ii. Facilitate the development of formal and informal, existing and new settlements;
 - iii. Discourage the illegal occupation of land, with due recognition of informal land development processes;
 - iv. Promote speedy land development; and

- v. Promote efficient and integrated land development in that they:
 - ⇒ Promote the integration of the social, economic, institutional and physical aspects of land development
 - ⇒ Promote integrated land development in rural and urban areas in support of each other;
 - ⇒ Promote the availability of residential and employment opportunities in close proximity to or integrated with each other;
 - ⇒ Optimize the use of existing resources including such resources relating to agriculture, land, minerals, bulk infrastructure, roads, transportation and social facilities;
 - ⇒ Promote a diverse combination of land uses, also at the level of individual erven or subdivisions of land;
 - ⇒ Discourage the phenomenon of “urban sprawl” in urban areas and contribute to the development of more compact towns and cities;
 - ⇒ contribute to the correction of the historically distorted spatial patterns of settlement in the Republic and to the optimum use of existing infrastructure in excess of current needs; and
 - ⇒ Encourage environmentally sustainable land development practices and processes.

- B. Members of communities affected by land development should actively participate in the process of land development.
- C. The Skills and capabilities of disadvantaged persons involved in land development should be developed
- D. Policy, administrative practice and laws should promote sustainable land development at the required scale in that they should:
 - i. Promote land development which is within the fiscal, institutional and administrative means of the Republic;
 - ii. Promote the establishment of viable communities;
 - iii. Promote sustained protection of the environment'
 - iv. Meet the basic needs of all citizens in an affordable way; and
 - v. Ensure the safe utilization of land by taking into consideration factors such as geological formations and hazardous undermined areas

- E. Each proposed land development area should be judged on its own merits and no particular use of land, such as residential, commercial, conservational, industrial, community facility, mining, agricultural or public use, should in advance or in general be regarded as being less important or desirable than any other use of land.
- F. Land development should result in security of tenure, provide for the widest possible range of tenure alternatives, including individual and communal tenure, and in cases where land development takes the form of upgrading an existing settlement, not deprive beneficial occupiers of homes or land or, where it is necessary for land or homes

occupied by them to be utilized for other purposes, their interests in such land or homes should be reasonably accommodated in some other manner.

- G. A competent authority at national, provincial and local government level should coordinate the interests of the various sectors involved in or affected by land development so as to minimize conflicting demands on scarce resources.
- H. Policy, administrative practice and laws relating to land development should stimulate the effective functioning of a land development market based on open competition between suppliers of goods and services.

2.4 POLICY AND DEVELOPMENT INITIATIVES

The following paragraphs provide an overview of National and provincial policy frameworks most relevant to the IDP process

2.4.1 National Spatial Development Perspective (Nsdp)

The key priorities for the new Government were for the increase in economic growth and promote social inclusion. National Spatial Development Perspective (NSDP) is a critical instrument for policy coordination, with regard to the spatial implication of infrastructure programmes in national, provincial and local spheres of government.

NSDP has been approved as an indicative tool for development planning in government. In order to contribute to the growth and development policy objectives of the government, the NSDP puts forward a set of 5 normative principles:

Principle 1: Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, amongst which poverty alleviation is key.

Principle 2: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy and education facilities) wherever they reside.

Principle 3: Government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.

Principle 4: Efforts to address past and current social inequalities should focus on people, not places. In localities where there are both high levels of poverty and demonstrated economic potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low demonstrated economic potential, government should, beyond the provision of basic services, concentrate primarily human capital development by providing social transfers such as grants, education and training and poverty relief programmes and reducing migration cost by providing labour market intelligence so as to give people better information opportunities and capabilities to enable people to gravitate, if they chose to, to localities that are likely to provide sustainable employment and economic opportunities.

Principle 5: In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent or link to the main growth centres. Infrastructure investment should primarily support localities that will become major growth nodes in South Africa and the SADC region to create regional gateways to the global economy.

2.4.2 Provincial Growth And Development Plan (PGDP)

The provincial growth and development Plan (PGDP) for the decade 2004-2014 focuses on opportunities to rapidly improve the quality of life of the poor. The plan sees opportunities in:

- Natural resource development particularly in the former homelands of Ciskei and Transkei. The plan suggests irrigation of 32 000ha from under-used (sic) rivers as well as forestry schemes of 120 000ha. It also proposes the allocation of state and prime land to Community Public and Private Partnership (CPPPs) for the establishment of natural resource enterprise (e.g. onshore or inland fisheries, nature reserves, cultural sites, tourism) within the existing land tenure system. Rural enterprises are identified as small-scale irrigation, rainwater harvesting, home gardening, maize and mixed cropping, local mining, agro-forestry, dairy, small stock and poultry. The Transkei Rapid Impact programme (TRIP) is set to expand forestry production through support to small scale saw millers and 50 000ha of individual and community woodlots are planned for development.
- The plan is a strategic document that focuses on the exploitation of natural resources without due consideration of the limitation on the carrying capacity of the natural environment, or the impact of the proposed schemes.
- Industrial diversification. The plan proposes the expansion of agricultural production is set to support agro-processing industries such as food processing, leather goods, wood products, furniture production, wool and mohair clothing, crafts and tourism.

Tourism development

- The plan recognizes the eco-tourism potential of the province and acknowledges the challenges of protecting environmental assets while optimizing socio-economic benefits to local communities. The PGDP acknowledges constraints to development opportunities as presented by:

- Poverty (defined as “a lack of access to opportunities for a sustainable livelihood”) particularly in the former Ciskei and Transkei regions;
- Skewed income distribution and inequality in income generation;
- Low annual economic growth that is insufficient to address backlogs and increasing unemployment;
- Constraints on provincial expenditure resulting from a limited revenue base, static fiscal transfers from the National Government, lack of financial management capacity within the provincial government and municipalities and huge and increasing social and economic needs of the population co-existing with budget in the provincial treasury;
- Lack of development and social infrastructure in the former homelands of Ciskei and Transkei during the Apartheid era that has resulted in deep structural poverty in these areas and a low capacity for state delivery;
- Fragmentation in the labour market into the core consumer economy (manufacturing, government and other industries) and marginal modern sectors (commercial agriculture, domestic services and mining) together with a decline in formal employment opportunities has led to large numbers in the peripheral labour force (subsistence agriculture, informal sector and the unemployed);
- Under-development of agricultural potential in the province particularly in the former homelands; and
- The HIV/AIDS pandemic and its impact on economic growth

Implications for the Umzimvubu Local Municipality in as far as Umzimvubu Local Municipality is concerned, the implication of the PGDP is that the majority of the opportunities and constraints identified by the plan are in many ways applicable to Umzimvubu Local Municipality. However the implementation of projects and programmes which may be facilitated by the PGDP must be sustainable and must take into consideration recommendation of the SDF.

2.4.3 Eastern Cape Provincial Spatial Development Plan (Ecpsdp)

The Eastern Cape Provincial Spatial Development Plan (ECPSDP) gives guidance on the principle that should underpin the strategic approach to spatial development and management. The ECPSDP proposes a hierarchy of nodes and development areas based on a range of socio-economic indicators analysis of development potentials. The rationale is to reinforce nodes of existing development strength and areas of development potential to guide public investment in infrastructure and services.

Three levels of services are proposed:

1. **Basic Need to All** – whereby the provision of basic services based on constitutional rights are targeted at areas of highest need.
2. **Building Capacity** – whereby public sector investment, particularly economic infrastructure, is prioritized in areas of growth and opportunity

3. **Targeted Focus Area** – in which public investment is used to “crowd in” private sector investment in areas of high growth potential.

2.4.4 Accelerated And Shared Growth Initiative For South Africa (Asgisa)

ASGISA has economic and social objectives. Economically, it aims to achieve economic growth of four comma five percent (4, 5 %) in the first phase of development from 2005 to 2009. Also, economic growth of six percent (6%) should be reached by 2014. Social objectives on the other hand include the improvement of the environment and opportunities for labour –absorbing and ensure that the fruits of growth are shared in such a way as to eventually eliminate poverty.

AsgiSA recognizes some of the binding constraints against which the policy operates. These include:

- The volatility and level of the currency.
- The cost, efficiency and capacity of the national logistics system.
- Shortage of suitably skilled labour amplified by the cost effects on labour of apartheid spatial patterns.
- Barriers to entry, limits to competition and limited new investment opportunities.
- Regulatory environment and the burden on small and medium businesses.
- Deficiencies in state organization, capacity and leadership.

Also, the policy highlights a series of interventions to counter these constraints.

The following are the six categories into which the interventions were grouped:

- Macroeconomic issues;
- Infrastructure programmes;
- Sector investment strategies (or industrial strategies);
- Skills and education initiatives,
- Second economy interventions; and
- Public administration issues.

Other strategic interventions in the infrastructure arena include further development of the country’s research and development infrastructure, and further improvement in the modalities for public-private-partnerships in the development and maintenance of public infrastructure. Public sector infrastructure spending has considerable potential spin-offs in terms of the generation or regeneration of domestic supply industries, small business development and empowerment. Government is seeking to maximize the positive impact of these spin-offs on the domestic economy.

In addition to the general infrastructure programmes, provinces were asked to propose special projects that would have a major impact on accelerating and sharing growth. A set of projects has been selected for finalization of implementation plans. Also, the policy introduced sector strategies that aim at promoting private sector investment. These are inclusive of the following:

- ***A broader National Industrial Policy framework:*** Two sectors were identified for special priority attention: business process outsourcing (BPO) and tourism, and a third which is at a less advanced stage of development, biofuels. What all of these industries have in common is that they are labour intensive, rapidly growing sectors world wide, suited to South African circumstances, and open to opportunities for Broad Based Black Economic Empowerment (BBBEE) and small business development.
- ***Education and skills development:*** For both the public infrastructure and the private investment programmes, the single greatest impediment is the shortage of skills—including professional skills such as engineers and scientists, managers such as financial, personnel and project managers; and skilled technical employees such as artisans and IT technicians. The shortfall is due to the policies of the apartheid era and the slowness of our education and skills development institutions to catch up with the current acceleration of economic growth.
- ***Eliminating the second economy:*** Without interventions directly addressed at reducing South Africa’s historical inequalities, growth is unsustainable. Interventions to address deep-seated inequalities and that target the marginalized poor are interventions to bridge the gap with the second economy, ultimately eliminating the second economy.

Of importance with regards to the governance and institutional interventions, the framework for the planning and management of land use was highlighted as a key area for institutional reform. Many investment projects are unnecessarily held up by the weakness of local or provincial planning and zoning systems, or the cumbersome Environmental Impact Assessment system. The EIA system is being reformed so that it will reduce unnecessary delays, without sacrificing environmental standards. A complimentary activity must be improvements in the planning and zoning systems of provincial and local governments.

2.4.5 Framework Guide For Credible IDP's

The National Department: Provincial and Local Government (DPLG) prepared an Evaluation Framework for credible IDPs. This Evaluation Framework is intended to serve as a tool to guide the assessment of a credible IDP and the core criteria to demonstrate municipal strategy, vision and compliance with both legislative and policy intent have been crafted to assist the assessors during the analysis process. This framework is not intended to serve the purpose of a performance measurement tool, but rather a reference tool or guideline towards establishing the quality of a credible IDP. In this 2006-2012 Umzimvubu Local Municipality IDP process took due cognisance of the Credible IDP Evaluation Framework as a guide to formulating and adopting a credible IDP. The following aspects are considered to be relevant in respect of the preparation of the credible IDP:

- Consciousness by the Umzimvubu Local Municipality of its constitutional and policy mandate for developmental local government, including its powers and functions;
- Awareness by Umzimvubu Municipality of its role and place in the local, regional, provincial and national context and economy;
- Awareness by Umzimvubu Municipality of its own intrinsic characteristics and criteria for success;
- Comprehensive description of the Umzimvubu Municipal Area in terms of the environment and the spatial characteristics;
- A clear strategy, based on local developmental needs;
- Insights into the trade-offs and commitments that are being made regarding economic choices, establishment of Sustainable Human Settlements, integrated service delivery, etc.;
- The key deliverables for the next five (5) years;
- Clear measurable budget and implementation plans aligned to the SDBIP
- A monitoring system;
- Determining the capacity and capability of Umzimvubu Local Municipality;
- Communication, participatory and decision making mechanisms;
- The degree of intergovernmental action and alignment to government wide priorities.

The framework outlines six key focus areas namely;

- ⇒ Spatial Development Framework
- ⇒ Service Delivery
- ⇒ Sustainable Economic Growth and Development and LED
- ⇒ Financial Viability
- ⇒ Institutional Arrangements
- ⇒ Governance and Organisational Development

**MEC COMMENTS ON THE ANALYSED FINAL INTEGRATED DEVELOPMENT PLAN(IDP) -
2010/11**

IDP Analysis Rationale

In compliance with Section 32(2) of the Municipal Systems Act, No. 32 of 2000 as amended, the MEC for Local Government may within 30 days after receipt of a copy of the IDP or an amendment to the plan make some adjustment proposals to the Municipal Council.

The MEC comments are basically meant to ensure that priorities of government spheres are clearly articulated and aligned by all spheres to ensure the optimal utilization of government resources to accelerate service delivery. This could only be achieved through the crafting of credible IDPs.

IDP Analysis Methodology

The IDP Assessment process was once again provincially centralised and municipal delegates participated in the analysis process and this interactive engagement approach has enabled collective agreement on scores and pollination of information at a peer level and from specialists in various disciplines for improved and accelerated service delivery. Six commissions composed of delegates from district and local municipalities, Provincial and National sector departments and state owned entities were established in line with the following Key Performance Areas as contained in the IDP Analysis Tool.

Commission No's.	Key Performance Areas
1	KPA 1-Spatial Development Framework

2	KPA 2-Service Delivery
3	KPA 3 -Financial Viability
4	KPA 4 -Local Economic Development
5	KPA 5- Good Governance
6	KPA 6- Institutional Arrangements

Based on their findings, each Commission was requested to allocate an objective overall rating per Key Performance Area. The ratings ranged from low, medium to high within the following context:

Score/ Rating	Performance Description	Action Required
Low	Poor	Immediate intervention
Medium	Satisfactory(credible)	Support required
High	Excellent(credible)	Benchmarking

Quality assurance was facilitated through designated KPA Leaders

Our municipality has been rated as follows:

KPA	RATING 2008/09	RATING 2009/10	RATING 2010/11
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Spatial Development Framework	Low	Medium	Medium
Service Delivery	Medium	Medium	Medium
Financial Viability	Medium	Low	Medium
Local Economic Development	Medium	Low	Medium
Good Governance & Public Participation	Medium	High	Medium
Institutional Arrangements	High	Low	Medium
Overall Rating	Medium	Medium	Medium

After the adoption of the IDP for 20010/2011 by Council, it was submitted to all the spheres of government and the district. The MEC's comments were recieved and our IDP has been assessed as credible. The following were key comments, which the municipality must correct and/or include in the future:

- Spatial Development Framework – which is currently under review
- HR strategy – not documented
- Employment Equity Plan – not documented
- Led strategy – currently under review
- Infrustructure investment plan not deocumented
- Air quality Mngagment Strategy
- Altanative enegy source not documented

2.5 Other relevant legislation

There is a myriad of other legislation making that municipalities need to take cognisance of during their planning. The following table provides an overview of these statutes and their purpose. This is not an all inclusive list.

Table 1: Legislative overview

Legislation	Overview
<i>Legislation giving effect to Constitutional rights</i>	
Promotion of Access to Information Act, 2000	To control and regulate the right of all persons to access to information in terms of the Constitution of the Republic of South Africa 1996
Promotion of Fair Administrative Justice Act, 2000	To give effect to the right to administrative action that is lawful, reasonable, and procedurally fair in terms of the Constitution of the Republic of South Africa 1996
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	To promote equality and to eliminate unfair discrimination and to prevent and prohibit hate speech and to provide for matters connected therewith in terms of the Constitution of the Republic of South Africa 1996
<i>Municipal legislation</i>	
Local Government: Municipal Demarcation Act, 1998	To provide for the demarcation of boundaries of municipalities for the establishment of new municipalities
Organised Local Government Act, 1997	To provide for the recognition of National and Provincial organisations representing the different categories of municipalities and the designation of representatives to participate in the National Council of Provinces.
Promotion of Local Government Affairs Act, 1983	To provide for the co-ordination of functions of general interest to local authorities and of those functions of local authorities which should be co-ordinated in national interest

Legislation	Overview
Local Government Property Rates Act 6 , 2004	To regulate general property valuation and collection of rates
Municipal Accountants' Act, 1988	To provide for the establishment of a Board for Municipal Accountants, registration of Municipal Accountants and the control of their profession
<i>Legislation that applies to all organs of state</i>	
Development Facilitation Act, 1995	To provide for Integrated Development Plans, reflecting current planning and to institutionalise development tribunals for evaluating applications
Electoral Act, 1998	To manage and regulate elections on national, provincial and local government level
Division of Revenue Act	To provide for a fair division of revenue to be collected nationally between national, provincial and local government spheres for each financial year and for matters connected therewith
National Environmental Management Act, 1998	To provide for co-operative environmental governance by establishing principles for decision making on matters affecting the environment and to provide for matters connected therewith
National Building Regulations and Building Standards Act, 1977	To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards
National Water Act, 1998	To provide for fundamental reform of the laws relating to water resources
Water Services Act, 1997	To provide for the rights of access to basic water supply and sanitation, national standards and norms for tariffs and services development plans

Legislation	Overview
Electricity Act, 1987	To provide for and regulate the supply of electricity and matters connected thereto
Disaster Management Act, 2002	To provide for an integrated, coordinated and common approach to disaster management by all spheres of government and related matters
Fire Brigade Services Act, 1987	To provide for the rendering of fire brigade services and certain conditions to the rendering of the service
Gatherings and Demonstration Act, 1993	To control public gatherings and procession of marches
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998	To provide for the eviction of unlawful occupants of land and the protection of the rights of such occupants under certain conditions
South African Police Service Act, 1995	To provide, inter alia, for a municipal (city) police and Community Police Forums
Health Act, 1977	To provide for the promotion of the health of the inhabitants of the Republic, for the rendering of health services, to define the duties, powers and responsibilities of certain authorities which render such services and for the co-ordination of the services
National Road Traffic Act, 1996	To regulate traffic on public roads, the registration and licensing of motor vehicles and drivers, including fitness requirements and incidental matters
National Housing Act 107,1999	To facilitate a sustainable housing development process; establish general principles of housing development in all spheres of government and define the functions of national provincial and local governments in housing

Legislation	Overview
	delivery
<i>Employment and labour relations</i>	
Occupational Health and Safety Act, 1993	To provide for occupational health and safety in the work place and the protection of persons outside the work place against hazards to health and safety arising from activities of persons at the work place
Employment Equity Act, 1998	To promote the constitutional right of equality and the exercise of true democracy To eliminate unfair discrimination in employment To redress the effect of unfair discrimination in the work place to achieve a workforce representative of the population
Basic Conditions of Employment Act, 1997	To give effect to the right to fair labour practice To provide for the regulation of basic conditions of employment
Compensation of Occupational Injuries and Diseases Act, 1993	To regulate the categories of persons entitled to compensation for occupational injuries and diseases, and to determine the degree of disabled employees
Labour Relations Act, 1995	To regulate the organisational rights of trade unions, the right to strike and lock-outs, to promote and facilitate collective bargaining and employee participation in decision making and to provide simple procedures for labour disputes
Skills Development Act, 1998	To provide for the implementation of strategies to develop and improve the skills of the South African workforce, to provide for learnerships, the regulation of employment services and the financing of skills development

Legislation	Overview
Skills Development Levies Act, 1999	To provide for the imposition of a skills development levy and for matters connected therewith
South African Qualifications Authority Act, 1995	To provide for the establishment of a National Qualifications Framework and the registration of National Standards Bodies and Standards Generating Bodies and the financing thereof
Unemployment Insurance Act, 1966	To provide for the payment of benefits to certain persons and the dependants of certain deceased persons and to provide for the combating of unemployment

CHAPTER 3

3.1 SITUATION ANALYSIS

Analysis of the current situation or status quo within the study area forms an integral and important part of strategic planning exercise. Situation analysis ensures that decisions and recommendations are based on knowledge of availability and accessibility to resources that influence development within the municipal area as well as priorities as identified by the communities.

The status quo analysis will address the following:

- a. Study area
- b. Settlement patterns
- c. Demographics
- d. Socio economic
- e. Infrastructure
- f. Environment
- g. Local Economic Development
- h. Institutional Development and Transformation
- i. Financial Viability

3.2 The Study Area

The study area shall be the Umzimvubu Local Municipality (EC4420). The municipality is one of the two local municipalities situated within the Alfred Nzo District Municipality (DC44). The municipality is located in the Eastern part of the Eastern Cape Province. The municipal area covers an area approximately 2506 km² with a total population of about 220 636 of which 10% of the total population live in the urban area. The municipal area accommodates a significant rural/traditional population, both community-based and communal farming.

ULM is an inland Local Municipality in the North-Eastern extremities of the Eastern Cape Province, neighboring the Kwa-Zulu Natal province. The municipal area comprise of 24 administrative wards and two main urban centers known as Mount Frere and Mount Ayliff. The municipality is located in the Alfred Nzo District Municipality, as presented in Figure 1.1 and is bordered by the following local municipalities:

- Matatiele to the North
- Kokstad to the North-East
- Ntabankulu to the East
- Mhlontlo to the South-East
- Elundini to the west

Figure 1.1: Locality of Umzimvubu in the Eastern C

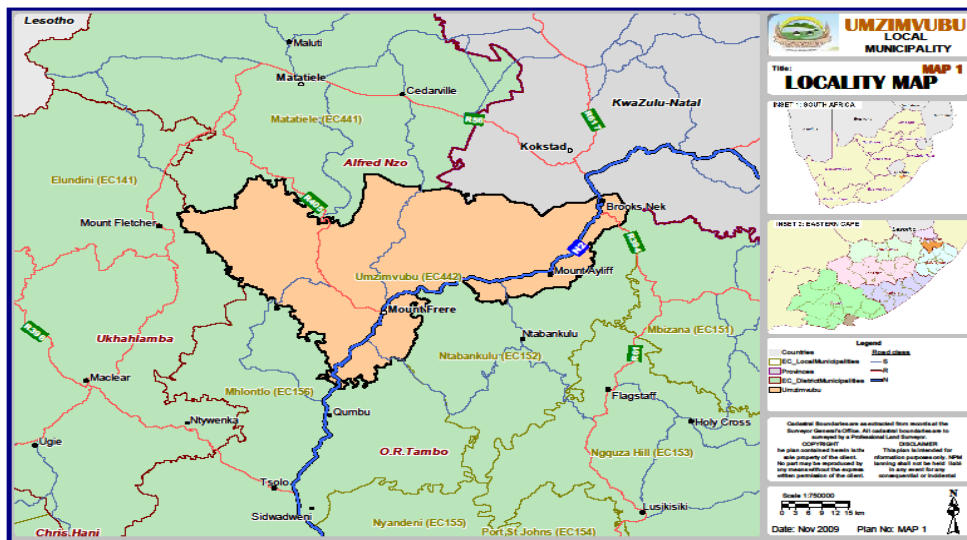
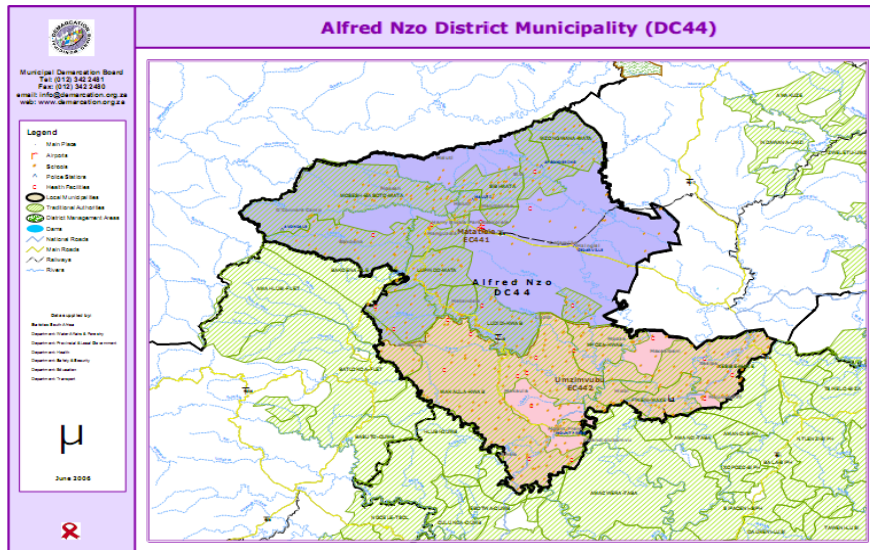


Figure 1.2 shows the umzimvubu as one of two municipalities in the Alfred nzo District, with matatiele as the only other local municipality under the district jurisdiction. The municipal area covers an area of approximately 2506 km². The national n2 road traverses the southern part of the municipality, and provides connectivity between mthatha and east london, and on a

broader scale the cities of east london and durban. There is no rail linkage within umzimvubu and no operational airstrip. There are two primary settlement nodes in umzimvubu, the town of mt frere and mt ayliff which are both situated on the national n2 road. Mt frere is the larger town and serves administrative functions for the municipality, as well as functioning as a retail hub for the area. Mt ayliff is the other urban area and is seen as a 'gateway' town to kokstad and the kwa-zulu natal province. The municipal area comprises of 24 administrative wards and secondary nodes in the municipality are found in pakade and phuti junction



Umzimvubu is a largely rural municipality, with an estimated 90% or more of the population residing in villages. There are 250 such villages spread throughout the geographical extent of the municipality. The climate in the summer rainfall ranges from very pleasant warm summers to mild winters. Annual rainfall ranges between 650mm to 1100mm with thunderstorms and hail being a common feature in summer. The municipality is a malaria free area.

3.3 SETTLEMENT PATTERNS

There are two levels of settlement of hierarchy identified in Umzimvubu Local Municipality viz. urban and rural settlement. The urban settlements are the main service centers i.e. Mount Frere and Mount Ayliff. A broad appraisal of land use and settlement patterns within Umzimvubu Local Municipality indicates that the urban settlement is dominated by the residential settlement with the secondary urban area being central business district (CBD). Non urban land within the municipality is characterized by either distinctive enclaves of rural settlement where rural and peri-urban settlements accommodate over 90% of the total municipal population. The rural settlement comprises of at least 250 villages throughout the municipal area. Each village consists of between 50 and 250 homestead. The remainder of land is owned and utilized communally for grazing and subsistence farming.

The municipality comprises of only the primary and secondary nodes, namely. These are areas where economic potential currently exist. We will elaborate more on these in the following chapter.

Primary Node:

- Mount Frere, and
- Mount Ayliff

Secondary Node:

- Pakade, and
- Phuti Junction

3.3.1 Mount Frere

Mount Frere is known as a service center providing a range of land uses from residential through institution to business, health and educational facilities. Therefore Mount Frere town is classified as a primary node.

The table below sets out an indication of the range and variety of land use found in Mount Frere urban area.

LANDUSE	NO OF SITES	AREA (m ²)	AREA (ha)
Abandoned Building	1	4151	0.415
Agricultural	49	4163370	416.337
Bed & Breakfast	6	13940	1.394
Builders Yard & Dwelling Unit	1	2856	0.286
Bus Rank	1	2179	0.218
Business	83	195547	19.555
Cemetery	1	7992	0.799
Clinic	1	17338	1.734
Dwelling Unit	513	629908	62.991
Dwelling Unit & Business	5	9932	0.993
Dwelling Unit & Car Wash	2	8010	0.801
Dwelling Unit & Flats	1	1524	0.152
Dwelling Unit & Hair Salon	1	3452	0.345
Dwelling Unit & Hardware Shop	1	1577	0.158
Dwelling Unit & Offices	1	3447	0.345
Dwelling Unit & Restuarant	1	3447	0.345
Dwelling Unit & Shops	1	2947	0.295
Dwelling Unit & Surgery	2	4633	0.463
Dwelling Unit (Under Construction)	77	37434	3.743
Filling Station	4	18452	1.845
Fire Station	2	6469	0.647
Flats	93	120020	12.002
Government	1	12843	1.284

Gym	1	2042	0.204
High School	1	52014	5.201
Hotel	1	3191	0.319
Kraal	1	862	0.086
Offices + Flats	1	1995	0.199
Open Space	6	139397	13.940
Parking Garage	3	30156	3.016
Place of Worship	9	50799	5.080
Police Station	1	27479	2.748
Pre-School	3	32027	3.203
Primary School	4	17337	1.734
Prison	1	8564	0.856
Remainder Allotment	2	12585259	1258.526
School	4	5914	0.591
Sports ground	1	60815	6.081
Street	38	244799	24.480
Surgery	2	2708	0.271
Telkom Station	1	629	0.063
Under Construction	5	8739	0.874
Vacant	560	494242	49.424
Water Reservoir	1	2781	0.278
Workshop	1	2420	0.242

Table 4.1 Mt Frere Land use survey

3.3.2 Mount Ayliffy

Mount Ayliff is known as a service center providing a range of land uses from residential through institution to business, health and educational facilities. Therefore Mount Ayliff town is classified as a primary node.

The table below sets out an indication of the range and variety of land use found in Mount Ayliff urban area.

LANDUSE	NO OF SITES	AREA (m ²)	AREA (ha)
Abandoned Factory	1	43700	4.370
Abandoned Funeral Parlour	1	991	0.099
Alfred Nzo Fire Rescue	1	2000	0.200
Bed & Breakfast	2	3001	0.300
Business	32	72906	7.291
Correctional Services	2	28705	2.871
Dwelling House & Hair Salon	1	1082	0.108
Dwelling Unit	927	624571	62.457
Dwelling Unit & Business	1	1135	0.114
Dwelling Unit & Flats	1	1985	0.199
Dwelling Unit & Place of	1	1971	0.197

Worship			
Dwelling Unit & Shop	3	4053	0.405
Eskom Station	1	1203	0.120
Filling Station	1	4118	0.412
Flats	19	26642	2.664
Government Offices	2	13499	1.350
Home Based Care	1	1895	0.189
Hospital	1	161024	16.102
Hotel	2	5323	0.532
Municipal Offices	2	23212	2.321
National Road	1	97717	9.772
Open Space	4	106604	10.660
Place of Worship	7	33918	3.392
Police Station	2	52248	5.225
Post Office	1	3924	0.392
Remainder Allotment	2	18072852	1807.285
Road	2	509	0.051
School	4	132257	13.226
Scrap yard	1	991	0.099
Vacant	274	1864490	186.449
Water Reservoir	1	1070	0.107
Total	1301	21389596	2138.960

Table 4.2 Mt Ayliff Land use survey

3.3.3 Rural Area

The municipal area is characterized by rural areas in which a large number of the population resides. At least 90% of the municipal population resides in these areas with inadequate resources and very poor infrastructure. The rural areas encompasses dispersed settlements and free-range grazing, however these areas are increasingly gaining access to potable water, electricity. The households here are constructed from the local resources such as mud blocks, poles and thatch, alongside cement blocks and corrugated iron roofing.

3.3 LAND OWNERSHIP

According to the Statistics South Africa Community Survey 2007, 50.9% of the Umzimvubu population owns their homes. This is under par with the District norm of 60% and the Provincial norm of 63%.

The Umzimvubu Municipality faces numerous challenges in terms of security of tenure. The traditional settlements that constitute the majority of the district are primarily subject to traditional forms of tenure such as PTOs (Permission To Occupy Certificates), 99 year leases and quitrent arrangements. These provide little in the form of secure tenure as it is understood in urban centres, where ownership by title deed is the norm. However, the traditional laws and community structures ensure that each household has recognized membership of the community and has the right to obtain access to household and arable land. Widows do not lose their homes and arable lands upon the death of their husbands.

There is a high prevalence of rural community land claims which are being processed very slowly due to the complexity of the history and current socio-political relationships prevalent amongst land claimant groups. Another factor is that there is a dire shortage of alternative land near enough to claimant communities as almost all land has land right allocations in place, some of them of very long standing. The prevalence of land claims has a crippling effect on the development opportunities and economic opportunities in the area and hampers housing delivery. This is, in part, due to the land restitution legislation that makes it very difficult, if not impossible, to legally undertake developments on land under claim.

The Provincial Land Reform Office of the National Department of Land Affairs has recently completed the Area Based Planning Project that has identified the distribution of state land, land under claim and other forms of tenure. This information will soon be available to the District and Local Municipalities for use in planning.

3.4 URBANISATION

Urbanisation trends are led by migration of people from their rural to urban areas to seek better education, better jobs and better life style. This urbanisation leads to increase in informal houses on available vacant land adjacent to the town. The Municipality has not been able to respond adequately to this challenge in terms of adopting a land development programme that would avail serviced sites to those who want to construct their own houses

and a housing development programme that would cater for low- income and middle income groups

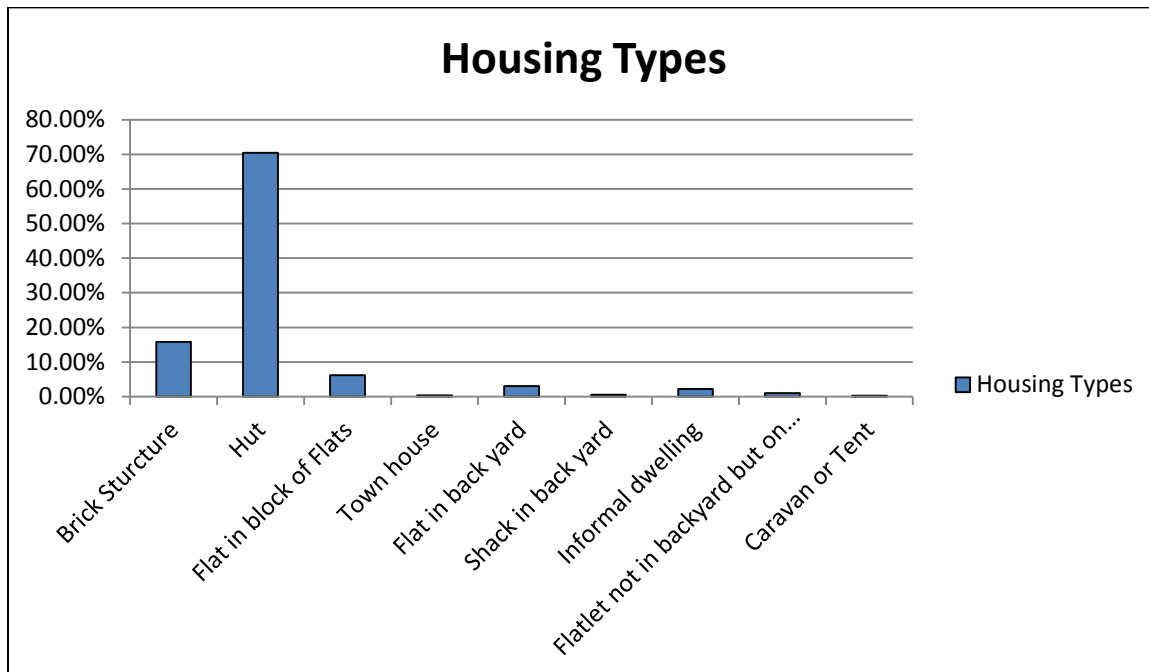
3.5 HOUSING DEVELOPMENT

The Umzimvubu Housing Sector Plans 2008 has the most recent information regarding the housing development in the municipal area. Figure 4.11 illustrates the type of dwelling units found in the municipal area. The information is derived from the Census 2001. It appears that 70% of the household live in traditional hut/mud structures. These are houses that are built of substandard material.

Urbanization has seen more people being drawn into the town centers of Umzimvubu. People are coming into towns' centers for economic reasons. The Housing Sector Plans reflects the municipality has a backlog of 2000 low income housing within the urban areas and 45 000 rural housing units.

The shortage of proper housing in the urban area has resulted in increase in informal settlements. Some of the land that was earmarked for housing is held up with the result of unresolved land claims.

The municipality is currently running a large number of rural housing projects to address the shortage of housing and evict the mud structures and also cater for low-income units



The above figure illustrates the different housing categories in the households in the municipality. Seventy seven percent (77 %) reside in the traditional dwelling, eighteen percent (18%) in formal dwellings four percent (4 %) and one percent (1%) resides in informal and backyard dwellings respectively.

Further, housing in rural areas is still based on old system that uses Permission to Occupy as type of ownership, and this type of agreement is mostly issued over communal land. The infrastructure in rural areas is poor hence this people do not have access of bulk infrastructure services such as water and sanitation, this led to inability to provide subsidised houses in rural areas. According to Stats SA census, backlogs in terms of housing delivery are estimated to be well in the range of seventy nine comma two zero percent (79,2 %).

4. DEMOGRAPHIC

There are various estimates for the population of the Umzimvubu Municipal area. For the purpose of the situation analysis the official community survey 2007 will be used and these figures are widely used within all spheres of government.

4.1.1 Population Estimates

Umzimvubu Local Municipality has a total population of approximately 220 630 people on 2506 square kilometers area, 99.8% are Africans and the remaining 0.2% of the population includes the Coloureds, Asians and whites. The average population density of umzimvubu municipality is 88 people per square kilometers which is higher than the district average of 70 people per square kilometers but is relatively low.

The table below reflects the approximate densities between the two urban centers and the rural area of the municipal area. Notably the rural area has the largest population residents.

Area	Population	%
Mount Frere	15 444.1	7
Mount Ayliff	6 618.9	3
Rural	198 567	90
Total	220 630	100

4.2.1 Population Profile and Household Trends

- This section will briefly discuss trends and changes in the Umzimvubu populace.
- These are contextualised in Table 2.1 within the district’s standing, and allow for a better understanding of the area as an investment destination.

Table 2.1 Population profile

Indicator	Year	Umzimvubu LM	Alfred Nzo DM
Area km ²			
Population Size	2009	223 330	481 601
	1999	205 779	413 853
Number of households	2009	50 969	108 060
	1999	46 511	95 513
Population Density p/km	2009	89	70
Household Density (h/h p/skm	2009	20	15
Average H/H Size (people)	2009	4.3	4.4
Average Population Growth Rate per year (1995-2009) 2009 0.85% 1.64%	2009	0.85%	1.64%
Age structure	2009	0-14: 40.3% 15-34: 36% 35-64: 17.9% 65+: 5.6%	0-14: 40.3% 15-34: 35.5% 35-64: 18.7% 65+: 5.3%

(Urban-Econ EC Calculations based on Quantec, 2010)

- Umzimvubu contributes towards just under half of the Alfred Nzo district’s population.
- The Umzimvubu IDP (2010) estimates that **90% of the population reside in rural areas**, with the rest being found in the tow urban centres of Mt Frere (15 444 people) and Mt Ayliff (6 618).
- The area has a large population given its rural nature and relatively **spatial extent**, as seen through the population and household densities. The population grew at a slow rate between 1999 and 2009, both in absolute and relate terms, mirroring Eastern Cape provincial trends. The average household size brings out the rural nature of the area
- With regards to the municipality’s age structure, it emerges that juvenile cohort (014) have a high level of representation. Converse experienced individuals are to be found

- 17.9% of the population. What thus stands out is thus the area has a youthful population, which is a factor to be centralised in the economic development of Umzimvubu

4.1.2 Age and Gender Profile

The age profile for age groups 0 - 14, 15 - 65 and 65 and up is reflected in the table format below. These categories represent infants and school going age category, school leaving and economically active category and retired category, respectively.

The municipality comprises of 54% female and 46% male of the total population.

Age	Male	Female	Total	%
0 – 14	47 924	45 803	93 727	42
15 – 65	48 811	62 886	111 697	51
65 and up	4 992	10 214	15 206	7
Total	101 727	118 903	220 630	100

Table 4.5 Age and Gender profile

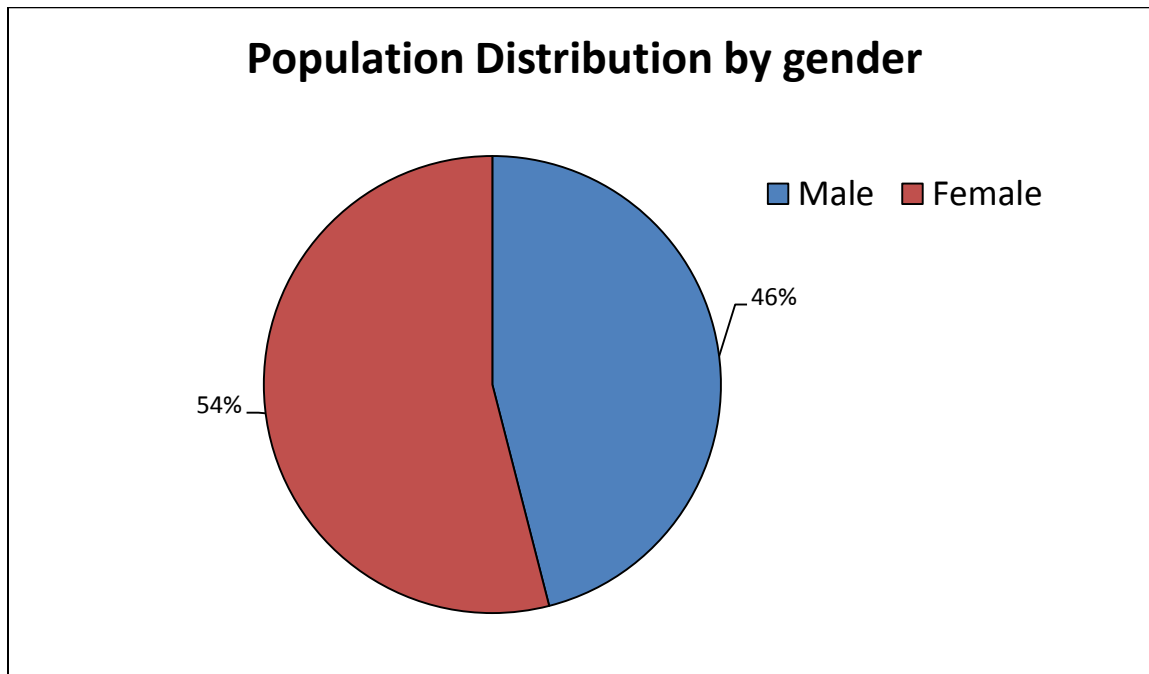


Figure 4.1 Population Distribution by Gender

4.1.3 Racial Profile

The population of Umzimvubu municipal areas is predominantly African. African people constitute 99.8% of the population. The table below reflects the overall race breakdown of the population in the municipal area.

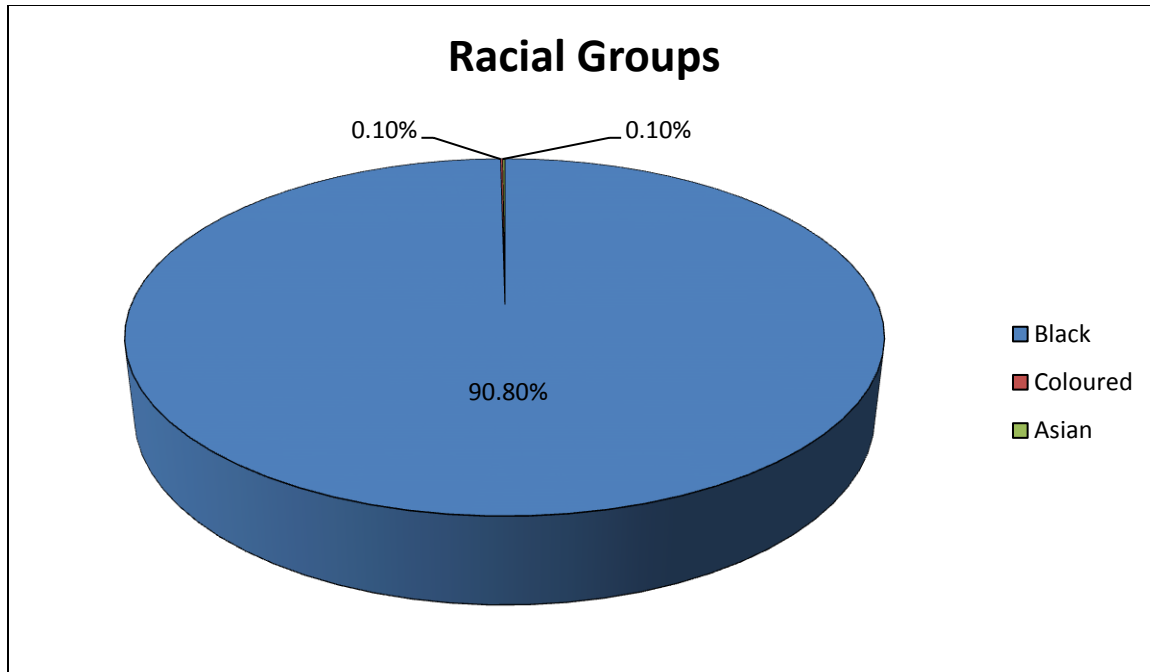


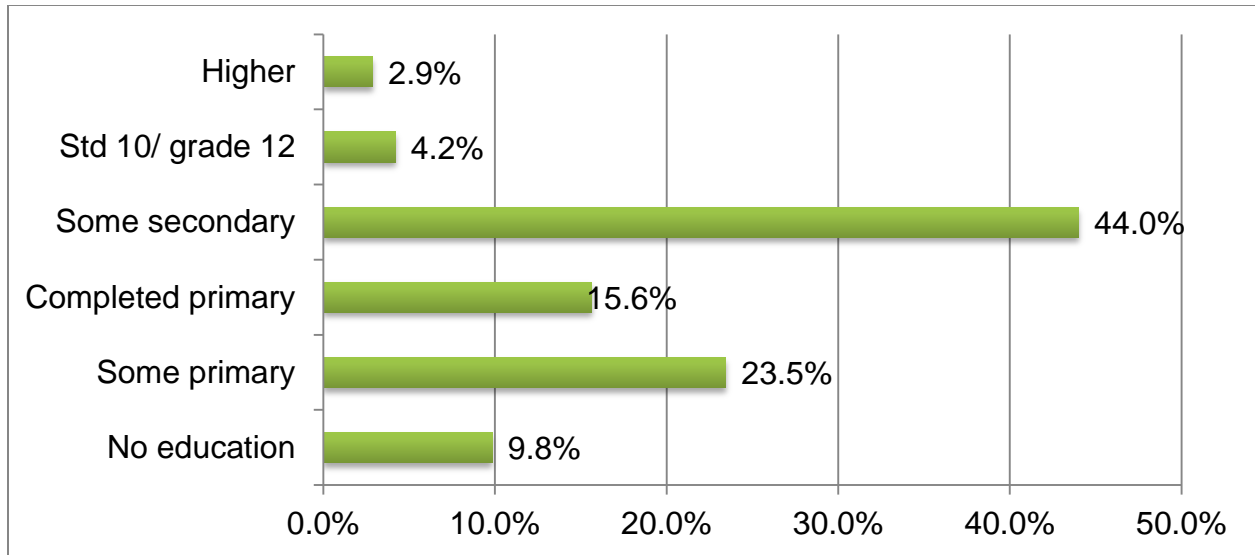
Figure 4.2 Racial Groups

4.2 SOCIO – ECONOMIC ANALYSIS

This section considers salient features that define the Umzimvubu area. The characteristics of an area determine its present investment climate, and also have a bearing on its suitability for various forms of economic activity in the future. If the planning principles and guidelines brought out in the previous section are to be implemented effectively, a good understanding of the area's socio-economic traits is needed, as will be developed in brief in this section.

4.2.1 Level of Education and literacy

The education levels achieved by a group of individuals are indicative of the level of human development within a population group. It furthermore serves as a **the potential of the population** generate an income, thereby increasing the capital (social and otherwise) circulating in the micro-economy. The average educational attainment levels of residents of the Umzimvubu area are presented in Figure 2.1. The area has a low number of high and primary schools (SDF, 2010), as well as one higher learning institute (Ingwe Training College).



From the figure above it can be seen that the area has **low levels of educational achievement**, with only 7.1% of the population having completed Matric or higher. This compares poorly against the Eastern Cape and is less than half of the provincial average of 16.5%. This has implications on the worker profile, as individuals that have not reached a certain level of educational attainment are often faced with barriers to entry into the formal employment market. This has further bearing on the nature of investment activity that will be feasible and sustainable in the area. Without the provision of adequate education and training, a skills deficit may constrain future development within the umzimvubu area.

Although there appear to be an adequate number of primary education facilities in the district, there is a conspicuous lack of senior secondary schools with less than 10% percent of schools providing secondary level education. This is aggravated by poor access to these facilities. The only tertiary education facility is a FET College in Mount Frere.

This lack of secondary and tertiary education facilities contributes significantly to the low literacy and education levels and lack of graduates in the area..

4.2.2 Employment Status & Occupation

As was indicated in the education profile, education levels have an impact on employment levels in an area. Employment in turn has an impact on household income levels and the **overall economic structure** of an area. An investment plan such as this takes due cognisance of the

relationship between the levels of education and how these translate into formalised economy employment opportunities for the residents of the area. Any actions by the Umzimvubu local municipality must thus consider the current state of employment in the area.

For the purposes of this section, people's employment status may be categorized as employed, unemployment and not economically active. These statuses may be defined as:

- **Employed** have within the last seven days performed work for pay.
- **Unemployed** (i.e. Those people within the economically active population who: did not work during the seven days prior to the interview; want to work and are available to start work within two weeks of the interview; and have taken active steps to look for work or to start some form of self-employment in the four weeks prior to the interview.)
- **Not economically active** (i.e. A person who is not working and not seeking work not available for work)

Umzimvubu has a working age population of approximately 118 122 individuals. However, given the low levels of functional literacy in the area (adult population that has gained at least a grade six level of education), the **quality of the Umzimvubu labour poor is compromised**, giving rise to a small base of employable individuals from the area. This is represented in Figure 2.2

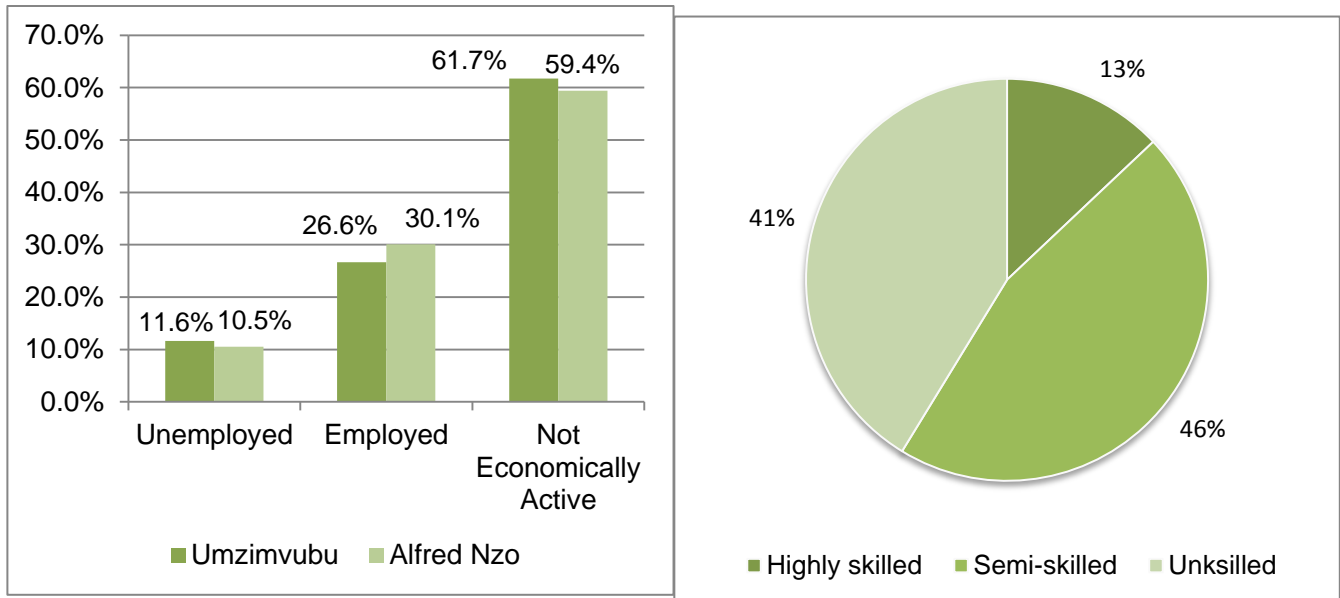
Employment levels are very low, with fewer than one in three adult residents engaged in gainful employment of a formal or informal nature. It is further estimated that almost a quarter of all employment in the area is informal in character. This leads to a **low labour force participation rate** of 38% in the area (Quantec, 2010)

It can be seen from the high percentage of individuals classified as 'not economically active' that there is a **high level of worker discouragement in the area**, which are those individuals that have given up their attempts to gain employment, because of perceived futility in the action. This undermines the otherwise low level of unemployment and puts to the fore the reality of

- Skills mismatch (given the educational profile of the area)
- New entrants into the labour market (given the youthful population demography of the area)
- Barriers to entry into the job market (geographic and financial, especially given the rural nature of the area)
- Low wages in the area in comparison to wages commanded in other places such as Kokstad.

The high level of economic inactivity and de facto unemployment is a structural issue that is to be addressed by planning documents such as this investment plan

Figure 2.2: Employment Levels



The nature of employment in the area is presented above, with most employment opportunities arising for semi-skilled individuals. The implication of this is that:

- There are limited opportunities for highly skilled labour to be employed in the area, which may perpetuate structural brain drain
- The majority of the population which is unskilled is also not fully catered for through labour-absorbing opportunities
- These two factors serve to undermine the quality and robustness of the Umzimvubu labour pool

4.2.3 Household Income

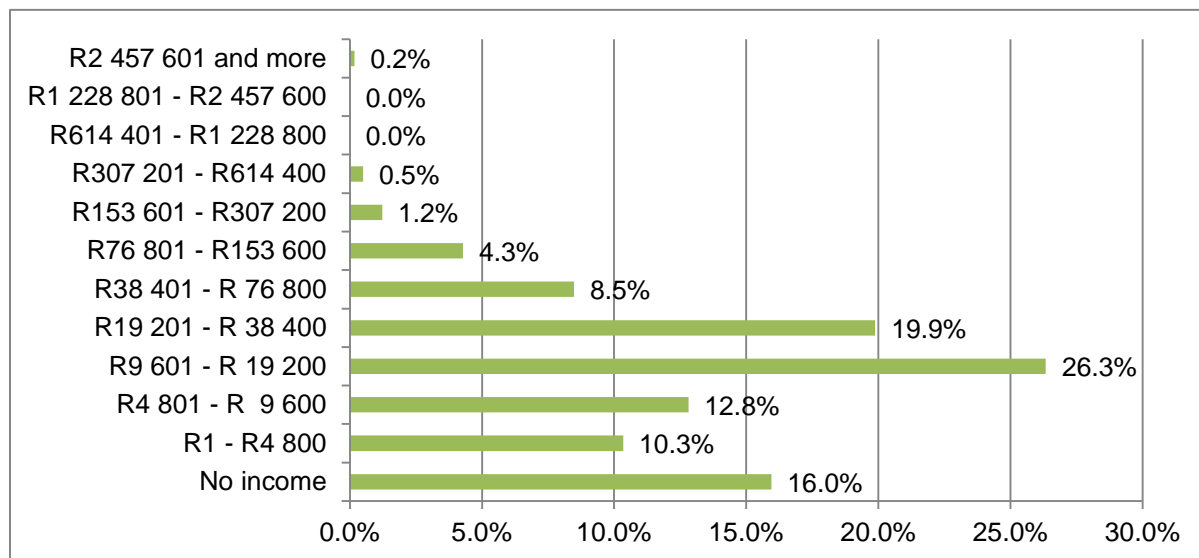
The demographic make-up of an area, coupled with its educational characteristics and employment trends all have an impact of household incomes. Household incomes in the context of this report are important insofar as they function as a proxy that reveals the extent of poverty in the area. An investment (social, infrastructural, financial or otherwise) that takes place in Umzimvubu will be undertaken within the socio-economic parameters enforced by poverty and income levels of local households.

Household income is defined as the combined income of all members of a household. The determination of the income includes:

- Labour remuneration
- Income from property
- Transfers from government (including pensions)
- Transfers from incorporated businesses
- Transfers from other sources

Figure 2.3 shows the distribution of households per different income categories in the Umzimvubu locality.

Figure 2.3 Household income



Household income is concentrated and compressed in the lower brackets, with a cumulative 65.4% of all households earning less than R1 600 per month. Although South African government does not prescribe to any universal measure of poverty, based on the Bureau of Market Research’s Minimum Living Level and the UNDP’s parity US\$1 per day, **over 65.4% of all households subsist to varying degrees in income poverty.**

The low levels of income have wide-ranging ramifications on the Umzimvubu economy, perpetuating depressed HDI score cycles and limited access to economic opportunities within the area. This corresponds with a high percentage of the population being dependant on grants, subsidies and other forms of transfer payments from the government for their daily livelihoods.

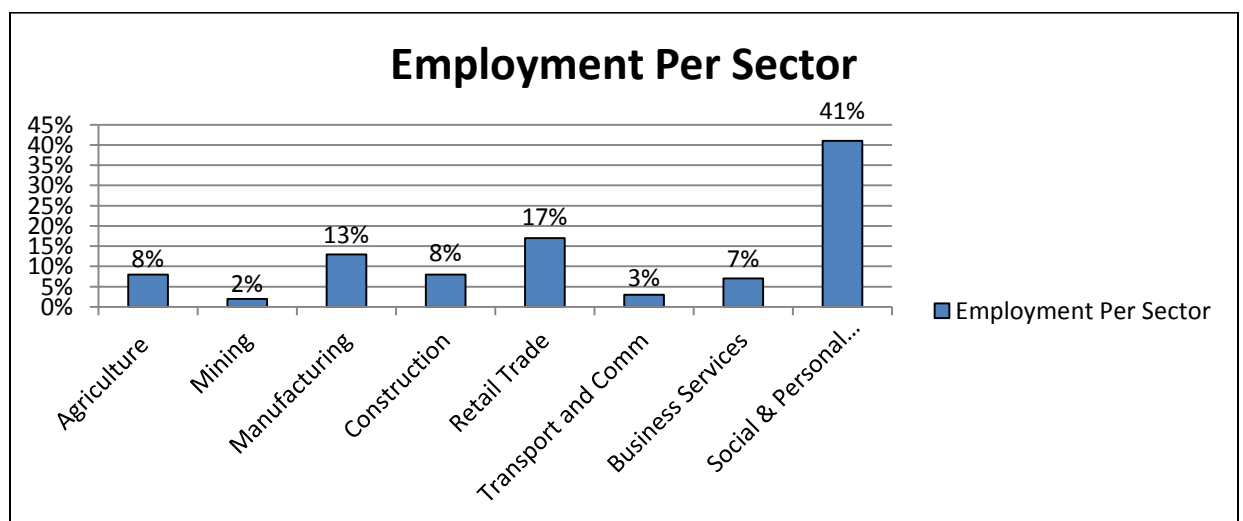
The low levels of household income negatively affect the effective dependency ratios, which compares the portion of those in the population not **able** to work with those that make up the productive labour pool in Umzimvubu

4.2.4 Employment per Sector

The employment per sector categories for the study area reflected in the column graph below. The information is derived from the 2007 community survey.

The employment sector is dominated by elementary occupations and occupations requiring low skills levels. Elementary occupations constitute 34.3% of the employment sector. Craft and related workers, service shop market and sales workers, and clerks jointly constitute a further 22.5% of the employment sector. Professionals, technicians and associate professionals and legislators /senior managers jointly constitute only 36.8 % of the employment sector. If one compares Matatiele Local Municipality to Umzimvubu Municipality, there is a significantly higher number of the latter group in Umzimvubu Local Municipality which is probably attributable to a high number of government services in the municipal area, including a Local Municipality, District Municipality and the District offices of several Government Departments.

This dominance of elementary and other low level occupations is testimony to the low skills base of the area. This is aggravated by an absence of tertiary educational institutions which contribute significantly to the low levels of graduates in the area. Consequently there is an acute shortage of skilled artisans, engineers, project managers, business management skills and technical skills in agriculture, tourism, forestry and environmental management.



4.2.5 Dependency On Social Grants

There is a high level of dependency on social grants. 79789 people or 31.3 % of the population are dependant on social grants which include the following;

- ⇒ Old age pension
- ⇒ Disability grants
- ⇒ Child support grants
- ⇒ Care dependency grants
- ⇒ Foster care grants
- ⇒ Grant in aid
- ⇒ Social relief

Child support grants and old age pensions respectively constitute 68.6% and 20.9% of the allocated grants. Only 2.7% of the population are receiving disability grants as compared to the 4% of the population who have a disability. Given the high poverty levels, the Municipality needs to facilitate a process to ensure that all potential beneficiaries of grants receive what they are entitled to.

4.2.6 Poverty Levels

Increasing levels of absolute poverty have been recorded in the Eastern Cape and 74% of the people of the Eastern Cape live below the poverty line of R800 or less a month. Poverty levels in the Alfred Nzo District are higher than the Provincial norm at 82.3%. Poverty levels within Umzimvubu Local Municipality are 81.1% which is higher than the Provincial norm but on a par with the District norm. High poverty levels imply a high dependency on social assistance in the form of grants. Municipal planning therefore needs to focus strongly on poverty alleviation mechanisms

4.3 SOCIAL INFRASTRUCTURE

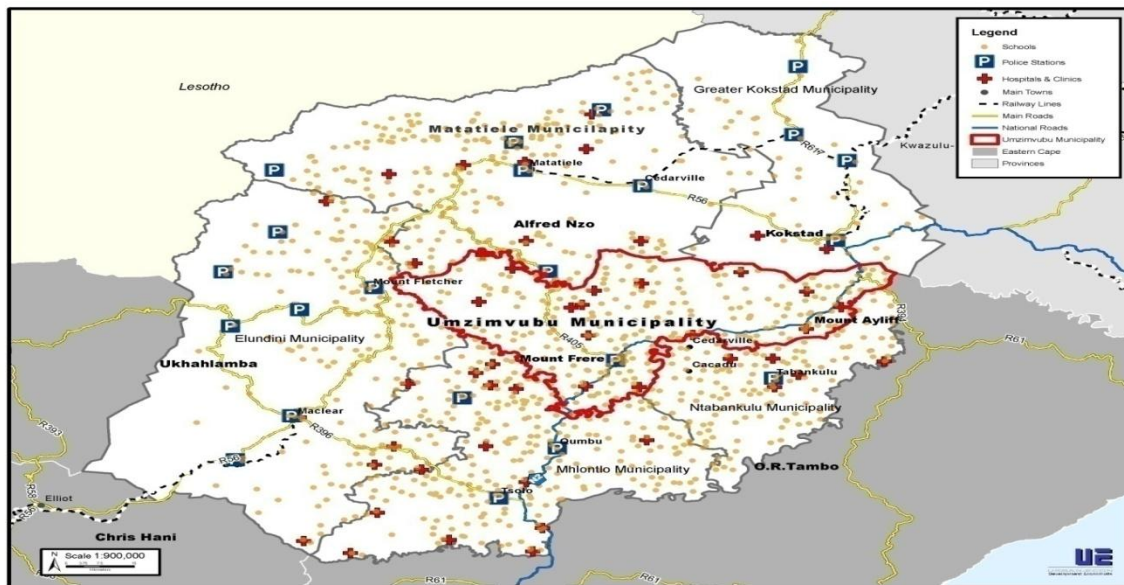
Investment decisions are based on the availability of resources, infrastructure that supports the extraction and processing of such resources and a third element which is often under-looked, but plays a pivotal in shaping the Umzimvubu business environment. Social and institutional capital factors have a bearing on the Umzimvubu business environment is of far as they:

- Influence investment decisions based on ‘soft’ issues such as perceptions
- Determine the working environment from which entrepreneurs will either be supported and thrive, or stifled and fail
- Affect the quality of life enjoyed or endured by residents of the locality

4.3.1 Social Services

The socio-economic profile reviewed some pertinent developmental indicators that determine the quality of life enjoyed by residents of Umzimvubu. Taking cognisance of the outcomes of that section, this section will look at the provision of various form of social infrastructure. The provision of social services has a bearing on the quality of life and whether a labour-force can be sustained to enjoy fulfilling lifestyles out of the workplace.

Figure 4.6: Provision of Essential Services in Umzimvubu



(Municipal demarcation Board, 2009)

Figure 4.6 shows the provision of various essential services in Umzimvubu. This is illustrated through the location of police stations, hospitals and clinics throughout the locality of the municipality.

From Figure 3.6 an indication of the following can be garnered:

- **4.3.1.1 The adequacy of health institutions**

One factor that influences the investment decision is the provision of health facilities in an area, as proximity to these often affects the quality of healthcare afforded to one's workforce. There are district hospitals in Mt Frere and Mt Ayliff as well as 20 fixed premise and 2 mobile clinics in Umzimvubu .

- **4.3.1.2 Safety and security**

From Figure 3.6 it can be seen that there are 2 police stations in Umzimvubu's urban areas. The location of police stations has a strong impact on crime prevention and community safety, which are both factors that affect the decision to relocate to a certain area or not. In Umzimvubu the risks and dangers of burglary at residential premises and stock theft in non-urban areas are cited by stakeholders as often affecting business location decisions.

- **4.3.1.3 Education**

The decision to do business in an area is affected by the provision of educational facilities insofar as they influence the quality of one's labour pool, and the quality of education that one's dependants may receive if one relocates to an area. In the Umzimvubu Local Municipality area there are approximately 245 educational facilities. Of these facilities there are 7 Junior Primary Schools, 29 Senior Primary Schools, 172 Junior Secondary Schools and 21 Senior Secondary Schools. (There are 13 other schools such as preschools) In total, these educational facilities have 80445 learners and 1281 educators.

Although there appear to be an adequate number of primary education facilities in the district, there is a conspicuous lack of senior secondary schools with less than 10% percent of schools providing secondary level education. This is aggravated by poor access to these facilities. The only tertiary education facility is a FET College in Mount Frere. This lack of secondary and tertiary education facilities contributes significantly to the **low literacy and education levels** and lack of graduates in the area.

4.3.1.4 Library Services

The municipal area does not have a library service to support the school going and the wider community. However the Umzimvubu Municipality is currently running the function with the assistance Coega Development Agency to develop a Library in Mount Frere town.

4.3.1.5 Sport & Recreation Facilities

Both towns of Mount Frere and Mount Ayliff do have an existing under-developed sport fields that caters for soccer sport code. The municipality is looking into introducing more sports code such as tennis, netball etc. The municipality is upgrading the existing facilities and the existing

facilities cater for school and local community events. There are no proper sports fields in the few rural areas. Recreational facilities are short in supply.

Public, Social and Recreation facilities and amenities play a major role in the overall social development of the society such that these activities moral discipline, keep youth out of the streets. The ever – increasing crime and other social ills (i.e. teenage pregnancies, drug abuse etc.) gave rise to the importance of these activities and they should be viewed as the productive alternative that the youth can engage itself with. Although there is a lack of adequate standard sports and recreational facilities within the Municipal area, Umzimvubu's existing sports facilities hosted various sports events including school, local community events and inter-municipal sports competitions.

4.3.1.6 Cemeteries

Umzimvubu Local Municipality has a major challenge with regard to the availability of well-maintained and well-developed cemeteries. The cemeteries in the Mount Frere and Mount Ayliff have reached their capacity and need to be properly maintained.

How ever planning process to extend and fence off these cemeteries are underway.

4.3.1.7 Community Halls

A large number of community multi-purpose halls are available for use by community members.

This is where the municipality obtains some of its revenue by letting these halls. There are approximately 24 halls existing in the area. However these halls are not equally shared amongst the 24 administrative boundaries. At least 7 wards do not have halls and some wards have more than one hall.

4.3.1.8 Solid Waste Management

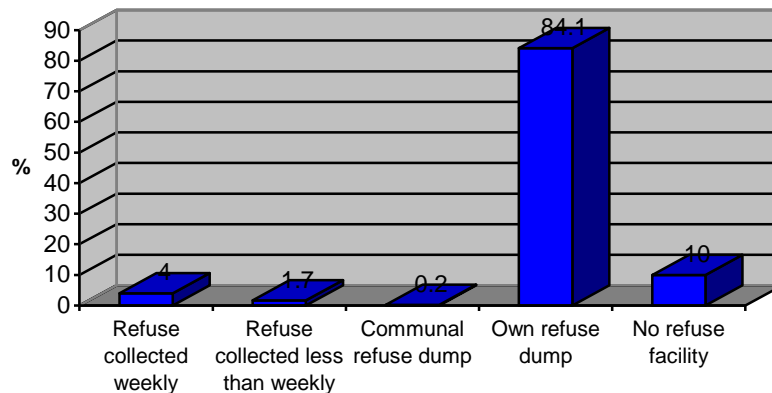
Umzimvubu Local Municipality have identified the need for an Integrated Waste Management Plan as a mechanism to addressing waste related challenges in the municipality and to respond to legal requirements described in the National Environmental Management: Waste Act 59 of 2008 (NEMWA). Among other provisions, NEMWA provides for the 'institutional arrangement and planning matters [and] national norms and standards for regulating the management of waste by all spheres of government' which includes the preparation of Integrated Waste Management Plans (IWMP) by municipalities (section 11 and 12 of NEMWA). ULM has developed a draft waste management plan as determined by the provisions of NEMWA, specifically Chapter 3 (Section 9, Section 11 and Section 12) which describes the contents of the IWMP.

Given the existence of the ANDM-commissioned IWMP for the Umzimvubu Local Municipality it has been decided, in consultation with Umzimvubu Local Municipality, that the primary focus of the IWMP is to build on the aforementioned IWMP with the purpose of describing clear Action

Plans for the Municipality to implement as a means to responding to NEMWA. The remaining structure and content of this document will summarise the salient points from the ANDM-IWMP document as per Section 12 of NEMWA only. The ANDM-IWMP has been referenced through-out this IWMP and has been attached as an Appendix in support of this document accordingly. In light of the above, the purpose of this IWMP is to:

- Identify the specific waste management needs of Umzimvubu Local Municipality (as based on the situation analysis and a SWOT1 analysis).
- Provide a clear planning structure.
- Provide clear Action Plans for addressing the specific waste management needs identified describing priorities, objectives and targets, at a minimum.
- Enable Umzimvubu Local Municipality to demonstrate compliance with the requirements of NEMWA.

Access to waste disposal Facilities



The Umzimvubu Local Municipality has two waste management sites; one is located in Mount Frere and two in Mount Ayliff. The Mt. Ayliff site is currently not operation due to the Department of Environment minimum requirements. The Mt. Frere site is also not fully equipped to handle the waste and is not managed properly. The ULM has developed a draft Intergrated Waste Mnagement Plan so as to address issues of waste and refuse collection.

According to the Statistics South Africa Community Survey 2007, only 4% of households have access to a weekly refuse removal service. 84% of households make use of their own refuse dumps which implies a high level of indiscriminate dumping and little regard for the impact on the environment

4.3.1.9 Disaster Management

The Alfred Nzo District Municipality is responsible for the provision of Disaster Management and Fire Services in the District. ANDM has a Disaster Management plan in place to effectively manage disasters which stem primarily from natural causes (tornadoes, storms and winds etc). Services are rendered from the central disaster management centre in Mount Ayliff and a satellite centre in Mamfre Town which both serve the Umzimvubu Local Municipality. The Local Municipality cooperates with the ANDM in the provision of these services.

4.3.10 Roads and transportation

It is important to consider the state and extent of road networks in Umzimvubu. Roads serve as a gateway into the Umzimvubu interior, allow access to natural resources, and facilitate the transportation of goods out of sites of economic activity to their intended markets.

The impact of roads on the nature of economic activity in Umzimvubu is presented in Figure 4.3.1, which overlays population density upon the area's road network. From Figure 4.3.1 it can be seen that the N2 national road and the R405 serve as a spine from which settlement patterns in the area is determined. Both town centres of Mt Frère and Mt Ayliff are fully accessible by road and from Figure 3.1 it can be deduced that **the road network in Umzimvubu thus has a strong bearing on the spatial spread of economic activity.**

The provision of roads is thus an important factor that stimulates economic activity in Umzimvubu. The provision of tarred and well graded gravel roads throughout the municipality. These would take the form of secondary roads that provide access to settlements other than Mt Frere and Mt Ayliff. Good quality and well maintained secondary roads are important in Umzimvubu as they allow:

- Tourists to venture to different areas
- Villagers to transport agricultural produce to market areas
- Forestry stakeholders to access land in which plantations may be established
- Cheap carriage and delivery of essential retail goods to villages spread throughout the locality

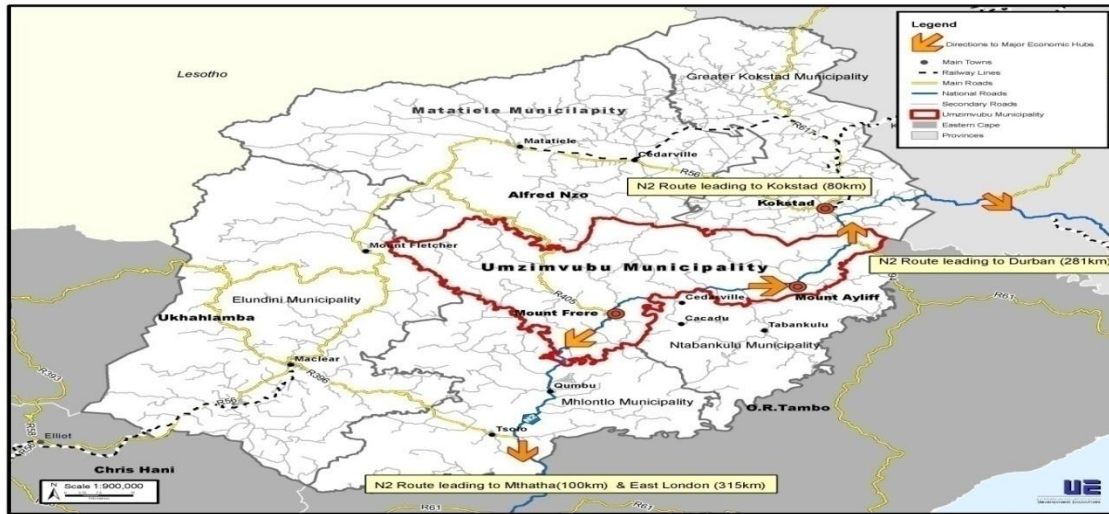
Figure 4.3.1: population density and transport routes



Figure 4.3.2 shows the extent of the secondary road network in Umzimvubu as compared to that in neighbouring municipalities. Umzimvubu has 658.68km of secondary roads that provide access to a municipal area of 2506 km². This is a low figure when consideration is made of the fact that Umzimvubu has over 250 village settlements within its locality. The implication is thus that very few communities are fully accessible by road, with those that are located in close proximity to the N2 and the R405. These areas include the secondary nodal points of Shinta, Phakade and Rode.

From Figure 4.3.2 it is evident that Umzimvubu has a markedly lower level of internal connectivity (from village to village) than its neighbouring municipalities. This has implications on the real and effective costs of doing business, and **compromises the competitiveness of Umzimvubu as an investment destination**. In addition, a low level of connectivity places a ceiling on the level of economic participation that is afforded to residents of Umzimvubu. Having considered the extent of the road network, the next factor to look at is the quality of the roads that are available. The quality of roads has a strong bearing on how business is done in Umzimvubu as it has an impact on the willingness of and cost at which entrepreneurs conduct business. Poor quality roads increase fleet maintenance costs and accelerate the rate at which motor vehicle assets depreciate, increase delivery times, and may function as de facto physical barriers to market access.

Figure 4.3.2: Road distances to regional destinations



Only 2.65% of roads in Umzimvubu are tarred, which provides an indication of the state of roads in the area. The SDF (2010) states that poorly constructed and maintained rural gravel roads are frequently water logged and do not survive heavy rains in the summer, which is compounded by the absence of a comprehensive after care programs. This in effect becomes a physical trade barrier in Umzimvubu. It must however be noted that part of the reason why there is a low level of connectivity is found in Umzimvubu's terrain being mountainous particularly in the central and northern parts of the municipality, which increases the cost and difficulty of road construction.

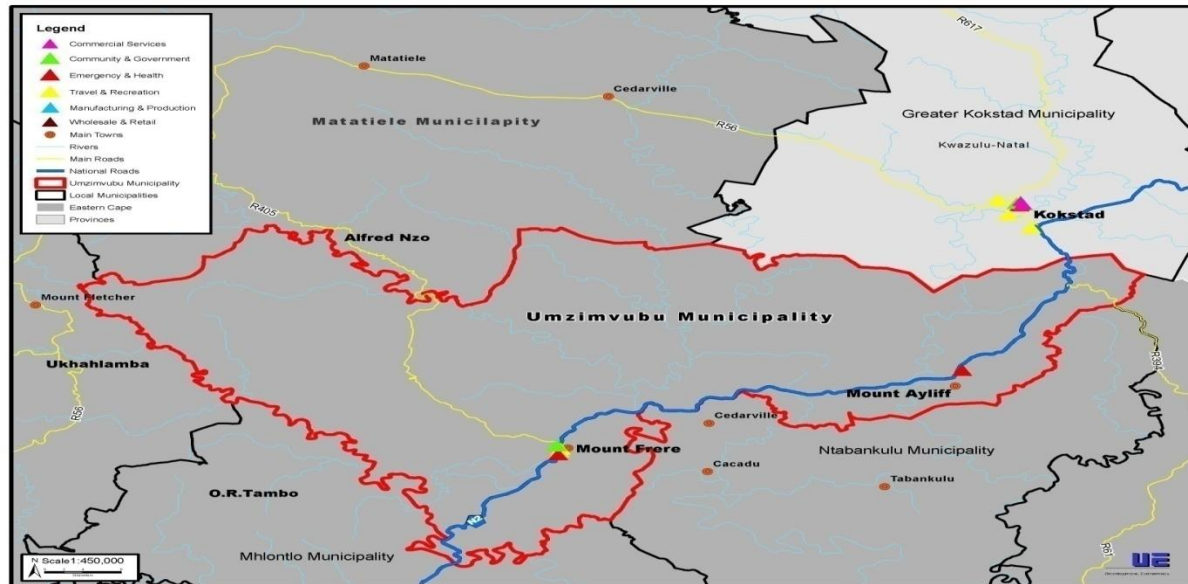
Figure 4.3.2 also shows the distance from Mt Frere to key regional destinations. The following routes have been earmarked in various planning documents (Annual reports, Integrated Development Plans and spatial Development Frameworks) as needing newly constructed or upgraded roads. The absence of good quality routes that link up these areas is seen as a formidable barrier to development. Given the areas' tourism potential, physical features (such as rivers) access to natural resources, large populations and proximity to municipal nodal growth points, the following routes have been identified as priority roads:

- Mt Ayliff to Madzikane, Qwidlana falls and Nopoyi
- Umzimvubu valley e.g. route linking to Mbiyana-shared initiative
- Route linking Ncome to Matatiele
- Siqhingeni to Ndakeni
- Nkungwini to Ntlabeni
- Sipolweni to Cabazana
- Ngwetsheni – Mt. White

4.3.10.1 Provision of Ancillary Economic Infrastructure

This section shall briefly consider the supply and quality of auxiliary services that are necessary for the creation of an environment that is conducive to the sustainability of business activity. Figure 4.3.3 shows the provision of various services in Umzimvubu and Kokstad as per DPLG classification of different settlements in South Africa. Comparison can thus be made between the two municipalities with regards to the provision of various services.

Figure 4.3: Provision of ancillary economic infrastructure



(DPLG, 2007)

From Figure 4.3 it is evident that Mt Frere and Mt Ayliff are only classified as having significant economic infrastructure for Community services, Emergency & Health, small scale manufacturing. In comparison, Kokstad is classified by the DPLG as having economic infrastructure for wholesale and retail, commercial services and travel and recreation, in addition to that which is provided for in Umzimvubu.

Umzimvubu this performs poorly in comparison to Kokstad in the provision of essential ancillary economic infrastructure which serves as a determinant for economic growth. Although Umzimvubu does have some commercial services, wholesale and retail and travel and recreation, it fails to achieve critical mass in the provision of facilities to support such activity. This undermines the ability of clustering and agglomeration advantages to be exploited.

4.3.10 Water Infrastructure

of water and sanitation services to the Umzimvubu municipality area. Therefore ADNMS is the Water service Authority (WSA) for the area under its jurisdiction. The Water Service Development Plan (WSDP) 2007/08 reflects that out of 47, 000 total households 12, 000 household have no water, 6, 000 are provided water but below RDP standard and 22, 000 are provided with water according and above RDP standards.

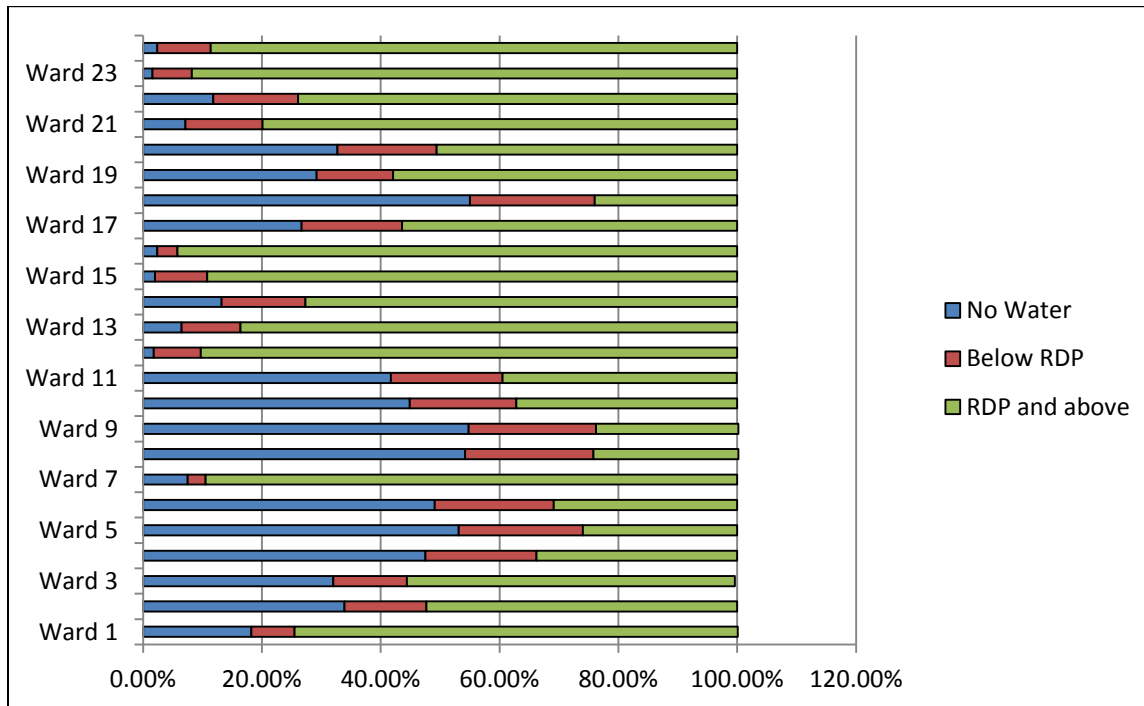


Figure 4.8 Accesses to water

4.3.11 Sanitation Infrastructure

The ADNMs mandate is to also provide the sanitation services to the municipal area. The WSDP 2007/8 reflects that out of 47 000 total household 19, 000 household are served by flush toilets, VIP or septic tanks and 27, 000 households are deemed to be un-served. Figure 4.8 below illustrates municipal ward accesses to sanitation.

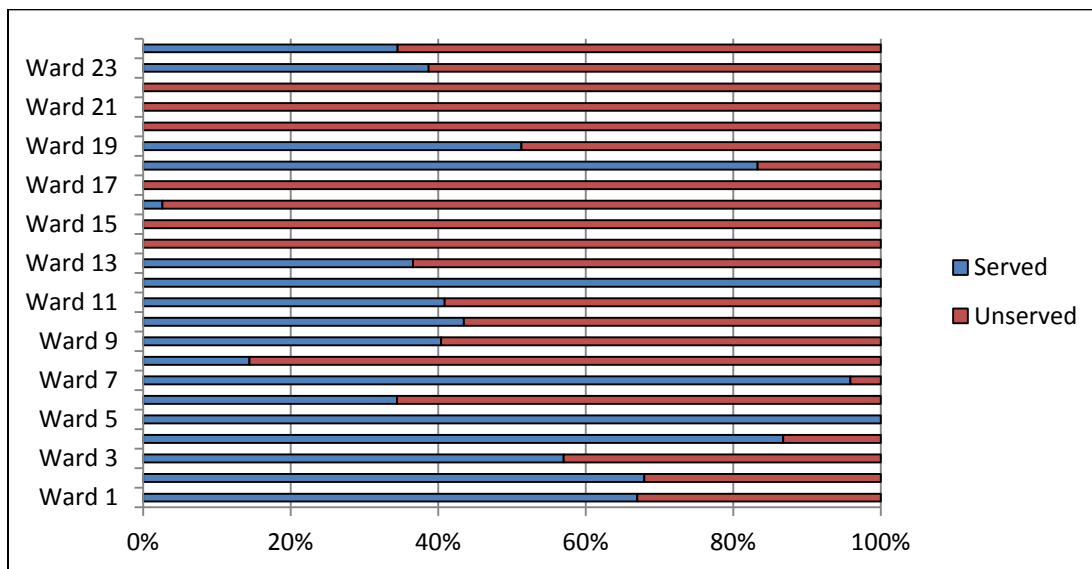


Figure 4.8 Accesses to Sanitatio

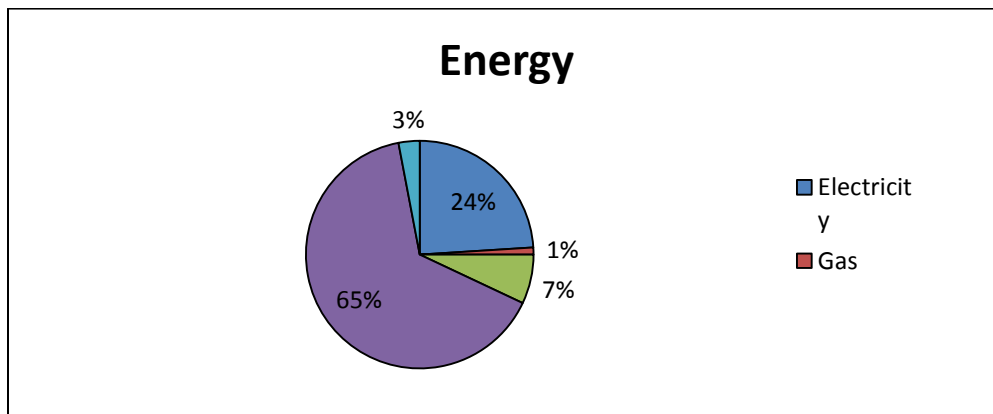
Table 2: Water and Sanitation backlogs

Description	Umzimvubu LM	
	Water Supply	Sanitation
Total number of households	59, 924	
H/H served to RDP std	12067	11819
H/H to be served	47854	48105
% Backlog	20%	19%
Cost per H/H ⁸	R 6, 000	R3, 500
Total Capital required	R287 142 000	R168 367 500

4.3.12 Electricity

Eskom Limited is responsible for provision of electricity to the municipal area. Figure 4.9 below illustrates the number of household that have access to electricity for lighting purposes. The information is based on the Census 2001.

The municipality currently has 24% of households that have access to electricity thus highlighting a huge backlog within the area Households without access to electricity use a range of alternatives for lighting and cooking, such a candles, gas, paraffin, and solar forms of energy.



⁸ Approximate cost

Figure 4.9 Accesses to Energy

4.3.13 Telecommunication

Figure 4.10 below illustrates the number of household that have access to Telecommunications. The information is based on the Census 2001. Access to telephone is assessed by the quality of cellular network reception in an area. Although fixed land lines are available in some communities, the cell phone network remains the largest telephone medium by far.

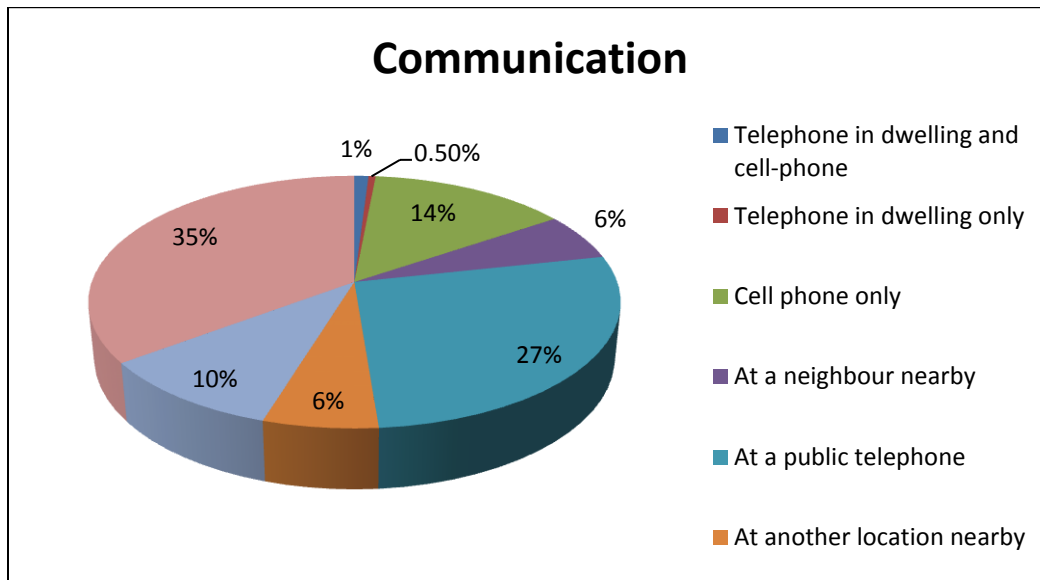


Figure 4.10 Accesses to telecommunications

4.3.14 Public transport

Despite some investments in new roads and maintenance there remain local communities who are isolated and disconnected due to poor road infrastructure. This has significant consequences in terms of local economic development as well as service delivery, especially accessibility to emergency ambulance services.

Transport whether motorized or non-motorized faces many challenges within the Municipal area. These can be summarized as follows:

- ⇒ Poor conditions of roads

- ⇒ Inadequate pedestrian signs and markings and off loading areas especially within the few urban areas
- ⇒ Limited traffic calming measures within areas of high accidents
- ⇒ An absence of traffic lights, especially at major intersections
- ⇒ Unavailability of adequate public transport facilities especially for the disabled
- ⇒ Lack of cooperation between public transport operators and the municipal authorities
- ⇒ Lack of institutional capacity at Local and District Municipal level to manage transport planning and implementation
- ⇒ Outdated/non-existent information at the taxi registrar
- ⇒ Lack of pedestrian and non-motorized transport facilities

4.3.14 Airstrips

The Department of Roads and Transport is in process of upgrading the Mount Ayliff Airstrip

4.4. NATURAL RESOURCE MAPPING

As a rural economy in which livelihoods are linked to land, the natural resources in Umzimvubu have a strong bearing on development. The combination of the physical contextual characteristics of the Umzimvubu Area, including land, water systems, climate and vegetation, has a direct effect on economic activity (in particular related to settlement patterns, agricultural production and tourism). This section will thus seek to profile the natural resources available in Umzimvubu, insofar as they are linked to present economic activity and any future potential investment that may take place.

4.4.1 Land

A key issue that affects the nature and form of business activity in Umzimvubu is land use and land cover, predicated on:

- The availability of land to purchase or lease within urban and rural areas
- Management and planning to guide the spatial development of the Municipality
- The capability of land to undertake different economic activities
- The security of land tenure

Table 4.4.1: Land cover in Umzimvubu

Description	Hectares	%
Cultivated: commercial dryland	84	0.03
Cultivated: semi-commercial/ subsistence	30 672	12.22
Degraded: unimproved grassland	82 589	32.89
Forest	3 041	1.21
Forest plantations	5 587	2.23
Thicket and bushland	12 284	4.89
Unimproved grassland	106 398	42.38
Urban/ built up land	10 010	3.99
Water bodies	41	0.02

(DAFF, 2010)

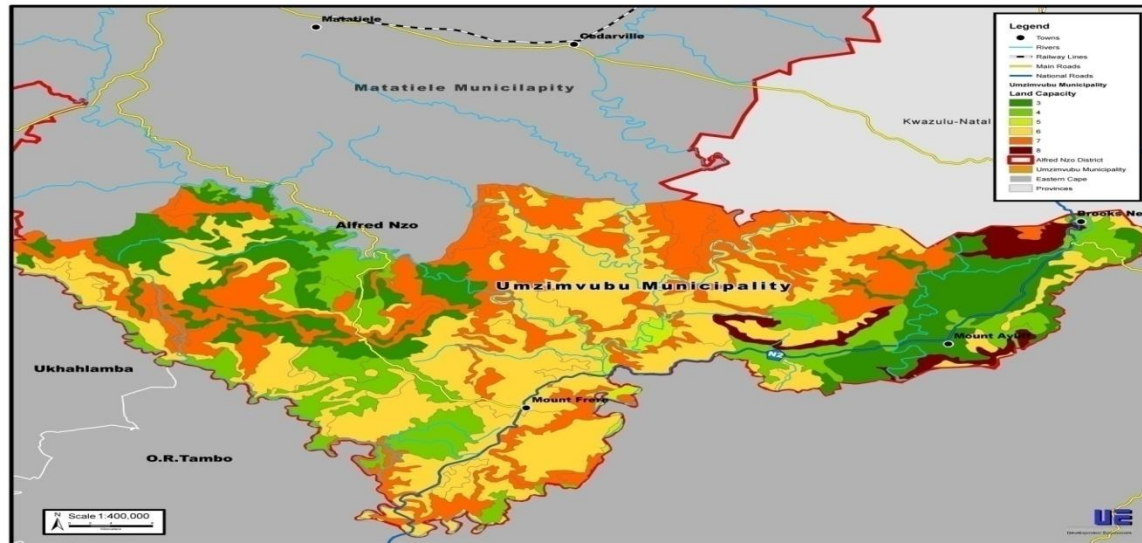
Table 4.4.1 shows the different land cover classifications in Umzimvubu, and reveals that :

- A negligible amount of land is currently used for commercial agriculture
- **Almost a third of all land is categorized as degraded.** This is made up of permanent or seasonal man-induced changes such as removal of trees, bush or herbaceous cover in comparison to surrounding natural vegetation.
- Land covered by forests is limited, and comparable in extent to that occupied by the built up areas.

The availability of land to purchase or lease is a significant impediment to development in Umzimvubu.

- In urban areas vacant land is often under-utilised because of delays in zoning applications and a reluctance by present land-owners in and around urban areas to either sell their land or develop it. This means that **land (which is well situated, serviced and accessible to markets) as a factor of economic production is under-supplied in Umzimvubu.** Areas that are earmarked for the expansion of urban areas cannot be developed.
- In rural areas **unresolved land claims** limit the potential for private sector involvement in agricultural and tourism initiatives as most land is under tribal authority through various occupation and usage regimes.
- These two factors mean that the ease of doing business in Umzimvubu is reduced by difficulty in acquiring land

Figure 4.4: Umzimvubu land capability



(AGIS, 2010)

Figure 4.4 shows land capability for various activities in Umzimvubu. Land capability is determined by the collective effects of soil, topography, hydrology and climate features. It indicates the most intensive long-term and sustainable use of land and at the same time highlights the permanent limitations associated with different land use classes as shown in Table 3.3. This shows the nature of agricultural activity that can be feasibly undertaken throughout the municipality.

From Figure 3.4 it can be seen that vast tracts of land in Umzimvubu are suitable for

- Moderate crop production
- Livestock grazing in pastures
- Rain-fed Forestry and plantation

Table 4.4.2: Classification of Land capability

Land Capability		Intensity of use for rain-fed agriculture						
		Grazing and Forestry			Crop Production			
Arable	Classes	Forestry	Veld	Pastures	Limited	Moderate	Intensive	Very Intensive
	I	X	X	X	X	X	X	X
	II	X	X	X	X	X	X	
	III	X	X	X	X	X		
	IV	X	X	X	X			
Non-arable	V	X	X	X				
	VI	X	X					
	VII	X	X					
	VIII	X						

(Directorate of Agriculture Land Resource Management, 2002)

Umzimvubu land thus has the capacity to support various forms of agriculture. **Access to land is however a major impediment to this capacity being tapped into and utilised.**

4.4.2 Water Systems

As part of the assessment of natural resources in Umzimvubu, it is important to consider water resources in Umzimvubu as presented in Figure 3.5.

Umzimvubu has a well developed river system which forms a foundation for aesthetic appeal and high environmental quality. Perennial streams in the area converge to form the primary tributaries of the upper Umzimvubu catchment area. The major rivers in Umzimvubu are:

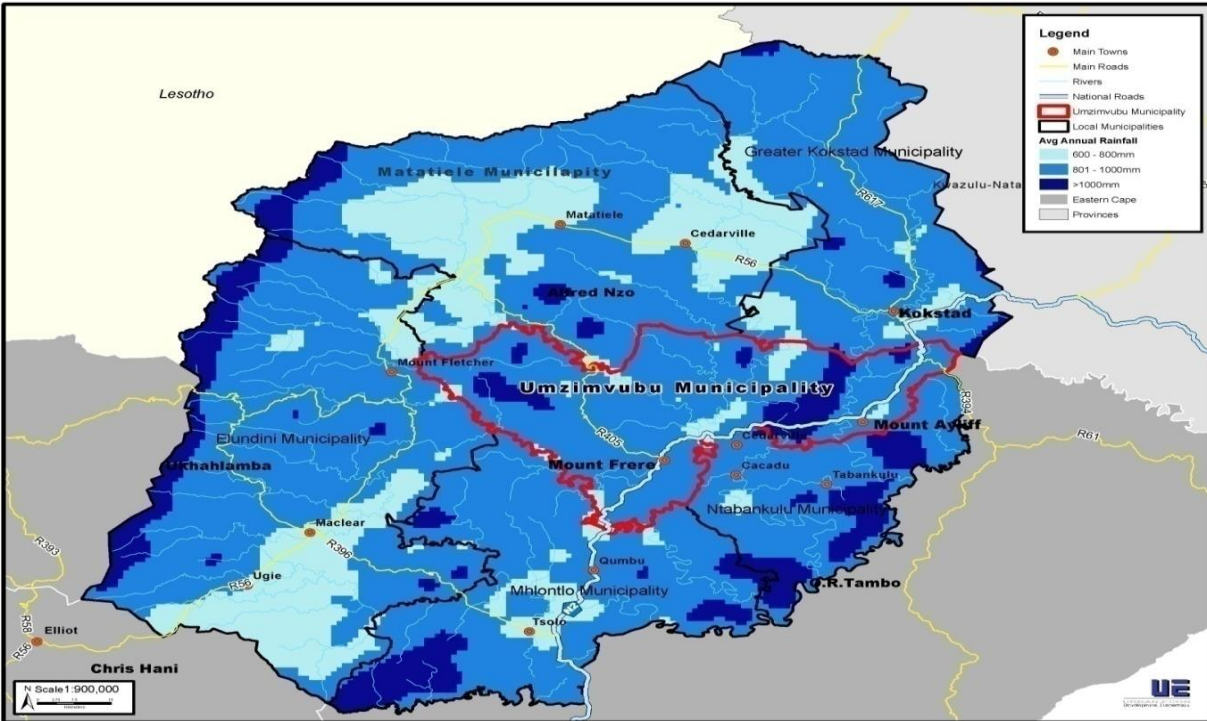
- The perennial Umzimvubu river which crosses from the North-East to the South-Western. It is crossed by three bridges at Ndarala, Mhlotsheni and the N2 between Rode and Mount Frere.
- The Umzintlava river which cuts across the eastern boundary
- The Mkemane and Mvenyane rivers which flow from north west, and join the Umzimvubu south of the N2.
- The Kinira river which joins the Umzimvubu river near Rode

From Figure 4.5 it can be seen that Umzimvubu has high levels of rain in comparison to neighbouring municipalities such as Matatiele, and Greater Kokstad. **Mean Annual Precipitation for the municipality is 780mm**, ranging from 620-816mm in the dryer and wetter parts respectively. Rainfall is a key variable that shapes the developmental landscape in Umzimvubu by affecting:

- Rural livelihoods
- Tourism
- Subsistence agriculture
- Commercial agriculture

(SDF, 2007)

Figure 3.5: Rainfall in Umzimvubu and surrounding areas



(aGIS, 2008)

Water resources provide a variety of direct and indirect ecosystem services. Not only is drinking water essential to human survival, but water resources are also critical to cultivation, processing and manufacturing. In addition the river systems of Umzimvubu contribute to the sense of the place of the Umzimvubu river valley and in the future may become important tourist and recreational resource.

At present the nature of business in Umzimvubu is not influenced by the area’s river systems, rainfall patterns or hydrology to a great extent. Recreational tourism linked to the river systems (such as seasonal rafting on the Kinira and Umzimvubu rivers, cliff diving and visits to Tshisa springs) does not take place on a commercially notable scale.

Commercial agriculture that uses irrigation from the rivers or summer rainfall is also not taking place on a notable scale. In addition to this, subsistence agriculture is based primarily more on settlement patterns (the location of villages which is often based on historical factors) than rainfall patterns as depicted in Figure 2.5. The land issues highlighted in the previous section are cited as the main contributory factors that lead to the private sector not capitalising on the economic opportunities linked to the river systems in Umzimvubu.

It is worth noting that the high rainfall in Umzimvubu when considered in light of poor livestock grazing techniques can potentially lead to high levels of land degradation through top soil erosion and the formation of gulleys.

4.4.3 Climate and Vegetation

The vegetation in an area represents an integration of climate, soil and a number of other biological factors. Physical factors including geomorphology and geology also act as variables that determine vegetation types and biodiversity. Climate and vegetation in this sections are seen as determinants of

- Forestry
- Livestock farming
- Crop farming

Umzimvubu lies in a subtropical climatic zone, meaning that the area is characterized by warm summers and cool winters . The average temperature ranges from 7°C to 10 °C in winter and 18°C to 25°C in summer..

(SDF, 2007)

Umzimvubu Municipality is composed of a blend of three biomes (grassland, thicket and forest margin) and has the following main types of vegetation:

- East Griqualand Grassland 61%
- Drakensberg Foothill Moist Grassland 31%
- Eastern Valley Bushveld 7%
- Southern Mistbelt Forest 1%

(SDF, 2007)

Soils are mostly red–yellow apedal freely drained soils and provide the best cropping lands due to their high levels of iron and other minerals. The soils found widely in this area are however subject to severe erosion with a thin topsoil

The temperature range means that a wide range of agricultural produce may be grown and cultivated in Umzimvubu. This is supported by the high rainfall levels and good soils.

This potential is however limited by the fact that the soils are vulnerable to erosion, which may be a contributory factor to 32% of the land in Umzimvubu being classified as degraded. Often the land is degraded in rural areas due to poor agricultural practices by farmers. These rural farmers then often move onto other patches of land, in many cases earmarked for private sector activity. Such circumstances often lead to land claims, which take long period of times to be resolved, and ultimately limit the amount of private sector activity in Umzimvubu agriculture.

The area in which the thicket and grassland biomes meet close to Rode and Ntsizwa has a high level of fauna diversity. This creates the possibility of eco-tourism.

In the context of the area’s vegetation, agriculture and tourism have not been pursued by the private sector in Umzimvubu because of a lack of direction in terms of environmental regulation, enforcement and management. The Umzimvubu municipality does not have an adequate environmental policy framework in place to govern development, and this is further

hindered by the lack of human resource capacity that is involved with environmental affairs. This leads to a delay in the pace of development as permits for environmental compliance are often delayed by capacity bottlenecks.

This may be illustrated by the fact that permits for forestry activity in Umzimvubu take an average of 9-24 months due to delays in acquisition of various environmental permits as per the National Environmental Management Act, National Water Act and the conservation of Agricultural Resources Act. (DEDEA, 2010)

4.4.4 Agriculture and Forestry

Agricultural activities taking place in the municipal area are in the form of livestock farming (sheep, goats and cattle) and crop farming (maize, potatoes, cabbage and spinach) at a subsistence level. There is no large scale/commercial farming. Some of the land that has been utilized for agricultural has been depleted due to unsound agricultural practise. The major agricultural zones are adjacent to Umzimvubu and Kinira Rivers.

It is notable that there are large pieces of vacant arable land within the municipal area. These pieces of land need to be explored and utilized to the fullest. The employed population in the agriculture sector is very low but has potential to growth should the municipality invest more.

The grazing vegetation (grasses) covers most of the study area therefore the study area could capitalise mostly on in extensive livestock farming. The study area however is not very typical forest vegetation therefore not a lot of forestry takes place within the study area.

There seems to be scattered wildlife agricultural potential within the municipal area. This is an opportunity for game farming and could boost the tourism sector and employment opportunities.

The major forestry zones are adjacent the National Road (N2) in Intsizwa area and the Regional Road (R405). Forestry is available in the form of indigenous forest and commercial plantation. Indigenous forest representation is very limited in Umzimvubu and consists of mainly of the mistbelt forest known for its fine yellowwood specimens. This specimen is found in the Intsizwa area. The indigenous forests are not well protected as it should be.

Commercial plantation forests also exist in the Intsizwa area and along the R405 route west of Umzimvubu Local Municipality. These types of forest are limited in the region. These forests are administered by Department of Water and Forestry. The plantations provide wood for number of reason such as timber for poles. Plantations consist of predominantly pine species and these plantations are not natural features of the environment therefore are not under any threat. They do however pose a threat to other elements such as the water table by utilizing vast amount of groundwater. The plantations in the region occur adjacent to or are buffer zone for indigenous forest. Therefore felling operations need to be carefully monitored to prevent destruction of indigenous forest.

Agriculture and forestry sector has potential for growth and could be a key development pillar in achieving economic growth and development for the district.

4.4.5 Topography and Drainage

The topography of Umzimvubu Municipality is directly influenced by two main geomorphological formations i.e. River Valleys and Mountainous formations. The Municipality is mainly drained by the Umzimvubu River Basin, comprised of a number major river including the Umzimvubu River, Mzintlava Rive, Tina River, the Kinira River, and other small tributarie which traverse through the Municipality. The river basins range from a low of 600m – about 1400m above sea level, while the Plateau and Steep slopes and ridges in the western side of the Umzimvubu Municipality leading towards the Drakensberg Mountains rise up to above 1800 – 2000m above sea level. A slope map showing the topography of the Municipality shows that large portions of the Municipality lie within fairly steep areas.

Geology & Soils: Mudstone and sand stone of the Beaufort Group of the Karoo Sequence predominate, but sedimentary rocks of the Molteno, Elliot and Clarens Formations are also present. The dominant soils on the sedimentary parent material are well drained, with a depth of 500-800 mm and clay content from 15-55%.The soils are Hutton, Clovey,Oatsdale forms on sediments and Shortlands on dolerite. Most common land types Fa and Ac.

4.5 LOCAL ECONOMIC DEVELOPMENT ANALYSIS

This section seeks to bring out relevant features and characteristics of the Umzimvubu development landscape as it is expressed through the local economy, social factors and planning imperatives. The Umzimvubu economic development is aligned to mulit-tier governmental strategic documents. As such our economic **analysis is comprised of several sections, namely the:**

- **Policy and planning context;**
- **Economic sector baseline**

Data will be obtained from a number of databases developed by Quantec Research (Pty) Ltd. These databases have compiled data from several surveys conducted by Stats SA including the 2001 Census and the annual Labour Force surveys. The 2007 Community Survey is used as the primary source of data. However it is recognised that due to the smaller sample size used in the survey, figures presented may be Under/over stated. The static analysis provides a detailed picture of the state of the Umzimvubu developmental landscape

4.5. 1 POLICY AND PLANNING CONTEXT

This section will review key documents whose outcomes and resolutions have a bearing on the investment climate. A key outcome of this section will be the gaining of an improved cognisance of strategic imperatives that emanate from different tiers of government that will have an impact on the development of Umzimvubu Local Municipality.

4.5.1.1 Eastern Cape Industrial Strategy

The Eastern Cape Industrial Strategy (ECIS) is a strategy that was developed to guide industrial development in the province. It is based on the national and provincial policy strategies that deal with regional growth, industrial development, the manufacturing sector, inclusive community development and other such strategies. In this light, the provincial strategy is in fact a means of articulating the national and provincial developmental policy framework. This framework is constituted of documents such as the Accelerated Shared Growth Initiative For South Africa (ASGISA) Provincial Growth and Development Plan (PGDP), Integrated Sustainable Rural Development Strategy (IRSIDS), Regional Industrial Development Strategy (RIDS). As a practical manifestation of the policy framework it provides guidelines for intervention, based on economic analyses. From a broad perspective, the strategy will contribute towards achievement of the ASGISA's and PGDP's targets of 6% growth and halving unemployment by 2014. The strategy then effectively becomes a 'landing strip' for policy initiatives.

4.5.1.2 The Eastern Cape Provincial Spatial Development Plan (ECPSDP)

This plan gives guidance on the principles that should underpin the strategic approach to spatial development and management. To this end, a targeted and phased approach to development is recommended based on:

Settlement hierarchy: This involves focusing investment strategically at three levels of support. The plan promotes identification of nodes and corridors with opportunity and targets development initiatives which promote consolidation of settlements to facilitate cost effective development.

- **Flexible zoning:** allowing for flexibility for special kinds of investment.
- **Resources sustainability:** Monitoring of the use of resources to ensure sustainability and minimization of environmental impacts in all land developments
- **Restricted development zone:** identification of environmentally sensitive areas and ensuring that developments do not occur, for example wetlands, state forest, dune systems, river estuaries, game and nature reserves, heritage sites etc.
- **Spatial Integration:** promotion of integrated development with maximum spatial benefits, integrating communities and the spatial economy.

4.5.1.3 Eastern Cape Rural Development Strategy

The Eastern Cape Rural Development Strategy is a sustained and long-term programmatic intervention in response to endemic poverty in the province. It is premised on the belief that through self organisation of communities, government, the private sector and other actors in the developmental arena, inroads can be made in the fight against chronic poverty in the province.

The rationale for a rural development strategy that caters to the specific needs of the province can be found in the status of:

- Structural factors that lead to marginalisation of societies and inequality of opportunities
- The historical political economy, whose legacy in rural hinterlands is experienced through low levels of economic integration
- Land and agrarian relations, which give rise to a skewed distribution of natural resources
- Settlement and migration patterns that lead to a divide between rural and urban areas
- A marked need for improved food security, based on agrarian transformation linked to indigenous ways of life
- Past initiatives, that have had mixed fortunes in their ability to deliver a lasting impact on rural development

In order to achieve the dual goals of transformed rural areas that are socially and economically developed, and a conducive institutional environment for rural development, the following pillars will give effective articulation to the rural development strategy:

- Land reform
- Agrarian transformation
- Non-farm rural economy
- Infrastructure development
- Social and human development
- Enabling environment

4.5.1.4 Alfred Nzo District Municipality Spatial Development Framework

With relevance to the Umzimvubu Local Economic Development , this document focuses on the following principles as being important in unlocking the area’s potential:

- **Access Routes as investment lines:** The hierarchies of access routes represent the spines around which development will be attracted and which provides guidance to levels of development as well as its intensity.
- **A service centre strategy:** creating a hierarchy of service centre offering a range of facilities and activities throughout the municipality. Three levels of centers are suggested to include primary, secondary and tertiary centres accommodating both economic and institutional development, amenities and facilities as well as an appropriate range of residential accommodation.
- **Environmental integration:** the natural environment is regarded as prime asset and resource base for the district. Environmental sustainability, restoration and rehabilitation and appropriate usage forms the basis for this approach. The utilisation of natural resources is suggested to inter alia contribute to appropriate local economic and social development. The natural environment needs to be

integrated into development approaches of other development components.

- **Establishing a management Framework:** Such guidance should include the identification of primary land use zones such as environmental conservation zones, agricultural zones, areas for residential settlement, a hierarchy of nodal development, tourism nodes etc.

●

4.5.1.5 Alfred Nzo District Growth and Development Summit Agreement

In response to the National Growth and Development Summit (GDS) held in June 2003 and the Eastern Cape Provincial Jobs Summit in February 2006, the Alfred Nzo District Municipality hosted a District Growth and Development Summit at which a range of agreements entered into by development stakeholders from across the spectrum. The objective was to mobilise and consult stakeholders for a common growth and development path, and reach broad agreement on a growth and development plan for the District, including identification of areas of priority and areas of potential in the short- medium- and long term. With regards to economic growth and the broader focus of this document of investment planning, declarations were made regarding:

- Promoting business activity
- Access to Finance
- Facilitating ASGISA Interventions
- Cooperatives Development
- Land Reform
- Addressing Human Resource Challenges in the Public Services
- Commercial Property Development
- Environmental Management

4.5.1.6 Alfred Nzo District Local Economic Development Strategy

The vision for local economic development of ANDM as developed in this strategy is:

“To develop a vibrant and sustainable local economy for the benefit of the local population through creating sustainable business growth, infrastructure development and creation of jobs”.

This vision is articulated through several goals, which speak to the development of human capital, positioning the ANDM as one of the Eastern Cape’s eco, cultural and adventure tourism destinations, investment attraction and place marketing. To achieve this, the strategy puts forth programmes for:

- Small business promotion, expansion and retention
- Business infrastructural development
- Agriculture revival
- Developing tourism potential

4.5.1.7 Umzimvubu Spatial Development Framework

The Umzimvubu Spatial Development Framework outlines guiding principles, strategies, approaches and concepts pertaining to nodal development, clustering, investment and urban edges within the locality. The Umzimvubu SDF focuses on the following themes:

- Human and socio-economic development;
- Community capacity building and empowerment;
- Appropriate service provision;
- Improved utilisation of existing and potential future the development opportunities of the local municipality;
- Rural and urban development; and
- Increased tourism development

It identifies Mt Frère & Mt Ayliff as primary nodes for investment in infrastructure.

Cancele and Pakade are selected as secondary nodes where concerted feasibility study on the establishment of intensive economic development in these areas is to be considered.

Municipal mobility routes are identified along the N2 from Mthatha – Kokstad and along the R405 from Mount Frere to Matatiele. The Mount Frere Main Road (N2) and the Mount Ayliff Main Road are further selected as activity routes. In the context of this of local economic development , some gaps in the planning environment are also highlighted in the SDF, and these include the facts that:

- The municipality does not have a **land development programme** that would avail serviced sites to those who want to engage in construction activities
- There is no sectoral plan for the development of heritage sites and areas as part of a broader **tourism plan**, which would include more detailed spatial development guidelines (than those contained in the SDF) to guide development of such areas. Furthermore investment in infrastructure development as part of its Integrated Development Plan at such sites cannot take place until such a plan is in place.
- The effectiveness of the implementation of the proposals and programmes contained in the SDF and IDP depends to a great extent on their facilitation via a land acquisition and assembly process linked to a **land reform programme**. In the absence of such clear land tenure programmes, many future development proposals and programmes may be hindered by tenure and land administration complications.
- The lack of **zoning** for different land uses has resulted in expansion of inappropriate uses for specified land types.
- The Municipality does not have an **environmental management plan**
- Currently the Municipality does not have **land use management system** (LUMS) to provide development control measures for future development.
- The municipality does not have **environmental and conservation staff** positions

4.5.1.8 Umzimvubu Economic Development Policy

Economic development policy of the Umzimvubu Municipality is founded on the shared economic vision for the area of:

“a diverse and resilient economy, able to exploit the competitive advantages of the municipality while building appropriate skills”

The policy recognizes the importance of Local Economic Development in coordinating, facilitating and implementing integrated service delivery programs through community involvement and resource mobilization for sustainable livelihoods.

It proposes that the LED function focus on Investment promotion, Agriculture and agrarian reform, Agro- based industry, SMME development, Community Based Forestry, Tourism and Environmental Waste Management. With regards to implementation strategies for the policy, it states that the Umzimvubu Local Municipality shall:

- Ensure that economic fundamentals such as an appropriate trade and investment regime, property rights, political stability, good infrastructure and skilled workforce are in place.
- Ensure that the Umzimvubu Local Economic Development Strategy will be used as a tool to promote, attract and monitor the broader impact of investment into the area.
- Develop a policy implementation framework that favors the application of incentives to attract and retain existing businesses in line with the Public Finance Management Act.

4.5.1.9 Umzimvubu Trade & Investment Policy

The purpose of this policy is to attract new private sector investment into key priority Economic sectors and help retain existing investment into the municipal area.

Among the measures included in this policy is a commitment by the ULM to

- Partner ASGISA EC in packaging of hydro and agri-tourism investment opportunities and attracting investment into the Umzimvubu Development Zone.
- Establish a functional interdepartmental Task Team consisting of LED, Finance and Infrastructure /Engineering departments to co-ordinate matters relating to investor applications, investor support and red-tape reduction in municipal investment processes.

4.5.1.10 Umzimvubu Industrial Development Policy

This policy is intended to assist the Umzimvubu Local Municipality in targeting the following sectors

- Tourism
- Paper Industry
- Milling Industry
- Quarrying

4.5.2 ECONOMIC SECTOR BASELINE

This section looks at the local economy of the Umzimvubu area. The performance of the local economy over time is considered, as is its current configuration. The objective of this analysis is to identify the key economic drivers in the area and sectors that provide opportunities for growth. The present state of the various sectors that comprise the Umzimvubu economy will also be discussed in order to understand the dominant features it can be currently characterised by

The economic performance in the region is usually evaluated by means of the Gross Geographical Product (GGP), which is a measure of the value of final goods and services produced within the geographical area. Classification of economic activity in this report shall be based on the South African Standard Classification of all Economic Activities (SIC) approach, under which similar forms of economic activity are organised together

4.5.2.1 Overall Economic Performance of ULM

Table 2.2 shows the performance of the Umzimvubu economy over time. Comparison is made to the provincial GGP as well as that of the neighbouring Matatiele economy. The comparison is made in order to contextualise the performance of the Umzimvubu economy in terms of how the other municipality within the Alfred Nzo district and the Eastern Cape Province as a whole changed between grew or shrunk between 1995 and 2009.

It must be emphasised that the figures presented in Table 2.2 are approximations based on statistics made publicly available by Statistics South Africa in its quarterly bulletins. Although the values set out in Table 2.2 may not be completely accurate to the last rand, they are useful in so far as they allow comparison and contrasting of the performance of different localities, as well as the performance of different output sectors of the economy.

Table 4.5.2: Overall economic performance

Year	1995	2002	2009
Umzimvubu GGP (R'000 at 2000 prices)	459 270	472 091	621 215
Matatiele GGP (R'000 at 2000 prices)	626 703	717 917	1 007 305
Umzimvubu Average Annual GGP Growth Rate	1995-2002: 0.09%	2002-2009: 5.26%	1995-2009: 2.52%
Matatiele Average Annual GGP Growth Rate	1995-2002: 2.07%	2002-2009: 5.71%	1995-2009: 3.89%
Eastern Cape Average Annual GGP Growth Rate	1995-2002: 2.61%	2002-2009: 4.34%	1995-2009: 3.19%

(Urban-Econ EC Calculations based on Quantec, 2010)

From Table 4.5.2 it can be seen that:

- **The Umzimvubu economy grew at a slow pace**

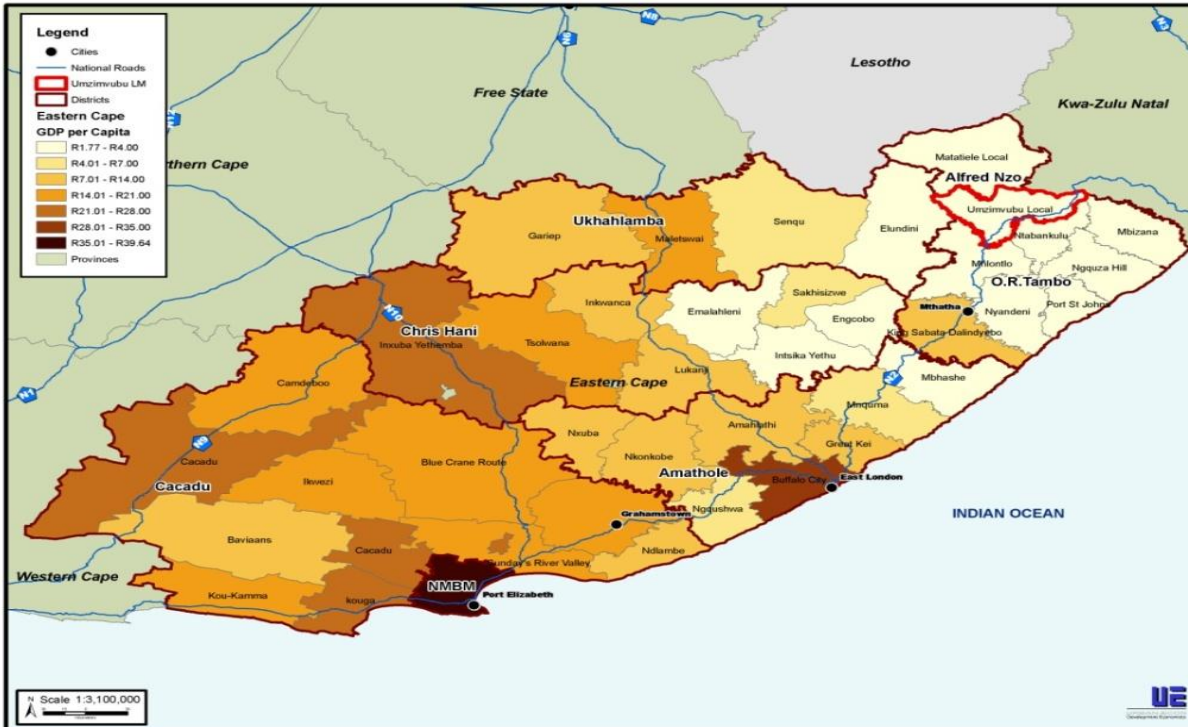
Formal sector output lagged the province throughout the period from 1995 to 2009, despite this growth coming off a small base to begin with. It also grew at a slower pace than its neighboring locality, Matatiele in the same time period.

- **Umzimvubu has a small economy, with a formal sector output of just over half a billion rand**

The approximate value of output from the Umzimvubu area of R621 215m may be compared with surrounding local municipalities, and it comes out lowest when juxtaposed to those of Mhlontlo (R901 526m), Matatiele (R1 007 305m) and Kokstad (R 1 324 845m).

This point is further emphasized in Figure 2.4, which shows per-capita GGP output throughout the Eastern Cape province. The map reveals an approximate value of the goods and services produced per person in the Eastern Cape, and is based on the output and populations of each Local Municipality in the province

Figure 5.4.2 GGP per Capita in the Eastern Cape



(Urban-Econ EC Calculations based on Quantec, 2010)

The map shows that Umzimvubu’s GGP per capita is below the provincial average, which may point to low levels of worker productivity. Figure XX also reveals how Umzimvubu’s stunted economic output mirrors surrounding LMs, which is symptomatic of endemic poverty

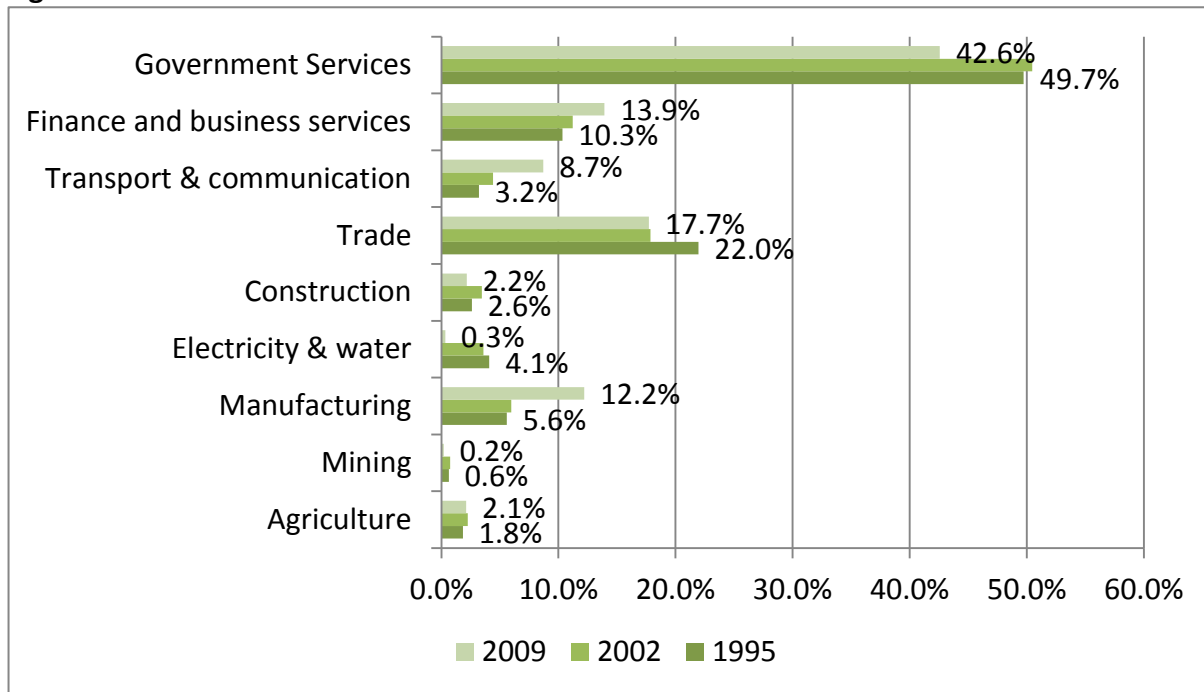
The poor performance of the Umzimvubu economy from 1995 to 2009 will have been detrimental to efforts to accelerate output growth as set out in the policy and planning context. Slow growth means that the economy may not generate and sustain enough activity to balance out the youth population growth discussed in the socio-economic profile, and hence increase the probability of chronic poverty being perpetuated

4.5.3 Umzimvubu Economic Structure

This section will look at which sectors of the economy are most active and dominant in the Umzimvubu area. The relative contribution of each economic sector to GGP shows how important each is to the overall functioning of the local economy.

Figure 2.5 shows historic trends of how much each economic sector has contributed over the period 1995 to 2009. It must be noted that official statistics only show activity in the formal economy, and do not reveal the full extent of activity in the informal economy.

Figure 4.5.3: Sector contribution to GGP 1995-2009



(Quantec, 2010)

From Figure 4.5.3 it can be seen that:

- **Slow growth translated into inter-sectoral stagnation**

Overall from 1995 to 2009, the structure of Umzimvubu’s economy has remained largely static, with little evidence of a structural shift or a change in focus of activity. A structural shift would be represented by a significant change in the contributions of either the primary, secondary or tertiary sectors. A change in focus of activity would be evidenced by a large change in the composition of the economy in terms of specific sectors. It can then be said that the Umzimvubu economy experienced inter-sector stagnation, as none of them managed to effectively grow by a large absolute amount.

- **Almost half of all economic activity in the area can be attributed to , or has its origins in the public sector**

Government services accounted for 42.6% of all economic activity in Umzimvubu. Although this contribution has gone down since 1995, it is still high, and underscores the reliance of society on government driven initiatives in this area.

A dual economy operates within Umzimvubu

As a largely rural area, access to urban areas, markets, and formal sector business is limited for most residents of the municipality. This means that while figure XX reveals official output statistics, the existence, importance and value of the informal second economy in Umzimvubu must not be excluded or undermined

- **The primary sector makes a small contribution to formal output**

Agriculture (which also incorporates forestry and fishing) and mining make up what are known as the primary or extractive sectors of the economy. These are based on resource-intensive activity, and are intrinsically linked to the area's natural attributes. In Umzimvubu, these two sectors make a combined contribution of 2.3% of all formal value addition in Umzimvubu. It is important to note that emphasis is made on **formal** output, as agriculture and mining do in fact have an important role in sustaining household socio-economic existence in Umzimvubu, albeit mostly through informal activity that is not recorded in the national accounts.

4.5.4 Relative Importance of Sectors

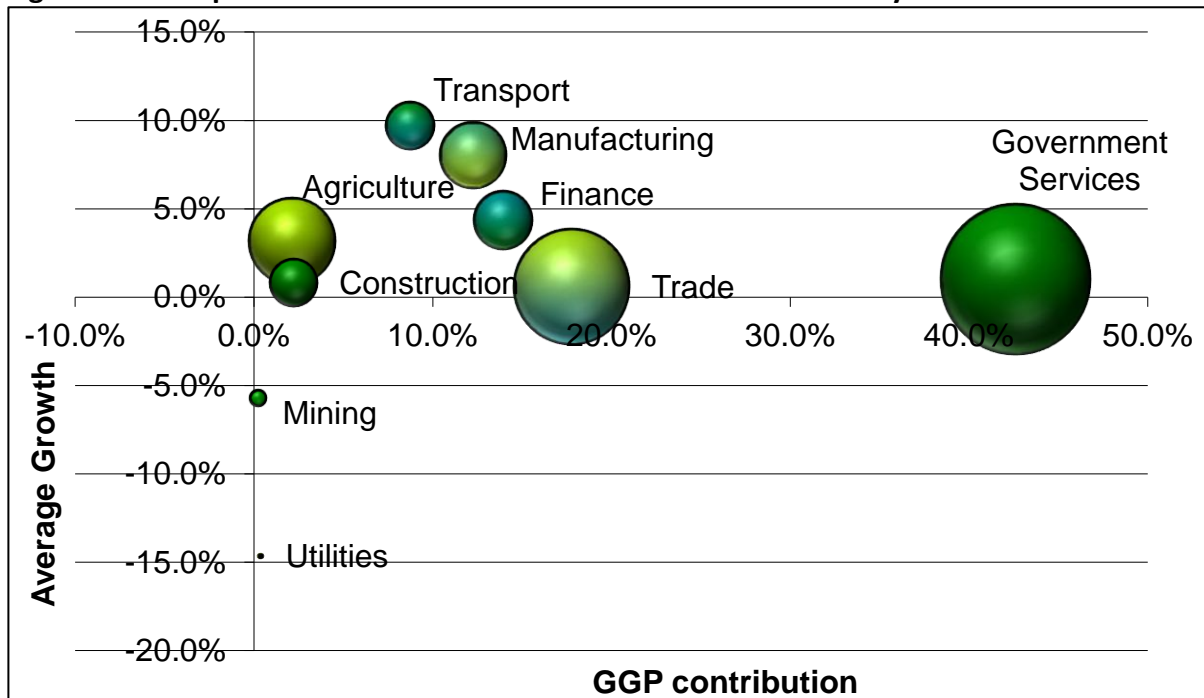
It is prudent to consider how sectoral employment compares with sectoral output and growth. This will allow identification of those sectors that are capital or labour intensive and thus driving potentially driving job creation in Umzimvubu

Figure 2.6 reveals the relative importance of different economic sector in Umzimvubu as seen through their:

- Average R-GDP Growth rates from 1995 to 2007
- Average contribution to R-GDP from 1995 -2007
- Average employment contribution

The ideal situation for the local economy would be one in which the bubbles (which each represent an economic sector in the study area) are of a similar size, and are clustered around a proximal region on the x-axis and high up on the y-axis. This would indicate a highly diversified economy that is characterised by high output growth, and a balanced distribution of employment creation opportunities.

Figure 4.5.5: Importance of each sector in the Umzimvubu economy



(Urban-Econ EC Calculations based on Quantec, 2010)

From Figure 2.6, it can be seen that the bubbles representing different economic sector are of varying sizes, and are interspersed throughout the plot area of the graph. It can be deduced that:

- **The study area has an under-developed economy**

The reliance on and dominance of unproductive sectors is seen in Figure 2.6, with government featuring as the largest employer, and contributor to GGP. the second largest contributor to GGP is trade, which in Umzimvubu is characterised by consumptive behaviour. The importance of government intervention in the local economy is thus underscored by Figure 2.6.

- **Government services, trade and manufacturing are the three largest employing sectors**

As the largest bubbles, these sector employ the most people in Umzimvubu. This is in line with expectation for Government services and trade, which are the two largest contributors to economic output.

- **Productivity in the agricultural sector is low**
- The high levels of employment in the agriculture sector when copared with its minute contribution to total GGP output indicate a low level of worker productivity. Agriculture in the area can thus be said to be labour intensive.

- **None of the sectors experienced high levels of growth**

The manufacturing sector experienced the highest levels of growth for the productive sectors , albeit from a small initial base. All the other sectors experienced otherwise mediocre rates of output growth.

- **The economy is concentrated in a few forms of activity**

A commonly used measure that indicates the level of concentration or diversification of the economy is the **Tress index**. The Tress index will allow the importance of the sectors shown in Figure 2.6 to be quantified, so as to show how mixed the range of activity in Umzimvubu is. A Tress index of 0 (zero) indicates a totally diversified economy, while a number closer to 100 indicates a high level of concentration in the economy.

The Umzimvubu Tress index was calculated at 65.5, and above the provincial average. It has however, been declining since 1995, which is a positive development that indicates sectors other than government services playing a more important role in the local economy.

4.5.5 Comparative advantage

Comparative advantage refers to a local economy's ability to produce a particular good or render a service at a lower opportunity cost and more efficiently than another local economy. The comparative advantage that a specific sector has in the economy may be measured through the calculation of a location quotient.

The location quotient compares the relative contribution of a sector in the local economy, with the contribution of the sector to the regional economy. By interpretation, a location quotient of more than one (1) would indicate that the local economy enjoys a comparative advantage in that particular sector, and vice versa. A location quotient, as a tool, does not take into consideration external factors, such as government policies, investment incentives and proximity to markets etc., which can influence the comparative advantages of an area.

The location quotient can be interpreted as follows:

- A Location Quotient greater than 5 is very high and suggests a high level of local dependence on this sector.
- If the location quotient is greater than 1.25, than that sector is serving the needs that extend beyond the boundaries of the local area. This sector is therefore likely to be 'exporting' goods and services.
- If the location quotient is between 0.75 and 1.25, the community is self-sufficient in this sector. A Location Quotient of 1 occurs when local percentage employment is equal to provincial percentage employment.
- If the location quotient is less than 0.75, local needs are not being met by the sector and the municipality is 'importing' goods and services in that sector.

Table 2.3 presents the location quotients (LQ) of employment for each economic sector in the Umzimvubu municipality for 1999 and 2009.

Table 4.5.3: Location Quotient

Sector	1999	2009
Agriculture	1.48	1.34
Mining	5.53	3.64
Manufacturing	0.69	0.83
Utilities	1.37	0.59
Construction	1.89	1.09
Trade	2.09	1.87
Transport & communication	1.85	1.71
Finance and business services	1.10	1.00
Government	0.20	0.37

(Urban-Econ EC Calculations based on Quantec, 2010)

The location quotient figures calculated in Table 2.3 must not be taken at face value, but rather be interpreted as follows:

- The somewhat high location quotient for agriculture is in line with Umzimvubu being a rural area, which is dependant on subsistence agriculture for household livelihoods
- The high value computed for mining is in line with the Eastern Cape being at a comparative disadvantage in the extraction of mineral resources, and is not indicative of Umzimvubu being particularly proficient in this form of activity
- The high value for the trade sector may be attributed to Mt Frere serving as a retail shopping hub destination for its rural dwellers
- Despite the area's dependence on government sector activity, severe capacity constraints have the effect of rendering it at a comparative disadvantage when compared to the provincial level.

4.5.6 Sector Profiles

This section provides a brief overview of all the economic sectors in Umzimvubu, profiling the nature and extent of activity to be found as well as their defining traits. This step is undertaken so as to inform the analysis of potential and constraints within the Umzimvubu economy, to be undertaken at a later stage in this document.

It must be noted that this section is largely developed using available information and data from stakeholders. Procurement of specific information in some sectors was encumbered by information availability challenges

4.5.6.1 Agriculture

The agricultural sector includes all activities related to growing of crops, gardening and horticulture, farming with animals, agricultural husbandry services, hunting, trapping and game propagation, forestry and logging, fishing and operation of fish hatcheries

Agriculture in Umzimvubu may be classified under the following categories:

- Commercial agriculture
- Emerging farmer livestock rearing
- Subsistence mixed cultivation
- Forestry

This is in line with variables such as proximity to urban areas, distance to markets, extent of available land and environmental factors

Official statistics approximate the value of all agricultural activity in the area at only 2% of GGP. It must be emphasised that these figures only account for formal sector activity, and do not reflect the rural subsistence nature of agriculture in Umzimvubu. These official figures also do not make provision for agricultural produce that originates within the Umzimvubu area, is sold in neighbouring Local Municipalities (such as Matatiele and Kokstad), and thus only shown in the GGP figures of these other localities and not of Umzimvubu. This caveat is of importance in Umzimvubu where there is often limited market access for agricultural produce, driving farmers to sell their produce and livestock in surrounding areas outside of Umzimvubu.

Commercial agriculture

Commercial agriculture is a marginal form of activity in the locality, with some commercial enterprise situated in the north-western parts of the Umzimvubu municipality engaged in mixed farming (crop and stock farming) .

The scope for commercial agriculture in the area is severely reduced by a sub-optimal land tenure system. This hinders inward private sector investment as potential farmers often have no guarantee regarding their ownership or use-rights of land.

This is evidenced by the presence of vast tracts of under-utilised agricultural land in many parts of the municipal area: Limited access to land, uncertainty surrounding title deeds and on-going land disputes hamper massive commercial crop production and productivity in this municipal area.

Emerging farmer livestock rearing

Emerging farmers represent previously disadvantaged individuals (PDIs) who operate on commonages leased out from the Umzimvubu Municipality, the Department of Agriculture or through various arrangements with their local chieftains. Group and cooperative activity dominates as the most common form of organisation due to limited resources (such as land and equipment) and skills)

Beef cattle form the largest percentage of livestock kept (approximately 60%), with goats, sheep, donkeys and horses making up the rest of the distribution. Goat farming has seen a marked increase since 2004, as a result of various programmes The Umzimvubu Livestock Farmers Association is an organisation that seeks to advance the cause of emerging farmer livestock rearing through various means and structures. The National Emergent Red Meat Producers Organisation (NERPO) also provides assistance intended to assist in maximising the profitability and market share of locally produced red meat and meat products. (DAARD, 2010)

This form of agriculture has faced constraints in the form of:

- Shortage of adequately equipped stock handling facilities in the remote rural areas with limited connectivity. Well managed sales pens and auctions, abattoirs and slaughter houses are far (with the nearest being in Cedarville and Kokstad) and do not specifically cater to the particular needs of emerging farmers, which increases the effective cost of engaging in this form of agriculture.
- A Lack of dipping and allied veterinary services to protect beasts against diseases
- Difficulty in transforming activity to meet commercial standards because of an unmet need for red-meat feedlots
- Limited understanding of modern farming methods and practices, which compromises the quality of the cattle raised in the municipal area as seen through symptoms such as overgrazing,
- A genetically low quality stock of animals because of the effects of poor animal husbandry . often good quality cattle breeds are compromised by regular mixing of cattle during breeding periods. This lowers the demand for the cattle that are born in the process.
- Poor commonage management techniques leading to land degradation

Subsistence mixed cultivation

This form of agriculture is premised on the good quality of Umzimvubu’s soil as well as its favourable climatic conditions, which give rise to significant potential for highly productive cultivation of various crops. As such the bulk of the Umzimvubu locality has been designated as undertaking subsistence agriculture by the Department of Agriculture, as depicted in Figure 2.7.

Subsistence mixed cultivation is often undertaken with the homestead, village commonage as the centre of production. The dominant form of production is dryland cropping, with a heavy dependence on summer rainfall and the river systems. By definition, this form of agriculture is made up of people residing in villages and townships that use agriculture as a means to supplement their food and income requirements. This form agriculture receives support from a range of stakeholders, including the Department of Agriculture and Rural Development, ASGISA-EC and the ECDC

The Umzimvubu SDF identifies major agricultural zones adjacent to the Umzimvubu and Kinira Rivers as well as in the Kinira-Mpoza area. The mixed cultivation takes the form of extensive monoculture maize for grain, potatoes, vegetables and orchard fruits (mainly deciduous such as peaches), based on family unit needs, as well as seed availability and silage requirements. (DAARD, 2010)

Figure 2.7: Agriculture in surrounding Local Municipalities



The socio-economic profile revealed a youthful population that often migrates from rural to urban areas to seek economic opportunities. The impact of this has been a reduction in the popularity of home garden production (for daily vegetable consumption and seasonal crop cultivation) because of a substitution effect caused by remittances from urban areas. While this has kept households at an income equivalence point, a negative outcome of this development has been a loss of traditional knowledge linked to agricultural practices.

There has also been a significant shift from crop cultivation to pasture and fodder production of low-maintenance grasses as cropland has been transformed for livestock rearing purposes in the last fifteen years. The total area under formal agriculture has fluctuated over time, with yields and production dependent on factors including:

- Availability of storage facilities for the preservation of crop products, especially maize, as this affects the price at which yearly harvests are sold for in relation to true market values and food security (linked to vagaries of the weather and the threat of some insect populations).
- Accessibility of milling plants in areas where they are needed the most
- Provision of modern farming machinery such as tractors, fuel, electricity and implements
- The state of the fields to be planted, as influenced by land and soil productivity, desertification and soil erosion

(DAARD, 2010)

Forestry

The fourth form of agricultural activity that takes place in Umzimvubu as per the SIC is forestry. This involves both commercial plantations managed by various entities for profit, and natural forests used by communities around the locality for their household consumption.

The DWAF has undertaken a Strategic Environmental Assessment (SEA) of areas that are biophysically suitable for forestry in Water Management Area 12 which includes Umzimvubu as well as the majority of the Eastern Cape province. The study also looked at the current state of forestry in the province. Table 2.4 shows the ownership of plantations in Umzimvubu while Table 2.4 provides information on their quantity, geographical extent and labour absorbing capacity. The bulk of information is from the DWAF SEA, but where applicable this has been updated through interaction with local forestry sector stakeholders (including Hans Merensky).

Table 2.4: Ownership of plantations in Umzimvubu

Ownership	Hectares	Percentage of total
Private	419	12.3
State	2 812	64.1
Community	203	5.96

(DWAF, 2007)

Most of the state plantations are operated under category A leases, which allow for private sector management of resources. As the largest owner of plantations in the municipality, the state has an important role to play in facilitating development through:

- Speedy processing of applications for commercialisation of local natural forests and plantations,
- Expediting of the process of transferring forests and forestry plantations to private operators,
- Commissioning of feasibility studies and environmental impact assessments
- The development of policies and by-laws.

Table 2.5: Status Quo of forestry

Type	Total geographical extent (Ha)	Number	People permanently employment
Commercial plantation	3 149	6	118
Woodlot	285	26	
Natural forest	4 597	-	3

From Table 2.5 it can be seen that the area does have a notable amount of forestry activity underway in its agricultural sector. In addition to this, the DWAF has identified 159 035 Ha. of afforestation potential of which 27 746ha of this is deemed as good, the rest being of a moderate quality. The areas with forestry potential were identified on the basis of biophysical criteria after filtering out existing forestry, areas of high biodiversity, conservation value, socio-economic value, hydrological restrictions, infrastructural constraints, and urban and residential settlements(Scott, 2010)

Umzimvubu is notable as being the area with the highest forestry potential and where the hydrological impacts are likely to be lowest in the Eastern Cape and Kwa-Zulu Natal, which are the DWAF's focus areas for future afforestation. Umzimvubu has one of the lowest total requirements for water in the country, due to relatively high rainfall and low levels of economic activity.

4.5.6.2 Mining

This sector includes the extraction and beneficiation of minerals occurring naturally through underground and surface mines, quarries and all supplemental activities for dressing and beneficiating for ores and other crude materials.

The municipality does not have economically exploitable deposits of any valuable mineral or metallic resources. There is thus very little mining activity, and this often takes the form of quarrying for various rocks and sands used in the construction industry. As such, Quantec (2010) notes that this sector only contributes towards approximately 0.2% of all formal economic activity in the area.

It is worth noting that a lot of quarrying activity does take place illegally in the area through unregulated pit excavations undertaken by unregistered operators. The various materials that are extracted like river sand and stone are used in construction projects such as the building of houses both urban and rural areas.

Several planning documents including the municipal SDFs and IDPs have indicated that this illegal activity has the potential to permanently scar the local landscape and lead to irreparable land degradation. This comes about from the fact that quarrying is often undertaken in environmentally sensitive areas such as close to rivers.

4.5.6.3 Manufacturing

This sector is broadly defined as the physical or chemical transformation of materials or compounds into new products and can be classified into 10 sub-groups namely:

1. Food, beverages and tobacco
2. Textiles, clothing and leather goods
3. Wood and paper; publishing and printing
4. Petroleum products, chemicals, rubber and plastic
5. Other non-metal mineral products
6. Metals, metal products, machinery and equipment
7. Electrical machinery and apparatus
8. Radio, TV, instruments, watches and clocks
9. Transport equipment
10. Furniture and other manufacturing

The Manufacturing sector is thus the sector where natural resources and other intermediate goods are converted through value adding processes into final products for the Trade sector

As has been discussed previously in this document, the Umzimvubu municipality is a predominantly rural area with limited economic activity underway. This situation results from a combination of low levels of human capital, low investment inflows and limited provision of economic infrastructure.

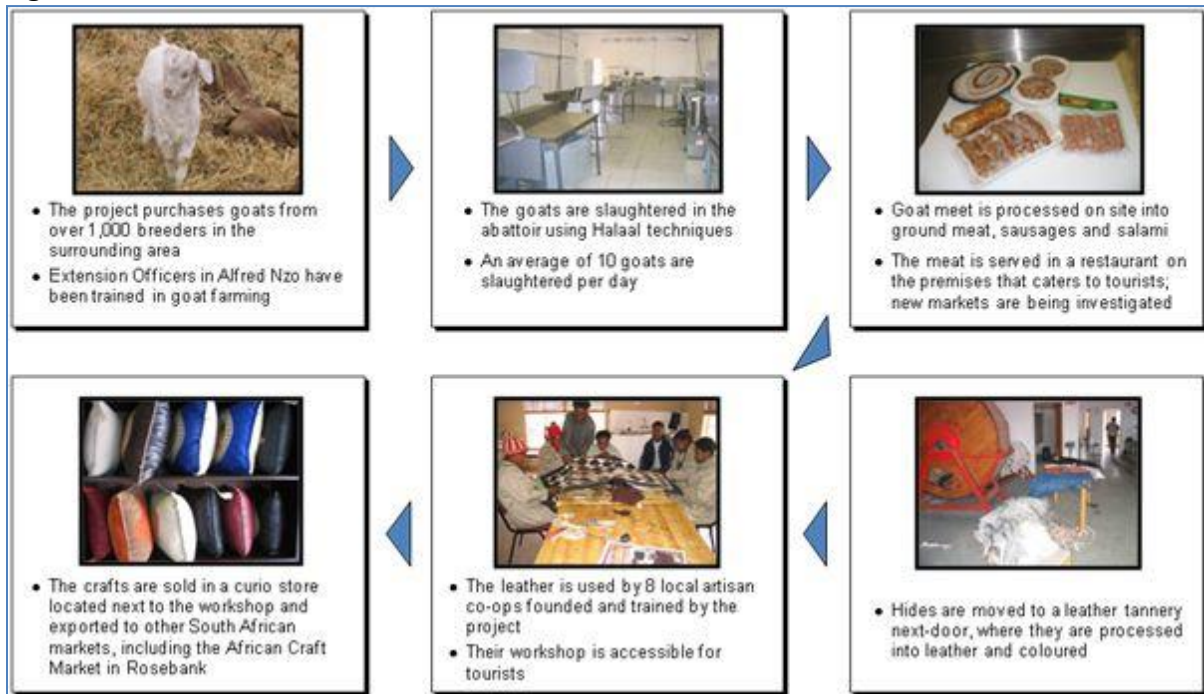
As such, most of the manufacturing sub-sectors listed above are not present in Umzimvubu, with the only activity linked to **food**, **textiles** and **wood** products. These forms of activity are not capital intensive, and are linked to the area's rural background which involves resource-intensive production.

Food and textiles

The Umzimvubu goats project is an ISRDP poverty node anchor project that came about from multi-stakeholder collaboration. The Umzimvubu goat project represents manufacturing activity in the **food** and **textiles** subsectors. Goat that are raised by cooperatives throughout the local municipality are brought to a central processing facility whereby value addition is undertaken through the following, as presented in Figure 2.8:

- Abattoir
- Meat processing plant
- Leather tannery
- Craft workshop

Figure 2.8: Goat Production



(Alfred Nzo Development Agency, 2010)

Although this operation has been faced by operational constraints, it represents a significant investment into the manufacturing sector with potential for employment creation, sustainable income creation, value chain maximisation clustering and agglomeration. Employment creation may arise from the need for people to undertake duties such as meat processing, leather

tanning, and animal slaughtering. Sustainable income creation may arise from further use of the cooperative model to advance rural development. Value chain maximisation may come from an expansion of the range of activity undertaken.
(ANDA, 2010)

Small scale artisanal manufacturing is also represented through a crafts hub and garment manufactures
(ANDM IDP, 2010)

Wood products

Umzimvubu has 4 established sawmills that are involved in the transformation of trees grown in the forestry sector into different **wood** products. Mt Ayliff hosts the Alfred Nzo district's only sawmills, which provides it with a district-wide absolute advantage in the manufacturing of wood products.

The medium sized sawmill in Mt Ayliff has a peak production capacity of 13 500m and the three small sawmills have a combined capacity of 3 600 m.

It must be noted that the manufacturing of wood products in Umzimvubu has an uncertain growth trajectory as other components of forestry cluster development such as a timber processing and chipboard plant are to be found in Elundini and Kokstad, which are both in close proximity to Umzimvubu. Research is currently underway into the feasibility of a pole treatment plant in Mt Ayliff, which would help to capture and secure important elements of the wood products value chain.

In addition to this, charcoal production was recently added to the area's manufacturing capacity. The charcoal production involves the use of waste-products from the various forestry activities in the area as an input. Where the sawmills represent more capital intensive manufacturing in Umzimvubu, the charcoal production has a higher labour intensity in its production methods. (Scott, 2010)

The goats project which began in 2000 and the operation of sawmills in the area have led to an increase in the still small manufacturing sector of Umzimvubu. This is seen in how the sector's contribution to GGP has increased from 5.2% in 1995 to 12.2% in 2009. Despite this, it must still be emphasised that Umzimvubu has no recognised large or medium-scale manufacturing activity as a result of its underdeveloped resource intensive primary sector.

4.5.6.4 Construction

The construction sector includes activities related to site preparation, construction of buildings, building installations, building completion and the renting of construction equipment. The range of activity contained within the construction sector thus includes shop fitting, plumbing, electrical contracting, painting and decoration

It must be noted that the construction sector has a 'derived productivity'. The performance of the construction sector can thus be taken to be an indicator of the general amount of developmental activity taking place within an economy

The Umzimvubu construction sector has in the recent past registered stagnant growth, with the value of output only increasing from approximately R12m in 1995 to R13.5m in inflation adjusted terms. The construction sector is underdeveloped, as a result of generally low levels of public and private sector investment into the area, which are seen through low levels of economic growth.

The value of output for the local construction sector at approximately R13.5m in 2009 is a low amount that is not inclusive of the value of all construction activity that took place in Umzimvubu in 2009. This means that construction of a value of more than R13.5m took place in Umzimvubu in 2009, but was remitted to other areas. This is because a shortage of qualified, registered and skilled firms offering construction services in Umzimvubu often drives investors to contract construction firms based outside of Umzimvubu in areas such as Kokstad and Mthatha.

Umzimvubu has an excess supply of construction firms with elementary skills such as bricklaying and the construction of simple buildings. However, for more complicated projects requiring competencies such as plumbing and electrical wiring, there are no suitably qualified construction firms in Umzimvubu. This is reflected in the fact that there is no single construction firm in Umzimvubu that is a member of the Eastern Cape Master Builders Association.
(MBA, 2010)

4.5.6.5 Trade

The trade sector is defined as the resale (sale without transformation) of new and used goods to the general public for personal or household consumption or use by shops, department stores, stalls, hawkers etc.

The trade sector entails wholesale, commission trade, retail trade and repair of personal household goods; sale, maintenance and repair of motor vehicles and motor cycles; hotels, restaurants, bars, canteens, camping sites and other provision of short-stay accommodation. It can thus be seen that this sector involves a broad spectrum of activity which is diverse and varied in nature.

The retail trade sector is the second largest economic sector in Umzimvubu, and is centered mostly in Mt Frere, which functions as service centre for local residents' small scale shopping needs. The local retail sector is based on transactional requirements of residents of Mt Ayliff, Mt Frere and the villages in close proximity to these two nodal points.

The retail trade sector is dominated by the sale of some lower order services, perishables and semi-durables with very limited provision of durables and high-order services.

The trade sector is a derived demand because it is dependent on the amount of income the consumer has at his/her disposal to engage in a trading transaction. Trade, in its turn, is not only a function of the amount of money available within a population, but is also influenced by non-economic considerations such as personal taste, availability of alternatives and the current fashions. For this reason, the sector can be used as a crude measure of economic performance and the confidence the people and industry have in the local economy.

From 1995 to 2009 the Umzimvubu trade sector grew at a pace of only 0.71% per year on average. It can thus be deduced that as a crude measure of economic performance, the Umzimvubu trade sector was symptomatic of the general malaise and low levels of investor confidence in the local economy.

Umzimvubu has high levels of poverty, which limit the ability of people to spend on retail goods and services. In addition to this, there is a significant amount of expenditure leakage to other towns as those that do have relatively high levels of income often choose to spend in Kokstad and Mthatha. The local retail sector is characterised by owner-managed shops that deal as liquor stores, butcheries, cell phone shops and hair salons. There are also some national retailers involved in the sale of furniture, cosmetic products, supermarket groceries, hardware, clothing and take-aways. Wholesalers also make up a significant amount of the retail supply in Mt Frere and Mt Ayliff as they cater to the needs of rural villagers and spaza shop operators. These target the low-income market given the area's socio-economic profile, and in Table 2.6

Table 2.6: Umzimvubu retail

Type of business	Example	National/ local
Take away	Captain Dorego's	National
Furniture	Barnetts	National
	Stop discount furnisher shop	Local
Hardware	Cash build	National
Butchery	Eat sum meat	Local
Supermarket	Boxer super store	National
	Solis super spar	Local
Clothing and accessories	Jumbo Fashion shop	Local
	PEP	National
Personal care	Just-on cosmetics	National

4.5.6.5. Finance and Business service

The finance and business services sector includes activities related to obtaining and redistributing funds, including for the purpose of insurance, real estate or commercial and business services. Some of the activities that fall under this sector include financial intermediation; insurance and pension funding; real estate activities; renting or transport equipment; computer and related activities; research and development; legal; accounting; bookkeeping and auditing activities; architectural, engineering and other technical activities; and business activities not classified elsewhere.

The Service sector supports primary and secondary sectors by providing the 'soft' components of any economy.

In Mt Frère this sector is dominated by financial service providers with organisations that cater both to mainstream banking needs (such as FNB, Standard Bank and Capitec) and community-oriented lending facilities (through entities such as Finbond microfinance, Eyethu community finance and Marang financial services). It is worth noting that at the time of the compilation of this report, Capitec bank was in the process of expanding its branch network in Umzimvubu, with the launch of a branch in Mt Ayliff to support the already operational Mt Frere branch. Business oriented services such as accountants, estate agents, architects and lawyers and other professional entities do not have a strong presence in Umzimvubu. This is because of the low levels of demand for such services. Business services in Mt Frere are thus often provided for by firms in nearby Mthatha, Matatiele and Kokstad. (Ngoyini, 2010)

4.5.6.6 Government services

The government services sector includes **community, personal and social services** rendered by private and public institutions. Activities classified within this sector include public administration and defence activities, activities of government, government departments and agencies; education, public and private; health and social work; sewage and refuse disposal, sanitation and similar activities.

This sector accounts for 42% of all economic activity in Umzimvubu and as such is currently the most important sector of the economy. The government sector is also the largest employer of workers in Umzimvubu.

The contribution of the government sector shows the importance of public sector- funded expenditure in sustaining economic activity in the study area. The rural nature of the area means that economic infrastructure and necessary capital that would create a conducive environment for private sector activity does not exist. It is for this reason that government services, through departmental spending and poverty alleviation efforts, makes such a significant contribution to the local economy. This dependence and reliance on government sourced expenditure is underscored by the fact that in 2007 79 789 grant payments were made in Umzimvubu, an area with a population of 223 330 (ANDM IDP, 2010)

Government in this instance refers to

- Local governing bodies (The Umzimvubu Local municipality and the Alfred Nzo district municipality, with offices in both Mt Frere and Mt Ayliff)
- Sector departments (The departments of Social development, Home affairs, and Education, all have offices within the municipal bounds and other departments without offices in the area are often engaged in various activities within Umzimvubu)
- Agencies (such as SEDA, which has offices in Umzimvubu, and others such as ECDC and, ASGISA-EC)
- Health and Educational facilities (such as Ingwe FET college)

4.5.6.7 Tourism

The Standard Industrial Classification (SIC) used to classify economic sectors in the South Africa economy does not recognise tourism as a separate sector. This is because the tourism industry is a consumption based service industry that does not produce a tangible product. It does however, utilise the products and services of other classified industries including Trade, Transport and Business Services. Due to its increasing importance as an income and employment creator in South Africa, this report will discuss Tourism separately from the other sectors.

Tourism is a sector that has been mooted in multiple district and local level policies and strategies as a sector to be prioritised and developed within Umzimvubu.

However despite strategic prioritisation, tourism in Umzimvubu is underdeveloped, with a low number of tourists visiting the area.

(Matolweni, 2010)

The nature of tourism in Umzimvubu is predominantly business-oriented, with people spending time in the area when on business there. Umzimvubu is not seen by tourists as a stop-over destination because of its proximity to larger service centres in Kokstad and Mthatha, as well as the small number of accommodation and dining facilities on offer.

Local tourism sector is not governed or guided by a sector plan, and on a municipal level, there is no tourism information assistance office or support post. The local tourism sector has thus not grown much in the last fifteen years.

(Matolweni, 2010)

There is however, significant potential for tourism growth in the area, based on several traits that Umzimvubu possesses such as:

- Forest scenery between the grassland and subtropical thicket biomes particularly in the Rode and Ntsizwa areas
- Unique vegetation in the Mdeni-Siroqobeni valley, and the Nkanje valley, north west of Mount Ayliff
- Mountain ranges, such as the 1976m high Nungi mountain range allow for hiking trails at Ntsizwa and Mvenyane
- River systems based on the Umzintlava, Kinira and Mvenyane Rivers which make water sports a possibility
- Wildlife such as rare bat species in the Ntsizwa mine area
- Cultural and heritage including Bhaca food, (SDF, 2007)

4.5.6.8 Developmental Institutions

The business environment in Umzimvubu is also influenced by the actions of various development institutions. These stakeholders undertake programmes and projects that may make some forms of business activity more lucrative, and provide a disincentive to engage in other forms of business enterprise. This section shall briefly discuss the activities of various stakeholders in the Umzimvubu development arena, as presented in Table 3.4.

Table 3.4: Developmental interventions

Organisation	Focus area	Projects currently or recently undertaken
Alfred Nzo Development Agency (ANDA)	Local Economic Development	<ul style="list-style-type: none"> • Goat project • Livestock and poultry production programmes • Vegetable production programmes
ASGISA-EC	Rural development	<ul style="list-style-type: none"> • Integrated dry-land cropping programme: Maize
Department of Agriculture and forestry	Emerging farmer support	<ul style="list-style-type: none"> • Afforestation • CASP • Land care • Massive Siyakhula • Siyazondla • Letsima
Department of Economic Development and Environmental Affairs (DEDEA)	Agricultural value addition	<ul style="list-style-type: none"> • Peach value addition • Pole treatment
Thina Sinako	Institutional capacity	<ul style="list-style-type: none"> • Local government support fund
Small Enterprise Development Agency (SEDA)	SMME development	<ul style="list-style-type: none"> • Training of cooperatives
Independent Development Trust (IDT)	Livelihoods support	<ul style="list-style-type: none"> • EPWP
Eastern Cape Development corporation (ECDC)	Agricultural value addition	<ul style="list-style-type: none"> • Horticultural tunnel farming
LED forum	Local Economic Development	<ul style="list-style-type: none"> • Stake holder engagement • Management and Accountability to all LED initiatives

The organisations listed in Table 3.4 all have an important role to play in fighting poverty, improving competitiveness and inducing economic growth in Umzimvubu, as per their respective mandates.

The planning and implementation of programmes has a strong bearing on the business environment as programmes in Umzimvubu may

- **Improve the returns** of engaging in certain form of agriculture (e.g. productive assets and infrastructure for goat farming)
- **Create perverse incentives that militate** against certain forms of economic activity (e.g. tragedy of the commons in maize farming)

It is important to outline the nature of the projects listed in Table 3.4, as well as their outcomes. Whilst the list in Table 3.4 only shows projects currently or recently undertaken, it will be prudent for the Umzimvubu municipality to create a database of all previous projects undertaken by development institutions. This recommendation will be discussed in later chapters of this report. This will allow investment decisions to be made based on all available information (symmetry) as it pertains to :

- Undertakings that have taken place in the past
- Reasons for the success and failure of such undertakings
- Existing infrastructure (physical or otherwise) that was put in place to support such initiatives
- How future investment by the private sector may feed into present activity to take advantage of clustering or agglomeration advantages.

5. INSTITUTIONAL ANALYSIS

5.1. POLITICAL STRUCTURE OVERVIEW

Umzimvubu Local Municipality is a Category B Municipality as established in terms of Chapter 2 of the Municipal Structures Act 1998. The Municipality functions under the Collective Executive system consisting eight Executive Committee Members and the Mayor, making up a total of nine members. The Umzimvubu Municipal Council has forty seven Councillors including the Mayor, Speaker, Chief Whip and Executive Committee Members.

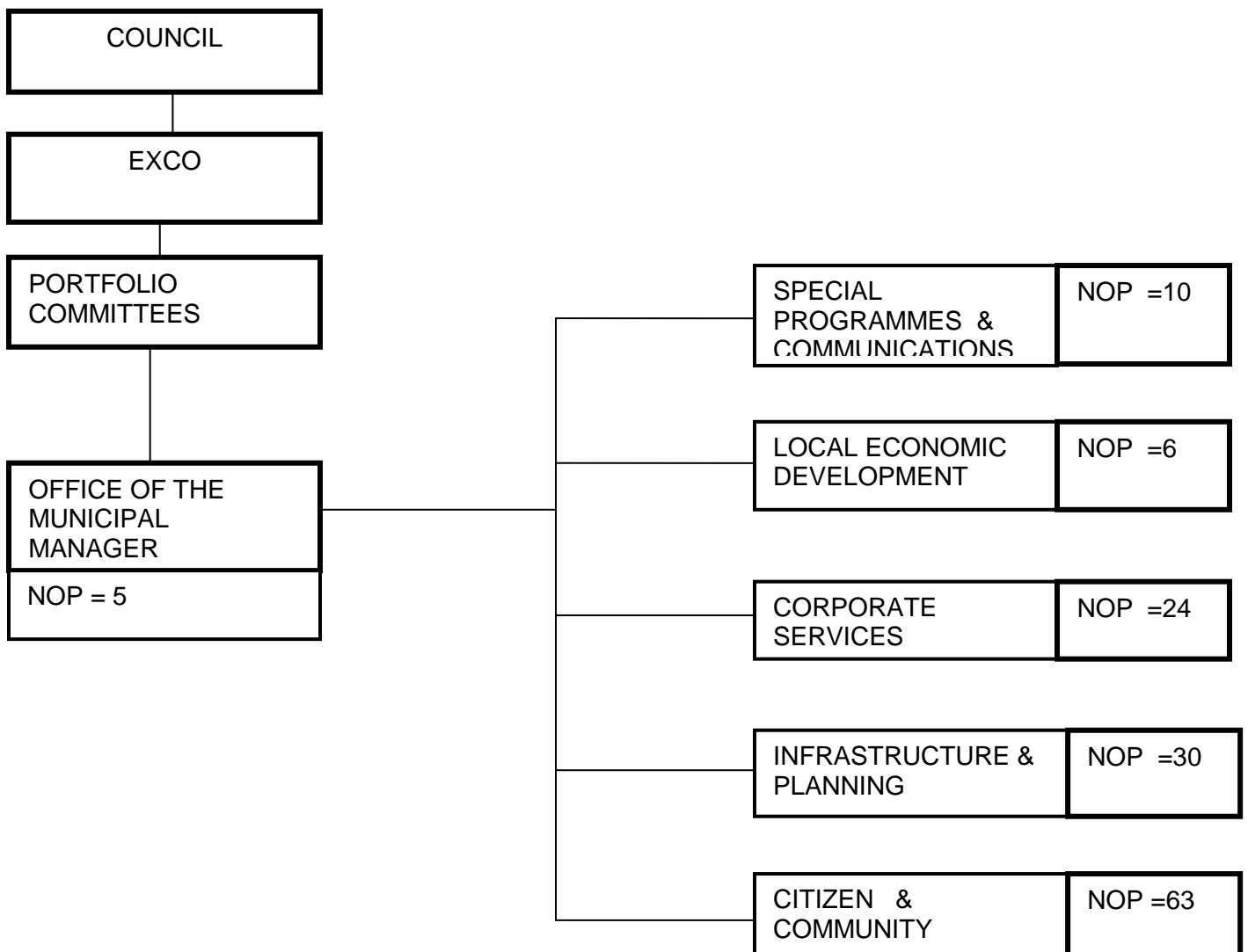
There are six portfolio standing committees that have been established in terms of Section 80 of the Local Government Municipal Structures Act, (Act 117 of 1998). Each portfolio committee is headed by a Member of the Executive Committee. There are standing committees for the following portfolios;

- ⇒ Infrastructure and Planning
- ⇒ Corporate Services
- ⇒ LED and Environmental Management
- ⇒ Social and Community Development

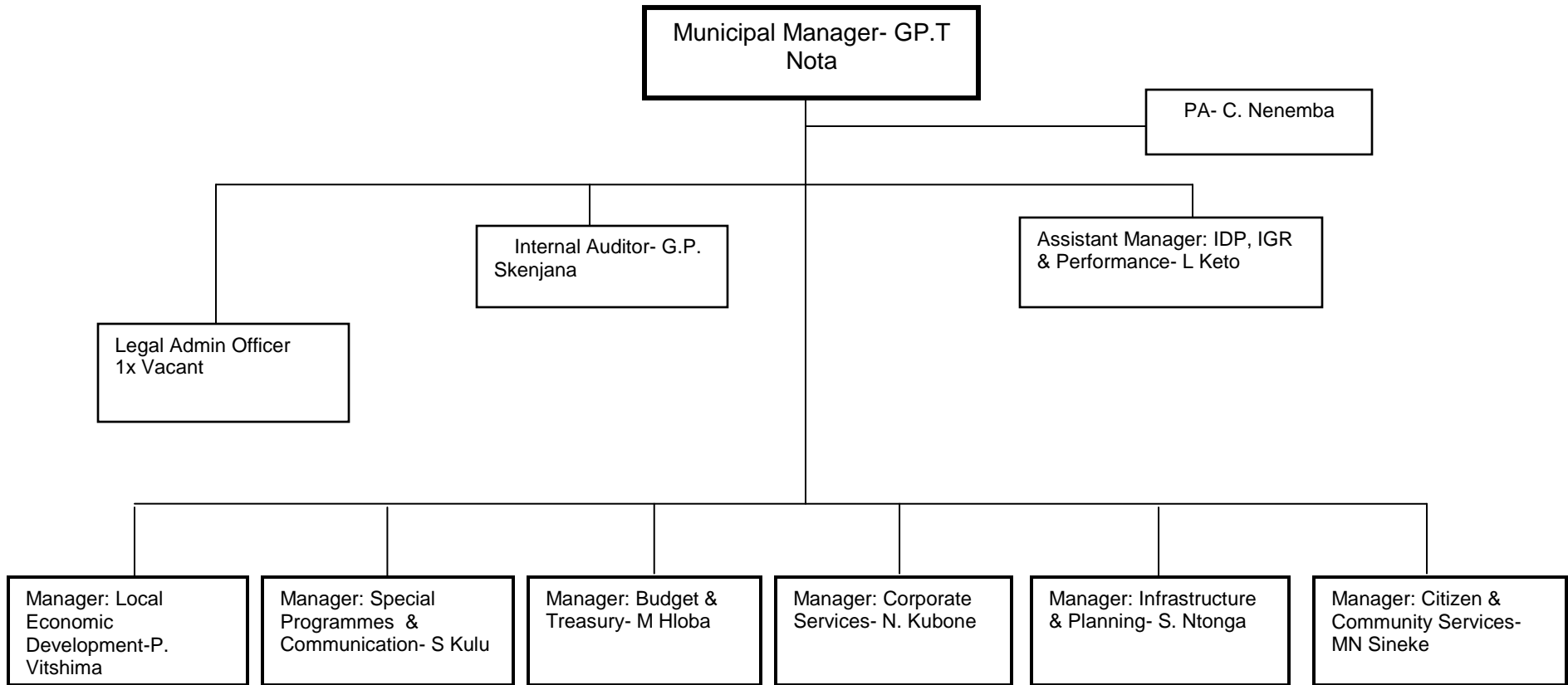
- ⇒ Budget and Treasury
- ⇒ SPU and Communications

5.2. Municipal Administration

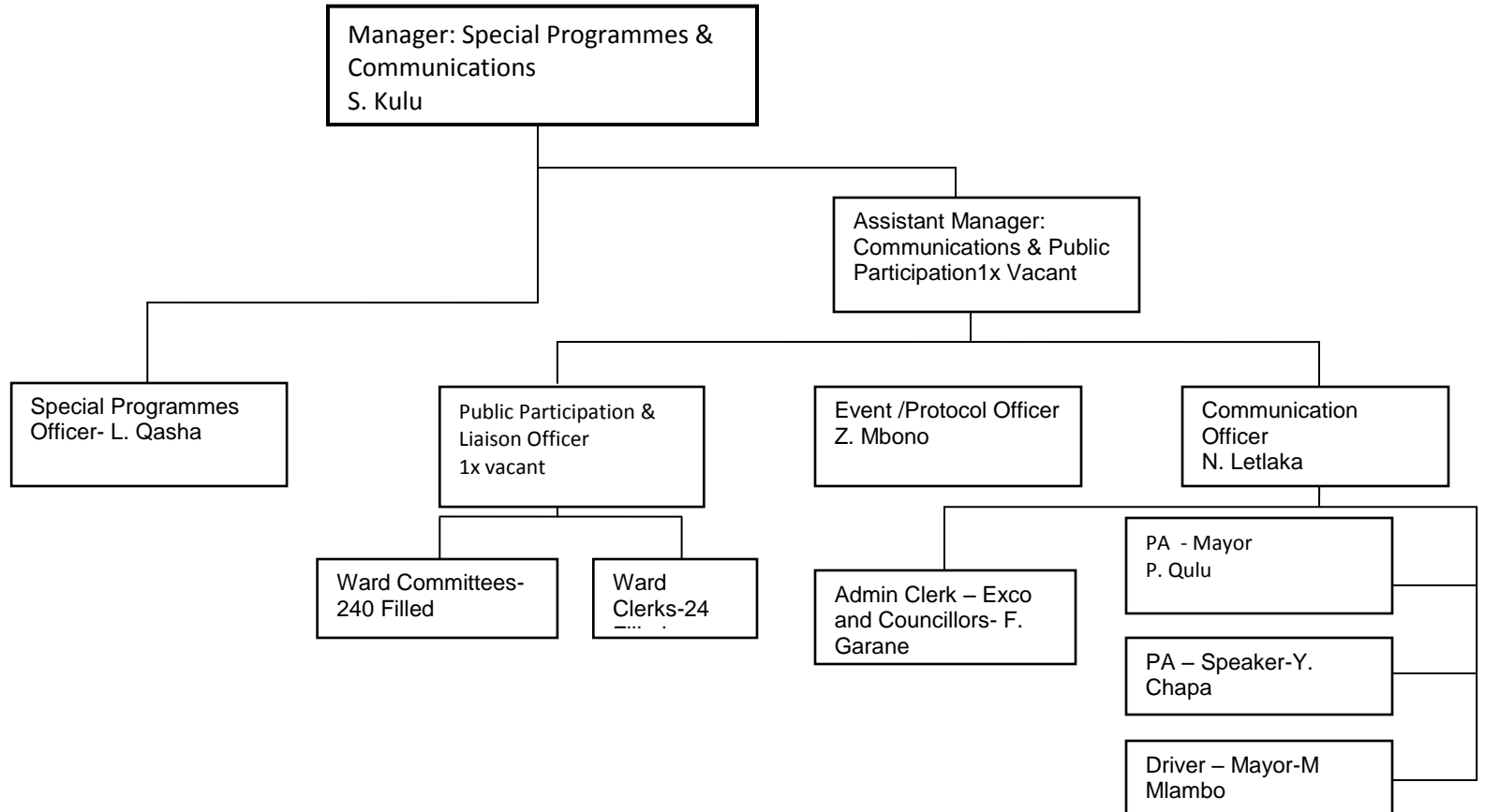
The municipality has a staff compliment of 265 full time staff as provided in the revised Organogram. The municipal organogram makes provision for a Municipal Manager, 6 Senior Managers (Head of Departments) and 21 Assistant Managers . The figure below is an adopted ULM organogram



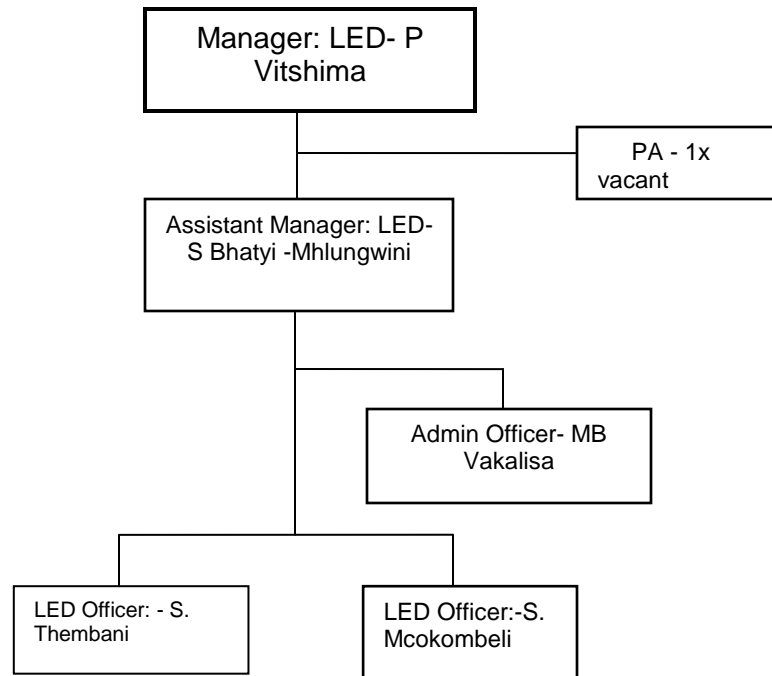
OFFICE OF THE MUNICIPAL MANAGER



SPECIAL PROGRAMMES & COMMUNICATIONS



LOCAL ECONOMIC DEVELOPMENT

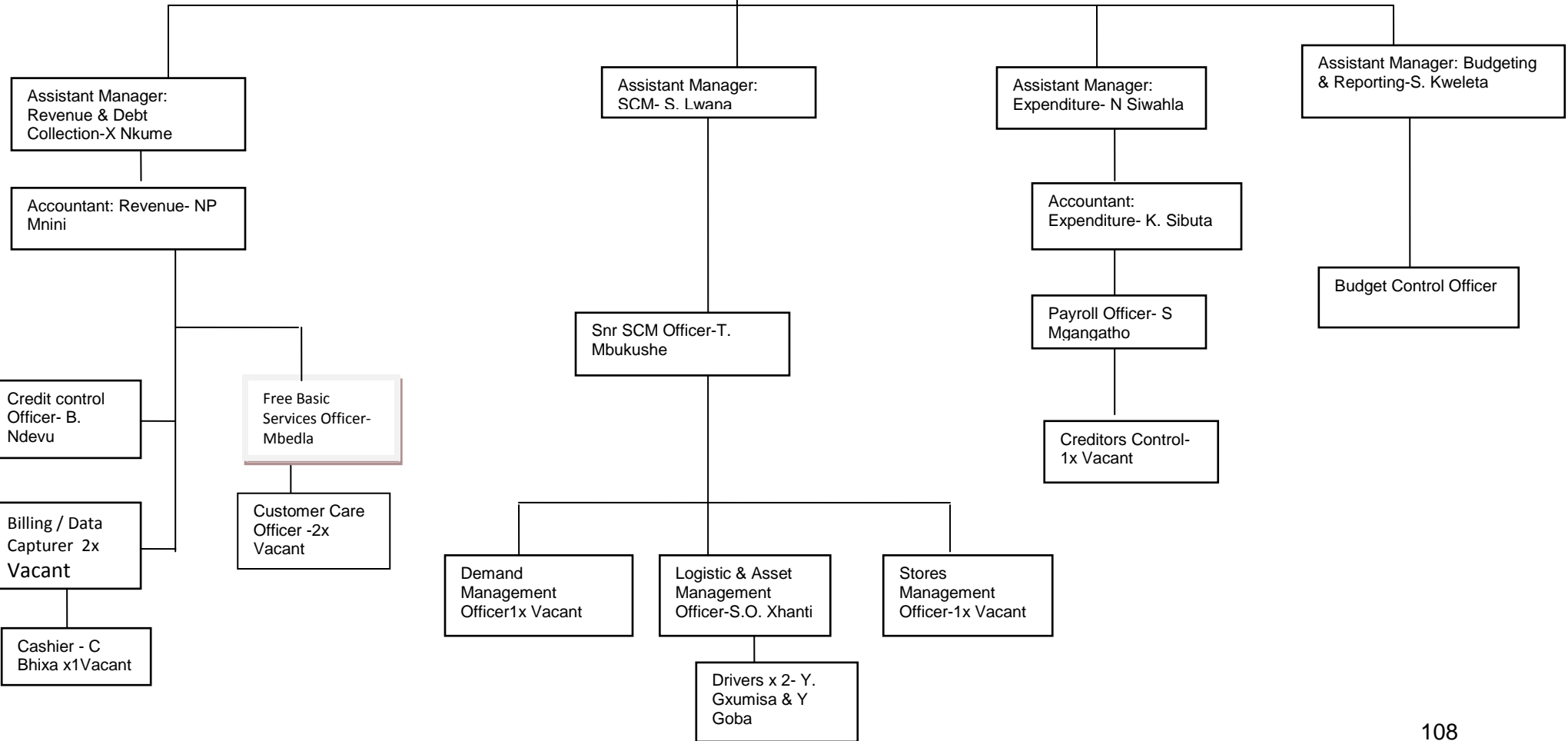


BUDGET & TREASURY

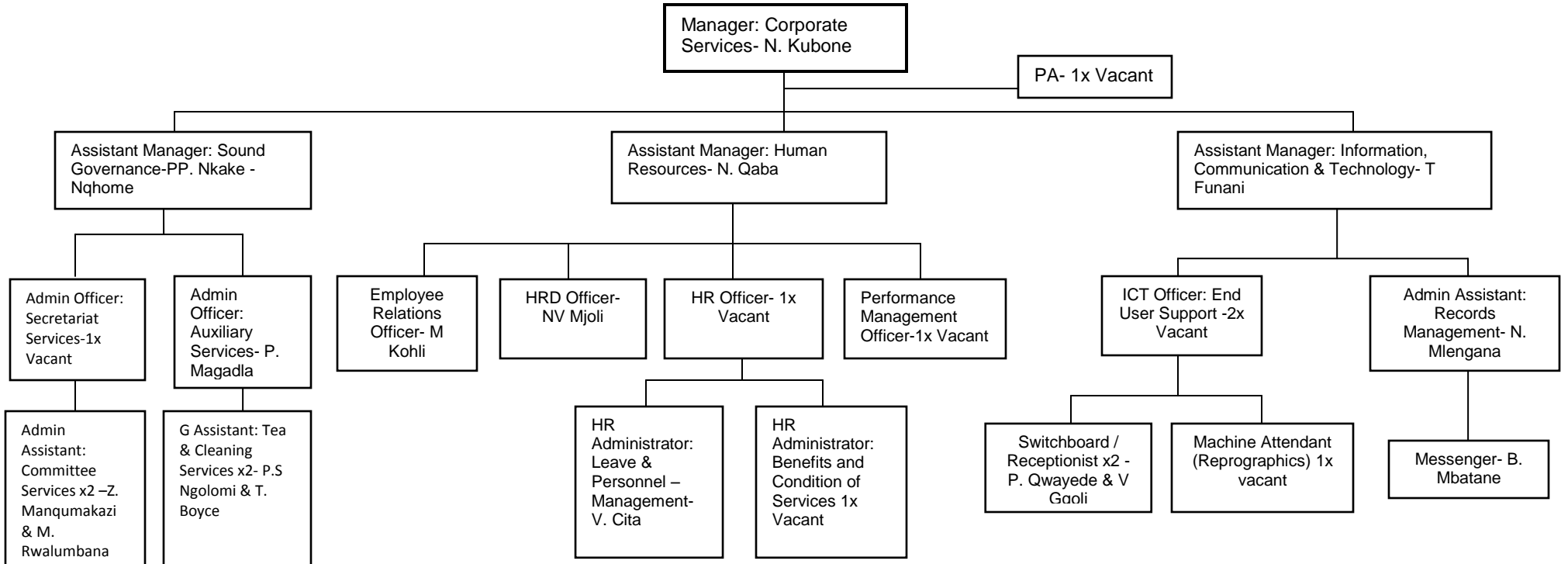
Manager: Budget & Treasury- M Hloba
(Budgeted)

PA- G.N. Tshongwe

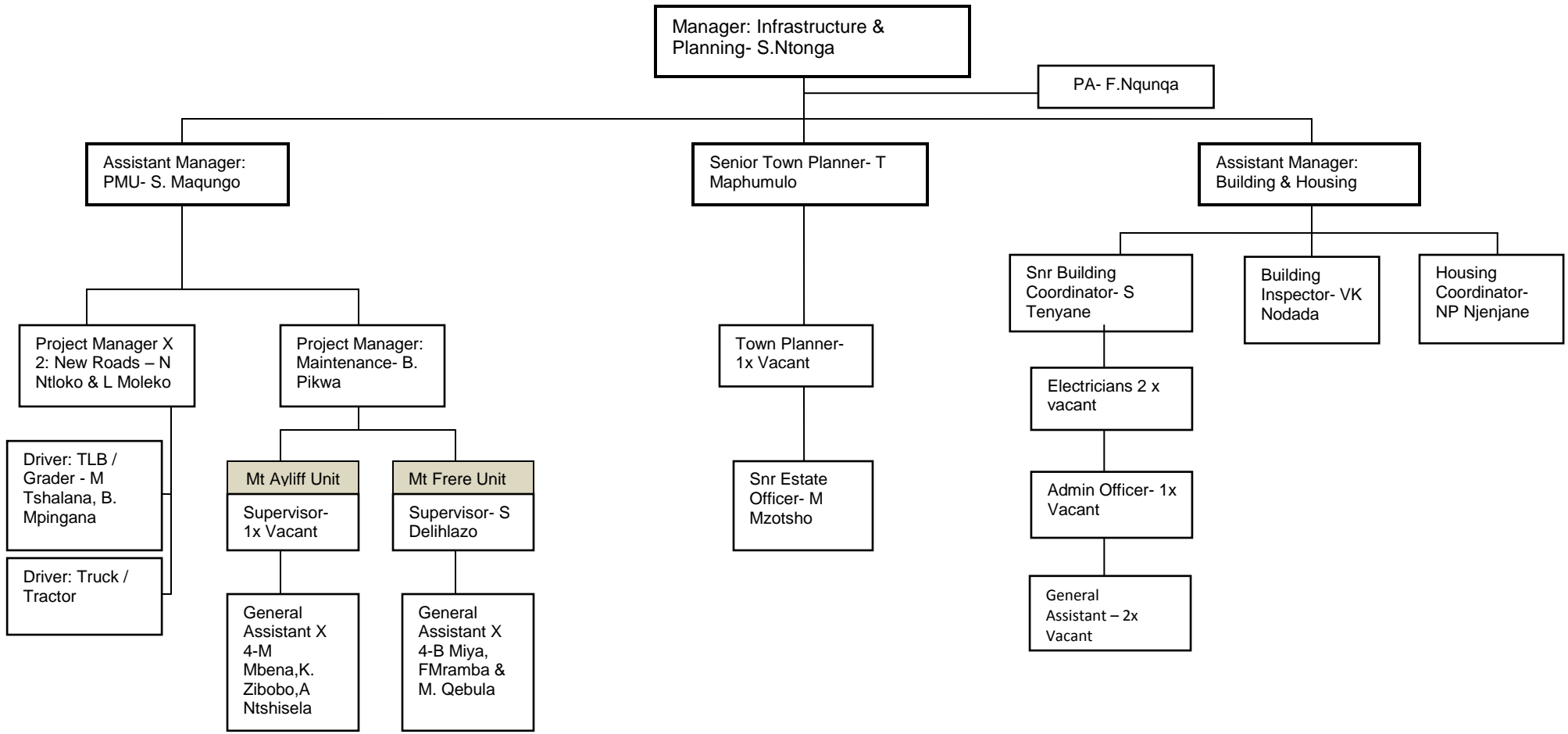
Deputy Manager: Budget & Treasury- X.N. Msuthu



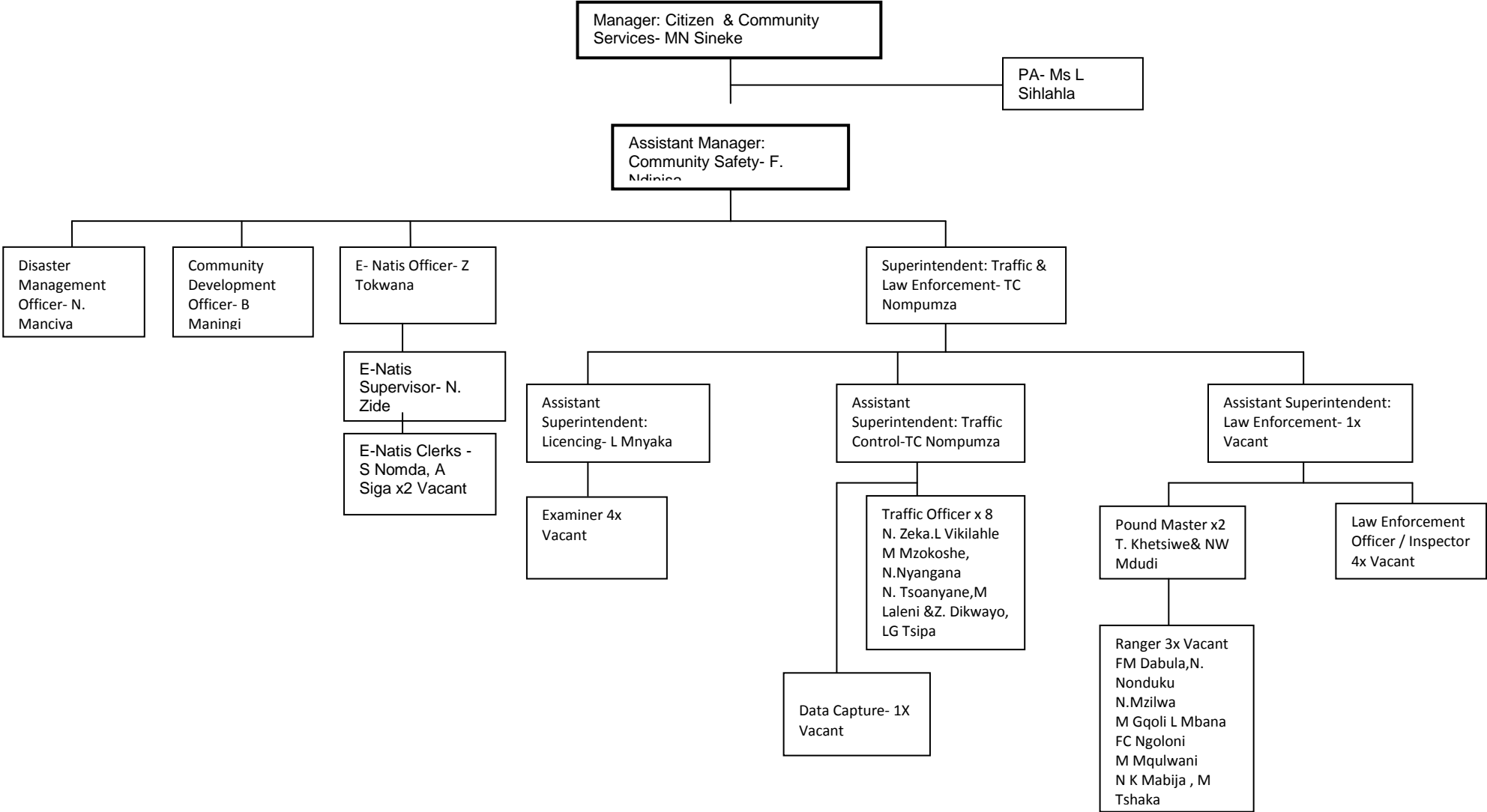
CORPORATE SERVICES



INFRASTRUCTURE & PLANNING



CITIZEN & COMMUNITY SERVICES



Management Capacity Table

Managerial Level	Management Accountability	Subordinate Management
Municipal Manager	Head of Administration	<ol style="list-style-type: none"> 1. IDP, IGR, Municipal Performance 2. Internal Audit 3. Legal administration officer
Head of Departments (6) (Section 57 Managers)	1. Budget and Treasury	<ol style="list-style-type: none"> 1. Budget and Reporting 2. Expenditure 3. Supply Chain Management 4. revenue and Debt Collection
	2. Infrastructure and Town Planning	<ol style="list-style-type: none"> 1. Project Management Unit 2. Town Planning 3. Buildings and Housing
	3. Citizens and Community Services	<ol style="list-style-type: none"> 1. Law Enforcement Services 2. Solid Waste and Municipal Health 3. Pound, Fencing and Fences
	4. Local Economic Development	<ol style="list-style-type: none"> 1. Trade regulations and investment 2. Economic sector supporter
	5. Corporate Services	<ol style="list-style-type: none"> 1. Human Resources Management 2. Information Management 3. Client Liaison Services
	6 Special Programmes and Communications	

OFFICE OF THE MUNICIPAL MANAGER					
Divisions	Functions	Number of Staff			
		Total	Ass. Man	Profe ss.	Vac
IDP, IGR, Municipal Performance	<u>Purpose:</u> <ul style="list-style-type: none"> The coordination and monitoring and evaluation of the implementation of the IDP within the Municipality and IGR Coordination with other spheres of government 	1	2	0	0
Internal Audit	<u>Purpose:</u> <ul style="list-style-type: none"> To conduct internal audit and risk management services within the Municipality in line with the MFMA, take corrective action with the CFO and provide regular feedback to the Council. 	1	1		
SPECIAL PROGRAMMS AND COMMUNICATIONS					
Communications	<u>Purpose:</u> <ul style="list-style-type: none"> To provide effective and sound communication services to the Municipality and the Council to improve its image and standing To strengthen communication between the Municipality and its 	29	1	5	1

	<p>stakeholders</p> <ul style="list-style-type: none"> • To strategically place or position the Municipality as the best service provider • To establish communication forums for stakeholder feedback and participation • To mobilize and empower stakeholders to take control of the process for their own development 				
Special Programmes	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> • To coordinate the activities of the Municipality in support of the promotion of women, the youth, the elderly, the disabled and other disadvantaged groups in the Municipality 	1	1		
Council Support	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> • To provide administrative and legal support to the Council, EXCO and the Office of the Speaker • To provide executive support to the office of the Mayor, Chief Whip and 	7	0		

	<p>Speaker</p> <ul style="list-style-type: none">• To develop the capacity of special groups to enable them to participate fully in service delivery• To do lobbying, advocacy and mobilization on behalf of the special groups as well as mainstreaming of the designated groups				
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CORPORATE SERVICES						
Divisions		Functions	Number of Staff			
Human Resources Management		<p><u>Purpose:</u></p> <ul style="list-style-type: none"> To provide effective transactional HR services and strategic organisational capabilities to improve organisational efficiency 	6	1	2	4
Information Management		<p><u>Purpose:</u></p> <ul style="list-style-type: none"> To provide high level information services incorporating information technology infrastructure and physical document management 	9	1	8	7
Client Liaison Services		<p><u>Purpose:</u></p> <ul style="list-style-type: none"> To provide focused and purposeful client liaison services to improve the citizens experience within the municipality 	6	0	6	4

INFRASTRUCTURE AND PLANNING					
Divisions	Functions	Number of Staff			
		Total	As s Ma n	Profe ss.	Va c
Project Mnagement Unit	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> Oversee the implementation of the Municipality's infrastructure projects from design to the completion using project management approach. 	16	4	4	2
Town Planning	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> To provide spatial development and land use management throughout the municipality 	3	1	2	0
Bulidings and Housing	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> To provide building plans and building inspection services to the public, maintenance of the municipal buildings and coordination of housing projects within the Municipality 	3	1	2	1

Citizen And Community Services		Number of Staff			
Divisions	Functions	Total	Ma n	Profe ss.	Va c
Law Enforcement Services	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> • Provide enforcement of Municipal By-Laws, provincial and national laws applicable within the Municipal jurisdiction Provide efficient vehicle licensing services to vehicle owners • Provide support to other government law enforcement departments by keeping and updating records of licensing information • Reduced the rate of accidents in our roads and attend to reported accidents and incidents • Focus on minimising the N2 Main Street traffic congestion 	53	1	52	1
Solid waste and Municipal Health	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> • Provisioning of environmental health and waste management services to the Municipality • Protect the environment and provide a safe and healthy environment to the local community 	60	0	4	2
Pound, Fencing and Fencis	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> • Provisioning of the animal control and pounding services along major roads and within the Municipality broadly. 	18	0	2	0

Community Facilities	<p>Purpose:</p> <ul style="list-style-type: none"> • The development of standards, establishment and administration of municipal facilities and public amenities. • Facilitate the provision of sport facilities and community halls 	3	0	3	3
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BUDGET AND TREASURY OFFICE		Number of Staff			
Divisions	Functions	Total	Man	Profess.	Vac and Budgeted
Revenue and Debt Collection	<p>Purpose:</p> <ul style="list-style-type: none"> • Provide proper revenue collection services and effective debt collection strategies and mechanisms • Supervise the Revenue staff • Verify daily revenue, direct payments into bank accounts via. Cashiers, debit orders and through Post Office • Reconcile revenue with bank statements, taking into consideration the amounts for revenue paid into banks and accounts of other divisions e.g. Traffic • Handling enquiries on accounts through telephonic, correspondence and in person. • Balancing the trial balance and ledger accounts • Balancing evaluation roll 	22	4	5	9
Supply Chain Management	<p>Purpose:</p> <ul style="list-style-type: none"> • Provide effective supply chain management and logistics 	4	1	3	3

	<p>management services.</p> <ul style="list-style-type: none"> • Certifying documents for payment etc. • Contract – Loan agreements 				
Expenditure	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> • Provide effective budgeting and expenditure control systems and practices based on legislation and best practice. • Payment of Municipal Expenses • Preparing monthly bank reconciliation • Administering Asset Register • Managing stores 	4	1	3	3
Financial Budgeting and Reporting	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> • To facilitate the development of the budget, prepare and submit all financial reports for an on behalf of the Municipality. • Compiling financial statements and executing budgetary controls • Compliance with MFMA reporting formats • Ensuring implementation of GAMAP/ GRAP • Prepare annual budget with budget process plan 	2	1	1	1

LOCAL ECONOMIC DEVELOPMENT					
Divisions	Functions	Number of Staff			
		Total	Man	Profe	Vac and Budgete
Trade investment and regulation	<p><u>Purpose:</u></p> <p>⇒ The provisioning of trade regulation and facilitation of investment within the Municipality through strategic partnerships with key stakeholders and SMME development</p>	2	1	1	1
Economic Sector Support	<p><u>Purpose:</u></p> <p>⇒ Facilitation of sector) specific (Tourism, Agriculture and Forestry support to promote local participation in economic development activities in the Municipality</p>			2	1

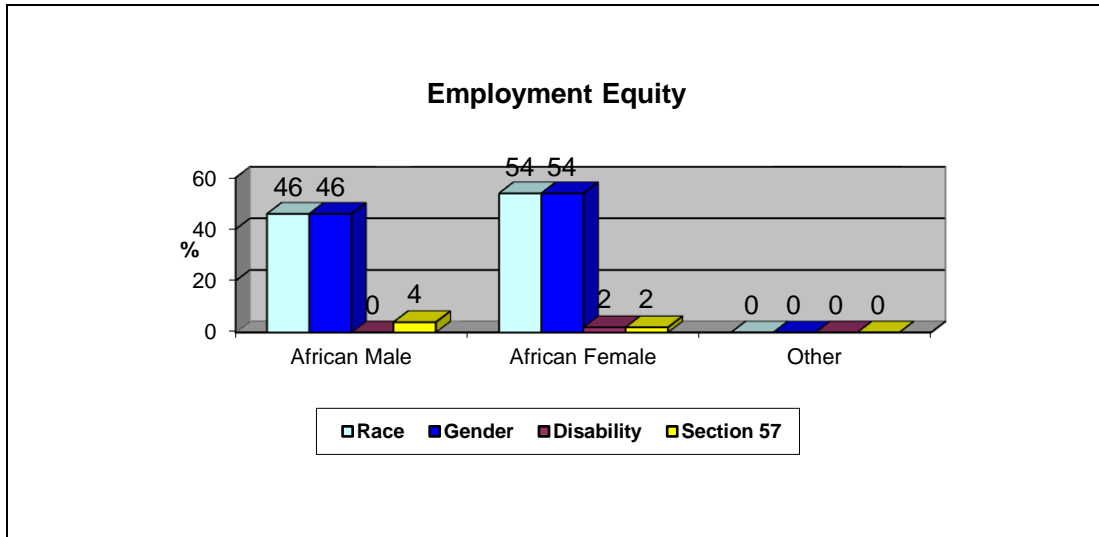
5.3 Employment equity

Umzimvubu has developed an Employment Equity Plan, as a long term plan to address any imbalances in employee representation in the work place. It also aims to promote gender equity and eliminate unfair discrimination. An Employment Equity Manager was designated to ensure that the Employment Equity plan is implemented. An Employment Equity Committee has also been established which comprises employees from all categories and Councillors.

The Employment Equity Plan has been submitted to the Department of Labour, and regular reports are submitted on progress made and targets met. Umzimvubu still faces challenges in terms of implementing employment equity particularly on senior levels.

Figure 14 below provides an overview of employment equity in terms of race, gender, disabilities and management (Section 57 Managers)

Figure 14: Employment Equity



5.4 Performance management

Umzimvubu has developed a Performance Management Framework in terms of Section 38 of the Municipal Systems Act. The process includes the development and implementation of an organisational performance management system which will not only regulate the performance of Section 57 Managers but which will also be cascaded down to other managers and officials within the municipality.

Beyond the fulfilling of legislative requirements, Umzimvubu Municipality has established a performance management system that is effectively monitored, reviewed and improving the implementation of the municipality’s IDP, which ensures accountability, facilitate learning and improvement, provide early warning signals and facilitate decision-making.

5.5 SKILLS DEVELOPMENT AND TRAINING

Umzimvubu has acknowledged that skills training is expensive but has taken a decision that training, education and development is an investment in the Municipalities future rather than an expense. The Municipality has adopted a Workplace Skills Plan in accordance with the Skills Development Act. The plan aims to address the identified skills shortage within the

municipality. A skills audit to identify training needs and suitable training and development courses is conducted annually.

5.6 Institutional Policy Development

The following policies have been developed by the Municipality;

- ⇒ Bursary Scheme Policy
- ⇒ Training and Development Policy
- ⇒ Placement Policy
- ⇒ Code of conduct for staff
- ⇒ Acting Allowance policy.
- ⇒ Employee Assistance Policy
- ⇒ HIV/AIDS policy
- ⇒ Recruitment and selection policy
- ⇒ Human Resource Development Strategy
- ⇒ Performance Management System policy
- ⇒ Human Resources retention Strategy

6. FINANCIAL VIABILITY

6.1 Budget

Umzimvubu Municipality's total budget for the 2010/11 financial year is R192 166 101. The following paragraphs will provide an overview of the Municipalities income and expenditure trends.

6.1.1 Income Allocations And Sources

Umzimvubu Municipality's expected income for the 2010/11 financial year is 192,166,101. The Municipality derives the majority of its income from external sources and supplements this with own income that it generates. External sources of income include National and Provincial allocations including;

- ⇒ Equitable share
- ⇒ Finance Management grant
- ⇒ MSIG Funding
- ⇒ MIG Funding
- ⇒ National Electrification Programme
- ⇒ LGSETA

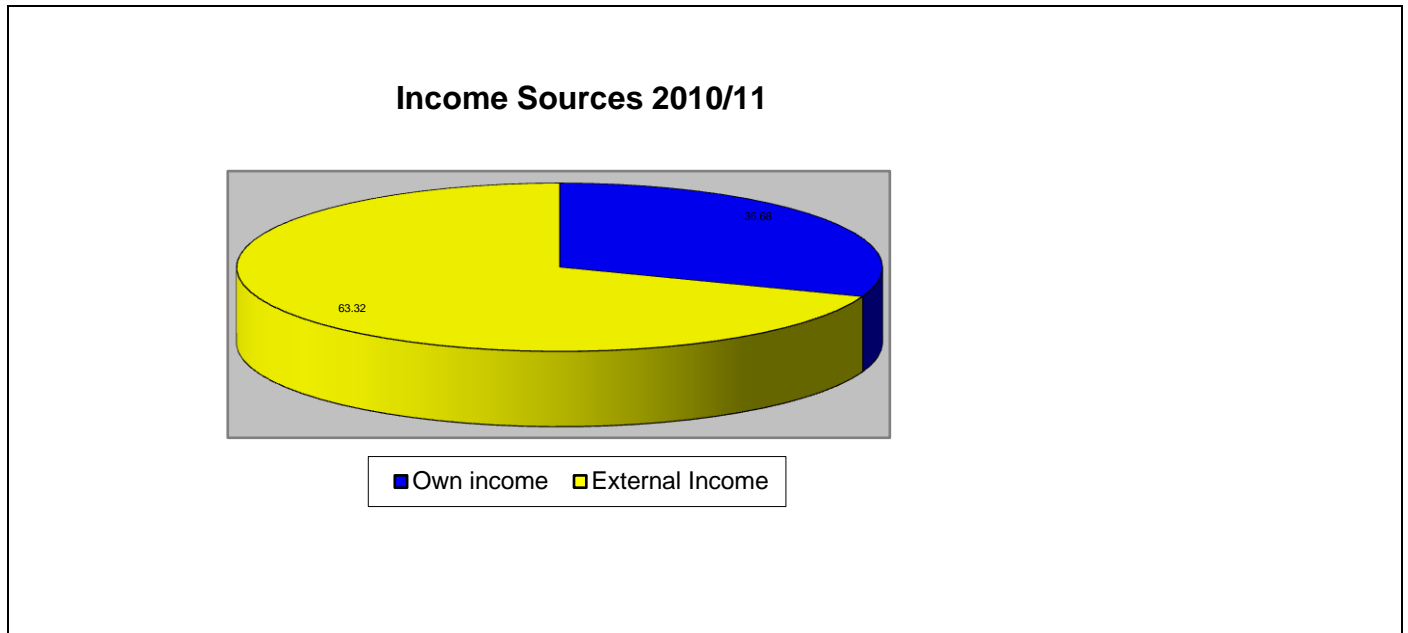
There are a number of own income sources which are grouped as follows;

- ⇒ Rates
- ⇒ Service charges (refuse)
- ⇒ Sundry fees (halls, vehicle licences, pound fees etc.)
- ⇒ Interest on investments
- ⇒ Proceeds on rental and disposal of assets
- ⇒ Operating reserves
- ⇒ Vat refunds

The Municipality has a low income base and is heavily dependant on National and Provincial allocations which constitute 63.32% of its 2010/11 budget. The ULM needs to expand its

income base to reduce its dependency on external funding. The following figure depicts the income sources for the 2010/11 financial year

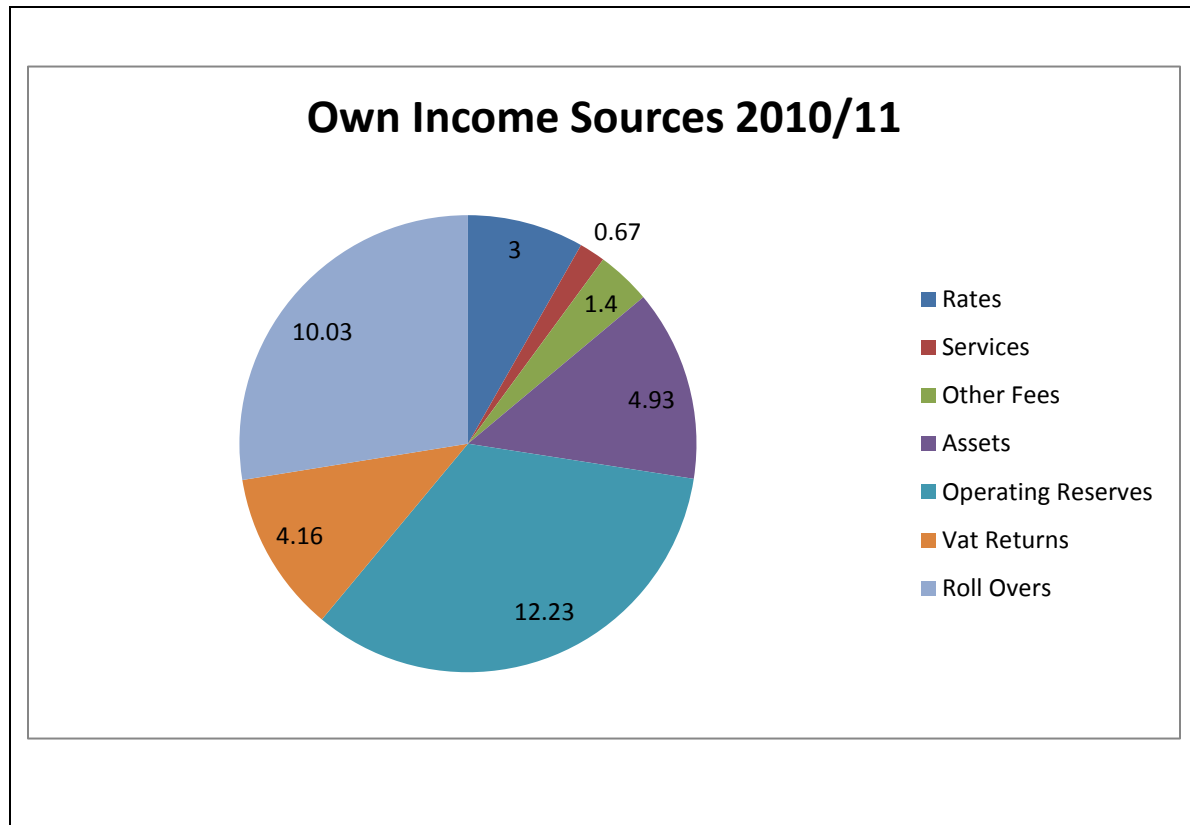
Figure 15 Income Sources 2010/11



The Municipalities own income constitutes 36.68% of the estimated revenue for the 2010/11 financial year. More than half of this estimated revenue has its basis in interest on investments, disposal and rental of assets and operating reserves. It is critical that the Municipality try to enhance the income that it derives from other sources such as rates, service fees and sundry fees so as to ensure that its assets, investments and reserves do not become depleted.

Figure 16 depicts Umzimvubus own income sources as a percentage of the Municipalities total income.

Figure 16: Own Income Sources 2010/11



6.1.2 Billing And Payment Rates

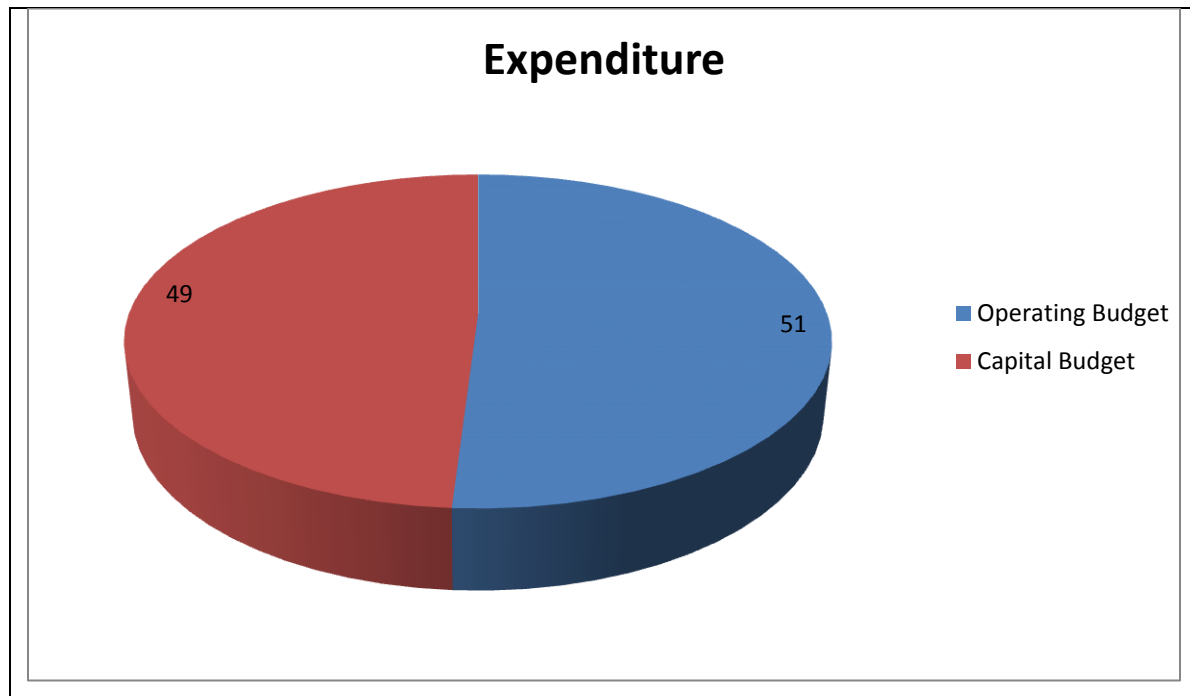
Property rates and service charges on refuse removal are billed monthly and constitute 3.67% of the Municipalities income. The projected income from rates for 2010/11 is very low but the Council has adopted a new valuation roll in this year which will form the basis of rates from the 2010/11 financial year. The low income from service charges is attributable to the fact that the Municipality provides very little in the line of services that can be billed monthly and can only charge for refuse removal. Sundry fees constitute 1% of the Municipalities income. These fees are not billed monthly but charger on an ad hoc basis as the need for the service arises.

A total of 4 113 urban households are billed each month but the payment rate is poor and it is estimated that the Municipality only receives 15% of its budgeted monthly income. This is compounded by the high poverty levels and low affordability levels of the community.

6.2 Expenditure allocations and trends

Umzimvubu Municipality's expected expenditure for the 2010/11 financial year is R192 166 101. The capital and operational budgets constitute 51 % (R98 702 101) and 49% (R93 464 000) of the 2010/11 budget respectively.

Figure 17: Expenditure 2010/11



National treasury no longer prescribes a norm for salary expenditure and instead requires Municipalities to develop a personnel expenditure ratio that is based on the nature of its functions, organisational structure, labour intensity of its operations, extent to which labour intensive components of its operations are outsourced and the composition of non personnel components of its operational expenditure. The 2010/11 budget reflects that 53.49% of the 2010/11 operational budget is allocated to salary expenditure. This is well under the anticipated personnel expenditure for Local Municipalities in 2009/10⁹.

⁹ Local Government Budgets and Expenditure Review 2003/04 -2009/10:189

The Municipality is constantly striving to provide services to its community which requires substantial capital investment, especially in terms of infrastructural assets. In order to maintain service delivery it is imperative that these assets be maintained in proper working order which requires equitable investment in terms of maintenance and repair costs. According to the National Treasury Municipalities should be budgeting between 10% and 15% of their operating expenditure for repairs and maintenance¹⁰. The 2008/09 budget reflects an allocation of only 2% to repairs and maintenance which falls well below the recommended norm. Although Umzimvubu's infrastructure maintenance is substantially lower than most Municipalities due to the fact that it does not maintain water, sanitation or electrical networks, this low contribution may still impact negatively on service delivery especially road services.

6.3 Provision of free basic services

Provision is made on the budget for the provision of free basic services which are primarily financed by the equitable share. In terms of the Division of Revenue Bill 2008; Umzimvubu Local Municipality received an Equitable Share of R 56,261,000 which is not adequate to deliver services to the area.

The Umzimvubu Local Municipality has adopted an indigent support policy which aims to assist the poorest of the poor by providing free basic services. The Municipality intends working with all stakeholders that provide subsidised services such as the District Municipality, Eskom and the Department of Social Development to develop uniform indigent criteria and targeting methods so as to ensure that all indigent households receive a full package of social services, including water and sanitation, solid waste disposal/refuse removal, electricity and rates subsidies on property valuations.

The Municipality currently has 5493 indigents registered.

6.4 Financial policy development

The municipality has a number of financial policies in place including;

⇒ Credit Control Policy

¹⁰ Local Government Budgets and Expenditure Review 2003/04 -2009/10:33

- ⇒ Tariff Policy
- ⇒ Indigent policy
- ⇒ Rates policy

The Municipality needs to prioritise the development of outstanding fiscal policies and procedures to ensure compliance with legislative prescripts.

7. GOVERNANCE ANALYSIS

The Umzimvubu Municipality is a Category B Municipality (local municipality) as defined under section 3 of the Local Government: Municipal Structures Act No. 117 of 1998

7.1 Powers And Functions

In terms of section 84 (1) of the Municipal Systems Act, Umzimvubu is authorised to perform the following functions;

- ⇒ Air pollution
- ⇒ Building regulations
- ⇒ Child care facilities
- ⇒ Local tourism
- ⇒ Municipal airports
- ⇒ Municipal planning
- ⇒ Municipal public transport
- ⇒ Storm water
- ⇒ Trading regulations
- ⇒ Billboards and the display of advertisements in public places
- ⇒ Cemeteries, funeral parlours and crematoria
- ⇒ Cleansing
- ⇒ Control of public nuisance
- ⇒ Control of undertakings that sell liquor to the public
- ⇒ Facilities for the accommodation, care and burial of animals

- ⇒ Fencing and fences
- ⇒ Licensing of dogs
- ⇒ Licensing and control of undertakings that sell food to the public
- ⇒ Local amenities
- ⇒ Local sports facilities
- ⇒ Markets
- ⇒ Municipal abattoirs
- ⇒ Municipal parks and recreation
- ⇒ Municipal roads
- ⇒ Noise pollution
- ⇒ Pounds
- ⇒ Public places
- ⇒ Refuse removal refuse dumps and solid waste management
- ⇒ Street lighting
- ⇒ Street trading
- ⇒ Traffic and parking

7.2 AUDIT, REPORTING AND RISK MANAGEMENT

The institution is required in terms of Section 165(1) of MFMA to establish an Internal Audit Unit and that was established in March 2010. The Unit evaluates and monitors the system of internal controls as designed by Management and make recommendations. It is required to ensure that each department operates within the policies, procedures, laws and regulations as established by all statutory requirements. Umzimvubu Municipality have established an Audit Committee in terms of Section 66 of the MFMA. The Audit Unit together with the Audit committee developed and audit charter which was adopted by council in March 2010 and it has the following responsibilities

- ⇒ **Financial Management:** Review and assess the adequacy of reporting to the Municipal Council by the Accounting Officer in terms of the quantity, quality and timing of information necessary to understand and report internally and externally on the Municipality's

- ⇒ **Risk Management:** The Audit Committee considers and understands and considers the major risk areas including the financial, legal and fiscal risks and the internal control environment. It also monitors the control process and the adequacy of the system of internal
- ⇒ **Compliance with laws, regulations and ethics:** The Audit Committee ensures that the management of the Municipality has the necessary mechanisms in place to ensure that there is compliance with pertinent laws and regulations and is conducting its affairs ethically. This must include maintaining effective controls against conflicts of interest, fraud.

7.2.1 AUDITOR GENERAL REPORT

In a financial year 2008/2009 the municipality have received an audit disclaimer. However in year 2009/10 have received a qualified Audit report except for. That has requires the municipality to develop an audit recovery plan

AUDIT RECOVERY PLAN UMZIMVUBU MUNICIPALITY

ANNEXURE A

QUALIFYING MATTERS

Ref	Audit Finding	Remedial action	Responsible person	Due date	Progress/ Status quo
1	<p><i>Trade receivables from non-exchange transactions</i></p> <p>There was no supporting documentation available to support a VAT claim of R3,7 million disclosed as disclosed in 4 to the annual financial statements, and there was no satisfactory audit procedures that I could perform to obtain reasonable assurance that the VAT was accurate.</p>	<p>Supporting documentation will be submitted both to Internal and external auditors by the 28th February 2011</p> <ul style="list-style-type: none"> • VAT returns to be prepared and submitted • Journals i.r.o VAT control account to authorized by CFO 	Chief Financial Officer	28 Feb 2011	<p>An amount of R2 143 936.24 was for vat claims for the period April, May and June and that information was submitted to Auditors. The outstanding amount emanated from the rectification of queries at the last stages of Audit and an intense VAT verification exercise is being conducted. Vat returns are submitted on a monthly basis although the first quarter was delayed due to backlog. Journals in respect of VAT control account are authorized by the Deputy CFO/CFO. VAT returns are done internally this financial year.</p>
2	<p><i>Trade receivables from exchange transactions</i></p> <p>There was no supporting documentation available to support total amount of R1, 7 million in respect of projects, sundry deposits and sundry debtors as disclosed in note 5 to the annual financial statements, and there was no</p>	<p>Supporting documentation will be submitted both to Internal and external auditors by the 28th February 2011</p>	Chief Financial Officer	28 February 2011	<p>A thorough review of these accounts was done after the Audit and it was discovered that sundry debtors emanated from the degrading of the Municipality to Grade 2. Projects amount was identified through a bank</p>

Ref	Audit Finding	Remedial action	Responsible person	Due date	Progress/ Status quo
	satisfactory audit procedures that I could perform to obtain reasonable assurance that the amount occurred, was accurate, correctly classified and related to the year under review.				reconciliation process(Unreconciled Figure) and we are still awaiting an expert's advice from Ducharme Consulting as to how we can fix this while we do our Mid-Term Financial Statements.
3	<i>Trade receivables from exchange transactions</i> In terms of the credit control policy of the municipality, interest must be charged on debtors past the due date. Interest on outstanding debtors was not charged on various debtors accounts due to a culture of non-payment developed amongst debtors. A significant amount of interest income amounting to R1,4 million was not recognised and as a result I am not able to confirm the completeness of revenue from exchange transaction and trade and other receivables from exchange transactions and revenue has been misstated by the said amount	The billing system has been configured to charge interest and will start to charge the interest as from the 1 st January 2011	Chief Financial Officer	1 st January 2011	A thorough analysis on the debtors' book and it was discovered that it would be futile to charge interest while debtor's accounts are being disputed. A data cleansing exercise is underway to be completed by March 2011 and a draft situational analysis report is available. For Audit purposes, a Council resolution will be solicited to request forfeiture of interest from July to March but from April interest will be charged. The amount of interest forfeited will be calculated and disclosed in the Annual Financial Statements for 2010/11 Financial year.
4	<i>Irregular expenditure not disclosed</i>				Tender for security was advertised and there were flaws in the

Ref	Audit Finding	Remedial action	Responsible person	Due date	Progress/ Status quo
	The municipality did not comply with the requirements of procurement and supply chain management policy and as a result an irregular expenditure amounting to R1,6 million was incurred and not disclosed in the annual financial statements.	A report will be tabled to council regarding this matter. Tenders have subsequently been advertised and awaiting evaluation	Municipal Manager	31 st March 2011	specifications and therefore the process had to be re-done. On the other hand there are legal processes that are underway due to the fact that the current company is challenging the advertisement. The SCM processes will be done and the legal opinion will assist in terms of giving direction as to whether or not the existing company has a legitimate contract.
5	Financial Instruments The municipality did not disclose the fair value of expenditure incurred taking into account the payment period and time value of money as required by International Accounting Standard 39 (IAS 39.) and as a result general expenditure is misstated by R1, 6 million.	An item will be submitted to council for the restatement of opening balance by the 31 st March 2011 and the control sheet for 2010/11 AFS will include this as part of the issues to be checked before submission of AFS	Chief Financial Officer	31 st March 2011	An expert's advice has been sought on this matter and the results will be implemented. Restatement of opening balances will be done.
6	Financial Instruments The municipality did not disclose the fair value of interest on payables as required by International Accounting Standards 39 (IAS 39) as a result expenditure was misstated with an amount of R656 107.	An item will be submitted to council for the restatement of opening balance by the 31 st March 2011 and the control sheet for 2010/11	Chief Financial Officer	31 st March 2011	A council resolution will be sought out to deal with the re-statement of opening balances.

Ref	Audit Finding	Remedial action	Responsible person	Due date	Progress/ Status quo
		<p>AFS will include this as part of the issues to be checked before submission of AFS</p> <p>Develop a comprehensive AFS checklist roaster</p>			
7	<p>Financial Instruments</p> <p>The municipality did not charge interest on long outstanding debtors as a result interest amounting to R 736 119 (2009: full extent not known) was not charged. As a result the municipality did not recalculate and disclose interest for consumer debtors at fair value as required by required by International Accounting Standards 39 (IAS 39).</p>	<p>An item will be submitted to council for the restatement of opening balance by the 31st March 2011 and the control sheet for 2010/11 AFS will include this as part of the issues to be checked before submission of AFS</p>	Chief Financial Officer	31 st March 2011	The restatement of opening balances will be dealt with when the AFS are being compiled.
8	<p>Financial Instruments</p> <p>Credit risk, market risk and liquidity risk requirements of IFRS 7 have also not been disclosed by the municipality.</p>	<p>The control sheet for 2010/11 AFS will include this as part of the issues to be checked before submission of AFS</p>	Chief Financial Officer	31 st March 2011	This will be in the control sheet for AFS which will b e checked and approved by the internal auditors before the final submission can be done.

Ref	Audit Finding	Remedial action	Responsible person	Due date	Progress/ Status quo
	<p>Creditors</p> <p>Un-cleared suspense of R422 079 are included in note 12 to the financial statements. These suspense accounts were not supported by appropriate documentation. There were no alternative procedures that I could perform to satisfy myself that these accounts were correctly classified and obligations existed in respect of these amounts. As a result I could not obtain sufficient appropriate evidence relating to the obligations and classifications of these un-cleared suspense accounts disclosed in note 12.</p>	<p>A detailed report reflecting reclassification and necessary journals (<i>with supporting documents to that effect</i>), clearing the suspense account must be submitted to council</p>	<p>Chief Financial Officer</p>	<p>28 February 2011</p>	<p>The suspense accounts are 90% cleared to-date and journal entries with supporting documents will be submitted for audit with the MTFS.</p>

Ref #	Audit Finding	2009/10 Audit Finding	Responsible person	Due date	Progress/ Status quo
1	<p>Unauthorized and fruitless and wasteful expenditure</p> <p>As disclosed in note 35.1 to the financial statements, unauthorised expenditure to the value of R12,7 million was incurred due to overspending particular votes and utilising unspent conditional grants for operating activities..</p>	<p>An item has been submitted to council and council certified this, adjustment budget will be tabled before the 31st January to review current expenditure and to avoid this in the current financial year</p>	<p>Chief Financial Officer</p>	<p>31 January 2011</p>	<p>This was submitted to council, disclosed on the Final Version of the financial statements and according to the Municipality's understanding it was resolved. The Municipality is currently using the FMS so there is no possibility of over-expenditure as the system would not allow that. Moreover, the chart of accounts has been revised to ensure that there is no mis-categorization of expenditure.</p>
2	<p>Material losses</p> <p>As disclosed in note 5.1 to the financial statements, material losses to the amount of R6,9 million were incurred as result of provision made for impairment of debtors during the year. The amount has accumulated to R16,9 million including prior year.</p>	<p>The Chief Financial Officer will submit a revised Credit Control Policy by the 31st March 2011 and debt collector will be appointed by the 28th February to improve the debt collection ability of the Municipality.</p>	<p>Chief Financial Officer</p>	<p>31 March 2011</p>	<p>The Municipality has appointed PSU international to conduct a data cleansing project, provide a detailed situational analysis of Umzimvubu, Assist in tariff re-structuring so that it can be cost based and do debt collection on Major debtors. This project will</p>

Ref #	Audit Finding	2009/10 Audit Finding	Responsible person	Due date	Progress/ Status quo
					be completed by March 2011 and thereafter, the credit control policy will be fully implemented.
3	Disclosures As disclosed in note 36.8 the municipality has not complied with Supply Chain Management Regulations in respect of transactions amounting to R2 million without following the tender process. The reasons for procurement deviations as required by SCM regulation 36 (2) have not been included as part of the note to the annual financial statements	The control sheet for 2010/11 AFS will include this as part of the issues to be checked before submission of AFS	Chief Financial Officer	31 March 2011	All disclosure matters have been identified and a disclosure register will be compiled by internal auditor together with the Finance department so that it can be adhered to
Ref #	Audit Finding	2009/10 Audit Finding	Responsible person	Due date	Progress/ Status quo
1	Predetermined objectives The municipality, in its service delivery agreement has the Construction of Mt Frere offices (ward 18) as one of its development priorities/objectives during the year under review. However, a comparison of consistency of development	The plan was only for raising funding for this project in the 2009/10 financial year, going forward the SDBIP, IDP, OPMS and section 57 PMS scorecards will be submitted to Internal Auditors for consistency audit by the 31st March	Manager Development Planning	31st March 2011	There was no funding for this project hence it did not appear in the performance documents. The design has already been presented to the Municipality and the Actual

Ref #	Audit Finding	2009/10 Audit Finding	Responsible person	Due date	Progress/ Status quo
	<p>priorities /objectives , indicators /measures between the Annual IDP/ service delivery agreement and the annual performance report revealed that the Construction of Mt Frere offices (ward 18) is not disclosed in the annual performance report for the under review. No evidence was obtained to the effect that the IDP/service delivery was amended.</p>	2011.			Construction will commence in May.
2	<p>Predetermined objectives</p> <p>Annual performance reports do not reflect the performance of each external service provider.</p>	This will be included in the Annual Performance Report for 2010/11 and the report will be submitted to Internal Auditors before submission to AG	Manager Development Planning	31st July 2011	Contracts register has been designed to give an analysis of service-provider's information.
3	<p>Predetermined objectives</p> <p>The IDP does not contain all the required core components like assessment of the existing level of the existing level of development in the municipality , which must include an identification of communities which do not have</p>	These will be addressed in the 2010/11 review	Manager Development Planning	31 March 2011	

Ref #	Audit Finding	2009/10 Audit Finding	Responsible person	Due date	Progress/ Status quo
	<p>access to basic municipal services;</p> <p>Alignment of development strategies with national or sector plans and planning requirements binding in terms of Legislature;</p> <p>(a) Financial plan , which must include the budget projection for at least the next three years and least following;</p> <p>(b) The financial resources that are available for capital project developments and operation expenditure;</p> <p>(c) A financial strategy that defines sound financial management and expenditure control and means of increasing revenues and external funding of the Municipality</p>				
	<p>Compliance with laws and regulations</p>	<p>As from the 1st January 2011 invoices will be stamped on receipt and a schedule of late payments will</p>	<p>Chief Financial Officer</p>	<p>1 January 2011</p>	<p>All invoices are date-stamped on receipt and those that reach the</p>

Ref #	Audit Finding	2009/10 Audit Finding	Responsible person	Due date	Progress/ Status quo
4	<p>Section 65(2)(e) of the MFMA states that the accounting officer must take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure. Audit procedures conducted on a sample of expenditure revealed that payments to the value of R388 697.41 were not paid within 30 days of receipt of invoice or statement.</p>	<p>be kept with valid reasons for such.</p>			<p>expenditure unit with old dates are returned to thye relevant department and SCM unit for explanation and signature.</p>
5	<p>Compliance with laws and regulations</p> <p>In contravention with section 62(1) of the MFMA, which tasks the accounting officer with a number of responsibilities concerning financial and fraud risk management and internal control. Fundamental to achieving this is the implementation of certain key responsibilities which we have detected weaknesses as follows:</p>	<p>These functions are currently fully functional as from the beginning of the Financial year.</p>	<p>Manager Internal Audit</p>	<p>Done</p>	

Ref #	Audit Finding	2009/10 Audit Finding	Responsible person	Due date	Progress/ Status quo
	<ul style="list-style-type: none"> <i>The internal audit and audit committee did not function throughout the financial year.</i> 				
6	<p>Compliance with laws and regulations</p> <p><i>In contravention of section 62(1) (c) of the MFMA which requires the municipality to have and to maintain an effective, efficient and transparent system of financial and risk management control. It was noted that the municipality did not do a formal risk assessment in the current year under review</i></p> <p>.</p>	Risk was reviewed in the 2010/11 financial year	Manager Internal Audit	Done	

7.3 INTERGOVERNMENTAL RELATIONS

The Municipality participates in District IGR structures, even though they are not fully operational at this stage. These structures are composed of the Technical Task Group and District Managers Forum. The IGR structures should be mainly utilized to solve problems affecting service delivery as well as shared priorities for development. This process is hampered by the inconsistency of member department's representation to the structures and the attendance of these fora by people who do not have decision making capacity and impact on budgeting processes. This negatively affects integration. It should be noted though that there are departments which are committed to the process while others are never form part of the IGR structures. This then leads to disintegrated service delivery or undermines integrated development. IGR structures also do form part of processes that review spatial frameworks. Service level agreements are being entered into where services are to be provided collaboratively by different departments. The municipality is in the process of developing IGR Framework policy for its IGR operations.

7.4 PARTNERSHIPS AND STRATEGIC RELATIONSHIPS

Umzimvubu has recognised the potential of strategic partnerships to develop its capacity The Municipality is in process of concluding a partnership agreement with Ekurhuleni Metro. The Municipality also benefits from strategic partnerships concluded by the Alfred Nzo District Municipality

7.5. COMMUNITY AND PUBLIC PARTICIPATION

The Umzimvubu Municipality has adopted a culture of public participatios as it is required interms of section 16(1) of the Municipal Systems Act. Section 16 (1) of the Municipal Systems Act requires municipalities to develop a culture of municipal governance that compliments formal representative government with a system of participatory local government. As such the umzimvubu Municipality has adopted the Ward committes system in each of the 24 Wards.

Each Ward committee is chaired by the Ward Councillor. Ward committees are established for purposes of enhancing participatory democracy in local government and to make recommendations on any matter affecting their wards through the Ward Councillor. The Municipality has made administrative arrangements to enable ward committees to perform their functions and exercise their powers effectively and is continuously looking at provision of capacity building and development opportunities for committee members as a means of enhancing their understanding of developmental local government.

The Municipality also liaises and makes use of the following Community Structures:

- ⇒ Project steering committees
- ⇒ Audit committee
- ⇒ Village committees
- ⇒ Volunteers
- ⇒ Civic organizations
- ⇒ Non governmental organizations
- ⇒ Public pressure groups
- ⇒ Customers

IDP PUBLIC PARTICIPATION PROGRAM

During the period of January 2011 Umzimvubu municipality embark itself on community outreach programme. The purpose of the IDP out reach was to involve communities from the initial stage and so as to get an understanding of what would be their priority projects that can be effected in the IDP document. All 24 wards were visited and the participation was satisfactory. Table below is the list of priorities that were identified by communities per ward:

WARD	PRIORITIES, CHALLENGES AND COMMENTS FROM THE COMMUNITIES	ATTENDIES	VENUE
WARD 1	<p><u>ACCESS ROADS</u></p> <ul style="list-style-type: none"> • REHABILITATION OF BROOKS NECK ROAD • PUKA (STILL TO BE DONE) • MANXIWENI • KWA VALA • ZINKAWINI (NOT YET DONE BUT IS BEING CONFIRMED) • AND NGCWAYI (TO BE DONE BY ROADS & TRANSPORT). <p><u>SANITATION PROJECTS</u></p> <ul style="list-style-type: none"> • NOT YET IMPLEMENTED <p><u>ELECTRIFICATION</u></p> <ul style="list-style-type: none"> • 432 HOUSEHOLDS IN PEPENI • SCHOOLS WILL BE DONE <p><u>AGRARIAN</u></p> <ul style="list-style-type: none"> • STARTED WITH SORGHUM IN PEPENI, PUKA, AND BROOKS NECK • THE MUNICIPALITY WILL PROVIDE TRCTORS FOR PLOUGHING AND COMMUNITY WILL DO PLANTING ON THEIR OWN. • DEPARTMENT OF AGRICULTURE WILL DO LAND CARE PROGRAMME. <p><u>WATER</u></p> <ul style="list-style-type: none"> • UPPER CABAZANA • ZINKAWINI 	58 PEOPLE	ZWELIJKILE COMMUNITY HALL

	<p><u>FORESTATION</u></p> <ul style="list-style-type: none"> • 50 HA LICENCE BEING PROCESSED FOR PEPENI • ZINKAWINI NOT STARTED YET • SCHOOLS • UPPER BROOKS NECK (21)CLASSES • 21 CLASSES ARE BEING CONSTRUCTED AT GOVALELE <p><u>DISASTER HOUSES</u></p> <ul style="list-style-type: none"> • PEOPLE ARE STILL IN TEMPORARY HOUSING STRUCTURES <p><u>HOUSING</u></p> <ul style="list-style-type: none"> • MOVING AT A SLOW PACE 		
<p>WARD 2</p>	<ul style="list-style-type: none"> • NGWEGWENI ACCESS ROAD WILL BE DONE • THE COMMUNITY REQUEST THAT THE MUNICIPALITY SHOULD GIVE THEM FEED BACK ON ISSUES WHICH THEY HAVE RAISED. • MAINTENANCE OF ROADS IS REQUESTED • REQUEST ON TIME FRAMES AS TO WHEN ROADS WILL AND SHOULD BE MAINTAINED • WHERE WOULD THE PEACH PROGRAMME BE DONE AND WHEN? • CPF'S TOBE TRAINED • FENCING OF FIELDS 	<p>146 PEOPLE</p>	<p>NGWEGWENI COMMUNITY HALL</p>

	<ul style="list-style-type: none"> • PRE-SCHOOLS • FARMING TRACTORS • DISASTER MANAGEMENT • SOIL EROSION • PRIORITIES WERE CONFIRMED THEY ARE. 		
WARD 3	<ul style="list-style-type: none"> • MOBILE CLINIC AT MVALWENI • MABHOBHODLA ACCESS ROAD • ROAD AND BRIDGES • CRIME • WATER AND SANITATION • COMMUNITY HALLS • AGRARIAN REFORM • GUGWINI EXTENSION • ELECTRICITY INFILLS • LACK OF ACCESS ROADS AND BRIDGES • POOR ACCESS ROADS AND NONE MAITANENCE • LACK OF GATES IN FENCED AREAS ALONG N2 • LACK OF COMMUNITY HALLS AT CHIEF PLACES • LACK OF MAINTENANCE WHEN CONSTRUCTING INFRASTRUCTURE • CONCERN OF TIME WITH REGARDS TO AGRARIAN REFORM • LACK OF WATER • LACK OF ELECTRICITY 	116 PEOPLE	MSUKENI COMMUNITY HALL
WARD 4	<ul style="list-style-type: none"> • PRIORITIES WERE 	68 PEOPLE	MNQWANE (XESIBE)

	<p>CONFIRMED AS SUCH ACCEPT BETSHUANA NKWENCENI PROJECT FOR PLOUGHING</p> <ul style="list-style-type: none"> • MNQWANE – WATER- NO HOUSEHOLDS GARDENS • BETSHUANA NO WATER • SGIDINI- THERE ARE NOT ON THE ELECTRICITY LIST NOR HOUSEHOLDS GARDENS • SGIDINI- NO YOUTH SUPPORTING PROJECTS • BETSHUANA- PROJECTS WAYFORWARD 		TOURISM)
WARD 5	<ul style="list-style-type: none"> • WATER AND SANITATION • LOCAL ECONOMIC DEVELOPMENT • ROADS • PLOUGHING OF FIELD AT MARHWAQA, QADU AND NDZONGISENI • GIYANE BRIDGE IS GONA BE IMPLEMENTED BY DEPARTMENT OF PUBLIC WORKS • ELECTRICITY • LUBALEKO PLOUGHING OF FIELDS NOT COMPLETED • MACAM BRIDGE WHEN WILL IT BE CONSTRUCTED TOILET 	126 PEOPLE	MARHWAQA COMMUNITY HALL

	<p>S THE FOUNDATION IS NOT PROPER</p> <ul style="list-style-type: none"> • MTELANJA ROAD MAINTENANCE 		
WARD 6	<ul style="list-style-type: none"> • NDARALA 6,5 KM ROAD HAS BEEN BUILT NGXAKAXHA AREA • BRIDGE STILL TO BE BUILT • BRIDGE AT UMZIMVUBU RIVER LIKING NDARALA AND NGXAKAXHA • ELECTRICITY LINE IS AT SCHOOL • FIVE CLASSROOMS HAS BEEN BUILT AT NDARALA J.S.S. • PRE-SCHOOL HAS BEEN BUILT • NO WATER AT NDARALA 	131 PEOPLE	MBUMBAZI COMMUNITY HALL
WARD 7	<ul style="list-style-type: none"> • ROAD SURFACING 10.7 KM • ACCESS ROAD SKHEMANE MADE IN 2008 • EXTENSIO 3 AND CHITWA VILLAGE ELECTRICITY • STREET LIGHTS • HOUSING • UPGRADING OF TOWN HALL • PRE-SCHOOL IN SKHEMANE, SANTOMBE AND LUBHALASI • DIPPING TANK • BUS RANK • HAWKERS STALLS • SPORTFIELDS NOT IN 	100 PEOPLE	MT AYLIFF TOWN HALL

	<p>GOOD CONDITION</p> <ul style="list-style-type: none"> • PARKS • HIGH MAST AT SAWMILL • REQUEST FOR ELECTRICITY AT SKHEMANE • REQUEST FOR WATER IN MT AYLIF • FREE BASIC ELECTRICITY • HOUSING IN SANTOMBE • TANKS FOR WATER IN TSHAKENI • ELECTRICITY AT TSHAKENI 		
WARD 8	<ul style="list-style-type: none"> • LUGELWENI ACCESS ROAD MAINTENANCE • LUGELWENI COMMUNITY HALL • BHONGA ACCESS ROAD • MAJALIMANE- WATER AND ROADS • FENCING OF FIELDS • DISASTER • COMMUNITY HALL AT MAJALIMANE • QHABENI- PLOUGHING OF FIELDS, PRE-SCHOOL, ACCESS ROAD MAINTENANCE, WATER, SANITATION, COMMUNITY HALL • NTSIZWA(NATAL)- NATAL WATER SCHEME • LUGWLWENI- COMMUNITY HALL, ACCESS ROAD 	71 PEOPLE	LUGELWENI (ENQILENI ENDALA)

	<p>MAINTENANCE, PLOUGHING OF FIELDS, TOURISM DEVELOPMENTS</p> <ul style="list-style-type: none"> • MAJALIMANE- SHORTAGE OF TAPS • BHONGA RURAL HOUSING 		
WARD 9	<ul style="list-style-type: none"> • MHLOZINI ACCESS ROAD IS STILL UNDER CONSTRUCTION • LUXWESA SAPHUKANDUKU BRIDGE BUILT BUT NEED TO BE MAINTAINED • BRIDGE SUGARBUSH (PRIORITY) • DIPPING TANKS AT LUXWESA • VUKANI PROJECT IN SAPHUKANDUKU (PRIORITY) • IMBIZA PROJECT FOR FENCING • SANITATION AT MHLOZINI NOT COMPLETE • LUXWESA PRE- SCHOOL IS A MUD STRUCTURE AND ITS ABOUT TO COLAPSE • SIPHUNDU NO WATER, ONLY FEW TAPS • ELECTRICITY • SPORTFIELD IN SUGARBUSH • DUKATHOLE IS PART OF UMZIMVUBU LM • REQUEST A ROAD LEADING TO FIELD AT SIPHUNDU 	102 PEOPLE	SIPUNDU COMMUNITY HALL

	<ul style="list-style-type: none"> FENCING ALONG THE N2 AT MHLOZINI 		
WARD 10	<ul style="list-style-type: none"> NGXESHINI ACCESS ROAD THERE IS NO ROAD AT ALL MASIZONDLE MUST BENEFIT ALL PEOPLE NOT ONLY COLANA COMMUNITY SIPHINGENI SANITATION MDAKENI ACCESS ROAD NEED MAINTENANCE NTSIMANGWENI ACCESS ROAD NEED MAITENANCE SIFOLWENI TO MATOLWENI NEED MAITENANCE MPAMBA BRIDGESIPHINGENI BRIDGE COLAPSED NEED TO RECONSTRUCTED SKILLS DEVELOPMENT SEWING-MTSILA, BAKING, POULTRY AND WOOD IN COLANA IMPROVE AGRICULTURE, FENCING OF FIELDS, SCHOOL GARDES, FORESTRY AT MTSILA WATER-NOMKHOLOKOTHO, NGQUMANE, SIRHUDLWINI, SIFOLWENI 	70 PEOPLE	COLANA

	<p>CONTRACTOR HAS STARTED</p> <ul style="list-style-type: none"> • SANITATION AT MPANBA • MOBILE CLINI AT SIPHINGENI, MPAMBA, NOMKHOLOKOTHO & NGQUMANE • OLD AGE HOME • NETWORK POLE • EDUCATION-4 CLASSROOM WITH OUT CHALKBOARD, ADMIN BLOCK AT MPAMBA, LOWER MVENYANE 4 CLASSROOMS AND ADMIN BLOCK • RDP HOUSING • SPORTFIELD • DRAINAGE SYSTEME FOR ROAD AT MDAKENI • ELECTRICITY IS STILL A CHALLENGE 		
WARD 11	<ul style="list-style-type: none"> • T92 SHOULD BE CHANGED TO T95 • REQUEST FOR MASSIVE FOOD PROGRAMME • RURAL HOUSING • MONUMENT AT VOVENI OF CHIEF NOTA • ALL PROJECTS FROM THE LIST WERE CONFIRMED BUT THERE NEED TO BE A MEETING FOR RE-PRIORITISATION • SKILLS DEVELOPMENT 	127 PEOPLE	RHODE COMMUNITY HALL

	<ul style="list-style-type: none"> • INVITATION OF INVESTORS FOR THE PURPOSES OF CREATING FACTORIES • WATER SUPPLY AND ELECTRICITY IS LOW • SANITATION • MAINTENANCE OF ROADS • SHOZWENI BRIDGE • OVERHEAD BRIDGE AT RHODE ALONG THE N2 • MANGONTSINI PR3E-SCHOOL • GARDENS BY THE DEPT OF AGRICULTURE STILL A CHALLENGE • REQUEST FOR TRACTORS JUST FOR PLOUGHING 		
WARD 12	<ul style="list-style-type: none"> • FOOD SECURITY SHOULD BE SPREAD TO REACH ALL AT THE WARD • MASSIVE FOOD TO STRENGTHEN IN ALL AREAS SANITATION IN ALL		
WARD 13	<ul style="list-style-type: none"> • COMMUNITY APRECIATED MASSIVE FOOD PROJECT • REQUEST FOR FENCING OF FIELDS 		
WARD 14	<ul style="list-style-type: none"> • THE WARD CONFIRMED THE PRIORITIES • WATER IN ALL VILLAGES 	66 PEOPLE	HUKU HALL

	<ul style="list-style-type: none"> • TV POLE (SENTECH) • BRIDGE THAT WAS ERODED BY RAINFALL • SPORTFIELD AT SAHLULO • FOOD SECURITY SHOULD BE SPREAD TO REACH ALL AT THE WARD • MASSIVE FOOD TO STRENGTHEN IN ALL AREAS • SANITATION IN ALL VILLAGES <p><u>ACCESS ROADS</u></p> <ul style="list-style-type: none"> • CHWEBENI ACCESS ROAD • LOWER MOUNT HOREB • MOUNT HOREB • NQALWENI • MXHUTHA • GOXE • MJIKELWENI <p><u>ROAD MAINTENANCE</u></p> <ul style="list-style-type: none"> • MAKOLONINI ACCESS ROAD • MJIKELWENI • CHWEBENI • ELECTRICITY • BRIDGE AT MATYENI-GWETSHENI • LIMIT CRIME LEVELS • SECURITY AT SCHOOLS 		
WARD 15	<ul style="list-style-type: none"> • PRIORITIES WERE CONFIRMED BY THE COMMUNITY • SOME PROJECTS DO NOT APPEAR ON THE LIST • COMMUNITY APRECIATED 	114 PEOPLE	MPENDLA COMMUNITY HALL

	<p>MASSIVE FOOD PROJECT</p> <ul style="list-style-type: none"> • REQUEST FOR FENCING OF FIELDS • NKANINI-REQUEST WATER SUPPLY, SPEED HUMPS AND ELECTRICITY • MAINTENANCE OF ROAD AT IZIXHEBO • ELECTRIFICATION AT ETHWA • ELEGAL CONNECTION OF ELECTRICITY • WATER REMAINS A HUGE CHALLENGE FOR THE WARD • DAM CONSTRUCTION AND LAND CARE • BRIDGE AT LUGANGENI WAS NOT FINISHED • ROAD TO MARWAQA WAS NOT FINISHED • SPEED HUMPS ON THE N2 AT MTSHANE • ROAD TO THE GRAVEYARD WAS NOT FINISHED • GRADING OF SPORTFIELD 		
WARD 16	<ul style="list-style-type: none"> • WARD PRIORITIES WERE CONFIRMED AS LISTED • LACK OF ELECTRICITY AND SANITATION • AT GALALI A/A THE AGRARIAN PROGRAMME IS RUNNING WELL BUT CHALLENGES WITH FENCING AND PLANTATION 	43 PEOPLE	SEMENI PRE-SCHOOL

	<ul style="list-style-type: none"> • ZANANI PRE-SCHOOL HAS NO ELECTRICITY • REQUEST OF TIMEFRAMES FOR THE FINISHING OF HOUSING PROJECT AT EXT7 • CLINING OF THE MT FRERE TOWN • FOOD PARCEL PROGRAMME • HOUSING PROJECT • MAINTENANCE OF SIMANA ACCESS ROAD • N2 BY-PASS • PEDESTRIAN CROSSING BRIDGE AT SEMENISIMANA ACCESS ROAD 		
WARD 17	<ul style="list-style-type: none"> • SPEED HUMPS • SKILLS DEVELOPMENT • JOB CREATION • ACCESS ROADS AND MAINTENANCE • CONSTRUCTION OF N2 ROAD • PLOUGHING OF FIELDS • COMMUNITY BASE PLANNING • WATER STILL A CHALLENGE 	51 PEOPLE	NCUNTENI GREAT PLACE
WARD 18	<ul style="list-style-type: none"> • HOUSE CONNECTION OF WATER AT BADIBANISE • UPGRADING OF WATER PIPE IN TOWN • ELECTRIFICATION AT BADIBANISE • STREET LIGHTS 		MT FRERE COMMUNITY HALL

	<ul style="list-style-type: none"> • HIGH MAST FOR THE WHOLE TOWN • BADIBANISE EIA ACCESS ROAD 7,5 KM • MIDDLE INCOME HOUSING • SKIPPER BINS • TRAFFIC LIGHTS IN TOWN • LAND SCAPING OF THE TOWN • SURFACING OF ROADS • PAVING OF TOWN 		
WARD 19	<ul style="list-style-type: none"> • PRIORITIES OUTLINING ACCESS ROADS AS PRIORITISED DID NOT REFLECT IN THE LIST • WATER PIPES WERE DAMAGED BY THE CONTRACTOR AT MTSHAZI • TOILETS WERE BUILT BUT NOT FUNCTIONNG ACCORDINGLY • ZIMBILENI SANITATION PROGRAMME WAS NOT FINISHED • WATER BECOMES UNAVAIALBLE FOR A PERIOD OF MORE THAN TWO WEEKS WITHOUT ANY NOTIFICATION • WATER AND SANITATION STILL A CHALLENGE • ELECTRIFICATION IS STILL A CHALLENGE 	61 PEOPLE	HLANE J.S.S.
WARD 20	<ul style="list-style-type: none"> • FENCING OF 	59 PEOPLE	NDANGWANA

	<p>MBIZWENI AND DANGWANA</p> <ul style="list-style-type: none"> • ACCESS ROAD TO DANGWANA S.S.S. BUS ACCESS • NO TOILETS AT MPHEMBA AND CABANE • NO ELECTRICITY, WATER at Mabhobho COMMUNITY HALL, RDP HOUSING AND WATER ATLWANDLANA • MOBILE CLINIC IN THE WARD • DANGWANA PRE-SCHOOL • SIBHODOBHO AND RAYMENT ACCESS ROAD 		
WARD 21	<ul style="list-style-type: none"> • NO WATER AT MPINDWENI, ZIBOKWANA, PAPANANA AND MHLANGANISWENI HAVE 1 TAP • ACCESS ROAD AT ZWELITSHA • SLATSHA THERE IS NO WATER • THERE IS NO CLINIC IN ALL VILLAGES • NO MAINTENANCE OF ACCESS ROAD • WATER , CLINICS, SANITATION MAJOR PROBLEM IN ALL VILLAGES 	127 PEOPLE	
WARD 22	<ul style="list-style-type: none"> • MASSIVE FOOD PRODUCTION • NGQAQA TO GOXE AND LUSIZINI 	41 PEOPLE	NJIJINI COMMUNITY HALL

	<p>ALREADY IMPLEMENTED</p> <ul style="list-style-type: none"> • SANITATION HAS STARTED IN SOME VILLAGES • SKILLS DEVELOPEMENT IS ON PROGRESS • DESTROYING OF WATTLE IS ON PROGRESS • FORESTRY DEVELOPMENT ON PROGRESS • TOLO-KUYASA ACCESS ROAD TO BE URGENTLY IMPLEMENTED AND NJIJINI TO NKANDLA • TWO SCHOOLS HAVE BEEN ELECTRIFIED • EYETHU PROJECT AT NGQWARA FOR (POULTRY) • NJIJINI PRE-SCHOOL (LITTLE FLOWER PRE-SCHOOL) • WATER SUPPLY AT GOODHOPE (PROPOSAL TO SAPERATE WATER RESEVOIR) • GOODHOPE PRE-SCHOOL • GOODHOPE TO MAZIYETYENI ACCESS ROAD • N CLINIC AT THE WARD • FENCING OF MEALI FIELD AT NJIJINI AND SEMABOBO • MAINTENANCE OF 		
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	<p>WATER AT NQWARHA & ZINCANDWENI</p> <ul style="list-style-type: none"> • MASSIVE FOOD PROGRAMME • DZINGWE TO MJIKELWENI VIA NGQWARHA ACCESS ROAD • NJIJINI FUNDED ON GREEN PROGRAMME • MAZIYETYENI TO BANGWENI ACCESS ROAD • SODLADLA TO DABANKULU VIA MDANTSANE ACCESS ROAD • MAINTENANCE OF MDENI PRE-SCHOOL • VELENI TO GAMAKHULU ACCESS ROAD • WATER TAPS AT MTHONJENI • DUMA TO MTHONJENI ACCESS ROAD • STHOLE TO KUYASA MAINTENANCE • RDP HOUSING AT NGQWARHA • SPORTFIELD AT NGQWARHA • FENCING OF GARDENS AT NJIJINI • ROAD MAITENANACE FROM GOODHOPE TO KWARAY • IEC ROAD LEFT UNCOMPLET TO NKANDLA • TAR ROAD AT T96 		
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	<ul style="list-style-type: none"> • SUPPORT FARMERS WITH FERTILISERS • TOURISM CENTER • NJIJINI HIGH SCHOOL 		
WARD 23	<ul style="list-style-type: none"> • MAYIBUYE AGRICULTURAL PROJECT DONE • COMMUNITY HALL DONE AT MPONDOMISE • MAGWACA TO QWIDLANA ACCESS ROAD • MLENZE NEED MAINTENANCE • LETSIMA- DEPT OF AGRICULTURE HOUSE HOLDS GARDENS <p><u>QWIDLANA</u></p> <ul style="list-style-type: none"> • PRE-SCHOOL AT SQEZU • HOME BASE SKILLS • SDA MABHACA • MAGWACA TO QWIDLA TO CLINI ACCESS ROAD • WATER AND ELECTRICITY • REQUEST FOR THE LED MANAGER TO GIVE THEM PROGRESS • ACCESS ROADS ARE NOT MAINTAINED • DIPPING TANKS <p><u>DLABHANENI</u></p> <ul style="list-style-type: none"> • BUS OR TRANSPORT FOR SCHOOL CHILDREN • REQUEST FOR A PRE-SCHOOL REQUEST FOR COMMUNITY HALL 	81 PEOPLE	MPONDOMISE COMMUNITY HALL

	<p><u>MLENZE</u></p> <ul style="list-style-type: none"> • ACCESS ROAD FINISHED BUT REQUEST TO GO FURTHER THAT IT IS CURRENTLY • REQUEST FOR A BRIDGE SO WE CAN GO TO CLINIC • PRE-SCHOOL • PLOUGHING OF FIELDS AND FENCING <p><u>MPONDOMISE</u></p> <ul style="list-style-type: none"> • REQUEST FOR CLINIC • TANKS FOR WATER FOR GARDENS • COMMUNITY HALL • PLOUGHING AND FENCING OF FIELDS <p><u>QUKANCA</u></p> <ul style="list-style-type: none"> • ELDERLY HOME • COMMUNITY HALL • MASSIVE FOOD PROJECT <p><u>HOFISI</u></p> <ul style="list-style-type: none"> • GOAT PROJECT • NETWORK POLE AND TV POLE • DIPPING TANKS <p><u>MAGXENI</u></p> <ul style="list-style-type: none"> • MAGXENI ACCESS ROAD <p><u>XHOKOTINI</u></p> <ul style="list-style-type: none"> • REQUEST WATER • TOLOFIYA TO MANDLENI ACCESS ROAD NEED MAITENANCE • TE90 MAINTENANCE 		
<p>WARD 24</p>	<ul style="list-style-type: none"> • XOLOTI TO MAHOBE ACCESS ROAD • LIMA IN TSHISANI AND NCOME 	<p>43 PEOPLE</p>	<p>ZIBHOLORHWENI COMMUNITY HALL</p>

	<p>UNDERWAY</p> <ul style="list-style-type: none"> • ALL VILLAGES WITH OUT ELECTRICITY • LANGENI PRE-SCHOOL BUILT • MAXHEGWENI BUILT • MVUMELWANO WAS NOT FINISHED • ST MARKS PRE-SCHOOL WAS NOT FINISHED <p><u>MAXHEGWENI</u></p> <ul style="list-style-type: none"> • MVUMELWANO ACCESS ROAD <p><u>LUYENGWENI</u></p> <ul style="list-style-type: none"> • WATER THEY HAVE BUT NEED MAINTENANCE • THERE ARE STILL VILLAGES WITHOUT WATER <p><u>NCOME SPRINGS</u></p> <ul style="list-style-type: none"> • NCOME AND TSHISANE ACCESS ROADS • TOILETS ALL VILLAGES • NO ELECTRICITY • 2KM ROAD IN NCOME NOT FINISHED <p><u>ZIGADINI</u></p> <ul style="list-style-type: none"> • PRE-SCHOOL • ELECTRIFICATION AT MOTUARY 		
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7.6 Interaction With Community

The Umzimvubu local Municipality has developed and adopted a communication strategy which have been guided and informed by government policy for the achievement of maximum public participation and improved internal communications. The communication strategy has been developed in response to section 6 (3) B of the Constitution of the Republic of South Africa which stipulates that the municipality must take into account the language usage and the preference of their communities in communication. The Municipality uses the following channels of communications:

- ⇒ Schools
- ⇒ Ward committees
- ⇒ Media: Electronic and Print
- ⇒ Community Meetings
- ⇒ Events
- ⇒ Posters
- ⇒ NGO's
- ⇒ CBO's
- ⇒ Newsletter : internally and Externally
- ⇒ FBO's
- ⇒ Traditional Authorities
- ⇒ Exhibition and Information Days
- ⇒ Councillors
- ⇒ Imbizo Outreach
- ⇒ Government Officials
- ⇒ Fora
- ⇒ Word of Mouth

⇒ Local Community Radio Station

⇒ Information Resource Centre

8. CONCLUSION

Umzimvubu Local Municipality faces a number of challenges in meeting the local government objectives, one of the primary challenges being that the priority areas identified in this situational analysis do not all fall within the functional area of the ULM. This has the effect that the ULM will play a dual role namely that of implementing agent and that of facilitator and coordinator.

Pivotal to both roles is ensuring that ULM has the capacity and resources to play the roles required of it. It is on this premise that it is recommended that the municipality firstly review its institutional framework, financial viability and governance.

This situational analysis has revealed a number of priority issues that the Municipality needs to address. Broadly defined priorities are divided into three categories, namely institutional priorities, functional priorities where the municipality should play a significant coordinating and facilitating role and functional priorities where the municipality can play a leading role. It will be noted that there is some overlap as a result of different aspects of one priority falling within more than one category.

Institutional financial and governance priorities

Institutional

- ⇒ The most critical vacancies on the senior management structure need to be filled.
- ⇒ The Municipality needs to implement its Performance Management system in accordance with the provisions of the Municipal Systems Act.
- ⇒ The Municipality needs to conduct a compliance audit to ensure that it complies with all applicable legislation, especially the MFMA.

Finance

- ⇒ The Municipality needs to reduce its dependence on grants and expand its own resource base.
- ⇒ The Municipality urgently needs to expand its rates base. This exercise will also enable it to review its billing system to ensure that all households are billed for their services. It is acknowledged that the majority of the community will qualify for indigent support but accurate billing will ensure that resources are accounted for and used responsibly.
- ⇒ A culture of payment needs to be encouraged, especially with respect to rates and service fees.
- ⇒ The Municipality needs to increase its allocation to repairs and maintenance, especially in respect of infrastructure.
- ⇒ The Municipality needs to enhance its legislative compliance with the MFMA, especially sections 62, 63, 64, 65, 74, 121 and 125 which relate to asset and liability management, revenue management, expenditure management, general reporting obligations, performance information and compulsory disclosures.
- ⇒ The Municipality needs to develop a comprehensive risk management framework.

Governance

- ⇒ The existing communication mechanisms must be utilised to develop the capacity of the community in terms of governance issues. This should include encouraging them to participate in matters of local government, developing their understanding of the financial management of the municipality and encouraging a culture of payment.
- ⇒ IGR structures need to be strengthened to ensure that they function effectively and that they provide an effective platform for communicating needs to other sector departments.

Functional priorities where the municipality should play a significant co-ordinating and facilitating role

Social

- ⇒ Youth development and empowerment programmes
- ⇒ Gender development and empowerment programmes
- ⇒ Elderly development and empowerment programmes
- ⇒ Local economic development programmes especially programmes in the sectors identified for development such as tourism and agriculture. Existing LED programmes of the Municipality need to be assessed in terms of strengths and weaknesses and developed in accordance with this assessment.
- ⇒ Poverty alleviation mechanisms
- ⇒ Access to social grants by qualifying beneficiaries
- ⇒ Improving education levels and literacy levels in the area through enhanced access to secondary and tertiary education and the provision of library facilities
- ⇒ Access to improved health care facilities by lobbying the Department of Health to improve its services at existing facilities, provide additional facilities and ensure that all facilities provide a full range of services.
- ⇒ Access to improved HIV/AIDS treatment through registration of the District Hospital in Mount Frere as an ARV treatment site
- ⇒ HIV/AIDS awareness campaigns.
- ⇒ The development sports and recreational programmes
- ⇒ Additional library provisioning. Mobile library services need to be encouraged to bring literacy to rural communities.
- ⇒ Encourage the establishment of Community Police Forums and participate in their activities
- ⇒ Multi stakeholder development and implementation of crime prevention strategies.

Infrastructure

- ⇒ The development of library infrastructure
- ⇒ Provision of adequate housing especially rural housing
- ⇒ Access to electricity areas of jurisdiction

- ⇒ Improved telecommunication networks to ensure effective communication and effective functioning of all organs of state
- ⇒ The provision, upgrading and maintenance of roads in the district
- ⇒ Improved public transport
- ⇒ Access to water (RDP standard)
- ⇒ Access to sanitation (RDP Standard)

Functional priorities where the municipality can play a leading role

- ⇒ Tourism development
- ⇒ The development sports and recreational infrastructure
- ⇒ The development sports and recreational programmes
- ⇒ The provision, upgrading and maintenance of roads in the area
- ⇒ Improvement of Community Halls
- ⇒ Provision of extended cemetery services to ensure that entire area has access to services.
- ⇒ Expansion of refuse removal services and facilities to prevent indiscriminate dumping in rural areas
- ⇒ Establish a local safety forum and develop a community safety plan to address community safety issues.
- ⇒ Job creation

SECTION B

CHAPTER 1

DEVELOPMENT STRATEGIC FRAMEWORK

1.1 INTRODUCTION

The strategic framework presents the long-term development vision, the associated localized strategic guidelines, objectives and strategies as ranked by priority. The latter serves as guidelines for specific actions that the municipality will undertake and embark upon to ensure the implementation of projects. This vision mentioned below for 2011/2012 is guided by the constitutional imperatives, which generally requires all local government structures to be developmental in nature and continuously strives to ensure safety in the interest of the public and the environment while also ensuring that communities are empowered to become prosperous in both social and economically terms.

UMZIMVUBU VISION :

ULM HAS ADOPTED THE FOLLOWING VISION;

“A municipality that is known to put community first. We will render quality services through our employees and create a platform for vital economic activity which will create sustainable financial viability and development for all”.

UMZIMVUBU MISSION

The Umzimvubu Local Municipality commits itself to the following mission in pursuit of the above – mentioned vision and developmental agenda.

“To ensure the delivery of quality services that promote economic growth, support development and respond to the community needs in accordance with our development mandate”.

CORE VALUES

ULM has adopted the following value system;

<i>U</i>	-	<i>Utilise</i>
<i>M</i>	-	<i>Manage</i>
<i>Z</i>	-	<i>Zeal</i>
<i>I</i>	-	<i>Innovate</i>
<i>M</i>	-	<i>Motivate</i>
<i>V</i>	-	<i>Vision</i>
<i>U</i>	-	<i>Understand</i>
<i>B</i>	-	<i>Believe</i>
<i>U</i>	-	<i>Unite</i>

GOALS

Key development priorities include;

- ⇒ ***Infrastructure priorities***
- ⇒ ***Economic priorities***
- ⇒ ***Spatial priorities***
- ⇒ ***Social priorities***
- ⇒ ***Institutional priorities***

CHAPTER 2

2.1 STRATEGIC ALIGNMENT WITH SECTORAL PROGRAMMS.

Moving from the premise that Umzimvubu municipality is an integral part of the South African developmental State, this chapter strives for synergy with the programmes of other organs of state, particularly at a strategic level.

This section gives a brief outline of the strategic plans, principles and agreements that have informed and influenced the macro strategic direction followed by Umzimvubu municipality.

2.1.1 National Spatial Development Perspective

The NSDP principles below suggest that a planning approach must take into account the economic development potential of areas where the public sector is to invest:-

Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of poverty alleviation;

Government has a constitutional obligation to provide basic services to all citizens, wherever they reside;

Government spending on fixed investment, should be focused on localities of economic growth and/or economic potential with the view of gearing up for private sector investment, stimulate sustainable economic activities and to create long-term employment opportunities.

Efforts to address past and current social inequalities should focus on people not places. This could mean that in localities with high levels of poverty and development potential, should receive fixed capital investments beyond basic services to exploit that potential;

Likewise in localities with high levels of poverty and low development potential, public spending should focus on human resource development and labour market information in order to give people the option to either remain or migrate to areas that are likely to provide employment or other economic advantages.

2-1.2 AsgiSA/JIPSA

The main objectives of the Accelerated and Shared Growth Initiative (AsgiSA) and the Joint Initiative on Skills Acquisition (JIPSA) is:-

- Skills development
- Mainstreaming the second economy
- Infrastructure development

2.1.3 Sustainable Rural Development Programme (2001 to 2010)

This ten year programme is aimed at fighting poverty, under-development and emphasizing the integration of planning for services.

Alfred Nzo District Municipality is one of the thirteen rural nodes identified in the Country and the Umzimvubu river valley Development is one of the anchor projects in the District.

2.1.4 DPLG's 5-year Strategic Plan for Local Government

DPLG's Five-year Local Government Strategic Agenda is aimed at improving the performance of municipalities. The Plan contains three strategic priorities, the first of which is most relevant to municipalities and requires a collaborative effort of all three spheres of government to ensure success.

- Mainstreaming hands-on support to local government to improve municipal governance, performance and accountability;
- Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor Local Government; and
- Refining and strengthening the policy, regulatory and fiscal environment for Local Government and giving greater attention to enforcement measures.

2.1.5 Eastern Cape Provincial Growth and Development Plan

The PGDP sets out a quantified vision statement for growth and development in the Eastern Cape for the period 2004-2014, with 2003 as the base year. PGDP is strongly aligned to the Millennium Development Goals and National Government's Development Strategy.

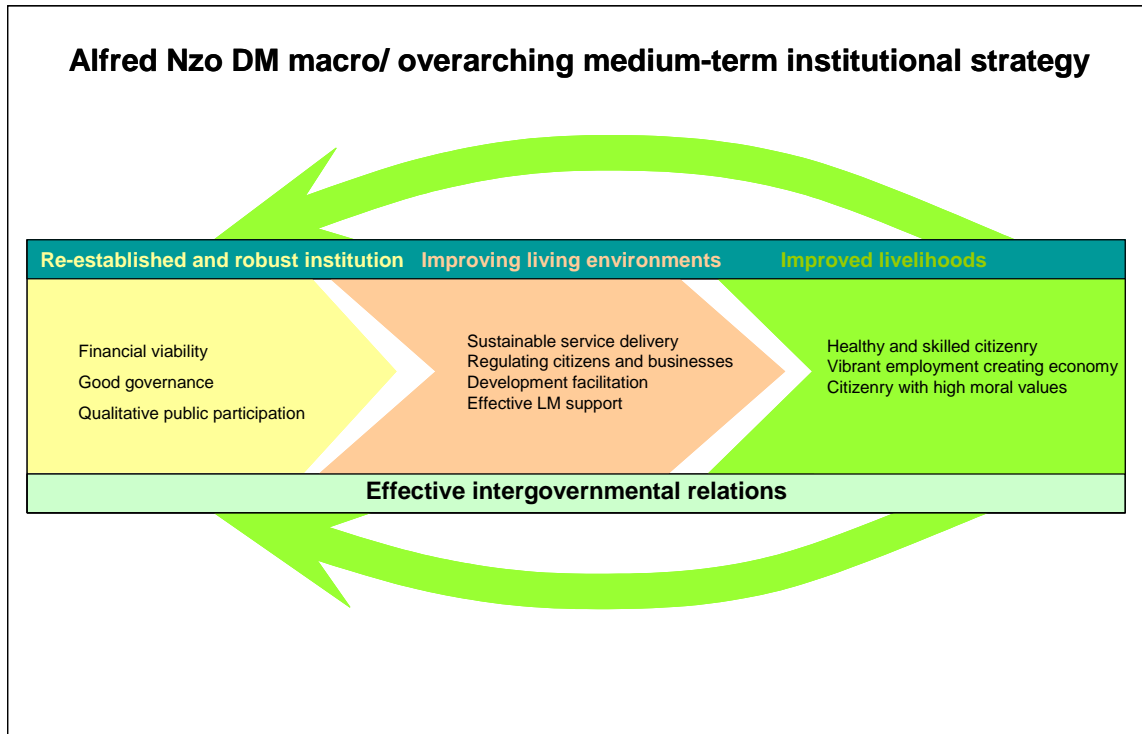
PGDP aims over a ten-year period for:

- Systematic poverty eradication
- Agrarian transformation and household food security
- Development and diversification of the manufacturing base and tourism potential
- Human resource development
- Infrastructure development
- Public sector and institutional transformation

2.1.6 Alfred Nzo District Municipality Strategic Goals

The strategy for development in Alfred Nzo District Municipality is based on three priority goals.

The following diagram summarises the medium term overarching strategy of Alfred Nzo District Municipality. Municipal objectives and their supporting strategies are formulated in line with this macro strategy.



The strategy hinges on the following three main pillars:-

- Re-established and robust institution
- Improving living environments
- Improved livelihoods

Clearly illustrated is the realisation that these objectives can only be realised with integrated planning ensured by effective intergovernmental relations and partnerships.

2.1.7 Alfred Nzo District Growth and Development Summit

Alfred Nzo District Growth and Development Summit identified priority programmes to drive economic growth and development in the district over the next five to ten years.

Commitments that must be undertaken by the various stakeholders have been formalised in an Agreement. Umzimvubu local municipality is a primary partner and is committed to the outcomes agreed upon. These programmes are also aligned to Umzimvubu's strategic objectives and will find expression in the operational strategies and projects to be undertaken by the municipality in the 2010/11 financial year.

CHAPTER 3

3.1 UMZIMVUBU'S DEVELOPMENT OBJECTIVES AND STRATEGIES FOR 2011/12

To enable the formulation of its organisational strategies, Umzimvubu local municipality resolved to align its objectives with the 3 high level developmental goals of the Alfred Nzo District Municipality. Emphasis of focus will revolve around local priorities and localised strategies below that will be dealt with within the resource constraints that exist in the municipality

This section of the report will look at the development of strategies in respect of the core functions and powers assigned to Umzimvubu municipality, including its facilitation role. These core issues for intervention, identified in Chapter 2, will therefore be packaged according to the following IDP Key Performance Areas:

- Spatial development Framework
- Local Economic Development
- Socio Economic development
- Good Governance and public participation
- Institutional transformation and development.
- Financial Viability
- Service delivery and infrastructure Development

Key Priority Area	OFFICE OF THE MUNICIPAL MANAGER OBJECTIVES AND STRATEGIES											
	Objective	Strategy	Key Performance Indicator	Baseline information	Proposed project	Proposed budget and source	Target for the first quota	Target for the 2 nd quota	Target for the 3 rd quota	Target for the 4 th quota	Annual Target	Responsible HOD
Integrated Development Plan and IGR	To ensure an integrated development planning in line with legislation and Local Government Key Performance areas by 2012	Reviewal of Integrated Development Plan	Credible IDP and Budget.	IDP Guideline pack	Development of 2012 to 2017 IDP and Budget	R200 000 (Equitable Share)	IDP process plan IDP REP FORUM	Situational Analysis, reviewed objectives and strategies. Facilitate IDP and budget out reach IDP REP FORUM	IDP out reach. Submit draft IDP council for noting. To Submit the draft IDP and Budget MEC of Local Government and traditional Affairs for assessment and comments. IDP REP FORUM	Submit final IDP and budget to council for adoption IDP REP FORUM	Adoption IDP and Budget by council	Mr. Nota

Municipal performance	To ensure the implementation of Municipal Performance management system	Implementation on Municipal Performance Management System	Council Resolution for the adoption of SDBIP	IDP AND BUDGET	Coordinate the development of SDBIP	NIL	N/A	Submit Draft SDBIP to Mayor, Council and Treasury for noting and comments.	N/A	Submit final SDBIP to Mayor, Council and National Treasury · Advertise the SDBIP	Produce SDBIP within 30 days are the adoption of IDB and Budget	Mr. Nota
			Signing of performance Agreement by all HOD's	SDBIP	Facilitate the development of scorecards	NIL	Facilitate the signing of performance agreements, advertise performance agreement for all HOD,s	Monitor the implementation of performance agreement through Quarterly reports	Monitor the implementation of performance agreement through Quarterly reports	Monitor the implementation of performance agreement through Quarterly reports	Signed performance agreement in line with relevant legislation	Mr. Nota
Internal Auditing	To ensure understanding and compliance with internal controls	Implementation of systems of internal controls	internal Audit reports Audit report by Audit unit	Audit committee is in place. Audit charter, Audit Unit	Testing controls of Supply Chain, Expenditure, Revenue and debtors	NIL	Conduct Internal Auditing and produce an internal Audit report	Conduct Internal Auditing and produce an internal Audit report	Conduct Internal Auditing and produce an internal Audit report	Conduct Internal Auditing and produce an internal Audit	Annual Internal Audit Report	Mr. Nota

										report		
					Testing Internal controls of assets	Nil	Conduct internal auditing of 222 Fixed assets and 550 currents assets and produce quarterly Reports	Conduct internal auditing of 222 Fixed assets AND 550 currents and produce quarterly Reports	Conduct internal auditing of 222 Fixed assets AND currents assets and produce quarterly Reports	Conduct internal auditing of 222 Fixed assets AND 550 currents and produce quarterly Reports	To Audit 888 Fixed Assets and 2400 current assets	Mr. Nota
					Testing controls of Human resources and pay roll	Nil	Conduct auditing on human resource and pay roll and produce monthly reports	Conduct auditing on human resource and pay roll and produce month reports	Conduct auditing on human resource and pay roll and produce monthly reports	Conduct auditing on human resource and pay roll and produce monthly reports	Auditing of Human Resources and PAY ROLL	Mr. Nota
		Review of Risk Management Framework	Adopted reviewed risk framework	An existing Risk Management framework	Review Risk Framework	R300 000 (EQS)	Terms of reference and Appointment of Service provider	Risk management workshop and Draft Risk Management Framework	Conduct risk Assessment	Conduct risk Assessment	Review risk framework and implementation	Mr. Nota

Key Priority Area	SPECIAL PROGRAMMS AND COMMUNICATION											
	Objective	Strategy	Key Performance Indicator	Baseline information	Proposed project	Proposed budget and source	Target for the first quota	Target for the 2 nd quota	Target for the 3 rd quota	Target for the 4 th quota	Annual Target	Responsible HOD
Public Participation	To ensure the functionality of the 24 Ward Committees.	Strengthen Ward Committees and CDWs.	Fully function ward committees and CDW IN FORM OF MEETINGS	Ward committees in place	Facilitate the election of ward committees Training of ward committees	R200 00 (Equitable share)	Organize community meetings	Election of new ward committees	Inauguration	Training of ward committees	Fully functioning ward committees	Mr. Kulu
	To ensure an effective participation in IDP AND Budget processes	Implement public participation policy	IDP and Budget Programme, Attendance register, Outreach report. And priority least.	An adopted public participation policy	IDP and Budget Road Shows, Project Hand overs	R500 0000 (Equitable share)	Organize community meetings IDP REP Forum	IDP and Budget Rep forum	IDP and Budget road shows	IDP and Budget REP forum, project hand over's	Project Hand Over	Mr Kulu
	Enhancement of integrated approach on service	Mobilisation of resources from various departments and	Services on wheels , IMBIZOZ		Facilitate services on wheels to	R300 00 (Equitable	1st services on wheels	2 nd Services on wheels	3 rd Services on wheels	4 th services on wheels	To have 4 services on wheels	Mr. Khulu

	delivery	stakeholders			affected wards, facilitate imbizos	share)							
Communication	To ensure an effective communication for Umzimvubu	Reviewal of comprehensive communication strategy.	Adopted communication strategy	AN existing communication strategy	Review communication strategy	R300 00 (Equitable share)	Develop draft review Communication strategy		Analyze the state of the nation address	Conduct workshop on reviewal of communication strategy	Adoption of the reviewed IDP strategy	Mr. Kulu	
		Develop municipal newsletter	3000 copies of news letter per quarter	Lates publication	Quarterly news letter	R200 000 (equitable share)	3000 news letter	3000 news letter	3000 news letter	3000 news letter	12000 News letter	Mr. Kulu	
SPECIAL Programmes	To lobby and do advocacy for the development of special groups	Mobilize resources and infrastructure from municipality, government and other stakeholders	Service level agreement with government department, parastals etc.	There is an existing partnership with SEDA in relation to the Disabled	Facilitate strategic partnership with relevant sectors	R1M Equitable share	Lobby strategic partners	Facilitate service level agreements	Implementation of agreements	Implementation of Agreements	To secure agreement with the following:SE DA ECDA Provincial Departments	Mr. Kulu	
	To ensure that institutional days are commemorated and celebrated	Mobilise and engage designated groups and reach common understanding , scope and	Commemoration of events	There are dates observed in terms of public holidays act	Commemoration of all designated dates	R500 00	Celebrate national women day and heritage day	Celebrate 16 days of activism, International day for the disabled	Celebrate Human writes day	Celebrate freedom day, workers day and Youth Day	Commemoration of all calendar activities	Mr. Kulu	

		approach on each event.										
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	Objective	Strategy	Key Performance Indicator	Baseline information	Proposed project	Proposed budget and source	Target for the first quota	Target for the 2 nd quota	Target for the 3 rd quota	Target for the 4 th quota	Annual Target	Responsible HOD
FORESTRY	To ensure growth of Forests Enterprises	Implementation of forestry sector plan.	24 000 hectares planted	Forestry sector plan is in place Communities are registered as co-operatives and trusts	Afforestation at Gxaku and Machibini , Environmental Impact Assessment, scoping,	R15m,Hans Maresky,DEDEA,MIG	Lobbying of funds for plantation of trees	Lobbying of funds for plantation of trees	Securing of funds for plantation and design for afforestation	Capacity building of beneficiaries	Plantation of 2000 hectares with 35 000 trees	Ms Vitshima
				Scoping and EIA conducted 2 areas are having ROD's with 6000 ha,awaiting for plantation but there are lack of funds	Afforestation of Njijini ,Qwidlana and Cancele	R250 000 Hans Marensky and DEDEA	Submission of delineation report to DEDEA	Public participation	Record of decision attained	Facilitate attainment of ROD	Attainment of ROD	Ms Vitshima

		Facilitate the licensing of forestry	Licences owned by communities	Communities are not owning licences, communities aware of forestry development	Licences issued	R50 0000	REGISTRATION OF BENEFICIARIES for licences	SEND REGISTRATION FORMS TO DWAF	Liase with DWAF for licensing	Liase with DWAF for licensing	To obtain 5 Licences of communities	Ms Vitshima
		Implementation of Pole treatment Plant	Pole treatment plant operating	Feasibility study is in place Communities registered as co-operatives Training on health and safety and time management conducted	Pole treatment plant	R 120 m DEDEA	Lobby funds from DEDEA	Lobby funds from DEDEA	Implementation of mobile pole treatment plant	Implementation of pole treatment plant	Security of funds	Ms Vitshima

	Ensure that value is added in our local resources	Implement peach value addition	Funds secured for implementation of peach value addition	Feasibility study in place, Training, EIA. Communities registered as co-operatives and exposure visits attended	Peach Value Addition	R4 million DEDEA	Secure of funds -develop proposals	Lobby funds	Implementation of peach processing plant	Implementation of peach project	Secure of R4 million funding from DEDEA to implement peach processing plant	Ms Vitshima
Agrian reform	To ensure economic growth for agrarian purposes	Implementation of business plan for silos and milling plant	Improved food security and value addition	Some wards are fenced through EPWP, Jobs were created (specialised groups) Bankable Business plan for milling plant and silos is in place training of farming co-operatives conducted. Communities registered	Fencing of wards suitable for ploughing and securing of funding	R 4 million Equitable share R15 million DBSA and other potential funders	Terms of references and procurement procedures Secure funding for milling plant and silos	Fencing commences Secure funding	Fencing commences Implementation	Handing over of projects identified	Fenced areas and secured funding for silos and milling plant	

				as co-operatives and active								
ENVIRONMENTAL	To support /contribute towards promoting climatic conditions/global warming and promote sustainable development	Landscaping and greening of towns, Revamp or revitalize Nursery within Umzimvubu	Nursery operation Beautification and greening of both towns	There is no nursery operation. Greening in front of Mt Ayliff offices, magistrate offices, entrance of Mt Ayliff town and Mt Frere offices and Mt Ayliff park	Greening ,landscaping and nursery	R1 million Equitable share	Identify suitable site for nursery with the assistance of Infrastructure and Planning Department Maintenance of existing greening and greening and landscaping of new areas	Register communities into co-operatives and training	Procure of material for nursery	Implementation of nursery	Nursery operating, towns beautified	Ms Vitshima
		Clear signage of welcome signs	ULM signage	No signage in place, designs are in place,	Developing of signage	R 500 000 Equitable share	Terms of reference in place, need a meeting with the MM,M-LED,M-I&P to SANRAL	Awaiting for the approval from SANRAL,SCM processes	Appoint service provider to erect signage	Erect signage	Signs erected	Ms Vitshima

		Develop strategic Environmental Assessment	Master plan for Environmental Management	No master plan in place	Development of SEA	R300 000 Equitable share	Develop terms of reference and procurement processes	Draft inception and situational analysis	First draft of SEA and public participation	Adoption	Strategic environmental assessment in place	Ms Vitshima
SMME	Ensure growth of SMME'S	Facilitate construction of trading facility in Mt Ayliff	Trading facility operating	No trading facility in Mt Ayliff, Terms of reference for fencing of Trading facility is in place	Construction of trading facility in Mt Ayliff	R13 million DEDEA, MIGA, DBSA and other financial muscles	Securing of funds	Securing of funds	Identification of beneficiaries to operate in the trading facility and sod turning	Sod turning of trading facility	Operational trading facility and fencing of trading facility	Ms Vitshima
	Retention of existing businesses and identification of new ventures for businesses operating within ULM	Implementation of business and retention strategy	New business opportunities operation and growth in number of existing businesses , Increase in number of	Businesses are moving out of Umzimvubu There is no estate agent, laundry facility and internet facility on both	Facilitation of business opportunity workshop and facilitation of securing business premises	R 100 000, Equitable share	Facilitate workshop through business breakfast	Project complete	Project complete	Project complete	Workshop conducted	Ms Vitshima

			sustainable jobs	towns								
TOURISM	Ensure an increase in number of tourists	Improve tourism signage	Tourist information centers operating	ULM is currently using Ubuntu and Xesibe tourist information centers and awaiting for SANRAL to erect tourism signs	Tourism information centers	R 500 000 Eastern Cape Tourism and parks ,DEDEA	Development of funding proposal Forging partnership with neighboring tourism agencies	Training of receptionist and website installation on the centers	Handing over of the centers	Handing over of centers	Operational tourist information centers	Ms Vitshima
		Facilitate construction of conference facility and accommodation at Ubuntu Craft ,Ntsizwaan d Ntenetyane Dam	Number of tourists increased Tourists facilities maximally utilised	Tourists facilities at not maximally used	Facilitate construction of tourist attraction	R 10 m National Department of Tourism	Development of terms of reference and securing of funds	Securing of funds	Register communities into legal entities and training	Project Completed	Project completed	Ms Vitshima

Key Priority Area	CORPORATE SERVICES OBJECTIVES AND STRATEGIES											
	Objective	Strategy	Key Performance Indicator	Baseline information	Proposed project	Proposed budget and source	Target for the first quota	Target for the 2 nd quota	Target for the 3 rd quota	Target for the 4 th quota	Annual Target	Responsible HOD
HUMAN RESOURCES	To provide and enhance skills amongst the community (youth)	Bursary Fund for Student trainees in rare skills	Enrolment of students from disadvantaged families in tertiary institutions for rare skills	No policy for municipal bursary fund for external students enrolled in rare skills. No bursary offered by municipality to external students	Bursary Fund for Student trainees in rare skills	R250 000	Issuing of adverts inviting applications	Selections and nominations of students to be assisted	Payments to various institutions	Monitoring & receipt of results from assisted students. Project completion.	Award a maximum of 5 students	Mrs Kubone
	To provide skills and ensure exposure of graduates	Internship/ Experiential Training	Number of trainees/Interns trained by the municipality.	Graduates are appointed to get experience.	Internship/ Experiential Training	R 302 000	Issuing of advert and appointment of experiential trainees	Training offered	Training offered	Training offered	Training of 12 graduates within the municipality	N. KUBONE

	Compliance with the constitution and Supply chain policy	Usage of Local SMME's	Economic development of SMME's	Accredited SMME's are appointed to render services	Usage of Local SMME's in municipal events and meetings	R 250 000	usage of smm's	usage of smme's	usage of smme's	usage of smme's	Enhancing local economy	N. KUBONE
	To apply an assistant programme that will help employees and councillors with their personal/economical and social matters	Employee Wellness and Health & Safety	Implementation of EAP policy for employees & councilors. Sustaining of well conducive and healthy working environment.	EAP policy developed & adopted. Employees given assistance as and when required.	Employee Wellness and Health & Safety	R 100 000	Wellness day	Wellness day	Wellness day	Wellness day	Healthy employees	N. KUBONE
	To manage employer/employee relation matters	Labour Relations	Disciplinary and grievance hearings completed within 3 months.	Disciplinary hearings are done timeously LLF sits monthly. CoS are	Training of LLF Members	R80 000	Development of ToR Solicit quotations Appointment of service	Training of LLF Members	Project completed	Project completed	Sound labour relations	N. KUBONE

				Impleme nted			providers					
	Implementat ion of performance managemen t system and coordinating monitoring and evaluation of individual performance	Performa nce Manage ment System	Performan ce Agreement s entered into between ULM and sec 57 managers and fixed term employees . Quarterly Performan ce Assessmen ts of individuals conducted.	Performa nce Agreement s develop ed by Corporat e Services and signed by sec 57 managers and fixe term employe es.	Orientatio n of councilors on Performan ce Managem ent System	R300 000	Developm ent of ToR Solicit quotations Appointme nt of service providers Orientatio n of councillors	Project completed	Project completed	Project completed	Understandi ng of PMS and proper implementat ion of the system	N. KUBONE
	To provide skills developmen t programmes in line with WSP	Training and develop ment	Trained employees and councilors in accordanc e with the	Municipa l WSP sent to LGSETA	Training and developme nt	R400 000	Training coordinate d in terms of WSP	Training coordinated in terms of WSP	Training coordinated in terms of WSP	Training coordinated in terms of WSP	Skills enhancemen t amongst employees and councilors	N. KUBONE

			Workplace Skills Programme									
	To populate all vacant/budgeted positions for 2010/11	Recruitment and Selection	Population of municipal Organogram in accordance with the municipal budget.	Recruitment is done as and when required.	Recruitment and Selection	As per the personnel budget	Solicit requisitions for filling of vacant posts Advert issued Shortlistings Interviews conducted	Project completed	Project completed	Project completed	Well populated organogram	N. KUBONE
	Provision of retirement notification 6 months prior to the actual retirement	Staff Retirement programme	Filling of posts as a result of retirement prior to retirement	Departments are not informed in time of employees who are retiring	Notification of departments on Staff Retirement programme Coordinate farewell for retiring employees	R40 000	Notification of departments on retirements and preparation to fill their posts	Adverts for all posts that will be vacant in the next two quarters	Farewell coordinated	Farewell coordinated	Appreciation of senior employees within the municipality	N KUBONE
SOUND GOVERNANCE	Creating benefit for the municipality	Electronic document manage	Fully functioning EDMS	EDMS will be in its initial stage	Training of users System	R 300 000	Training of users System	System maintenance	Payment of licence fees System	System maintenance	Paperless environment	N KUBONE

	which entails the administration of meetings, legal administration and general administration which includes auxiliary services, contract management, archives and records administration.	ment			maintenance		maintenance		maintenance			
	Awareness and buy-in, in respect of Batho Pele government programme	Batho Pele Programme Customer care	Fully effective BP Committee	BP Committee exists	Coordinate Workshops on customer care and BP	R 150 000	Develop ULM BP and Customer Care Service Charter	Coordinate workshops for Councillors and employees on the BP & CCSC	Project completed	Project completes	Enhanced customer care	N KUBONE
	Maintenance of Sound governance and proper coordination of council strategies	Provision of efficient support to council structure	Sitting of meetings / gatherings and coordination thereof	Meetings do sit accordingly	Coordinate Council orientation programme and strategic planning	R 350 000	Solicit quotations and coordinate council strategic	Facilitation of council meetings	Facilitation of council meetings	Facilitation of council meetings	Efficient admin support to Council	N. Kubone

		s			sessions		planning					
ICT	Ensuring the implementation of any number of application systems, Reducing costs in specific areas, improving availability, and increasing the number of level-one problem resolutions within the municipality	Maintain data integrity within the municipality;	Upgraded Website	Website has to be changed annually	Upgrade of website	R50 000.00	Maintenance of website structure	Maintenance of website structure	Maintenance of website structure	Maintenance of website structure	Updated website	N. KUBONE
		Information and data security administration	Number of users provided with ICT Policies	The users are not aware of ICT Policies	Roll out of ICT Policies	R 40 000	Development of 4 new ICT Policies	Roll out of policies to all users	Project completed	Project completed	Well informed users	N. KUBONE
		Network maintenance	Well oiled ICT	Network is functioning fine but needs to be maintained	Upgrade and maintenance of wireless network	R 60 000	maintenance of wireless network	maintenance of wireless network	maintenance of wireless network	maintenance of wireless network	Well oiled ICT	N KUBONE

		Software configuration	Latest and up to date software	Software is not up to date (2007 version currently being used)	Procurement of software in bulks	R 200 000	Soliciting of quotations Procurement of software	Installation of software to new laptops	Installation of software to new laptops	Installation of software to new laptops	Usage of the latest technology	N. KUBONE
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Key Priority Area	CITIZENS AND COMMUNITY SERVICES OBJEVITES AND STRATEGIES											
	Objective	Strategy	Key Performance Indicator	Baseline information	Proposed project	Proposed budget and source	Target for the first quota	Target for the 2 nd quota	Target for the 3 rd quota	Target for the 4 th quota	Annual Target	Responsible HOD
Integrated Waste Management	contribute towards the principles of sustainable development and reduction of generation and environmental impacts of all forms of waste, so that socio-economic	Implementation of IWMP	Full functioning WIS	IWMP	Waste Information System	R200.000 Internal Funding, DEA, DEDEA, Buyis@lb ag, Indalo Yethu	Installation of Waste Weighbridge	Training of Personal and Registration of Facilities	Full implementation of WIS (Data Capturing and reporting)	Full implementation	Have quantitative data on waste streams in Ulm submission to national department of Environment Affairs	Mr NM Sineke

	development of Umzimvubu Local Municipality, the health of its citizenry and the quality of its environmental resources are no longer adversely affected by uncontrolled and uncoordinated waste management .		Photographs		Waste Collection Services	1000.000 Internal Funding, DEA, DEDEA, Buyis@Ibag, Indalo Yethu	Cleaning and Cleansing Service	Waste Collection and removal on continuous basis	Waste Collection and removal on continuous basis	Waste Collection and removal on continuous basis		
			Drop off Centers and Waste Buy Buck centers		Recycling Initiative	500.000 (Buyisa Bag)	Drop off Centers and Waste Buy buck center in Mount Ayliff Land Fill site	Site layout plans, Designs and operational Plans	Construction	Running of the center		NM Sineke

			Photograph Register		Awareness Program	200.000	Anti Litter Campaign, Zero Littering Campaign,	Anti-litter campaign	Zero littering Campaign		Effective , efficient and sustainable waste management in ULM	NM Sineke
			Waste minimization Initiatives		Waste Minimization	300.000 Internal Funding, DEA, DEDEA, Buyis@lbag, Indalo Yethu	Waste Separation at Source	Waste Separation at Source	Waste Separation at Source	Waste Separation at Source	Have a basic (or pilot) waste minimization service within ULM	NM Sineke
			Photographs and smokeless site		Landfill site Management	Nil	Waste Site Disposal management	Waste Site Disposal management	Waste Site Disposal management	Waste Site Disposal management	Effective , efficient and sustainable waste management in ULM	
			No dumping Signs and Photographs		Rehabilitation of Illegal dumping Site	300.000 Internal Funding, DEA, DEDEA, Buyis@lbag, Indalo Yethu	Rehabilitation of Illegal dumping Site	Site visit for identification of Illegal dumping site	Rehabilitation of Illegal dumping Site	Rehabilitation of Illegal dumping Site	Effective , efficient and sustainable waste management in ULM	

Community amenities,	Increase availability of Recreational facilities and public open space(Passive and Active) with in ulm	Development of Community amenity management plan	Adopted management plan	NEMA Guidelines . Existing community amenities NEMBA	Community amenity management plan	R500 000 (Equitable share, SANPK) DEA	Supply Chain Processes	First Draft of the plan	Solicit approval from council . And start implementation of the plan	Implementation of the Plan	Community amenity management Plan	Mr. Sineke
		Upgrade and Maintenance of exiting community amenities	Upgraded and well maintained community amenities e.g Recreational Facilities, park, Public Open spaces, Cemeteries, Sport Fields		Upgrading Maintenance of Ntsizwa park	R300 000 (Equitable share, SANPK and DEA)	Supply Chain Processes	Installation of two tower lights and pathway lights	Promotion of usage of the park	Promotion of usage of the park	Town Beautification and civic pride	Mr. Sineke
					Landscaping, Grass cutting and Pruning of all public open spaces around ULM	R100 000	Upgrade and Maintain Public Open Spaces	Upgrade and Maintain Public Open Spaces	Upgrade and Maintain Public Open Spaces	Upgrade and Maintain Public Open Spaces	Providing simultaneous protection of sensitive ecological areas and landscape aesthetics	Mr. Sineke
Environmental Education	To ensure environmental management education and training	To encourage and enhance citizenry participation in activities aimed at conservation, protection and	Training, awareness campaign, participation to the national environmental management	National calendar day of environment.	Anti litter campaign Separation at source.	R300 000	To engage and encourage businesses to partake on separation at source programme	Anti Litters campaign and. Roll out separation at source programme	Roll out separation at source programme . Monitor the implementation of the programme	Roll out separation at source programme Monitor the implementation of the programme		

		management of environment essential for achieving sustainable development at ULM	calendar days				ed.	me	ntation of the program.			
					Commemoration of Environmental calendar dates	R100 000 EQS	Celebrate weed buster week aimed removing alien invasive vegetation at the identified are	National Water week aimed at raising awareness and values and benefits of the water courses	World wetland day aimed at raising awareness of the values and benefits of the wetlands and water courses fro sustainable fresh water use	Eco-school programmes aimed at raising awareness in the environmental management to the learners	Partake National Environment Calendar days	Mr. Sineke
Traffic Law Enforcement and By Law.	Improve traffic safety	Regulate laws and enforce laws continuously	Law enforcement plan and revenue collected. By Law Enforcement operational plan.		Special operation targeting driver and vehicle fitness.	Nil	To have suspended 30 unfit motor vehicles and issued 300 tickets.	To have suspended 30 unfit motor vehicles and issued 300 tickets.	To have suspended 30 unfit motor vehicles and issued 300 tickets.	To have suspended 30 unfit motor vehicles and issued 300 tickets	To have suspended 120 unfit motor vehicles and issued 1200 tickets.	Mr Sineke

					Road Side Inspection Points/Road block.	Nil	To mount 3 Road blocks and 36 road side Inspections	To mount 3 Road blocks and 36 road side Inspections	To mount 3 Road blocks and 36 road side Inspections	To mount 3 Road blocks and 36 road side Inspections	To have mounted 12 roadblock and 142 road side inspection.	NM Sineke
					Warrants of Arrest operations.	Nil	To execute 30 warrants of arrest	To execute 30 warrants of arrest	To execute 30 warrants of arrest	To execute 30 warrants of arrest	To have executed 120 warrant of arrest.	Mr Sineke
Provision of learners and driving licenses	Testing of learners and driving license applicants.	Ensure the provisioning of the driving license testing centre in terms of K53 Manual.	Number of applications for learners and driving licenses.	There are three classes for learners licenses a week and twenty one applicant tested	Provision of learners and driving licenses	Nil	To test 1512 for driving licences. To test 864 applicants for learners	To test 1512 for driving licences. To test 864 applicants for learners	To test 1512 for driving licences. To test 864 applicants for learners	To test 1512 for driving licences. To test 864 applicants for learners licences.	To have tested 6048 applicants for driving licences. To have tested 3456 applicants for learners	Mr Sineke

				daily			licences.	licences.	licences.		licences	
	To provide close appointment dates to driving licence applicants as to reduce waiting period.	To increase the number of testing days as well as the number of applicants tested on a daily basis.	Number of renewal for licenses.									
			Statistics on issued learners and driving licenses. NaTis Report									
Vehicle testing station services	Promotion of road safety by removing unfit vehicles to use our roads	To subject the suspected unfit vehicles to the station for verification of roadworthiness	Statistics on discontinued vehicles.	Traffic officers instruct drivers to take their vehicles the station without any targets.	Operation Hlasela	Nil	At least 2 operations	At least 2 operations	At least 2 operations	At least 2 operations	To have conducted 8 Operation Hlasela	Mr Sineke

		To test vehicles brought for licensing purposes	Statistics on vehicles tested. NaTis Report	The station is not busy hence most clients prefer private station.	Roadworth y testing	Nil	To test every vehicle brought in the station	To test every vehicle brought in the station	To test every vehicle brought in the station	To test every vehicle brought in the station	To test all vehicles brought in the station	Mr Sineke
Provide security to council assets	To guard and secure Municipal Assets	To make sure that the security company on site abide with all contractual obligation and also provide close monitoring.	The number of reported criminal activities.	The Municipality has been experiencing theft, robberies and malicious damage to property especial at Pound.	Guarding of Municipal property		Safe guarding of Municipal property	Safe guarding of Municipal property	Safe guarding of Municipal property	Safe guarding of Municipal property	Safe guarding of all Municipal properties without any vandalism.	Mr Sineke

Pound Services	To control animals to stray on the road and on the residential area for promotion of safer environment .	Impoundment of stray animals.	Number of stray animals impounded in towns.	There is a lot of stray animals especial in towns.	Operation Clean up.	Nil	To conduct one operation focusing to remove stray animals around town.	To conduct one operation focusing to remove stray animals around town.	To conduct one operation focusing to remove stray animals around town.	To conduct one operation focusing to remove stray animals around town.	To have conducted four operations targeting animals in towns.	
Community Safety	Ensure safety of communities Co-ordination of all structures involved in the crime prevention	Revival of Community Safety forum	Number of meetings convened	Ward community safety forum does not exist.	Community Safety forum meeting	R100 000	To have one Community Safety forum meeting.	To have one Community Safety forum meeting.	To have one Community Safety forum meeting.	To have one Community Safety forum meeting.	To have 4 Community Safety forum meeting.	Mr.Sineke

		Implementati on of Safety strategy	Number of targeted crime prevention initiatives		Crime awareness campaign and event	R250 000	To stage a crime awareness campaign and event in 6 wards	To stage a crime awarene ss campai gn and event in 6 wards	To stage a crime awarene ss campai gn and event in 6 wards	To stage a crime awareness campaign and event in 6 wards	To stage a crime awareness campaign and event in 24 wards	Mr Sineke
Disaster Manage ment	Ensure the provision of immediate relief material.	Implementati on of Disaster management plan	Number of trained, attendance register. Report on awareness campaign	Disaster managem ent plan	Awareness campaign	R550 000 (Equitabl e e share)	Conduct awareness campaign to 6 wards	Conduct awarene ss campai gn to 6 wards	Conduct awarene ss campai gn to 6 wards	Conduct awareness campaign to 6 wards	Conduct awareness campaign to 24 wards	Mr. Sineke
			Type and number of relief material provided		Provision of immediate relief to affected disaster areas		When need arise	When need arise	When need arise	When need arise	To have assisted all those individuals affected by disaster.	Mr. Sineke
			By number of meeting conducted		Coordinati on of response team		To convene one meetings	-	-	To convene one meetings	To convene two meetings	Mr. Sineke
			Risk report		Conducting of risk assessme nt		First risk assessmen t report			Second risk assessment	At least two risk assessment report	Mr. Sineke

HIV & AIDS	Advocacy and support to HIV & AIDS	Co -ordinate all sectors involved in the HIV and Aids	By number of Local Aids council Meeting	Local Aids Council does not seat	250 000	To conduct one LAC meeting	To conduct one LAC meeting	To conduct one LAC meeting	To conduct one LAC meeting	Convene 4 LAC meetings	
				Train LAC Members and Ward		To train	Conduct	Conduct training	Conduct training for	To have trained all	

				committee members on HIV and Aids		LAC members on HIV and Aids	training for ward committees on Hiv and Aids on 8 wards.	for ward committees on Hiv and Aids on 8 wards.	ward committees on Hiv and Aids on 8 wards.	LAC members and all ward committees in 24 wards.	
			Local Aids Council in place.								
			Number of support group formed, visited and trained	Awareness campaign, formation, visit of support groups and training	R100 000	To visit support and do awareness campaign on HIV and Aids in 6 wards	To visit support and do awareness campaign on HIV and Aids	To visit support and do awareness campaign on HIV and Aids	To visit support and do awareness campaign on HIV and Aids in 6 wards	To visit support and do awareness campaign on HIV and Aids in 24 wards	Mr. Sineke

								in 6 wards	in 6 wards			
		To host World Aids day	Number of build up campaigns to World Aids Day	Four build up campaigns hosted	World Aids Day	R60 000	To stage build up campaign	To stage build up campaign and World Aids Day event	-	-	To have four build up campaigns in 4 wards.	Mr. Sineke

Key Priority Area	INFRASTRUCTURE PLANNING DEVELOPMENT OBJECTIVES AND STRATEGIES											
	Objective	Strategy	Key Performance Indicator	Baseline information	Proposed project	Proposed budget and source	Target for the first quota	Target for the 2 nd quota	Target for the 3 rd quota	Target for the 4 th quota	Annual Target	Responsible HOD
ROAD AND STORMWATER	To ensure sufficient road networking in an integrated manner	Construction of new access roads	Provision of Completion Certificate	ROD Approval	Ward 01: N2 Ngcuki.... Ward 02: Cabazana B Ward 03: Multi purpose centre or sport field Ward 04: Sgidini A&C AR. Ward 05: Nqabeni AR Extension of Mfulamkhulu AR. Ward 06: Majojweni AR Ward 07: Surfacing. Ward 08:	R20million Capital	Business plans; Designs	Advertising; Adjudication and Awarding	Implementation	Implementation and Practical handover	Practical Handover certificates.	S. Ntonga

					<p>Lugelweni C/H, Majulumane-Ndikini, Nyathini AR.</p> <p>Ward 09: Goso to Author School. Ward 10: Palma nad Mdakeni extention.</p> <p>Ward 11: Surfacingof road from Rode to Mission. Ward 12: Voveni to Maqabaneni AR. Ward 13: Tshatseni AR.</p> <p>Ward 14: Chwebeni Completion AR. Ward 15: Malongwe AR &Bridge.</p> <p>Ward 16: Galali, Zibokwana AR&Bridge.</p> <p>Ward 17: Ncunteni Bridge. Ward 18: Surfacing.</p> <p>Ward 20: Mbizweni AR.</p> <p>Ward 21:</p>						
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					Toleni to Graveyard AR. Ward 22: Bethelehem-Tolo via Kuyasa, Kujokazi AR.ward 23: Magwaca-Nabinja-QwidlanaClinic AR. Ward 24: Ngojini via Ngxoxo AR.							
BRIDGES	To ensure constructed safe bridges	Construction of new bridges	Provision of Completion Certificate		Below Mary Teresa Hosp. & behind Cashbuild to Lubhacweni A/A; Mguga-Mthonjeni Bridge; Tinahill-Ngxabaxha Bridge; Mhlanganisweni Bridge; Chwebeni Bridge; Dingezweni Bridge; Ntlabeni	R20million	Business plans & Designs ;	Advertising; Adjudication and Awarding	Implementation	Implementation and Practical handover	Practical Handover certificates	S. Ntonga

					Bridge; Marhwaqa Bridge; Silindeni/Umzi mvubu Bridge; Kinirha Bridge							
		Maintenan ce of access road	Access to economic activities through well establishe d and 70 km maintaine d roads, buildings,C H and recreation al facilities	Access roads maintain ed once in a year	Tshisane Maintenance and Extension AR; Magontsini AR; Ndzongiseni- Marwaqa, Natal Lugelweni Majalimani and Mahlabithi; Ngxashini; Qhandu Nguse; Lugongeni, Cabazi, Gubuzi; Upper Mntwana; Papanani to Galali; (Ezimbileni AR, Lower Mntwana AR,Mguga- Mthonjeni AR, Upper Dungen AR=19, Majuba P/S=20, Sahlulo AR,	R12million(Equitable Share)	Plannin g ; Develo p tender docum ent	Adverti sing; Adjudic ation and Awardi ng	Imple menta tion	Implementatio n and Practical handover	Practical Handover certificates	S. Ntonga

					Mjikelweni AR=14, Gubhuzi & Lonci AR=15, Ntsimangeni AR=10, Mvumelwano AR=24, Sidakeni P/S=2, Shinta-Zibokwana AR=21)							
		Develop road maintenance plan	Maintained roads	Roads maintained without the PLAN	Development of the road maintenance Plan	R0.00	Review of maintenance plan & approval by Council	Implementation	Implementation	Implementation and Handover.	Handover	S. Ntonga
ELECTRICITY	To ensure 80% households have access to electricity	Facilitate the provision of electricity to house		Electrified households Safe environ	Mt Frere 132kv SS upgrade; Mathafeni - Mt Frere 132KV Line ;	R66 million	Planning and Design	Implementation	Implementation	Implementation and Handover.	Handover	S. Ntonga

		hold.		ment.	Mathafeni SS	R51 million						
				Improve d living standards and minimal community complaints	5Villages will be electrified- 803h/h at Amahlubi; 500h/h at Phepheni; 734h/h Tyosville; 882h/h at Ndubu and 897h/h at Ngqwara& Zingcandeni	R52 million ESKOM						

Key Priority Area	INFRASTRUCTURE PLANNING DEVELOPMENT OBJECTIVES AND STRATEGIES <u>Town Planning & Housing</u>											
	Objective	Strategy	Key Performance Indicator	Baseline information	Proposed project	Proposed budget and source	Target for the first quota	Target for the 2 nd quota	Target for the 3 rd quota	Target for the 4 th quota	Annual Target	Responsible HOD
Spatial Development Framework	To ensure that planning and development decisions have a legal basis & are spatially considered.	Implementation of the Spatial Development Framework	Producing a proper road network.	Traffic Congestion in Mt Frere town.	Mt Frere CBD Revitalization	Equitable Share	Situational analysis	Design of conceptual plans and public participation	Approval by municipal council	Final document on reducing traffic congestion and network in Mount Frere.	Submission to council.	Mr. S.P. Ntonga.
		Implementation of the Spatial Development Framework	Approval from Surveyor General	Vacant Land for development	Proposed Township Establishment of portion of Erf 188 Mt Ayliff for the development of low cost housing	Equitable Share	Draft terms of reference, advert.	Situational Analysis and R.O.D.	Submission of draft town planning layout and council approval.	Submission to DCG&TA and surveyor general.	Submission to Land Use Board.	Mr. S.P. Ntonga.
		Implementation of the Spatial Development Framework	Approval from Surveyor General	Vacant Land for development	Proposed Township Establishment of portion of Erf 315 Mt Frere for the development of low cost housing	Equitable Share	Draft terms of reference, advert.	Situational Analysis and R.O.D.	Submission of draft town planning layout and council approval.	Submission to DCG&TA and surveyor general.	Submission to Land Use Board.	Mr. S.P. Ntonga.

		Implement ation of the Spatial Developm ent Framework k	Council Approval of Land Use Applicatio ns	Ordinanc e 33 of 1934 and Transkei Standard Town Planning Scheme	Facilitation of land Use application.	Operation al Budget	Ongoing Process	Ongoing Process	Ongoing Process	Ongoing Process	Submission to Land Use Board.	Mr. S.P. Ntonga
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	To ensure proper development of townships	Implementation of the Spatial Development Framework	Approval from Surveyor General	Vacant Land	Proposed Township Establishment of portion of Erf 188 Mt Ayliff next to ext 3.	Equitable Share	Draft terms of reference and appointment of services provider	Produce ROD and submission to municipal council.	Submission to Local government and traditional affairs.	Approval by surveyor general.	Submission to Land Use Board.	Mr. S.P. Ntonga
	Formalization of Peri-Urban settlement	Implementation of the Spatial Development Framework	Approval from land affairs and approval from surveyor general	Un-surveyed township	Upgrading of land tenure and formalization of Badibanise.	Equitable Share	Draft Terms of reference and appointment of services provider.	Draft situational analysis and land use survey	Submission and approval by municipal council and land affairs of first draft layout plan.	Public participation of layout plan and approval by local government and surveyor general.	Submission to Land Use Board and Land Affairs	Mr. S.P. Ntonga
		Implementation of the Spatial Development Framework	Approval from land affairs and approval from surveyor general	Un-surveyed township	Upgrading of land tenure and formalization of Santombe	Equitable Share	Draft Terms of reference and appointment of services provider.	Draft situational analysis and land use survey	Submission and approval by municipal council and land affairs of first draft layout plan.	Public participation of layout plan and approval by local government and surveyor general.	Submission to Land Use Board.	Mr. S.P. Ntonga
HOUSING	Improve livelihoods of people	Facilitation of housing development	Funded application by human settlement	List of projects for rural housing	Rural housing project submission of applications	Operational Budget	Submission of applications to the Department of Human		Approval by Human Settlement	Funding of the application by the department of Human Settlement	Submission to Human Settlement	Mr. S.P. Ntonga.

							Settleme nt					
	Social facilitation/housing consumer education	To have communities that are informed about housing processes.	Approved beneficiaries	Submission of new rural projects	Beneficiary Management	Operational Budget	Beneficiary Administration	social facilitation and consumer education	Beneficiary Administration	social facilitation and consumer education	Approved beneficiaries	Mr. S.P. Ntonga
Key Priority Area	INFRASTRUCTURE PLANNING DEVELOPMENT OBJECTIVES AND STRATEGIES <u>Building Maintenance</u>											
	Objective	Strategy	Key Performance Indicator	Baseline information	Proposed project	Proposed budget and source	Target for the first quota	Target for the 2 nd quota	Target for the 3 rd quota	Target for the 4 th quota	Annual Target	Responsible HOD
Land Administration.	To ensure proper land administration.	Conducting of Land Use Survey and Building Inspection	Eradication of illegal Structures and Land Uses	Town Planning Legislation and Building Regulations.	Land Use Survey and Building Inspection	Operational Budget	Land use survey and Building inspection to 950 sites	Land use survey and Building inspection to 950 sites	Land use survey and Building inspection to 950 sites	Land use survey and Building inspection to 950 sites	Mt Ayliff(38 00) Mt Frere(20 00)	Mr Ntonga
		Conducting building Inspection of community facilities in rural areas	Eradication of illegal Structures	Town Planning Legislation and Building Regulations.	Building Inspection in rural areas	Operational Budget	18 community facilities to be inspected	18 community facilities to be inspected	18 community facilities to be inspected	18 Social facilities to be inspected	70 community facilities	Mr Ntonga
BUILDING Control	To ensure compliance with National Building Regulation	Establishment of effective building section	Reduced levels of non compliance to the building regulations	Ignorance and general lack of information	Visibility and awareness	R 70 000 Operational Budget	Development of awareness sign boards	Installation of sign boards	Project completion	Visible awareness sign boards	Informed communities	Mr Ntonga

	ns Standard											
		Facilitate the process of establishing a proper drawing room	Well equipped and fully functional drawing room	There is no proper working and storage are for the building plan, drawings and maps	Setting up a proper facility	R 200 000 Operations Budget	Development of project specification	Solicit services of a services provider	Project implementation	Project Completion	Occupation and operation	Mr Ntonga
		Scrutinization of building plans according to the applicable legislations	Approved building plan and a signed occupation certificate	Town Planning Legislation and Building Regulations and a building plan appraisal committee	Building plans approved within turn-around time	Operational Budget	Convince 3 building plan appraisal committees in a quota to consider submissions per month	Convince 3 building plan appraisal committees in a quota to consider submissions per month	Convince 3 building plan appraisal committees in a quota to consider submissions per month	Convince 3 building plan appraisal committees in a quota to consider submissions per month		Mr Ntonga
Building Maintenance	To ensure all municipal buildings are well maintained	Develop building maintenance Plan	Refurbished buildings structurally and aesthetically	Municipal buildings are in a state of deterioration	Maintenance contract	R 500 000 Capital Budget	Enter into a services level agreement with a maintenance contractor	Monitor progress	Monitor progress	Monitor progress	Sound structures with appealing aesthetics that is compliant in-terms(OHS)	Mr Ntonga

ELECTRICITY	To ensure 80% households have access to electricity	Facilitate the provision of electricity to household.	Electrification plan	Electrification programme have been stalled sitting in approximately 45%	Mt Frere 132kv SS upgrade; Mathafeni-Mt Frere 132 kv line; Mathafeni SS 5 Villages will be electrified- 803\h\h amahlubi;500\h\h phepheni; 734\h\h ext 5; 882 h\h ndubu; 897 Nqgwara	R 66 Million R51 Million	Planning and Design	Rolling out of the plan	Rolling out of the plan	Rolling out of plan	Connection to all households	Mr Ntonga
	Universal access to electricity in rural areas by 2012	Create awareness and lobby for additional funding	Rolling out of electricity to every household	There are unacceptable levels of electricity backlog	Developing business plans	Not available	Developing a business plan	Lobbying for funds	Lobby funds	Lobby funds	Secure funding	Mr Ntonga
		General maintenance and upgrade of the existing infrastructure	Consistent maintenance and change the aesthetics especially on the CBD area	Currently the general outlook of both town resemble a third world and it is static	Underground cabling	Not available	Developing a business plan	Lobbying for funds	Lobby funds	Lobby funds	Secure funding	Mr Ntonga

		Installation of high mast in Mount Frere and Mount Ayliff	A number of high mast shall have been installed by 2012	Currently there are none in Mt Frere and five in Mt Ayliff	Installation of high mast	R 1,5 Million	Design & appointment	Site handing over & construction	Construction	Completion & Site handing over	6	Mr Ntonga
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SECTION C
CHAPTER 1

Ward Name	Project Name	Village	Budget/ Source	Responsible Person
Ward 1.	. Phepheni 748 household Electrification,	Phepheni	ESKOM	Mr. Ntonga
	Ngcwayi AR 7,7km maintenance	Ngcwayi	ULM	Mr. Ntonga
	Peach Processing	Brooksnek	DEDEA	Ms. Batyi
	Afforestation	Cabazana	Daff	Ms Batyi
	Ploughing	Cabazana	ULM R74 000	Ms Batyi
Ward 2	Cabazana Access Road	Cabazana	ULM	Mr. Ntonga
	Ploughing	Sipholweni	R74 000	Ms Batyi
	Fencing	Manambithi	R55 000	
	Peach Support	All Villages with peach	DEDEA	
	Ploughing	Gugwini	R75 000	
	Peach Support	All wards with Peach	DEDEA	Ms Batyi
Ward 4	Sigiding Maintanance	Sigidini		Mr. Ntonga
	Ploughing	Mnqwane	R74 000 ULM	Ms Batyi
		Ngonyameni		
	Fencing	Mnqanwe	R55 000	
	Mngonyameni			
Ward 5	Extention of Mfulamkhulu AR	Mfulamkhulu	R682 000	Mr. Ntonga
	Ploughing	Marhwaqa	R74 000	Ms Batyi
	Fencing	Nzongiseni	R55 000	
Ward 6	Silindeni Bridge	Silindeni	R1.3m	Mr Ntonga
	Ploughing	Mqokweni	R74 000	Ms Batyi
	Fencing	Sisulwini	R55 000	
Ward 7	Tyoksville Electrification 1824	Tyoksville	ESKOM	Mr. Ntonga
	Ploughing	Sikhemane	R74 000	Mr. Ntonga
		Ntshakeni		
		Lubhalasi		
	Fomalization of Santombe	Santombe	R400 000	Mr. Ntonga
	Extention 3 Mount Ayliff	Mount Ayliff	R450 000	
	Mapping	Mount Ayliff	ULM	
Urban Renewal	Mount Ayliff	ULM		

	Street Naming	Mount Ayliff	U	
	High Mast	Mount Ayliff	R500 000	
	Trading Facility	Mount Ayliff	2m	Ms Batyi
	Renovation OF Hawker Stalls	Mount Ayliff	R250 000	
Ward 8	Ndikini to Majalimani	Ndikini and Majalimani		Mr. Ntonga
	Ploughing	Lesotho	R74 000	Ms Batyi
		Mapheleni		
Natal				
WARD 9	Sugarbush AR 1.4km maintatnce	Sugarbush		Mr. Ntonga
	Luxwesa AR Maintenance	Luxwesa		
	Goso AR Maintenance	Goso		
Ward 10	Nomkholokotho to Sifolweni			Mr. Ntonga
	Ploughing	Ntsimangweni	R74 000	Ms. Batyi
Fencing	R55 000			
Ward 11	Surfacing to mission	Rhode	7m	Mr. Ntonga
	Ploughing	Sithinteni	R74 000	Ms Batyi
	Peach Support	ALL Villages with Peach	DEDEA	
Ward 12				
	Ploughing	Tyeni	R74 000	Batyi
Ward 13	Ploughing	Ntlabeni	R74 000	
	Tshane AR 10km	Tshatsheni	R4.5m	
Ward 14	Ploughing	Ngwentsheni	R74 0000	Batyi
	Peach Support	Makoloninin	DEDEA	
		Mandileni		
		Niyona		
		Ngwetsheni		
Chwebeni AR and Bridge	Chwebeni	R6.m	Ntonga	
Ward 15	Ploughing	Mpendla	R74 000	Batyi
	Pole support	Mpendla	DEDEA	
	Peach Support	Mpandla		
		Lugangeni		
		Mbodleni		
		Nkanini		
		Cabazi		
		Skolweni		
		Zixobo		
Gubhuzi				

		rhudlewni		
	Sirhudlwini community hall	Sirhudlwini	R1.5m	Mr. Ntonga
	Mrhwaqa Bridge	Marhaqwa	1.8m	
Ward 16	Ploughing	Galali	R74 000	Ms. Batyi
	Fencing		R55 000	
	Galali Zibokwani and bridge	Galali and Zibridge	R2.5m	
Ward 17	Ploughing	Nconteni	R74 000	Ms. Batyi
	Two High must	Lubhacweni	R55 000	
	Maintanance of Lubhacweni AR	Lubhacweni	R900 000	Mr. Ntonga
Ward 18	Renovation of Existing Hawker stall	Mount Frere	R250 000	Ms. Batyi
	Nursery		R300 000	
	Staff Housing and Accommodation		R2.5m	Mr. Ntonga
	Surfacing of Mount Frere		R15m	
	Mapping		DPLGTA	
	Street Naming		R500 000	
Ward 19	Ploughing	Upper Dungu Ehlathini	R74 000	Ms Batyi
	Electrificatio of Mntwana and Upper Mtshazi 558 house holds	Mntwana and Upper Mtshazi	eskom	Ntonga
	Osborn Bridge	Osborn		
Ward 20	Ploughing	Mawusheni	R74 000	Ms. Batyi
	Peach Support	Essek Farm	DEDEA	
		Lwandlana		
		NXabaxha		
	Dangwanan			
Ward 21	Fencing	Zibokwana	DEDEA	Ms Batyi
	Eletrification at Mhlanganisweni (Ntunta JSS	Mhlanganisweni	Eskom	Ntonga
	Njoji –Magidigidi AR	Njoji –Magidigidi	R1.1m	
Ward 22	Ploughing	Mjikelweni	R74 000	Ms Batyi
	Fencing	Mjikelweni	R55 000	
	Peach Support	All villages with support	DEDEA	
		Bhibha		
	Thwa			

	Electricity at Mjikelweni 897 hlh	Mjikelweni	ESKOM	Ntonga
Ward 23	Ploughing	Qhukanci	R74 000	
	Pole Support	Chancele	DEDEA	
	Magwaca AR	Magwaca		
WARD 24	Ploughing	Ncome	R74 000	
	Pole Plantation	Cholwana/ Maxhegweni	DEDEA	
	Ngojini via Ngxongo	Ngojini and Ngxongo		

DRAFT IDP PROJECTS 2011/2012+		:OFFICE OF THE MUNICIPAL MANAGER	
	PROJECT NAME	BUDGETED AMOUNT (CAPX OR OPEX)	RESPONSIBLE PERSON
	ANNUAL REPORTS	200 000	Mr. Nota
	IDP	200 000	
	INTERNAL AUDIT SERVICES	521 772	
	IGR	200 000	
	COMMUNITY BASED PLANNING	315 900	
	CORPORATE SERVICES		
	CAREER EXHIBITION	80 000	Mrs Kubone
	RETENTION STRATEGY	250 000	
	BULK ICT LICENCING (payday, Microsoft, edms)	200 000	
STRATEGIC SUPPORT & INDUCTION	600 000		
EMPLOYMENT EQUITY PROGRAMMES	50 00		
BATHO PELE PROGAMMES	200 000		
EMPLOYMENT			

	RELATIONS PROGRAMME	50 000	
	FURNITURE & OFFICE EQUIPMENT	150 000	
	WEBSITE DEVELOPMENT	50 000	
	ICT NETWORK	620 000	
	ICT PROGRAMMES	500 000	
	EDMS	200 000	
	ICT INFRASTRUCTURE	60 000	
INFRASTRUCTURE AND PLANNING			
	FORMALIZATION OF SANTOMBE	400 000	Mr. Ntonga
	EXTENTION 3 MOUNT AYLIFF	450 000	
	FORMALIZATION OF BADIBANISE	400 000	
	MAPPING	300 000	
	URBAN RENEWAL	300 000	
	BUILDING CONTROL AWARENESS	300 000	
	MIG	31 157 000	
	GIS SYSTEM	100 000	
	HIGH MAST	1 500 000	
	SERVICES	2 000 000	
	STAFF HOUSING	1. 500 000	
	REHABILITATION OF MOUNT AYLIFF	600 000	

	HALL		
	DLTC	450 0 000	
	STREET NAMING	450 000	
	BUDGET AND TREASURY		
	DEPT COLLECTIO PROJECT	500 000	Mr.Hloba
	INTERIM VALUATION	350 000	
	INSTALLATION OF POST BOXES	850 000	
	FINANCIAL SYSTEMS	1 048 000	
	MSIG	790 000	
	FREEBASIC SERVICES	1,048,000	
INDIGENT SUPPORT	772 410		
LOCAL ECONOMIC DEVELOPMENT			
SMME EXTERNAL	100 000	Ms Vitshima	
AGRARIAN REFORM	1 500 000		
DEDEA PROJECTS	2 000 000		
ENVIRONMENTAL MANAGEMENT	600 000		
FORESTRY DEVELOPMENT	200 000		
INVESTMENT PROMOTION	300 000		
SMME DEVELOPMENT	100 000		

	TOURISM	200 000	
	FENCING	1 000 000	
	TRADING Facility	2 000 000	
CITIZENS & COMMUNITY SERVICES			
	PROJECT NAME	BUDGETED AMOUNT (CAPX OR OPEX)	RESPONSIBLE PERSON
	HIV&AIDS	200 000	Mr.Sineke
	FOOD FOR WASTE	737 100	
	COMMUNITY FACILITIES (Greening, Sophia park upgrading,Waste Buy back Centre)	1500 000	
	CEMETIREIS	631 000	
	PUBLIC SAFTEY	1 00 000	
	POUND SERVICES	130 000	
	Communication Equipment	115 000	

	TRAFFIC EQUIPMENT	100 000	
	DISASTER MANAGEMENT	300 000	
	TOOL AND EQUIPMENT	200 000	
	REFUSE bags	526 500	
	REPAIRS AND MANTAINANCE	477 000	
	SP AND COMMUNICATION		
	IGR	41 920	Mr. Khulu
	SPU PROGRAMMES	524 000	
	COMMUNITY RADIO SUPPORT	250 000	

CHAPTER 2
PROJECTS FROM SECTOR DEPARTMENTS

PROJECTS FOR 2011 / 12

DEPARTMENT NAME:RURAL DEVELOPMENT AND AGRARIAN REFORM

PROJECT NAME	FINANCIAL YEAR	BUDGETED AMOUNT	WARD	VILLAGE	BENEFICIARIES
CASP					
Ntsizwa dipping tank	2011	1 078000.00	6	Ntsizwa	137
Lets Development Multi purpose farming coop	2011	100 000.00	10	Colana	11
Matyeni shearing shed	2011	800 000 .00	14	Matyeni	18
Nqalweni dip tank renovation	2011	218 000.00	14	Nqalweni	76

Mqhekezweni	2011	1078000.00	6	Mqhekezweni	2011	33 750,00
TOTAL Luyengweni vegetable production	1 333 600				80	
Nyosini	2011	33 750.00	13	Nyosini	80	
Sithinteni	2011	33 750.00	11	Sithinteni	80	
Lugangeni	2011	33 750.00	15	Lugangeni	80	
Mvumelwano	2011	27 000.00	24	Mvumelwano	20	
Ntsheleni	2011	27 000.00	10	Ntsheleni	20	
Masiphakame project	2011	48 000.00	3	Dundee	24	
Mdumazulu	2011	48 000.00	2	Sipolweni	14	
Sinoxolo Home based	2011	5000.00	8	Bhonga	19	
TOTAL	256250					
POULTRY PRODUCTION						
DZ Ndzamele poultry project	2011	10 000.00	20	Toleni	2	
Zibokwana poultry project	2011	10 000.00	21	Mhlokwana	2	
Lusuthu youth project	2011	5 000.00	8	Lusuthu	6	
Vuka wenze poultry project	2011	5 .00000	4	Betshwane	11	
Silindithemba	2011	31757.00	9	Dutyini	28	
Gudlintaba	2011	48000.00	11	Ndakeni	10	
Thuthukani	2011	34 242.50	8	Lugelweni	12	
TOTAL	143999.5					
PIGGERY PRODUCTION						
Nomzamo piggery	2011	8 000.00	12	Lutateni	5	

Mpongweni piggery	2011	8000.00	19	Tshungwana	7
TOTAL			16000.00		
SCHOOLS					
Semeni J.S.S	2011	6 250.00	16	Semeni	15
Upper Mntwana J.S.S		6 250.00	19	Upper mntwana	18
Kuyasa J.S.S	2011	6 250.00	23	Mabhobho	23
Mngcisane J.S.S		6 250	21	Mvuzi	28
Bhonga J.S.S	2011	25 000.00	8	Bhonga	21
TOTAL				50 000.00	
FOOD MASSIVE/SIYAKHULA					
2011					
Matyeni maize production	2011	441 852.02	14	Matyeni	85
Mzintlava maize production	2011	265 112 .00	8	Lugelweni	102
Cabazana sorghums production	2011	55250.00	1	Cabazana	117
Mt Frere broiler production	2011	176 740.05		10 various	53
Mt Ayliff Farming maize production	2011	29250.00	8	Lugelweni	6
Njjini maize production	2011	278 525.00	22	Njjini	1
TOTAL				1246729.07	
LETSEMA FOOD PRODUCTION PROGRAMME					
Nqalweni potatoes production	2011	83000.00	14	Nqalweni	
Sigidini egg production	2011	300 000.00	4	Sigidini	104
Matyeni egg production	2011	204500	14	Matyeni	25 projects

TOTAL					58700
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LAND CARE					
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BHIBHA FENCING	2011	486000	15	Bhibha	21
PHUKA	2011	594000	1	Brooksnek	1

TOTAL		1 08000			
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ANIMAL HEALTH					
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RABIES	2011	60 000.00	All	Various	25859
SHEEP SCAB CONTROL	2011	200 000.00	All	Various	202527
TB & CA	2011		All	Various	
CATTLE DIPPING	2011	200 000.00	All	Various	72893
ANTHRAX	2011	150 000.00	All	Various	72893

TOTAL		610 000			
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ALFRED NZO DM PROPOSED PROJECTS FOR 2011/12 TO BE IMPLEMENTED WITHIN UMZIMVUBU LOCAL MUNICIPALITY

PROJECT/PROGRAMME	SOURCE OF FUNDING	BUDGET	2011/2012	VILLAGES SERVED	WARD NO.
Cabazana Water	MIG		6,045,000.00	Cabazana, Zinkawini, Trustini, Emanxiweni, Phuka A, kwaNtuli, Cabazana AA	1 & 2
Hlane water supply phase 2	MIG		1,462,500.00	Mtwana, Maphakama, Ngqinibeni, Upper Dungu, KwaYoba, Semeni, eMoyeni, and Galali	19
Cabazi water	MIG		2,437,500.00	Gubuzi, Mpendle, Cabazi & Zixhobo	15
Kwabaca Regional Bulk WS	MIG		14,625,000.00	Mt. Frere town & Villages	10
Siqhingeni water	MIG		2,437,500.00	Siqhingeni & other villages	10
Nomkholokotho water supply	MIG		1,170,000.00	Nomkholokotho & 3 subvillages	10

PROJECT/PROGRAMME	SOURCE OF FUNDING	BUDGET	2011/2012	VILLAGES SERVED	WARD NO.
Ngqumane water supply	MIG		1,462,500.00	Dingezweni, Madlangani, Gudlintaba, Gqala, Nciniba and Manxiweni.	10
Qwidlana water supply	MIG		11,805,160.77	Pitshini, Mdeni, Qukanca, Bumbane, Dlabhaneni, Mlenze, Hlabakazi, Ndakeni, Ntabinja, Zikekini, Mkrobe, Matyamhlophe, Ncome Spring and	23 & 24
Ntibane water supply	MIG		9,262,500.00	Ntibane	12
ANDM VIP Sanitation Umzimvubu	MIG		30,298,264.23	Gcinasonke & Amanz'abantu Engineers	
Mt Ayliff - Peri - urban	MIG		1,170,000.00	Mt. Ayliff & surrounding villages	7
Mt frere -peri - Urban	MIG		1,170,000.00	Mt. Frere, Mbodleni, Lubhacweni & Ntenetyana	17 & 18

PROJECT/PROGRAMME	SOURCE OF FUNDING	BUDGET	2011/2012	VILLAGES SERVED	WARD NO.
Feasibility Studies	MIG		R5,5m		6, 13, 14, 22, 23, 24
TOTAL			R88,845 925.00		

SECTION D
CHAPTER 1
FINANCIAL MANAGEMENT FRAMEWORK

Budget Summary

ULM	2010& 11	2011& 12	2012& 13	2013&2014
Personal Expenditure	51,371,601	50 659 297	53 ,344,240	66 278 173
General Expenditure	21,217,877	45,818,204	48,246,569	50,900,130
Grants & Subsidies Paid		3,570,410	3,759,642	3,966,422
Repairs & Maintenance	2,232,519	3,853,634	4,057,877	4,281,060
Capital Expenditure	70,475,700	67,103,490	70,659,975	74,546,234
TOTAL	145,297,697	171,005,035	180,068,303	199,972,019
COUNCIL	2010& 11	2011& 12	2012& 13	2013&2014
Council- Rev				
Council- Pers Exp	11,099,647	12 700 668	13 373 803	14 109 362
Council- Gen Exp	2,148,733	3 645 162	3 838 355	4 049 465
Council- Rep & Maint	4,757	31 440	33 106	34 927
Council- Cap Exp	500,000	100 000	105 300	111 092
TOTAL	13,753,137	16 477, 270	13 173. 50	18 304.85
MM'S OFFICE	2010& 11	2011& 12	2012& 13	2013&2014
MM's Office- Rev				
MM's Office- Pers Exp	2,896,902	2 373 727	2 499 534	2 637 009
MM's Office- Gen Exp	1,918,557	6 680 781	6 824 263	7 199 597
MM's Office- Rep & Maint	25,000	30 480	32 095	33 861

MM's Office- Cap Exp	925,000	57 640	60 695	64 033
TOTAL	5,765,458	7,142,623	9,4165,587	9,934,500
BTO	2010& 11	2011/ 12	2012& 13	2013&2014
BTO- Rev	95,592,000	-129 833 000	-136 714 149	-144 233 427
BTO- Pers Exp	6,565,843	6 065 716	6 387 199	6 738 495
BTO- Gen Exp	7,776,377	11 951 500	12 584 930	13 277 101
BTO- Rep & Maint	127,062	166 898	175 744	185 410
BTO- Cap Exp	3,950,000	1 461 450	1 538 906	1 623 546
TOTAL	18,419,283	149, 478,564	157,400,928	166,057,979
CORPOARATE SERV	2010& 11	2011& 12	2012& 13	2013&2014
Corpoarate Serv- Rev	80,000	-73 530	-77 427	-81 685
Corpoarate Serv- Pers Exp	5,675,684	5 463 449	5 753 012	6 069 428
Corpoarate Serv- Gen Exp	1,860,788	7 889 630	8 307 780	8 764 708
Corpoarate Serv- Rep & Maint	112,148	125 000	131 625	138 864
Corpoarate Serv- Cap Exp	2,846,700	1 140 000	1 200 420	1 270 613
TOTAL	10,575,319	14,691,609	15,470,264	16,325,298
Comm. Serv	2010& 11	2011& 12	2012& 13	
Comm. Serv- Rev	5,325,200	5,935,250	6,365,300	
Comm. Serv- Pers Exp	14,066,573	14,938,701	15,820,084	
Comm. Serv- Gen Exp	2,959,595	3,143,090	3,328,533	

Comm. Serv- Rep & Maint	182,861	194,198	205,656	
Comm. Serv- Cap Exp	3,240,000	6,950,000	12,600,000	
TOTAL	20,449,029	25,225,989	31,954,273	
INFR. PLANNING & DEVELOPMENT	2010& 11	2011& 12	2012& 13	2013&14
Infrastructure- Rev	44,244,000	-56 357 000	-59 343 921	-62 607 837
Infrastructure- Pers Exp	5,997,056	5 581 989	5 877 835	6 201 116
Infrastructure- Gen Exp	1,819,467	3 887 911	4 062 380	4 285 811
Infrastructure- Rep & Maint	1,719,537	2 960 000	3 116 880	3 288 308
Infrastructure- Cap Exp	56,939,000	56 357 000	59 343 921	62 607 837
TOTAL		125,143,900	128,628,057	138,990,909
LED	2010& 11	2011& 12	2012& 13	2013&2014
LED- Rev	60,000	-2 061 800	-2 171 075	-2 290 485
LED- Pers Exp	2,140,031	2 017 524	2 124 452	2 241 297
LED- Gen Exp	518,824	5 365 500	5 649 871	5 960 614
LED- Rep & Maint	37,285	5 000	5 265 00	5 554.58
LED- Cap Exp	2,075,000	3 050 000	3 211 650	3 388 290
TOTAL	4,771,140	12,499,824	13,683,548	14,436,144
SPU & COMMUNICATINS	2010& 11	2011& 12	2012& 13	2013&2014
SPU& Comm.- Rev		-55 673	-59 125	-62 613

SPU& Comm.- Pers Exp	2,929,864	3 252 437	3 424 816	3 613 181
SPU& Comm.- Gen Exp	2,215,536	2 543 220	2 454 523	2 589 521
SPU& Comm.- Rep & Maint	17,000	17 816	17 901	18 886
SPU& Comm.- Cap Exp	-	52400	52650	55545.75
TOTAL	5,162,399	5,865,873	6,009,015	6,339,749

CHAPTER 3

3.1 SPATIAL DEVELOPMENT FRMAEWORK

This section of the Umzimvubu SDF will identify the development strategies and objectives to be followed by the Municipality in achieving an integrated and sustainable spatial development pattern in the medium to long term. The strategies and objectives identified in this report will be expanded upon by a list of identified projects that should be implemented as part of the various programmes of the Municipality.

The strategies and objectives identified in the SDF are mostly strategic in nature, and will have to be expanded upon in further detailed studies, policies and local spatial development plans. It may further be required that the institutional capacity of the Municipality be strengthened in order to achieve the objectives of these strategies and proposals.

In order to provide the Municipality with a clear process plan on the implementation of the following development strategies, it is proposed that the development strategies list is not too comprehensive that the focus of the basic planning principles for these strategies is lost. Instead, the core strategies for the future spatial development of the Municipality will be identified, and integrated into the spatial proposals section of the SDF.

The development strategies for the Municipality are based on the existing situation in respect of physical development, existing opportunities and constraints and the economic activities that drive the local economy of the Municipality. The following development strategies are thus proposed for the development of the Municipality.

- a. Build on the opportunities identified as the key drivers of the future development of the Municipality.
- b. Address the constraints identified, in order to achieve a more sustainable development pattern.

This section outlines the municipal and SDF vision for the study area, planning principles to give effect to the desired spatial form and SDF objectives. It is important that the SDF is contextualised in terms of the vision, mission, objectives, strategies priorities and key spatial challenges as defined and identified within the IDP.

1. Vision and Mission for the Umzimvubu Municipality

The vision for the Umzimvubu Municipality as adopted as part of its 2009/10 IDP is:

Vision:

Mission:

“A municipality that is known to put community first. We will render quality services through our employees and create a platform for vital economic activity which will create sustainable financial viability and development for a better life for all”.

2. Strategic Direction for the Umzimvubu Municipality

The Municipality has set a vision and mission to provide strategic direction for all planning and service delivery in the municipality. In order to achieve the above vision and mission, the IDP

“To ensure delivery of quality services that promote economic growth, support development and respond to the community needs in accordance with our developmental mandate”.

identified the following development priorities for the municipality:

1. Infrastructure priorities
2. Economic priorities
3. Spatial priorities
4. Social priorities
5. Institutional priorities

3. Strategic Alignment with other Planning initiatives

The municipality is an integral part of the South African development State. It must strive for synergy with the programmes of the Republic of South Africa. This section provides an overview of the strategic plans, principles that have informed and influenced the macro strategic direction that should be followed by the Municipality.

3.1. NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE

The key priorities for the new Government were for the increase in economic growth and promote social inclusion. National Spatial Development Perspective (NSDP) is a critical instrument for policy coordination, with regard to the spatial implication of infrastructure programmes in national, provincial and local spheres of government.

NSDP has been approved as an indicative tool for development planning in the government. In order to contribute to the growth and development policy objectives of the government, the NSDP puts forward a set of 5 normative principles:

Principle 1: Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, amongst which poverty alleviation is key.

Principle 2: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy and education facilities) wherever they reside.

Principle 3: Government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.

Principle 4: Efforts to address past and current social inequalities should focus on people, not places. In localities where there are both high levels of poverty and demonstrated economic potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low demonstrated economic potential, government should, beyond the provision of basic services, concentrate primarily human capital development by providing social transfers such as grants, education and training and poverty relief programmes and reducing migration cost by providing labour market intelligence so as to give people better information opportunities and capabilities to enable people to gravitate, if they chose to, to localities that are likely to provide sustainable employment and economic opportunities.

Principle 5: In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent or link to the main growth centres. Infrastructure investment should primarily support localities that will become major growth nodes in South Africa and the SADC region to create regional gateways to the global economy.

3.2. EASTERN CAPE PROVINCIAL SPATIAL DEVELOPMENT PLAN

The Eastern Cape Provincial Spatial Development Plan (ECPSDP) gives guidance on the principles that should underpin the strategic approach to spatial development and management. To this end, a targeted and phased approach to development is recommended. Both targeting and phasing are seen as crucial in tackling basic needs and attaining sustainable local economic development.

The ECPSDP advocates a three levels approach for strategic investment to achieve the most significant results:

5. **Basic Need to All** – whereby the provision of basic services based on constitutional rights are targeted at areas of highest need e.g. water, sanitation, housing, health and education.
6. **Building Capacity** – whereby public sector investment, particularly economic infrastructure, is prioritized in areas of growth and opportunity
7. **Targeted Focus Area** – in which public investment is used to “crowd in” private sector investment in areas of high growth potential.

The ECPSDP takes into account the following characteristics;

1. **Settlement hierarchy**: This involves focusing investment strategically at three levels of support. The plan promotes identification of nodes and corridors with opportunity and targets development initiatives which promote consolidation of settlements to facilitate cost effective development.
2. **Flexible zoning**: allowing for flexibility for special kinds of investment.
3. **Resources sustainability**: Monitoring of the use of resources to ensure sustainability and minimization of environmental impacts in all land developments
4. **Restricted development zone**: identification of environmentally sensitive areas and ensuring that developments do not occur, for example wetlands, state forest, dune systems, river estuaries, game and nature reserves, heritage sites etc.
5. **Accessibility**: promotion of accessibility of resources and investment programs for the poor.
6. **Spatial Integration**: promotion of integrated development with maximum spatial benefits, integrating communities and the spatial economy.

3.3. ALFRED NZO DISTRICT MUNICIPALITY SPATIAL DEVELOPMENT FRAMEWORK 2007

The Alfred Nzo District Municipality Spatial Development Framework (ANDMSDF) provides guidance for the future development of the Alfred Nzo District Municipality. It is expected to be

aligned with both local municipal SDFs within the district as well as provincial and national guidelines.

The ANDMSDF provide the following planning principles:

Access Routes as investment line: the hierarchy of access routes represent the spines around which development has and will be attracted and which provides guidance to levels of development and intensity.

A service centre strategy: creating a hierarchy of service centre offering a range of facilities and activities throughout the municipality. Three levels of centres are suggested to include primary, secondary and tertiary centres accommodating both economic and institutional development, amenities and facilities as well as an appropriate range of residential accommodation.

Environmental integration: the natural environment is regarded as prime asset and resource base for the district. Environmental sustainability, restoration and rehabilitation and appropriate usage forms the basis for this approach. The utilisation of natural resources is suggested to inter alia contribute to appropriate local economic and social development. The natural environment needs to be integrated into development approaches of other developments components. The development of agriculture is a key driver of the rural economy.

Establishing a management Framework: Having established an investment framework and natural resources base, it is possible to identify an overall management framework to guide future development. Such guidance will include the identification of primary land use zones such as environmental conservation zones, agricultural zones, areas for residential settlement, a hierarchy of nodal development, tourism nodes etc.

3.4. SUSTAINABLE DEVELOPMENT PLAN

The sustainable spatial development framework for Umzimvubu Municipality will be a tool applied to improve the quality of life of residents. To this end the framework has to adopt the principles of sustainable development that is..."development that delivers basic environmental, social and economic services to all without threatening the viability of the natural, built and social systems upon which these depend" (ICLEI 1995).

The framework will be used for establishment of sustainable program, indicators to track progress toward specific targets, and substantive actions to be taken by the different stakeholders. If the basic rules of leaving the same or an improved resource endowment as bequest to the future applied broadly developments and communities utilizing them have a chance thrive.

The framework facilitates economic development without compromising the integrity of ecosystems and community systems from family, neighbourhood through to the metro level. Developments in the municipality should not be seen in isolation, but rather as contributing to provincial and the country's development priorities, principally those aimed at improving the overall quality of life while ensuring sustainable utilisation of the environment.

It is important to develop partnership and synergy among relevant institutions, government and non-government agencies, to build onto existing strengths at local, provincial and national levels.

The challenge would therefore include, among others:

- Ensuring that capacity and resources are utilised optimally
- Equitable distribution of benefits within the community
- Prevention of degradation
- Local government participation
- Management interventions at different levels
- A convergence in economic, social and ecological foundations that guide technologies adopted for development
- Implementation of guidelines as provided for by South African Law

Economic development that perceives the biophysical environment goods and services as free inputs and a sink for waste products are likely not to succeed in the long term and measures have to be developed for the Municipality to assess the extent to which this is happening, and develop management practices to address the issue.

4. Development Vision

The vision for the spatial development is providing and appropriate guidance for the co-ordinated and integrated development of the Umzimvubu Local Municipality in terms of:

- Human and socio-economic development;
- Community capacity building and empowerment;
- Appropriate service provision;
- Improved utilisation of existing and potential future the development opportunities of the local municipality;
- Rural and urban development; and
- Increased tourism development

5. Development Concept

The following section outlines principles, approaches and concepts for creating the Umzimvubu Spatial Development Framework. It includes broad

- Guiding principles;
- Strategies for nodal development;
- Strategies for clustering development;
- Strategies for investment framework
- Urban edges

6. Guiding Principles

6.1 ESTABLISHING STRUCTURE

The establishment of land use structure provides guidance for the future development and intentions as well as for the control and management of such development. As such it facilitates the appropriate location of land uses, physical and social services contributing to the utilization of the unique resources of the area and the adequate integration of various development components. Such development structure would primarily be established on the basis of a hierarchy of levels of accessibility.

6.2 FACILITATING INTEGRATION

Issues of integration at the municipal level relate primarily to aspects of integration with the development of surrounding municipalities, the integration and appropriate linkage of local municipal development within the district, the integration and appropriate connection of major land use components, the integration of undeveloped areas into the system of higher development areas, the integration of natural environments with urban development etc. Integration allows for the creation of richer and more varied environment providing greater development options.

6.3 CREATING GENERATIVE SYSTEM

The land use structure established should be able to guide the generation of activities in appropriate locations and identify adequate spatial capacity to provide accommodation for expected generation of increased thresholds. The concentration of appropriate development in

adequately located development nodes and corridors will enable the provision of a range of amenities and facilities and the consequent creation of increased levels of threshold for local economic development while preventing undesirable sprawl. Appropriate initial impetus should be created for the establishment of generative and ongoing developmental process.

6.4 SEEKING COMPLEXITY IN SYSTEM

The creation of complexity as opposed to promoting monotonous single use development creates greater variety and attraction, encourages the shared use of scarce resources and opportunities and enables the development of greater threshold levels for local economic development.

6.5 DEVELOPMENT PLANNING

Development does not consist of a single event but of a process of action reaction and renewed action. Development Planning needs to appropriately accommodate natural development progression. It needs to be ensuring that the appropriate strategic initial development steps are taken and that planning is adequately visionary to provide guidance for the future continued development without being overly prescriptive.

6.6 SPACE AND PLACE

Appropriate development planning needs to respond appropriately to the context and uniqueness of places and areas. It is this input which provides the appropriate structuring elements of the development, the appropriate usage and development of areas, while building on the uniqueness of the areas and while creating unique and appropriate development.

7. Centre/ Node Strategy

An outline of a service centre strategy which has been developed some time ago within the provincial context and which is appropriate to the establishment of the SDF. The terminology is suggested to replace other previously utilised terms and would be applicable to both district and local SDF.

Primary Node: the main centres of local municipality within the district, serving generally a radius of 35km, providing most services and activities required at the local municipality level,

being appropriately located to be easily accessed by the majority of the residents of the local municipality by public transportation for weekly and monthly requirements.

Secondary Node: nodal development servicing several local communities with local level facilities, amenities and activities serving generally a radius of approximately 15km required on a weekly basis. Depending on the conditions of the local municipality, the municipality should accommodate two – four such nodes.

Tertiary Nodes: strictly local community centres providing for the basic needs of a community in terms of education, health, recreation, civic and economic activities, depending on local conditions serving an area of 3–5km radius, potentially accessed by residents of the community on daily basis.

NB: it should be noted that local conditions may require a variation of above structure and that higher order will at the same time provide the services and amenities of the relevant lower order centres.

The above-mentioned nodes are proposed as following:

Primary	Mount Frere Mount Ayliff	The main centre of the local municipality. This area should be specifically targeted for the following: Development of new social housing. Investment in infrastructure. Development of amenities, social facilities and recreational facilities. Proper land use management system that facilitates the orderly development of the urban area.
Secondary	Cancele, Pakade & Phuti	This area should be targeting the following: Serving several local communities, with local level amenities and facilities. Investment in infrastructure. Land use management that promotes the use of the areas. Feasibility study on establishing intensive economic development in these areas.
Tertiary	Sphambukeni	This is a smaller node with little residential component and small service supply. It is mainly for providing local communities in terms of health, civic and economic activities i.e. Thusong centre.

8. Cluster Strategy

Sprawling and dispersed settlement is a common acknowledged characteristic of many areas of the provincial landscape. The required provision of improved levels of services, the better management and protection of natural resources suggest a growth strategy which provides for guided and structured growth while accepting the present dispersed development. This suggests the inter alia of the following approaches:

- Emphasis on the development of secondary and tertiary nodes;
- Structuring settlement growth primarily around development nodes and identified corridors;
- Identify appropriate limits for urban sprawl – implement urban edges;
- Actively limiting settlement growth in areas of agricultural opportunity and in identified environmental resources areas; and
- Promotion of increased levels of agricultural activity in areas outside the identified corridors and nodes, structure on appropriate community base and informed by specific local opportunities.

This approach should be promoted in the traditional settlement within Umzimvubu local Municipality.

9. Investment Framework Strategy

10.1 ACCESS ROUTES AS INVESTMENT LINES

The notion of structure aims at establishing a clear framework which facilitates access (access refers to physical, social and economic opportunities) and which creates a framework to direct public and private investment.

The main challenge in this regard is working within a context of scattered settlement. The concept in terms of creating structure is based on working with the resource base, existing settlement patterns and of developing a lattice or network of opportunity within such given pattern.

A key component here is the existing network of roads and access as the foundation of the framework. In particular at the local level it is important to ensure on the one hand that such access opportunities are linked to each other across local municipality boundaries. That the SDF extends beyond the mere identification of existing access routes and identifies potential future strategic linkage opportunities, while on the other hand ensuring that such additional access and linkage contributes to the reconstruction and integration of peripheral and underdeveloped areas.

A hierarchy of access will attract a hierarchy of land uses, investments and development, it appears that development will initially concentrate around centres and nodes and only over time populate the more remote portions of corridors.

These investment lines are also called development corridor and are described as roads that are usually associated with the movement of people between places. This function of facilitating movement of people along a route also means that these movement corridors have the potential to accommodate development of different levels of intensity and a mix land uses.

Mobility Routes – Municipal level	N2 Mthatha - Kokstad R405 Mount Frere - Matatiele
Activity Corridors	Mount Frere Main Road (N2) Mount Ayliff Main Road

These areas have development potential for higher intensity land uses such as high-density residential and business uses.

10.2 ESTABLISHING A MANAGEMENT FRAMEWORK

Having established an investment framework, and being informed by the natural resource base, it is possible to identify an overall management framework to guide future development. Such guidance should include the identification of primary land use zones including environmental conservation zones, agricultural zones and areas for residential settlement etc.

10. Urban Edge

The demarcation of an urban edge for the urban areas in Umzimvubu is important for the achievement of the Spatial Development Framework principles regarding the containment of urban sprawl, the intensification of development and the integration of urban areas.

The urban edge is a line that forms a boundary between urban development and rural/agricultural areas. The urban edge is essential for the protection of valuable agricultural land, natural and cultural resources and will establish beyond which urban development will not permit.

- Limit the sprawl of towns and rural nodes
- Safeguard areas from encroachments
- Encourage densification and infill development.

The urban edge should be aligned according to the existing policy; natural informants i.e. water courses, wetlands, slopes steeper than 1:4, agricultural potential land etc.

11. Economic Development Approaches

Major economic development components include the following:

Commercial and Central Business District: facilitating and guiding existing and future commercial developments, whilst ensuring the sustainable development of land and infrastructure, deliberately fostering linkages between first and second economies (especially tourism), facilitating the growth and health of commercial institution and co-operatives, creating additional opportunities in peripheral under-served areas, tackling services backlogs together with management structures for existing informal activities.

Industrial and manufacturing development: the economy of Umzimvubu Municipality is based on the small scale agricultural and limited tourism related facilities. In order to maximize the comparative economic advantages of the existing facilities, industrial development in the area should focus more in the existing urban nodes and centres and accessibility should be improved.

Within the context of growing demand and strategic regional location and the need to create employment and economic growth, existing activities should be supported and opportunities should be seized to attract investment, diversify the base economy and identify and further develop appropriate infrastructure and site for particular sectors.

An industrial land release strategy should be planned before industrial land is alienated on an ad-hoc basis. An industrial land should be established on the urban edge, avoid location in close proximity to existing ecological sensitive areas and areas of high visual impact.

Agricultural development: supporting the agricultural base economy whilst fostering down stream linkages with smaller and emerging producers, diversify the agricultural economy and provide support to take advantage of emerging opportunities, in particular agri-processing and promoting the development of additional community-based with adequately support system.

Tourism and recreation: actively guide and manage the development of Ntsizwa Mountain for sustainability, protecting its amenity and key assets while allowing growth. Develop and market cultural activities and historical assets that foster tourist linkages with Lesotho, Drakensburg and Coastal lands, co-ordinate and create opportunities for emerging tourism service industries, investing and co-ordinating the development of additional opportunities in both urban and rural areas, ensuring environmental compatibility and sustainability.

Developing Capacity and linkages: develop appropriate capacity in economic sectors that are lacking and facilitate economic sector that are lacking and facilitate economic relationships of mutual benefit particularly with emerging and informal economies. Development in Mount Frere and Mount Ayliff should contribute positively to the economic growth whilst creating jobs, providing skills development and assisting entrepreneurial development. This should in particular include all construction related projects which should have a dual focus from the outset i.e. infrastructure, facility development, job creation and skills development.

Planning for Local Economic Development: Planning and land use management must provide a clear direction for economic development. Planning should give clear importance of agricultural land and provide appropriate protection, while nodal plans should provide clear guidance for the location of various functions, thereby providing a greater level of predictability.

Facilitating access to market and production inputs: despite the good location of Mount Frere and Mount Ayliff in a regional context, transport costs have a serious impact on the local production activity. A key focus therefore needs to be on facilitating access to markets and production inputs in relation to the various nodes and activities.

12. Social Development Approaches

Social development approaches include the following:

Integration of communities: creating spatial and institutional preconditions for the better linkage and integration of communities.

Creating conducive linking environment: providing for the basic needs of the local communities in terms of physical and social services and facilities, providing access to a range of support services including health, education, skills training etc. providing access to local economic development opportunities, creating a built environment which supports the lifestyle and aspiration of the commonalities, integrating the natural environment into the living environment, ensuring that the development is in fact the communities development and that they are suitably involved in such development.

Create suitable social structure: while it is expected that there exist a variety of local social structure, it should be ensured that such structures cover the variety of requirements, are appropriately aptitude and actively integrated into wider municipal structures. In general terms the social fabric of the study area is unique and thus any future development should be based on maintaining the social status quo whilst not excluding future community initiatives.

Social support services and facilities: providing equal access to social support services for all communities and establish these social services and facilities. Creating suitably access to the range of social support services, this is one of the preconditions of appropriate local social development. Higher order facilities and services, serving the entire municipality should be located at an accessible major node. More local services and facilities serving more than two communities should be allocated at identified local service nodes. It is important that as many of such functions are established within or in close proximity of the nodes identified.

Developing capacity local Community Participation: in particular existing local structures may lack capacity to participate meaningfully, even at ward committee level. Interest group not yet participating in local government should be integrated appropriately. The capacitating of local structures is seen as essential in developing local opportunities and in ensuring that the development is owned by the community.

Managing and guiding Local Development: the vital role of local institutional functions is to provide guidance and management of local development by ensuring than the development is in accordance with the agreed guiding policy or plans, checking if suitably local capacities may have to be created by Umzimvubu municipality.

13. Environmental Structure concepts

Consisting of natural features which on the one hand contribute to breaking down urban development into smaller recognisable components while on the other hand being identified for requiring particular protection and management measures to ensure the maintenance and further development of healthy living environments. The elements include:

Local Tributaries: local rivers and streams providing opportunities for linking the natural environment of the major river system, providing local level relief from built environment, while appropriately protected and managed to be positively integrated into development.

Major River systems and Valleys: representing a major natural structuring element representing mostly natural barriers for creating breaks in the built environment, while appropriately protected and managed to be positively integrated into development.

Other environmental resources areas: they include significant hills, African landscape to be integrated and utilised sensitively for suitable tourism and recreation activities, while being adequately protected and managed.

Other environmental influences: this is including micro-climatic issues, pollution issues, and topographic influences etc. all of which are expected to provide a basis for suitable development.

14. Land Use Management Guidelines

The Umzimvubu Municipality governs a land area where a variety of planning and land administration legislation applies.

The situation obviously hampers the rendering of effective land use management services by the local municipality and also places other obstacles in the way of facilitating and fast-tracking development, in certain instances.

The following land–legal legislation is applicable with regard to development control in Umzimvubu:

Transkei Township Ordinance 33 of 1934	Transkei Town Planning Scheme	Mount Frere	Allow people to have full ownership of their properties
Transkei Township Ordinance 33 of 1934	Transkei Town Planning Scheme	Mount Ayliff	Allow people to have full ownership of their properties
Proclamation R174/1921	Permission to Occupy	Surveyed districts of Transkei	Do not allow people to have full ownership of their properties
Proclamation R26/1936	Permission to Occupy	Un-surveyed districts of Transkei	Do not allow people to have full ownership of their properties

Land use management is currently extremely fragmented with different sets of legislation used to regulate land use within the study area. The formulation of land use management guidelines is legislated as an essential component of the SDF. The land use management guidelines

outlined in the SDF should assist with decisions, proposed land use changes and development proposals.

We have established spatial management areas, which is used for the establishment of a range of spatial planning and servicing options that the Umzimvubu Municipality could endorse and make available to prospective beneficiaries of land development process. The following spatial development areas are noted:

- 1. Mount Frere Urban Area**
- 2. Mount Ayliff Urban Area**
- 3. Rural Settlement Areas**

14.1 MOUNT FRERE URBAN AREA

The preferred land use outcomes for Mount Frere Urban Area:

- Land use management is enforceable through normal existing zoning scheme regulations
- Focus on developing nodes and corridors where economic opportunities and resources exists
- Industrial Development
- Traffic Engineering arrangements
- Provide heritage of any heritage building / site
- Regeneration of the Mount Frere CBD by providing hawkers' stall, proper pavement/sidewalks, taxi/bus terminus, greening of the CBD etc.
- Allow for the densification of residential land use
- Identify areas in which business development should be promoted
- Prevent land invasion
- Promoted urban agricultural where feasible.
- Implement Urban edge – limit urban sprawl
- No development should occur with 1:50 and 1:100 year floodline, environmental sensitive areas, slope greater than 1:5 meters, wetland etc
- No development should occur without legislative approval be either environmental or planning approval

14.2 MOUNT AYLIFF URBAN AREA

The preferred land use outcomes for Mount Ayliff Urban Area:

- Land use management is enforceable through normal existing zoning scheme regulations

- Focus on developing nodes and corridors where economic opportunities and resources exist
- Industrial Development
- Traffic Engineering arrangements
- Provide heritage of any heritage building / site
- Regeneration of the Mount Frere CBD by providing hawkers' stall, proper pavement/sidewalks, taxi/bus terminus, greening of the CBD etc.
- Allow for the densification of residential land use
- Identify areas in which business development should be promoted
- Prevent land invasion
- Promote urban agricultural where feasible.
- Implement Urban edge – limit urban sprawl
- No development should occur with 1:50 and 1:100 year floodline, environmental sensitive areas, slope greater than 1:5 meters, wetland etc
- No development should occur without legislative approval be either environmental or planning approval

14.3 RURAL SETTLEMENT AREA

- Growth of rural settlement to be limited through land use management and density control to prevent uncontrolled expansion into communal agricultural land
- Prime and unique agricultural land to be identified and secured from future settlement development
- Conserve the environment and prevent and restore degradation where possible
- Develop a plan for solid waste removal, sanitation
- Development of tourism and resort within the rural area often have a positive spin off
- Access and linkages to rural areas with possibility of tourism and recreation facilities
- Develop game reserves, game farm and provide accommodation in rural areas where there is possibility of wild species
- Develop resorts and water sport facilities along the Umzimvubu River, the nature of the development will be subject to the Department of Water and Affairs and Forestry.
- Develop mountain, hiking trails along the Ntsizwa and surrounding mountains.
- Develop a forest sector plan for expanding the plantation as another way of alleviating poverty.
- High production potential areas should be retained exclusively for agriculture purposes

15. Conclusion

This report highlighted the most important development strategies, concepts and land use management guidelines that will be implemented when creating the Municipal SDF. In order to ensure that a sustainable approach to development is followed, the municipality needs to ensure that its developmental activities are physically sustainable and appropriately located. Moreover, the municipality needs to ensure that its activities are in strategic alignment with broader development processes at a District, Provincial and even at National level.

The spatial implications of these strategies will be addressed by spatial proposals and policies in the following section of the SDF.

SECTION E

1. Sectoral Allingment

1.1 ULM Communucation Strategy

Umzimvubu Local Municipality prepared and adopted the Communication Strategy in October 2009. The purpose of the communication strategy is to enable the municipality, both Council and Management, to communicate in an efficient, co-ordinated, integrated and coherent fashion thus building capacity, both human and capital, within the Municipality with a view of ensuring that the municipality's central messages will be well articulated at all spheres of government.

1.2 Local Economic Developmet Strategy

The municipality is currently reviewing its Local Economic Development Strategy and it is assisted by the Alfred Nzo District Municipality. The development of an LED Strategy therefore would focus on the strengths of the economy (sectors with locational, comparative and competitive advantage) and overcoming the weaknesses in the current LED approach. The LED strategies would need to be crafted in a manner that will guide the Umzimvubu on how to take advantage of economic opportunities, mitigate weaknesses in the economy and assist in the development of an appropriate institutional environment (internally and externally). This should also ensure that the institutional environment is conducive to partnerships and co-ordinated action when initiating the economic growth initiatives.

1.3 UMZIVUBU RISK MANAGEMENT PLAN (RMP)

The municipality is currently having the draft plan (RMP) and it is in the process of submitting it to council for approval. The purpose of this plan is to ensure the efficient and effective internal controls within the institution.

1.4 FRAUD AND ANTI – CORRUPTION STRATEGY (FAC)

The municipality has developed a FAC plan. The purpose of this plan is to ensure that the municipal institution is free from illegal activities relating to fraud and ccorruption

1.5. ULSM Housing Sector Plan

In 2008 council adopted its houing sector Plan. The department of human settle have appointed a service provider to review our Housing Sector Plan

1.6. INVESTMENT PLAN

The Council have developed and adopted an investment plan

1.7 Disaster Magement

The Council is in the process of developing a disaster management plan which will be adopted in April 2011

CHAPTER 2

LOCAL GOVERNMENT TURNAROUND STRATEGY

Cabinet has approved a turnaround strategy aimed at overhauling municipalities that had come under fire to poor service delivery. Tabled by Department of Cooperative governance, the municipal turnaround strategy will aim to involve communities more, a sector which had largely been left out of the decision making. It is hoped that this will ensure behavioural changes are implemented at executive level of the municipalities and corruption is stamped out.

In its deliberation Cabinet approved the proposed action plan with critical milestones to address the local governance challenges with a view to take the sphere of government onto a trajectory of delivery. Cabinet said in a statement. The strategy is also aimed at explaining in detail how government plans change the state of local government in a manner that will ensure local government functions efficiently and effectively in delivering services.

Following the Cabinet approval the strategy was presented to 300 municipalities. In March 2010 the strategy was customised in local municipalities and at Umzimvubu Local Municipality it was presented to ensure our budgets and plans respond to its objectives.

