

# UMKHANYAKUDE DISTRICT MUNICIPALITY



## INTEGRATED DEVELOPMENT PLAN

3<sup>RD</sup> GENERATION: 2012/2013 – 2016/2017

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# LIST OF ABBREVIATIONS

## ABBREVIATIONS

<b>BTO</b>	<b>Budget and Treasury Office</b>
CDW	Community Development Worker
CBO	Community Based Organisation
<b>CFO</b>	<b>Chief Financial Officer</b>
DBSA	Development Bank of South Africa
<b>COGTA</b>	<b>Department of Cooperative Government and Traditional Affairs</b>
DAFF	Department of Water Affairs Forestry and Fisheries
<b>EHP</b>	<b>Environmental Health Practitioner</b>
EIA	Environmental Impact Assessment
<b>EPWP</b>	<b>Extended Public Works Programme</b>
HDI	Human Development Index
<b>IDP</b>	<b>Integrated Development Planning</b>
IGR	Intergovernmental Relations
<b>IWMP</b>	<b>Integrated Waste Management Plan</b>
<b>KPA</b>	<b>Key Performance Area</b>
LED	Local Economic Development
<b>LOS</b>	<b>Level of Service</b>
LUM	Land Use Management
<b>MFMA</b>	<b>Municipal Finance Management Act</b>
MIG	Municipal Infrastructure Grant
<b>MSA</b>	<b>Municipal Systems Act</b>
MTAS	Municipal Turnaround Strategy
NEMA	National Environmental management Act
<b>NPO</b>	<b>Non-Profit Organization</b>
NSDP	National Spatial Development Perspective
<b>PAIA</b>	<b>Promotion of Access to Information Act</b>
<b>PCRD</b>	<b>Project for Conflict Resolution and Development</b>
PGDS	Provincial Growth and Development Strategy

<b>PMS</b>	<b>Performance Management System</b>
PMU	Project Management Unit
<b>RSS</b>	<b>Rapid Services Survey</b>
SCM	Supply Chain Management
<b>SDBIP</b>	<b>Service Delivery Budget and Implementation Plan</b>
SDF	Spatial Development Framework
<b>SEA</b>	<b>Strategic Environmental Assessment</b>
STATSSA	Statistical Services of South Africa
<b>VCT</b>	<b>Voluntary Counselling and Testing</b>
WPLG	White Paper on Local Government
<b>WSA</b>	<b>Water Services Authority</b>
WSDP	Water Service Delivery Plan

## MAYOR'S FOREWORD



Municipalities once more again have reached an important milestone in the Local Government Sphere. This IDP for 2012/2013 financial year, marks the third term of Local Government. Quite clearly the commencement of the third term of Local Government has been characterised by an evolution that resulted in major shifts politically in a few Districts including Umkhanyakude. Umkhanyakude District Municipality made a clean political transition from the first two generation vision statements and related IDP's which set out first to build a District Municipality after the first demarcation process and secondly, to setting out strong governance and service delivery institutions.

Umkhanyakude District Municipality came into being around year 2000. Before then, uThungulu Regional Council was responsible for providing basic services in this area. As a Mayor that has been deployed to this District, it is still difficult to breathe a sigh of relief and be satisfied with what has been achieved thus far in terms of basic service delivery and eradication of poverty. I have an interest at heart to for this District and the team that I am working with politically and administratively has to come up with a winning strategy to address a number of social ills and inequalities within the local communities of Umkhanyakude District.

The new Council was inaugurated on the 30 June 2011 and since then one has been putting a lot of effort towards planning for 2012/2013 financial year. It was realised that the administration as a service delivery machinery had to be sharpened a bit. The Department of Cooperative Governance and Traditional Affairs (KZN COGTA) has not neglected Umkhanyakude DM and has ensured that it provides much needed support. This is highly appreciated. Clean administration is key to quality service delivery. The new Council is committed to ensuring that issues of poor performance, mal administration and corruption are completely eradicated from the administration system. If we lose focus on efficient administration then clean audit by 2014, would be impossible.

The State of the nation address stressed on infrastructure development. As WSA it is expected that the municipality focuses on massive infrastructure development initiatives. High on the agenda is the whole issue of using Jozini Dam to supply water to the entire area of Umkhanyakude. Our strategic partners in both Public and Private sector will be working with us in making the dream come true for most of our people who have been deprived of their basic right even after the beginning of democracy in 1994. The State of the Province address also stressed infrastructure development and specifically mentioned Umkhanyakude as one of the Districts earmarked for water and sanitation projects. If Umkhanyakude District Municipality fails to address infrastructure backlogs, it would have failed to carry out its primary mandate of basic service provision to the people. The support to assist the Municipality to deliver on infrastructure is available from national and provincial departments.

During the third term of Local Government the Council will strategically and actively advance for the participation of *Uhlanga Lomhlabathi, Isilo Samabandla* in the developmental trajectory of Umkhanyakude District Municipality. This approach is critical as Umkhanyakude District has one Royal Palace and 18 traditional councils spread throughout five local Municipality and they own about 50% of the land.

One of the focus areas that the current Council will be committed to during the 3<sup>rd</sup> term of Local Government will be to create an enabling environment for job opportunities for local people. Umkhanyakude District is lucky to have all the elements that make it a prime tourism destination and good climatic conditions that enables it to produce agricultural products that are unique in the whole country such as cashew nuts and amarula fruit. Tourism and agriculture are two competitive advantages that stand out a good chance to assist in achieving the goal of decent job opportunities for masses of people who are trapped in poverty. There is commitment by the District Municipality to address issues of unemployment.

A New Vision has now been developed and is centred around the concept of corridor development. About six corridors have been identified and the plan is that planning around these corridors need to be fast-tracked in order to change the face of the economy for the District. One of the six corridors is the Aisle of Kings Heritage Corridor (Liberation Route: Jozini/N2 Turnoff – Sikhhandane – Kwaliweni – Ingwavuma – Cecil Mack Pass). This corridor includes the Liberation Route which marks an important history in the liberation struggle, as all South Africans celebrated together the centenary of the African National Congress. The area of Ingwavuma played an important role in moving our political activists that wanted to fight apartheid from outside the boarders of the RSA. A number of freedom fighters could not live to see the rewards of their hard work. Some lived to taste rewards for their hard work. We salute all of them especially gogo Nokuhamba Nyawo, who departed from this life on the 07 March 2012. May her soul and many more others, rest in peace.

As a Mayor I strongly believe that *“Umkhonto wegwala uphelela etsheni”* Literally this isiZulu idiom means that a spear of a coward spends too much time being sharpened (because of fear or laziness) which ultimately renders it too thin and hence ineffective. Politically and administratively, there is a commitment to turnaround Umkhanyakude District. Generally in all circles of the District municipality, there is full understanding that anyone who cannot handle the pressure that will be associated with service delivery imperatives, should ship out immediately.

This first 3<sup>rd</sup> generation IDP is dedicated to encouraging a culture of working together with all stakeholders for a better life of Umkhanyakude communities.



Cllr S. J. Vilane  
**HIS WORSHIP THE MAYOR**



## **INTRODUCTION BY THE MUNICIPAL MANAGER**

The preparation of this IDP document has been guided by Section 25 (1) and Section 27 of Municipal Systems Act, Act 32 Of 2000.

The first generation of IDP during 2001 to 2006 was an important milestone in the history of South African municipalities. From its inception, the IDP has been guided by the foundations of the "Third Way" planning which is concerned about integration, participatory governance and performance management. The District Municipality fully ascribes to the third way approach and previous IDPs have been prepared in that fashion. The IDP for 2012/2013 financial year is still based on the third way planning approach but over and above that it will be a very simplified document and will be outcome based.

The IDP for 2012/2013 represents a five year development plan for the District Municipality. During this five year period, alignment of various planning activities will be ensured among the family of municipalities within Umkhanyakude District. At another level, the District Municipality will ensure that proper alignment with sector departments is thoroughly achieved. Sector departments will be engaged with the assistance of KZN CoGTA, so that during the IDP Representative Forum (IDP RF) meetings they are represented by senior officials. In the past municipalities have been facing a challenge of interacting with junior officials which then created a gap in terms of integrated planning and implementation thereof.

This third term of Local Government is associated with the operation phase as the previous two were associated with establishment and consolidation phases. The operation phase will demand that the administration of the municipality is able to deliver quality services rapidly. Internal departments will be staffed properly and it will be expected that legislated mandates associated with each department are carried out with professionally.

Performance targets set for the District Municipality will be carefully monitored at regulated time periods as stipulated by the Performance Management System (PMS) Framework. Various committees have been appointed to oversee this process and the District Municipality will account to local communities and various other interest groups, some of which will be established during this third term of Local government (such as the Human Rights Forum).

Umkhanyakude District Municipality is in a process of transformation in a number of ways. All initiatives that will be engaged will be to the benefit of all local communities. The main focus is going to be in ensuring that basic service provision benefits all communities. Proper communication channels with basic service beneficiaries will be strengthened. The District Municipality will commit itself to giving regular feedback to various stakeholders and interest groups regarding the implementation of the IDP and budget.

The District Municipality is not immune from what is happening outside its jurisdiction. Anything that happens within the Province, Nationally, within the African continent and globally will have an impact on how Umkhanyakude District Municipality develops. The world population has already hit a 7 billion mark and for Umkhanyakude District Municipality it also means that its population has drastically increased. Well thought through forward planning will be critical in order to cater for the needs of communities. Making provision for community needs always compete against a number of issues such as availability of budget, sustainability, environmental concerns just to mention a few. As a District Municipality it is important that in our planning efforts, we factor in all necessities into the equation in order to come up with a balanced approach to development. That

is why Umkhanyakude was represented in the COP 17 because caring for environment is of paramount importance within the District.

In setting out the third generation IDP vision, the Council sought an approach that expresses urgency in addressing historic service delivery backlogs whilst clearly expressing its commitment to long-term transformative economic growth and development. Key features emerging from the new IDP vision and planning processes are the following:

- Translating Political Mandates into practical service delivery programmes;
- Developing and aligning IDP and sector plans;
- Addressing administrative and governance synergies
- Ensuring dynamic organisation (administration and governance);
- Meaningful participation of Amakhosi; and
- Meaningful engagement of organised Civil Society Organisations, National and Provincial Sector Departments and Parastals

The Municipality is focussed on achieving its primary goals as set out in the strategic agenda. There are some external factors that are trying to cause negative energy within the Municipality such as the fire incident that destroyed financial services offices during February 2012. The Municipality would not be deterred in achieving its primary goals for the benefit of people of Umkhanyakude.

A quest for a healthy financial position is high on the District Municipal's agenda. A lot of effort will be put into ensuring that financial management and viability of Umkhanyakude District Municipality will result into an organisation that is undoubtedly a going concern for the foreseeable future. The commitment to receiving a clean audit opinion from AG in 2014 is in the hearts and minds of councillors and staff members.

The IDP for 2012/2013 financial year contains a number of interventions that are aimed at driving the District Municipality to fulfil its developmental and cooperative government mandates as per the provisions of Section 152 and 153 of the Constitution of the Republic of South Africa, Act no 108 of 1996.

I am presenting the first IDP document in the third term of Local Government that will undoubtedly send a message of positive changes for Umkhanyakude District and is more likely to change lives of people on the ground.

PS Gwacela  
**Acting Municipal Manager**

## THE COUNCIL

INITIALS & SURNAME	POSITION
1. Vilane SJ	Mayor
2. Swartz CG	Deputy Mayor
3. Mavimbela HG	Speaker
4. Moodley GP	ExCo Member
5. Nxumalo SH	ExCo Member
6. Zungu MC	ExCo Member
7. Gumbi DL	Council Member
8. Hlabisa VF	Council Member
9. Khumalo LV	Council Member
10. Khumalo MW	Council Member
11. Khumalo SR	Council Member
12. Mabika MS	Council Member
13. Mabuyakhulu PJ	Council Member
14. Mathenjwa M	Council Member
15. Mathonsi ZW	Council Member
16. Mdaka SF	Council Member
17. Mkhwanazi LX	Council Member
18. Mngomezulu BZ	Council Member
19. Msweli MCF	Council Member
20. Mthethwa B	Council Member
21. Mthethwa SP	Council Member
22. Mthethwa TP	Council Member
23. Ngema TN	Council Member
24. Nxumalo MW	Council Member
25. Nyawo ZE	Council Member
26. Sangweni MB	Council Member
27. Tembe BT	Council Member
28. Zikhali AT	Council Member
29. Zikhali NH	Council Member

**Members of the Executive Committee**



**His Worship the Mayor  
Cllr SJ Vilane**



**Deputy Mayor  
Cllr CG Swartz**



**Speaker  
Cllr HG Mavimbela**



**Cllr MC Zungu**

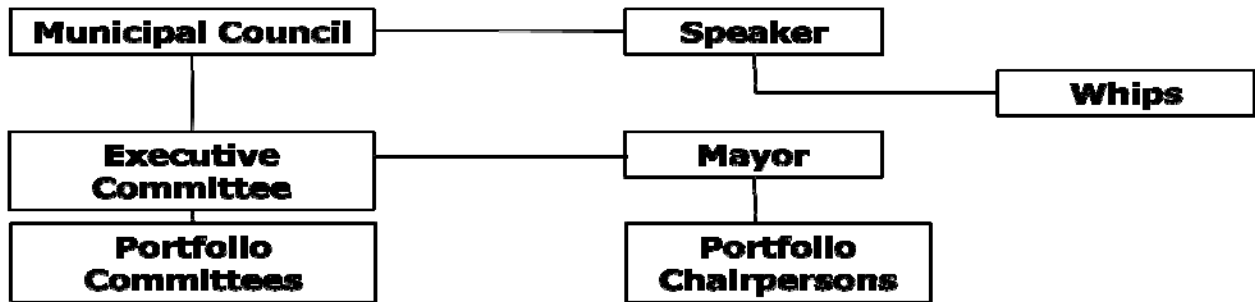


**Cllr GP Moodley**

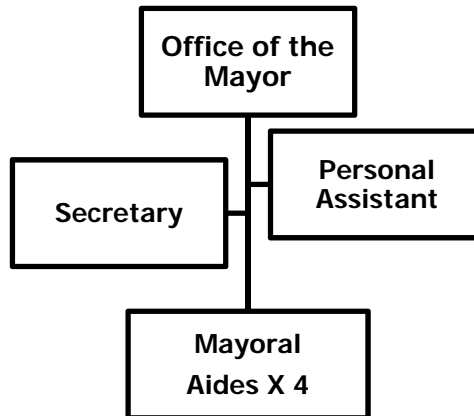


**Cllr SH Nxumalo**

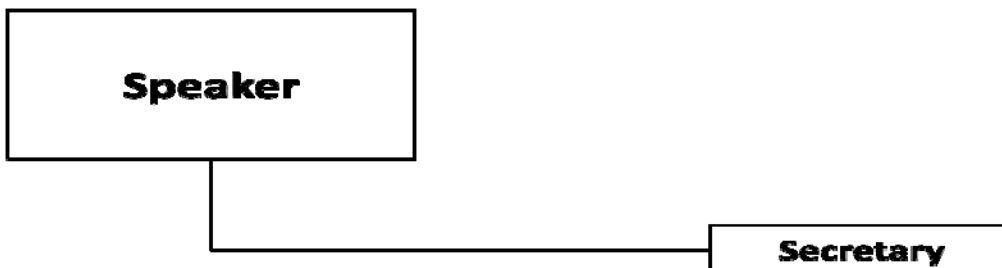
## POLITICAL STRUCTURE



## OFFICE OF THE MAYOR



## OFFICE OF THE SPEAKER



## POWERS AND FUNCTIONS

The powers and functions of the Umkhanyakude District Municipality, tabled in terms of sections 83 and 84 of the Municipal Structures Act, are as follows:

- 1) Integrated Development Planning for the District Municipality as a whole, including a framework for integrated development plans for the local municipalities within the area of the District Municipality, taking into account the integrated developments plans on those local municipalities,
- 2) Bulk supply of water that affects a significant proportion of municipalities in the District
- 3) Bulk supply of electricity that affects a significant proportion of municipalities in the District.
- 4) Municipal Health Services serving the area of the District Municipality as a whole
- 5) Fire Fighting services serving the area of the District Municipality as a whole

The following functions are shared by both the District and its family of municipalities:

- 1) Promotion of local Tourism;
- 2) Fire fighting services;
- 3) Municipal airports;
- 4) Municipal planning;
- 5) Municipal public transport;
- 6) Cemeteries, funeral parlours and crematoria;
- 7) Refuse removals, refuse dumps and solid waste removals;
- 8) The establishment conducts and control of fresh produce markets and abattoirs; and
- 9) Municipal roads which form integral part of a road transport system for the area of the District Municipality as a whole.

## **STRUCTURE OF THE DOCUMENT**

The structure of the document is divided into 11 sections as recommended by KZN CoGTA:

**Section A: Executive Summary**

**Section B: Situational Analysis**

**Section C: Development Strategies**

**Section D: Spatial Development Framework**

**Section E: Sector Involvement**

**Section F: Implementation Plan and SDBIP**

**Section G: Projects**

**Section H: Financial Plan**

**Section I: OPMS**

**Section J: Annexures**

**Section K: Appendices**

# 1. SECTION A: EXECUTIVE SUMMARY

## 1.1 Overview of the District Municipality

Umkhanyakude District Municipality (DC 27) is located in the North East of KwaZulu-Natal Province, South Africa (**Latitude 27°37'21.63"S, Longitude 32°01'47.14"E**). From North East to South East, the District stretches from KwaNgwanase, which is under Umhlabuyalingana Municipality to Mtubatuba. Umkhanyakude District Municipality shares its borders with Swaziland and Mozambique. The Eastern Coastal belt is mainly comprised of environmentally protected areas which are managed by the Isimangaliso Wetland Park Authority. This part of the District was declared as a World Heritage Site. Towards the South of the District, there is Hluhluwe which is under the Big 5 False Bay Municipality. This Municipality is situated almost at the centre of the District. The Lubombo Mountains and the N2 form part of the physical divide within the District. From North West to South West, the District stretches from Manyiseni which is under Jozini municipality to Hlabisa. Along the Western side of the District lies Zululand District Municipality. Umfolozi River which runs along the South of Mtubatuba, separates Umkhanyakude from uThungulu District Municipality.

### Local Municipalities within the District

Umhlabuyalingana Umicity (KZ 271)  
Location: 26°59'52.22"S ; 32°44'7.13"E

Jozini Municipality (KZ 272)  
Location: 27°25'58.42"S ; 32° 3'55.09"E

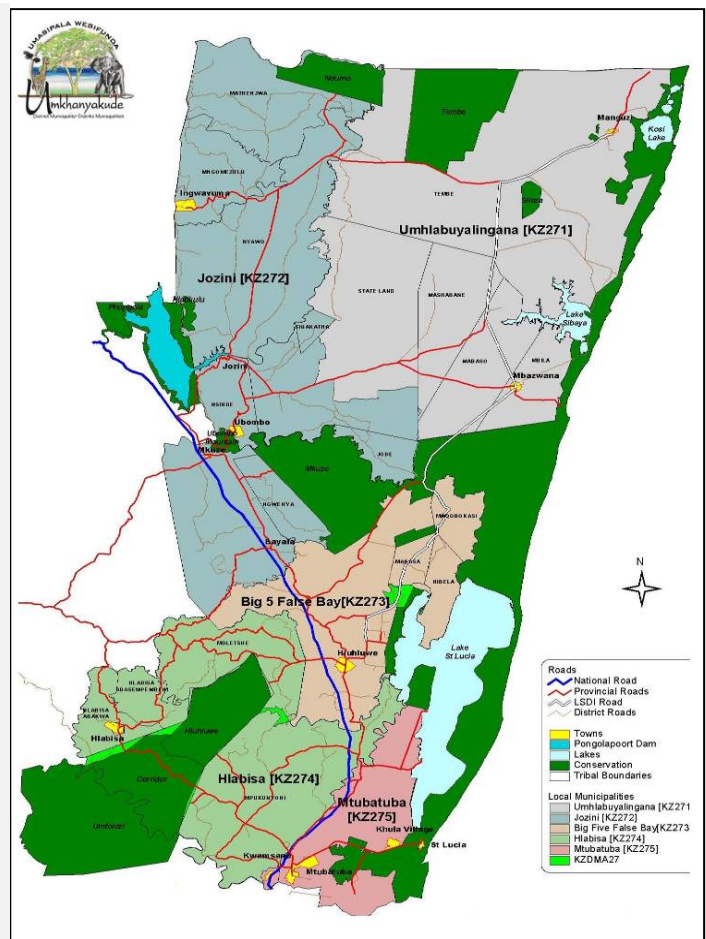
The Big 5 False Bay Municipality (KZ 273)  
Location: 28° 01'70.91"S ; 32°16'23.12"E

Hlabisa Municipality (KZ 274)  
Location: 28° 08'38.46"S ; 31°52'30.75"E

Mtubatuba Municipality (KZ 275)  
Location: 28°24'50.24"S ; 32°11'23.65"E

The District Municipality is located at **Mkhuze**

Size of Land under the jurisdiction of the District Municipality is **12 818 km<sup>2</sup>**





## 1.2 Basis For Developing 2012/2013 IDP – 3<sup>rd</sup> Generation

The 2011/2012 IDP marked the end of the 2<sup>nd</sup> Generation IDPs. The 2012/2013 to 2016/2017 IDPs will be characterised by the 3<sup>rd</sup> Generation of IDPs. From 2013/2014 up until the end of term for the current Council, IDPs will be in the form of reviews. The concept of the IDP is to a certain extent treated as a “going concern”, which means that issues raised for the 2011/2012 IDP have not been totally ignored as they still speak to the credibility of this document.

The main expectation for the 3<sup>rd</sup> Generation of IDP document is that it should be outcome based. The IDP document for 2012/2013 will reflect on the development mandate that the newly elected Council intends implementing. The following issues have been considered during the preparation of the 2012/2013 IDP document:

- Responding on the Outcome Delivery Agreement (Outcome: 12) and its seven (7) outputs, as signed by the Minister (COGTA); all nine (9) Provincial COGTA MECs and all Mayors on the 1<sup>st</sup> of October 2010;
- Responding to KZN priority issues ;
- Addressing Local Government manifesto;
- Responding to issues raised during the provincial and own assessments (SWOT);
- Responding to the comments and issues raised by the MEC for COGTA (KZN) on the 2011/2012 IDP;
- Responding to issues identified as part of the Municipal Turnaround Strategy;
- Developing the new vision, mission, objectives, strategies, programmes and projects;
- Alignment of IDP, Budget and PMS activities of the District with those of the local municipalities
- Updating baseline information to ensure sound decision-making in addressing service delivery gaps;
- Strengthening focused community and stakeholder participation in the IDP processes; and
- Aligning Sector Departments’ strategic plans to the District-wide priorities and service delivery programmes.

This IDP document has also been informed and is aligned to the following strategic documents and National and Provincial strategic objectives:

- The National Spatial Development Framework (NSDP);
- Millennium Development Goals;
- Medium Term Strategic Framework;
- Provincial Growth and Development Strategy;
- Municipal Turnaround Strategy; and
- National Delivery Outcome Agreements (especially outcome nine (9) in relation to Local government and municipalities).

### 1.2.1 The National Spatial Development Framework (NSDP)

The National Spatial Development Framework (NSDP) is based on the following 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, health and educational facilities) wherever they reside.

**Principle 3:** Beyond Principle 2 above, 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 Economic activities and create long-term employment opportunities.

**Principle 4:** Focus on people, not places, in efforts to address past and current social inequalities.

**Principle 5:** In order to overcome the spatial distortions of Apartheid, future settlements and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres.

In the State of the Province address on 22<sup>nd</sup> February 2011 by the Premier of KwaZulu-Natal, the Honourable Dr. Zweli Mkhize outlined the following priorities for KZN, which have also been considered during the development of the IDP for 2012/2013:

- Rural Development / agrarian reform and food security;
- Creating decent work and economic growth;
- Fighting crime;
- Education;
- Health; and
- Nation building and good governance.

### 1.2.2 The Provincial Growth and Development Strategy (PGDS)

The Provincial Growth & Development Strategy (PGDS) is based on the following goals:

1. Job Creation **(KPA 3)**
2. Human Resource Development **(KPA 4)**
3. Human and Community Development **(KPA 1)**
4. Strategic Infrastructure **(KPA 2)**
5. Environmental Sustainability **(KPA 6)**
6. Governance and Policy **(KPA 1)**
7. Spatial Equity **(KPA 6)**

KPAs for the Municipality are linked to the PGDS as indicated in brackets.

### 1.2.3 The Millennium Development Goals (MDG)

South Africa is a signatory of the Millennium Development Goals with other concerned countries. The Millennium Development Goals (MDG) initiative was aimed at attaining the following goals. Each goal has specific target (s):

***Goal 1: Eradicate Extreme Poverty & Hunger***

**Target 1:** Halve between 1990 and 2015 the proportion of people whose income is less than 1\$ per day.

**Target 2:** Halve between 1990 and 2015 the proportion of people who suffer from hunger

***Goal 2: Achieve Universal Primary Education***

**Target 3:** Ensure that by 2015, children everywhere, boys & girls alike, will be able to complete a full course of primary schooling

***Goal 3: Promote gender equality & Empower Women***

**Target 4:** Eliminate gender disparity in Primary and secondary education, preferably by 2005 and in all levels of education by no later than 2015

***Goal 4: Reduce Child Mortality***

**Target 5:** Reduce the under-five year child mortality rate by two thirds, between 1990 and 2015

***Goal 5: Improve Maternal Health***

**Target 6:** Reduce the maternal Mortality ratio by two thirds, between 1990 and 2015

***Goal 6: Combat HIV/AIDS, Malaria and other diseases***

**Target 7:** Have halted and began to reverse the spread of HIV/AIDS by 2015

**Target 8:** Have halted and began to reverse the spread of malaria and other infectious diseases by 2015

***Goal 7: Ensure Environmental Sustainability***

**Target 9:** Integrate the principles of sustainable development into country policies & programmes and reverse the loss of environmental resources

**Target 10:** Halve the proportion of people without sustainable access to safe drinking water & sanitation by 2015

**Target 11:** By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers

***Goal 8: Develop a Global Partnership For development***

**Target 12:** Develop further an open, rule-based, predictable, non-discriminatory trading and financial system, including a commitment to good governance, development and poverty reduction, both Nationally & Internationally

**Target 13:** Address the special needs of the least Developed Countries, including tariff- and quota free access for Least Developed Countries exports, enhanced programme of debt relief for heavily indebted poor countries and cancellation of

official bilateral debt and more generous official development assistance for countries committed to poverty reduction

#### 1.2.4 The Medium-Term Strategic Framework (MTSF)

Section 152 (1) of the Constitution of the Republic of South Africa (1996) states that the objects of local government are:

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organizations in the matters of local government.

Section 152(2) prescribes that a Municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

Section 153 determines that to fulfil its developmental duties a Municipality must-

- Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- Participate in national and provincial development programmes.

This implies that the local sphere of government should align its strategies and priorities to that of national and provincial government. A number of key documents and role players influence the setting of strategies and priorities within municipalities.

The Medium Term Strategic Framework (MTSF) which outlines the priorities, strategic objectives and targets of government for the period 2009 – 2014, indicates National Government's Strategic intent to improve the quality of life of South African communities. An extraction of these priorities as provided in a document issued by the Office of the Presidency: *Together Doing More and Better Medium Term Strategic Framework: A framework to guide government's programmes in the electoral mandate period (2009-2014)*<sup>1</sup>, can be summarized as follows:

- **Strategic Priority 1:** Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.
- **Strategic Priority 2:** Massive programme to build economic and social infrastructure.
- **Strategic priority 3:** Comprehensive rural development strategy linked to land and agrarian reform and food security.
- **Strategic Priority 4:** Strengthen the skills and human resource base.
- **Strategic Priority 5:** Improve the health profile of all South Africans
- **Strategic Priority 6:** Intensify the fight against crime and corruption.
- **Strategic Priority 7:** Build cohesive, caring and sustainable communities.
- **Strategic Priority 8:** Pursuing African advancement and enhanced international cooperation.
- **Strategic Priority 9:** Sustainable Resource Management and use.

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<sup>1</sup> The Presidency Republic of South Africa. 2009. Together doing more and better. Medium term strategic framework. Available at: [http://www.thepresidency.gov.za/docs/pcsa/planning/mtsf\\_july09.pdf](http://www.thepresidency.gov.za/docs/pcsa/planning/mtsf_july09.pdf)

- **Strategic Priority 10:** Building a developmental state including improvement of public services and strengthening democratic institutions.

In addition to the above, the Office of the Presidency published the *Green Paper on National Strategic Planning* (2009)<sup>2</sup> which provides ideas on planning and co-ordination with the aim of achieving the identified national priorities. In relation to the above, the South African government is taking drastic steps toward improving strategic planning, performance and monitoring within all spheres of government. This was symbolized by its decision to establish the following two crucial institutions:

- National Planning Commission – to do the overall planning and give direction to all spheres of government
- Performance Monitoring, Evaluation and Administration in the Office of the Presidency – to monitor and evaluate the performance of government in all three spheres.

At the onset of the fourth democratic government, The Department of Provincial & Local Government was re-structured as the Department of Co-operative Governance and Traditional Affairs (COGTA). In terms of the Green Paper COGTA is placed at the centre of Government as a key partner to the National Planning Commission and the Monitoring and Evaluation Unit in the Presidency. COGTA is further responsible for aligning its priorities to that of National Government. Its key priority areas as set out in the MTSF and Strategic Plan 2009-2014<sup>3</sup> include:

- Building the Developmental State in Provincial and Local Government that is efficient, effective and responsive.
- Strengthen Accountability and Clean Government.
- Accelerating Service Delivery and supporting the vulnerable.
- Improving the Developmental Capability of the Institution of Traditional Leadership.
- Fostering Development Partnerships, Social Cohesion and community mobilization.

The Local Government Manifesto outlines five priorities that the African National Congress commits itself to. The IDP document for 2012/2013 is also aligned to these five commitments and these priorities are closely related to the KZN Provincial priorities, KZN PGDS and the National KPAs:

- Creating conditions for an inclusive economy that will reduce unemployment, poverty and inequality and produce **decent jobs and sustainable livelihoods**.
- Access for more and more of our people, especially the youth, to adequate **education and training** to enable them to participate productively in the economy and society.
- Better **health care** in a system that is accessible to more South Africans, including the introduction of national health insurance.
- More and more **rural communities** benefiting from investments in basic services (water, electricity, sanitation and roads) and empowered to end hunger by productively using the available or redistributed land. Through rural development we seek to modernise the countryside and bring dignity to rural dwellers.

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<sup>2</sup> The Presidency. Republic of South Africa. 2009. Green Paper: National Strategic Planning. Available at: <http://www.thepresidency.gov.za>.

<sup>3</sup> Department Cooperative Governance and Traditional Affairs. 2009. Strategic Plan FY 2009-2014. Available at: [http://www.thedplg.gov.za/index.php?option=com\\_docman&task=cat\\_view&gid=118&Itemid=27](http://www.thedplg.gov.za/index.php?option=com_docman&task=cat_view&gid=118&Itemid=27)

- **Safer communities** as serious and priority crimes are reduced, corruption defeated, and our criminal justice system is radically changed.

### 1.2.5 The Local Government Turnaround Strategy (LGTAS)

Cabinet approved a comprehensive Local Government Turnaround Strategy (LGTAS) on the 2<sup>nd</sup> of December 2009<sup>4</sup>.

The **five strategic objectives** of the LGTAS are to:

1. *Ensure that municipalities **meet basic needs** of communities.* This implies that an environment is created, support provided and systems built to accelerate quality service delivery within the context of each Municipality's conditions and needs;
2. *Build **clean, responsive and accountable** local government.* Make sure that systems and structures and procedures are developed and enforced to deal with corruption, maladministration and ensure that municipalities communicate and account more to communities;
3. *Improve **functionality, performance and professionalism** in municipalities.* Ensure that the core administrative and institutional systems are in place and are operational to improve performance;
4. *Improve **national and provincial policy, support and oversight to local government**;* and
5. *Strengthen **partnerships** between local government, communities and civil society.* Ensure that communities and other development partners are mobilized to partner with municipalities in service delivery and development.

Full report on MTAS is contained on Appendix 5

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<sup>4</sup> Department Cooperative Governance and Traditional Affairs' Local Government Turnaround Strategy, November 2009. Available at: [http://www.dplg.gov.za/index.php?option=com\\_docman&task=doc\\_download&gid=476](http://www.dplg.gov.za/index.php?option=com_docman&task=doc_download&gid=476)

## 1.2.6 National Outcome Delivery Agreements

Government has agreed on 12 outcomes as a key focus of work between now and 2014. Each outcome has a limited number of measurable outputs with targets. Each output is linked to a set of activities that will help achieve the targets and contribute to the outcome. Each of the 12 outcomes has a delivery agreement which in most cases involves all spheres of government and a range of partners outside government. Combined, these agreements reflect government's delivery and implementation plans for its foremost priorities.

Each outcome has been broken into various outputs that stipulate activities to be undertaken towards the achievement of a particular outcome.

The 12 National Outcome Delivery Agreements are as follows:

**Outcome 1:** *Improved quality of basic education;*

**Outcome 2:** *A long and healthy life for all South Africans*

**Outcome 3:** *All South Africans should be and feel safe; there should be decent employment through inclusive growth*

**Outcome 4:** *Decent Employment through Inclusive Economic Growth;*

**Outcome 5:** *An efficient, competitive and responsive economic infrastructure network;*

**Outcome 6:** *There should be vibrant, equitable, sustainable rural communities with food security for all;*

**Outcome 7:** *Vibrant, equitable and sustainable rural communities with food security for all.*

**Outcome 8:** *Sustainable Human Settlements and Improved Quality of Household Life*

**Outcome 9:** *A responsive, accountable, effective and efficient Local Government System.*

**Outcome 10:** *environmental assets and natural resources that are valued, protected and continually enhanced*

**Outcome 11:** *Create a better South Africa and contribute to a better and safer Africa and World;*  
and

**Outcome 12:** *An efficient, effective and development oriented Public Service and An empowered, fair and inclusive citizenship.*

The outcome as the Department Of Co-operative Governance and Traditional Affairs (National and Provincial departments) and all municipalities is Outcome 9: **A responsive, accountable, effective and efficient local government system.** Notwithstanding; all National Outcome Delivery Agreements talk to local government, due to an understanding that local government is where the tyre hits the road on service delivery. It is therefore crucial that there should be thorough coordination and alignment between local municipalities and sector departments towards the realization and attainment of the targeted results.

**Outcome 9 has been broken down into seven (7) outputs:**

*Output 1: Implement a differentiated approach to municipal financing, planning and support*

*Output 2: Improving access to basic services.*

*Output 3: Implementation of the Community Work Programme*

*Output 4: Actions supportive of the human settlement outcome*

*Output 5: Deepen democracy through a refined Ward Committee model*

*Output 6: Administrative and financial capability*

*Output 7: Single window of coordination*

The effective implementation of the service delivery agreement will assist in achieving the following imperatives:

- Creating a radical paradigm shift in the management of the public service by aligning service delivery with the values and needs of the public;
- Ensuring a focus on customer value proposition which should entail evaluation of service delivery through the eyes of the customer;
- Providing strong feedback mechanisms on quality and timeliness of service delivery.
- Creating of strong public/private partnerships through involvement of the private sector and civil society in the broad process of policy determination and implementation,
- Unprecedented improvement of the image of government in the eyes of the public by enthusiastically embracing and supporting the process and culture of performance.

Through the service delivery agreement; COGTA and municipalities commit to the following:

- The extension of basic services which include water, sanitation, electricity and waste Management;
- Creation of job opportunities by 2014 through the Community Works Programme;
- Transformation of administrative and financial systems in the municipalities which includes Supply Chain Management and the integration and streamlining all of our internal software systems to ensure uniformity, linkages and value for money;
- The filling of six critical senior municipal posts in various municipalities namely Municipal Manager, Chief Financial Officer, Town Engineer, Town Planner, Human Resources Manager and Communications manager as the basic minimum for every Municipality;
- That all municipalities in the province will achieve clean audits by 2014;
- Building municipal capacity to enable municipalities to collect 90% of their revenues;
- Strengthening the organizational performance management systems for improved service delivery and accountability to the communities;
- Improving our interaction with the institutions of traditional leaders and integrating the ward-based system of planning and governance with the programme of traditional councils, where they exist.

These talk to the five (5) National Key performance Areas (KPA's) and should form basis for every Municipality's strategic objectives.

Through the service delivery agreement; the Honorable Mayors of all municipalities commit themselves to the following:

- That they will play their role as outlined in the Municipal Finance Management Act by monitoring the prudent management and utilization of their municipal finances;
- That they will monitor the execution of their municipal Service Delivery and Budget Implementation Plans (SDBIPs) for improved and accelerated service delivery;
- That they will take personal responsibility and accountability for non-delivery to communities;
- That they will ensure every rand spent in their municipalities does what it is earmarked for;
- That they will advocate and actively work towards corrupt-free municipalities;
- That they will lead by example in their various communities by adhering to ethical standards and professional conduct in their public and private lives;



- That they will render unwavering support to the effective functionality of their newly established Municipal Public Accounts Committees and Audit Committees to ensure that corruption, fraud and mismanagement is uprooted;
- That, working with esteemed traditional leaders, they will work tirelessly in restoring the confidence of the people in the system of local government.

## 1.2.7 Strategic Planning Sessions

The District Municipality embarked upon an incremental planning process during January 2012 up to mid March 2012. This process was designed to ensure that the family of municipalities within Umkhanyakude integrate emerging development and policy directives that emanate from the National and Provincial Legotlas. The strategic planning sessions happened at three levels. The first level session involved officials only. The second level involved officials and councillors. The third level was a District-wide session that involved the family of municipalities within Umkhanyakude District.

The first strategic planning session was held from the 26 January 2012 - 28 January 2012. The main aim of this session was to interrogate administrative systems and then design strategies that would address any identified bottlenecks in the medium to long-term. The following goals were then achieved:

- Draft strategic development plan [Short, Medium and Long Term];
- Consensus on PMS Strategy; and
- Outline on District KPA's Framework aligned to National Key Performance Area (KPAs).

This session was mainly attended by HoDs, directors and managers and served as a preparatory platform for the next level of the planning process.

The second strategic planning session was held from the 16 February 2012 - 18 February 2012 and involved HoDs and Councillors. The main focus for this session was first to present findings of the first strategic planning, make amendments if any, then craft a new vision and mission. Lastly the logo for the DM was also discussed with a view to improving or changing it altogether. The following goals were then achieved:

- Identification of key development priorities within UKDM;
- Formulation of related and appropriate strategies, a clear vision, mission and values;
- Enhancing the new vision for the third generation IDP;
- Developing the appropriate organisational structure and systems to realise the vision and mission; and
- Identification of approach and methodology in working with and through local Amakhosi

The third strategic planning session was held from the 06 March 2012 – 08 March 2012. The focus of this session was on alignment of IDPs for the family of municipalities. Senior management, IDP and PMS practitioners attended this session. The following goals were achieved:

- Alignment of corridor development;
- Alignment of approach to developing IDPs and PMS; and
- Entranced culture and spirit of Intergovernmental Relations (IGR)

During the District-wide strategic planning meeting, an idea of the establishment of a District Planning and Development Commission came into being. The main purpose of the establishment of this Commission is to transform the Vision 2030 of Umkhanyakude District municipality into action.

## 1.2.8 Competitive Advantages of the District

Umkhanyakude District municipality has a number of competitive advantages which sets it apart from the rest of the country, upon which its development and growth legacy will be built; namely:

### i. **Strategic Location as a Border District**

Umkhanyakude District borders two important countries to the economy of South Africa; Swaziland and Mozambique. This location is important in terms of major infrastructure and economic development projects and programmes the two countries have embarked upon in close proximity to our border. Mozambique government and other SADC countries (Botswana, Swaziland, Zimbabwe and South Africa have agreed to build one of the largest ports (30 kilometres) from Kosi Bay, including a urban expansion. This border area is dominated by strategic natural heritage projects (Ndumo and Tembe elephant park, Kosi Bay, and other similar natural resources)

### ii. **Lavumisa and Ponta D'Oro Border Posts (and Possibly Cecil Mack Pass).**

Lavumisa and Ponta D'Oro border post are the most strategic borders South of Swaziland and Mozambique. It is through these two border posts that millions of people and millions of tons of cargo moves between the three countries, linking these countries to South Africa's premier ports at Richards Bay and Durban Harbours.

### iii. **Jozini Dam**

Jozini Dam is one of Umkhanyakude District municipality competitive advantage. The dam is a major source of drinking water for people; irrigation water for agriculture; drinking water for animals; catalyst for urban development and economic growth. It is also a source for renewable energy for sustainable energy supply to Umkhanyakude District economy.

**iv. Isimangaliso Wetland Park (IWP) and More than 200 Kilometres of a Pristine Coastline**

Umkhanyakude also has a World Heritage site which was declared in December 1999 by the UNESCO. The total area occupied by IWP is about 3 320 KM<sup>2</sup> and has Lake St Lucia which is the largest estuary in Africa. The IWP also provides with the following attributes:

- 220 km coastline and beaches
- Unique destinations - Maphelane, Lake St Lucia, Cape Vidal and the Eastern Shores, Charters Creek and the Western Shores, False Bay, Sodwana Bay, uMkhuze, Lake Sibaya, Coastal Forest and Kosi Bay
- Natural heritage (St. Lucia, Black Rock, Sodwana Bay to Kosi Bay)
- Natural habitat for sea animals

**v. Good Climate**

Umkhanyakude District Municipality has the one of the best climatic conditions in KwaZulu Natal and South Africa. This includes the best sunshine (which is conducive for renewable energy generation); weather conditions for good agricultural activity. It is one of a few areas that you can grow crops round the year. It also provides leverage for tourism development.

**vi. N2, R22 and R66 National Roads**

These three national roads are an important infrastructure for public transport and movement of goods between the three countries.

**vii. Cultural Heritage**

Umkhanyakude is one of the richest areas in KwaZulu Natal in terms of cultural heritage. Key cultural heritage items legacy features include:

- Hlathikulu indigenous forest at Jozini (Kwa-Nyawo Traditional Council)
- Late Inkosi Dingane's Grave at Hlathikulu Forest
- His Majesty, King Goodwill Zwelithini's Palace at Emachobeni, Ingwavuma
- 60% of land in the District Municipality is falls within 18 TLCs, with rich cultural heritage histories.

**viii. Ubombo Mountain Ranges & Umhlabuyalingana**

Ubombo mountain ridge and range is an important natural heritage feature of the District. Historians have recently confirmed that the geological formation starts somewhere around Hluhluwe and ends somewhere in Turkey (Europe). These mountain ranges are contrasted by umhlabuyalingana (not the town – but the big

flat area that starting at the foot of the uBombo mountain ranges extending into the ocean. This terrain provides for diverse agricultural practice given difference weather patterns found within short distances.

**ix. Agriculture Potential**

Umkhanyakude District has all the necessary ingredients for massive and diverse agricultural practice, given the climate, soil types and conditions, water availability, and stable weather throughout the year. It is the only area that two to three crop cycles can be achieved.

**x. Mineral Resources**

Oral histories told in many chiefdoms and recently, geological maps indicate a diverse mineral resource base found across Umkhanyakude District Municipality. The selection of sites for resources exploitation and beneficiation in the District will be guided by the balance with sustaining our cultural, natural and human environment.

The ten key competitive advantages identified in our 3<sup>rd</sup> generation IDP provides a sound basis for a robust vision, economic development strategy that provides a platform for social development in our District.

### 1.2.9 The Strategic Direction

During the third term of local government, Umkhanyakude District Municipality will approach development in a holistic manner. Below are some key points that need to be highlighted as they will form the basis for the strategic direction of the Municipality

#### The Approach

- A balanced approach between facilitating Big Economic and Infrastructure Projects and dealing with Historic Development and Infrastructure backlogs in the District during this process
- Translating the Vision into Tangible Actions
- Resource mobilisation and allocation (Financial, Human and Technological)
- Vigorous Marketing and Branding of the District
- Collective Planning, Design, Implementation, Monitoring and Evaluation
- Continuous assessment and review of interventions

#### Key Features Emerging from Planning Programme and Process

- **For the first time**, the District is committed to producing a formidable economic strategy linked to key infrastructure development as part of our turnaround strategy
- **For the first time**, the District will produce a strong IDP with a development Masterplan that aligns our District to the National and Provincial Planning Commission planning horizon
- **For the first time**, the District is embarking on a stronger partnership with the Zulu Royal Household and the 18 Amakhosi (60% of our land falls within Amakhosi areas) through producing TLC specific Master Plans indicating lead projects within each iNkosi area.
- **For the first time**, the District has produced 6 strategic corridors as key to District growth and development in order to take full advantage of our strategic location as a border District (Swaziland and Mozambique)

## **Institutional Support: Five Pronged Strategy**

- Strengthening of **project management unit** and engagement of a multidisciplinary professional services team in the areas of MIG projects; institutional support, policy and compliance; and development priorities.
- Introduction of **District Planning and Development Commission** as a catalyst for translating National and Provincial Planning prescripts into District implementation plans and developments.
- Strengthening our **intergovernmental relations** through putting all IGR structures in place; including strategic partnerships with State Departments and State Agencies.
- Strengthening **working relationships with the Zulu Royal Household and the Traditional Councils/Authorities** .
- Strengthening **District Development Agency (Umhlosinga)** as key champion for implementing our economic strategy and Corridor Priorities and Investment Promotion.

### **1.3 Institutional Arrangements to Drive the IDP Process**

It is the primary responsibility of Council, its Councillors, officials and staff to ensure that integrated planning is undertaken. The Umkhanyakude District Council is responsible for the approval of the IDP for the District and the responsibility cannot be delegated. Clear accountability and management of the IDP process belongs to the Municipality and thus, should be owned and controlled by the Municipality. Councillors, senior officials, local municipalities, sector departments and parastatals, and civil society amongst others, have distinct roles to play during integrated development planning processes.

The Mayor is responsible for driving the whole IDP process. He provides leadership in the development and reviews of the IDP. The day-to-day management of the IDP process has been delegated to the Office of the Municipal Manager who consistently chairs the IDP Steering committee. The IDP Manager deals with coordination of the day-to-day issues relating to the IDP. These include adherence to IDP Framework/Process plan, coordination of stakeholders, support to Local municipalities and documentation of the IDP.

The IDP Manager further chairs the District Development Planning Forum which forms the link between District and Local municipalities in terms of the IDP. The District Development Planning Forum comprises of IDP Managers/ Coordinators, development/town planners, Performance management officers of all five municipalities in the District. Sector Departments are sometimes invited to attend District Development Planning Forums and to make presentations.

The IDP Steering Committee (IDP SC) is a technical working team of dedicated senior management officials, who together with the Municipal Manager and/or the IDP Manager must ensure a smooth compilation and implementation of the IDP. To ensure full participation, IDP Steering Committee meetings have been aligned with the Management Committee meeting (MANCO). The IDP SC seems to be operating much better compared to previous financial years.

The IDP Manager compiles the IDP document through consultation with various sets of information and directs its output to the IDP Representative Forum for debates and further inputs and refinement of the plan. The IDP Representative Forum is the structure that provides a platform for public participation through involvement of different community structure representatives, political leaders, traditional leaders and government entities which provide support throughout the planning process.

The IDP document for 2012/2013 was mainly compiled internally. Support was sought from time-to-time where needed. Some sections of the document were prepared by Amathonga Consultants. Basically Amathonga facilitated the Strategic Planning session for the DM and as well as the District-wide strategic planning that included municipalities of Umkhanyakude family. Their input during strategic planning sessions contributed immensely towards the preparation of the IDP document for Umkhanyakude District Municipality.



## 1.4 Process Overview: Steps and Events

### Addressing MEC's Comments

The MEC's comments on IDP for 2011/2012 were also used to improve the IDP document for 2012/2013 even though the comments were made for the IDP that belongs to the 2<sup>nd</sup> generation. The following table gives details on how the District Municipality intends addressing MEC's comments during the 2012/2013 FY going forward:

SUMMARY OF MEC'S COMMENTS		RESPONSE BY UMKHANYAKUDE DISTRICT MUNICIPALITY
<b>Municipal Transformation and Institutional Development</b>	<ul style="list-style-type: none"> <li>The HR Strategy needs to be reviewed in order to address recruitment and retention of staff as well as capacity building of existing staff</li> </ul>	<ul style="list-style-type: none"> <li>A lot of work is already being undertaken around the preparation of an HR Strategy which will be finalised by no later than 30 June 2013</li> </ul>
<b>Local Economic Development</b>	<ul style="list-style-type: none"> <li>LED Manager's post is vacant which has a negative impact on LED implementation</li> </ul>	<ul style="list-style-type: none"> <li>The Council is currently reviewing the structure of the municipality and this matter is being addressed (strat plan held on the 16 Feb 2012 to 18 Feb 2012).</li> </ul>
	<ul style="list-style-type: none"> <li>Coordination of LED with LMs needs to be improved</li> </ul>	<ul style="list-style-type: none"> <li>Through COGTA funded IGR enhancement Grant (2011) a business strategy will be developed with a view to also address issues of LED institutionalization and involvement of private business</li> </ul>
<b>Basic Service Delivery and Infrastructure Development</b>	<ul style="list-style-type: none"> <li>Sector Plans (WSDP, Energy and Waste Management) are being reviewed</li> </ul>	<ul style="list-style-type: none"> <li>The DM can only manage to address the WSDP during 12/13 FY</li> <li>The other sector plans will be addressed during the course of 2012/2013 FY depending on funding is available</li> </ul>
	<ul style="list-style-type: none"> <li>Backlog eradication costs are huge and require a well structured approach to address them</li> </ul>	<ul style="list-style-type: none"> <li>With the assistance of COGTA, DWA and other stakeholders, a concerted effort is being put into developing a strategy that will gradually reduce backlogs over a period of five years</li> </ul>
<b>Financial Viability and Management</b>	<ul style="list-style-type: none"> <li>Issues of poor financial management still remain a serious threat to the sustainability of the DM</li> </ul>	<ul style="list-style-type: none"> <li>Issues raised by the AG are a point of departure for the Turnaround Strategy going forward</li> </ul>

<b>SUMMARY OF MEC'S COMMENTS</b>		<b>RESPONSE BY UMKHANYAKUDE DISTRICT MUNICIPALITY</b>
<b>Good Governance and Community Participation</b>	<ul style="list-style-type: none"> <li>The DM should Focus on strengthening IGR matters</li> </ul>	<ul style="list-style-type: none"> <li>The DCOGTA has provided funding to assisting the DM to strengthen IGR and the programme to implement the grant is already underway</li> </ul>
	<ul style="list-style-type: none"> <li>Promotion of Access to Information Act (PAIA) needs to be complied with</li> </ul>	<ul style="list-style-type: none"> <li>The provisions of PAIA will be incorporated into the IDP document</li> </ul>
	<ul style="list-style-type: none"> <li>Community Safety Plan need to be incorporated into the IDP</li> </ul>	<ul style="list-style-type: none"> <li>The Community Safety Plan for Umkhanyakude DM will be incorporated into the IDP</li> </ul>
<b>Spatial Development Framework</b>	<ul style="list-style-type: none"> <li>A separate hard copy of the SDF needs to be submitted as an annexure to the IDP</li> </ul>	<ul style="list-style-type: none"> <li>The hard copy of the uMkhanyakude District-Wide Spatial Development Framework (SDF) has accordingly been submitted as an annexure with the 2012/2013 IDP Review Document.</li> </ul>
	<ul style="list-style-type: none"> <li>Investment intentions of the District need to be clearly expressed in the SDF</li> </ul>	<ul style="list-style-type: none"> <li>The Investment Intentions of the District has clearly been expressed in the SDF through the Capital Investment Framework Map included in the SDF Document.</li> </ul>
	<ul style="list-style-type: none"> <li>SDF needs to be aligned with the PGDS and PSEDS</li> </ul>	<ul style="list-style-type: none"> <li>In section 3 of the SDF document, there is a clear alignment between the SDF and other national and provincial policy frameworks, such as NSDP, PGDS, PSEDS, etc...</li> </ul>
	<ul style="list-style-type: none"> <li>Link between the SDF and CIF</li> </ul>	<ul style="list-style-type: none"> <li>It encouraging to indicate that in this regard, with effect from September 2011, the uMkhanyakude District Municipality in partnership with KZN Department of Agriculture; Environmental Affairs and Rural Development (KZDAERD) has been able to engage the Services of Nemai Consulting and project Managers to undertake the Compilation of the District-Wide EMF Plan over a period of 18 months ending in March 2014</li> <li>During the 2012/2013 IDP Review an Executive Summary that intends to orientate the reader about the District-Wide EMF Project, the processes and activities involved has been included as an annexure to the IDP Review document</li> <li>It is highly likely that the Final Council approved and adopted District-Wide EMF will accordingly be submitted as an annexure with the 2013/2014 IDP review Document.</li> </ul>

Below is the overview of activities that informed the preparation of the 12/13 IDP:

<b>ACTIVITY</b>	<b>PURPOSE</b>	<b>DATE</b>
<b>IDP Steering Committee</b>	Discussion and drafting of the 2012/2013 Reviewed IDP Framework/Process plan	18 July 2011
<b>Development Planning Forum</b>	Discussion on IDP Framework plan (2012/2013) for the District	04 August 2011
<b>IDP Representative Forum</b>	Discussion and drafting of the 2012/2013 Reviewed IDP Framework/Process plan	31 Aug 2011
<b>IDP Steering committee</b>	Progress report on IDP/PMS	05 Sep 2011
<b>Development Planning Forum</b>	IDP Alignment issues	26 October 2011
<b>IDP Steering Committee</b>	Implementation update (IDP 2011/2012); Discussion on the IDP 2012/2013	07 November 2011
<b>IDP Representative Forum</b>	Implementation update (IDP 2011/2012); Discussion on the IDP 2012/2013	23 November 2011
<b>IDP Steering Committee</b>	Discussing outstanding information on the 2012/2013 IDP	09 January 2012
<b>Development Planning Forum</b>	IDP Alignment issues; discussion on the Progress made by LMs on their IDP preparation. Hands-on support to be provided by the District to municipalities where there is lack of capacity.	11 January 2012
<b>Strategic Planning – HODs and managers</b>	To deliberate on administrative issues	26 Jan 2012 to 28 Jan 2012
<b>Strategic Planning – Councillors and HODs</b>	To develop a new vision, mission and revisit the logo of the DM	16 Feb 2012 – 18 Feb 2012
<b>Development Planning Forum</b>	IDP alignment issues – SDF preparation	22 February 2012
<b>Development Planning Forum</b>	IDP alignment issues – draft IDP document	29 February 2012
<b>IDP Steering Committee</b>	Review and development of strategic objectives. Development of the OPMS as per the National KPA	05 March 2012
<b>District-wide Strategic Planning</b>	Strategies, objectives, vision and mission	06 March 2012 to 08 March 2012
<b>Submission of Draft IDP Document to COGTA</b>	Credibility Assessment	23 March 2012

*Figure ...: IDP Review-related activities*

## 1.5 IDP Alignment

Alignment between the District and its 5 local municipalities; and among all 5 local municipalities has been entrenched in the Framework Plan. The aim has been ensuring that the District and sector departments fully participate in IDP activities at local municipalities. As such, an effort was made to ensure that IDP dates do not clash among municipalities. That implied whenever Municipality A has an IDP-related meeting; no other Municipality within the District would be conducting an IDP-related activity.

The summary of a District-wide IDP/PMS Dates for 2011/12s therefore outlined below. This outlines critical meetings and events towards the compilation of the 2012/2013 IDP Review.

MONTH	IDP Steering Committee	Development Planning Forum	IDP Representative Forum (IDP RF)	Public Consultation	Performance Management System
<b>JULY</b>	<b>18/07/2011 (DC27)</b>				PMS implementation
<b>AUGUST</b>	15/08/2011 (KZ 272) 15/08/2011 (KZ 274) 31/08/2011 (KZ 275)	04/08/11 (KZ271)	22/08/2011 (KZ 273) <b>31/08/2011 (DC 27)</b>		Performance Report – AG: Annual Report – 10/11 ( <b>31 Aug 2011</b> )
<b>SEPTEMBER</b>	<b>05/09/2011 (DC27)</b> 05/09/2011 (KZ 273)		01/09/2011 (KZ 275) 06/09/2011 (KZ 273) 14/09/2011 (KZ 274) 21/09/2011 (KZ 272) 22/09/2011 (KZ 271)		Annual Performance Review: 10/11 ( <b>14 Sep 2011</b> )
<b>OCTOBER</b>	05/10/2011 (KZ 275) 07/10/2011 (KZ 274) 19/10/2011 (KZ271) 25/10/2011 (KZ 272)	26/10/11 (KZ272)			1 <sup>st</sup> Quarterly Review ( <b>13 Oct 2011</b> )
<b>NOVEMBER</b>	<b>07/11/2011 (DC 27)</b> 08/11/2011 (KZ271) 16/11/2011 (KZ 275) 29/11/2011 (KZ 272) 31/11/2011 (KZ 273)		<b>23/11/2011 (DC 27)</b> 17/11/2011 (KZ271)		
<b>DECEMBER</b>	07/12/2011 (KZ 274)		01/12/2011 (KZ 275) 07/12/2011 (KZ 272)		
<b>JANUARY</b>	<b>09/01/2012 (DC27)</b> 26/01/2012 (KZ271)	11/01/12 (KZ273)	04/01/2012 (KZ 274)		2 <sup>nd</sup> Quarterly Review & Mid-term Review ( <b>12 Jan 2012</b> ) Annual Report (2010/2011 FY) – <b>20 Jan 2012</b>
<b>FEBRUARY</b>	09/02/2012 (KZ 272) 09/02/2012 (KZ 274)	22/02/12 (KZ274)	07/02/2012 (KZ 273)		
<b>MARCH</b>	<b>05/03/2012 (DC27)</b> 14/03/2012 (KZ271)		06/03/2012 (KZ 275) 15/03/2012 (KZ 272)		

MONTH	IDP Steering Committee	Development Planning Forum	IDP Representative Forum (IDP RF)	Public Consultation	Performance Management System
APRIL	04/04/2012 (KZ 272) 09/04/2012 (KZ 274)	18/04/12 (KZ275)	10/04/2012 (KZ 274) <b>12/04/2012 (DC 27)</b>		3 <sup>rd</sup> Quarterly Review <b>(07 Apr 2012)</b>
MAY	02/05/2012 (KZ 272) 10/05/2012 (KZ271) 14/05/2012 (KZ 274) <b>14/05/2012 (DC27)</b>	<b>23/05/12 (DC 27)</b>	11/05/2012 (KZ 272) 23/05/2012 (KZ271)	May 2012 07, 08, 09, 10, 11	
JUNE			12/06/2012 (KZ 273) 19/06/2012 (KZ 274) <b>20/06/2012 (DC 27)</b> 22/05/2012 (KZ 275)		4 <sup>th</sup> Quarterly Review/Annual Review <b>(12 Jul 2012)</b>

*Figure...: District-wide IDP/PMS dates*

IDP/Budget Consultative meetings were scheduled to take place during the second week of May 2012. Members of ward committees for all municipalities are normally invited to make inputs on the draft budget and IDP which is delivered by mayors of local municipalities and District Municipality. These meetings took place as scheduled and were very successful.

## 2. SECTION B: SITUATIONAL ANALYSIS

### 2.1 Demographic Data

#### Summary profile, 2007

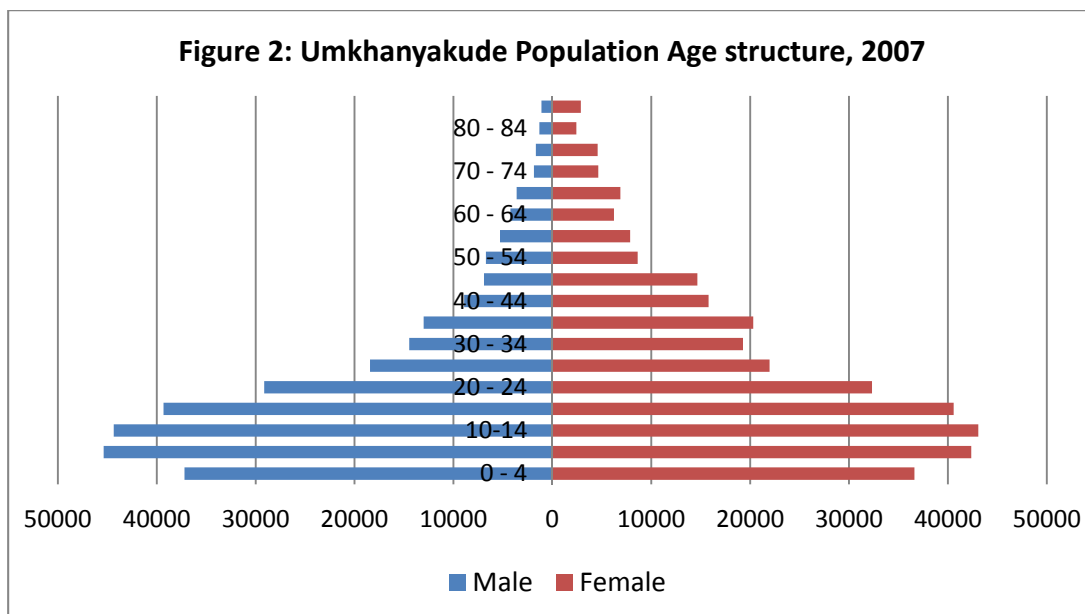
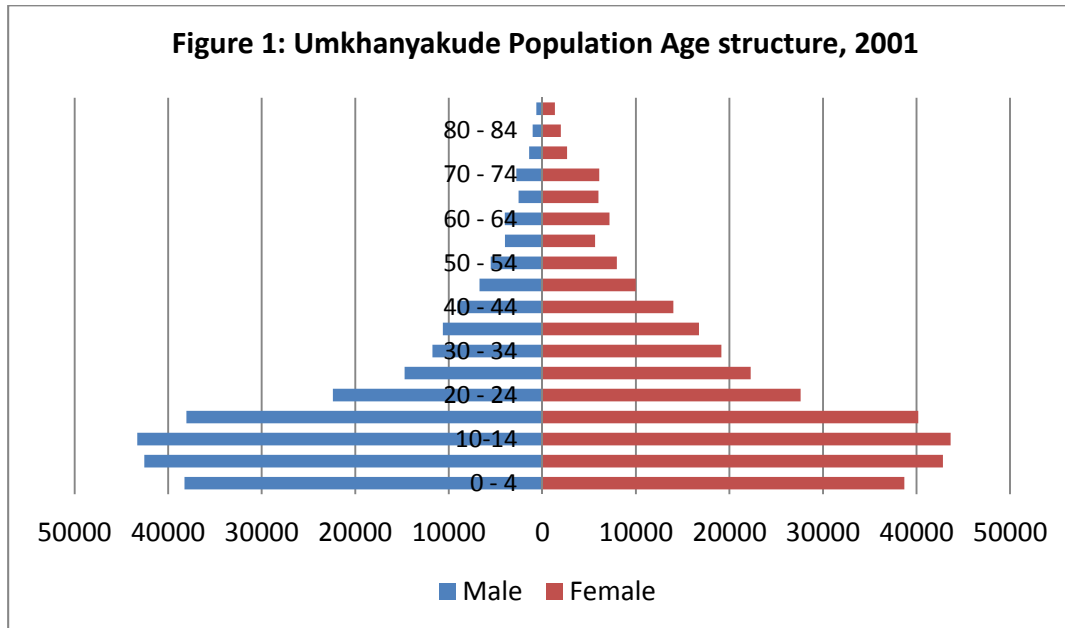
Details	Figure
Total Population Size	<b>614047</b>
Number of Males	282952
Number of Females	331122
Mean age for Both Sexes	23.6
Median age for Both Sexes	18
Percentage of Country Population Distribution	6%
Percentage of Households headed by Women	52%
Number of Households	144973
Mean Household Size	5.3
Number of working age people	24431
Percentage of working age people	3.2%
Sex ratio at birth	85.5
Percentage of Functional persons under age 15	40.6%
Percentage of Functional persons under age 65	54.4%
Percentage of Functional persons age 65+	5%
Average annual household income	R1-R4800
Age child dependency ratio	74.5
Aged dependency ratio	9.3
Total dependency ratio	83.8
HDI	0.4

Table: Department of Social Development

- The District is the 2nd largest District in KwaZulu-Natal, in terms of size, behind its neighbouring District, Zululand District Municipality.
- About 12, 7% of the total population is formally employed.
- More than 70% of the population lives at less than R800-00 per month.
- Over 80% of the population lives below poverty line.

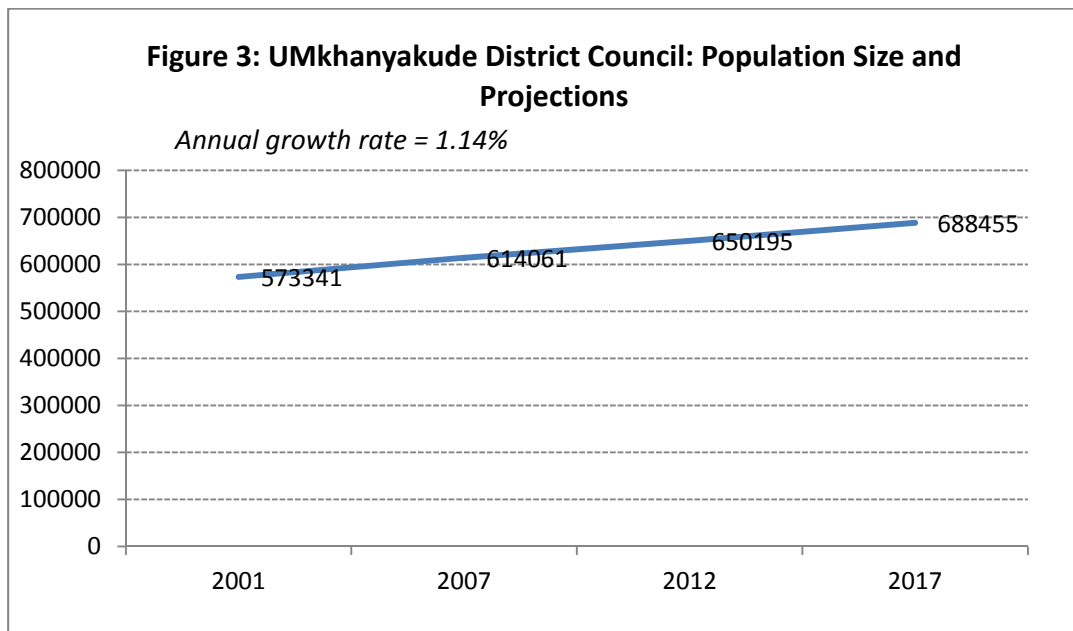
## 2.2 Population structure

The age and sex structure of the population is a key determinant of population dynamics. The shape of the age distribution is an indication of both current and future needs regarding educational provision for younger children, health care for the whole population and vulnerable groups such as the elderly and children, employment opportunities for those in the economic age groups, and provision of social security services such as pension and assistance to those in need.



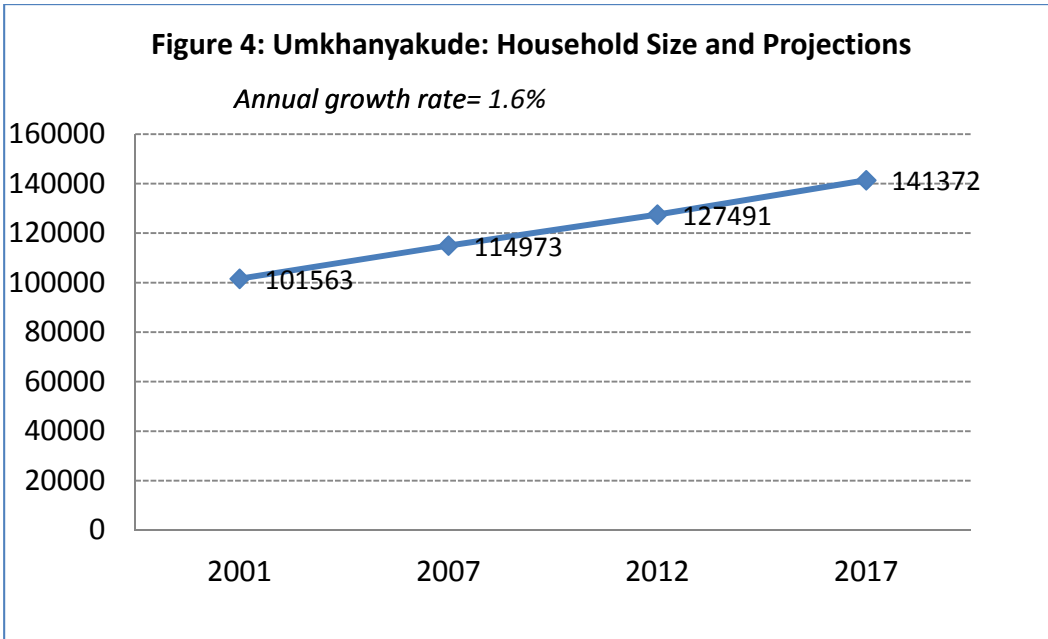
The age and sex structure of uMkhanyakude population presented in Figures 1 and 2 show a typical pattern of a growing young population. The 2001 distribution is indicative of lowering fertility over-time, which is shown by reduction in population 10-14, 5-9 and 0-4. This applies for both males and females. There is some evidence of sharp reduction in the number of males relative to females after age 25, which could indicate high male mortality or out-migration in the District. The size of the elderly female population is also significantly higher than that of males. The pattern is similar when comparing the age structure of 2001 with that of 2007 (Figure 2).

The population of uMkhanyakude from the census count of 2001 was 57,3341 persons, and it grew to 61,4061 persons by 2007. This implies an annual growth rate of 1.14% between the 6 year period as indicated in figure 3 below. If one applies this growth rate over-time, the projected population of the District is expected to grow to 650,195 by 2012 and will reach 688,455 in 2017. These figures need to be treated with caution as they do not take into consideration the potential effect of HIV/AIDS in the District population.



The change in the number of households between 2001 and 2007 is indicated in figure 4. This figure indicates that the number of households grew by a rate of 1.6% from 101,563 households in 2001 to 114,973 by 2007. If one assumes this growth rate over-time, then it is expected that uMkhanyakude District will have 141,372 households by 2017.





### 2.3 Human capital

Educational attainment is a key indicator of development in a population. There are several ways in which one can evaluate access to educational services in a population. To evaluate long term provision of education, it is important to disaggregate educational attainment for persons older than 20 years. Statistics South Africa generated a measure of educational attainment for persons over age 20. This group is expected to have completed educational enrolment and therefore giving a good measure for completed level of education.

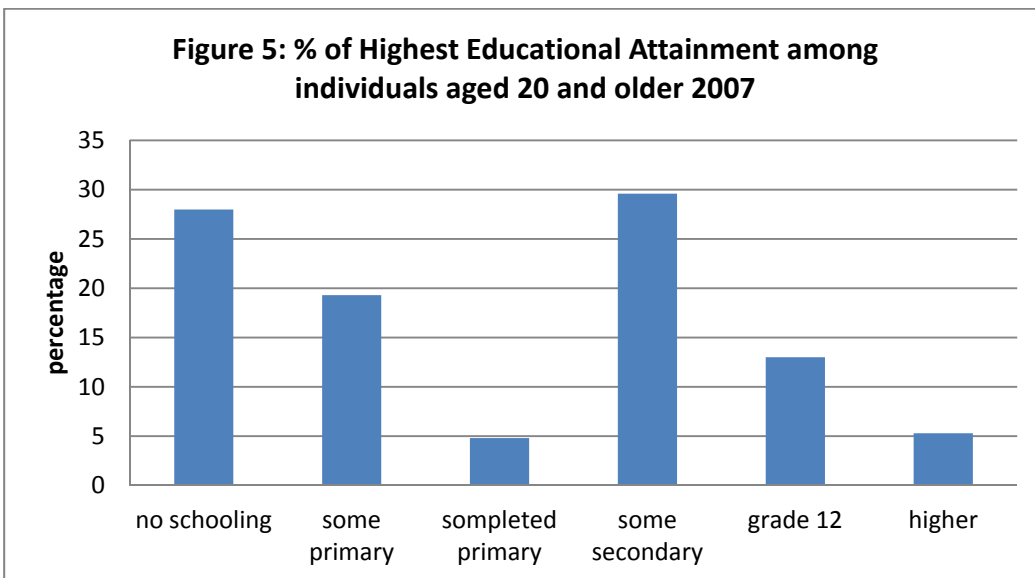
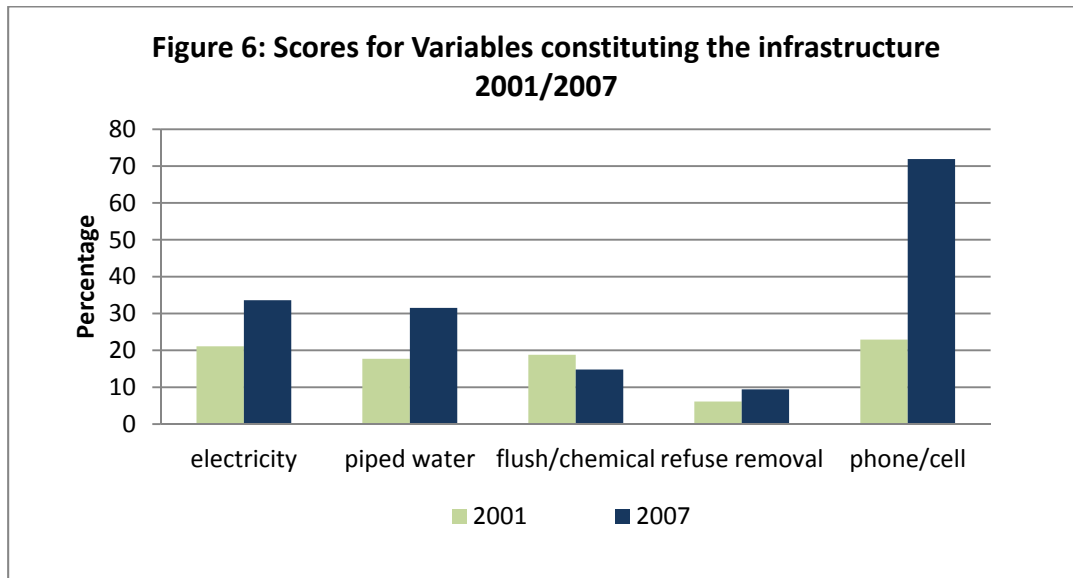


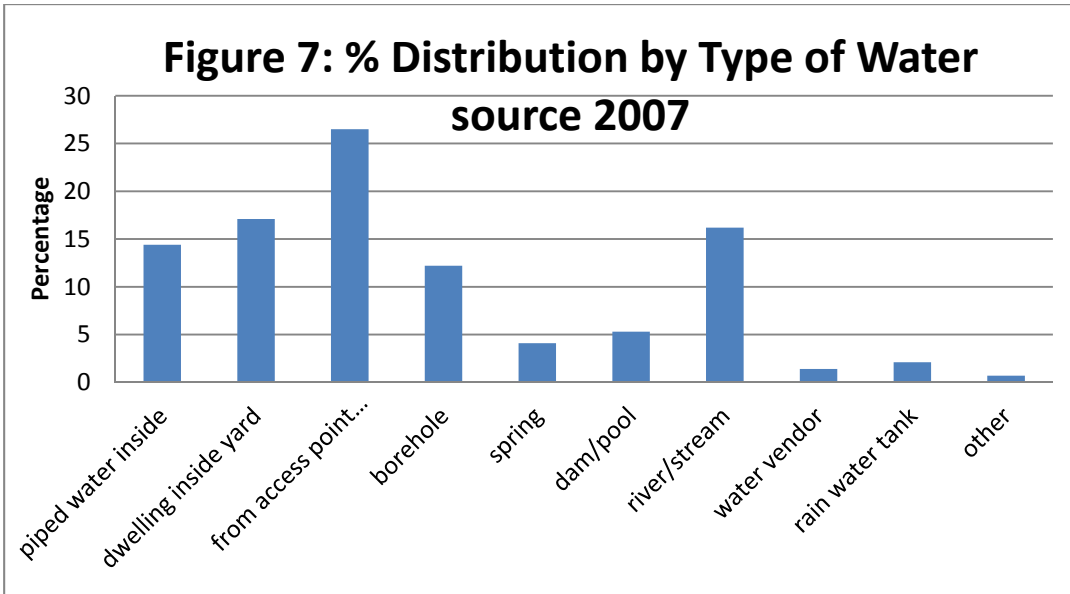
Figure 5 show educational attainment of persons older than 20 years in the District in 2007. Close to a third of the population over 20 years had some secondary schooling (29.5%), and about 18% had a grade 12 or higher. The percentage that reported no schooling is 28%, which is a cause for concern for the Municipality.

## 2.4 Household Wellbeing

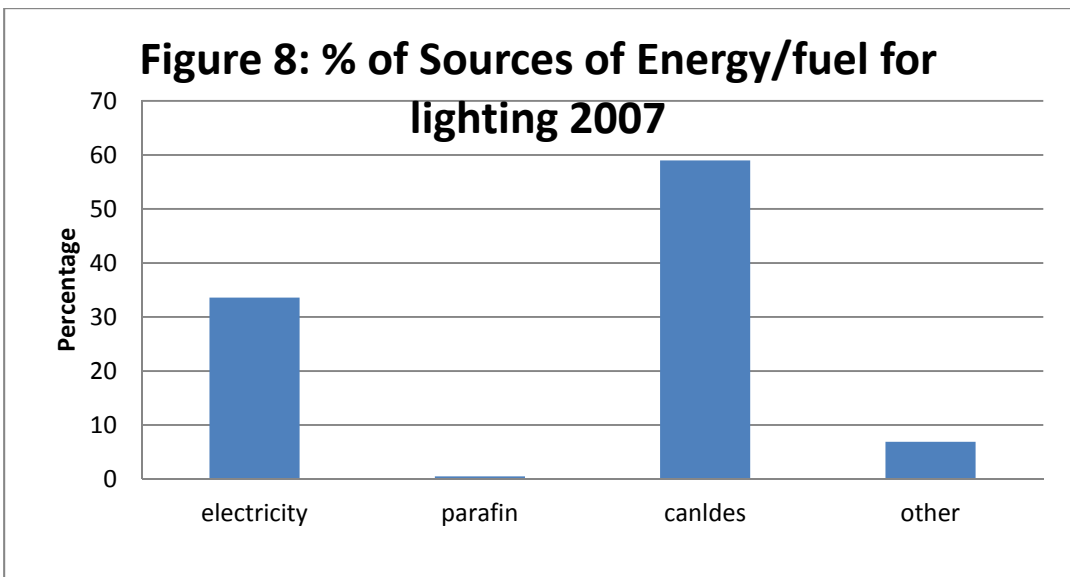
Figure 6 provides a summary of availability of desirable household services in the District between 2001 and 2007. It presents the percentage of households that reported having electricity for lighting; access to piped water either within the household or in the dwelling; access to flushed or chemical toilet; whether the household had refuse removed by the municipality and whether the household was in possession of a landline telephone or cellular phone. As indicated, there were improvements in the percentage of households reporting provision of all of the services in the District except for flushed/chemical toilet.



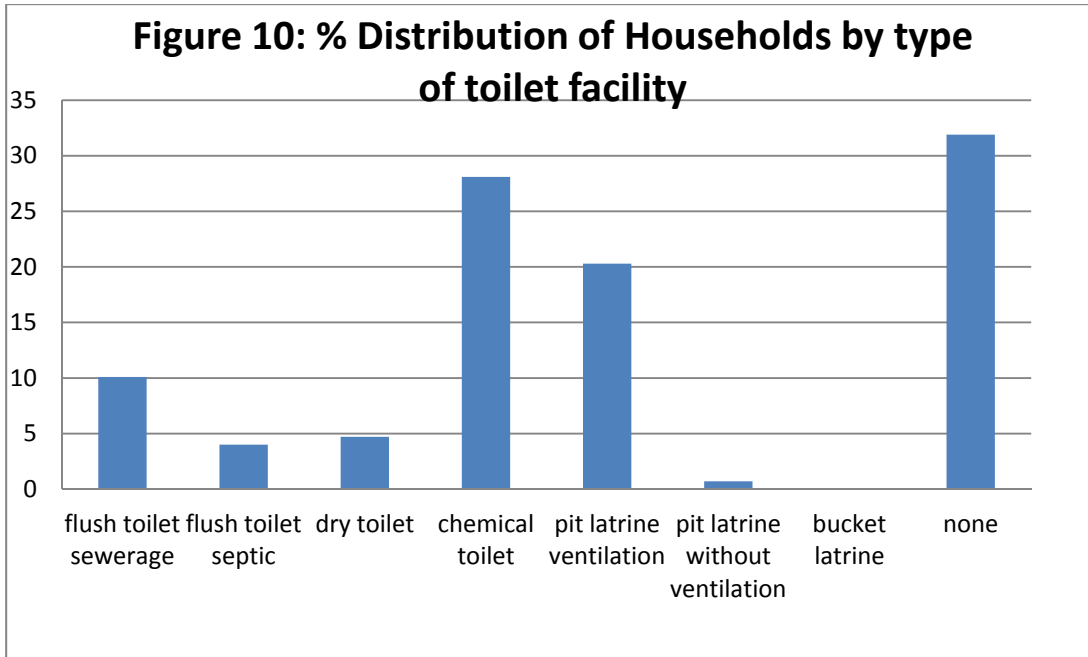
Figures 7 to 9 show detailed distribution of the household facilities as reported by households in 2007. The distribution of uMkhanyakude households by water source is indicated in figure 7. The majority of households had access to safe water, either piped within the dwelling or access it from a point outside the dwelling. The decline of households reporting accessing piped water from inside the yard and those accessing from a point outside the yard can be explained by improvements in the provision of piped water in the dwelling (increased from 24% in 2001 to 36% by 2007). There was also a decline in the percentage and number of households receiving water from “other” sources.



The results from figure 9 show households use source of energy for lighting. About 60% of households use candles for lighting, while about 33% use electricity.



The percentage distribution of uMkhanyakude District council households by access to sanitation facilities is indicated in figure 10. 10% of households reported that they used flushed toilet as a source of sanitation. This is also shown in figure 7, where a decline in percentage with flushed toilet is observed. However, this should be viewed with caution as it could be showing an increase in number of households in the District.



## Health

**Table 3: Health indicators**

<b>State of the population of Umkhanyakude</b>	
HIV prevalence among antinatal attendees - 2007	39.80%
Source:DOH (2008)	
Estimated under 5 mortality per 1000	56-59
Source: estimates from 2007 Community Survey	

The HIV prevalence in uMkhanyakude in 2007 was estimated to be 30.5%, which is a level higher than the national average. The mortality indicators of the District show that children under 5 had a risk of dying of between 56 to 59 per 1,000. These indicators show that health concerns of the District need urgent attention.

*Section 2.1 to 2.4 is largely informed by information that was sourced from the Department of Social Development in KZN.*

## 2.5 Infrastructure Analysis

### 2.5.1 Water Resource Adequacy and Reliability

Drinking water around Umkhanyakude District comes from two sources, surface water (rainfall and its runoff into rivers or dams), or groundwater (water that has collected in underground stores or aquifers). These sources are sometimes close to the communities that they serve, or may be some distance away. Therefore, when thinking about where drinking water is coming from, it is important not only to think of where the water is abstracted, but rather about the whole catchment – the area over which rainfall is caught and drains into a water source. The whole catchment draining into this dam needs to be managed properly to protect this source of drinking water.

The raw water is abstracted from the source (dam, river or borehole) and transported to a water treatment works where it is treated using different treatment processes. After treatment, the water is stored in reservoirs or tanks and then distributed to users.

The current status of water resources, usage, allocation and availability are indicated below:

CATCHMENT	NATURAL RUN-OFF (MILLION CUBIC METRES PER ANNUM)	AVAILABLE WATER LESS WATER REQUIREMENTS	DAMS	CAPACITY (MILLION CUBIC METRES)	WATER QUALITY
Umfoloji	962	(47)	Klipfontein	19	poor
Umkuze	635	(12)	Hluhluwe	25	poor
Phongola	1344	102	Pongolapoort	2445	good
Usuthu	901	2			excellent
Lake Sibaya	25	19,7			good

*Table 1: DC 27 Water Resources, Adequacy & Reliability*

Research and community input has shown that lack of adequate water is the most prevalent grief experienced by uMkhanyakude. The above table illustrates that Pongola is the only source that has potential to eradicate the problem of water shortage experienced by the communities of uMkhanyakude.

An urgent application to The Department of Water and Environmental Affairs has to be made for the allocation of 102 million cubic meters per annum in order for Phongola Dam to become the main source of good quality water to uMkhanyakude District. This strategic plan shall increase the availability of water from 25 litres /person /day to 750 litres per household per day and this will enable all households to receive adequate and reliable water supply.

## 2.5.2 Infrastructure Backlogs

### Water and Sanitation

Umkhanyakude District municipality									
Municipalities	Total HHs	Backlogs and Eradication Costs							
		Water				Sanitation			
		HHs Unserved	HHs with Access	% Access	Eradication Costs (rounded in millions)	HHs Unserved	HHs with Access	% Access	Eradication Costs (rounded in millions)
Umhlabuyalingana	<b>33,691</b>	16,818	16,873	50.1	<b>R 939.07</b>	11,020	22,671	67.3	<b>R 102.63</b>
Jozini	<b>38,991</b>	13,806	25,186	64.6	<b>R 770.93</b>	13,676	25,315	64.9	<b>R 127.37</b>
The Big 5 FBM	<b>7,230</b>	783	6,447	89.2	<b>R 43.70</b>	514	6,716	92.9	<b>R 4.79</b>
Hlabisa	<b>32,214</b>	11,793	20,421	63.4	<b>R 658.48</b>	15,533	16,681	51.8	<b>R 144.66</b>
Mtubatuba	<b>7,237</b>	412	6,825	94.3	<b>R 22.98</b>	293	6,944	95.9	<b>R 2.73</b>
<b>Total</b>	<b>119,363</b>	<b>43,611</b>	<b>75,752</b>	<b>63.5</b>	<b>R 2,435.16</b>	<b>41,037</b>	<b>78,326</b>	<b>65.6</b>	<b>R 382.18</b>

Table 2: Water & Sanitation Backlog, DWA/COGTA Survey, 2010

## Electricity

Umkhanyakude District municipality						
Municipalities	Total HHs	Backlogs and Eradication Costs				
		Electricity				
		HHs Unserved	% Unserved	HHs with Access	% Access	Eradication Costs (rounded in millions)
Umhlabuyalingana	<b>33,691</b>	31,921	95%	1,770	5%	<b>R 478.82</b>
Jozini	<b>38,991</b>	37,020	95%	1,971	5%	<b>R 898.29</b>
The Big 5 false Bay	<b>7,230</b>	6,648	92%	582	8%	<b>R 48.49</b>
Hlabisa	<b>32,214</b>	25,741	80%	6,473	20%	<b>R 803.14</b>
Mtubatuba	<b>7,237</b>	3,567	49%	3,670	51%	<b>R 25.71</b>
<b>Total</b>	<b>119,363</b>	<b>104,897</b>	<b>88%</b>	<b>14,466</b>	<b>12%</b>	<b>R 2,254.45</b>

Table 3: DC 27 Electricity Backlogs

- About 64% of households have access to water
- About 66% of households have access to sanitation
- About 88% of households do not have access to electricity, especially the Northern region of the District (more that 60% of households are situated at KZ 271 and KZ 272)
- Total eradication of backlogs would require about R5b (water and sanitation = R2.8b, electricity = R2.3b)

Due to changes in boundaries, the local picture at KZ 274 and KZ 275 is no longer the same as presented in the abovementioned tables. The District-wide picture still looks the same. Proper calculations will be done before final IDP adoption in May 2012. There was very little impact on backlogs as MIG projects planned for 11/12 FY were implemented very late and some projects had to be postponed for implementation in 2012/2013.

### 2.5.3 Infrastructure Stability / Facilities Reliability

Facilities reliability depends on the water systems facilities such as pump stations, water treatment works, transmission pipelines, bulk storage reservoirs and distribution/reticulation to deliver adequate quantities of water of specified time frames at 98% reliability. New infrastructure facilities should be designed to deliver at 98% reliability in terms of quantity, quality and pressure including fire-fighting requirements.

The key infrastructural failures is experienced through continuous botching of borehole pumps, frequent break down of generators supplying power to borehole pumps, frequent pump failures due to high silt content in river abstraction, electricity outages adversely affecting the pumping systems, proliferation of unviable small water treatment works resulting in high maintenance costs. This challenge may be solve by rationalisation of water treatment works by developing central treatment works capable of producing 150 million cubic meters/ day treated water thus eliminating the need for bore holes and therefore emphasizing the use of Jozini Dam as the main source of raw water.

Infrastructure stability has to be established through the compilation of fixed assets register. The total infrastructure of uMkhanyakude is currently not adequately quantified. This register will inform the type, size, total length, quality of the current status of the infrastructure available. Such registers will enable maintenance plans to be drawn out of such data. The asset register will assist in the development of an adequate systems operations.

#### 2.5.4 Water and Wastewater Quality

The Municipality will strive for progressive achievement of blue drop and green drop status to the implementation of water and wastewater quality audit and monitoring. Water samples will be gathered at a household level to ensure compliance with SANS drinking water quality standards. It is a constitutional right for communities to be supplied with excellent quality water that is free from harmful micro-organisms and other substances.

#### 2.5.5 Status for UMkhanyakude DM in respect of Water per Municipality

Service Level	Hlabisa LM	Jozini LM	UMhlabuyalingana LM	Big Five / False Bay LM	Mtubatuba LM
RDP and Above Schemes	63234	71398	45130	4899	0
Dysfunctional Schemes	13550	14362	7890	0	0
Unreliable source Schemes	1506	20518	37437	0	16187
Below RDP/ No schemes	72267	100972	73237	30092	30409
<b>Total</b>	<b>150557</b>	<b>207250</b>	<b>163694</b>	<b>34991</b>	<b>46598</b>

- Dysfunctional means an area that is covered by a scheme that is not working
- Unreliable source means sporadic seasonal/ continuous failure of no water

Interventions to these issues per Local Municipality

#### uMhlabuyalingana Municipality

Upgrading of Shemula water treatment works upgrade from 6 to 26 million litres per day and bulk portable water pipe line from shemula to Manguzi this will be done in three phases at a total cost of R412 Million. Current MIG Allocation is **R90 Million**. In addition the Mbazwana Areas and Southern areas will be supported by Jozini-Mbazwana bulk water line upgrade.



### **Jozini Municipality**

Jozini-Mbazwana Bulk water pipe line, upgrading of Jozini water treatment works from 5 to 25 Million litres per day (the bulk pipe line will be done in three phases). The northern areas will be supported by the Shemula water treatment works.

The first phase will cover the following villages: Bethesda, Gedleza, Jozini, Qondile, Sibonokuhle, Msiyane, Makhonyeni, Msibana, Ntandani, Mthidlwe, Kosikhwele, Ophande, Ubombo, Saint Alexis. The total cost for the three phases will be R1.6 Billion, but current allocation for phase one is **R234 Million**. Mkhuze water treatment works and reservoir upgrade will be to the value of **R25m**.

### **Big 5 / False Bay Municipality**

Hluhluwe phase 1 upgrade/ water supply scheme supplying the following villages: Mthekweni, Makhowe, Emadulini and Engodini. This project will cost **R 38,9 million**

### **Hlabisa municipality**

The District Municipality is constructing **Hlabisa Mandlakazi Bulk water Supply Scheme and reticulation** covering these villages: Miyaneni, Qunwana, Nhlwathi, Mgovuzo, Mabundeni, Mabhokweni, Stezi, eThombeni, Seme, Mpembeni, Qonsa, Sovane/Mpembeni, Mathunzi, Ophaphasi, Mabhosini, bazaneni, Macikeni 1&2, Hlambanyathi at total project cost of **R114 Million**. Funded by MIG.

### **Mtubatuba Municipality**

Mpukunyoni upgrade and remedial works comprising the rehabilitation of abstraction works, water treatment works at Nkolokotho, Pump stations, installation of 100km pipelines and 7 new reservoirs at a total projected cost of **R92 million** MIG Allocation. Upgrading of Mtubatuba water treatment works to support water supply to KwaMsane, Dukuduku, Khula Village and Saint Lucia, upgrade of Saint Lucia Bulk water Line.

### **Water resources**

An analysis of the major catchments indicates high competition between Agricultural use and domestic use with the exception of Pongola catchment where there is still unallocated water. The district Municipality is logging a water allocation license application of R100 million Cubic Meters per annum to meet its 25 year economic and Social Growth Development Plan.

### **Summary position on water**

The estimated amount to eliminate the water backlogs in the district is of the order of R5 Billion and current allocation over the next years will not be sufficient to meet the target of year **2014**.

## 2.5.6 Status for UMkhanyakude DM in respect of Sanitation Water per Municipality

Local Municipality	% population Below RDP
UMhlabuyalingana Municipality	61
Jozini Municipality	66
Big 5 false bay	55
Hlabisa	73
Mtubatuba	74

### uMhlabuyalingana

There is a backlog in UMhlabuyalingana in both primary towns Mbazwana and Manguzi; there is no formal sewerage works. We will refurbish the following sewerage water works: Mseleni and Mbazwana for an amount of **R3 Million**.

### Jozini Municipality

The District Municipality is busy with Themba lethu sanitation, covering Lindelani, Umlingo and the proposed new housing development to the value of **R100m**. Ingwavuma sanitation (Nyawo Mngomezulu Mathenjwa) this has an allocation of **R143 Million**, Upgrade of sewerage works at Mkhuze for **R14.86 Million**. The upgrade of sewerage works for Bethesda Ingwavuma for **R4.82 Million**. The Ingwavuma VIP sanitation will also serve substantial areas of Phelandaba in the Umhlabuyalingana local Municipality.

### Hlabisa Municipality

The upgrade of Hlabisa sewerage works will be worth **R2.3 Million**

### Mtubatuba Municipality

The District Municipality is currently implementing a sanitation project called Mtubatuba Sanitation; the allocation is R 10.7 Million. The upgrade of Kwa Msane and Saint Lucia sewerage works will be R 4.52 Million.

### Summary position on Sanitation

There is a huge backlog in the sanitation for the whole of uMkhanyakude district. The funds allocation will be insufficient to address the problems within the district by **2014**.

## 2.5.6 Status for UMkhanyakude DM in respect of Housing Water per Municipality

### UMhlabuyalingana

There is a backlog of 13 740 houses within uMhlabuyalingana,

### Hlabisa

There is a backlog of 13 254 houses in Hlabisa municipality,

### Mtubatuba

There is 2271 backlog in housing in Mtubatuba

### Big 5 / False Bay

There is a backlog of 3089 houses in Big five False bay Municipality

Jozini municipality

There is 21040 backlog in the housing sector

### **Summary position on Housing**

Summary of the projects for the next financial years are in the local municipalities, the backlog will be addressed before the end of financial year 2014/2015.

## **2.5.7 Status for UMkhanyakude DM in respect of Other Services**

### **Electrification Programme**

At a transmission and distribution level, the electricity supply is a major bottle neck and thus detrimentally affecting the realization of the elimination of backlogs. Through the Department of Energy it is believed that ESKOM will seriously consider the speeding up of the infrastructure provision at a transmission and distribution level.

### **Roads**

The road classification in the district has not been finalised yet, we have hired a service provider to do a condition assessment in all five local municipalities, and however the Local Municipalities are focusing on the Local Access roads leading communities and social facilities.

### **Refuse removal**

Local municipalities are doing their own waste management however the district is doing an Environmental Management Framework and integrated Waste Management Plan for the whole district.

### **Summary for Infrastructure Investment and Service Delivery**

This KPA for Infrastructure Investment and Service Delivery responds to the issues raised in the national planning commission's diagnostic surveys and Provincial growth and development strategy and plan i.e. **Job creation, strategic infrastructure, human and community development.**

### **2.5.8 Financial Viability for Infrastructure**

One of the key enablers that the District Municipality will embark on will be the improvement in the level of service to customers. Currently the cost recovery levels are too low due to a number of reasons one of which is the unreliability of the water supply, metering and billing. An audit and classification of water meters will be undertaken together with a progressive improvement in the level of service from the current 200 litres per household per day to 750 litres per household per day at a yard level connection. This will significantly increase the reliability of the water supply systems and thus contribute to an effective climate for people to pay.

The tariffs will be designed to accommodate the various user categories to ensure affordability and sustainability of the water service

### **2.5.9 Customer Satisfaction on Infrastructure Provision**

For every service provided, there is an end user who needs to be satisfied with the services provided. The frequent problems experienced by communities of Umkhanyakude besides the inadequate supply of daily water of 200 litres per household, is the constant interruptions. The establishment of a Call centre with a toll free number will ensure that communities are able to report water services interruptions. This in turn enables the municipality to record such frequencies which will aid in planning for problem areas.

### **2.5.10 Stakeholder Management**

The primary responsibility for the provision of safe drinking water rests with The Water Services Authority District Municipality. Other stakeholder such as The Department of Water Affairs is responsible for managing South Africa's water resources for its entire people, and also regulating the provision of drinking water by Water Services Authorities. The Department of Health is responsible for coordinating incidents of water-related diseases in South Africa and also providing interventions under emergency drinking water conditions. The Environmental Health Officers within the Water Services Authorities are responsible for empowering the community through the provision of health and hygiene education, as well as undertaking drinking water quality monitoring at the point-of-use. Currently there is weak co-ordination between the district and the Local Municipalities. There is need to implementation of effective IGR policies and strategies.

The end users (community) are also stakeholders to be recognized and considered when designing systems and allocating service level agreements. They measure the ultimate efficiency of the infrastructure because it is designed to serve them. Umkhanyakude District Municipality has a role to play in ensuring that infrastructure functions for communities and as part of the service they provide they have to inform the end user of any developments such as:

- Inform community of shutdown and maintenance programs and schedules thereof
- Inform community of tariff hikes formally

### **2.5.11 Employee and Leadership Development**

Skills shortage, weak knowledge of the water sector, poor technical knowledge, conceptual and problem solving skills and weak diagnostic skills are identified problems experienced by both the district and local municipalities. Project managers employed are neither registered engineers nor technical engineers, which allow them to be controlled and rely solely on consultants acquired.

Training of employees and artisans will be a continual process. The following academic support in the district will be established for both learners in the area and employees in various local and district municipalities:

- A technical school/college to be established in Jozini, this ensures training of learners to feed various municipalities with skills
- Provide a platform for continual skills development for employees through advanced certificates and further studies (bursaries)
- Provide training of technical and artisans into leadership positions.

Skills shortage and lack of adequate knowledge may be resolved through:

- Employment of a Registered Engineer to ensure that business plans are ascertained and suitable for the areas. Designs must be checked and consultants should not have a free hand in decision making nor the ultimate verdict. This engineer will also be able to monitor the project managers that lack adequate technical knowledge and hence guide decision making on sites and consequently consultants' decisions.

### **2.5.12 Community Sustainability**

The District is characterized by low level of service in terms of water usage, which does not accommodate productive usages such as small scale horticulture, household use, and livestock watering, etc. The solution again leads us back to the use of Jozini Dam as our source to adequately supply the district.

### **2.5.13 Operational Resilience**

Operational resilience virtually measures the efficiency of infrastructure. It basically means the flexibility of the system. In this instance uMkhanyakude will set systems in place that are perpetual. Operational resilience further means any new official joining uMkhanyakude is able to take over the duties thereof because all operational systems are in place. This means as part of the exercise of compiling the asset register, one has to ensure:

- Operations manuals are compiled
- Routine maintenance programs are scheduled
- Master plan is updated indicating extent and spatial layout of infrastructure and therefore areas lacking in infrastructural development
- WSDP will continually be reviewed to ensure alignment to the water needs
- Sequence of events in example shut down of systems are outlined clearly to avoid systems failure and bursting pipes

### 2.5.14 Operational Optimization

It is the duty of uMkhanyakude District Municipality to ensure that operational optimization is achieved. This means that when infrastructure has been laid and operational resilience is achieved, then optimization means what is the ideal means of ensuring the status quo remains acceptable and serves communities efficiently and also the municipality is able to collect revenue effectively in order to be able to maintain current works and add new systems for growth.

The following are key challenges that hinder optimum operations to be achieved:

- Currently vandalism is one of the factors that cripple our infrastructure. Communities break taps as an attempt to ensure there is water running to enables livestock to have access to drinking water.
- Illegal connections are rife therefore puncturing efficiency of lines and resulting not only in massive water losses but other community members having no access to water anymore.
- Senseless destruction of infrastructure instigated by ill informed political disputes
- Poor engineering designs resulting in inadequate and inefficient infrastructure built
- Poor forward planning towards growth of communities; infrastructure planned does not cater for future growth
- Poor maintenance plans resulting in inefficient output
- Poor operational manuals
- Lengthy Bureaucratic procedures (SCM) in approval of new projects
- Prolonged Environmental Impact Assessment periods also hindering spending in the district
  
- Lack of interconnectivity of our water supply systems

Solutions need to be sought in order to result in optimal operational standards and hence achieve maximum return. The following need to be adopted:

- Vandalism incidents are escalated to South African Police and National Intelligence Investigation levels (jail terms) in order for delinquents to get a stern warnings
- Education of communities in the following;
  - There are a number of things that each and every one in the community can do to help protect drinking water, including being observant within each catchment and look out for activities which may pollute the drinking water source, such as: Disposal of sewage, industrial wastewater or solid waste into storm water drains or rivers;
  - Excessive application of fertilizers to gardens - rather use natural fertilizers such as compost;
  - Cattle dip tanks which may contaminate drinking water sources with biocides.
  - Report pollution incidents to the local Water Services Authority (Local or District Municipality) or catchment management forum;
  - Dispose household chemicals properly and never pour chemicals down the drain or toilet;
  - Conserve water by using water sparingly around the house;

- Community member must be encouraged to attend public meetings to ensure that your community's need for safe drinking water is considered in making decisions about land use,
- Report any suspicious activities or incidents of vandalism of water treatment plants or reservoirs to your Water Services Authority
- Water Services Authorities (Local or District Municipalities) are required to have a Consumer Service which can serve as a conduit for consumers to report non-compliance to their Water Services Authority.
- Municipality to ensure metering systems to be in place for efficient revenue collection
- Municipality to adopt staff incentives that will encourage prolonged stay of key staff and have further education bursaries and various skills development programs
- Improvement of operations manuals to be emphasized in the compilation of an asset register
- To re-establish procurement procedures that shorten bureaucratic processes for example, the Municipality shall purchase piping to supply contractors and in that case spending is achieved within each financial period
- Planning and designing of infrastructure is achieved concurrent to approval of Environmental Impact Assessments
- Develop a ring supply that interconnects all the LMs
- Provide alternative power supply to major pumping systems
- Provide 48 hour storage to buffer supply failures

## **2.6 Environment Analysis**

### **2.6.1 Introduction**

The purpose of the environmental analysis is to ensure that municipal development strategies and projects take existing environmental problems and threats into consideration as well as environmental assets that require protection or controlled management.

While the principal duty of a municipality is to govern the affairs of that municipality in accordance with the Constitution and relevant legislation, especially the Structures Act and the Systems Act; the environmental right<sup>5</sup> contained in the Bill of Rights imposes another important duty on municipalities. As such municipalities play a fundamental role in the protection of the environment. In fact, they are obliged to ensure that the environment is protected for present and future generations.

The National Environmental Management Act (Act 107 of 1998), or otherwise referred to as NEMA, together with The Environmental Conservation Act (Act 73 of 1989), promote Integrated Environmental Management (IEM) in South Africa in order to promote and support sustainable development.

### **2.6.2 Natural Environment: Climate and Biodiversity**

The uMkhanyakude District has outstanding potential for agriculture and tourism development; the District has a wealth of natural beauty, outstanding landscapes, a favourable climate and fertile soils for major agricultural production. The District is closely associated with the iSimangaliso Wetland Park, the Hluhluwe Game Reserve, and the marine environments of both Sodwana Bay and Kosi Bay, all world-renowned sites. "Maputaland", the Makhatini Flats and the Pongola-Poort/Jozini Dam (constructed in the 1970's with the intention of unleashing the agricultural potential of the area).

The ISimangaliso Wetlands Park stretches along the Zululand coast from Mapelane in the south to Kosi Bay in the north. The name reflects the many areas that make up its 220 000 hectares, such as Lake Sibaya, Sodwana Bay, Mkhuze Game Reserve, False Bay, Fannies Island, Charters Creek, Lake St Lucia, and Cape Vidal. iSimangaliso made modern natural history when living fossils - coelacanths - were discovered off its warm Indian Ocean shoreline.

The uMkhanyakude District has a good climate and is well endowed with natural resources whose comparative advantages are: Mean annual rainfall decreases from an average 1200 - 1400mm along the coastal region to an average of 650mm inland. Similarly mean annual temperatures decrease varies from 21 degrees Celsius along the coast to 18 degrees Celsius inland.

The uMkhanyakude District has a unique biodiversity and cultural heritage. There is a world heritage site, the Isimangaliso Wetland Park, with a scenic pristine environment and the coastal atmosphere thus creating more opportunities for tourism development which attracts a number of tourists internally and internationally.

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<sup>5</sup> Section24.



### **2.6.3 Challenges to Natural Environment**

The biodiversity in the District is being lost due to land conversion, climate change, unsustainable harvesting of natural resources and the wide spread of alien species. Natural resources provide opportunities for economic empowerment through sustained agriculture, ecotourism, indigenous plant use etc.

### **2.6.4 The Wetland**

It has already been indicated above that the uMkhanyakude District has a number of wetlands, the greatest being the Isimangaliso Wetland Park with a wide variety of habitats such as marshes, peatlands, floodplains, rivers and lakes, and coastal areas such as salt marshes, mangroves that are found in Sodwana Bay.

The wetlands are under pressure due to increasing population growth and development, which result in the loss of habitat, ecological and hydrological functions. Developments along the coast result in the increased pollution and high amounts of nutrients near coast water causing eutrophication, interception and interruption of flow of water and sediments.

### **2.6.5 Coastal and Marine**

The coastal areas at Umkhanyakude District are distinctive, complex and interconnected natural system, with resources that are finite and vulnerable to overuse and degradation, and that pose risks when not well managed. It is the meeting place of the land and sea – a limited spatial area that supports multiplicity of human activities. The areas along the coast have a range of considerations – biophysical, economic, social and institutional – interconnect; in a manner that requires a dedicated and integrated management approach.

### **2.6.6 Land Use vs. Environment**

Land Development/Planning and Environment Planning are interrelated to each other. Improper or uncontrolled development is likely to cause adverse impacts on the environment, and environmental pollution or degradation may become a major obstacle for social and economic development.

Environmental degradation is often mentioned as the consequence of human negligence on the one hand, but on the other hand it is more often than not the intentional individual or collective actions that have put economic gains as of utmost importance.

Current land use:

- A high proportion of the uMkhanyakude District Municipality is under thicket, grassland and wetland;
- Remaining areas are disturbed cultivation land and settlement;
- Large areas of land are under communal tenure in the District – located in the traditional authority areas under the jurisdiction of the IngonyamaTrust;
- The remaining areas are under state conservation, private ownership with limited formal urban areas;
- Land reform is in the process of being implemented in the District and comprises around 20% of the total area at the time of survey (2007 by the Department of Land Affairs);
- Additional land has been identified for redistribution and restitution purposes.

The absence of planning and environmental tools, or failure (in cases where the tools are in existence) to implement has contributed immensely to uncontrolled development that has negatively impacted the state of the environment in the District.

#### **2.6.7 Environmental Planning and Management tools audit**

UMkhanyakude District Municipality has Integrated Waste management Plan (IWMP) that was last developed in 2004 and had never been implemented nor reviewed. While failure to implement the IWMP could be attributed to unavailability of funds (budgetary constraints); much of it could be attributed to the absence of a dedicated unit dealing with Environmental Management and Planning issues such as Waste Management.

The District has some coastal areas from Isimangaliso Wetland Park, Sodwana Bay to Kosi Bay mainly managed by KZN Wildlife and Isimangaliso Wetland Park; however there is a need for Coastal Management Plan (CMP) to promote integrated management of the coast as a system, in order to harness its resources for sustainable coastal development. The District should engage relevant stakeholders regarding the development of the Coastal Management Plan.

The Coastal Management Plan would position UMkhanyakude District Municipality amongst a growing number of coastal municipalities internationally that are conducting dedicated coastal management programmes, enabling the District to fulfil a global responsibilities in terms of Agenda 21, the international charter for sustainable development that emerged from the Rio Earth Summit of 1992.

## 2.6.8 Capacity Analysis within municipalities

The capacity of the municipalities within the UMkhanyakude District family of municipalities to execute their environmental mandate could be summarised as follow:

Municipality	Report on the capacity of the municipality
DC 27	Based on the current organogram, there is no capacity within the District to deal with Environmental Management and Planning. There is however an Environmental Health Manager within Community Department. In the absence of a dedicated Environmental Unit, the municipality utilizes the presence of the Development Planning Shared Service (DPSS) Unit, since one of the Unit's secondary function would be Environmental Planning and Management
KZ271	There is no unit responsible for Environmental Planning and Management. While the municipality does not have a Waste Management Unit; waste collection is located within Community Department. The municipality has within their offices an official (a Development Planner) from the Development Planning Shared Service (DPSS) Unit and he has been responsible for Environmental Planning and Management.
KZ272	This is the only municipality within the District to have a Waste Management Unit within its Planning Department. As such there is capacity regarding waste management issues, hence the municipality is one of the two to have developed an IWMP and to have started with the process of legalizing the dumping site.
KZ273	There is no capacity at all within this municipality to execute its environmental responsibilities. Recently the municipality has in terms of Section 16 of the National Environmental Management: Waste Management Act (No. 59 of 2008); designated a waste officer responsible for coordinating matters pertaining to waste management in the municipality.
KZ274	While Waste Management issues are catered for within Community Services Department; there is no dedicated unit responsible for waste management. The Department prioritise and provides some funding for solid waste management (although not in the excess of R250 000); such is merely to ensure that waste is collected, transported and disposed of at the dumping site. The director: Community Service merely supervises general workers.
KZ275	As it is the case with Mtubatuba Municipality; there is no unit responsible for Environmental Planning and Management. While the municipality does not have a Waste Management Unit; waste collection is the responsibility of the HOD: Community Services.

**Table 4: DC 27 Municipal Capacity Analysis**

The status of Environmental planning tools in the District has been summaries as follow:

MUNICIPALITY	ENVIRONMENTAL TOOLS	STATUS	TOOL THAT NEED TO BE PRIORITIZED
DC 27	Environmental Management Framework (EMF)	Currently being developed by Nemai Consulting. An inception report has been presented in the PSC	<ul style="list-style-type: none"> <li>• Integrated Waste Management Plan (Review)</li> <li>• Coastal Management Plan</li> <li>• Disaster Management Plan</li> <li>• Strategic Environmental Assessment (SEA)</li> </ul>
	Spatial Development Framework (SDF)	Developed in 2006. Currently under review. It is being reviewed in-house by the District's Development Planning Shared Service (DPSS) Unit.	
	Integrated Waste Management Plan (IWMP)	Developed in 2004 by The Zululand Centre for Sustainable Development (ZCSD) and Millennium Waste Management (Pty) Ltd. Never been implemented, and as such never been reviewed. Despite having secured funding for the review of the IWMP; the funding had to be recalled following the municipality's failure to initiate the review process.	
	Disaster Management Plan	A Policy Framework was developed in September 2009. It has however failed to produce a Disaster Management Plan, therefore not functional.	
KZ271	There are no Environmental planning tools	The SDF for the Big Five is currently being developed in-house by the District's Development Planning Shared Services (DPSS) Unit.	<ul style="list-style-type: none"> <li>• Integrated Waste Management Plan (Review)<sup>6</sup></li> <li>• Strategic Environmental Assessment (SEA)</li> </ul>
KZ272	Integrated Waste Management Plan (IWMP)	The municipality has prepared an IWMP and the plan is with the Department of Agriculture Environmental & Rural Development for approval.	<ul style="list-style-type: none"> <li>• Strategic Environmental Assessment (SEA)</li> <li>• Environmental Management Plan (EMP)</li> </ul>
	Spatial Development Framework (SDF)	Jozini Municipality has a Spatial Development Framework (SDF) and it is currently under review as per the activities and targets set in the IDP under implementation (Jozini 2011/2012 IDP Review: p. 81).	
KZ273	No Environmental planning tools available,	The SDF for the Big Five is currently being developed in-house by the District's Development Planning Shared Services (DPSS) Unit.	<ul style="list-style-type: none"> <li>• Integrated Waste Management Plan (IWMP)</li> <li>• Strategic Environmental Assessment (SEA)</li> </ul>
KZ274	Integrated Waste Management Plan (IWMP)	Developed in 2009, never been implemented. Due for review.	<ul style="list-style-type: none"> <li>• Reviewed IWMP</li> <li>• Environmental Management Plan (EMP)</li> </ul>
	Spatial Development Framework (SDF)	The current SDF is outdated following the transfer of 13 wards to Mtubatuba Municipality. A service provider has been appointed to review the SDF and an inception report has been presented by the service provider (Isibuko Se- Afrika)	
KZ275	Spatial Development Framework (SDF)	The current SDF is outdated following the transfer of 13 wards from Hlabisa municipality. A Service provider has been appointed to review the SDF.	Integrated Waste Management Plan (IWMP)
	Strategic Environmental Assessment (SEA)	The SEA is currently being developed. A service provider has been appointed to develop the tool.	

<sup>6</sup>Due to financial constraints faced by most municipalities, they would be encouraged to utilize the DEA-developed IWMP toolkit when developing and/or reviewing their respective IWMP. That would eliminate the utilization of service providers.

### 2.6.9 Alien species

The impacts of invasive alien species remain a major problem in the District. They are causing considerable environmental, economic (especially tourism industries) and social impacts. Clearing of pristine land for “commercial agricultural” purpose has contributed immensely in the eruption of alien species, since the clearing of any vegetation encourages the invasion by alien plants unless of course the cleared vegetation is alien plants.

Typical example is the clearing and conversion of pristine land in Manguzi (KZ271) (Refer to the picture below) whereby some communities had fallen prey to some pretty enterprising conmen. These conmen are flogging trees to unsuspecting communities for a price (between R50 and R500) and promising to come back in a year to buy the seeds, flowers, bark and leaves to make bio-oil. While the KZN Provincial government came out strongly and warned people against

buying “alien plants” from people they would buy back the vegetation’s by-products to be used as fuel; large tracts of lands have been cleared and converted into plantations for “bio-oil producing trees. This is pursuit for high income within a space of a year.



*Figure 1: Pristine land cleared for agricultural purpose (R22: Manguzi)*

### **2.6.10 Deforestation**

Deforestation at Ndumo area (Jozini Municipality) is at an alarming state. As such this poses a threat to the survival of the natural forest. It might be that people are unaware that they are contravening the provision of the National Forests Act. Therefore an awareness campaign could be the solution in sensitizing communities to the importance of caring and protecting not only the forest but the environment which is central to their livelihood.

### **2.6.11 Environmental Management**

Local municipalities are required in terms of the National Environmental Management: Biodiversity Act, No. 10 of 2004, to protect biodiversity within their municipal areas through the implementation of environmental management plans, sustainable development policies and Spatial Development Frameworks (SDFs).

As such the UMkhanyakude District is currently developing its Environmental Management Framework (EMF) and the Spatial Development Framework (SDF). The development of the EMF is at the inception stage, while the SDF is being developed in-house by the District's Development planning Shared service (DPSS) unit.

The development of these environmental and planning tools is a clear indication that the UMkhanyakude District Municipality is concerned with the utilization and protection of its natural resources. Through these tools; all project planning and implementation in the District would comply with the Environmental Management Act of 1998. Environmental Scoping Reports and Environmental Impact Assessments would be undertaken where required and approval conditions adhered to.

### **2.6.12 Nature conservation**

Umkhanyakude District has a number of formal conservation areas under the administration of KZN Wildlife. Also included are community game reserves and proposed conservation areas. The plans of establishing the Biosphere Reserve in the District are continuing.

### **2.6.13 Waste Management**

Waste management remains a major challenge at uMkhanyakude District Municipality due to poor solid waste disposal which pose a threat to human's health. All landfills are operating illegally. The failure of the municipalities to implement their respective IWMPs also made matters worse. UMkhanyakude district Municipality has failed to review its 2004 IWMP and as such the funding for the review had to be returned to the funder.

Given the financial constraint facing almost all municipalities within the uMkhanyakude District family of municipalities; it is therefore suggested that municipalities priorities the development or review of IWMPs and utilize the IWMP toolkit developed by the Department of Environmental Affairs. Such a toolkit would ensure the elimination of service providers, therefore saving money for the municipality, since it would mean that the development or the review of the IWMP would be done in-house.

The state of waste water treatment plants, which are the responsibility of the District municipality, is atrocious. These water treatment points form part of bulk water, therefore falls under Water Service Authority (WSA). Due to lack of capacity within Technical Department, WSA has been outsourced. As such all waste water treatment plants are managed by WSA.

Most of these plants are dysfunctional. That could be attributed to cable theft, in some cases generator have been stolen. Since its construction the waste water treatment plant in Hluhluwe (The Big Five False Bay) has not operated as constantly as it should have been. This is because each time cables and generator are replaced they get stolen immediately. As such; a sludge and untreated and polluted water flow down the stream to the river posing health hazard not only to the river's ecosystem, but also to people utilizing the river downstream.

Not one town records the waste disposed of at their landfill site. Only a few of the sites record the number of vehicle loads. None of the sites record the waste according to DAE's recommended method of characterisation of waste. Therefore, it was not possible to determine the primary, secondary nor tertiary fractions accurately for this report. The action plan is for each site to implement the proposed waste management systems to cater for better measurement of the waste types generated.

The table below indicates the volumes based on the number of vehicle loads done per day. The information was gathered by visiting the Local Municipalities. Where this waste is either not generated or not recorded a note has been made.

	Solid Waste Volume Per Month in m3	Solid Waste Tons Per Month in Tons	Monthly Volume of General Waste to Landfill (m3)	Tons Per Month Landfilled (Tons)	Monthly Volumes Recycled (m3)	Tons Per Month Recycled (Tons)	Monthly Volume of Garden Refuse (m3)	Monthly Tons of Medical Waste (Tons)**
Mtubatuba	3890	778	2246	449	1644	329	350*	0
Hlabisa	124	25	72	14	52	10	0	8.37
Big Five	206	41	124	25	82	16	unknown	0
Jozini	1159	232	718	144	441	88	unknown	8.54
uMhlabuyalingana	266	53	156	31	110	22	V.Little	9.6
<b>Total Volume for DC 27</b>	<b>5645</b>	<b>1129</b>	<b>3316</b>	<b>663</b>	<b>2329</b>	<b>466</b>	<b>Unknown</b>	<b>26.51</b>

*Table 5: Summary of managed waste quantities and characterisation*

### **2.6.14 Problem Analysis**

There are two levels in which the problems have been identified; i.e. households level and local municipal level. These problems are attributable to the following factors:

#### **Problem Statement at the household level:**

There is limited understanding of general refuse disposal and management of domestic waste within their households.

##### **Causal factors:**

- Lack of disposal equipment;
- Lack of knowledge of hygiene;
- Poor education of the communities;
- General negligence; and
- Limited environmental awareness.

#### **Problem Statement at Municipality level:**

Municipalities have limited capacity and systems to collect household and dispose of it in a manner that meets the statutory obligations as defined in relevant regulations.

##### **Causal factors:**

- Lack of capacity and resources within the municipalities;
- Inability to collect rates;
- Municipality refuse collection system broken down;
- Lack of knowledge & skills to manage landfill sites according to Minimum Requirements;
- Lack of By-laws ;
- Poor relationships between municipalities and communities;
- Financing & maintaining the waste management delivery system;
- Service provision to non-serviced areas;
- Unemployment of majority of population makes payment for services difficult;
- Need to find other ways to provide services to the non-serviced areas.

Although these factors affect the community, they impact negatively on the revenue of the municipality, thus rendering it ineffective in meeting its obligations, one of which is waste management.

### **RESPONSES TO ENVIRONMENTAL CHALLENGES**

The District is working on integrating environmental issues into poverty reduction strategies. The District plans are that of promoting capacity-building activities, including pilot projects on land rehabilitation, wetland restoration and soil conservation in order to strengthen and support the work of community based projects. Some work has been initiated by KZN Wildlife and DAEA on alien plants clearing and the District is part of programme expansion. DEAT Working for the Cost Projects needs to be supported to ensure that more community projects are involved on combating coastal and marine erosion as well as protecting the fragile ecosystems along the coast.

#### **Environmental sustainability principles**

Environmental, economic and social goals can be compatible, and are interrelated in such a way that one goal cannot be effectively pursued at the expense of another. In other words, the availability of natural resources and a clean and healthy environment are essential for production capability, and conversely, our ability to address environmental and social issues often depends on a strong and vibrant economy.



The Umkhanyakude District is rich in biodiversity therefore it is working on achieving significant reduction in the current loss of biological diversity by 2010. The understanding of sustainable development was broadened and strengthened as a result of the Summit, particularly the important linkages between poverty, the environment and the use of natural resources.

#### **Millennium Development Goals**

***The Environmental sustainability Goal 7:*** is that of ensuring environmental sustainability and to ensure environmental sustainability of land and air. The District is striving on ensuring that all the proposed development activities are not harmful to environment.

The integration of environmental analysis into the IDP has considerable potential to support the process of strategic development planning. Despite the constraints of environmental management expertise in District and Local Municipalities it is clear that the process of integration of environmental analysis into the IDP has considerable potential to strengthen the IDP.

## **2.7 The State of Institutional Arrangement**

### **2.7.1 Organisational and Establishment Plan**

Section 66 of the Local Government: The Municipal Systems Act (Act No 32 of 2000) requires a Municipal Manager to, within a policy framework determined by the Municipal Council and subject to any applicable legislation, establish a mechanism to regularly evaluate the staff establishment of a Municipality and, if necessary, review the staff establishment.

#### **Institutional Structure of the District**

The Institutional structure of the District is divided into two levels-the Political and Administrative structures. The Administrative structure is accountable to the Political structure.

#### **Political Structure**

The principal structure of the District municipality is Council which is chaired by the Speaker.

To ensure effectiveness-council is further divided into various committees which are established in terms of Sections 79 and 80 of the Local Government : Municipal Structures Act (Act no 117 of 1998). These committees include:

- Executive Committee

#### **Portfolio/Standing Committees**

- Infrastructure
- Corporate Services
- Financial Services
- Community Services
- Social Development and Planning

#### **Ad Hoc Committees**

- Municipal Public Accounts Committee-M-PAC (formally known as Oversight Committee)
- Rules/Ethics/Members' Interest Committee (Proposed)
- Audit Committee
- Performance Audit Committee
- District Speaker's Forum (Proposed)
- Committee on Public Participation (Proposed)
- Remuneration Committee (Proposed)

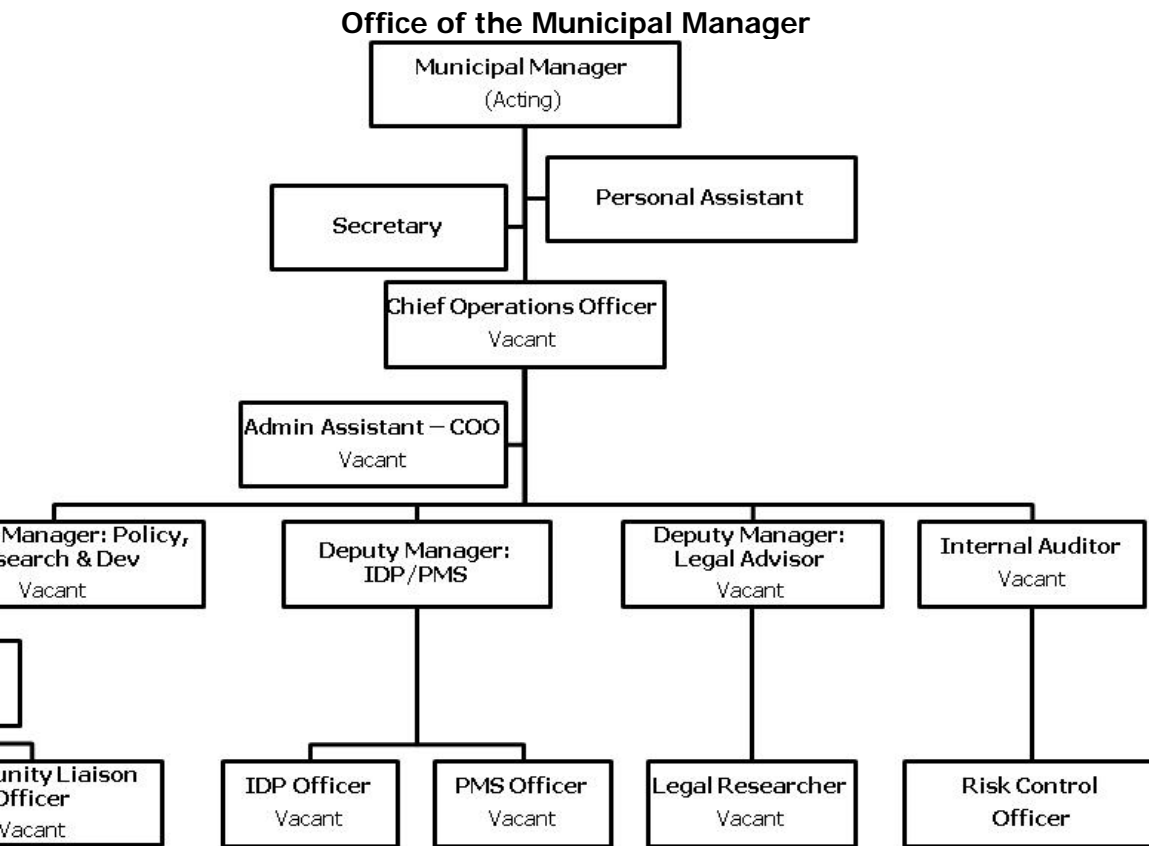
#### **Other Committees**

- District Mayors' Forum
- Intergovernmental Relations Committee
- Local Labour Forum
- Remunerations Committee
- Skills Development and Employment Equity Steering Committee

There is a programme that is currently funded by COGTA to address IGR issues which started to operate in January 2012 and is expected to end in December 2012.

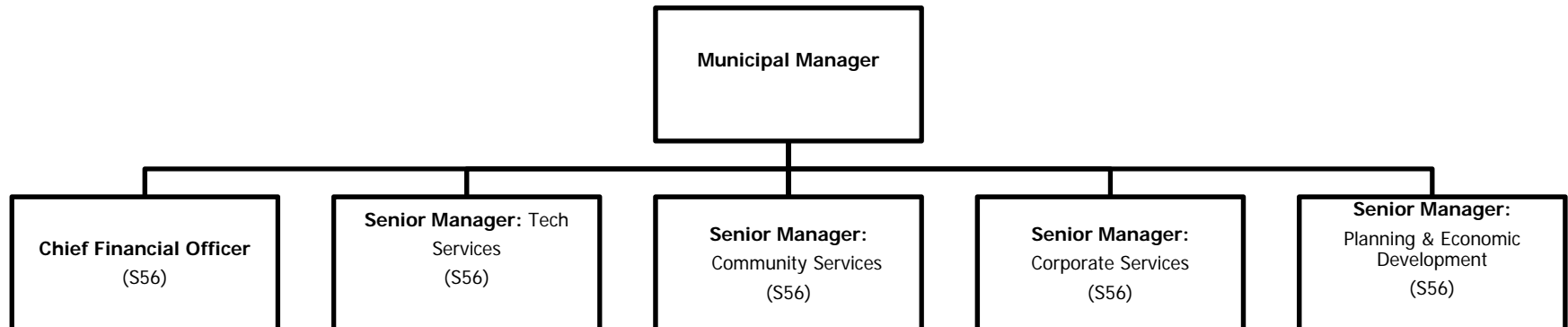
Umkhanyakude District Municipality is structured according to the following departments:

- Municipal Manager's office;
- Corporate Services;
- Community Services;
- Technical Services;
- Financial Services; and
- Social and Economic Development (proposed name change to **Planning and Economic Development**)



new thinking about the structure of the Office of the MM is that it needs the Chief Operations Officer and the Policy, Research and Development component  
 All vacant posts will be addressed during 2012/2013 FY

## Top Management Structure



- The organogram was adopted by the Council on the 16 May 2012
- Currently the positions for the MM and CFO have incumbents that are acting which were seconded by COGTA to the DM
- The CFO's position has been filled
- The position of the Senior Manager-Planning & Economic Development has been advertised as the contract of the current incumbent expired on the 28 February 2012 and should be filled on or before 30 June 2012
- The position of the Senior Manager-Community Services is also vacant and will be filled on or before the end of July 2012
- There is an interim arrangement that has been put into place with a view to supporting the PMU as it is short-staffed currently

**Appendix 2 contains details of adopted organogram for the entire DM.**

## **OFFICE OF THE MUNICIPAL MANAGER**

Functions of the Office of the MM are as follows:

- Rendering strategic leadership during development, implementation and monitoring of the Integrated Development Plan (IDP) and the Performance Management System (PMS)
- Establishing, develop and manage economically viable, effective and accountable administration.
- Taking full liability for sound financial management.
- Coordinating and manage Intergovernmental Relations (IGR).
- Ensuring sound co-operative governance.
- Managing the Municipality's administration in accordance with the Constitution, Local Government Structures Act, the Municipal Systems Act, the Municipal Finance Management Act, the Public Management Act and all other provincial and national legislation applicable.

### **Corporate Services**

The **Corporate Services Department** is the portal of entry and exit from the Municipality and supports the functions of all the other departments in the Municipality. The Department provides support services and generally ensures that all administrative functions of the Municipality are properly coordinated and instances of delays, wastages and poor productivity are greatly minimized.

The functions of the Department are as follows:

- Human resource Management and Development to include: Recruitment, selection, placement, Employment Equity, Policy administration, Succession Planning, Skills Audit and Skills Development Plan, Training needs assessment and training of councillors and officials.
- Implementation and enforcement of policies including Human Resource management and by-laws, Legal Services, Fleet Management, Provisioning, General Administration, All income and expenditure of the Corporate Services Department, all assets and the discharge of all liabilities of the Municipality, controls and risk management policies safeguarding the assets of the municipality.

### **Challenges**

- HR and Retention Strategy not yet in place.
- Critical vacant posts not filled.
- Employment Equity Plan not yet finalized.

- Outdated ICT Systems.
- Departmental Objectives not budgeted for, e.g. Employee Assistance Programme, Occupational Health & Safety and Batho Pele Programme.
- Shortage of vehicles.
- Records Management System not fully implemented.

## **Recommendations**

- HR and retention Strategy to be finalized by 30 June 2013.
- All funded vacant posts to be filled by 30 June 2013.
- Employment Equity Plan to be finalized by 30 June 2012.
- New ICT Systems to be procured by 31 December 2012.
- To provide budget for EAP, OHS and Batho Pele Programme in 2012/13 FY.
- To provide budget for car subsidies and purchase of new vehicles in 2012/13 FY.
- Records Management System to be fully implemented and integrated to the ICT Systems by 30 June 2013.

Following three strategic planning sessions that were held from January 2012 up until the first week of March 2012, the next coming section reflects on issues that emanated during the course of these sessions.

## **Municipal Administration**

### **Purpose:**

- To regulate and develop policy on issues relating to the administration of justice & fair administrative procedures for example the disclosure of interests (officials and council).
  - In compliance with Schedule 1 of the Systems Act disclosure forms have been designed and are to be circulated to Councillors annually;
- Set administrative standards, processes and procedures for example through Business Process Management;
- Implement and entrench Batho Pele principles within and a People first philosophy within the municipal administration;
- Provision of efficient, effective and cost-effective administrative support to all units and Departments in the municipality including meeting support and typing;

### **Administrative Support**

The key focus under administration is to provide assistance to the departments and to the local municipalities.

Where no policies exist within the local municipalities, the Administration will assist the LMs to customize some of the policies of Umkhanyakude District Municipality, with particular reference to:

- Public Participation Strategy and Policy on Public Participation & Petitions,
- Human Resources Strategy and HR Policies,

- The development of Policy and Procedures on Remuneration of Councillors as part of implementation of the Remuneration of Public Office Bearers Act
- Development of Delegation Framework

Skills assessment will be conducted in April/May 2012 followed by direct assistance of LMs in reviewing their establishment plans in line with their IDP processes 2012/2013

A desktop study exercise in assessing LM organograms in accordance with their Municipal powers and functions will be conducted some of the needy LMs and these will be regulated through a Service Level Agreement (SLA)

In addition a District Skills Development Forum will be established

This will include conducting a District Wide Skills assessment on rare skills and scarce skills within the District should as well consider the level of skills deficiency within the District and LMs, and the top-up funding should as well address that.

### **Committee and Council Support**

This is done through provision and support by administration to enhance the capacity of Council and councillors in the delivery of effective services in support of the implementation of Integrated Development Plan

Amongst others:

- Provide administrative support to political office bearers and strengthen council support;
  - Provision of effective Tracking and implementation of resolutions;
  - By redefining decision-making processes and value chain
- Effective secretarial services to Council, Executive and related Committee meetings;
  - Through the reallocation of resources to ensure a more effective administration
  - Improve administrative processes through the development of Information and Communications Technology Strategy (ICT) which includes an e-Government Strategic Plan and Program;
  - Through the use of Business process Management approach to by streamlining functions;
- To ensure that Municipality is able to meet performance targets through the effective management of competent municipal officials/staff.
- There is no standard that guides the quality of items submitted with agenda's for example monthly departmental reports, the inclusion of a recommendation for council items the extent of detail included in the description of issues;

**Purpose:**



- To Develop regulatory framework, policy and procedures for effective governance interface requirements between administration, council and their constituencies;
- To Deliver administrative services to council meeting schedules, agendas, preparation of documentation, minutes, documentation of resolutions and tracking implementation of resolutions;
- Develop a clear process of submission of items for Council and Executive Committee;
- Mobilization & deployment of resources for effective stakeholder support and public participation :
  - ❖ Needs analysis to be conducted;
  - ❖ Data base on stakeholders to be developed as part of implementation of Public Participation Strategy;
  - ❖ Capacity building & training of public participation structures and related committees needs to be conducted on a continuous basis depending on the availability of funds];
  - ❖ Promote & enhance access to ICT services for councillors;
  - ❖ Support to ensure effective communication between councillors & constituency;
  - ❖ Provision of administrative support services aimed at enhancing public participation relating to all planning processes (IDP, SDF and other sector plans) as per legal requirements;
  - ❖ Enhance and strengthen access to information for public-council agenda's.

**Constraints:**

- Procedures regarding the authorization of items by the various directors are not followed;
- Currently no delegated authority/delegations systems is outdated
- Feedback from Department regarding implementation of resolutions meetings is insufficient resulting in the inadequate monitoring of decision implementation;
- Distribution of agenda relies on messengers and transport resulting in high costs of transport and staff (drivers) that is grossly under-utilised –productivity impact

## Institutional Structure

NO	DEPARTMENT	DIVISION	SECTION
1	<b>Municipal Manager's Office</b>	Strategic Planning and Management	IDP, PMS and IDP Municipal Support COO/Executive Support Communication and Branding
			Internal Audit
			Legal Service
			Policy, R & D
2	<b>Corporate Services</b>	ICT	Information Systems Management
		Support Services	Administration
			Auxiliary Services
			Council Support
			Facilities Management
			Records and Information Management
		Human Resources	Knowledge Management
			Organisational Development
			Recruitment and Selection
			Employee Wellness and Occupational safety
Career Development			
3	<b>Budget and Treasury/Finance</b>	Budget and General	Budget and General
		Revenue	Revenue
		Expenditure	Expenditure
		Accounting and reporting	Accounting and reporting
4	<b>Technical Services</b>		Project Management Unit
			Water Services Authority
			Water Services Provision
			Refurbishment and Water Care
			Infrastructure Planning
			Bulk Transport Planning (Proposed)
			Water Quality Monitoring
Waste Management			
5	<b>Social and Economic Development</b>		Land Administration & Dev Spatial Planning Development Planning & Implementation Local Economic Development Regional Economic Development Investment Promotion, Marketing and Branding
6	<b>Community Services</b>		Fire Services
			Disaster Management
			Special Programs
			Sector Development
			Health Services
			Environmental Health
			Protection Services
Social Development Poverty Eradication Programs			

## **Municipal Support**

Local Government Municipal Structures Act [Act 117 of 1998, as amended, Section 83(3)( c), and Section 88(2)(a)] requires district municipalities to assist local municipalities (LMs) within its demarcated area to build capacity so that they may perform their functions and exercise their powers.

Local government by its design is the sphere closest to the people; hence it is the most accessible of the three spheres. It is therefore expected that when people are not satisfied with service delivery, the first point of reference is the local municipality.

The District Municipality will explore the establishment of a Municipal Support Unit (MSU) in order to fulfil its legislative mandate of supporting Local Municipalities.

It is anticipated that the Key Focus Areas will be

- Financial Management,
- Corporate Services,
- Technical/Engineering Services,
- Land and Human Settlements,
- Development Planning and
- Performance Management.

The goal of the Unit will be to transform local municipalities within the District to such an extent that they will in future be self-sufficient, responsive, developmental in nature and, above all, financially sustainable.

## **Integrated Development Planning and Performance Management**

The IDP/PMS unit provides technical support to Local Municipalities in the review of the IDPs and monitoring thereof and ensuring that all municipalities falling within Umkhanyakude District do comply with relevant legislation.

It is very crucial that all spheres of government plan together so as to achieve integrated development plans that reflect District-wide planning. The IDP/PMS sessions are held at the beginning of each IDP phase. These sessions serve as a platform to build capacity of managers as they embark on the activities of each phase, give feedback, identify challenges, and learn and share best practices.

One of the gaps also identified is the misalignment of the Budget, IDP and SDBIP which is largely caused by the non-participation and understanding of the IDP processes by the Budget and Treasury Office practitioners. The resolution is to invite the CFO's to be part of the IDP/PMS sessions as a way of ensuring alignment.

## Record-Keeping and Access to Information

- Records and information should be maintained and in principle made publicly available not only to increase the efficiency of District Municipality but also to make it possible for citizens to enjoy their full rights and to ensure their participation in local decision-making.
- Also to entrench democracy the District Municipality should ensure ease of access to public through provision of adequate information systems and procedures & processes.
- To ensure compliance with Promotion of Access to information Act and to ensure ease of access to information of a public institution – institute measures to provide information to the public

### Constraints:

- Office lay-out does not meet the requirements of the National Archives Act in terms of managing access to documents.[This will be addressed through minor modifications at registry office];
- Storage and access to personnel files are not sufficiently protected (Strict measures will be introduced in relation to access to personnel files) ;
- All departments should have a link with registry to ensure that all correspondence (incoming and outgoing) is handed in at the registry to ensure legal compliance in terms of document control as well as easy retrieval of documents. Due to limitations in the registry office directorates establish and manage their own documentation systems that functions in isolation to the central registry.[Some Departments adhere but not all];
- Poor access control and management of documents result in:
  - Documents being signed out and not returned within a “reasonable” time [Register for records taken out developed and its effectiveness will be evaluated];
  - Documents being passed around among officials without proper tracking in the registry [This will also be resolved through creation of a register];
  - Documents returned to registry in damaged condition e.g. missing pages;
  - Poor service to the public, councilors and officials with regard to retrieval of documents due to the above;
- No policy in place that guides the access to records in terms of rightful access, use of documents and responsibilities of each stakeholder. [ Draft Record management policy is in place];
- The complexities associated to the Promotion of access to information act are not captured in simple procedures that control access as intended. Everyone thinks they have access to everything. There is no creative strategy that makes documentation available to the public without adding tremendous administrative burden to staff [Compilation of PAIA (s14) Manual and training for internal staff will be organized during 2012].

## **Planned activity to address challenges**

- Develop file plan-review current and align with organisational strategy
- Analyse business process in the keeping and archival of records
- Develop Records Management Policy-compliant with National Archives Act and Electronic Communications Act
- Develop procedures for Records Management-to ensure safe-keeping of records
- Records Management Plan for the municipality-with departments
- Develop a program for Electronic Document Management System (EDMS) for the District Municipality to Improve internal Efficiency and Effectiveness (IEE)
  - Define and implement Electronic Records Management procedures

## **Printing Services**

- Develop and implement an effective office automation and print-room system
  - Audit paper trail and cost from printing
- Conduct a Cost benefit analysis for an office automation system (as a follow-up process to tender and office automation equipment recently delivered)
- Develop systems and procedures for the effective and efficient Utilisation of internal printing services District-wide
- Explore the possibility of re-positioning printing services as income generation facility
- Improve internal efficiency and effectiveness through the effective use of print-room facility and/or office automation facilities

## 2.7.2 Human Resource Management

The Constitution of the Republic of South Africa sets out the democratic values and principles that should govern the public service as follows:

- A high standard of professional ethics must be promoted and maintained;
- Efficient economic and effective use of resources must be promoted;
- Local public administration must be development-oriented;
- Services must be provided impartially, fairly, equitably and without bias
- People's needs must be responded to, and the public must be encouraged to participate in policy-making;
- Public administration must be accountable;
  - Transparency must be fostered by providing the public with timely, accessible and accurate information;
  - Good human resource management and career development practices, to maximize human potential, must be cultivated;
- Public administration must broadly representative of the South African people, with employment of personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation.

### District HR Vision

In line with the constitutional principles the vision for municipality's human resources is of a representative, coherent, transparent, efficient, effective and accountable and a staff complement that is responsive to the needs of all the local residents.

Umkhanyakude District Municipality employs approximately **337** staff members who currently account for more than **32%** of the municipality's overall budget. It should be understood that people are not only an organisation's most valuable assets, they are the organization. Without them nothing will happen. The staff should be seen and treated as the organisation's customers-it therefore becomes the duty of the municipality to work towards making them successful.

### HR Challenges

The challenge for local government and the municipality in particular therefore remains in the following key areas:

- Organizational structure that is misaligned with strategy and institutional service delivery goals and the Integrated Development Plan (IDP).
- A need for the streamlining of recruitment and selection processes;
- Creation of awareness of Code of Conduct for municipal employees across all levels of staff;
- Dysfunctional remuneration strategies and practices that lead to increased human resources expenditure and which in turn negatively affect effective staff attraction and retention;
- Cascading of a Performance Management System to levels below Section 56 and 57 employees and to instil a performance culture and service excellence;
- General lack of service standards and performance excellence standards.

- Representivity including increase in number of women at top level-women managers and people with disabilities-to be in line with the demographics;

### **Assessment of issues**

The previous IDP reviews concentrated on the institutional development to ensure improved performance of the IDP and this included a conscientious effort to improve the implementation capacity of operational staff in the respective departments

- Implement an effective business processes to develop and monitor the Workplace Skills Plan;
- The issue of absenteeism becomes an important topic on the agenda of the leadership team and HR;
- Challenges with regard to aged equipment, cost of repairs and maintenance and work time lost remains a priority during budgeting processes;
- Investigate possible sources of revenue / investments associated with private sector social responsibility agenda's (See as part of Revenue Enhancement Programme)
- Development of sector based IGR arrangements that support good relationships, joint operations and coordination;
- Develop and monitor the implementation of the SDBIP as the driving ACTION PLAN of each department. (not only a budgeting tool /compliance exercise);
- Within a transforming institution, some staff members are facing greater responsibilities and delegations. This places new demands that not all staff are able to respond to;
- The achievement of IDP related objectives within the given Human Resource Framework is challenged by the following:
- Supervisory challenges due to the distance between the Administration Units and the centre;
- The budget constraints result in administrative units (centres) not having the appropriate machinery and other physical resources to use their human resource effectively;
- The recruitment of skilled professionals is challenged by difficulties to attract skilled staff due to the low salaries paid, rural nature of the municipality and distance from main (urban) centres, other issues-including job satisfaction, morale, organizational culture etc.;
- Demoralised staff due to perceived unfair salary structure after the amalgamation of different administrative units in the area. The Task system of job grading has not been useful to the institution in closing the gap between different levels of management;
- Some HR functions (relating to pay and benefits) are managed by the finance department – payroll. Insufficient inter-departmental coordination and communication result in delays in resolving HR related queries;
- The implementation of a meaningful skills development program is limited by financial constraints and the unstructured decision making process of the training committee. The lack of an institutional HR strategy (that incorporates buy in from all unions) reduces the strategic edge of skills development:
- The lack of an effective PMS system that is developmental in nature and supply reliable information regarding the development needs of the institution;
- No local training service providers which increases cost and time requirements;

- Poor integration of new knowledge into the organisations as the needed equipment and systems are not in place for implementation;
- Achieving the Equity targets with regard to the inclusion of disabled persons
- Questions also arise whether the existing targets are truly reflective of the demographical profile of the area with particular reference to women in managerial positions.

## **Recruitment, Selection and Transfer of Employees**

All staff appointments in local government are made in accordance with the municipal strategy as enshrined in the IDP along the structure follows strategy principles. In addition staff appointments are made strictly in compliance with the Labour Relations Act and other legislation governing fair, equitable labour practices.

The District Municipality formulated a policy that regulates the recruitment and selection of staff-However as this was formulated in 2005 it is rather outdated and needs to be reviewed to, amongst others, incorporate Labour Relations amendments and policy changes. This policy applies to all appointment and recruitment of staff to the municipality including the appointment and selection of staff for contract work.

However, on conducting policy analysis and review it came out that the policy has flaws (minimal) and needs to be revisited to ensure that it is fully legally compliant and is aligned with current developments in the labour environment. A new Recruitment and Selection Policy will be formulated for adoption by Council in 2012 and includes the identification of need for the filling of a vacancy, the process of advertising, short listing of candidates, the selection of candidates for interviews and the procedures for interview of staff which includes the composition of interview panel and the final selection and appointment process. The objectives of the Recruitment Policy will, amongst others, include:

- Objective, fair approach, procedures and processes and guidelines for the recruitment of municipal staff;
- ensuring fairness and equity in the recruitment of staff in compliance with legislation;
- Minimizing the potential of labour disputes due to recruitment and selection of staff;
- Ensuring the municipality's ability to comply with labour market trends through the recruitment and selection of suitably qualified and skilled personnel;
- Initiating controls to ensure that only authorized persons have access to the information, thus preventing information and/or the records themselves from being stolen or damaged.

The policy will also make provisions for the transfers, deployment and secondment of staff and the policy implementation plan clearly defined (business) process and procedures to be put in place for this purpose. Amongst others, the reviewed policy will have to incorporate the above mentioned changes.

### **(b) Employee retention**

One of the challenges facing the municipality is high staff turnover and the attraction and retention of scarce skills. Amongst others, the following can be cited as possible causes of the relatively high staff turnover:



- Huge disparity in salary gaps-especially between s57 and 1<sup>st</sup> level of management (Directors and to the lowest levels of employees-general workers)- this is a massive contributor to high staff turnover and perhaps also low staff morale;
- Lack of motivation or concerted program to increase staff morale;
- Lack of incentives;
- Extremely low salaries and remuneration
- No career path for staff – nor is there career planning. However the municipal management is only now starting to look into career development for staff;
- Recruitment and selection practices-tendency to recruit externally without a concerted staff development that ensures upward mobility;
- No employee satisfaction procedures/surveys conducted e.g. quarterly to indicate whether the municipality is an enjoyable place to work for;
- Organisational culture-Rules, procedures and by nature civil service is a bureaucratic rule-bound organization with culture practices and approach that hampers innovation and demotivates staff

### **2.7.3 Human Resources Planning**

The bulk of the District Municipality's financial challenges continue to be addressed through reduced spending. Budget planning instructions for FY12-13 have been provided to continue to guide Departments, business (functional) and administrative units in identifying and investing in their core programs and services in support of the District Municipality's mission.

Part of this short- and long-term planning process involves careful review of the work being performed in each unit and the determination of whether or not it aligns with the priorities the unit has identified. Inevitably, workforce reductions result when a unit discontinues programs or services too costly, or less integral, to its strategic priorities—and the work associated with those activities goes away. Careful planning is essential when considering budget reductions within a Department and/or unit's workforce.

As the various Departments and units continue the challenging task of determining the work essential to their core programs, services, and activities, Human Resources has revised this guide to continue assisting Departments as they re-align their human resources with the new strategic direction of the District.

In addition Human Resources is providing this HR planning guide to assist Departments and/or business units to consider various cost saving actions to meet their budget reduction goal. Within the scope of the instructions to reduce expenditure the HR Planning guide will be used to assist Departments in workforce planning. Human Resources unit is ready to assist Departments as they undertake this difficult process.

## **2.7.4 Organisational Development (OD)-**

### **a) Organisational Arrangements/Organogram**

- Re-alignment of the organisational structure with Council strategy using the 'Structure follows Strategy' principle of Organisational Development

### **b) Job Evaluation**

Job Evaluation in Local Government has been governed by an SALGBC Job Evaluation Agreement from 2003 to November 2009, when it expired. This Job Evaluation Agreement laid down the procedures whereby a new job evaluation system (called TASK) would be implemented into the Local Government sector. This TASK system replaces the previous van der Merwe Post Level system which had been in place for a number of years.

Due to administrative hiccups the District has been unable to implement the outcomes of the Job Evaluation process-for various reasons. The District has thus undertaken a process to review various SALGC Policies including the Collective Agreement on Placement of Staff and the Collective Agreement on Grading and Job Evaluation. As no salaries could be attached to the TASK grades due to non-agreement by the parties to the Bargaining Council (SALGA, SAMWU & IMATU) the District Municipality is exploring various measures including implementation of Categorization and Wage Curve Agreement- as published in April 2010. This agreement dealt with the re-categorization system for all municipalities within South Africa as well as allocating a range of salaries to each of the TASK grades in these municipalities, according to their category. Whilst this agreement was to be effective from 1 July 2010 the District could not implement the agreement due to, amongst others, difference in interpretation at the Local Labour Forum level.

Due to the length of time from the commencement of the Job Evaluation process in 2003 to the date of full implementation in July 2010, many positions that were originally graded are now currently potentially incorrectly graded. This is due to change of structures, functions and job content to individual job descriptions. Therefore the District needs to undertake a process of updating these grades that were originally graded.

The original job evaluation grading committee which was established in 2003, has been largely disbanded with some of the members leaving the municipality resulting in loss of records and institutional memory. Therefore, this Job Evaluation Grading Committee will need to be established and capacitated so as to be effective.

Although the Job Evaluation Agreement expired in November 2009, SALGA initially intended not to re-negotiate a new one and wish to introduce a SALGA produced National Job Evaluation Policy. However in July 2010, SALGA entered into new negotiations with Labour to possibly renegotiate a new Job Evaluation Agreement. However at the SALGA National Conference a resolution was taken whereby SALGA should not sign a new Job Evaluation Agreement with Labour. Therefore SALGA is in a quandary of deciding in which direction to proceed with Job Evaluation: enter into a joint agreement with labour or to decide that municipalities should solely be responsible for job evaluation matters. The direction which SALGA will take is still unclear.

The TASK Job Evaluation System that had been introduced in the Local Government Sector has to be maintained through a systematic process. This process consists of municipalities ensuring that incumbents of jobs have an opportunity to update their job descriptions according to the needs and demands of the functions of that particular department. The updating of these job descriptions will be conducted through a process of ensuring that there are sufficiently trained job description writers within the municipality.

These job descriptions should undergo a systematic process of job evaluation by an appropriately trained job grading committee. Job Evaluation is therefore not a once off event, but rather is a constant process of re-evaluation of jobs as their content changes to ensure their grades are also kept up-to-date.

## 2.7.5 Human Resources Development (HRD)

The Purpose of the HRD t is to deliver accredited, quality training for both employed and unemployed candidates of the District and local municipalities within its jurisdiction. This is in line with the Skills Development Act No. of 97 of 1998, Skills Development Levy Act No. 09 of 1999, South African Quality Assurance (SAQA) Act No 58 of 1995 and Employment Equity Act No 55 of 1998.

The main function of the Unit is to co-ordinate, monitor and evaluate all skills development initiatives to ensure that they enhance Service Delivery and Corporate Governance, improve financial viability of District and local municipalities within its jurisdiction, stimulate local economic development which would subsequently alleviate poverty, as well as being change agents for effective Municipal Transformation and Institutional Development.

Focus of the HRD Unit is to ensure that targeted training programmes are aligned to applicable Legislation, Policies, Political pronouncements and IDP linkage as follows;

- National Skills Development Strategy (NSDS): 2005 -2010
- Umkhanyakude District Municipality Integrated Development Plan (IDP)
- Sector Skills Plan of the Local Government Sector Education and Training Authority (LGSETA)
- District Growth and Development Strategies
- HRD Strategy for South Africa 2010 -2030
- Political pronouncements *(a) delegating water function to District Municipalities, (b) Illiteracy eradication by 2015 through ABET*
- Government Gazette 29967 on National Treasury's "Minimum Competency Levels" Training.

It is a known fact that municipalities across South Africa have different levels of capacity and Umkhanyakude happens to be one of the low capacity municipalities. It is critical for the municipality to ensure that plans are put in place to develop the skills and competencies of its staff so as to be able to handle the challenges and changes facing the local government sector.

The Municipality has completed a Skills Development Plan together with the Annual Training Report for the 2012/2013 financial year with the support of the Human Resources Unit (Skills Development Facilitator).

The Workplace Skills Plan (WSP) is a strategic document which seeks to address the capacity building initiatives for the employed and unemployed people. It is based on the needs and related gaps as identified by each Department.

During the first week in May 2012 the Directorate – Corporate Services will facilitate the revision of the Skills Development Plan in order to align training and development to the strategic objectives of the IDP.

### **Challenges include:**

- Lack of measures that ensures that training and skills development is in line with the developmental local government agenda;
- Limited interdepartmental dialogue with regard to scarce skills, prioritization and investment in training;

- No measures in place to ensure that training and Human Resources Development is effective –impact analysis.

**Activities to reduce challenges:**

- Revive Training Committee to ensure fair representation of stakeholders;
- Develop terms of reference for the Training Committee in line with LGSETA a
- Alignment of skills development and training with the municipal strategy IDP
- An induction workshop for the Training Committee be held with the assistance from Local Government SETA (LGSETA) in order for the committee to carry out its full mandate;
- SDF to ensure that the language of training and development and its processes are understood across the municipality;
- Develop an implementation plan for WSP;

**(b) (Skills Development)**

- Develop and implement a skills development and alignment with IDP
- Skills assessor skills for the municipality and departments
- Develop and roll-out a standardised Management Development Program –CCR in line with provincial and national requirements
- Develop a skills alignment framework to facilitate correct placement of skills
- Develop and enhance strategic partnerships with line departments (as internal customers)

**Career Management/ and Development**

Focus on

- Career planning
- Career pathing
- Career development
- Practices that support career management
  - Development and utilisation of instruments to facilitate career development
  - District training and development programs and policies
  - Audit of organisational HR needs
  - Affirmative action objectives
  - Job description

Outcomes

- Career planning and development for senior and middle management
- Talent assessment for future potential leadership

Succession planning

- Develop space for deployment/movement of human resources especially general managers across the organisation (where possible) as part of career development/training ground for future HOD's

**Career pathing**

In the formulation of human resource development approaches, career pathing will be central to the formulation of strategy and policy on employee retention. Career pathing is also crucial

as a tool for both retention and productivity to, amongst others, engage and retain top talent using tailored programs. Career pathing is also quite critical as a tool/mechanism to build leadership talent.

**Challenges** that have led to focused career pathing:

- The collapse of employee loyalty;
- The mismatch between the products/outputs of the current educational system (in relation to talent & skills) and the labour market needs;
- Low productivity;
- High rate of staff turnover.

Activities to reduce challenges:

- Develop and adopt policy on career pathing;
- The policy should basically incorporate above challenges.

### **Employee Wellness Program**

Employee Wellness Programs have been evolving over time as a response to predominantly the following factors:

- Changing social conditions,
- Changes in the legislative environment governing workplace,
- Changes in healthcare impact on employees from both public and private sector.

The purpose for the establishment of Wellness Unit/Wellness Focal point is to promote healthy lifestyles and to provide information; education and communication on health related matters, as well as to motivate employees to be proactive about their health. According to the Occupational Health and Safety Act 85 of 1993, employers have a responsibility to ensure health and safety of their employees at in the workplace. To ensure this, the Municipality intends to make the following services available to its employees including the employees based in the satellite offices:

- Occupational Health Services
- Employee Assistant Programme
- HIV/AIDS Workplace Programme
- Primary health care

These services are rendered in accordance with the requirements of the following Acts –

- Compensation for Occupational Injuries and diseases Act 130 of 1993
- The National Health Act 63 of 1982.
- The Medicines and Related Substance Act 101 of 1965.
- HIV/AIDS Workplace Policy

Occupational Health Services take into consideration the hazards employees are exposed to it is anticipated that the employee wellness program will provide relevant interventions. EAP

Services will also provide Individual Counselling sessions and referrals to employees who are experiencing personal and work related challenges. These factors and the diverse nature of Employee Wellness Programs have led to various approaches within the field. To ensure a shift towards a more holistic employee wellness approach, the key components of Employee Wellness Program would include:

- The provision of health education and health awareness program focusing on and targeting employees;
- The provision of employee counselling and work life services;
- The provision of stress management and critical incident services;
- The identification of behavioural health risks that can be modified through health risk assessments;
- The implementation of individual and organizational behavioural change interventions to mitigate identified risks.

### **Challenges**

- Insufficient funds to conduct more EAP Programmes
- A need for the Occupational Doctor to be contracted for referral of employees with Occupational Health problems
- Lack of resources-No permanent vehicle assigned to Employee Wellness for weekly visits

Especially for the local government environment (state) it becomes critical that the **Human Resources Development plan** incorporates the following critical areas:

- The implementation of individual and organisational behavioural change interventions to mitigate identified risks;
- Measures in place to ensure that the workplace/s is safe through occupational health and safety. It therefore becomes critical that the Occupational Health and Safety Act is therefore implemented to the letter;
- That attention is paid to the psychological aspect of health and wellness;
- Measures are put in place to ensure the general health and well being of employees- health education, awareness etc.
- Managing diseases successfully;
- Develop measures that will ensure a shift in HIV/AIDS interventions, strategy and HIV/AIDS Policy into the general Employee Wellness program:
  - Develop and implement sexual exposure chart;
  - Understanding key elements of HIV/AIDS treatment and care for the workplace;
  - Emphasis on pre- and post test counselling and confidentiality;
  - Assist and develop HIV/AIDS measures that will deal with stigma and discrimination;
  - HIV/AIDS as South Africa's biggest health issue that requires employer responses to absenteeism, sick leave etc.

### **Activities to reduce the challenges:**

- Re-establishment of the Occupational Health and Safety Committee;
  - Induct and Workshop the Committee in order to make sure that it carries out its full mandate;
  - Develop Programme;
  - Develop and Implement Employee Wellness Programme;
  - Develop workplace HIV/Aids Strategy.
- 
- **Employee Assistance Program**
    - To assist employees with Financial management and counselling
    - Develop and provide resources for Employee Wellness program
    - Counselling and advisory services
- 
- **OHSA compliance**
    - Establish safety committees
    - Training and capacity building for Health and Safety Committees
    - Health and safety training for line management
    - Health and safety for contractors
    - Assist LM's with training and development of Health and Safety Committees

### **Employment Equity**

Concerted efforts were made during the 2010/2011 financial year to address the employment equity targets of the municipality as enshrined in the Employment Equity Plan. With implementation of the Municipal Employment Equity Plan the following were undertaken:

- Analysis of staff profile & develop an Employment Equity agenda for municipality;
- Ensure implementation of targeted employment practices & HRD functions.

Efforts will be made during the 2012/2013 financial year and in future to develop mechanisms to address these targets including focused attention aimed at addressing this challenge.

### **Activities to reduce challenges:**

- Establish an EEP Committee;
- Conduct skills audit of the committee and close the skills gap;
- Review current EEP and move for adoption by Council;
- Implement and report to the Department of Labour.

The Municipality also has capacity constraints in terms of experience and knowledge. A comprehensive skills audit will thus be undertaken during the 2012/2013 financial year to guide the training initiatives of the Municipality. This needs to be translated into a skills development plan/workplace skills plan (WSP) which will be conducted in 2011-2012 not only as a compliance issue but also to ensure that there is staff development .



Factors that are contributing to performance challenges include the following:

- Due to the large skill/experience gap between senior officials and junior officials, senior officials are responsible for heavy workloads;
- Officials in satellite offices have to be multi-skilled to meet all the demands/ alternatively multi-skilled senior personnel be employed to manage and meet all demands;
- The management culture of the organisation is departmentalized and very silo orientated when it comes to the implementation of projects/programmes;
- Planning and management meetings are not standardised in all departments and is not cross-cutting to ensure administrative effectiveness;
- Lack of an updated delegation system- This causes delays in service delivery and is not cost effective;
- Not all staff placements following the establishment process have been delegated equally appropriately in terms of skills and knowledge;
- Employee morale is negatively affected by no salary scale adjustments after the establishment process and following the tedious SALGBC-led job evaluation;
- Municipal staff is issued with the Code of Conduct, but they are not required to sign it;
- Staff control is problematic due to ineffective control of attendance/leave and discipline. There are no annual departmental plans regarding staff leave, resulting in ad hoc, poorly coordinated control;
- The Health and Safety committees are not functioning optimally;
- There are limitations in terms of IT capacity, but recruitment of suitable candidates are difficult due to available salary offers;
- The distance between Mkhuze and the satellite offices places an additional burden on supervisory requirements.

## **2.7.6 Personnel/HR Administration**

### **Conditions of Service**

- Remuneration/Conditions
  - Review and adjust remuneration strategy/system in line with governing legislation and Collective Agreements

### **Leave Administration**

- Develop and implement an effective leave management system
- Enhance productivity and reduce expenditure through workflow improvement/Business Process Management (BPM)
- Implement procedures and processes emanating from business process analysis-to streamline and improve efficiency

### **Overtime**

- Develop Policy to regulate overtime to ensure effective overtime management
- Develop and review procedures for overtime
- Enhance productivity through Workflow improvement/Business Process Management

### **Performance Management**

- Develop/introduce Incentive and award scheme to acknowledge performance/excellence and long dedicated service of staff in addition to performance management
- Re-evaluate and adjust Performance Management System
- Develop/implement Performance and progression scheme that promotes the advancement and retention of competent and critical staff and address poor performance

### **ICT development/ e-HR System and/or utilisation for effective HRD**

- Information/data base up to date
- Leave Management System
- Records Management Program
- HRD-training, performance, career development

### **Labour Relations**

The purpose of the Labour Relations Act 66 of 1995, as amended, is to advance economic development, social justice, labour peace and the democratization of the workplace by fulfilling the primary objects of the Act. The Basic Conditions of employment Act 75 of 1997, on the other hand, regulates the right to fair labour practices by establishing basic conditions of employment, regulate variation of basic condition of employment.

The Labour Relations Policy will be developed as a guide for the implementation of the amended Disciplinary Code Collective Agreement. Buy-in has been obtained from Organised Labour following consultations in the Local Labour Forum (LLF), and the policy is destined for Council structures for approval.

In order to promote sound labour relations, the Municipality will:

- Audit Compliance with ORA/Conduct compliance audit
- Capacity building for ORA implementation-strengthen Local Labour Forum
- Develop and implement systems for Effective Grievance and disciplinary procedures (HR)
- Develop and implement program for effective coordination of Grievance and disciplinary procedures in support of line management
- Training and development of Presiding Officers/Presenting (not to be nominated from LR/HR to preside/Presiding Officers but LR/HR to be also capacitated in this regard)
- Improve turnaround time for the resolution of grievances, disciplinary actions and dispute resolution
- Strengthen collective bargaining capacity for the district-through training of senior managers/HR Managers-identify collective bargaining areas

### **Productivity Improvement**

- Climate survey
- Remuneration/Conditions
  - Review and adjust remuneration strategy/system in line with governing legislation and Collective Agreements
  - Develop incentive scheme to reward excellence
  - Performance appraisals

### **Performance Management System**

- Alignment of PMS to meet organisational strategy and strategic goals of the District
- Review Performance Management System to ensure effectiveness
- Develop PMS for L1-L3 Management
- Cascade PMS to other levels of employment

## Community Services

This department serves as a mouthpiece of the District Municipality. It plays a central role in organizing community participation events such as IDP/Budget and Road Shows. The functions of this department cover social service programs, including services to vulnerable women, children, the aged and people with disability. It also focuses on youth development programs, hence sports and recreation.

The initiative of changing the image of the Umkhanyakude District Municipality is gaining momentum. A **Music Festival** is planned to take place during the first half of 2012/2013 FY. Furthermore at the beginning of 2013, there is a planned **Jazz Festival** which will be an annual event for Umkhanyakude District Municipality.

### Key Performance Areas:

- Environmental health services
- Disaster management
- Disability
- Art and culture
- Women, children, senior citizens and gender
- Youth and sports
- HIV/AIDS

### Challenges:

- There is a lack of coordination and working together as a District family of municipalities. This is due to unavailability of a platform to discuss community services issues at a District Level.
- Lack of funding to implement short and long-term projects for the vulnerable.
- Management and Councilors seem to have partial understanding of the dynamics of Disaster Management
- For a long time, the post for an Executive Director – Community Services has been having an incumbent that is acting however the vacancy has been advertised and will be filled not later than July 2012.

### Proposed Interventions/recommendations:

- Establishment of a District-wide Community Services Forum
- The Departments should communicate with Provincial and National relevant departments so as to implement programmes and projects directed to the vulnerable at a local level.
- The department should coordinate Management and Councilor training on disaster management.

## **Technical Services**

The Technical Services Department is responsible for the following functions: Management of delivery of infrastructure (services) and the technical affairs of the Municipality. The department provides strategic support by facilitating the continuously updating of sectoral plans to inform integrated development planning. The department manages and monitors the implementation of projects emanating from the IDP, in accordance with policies adopted by the Municipality. The department also report on the projects executed and maintain control systems for each phase of project implementation.

The Department is divided into four (4) sections, namely:

- Project Management Unit (PMU)
- Energy Section
- Water Services Authority
- Water Services Provision

### **Key Performance Areas:**

- Bulk Water and Wastewater Management
- Electricity
- Project Management
- Rural and Urban Reticulation

### **Challenges:**

- Vandalism of infrastructure and illegal connections result to massive water losses
- Poor operation and maintenance due to financial constraints
- IT system inadequate MIG-MIS system not update and reporting not done
- Vacant critical posts to be filled.

### **Proposed Interventions/recommendations:**

- Legalize connections through metering.
- Development and implementation of operation and maintenance plan

## Social and Economic Development

### The Mandate

The Department is responsible for the following mandates:

- Local Economic Development
- Tourism and Agriculture
- Development Planning

### Challenges/realities

- Prevalent tendency to reduce Local Economic Development to small scale poverty alleviation projects;
- High concentration of the economy in urban areas or the so-called white areas;
- Binding constraint: WATER
- Stark reality of the pre-1994 spatial and housing settlements patterns;
- Lack of a coherent and common view and approach to economic development (municipalities, business and civil society);
- Negative perceptions about the municipality;
- Silo approach to planning and implementation of programmes and projects by the District Family of Municipalities (unnecessary competition).

### Possible solutions

- Development of a **BIG IDEA** that will form the basis for the development of the economy of the District (comparative and competitive advantages);
- Identification of strategic pressure economic development points or nodes;
- Land audit (ownership and use);
- Finalization of a District Environmental Management Framework (tools and activities);
- Strengthening relations between the municipality and the business world;
- Bolster the capacity of the department by absorbing the current Development planning Shared Services staff (June 2012); and
- Renaming the department from Social and Economic Development Department (SED) to Planning and Economic Development (PED).

## **Development Planning Shared Services (DPSS)**

In view of the impending changes in development planning legislation in the province involving devolution of planning powers and functions to local government level; *i.e. The Planning and Development Act (PDA)*; limitations on capacity in Local Government to perform planning and development functions; limitations on funding in many municipalities to engage qualified and suitably experienced planning staff; the need to extend all development planning functions across the full area of jurisdiction of local municipalities; and to strengthen the coordination function to be performed by District Municipalities; the Umkhanyakude Family of Municipalities in partnership with the KwaZulu Natal Provincial Department of Cooperative Governance and Traditional Affairs (COGTA) has recently (2008/2009 Financial Year) committed itself into the establishment and implementation of the Development Planning Shared Services (DPSS) Initiative as part of its institutional arrangement.

The main purpose for the establishment and implementation of the District-wide Development Planning Shared Services (DPSS) component is to perform a range of development planning functions throughout the District municipal area with particular focus on the following Key Performance Areas (KPA's):

- Spatial Planning;
- Municipal Strategic Planning (IDP);
- Development Administration Control
- Performance Management System (PMS); and
- Geographical Information Systems (GIS).

In addition, *the Environmental Planning and Management; Building Inspections and Control; Housing & Land Reform* Key Performance Areas/functions were considered to form part of the DPSS initiative, but do not form part of the original Development Planning Shared Services negotiations between COGTA and Umkhanyakude Family of Municipalities. These will have to be identified for further discussion once the planned shared service has been established and is fully functional in the future.

Despite some of the challenges listed below, (including the slow pace in filling of the vacant posts and lack of operating requirements) overall it is appropriate to mention that the Umkhanyakude's Development Planning Shared Services (DPSS) Initiative which came into effect in January 2010, is indeed functional and has made meaningful strides in delivering to its mandate as outlined in its implementation performance plan.

One of the major achievements of the newly created DPSS Component among others is the creation of the necessary awareness and knowledge about the need and importance of Development Planning function in municipalities.

- Inability of the District to retain the appointed DPSS Staff negatively affected the DPSS Unit functionality when it lost three of its initial staff due to resignations;
- Lack of operating resources such Laptops, 3G Cards, etc...

- Lack of needed support and cooperation by the participating Local municipalities in the full implementation of the DPSS Business Plan and MOA resulting to non compliance to the provisions of the MOA, i.e. Failure by the LMs to transfer their own contributions as per the MOA; etc...
- Delays in filling of the vacant post for the DPSS Component;
- The unfavorable Financial position of the District Municipality directly affecting the operations of the Component;
- Continued differing perceptions about the relationship between the DPSS and the existing Planning capacity within the Family of Municipalities;
- Lack of clarity on the roles and responsibilities in the implementation of the DPSS Initiative within the family;
- The challenge of high expectations versus the real mandate and scope of the DPSS Initiative especially by the participating Municipalities;
- Inadequate awareness and knowledge about the DPSS facility throughout the District, especially to the Development Planning role-players and Stakeholders;
- Lack of clarity on the management responsibility of the DPSS;
- Lack of effective communication mechanisms for the DPSS facility; and
- Lack of Long-term strategic importance of DPSS within the District Family in developing and sustaining development planning function within the District Family.

**Proposed Intervention/ Recommendations:**

- Filling of the vacant DPSS Posts;
- Upscale Communication efforts about the DPSS Initiative aimed at profiling the need and value of the Facility throughout the District Municipal Area;
- Work towards clarification of roles and responsibilities about the purpose and mandate of DPSS to various role-players and stakeholders;
- Make the much needed operating resources and requirements available to enable the component to deliver on its expected mandate as contained in its Business Plan;
- Solicit both leadership and management support and commitment of the participating municipalities into the implementation of the DPSS initiative;
- Clarify the management responsibility of the Initiative;
- Solicit high level leadership and management support/ and buy-in towards the strategic importance of the DPSS initiative by viewing the DPSS as their initiative and not necessarily COGTA;s initiative. In other words, at a very strategic level, a very bold decision must now be taken to prioritize including Development Planning function into their respective organizational structures which must continue to exist post DPSS; and
- The DPSS facility shall be used to develop and sustain the Development Planning function within the family of Municipalities.



## **Umhlosinga Development Agency (UMDA)**

In response to the challenges regarding Economic Development the UMkhanyakude District Council decided to establish a Special Purpose Vehicle to drive Economic Development in the District. The Umhlosinga Development Agency was established by Council resolution in 2006. With the financial assistance Local Economic Development Agency program of the Industrial Development Corporation, the agency started Operations on the 1<sup>st</sup> of January 2008.

The UMDA speaks to 5 major Key objectives of the IDP

1. Financial Viability
2. Economic Development
3. Corporate Governance
4. Service Delivery
5. Institutional Development

The UMDA functions as a Local Economic Development Agency (LEDA) growth and development in the sub region. The District Municipality has formally mandated the agency, to:

- a dedicated entity responsible for the planning and implementation of a program of sustainable economic that acts as an agent, for and on behalf of the UMkhanyakude District Municipality, for the purposes of implementing an integrated and sustainable program of economic development in the area;
- To identify, plan and manage the implementation of economic development projects in the Districts of UMkhanyakude, as agreed to with the District and/or local municipalities of the District;
- To acquire, own and manage land and buildings, and/or rights to land and buildings, on behalf of the Districts and/or local municipalities, to be used for economic development purposes;
- To act as a receiver, manager and/or coordinator of technical assistance and development funding from donor, public and private sector institutions/organizations for the discharge of its mandate; and
- To raise, receive and hold funds, from any lawful source and to manage, administer and disburse those funds in pursuance of the objects of the agency.

The UMDA has an independent Board appointed by EXCO to oversee the mandated as given by the Council. In April 2007 an acting CEO was appointed and the UMDA finalized its Pre Establishment. The full time CEO was appointed in January 2008 and the UMDA moved into Establishment phase in Identifying lead projects to investigate towards Economic Development.

The UMDA moved into 1<sup>st</sup> Operational phase in 2009 and established 5 Economic intervention Programs that talks to the IDP 1. Agribusiness 2. Tourism 3. Industry 4. Property Development 5. Business Support and Development.

The UMDA was requested by parent body to investigate 2 Lead projects that would have long term benefits to the District Economic growth and Development. 1. The Mkuze Regional Airport and 2. The Jozini Hydro.

The UMDA is now in its Final Funding Stages of the IDC program and as such will be closing on Programs done to date. All future Funding and Programs will be based on the New Government Strategy on UMkhanyakude. The Shareholder will be responsible for the Operational Cost of the UMDA and as such will need to align the Company to achieve maximum benefit from the company.

The current strategy of the UMDA is based on the 5 Programs identified as Key drivers of the Economy, Agriculture, Tourism, Property Development, Industry and Business Support and Development. The company has to date operated on these fundamentals in terms of its development planning and engagement.

The New Strategy for the District Municipality is one of Corridor development and the District has aligned all its Local Municipalities to this strategy. The corridor strategy rest on the strengths of the District in terms of its Economic Advantages based on Location and the Two Main Sectors of economic activity.

The District is an Agricultural and Tourism Based Sector Economy and as such the Alignment with the Corridor Strategy will be Based on integration of Economic Activities and Planning future Activities to strengthen the Strategy.

The Strategy aims to achieve three major objectives, becoming a Food production Centre, Export earner and be a major value add centre. In terms of the Agricultural alignment to the Strategy the UMDA will strategise alongside the following main focus points to achieve this outcome.

1. Makathini Master Plan
2. Formalizing the Informal Agricultural Industry into Value Chain Program
3. Becoming a Primary Food Producer
4. Becoming a Main Economic Driver
5. Create and Investor Based Environment.

In terms of Tourism the UMDA will focus on the Following Strategy, the Goal of which is to Make UMkhanyakude the Preferred Tourism Destination by creating and Maintaining as ever evolving and Innovative Tourism experience.

1. Industry Transformation
2. Create and support the Enabling environment for growth
3. Defend Domestic Market and aggressively grow foreign Market

4. Improve Destination Image and profile
5. Attract investment in the Tourism Industry.

The marketing of new investment opportunities in the tourism industry will be the focus for the 2013 and beyond. The identification of new possibilities and strengthening of current products remains a priority. The main focus will be based on opening up new tourism destination for visitors.

## 2.8 The State of Local Economic Development

### Key issues emanating from the socioeconomic district profile

- Unemployment, inequality and poverty remain the major economic challenges in the District. The close link between these three social ills means that interventions from Government and other developmental partners should directly and indirectly tackle these issues. The causes of this situation are mainly structural in nature.
- The economy of the District is over-reliant on agriculture (primary), the community services sector (government) to provide jobs. There is thus a need to diversify the economy of the region.
- There is very little investment in economic infrastructure that can lead to economic growth and development in these areas. Initiatives designed to attract investment into these areas should therefore be regarded as a priority
- There is a need to develop the manufacturing base of the region-attention needs to be given to broadening and building the industrial base of the area. This will lead to economic growth and development of the area.

### 2.8.1 Enterprise Development

#### Small, Medium and Micro Enterprise Development

The district municipality identified enterprise development - Small, Medium and Micro Enterprise (SMME) - as its priority area. The municipality has a mandate to promote enterprise development within its area of jurisdiction with the aim to boost local economic development.

In 2012 the district is planning to develop an SMME Strategy which will include a number of programmes and activities coming from the strategy as guided by the implementation plan.

#### Challenges faced by SMME's in the District

- Financial Support and access to finance
- Market material
- Marketing support and access to markets
- Technology Support
- Policy/Regulatory and institutional environment
- Human Resource Development and Capacity Building , and managerial expertise
- Timely payment of SMME's

### 2.8.2 Agriculture

**Field crops:** The primary field crop is maize and this impacts a large number of people and is particularly valuable as a food crop when traditionally intercropped with pumpkins and beans. Maize is subject to large fluctuations in prices and combined with declining yields in communal areas presents both risk and opportunity for intervention. The Massive Food Production program targets maize and future programs need to be aligned with and learnt from this initiative. New possibilities, such as in-field rainwater are being explored to reduce the risk of

crop failure and increase yields and also introduce fertility improving low-till planting and mulching have significant potential to meet food production and poverty alleviation objectives.

**Poultry – Broilers and Layers:** It is the intention of the district to assist SMMEs operate poultry/broilers. However these are intensive and highly sensitive to national market fluctuations and require high levels of management which are associated with high risk. Small-scale poultry production has been widely attempted but without the anticipated returns or levels of success and may have relevance at a micro-project level.

**Pineapples:** The conditions for pineapple cultivation are sub-optimal and the industry has been in decline over the last 4 decades. There remains uncertainty about further investment given the export market dependence and links to the exchange rate. However the district is intending to develop this industry as part of establishment of the Agro-processing Unit and Pineapple Beneficiation.

**Vegetables and Irrigated crops:** Typically, irrigation crops are medium to high value vegetables.

The District is exploring the implementation of Revitalisation strategies which invest in skills development, organisational growth, market linkages as well as physical repairs have shown substantial success nationally and could be replicated within Umkhanyakude.

**Acquaculture / Mariculture:** There is some potential for aquaculture and good potential for mariculture in the district. The tourism industry linked to trout in the higher-lying dams is significant and more important than the value of the fish themselves.

The relative importance of these enterprises differs in terms of contribution to employment, poverty alleviation and numbers of people impacted. It is important that for any sector, there are substantial variations between the predominantly commercial farming systems and the communal farming areas which have a mix of farming styles with varying agricultural contribution to livelihoods.

**Tunnel / Hydroponic production:** The district is exploring the development of this sector and the following products: Tomatoes, cut flowers and high value vegetables as these dominate this rapidly growing industry.

**Livestock –** Livestock is generally farmed together for pasture management, there is declining profitability in real terms with a shift from small stock to beef and to game in the commercial sector. However, together this is the largest sector in terms of land area, economic contribution and participation and has primary strategic value in both economic and socio-political benefits within the ADM.

## **PROPOSED SOLUTIONS**

### **Creation of SMME Profile**

Many SMME's operate in urban areas as compared to rural areas, and there is inadequate infrastructure for SMME development in rural areas. Notwithstanding the success of some micro sector businesses, it was identified that these enterprises are not growing – graduate to small business category. It was also identified that there is no available comprehensive inventory (databank) for SMMEs within the District. It has also emerged that most SMME's products are in poor quality. In improving the quality of their products, the District has is planning to intervene by organizing product development sessions and training sessions for both SMMEs and cooperatives.

As has been identified that most enterprises operate informally, the District is in the process of conducting a survey which will determine the causes and other related matters. The survey will also document the challenges faced by these informal traders so that a clearly defined support programme and possible solutions could be formulated.

### **Incubation Centres**

Incubation centres by their own nature are integral part of enterprise development. The intention of the district is to establish a minimum of two (2) incubation centres as pilot projects for the district aim being to monitor the development of SMME's to established business. Partnerships with State Owned Entities are being explored.

### **Economic Research**

Congruent with the key issues arising from the socio economic profile, the District plans to undertake a programme on economic research to constantly update and improve on the economic statistics that it uses for economic planning purpose. As demonstrated by the socio economic profile, unemployment, poverty and inequality continue to characterise the economic landscape of the District. The research programme will be designed to understand the causes of this situation as well as recommend measures that will improve the situation. The research will focus on the constant update and review of the LED Strategy to ensure its relevance to the prevailing economic climate. The prioritisation of competitive industries is also a new area of focus with the release of industrial strategies by both the national and provincial government. It is important for the District Municipality in the development arena to upgrade the competitive and comparative advantage of industries in its area of jurisdiction, hence its intention to develop an industrial strategy.

The District has also noted that while it is involved in supporting local economic development initiatives, it does not have any information on whether these interventions are having the desired impact. The District has is thus of intention to start a research process on an impact assessment of LED initiatives that it is supporting. The purpose of this is to inform its planning processes on initiatives that have worked in the past, or are likely to yield greater impact. The support of LED initiatives would then be justified, based on the study that has been undertaken.

### 2.8.3 Tourism

Umkhanyakude District Municipality has a unique Safari destination that combines the best of both land and Marine natural ecosystems. The natural attractions are underpinned by the Hluhluwe-Imfolozi Park and the Isimangaliso Wetland Park, World Heritage Site which have been under formal conservation since 1895 and 1999 respectively. Coupled with these are magnificent public and private Game Reserves such as Tembe Elephant Park, Ndumo Game Reserve, Mkuze Game Reserve, Thanda and Phinda private game reserves. Different communities within uMkhanyakude are tapping into the lucrative conservation business by establishing Community Conservation Areas (CCAs). Some established CCAs include Tshanini, Usuthu Gorge, Mabaso, Makhasa, Mpembeni and Bartlow Combine Community Conservation Areas.

Key cultural sites such as Border Caves, Ghost Mountain, Dingane's Grave, Usuthu Gorge, and the 700 year-old fish traps at Kosi Bay, point to a rich history of uMkhanyakude. The mixture of the Zulus, Swazis and Thonga tribes presents a myriad of significant opportunities for further exploration of cultural and community-based tourism initiatives.

There are numerous major tourism initiatives currently underway within uMkhanyakude District Municipality. These include, inter alia, the Lubombo Spatial Development Initiative, Pongolapoort Dam Tourism Development, and the Lubombo Transfrontier Conservation Area (TFCA), the development of Mkhuze Regional Airport and Development of PVAs for 2010 soccer world cup and beyond.

The Lubombo Transfrontier Conservation Area, branded as The Lubombo Route, was launched at the Tourism Indaba 2006 by the Ministers from Mozambique, South Africa and Swaziland. The TFCA links tourism development initiatives of South Africa, Swaziland and Mozambique and highlights a joint commitment by each of the three countries to ensure that tourism helps to further stimulate the economic strength of the region. The extraordinary biodiversity of this TFCA, coupled with its magnificent scenery, makes the area of uMkhanyakude yet another significant new Southern Africa destination. Plenty of opportunities exist for infrastructure development and for private sector investment in the tourism industry.

Tourism is considered the most important growth sector in the district's economy. It constitutes a larger part of the trade sector in the district than it does in the province. While it is particularly strong in the coastal sides (Sodwana Bay and St. Lucia); it is also very strong inland whereby it is associated with the Game Reserves.

Although tourism can create employment and bring investment in the District; the following issues are problematic:

- Lack of involvement and benefit from tourism by local communities;
- Limited access by communities to tourism opportunities and craft markets;
- Constraints on development due to poor infrastructure;
- The perception that the district is a low-income, cheap holiday destination;
- Perceptions of high crime rate;
- Malaria, which is under control; and
- High leakage of tourism revenue from the District.

## 2.8.4 Establishment of a District Development and Planning Commission

- The establishment of Umkhanyakude District Family of Municipality's Development and Planning Commission is one of the groundbreaking strategic options that the new leadership of the family of municipalities has adopted.
- This is part of a programmatic approach that is aimed at galvanizing and rallying the society and government around a single and coherent long-term vision of the district.
- The idea is for the broader civil society and government to reach a consensus on practical steps and timeframes to realize the agreed upon vision; and to create an institutional platform for a much more focused interaction and stakeholder engagement.

**Its strategic objective** is to create a long-term perspective, focus and determination that will drive all matters pertaining to development and planning in the district.

### **DDPC Mission statement**

- To rally the national and provincial sector departments, the private sector and the broader civil society around a single **BIG IDEA**.
- To ensure the development of the research and development; and the Information and Communications Technological capacity as the basis of reliable and credible planning.
- To create an effective and efficient institutional capacity that will be geared and well poised to carry forth the goals and objectives of the commission.
- To package appropriate policies and strategies that will serve as the basis for the development of programmes and projects to deal with deal directly with the troika of challenges; i.e. poverty, unemployment and inequality in the district.
- To facilitate the enhancement of intergovernmental relations between and among the three spheres of government; and between and among the District Family of Municipalities.

### **Focus of the commission**

- To give effect to the Constitutional (1996) obligation of local government; specially section 152; and the delivery on the powers and functions which are assigned to the District Family of Municipalities.
- To mobilize the national and provincial sector department, private business and the broader society around a commonly agreed goals and strategic approach to development and planning.
- Facilitate the development and presentation of policies and strategies to the District Family of Municipalities for resourcing and implementation.
- Drawing the requisite skills, expert knowledge and resources to bolster the achievement of the 2030 vision of the District Family of Municipalities.

The District successfully hosted the Planning and Development Commission Consultative Workshop on the **01 June 2012** which was well received by all stakeholders. Hopefully by the beginning of 2012/2013 FY the District Planning and Development Commission will be fully functional.



## **2.9 The State of Good Governance and Public Participation**

### **2.9.1 Representative and participatory democracy**

Political decentralization to the local level is an essential component of democratization, good governance and citizen engagement. It should involve an appropriate combination of representative and participatory democracy.

Participation through inclusiveness and empowerment of citizens shall be an underlying principle in decision-making, implementation and follow-up at the local government level.

The municipality recognizes the different constituencies within civil society and strives to ensure that all are involved in the delivery of public services and in pursuing the developmental local government agenda.

It is in this regard that the district is committed to establish and develop partnerships with all actors of civil society, particularly nongovernmental organizations and community-based organizations, traditional institutions and with the private sector and other interested stakeholders.

Participation of citizens in the policy-making process should be reinforced in status, at all stages, wherever practicable. With a view to consolidating civil engagement the local government sector should strive to adopt new forms of participation such as councils, community councils, sector councils/for a, e-democracy, participatory budgeting, civil initiatives and referendums in as far as they are applicable in their specific context.

### **Constitutional and Legislative Provisions**

Local authorities are entitled, either through the constitution and in national legislation, to define appropriate forms of popular participation and civic engagement in decision-making and in fulfilment of their function of community leadership. This may include special provisions for the representation of the socially and economically marginalized sections of society, women, youth and people with disabilities.

Legislation like Batho Pele White Paper engenders Politicians and officials in local authorities should discharge their tasks with a sense of responsibility and accountability to the citizens-at all times they should maintain a high degree of transparency.

**Code of Conduct-The Municipal Systems Act** enforces the Code of Conduct for Councillors (Schedule 1) and for Municipal Officials (Schedule 2) that requires civil servants to act with integrity and avoid any situation that may lead to a conflict of interests.

It is the view of the municipality that mechanisms should be put in place to allow citizens to reinforce the code.

While political office as a councillor should be viewed as a commitment to the common good of society, the material and remunerative conditions of councillors should guarantee security and good governance in the free exercise of their functions.

Lastly amongst others the municipal records and information should be maintained and in principle made publicly available not only to increase the efficiency of local authorities but also to make it possible for citizens to enjoy their full rights and to ensure their participation in local decision-making.

### **2.9.2 The System**

In terms of the section 12 establishment notice, Umkhanyakude District Municipality is a category C municipality of a type described in section 3(f) of the Determination of Types of Municipality Act, 2000, i.e. a municipality with a collective executive system.

**Internal Structures and Functionaries-**The Municipality originally established five (5) standing/Portfolio Committees, and as part of the strategy formulation process ad hoc committees are also being proposed for effective decision-making and improved governance.

The functions and responsibilities of the portfolio councillors have been defined in writing. As part of the strategy formulation process held in February 2012 it has been agreed that revised terms of reference for the establishment of Section 79 and Section 80 Committees be put in place. The revised terms of reference are to go through the municipal policy making process and are for final adoption by no later than 30 June 2012. The Portfolio Committees interact with officials (Departments) and represent the link between the administration and the political principalship.

**Declaration of Interest-**To effect Schedule 1 (MSA) good governance systems are being instituted. For instance Schedule 1 Declaration Forms have been designed and are to be signed by all Councillors to declare their interest and this register is to be updated on an annual basis. The Municipal Manager's Office as custodian of good governance will circulate the form for declaration of interest for Councillors Annually.

### **STANDING RULES AND ORDERS**

According to **Section 160(6)** of the Constitution a municipal council is authorized to adopt policies and that it may make by-laws which prescribe rules and procedures for:

- (a)** its internal arrangements;
- (b)** its business and proceedings; and
- (c)** the establishment, composition, procedures, powers and functions of its committees.

The Municipal Systems Act and other municipal legislation provides for certain matters which may be included in the rules and orders of the municipality and be incorporated in its by-laws.

Whilst the 2<sup>nd</sup> Session of the Umkhanyakude District Council adopted Standing Rules and Orders of Council as policy that gives effects to and regulate its internal arrangements, business and proceedings-as part of its strategy formulation process the 3<sup>rd</sup> Session of Council resolved that the Standing Rules and Orders of Council as adopted by the 2<sup>nd</sup> session of Council needs to be reviewed. A framework for the Standing Rules and Orders has been put in place including provisions for establishment of Section 79 and 80 and/or ad hoc committees for effective governance.

## **INTEGRATED DEVELOPMENT PLANNING**

### **The IDP Review Process**

Prior to the commencement of the 2012-2013 IDP, Umkhanyakude District Municipality (UKDM) prepared and adopted a District IDP Framework Plan that served as a guide to the overall process throughout the district, as well as the IDP/Budget Process Plan. The Council resolution for the adoption of the District IDP Framework Plan and the IDP/Budget Process Plan is attached as Annexure 'A' and 'B' respectively.

### **District IDP Framework**

A District IDP Framework was formulated and adopted in August 2011 to serve as a guide to all of the local municipalities within the District Municipality's area of jurisdiction, and for purposes of alignment in the preparation of their respective Process Plans. In brief, the District Framework Plan outlines the time frames of scheduled events/activities, structures involved and their respective roles and responsibilities.

### **IDP/Budget Process Plan**

The IDP/Budget Process Plan was also formulated and adopted on August 2011 together with the District IDP Framework. The IDP/Budget Process Plan outlines in detail, the way in which the municipality embarked on its IDP and Budget processes from its commencement in July 2011 to its completion in June 2012. The IDP/Budget Process Plan outlines the time frames of scheduled events, structures involved and their respective roles and responsibilities. All these plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for developing the IDP.

### **Process Planning**

- IDP Process Plan was approved by Council in line with legislative requirements (attached for ease of reference)
  - Develop and implement Innovative process plan methods and models for the production and implementation of the IDP

## **IDP/Budget Consultative Meetings**

In preparation for the implementation of the 2012/2013 IDP and Budget, consultative meetings are planned to take place during the second week of May 2012. During 2011/2012A budget to the value of R212 000-00 was set aside to assist local municipalities in organising these meetings. The schedule for consultative meetings was as follows:

<b>DATE</b>	<b>MUNICIPALITY</b>	<b>VENUE</b>	<b>TIME</b>
07 May 2012	The Big 5 False Bay	Makhasa Community Hall	10H00
	Mtubatuba	Mtubatuba Town Hall	14H00
08 May 2012	Umhlabuyalingana	eScabazini Skills Centre Hall	14H00
09 May 2012	Jozini	Ward 8 – Msiyane Hall	10H00
		Makhonyeni Community Hall	14H00
10 May 2012	Hlabisa	Ngebeza Community Hall	12H00

These meetings were targeting members of ward committees and other stakeholders who have an interest in the development agenda of municipalities. The main issue raised during the meetings evolved around the provision of basic services, potable water in particular. The full programme for the implementation of infrastructure was delivered by the Honourable Mayor during the meetings. A firm commitment was made by the Honourable Mayor that all planned projects will be implemented accordingly and strict monitoring and evaluation thereof shall apply.

Illegal connection to water pipes still needs to be addressed by the District Municipality. This results in poor supply of water as the pressure for distributing water is seriously hampered. This challenge exist around all municipalities within the District. An initiative to restore some order around the challenge of illegal connections will be addressed as a matter of urgency. Individual households that require connections will be assisted and applicable tariffs will be charged.

Generally there was sufficient understanding of the budget and IDP in all meetings and there was a good interaction between the attendees of the meetings and the Honourable Mayor.

## **IDP Organisational/Structural Arrangements**

Organisational arrangements were put in place as per the Process Plan and all legislative prescripts were adhered to. Of particular note have been the effective and efficient operations of structures such as the:

- District Lekgotla/SP sessions-IDP and budget
- District Mayors' Forum
- IDP Steering Committee
- IDP/Budget Technical Working Group
- IDP Stakeholder Forum/IDP Representative Forum
- Intergovernmental Relations Forum (IGR),

These have executed their mandates in terms of the adopted Process Plan and ensured the achievement of key milestones and deliverables. During this review, particular attention was paid to the MFMA Circular No. 54 that guided the 2011/12 IDP and Budget preparation

processes. The option taken by the district in response of the MFMA Circular No. 54 necessitated changes and re-adjustment of timeframes in the IDP and Budget process plan.

### **Community Based Planning**

- The municipality is, in collaboration with its local municipalities, exploring various ways of introducing community based planning
- The district is also exploring the provision of support and assistance to Community Development Workers in the various municipalities to entrench the philosophy of community based planning

### **Implementation of By-Laws**

In accordance with Section 13 (MSA) The executive and legislative authority of a municipality is exercised by the council of the municipality, and the council takes all the decisions of the municipality.

The formulation, availability, implementation and monitoring of by-laws represents a key component of effective governance.

No by-laws were passed during the year under review-however the municipality intends to undertake a by-law review process during the 2012/2013 financial year which will include the assessment/evaluation of the successful monitoring of these by-laws to improve its governance and internal procedures. Lastly in compliance with Section 15 (Municipal Code) it is the intention of the district municipality to compile/update a Municipal Code –ensure that a digital/electronic Municipal Code is in place. As part of the municipality's Turnaround plan and as part of the annual compliance audit to be conducted the Municipal Code will be constantly updated annotated and will be available at the district municipality's head office in Mkuze as part of the official records.

### **Internal Audit**

#### **AUDIT FUNCTION- Purpose and objectives**

The Internal Audit function is an independent, objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the municipality. It assists the municipality in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the municipality's governance processes, risk management and control processes.

#### **Current scenario/situation**

The Internal Audit unit is currently not in place and the three member Audit Committee's term of office has expired with one (1) member of the Committee having resigned. The sittings of audit committee were thus not held as scheduled for the year under review. Due to the non-existence of a well-resourced unit and the long-standing vacant position of a Manager: Internal

Audit -the municipality is in the process of filling all the (three) vacant positions during the 2012/2013 Financial Year so as to ensure that a fully fledged Internal Audit Unit is in place by June/July 2012.

During the financial year 2011/2012 the unit was grossly understaffed as a result the activities as per internal audit plan could not be finished. Whatever is in place currently as an Internal Audit. The institution is still baling with the previous year's audits. To enhance the non-existent internal capacity-the internal audit function has just recently been outsourced. The municipality is very grateful to COGTA for its unwavering support in this regard to assist the municipality obtain a Clean Audit by 2012, The current year's audit are also performed concurrently with the previous year's with the use of consultants.

The beefing up of the Office of the Municipal Manager has enhanced the effectiveness of the Internal Audit function in ensuring the development and subsequent implementation of a three-year rolling internal audit plan and handling strategic audit and risk management issues.

**Systems and ICT:** Due to the absence of systems the municipality is currently conducting its audits manually. However for improved Internal Efficiency and Effectiveness the municipality is exploring the acquisition of Information Technology systems which include-BarnOwl; a software with an internal audit module.

Due to gross inefficiency when a fully-fledged and well-functioning Audit Unit is in place this might extend its operation to the specialised audit areas like Information Technology, performance management and forensic audits.

### **Asset Management and Asset Register**

As part of the Audit Action Plan and to improve its audit status the district has, amongst others, resolved to:

- Develop an Asset Management Policy
- Develop systems and procedures for the management, acquisition, maintenance, disposal monitoring and reporting on Asset Management procedures;
- Develop and keep an up to date Asset Register and Asset Management Plan

**Risk Management:** To enhance the Audit function a Risk Management Strategy will also be formulated during the 2012/2013 Financial year. This will be accompanied by process awareness, training on Enterprise Risk Management (ERM) for the institution.

### **Intergovernmental Relations**

**Objective:** Alignment of IDPs of local municipalities with the IDP of the district

- To determine scale issues, potentials, priorities, problems/challenges and to define common priority issues;

- Get information from local municipalities through IDP Forums and/or joint IDP strategic planning workshops so that information from local municipalities is consolidated into district IDP and socio-economic analysis of the district
- Convert IDP objectives of the local municipalities into strategies, plans, projects and activities which must be tracked and monitored;
- To create a platform for environmental scanning so as to review the circumstances in the environment that might have influence on the 5 year IDP and to adjust accordingly;
- Standardisation-ensure that 1 common IDP components as a district and therefore a need to align district IDP with those of the local municipalities;
  - (Explore institutionalisation through a resourced Municipal Support Unit)
- For the district to provide assistance to local municipalities to continuously improve quality of the IDPs
- Promote the involvement of sector departments as part of district planning
- Develop partnerships with development organisations, actors, business, civil society, expert/subject specialists etc for strategic policy development
- Undertake District wide awareness campaigns on planning, development, policies and legislation impacting on local government specifically the IDP
- Provision of ongoing support to senior management and Council on IDP and projects
  - Data base development
  - Development of planning tools/decision making and reporting
  
- Develop district wide networks, round-table and forums
- Debates and discussions on local government documents/policy
- Ongoing participation in the provincial IGR Forum and identify areas of joint partnerships
  - IGR engagement with LM's

Currently there is a programme that is funded by CoGTA and will assist municipalities in improving intergovernmental relations.

### **2.9.3 Public Participation**

A range of promotional activities are held throughout the year, as per the communications cycle, including health awareness programmes, Water Week, Sanitation Week, Heritage and Tourism Month, 16 Days of Activism of no violence against women and children, Youth Month, Women's Month, etc, which also serve to promote the interests of special groups such as the youth, gender disabled etc.

Public Participation and imbizo events are held in April and October every year. These meetings also provide the local communities with an opportunity to meet their political leaders and to voice their comments, needs, and issues in an unmediated fashion.

In addition to the IDP/Budget Roadshows, a number of forum meetings are hosted where communities actively participate in the decision-making process of Council. These include Gender Forums, Youth Forums, the Disability Forum, the District Aids Council, the Disaster Management Forum, the Community Safety Forum, Reference Group, LED Forum etc.

### **Public Participation Strategy**

Public participation is a legislated concept that ensures that democracy and engagement with civil society is entrenched in the day to day practices of Local Government. A Public Participation Strategy for the district municipality was compiled in March 2012 and is being circulated as a Discussion Document for adoption by Council by June 2012.

#### **2.9.4 Special Programmes**

SPU is responsible for the co-ordination of the mainstreaming of issues of Historically Designated Individuals to the agenda of the municipality in general. This includes ensuring service delivery impacts in a manner that enhances the capacity of these groups to be part of the society as opposed to being a subject that is at the periphery. As a way of mainstreaming the designated groups, SPU has the responsibility of establishing structures that are meant to be the voice of these groups in influencing the municipalities to ensure that these groups participate at all levels of setting the agenda for service delivery.



## **Women**

In the South African context participation of women and the consideration of their needs is a cardinal principle embedded in all local initiatives.

## **Youth**

The participation of young people should be encouraged in all local initiatives: develop the school as an important common arena for young people's participation and of the democratic learning process and encourage youth associations; promote "children's council (along the lines of the Children's Parliament)" , "youth council" 'Junior (City) Council" type experiments at local level, as genuinely useful means of education in local citizenship, in addition to opportunities for dialogue with the youngest members of society.

## **Elderly**

The Municipality has a relatively high population of Older Persons and there are more black people. The most poor people live in rural areas where there are no resources. The municipality through its Local municipality and Department of Social Development are working hard in eradication of poverty within our Local Municipality by coming up with project and programmes that people could do in their areas.

## **Sport**

Sports development in the region is reflective of the Apartheid legacy with the greater part of the district showing a glaring lack of sporting facilities in the areas occupied by Africans and the situation improving as one moves to areas predominantly Indian and White respectively. The District does not have a national competitive facility in the region in all the localities .

## **Communications**

Local government is at the coalface of service delivery and are held responsible for functions even when these are not assigned to them. The media tend to set the agenda with negative reporting. Due to inadequate communications personnel and capacity at local municipalities, communications has been mostly reactive. People do not always know the difference in the roles and functions of the district municipality and local municipalities-they see government as this one big structure.

The Communications Unit is located in the Municipal Manager's Office but is currently grossly under-staffed. The Unit consists of a Communications Manager.

It is anticipated that to improve Government-to-Citizen (G2C) interaction the Communication Unit will work closely with the Customer Relations Management Unit and will work closely in the deployment of resources to the administrative units.

The municipality has not as yet formulated its Communications Strategy-however this will be completed and adopted by Council by 30 June 2012.

Amongst others, the Communication Strategy will assist the district fulfil the mandate of the SALGA National Conference for Local Government Communicators in facilitating the establishment of Local Communicator Forums (LCF) at all local municipalities within the district.

The LCFs will serve as an interfacing platform between local government and communities (as members of ward committees, CDWs, and representatives of community structures and government departments are invited to attend) where programmes and projects are coordinated and any information or other needs of local communities are brought to the table for discussion and resolution.

## **Customer Care**

In implementing the People First philosophy an audit of Customer Care and Service Centres has been conducted to improve service delivery and (ii) ensure turnaround in the response to and resolution of customer complaints.

The municipality is also exploring a One Stop Shop' approach to customer services so that as Water Services Authority for 5 local municipalities the district could have centralised billing services for water and sanitation. This will enable communities to pay for their water and sanitation accounts, query their accounts, register as indigents, lodge any query or complaint and obtain any municipal and Government information from these centres.

As we operate in the 21<sup>st</sup> Century an ICT will be used as an enabler for these centres and also to improve efficiency and effectiveness. Amongst others the e-CRM system will enable a more effective coordination and complaints resolution.

## **Access to Information for the Public**

The municipality has not complied with the prescripts of various legislations and policies that obliges public institutions to make state/local state information accessible to the public.

In accordance with the Promotion of Access to Information Act No 2 of 2000, the municipality has identified the need to develop/formulate a Section 14 Manual as enshrined. The Section 14 Manual will provide detail on how members of the public can access records of the municipality.

As access to information for the public has been an audit query for quite some time it is imperative that the district complies.

A process plan will be set in place before the end of the financial year-however due to capacity constraints and lack of internal skills this policy process can only be embarked upon towards the end of the financial year.

In addition to improve internal efficiency and effectiveness the municipality will embark upon an electronic document management system and files are scanned and archived in accordance with the standards set by the National Archives. Currently, members of the public can register an application for records and submit same to the Accounting Officer, which is also the Municipal Manager. Records are kept by the Administration Department, Municipal Offices, Mkhuze.

## 2.9.5 Disaster Management

In terms of Disaster Management Act (57 of 2002); Disaster Management is a continuous and integrated multi-sectoral and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery, and rehabilitation.

More details on Disaster Management are attached as Annexure 2. The Disaster Management Plan has not yet been adopted by the Council. It is envisaged that the Disaster Management plan will be adopted on or before the end of June 2012.

## 2.9.6 Traditional Councils and their Roles

The status and role (though not clearly defined) of traditional leaders has been recognised in terms of sections 211 and 212 of Act 108, of 1996. In an Umkhanyakude District Municipality context, The Traditional Authorities own about 50% of the land, whereby further 30% falls within the District Management Area (DMA).

Therefore the traditional authorities play have a major influence in the manner in which land is made available to individuals for settlement, as well as the use thereof for economic purposes (e.g. agriculture, tourism, etc.).

It is therefore against this backdrop that Umkhanyakude District Municipality has sought to implement communication strategy, as an effort towards ensuring and the improvement of public participation in municipal processes. The main focus of the communication strategy is preparation of procedures for community participation processes including direct communication with Traditional Councils. This is based on one of the Municipality's Key Performance Objectives, that is, ***to build sustainable partnerships with Traditional Authorities to ensure convergence in meeting the developmental needs and challenges in our communities.***

Traditional Authorities are stakeholders and part of the IDP Representative Forums both at a local and District levels. The IDP Representative Forum is the structure that provides a platform for public participation through involvement of different community structure representatives, political leaders, traditional leaders and government entities which provide support.

On the 15 March 2012 all 18 TCs were invited to the Municipality together with representatives from local municipalities for a presentation on a New Vision for the Municipality. The New Vision was well received and the Municipality was commended to a new bold step it has taken to thoroughly involve members of the TCs in the development agenda for the District. The following TCs are found withi the District:

- At KZ 271
  - KwaMashabane TC
  - KwaMbila TC
  - KwaTembe TC
  - KwaMabaso TC

- At KZ 272
  - KwaNgwenya TC
  - KwaNsinde TC
  - KwaJobe TC
  - Sqakatha TC
  - KwaNyawo TC
  - Manyiseni TC
  - Nkungwini TC

- At KZ 273
  - KwaMakhasa TC
  - KwaNibela TC
  - Mnqobokazi TC

- At KZ 274
  - Hlabisa TC
  - Mpembeni TC
  - Mdletsheni TC

Mpukunyoni TC, which extends to KZ 275

## 2.10 The State of Financial Management

The Municipality has had three disclaimer opinions in 2006/7, 2007/8, 2008/9, only turned the corner in 2009/10 with a qualified audit opinion but slid to a worse off adverse opinion in 2010/2011. The CFO's post is currently vacant but interviews have already been held and the post will be filled soon; Manager Income, Manager Expenditure, Manager Budget and Credit Controller posts are vacant but will be filled soon. The Municipality has a total budget of R428,989,118 (Operational Budget – R206,614,852, Capital Budget – R222,741,391). For 2012/2013 FY it is envisaged that the budget will increase slightly by about 6-8%.

The Municipality has had difficulty paying its creditors, ending up owing about R60m at the end of 2009/10. This has since been reduced to at the end of R6m to-date. Cash flow projections up to end June 2012 are showing positive balances.

### **Infrastructure Expenditure**

About R 209,7m of MIG funding is available for spending between now and 30 June 2012. Of the R 209,7m about R94m is for the recently approved business plans. R22,8m of 2010/11 allocation is still unspent. R 34,7m of 2009/10 allocation that was unspent by the 30<sup>th</sup> June 2011 was recalled by National Treasury. If the R94,4m of recently approved business plans projects is unspent by year end, NT will take it back.

### **Way Forward**

- Expenditure on infrastructure should be fast-tracked as a matter of urgency;
- At least R 50m must be spent between January 2012 to 30 June 2012 on already appointed contractors
- The entire R 94,4m on recently approved business plans must be spent by 30 June 2012
- EIA applications and final designs shall be completed urgently to ensure that contractors are on site by the 01<sup>st</sup> July 2012
- Procurement processes for 2012/2013 projects should be finalised before the commencement of the new financial year.

## 2.11 Priority Issues

Priority issues as identified by local municipalities are as follows:

LOCAL MUNICIPALITIES					
PRIORITY	KZ 271	KZ 272	KZ 273	KZ 274	KZ 275
1.	Not available	To package interventions to increase provision of basic infrastructure	Safety & Security	Water	Water
2.		Maintenance of municipal infrastructure	Electricity	Local Access Roads	Electricity
3.		Refuse removal	Housing	Sports Facilities	Clinics
4.		Formalisation of towns and housing	Waste management	Electricity	Sports Centre
5.		Development and implementation of public participation framework and complaints management system	Child Care Facilities	Agricultural Dev	Local Access Roads
6.		Effective functionality of ward committees and community development workers (cdw's)	Access Roads Upgrade	Further Educ & Training College	Housing
7.		Revenue enhancement, credit control and cashflow management framework	High School	Clinics	Sanitation
8.		Clean audit	Market Stalls	Pre-school/Crèche	High School
9.		Development of tourism strategy	Clinics	LED Programmes	Bridge
10.		Mobilisation of funding to implement led projects	Skills Centre	Housing	Agricultural Dev

- More details on identified priorities can be found in IDP documents for respective local municipalities

### **3. SECTION C: DEVELOPMENT STRATEGIES**

#### **UMKHAKHAKUDE DISTRICT VISION: Vision 2030**

“Growth, Development and Delivery Excellence”

#### **MISSION STATEMENT**

The new vision clearly indicates council’s mission to focus on:

- Economic and industrial growth strategy and projects
- Sound social and infrastructural development programme
- 90% of the District to be using Green energy by 2020
- Robust District rural development strategy
- A human resource development strategy
- Best Practices in Good Governance (including clean audit); and
- A simple, focused and goal driven service delivery programme with measurable results.

#### **VALUES**

In pursuing the above-mentioned vision and mission Umkhanyakude District Municipality is committed to upholding the following core values:

- Integrity
- Excellence
- Customer orientation
- Performance Excellence
- Integrity
- Community Centeredness
- Transparency
- Cooperative Governance
- Accountability
- Continuous Improvement

## **TAKING THE DISTRICT TO THE THIRD IDP GENERATION LEVEL: Translating the Vision into Tangible Actions**

His Excellency the Mayor of District, the municipal manager and the council has endorsed the concept of business unusual as a motto designed to energize the District to leapfrog into from underdevelopment state into a developed METRO by 2030. A number of strategic actions have been designed to ensure that the vision is met. In setting out a new vision for the third generation IDP and new political dispensation in the District, Council considered the following critical factors:

- a. Crucial service delivery backlogs and gaps in the provisioning of water, sanitation, roads, telecommunications, are related infrastructure.
- b. Underdeveloped and untapped human and natural resources potential as catalyst for a robust economic and social development strategy and programme
- c. Unprecedented unemployment, poverty and economic inequalities throughout the district municipality
- d. The urgent need for political administrative re-aligning the district to other spheres of government in the country.

### **Vision 2030: Umkhanyakude Metro**

Umkhanyakude District Municipality has set out its primary goal of achieving the status of a Metro by 2030. The characteristics of a Metro within South Africa's local government legislation places Umkhanyakude on a fast-track growth and development path whose features are critical social and economic infrastructure development and rehabilitation consistent with a metro. There are a number of catalyst projects that feature prominently on the road to vision 2030.





The vision strategy (what we term economic strategy) has multi-pronged programmes designed to:

- i. Produce a District master plan expressing graphically, District growth intentions
- ii. Produce TLCs master plans in partnership with traditional leaders
- iii. Develop new economic corridors and nodes
- iv. Rehabilitate existing towns and rural clusters (Urban Renewal)
- v. Develop and enhance rural development, particularly farming
- vi. Develop key infrastructure and rehabilitate and extend existing infrastructure
- vii. Develop District industrial sector, particularly agribusiness
- viii. Develop focused specialized academies across the District Municipality
- ix. Set in motions a formidable development capital raising mechanisms

**Full details of the economic strategy to support the new vision are still being developed.**

## **The Key Performance Areas**

The following KPAs will inform the strategic direction of the Municipality:

1. Good Governance and Community Participation
2. Service Delivery and Infrastructure Investment
3. Local Economic Development
4. Municipal Transformation and Institutional Development
5. Municipal Financial Viability and Management
6. Spatial Planning and Environmental Management

In the following section, the KPAs will be presented and will be accompanied by associated strategies and outputs. In Section I, the full OPMS will then be presented.

## KPA 1: GOOD GOVERNANCE AND COMMUNITY PARTICIPATION

<b>STRATEGIC OBJECTIVES</b>	<b>NO</b>	<b>OUTPUT</b>
<b>1.1 To ensure adherence to Chapter 4 of the Municipal Systems Act no 32 of 2000 as amended</b>	1.1.1	Staging of IDP/Budget Consultative meetings
	1.1.2	Staging of IDP Representative Forum meetings
<b>1.2 To ensure effective intergovernmental relations</b>	1.2.1	District IGR Strategy and Programme
	1.2.2	Coordinate Municipal Managers' forum meetings
	1.2.3	Coordinate District' Mayor's forum meetings
<b>1.3 To develop an indigent policy</b>	1.3.1	Indigent policy
<b>1.4 To develop a credible indigent register</b>	1.4.1	Indigent Register
<b>1.5 To ensure compliance with Municipal Governance</b>	1.5.1	Strengthening of Audit Committee
	1.5.2	Strengthening of Municipal Public Accounts Committee
<b>1.6 To strive towards achieving a clean audit by 2014</b>	1.6.1	Develop corrective measures to address audit findings
<b>1.7 To fight and eliminate corruption</b>	1.7.1	District Corruption Prevention and reporting strategy
<b>1.8 To Improve the livelihoods of the poor, vulnerable groups and support initiatives to reduce vulnerability of infectious diseases, especially reduce the impact of HIV/AIDS on communities</b>	1.8.1	Participation in Sukuma Sakhe Programme
	1.8.2	Implementation of a Mayoral poverty alleviation Programme
	1.8.3	Mayoral anti-teenage pregnancy campaign
	1.8.4	HIV/AIDS Symposium
	1.8.5	Mayoral Dress an orphan-child to school programme
	1.8.6	District Youth development forum and summit
	1.8.7	District Disability Forum

## KPA 1: GOOD GOVERNANCE AND COMMUNITY PARTICIPATION...

<b>STRATEGIC OBJECTIVES</b>	<b>NO</b>	<b>OUTPUT</b>
<b>1.9 To support initiatives aimed at ensuring safety and Security of communities, and maximize the capacity of the Municipality to manage Disasters</b>	1.9.1	District Disaster Management Plan
	1.9.2	Disaster Management Centre
	1.9.3	Disaster management stakeholders forum
<b>1.10 To promote arts and culture programmes</b>	1.10.1	District arts and culture forum
<b>1.11 To promote inter-faith relations</b>	1.11.1	District-wide inter-faith forum
<b>1.12 A clean, safe and healthy environment, and to ensure maximum capacity of the Municipality to manage Environmental Health Services</b>	1.12.1	District Environmental Health Management Strategy
	1.12.2	Strategic partnerships with environmental health management institutions
	1.12.3	Policy on burials (including TCs)
	1.12.4	Private cemetery project
<b>1.13 To promote sports and recreation</b>	1.13.1	Regional sports precinct
	1.13.2	District sports Indaba
	1.13.3	Mayoral Multi Sports Cups 12/13
	1.13.4	Regional Soccer Cup
	1.13.5	Basket Ball Clinic
	1.13.6	Participating in SALGA games
	1.13.7	District Marathon
	1.13.8	Enviro Cycling Race 2013

## KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

STRATEGIC OBJECTIVES	No	OUTPUTS
<b>2.1 To improve access to quality, affordable and reliable municipal services (e.g., water, sanitation, electricity, refuse removal, transportation), and to provide free basic service.</b>	2.1.1	Business Plans for 30 projects (Water and Sanitation MIG programme)
	2.1.2	Installation of new water connections to households
	2.1.3	Application for funding for installation of new electricity connections
	2.1.4	Installation of new sanitation connections
	2.1.5	Provision of free basic water
	2.1.6	Provision of free basic sanitation
	2.1.7	Conduct monthly water quality tests
	2.1.8	Conduct monthly sanitation effluent quality tests
<b>2.2 Regular investment in Infrastructure in order to improve on operations and maintenance</b>	2.2.1	Implementation of Operations and Maintenance Plan
	2.2.2	Management of Performance Agreements for Service Providers
	2.2.3	Installation of faulty water meters
	2.2.4	Installation of faulty water meters
<b>2.3 To regulate provision of water and sanitation</b>	2.3.1	Development of water services by-laws
	2.3.2	Development of free basic water and sanitation policy
	2.3.3	Development of Water Services Development Plan
<b>2.4 To improve customer relations</b>	2.4.1	Establishment of customer care centre
	2.4.2	Development of customer care charter
	2.4.3	Undertake water and sanitation awareness campaigns

### KPA 3: SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT

STRATEGIC OBJECTIVES	NO	OUTPUT
<b>3.1 To create an environment that will ensure an inclusive District economy that will be representative of the broader demographics of the District.</b>	3.1.1	Development of a District Economic Development Strategy and Master plan
	3.1.2	Development of Economic Corridors
	3.1.3	Establishment of an all-inclusive Local Economic Development Forum.
	3.1.4	Establishment of a District Business & Industrial Fora.
<b>3.2 To vigorously create an educated and skillful citizenry so as to enable the residents of the District access to the means of production and sustainable livelihood; especially the youth, women and the disabled</b>	3.2.1	Forging strategic relationship and cooperation with Further Education and Training institutions to rollout vocational training; focusing on the youth, women and the disabled.
	3.2.2	Establishment of a Specialized Academies (Tourism, Environment and infrastructure, Agri-business, Water and Sanitation, Cultural Heritage, Mtubatuba FET, Sports and Recreation (Msiyane), etc).
	3.2.3	Create and maintain a District Graduates Database.
	3.2.4	Staging of an annual District Skills Development and Career Guidance Exhibition.
<b>3.3 To package policies, programmes and catalytic projects, which will be directed at creating growth and development opportunities in the rural areas of the District, focusing inter alia on agriculture, agri-processing, tourism, manufacturing and other economic growth and job creation areas of the economy.</b>	3.3.1	Development of a District Economic Development Framework.
	3.3.2	To conduct ward based/traditional area based Local Area Planning (LAP).
	3.3.3	Development of all socio-economic development sector plans.
	3.3.4	Strengthening the SMME and co-operative sector.
	3.3.5	Establishment of strategic economic development twinning arrangements (national and international).
<b>3.4 To forge strategic partnerships with local, national and international bodies with a view to bolster and expedite the process of attaining the broad socio-economic development goals of the municipality.</b>	3.4.1	Establish strong provincial partnership forum.
	3.4.2	Establish strong national partnership forum.
	3.4.3	Establish strategic regional and international partnerships and alliances.

**KPA 3: SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT...**

<b>STRATEGIC OBJECTIVES</b>	<b>NO</b>	<b>OUTPUT</b>
<b>3.5 Ensuring the growth and development of local SMMEs and Cooperatives through the infrastructure investment made by the or through the municipality.</b>	3.5.1	Strengthening partnership with SEDA, Khula Finance, NYDA, Dti, IDC and DBSA.
	3.5.2	Establish partnership with FET colleges.
	3.6.2	District-wide Social Development Forum



## KPA 4: TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

<b>STRATEGIC OBJECTIVES</b>	<b>NO</b>	<b>OUTPUT</b>
<b>4.1 To provide effective and efficient Human Resources Management Services aimed at achieving a skilled workforce that is responsive to Service delivery and change.</b>	4.1.1	Develop HR and retention Strategy
	4.1.2	Identification and filling of vacant and critical posts
	4.1.3	Conduct Skills audit
	4.1.4	Staff induction
	4.1.5	Development of job descriptions
	4.1.6	Review of job descriptions
	4.1.7	Development of Training Plan
	4.1.8	Implementation of Training Plan
	4.1.9	Effective Local Labour Forum
	4.1.10	Attending to labour related cases/matters
	4.1.11	Submission of Employment Equity report
	4.1.12	Coordinating the review of Council policies
	4.1.13	Monitor the implementation of Batho Pele principles
<b>4.2 To ensure effective and efficient administration</b>	4.2.1	Implement registry management system
	4.2.2	Provision of support services to Council Committees (minutes and agendas)
	4.4.3	Monitor refurbishment of municipal building
<b>4.3 To ensure effective and efficient ICT Systems</b>	4.3.1	Develop District ICT Strategy
	4.3.2	Upgraded DIMS
	4.3.3	Comprehensive assessment of ICT infrastructure/software and programmes
	4.3.4	Establishment of priority areas of ICT intervention
	4.3.5	Integrated ICT Programme (District/LMs)
	4.3.6	Procuring of a new compatible financial system
	4.3.7	Establishment of District ICT Forum
	4.3.8	Establishment of District ICT Steer com (internal)
	4.3.9	Establishment of internship and exchange programme
	4.3.10	District ICT Conference
<b>4.4 To ensure Effective organizational performance Management System</b>	4.4.1	Development of a Performance Management System
	4.4.2	Development of SDBIP
<b>4.5 To ensure effective integrated development planning</b>	4.5.1	Review Integrated Development Plan (2013/2014)

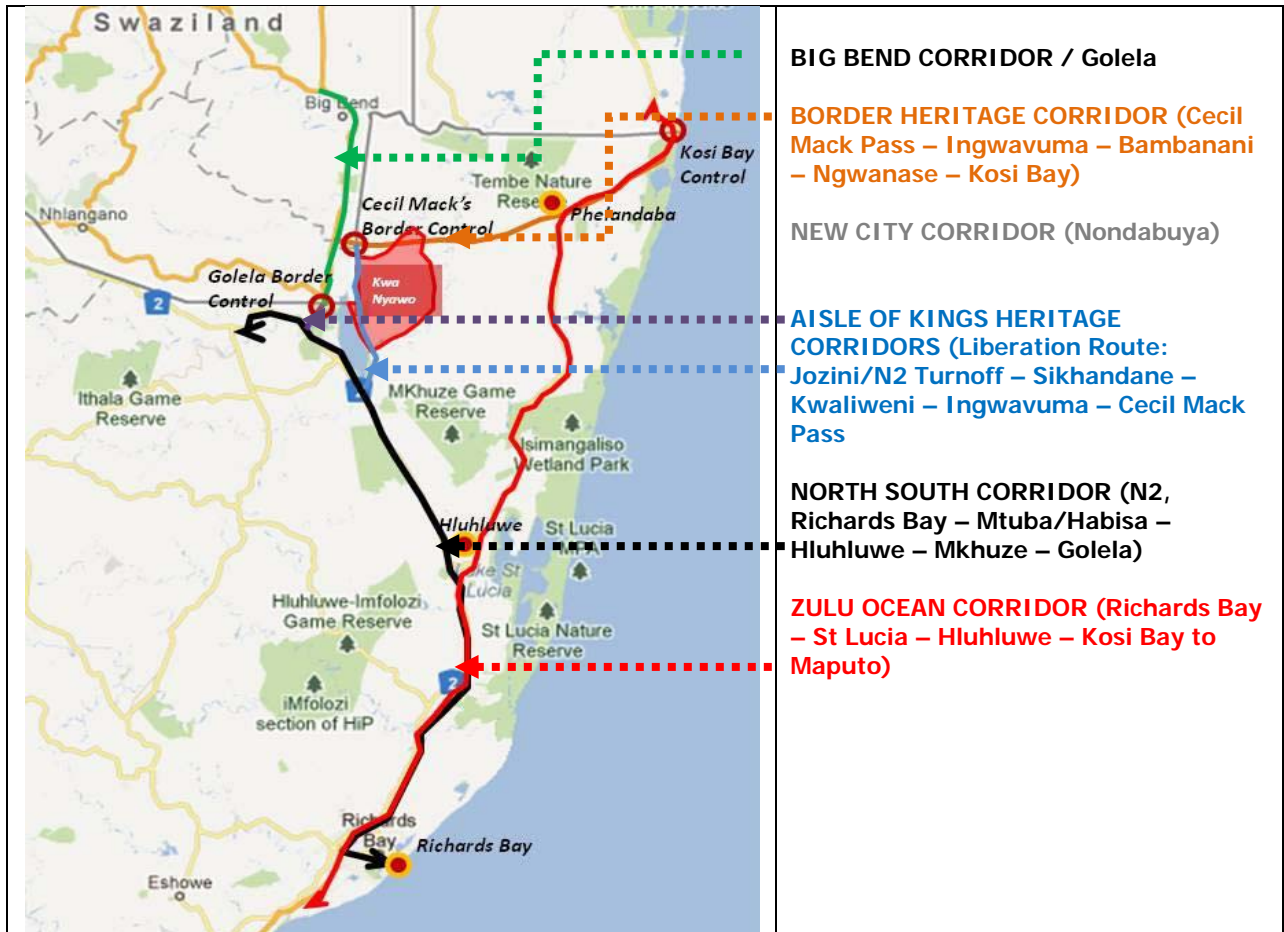
## KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

STRATEGIC OBJECTIVES	OUTPUT	No
5.1 To put in place budget processes, financial plan and policies to make the IDP implementable	Financial Plan	5.1.1
	Annual Budget 2012/2013	5.1.2
	Mid-term Budget Review	5.1.3
	Policy Review	5.1.4
5.2 To provide logistical support to the entire organization to ensure that their requirements are delivered in time, utilized effectively and procured in a manner that will contribute to Local Economic Development	Procurement plans	5.2.1
	Support of Exempted Micro Enterprises (EME's)	5.2.2
	BBBEE verification agency	5.2.3
	Signing of SCM code of conduct for role players	5.2.4
5.3 To put in place systems and control measures that will ensure the effective and efficient utilization of the resources	Asset management	5.3.1
	Expenditure management	5.3.2
	Cost Coverage	5.3.3
5.4 To enhance viability of services through revenue enhancement and protection	Revenue enhancement strategy	5.4.1
	Accurate timely billing	5.4.2
	Debt Coverage	5.4.3
	Outstanding Service Debtors to Service Revenue	5.4.4
5.5 To put in place system and procedures to ensure accurate record keeping and credible reporting	Annual Financial Statements	5.5.1
	Audit Report	5.5.2
	S71 Reporting	5.5.3

## KPA 6: SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT

<b>STRATEGIC OBJECTIVES</b>	<b>NO</b>	<b>OUTPUT</b>
<b>6.1 Ensuring the provision of Geographical Information System (GIS) services within the District Family.</b>	6.1.1	Procurement of GIS software and hardware
	6.1.2	Establishment of GIS hub at the DM
<b>6.2 To facilitate and coordinate the provision of an effective Development Administration and Control services.</b>	6.2.1	Formulation and Adoption of Delegations for all LMs into PDA
	6.2.2	Establishment of Standing Committees for PDA Applications
	6.2.3	Setting up pro-forma application forms for all sections of the PDA
<b>6.3 To facilitate and coordinate the rendering of effective Environmental planning and management services.</b>	6.3.1	Adoption of the District-Wide Environmental Management Framework (EMF)
<b>6.4 To ensure a spatially referenced bio-physical and economic space that will promote socio-economic, cultural and environmental sustainability.</b>	6.4.1	Development of a District Land Audit Report (ownership and use).

## 4. SECTION D: SPATIAL DEVELOPMENT FRAMEWORK



Full details of the SDF are contained in **Annexure 1**

The concept of new corridors is in the process of being developed and a watertight implementation strategy is still being developed.

## 5. SECTION E: SECTOR INVOLVEMENT

This section will give details on involvement by private and public sector in the development of Umkhanyakude District.

### Department of Agriculture, Environmental Affairs and Rural Development

#### **Makhathini Development**

The Department is involved in the following Programmes at Makhathini:

##### **(a) Makhathini Integrated Master Development Plan**

- The Makhathini Integrated Master Development Plan is a plan focusing on the development of the two local municipalities of Jozini and Umhlabuyalingana in the District Municipality of Umkhanyakude in the North Eastern corner of KwaZulu-Natal.
- The plan aims to integrate all government activities and develop the two main economic driving sectors in the area; agriculture and tourism.
- The agricultural sector has four sub-sectors which are main economic drivers in the area: aquaculture, dry land cropping, irrigation and livestock.

##### **(b) Aquaculture**

- Currently the Aquaculture is not a well-established commodity in the area
- The plan is to develop infrastructure at Makhathini Research Station to supply fingerlings and release them below the Phongolapoort dam to ensure a sustainable population of fish for the communities along the Phonglo River

##### **(c) Dry Land**

- Dry land cropping is mainly aimed at the higher rainfall areas to the eastern part of Umhlabuyalingana.
- The dry land commodities which have been prioritised for development includes:
  - Mango (4000ha)
  - Marula (2000ha)
  - Groundnuts (2000ha)
  - Cassava (800ha).

##### **(d) Ground Nuts**

- 83 local people have been employed for site clearance and they will also be used for weeding and harvesting at Umhlabuyalingana
- 61 locals have been employed at Mashabane for bush clearing (30ha)
- 50 ha have planted at Mhlabuyalingana Municipality

## (e) Crops and Irrigation

- **Makhathini or Mjindi Irrigation Scheme**
  - The irrigation plan has its emphasis on the rehabilitation of the 4570ha of irrigation land and infrastructure serviced by Mjindi Farming (Pty) Ltd.
  - A photographic survey of the whole scheme was done to establish the status of the scheme.
  - The scheme requires major repairs of infrastructure totalling to million of rands.
  - The farmers on the scheme are producing cotton, sugar cane and vegetables.
  - 314 individual farmers are beneficiaries of the irrigation scheme.
    - ✓ 230 male farmers
    - ✓ 84 female farmers
  - There are 8 cooperatives with 603 members who are beneficiaries of the irrigation scheme.
    - ✓ 31 male farmers
    - ✓ 572 female farmers.
  
- **Other Irrigation Schemes (Ndumo, Khwehla and Nondabuya)**
  - These irrigation schemes are on planning stage, concept designs completed and detail designs and implementation will commence next financial year.

## (f) Livestock Programme

- The livestock commodity covers the largest part the Makhathini area of the approximately 407 000ha.
- The plan for the livestock is based on a natural resource survey and a livestock survey done among the members of the dip tank committees of the two existing livestock associations.
- The livestock plan includes the re-establishment of the "Foot and Mouth" redline with an abattoir in close proximity of the redline to assist with marketing.
- The livestock plan also highlights training as one of the highest priority areas and indicates the necessity of establishing of a farmers training service centre where farmers will have facilities to manage and sell their livestock

## (g) Livestock Projects

- **Abattoir**
  - Although the abattoir was one of the projects on the Master Plan, and due to the outbreak of FMD, there was a need to fast track the project
  - Currently finalizing the designs and due to commence site in May 2012
- **Red-line and quarantine camps**
  - Red-line currently being re-designed by DAFF Engineers, implementation to commence next financial
- **Livestock Centres**
  - Both Jozini and uMhlabuyalingana holding pens or crush pens completed
  - Facilities can now be used for handling of livestock
  - The building is currently on tender and site hand over anticipated before end March 2012

- **Dip tanks**
  - Out of the 13 dip tanks requested, 2 have been completed
- **Stock Watering Dams /Points /Ponds**
  - 30 Dams were identified for scooping this financial year
  - 26 out 30 have been completed and the balance will be completed before end March 2012
  - 30 new dams will be done in 2012/2013 financial year

### **Phathisa – Rural and Community Development**

Project Name: Makhathini Sugar Cane

Location: Umhlabuyalingana and Jozini municipalities

Objectives: -To create a sustainable socio-economic development aimed at facilitating broad based Black Economic Empowerment in the Makhathini area.

-Establishment of an agri-processing business cluster on the Makhathini Flats comprising sugar cane farming, a fuel ethanol distillery, electricity co-generation and/or raw sugar production

- The study area for the project includes areas that fall within the following Traditional Authority (TA) areas:
  - Nyawo TC
  - Mathenjwa TC
  - Siqakatha TC
  - Mashabane TC
  - KwaJobe TC and
  - Ntsinde TC
- The project sponsors include funders, local cane farmers and technology partners and include the following:
  - Industrial Development Corporation (IDC)
  - Tongaat Hulett (TH)
  - Development Bank of South Africa (DBSA)
  - Central Energy Fund
  - Makhathini Agricultural Development Co-operative
- Project stakeholders include DWAF, KZN Office of the Premier, KZNDAEA, KZN Department of Transport, KZN DLG&TA, Irrimec, Eskom, Ithala and the Makhathini Agricultural Development Co-operative
- Total Investment (R) Phase 1 – R 800 m.  
Phase 2 – R 600 m.
- Direct employment, Phase 1, Agriculture – 2,140 Factory – 170
- Indirect, Phase 1 - 10,870

Project started in February 2012

## **COGTA Programmes**

### **(a) Intergovernmental Relations Support**

- KZNCOGTA has provided hands on support to municipalities in the implementation of S24 of the Intergovernmental Relations Act, 2005 which calls for the establishment of district intergovernmental forums.
- A support grant of R917,000,000 has been given to the Umkhanyakude DM to implement the IGR model developed by the Department to:
  - facilitate co-operative governance within and amongst the family of municipalities in the district; and
  - develop and implement a business engagement strategy for the district
- A service provider has been appointed by the DM for a period of twelve months.

### **(b) Implementation of the KZN pound act, 2006 (act no. 3 of 2006)**

- KZNCOGTA identified challenges being experienced by municipalities related to the lack of funds and capacity at municipal level with regards to the implementation of the Act.
- The Department embarked on a project to provide guidance and support to municipalities in respect of the implementation of the Act, specifically in relation to the establishment of pounds and the adoption of pound by-laws.
- 12 LMs in the Province (including Jozini in Umkhanyakude) were identified by the MEC to receive support from the Department with regard to the establishment and operation of animal pounds in order to achieve this objective

### **Governance and Administration Skilled Deployees**

- The Department in 2010 supported the Umkhanyakude DM by deploying a municipal governance and administration professional to support the DM to adopt and implement governance and administration processes, systems, frameworks and procedures.
- In 2012 the Department will be transferring an amount of R800,000.00 to the District to appoint a skilled professional to provide hands-on support to the District and its LMs (shared-services resource).
- The focus of this project is to address the functionality of governance and administration processes, systems, frameworks and procedures

### **Special Initiatives Unit**

- Mbazwana Tourism Information Centre – R500 000-00
- Phelandaba Township Establishment – R625 000-00
- St Lucia Mouth Rehabilitation – R4 115 000-00
- Dukuduku Tourism Facility – R7 300 000-00
- Isimangaliso tourism Route Development – R1 000 000-00
- Mtubatuba Corridor Development Plan – R1 000 000-00



## Infrastructure Intervention by CoGTA

The intervention by CoGTA to second an expert in engineering and technical services has brought about more relief and is assisting the Municipality to focus more on operational issues. The CoGTA expert (Mr M Msiwa) is focusing on the following issues:

- Infrastructure reliability
- Water quality, to ensure safety of drinking water and improving the “blue drop” performance
- Water resources – development & protection
- Financial viability of the water business including revenue collection & enhancement, in collaboration with CFO
- Minimizing interruptions and limiting duration to 4-5 hours
- operational organization – re-organizing teams
- Stakeholder engagement
- Community engagement
- Employee development and leadership development
- Customer satisfaction

More details on the abovementioned issues have been discussed under “infrastructure analysis”.

Other COGTA interventions in infrastructure throughout the District include the following:

- Borehole refurbishment
- Re-instatement / refurbishment of dysfunctional water schemes
- Operation and maintenance of water supply
- Technical skills
- New water infrastructure
- Electricity programme

Water tanker repairs (CoGTA funding, also tanker hire)

## Department of Environmental affairs (DEA)

The Department of Environmental affairs has seconded its official to assist the District family of municipalities on the following:

- **Strategic Planning:** Integration of environmental issues into the municipal planning processes and tools such as the IDP because local government experiences difficulties in identifying which environmental tools to use to incorporate environment into local level planning, e.g. SEA, EMP/EMF etc.
- **Spatial Planning:** Focuses on the type of environmental information used to inform planning at local level. Identify the information gaps and needs around the environment. Therefore supporting environmental planning/management in the family of municipalities;
- **Capacity Building:** Access to information for municipalities is a challenge. Experience indicates that there is a lack of understanding of environmental legislations, guidelines, etc. The LGS official is therefore tasked with facilitating and coordinating environmental capacity building initiatives for the family of municipalities.
- **Project Management:** DEA has a number of on-going projects within the Umkhanyakude District municipality. As the face of the department, the LGS official plays supporting and coordinating roles from the initiation to the implementation of DEA-funded projects.

The official is located within the uMkhanyakude District municipality's SED department; and has been absorbed by the District's Development Planning Shared Service unit, whose secondary performance areas include environmental planning and management. The motive behind the absorption of the official by the DPSS unit is due to the similar nature of operations, i.e. shared service, of the Local Government Support official and DPSS unit.

## Department of Arts and Culture

The Department is involved in the following projects within the District:

- Mbazwana Arts Centre – R11m
- Mbazwana Library and Depot – R31.5m

## Department of Human Settlements

The working relations between the Department and Umkhanyakude family of municipalities is very good.

### Housing Backlogs: 2011/2012

Municipality	Total Backlog	Traditional dwelling/Hut/ Structure made of traditional materials	House/Flat/ Room in backyard	Informal dwelling / Shack in backyard	Informal dwelling / Shack Not in backyard
<b>Umhlabuyalingana</b>	<b>13,740</b>	13,489	49	175	27
Jozini	<b>21,040</b>	18,644	952	363	1,081
The Big 5 false Bay	<b>3,089</b>	2,643	160	100	186
Hlabisa	<b>13,254</b>	11,986	519	273	476
Mtubatuba	<b>2,271</b>	1,024	296	105	846
Total	<b>53,394</b>	<b>47,786</b>	<b>1,976</b>	<b>1,016</b>	<b>2,616</b>

Table ...: Department of Human Settlements

*Please note that the data provided in the abovementioned table is still based on demarcation prior May 2011 elections.*

## Housing Projects

### Umhlabuyalingana Municipality

#### Current Projects

- The Department has invested a total funding of R218, 546, 158 in the municipality for housing projects over the years. This will result in **5000** constructed for the desperate people of Umhlabuyalingana.
- A budget allocation of R51 627 000 has been made available in the **2011 / 2012** year for the existing projects and to initiate new housing projects.
- A further **R103 254 000** has been made available in the outer 2 years of the current MTEF, to fund the active projects and support the preparation and packaging of new initiatives.
- Three projects have been identified within the municipality for implementation in three Traditional Authorities, Mbila, Mashabane and Tembe, each project comprise of 1000 houses to be built.
- KwaMashabane Rural Housing project has already been granted approval for stage while the two are still on the planning stage.

## **Jozini Municipality**

### ***Current projects***

- The Department has invested a total funding of R422, 155, 944 in the municipality for housing projects over the years. This will result in **8725** constructed for the desperate people of Jozini Area
- The DoHS has made R9, 530, 713 available in the **2011 / 2012** year for the existing projects and to initiate new housing projects.
- A further R89 814 7503 has been made available in the outer 2 years of the current MTEF, to fund the active projects and support the preparation and packaging of new initiatives.

### ***New projects***

- There are basically two new projects to be implemented at Jozini namely:
- Sqakatha Rural project and,
- KwaJobe project which is a completion of the balance of 800 houses that were affected by land issue.
- The third one is the Ndumo Project which will be part of the Premier's Ndumo Children's Flagship Project.

## **The Big 5 False Bay Municipality**

### ***Current Projects***

- The Department has invested a total funding of R167, 699, 266 in the municipality for housing projects over the years. This will result in 4521 constructed for the desperate people of Hluhluwe Area.
- The Department has made R14, 803, 521 available in the 2011/ 2012 year for the existing projects and to initiate new housing projects
- A further R62 129 625 has been made available in the outer 2 years of the current MTEF, to fund the active projects and support the preparation and packaging of new initiatives.

### ***Identified Projects***

- Phumalni Slums Clearance was identified as urgently needing implementation in Hluhluwe, IA was appointed but due to poor performance, services were terminated, advert for a new IA has been done
- Nibela Rural project also had challenges with the IA and services were terminated, the project has been advertised for a contractor to complete the balance of 800 houses.

## Hlabisa Municipality

### *Identified Projects*

- The DoHS has invested a total of R R198, 306, 800 for housing projects over the years. This has resulted in 2749 houses being built.
- The DoHS has made R49, 157, 800 available in the 2011 / 2012 year for the existing projects and to initiate new housing projects.
- A further R89 915 600 has been made available in the outer 2 years of the current MTEF to fund the active projects and support the preparation and packaging of new initiatives.

### *Identified Projects*

- The municipality has identified Mpembeni Phase II for implementation and currently at planning stage.
- Other project ahs just commenced include Hlabisa and Mdletshe Projects comprise of 1000 each.

## Mtubatuba Municipality

### *Project Projects*

- The DoHS has invested a total of R100, 551, 246 for housing projects over the years and this resulted in approximately 4810 houses being built within the Mtuba Municipality.
- The DoHS has made R7, 749, 200 available in the **2011 / 2012** year for existing projects and to initiate new housing projects
- A further **R92 270 000** will be made available in the outer 2 years of the current MTEF, to fund the active projects and support the preparation and packaging of new initiatives.

### *Identified Projects*

- KwaMsane Extension is one of the project identified for implementation, will accommodate the desperate community of KwaMsane
- Mtuba Project has a balance of 240 house needing completion, since the dispute between the municipality and the contractor has been resolved, the municipality will advertise for the appointment of the contractor to complete the project.

## ESKOM

Projects Planned for 2012/2013

Project Name	Municipality	Amount
Mtubatuba to Hluhluwe	Mtubatuba and Big 5	R10 700 000 (Nersa)
Hlabisa	Hlabisa	R27 755 000 (Eskom)
Ingwavuma	Jozini	R37 050 000 (Dept of Energy)
Nondabuya	Jozini	R27 755 000
Mbazwane	Umhlabuyalingana	R50 570 000 (Dept of Energy)
Manguzi	Umhlabuyalingana	R55 640 000 (Dept of Energy)
<b>Total</b>		<b>R209 470 000</b>

## 6. SECTION F: IMPLEMENTATION PLAN



### UMKHANYAKUDE MUNICIPALITY 2012/2013 BUDGET SUMMARY

	Budget	Indicative	Indicative
	2012/2013	2013/2014	2014/2015
<b>TOTAL INCOME</b>	<b>251,311,713</b>	<b>265,154,624</b>	<b>283,761,867</b>
<b>Government grants &amp; subsidies</b>			
Equitable share	176,384,000	189,272,000	203,644,000
PMU Allocation	11,282,889	11,960,950	13,014,750
Shared Services Centre Grant	767,105	200,000	210,000
District Growth Development Summit	400,000	-	-
Community Development Project	2,500,000	-	-
Rural Road and Transport Management Grant	1,776,000	1,864,000	1,972,000
Finance Mangement Grant	1,250,000	1,250,000	1,250,000
Munisipal System Improvement Grant	1,000,000	900,000	1,000,000
Thusong Service Centre	-	500,000	-
LGSETA Grant	240,000	252,960	266,620
	195,599,994	206,199,910	221,357,370
<b>Services Charges</b>			
Income Electricity	6,254,586	6,826,896	7,461,776
Sanitation	2,639,281	2,781,803	2,932,020
Water distribution	39,332,208	41,456,148	43,694,780
Other income	7,485,644	7,889,868	8,315,921
	55,711,719	58,954,714	62,404,497
<b>TOTAL EXPENDITURE</b>	<b>251,311,714</b>	<b>265,154,624</b>	<b>283,761,867</b>
Salaries & Wages	72,427,045	76,954,475	81,133,691
Council Remuneration	4,966,250	5,264,225	5,580,079
General Expenses	136,360,054	140,626,270	148,873,281
Repairs & Maintenance	9,684,017	10,206,954	10,758,129
Capital Expenditure Allocation	4,620,000	2,764,800	2,333,099
Povision for bad debts	23,254,348	29,337,900	35,083,588
<b>TOTAL SURPLUS/(DEFICIT)</b>	<b>-1</b>	<b>0</b>	<b>0</b>

## 7. SECTION G: PROJECTS

### Operational Programmes

<b>Details</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>
1. Sport DC27	1,200,000	1,264,800	1,333,099
2. District Youth Development Strategy (Development & Implementation)	750,000	750,000	790,500
3. Community Participation	410,000	432,140	455,476
4. HIV Aids Intervention	1,200,000	1,264,800	1,333,099
5. Art & Culture	1,000,000	1,054,000	1,110,916
6. Disaster Management - Fire Services	9,335,047	9,839,140	10,370,454
7. Fire Services section 78 assessment	450,000	0	0
8. IDP Road show	2,500,000	2,120,000	2,247,200
9. Disability Programmes	1,000,000	527,000	555,458
10. Disaster Management	640,000	850,000	950,000
11. Gender, Children & Senior Citizens	1,500,000	2,475,000	2,500,000
12. Tourism Projects	820,000	1,000,000	1,500,000
13. Corridor Development ( DC27)	1,500,000	1,000,000	850,000
14. District Growth & Development Summit	400,000	0	0
15. District Planning Commission	1,000,000	1,500,000	2,000,000
16. Grant transfers: Umhlosinga Development	2,618,724	2,560,260	1,855,944
17. Heritage Tourism Initiative	560,000	650,000	750,000
18. Council Outreach Programme	1,000,000	1,054,000	555,458
19. Local Government Internship	500,000	527,000	555,458
20. Scarce Skills Bursary Scheme	200,000	200,000	200,000
21. LED Fund	500,000	527,000	555,458
22. Community Development Project	2,500,000	0	0
23. Revenue Turnaround	500,000	350,000	200,000
24. Bulk Meter Installations	1,800,000	1,500,000	1,000,000
25. Meter Audits	2,000,000	2,108,000	2,221,832
26. Umhlathuze Water Agreement	2,500,000	3,500,000	4,000,000
27. WSSA Contract	40,800,000	43,003,200	45,325,373
<b>Total</b>	<b>79,183,771</b>	<b>80,056,340</b>	<b>83,215,725</b>

## MIG Projects – 2012/2013

Umkhanyakude District Municipality						
MIG 2012/2013 allocation	R 227,304,000.00					
Unspent 2010/2011	R 0.00					
<b>MIG Total</b>	<b>R 227,304,000.00</b>					
Project Description	Project value	Previous expenditure and 2011/2012	Balance	2012/2013	2013/2014	2014/2015
<b>MIG ALLOCATION</b>		<b>186,942,000.00</b>		<b>227,304,000.00</b>	<b>239,806,000.00</b>	
<b>Water Projects</b>						
<b>Umhlabuyalingana Local Municipality</b>						
Enkanyezini CWSS	R 62,030,928.00	R 59,530,927.87	R 2,500,000.13	<b>2,500,000.13</b>		
Mpophomeni CWSS Phase 2	R 38,715,718.00	R 38,477,219.78	R 238,498.22	<b>238,498.22</b>		
KwaNgwananse Water Retification	R 102,657,991.00	R 97,056,865.00	R 5,601,126.00	<b>5,601,126.00</b>		
Shemula/KwaNgwanase Bulk	R 116,000,000.00	R 1,600,000.00	R 114,400,000.00	<b>12,000,000.00</b>	<b>R 25,500,000.00</b>	<b>R 28,000,000.00</b>
<b>Hlabisa Local Municipality</b>						
Ezibayeni CWSS Phase 2	R 41,895,535.00	R 40,126,925.00	R 1,768,610.00	<b>1,768,610.00</b>		
Hlabisa/Mandlakazi Bulk & Reticulation	R 113,823,000.00	R 1,200,000.00	R 112,623,000.00	<b>12,000,000.00</b>	<b>R 16,000,000.00</b>	<b>R 21,240,700.00</b>
<b>Jozini Local Municipality</b>						
Jozini-Ingwavuma Secondary Bulk & Reticulation	R 90,000,000.00	R 1,550,000.00	R 88,450,000.00	<b>12,000,000.00</b>	<b>R 25,000,000.00</b>	<b>R 9,000,000.00</b>
Nyawo Mngomezulu Mathenjwa (Ingwavuma) sanitation	R 142,588,855.00	R 2,300,000.00	R 140,288,855.00	<b>15,000,000.00</b>	<b>R 15,000,000.00</b>	<b>R 50,288,855.00</b>
Mkuze Water Treatment Works	R 14,866,979.00	R 14,866,979.00	R 0.00	<b>25,115,245.00</b>		
Thembaletu sanitation	R 100,919,806.75	R 10,000,000.00	R 90,919,806.75	<b>9,371,483.00</b>	<b>R 25,000,000.00</b>	<b>R 9,843,230.60</b>
Jozini water Treatment - Mbazwana siqakatha	R 185,000,000.00	R 6,500,000.00	R 178,500,000.00	<b>11,000,000.00</b>	<b>R 35,086,632.99</b>	<b>R 65,000,000.00</b>
Kwajobe Water Supply	R 160,194,178.00	R 35,635,889.17	R 124,558,288.83	<b>12,000,000.00</b>	<b>R 25,000,000.00</b>	<b>R 44,558,289.00</b>
<b>Mtubatuba Local Municipality</b>						
Mtuba Water Treatment Works Upgrade	R 73,466,382.00	R 40,671,320.00	R 32,795,062.00	<b>30,161,848.42</b>	<b>R 2,633,213.58</b>	<b>R 0.00</b>
St Lucia Bulk Water Supply - Reticulation	R 129,347,760.06	R 1,400,000.00	R 127,947,760.06	<b>16,128,517.00</b>	<b>R 19,000,000.00</b>	<b>R 32,947,760.00</b>
Nordale Sewerage Investigation and upgrade	R 1,231,560.00	R 1,191,753.71	R 39,806.29	<b>39,806.29</b>		
Mtuba sanitation	R 95,778,068.00	R 18,003,850.00	R 77,774,218.00	<b>10,706,680.18</b>	<b>R 24,990,484.05</b>	<b>R 22,774,218.00</b>
Mpukunyoni Cwss	R 92,351,248.00	R 15,000,000.00	R 77,351,248.00	<b>12,500,000.00</b>	<b>R 12,500,000.00</b>	<b>R 9,779,866.00</b>
<b>Big Five Local Municipality</b>						
Hluhluwe water upgrade	R 38,867,955.00	R 12,500,000.00	R 26,367,955.00	<b>23,454,587.99</b>	<b>R 7,626,791.88</b>	<b>R 0.00</b>
The Construction of Disaster Management Building	R 2,500,000.00		R 2,500,000.00	<b>2,500,000.00</b>		
<b>TOTAL APPROVED PROJECTS</b>	<b>R 1,696,664,397.78</b>	<b>R 492,040,163.50</b>	<b>R 1,204,624,234.28</b>	<b>214,086,402.23</b>	<b>R 233,337,122.50</b>	<b>R 293,432,918.60</b>

## Consolidated Infrastructure Projects List – 2012/2013

CONSOLOATED -LIST OF PROTECTS AT TECHINCAL DEPARTMENT			
CURRENT MIG PROJECTS			
PROJECT NAME	MIG REGISTERED AMOUNT	PROJECT STATUS	ADDITIONAL INFORMATION
ENKAYEZINI WATER	61,280,928.00	99 % towards completion	Pending approval of R750 000
JOZINI WATER TREATMENT	21,112,916.00	+ 99% complete	Legal disputes
KWANGWANASE WATER	102,657,991.00	+ 98% complete	Anticipated to finish in June end 2012
EZIBAYENI WATER	41,895,535.00	+ 98.5 % complete	Pending on correction of V.O
MAKHATHINI SANITATION	4,389,682.00	99% Complete	Anticipated to finish in June end 2012
MPUKUNYONI WATER	4,252,291.00	Never started	Dependant on phase 1 functionality
MPOPHOMENI WATER	38,715,718.00	+ 98% complete	Anticipated to finish in June end 2012
ISIHLANGWINI WATER	7,300,000.00	complete only retention due	Not functioning yet (water source problem)
OTHOBOTHINI WATER	18,996,590.00	completed	technical problems
PHUMLANI-STORM WATER TREATMET	1,400,000.00	completed	retention is due for release in May 2012
MTUBATUBA WATER TREATMENT WORK	73,466,382.00	+ 88% complete	Anticipated to finish in Agust 2012
NORDALE SEWERAGE	1,231,560.00	+ 99% complete	Anticipated to finish in June end 2012
INDLOVU VILLAGE SEWERAGE	1,580,872.56	+ 99% complete	Depending on approval of variation order
MPEMBENI WATER SUPPLY	318,550.89		no reports received (water diagnosis )
KWAJOBE/NTSHONGWE MALOBENI	160,194,178.00		some professional fees have been paid
MIG NEW PROJECTS (BIG 11)			
1. SHEMULA PLANT UPGRADE (MANGUZI & MANYISENI)	90,000,000.00	to be implemented - 12/13 FY	Waiting for DWA approval amount not yet known
2. JOZINI - INGWAVUMA RETICULATION	234,000,000.00	to be implemented - 12/13 FY	Waiting for DWA approval amount not yet known
3. JOZINI PLANT UPGRADE AND BULK (MBAZWANA, SIQAKATHA MAMFENE HLUHLUWE	184,000,000.00	to be implemented - 12/13 FY	Waiting for MIG approval & appointment of contractors
4. MKHUZE WTW AND RESERVOIR REFURBISHMENT	25,115,245.00	to be implemented - 12/13 FY	Waiting for MIG approval & appointment of contractors
5. HLUHLUWE 1 UPGRADE	38,867,955.00	to be implemented - 12/13 FY	Waiting for MIG approval & appointment of contractors
6. MTUBA- MPUKUNYONI SECONDARY BULK & RETICULATION	92,351,248.00	to be implemented - 12/13 FY	Waiting for MIG approval & appointment of contractors
7. HLABISA - MANDLAKAZI SECONDARY BULK & RETICULATION	114,000,000.00	to be implemented - 12/13 FY	Waiting for DWA approval amount not yet known
8. UPGRADE ST LUCIA BULK PIPE LINE	60,000,000.00	to be implemented - 12/13 FY	Waiting for DWA approval amount not yet known
9. INGWAVUMA SANITATION (NYAWO, MNGOMEZULU & MATHENJWA	142,588,855.43	to be implemented - 12/13 FY	Waiting for MIG approval & appointment of contractors
10. MTUBATUBA SANITATION	95,778,068.00	to be implemented - 12/13 FY	Waiting for MIG approval & appointment of contractors
11. THEMBALETHU SANITATION	100,919,806.75	to be implemented - 12/13 FY	Waiting for MIG approval & appointment of contractors



## Consolidated Infrastructure Projects List – 2012/2013...

<b>OTHER GRANTS</b>			
DWA - FUNDED : <b>REFURBISHMENT OF WASTE WATER TREATMENT WORKS IN UMKHANYAKUDE</b>			
BETHESDA	2,820,000.00		MOU & MOA to be endorsed
INGWAVUMA	2,000,000.00		MOU & MOA to be endorsed
HLABISA	2,300,000.00		MOU & MOA to be endorsed
KWAMSANE	1,900,000.00		MOU & MOA to be endorsed
MANGUZE	1,520,000.00		MOU & MOA to be endorsed
MKUZE	3,060,000.00		MOU & MOA to be endorsed
MSELENI	1,480,000.00		MOU & MOA to be endorsed
ST LUCIA	2,620,000.00		MOU & MOA to be endorsed
<b>TOTAL GRANT</b>	<b>17,700,000.00</b>		
<b>MASSIFICATION BY COGTA</b>			
REFURBISHMENT SHEMULA SCHEME	1,950,000.00		
RE-INSTATE ELECTRICITY GENERATORS FOR BOREHOLE PUMPS PHELANDABA	300,000.00		
UPGRADING SEWERAHE WORKS HLABISA	2,286,000.00		
UPGRADING SEWERAHE WORKS JOZINI	2,736,000.00		
UPGRADING SEWERAHE WORKS MKUZE	3,670,000.00		
UPGRADING SEWERAHE WORKS HLUHLUWE	2,106,000.00		
WATER PURIFICATION PLANT KWAZIBI UMHLABUYALINGANA	1,800,000.00		
<b>TOTAL GRANT</b>	<b>14,848,000.00</b>		
<b>WATER PURIFICATION PLANT BY COGTA TOTAL GRANT</b>			
	<b>3,501,400.00</b>		
KWAZIBI - UMHLABUYALINGANA	915,000.00		
KWAJOBE -CEZWANA	915,000.00		
KWAJOBE -NONGAWUZA	915,000.00		
<b>OTHER GRANTS</b>			
UMNQOBOKAZI SPORTS FIELD BY SPORTS & RECREATION	258,244.20		
NATIONAL LOTTERY	500,000.00		
MTUBA WATER CONSERVATION & DEMAND MANAGEMENT	524,309.73		
EXPANDED PUBLIC WORKS	82,094.00		
RURAL TRANSPORT INFRASTRUCTURE AND SYSTEM GRANT	1,687,000.00		

## **Corridor Development Projects**

### **NORTH - SOUTH CORRIDOR (N-2)**

**(Richards Bay – Mtuba/Habisa – Hluhluwe – Mkuze – Golela**

#### **Mtuba**

The Timber City, branding this town as such puts it on an economic advantage both nationally and internationally. It is the only town with a rail design for this. Furniture shall come from here. A timber beneficiation precinct shall be established that encompasses growing, cutting and manufacturing of timber products. Export market may be established with the advantage of the airport and rail to Maputo and Swaziland.

#### **Mkuze**

This is a service city. It shall be designed in the proximity of both sides of the freeway under sustainable cities model as supported by DBSA e.g. this will include hospitals, schools, middle income housing for civil servants and mini malls.

#### **Golela**

Warehousing of all necessary trade to capture border crossing people who come to buy stock in South Africa shall be the main attraction of this town.

#### **Hluhluwe**

Was once the biggest pineapple growing town in the country. Strategy it becomes the Fruit Agro precinct and processing city. To be linked to markets that supports this and their bi-products.

### **CULTURAL HERITAGE CORRIDOR**

#### **HLABISA – NONGOMA (Gateway to the Kingdom)**

Urban renewal programme, it is the gateway to the Zulu Royal land Culture branding. This town is the Cultural Industries Precinct comprising of :

- An Amphitheatre – for performing Arts , host choirs, scathamiya, etc to seat not less than 2000 people, provide bus parking, paved covered walkways
- ICT Precinct with an Arts and culture Mall

## **BORDER HERITAGE CORRIDOR**

**(Cecil Mack Pass – Ingwavuma – Bambanani – Ngwanase – Kosi Bay)**

### **Cecil Mack Pass**

This is a Heritage City and sees the establishment of Tourism and Hospitality Precincts

### **Ngwavuma**

This is a community basis town and also commands the establishment of a sustainable city and social cultural precinct.

### **Bambanani**

Route to Cecil Sustainable City

### **Ngwanase**

Establishment of a sustainable city at Ngwanase is key. Is a concept of The Department of Rural Development and Land Reform. It's a city that is able to generate its own income through beneficiation of its products.

### **Kosi Bay**

Aquarium (all inland fish and deep sea fish- establish academic institution on maritime education) , port, waterfront development (target black elite e.g. St Lucia is so white so why not create an elite waterfront that will attract the black

- Dry Port At Mbazwana
- Burge Port At Mabasa Tlc
- Aquaculture Precinct At Kosi Bay, Emakhonyeni (Phongola River) &Mtubatuba (Mfolozi) &
- Nibela – Prawns, Telapia And Cat Fish Production

## **ZULU OCEAN CORRIDOR**

**(Richards Bay – St Lucia – Hluhluwe – Kosi Bay to Maputo**

Urban and rural revitalization will get its identity and sustainable meaning through revitalization of indigenous cultures, value systems and norms. As part of Maputaland revitalization, a process to mobilize the traditional arts, music, dance (indlamu), amabutho, izintombi etc will be a focus point. This will ensure an incremental strengthening of cultural institutions, moral values and simultaneously promotion of sustainable tourism.

Related cultural infrastructure development is the centre-piece of Amanguni cultural heritage revitalization in every village and township. The following projects are envisioned for this corridor:

- The railway line has been proposed on this corridor all the way to Mozambique.
- An inland harbour and coastal harbour that shall entail barges to transport containers from sea to the shore and storehouses/warehouses and ready for transportation and distribution.
- The Waterfront Development shall constitute a mixed use development precinct that entails luxury estates and penthouses, Grade A Business Office Parks and a Mall that shall enable tourists and traders from Mozambique and neighbouring countries to acquire goods without going inland.

### **AISLE OF KINGS HERITAGE CORRIDOR (Liberation Route: Jozini/N2 Turnoff – Sikhhandane – Kwaliweni – Ingwavuma – Cecil Mack Pass)**

Signature bridge from the turn-off of Jozini across the gorge, this attract an income generating

- Liberation Museum
- Indigenous Botanic Gardens At Ubombo Ridge in Skhandane

### **MAPUTALAND AEROTROPOLIS CORRIDOR - New City Corridor (Nondabuya)**

- In Jozini – An airport for parking small charter, cargo, with warehouses (e.g. makro) {SAMBANE INTERNATIONAL AIRPORT} This town will probably adopt the name Airport City
- Waterfront Development - Luxury House at Jozini Dam

This proposed new city around the area of Nondabuya will bring about new development as Jozini Town no longer has options for further development due to its geographic location.

## **Umhlosinga Development Agency Corridor Projects**

The Main Corridor is the N2 and flowing from this Corridor is the 6 interventionist Corridors for Economic Development and Investment. The activities in these corridors should advance the Millennium Goal, and more importantly the Growth Path as the main guild of the UMDA in terms of Economic Development.

### **1. NORTH – SOUTH CORRIDOR (N2)**

- a. (Richards Bay – Mtuba/Hlabisa – Hluhluwe – Umkhuze – Gollela)
  - i. Transport and Logistics
  - ii. Light Industry
  - iii. Tourism
  - iv. Education and Training
  - v. Property Development
  - vi. Agriculture
  - vii. IT and Communication
  - viii. Manufacturing
  - ix. Retail
  - x. Air Travel
  - xi. Capital Centre of District
  - xii. Rail

### **2. CULTURAL HERITAGE CORRIDOR**

- b. HLABISA – NONGOMA (Gateway to the Kingdom)
  - i. Craft and Cultural Heritage
  - ii. Natural Heritage
  - iii. Tourism
  - iv. Education
  - v. Research
  - vi. Mining

### **3. BORDER HERITAGE CORRIDOR**

- c. (Cecil Mack Pass – Ingwavuma – Bambanani – Ngwanase – Kosi Bay)
  - i. Tourism
  - ii. Agriculture
  - iii. Transport
  - iv. Retail
  - v. Logistics

#### **4. ZULU OCEAN CORRIDOR (Route 22)**

- d. (Richards Bay – St Lucia – Hluhluwe – Kosi Bay to Maputo)
  - i. Tourism
  - ii. Leisure
  - iii. Transport
  - iv. Natural Heritage
  - v. Property
  - vi. IT and Communication
  - vii. Craft and Culture

#### **5. AILE OF KINGS HERITAGE CORRIDOR**

- e. (Liberation Route: Jozini/N2 Turnoff – Sikhandane – Kwaliweni – Ingwavuma – Cecil Mack Pass)
  - i. Tourism
  - ii. Culture
  - iii. Leisure
  - iv. Agric

#### **6. MAPUTALAND AEROTROPOLIS CORRIDOR**

- f. New City Corridor (Emabhanoyini)
  - i. Logistics
  - ii. Retail
  - iii. Leisure
  - iv. Tourism
  - v. Services
  - vi. Light Industry

#### **Route 22 (Zulu Ocean Corridor)**

UMDA has started with the initial engagement of relevant institutions regarding the development of Royal Elephant Route as a new destination in South Africa. This project will see the Development of new products along the R22 and the Phelandaba Ingwavuma roads. This will eventually lead tourists through Hlatikhulu forest back to Airport via Ubombo. This project will be complimented by timeshare park developments on route (the detail roll out off which will be protected until full implementation due to intellectual property rights) this project is now in possession of a Fully fletched Feasibility and Marketing strategy and as part of the Corridor Strategy will become the centre Product of the UMDA in ensuring Transformation of the Industry. The Route will become the focal point for Tourism Investment and Marketing of the District as a Prime Destination.

This product will further be enhanced with several innovative Cultural, Hospitality and Leisure Products including a District Unique Brand of Leisure Property developments and a Golf Estate.

## **Mkuze Regional Airport**

As tourism is the majority economic Sector in the District it was imperative to look at two main challenges 1. The transformation of the Sector and 2. The creation of a Catalyst or gateway to tourism development. The Mkuze regional airport was identified as such a project.

In 2008\2009 financial year a feasibility and business plan was initiated with financial support from DBSA and IDC. This project will form the basis of new economic growth and act as catalyst for the expansion of the tourism industry.

The scope of this report, as set out in this feasibility study submitted to, and accepted by, the UMkhanyakude District Municipality, is to form the basis for the construction and operation of a regional airport at Mkuze. The building standards of this airport are to adhere to both the local and international regulations regarding runways, terminal buildings and security. Of overriding importance in this project is that it must be a catalyst for economic and social development in the area, while meeting the environmental criteria. To this end, the project must seek to balance the so-called 'triple bottom line' of economic efficiency, human well-being and environmental integrity.

In terms of economic efficiency, it is important that an investment in this project must meet the fundamental necessities of any economic investment; it must be shown to be a safe and profitable long term investment, generating a sustainable and long-term financial after tax return greater than that offered by general institutional investment opportunities, such as banks and government bonds, commensurate with the level of risk involved. Capital and operational costs incurred in constructing and running the airport must be recoverable through a sustainable market demand for the final product. This demand must be met by a continuous marketing exercise to draw tourists and business people to the region. Although the above-mentioned is of utmost importance, the overall benefits towards the broader communities of the District must be taken into consideration.

The human well-being aspect of the project refers to the ability of the project to meet the short-term economic and social needs of the local community. This must occur in both a direct and indirect manner. The direct concerns of the project will be in terms of immediate job creation in both the construction and operation of the airport. This will take into account the principles of employment equity and direct skills transfer. It is envisaged that the local community will be integrally involved in the operation of the airport and further secondary opportunities, stemming from this project, will include the development of various small, medium and micro-enterprises (SMME's) to take advantage of the markets available for the supply of shuttle services, line shops, art and craft etc.

The benefit to the area in a whole will be enormous taking into consideration the leisure tourist and conference delegate spend on average R 3 000.00 per person. Taking the first year's estimated 34 000 passengers into consideration, it is estimated that the airport can generate an income of approximately R102m from year one.

The third element of the 'triple bottom line' principle is that of environmental integrity. In many projects this is an aspect to which mere lip service is often paid, but the long-term needs of the environment are of vital importance to this project. In order to ensure the continuous environmental issues are addressed during the construction and operation of the facility, this study will set out how the project will meet all of the above criteria and become both a catalyst for development in the area and a model of sustainable utilization of natural resources, where the short-term needs of the community and the long-term requirements of the environment can be harmoniously met.

The increase in tourism activities due to government and private sector investment over the next few years will see the need to air-link UMkhanyakude to major centers such as Nelspruit, EThekweni, Cape Town and Gauteng. The UMhlosinga Development Agency sees this project as an opportunity to join forces with its sister Agencies of Hibiscus and Blue Crane to the commercial activities not only stem from tourism but the export market outside the District for vegetables and other crops, related to the implementation of an agricultural master plan implementation and investment program.

The close proximity of the Jozini-Royal Big 6 Development on the Pongola-Poort Dam shores gives the airport an unexpected PAX opportunity as it is only 35 minutes away, in contrast to the nearest Swaziland airstrip that is one and a half hours away. The feasibility of the airport will be justified with the development taking place surrounding the Pongola-Poort tourism development that will see the creation of residential developments and a golf estate.

Private investors are being engaged to ensure the maximum usage of the airport: the introduction of a multi phase process will see the development grow as the demand grows to ensure economic viability of the investment. The District Municipality has at this point invested R8m in the upgrade, and bought the airstrip at a cost of R7.5m. Further upgrades currently taking place are at the cost of R12m.

The current status regarding the airport is that the feasibility study with the total cost of R3.4 million has been budgeted for by the DBSA and the remainder by IDC.

The project will now need to move to a build Operate and Transfer process, however the seeking of Public funding will still be perused as it will be of greater advantage to the Taxpayers of the District to operate the Airdrome and a Public Owned and Managed entity via the UMDA.

### **The Jozini Hydro Project**

As part of the Economic growth in an energy starved environment the Council saw it fit to ask the UMDA to investigate the possibilities of alternative energy generation in the District , the Jozini Dam being one of the first in a ongoing process.

The increase of electricity demands in South Africa is well known; this project will see great cost savings due to the fact that an outflow system already exists, thus minimal technical intervention will be needed. With the increase in economic activities currently planned, and actions still to be implemented such as the Urban Renewal and Agricultural master plan, electricity demand will fast increase.

The Pongola-Poort property and tourism development on the northern side of the Dam, together with the industrial developments in the Makathini, pertaining to Bio-Fuel production and related infrastructure, will place greater demand on electricity supply, requiring sustainability.

The selling of electricity to Mozambique and Swaziland utilising excess electricity, especially to Swaziland due to the Royal Swazi Big 6 development on the Swaziland side of the dam border.

Furthermore, the hydro-electric project will create an opportunity for the stabilisation of a District-wide mini-grid which incorporates solar and wind powered sustainable electricity sources. This will open immense opportunities for tapping into the natural resources of sunshine radiation and wind flows, for which the District is well endowed with.



The Jozini Hydro is a project that was envisaged during the construction of the dam some 42 years ago but due to a variety of factors the project never became a reality. The District Municipality of UMkhanyakude recognise the opportunity as a possible answer to the lack of electricity supply to the greater Makathini. Since then, the national energy crisis has added to the urgency of finding alternatives to Eskom.

The UMkhanyakude District decided that the project will be best suited for its municipal entity, the UMhlosinga Development Agency, as funding and resource allocation will be managed from within the Agency and its partners. The UMhlosinga Development Agency made the Jozini Hydro project part of their headline projects as it believes that the project will form the basis of its alternative sustainable energy generation program. The District of UMkhanyakude has entered into an MOU with DBSA regarding the Sustainable Community Program; renewable energy and a sustainable environment is at the core of this program and thus forms part of UMhlosinga Development Agency (UMDA) long term plans.

The Jozini Hydro Project (JHP) will form part of a long term program to generate electricity within the District, supplemented by solar and wind generators. The current potential of the Dam is a possible 5 MW. This may in real terms not be an outright 'A' list investment but as part of a long term program, the project will generate the potential for further investment in this vital sector.

The project will be initiated and implemented by UMDA in collaboration with the District Municipality and DBSA. The hope is that once the financial feasibility of the project is determined it will be implemented immediately. The project will in total cost R100m and will need carbon credits to make it viable for investment. The feasibility and business plan was done at a cost of R1,8 m and business plan is currently under Risk analysis with the DBSA. The license application is in advanced stages and should be finalized in the 2<sup>nd</sup> quarter of 2010. The need for specialist consultants and site visits will form part of this phase. The current income generation will be determined by the rate at which Eskom will purchase the electricity.

It must be envisaged the UMDA does not see the project as a major profit making business but rather a mechanism to attract investment in the District by a variety of companies. The main focus of the UMDA is to create an energy source that can substitute the Eskom grid. The project has an indirect value to the economic growth of the District economy. This however does not mean that it will become a Taxpayer burden.

The current status of the project is at pre-feasibility. Although the District Municipality had a previous engagement with regards to the project, it is not sufficient for implementation. The UMDA has called for possible consultants for proposals of interest in the investigation and design of the project. The successful consultant will be appointed and the development of a revised action and implementation plan will be presented to the management team of UMDA, DBSA and UDM.

The need to provide and explore the opportunities of alternative energy is becoming a vital part of all communities worldwide and as part of the world community we believe we can make a contribution. The sustaining of the environment and our resource use is vital to ensure the economy will grow in the future, regardless of mineral shortages. The project now has a complete feasibility\Business Plan and a Cost benefit analysis to establish the Scheme. The shareholder must now engage in a Build Operate and transfer agreement with a possible Private sector operator\investor.

**Some of the UMDA activities include the following:**

### **Property Development**

The need to provide accommodation to the middle class in UMkhanyakude is an ongoing problem and there is a need to venture into some innovative ideas to overturn the challenge. UMDA has been investigating a few options but at this stage there are not any tangible solutions.

The Uhlaza Property Development Project at uMkhuze town will see the complete focus on the town as the Capital of the District and as centre of activities for both Government, Private Sector and Educational activities. The Development will see the construction of 1300 middle income housing 200 Rental Sock and 500 Lower Income Housing.

The Project will see the development of Mid and Light Industrial Sites and Retail Centre of 36000m<sup>2</sup>, Low Cost Hotel and Educational Facility. The suburb will be developed over the next 6 years and will give form to the future development initiatives of the District Towns.

### **Business Support and Development**

UMDA sees it fit to create a vibrant Second Economy by support to the emerging SMME and Cooperatives in the District. The creation of large scale catalyst projects need to be assessable by the local SMME sector this will be done by ensuring that 1000 SMME's and Cooperatives become Procurable towards actively taking part in the developing economy.

The Business support and Development Program will create a Database that will be used to build a knowledge base and access to information. This information and Knowledge will be utilized in a two way system by giving the SMME access to training and opportunity and give Government and Private access to local business.

The Data base will be updated on a weekly bases through a unique developed IT system placed in every Municipal reception and Library arias.

The UMDA is the Current incubator of the District Chamber of Commerce and as such will be hosting it till the organisation can take care of its own needs.

## **Sustainability of UMDA**

The UMDA will base its future going concern objectives on creating income for the parent body through business development and macroeconomic interventions. This income and interventions will be managed on behalf of the parent body and all income will be allocated to the parent body on an annual basis. The UMDA will sustain itself on receiving grants for operational cost from the profits obtained through these interventions, thus not depending on the Taxpayers contributions and ensuring value based existence.

In this regard we would be aggressively pursuing Fundraising initiatives and creating niche segments in the two sectors of the economy to raise funding for further engagement and sustainability.

These include;

1. Property Development and Management.
2. Marketing and Public Relations
3. Royalties
4. Management Fees
5. Sponsorships
6. Joint Venture Programs.

The UMDA will form a strong bond with the Local Municipalities and is seeking to sign Service Level Agreements with each of them with regards to their needs. We believe that with the new strategy the District can as a Unit develop into a force that will address many of the hopes and aspirations of its citizens.

## **8. SECTION H: FINANCIAL PLAN AND SDBIP**

### **Introduction**

This financial plan reflects the Municipality's ongoing effort to provide the highest quality of service in daily operations. Thus the Municipality recognized that in order for the services to be provided at the best level possible the financial plan must be linked to the IDP. Furthermore it was recognized that without the financial plan, the IDP would be incomplete since the financial plan will give an indication of the financial ability of the Municipality.

The financial plan together with the IDP is reviewed annually as per S21 of the Municipal Finance Management Act no 56 of 2003 and S34 of the Municipal Systems Act no32 of 2000. As a result of the financial crisis that the Municipality is currently facing, the Municipality has resolved in eliminating unnecessary expenditure, paying off creditors and maximizing debt recovery. This annual review is as a result of the relevant regulations and priorities which are reviewed from year to year. The information contained in these tables is based on the information available at the time of drafting this document and these estimates could therefore possibly change once the budget has been approved.

### **Operating and Capital budget estimates**

The five year financial plan includes an operating budget and capital investment programme per source of funding for the five years ending June 2017 (see **Budget under Section F**).

### **Budget Assumptions**

The influencing factors were taken into account when compiling the budget:

- Normal inflation increases and pressures.
- Zero based and incremental budgeting for 2012/2013.
- Maximum increment of 6% for increases
- Electricity tariffs for revenue are based on the guidelines on tariff communicated by NERSA. Bulk purchases for electricity have been increased by 13.5% for 2012/2013.
- Provision of 6% for salaries

### **Financial Strategy**

#### **Revenue adequacy and certainty**

It is critical for the Municipality to access sufficient sources of revenue from its operations and intergovernmental transfers so that it can be able to carry out its functions. Currently, the Municipality's revenue collection is standing at 32% of the total billed amount as at 30 June 2010. This collection is relatively very low and is also one of the contributing factors to the current financial crisis that the Municipality is experiencing. These have not only impacted on ongoing financial sustainability but have also impacted on the delivery of basic services.

A financial recovery plan was tabled at Council on the 9 of February 2011 taking into account the requirements of section 142 of the MFMA which states that the financial recovery plan must be designed to place the Municipality in a sound and sustainable financial condition as soon as possible. It is currently being updated and will be tabled in the final IDP document for 2012/2013.

## **Cash and Liquidity position**

Cash and liquidity management is of the essence for the short term and long term survival of any organisation. The benchmarks that can be used to assess the liquidity position of the Municipality are: The current ratio, which expresses the current assets as a proportion to current liabilities. Current refers to those assets which could be converted into cash within 12 months and those liabilities which can be settled within 12 months. A current ratio of 2:1 and more is considered to be healthy. Based on the 2009/10 Annual Financial Statements, the Municipality is currently sitting at a ratio of 0.12:1 which is relatively very low, which is also a confirmation to the financial challenge to the Municipality.

## **Sustainability**

The Municipality's budget needs to be balanced. Services need to be provided at affordable levels and the full costs of delivery needs to be recovered but also taking into account the effect of the indigent residents within the Municipality. For the 2011/12 financial year, the Municipality has budgeted for a surplus and strict controls will be adhered to ensure that the budgeted amount is not exceeded.

## **Borrowing**

Banks and other lending institutions like DBSA provide an additional mechanism to access financial resources. But at this point, Umkhanyakude is not in a position to borrow in order to fund the 2009/10 deficit. The current cost of borrowing as a percentage of total operating expenditure is currently sitting at 4%, yet the Municipality is still finding it difficult to make repayments on time.

## **Financial Management Strategies and Programmes**

The following significant have been identified:

- **The implementation of the financial recovery plan.**  
This basically includes all finance section to improve the financial management of the Municipality.
- **Implementation of credit control & debt collection policy**  
The policy has procedures that need to be followed to ensure that the Municipality collect what is due to them.
- **Implementation of an indigent policy**  
This will help measure the qualification criteria for an indigent and the level of free basic services to be enjoyed by the indigent household. The indigent register should be reviewed annually as the status of the indigent can change.
- **Enhance budgetary controls and timelines of financial information**  
This includes the improvement of the budget and treasury office in terms of reporting and monitoring the budget variances. National Treasury published ver2.3 of the budget schedule in which the entire Municipality's need to comply with when preparing the annual budgets.
- **Training and development of financial and other staff**  
Ensure that the finance and other staff receive the training they require to ensure a cost effective and efficient service to the City.
- **The review of a computerized financial system.**  
The Municipality is currently on Abakus financial system and a review will be conducted to assess if this system is in line with the GRAP requirements.

With all the above mentioned strategies in place, the Municipality's aim is to achieve a strong financial position with the ability to adjust efficiently to the community's changing service requirements, effectively maintain, improve and expand the District's infrastructure and manage the District's budget and cash flow to the maximum benefit of the community.

### **Financial Management Policies**

- **Budget Policy**  
The annual budget establishes the level of services to be provided by each department. This budget, as per S71 of the MFMA, is subject to monthly control and be reported to Council with recommendations of action to be taken to achieve the budget's goals. This budget is also subject to a mid-term review which might result in an adjusted budget which is in terms of S28 of the MFMA.
- **Credit Control Policy**  
This policy provides a direction in areas of credit control, collection of amounts billed to customers and procedures for recovery of arrear accounts.
- **Indigent Policy**  
This policy lays out the procedures which need to be followed to ensure that the individual qualifies as an indigent. This register should be updated manually as the indigent customer can be deregistered if an audit or verification concludes that the financial circumstances of the indigent customer have changed. The indigent may, at any time request de-registration. The consumers are currently receiving 6kl of free water.
- **Investment Policy**  
In terms of S13 (2) of the MFMA, every municipal council and its body is required to draft the Municipality's Investment Regulations. The primary objective of this investment policy is to gain the highest possible return, without unnecessary risk, during periods when excess funds are not being used.
- **Asset Management Policy**  
The objective of the asset management policy is to prescribe the accounting and administrative policies and procedures relating to property, plant and equipment. This fixed asset is to be maintained in a GRAP compliant format and any other accounting requirements which may be prescribed.

**8.1 Service Delivery and Budget Implementation Plan**

See Appendix 6

## **9. SECTION I: ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM**

For more details, see Appendix 1



## 10. SECTION J: ANNEXURES

**Annexure 1** - Detailed SDF

MSA S 26 (e)

**Annexure 2** - Disaster Management Plan

MSA S 26 (g)

## **11. SECTION K: APPENDICIES**

**Appendix 1** – OPMS

**Appendix 2** – Adopted Organograms

**Appendix 3** – Service Delivery Plans

**Appendix 4** – MTAS

**Appendix 5** – Annual Report – 2010/2011

**Appendix 6** – SDBIP: 12/13

## List of Sector Plans

<b>SECTOR PLAN</b>	<b>STATUS QUO</b>	<b>RESPONSIBILITY</b>
<b>HIV/AIDS Strategy</b>	Reviewed in 2011/2012	Community Services
<b>Water Services Development Plan</b>	Under review	Technical Services
<b>Performance Management System</b>	Up-to-date	MM's Office
<b>Integrated Waste Management Plan</b>	Developed in 2004,currently under review	Technical Services
<b>Spatial Development Framework</b>	Available	SED
<b>Public Transport Plan</b>	Reviewed in October 2009	SED
<b>Work Place Skills Plan</b>	Reviewed 2009	Corporate services
<b>Local Economic Development Strategy</b>	Under review	SED
<b>Human Resource Strategy</b>	Available	Corporate services
<b>Communication Strategy</b>	Available	MM's Office
<b>Indigent Policy</b>	Operational but lacks credibility	Finance
<b>Disaster Management Plan</b>	Available	Community Services
<b>Electricity Services Development Plan</b>	Last Reviewed in 2005	Technical Services
<b>Environmental Management Framework (EMF)</b>	To be finalised in March 2013	SED
<b>Coastal Management Plan</b>	Needs to be developed	SED
<b>Strategic Environmental Assessment (SEA)</b>	Needs to be developed	SED
<b>Public Participation Strategy</b>	Available	Community Services