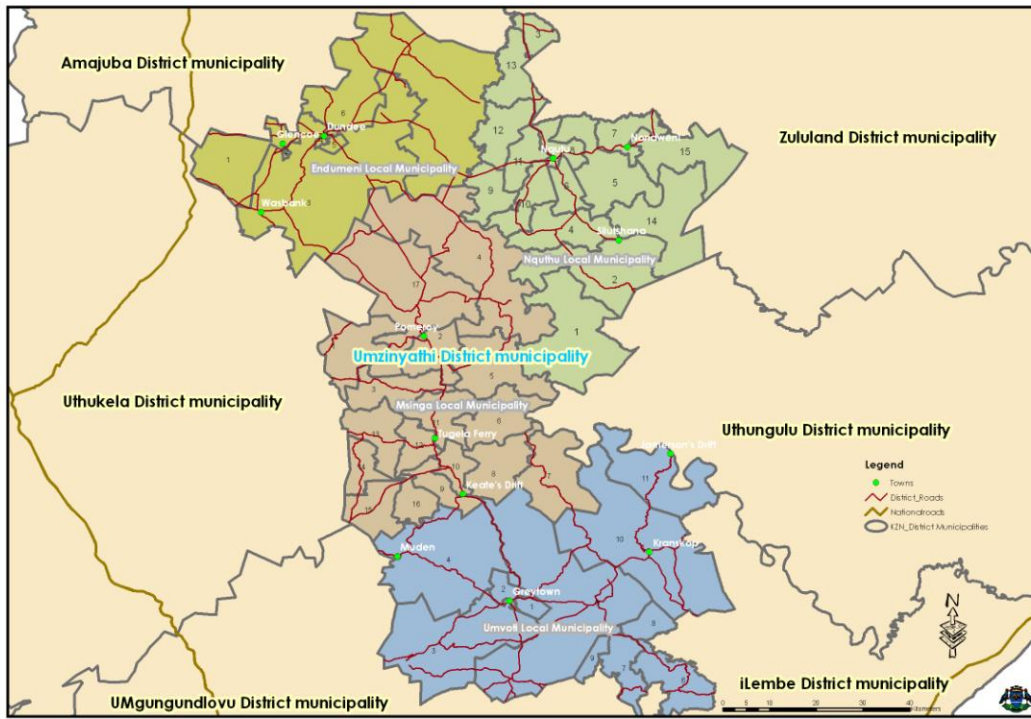


LIST OF ANNEXURES

- ANNEXURE I 1: GOVERNMENT AND PUBLIC SECTOR PARTICIPATION,
PRIVATE SECTOR AND COMMUNITY INVOLVEMENT REPORT
- ANNEXURE I 2: SPATIAL DEVELOPMENT FRAMEWORK
- ANNEXURE I 3: DISASTER MANAGMENT PLAN
- ANNEXURE I 4: AUDITOR GENERAL COMMENTS ON LATEST AUDITED
FINANCIAL STATEMENTS AND RESPOSNES THEREOF, AND
ACTION PLAN TO ADDRESS THE AUDIT QUERIES
- ANNEXURE I 5: ORGANISATIONAL SCORECARD
- ANNEXURE I 6: ORGANISATIONAL ORGANOGRAM

The Map 2 below shows the location of the local municipalities within the district:

Map 2: District Context



The municipal area is 8079 km² and has extensive grasslands in the north supporting the primary agricultural sector based on cattle ranching for beef, small scale sheep and mixed farming and maize cultivation. In the southern areas substantial forestry is prevalent. Sugar cane and smaller scale fruit farming such as avocado and kiwi fruit cultivation also occur.

Mineral deposits found in the district include coal and metal ores. Only coal was mined on a large scale in the eNdameni Municipality. The coal mining industry is undergoing a restructuring process. There is a decline in corporate interest in the industry, however there is interest in the small scale regeneration of the coal belt for SMME development. A small amount of stone quarrying occurs in the district. Within eNdameni Local Municipality, Dundee has the main economic activities ranging from retail trade, tourism and farming. Dundee is a centre from which tourism based on the cultural heritage of the Zulu Kingdom and “Battlefields” is emphasised and managed to some extent, and there is also Glencoe which serves as a secondary centre to Dundee.

uMzinyathi Municipality, in conjunction with its north western neighbour aMajuba Municipality, is branded as the “custodian” of the “Battlefields region of the Zulu Kingdom”. The “Battlefields of the Zulu Kingdom” are located in the hinterland and lie “in the shadow” of the majestic Drakensberg mountains spanning the western boundary of KwaZulu-Natal. This branding is of international and regional significance. In conjunction with the Beaches of the South and North Coast and Big Five Game attractions in the East of KwaZulu-Natal, the “Battlefields of the Zulu Kingdom” form a vital role in the spatial economy of the province from a tourism perspective. However, within uMzinyathi, the range of battlefields attractions is not adequately harnessed for their job creating opportunities across the municipality.

The main town in the uMvoti Municipality is Greytown. It is the agricultural centre of the district and contributes substantially to the economic viability of the district. Nquthu and Msinga Local Municipalities are rural based subsistence economies with cultural heritage areas that attract some tourists but need to be substantially developed. The main towns are Nqutu, Pomeroy and Tugela Ferry.

The topography of the district is characterised by extensive variation with deep river gorges, rolling grasslands, extensive wetlands, hills and valley bush-veld. These characteristics make the development of infrastructure difficult and costly particularly in the steep terrain. The general slope of the land is between 1:5 and 1:6 and it is susceptible to soil erosion where it is not carefully managed.

2. OVERVIEW OF THE LOCAL MUNICIPALITIES

2.1 Endumeni

This municipality is unique, its population is predominantly urbanised or based on commercial farms and unlike the other local municipalities there is no tribal authority land. The main town is the Commercial centre which is Dundee, it has most diversified economy, commercial cattle farming and dairy production and is the centre of the Battlefields tourist region.

2.2 Nquthu

This municipality is typically rural and largely tribal authority where the population is largely previously disadvantaged and relatively dispersed and where services are scarce and often at rudimentary levels. The main town is Nquthu and subsistence agriculture is the main activity in

the area.

2.3 Msinga

Owing to its rugged terrain Msinga's population is relatively dispersed and where services exist they are concentrated along road infrastructure and water sources such as the Tugela River. The main towns are Pomorey and Tugela Ferry, it's the rural region with subsistence farming.

2.4 Umvoti

This local municipality comprises of urban areas, commercial agricultural areas and tribal authority areas all of which exhibit typical characteristics associated with these settlement types. Service levels in urban areas are high except for informal areas, in commercial agricultural areas they are relatively high as farmers provide their own services and in tribal authority areas they are low to moderate. The main town is the commercial centre Greytown.

3. DEMOGRAPHIC TRENDS AND CHARACTERISTICS

The comparative population figures for 2001 and 20011 at provincial level is depicted in Table 1 below. This information indicates that the population of KwaZulu Natal has increased from 9 584 129 in 2001 to 10 267 300 in 2011, contributing 19.8% in the entire country which is less than in 2001 due to the population growth of other provinces, namely, Gauteng, Limpompo and Mpumalanga.

Table No 1: Comparative population figures by Province for 2001 and 2011

Province	Census 2001		Census 2011	
	N	%	N	%
Eastern Cape	6 278 651	14.0	6 562 053	12.7
Free State	2 706 775	6.0	2 745 590	5.3
Gauteng	9 388 854	20.9	12 272 263	23.7
KwaZulu-Natal	9 584 129	21.4	10 267 300	19.8
Limpopo	4 995 462	11.1	5 404 868	10.4
Mpumalanga	3 365 554	7.5	4 039 939	7.8
North West	2 984 098	6.7	3 509 953	6.8
Northern Cape	991 919	2.2	1 145 861	2.2
Western Cape	4 524 335	10.1	5 822 734	11.2
South Africa	44 819 777	100.0	51 770 561	100.0

*Source : 1. Statistics SA, Census 2001
2. Statistics SA, Census 2011*

The KwaZulu Natal comparative population figures by Districts for 2001 and 2011 is depicted in Table 2 below. This information indicates that the population of Umzinyathi District Municipality has increased from 480 088 in 2001 to 510 838 in 2011, contributing 5.0% in the entire province which is the same percentage as in 2011 due to population growth of other districts, namely, Umgungundlovu, Uthungulu etc.

Table No 2: KwaZulu Natal Comparative population figures by Districts for 2001 and 2011

District	Census 2001		Census 2011	
	N	%	N	%
Ugu	704 030	7.3	722 484	7.0
UMgungundlovu	932 121	9.7	1 017 763	9.9
Uthukela	657 736	6.9	668 848	6.5
Umkhanyakude	573 341	6.0	625 846	6.1
Uthungulu	885 965	9.2	907 519	8.8
Sisonke	452 231	4.7	461 419	4.5
Umzinyathi	480 088	5.0	510 838	5.0
Amajuba	468 036	4.9	499 839	4.9
Zululand	780 069	8.1	803 575	7.8
iLembe	560 389	5.8	606 809	5.9
eThekwini	3 090 122	32.2	3 442 361	33.5
KwaZulu-Natal	9 584 129	100.0	10 267 300	100.0

*Source : 1. Statistics SA, Census 2001
2. Statistics SA, Census 2011*

The comparative population figures by local municipalities for 2001 and 2011 is depicted in Table 3 below. This information indicates that three local municipalities experienced an increase in population growth i.e. Endumeni, Msinga and Umvoti, while Nquthu Municipality experienced a decline in terms of population growth. The strongest population growth was evident in Endumeni Municipality as one of the major economic centres of the district.

Table No 3: Umzinyathi District Municipality Comparative population and households figures by Local Municipalities for 2001 and 2011

Municipality	2001			2011		
	Population	%	Households	N	%	Households
Endumeni	51 101	10.6	12,278	64 862	12.7	16,852
Nqutu	169 419	35.3	29,318	165 307	32.4	31,613
Msinga	167 274	34.8	32,505	177 577	34.8	37,723
Umvoti	92 294	19.2	19,669	103 093	20.2	27,282
Umzinyathi	480 088	100.0	93,770	510 838	100.0	113,470

Source : 1. Statistics SA, Census 2001

2. Statistics SA, Census 2011

4. ECONOMIC PROFILE

4.1 LED STRATEGY

During 2008/09 financial year, the municipality successfully prepared the LED strategy which served as a vehicle to stimulate the economic development within the district municipality; the primary aims and objectives of the LED strategy are as follows:

- Provide facilitation for partnership initiatives that exploit the district's competitive advantage;
- To develop a practical and implementable LED Strategy and Programme for the District; and
- To provide institutional support to the District and local LED units within the municipalities and to strengthen networking and co-ordination between local

government, business chambers and sector business networks through a process of mentorship and support for institutional development.

The LED Strategy is currently under review for implementation during 2013/14 financial year, to ensure that its application is relevant and applicable thereby promoting economic development

4.2 ECONOMIC ANALYSIS

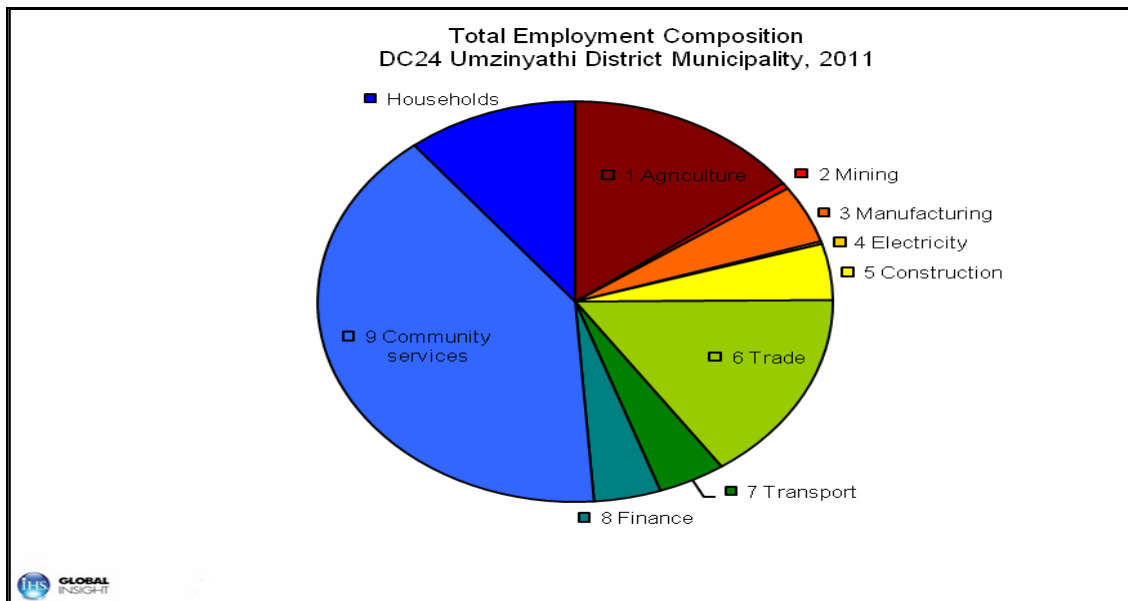
4.2.1 ECONOMICALLY ACTIVE POPULATION

The Global Insight data indicates that in 2009 the economically active population (EAP) for the district represented 12.5% which was an improvement on the 10% in 1996. However, the current data suggest that the EAP in 2011 was again down to 10%. The EAP rate peaked in 2007 at 13.4%. The failure of the economy to absorb current labour force has to a greater extent discouraged potential labour participants from seeking employment.

4.2.2 EMPLOYMENT

As can be seen from the graph below, in 2011 the *Community Services* sector employed the highest percentage of residents followed by *Agriculture* (30.3% or 4,052 people), *Households* (16.2% or 2,795 people), *Manufacturing* (5.7% or 990 people) and *Trade* (4.3% or 751 people).

Figure 1: Formal Employment per Sector for 2011 (%)



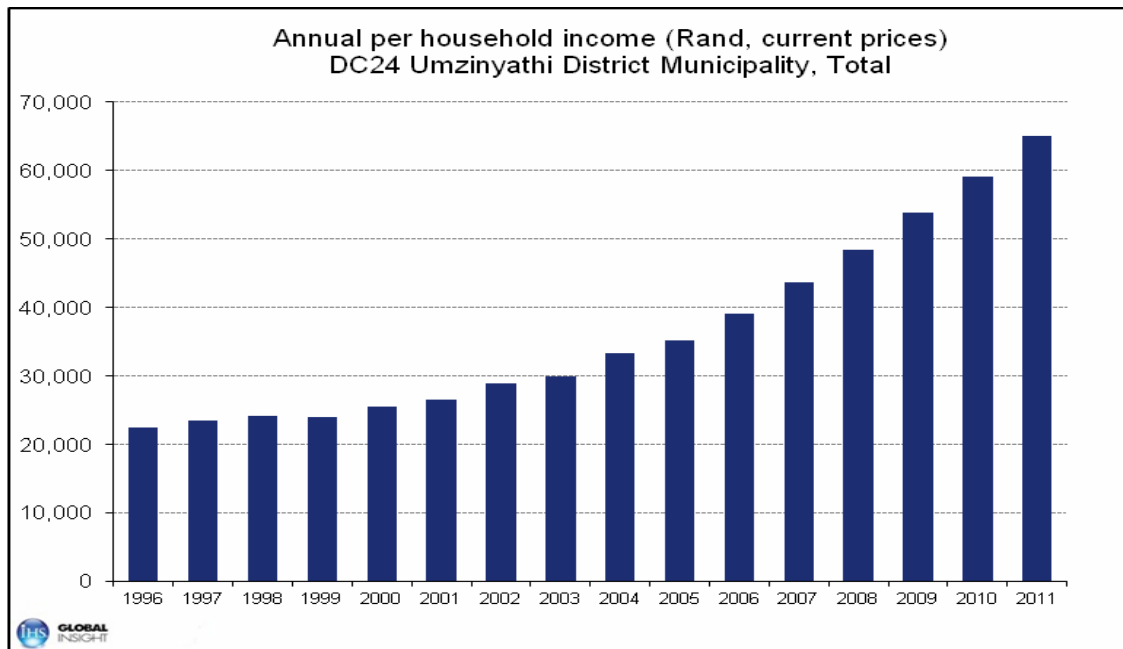
Source : Global Insight of SA, 2011

INCOME LEVELS

4.2.3 ANNUAL HOUSEHOLD INCOME

The following graph summarises the annual household income at current rand prices. As can be seen, there has been an improvement in the annual household income from 1996 to 2011. In 1996 households were earning an average of R22,485.00 per annum which has improved to R64,959.00 in 2011.

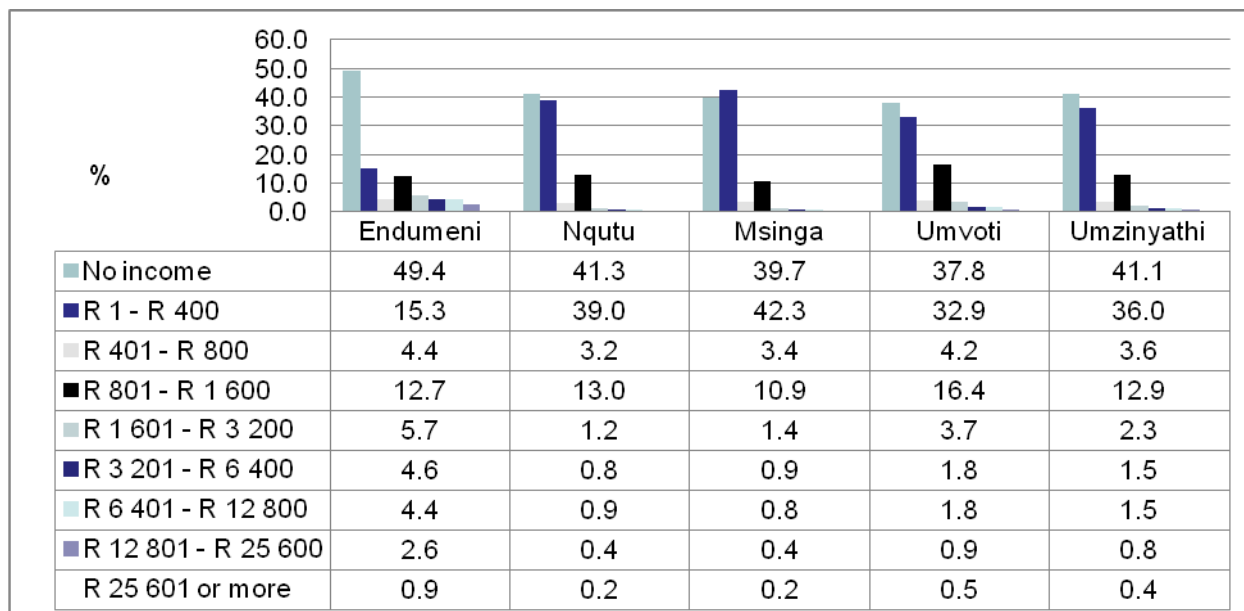
Figure 2 : Annual per Household Income (1996 – 2011)



Source : Global Insight of SA, 1996 - 2011

The following graph indicates the number of households per income category. As can be seen from this data, there is still a significant number of households with no income, while there is a small number of households within a higher income group. .

Figure 3: Households per Income Category in 2011

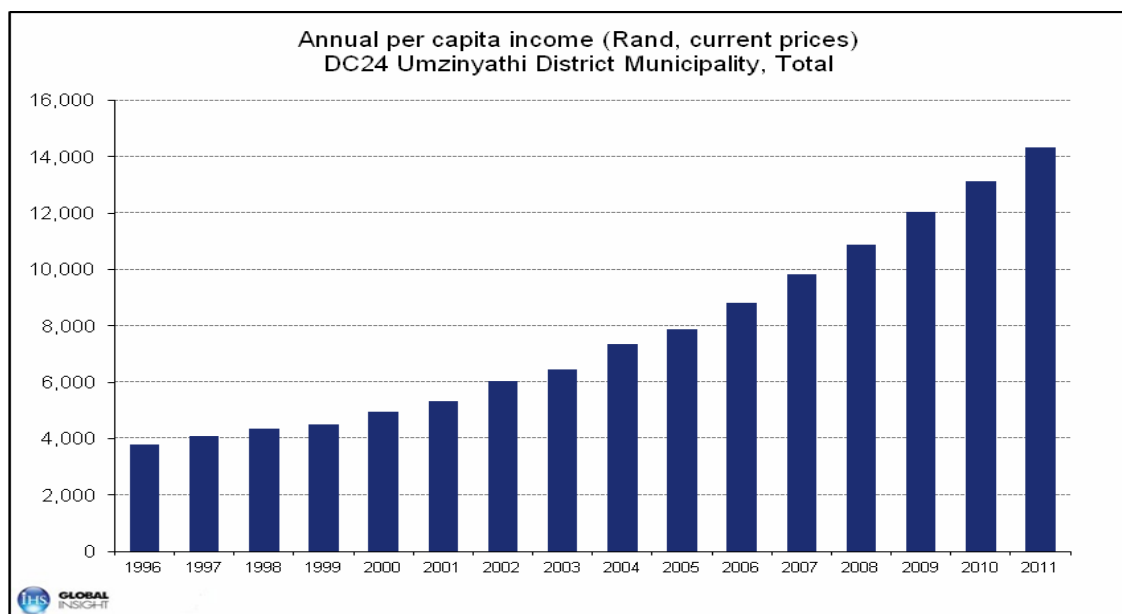


Source : Statistics SA, Census 2011

4.2.4 ANNUAL PER CAPITA INCOME

Annual per capita income has also improved during this period from R3,900.00 in 1996 to just below R14,208.00 in 2011.

Figure 4: Annual per Capita Income (1996 – 2011)



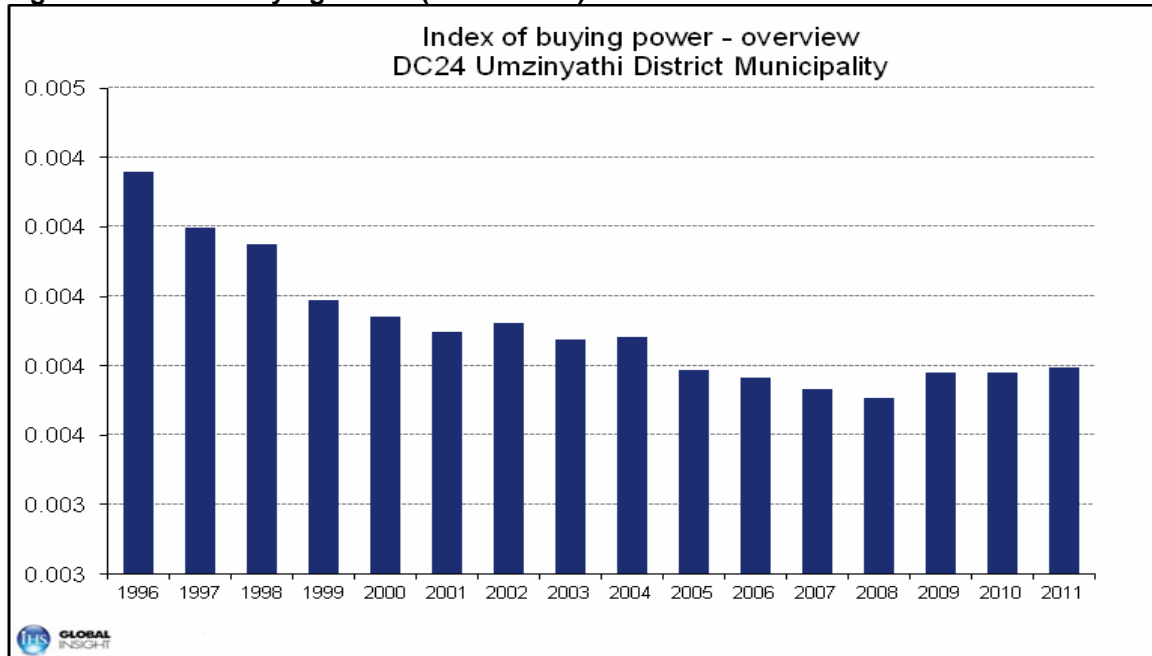
Source : Global Insight of SA (1996 – 2011)

4.2.5 INDEX OF BUYING POWER

An *Index of Buying Power* is a popular indicator of a geographical area's relative consumer buying power. The index is calculated using weighted data for income, retail sales, and population in the area being evaluated. The index can be used by retailers when considering new store locations.

The Index of Buying Power for the district has decreased marginally from 0.005% in 1996 to 0.004% in 2011. The retail share of the national total has also decreased from 0.3% in 1996 to 0.2% in 2011. Income share of the national total has remained static at 0.4% for the period 1996 to 2011.

Figure 5: Index of Buying Power (1996 – 2011)

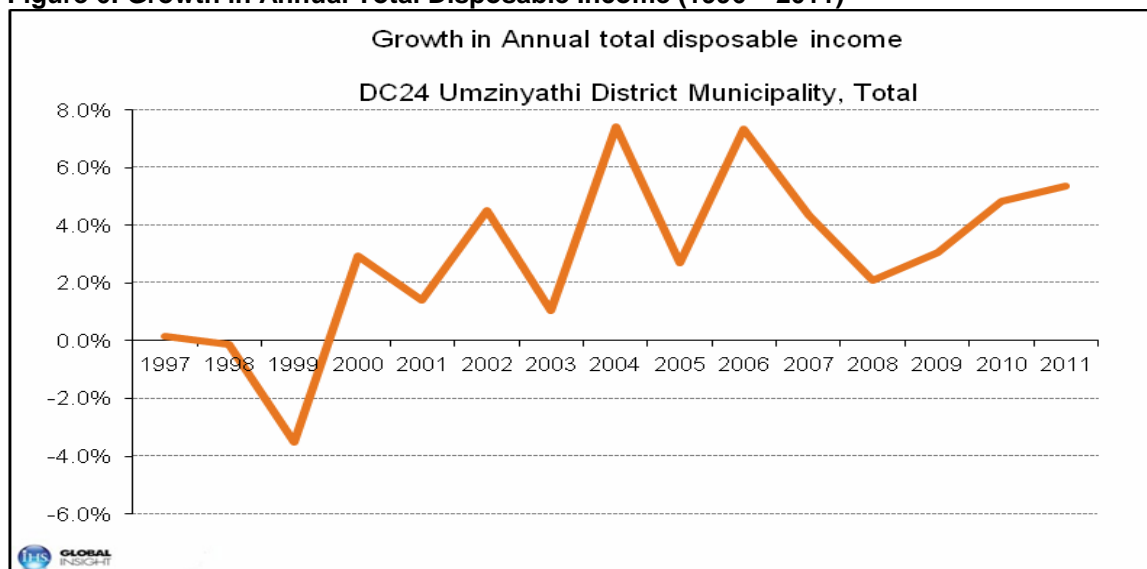


Source : Global Insight of SA (1996 – 2011)

4.2.6 ANNUAL TOTAL DISPOSABLE INCOME

The growth in the annual total disposable income is summarised in the graph below. As can be seen, 1998 until the end of 1999 saw a negative growth in total disposable income for the district. This was replaced by a period of positive growth from 2000 to 2009 with a peak in the growth in 2006. Although still positive, there has been a decline in the growth rate from 2006 to 2009 which corresponds with the *Global Financial Crisis*.

Figure 6: Growth in Annual Total Disposable Income (1996 – 2011)

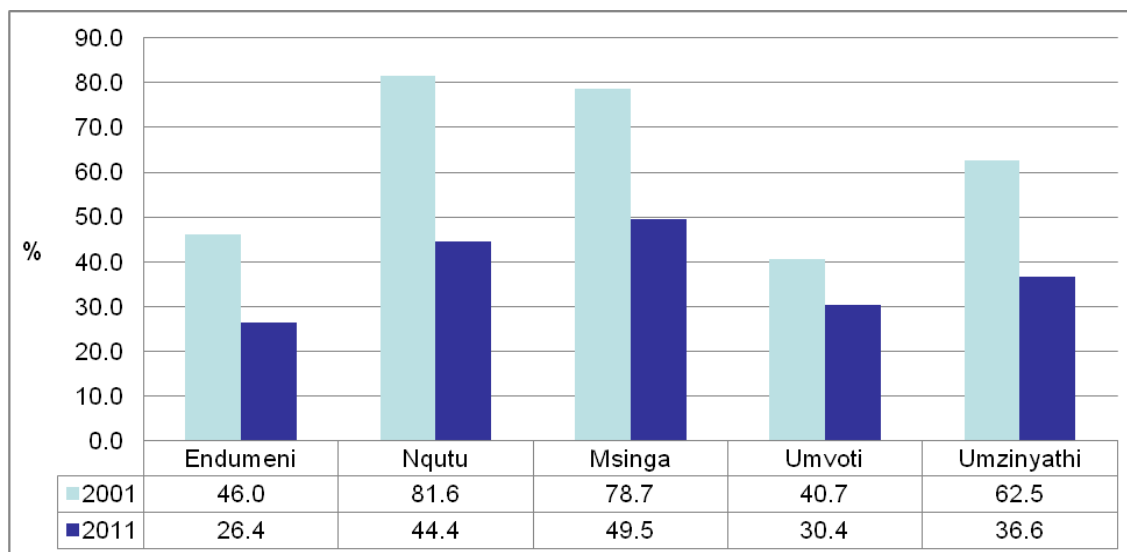


Source : Global Insight of SA (1996 – 2011)

4.3 UNEMPLOYMENT

The Statistics South Africa figures indicate that the Unemployment rate has decreased from 62.5% in 2001 to 36.5% in 2011. The following graph summarises these figures.

Figure 7: Unemployment Rate



Source : Statistics SA, Census 2011

4.4 POVERTY

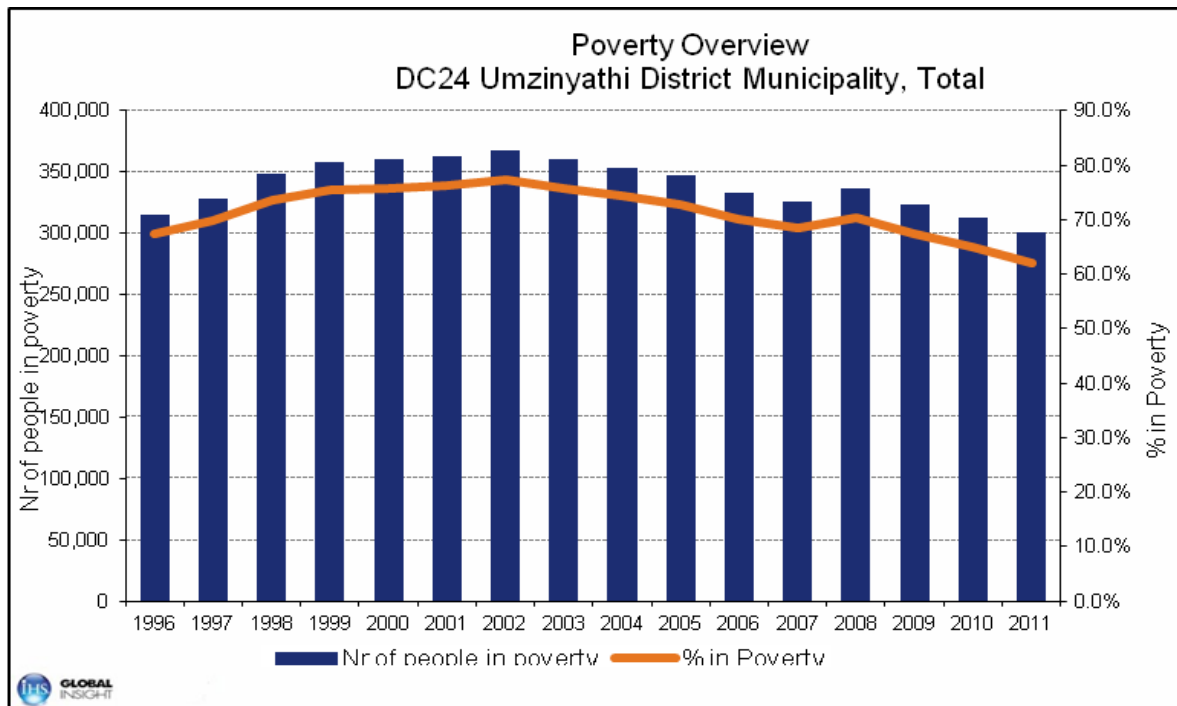
4.4.1 NUMBER OF PEOPLE IN POVERTY

Poverty is defined as the state of one who lacks a usual or socially acceptable amount of money or material possessions. This variable indicates the number of people that lack the goods and services commonly taken for granted by members of mainstream society. In 1996 the figure for the district stood at 328,661 people, while in 2009 the figure was 316,228 people. In terms of 2011 figures at 280 000 people are faced with the scourge of poverty.

In terms of percentages, in 1996 71.2% of residents of the district lived in poverty, while in 2009 66.3% lived in poverty. This figure peaked at 79.9% in 2002. Currently the number of people living in poverty has decreased to at least 60% in 2011. This notable improvement can be directly or indirectly attributed to a number of government interventions including access to social grants.

The Umzinyathi District Municipality in 2009 was well above the national average for the number of people living in poverty.

Figure 8: Number of People Living in Poverty (1996 – 2011)



Source : Global Insight of SA (1996 – 2011)

4.4.2 POVERTY GAP

The poverty gap can be defined as the amount of income that would be required to bring every poor person exactly up to the poverty line, thereby eliminating poverty. It can also be defined as the total income shortfall, expressed in proportion to the poverty line, of families with income below the poverty threshold, divided by the total number of families. For the Umzinyathi District Municipality this figure stood at R327 million in 1996, and rose to R1,037 million in 2009. This figure peaked in 2008.

4.4.3 PERCENTAGE OF PEOPLE LIVING BELOW \$1 AND \$2 PER DAY

In 1996 9% of the population lived below \$1 per day and 26.2% lived below \$2 per day. This figure improved to 1.6% living below \$1 per day and 11.7% below \$2 per day in 2009. The year 2002 saw the highest number of people living below \$1 per day (12%) and the highest number of people living below \$2 per day (33.8%).

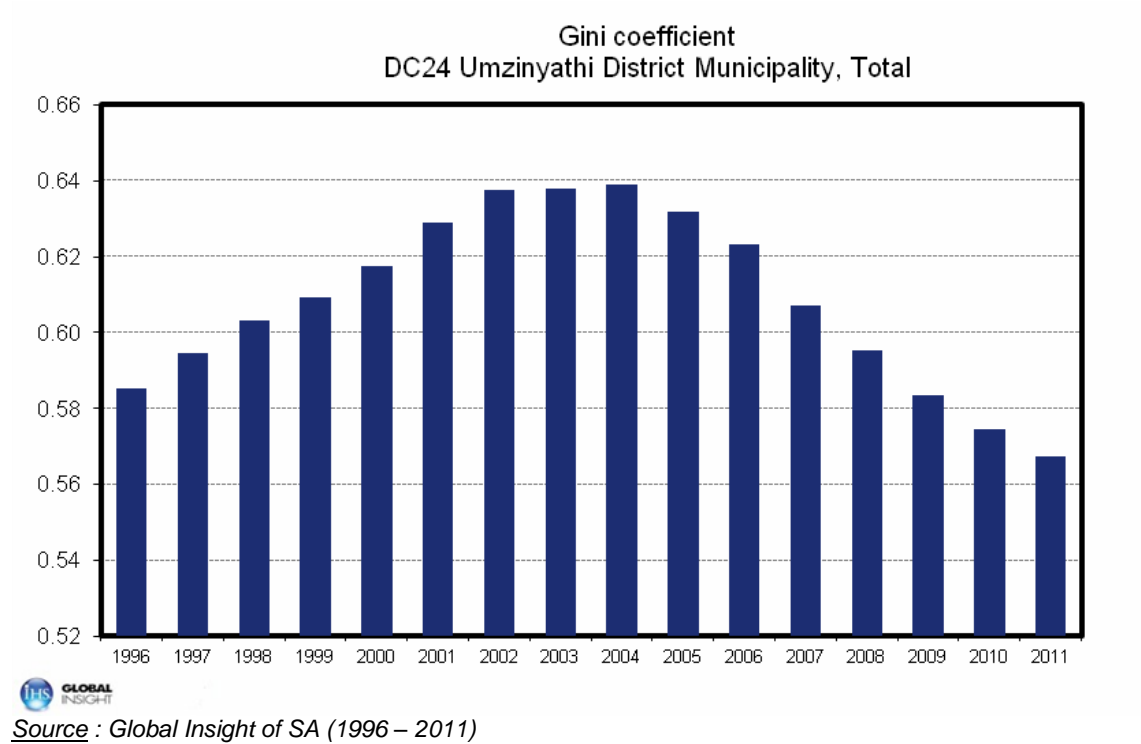
In 2011 figure the situation has improved drastically and currently at least 0.1% live below \$1 per day and 6.1% live below \$2 per day.

4.4.4 GINI COEFFICIENT

The Gini Coefficient is the most commonly used measure of inequality. The coefficient varies between 0, which reflects complete equality and 1, which indicates complete inequality (one person has all the income or consumption, all others have none).

The Gini Coefficient for the district rose from 0.59 in 1996, to 0.61 in 2009, and peaked at 0.63 in 2003 and 2004. This indicates a relatively high level of inequality in the UDM society. The Gini coefficient for the district in 2009 is lower than the national average.

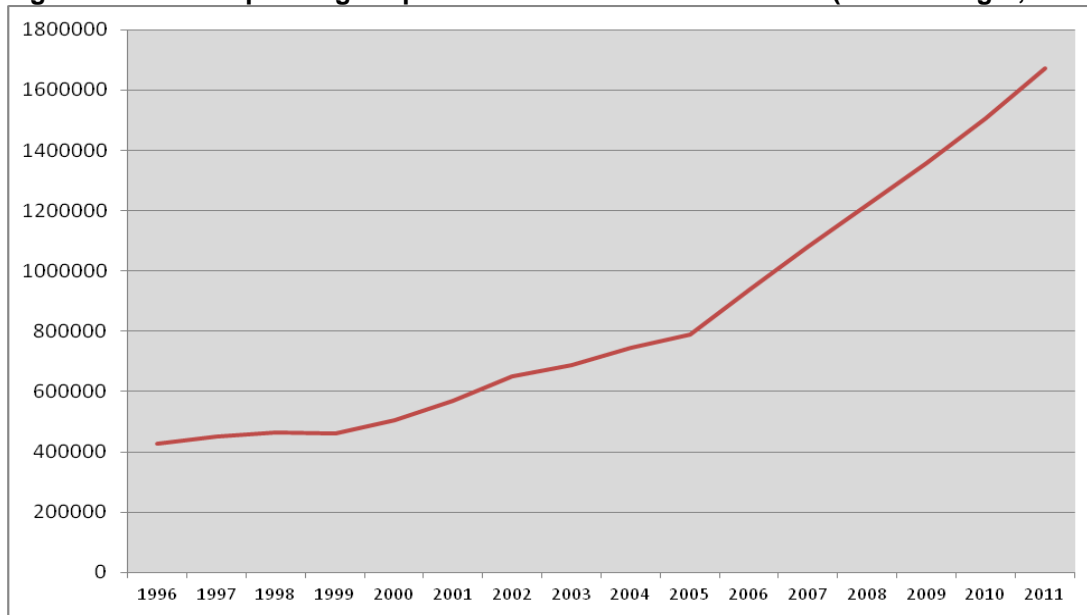
Figure 9: Gini Coefficient



4.5 GROSS OPERATING SURPLUS

The Gross Operating Surplus (GOS) can be defined in the context of [national accounts](#) as a balancing item in the [generation of income account](#) representing the excess amount of money generated by incorporated enterprises' operating activities after paying [labour input costs](#). In other words, it is the capital available to financial and non-financial corporations which allows them to repay their creditors, to pay taxes and eventually to finance all or part of their investment. The following graph summarizes the GOS for the district and indicates a steady growth in GOS from R426,254 in 1996 to R1,355,267 in 2009 and moving up to R 1 700 000 in 2011.

Figure 10: Gross Operating Surplus for All Industries in the UDM (Global Insight, 2011)



Source : Global Insight of SA (1996 – 2011)

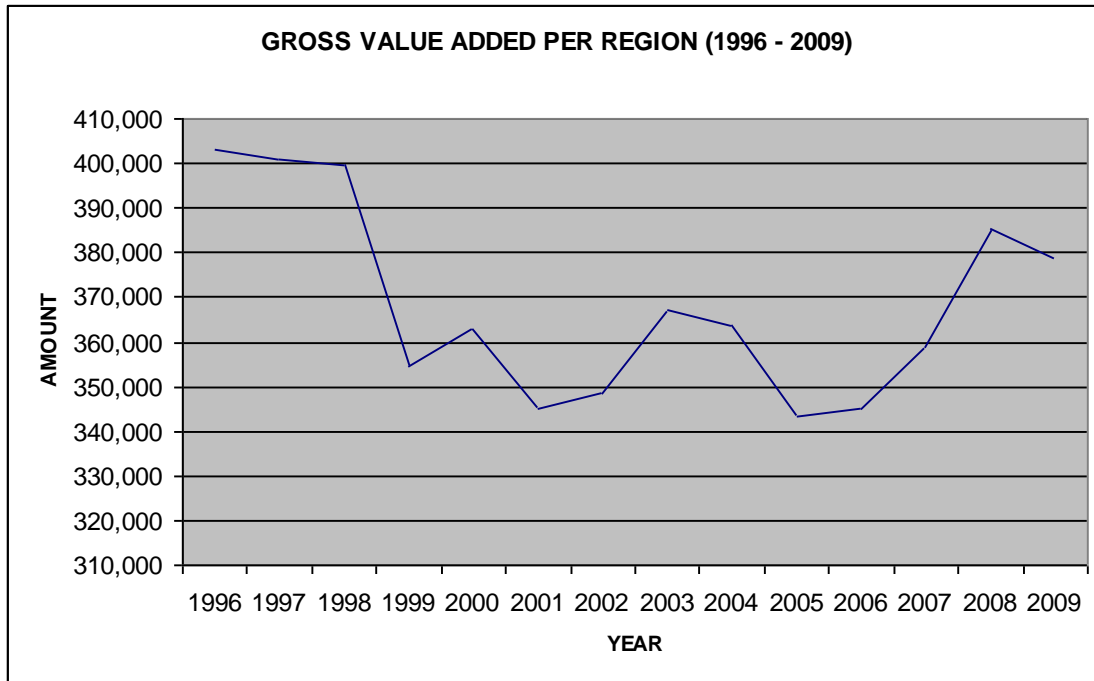
4.6 GROSS VALUE ADDED

Gross Value Added (GVA) is a measure of the value of goods and services produced in an area or sector of an economy. The information below has been extracted for the primary, secondary and tertiary sectors.

4.6.1 PRIMARY SECTOR

The following graph summarises the GVA per region for the primary sector for the years 1996 to 2011. As can be seen, the GVA- R for 1996 was R403,126.00 which has declined to R378,861.00 at constant 2005 prices (R1000).

Figure 11: Gross Value Added per Region for the Primary Sector (1996 – 2009) (Global Insight, 2011)

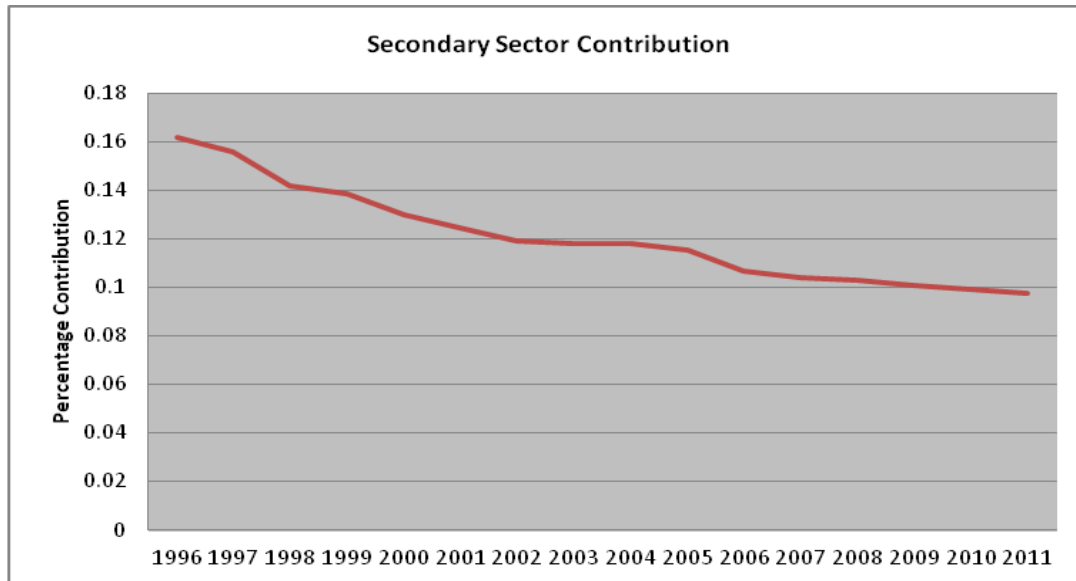


Source : Global Insight of SA (1996 – 2011)

4.6.2 SECONDARY SECTOR

The secondary economy indicates a similar trend to the primary economy with a decline in the GVA- R from R252,363.00 in 1996 to R206,147.00 in 2009 at constant 2005 prices (R1000).

Figure 12: Gross Value Added per Region for the Secondary Sector (1996 – 2009) (Global Insight, 2011)

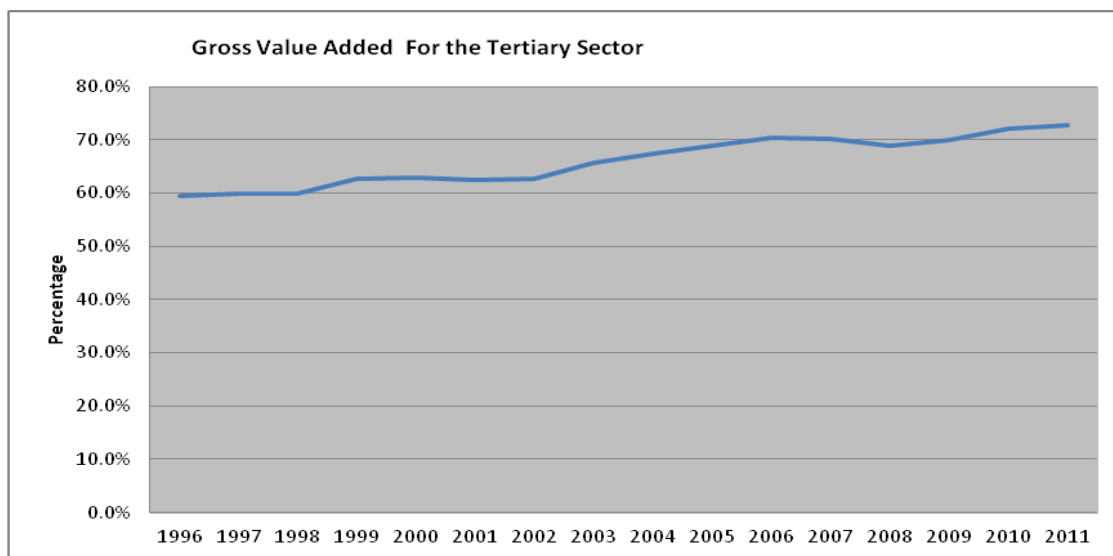


Source : Global Insight of SA (1996 – 2011)

4.6.3 TERTIARY SECTOR

The tertiary sector differs from the primary and secondary sectors and indicates a steady growth in GVA from R1,109,623 in 1996, to and amount of R1,429,199 in 2009 at constant 2005 prices (R1000).

Figure 13: Gross Value Added per Region for the Tertiary Sector (1996 – 2009) (Global Insight, 2011)

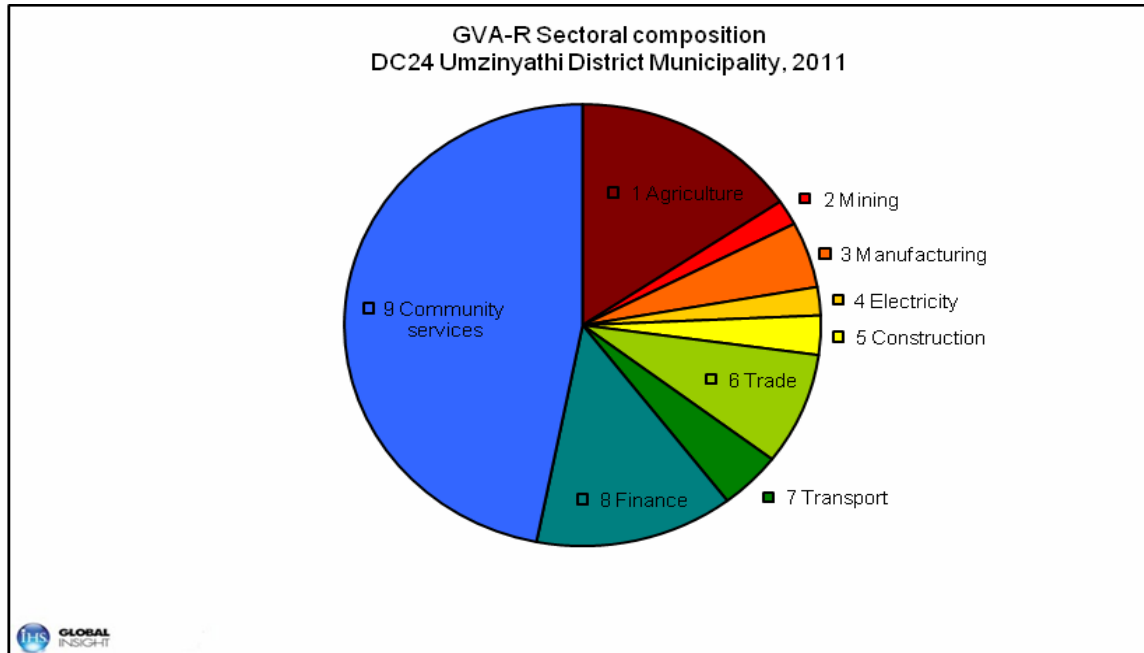


Source : Global Insight of SA (1996 – 2011)

4.7 SECTORS ANALYSIS

The following figure summarises the GVA- R for the sectors in the district and has been highlighted above. As can be seen, the highest contributors to the GVA of the municipality are *Community Services*, followed by *Agriculture*, *Finance*, *Trade* and *Manufacturing*. Each of these sectors will be analysed in more detail.

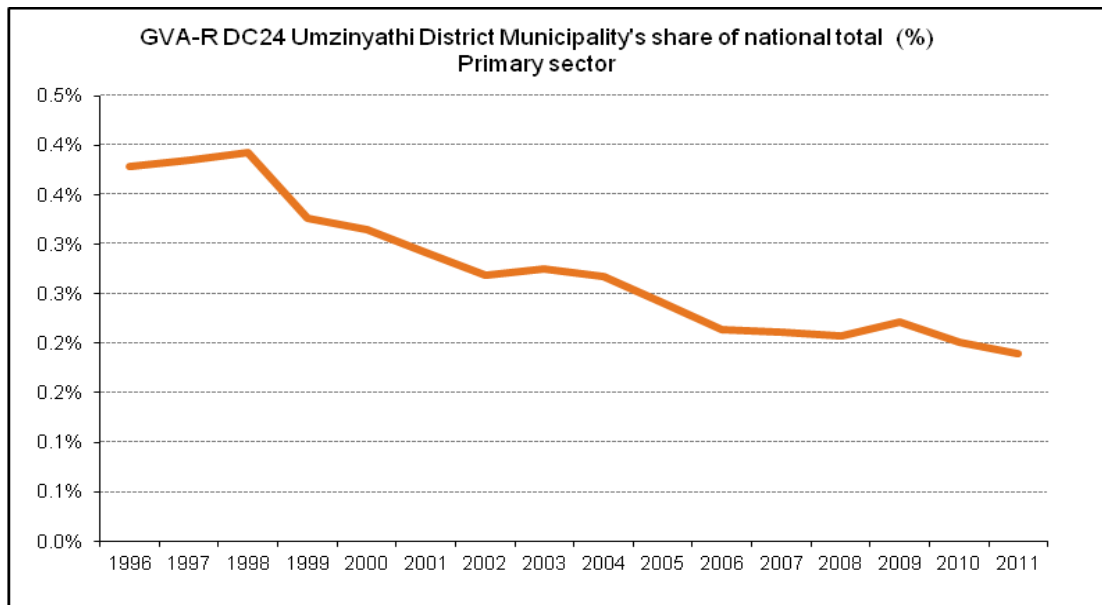
Figure 14: GVA- R Sector Composition



Source : Global Insight of SA (1996 – 2011)

The following graph summarises the contribution of the total industries in the district to the national total. As can be seen from the graph, the total contribution to the national share has declined from 0.2% in 1996 to 0.1% in 2005. From 2005 to 2009 there was a period of gradual growth but still at no more than 0.1%.

Figure 15: uMzinyathi DM's Share of the National Total for Total Industries

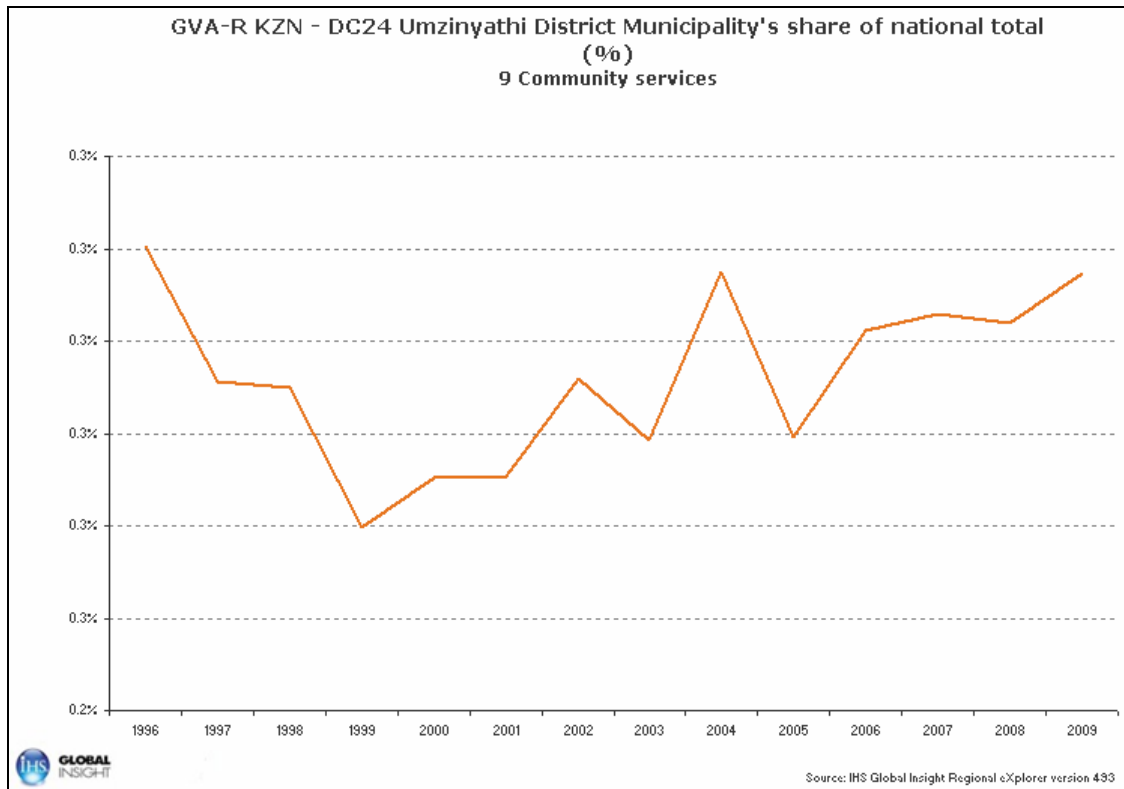


Source : Global Insight of SA (1996 – 2011)

4.7.1 COMMUNITY SERVICES

The following figure summarises the performance of the Community Services sector, which has the largest contribution to the GVA- R in the district, from 1996 to 2009. As can be seen, there was a decline in the Community Services sector from 1996 to 1999 where after there has been a period of gradual growth with short periods of decline. The Community Services sector, during the period 1996 to 2011, only contributed 0.3% to the national total.

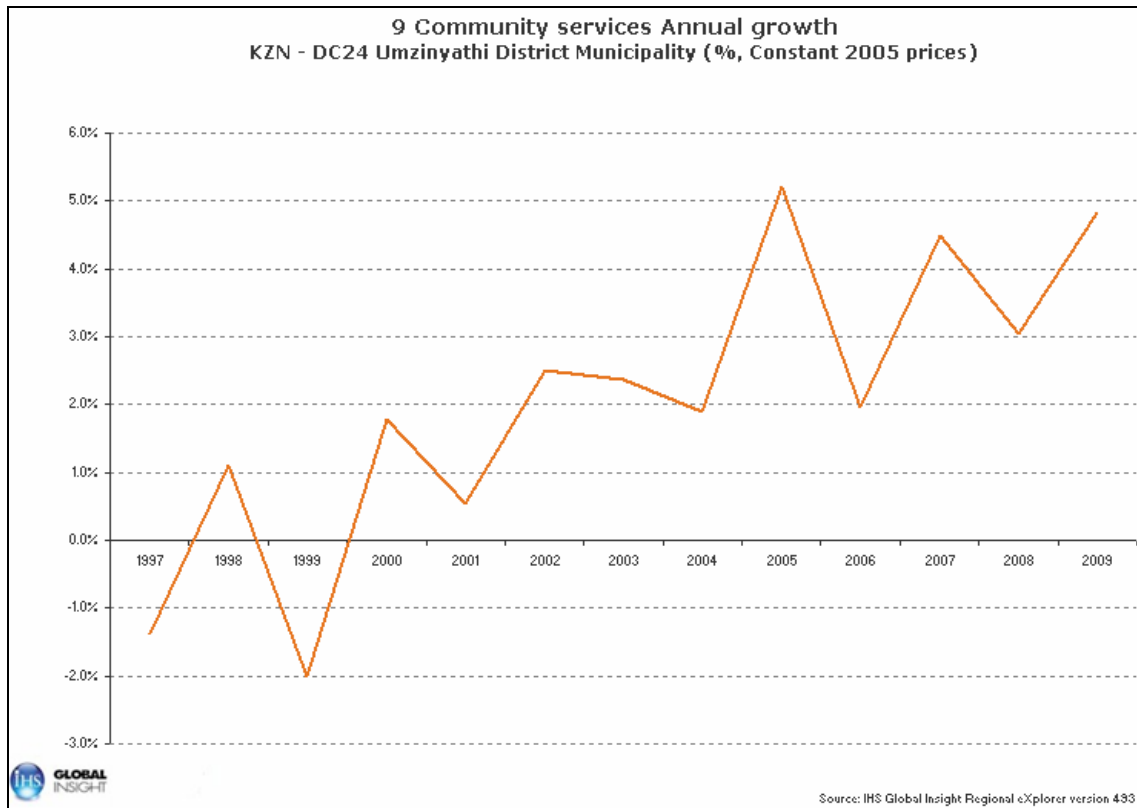
Figure 16 uMzinyathi DM's Share of the National Total for Community Services



Source : Global Insight of SA (1996 – 2011)

The figure below indicates the growth rate for the Community sector from 1996 to 2011. As can be seen, there was a growth in the sector in 1998 of 1%, followed by a sustained period of growth from 2000 onwards which peaked at over 5% in 2005. The average growth rate from 1996 to 2009 for this sector was 2.0% per annum.

Figure 17: Annual Growth Rate in the Community Services Sector

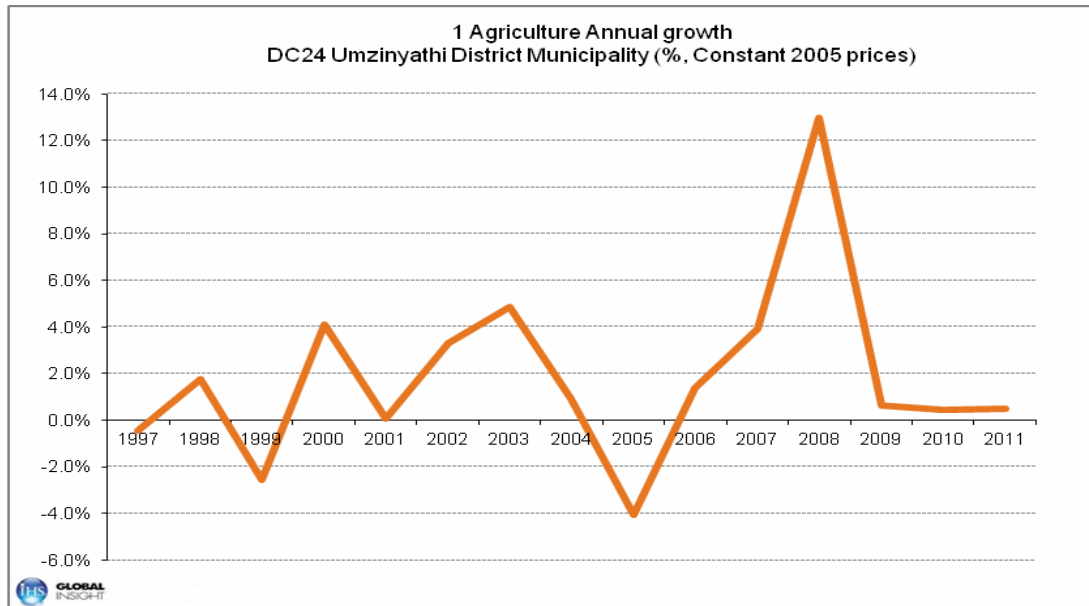


Source : Global Insight of SA (1996 – 2011)

4.7.2 AGRICULTURE

As can be seen from the graph below, the Agriculture sector in the district has been range bound in its contribution to the national agricultural total and has contributed between 0.7% and 0.9%.

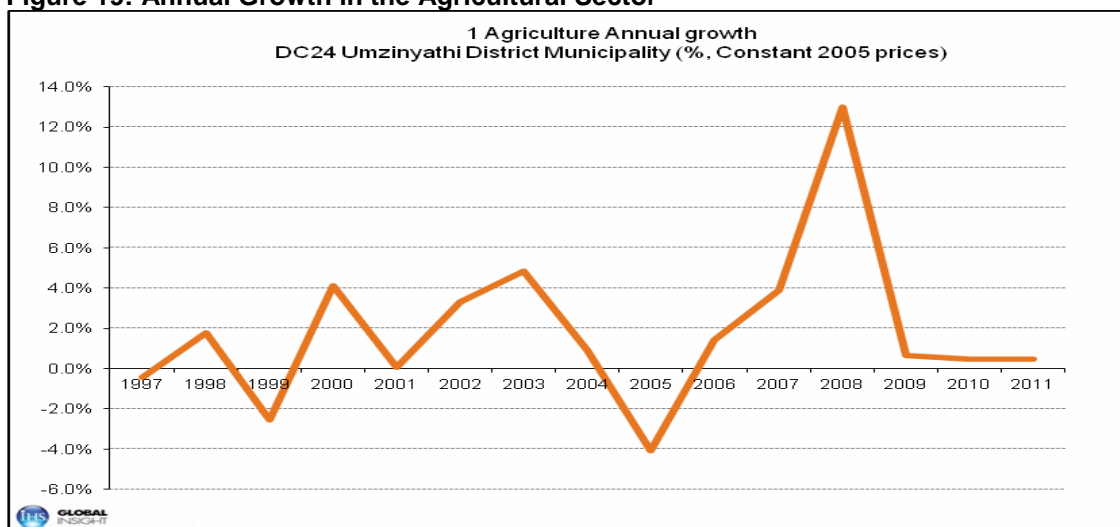
Figure 18: Umzinyathi DM's Share of the National Total for Agriculture



Source : Global Insight of SA (1996 – 2011)

The following graph summarises the growth in the Agricultural sector from 1996 to 2011. The statistics indicate that there have been four periods of decline or negative growth rates in the sector namely 1996/7, 2005, and 2009 onwards. The data also indicates that for 2006 to 2009 the sector grew at its highest rate of 8% per annum. The average growth rate for this sector from 1996 to 2009 was 1.4% per annum.

Figure 19: Annual Growth in the Agricultural Sector

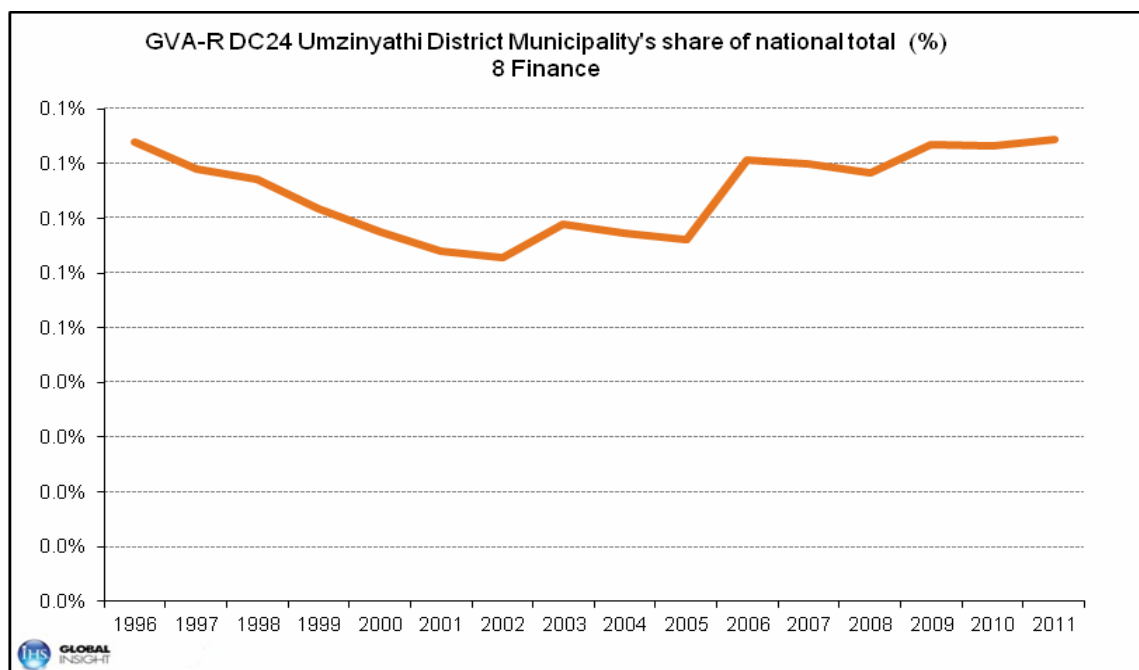


Source : Global Insight of SA (1996 – 2011)

4.7.3 FINANCE

The following graph summarises the performance of the Finance sector in the UDM from 1996 to 2011. As can be seen, there was a decline in the Finance sector from 1996 to 2002 where after there has been a period of gradual growth. The Finance sector, during the period 1996 to 2011, only contributed 0.1% to the national total.

Figure 20 : Umzinyathi DM's Share of the National Total for Finance



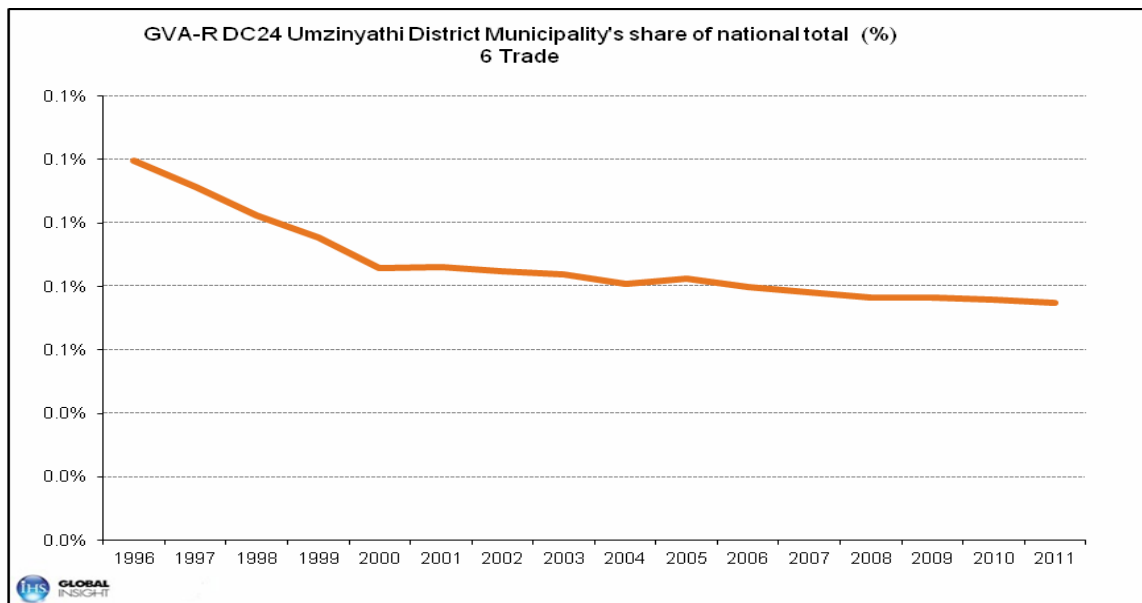
Source : Global Insight of SA (1996 – 2011)

The finance sector declined for the period of 2002 up to 5% per annum. From 2002 onwards, the sector grew with two peaks in 2003 (approximately 12%) and 2006 (approximately 28%). The average growth rate of this sector from 1996 to 2011 was 4.1% per annum

4.7.4 TRADE

The following figure summarises the contribution of the trade sector in the district to the national total. As can be seen, there has been a gradual decline in the trade sector from 1996 to 2011 within the district contributing less than 0.1% to the national total.

Figure 21: Umzinyathi DM's Contribution to the National Total for Trade



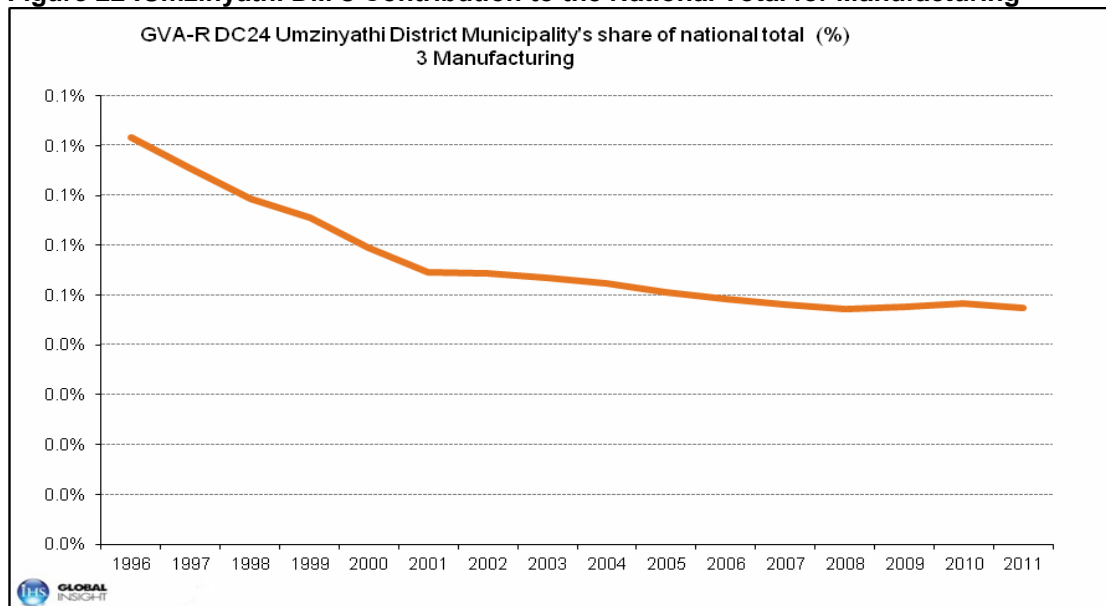
Source : Global Insight of SA (1996 – 2011)

The sector enjoyed a period of sustained growth from 2001 to 2008 and peaked at a growth rate of around 5% per annum. From 2008 onwards, however, the sector went into decline as a possible result of the global financial crisis and was declining at around 4% per annum in 2009. However, from the last quarter of 2009 it showed positive signs of recovery which continued unabatedly up to 2011.

4.7.5 MANUFACTURING

The following figure summarises the contribution of the manufacturing sector in the UDM to the national total. As can be seen, there has been a gradual decline in the manufacturing sector from 1996 to 2011 with the district contributing less than 0.1% to the national total.

Figure 22 :Umzinyathi DM's Contribution to the National Total for Manufacturing



Source : Global Insight of SA (1996 – 2011)

The sector indicates growth that from 2004 to 2008 there was positive growth in the Manufacturing sector followed by negative growth at all other periods. From 2008 onwards the sector has declined at an alarming rate of up to 10% per annum. The average annual growth rate for this sector from 1996 to 2009 was -2.3% per annum. Nevertheless, there has been a dramatic turn of events which led to an upward trend from first quarter of 2010 to the last quarter. Again the downward spiral was again experienced. Undoubtedly the district is not strong in this particular sector. The need persist to revisit agro-processing strategies and find solutions that will be implemented in order to boost the sector and its potential in creating job opportunities.

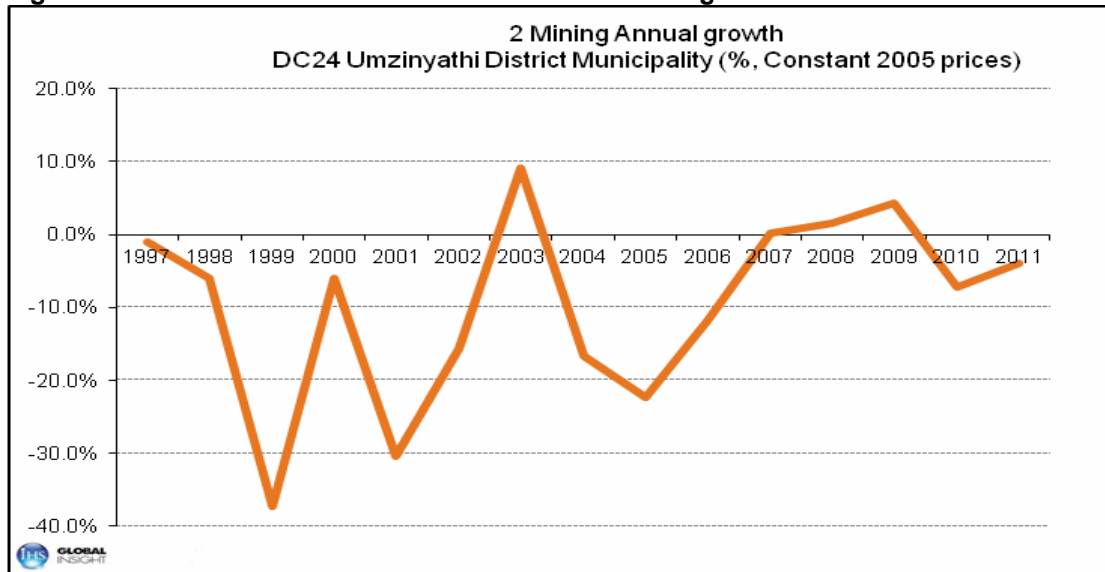
4.7.6 MINING

For the period 1996 to 2007 the mining sector in the district was in decline and this can be seen in the contribution of the UDM's share of the total national mining sector. In more recent years this decline has been replaced by marginal levels of growth which corresponds with the increased interest in coal mining and the many prospecting applications.

The confirmation of the district as the potential mining hub under Special Economic Zone initiative will further accelerate growth in this particular sector. However, the feasibility studies to

be conducted by Department of Economic Development will assist in establishing the feasibility of the mining sector under Umzinyathi District Municipality.

Figure 23: Umzintathi DM’s Share of the National Mining Total



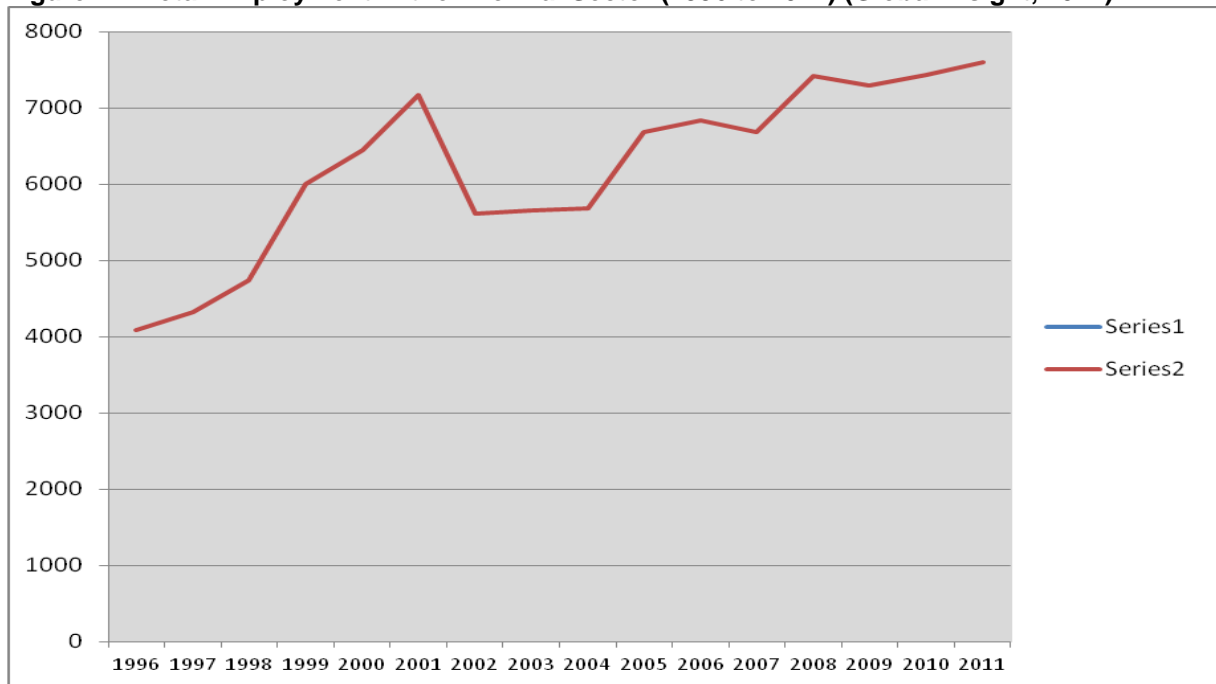
Source : Global Insight of SA (1996 – 2011)

As it can be seen for the period of 1996 – 2012, there have been one period of positive growth namely 2007 onwards. The average annual growth rate for this sector from 1996 to 2009 was -10.7% per annum.

4.7.7 INFORMAL SECTOR

The following figure illustrates the total employment in the informal sector from 1996 to 2011. In 1996 a total of 4,061 people were employed in the informal sector which grew to 6,625 in 2001 and declined to 5,581 in 2009.

Figure 24: Total Employment in the Informal Sector (1996 to 2011) (Global Insight, 2011)



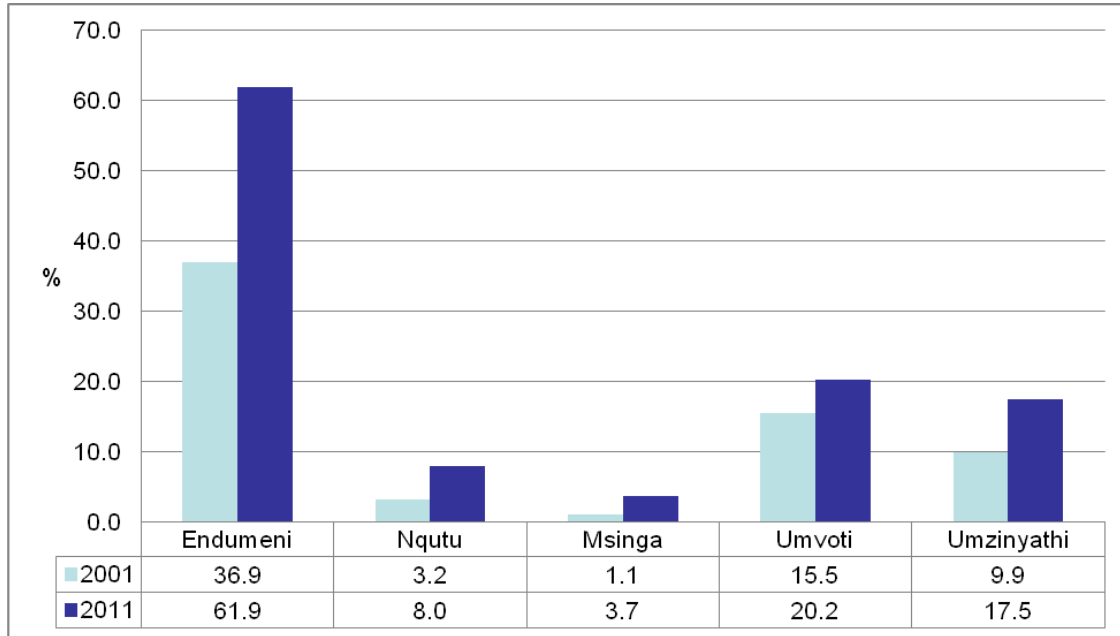
Source : Global Insight of SA (1996 – 2011)

4.8 INFRASTRUCTURE ANALYSIS

4.8.1 WATER

The following figure illustrates the provision of water to households in the district, As can be seen, the number of households without access to piped water inside the dwelling has improved, as it was 9.9% in 2001 and 17.5% in 2011

Figure 25: Water Provision

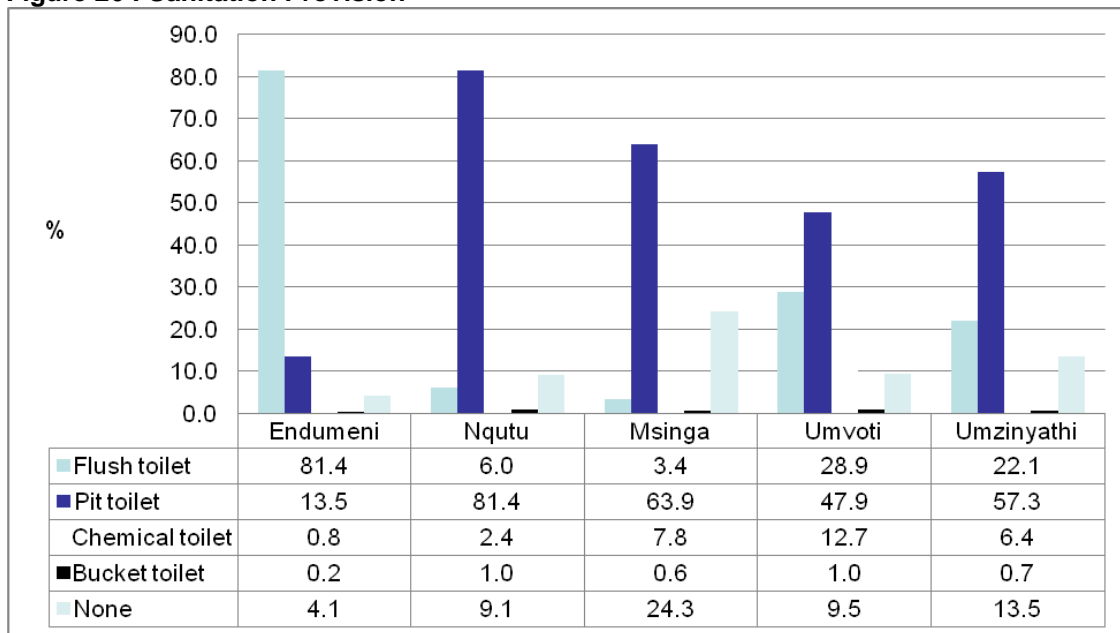


Source : Statistics SA, Census 2011

4.8.2 SANITATION

The following figure illustrates the access provision by type of toilet to households in the district, As can be seen, the number of households without access to toilet facilities has improved significantly which is 86% in 2011, while there are still households with no sanitation facilities accounting to 13.5%. The municipality disputes the percentage of 0.7% relating to households utilising the bucket system, as the bucket system was eradicated by the municipality in 2008.

Figure 26 : Sanitation Provision

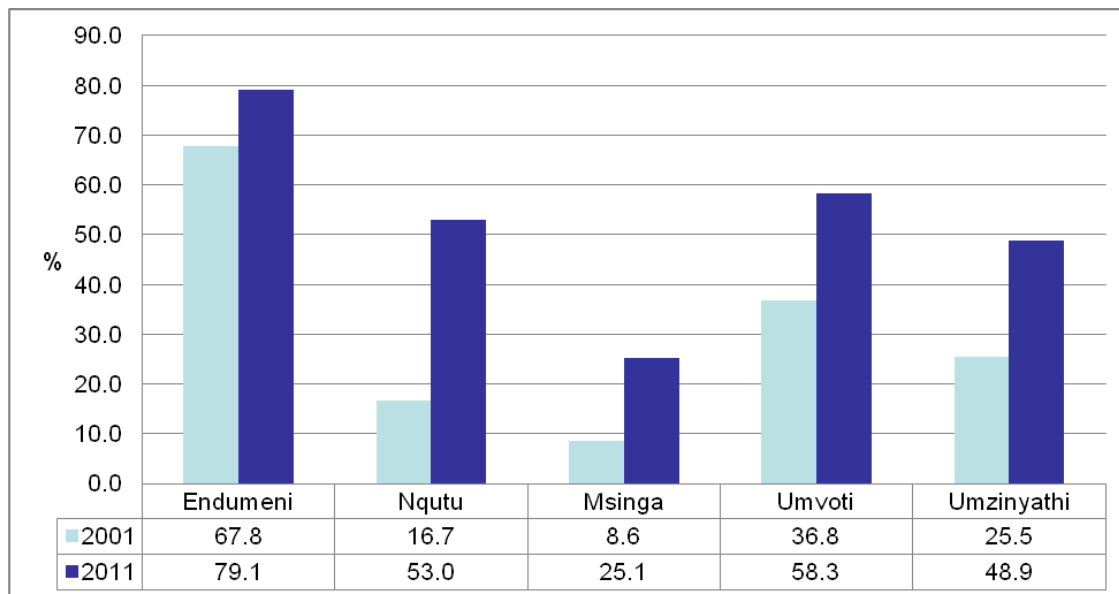


Source : Statistics SA, Census 2011

4.8.3 ELECTRICITY

The following figure illustrates access to electricity for lightning purposes in the district, As can be seen, the number of households without access to electricity has increased as it was 25.5% in 2001 and 48.9% in 2011

Figure 27: Electricity Provision



Source : Statistics SA, Census 2011

4.8.4 SOLID WASTE MANAGEMENT

The following graph illustrates access to refuse removal within the district, As can be seen, that a significant number of the households within the district are utilising their own refuse dump which is 70518 households, and followed by 22902 households whose refuse is being removed by the local authority / private company at least once a week.

Table 4: Solid Waste Management

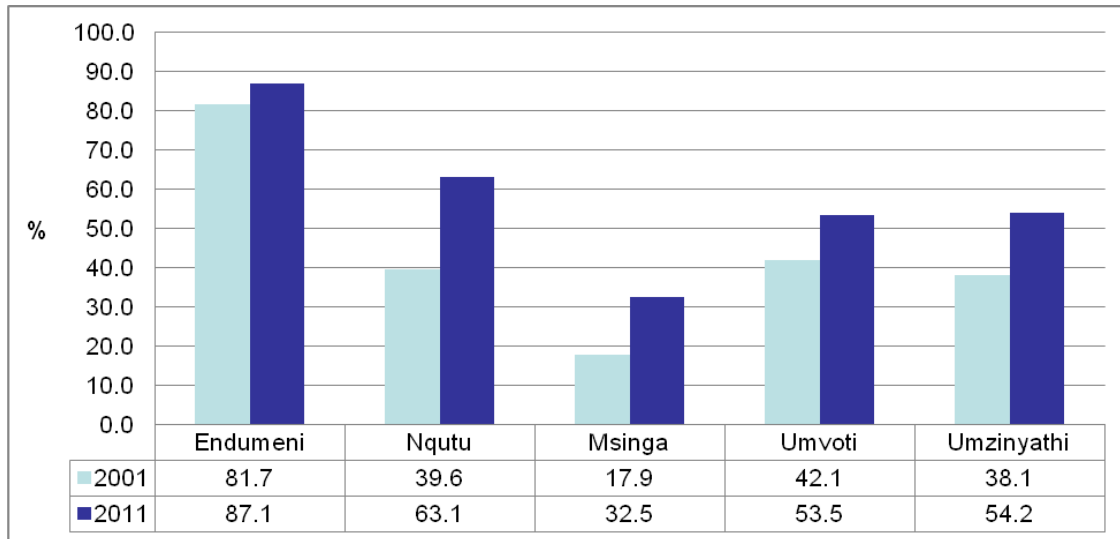
	Endumeni	Nqutu	Msinga	Umvoti	Umzinyathi
Removed by local authority/private company at least once a week	12922	2694	493	6794	22902
Removed by local authority/private company less often	162	175	246	718	1301
Communal refuse dump	268	331	545	369	1512
Own refuse dump	2895	25884	27367	14372	70518
No rubbish disposal	483	2091	8219	4585	15377
Other	122	438	855	444	1859
Unspecified	-	-	-	-	-
Not applicable	-	-	-	-	-
Total	16851	31612	37724	27282	113469

Source : Statistics SA, Census 2011

4.8.5 HOUSING

The following figure illustrates access to formal dwelling house within the district, As can be seen, that there has been a significant increase in terms of the number of the households within the access to formal dwelling housing 38.1% in 2001 and 54.2% in 2011.

Figure 28: Access to formal dwelling housing



Source : Statistics SA, Census 2011

5. IDP DEVELOPMENT PROCESS, PHASES AND KEY TIME FRAMES

The following phases regarding the 2013/14 IDP Review were adhered to:

Phase 0: Preparation:

The purpose of this phase was to define the roles of various stakeholder and setting up an agreed process. The 2013/14 Process and Framework Plan were prepared during July 2012 and approved by the Executive Committee at the end of July 2012, and subsequently submitted to the Department of Co-operative Governance and Traditional Affairs.

Phase 1: Analysis

A district-wide analysis was undertaken, the analysis was based on the strategic and in-depth statistical analysis from the 2011 Census Data covering the economic, infrastructure, social and labour statistics required for a “credible IDP”. Updated economic and social data was also purchased from Global Insight of Southern Africa to form part of a detail analysis for the 2013/14 IDP Review. On the 06 – 07 March 2013, Council and Management Council had a strategic

planning workshop to review the vision, mission, core values, motto, developmental priorities and SWOT analysis to serve as critical base for the review of the 2013/14 IDP in line with the revised KZN IDP framework guide.

Phase 2: Strategies

This phase was undertaken after the outcome of the Strategic Planning Session which culminated into a vision, mission, core values, motto, developmental priorities and SWOT analysis. The objectives and strategies were reviewed to be in line with the vision and developmental priorities which have been set by Council, and also in line with the Provincial Growth and Development Strategy and Plan.

Phase 3: Projects

Objectives and strategies were developed during phase two, and specific projects were then aligned in order to realise the developmental mandate of Council. The municipal budget was also strictly aligned to the developmental priorities and subsequent to the specific projects. A consolidated Implementation plan linked to the budget has been developed and integrated as part of the 2013/14 IDP Review.

Phase 4: Integration

The IDP Technical Committee which included district family of municipalities, public and private sector was also held on the 05 March 2013, and its aim was to:

- Streamlining planning process;
- Finding a common district wide development vision;
- Consolidation and alignment of programmes and budgets;
- Unifying the channelling of both private and public sector investments;
- Combating socio-economic ills in a strategic and coordinated manner; and
- Put forward a plan of action that will enjoy political buy-in at levels

A second session will also be held during April 2013, to address the inter-sphere alignment for integration of issues and also key municipal developmental issues which requires funding for 2013/14 financial year

Two Steering Committee meetings have also been held towards the finalisation of the draft 2013/14 IDP Review and also the Budget, the committee served to ensure that proper and realistic objectives and strategies are developed in line with the new developmental priorities, and the budget, and strictly aligned to the priorities, and subsequent to the budget.

Phase 5: Approval

The draft 2013/14 IDP Review was approved by Council on the 26 March 2013 and subsequently submitted to the Department of Co-operative Governance and Traditional Affairs for assessment purposes. The district wide IDP assessments will be undertaken on the 10 April 2013, to assess the Umzinyathi District family of municipalities draft IDP's.

The 2013/14 IDP / Budget public engagements will also be held during April 2013. The purpose of the IDP / Budget public engagements will be to obtain inputs from the community on developmental issues that need to be addressed in the 2013/14 IDP as required by Chapter 4, Section 16 of the Municipal Systems Act (No 32 of 2000).

6. 2013/14 IDP, BUDGET AND PMS PROCESS PLAN PROGRAMME

The 2013/14 IDP Process and Framework Plan was presented and approved by ExCo in July 2012, and subsequently submitted to the Department of Co-operative Governance and Traditional Affairs. The details of the activities for the process plan are as follows:

ACTIONS	RESPONSIBLE PERSON / STRUCTURE	TARGET DATE
Meeting with the IDP Managers of the local municipalities for the alignment of the 2013/14 Process and Framework Plans	Manager: IDP/PMS	24 July 2012
Finalize Performance agreements and plans for Section 56 Managers for 2012/13	Manager: IDP/PMS	31 July 2012
Submission of the draft 2013/14 IDP, Budget and PMS Process and Framework Plan to the Department of Co-operative Governance and Traditional Affairs for assessment	Manager: IDP/PMS	31 July 2012
MEC Panel Assessment	COGTA	15 August 2012
ExCo approves the 2013/14 IDP, Budget and PMS Process and Framework Plan and subsequently submitted to the Department of Co-operative Governance and Traditional Affairs	CFO / Manager: IDP/PMS	23 August 2012

ACTIONS	RESPONSIBLE PERSON / STRUCTURE	TARGET DATE
Planning Indaba	Manager: IDP/PMS	30 August 2012
Assist the Mayor in the preparation of time schedule for the Budget and related policies	CFO	31 August 2012
1 st Steering Committee Meeting - Review and Update of the IDP Status, Identify Key Issues and address the 2012/13 IDP MEC comments, and also the presentation of the analysis report	MANCO	September 2012
UDM Planning and Development Forum (Evaluating changed circumstances and address MEC comments)	Manager: IDP/PMS	02 November 2012
Advertisement of the 2013/14 IDP, Budget and PMS Process and Framework Plan	Manager: IDP/PMS	October 2012
1 st Quarterly performance assessment of Section 56 Managers as required by Section 28(1) of the Performance Regulations	Manager: IDP/PMS	October 2012
District Growth and Development Summit	Manager: IDP / PMS and LED Manager	06 – 07 November 2012
Review budget related policies	CFO / Council	November 2012
Determine guidelines for 2013/14 Budget	CFO	November 2012
IDP Best Practise	Manager: IDP/PMS	06 December 2012
Submission of the 2012/13 mid-year performance report to the Audit Committee, and subsequently to Council	Manager IDP/PMS	21 January 2013
2012/13 Mid – year Budget review and its approval by Council	CFO	25 January 2013
2 nd Quarterly performance assessment of Section 56 as required by Section 28(1) of the Performance Regulations	Manager IDP/PMS	18 March 2013
2 nd Steering Committee Meeting - Presentation on the progress of the 2013/14 IDP, SDF and Budget	MANCO / EXCO	January 2013
Receive Budget from Uthukela water	Municipal Manager	January 2013
Provincial IDP Stakeholders meeting	Manager IDP/PMS	14 February 2013
1 st UDM IDP_LED Technical Committee (IDP Representative Forum) – inter-sphere alignment session (integration / alignment issues and also key municipal priorities which require funding for 2013/14 fy)	Manager: IDP/PMS and LED Manager	05 March 2013
Meeting with HOD's to align programmes and projects (Strategic Planning Session)	Manager IDP/PMS	06 – 07 March 2013
UDM Planning and Development Forum (Alignment & integration of project lists, sector plans, finalizing implementation programmes & Spatial Dev Frameworks)	Manager IDP/PMS	18 March 2013

ACTIONS	RESPONSIBLE PERSON / STRUCTURE	TARGET DATE
3 rd Steering Committee Meeting - Alignment and integration of the IDP, SDF and Budget	MANCO	22 March 2013
Council to approve the draft 2013/14 IDP, SEA, IPTP and Budget	Council	26 March 2013
Submission of the draft 2013/14 IDP, SEA, IPTP and Budget to the Department of Co-operative Governance and Traditional Affairs, and Treasury for assessment	Manager IDP/PMS and CFO	28 March 2013
National and Provincial 2013/14 draft IDP Assessments	Manager IDP/PMS	10 April 2013
IDP Assessment Feedback	Manager IDP/PMS	12 April 2013
Advertisement of the IDP, SEA, IPTP and Budget for a period of 21 days as required by the Municipal Systems Act	Manager IDP/PMS / CFO	April 2013
Public Consultation of the IDP, SEA, IPTP and Budget in terms of Section 17 and 18 of Chapter 4 of the Municipal Systems Act, 2000 and Section 22 (a) (i) of the Municipal Finance Management Act, 2003 in all four Local Municipalities	CFO / Manager IDP/PMS	April 2013
2 nd UDM IDP_LED Technical Committee Meeting (IDP Representative Forum) presentation of the draft IDP for comments and also to obtain feedback on key municipal projects submitted to Sector Departments and Private Sector.	Manager IDP/PMS and LED Manager	April 2013
Third Quarterly performance assessment of Section 56 as required by Section 28(1) of the Performance Regulations	Manager IDP/PMS	May 2013
UDM Planning and Development Forum - to finalize and align the programmes and projects, and key strategic issues	Manager IDP/PMS	16 May 2013
4 th Steering Committee Meeting - Finalise KPI and Targets	MANCO	May 2013
Finalize departmental and organisational scorecards	Manager: IDP/PMS	May 2013
5 th Steering Committee Meeting - Assess & incorporate comments - Adjust the draft municipal IDP, SEA, IPTP and Budget as per the comments	MANCO	May 2013
Adoption of the final 2013/14 IDP, SEA, IPTP and Budget by Council	Council	May 2013
Submission of the 2013/14 IDP, SEA, IPTP and Budget to Provincial and National Treasury, and to the Department of Co-operative Governance and Traditional Affairs within 10 days after adoption.	CFO / Manager IDP/PMS	June 2013
Fourth performance assessment of Section 56 as required by Section 28(1) of the Performance	Manager IDP/PMS	July 2013

ACTIONS	RESPONSIBLE PERSON / STRUCTURE	TARGET DATE
Regulations,		
Audit committee submits the annual performance assessment report to Council	Manager IDP/PMS	July 2013
Commence with the implementation of the 2013/14 IDP and Budget, and monitor performance through PMS	CFO / Manager IDP/PMS	July 2013

7. CHALLENGES

The municipality is facing a series of challenges based on the status quo analysis, which need to be unlocked thereby creating a conducive environment for socio - economic and infrastructure development, through these challenges being addressed, they can have a significant impact in improving the lives of the communities, they are as follows but not limited to:

7.1 Unemployment Rate

The unemployment rate for Umzinyathi District Municipality has dropped from 62.5% in 2001 to 36.5% in 2011, and it is a bit high than the provincial rate which is 33%.

7.2 Infrastructure Backlogs

During the end of the 2012/13 financial year, the municipality would have to a backlog for water which is 28,181 households and sanitation which is 18,332 households. The complete eradication of the current backlogs requires R 4 billion thereby achieving the RDP standards. Based on the current allocations for the Municipal Infrastructure Grants, the municipality is unable to eradicate backlogs in line with the Millennium Development Goals

7.3 Education and Skills Levels

In terms of percentage of the population aged 20 and above in each local municipality with no education. In 2001, there were 44.4% of the population aged 20 and above with no formal education and most of them were in Msinga Municipality. In 2011, the percentage has dropped as it is 25.3% and the most of the population aged 20 and above

with no formal education are in Msinga Municipality, and it is a bit high that the provincial rate which is 10.8%.

7.4 Income and Affordability

The low affordability levels in the district in terms of 2011, indicates that 41.1% of the population age between 15 - 65 years does not have any form of income. In addition, 36% of the population earn less than R400.00 per month. Although these statistics reflect on a situation of extreme poverty, there have been signs of improvement. This high proportion of economically active individuals without any formal income is also not dissimilar to the pattern found across all districts within KwaZulu-Natal. .

7.5 HIV/AIDS, Poverty and Inequality

In Umzinyathi District Municipality, the HIV/AIDS infection rate for 2005 was 23% (Monitor Group, 2006) which is lower than the national average of 27.9% and significantly lower than the 37.5% average for the province of Kwazulu Natal. The province has the highest HIV prevalence rate in South Africa.

7.6 Number of People Living in Poverty

Poverty is defined as the state of one who lacks a usual or socially acceptable amount of money or material possessions. This variable indicates the number of people that lack the goods and services commonly taken for granted by members of mainstream society.

In terms of percentages, in 1996, 71.2% of residents of the district lived in poverty, while in 2009, 66.3% lived in poverty. This figure peaked at 79.9% in 2002. Currently the number of people living in poverty has decreased to at least 60% in 2011. This notable improvement can be directly or indirectly attributed to a number of government interventions including access to social grants.

7.7 People living below \$1 and \$2 per day

In 1996 9% of the population lived below \$1 per day and 26.2% lived below \$2 per day. This figure improved to 1.6% living below \$1 per day and 11.7% below \$2 per day in 2009. The year 2002 saw the highest number of people living below \$1 per day (12%) and the highest number

of people living below \$2 per day (33.8%). In 2011, the situation has improved drastically and currently at least 0.1% live below \$1 per day and 6.1% live below \$2 per day

8. LONG TERM DEVELOPMENT STRATEGY

As the municipality has various challenges which need to be unlocked thereby promoting economic and infrastructure development, the municipality will be focusing on the improvement and strengthening of the following:

- Formalization of Nodal Towns and Secondary Nodes to encourage investment;
- Preparation of the Environmental Management Plans for environmental conservation;
- Development of distinct industrial hubs (Spatial Economic Zones - mining, skin processing and tourism)
- Maximisation of beneficications in different value chain (e.g livestock – beef - skin processing)
- Maximisation of the comparative advantage in Agriculture, Tourism and Mining
- Key Catalytic Projects have been identified to boost economic and infrastructure development;
- Provision of Infrastructure to support Economic Development;
- Preparation of a pool of bankable business plans for programmes and projects for funding;
- Improvement of revenue collection through innovative debt collection strategies (incentives and new revenue streams);
- Creation of Job opportunities through Expanded Public Works Programme;
- Preparation of the water loss management programme;
- Strengthening of Intergovernmental Relations Structures; and
- Upgrade of ageing infrastructure for continuous provision of services thereby creating stability for development.

9. DEVELOPMENTAL MEASUREMENT

The municipality has a functional Organisational Performance Management System that addresses performance needs of the organization and also serves to promote a culture of performance management and to administer its affairs in an economical, effective, efficient and

accountable manner as required by Section 38 of the Municipal Systems Act (No 32 of 2000), and this system will be utilised to measure organisational performance.

Within 28 days after the adoption of the budget, the municipality will also prepare the Service Delivery and Budget Implementation Plan which will be utilised to measure departmental performance in order to contribute to the organisational performance as they will be linked. These two documents will serve as an early warning system for the municipality in order to provide corrective measures where appropriate.

SECTION B: PLANNING AND DEVELOPMENT PRINCIPLES

1. INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

Integrated Development Planning is a **process** through which municipalities prepare a strategic development plan, for a five year period. The Integrated Development Plan (IDP) is a **product** of the integrated development planning process. The IDP is a principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making in a municipality. All municipalities (i.e. Metros, District Municipalities and Local Municipalities) have to undertake an integrated development planning process to produce integrated development plans (IDPs), as the IDP is a legislative requirement and its legal status supercedes all other plans that guide development at local government level.

Integrated development planning is a very interactive and participatory process which requires involvement of a number of stakeholders. Because of its participatory nature it takes a municipality approximately 6 – 9 months to complete an IDP and this timing is closely related to the municipal budgeting cycle. However, during this period delivery and development is not at a standstill, it continues.

2. LEGISLATIVE FRAMEWORK

2.1 Municipal Systems Act (No 32 of 2000)

According to Chapter 5, Section 32 of the Municipal Systems Act of 2000, all municipalities (i.e. Metros, District Municipalities and Local Municipalities) are required to undertake an integrated development planning process to produce integrated development plans (IDPs). A credible IDP is a single, inclusive strategic plan for the municipality. that:

- is based on up to date and accurate statistics and empirical data that can inform strategic decision making;
- integrates, co-ordinates and facilitates service delivery, local economic development and wise land use management within the municipal area of jurisdiction;
- forms the general basis on which annual budgets are developed;
- aligns the resources and capacity of the municipality with the implementation of the plan;
- assists a municipality in fulfilling its constitutional mandate as developmental local government; and

- facilitates the processes of democratisation and sustainability through vigorous public participation.

Chapter 5, Section 34 of the Municipal Systems Act (No 32 of 2000), requires municipalities to review their IDP's on annual basis to address amongst others but not limited to:

- **Comments from the MEC** for Co-operative Governance need to be considered as part of the IDP preparation process;
- Consider new **Council priorities**;
- **New policies** (e.g National Development Plan, Provincial Growth and Development Strategy, Growth Path);

2.2 Constitution of the Republic of South Africa, Act 108 of 1996

The Constitution requires municipalities to undertake developmental orientated planning to ensure that it:

- Strives to achieve the objectives of local government as indicated in Section 152;
- Gives effect to its developmental duties as required by Section 153;
- Together with other organs of state it contributes to the progressive realization of fundamental rights contained in Section 24, 25, 26, 27 and 29.

2.3 Municipal Structures Act (No 117 of 1998)

The Municipal Structures Act No 117 of 1998 makes provision for the powers and functions between the districts and local municipalities. It mandates district wide functions to the district municipalities and critical day to day functions to the local municipalities.

2.4 Municipal Finance Management Act (No 56 of 2003)

The annual Budget and the IDP have to be linked to one another and that has been formalised through the promulgation of the Municipal Finance Management Act (2004). Chapter 4 and Section 21 (1) of the Municipal Finance Management Act indicates that:

At least 10 months before the start of the budget year, table in the municipal Council a time schedule outlining key deadlines for:

- a) The preparation, tabling and approval of the annual Budget;
- b) The annual review of:

- a. The integrated development plan in terms of Section 34 of the Municipal Systems Act, and
 - b. The Budget related policies
- c) The tabling and adoption of any amendments to the integrated development plan and budget related policies, and
- d) The consultative processes forming part of the processes referred to in subparagraphs (a), (b) and (c).

2.5 Disaster Management Act (No 53 of 2002)

The Disaster Management Act No 53 of 2002, Section 25 requires:

(1) Each municipality must, within the applicable municipal disaster management framework-

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

(2) A disaster management plan for a municipal area must-

- (a) form an integral part of the municipality's integrated development plan;
- (b) anticipate the types of disaster that are likely to occur in the municipal area and their possible effects;
- (c) place emphasis on measures that reduce the vulnerability of disaster-prone areas,
- (d) seek to develop a system of incentives that will promote disaster management in the municipality;
- (e) identify the areas, communities or households at risk;
- (f) take into account indigenous knowledge relating to disaster management;
- (g) promote disaster management research;

- (h) identify and address weaknesses in capacity to deal with possible disasters;
 - (i) provide for appropriate prevention and mitigation strategies;
 - (j) contain contingency plans and emergency procedures in the event of a disaster,
- (3) A district municipality and the local municipalities within the area of the district municipality must prepare their disaster management plans after consulting each other.
- (4) A municipality must submit a copy of its disaster management plan, and of any amendment to the plan, to the National Centre, the disaster management centre of the relevant province, and, if it is a district municipality or a local municipality, to every municipal disaster management centre within the area of the district municipality concerned.

2.6 Local Government: Municipal Planning and Performance Management Regulations, 2001

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

3. ALIGNMENT WITH PROVINCIAL AND NATIONAL POLICIES

3.1 Millennium Development Goals

“The concept of a developmental state – which applies both to the country and the province – is rooted in the Millennium Development Goals (MDGs) adopted by the United Nations. Indeed both the national and provincial government’s development strategies and interventions should be viewed in the context of, and measured against, these international development goals which apply to all countries across the globe.

The MDGs which need to be achieved by 2015 are:

1. Eradication of extreme poverty and hunger
 - Halve the proportion of people with less than R6.00 per day
 - Reduce by half the proportion of people who suffer from hunger
2. Achievement of universal primary education
 - Ensure that all boys and girls complete a full course of primary schooling

3. Promotion of gender equality and empowerment of women
 - Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015
4. Reduction in child mortality
 - Reduce by two thirds the mortality rate among children under five
5. Improvement of maternal health
 - Reduce by three quarters the maternal mortality ratio
6. Combating HIV/AIDS, malaria and other diseases
 - Halt and begin to reverse the spread of HIV/AIDS
 - Halt and begin to reverse the incidence of malaria and other major diseases
7. Ensuring environmental sustainability
 - Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources
 - Reduce by half the proportion of people without sustainable access to safe drinking water
 - Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020
8. Developing a global partnership for development
 - Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory, includes a commitment to good governance, development and poverty reduction— Nationally and Internationally
 - In cooperation with the developing countries, develop decent and productive work for youth
 - In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
 - In cooperation with the private sector, make available the benefits of new technologies especially information and communication technologies”

3.2 National Spatial Development Perspective (NSDP)

The National Spatial Development Perspective (NSDP) guides government in implementing its programmes in order to achieve the objectives of ASGISA of halving poverty and unemployment by 2014. The NSDP is built on four basic principles. These are:

Principle 1: Rapid economic growth that is sustained and inclusive is a pre-requisite

for the achievement of poverty alleviation.

Principle 2: Government spending on fixed investment should be focused on localities of economic growth and / or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.

Principle 3: Where low economic potential exists investments should be directed at projects and programmes to address poverty and the provision of basic services in order to address past and current social inequalities.

Principle 4: In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres in order for them to become regional gateways to the global economy.

3.3 National Development Plan

The National Development Plan has been prepared by the National Planning Commission, which was appointed by the President and it is not a government department. The purpose of the National Planning Commission serves to advice government on issues impacting long term development. The National Development Plan has a vision and targets to be achieved from now till 2030.

The National Development Plan is a step in the process of charting new path for the country. By 2030, the plan seeks to eliminate poverty and reduce in quality and create employment and it serves to change the life chances of millions of the people. The National Development Plan mainly seeks to address the following main challenges:

- Too few people work;
- The standard of education for most black learners is of poor quality;
- Infrastructure is of poor quality and under maintained;
- South Africa remains a divided society;
- Corruption is wide spread; and
- Public services are uneven and often of poor quality.

The 2030 targets which are aimed to be achieved by the National Development Plan are as follows:

- **Economy and employment**
 - Reducing unemployment rate by 20% in 2011 to 14% by 2020, and 6% by 2030; creation of 11 million jobs by 2030;
- **Economic Infrastructure**
 - People with access to electricity should rise from 70% in 2010, to 95% by 2030;
- **Transition to a low carbon economy**
 - Reducing of green gas emissions by 2025;
- **Inclusive rural economy**
 - An additional of 643 000 direct jobs and 326 000 indirect jobs in agriculture, agro – processing and related sectors by 2030;
- **Education, training and innovation**
 - 80% of the schools and learners to achieve 50% and above in literacy, mathematics and science in grades 3, 6 and 9.
 - Improve education and training graduation rate to 75% by 2030;
- **Health care for all**
 - Under 20 age group should largely be an HIV free generation
- **Social protection**
 - Number of public works jobs should rise from the present level to about 1 million in 2015, and then to about 2 million by 2030;
- **Building safer communities**
 - In 2030; people living in South Africa feel safe and have no fear of crime;
- **Fighting corruption and enhancing accountability**
 - a corruption free society and high adherence to ethics and government accountable to its people
- **Transforming society and uniting the country**
 - Living society where opportunities are not being determined by race and birthright, seek a united, prosperous and non – racial society

3.4 Provincial Growth and Development Strategy

The province of KwaZulu - Natal has managed to develop the Provincial Growth and Development Strategy which was adopted by Cabinet on the 31 August 2011, and has a vision to be achieved by 2030. The Provincial Growth and Development Strategy provides a strategic framework for development in the Province; it has seven strategic goals and 30 strategic objectives, and also key specific targets linked to each strategic goal which have to be achieved by 2030. The main aim of the Provincial Growth and Development Strategy is Growing the Economy for the improvement of the quality of life for all people living in the province of KwaZulu Natal.

PGDS is crucial to:

- Focus on a clear vision for the province;
- promote vertical, horizontal and spatial alignment;
- mobilise all development partners to achieve predetermined development objectives and targets; and
- build on the strengths and opportunities of the Province, while addressing weaknesses and threats.

Alignment of the Provincial Growth and Development Strategy to the municipal sectors is as follows:

①	JOB CREATION	✓	Agriculture, Mining, Manufacturing, Tourism & EPWP Programmes
②	HUMAN RESOURCE DEVELOPMENT	✓	Primary and Secondary Education, Skills Development to support economy
③	HUMAN & COMMUNITY DEVELOPMENT	✓	Poverty, Health, Food Security & Human Settlement
④	STRATEGIC INFRASTRUCTURE	✓	Road & Rail, Water, Sanitation, Energy , ICT, Health, Education & Human Settlement
⑤	ENVIRONMENTAL SUSTAINABILITY	✓	Productive Use of Land, Renewable Energy, Biodiversity & Climate Change
⑥	GOVERNANCE AND POLICY	✓	Public / Private Sector relations, Capacity Constraints, Fraud & Corruption
⑦	SPATIAL EQUITY	✓	Rural Development Imperatives & Land Use Planning Controls, New emerging towns

Table No 5: Alignment of the Provincial Growth and Development Strategy to the municipal sectors

Alignment to the Strategic Objectives of the Provincial Growth and Development Strategy to the municipal strategic objectives:

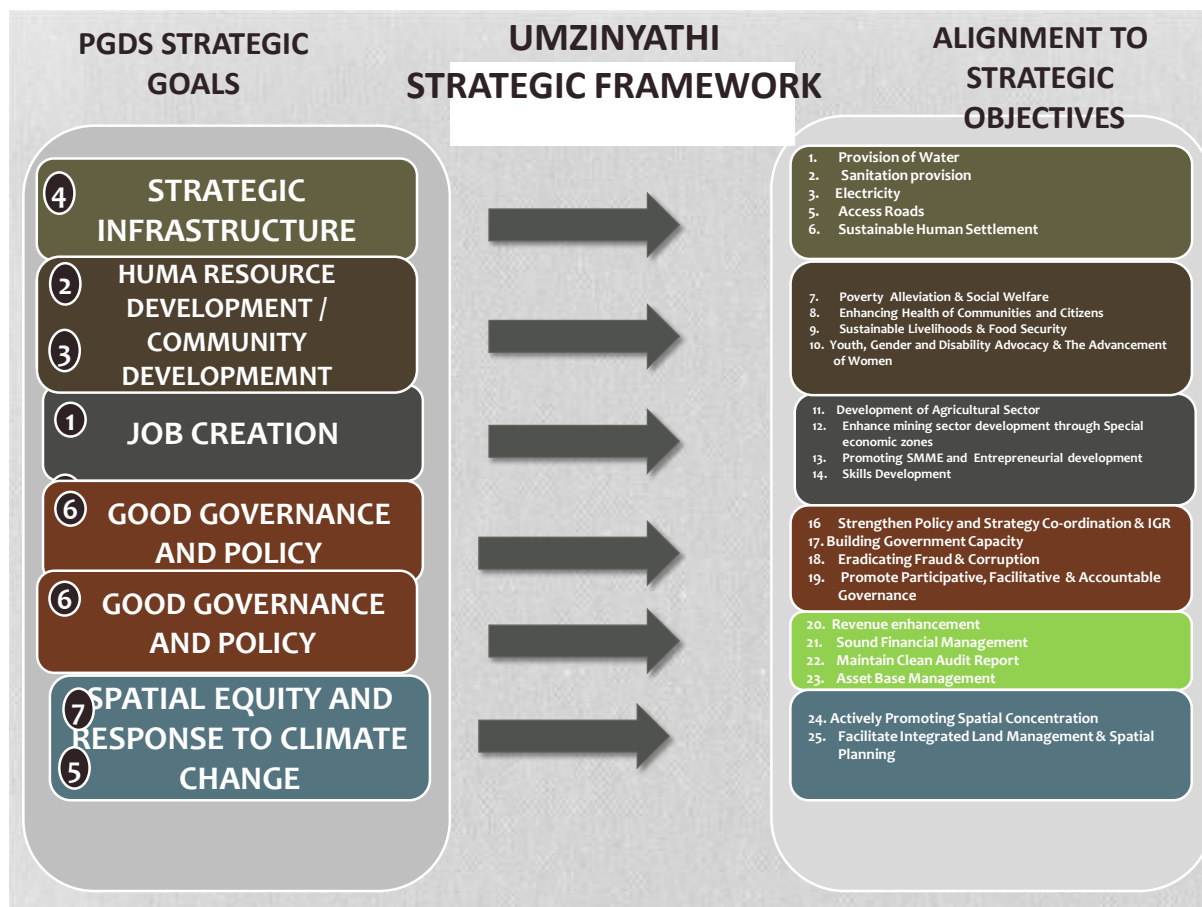


Table No 6: Alignment to the Strategic Objectives of the Provincial Growth and Development Strategy to the municipal strategic objectives

4. ALIGNMENT WITH NATIONAL, PROVINCIAL AND MUNICIPAL PRIORITIES

National Priorities	Provincial Priorities	Municipal Priorities	Developmental
More inclusive economic growth, decent work and sustainable livelihoods;	Creating decent work and economic growth	Local Development	Economic
Rural development, food security and land reform;	Rural development/agrarian reform and food security	Local Development	Economic
Access to quality education	Education	Leadership and good governance	
Improved health care	Health	HIV/Aids	

The fight against crime and corruption;	Fighting crime	Leadership and good governance
A developmental state including improvement of public services.	Nation-building and good governance	
Economic and Social infrastructure;		Local Economic Development
Cohesive and sustainable communities		Water Sanitation Electricity Human settlement
Creation of a better Africa and a better world		
Sustainable recourse management and use		

Table No 7: Alignment with National, Provincial and Municipal Priorities

5. ALIGNMENT OF THE MUNICIPAL TURNAROUND STRATEGY WITH THE OUTCOME 9

The National Government agreed to 12 outcomes as a key focus of work between now and 2014. Each of the 12 outcomes requires involvement of all spheres of government and other stakeholders outside government. The applicable outcome for local government is outcome 9 which has seven outputs, and local government has to deliver on these seven outputs by 2014, and they are as follows:

- Output one: Implementation of a differentiated approach to municipal financing, planning and support;
- Output two: Improving access to basic services;
- Output three: Implementation of the Community Programme;
- Output four: Actions supporting of the human settlement outcomes
- Output five: Deepen democracy through refined Ward Committee model;
- Output six: Administrative and financial capability; and
- Output seven: Single window of Coordination.

The municipality has a turnaround strategy in place which comprises of ten priorities, and quarterly reports on the implementation of the ten priorities are being submitted to COGTA through Municipal Support Infrastructure Agency. The turnaround strategy and outcome 9 are both aimed at improving the living quality of life for the communities. Therefore, the municipality has aligned the two strategic documents, and the alignment is based on the municipal powers and functions as follows:

MTAS Ten Pories	Outcome 9 Outputs
Water	Improving access to basic services
Sanitation	
Access Roads	
Refuse Removal	
Revenue enhancement strategy	Administrative and financial capability
Implementation of the LED Strategy	Implementation of a differentiated approach to municipal financing, planning and support
Capital expenditure / Cashflow management	Administrative and financial capability
HIV/Aids and poverty alleviation programmes	Implementation of a differentiated approach to municipal financing, planning and support
Youth, women and people living with disability programmes	
Energy / Electricity (preparation of the Electrification Development Plan)	

Table No 8: Alignment of Municipal Turnaround Strategy to Outcome 9

6. OPERATION CLEAN AUDIT

Government has set a target for the government departments and municipalities to achieve Operation Clean Audit by 2014. Umzinyathi District Municipality managed to achieve Operation Clean Audit for the 2011/12 financial year, which was before the national target which is 2014. The municipality is also committed and dedicated in retaining the clean audit report for the 2012/13 financial year, to ensure that the pride for the municipality of good governance and financial management is realised once again.

SECTION C: SITUATIONAL ANALYSIS

1. SPATIAL ANALYSIS

1.1 Endumeni

This municipality is unique, its population is predominantly urbanised or based on commercial farms and unlike the other local municipalities there is no tribal authority land. The main town is the Commercial centre which is Dundee, it has most diversified economy, commercial cattle farming and dairy production and is the centre of the Battlefields tourist region.

1.2 Nquthu

This municipality is typically rural and largely tribal authority where the population is largely previously disadvantaged and relatively dispersed and where services are scarce and often at rudimentary levels. The main town is Nquthu and subsistence agriculture is the main activity in the area.

1.3 Msinga

Owing to its rugged terrain Msinga's population is relatively dispersed and where services exist they are concentrated along road infrastructure and water sources such as the Tugela River. The main towns are Pomorey and Tugela Ferry, it's the rural region with subsistence farming.

1.4 Umvoti

This local municipality comprises of urban areas, commercial agricultural areas and tribal authority areas all of which exhibit typical characteristics associated with these settlement types. Service levels in urban areas are high except for informal areas, in commercial agricultural areas they are relatively high as farmers provide their own services and in tribal authority areas they are low to moderate. The main town is the commercial centre Greytown.

There are 19 Traditional Authorities with Umzinyathi District jurisdiction and are located within Nquthu, Msinga and Umvoti. The following are the Traditional Council;

- Jama Traditional Council – Inkosi J.Z. Jiyane (Chairperson)
- Khiphinkunzi Traditional Council – Inkosi T.G. Ngobese

- Hlatshwayo Traditional Council - Inkosi F.T. Hlatshwayo
- Zondi Traditional Council – Inkosi Z. Zondi
- Mangwebuthanani Traditional Council – Inkosi M.P.M Mazibuko
- Vulindlela Traditional Council – Inkosi S.K. Sithole
- Molefe Traditional Council – Inkosi D.P.N Molefe
- Mchunu Traditional Council – Inkosi N.E. Mchunu
- Mbovujengabantu Traditional Council – Inkosi M.N. Ngubane
- Amakhabela-Gcothoyi Traditional Council – Inkosi Ibamba N. Dlomo
- Mthembu Traditional Council – Inkosi S.W. Mthembu
- Amakhabela-Bhekizwe Traditional Council – Inkosi D.A. Dlomo
- Mbomvu Traditional Council – Inkosi P.J. Ngubane
- Mthembu/Sithole Traditional Council – Inkosi Z. Sithole
- Mbokodebomvu Traditional Council – Ndlukulu H. Mncube
- Emadleni Traditional Council – Ibamba B.C. Ngcobo
- Baso Traditional Council – Inkosi D.T.P Mntungwa
- Nqamu Traditional Council – Inkosi Z.D. Majosi
- Zondi Traditional Council – Ibamba B. Zondi

2. EXISTING NODES AND CORRIDORS (INCLUDING URBAN EDGES)

Umzinyathi District Municipality is affected in the following way by the nodal structure in the Provincial Spatial Development Framework and the neighbouring District Municipalities.

- **Amajuba (DC25) DM** Newcastle is a secondary node in terms of the PSDF. Dundee as a tertiary node is within its sphere of influence and one can accept the functional linkages between the two.
- **Zululand (DC26) DM** Vryheid is of a similar status as Dundee and one should consider the gravitation breakpoint between the two at an equal distance from the two nodes.
- **Uthukela (DC23) DM** Ladysmith is of a similar status as Dundee. Vryheid might have a slight advantage over Dundee in the sense that movement from the northern part of UDM tend to gravitate via Vryheid to the N3 and linking with the south.
- **Uthungulu DM** Ulundi do not have any functional linkages with the UDM area many because of accessibility constraints and Ulundi's relationship with the Empangeni area.
- **Ilembe DM** The Stanger nodal area should not have any direct impact on the southern parts of UDM since natural gravitation is rather towards Pietermaritzburg and Durban from Greytown and Tugela Ferry.

- **Umgungundlovu DM** Pietermaritzburg is to the south of UDM what Newcastle is to the north. It has the additional advantage that it provides the link with the Ethekekwini area.

Zooming in on the Umzinyathi the District jurisdiction the existing nodes are spread in the following manner;

First order node

The PGDS only identifies Dundee as one of its tertiary nodes. However, the close proximity of Glencoe and the functional links between the two areas needs to be considered. If only Dundee is selected, it undoubtedly implies that Glencoe should continue to decline. However, the two urban areas linked by more intensive farming and the possible reintroduction of mining and an up scaling of rail transport warrants the inclusion of Glencoe as part of an extended urban node.

Second order nodes

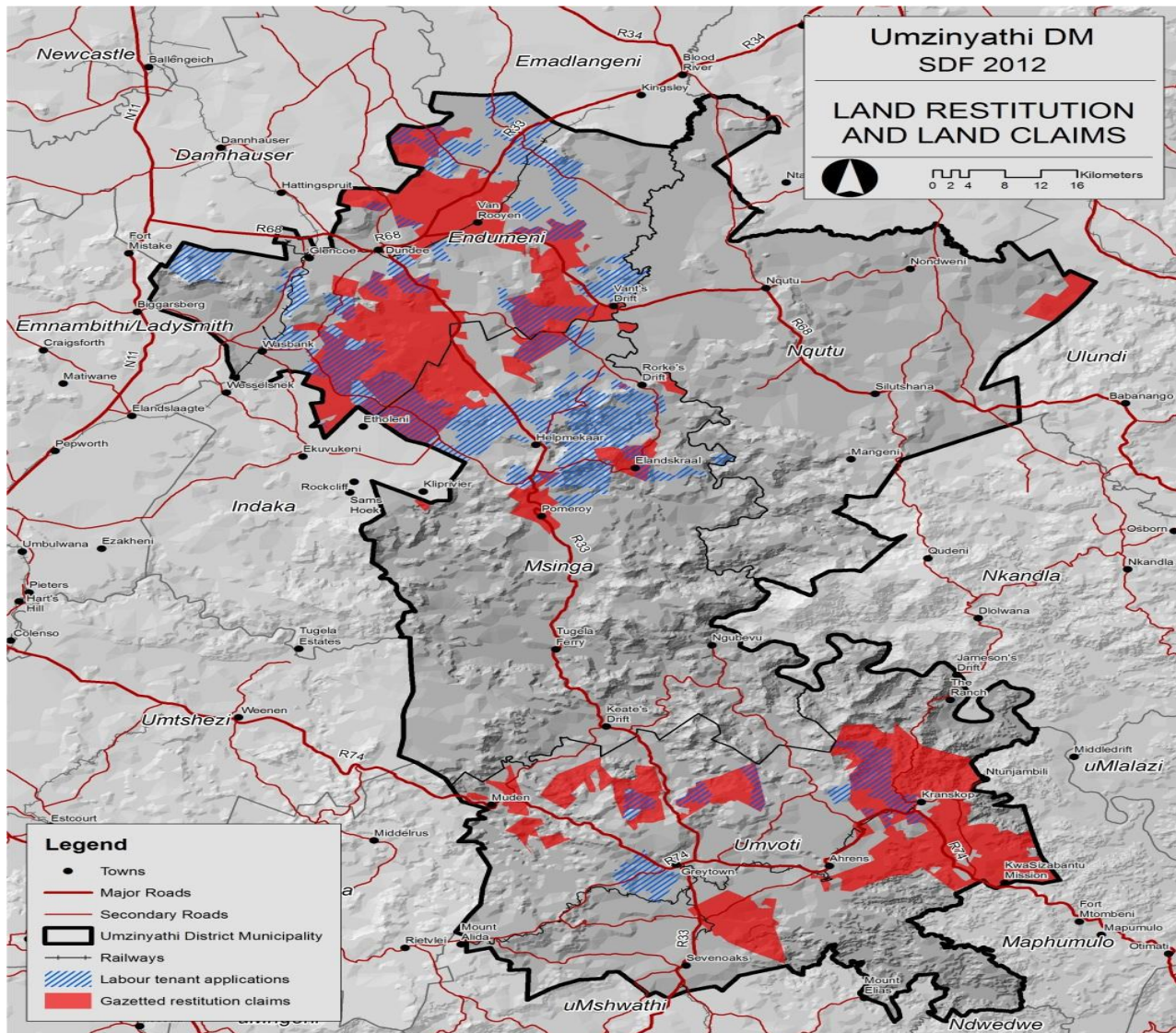
The second order nodes align with the PGDS proposals. It covers the administrative seats of Nqutu, Msinga and Umvoti Local Municipalities. The primary role is to service as regional service centres.

Third order nodes

None of the rural service centres was specifically identified by PGDS. However, the PGDS is clear on their envisaged role and function. The nodes identified as third order nodes all fulfill these function already. However, it is important to note that the fact that these points were identified as nodes it is not implied that grow and investment in these nodes should be supported. The approach would rather be to sustain current services and to direct development, investment, and growth to the first and second order nodes. The resource base of the municipality is simply too small to include these nodes in an investment strategy. The assessment has also shown that densities in their service areas are too low to support cost effective service delivery. These nodes should however, actively be managed to prevent further decay and to maintain health standards and ensure building safety.

2.1 Land Reform and Restitution

Map 3: Umzinyathi DM Land Restitution and Land Claims

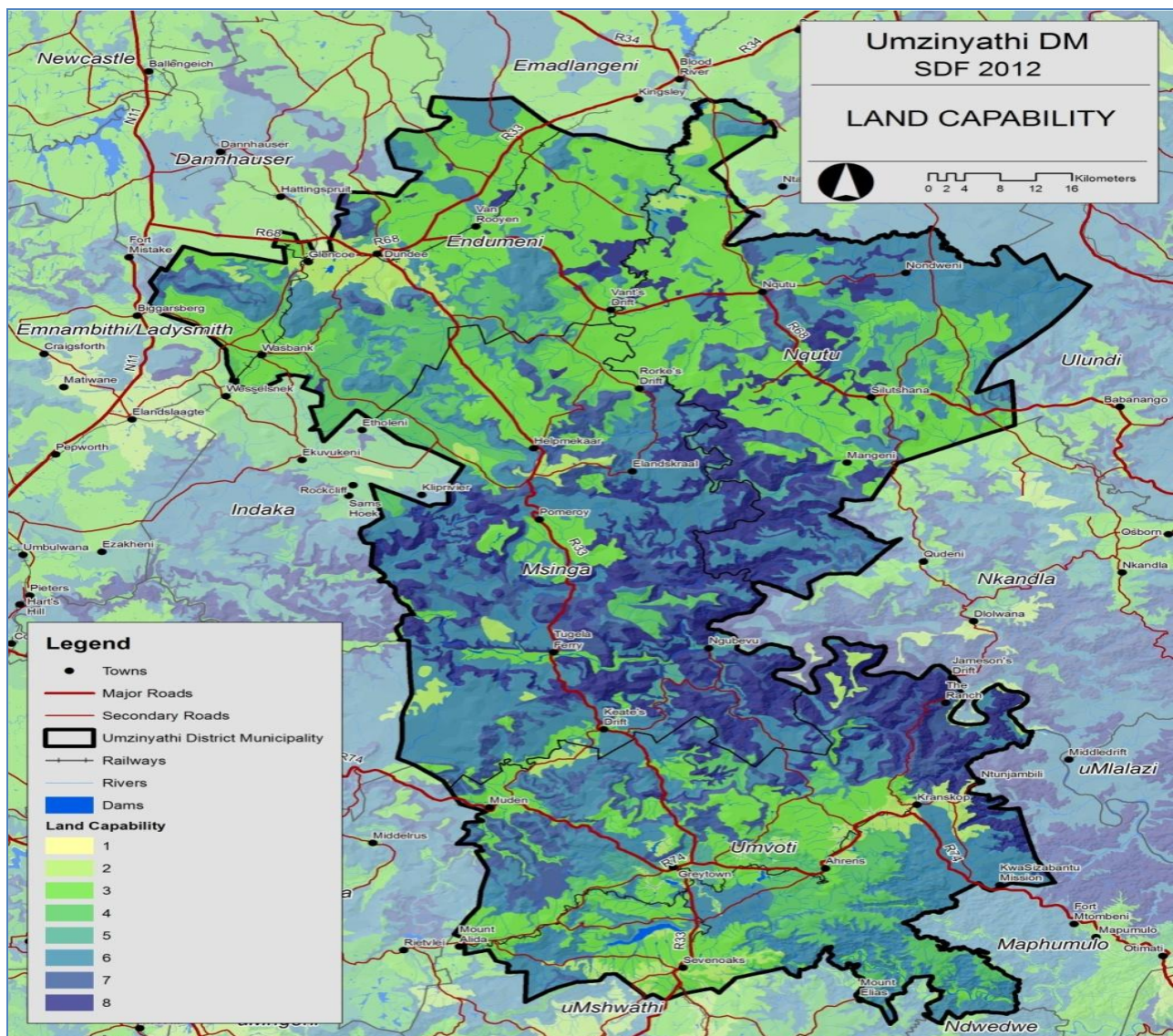


There are a significant number of municipal areas which are under land claims and land restitutions processes. Although, there is no basic connection between the use of land use and land ownership; if these processes are not sorted quickly this could lead to uncertainty in terms of property market, land values, marketability and development processes in general. There have been 31.5 % claims that have been settled thus far. As shown in the map above map, a lot of unsettled claims are located around Endumeni and Umvoti Locals.

2.2 Land Capability

Land capability signals the type of land activity most fitting to a particular area as well as capability of the land. It is a deciding factor upon a collective effect of soil, terrain and climate. Most of the time planners firstly look into the rate of the soil capability before looking at climate influences on the use of land. The southern areas of Helpemekaar, Rorker's drift and Mangeni vs. Muden, Keates Drift and Kranskop are most suited for grazing and forestry. The topography plays a huge role in determining this factor and it is noticeable just how the first group of areas are secluded for the second group. These areas mentioned are also suitable for grazing and also liable to erosion. Agricultural and land management practices are critical for sustainable farming.

Map 4: Umzinyathi DM Land Capability



2.3 ENVIRONMENTAL ANALYSIS

2.3.1 Water Resources

Asset

- Rivers
- Tugela
- Umvoti
- Blood
- Buffalo
- Wetlands and watercourses

Management Status

The entire river system in the municipal area is vulnerable. It implies that special attention will have to be paid to all development affecting the river system. The Umvoti River is already critically endangered and all development that might impact or affect the river will have to be very carefully monitored.

The catchment areas are vulnerable since large areas are exposed to erosion and agricultural practices in the traditional areas results in little or no ground cover. Good permanent ground cover is important for the long-term sustainability of catchments areas.

Management Measure

The provision of potable water remains a high priority need within the municipal area. The following Acts makes provision for catchments management areas to be managed:

- Water Service development Plan
- Working for Water
- National Water Act 36 of 1998 (land use around owned state owned dams)
- EIA Regulations
- National Environmental Management Act No. 107 of 1998
- Bulk Water Schemes
- Water Service development Plan
- Working for Water
- National Water Act 36 of 1998,

Pressures

- Reduced runoff from forestry areas as a result of high rainwater retention capacity (water infiltrates and causes detachment of soil particles and therefore results to soil erosion)

- Reduced water quality (due to pollution)
- Increased runoff
- Increase storm water peak flow intensity as well as increase in total annual storm water runoff.
- Water scarcity (in areas dependent on groundwater)
- Groundwater pollution as a result of poorly managed industrial practices
- Groundwater abstraction
- Siltation of wetlands
- River pollution as a result of drainage of pit latrines into rivers

Proposed Interventions:

- Determine all the source points contributing to declining water quality and set target objectives to minimize the impact on the health of this system.
- Bioaccumulation studies should be conducted on sediments, fish and birds hosted by the dam to derive benchmark values for contamination.
- Support the implementation of basic sanitation infrastructure projects
- Implementation of best practice environmentally sensitive storm water management systems.
- Water utilization training initiative should be initiated to train the local communities on water utilization.
- Wetlands and its tributaries act as environmental sieves and sponges and its value should be quantified. Set out research initiatives to locate all wetland systems in the district and do in depth biodiversity studies to determine the ecological value of these areas
- Strict policy for protection of wetlands from development and rehabilitation of degraded wetlands to improve water quality, water flow regulation and habitat provision at a regional scale.
- Ensure that all legal requirements in terms of environmental authorization and water use licenses are enforced for all infrastructure in water courses
- Water reticulation still a major priority in the area and efforts to supply potable water service to all communities should be a priority
- All new developments must consider their impact on regional water quality.
- Location of potentially polluting activities of infrastructure, especially waste disposal sites and cemeteries and settlement areas, should carefully consider geohydrological conditions during site selection.
- Institute a long term monitoring program that allows specific identification of water pollution sources
- Regulate the utilization of ground water in the area as allowed for by the specific permits adjudicated. Satellite technology can be applied to assess the groundwater utilization status in agricultural practices.
- Develop contingency plans for periods of drought with emphasis on communities reliant on borehole water
- Investigate different water availability scenarios for the next 20 years following rainfall, recharge and evaporation data and expected consumer pressure and plan realistically for future utilization

- Wetland delineation should thus be conducted at a site specific scale in new developments
- Ground water pollution can be addressed through provision of appropriate sanitation.

Map 5: Showing Umzinyathi Waster Resources



2.3.2 Biodiversity

Asset

- Indigenous forests
- Grasslands
- Forests
- Bush veld
- Thukela Thornveld
- Highland Thorn veld
- Sandy grassland

Management Status

Umzinyathi shows a large variation in veld types which changes according to the way it is treated. The main driving force causing vegetation change is selective grazing. This causes the actual veld condition (species composition and cover) at a given time to differ from the modal veld type composition or benchmark.

110 vegetation types are not protected at all. Most national or regional initiatives aimed at managing biological invasions lack objective protocols for prioritising invasive species and areas based on likely future spread.

Management Measure

With only 6% of the land protected, most of South African ecosystems are not adequately conserved and protected through:

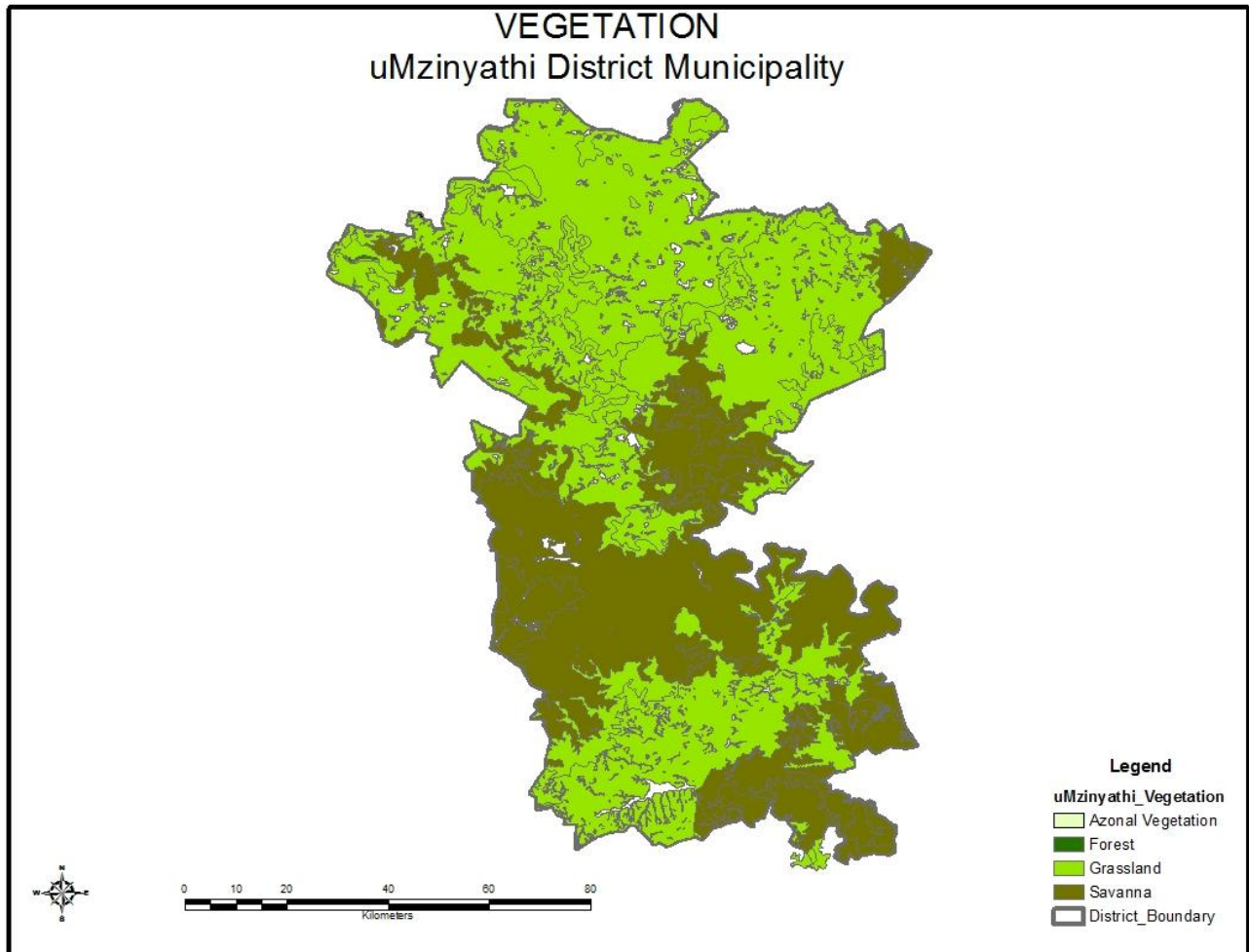
- Species Removal Projects
- Biodiversity Act No. 10 of 2004
- Local Agenda 21
- Risk Management Strategy
- National Forests Act No. 84 of 1998

Pressures

- Loss of indigenous vegetation.
- Reduced water resource through alien invasive vegetation.
- Increased risk of flooding
- loss of indigenous vegetation
- Increased soil erosion
- Wetland destruction or drainage,
- flow patterns, and groundwater abstraction
- Reduced vegetation cover leading to reduced primary productivity and land carrying capacity
- Over grazing
- Uncontrolled veld fires

- Wood burn

Map 6: Showing Umzinyathi DM Vegetation



Proposed Interventions:

- Develop a detailed strategy to preserve indigenous grasslands and consider in the identification of IDP project planning where possible.
- The location of all projects identified in the IDP should consider the identified environmentally sensitive areas
- Annual monitoring of fixed points as well as spot checks in the broader area. Mark all occurrences of rare and endangered species (GPS) (especially vegetation) and follow up its existence in following years
- A program to cultivate rare and endangered vegetation species should be initiated and the community should be included.
- An inventory of popular medicinal plants must be drawn up and efforts to commercially produce these species must be encouraged.

- Training and education on the implication of overexploitation of medicinal plants must be conducted with the local communities.
- All EIA's for developments to consider their potential impact on Red Data species.
- Developments should be avoided in areas that contain Red Data Species.
- Compile an inventory of wetlands in the district
- Compile guidelines for the protection of all wetland areas
- Co-ordinate activities of water users and of water management institutions within its water management area.
- A greening' programme in urban and rural areas to provide shade, erosion protection, and beautification
- Prepare and adopt an Invasive Species Monitoring, Control and Eradication Plan that is integrated and aligned with the IDP
- Prioritize areas for eradication which is accessible and degrading tourism as well as agricultural value.
- Include the local community in eradication programs as an economic empowerment project.
- Landowners educated and empowered considering their mandate to clear invasive species on their land.

2.3.3 Cultural Resources

Assets

- Ambush Rock
- Talana Museum
- Fugitives Drift
- Hlathikulu
- Heritage Site
- Arts and craft centres

Management Status

Tourism and conservation plays an important role in the area. The concentration of tourism facilities is mainly around Dundee, and it is estimated that 75% of visitors to the battlefield sites are domestic tourists. The key to tourism is the Battlefields area that forms part of broader cultural historical system in central KZN. The assessment of the area has shown some unique environmental features but environmental related tourisms and formal conservation initiatives seem to be minimal.

Management Measure

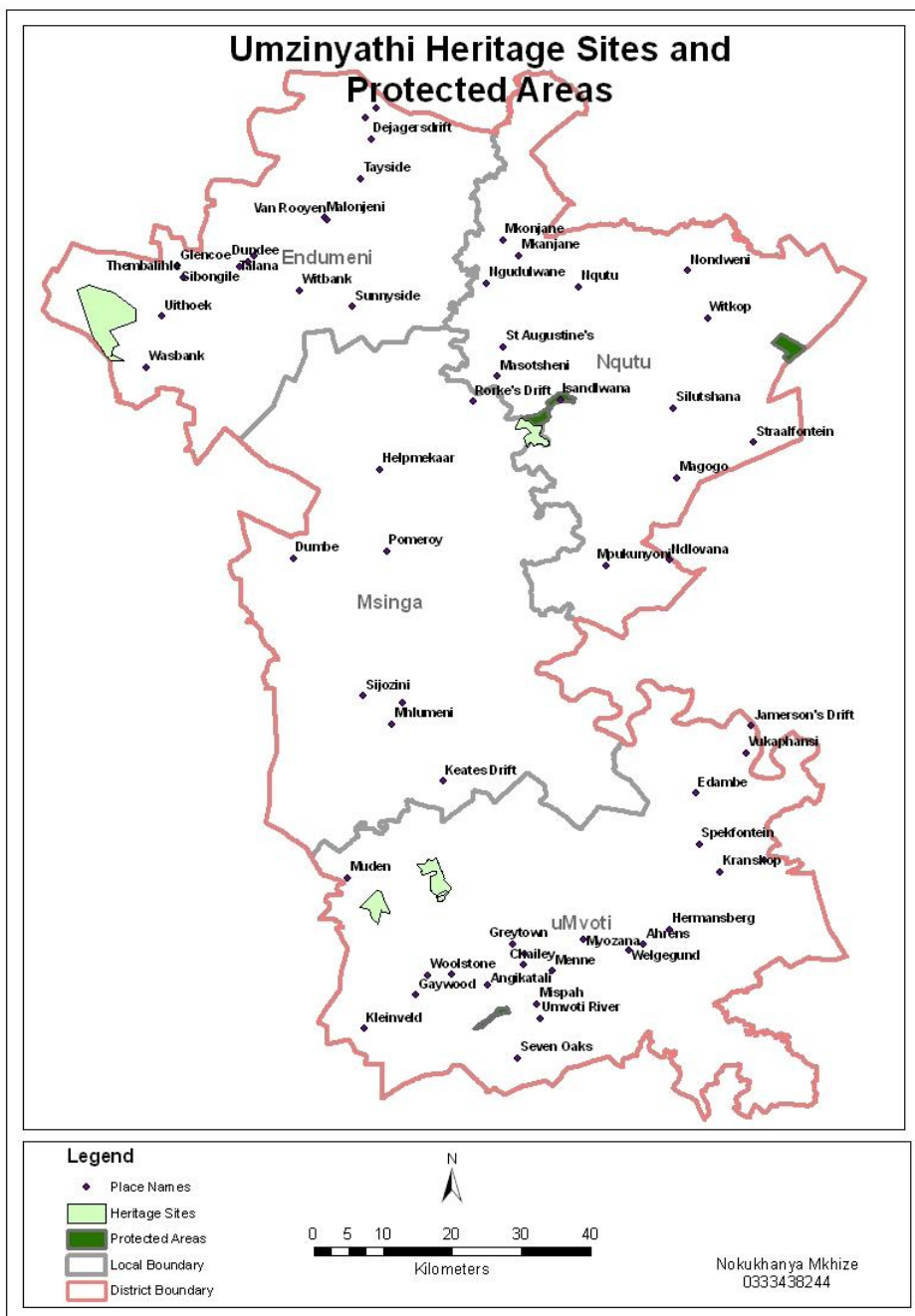
Conservation in South Africa is managed through a system of protect areas as set out in the National Environmental Management Act, No. 107 of 1998 and the National Environmental Management: Protected Areas Act 57of 2003. In terms of these acts, the system of protected areas in South Africa consists of the following kinds of protected areas: special nature reserves, nature reserves (including wilderness areas) and, world heritage sites, specially protected forest areas, forest nature reserves and forest wilderness areas declared in terms of the National

Forests Act, 1998 (Act No. 84 of 1998) and mountain catchment areas declared in terms of the Mountain Catchment Areas Act, 1970 (Act No. 63 of 1970).

Pressures

- Uncontrolled development on cultural and heritage resources of the district

Map 7: Showing Umzinyathi DM Heritage Site and Cultural Sites



Proposed Interventions:

- Protect heritage resources and incorporate into management plans
- Undertake a detailed study and assessment of all cultural and heritage resources in the district and the upgrading, restoration and management requirements of these.
- Evaluate existing municipal by-laws and determine whether provision is made for the protection of cultural and heritage sites within existing by-laws. If not, prepare the necessary municipal by-laws and adopt by council
- Municipalities should initiate a ward based community interaction program whereby further sites of cultural and heritage importance which could be classified as category 3 heritage resource within the municipality area can be identified
- Explore opportunities in both cultural and ecological tourism in the region.

2.3.4 Waste Management

Waste Type

- Sanitation
- Illegal Waste Sites
- Illegal coal mining dumps
- Littering

Management status

Solid waste disposal only takes place in major urban areas. There are currently five solid waste disposal sites and three transfer stations in the Umzinyathi area. The Council's Integrated Waste Management Plan deals with issues and challenges of solid waste management. The plan is however silent on dealing with waste problems in rural areas. Waste disposal in rural village are generally uneconomic and difficult to maintain at an acceptable level. A community based system of communal dumping sites or onsite disposal is usually more appropriate in rural areas.

Management measure

The municipality aims to reduce the sanitation backlog, which will be 15% (1912 households) by 27% (3800 households) thereby improving access to communities within the RDP standards, the percentage reduction of the backlogs is based on the allocation provided by Municipal Infrastructure Grant.

Umzinyathi DM does have a WSDP compiled for the Council in 2009. The WSDP was prepared according to the Department of Water Affairs' guidelines and format. It is in many respects incomplete with substantial data gaps. The spatial data and especially the demarcation of "villages" is suspect and leave one with question marks on the credibility of data in general. The WSDP in itself highlights data gaps and the general lack of information.

The municipality, in partnership with the Department of Environmental Affairs, is developing two regional waste sites for waste management to be shared by the four local municipalities. To date, the implementing agents for both sites have been appointed and currently working on the business plans.

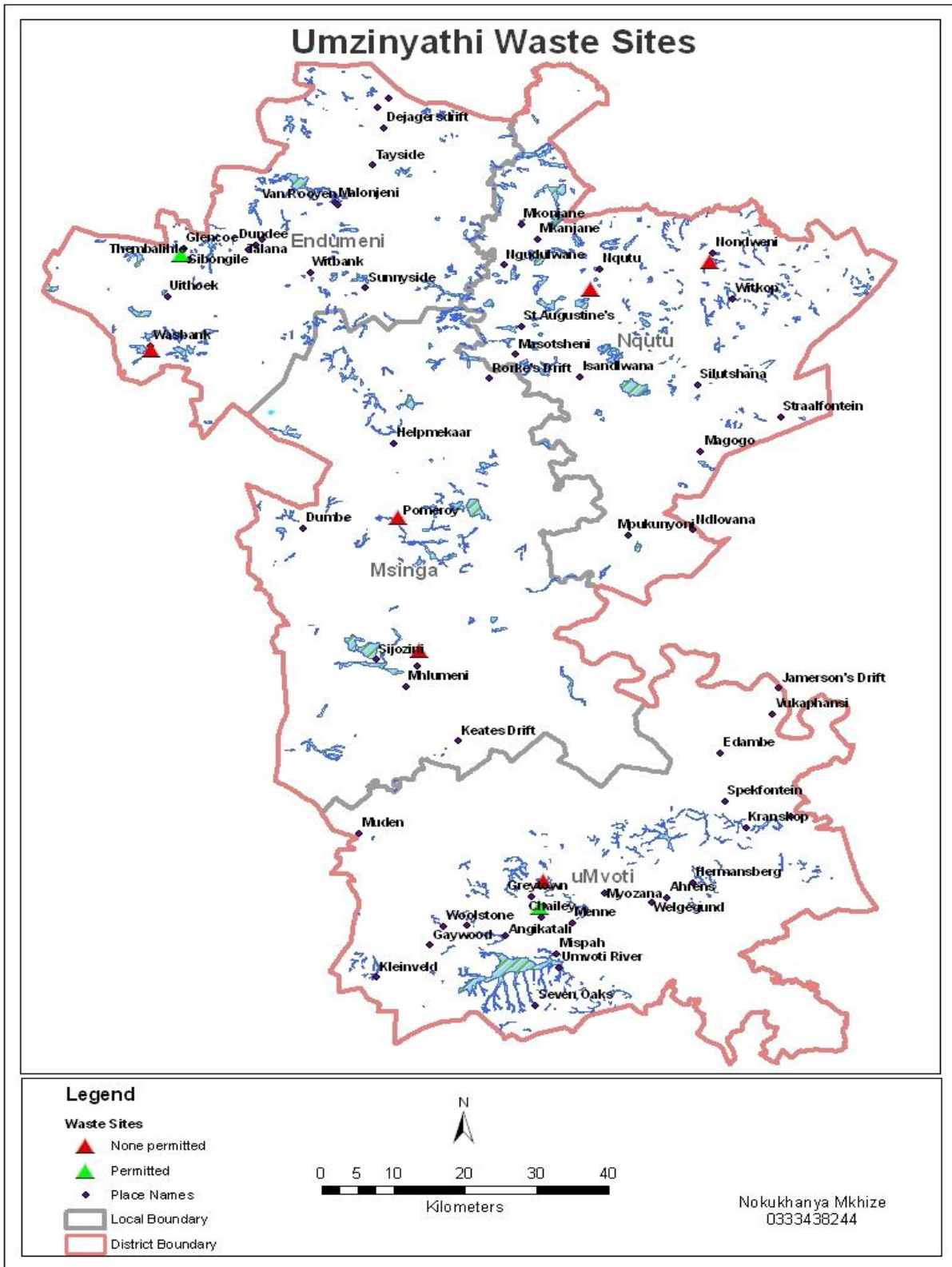
The municipality is currently rehabilitating the existing waste sites, which are Pomeroy, Nqutu and Glencoe. The project is almost completed.

The UDM in hands with the Department of Agriculture and Environmental Affairs is engaged in campaigns namely: Adopt a River, Reduce, Reuse, and recovering campaigns.

Pressures

- Visual impact of informal disposal of waste.
- burning of waste in informal waste dumps
- Limited formalized and registered landfill sites in the district.
- Limited capacity of municipalities to provide refuses removal services in extensive populated rural areas.
- Acid mine drainage (pollute the surface water resources)

Map 8: Showing Umzinyathi DM Waste Sites



Proposed Interventions:

- Plan and implement a pilot community based waste collection and management program in a pilot area within the municipality currently not provided with waste collection services
- Replicate this concept if the feasibility and viability thereof can be confirmed
- Investigate the possibility of outsourcing the service by involving local entrepreneurs and residents in order to create business opportunities.
- Development of partnerships with Community based Organisations and Non Government Organisations involved in environmental programmes.
- Prepare a detailed business plan for waste collection and management within the municipality which details equipment and human resource requirements
- Develop and implement a basic waste information system within municipality to keep record of the volumes of waste collected and disposed of by the municipality at municipal landfill sites.
- Keep a register of all waste related complaints received by the municipality.
- Undertake a full audit of all formal and informal waste disposal sites within the municipality in terms of the various criteria required in terms of the legislative requirements for landfill sites.
- Prepare an action program for the formalization of informal land fill sites or alternatively for the closure and rehabilitation thereof
- Initiate a process to identify a new municipal land fill site for the municipal area
- Formalise or close existing waste disposal sites that are not permitted
- Develop a waste minimization and recycling plan for the district
- Provide recycling facilities for paper, glass, plastic and tin at all major public institutions and commercial facilities.
- Upgrade the facilities at existing landfill sites (e.g. fencing, access control etc.) to satisfy all legal requirements regarding the operation of municipal landfill sites
- Initiate the necessary processes to permit informal waste disposal sites within the municipality where feasible

2.3.5 Sites of Conservation Value

Assets

- Bushman Paintings
- Rock Drift
- Museums
- Hlathikulu
- Bambatha and inhlamvankulu camp
- Ntunjambili view site
- Isandlwana battlefield
- ILake Merthlely
- Ngome Community conservation centre
- Ntinini Nature Reserve
- 13 private game reserves

Management status

Sites of Conservation value in Umzinyathi are focused on the Battlefields route, heritage, and cultural tours and to a limited extent on the scenery and biodiversity of the area. There are a number of tourist facilities in the area. Tourism facilities are largely private sector driven. Historical sites and museums are mostly linked to the so-called battlefield tourism.

These areas are managed through a system of protect areas as set out in the National Environmental Management Act, No. 107 van 1998 and the National Environmental Management: Protected Areas Act 57of 2003.

Management Status

To address these challenges the district uses the following recommendations for the development of this sector:

- Protected Areas Act No. 57 of 2003
- Municipal by laws
- Community Based Educational Programmes

Pressures

- Impacts of uncontrolled development on cultural and heritage resources of the district
- Lack of protection and management of known cultural or heritage sites

Proposed Interventions:

- Undertake a detailed study and assessment of all cultural and heritage resources in the district and the upgrading, restoration and management requirements of these.
- Evaluate existing municipal by-laws and determine whether provision is made for the protection of cultural and heritage sites within existing by-laws. If not, prepare the necessary municipal by-laws and adopt by council
- Municipalities should initiate a ward based community interaction program whereby further sites of cultural and heritage importance which could be classified as category 3 heritage resource within the municipality area can be identified
- Explore opportunities in both cultural and ecological tourism in the region.

2.3.6 Air Quality

Pollutants

- Industries
- Wind scattered litter
- Illegal coal mining dumps

Management Status

No data on ambient air quality data is available at present. However, it is assumed that air quality over the Umzinyathi area is negatively affected by various points and diffuse sources of air pollution.

Management Measures

Biogas Plant
Feed lot
Campaigns

Pressures

- Health impacts
- Ecological impact, including reduced bio-production
- Structural damage
- Impaired visibility
- Air pollution due to the use of coal, fuel wood, and paraffin
- Industrial emissions

Proposed Interventions

- Increasing the use of environmentally friendly energy carries such as electricity
- Decrease in mining activities
- Reduced carbon print for the district

2.4 Key Environmentak Issues

Constraints

1. Environmental Management
2. Poor Waste Management
3. Biodiversity
4. Land Degradation
5. Soil Erosion
6. Surface and Groundwater pollution

- 7. Environmental Awareness
- 8. Climate Change

2.5 Issues Identified per Local Municipality

Umvoti Municipality

- Water Resource
- Provision of water
- Access to clean water
- Shortage of water for irrigation
- Solid Waste
- Illegal dumping sites
- No waste minimization strategies
- No proper plan for collection and transportation of refuse from Kranskop
- Groundwater pollution in the urban areas due to unmanaged residuals from industrial practices and in rural areas it's due to a lack of proper control infrastructures against contamination.
- Lack of suitable land for housing for housing
- Development on environmentally sensitive areas
- Land Invasion due to urbanization
- Air Pollution mostly in Richmond

Msinga Municipality

- Land Slope: Slope plays a limiting role in land development
- Soil erosion
- Loss of soil structure due to trampling and compaction
- loss of vegetation
- Loss of topsoil due to soil erosion
- Reduced Soil fertility due to topsoil and soil leaching which is a result of agricultural purposes
- silt pollution
- High drainage density
- Afforestation
- Surface water pollution
- Wetland destruction
- Physical barriers in rivers
- reduced water quality
- Corrosivity of certain pollutants on pipes
- water scarcity on drier areas
- Reduced bio-production
- Over grazing
- co-extinction of species
- Habitat degradation, modification and fragmentation

Nquthu Municipality

- Land degradation
- Unreliable water sources
- Soil erosion
- Lack of refuse removal services
- No formal waste sites
- Water pollution (due to pit latrines drainages into river streams)
- High water table
- Encroachment on environmentally sensitive areas
- Uncontrolled development

Endumeni Municipality

- Refuse removal and disposal
- Limited access to water
- Soil erosion and instability in lower slopes areas such as eSibongile
- Land degradation (due to over grazing)
- Diminishing of water reserves
- Water scarcity
- Poor waste disposal practices
- Lack of waste avoidance
- Increase water table and pollution of water bodies resulting from mining activities (Dundee and Glencoe forms part of the so called Coal Rim of KwaZulu-Natal)
- Groundwater contamination by sewage effluent
- Urban Greening

3. DISASTER MANAGEMENT

3.1 Status of the Municipal Institutional Capacity

In terms of the Disaster Risk Management Act 2002, (Act No.57 of 2002), Section 43-50 outlines the establishment and functions of the Centre in order to ensure an integrated and co-ordinated approach to Disaster Risk Management within the district. Umzinyathi District Municipality Disaster Management Risk Centre was established in August 2003, and is fully functional 24 hours a day, 7 days a week.

The Umzinyathi District Municipality Disaster Management Risk Centre has a Head Disaster Management and four Disaster Management Officers. Section 58 of the Disaster Management Act (Act 57 of 2002) provides for the establishment of a unit of volunteers by a district municipality if it so wishes. In March 2011 the Umzinyathi District municipal council took a resolution to establish such a unit and recruited forty volunteers, and they are based at the local municipalities within the fire stations. .

The volunteers received training in the following:

- Basic Fire fighting
- Basic First Aid
- Communication
- Basic Disaster Management
- Evacuation

3.2 Disaster Management Plan

In terms of the Disaster Risk Management Act 2002, (Act No.57 of 2002), Section 53, each municipality must prepare a disaster risk management plan for its area according to the circumstances prevailing in the area. The Umzinyathi district municipality, through a service provider, compiled a district disaster management plan in 2009. During the current financial year, The Umzinyathi District Municipality appointed a service provider to review the disaster management plan. Phase one of the review process for the plan has been completed which was a desktop exercise.

Currently, the review process of the plan is at level two which complies with the requirements of section 3.1.1.2 of the Disaster Risk Reduction within the Policy Framework for Disaster Risk Management in the Province of KwaZulu-Natal. The review process of the plan is expected to be completed in May 2013, which will cover the risk assessment, risk reduction, response and recovery, training and awareness and funding requirements.

3.3 Disaster Management Advisory Forum

Section 51 of the Disaster Management Act (Act 57 of 2002) states that the district municipalities may establish a municipal disaster management advisory Forum. Umzinyathi District Disaster Risk Management Advisory Forum was established on 07th December 2004. According to subsection (1), a forum is a body in which the municipality and other key stakeholders consult one another and co-ordinate their actions on matters relating to disaster management in areas under their jurisdiction. Umzinyathi District municipality advisory forum is made up of all relevant stakeholders within the district who may be involved on issues related to disaster management.

3.4 Disaster Risk Assessment

These risks have been identified during the risk analysis workshops with communities throughout the district as well as historical data gathered from incident assessments over the past four years.

Main Category (DISTRICT RISK RATING)	RISK (District)
Hydro-meteorological Hazards - Severe Storms (Wind, Hail)	0.90
Hydro-meteorological Hazards - Severe Storms (Lightning)	0.86
Hydro-meteorological Hazards - Severe Storms (Heavy Rainfall)	0.83
Fire Hazards - Veld/Forest Fires	0.77
Hydro-meteorological Hazards - Floods (River)	0.75
Fire Hazards - Formal & Informal Settlements / Urban Area	0.75
Hydro-meteorological Hazards - Severe Storms (Snow)	0.72
Transport Hazards - Road Transportation	0.71
Geological Hazards - Rock-fall	0.71
Hydro-meteorological - Drought	0.70
Pollution - Air Pollution	0.70
Transport Hazards - Air Transportation	0.69
Transport Hazards - Rail Transportation	0.67
Environmental Degradation - Erosion	0.66
Pollution - Water Pollution	0.65
Disease / Health - Disease: Animal	0.61
Hazardous Material - Hazmat: Spill/Release/Fire/Explosion (Storage & Transportation)	0.59
Pollution - Land Pollution	0.57
Environmental Degradation	0.57
Geological Hazards - Earthquake	0.55
Structural Failure - Dam failure	0.52
Infrastructure Failure / Service Delivery Failure - Information Technology	0.52
Major Event Hazards (Cultural, Religious, Political, Recreational, Commercial, Sport)	0.51
Disease / Health - Disease: Plants	0.46
Civil Unrest - Terrorism	0.45
Civil Unrest - Xenophobic Violence	0.44
Hydro-meteorological Hazards - Extreme Temperatures	0.38
Civil Unrest - Refugees / Displaced People	0.37

3.5 Disaster Response and Recovery

Section 53 of the Disaster Management Act (Act 57 of 2002) deals with disaster management plans for municipal areas. Section 53 (1) (k) of the Act prescribes that a disaster management plan must contain contingency plans and emergency procedures in the event of a disaster, providing for prompt disaster response and relief and the procurement of essential goods and services. The Disaster management center budgets annually for the purchase of relief materials in the form of tents, blankets and plastic sheeting. This material is provided to victims of disasters or serious incidents when necessary. All local municipalities are supported in this programme and relief materials are provided to them when it is necessary. Relief efforts, in the event of disasters and/or incidents, are coordinated through the local municipality disaster

management officials and the district disaster management centre.

3.6 Training and Awareness

Sections 15 and 20(2) of the Disaster Risk Management Act (Act 57 of 2002) specifies the promotion of education and training, the encouragement of a broad-based culture of risk avoidance, and the promotion of research into all aspects of disaster risk management. This key performance area addresses the development of education and training for disaster risk management and associated professions as well as the inclusion of disaster risk management and risk-avoidance programmes in school curricula. It also outlines that awareness needs to be created within the community.

The District Disaster Management Centre in consultation with other stakeholders in the rolling out of the campaign that will be in the form of Community Awareness, Educational Programme, Capacity Building and Workshops, where locals will play a huge role in identifying proper venues and mobilising local communities, amongst other things. During the programme itself, all messages will be based on the district risk profiles for those particular areas.

3.7 Funding Arrangements

The Umzinyathi District Disaster Management Centre is at the present time dependant on the municipal budget and receives no external grant funding, as outlined on the following table.

PROGRAMME	BUDGET
Disaster Communication	R80 000
Fire Services	R2 500 000
Disaster Management Relief	R2 082 925

4. Spatial and Environmental Analysis: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Credible Spatial Development Framework in place • Development Planning Shared Services in place • GIS Strategy and Policy in place • Environmental Health By-laws in place • Strategic Environmental Assessment in place 	<ul style="list-style-type: none"> • Reliance on external resources (DEA) for Environmental Compliance – no internal capacity • High Staff turnover rate on Development Planning Shared Services Intervention • No dedicated Dept for Development Planning

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Formalization of Nodal Towns and Secondary Nodes • Environmental Management Plan (EMP) – Enabled identification of hotspots for potential projects and programmes to prevent environmental degradation 	<ul style="list-style-type: none"> • Land Admin and Ownership (Ingonyama Trust Board)

5. MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

5.1 Municipal Transformation

The organisational structure of the municipality which was approved as part of the final 2012/17 IDP which had 166 posts of which 37 of them are vacant. The increase of municipal staff from 112 during 2011/12 was necessitated by the integration of staff from Uthukela Water as the municipality commenced performing the water function from 01 July 2012.

An analysis of organisational structure approved as part of the final 2013/14 IDP Review IDP in terms of the staff by gender, race and occupation has been undertaken. The analysis applies to the staff distribution excluding the new posts to be filled since gender and employment equity would need to be considered in relation to the potential candidates for the new positions. The distribution of staff by occupation, group and gender is shown below:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	04				01				05
Middle Management	15				05			01	25

Supervisor and Skilled Technical	11	01			14		03	01	29
Semi skilled	11			01	28				40
Elementary Occupation	26				07				33
Grand Total	67	01		01	55		03	02	129

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

5.2. Organisational Development

5.2.1. Institutional Arrangements

In terms of the organisational structure proposed for the 2013/14 financial year, the following departments are applicable:

- Office of the Mayor
- Office of the Municipal Manager;
- Planning and Economic Development
- Technical Services;
- Corporate Services; and
- Budget and Treasury Office.

Office of the Mayor

The Office of the Mayor consists of the following sections:

- Communications;
- Social Development;
- Intelligence Services; .

Office of the Municipal Manager

- Promote sound financial management throughout the municipality;
- Be responsible for all income and expenditure, all assets and the discharge of all liabilities;
- Ensure compliance with the Municipal Finance Management Act (MFMA) No. 56 of 2003;
- Prevent fruitless and wasteful expenditure; and

- Disclose all information on debts.
- It has the following sections:
 - Integrated Development Plan and Performance Management System
 - Internal Auditing; and
 - Disaster Management

Department: Planning and Economic Development

- Planning;
- Local Economic Development and
- Geographic Information Systems

Department: Budget and Treasury Office

- Income and Expenditure,
- Procurement;
- Customer Care and Billing
- Asset Management
- Budgeting and Reporting; and
- Financial Reporting.

Department: Technical Services

- Municipal Infrastructure Implementation;
- Municipal Infrastructure Operations and Maintenance;
- Environmental Health;
- Supporting unit through Department of Environmental Affairs.
- Water Service Authority; and
- Community Development Facilitation

Department: Corporate Services

- Human Resources;
- Administrative Services / Council support;
- Information Technology;
- Registry Services
- Fleet Management; and
- Security services for the building

5.2.2 Powers and Functions

In order to develop a functional capacity of the municipality, it is necessary to be aware of the powers and functions as they were Gazetted. The functional responsibilities applicable to uMzinyathi District Municipality in relation to the shared functions, which have a bearing on

district responsibilities, are shown in the table 6 below.

Table 9: Powers and Functions

District Functions	Shared Functions
Water	Integrated Development Planning
Sanitation	Tourism
Integrated Development Planning	Municipal roads
Solid waste disposal sites	Fire fighting services
Tourism	Fresh produce markets and (abattoirs)
Municipal Roads	
Municipal airports serving the area of the District Municipality as a whole	
Municipal environmental health serving the area of the District Municipality as a whole	
Fire fighting services for district municipality including planning and co-ordination.	
Fresh produce markets and (abattoirs) serving the area of the District Municipality as a whole	
Municipal public works relating to any of the above functions and/ or other functions assigned to the District Municipality	
The receipt, allocation and, if applicable ,distribution of grants made to the District Municipality	
Air Pollution	

5.2.3 Municipal Institutional Capacity and Status of Critical Posts

The Senior Management posts which relates to Section 55 and 56 Managers are filled, the municipal organisational structure has 166 posts of which 37 of them are vacant, processes of filling these posts are underway.

5.2.4 Policies

The municipality has prepared policies which will enable the municipality to perform its powers and functions effectively; the policies which are in place are as follows as per the responsible implementing departments, and most of the policies are in the process of being reviewed to ensure that they are relevant and practical in terms of implementation:

Name of the Policy	Responsible Department
Budget Policy	Finance
Transfer and Budget funds	Finance
Banking and Investment	Finance
Asset and Management	Finance
Fleet Management	Finance
Supply Chain Management	Finance
Grants and Donations	Finance
Indigent and Support	Technical Services
Land and Asset Disposal	Finance
Petty Cash	Finance
Tariffs	Finance
Credit card	Finance
Treatment and Valuation of Inventory	Finance
Risk Management	Finance
Financial Regulations	Finance
Information Technology and Security	Corporate Services
Information Technology Strategy	Corporate Services
Information Technology Disaster Recovery Plan	Corporate Services
Credit control	Finance

Cell phone	Finance
Bursary	Corporate Services
PMS Policy	Office of the Municipal Manager
Employment Practise	Corporate Services
Succession Planning	Corporate Services
Sexual Harassment	Corporate Services
Relocation	Corporate Services
Intoxicating and Substance Abuse	Corporate Services
Incapacity due to poor performance	Corporate Services
Incapacity due to ill health	Planning and Social Development
Housing	Corporate Services
Attendance and Punctuality	Corporate Services
Retention	Corporate Services
Leave	Corporate Services
Free basic Sanitation	Technical Services
Free Basic water	Technical Serves
Service level	Technical Serves

5.3 Employment Equity Plan

In accordance with the Employment Equity Act (No 55 of 1998), the municipality submitted the 2012/13 Employment Equity Plan on 15 January 2013 to the National Department of Labour, the plan seeks to address the numerical goals in the terms of demographics within the municipality. The plan indicates significant progress made thus far by the municipality in addressing challenges relating to enhanced demographics. The 2013/14 Employment Equity Plan is in the process of being developed and then be submitted to the Department of Labour.

5.4 Workplace Skills Development Plan

In accordance with the Skills Development Act and Skills Levy Act, municipalities have to prepare and review the Workplace Skills Development Plan. The plan seeks to address employee's skills development, scarce skills and also skills audit of the municipality. The municipality is in the process of reviewing the Workplace Skills Development Plan as required

by the said Act, through the undertaking of the skills audit for the employees in order to identify the training interventions, for implementation during 2013/14 financial year.

The municipality is registered with the Local Government Sector Education and Training Authority (LGSETA), and skills development relating to all levels of employees functions have been undertaken and integrated into the plan.

5.5 Retention Strategy

Municipalities located in rural areas are unable to retain skilled staff in their posts due to financial constraints, and they can't compete with well resourced municipalities. In order to address this challenge, the municipality has developed the retention strategy which will assist the municipality in retaining staff thereby ensuring effective in service delivery. The retention policy has been reviewed for implementation during 2013/14 financial year.

5.6 The Intergovernmental Relations Structures

The Intergovernmental Relations Framework Act (No 13 of 2005) stipulates that there must be a district Intergovernmental forum to promote and facilitate intergovernmental relations between the district and local municipalities within the district. Section 25 (1) of the legislation further indicates that:

A district intergovernmental forum consists of:

- a) the mayor of the district municipality;
- b) the mayors of the local municipalities in the district or, if a local municipality does not have a mayor, a councillor designated by the municipality; and
- c) the administrator of any of those municipalities if the municipality is subject to an interventions in terms of section 139 of the constitution.

In terms of Section 26 (1), the functions to be performed by the forum as stipulated in the legislation are as follows:

- a) draft national and provincial legislation relating to matters affecting local government interests in the district;
- b) the implementation of national and provincial policy and legislation with respect to such matters in the district;
- c) matters arising in the Premier's intergovernmental forum affecting the district;
- d) mutual support in terms of section 88 of the Municipal Structures Act (No 177 of 1998);
- e) the provision of services in the district;

- f) coherent planning and development in the district;
- g) the co-ordinations and alignment of the strategic and performance plans and priorities, objectives, strategies of the municipalities in the district;
- h) any other matters of strategic importance which affect the interests of the municipalities in the district.

Umzinyathi District Municipality has the following Intergovernmental Relations structures in place:

Intergovernmental Relations Forum	Objective of the Function	Functionality
Umzinyathi District Coordinating Forum	The objective of the forum is to promote and facilitate intergovernmental relations and cooperative government between the district and local municipalities, the forum meets on quarterly basis and is functioning properly. The new protocol agreement was signed on the 17 November 2011.	Yes
Municipal Managers Forum	The Municipal Managers Forum serves as a technical support to the District Coordinating Forum and implements their resolutions. The members of the technical support structure are the Municipal Managers of the district family of municipalities, or officials designated by them, and it also meets on quarterly basis and is functioning properly.	Yes
Speakers Forum	The forum has been recently established and the Terms of Reference for the forum will be discussed at its first meeting to be held in March 2012	Yes
General and Social Service Forum	The forum deals with matters relating to the Special groups which is youth, women, people living with disability, gender, children and elderly, and it also consist of government departments whose line function deals with the special groups.	
Provincial IGR COGTA meeting	Its a provincial structure which is being attended by the municipalities, its purpose is to track progress regarding the functioning of IGR	
Corporate Services Forum	The purpose of the forum is to share information on Administrative, Human Resource and Information Technology issues matters, and also to provide advice to the Municipal Managers Forum	yes

	such matters.	
IDP Representative Forum	The purpose of the forum is to serve as a platform where the district family of municipalities meet with the sector departments, private organisations, business, NGO's and CBO's to discuss developmental issues that affect the district family.	Yes
Planning and Development Forum	The purpose of the forum is to co-ordinate planning and development within Umzinyathi District by ensuring improved and continued communication amongst the various planning sectors, and also to ensure that planning and development within the District is undertaken in a holistic way and that it takes place within the framework of all Municipalities' Integrated Development Plans.	Yes
Disaster Advisory Forum	The purpose of the forum is to implement, monitor and co-ordinate all disaster management related issues within Umzinyathi District by ensuring improved and continued communication. The forum consists of representatives from the district and local municipalities, SAPS, Traffic, emergency services etc.	Yes
District Communicators Forum	The functions of the forum include but are not limited to the following: <ul style="list-style-type: none"> • To coordinate the sharing of information pertaining to all spheres of government; • To coordinate and organise a calendar of events for the district to ensure that these activities are streamlined across the district to avoid duplication and waste of resources; and • To provide support to local municipalities with regard to development of communication strategies. 	Yes
Planning Cross border alignment Forum	This forum ensures alignment and integration of functional areas on the IDP and Spatial development framework. It also assists the municipalities to align	Yes

	development issues in an efficient, effective and sustainable manner especially where there are shared and interdependent functional areas across the district.	
Disaster Cross border alignment Forum	This forum ensures alignment and integration of functional areas on the Disaster Management.	Yes
Chief Financial Officer Forum	The purpose of the forum is to share information on financial management and also to provide advice to the Municipal Managers Forum on financial matters.	Yes
Infrastructure Forum	The purpose of the forum is to ensure integration and alignment of Infrastructure projects being implemented within the district.	Yes
IDP Technical Committee	The purpose of the forum is to: <ul style="list-style-type: none"> • Streamlining planning process; • Finding a common district wide development vision; • Consolidation and alignment of programmes and budgets; • Unifying the channelling of both private and public sector investments; • Combating socio-economic ills in a strategic and coordinated manner; and • Put forward a plan of action that will enjoy political buy-in at levels. 	Yes
Tourism Forum	Tourism is one the key economic sectors within the district. Therefore, the purpose of the forum is to coordinate and implement economic Tourism programmes and projects within the district.	Yes
Agricultural Forum	Agriculture is one the key economic	

	sectors within the district. Therefore, the purpose of the forum is to coordinate and implement agricultural programmes and projects within the district.	
--	---	--

5.7 AUDIT COMMITTEE

The municipality has a functional Shared Services Audit Committee as required in terms of section 166(6)(a) of the Municipal Finance Management Act 56 of 2003 and Section 14(2)(a) of Municipal Planning and Performance Management Regulations 2001.

The broad objectives of the committee are as follows: -

- Maintaining oversight responsibilities of all financial and performance reporting;
- Seeking reasonable assurance that the operations of the Municipality are conducted efficiently and effectively;
- Seeking reasonable assurance that the Council has developed and complies with its policies, plans, procedures and internal controls; and
- Seeking assurance that the Council complies with relevant legislation, regulations and professional pronouncements.

5.8 INTERNAL AUDITORS

In order for the Audit Committee to meet the broad objectives, the municipality has an Internal external Internal to assist in attending to internal audit matters prior to submission to the Audit committee. The responsibilities of the Internal Auditors, amongst others are as follows:

- Review the Internal Audit Charter;
- Review the annual risk based plan and the internal audit program; and
- Ensure that all identified risk areas are prioritized and incorporated in the annual internal audit plan.

As part of building internal capacity, the municipality also has an internal Auditors who work with the external auditors as part of skills transfer.

5.9 IDP INSTITUTIONAL ARRANGEMENTS

In order to ensure ownership of the process, the municipality continued to utilise the existing institutions as much as possible. The roles and responsibilities of participants in the planning process were defined in the 2013/14 IDP Process Plan. The institutional arrangements for the Comprehensive IDP are shown in table below:

MUNICIPAL STRUCTURE	RESPONSIBILITY
Council	<p>As the ultimate political decision-making body of the municipality, the Municipal Council has to:</p> <ul style="list-style-type: none"> ○ Considers comments made in the previous IDP Review Process and adopts a new Framework / Process Plan (FP / PP); ○ Ensures the consideration of the national and provincial budgeting processes as well as inform the municipal budgeting process; ○ Adopts the final IDP or IDP Review by the end of June annually; and ○ Approves Sector Plans upon their completion
Executive Committee	<p>The Executive Committee:</p> <ul style="list-style-type: none"> ○ Delegate the overall management, co-ordination and monitoring of the process and drafting of the IDP to the Municipal Manager; and ○ Approve nominated persons to be in charge of the different roles, activities and responsibilities of the process and drafting.
IDP Steering Committee	<p>Consists of the Municipal Manager, IDP Manager and the Municipal Heads of Departments, their functions are as follows:</p> <ul style="list-style-type: none"> ○ Takes guidance from the IDP RF; ○ Drafts the IDP document and processes; ○ Makes content recommendations in terms of the IDP; and ○ Appoints task teams as and when required.
IDP Representative Forum	<p>Consists of IDP Steering Committee members, Sector Departments, business, service providers, traditional leader's representatives, NGO's and civil society organizations. The role of the Representative forum is to:</p> <ul style="list-style-type: none"> ○ Guides and directs IDP Steering Committee; ○ Represents community interests; ○ Is a mechanism for discussion, negotiation & decision making; ○ Ensures communication amongst all stakeholder; and ○ Monitors the planning and implementation process.
IDP Manager	<p>The role of the IDP manager is to assist the Municipal Manager in the co-ordination and management of the IDP process. This entails:</p> <ul style="list-style-type: none"> ○ Being responsible for secretarial services associated with the IDP meetings; ○ Responding to comments on the draft IDP from the public comments; ○ Horizontal and vertical alignment with other spheres of government; and ○ Responsible for the development of the IDP as delegated by the Municipal Manger on behalf of Council; ○ Ensure advertisement and submission of the IDP to COGTA; ○ Day to day management of the IDP.

MUNICIPAL STRUCTURE	RESPONSIBILITY
IDP Technical Committee	<p>Consist of LED and IDP personnel from the district and local municipalities, including the public and private sector. The role of the IDP Technical Committee s to:</p> <ul style="list-style-type: none"> ○ Consolidate and align programmes; ○ Unifying the channelling of both private and public Sector investments; and ○ Combating socio-economic ills in a strategic and coordinated manner and strengthening partnership and integration within the municipalities.

5.10 ANNUAL REPORT

Umzinyathi District Municipality has prepared the 2011/12 Annual Report as required by Section 121 (1) of the Municipal Finance Management Act No. 56 of 2003 and section 46 (1) of the Municipal Systems Act No. 32 of 2000. The annual report was tabled before Council on the 25 January 2013 for approval, and was subsequently approved.

Subsequent to the Council approval, the the Annual Report has been advertised for public comments, and submitted to the Department of Co-operative Governance and Traditional Affairs, Auditor General, Provincial and National Treasury for comments and inputs. The 2010/11 Annual Report complied with the provisions of Section 46 (1) of the Municipal Systems Act No. 32 of 2000, and those areas are as follows:

- Municipality's performance during the 2011/12 financial year along with the performance targets are reflected;
- Baseline of 2009/10 and 2010/11;
- General Key performance Indicators to relevant powers and functions;
- 2011/12 IDP targets reflected;
- Corrective action reflected;

- Development and service delivery priorities and performance targets for 2012/2013;
- Financial statements for the 2011/12 financial year prepared according to generally recognised accounting practices; and
- Audit Report from the Auditor-General.

The 2011/12 Annual Report will be adopted by Council on the 26 March 2012.

5.11 DEVELOPMENT PLANNING SHARED SERVICES

All four local municipalities and the district are part of the Development Planning Shared Services, and have signed the Business Plan and Service Level Agreement. The business plan between uMzinyathi and participating Local Municipalities proposed six posts, of which two of them, namely, the Chief Planner and GIS Specialist were to be located at the district level.

The two Senior Planners and GIS Technicians were to be shared by the local municipalities, but located at Umvoti and Endumeni Local Municipalities, the sharing of the personnel is as follows as outlined in the business plan:

- First Senior Planner will be shared by uMvoti and Msinga Local Municipalities on a ratio of 12 : 8 (i.e. 12 days per month for uMvoti, 8 days for Msinga);
- Second Senior Planner will be shared by Endumeni and Nquthu Local Municipalities on a ratio of 12 : 8 (i.e. 12 days per month for Endumeni and 8 days for Nquthu);
- First GIS Technician will be shared by uMvoti and Msinga Local Municipalities on an equal basis; and
- Second GIS Technician will be shared by the Endumeni and Nqutu Local Municipalities on an equal basis.

Four of the six posts in the Shared Services are filled, processes of filling the vacant posts are underway.

5.11.1 Development Planning Strategic Programmes

The programmes and projects to be implemented by Development Planning Shared Services during 2013/14 financial year are as follows:

- To render support to the remaining municipalities to have their delegations gazetted and their fee structures in place;
- Development of a system for receiving, commenting and approval of the development applications in line with the Planning and Development Act;
- Develop a three (3) year comprehensive town planning strategy to influence all local municipal planning budgets; and
- Workshop on Planning and Development Act, to officials and councillors.

5.11.2 GIS Strategic Programmes

The programmes and projects which are currently being implemented for GIS are as follows:

- Establishment of the Corporate GIS for Umzinyathi and family of Local Municipalities for the Corporate GIS purpose of enhancing Shared Services Initiative;
- Assisting Technical Services with digitally capturing of capital projects footprint for water and sanitation backlog analysis
- Implementation of GIS Strategy and policy which outline a complete GIS solution and guidelines for sustainability. This will be in line with the corporate GIS solution that the municipality is currently unfolding. The day to day use of GIS requires a GIS user policy that will outline GIS user processes and standards for internal clients and external clients.

GIS Programmes and projects for implementation during 2013/14 financial year are as follows:

- Integration of Water Accounts information to Geographic Information Systems (Billing);
- Continuous maintenance and improvements of water infrastructure GIS database improvement; and
- Continuous maintenance of operational datasets for local municipality spatial plans
- Verification of IDP Capital projects for the district and local municipalities under Umzinyathi District Municipality
- Maintenance of Umzinyathi Corporate GIS image

5.12 SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Human capacity/ Organogram • Effective Policies • Functional IGR Structures • Functional Council Committees • Functional Oversight Committee (MPAC and Audit Committee) • Effective Financial Resources • Equipment for operational purposes in place • Adherence to Legal Compliance • Effective ICT Infrastructure in place • Effective Information Management in place 	<ul style="list-style-type: none"> • Limited resources to fast track service delivery • Insufficient training for employees and Councillors • Lack of appraisal system (performance management system) for employees below Section 56 Managers • Challenges relating to ICT Usage • Lack of alignment of positions in the organogram • Misalignment of duties for employees • Lack of co-operation from stakeholders (IGR) • Non-compliance with policies
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • ICT Development • Training of Councillors and other stakeholders to enhance governance • Sharing of good practices • Creation of job opportunities • Term of office for political office bearers (conflicts) 	<ul style="list-style-type: none"> • Geographic location of the District • Grading of the municipality • Corruption and Nepotism • Poverty

6. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

6.1 2012/17 IDP Review MEC Comments

The 2012/17 IDP Review was submitted to the Department of Co-operative Governance and Traditional Affairs for commenting purposes as required by Chapter 5, Section 25 of the Municipal Systems Act. The Department of Co-operative Governance and Traditional Affairs has submitted comments on the 2012/17 IDP Review to the municipality to serve as a base for the development of the 2013/14 IDP Review, the following comments pertaining to the municipal IDP were received, and the municipality has been an action plan to address the comments, and is structured as follows:

No.	Key Performance Area	MEC Comments	Response to the MEC Comments	2013/14 Action Plan	Responsible Department
1)	Municipal Transformation and Institutional Development	<p>Your IDP has clearly defined its structure demonstrating alignment with your powers and functions. Amongst your IGR structures, I acknowledge that the Agricultural Forum is not fully effective and wish to encourage your municipality to revisit this since agriculture is one of the important economic strengths of the district.</p> <p>I notice that your municipality has 56 vacant posts and it will be encouraging to highlight how your municipality intends to address this challenge in the next IDP review. I am pleased with the strategic measures that are in place to address their KPA.</p>	<p>To this end, the Agricultural Forum, a structure aimed at advising and coordinating the implementation of agricultural programmes in the District has been revived and is fully functional.</p> <p>The structure is well constituted by the local municipalities, District DAEA&RD, DRD&LR, Commercial and emerging farmers. The structure meets on a quarterly basis. In 2012, two meetings were held.</p> <p>The organogram is currently under review when it will have an impact on the number of posts. The delays on filling the positions were due to financial constraints.</p>	<p>Agriculture is one of the primary sectors contributing to the economy of the District hence the municipality has endeavoured to intensify efforts aimed at facilitating growth in the sector.</p> <p>The new organogram shall determine how many posts are vacant and those that are regarded as essential shall be filled within three months of approved as per the recruitment policy.</p>	Office of the Mayor Corporate Services

		<p>I applaud your municipality for developing amongst others, the following policies/ strategies or structures that are the backbone to municipal transformation and institution development:</p> <ul style="list-style-type: none"> • Employment equity Plan • Workplace Skills Development Plan • Retentions Strategy • Audit Committee • Internal auditors • <p>It will be encouraging if your municipality can highlight progress achieved by these strategic interventions in your IDP Review.</p>	<p>Employment Equity Plan : manage to recruit according to our target.</p> <p>Retention Strategy: municipality has also introduced car allowance scheme as part of the retention strategy.</p> <p>The Workplace Skills Development Plan : failed to implement the plan due to financial constraints.</p>	<p>Employment Equity Plan : is currently under review and it will be submitted on the 15th of January 2013</p> <p>The Workplace Skills Development Plan : the plan is in place for implementation.</p>	
2)	Local Economic Development	<p>I acknowledge that your plan was developed in 2008/09 and you intend on reviewing it in 2012/13. I really urge you to prioritize this review to reflect the current realities of the district economy.</p> <p>Nonetheless, your situational analysis was well articulated and most recent data source from Global Insight was utilized.</p> <p>It is acknowledged that the district is characterised by rural areas with high unemployment rates, lack of income, high poverty and measures and strategies to avoid this are crucial.</p>	<p>The comment pertaining to the review of the strategy is acknowledged and it is further confirmed that the Municipality has commenced with plans to review the existing strategy to reflect on the socio-economic needs and potential of the District.</p>	<p>A proper Action plan has been developed to review the strategy.</p>	Office of the Mayor

		<p>The list of projects that you have articulated in your IDP is a good start to addressing these challenges. What is important is to ensure that the projects mentioned in the IDP are monitored and evaluated to ensure sustainability. Having said this, it will be important to reflect on how your LED plan review gets integrated in your IDP.</p>	<p>Monitoring and evaluation mechanisms are in place to ensure that the individual projects are sustainable and will produce the desired outcome.</p>		
3)	Basic Service Delivery and Infrastructure	<p>Service Delivery Plans play a huge role in people's lives and any effort made to address this KPA is commendable. I noted the district has analyzed the backlog services with relevant precaution and the measures being implemented to reduce the backlogs are plausible.</p> <p>Your IDP has sufficiently detailed the funding requirements for all the local municipalities in terms of water and sanitation programmes. You are therefore urged to report on achievements in acquiring the required funding in the next IDP review.</p>	<p>12 service providers have been appointed by the municipality to assist with sourcing of funds. Progress reports will be tabled in March 2013.</p> <p>An application for bridge finance has been approved by the DBSA.</p>	<p>Additional sources of funding to be sought to address the infrastructure backlogs.</p> <p>The services of technical support for enhanced service delivery will be procured by March 2013 to enhance service delivery.</p>	Technical Services

		<p>The effectiveness of your IGR structures will be a good test in assessing funding partnership with other stakeholders. I acknowledge that your IDP has highlighted the following challenges that are facing your municipality;</p> <ul style="list-style-type: none"> • Funding required in eradicating backlogs. • Funding sources; • Inadequate technical capacity. <p>Your municipality has clearly articulated on how it will address these issues as there are evident strategies, budgets and programmes in place. It is recommended that your municipalities adhere to the programmes. I urge you to highlight progress made in your IDP Review.</p>			
--	--	---	--	--	--

4)	Financial Viability and financial Management	<p>I commend your municipality for being among the few municipalities in the province and country to receive a Clean audit from the Auditor General (AG).</p> <p>It is encouraging that the municipality has provided a budget breakdown for the next three (3) years and that your income increased in the 2012/13 financial year.</p> <p>It is acknowledged that your municipality has reviewed the 2011/12 financial Plan which includes the current status, future plans, as well as strategy to eliminate the gaps.</p> <p>Similarly, your IDP has articulated the financial challenges faced by the municipality. The financial strategies (i.e. capital and operational Financial Strategies; Revenue strategies, Cost Activity strategies and Asset Management) that you have developed are a positive effort to addressing the financial challenges you are facing.</p>	<p>We will strive to achieve clean audit.</p> <p>We have taken over the water function from uThukela Water from 1 July 2013.</p>	<p>An action plan to be in place to address audit findings.</p> <p>Our focus area will be compliance, performance information and findings arising from the quarterly interactions with the Auditor-General.</p> <p>To improve debt collection rate.</p> <p>The financial plan is to be reviewed continuously to address gaps identified and to ensure future plans are still achievable.</p> <p>Financial challenges will be assessed continuously to ensure that plans in place to address challenges are operating effectively.</p>	Finance
----	--	--	--	--	---------

5)	Good Governance and Public Participation	<p>It is acknowledged that your municipality embraces public participation. Your IDP has clearly stipulated various mechanisms that you have engaged for effective public participation. I also noted that your municipality has a communication Policy which is essential in promoting accessibility of information to the public and also promotes transparency.</p> <p>Your presentation on public participation was encouraging; however, it was not evident on how you engaged special groups (e.g., people with disabilities, the elderly, youth, people living with HIV/AIDS, blind, etc) in the IDP development. Please report on this in your IDP Review.</p>	<ol style="list-style-type: none"> 1. PWD: Most of the programmes PWD participate in are those cascaded by the Province due to limited resources and lack of capacity, of which we are planning to address it before the end of this financial year; 2. Elderly: They are involved mostly in the sports programmes from wards, local, up to the District. They also participate in the Provincial programmes cascaded to the District. Looking forward to erect a structure that will spearhead their programmes and come up with the programme of action. 3. Youth: Most of the youth matters/issues are cross-cutting with other projects, especially in LED and sports development. 	<ol style="list-style-type: none"> 1. PWD: <ol style="list-style-type: none"> a) Revival of the structures, local and District level; b) Basic skills development, i.e., basic computer literacy and others to be proposed by this sector; c) Holding district awareness campaigns on mainstreaming disability programmes and their social welfare; 2. Elderly: <ol style="list-style-type: none"> a) Development of a sports development programme; b) Identification of sustainable economic-driven projects per each local municipality; c) Awareness campaigns intended to protect the elderly from social and domestic abuse. 3. Youth: <ol style="list-style-type: none"> a) Revival of the District Youth Forum and development of the programme of action; 	Office of the Mayor
----	--	--	--	--	---------------------

			<p>Currently, we are working on seeking ways to support Nquthu Youth Radio as one of the sustainable projects that were targeted by the youth.</p> <p>4. People Living With HIV: In partnership with the Office of the Premier, support groups constituted by infected people have been established, now looking forward to the programme to be established with their help.</p>	<p>b) Integrating youth programmes into the economic mainstream;</p> <p>c) Development of sports development programme.</p> <p>d) People Living With HIV: Assist the support groups to come up with their development plan and holding awareness campaigns to be led by People With HIV.</p>	
6)	Spatial Development Framework	<p>I noted that you have compiled with Section 26(e) of the MSA which requires your municipality to ensure that the SDF is included in your IDP. The SDF is required to be in compliance with Section 2(4) of the local government Planning and Performance Management Regulations, 2001 (Reg. 796 of 2001).</p> <p>Overall, the UMzinyathi SDF addresses most of the required elements of an SDF. It is based on a good record of the existing situation. It provides the outline of the relevant national and provincial guidelines and establishes on this basis, appropriate</p>	<p>The preceding comment is valid. However, flowing from the good analysis and interpretation of the District space at which attributes sustaining it have been identified similarly to those perceived to be unsustainable. Therefore, the SDF implementation plan will be revised to include impetus issues proposed to better and sustain livelihoods of Umzinyathi residents.</p> <p>Similarly of concern from a</p>	SDF Review process	Office of the Municipal Manager

		<p>objectives and strategies.</p> <p>The report provides a series of maps which clearly show, inter alia, the conservation of the built and natural environment. It also shows a desired growth pattern and discourages sprawl. It identifies urban edges. The SDF clearly indicates where development and infrastructure should take place and where priority spending should be located. It does however lack clearly outlined action plans since it focuses more on objectives and strategies.</p> <p>The SDF does not provide guidelines for the development of schemes which is a pity and should be addressed as a matter of urgency. However it is aligned with neighbouring District Municipalities, particularly with regard to road linkages. The evidence of the public participation process used to arrive at the SDF is not included into the documentation.</p> <p>A comprehensive assessment of your SDF, with specific recommendations is being compiled by my department and it is recommended that future reviews of your SDF take cognisance thereof.</p> <p>You are lastly reminded that in terms of the KwaZulu-Natal planning and Development Act, No. 6 of 2008, that your local municipalities are required to formulate and adopt municipal wide</p>	<p>town planning point of view is the absence of guiding principles for generating planning schemes appropriate to the 21st century and development market orientated.</p> <p>The above are projected to form part of the review process getting underway in earlier January 2013 for submission of the IDP in March 2013. Furthermore, there will be inclusion of public participation outcomes report as part of SDF.</p>		
--	--	--	--	--	--

		Land Use Management Scheme, aligned to their IDPs and SDFs, by 1 May 2015.			
No.	Key Performance Area	MEC Comments	Response to the MEC Comments	2013/14 Action Plan	Responsible Department
	Other key observations:				
7)	Outcome Based Approach	<p>I would like to remind you that this generation's IDP is an outcome based approach guided by the following;</p> <ul style="list-style-type: none"> • Cabinet Lekgotla • District Lekgotla • M& E Frameworks • State of the Nation Address • State of the Province Address • Outcome 1-12 <p>Your municipality is therefore urged to embrace the above approach and align its programmes and projects to the aforementioned outcomes.</p>	The municipal IDP embraced the outcome based approach which is being emphasised by the 3 rd generation of the IDP's to ensure alignment and integration of the programmes and projects.	The 2013/14 IDP Review has also been prepared in line with the outcome based approach being emphasised by the 3 rd generation of the IDP's.	Office of the Municipal Manager
8)	Implementation of Sukuma Sakhe	<p>It is acknowledged that the Operation Sukuma Sakhe Programme is being implemented through various projects within your LMs. Nevertheless, I noted that your municipality has conducted a study to determine poor communities that live in the most deprived areas. The summary of wards, that you have identified, that needs urgent attention is commendable.</p> <p>You also indicated that the programs</p>	Most of the services such as water and sanitation are automatically addressing community programmes, which involves even the most deprived households, which are already in the IDP. Other interventions are made at a household level by different stakeholders rendering their services depending on the needs of	<p>a) Strengthening of the forum and recruitment of other stakeholders deemed relevant to addressing social problems;</p> <p>b) Development of the programme of action that will involve all stakeholders programmes as integration;</p>	Office of the Mayor

		and projects for the identified wards are being developed for implementation. It will help if your municipality can indicate the status of such programs in your IDP Review.	that particular family. These include services rendered by Home Affairs, SASSA, DSD etc	c) Annual schedule of monthly meetings; d) Information-sharing workshops for all stakeholders and ways to integrating resources in a formal;	
9)	Municipal turn Around Strategy (MTAS)	It is acknowledged that your district has incorporated the turn Around strategy into the IDP (page 323). Furthermore, I acknowledge that you have identified ten (10) Priority Projects which are in conjunction with Outcome 9. However, the IDP did not provide milestones and responsible members to ensure that milestones were met.	A detailed action plan for the Municipal Turnaround Strategy made provision of allocating responsible personnel to implement the activities of each priority thereby achieving the desired results. Only a high level action plan was included in the 2012/13 IDP	The introduction of MISA has integrated the Municipal, Turnaround Strategy into one document. A detailed MISA Support Plan has been prepared which indicates milestones to be achieved and also relevant personnel to implement the activities, and integrated into the 2013/14 IDP.	Office of the Municipal Manager
10)	Service Delivery Plans	Your municipality is reminded to finalize your District Service Plan before the end of August 2012. Such plan needs to be adopted by the relevant IGR structure within your family by the end of August 2012 in order for it to be presented by you, the District Mayor, to the Premiers Co-ordinating Forum (PCF) at a date to be determined.	The Service Delivery Plan has been finalised, approved by the Mayors Forum and submitted to the Department of Co-operative Governance and Traditional Affairs for consideration.	The approved Service Delivery Plan will also be aligned and integrated into the 2013/14 IDP.	Office of the Municipal Manager

6.2 COMMUNICATION POLICY

Umzinyathi District Municipality has a communication policy in place which has been adopted by Council, the purpose of the policy is to promote the objectives of Section 32 of the Constitution. The promotion of access to information Act (No 2 of 2000) provides that the public has the right to information held by the organs of state or a private body. It is therefore upon the premise that this Communication Policy is developed. It also serves to safeguard the processes of communication, proper systems need to be in place hence ensuring that procedures as per the Municipal System Act (32 of 2000) are adhered to.

For Umzinyathi District Municipality to be accountable in terms of communication, it needs to have an understanding of its mandate. The policy is also crucial in communicating municipal plans like the IDP, Budget, PMS etc. The target groups for the policy are as follows:

- Internal Audience
 - Mayor, Speaker, ExCo, Council, Top management, Management, Staff
- External audience
 - Political parties, business people, NGO's, Media, Faith based organisations, general public, the local municipalities, government departments etc.

Some of the tools which are being utilised by the municipality in communicating the IDP / Budget are as follows:

- Public engagements – one in each of the four local municipalities;
- Quarterly external newsletter;
- Monthly radio talk show by the Mayor on Ukhozi FM;
- Umzinyathi Website;
- Annual Report – planned for March of each year
- IDP Rep Forum meetings;
- Planning Forum;
- Municipal Managers Forum;
- District Mayors Forum; and
- Audit Committee.

The communication policy is currently being reviewed for implementation during 2013/14 financial year. The municipality is also in the process of developing the Communication Strategy in partnership with the Government Communication department.

6.2.1 Public Participation

In terms of Chapter 4, Section 16 of the Municipal Systems Act, municipalities are required to develop a culture of public participation and consult their respective communities on developmental issues. Umzinyathi District Municipality will undertake IDP / Budget public engagements in all four local municipalities to obtain inputs and comments from the community on developmental issues that need to be addressed in the 2013/14 IDP Review

6.2.2 Customer Satisfaction Survey

Effective and efficient service delivery to communities features high on the agenda of the South African government. Local government (municipalities) is one of the major delivery channels in the South African three-tiered governmental system that can impact positively on the daily lives of South Africans. Basic services and facilities such as water, electricity, a clean environment and secure living conditions are some of the basic needs provided by municipalities to their communities.

During the current financial year, the municipality undertook the preparation of the second customer satisfaction survey, which has been completed and the outcome of the survey will be included in the final 2013/14 IDP Review. The Customer Satisfaction Survey will also contribute to improving communication between the municipality and the community in determining the social and economic needs that require urgent attention and deemed necessary to improve the quality of lives.

6.3. SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">• IGR Structures are fully functional i.e Speakers forum, MM's Forum, Mayors Forum etc.• Functional Committees• Functional Operation Sukuma Sakhe (War rooms)	<ul style="list-style-type: none">• Lack of attendance / co-operation from sector departments and other stakeholders• Limited funds and resources for strategy implementation• Lack of buy in from management and political leadership on the implementation of some of the programmes and projects

<ul style="list-style-type: none"> • Good Governance in place 	<ul style="list-style-type: none"> • Administration support and capacitation • Lack of communication between DM and LMs • Lack of adherence to Batho Pele principles e.g. accessibility, name tags, office identification tags etc • Lack of an effective Communication Strategy
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Enhancement of the IGR Structures • Shared Services not utilised to its full potential e.g. DPSS • Fully functional community section needs buy-in. 	<ul style="list-style-type: none"> • Budget constraints and its potential to hinder service delivery • Illiteracy rate • Geographical location of the district

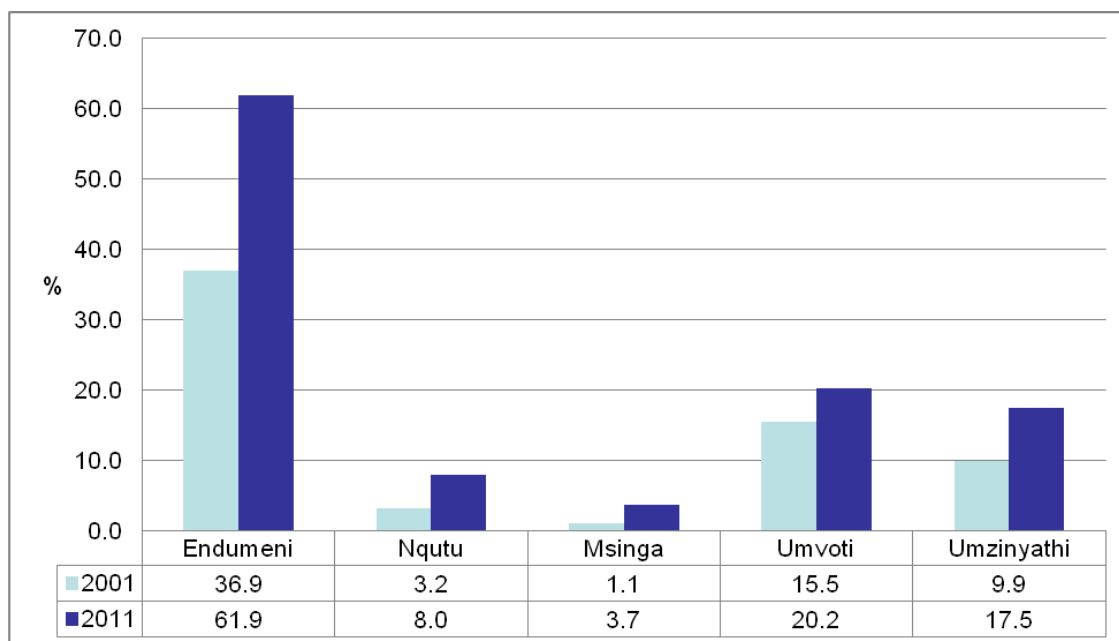
7. SERVICE DELIVERY & INFRASTRUCTURE INVESTMENT

7.1 ACCESS TO INFRASTRUCTURE SERVICES

7.1.1 Water

The following figure illustrates the provision of water to households in the district, As can be seen, the number of households without access to piped water inside the dwelling has improved, as it was 9.9% in 2001 and to 17.5% in 2011

Figure 28: Water Provision

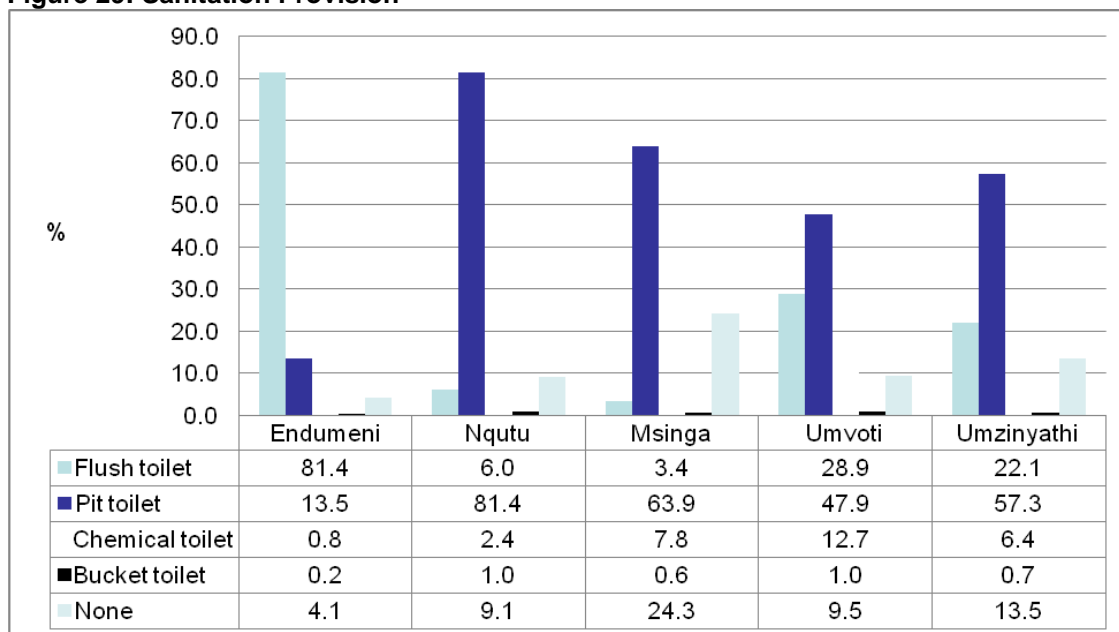


Source : Statistics SA, Census 2011

7.1.2 Sanitation

The following figure illustrates the access provision by type of toilet to households in the district, As can be seen, the number of households without access to toilet facilities has improved significantly which is 86% in 2011, while there are still households with no sanitation facilities accounting to 13.5%. The municipality disputes the percentage of 0.7% relating to households utilising the bucket system, as the bucket system was eradicated by the municipality in 2008.

Figure 29: Sanitation Provision

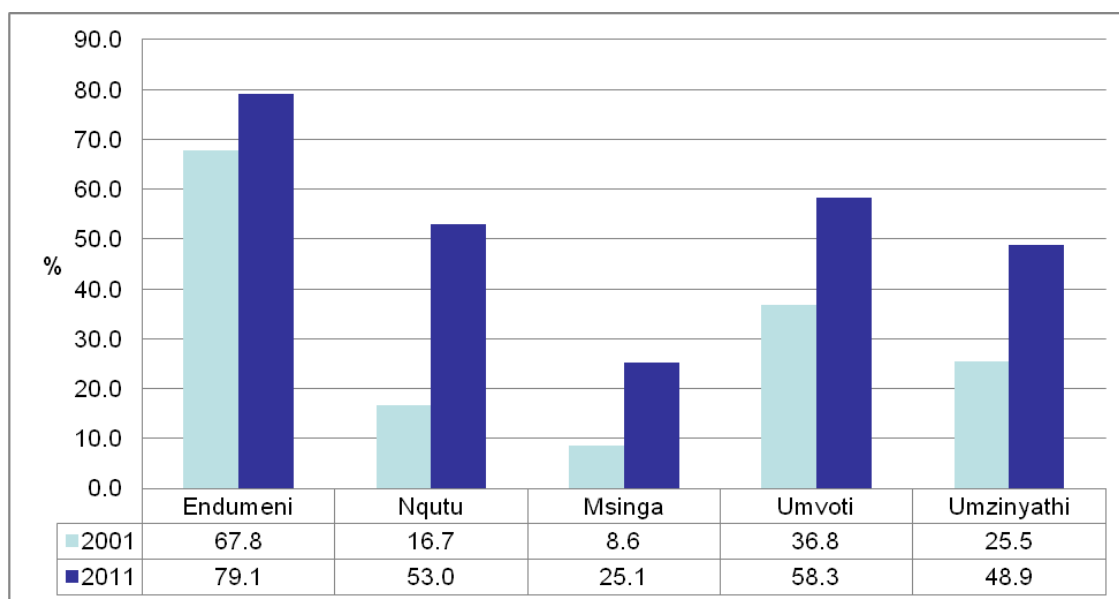


Source : Statistics SA, Census 2011

7.1.3 Electricity

The following figure illustrates access to electricity for lightning purposes in the district, As can be seen, the number of households without access to electricity has increased as it was 25.5% in 2001 and 48.9% in 2011

Figure 30: Electricity Provision



Source : Statistics SA, Census 2011

7.1.4 Solid Waste Management

The following table illustrates access to refuse removal within the district, As can be seen, that a significant number of the households within the district are utilising their own refuse dump which is 70518 households, and followed by 22902 households whose refuse is being removed by the local authority / private company at least once a week.

Table 11: Solid Waste Management

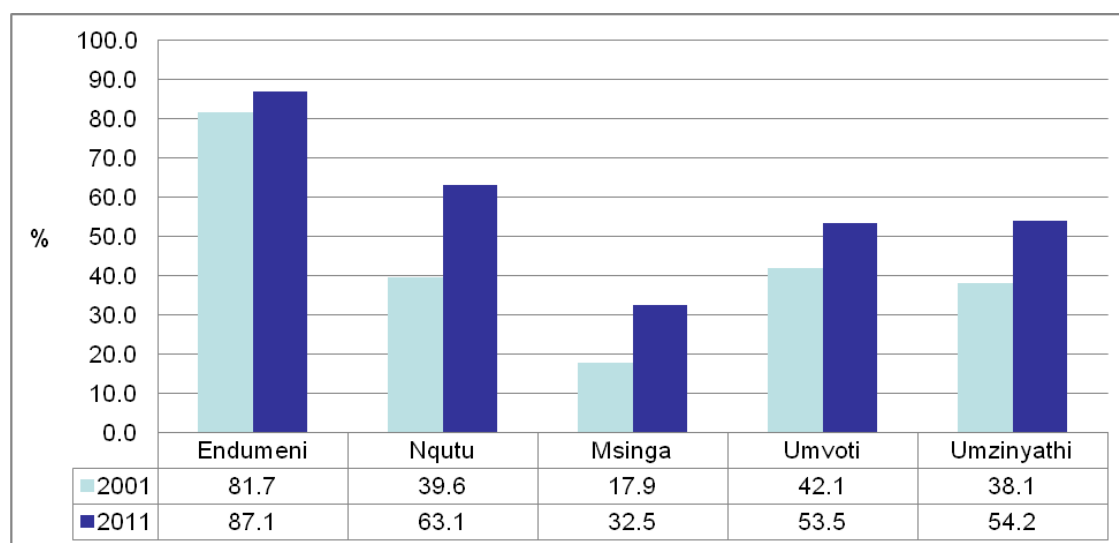
	Endumeni	Nqutu	Msinga	Umvoti	Umzinyathi
Removed by local authority/private company at least once a week	12922	2694	493	6794	22902
Removed by local authority/private company less often	162	175	246	718	1301
Communal refuse dump	268	331	545	369	1512
Own refuse dump	2895	25884	27367	14372	70518
No rubbish disposal	483	2091	8219	4585	15377
Other	122	438	855	444	1859
Unspecified	-	-	-	-	-
Not applicable	-	-	-	-	-
Total	16851	31612	37724	27282	113469

Source : Statistics SA, Census 2011

7.1.5 Housing

The following figure illustrates access to formal dwelling house within the district, As can be seen, that there has been a significant increase in terms of the number of the households within the access to formal dwelling housing 38.1% in 2001 and 54.2% in 2011.

Figure 31: Access to formal dwelling housing



Source : Statistics SA, Census 2011

7.2 Bulk Water and Sanitation Strategy

Umzinyathi DM is the Water Services Authority (WSA) for the entire district in terms of Section 1 of the Water Services Act, 1997. In order to efficiently plan the development of water services in the DM's jurisdictional area, and has a Water Services Development Plan which assists the municipality to align the projects set out by the Water Services Authority and that of the IDP in terms of providing water and sanitation services to the entire district. It also helps with understanding the water services requirements and to effectively plan and manage the projects.

The municipality has reviewed the bulk water and sanitation strategy which has quantified the backlogs for each local municipality, funding required to eradicate backlogs and also funding sources. The Strategy for water is as follows:

- Too many small stand alone schemes are being planned;
- Planned schemes are very costly – above the Department of Water Affairs bench mark guidelines.
- Serious concerns relate to the availability of reliable and sustainable water sources in the district;
- Strategic issues to be addressed:
 - Bulk Schemes to be assessed to extend services to other areas;
 - Benefits – reduced capital costs;
 - Sustainable water sources as many bore holes are drying up;
 - O&M Costs Reduced;
 - Shorten construction time and increase speed of service delivery; and
 - Avoid duplication of bulk infrastructure costs.

The Strategy for sanitation is as follows:

- Sanitation Area Based Business Plans were prepared to address the Backlogs at:
 - Umvoti
 - Msinga
 - Nquthu
- Intensive reconciliation made against Census 2011;
- Significant migration patterns across Wards and Increase in population has been observed;

- Actual households count from recently approved Sanitation Business Plans has supported significant population growth and household counts;
- Ward Councillors have to endorse business plans to eradicate sanitation backlogs; and
- Business Plans have been submitted to the Department of Water Affairs for Approval.

The water and sanitation funding requirements for the district and local municipalities as determined through the bulk strategy to eradicate backlogs thereby meeting the Millennium Development Targets are as follows:

Water Funding Requirements

- Umvoti LM – R 460 815 151.83
- Nquthu LM – R 852 645 160.75
- Msinga LM - R 1 425 533 087.65
- Endumeni LM - R 17 584 989.49
- Total funding requirements for the entire district for water is estimated to be R 4 009 344 842.72

Sanitation Funding Requirements:

- Umvoti LM – R 34 224 703.00
- Nquthu LM – R 263 601 338.61
- Msinga LM - R 122 470 174.00

Total funding requirements for the entire district is estimated to be approximately R 420 296 215.61

7.3 2013/14 Plan for Reduction of Backlogs

• Water

During 2013/14 financial year, the municipality aims to reduce the water backlog which will be 28,181 households by June 2013, and will be reduced by 750 householdsthereby improving access to communities within the RDP standards.

- **Sanitation**

The municipality aims to reduce the sanitation backlog which will be 18,332 households by June 2013, and will be reduced by 6,831 households thereby improving access to communities within the RDP standards

- **Electricity**

The provision of electricity within the district lies with Eskom and the local municipalities, the municipal plans is to prepare the Electrification Plan which will provide a comprehensive approach in providing and managing electricity within the district.

- **Waste Disposal**

The municipality in partnership with the Department of Environmental Affairs are developing two regional waste sites for waste management to be shared by the four local municipalities. To date, the implementing agents for both sites have been appointed, prepared business plans and submitted them to the Department of Water Affairs for approval, currently awaiting for approval.

7.4 Operation and Maintenance

In terms of dealing with the issues regarding operation and maintenance, provision has been made through the budget to cater for Operation and Maintenance of water projects and schemes to ensure sustainability of the schemes thereby providing water to the communities for a longer period.

7.5 Expanded Public Works Programme

Umzinyathi District Municipality is also committed in training and developing communities through the EPWP programme, thereby promoting economic growth and creating sustainable development. 25% of the MIG projects to be undertaken by the municipality are EPWP compliant.

7.6 Sector Plans

- **Water Services Development Plan**

Umzinyathi DM is the Water Services Authority (WSA) for the entire district in terms of Section 1 of the Water Services Act, 1997. The municipality has a Water Services Development Plan in place which serves to assist the municipality to align the projects set out by the Water Services Authority and that of the IDP in terms of providing water and sanitation services to the entire district. It also helps with understanding the water services requirements and to effectively plan and manage the projects.

- **Integrated Waste Management Plan**

Umzinyathi District Municipality has the Integrated Waste Management Plan which serves to address the waste management and disposal matters. The municipality is in the process of appointing a service provider to review the plan in partnership with the Department of Environmental Affairs to ensure that it provides a holistic approach in dealing with waste management, and the outcome of the plan will be integrated in the final IDP.

- **Integrated Public Transportation**

During 2013/14 financial year, the municipality will review the Integrated Public Transport Plan as required in terms of the National Land Transport Transition Act (Act 20 of 2000). The plan will assist the district family of municipalities in making informed planning decisions regarding public transport.

The municipality is also currently undertaking Rural Road Asset Management System to determine the road conditions, facilities required and also to quantify the funding requirement to improve their conditions.

7.7 Operation Sukuma Sakhe

The main aim of Operation Sukuma Sakhe / War on Poverty campaign is to reach out to more poverty stricken communities, with the intention of making maximum impact on those communities in the shortest possible way, and also to ensure that communities including the private and the public sector join forces to fight against poverty. The Operation Sukuma Sakhe programme is the new approach of how government and its social partners would fight poverty.

Umzinyathi District Municipality belongs to UMzinyathi Operation Sukuma Sakhe, also known as war on poverty.

7.8 SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<p>Physical Infrastructure</p> <ul style="list-style-type: none"> • Municipal buildings (habitable, functional) • A fully functional PMU unit in place • Municipal infrastructure <ul style="list-style-type: none"> • Roads (compliance with national road's legislation, functional roads) • Sanitation (compliance, functionality) • Water (compliance with relevant standards, functional) • By-laws approved by council • The municipality has commenced a water loss management programme 	<p>Physical infrastructure</p> <ul style="list-style-type: none"> • Municipal buildings (maintenance, shortage of office space); • Plant & equipment (old, under maintained, non-availability) • Shortage of funds for infrastructure development <p>Municipal infrastructure</p> <ul style="list-style-type: none"> • Huge infrastructure backlogs • Lack of bulk infrastructure for new/proposed developments • Roads (lack of roads in rural areas, road maintenance); • Electricity (under resourced, lack of electricity in rural areas); • Sanitation (waste water treatment works capacity, lack of sanitation infrastructure in rural areas); • Water (under maintained infrastructure, bulk infrastructure in rural areas); • Asset register not updated; • Aging infrastructure resulting in water losses and expensive maintenance; • Illegal connections; and • By-laws not gazzeted yet by province. <p>Institutional</p> <ul style="list-style-type: none"> • The technical department does not have direct access to records of actual payments made.(real time tracking);

	<ul style="list-style-type: none"> • Customer care centre not fully functional • uThukela Water has not fully transferred the water service provision staff - currently going through transition phase with uThukela Water.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Umzinyathi District Municipality currently undertaking a contractor incubator programme; • Job opportunities through Expanded Public Works Programme; and • Enhancement of the inter-governmental relations framework 	<ul style="list-style-type: none"> • Vandalism of infrastructure • Terrain: resulting in escalated costs of infrastructure provision; • Lack of reviewed and updated plans for Infrastructure planning, implementation and maintenance; • Delays in obtaining approval for Environmental Impact Assessment; • HIV/AIDS and other terminal diseases; and • Non - payment of services.

8. LOCAL ECONOMIC DEVELOPMENT

8.1 LED STRATEGY

During 2008/09 financial year, the municipality successfully prepared the LED strategy which served as a vehicle to stimulate the economic development within the district municipality; the primary aims and objectives of the LED strategy are as follows:

- provide facilitation for partnership initiatives that exploit the district's competitive advantage;
- To develop a practical and implementable LED Strategy and Programme for the District; and
- To provide institutional support to the District and local LED units within the municipalities and to strengthen networking and co-ordination between local government, business chambers and sector business networks through a process of mentorship and support for institutional development.

The LED Strategy is currently under review for implementation during 2013/14 financial year, to ensure that its application is relevant and applicable thereby promoting economic development

8.2 ECONOMIC ANALYSIS

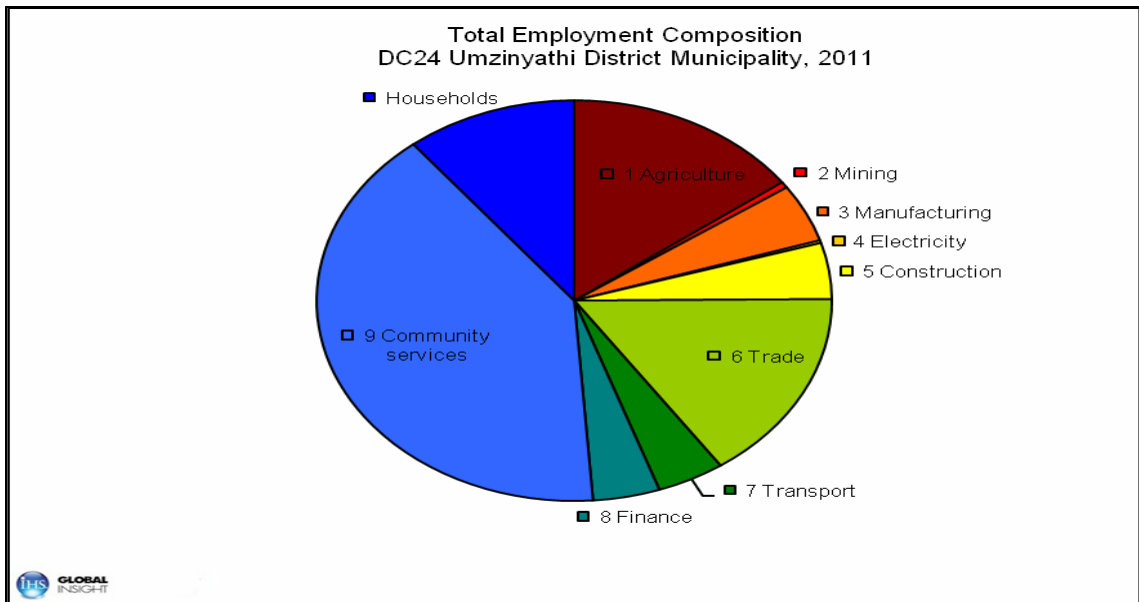
8.2.1 Economically Active Population

The Global Insight data indicates that in 2009 the economically active population (EAP) for the district represented 12.5% which was an improvement on the 10% in 1996. However, the current data suggest that the EAP in 2011 was again down to 10%. The EAP rate peaked in 2007 at 13.4%. The failure of the economy to absorb current labour force has to a greater extent discouraged potential labour participants from seeking employment.

8.2.2 Employment

As can be seen from the graph below, in 2011 the *Community Services* sector employed the highest percentage of residents followed by *Agriculture* (30.3% or 4,052 people), *Households* (16.2% or 2,795 people), *Manufacturing* (5.7% or 990 people) and *Trade* (4.3% or 751 people).

Figure 32: Formal Employment per Sector for 2011 (%)

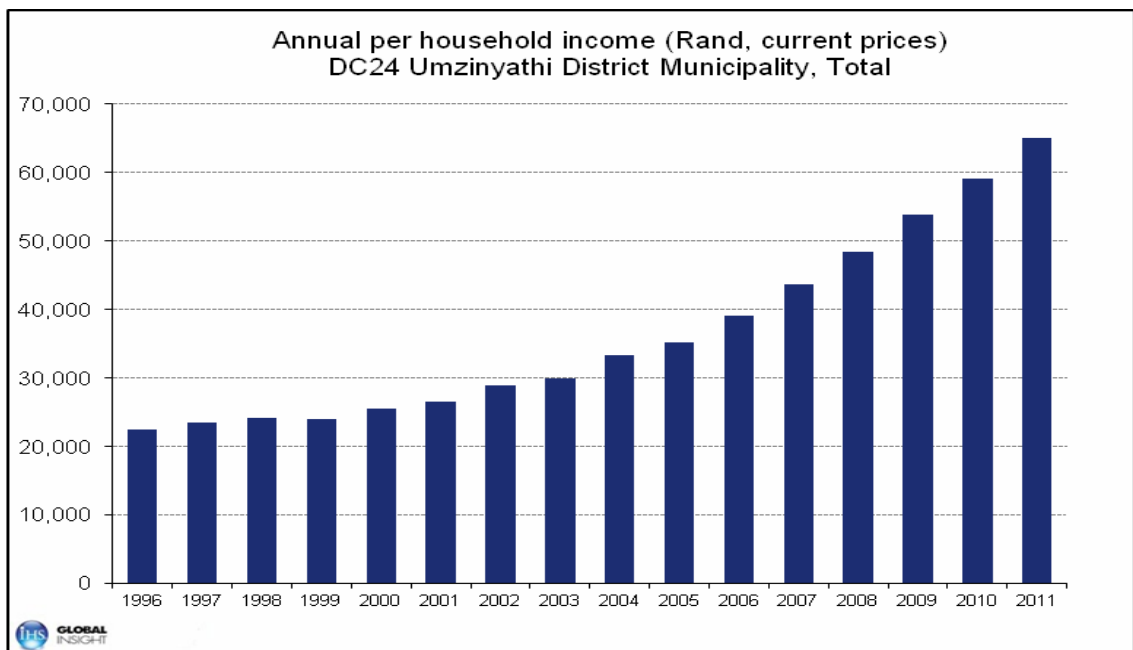


Source : Global Insight of SA, 2011

8.2.3 Annual Households Income

The following figure summarises the annual household income at current rand prices. As can be seen, there has been an improvement in the annual household income from 1996 to 2011. In 1996 households were earning an average of R22,485.00 per annum which has improved to R64,959.00 in 2011.

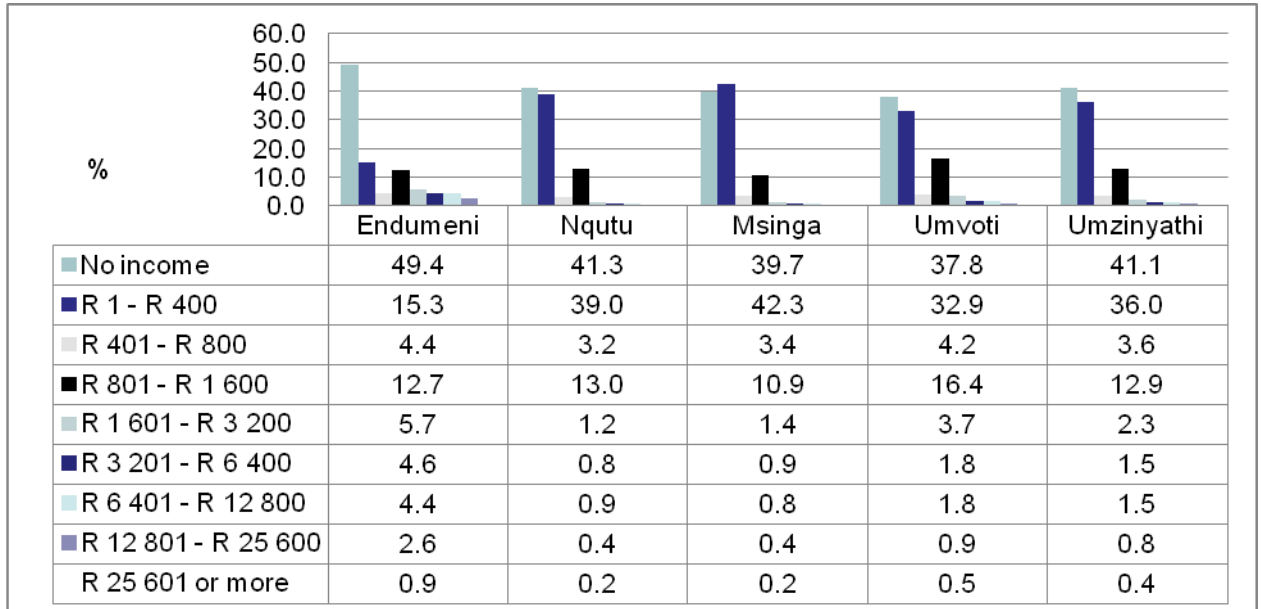
Figure 33: Annual per Household Income (1996 – 2011)



Source : Global Insight of SA, 1996 - 2011

The following figure indicates the number of households per income category. As can be seen from this data, there is still a significant number of households with no income, while there is a small number of households within a higher income group. .

Figure 34: Households per Income Category in 2011

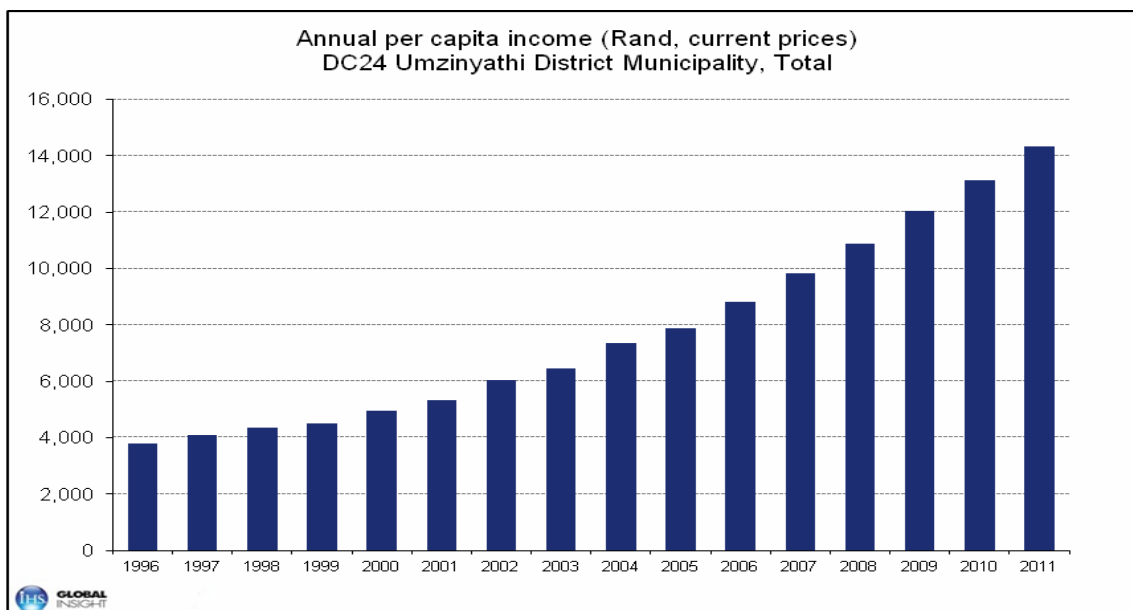


Source : Statistics SA, Census 2011

8.2.4 Annual per Capita Income

Annual per capita income has also improved during this period from R3,900.00 in 1996 to just below R14,208.00 in 2011.

Figure 35: Annual per Capita Income (1996 – 2011)



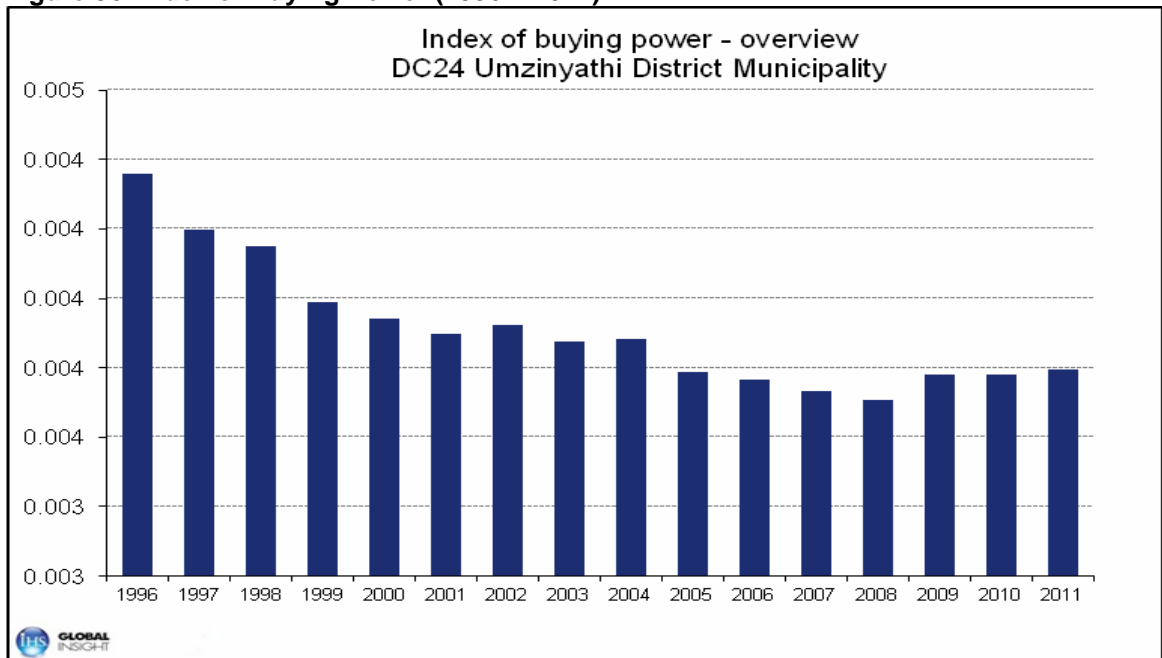
Source : Global Insight of SA (1996 – 2011)

8.2.5 Index of Buying Power

An *Index of Buying Power* is a popular indicator of a geographical area's relative consumer buying power. The index is calculated using weighted data for income, retail sales, and population in the area being evaluated. The index can be used by retailers when considering new store locations.

The Index of Buying Power for the district has decreased marginally from 0.005% in 1996 to 0.004% in 2011. The retail share of the national total has also decreased from 0.3% in 1996 to 0.2% in 2011. Income share of the national total has remained static at 0.4% for the period 1996 to 2011.

Figure 36: Index of Buying Power (1996 – 2011)

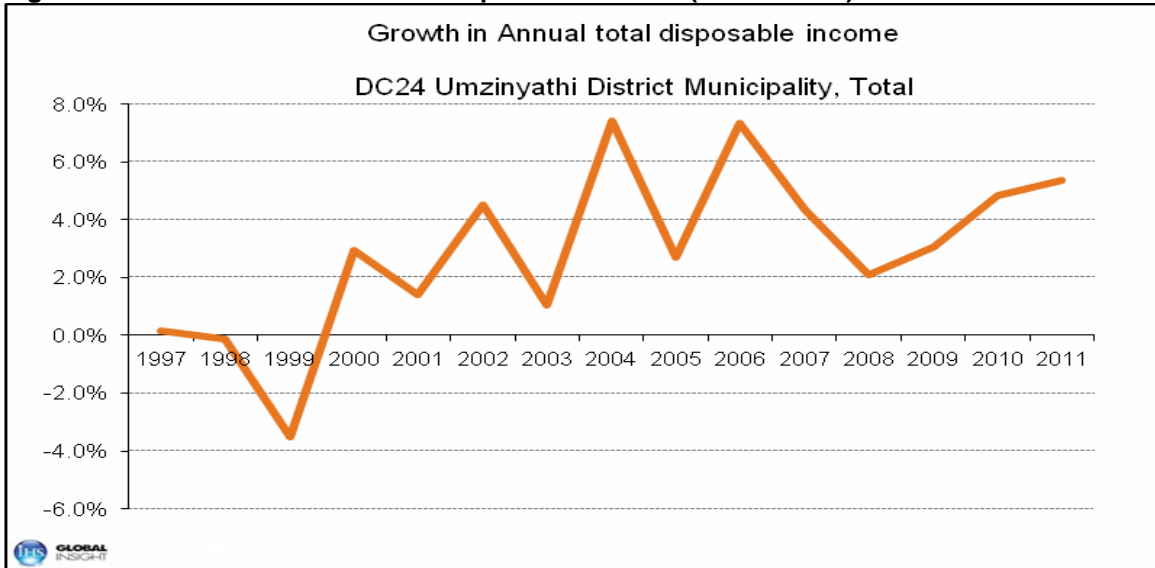


Source : Global Insight of SA (1996 – 2011)

8.2.6 Annual Total Disposable Income

The growth in the annual total disposable income is summarised in the graph below. As can be seen, 1998 until the end of 1999 saw a negative growth in total disposable income for the district. This was replaced by a period of positive growth from 2000 to 2009 with a peak in the growth in 2006. Although still positive, there has been a decline in the growth rate from 2006 to 2009 which corresponds with the *Global Financial Crisis*.

Figure 37: Growth in Annual Total Disposable Income (1996 – 2011)

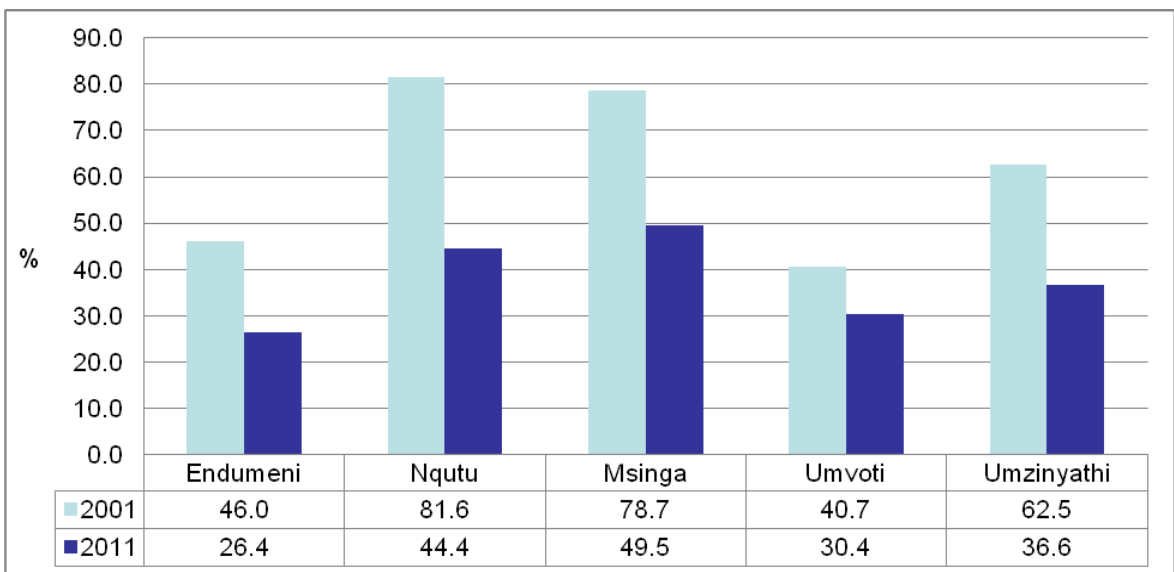


Source : Global Insight of SA (1996 – 2011)

8.2.7 Unemployment

The Statistics South Africa figures indicate that the Unemployment rate has decreased from 62.5% in 2001 to 36.5% in 2011. The following graph summarises these figures.

Figure 38: Unemployment Rate



Source : Statistics SA, Census 2011

8.3 POVERTY

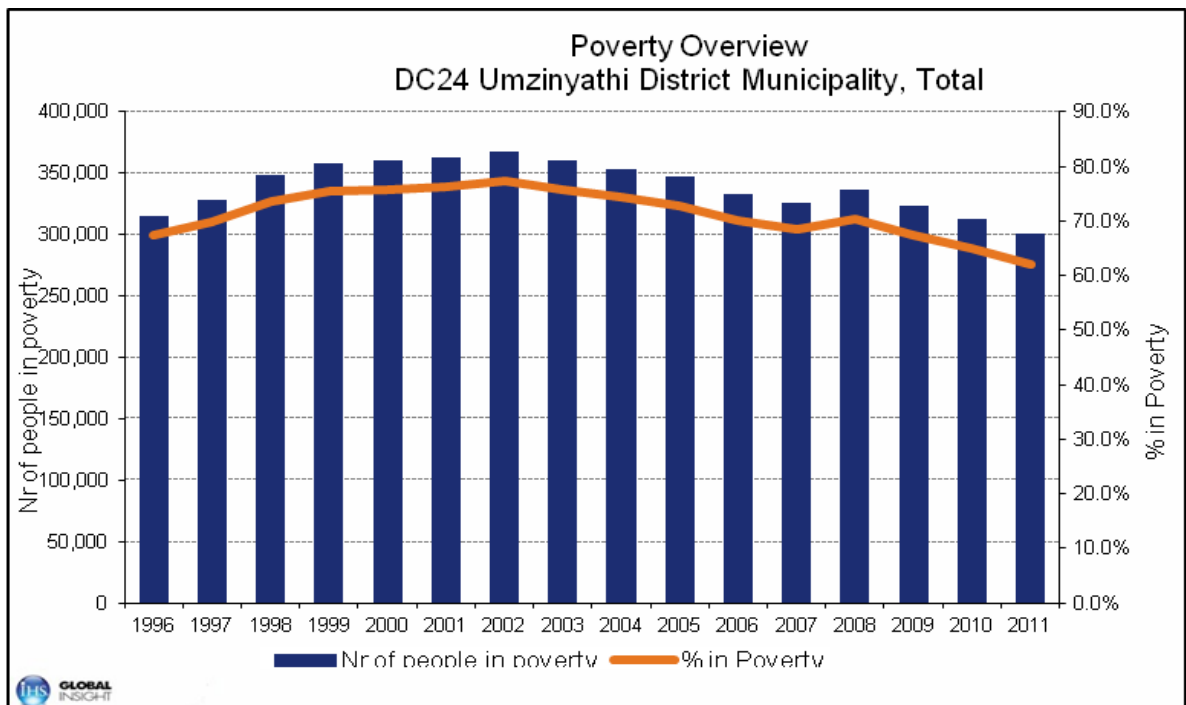
8.3.1 Number of People in Poverty

Poverty is defined as the state of one who lacks a usual or socially acceptable amount of money or material possessions. This variable indicates the number of people that lack the goods and services commonly taken for granted by members of mainstream society. In 1996 the figure for the district stood at 328,661 people, while in 2009 the figure was 316,228 people. In terms of 2011 figures at 280 000 people are faced with the scourge of poverty.

In terms of percentages, in 1996 71.2% of residents of the district lived in poverty, while in 2009 66.3% lived in poverty. This figure peaked at 79.9% in 2002. Currently the number of people living in poverty has decreased to at least 60% in 2011. This notable improvement can be directly or indirectly attributed to a number of government interventions including access to social grants.

The Umzinyathi District Municipality in 2009 was well above the national average for the number of people living in poverty.

Figure 39: Number of People Living in Poverty (1996 – 2011)



Source : Global Insight of SA (1996 – 2011)

8.3.2 Poverty Gap

The poverty gap can be defined as the amount of income that would be required to bring every poor person exactly up to the poverty line, thereby eliminating poverty. It can also be defined as the total income shortfall, expressed in proportion to the poverty line, of families with income below the poverty threshold, divided by the total number of families. For the Umzinyathi District Municipality this figure stood at R327 million in 1996, and rose to R1,037 million in 2009. This figure peaked in 2008.

8.3.3 Percentage of People Living Below \$1 and \$2 Per Day

In 1996 9% of the population lived below \$1 per day and 26.2% lived below \$2 per day. This figure improved to 1.6% living below \$1 per day and 11.7% below \$2 per day in 2009. The year 2002 saw the highest number of people living below \$1 per day (12%) and the highest number of people living below \$2 per day (33.8%).

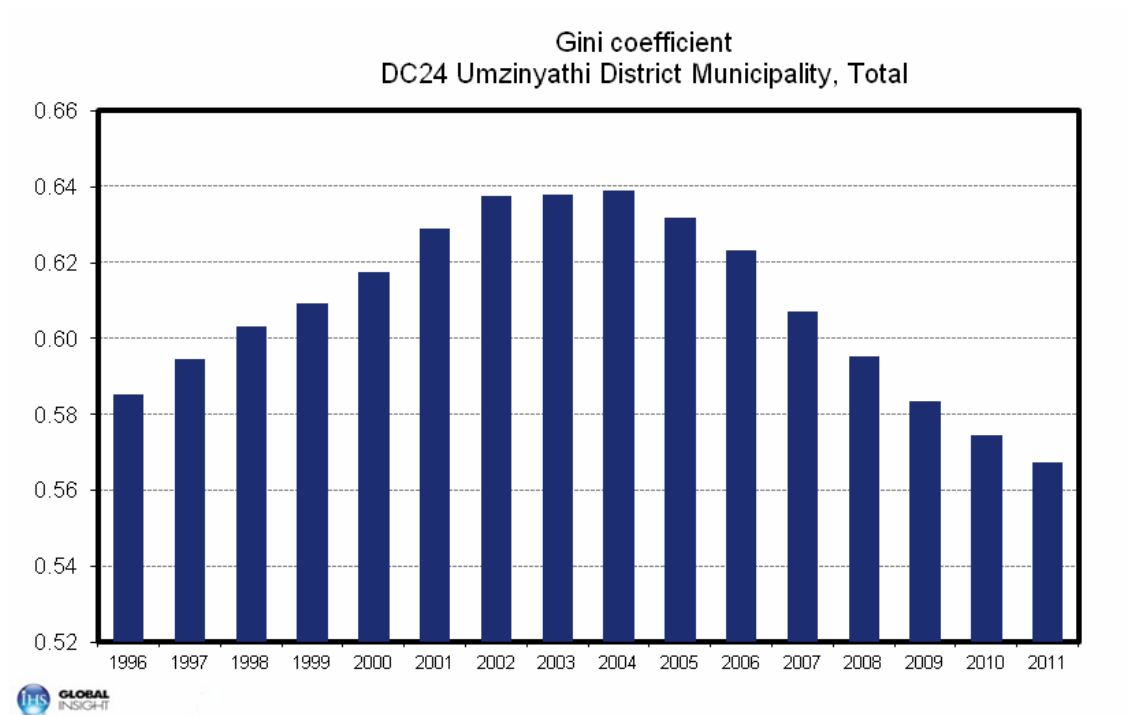
In 2011 figure the situation has improved drastically and currently at least 0.1% live below \$1 per day and 6.1% live below \$2 per day.

8.3.4 Gini Coefficient

The Gini Coefficient is the most commonly used measure of inequality. The coefficient varies between 0, which reflects complete equality and 1, which indicates complete inequality (one person has all the income or consumption, all others have none).

The Gini Coefficient for the district rose from 0.59 in 1996, to 0.61 in 2009, and peaked at 0.63 in 2003 and 2004. This indicates a relatively high level of inequality in the UDM society. The Gini coefficient for the district in 2009 is lower than the national average.

Figure 40: Gini Coefficient

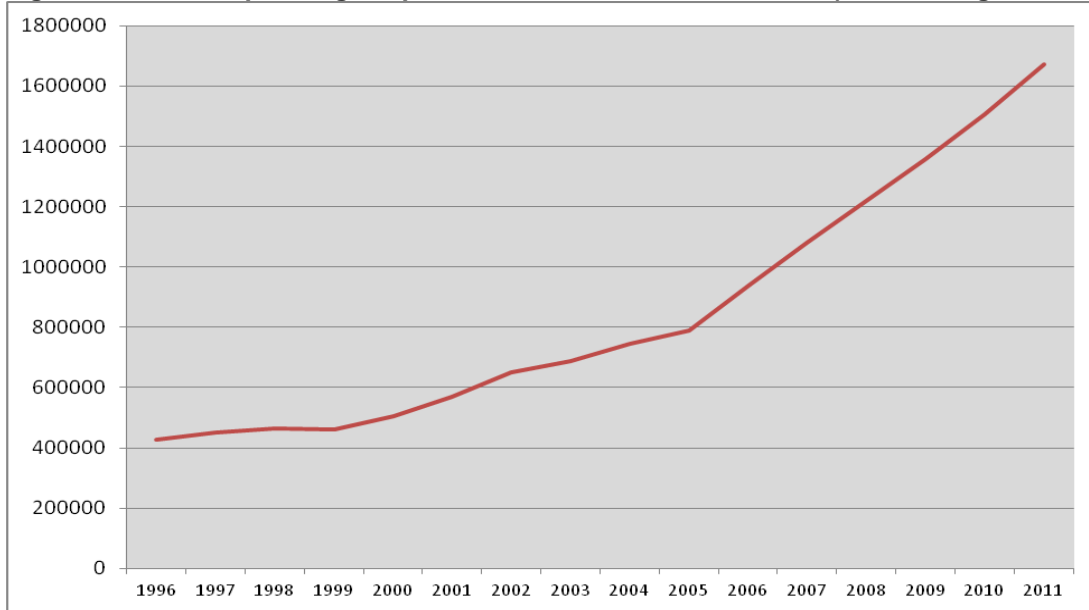


Source : Global Insight of SA (1996 – 2011)

8.3.5 Gross Operating Surplus

The Gross Operating Surplus (GOS) can be defined in the context of [national accounts](#) as a balancing item in the [generation of income account](#) representing the excess amount of money generated by incorporated enterprises' operating activities after paying [labour input costs](#). In other words, it is the capital available to financial and non-financial corporations which allows them to repay their creditors, to pay taxes and eventually to finance all or part of their investment. The following graph summarizes the GOS for the district and indicates a steady growth in GOS from R426,254 in 1996 to R1,355,267 in 2009 and moving up to R 1 700 000 in 2011.

Figure 41: Gross Operating Surplus for All Industries in the UDM (Global Insight, 2011)



Source : Global Insight of SA (1996 – 2011)

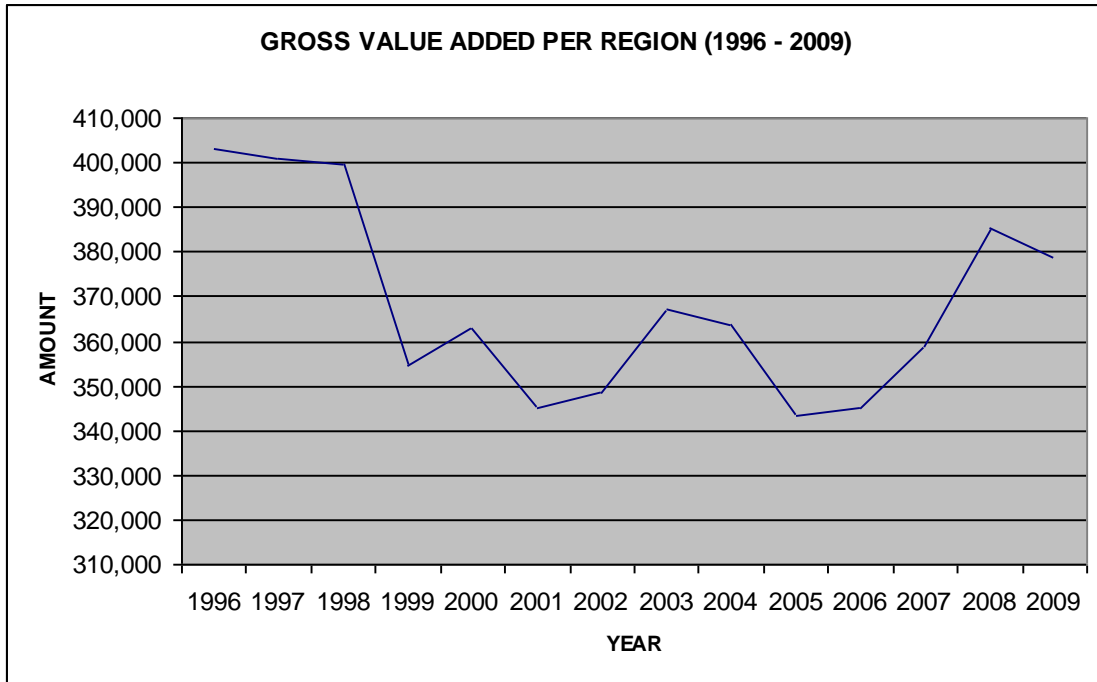
8.3.6 Gross Value Add

Gross Value Added (GVA) is a measure of the value of goods and services produced in an area or sector of an economy. The information below has been extracted for the primary, secondary and tertiary sectors.

8.3.7 Primary Sector

The following figure summarises the GVA per region for the primary sector for the years 1996 to 2011. As can be seen, the GVA- R for 1996 was R403,126.00 which has declined to R378,861.00 at constant 2005 prices (R1000).

Figure 42: Gross Value Added per Region for the Primary Sector (1996 – 2009) (Global Insight, 2011)

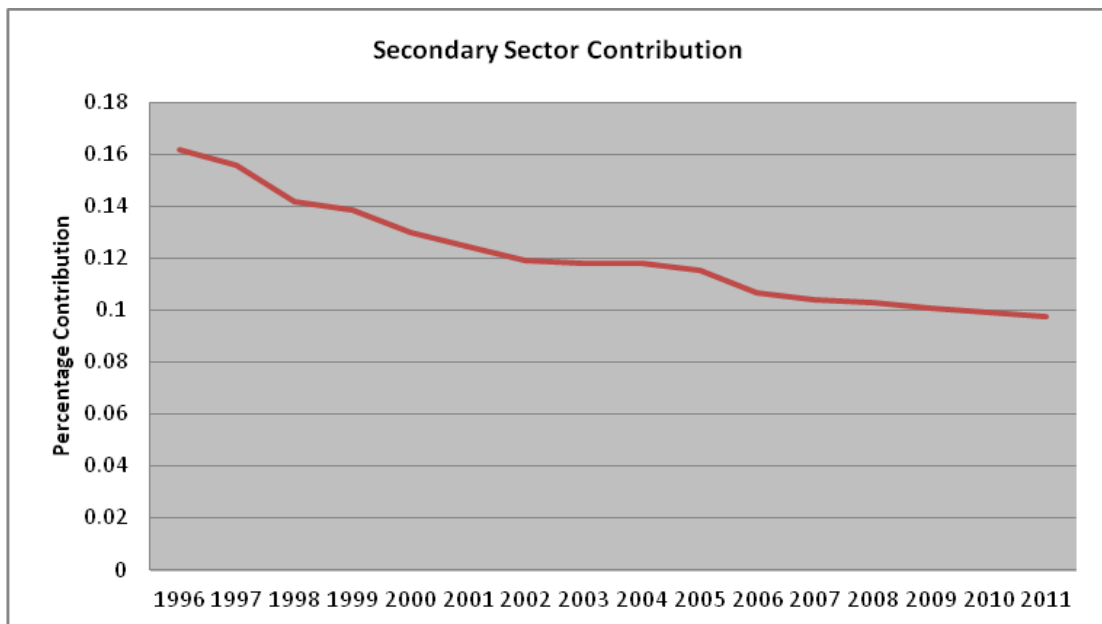


Source : Global Insight of SA (1996 – 2011)

8.3.8 Secondary Sector

The secondary economy indicates a similar trend to the primary economy with a decline in the GVA- R from R252,363.00 in 1996 to R206,147.00 in 2009 at constant 2005 prices (R1000).

Figure 43: Gross Value Added per Region for the Secondary Sector (1996 – 2009) (Global Insight, 2011)

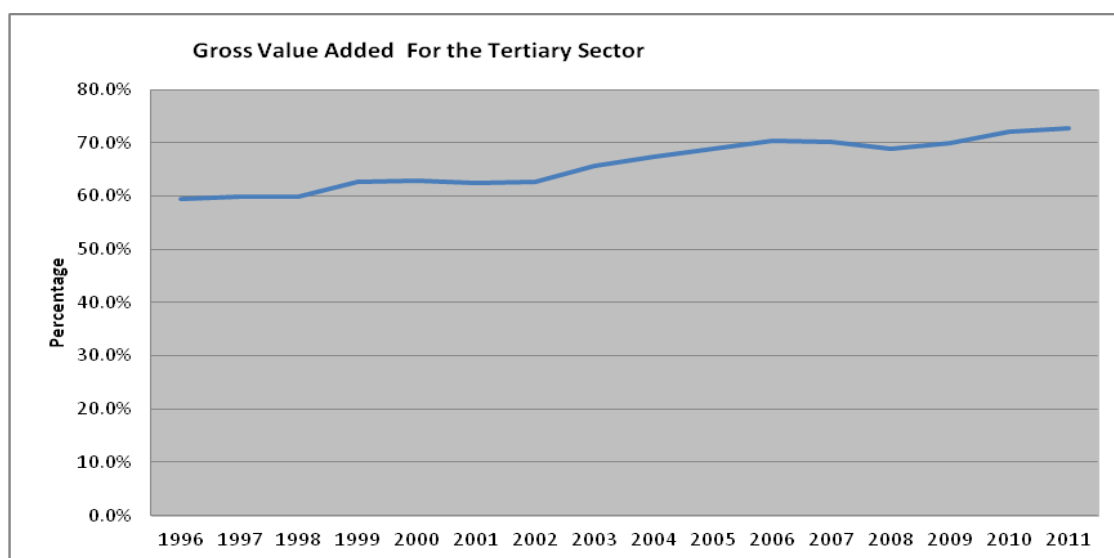


Source : Global Insight of SA (1996 – 2011)

8.3.9 Tertiary Sector

The tertiary sector differs from the primary and secondary sectors and indicates a steady growth in GVA from R1,109,623 in 1996, to an amount of R1,429,199 in 2009 at constant 2005 prices (R1000).

Figure 44: Gross Value Added per Region for the Tertiary Sector (1996 – 2009) (Global Insight, 2011)

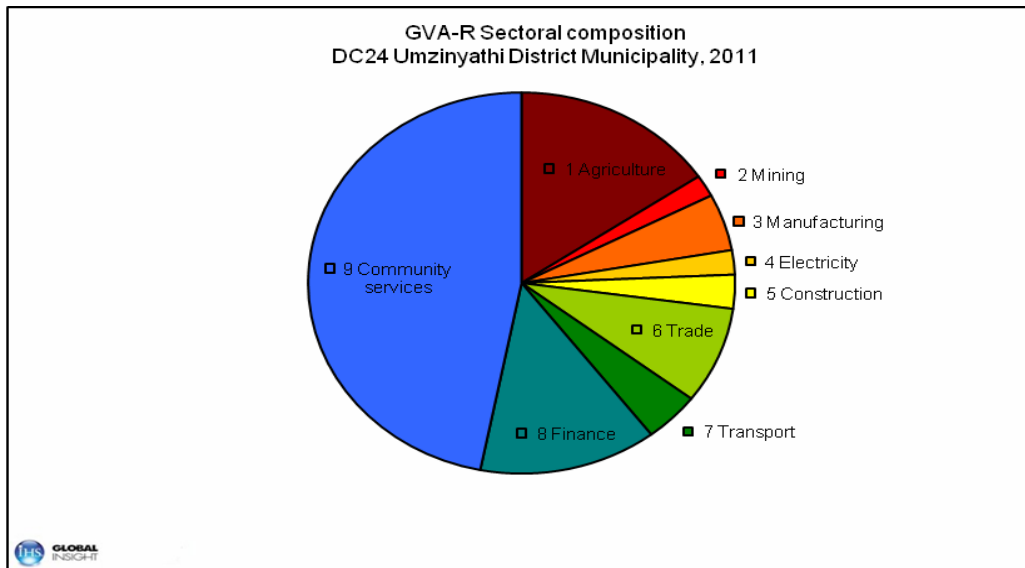


Source : Global Insight of SA (1996 – 2011)

8.4 SECTORS ANALYSIS

The following figure summarises the GVA- R for the sectors in the district and has been highlighted above. As can be seen, the highest contributors to the GVA of the municipality are *Community Services*, followed by *Agriculture*, *Finance*, *Trade* and *Manufacturing*. Each of these sectors will be analysed in more detail.

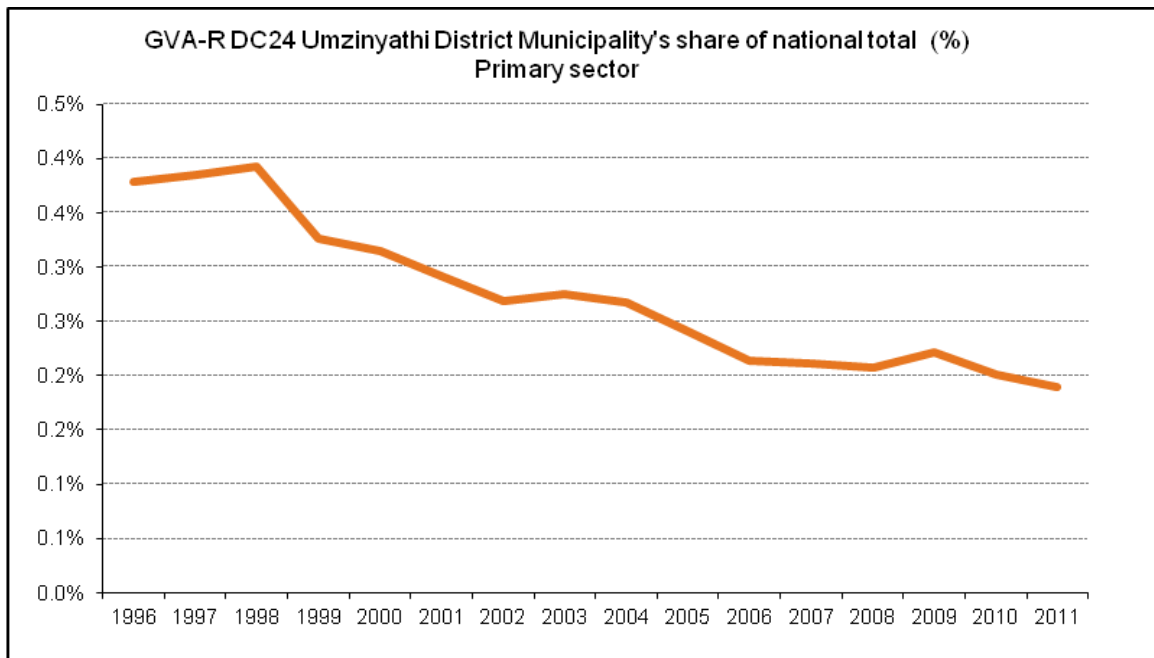
Figure 45: GVA- R Sector Composition



Source : Global Insight of SA (1996 – 2011)

The following figure summarises the contribution of the total industries in the district to the national total. As can be seen from the graph, the total contribution to the national share has declined from 0.2% in 1996 to 0.1% in 2005. From 2005 to 2009 there was a period of gradual growth but still at no more than 0.1%.

Figure 46: uMzinyathi DM's Share of the National Total for Total Industries

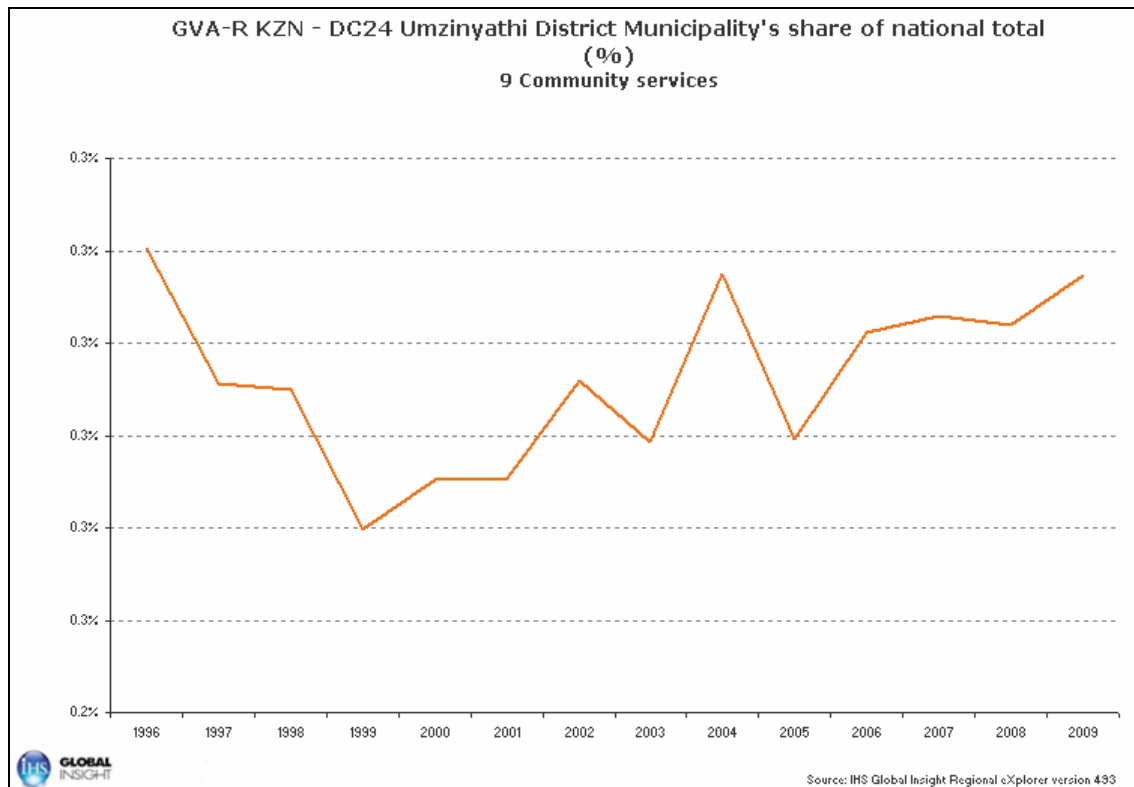


Source : Global Insight of SA (1996 – 2011)

8.4.1 Community Services

The following figure summarises the performance of the Community Services sector, which has the largest contribution to the GVA- R in the district, from 1996 to 2009. As can be seen, there was a decline in the Community Services sector from 1996 to 1999 where after there has been a period of gradual growth with short periods of decline. The Community Services sector, during the period 1996 to 2011, only contributed 0.3% to the national total.

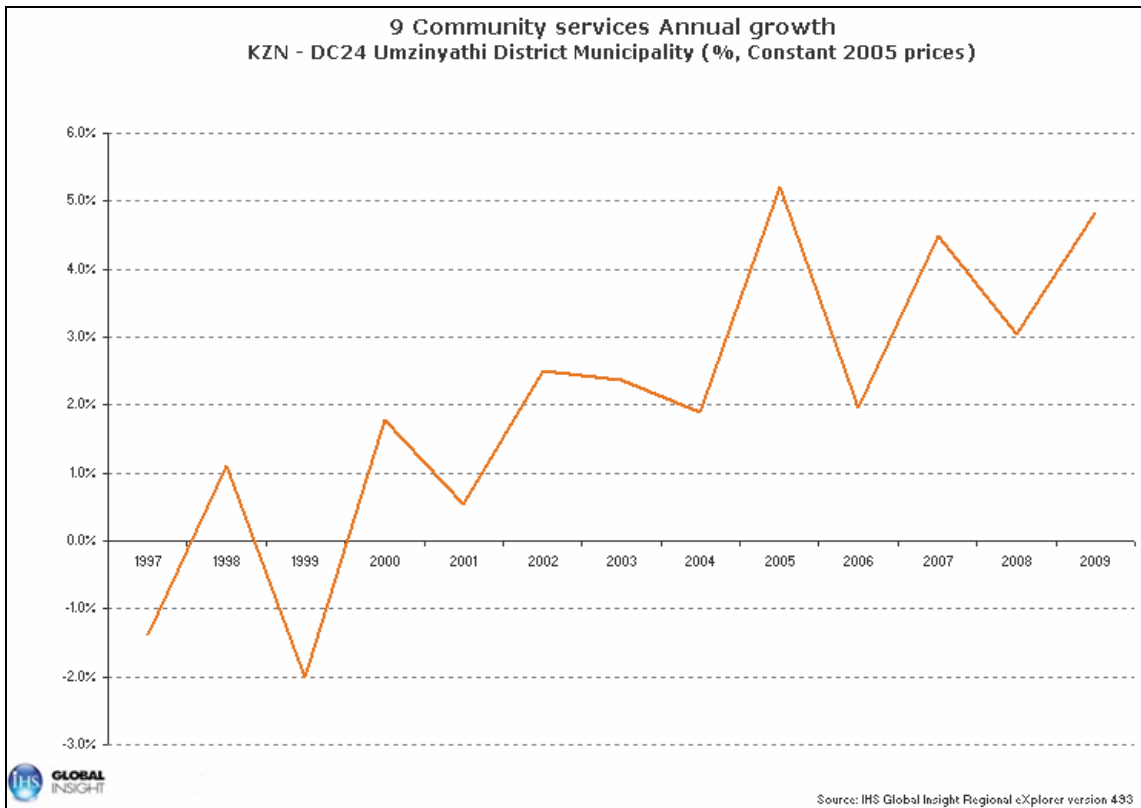
Figure 47: uMzinyathi DM's Share of the National Total for Community Services



Source : Global Insight of SA (1996 – 2011)

The figure below indicates the growth rate for the Community sector from 1996 to 2011. As can be seen, there was a growth in the sector in 1998 of 1%, followed by a sustained period of growth from 2000 onwards which peaked at over 5% in 2005. The average growth rate from 1996 to 2009 for this sector was 2.0% per annum.

Figure 48: Annual Growth Rate in the Community Services Sector

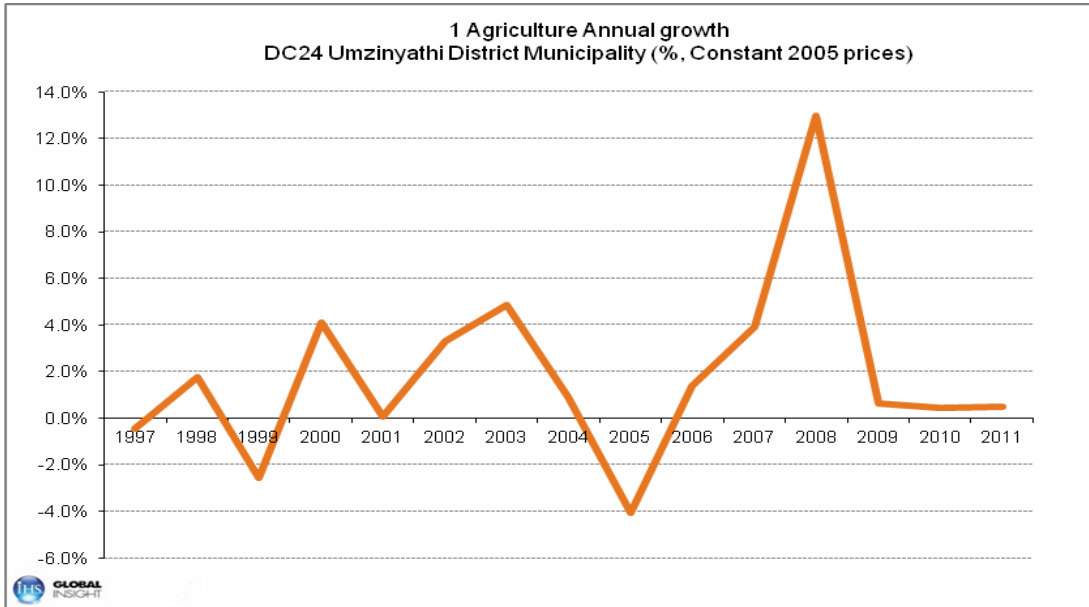


Source : Global Insight of SA (1996 – 2011)

8.4.2 Agriculture

As can be seen from the figure below, the Agriculture sector in the district has been range bound in its contribution to the national agricultural total and has contributed between 0.7% and 0.9%.

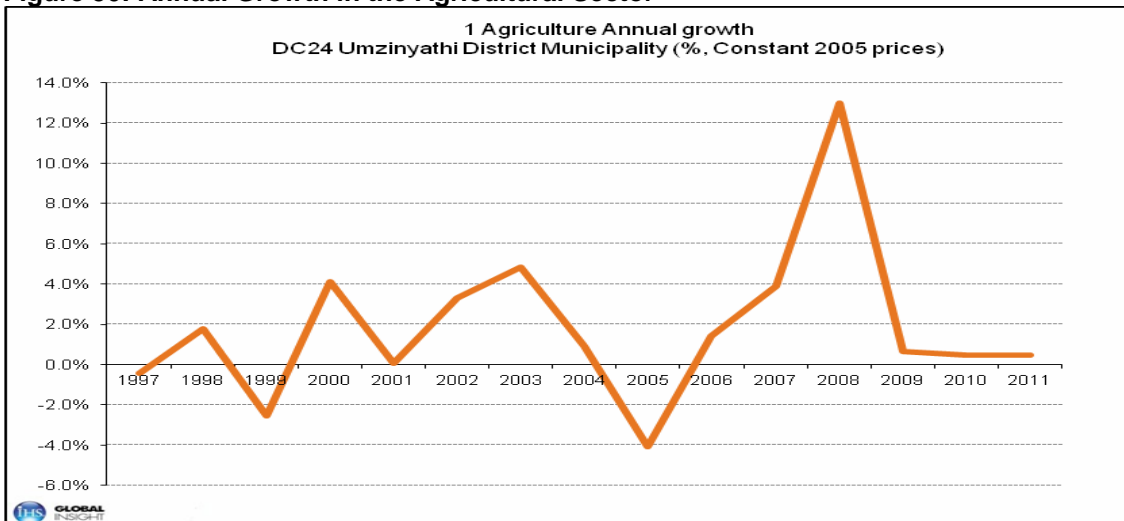
Figure 49: Umzinyathi DM's Share of the National Total for Agriculture



Source : Global Insight of SA (1996 – 2011)

The following figure summarises the growth in the Agricultural sector from 1996 to 2011. The statistics indicate that there have been four periods of decline or negative growth rates in the sector namely 1996/7, 2005, and 2009 onwards. The data also indicates that for 2006 to 2009 the sector grew at its highest rate of 8% per annum. The average growth rate for this sector from 1996 to 2009 was 1.4% per annum.

Figure 50: Annual Growth in the Agricultural Sector

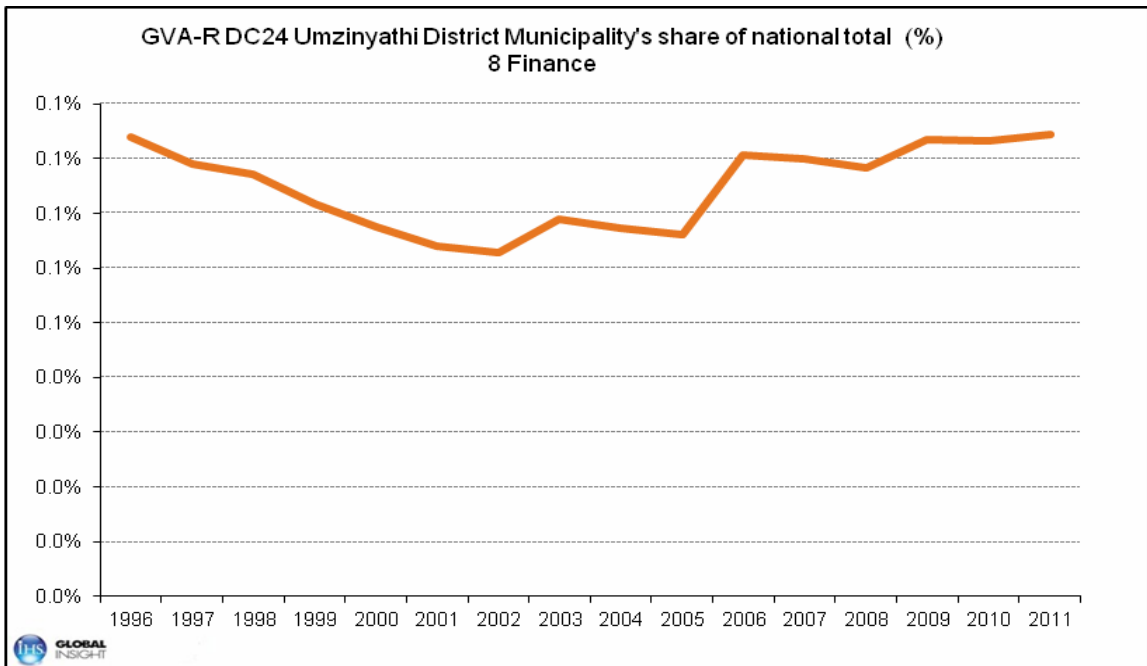


Source : Global Insight of SA (1996 – 2011)

8.4.3 Finance

The following figure summarises the performance of the Finance sector in the UDM from 1996 to 2011. As can be seen, there was a decline in the Finance sector from 1996 to 2002 where after there has been a period of gradual growth. The Finance sector, during the period 1996 to 2011, only contributed 0.1% to the national total.

Figure 51: Umzinyathi DM's Share of the National Total for Finance



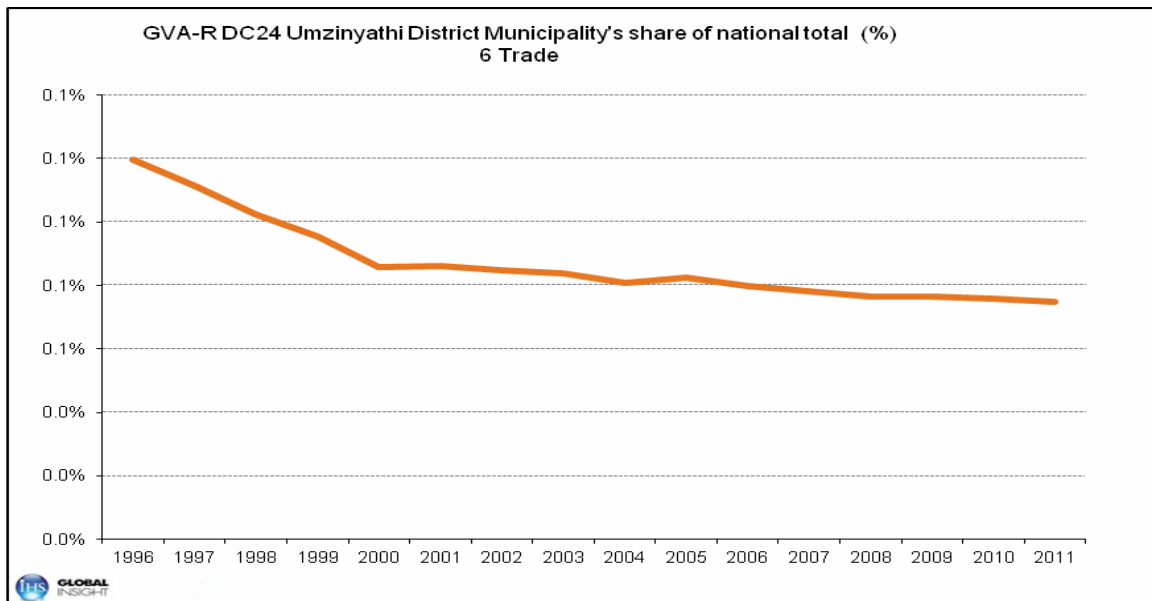
Source : Global Insight of SA (1996 – 2011)

The finance sector declined for the period of 2002 up to 5% per annum. From 2002 onwards, the sector grew with two peaks in 2003 (approximately 12%) and 2006 (approximately 28%). The average growth rate of this sector from 1996 to 2011 was 4.1% per annum

8.4.4 Trade

The following figure summarises the contribution of the trade sector in the district to the national total. As can be seen, there has been a gradual decline in the trade sector from 1996 to 2011 within the district contributing less than 0.1% to the national total.

Figure 52: Umzinyathi DM's Contribution to the National Total for Trade



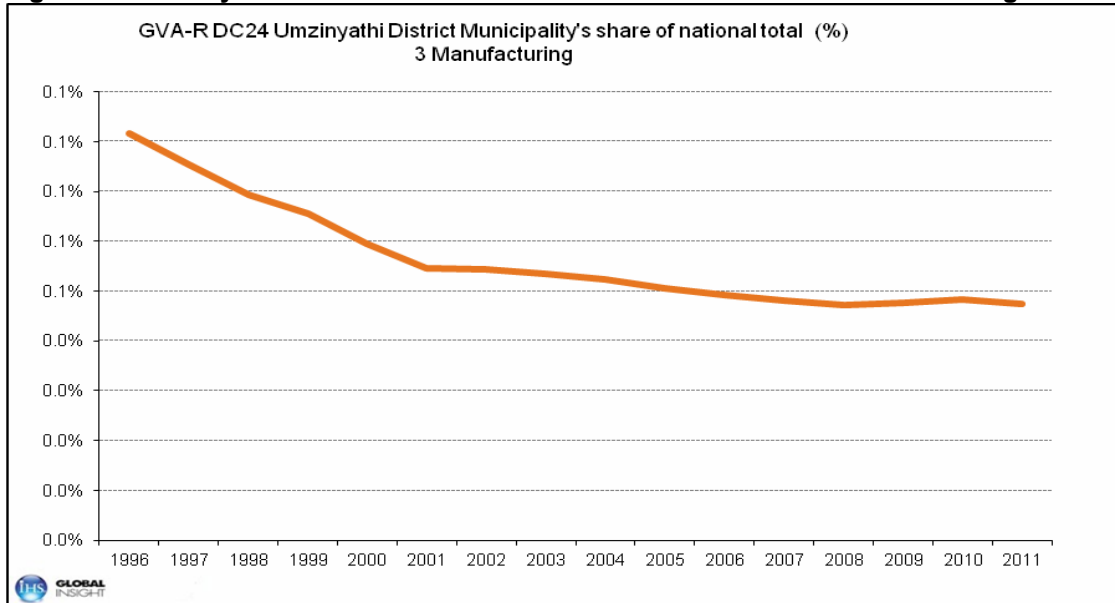
Source : Global Insight of SA (1996 – 2011)

The sector enjoyed a period of sustained growth from 2001 to 2008 and peaked at a growth rate of around 5% per annum. From 2008 onwards, however, the sector went into decline as a possible result of the global financial crisis and was declining at around 4% per annum in 2009. However, from the last quarter of 2009 it showed positive signs of recovery which continued unabatedly up to 2011.

8.4.5 Manufacturing

The following figure summarises the contribution of the manufacturing sector in the UDM to the national total. As can be seen, there has been a gradual decline in the manufacturing sector from 1996 to 2011 with the district contributing less than 0.1% to the national total.

Figure 53: Umzinyathi DM's Contribution to the National Total for Manufacturing



Source : Global Insight of SA (1996 – 2011)

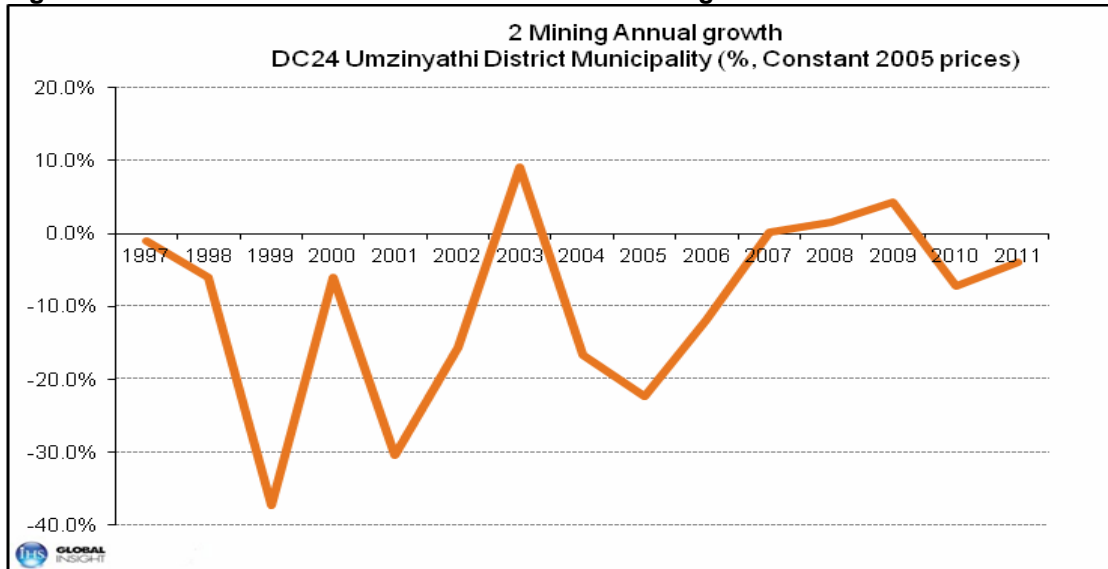
The sector indicates growth that from 2004 to 2008 there was positive growth in the Manufacturing sector followed by negative growth at all other periods. From 2008 onwards the sector has declined at an alarming rate of up to 10% per annum. The average annual growth rate for this sector from 1996 to 2009 was -2.3% per annum. Nevertheless, there has been a dramatic turn of events which led to an upward trend from first quarter of 2010 to the last quarter. Again the downward spiral was again experienced. Undoubtedly the district is not strong in this particular sector. The need persist to revisit agro-processing strategies and find solutions that will be implemented in order to boost the sector and its potential in creating job opportunities.

8.4.6 Mining

For the period 1996 to 2007 the mining sector in the district was in decline and this can be seen in the contribution of the UDM's share of the total national mining sector. In more recent years this decline has been replaced by marginal levels of growth which corresponds with the increased interest in coal mining and the many prospecting applications.

The confirmation of the district as the potential mining hub under Special Economic Zone initiative will further accelerate growth in this particular sector. However, the feasibility studies to be conducted by Department of Economic Development will assist in establishing the feasibility of the mining sector under Umzinyathi District Municipality.

Figure 54: Umzintathi DM's Share of the National Mining Total



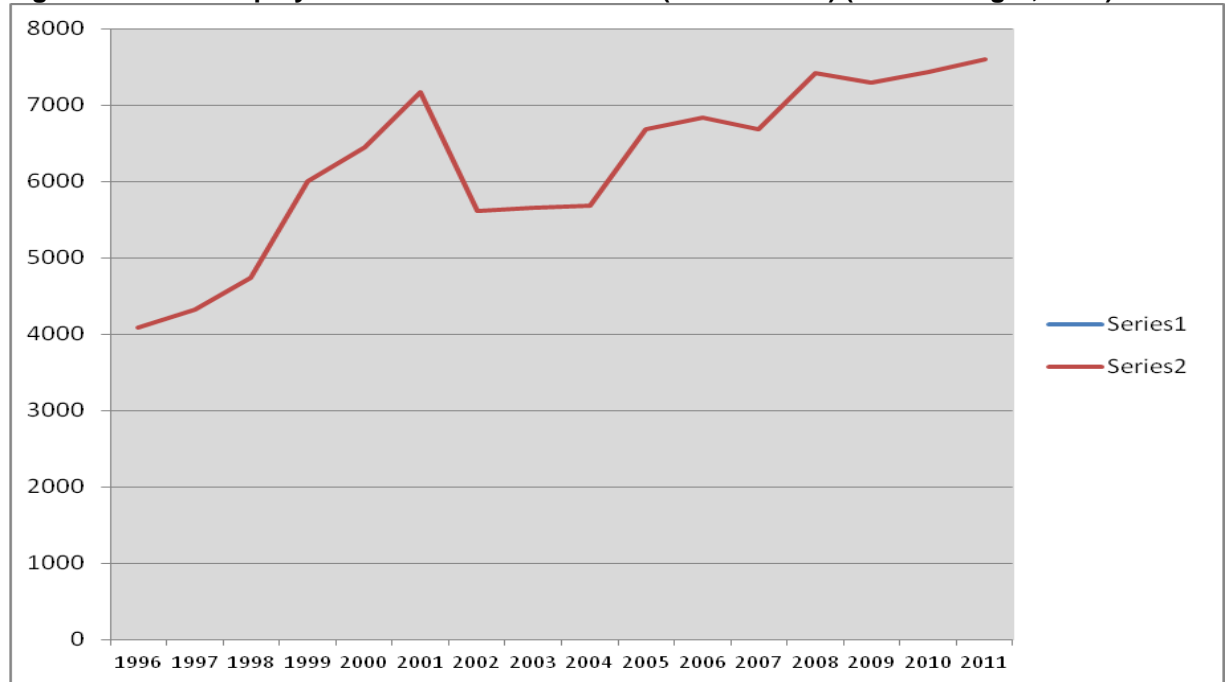
Source : Global Insight of SA (1996 – 2011)

As it can be seen for the period of 1996 – 2012, there have been one period of positive growth namely 2007 onwards. The average annual growth rate for this sector from 1996 to 2009 was -10.7% per annum.

8.4.7 Informal Sector

The following figure illustrates the total employment in the informal sector from 1996 to 2011. In 1996 a total of 4,061 people were employed in the informal sector which grew to 6,625 in 2001 and declined to 5,581 in 2009.

Figure 55: Total Employment in the Informal Sector (1996 to 2011) (Global Insight, 2011)



Source : Global Insight of SA (1996 – 2011)

8.5 SPECIAL ECONOMIC ZONES

The National Department of Trade and Industry initiated the concept of establishing Special Economic Zones (SEZ) as a means of enabling economic development and growth in the country. KZN Province further expanded on the initiative by adopting the concept of District Industrial Hubs (DIH). This entails that each District needs to focus its energy and resources towards its comparative/ competitive advantages (key economic sectors). A series of interviews conducted by DEDT assisted in identifying Primary and Secondary sectors in each District. Umzinyathi's primary and secondary sectors were identified as the mining and agricultural (cattle farming value chain) respectively. DEDT has appointed Consultants who will be deployed to the District Municipalities in order to further research on this findings and determine the viability of the identified sectors in catalyzing local economic growth and development.

8.6 LED TECHNICAL SUPPORT

During 2010/11 financial year, the Department of Economic Development and Tourism appointed an LED Specialist to assist Umzinyathi District Municipality with rendering technical support to the LED units within the District and Local Municipalities, to ensure the immediate intervention to realise economic growth and development. The intentions of the technical support are as follows:

- To set up functional LED Institutional Arrangements (support structures) such as the District LED forum, sector specific forums, LED units at Local Municipality level etc;
- To identify, package and leverage funding for implementation of catalytic projects which will have a significant impact in the growth and development of the local economy.

8.7 ECONOMIC VISION 2014

Umzinyathi District Municipality is facing key LED Challenges which necessitated the development of the Economic vision, and these challenges are as follows:

- Lack of meaningful participation of stakeholders in LED process;
- Lack of financial resources to support LED initiatives;
- Limited human capacity to manage LED programme;
- Minimal participation of political leadership in LED remains a challenge;
- Lack of clear –cut opportunities in some rural areas of the municipality;
- Poor participation and co-operation of sector departments;
- Land Reform Projects have a high potential but lack leadership; and
- Private sector has no faith and confidence in the municipal programmes.

8.7.1 Economic Vision

The Economic Vision 2014 is as follows:

UMzinyathi will strive to promote a vibrant economy that concentrate on encouraging both public and private sector investments in active economic sectors and ensure diversification in products and provide opportunities to its citizens.

- Vibrant;
- Diversification; and
- Provision of opportunities.

8.7.2 Key LED Programmes of Economic Vision 2014

The key programmes which will be implemented under the Economic Vision 2014 are as follows:

- **Agricultural Development and Diversification**
 - Programme 1: Agricultural Support Unit
 - Extend the scope of agric incubator to cater for new vision on agriculture or
 - Employ or request an agricultural specialist (from Dept of Agric) to manage and monitor council agric development agenda
 - Focus on resuscitating economic activity within Land Reform Farms
 - Programme 2: Land Reform Programme
 - Profiling of farms
 - Available hectares for grazing and crop farming
 - Feasibility Assessments
 - Business planning
 - Funding mobilisation for a group of projects (e.g Soya beans, goat and cattle farming)
 - Capacity and capability
 - Support land reform forums
 - Programme 3: Community Based Support
 - Identification of existing agricultural co-operatives in partnership with DED
 - Restructuring of programmes and initiatives to take advantage of existing and potential opportunities
 - Engage traditional leadership and introduce community based support schemes that will focus on tilling of idle land and provision of seedlings thereby create a sustainable food security base.
 - Programme 4: Mechanisation Unit
 - Establish functional Mechanisation Unit

- Collect tractors supplied to LMs back UDM
 - Solicit support from the province to supply more tractors and implements
 - Manage and maintain the scheme
- Programme 5: Agri – processing
 - Identify agri-processing initiatives or projects
 - (LED study has identified few projects)
 - Prepare terms of reference for feasibility studies
 - Undertake detailed and thorough feasibility assessments
 - Compile Business Plans for feasible projects
 - Marketing of feasible projects
- Programme 6: Skills Development
 - Identify required Agri-technical skills
 - Partner with service providers
 - Sign MOU with Department of Agriculture to provide skills through Cedara training centre
 - Targeted training for communities and organised groupings
 - Maintain the incubation concept within Agri-support unit
- **Tourism Development**
 - Resuscitate stakeholder partnerships in tourism
 - Review of Tourism strategy
 - Identify clear cut opportunities within the sector
 - Branding of local products
 - Establish community based Tourism Organisations
 - Develop distinct tourism concepts and implement (Spatial development nodes) e.g KwaKopie Curio to be developed into tourism info centre, Arts and Culture hub, B&B, Conference facilities)
 - Marketing of the district
- **Infrastructure Development**
 - Water for commercial use (dams, accessibility of existing water schemes for agricultural use)

- Increase agricultural areas under irrigation
- Access roads to the farms
- Main corridor roads (Dundee-Msinga-Greytown – Dube trade port)
- Trading space for informal traders within the small towns (msinga, Nquthu, Greytown) with necessary facilities
- Partnership with Ithala to invest in Industrial Park development initiative
- Roads improvement for mining (transportation of coal)

- **Mining Development**
 - Increase in mining interest
 - New jobs are created
 - New business opportunities
 - Consider:
 - Support services to the mining sector
 - Participation in the implementation of Social Labour Plans
 - Enquire about availability of mining or prospecting rights to the UDM
 -

- **SMME Development**
 - Establish SMME support unit
 - Integration of current incubation units
 - Introduce business development component

8.8 SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Functional LED Support Structures • LED Technical Support in place • Comparative advantage in Agriculture, Tourism and Mining • Key Catalytic Projects Identified • Programmes aligned to relevant national and provincial policies 	<ul style="list-style-type: none"> • Capacity Constraints • Lack of Infrastructure to support Economic Development • Lack of a pool of bankable business plans • LED of strategy review overdue • Poor marketing of the district as a tourism destination • Underutilisation of arable land (ITB) • Policies do not favour SMME development
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Development of distinct industrial hubs (Spatial Economic Zones) • Maximisation of beneficiations in different value chain (e.g livestock – beef - skin processing) • Renewed interest in terms of the establishment of Economic Development Changes. • Exploitation of our presidential node status • Skills development programme for LED practitioners (DEDT/UKZN programme, the IDT / UJ / STELLENBOSCH/UWC programme) 	<ul style="list-style-type: none"> • Poor state of infrastructure (R33) • Geographical location of the district • Skills leakage • Climate change

9. FINANCIAL VIABILITY AND MANAGEMENT

The draft Budget for 2013/14 financial year has been prepared, aligned and integrated into the draft 2013/14 IDP Review. The budget below also contains indicative figures for 2014/15 and 2015/16 and revised budget for 2012/13.

- The municipal income for 2012/13 was R 551,848,326.00 and it has increased to R 496,331,518.00 for 2013/14 financial year; and the decrease was due to less allocation in terms of grants from National and Provincial government;
- The expenditure for 2012/13 was R 550,901,756.00 and it will be decreasing to R 496,331,518.00 for 2013/14 financial year;
- The budget for operational programmes for 2012/13 was R 92,548,880.00 and it will be increasing to R 108,770,475 financial year; and the increase is necessitated by the fact that the municipality is intending to improve service delivery thereby developing the communities; and
- The budget for capital projects for 2012/13 was R 196,447,000.00 and it has decreased to R 186,505,000.00 for 2013/14 financial year.

9.1 SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Sound financial management policies, procedures and practice in place; • Preparation of sound monthly reporting and reconciliations and ensuring adherence to the policies; • Maintaining good audit outcome for the past five years; • Taking over of the entire billing and customer care function from uThukela Water; and • Fully capacitated finance staff and have fully enrolled on MFMP programme. 	<ul style="list-style-type: none"> • Non-adherence to financial policies and procedures by user departments.(SCM, Budget etc); • Decentralisation of receipt of the documents (i.e. invoices, statements.) which might result in unaccounted documents; and • High rate of indigence. inheritance of uncollectable debts from uThukela Water
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Improvement of revenue collection through innovative debt collection 	<ul style="list-style-type: none"> • Dependency on grants and subsidies

<p>strategies (incentives and new revenue streams);</p> <ul style="list-style-type: none"> • Rising of external funding for infrastructure development; and • Continuous skills improvement. 	<p>funding;</p> <ul style="list-style-type: none"> • Illegal connections and unmetered connections; • Violation of laws and regulations that might lead to bad audit outcomes; • Staff turnover and job hopping; and • Water loss.
--	--

SECTION D: VISION, GOALS, OBJECTIVES AND STRATEGIES

1. VISION, MISSION, MOTTO, CORE VALUES, KEY DEVELOPMENTAL PRIORITIES

On the 06 – 07 March 2013, Council and Management had a Strategic Planning workshop, In the main, the purpose of the session was to set a strategic framework that should guide planning, programme, project implementation, monitoring and evaluation of municipal developmental objectives within the district, and also to serve as a framework for the review of the 2013/14 IDP. The other aim of the Strategic Planning Session is also to inform the municipal structure (organogram) which will be required to provide support in terms of human capacity for the implementation of the strategy; and also to ensure that the structure is strictly in line to the municipal powers and functions, in order to enhance service delivery

Council and management resolved to retain the current Vision, Mission, Motto and key Developmental Priorities for implementation during the 2013/14 financial year. The motive for retaining the current status quo was motivated by the fact that the municipality has only had one year to implement the strategic programmes and projects relating to the current vision, hence for continuous and effective implementation, it was retained in order to achieve the desired results.

The vision, mission, core values and developmental priorities for the municipality is as follows:

1.1 VISION

“A dynamic and viable district that promotes good governance, integrated and sustainable development”

1.2 MISSION STATEMENT

“We are a united family of municipalities that champions service delivery through co-operative governance and public participation”

The vision and mission statements need to be realised through development objectives, which in turn are made more specific through objectives, strategies and

projects with their associated budget and KPI allocations. This process needs to be informed by localised strategic policy guidelines and the core values of the organisation.

1.3 MOTTO

“Thuthuka Mzinyathi”

1.4 CORE VALUES

- *Commitment;*
- *Excellence;*
- *Customer Focus;*
- *Innovation;*
- *Trust;*
- *Transparency; and*
- *Integrity.*

1.5 KEY DEVELOPMENTAL PRIORITIES

Key developmental priorities have also been developed and prioritised which will be used as an instrument in order to realise the developmental mandate of Council and they are as follows in a priority manner:

- Water (1)
- Sanitation (2)
- Electricity (3)
- Local Economic Development (4)
 - Education and Skills Development (4.1)

- Access Roads (5)

- Environmental Management (6)
 - Refuse Removal (6.1)

 - Regional Waste Sites (6.2)

- Leadership and good governance (7)
 - Anti corruption (7.1)

 - Sound financial management (7.2)

- HIV / Aids (8)

- Special Programmes (9) - Operation Sukuma Sakhe (Cutting Across)

- Human Settlement (10)

1.6 DEVELOPMENTAL STRATEGIES

Umzinyathi District Municipality has developed the strategies in line with the developmental priorities in order for the intended results to be achieved which to enhance the service delivery thereby improving the communities lives. The following strategies have been developed to be implemented during 2013/14 financial year:

PGDS Strategic Goals	Key Performance Areas	Municipal Developmental Priorities	Municipal Objectives	Municipal Strategies
Strategic Infrastructure (4)	Basic Service Delivery and Infrastructure Investment	Water (1)	<p>To provide sustainable infrastructure to district wide community and also the effective maintenance of the existing one</p> <ul style="list-style-type: none"> o Physical infrastructure services o Minimise the persisting level of backlog thereby meeting the RD standards o Operation and maintenance of existing infrastructure o Social services 	Reduction of the water backlog which will be 28,181 households by June 2013, and will be reduced by 750 households by June 2014 thereby improving access to communities within the RDP standards,
		Sanitation (2)		Reduction of the sanitation backlog which will be 18,332 households by June 2013, and will be reduced by 6,831 households by June 2014 thereby improving access to communities within the RDP standards,
		Electricity (3)		Development of the electrification master plan which will provide a comprehensive approach of electricity provision
		Access Roads (5)		Completion of the Road Asset Management System, and budget provision as per the priorities in terms road improvement including

				its facilities
		Human Settlement (10)		Effective alignment of human settlement infrastructure programmes through the district infrastructure forum
PGDS Strategic Goals	Key Performance Areas	Municipal Developmental Priorities	Municipal Objectives	Municipal Strategies
Job creation (1)	Local Economic Development	Local economic development (tourism promotion, SMME development, agricultural development) (4)	To promote and stimulate economic development through targeted and structured Special economic zone approach <ul style="list-style-type: none"> ○ Economic services (create a vibrant economy) ○ Development of rural industries based on individual area's competitive advantages 	<ul style="list-style-type: none"> ○ Establishment of the Special Purpose Vehicle ○ Effective implementation of the following programmes: <ul style="list-style-type: none"> ○ Agricultural development and diversification ○ Tourism Development ○ Infrastructure Development ○ Mining Development ○ SMME development
		Skills Development (4.1)		Establishment of small business support centres in partnership with SEDA and other institutions
Human Resource Development (2) Human and Community Development (3)	Municipal Development and Transformation	HIV/AIDS (8)	To ensure institutional transformation and ensure sound and efficient administrative practices within the Municipality <ul style="list-style-type: none"> ○ Corporate governance practices (legal compliance, oversight) ○ Business leadership / management (planning, structuring, culture, 	<ul style="list-style-type: none"> ○ Review and implementation of the HIV/Aids Strategy; ○ Review and implementation policies ○ Review and implementation of by – laws ○ Strengthening the municipal capacity through filling of vacant posts within three months after the posts has become vacant ○ Effective functioning of the IGR

			<p>performance management, stakeholder relations management, communication)</p> <ul style="list-style-type: none"> ○ Resource management (people management, financial management, ICT management, information / knowledge management, asset management 	<p>structures</p> <ul style="list-style-type: none"> ○ Effective implementation of performance management system ○ Effective optimisation of ICT to improve municipal operations ○ Promote knowledge management ○ Undertaking of Customer Satisfaction Survey to determine community perceptions ○ Effective implementation of Municipal Turnaround Strategy ○ Effective alignment of municipal powers and functions to the municipal structure ○ Effective implementation of procedures i.e Employment Equity Plan, Retentions strategy etc
		Special Programmes (9) – Operation Sukama Sakhe (Cutting across)		<p>Effective implementation of sound programmes for:</p> <ul style="list-style-type: none"> ○ People living with disability ○ Women and gender ○ Children and youth

PGDS Strategic Goals	Key Performance Areas	Municipal Developmental Priorities	Municipal Objectives	Municipal Strategies
Governance and Policy (6)	Good Governance and Public Participation	Leadership and good governance (7)	To provide sustainable good governance for local communities <ul style="list-style-type: none"> Broaden local democracy through deepening public participation Promoting governance and accountability 	<ul style="list-style-type: none"> Review and implementation of the communication policy Holding of the Mayoral Imbizo to report on progress for the year under review Promoting operation clean audit
		Anti corruption (7.1)		Review and implementation of the anti corruption strategy
Governance and Policy (6)	Municipal Financial Viability	Anti-corruption (7.1)	To promote sound financial management system and anti-corruption <ul style="list-style-type: none"> Strengthening government capacity Eradicate fraud and corruption Promote effective and accountable governance 	<ul style="list-style-type: none"> Review and implementation of the anti corruption strategy
		Sound Financial Management (7.2)		<ul style="list-style-type: none"> Maintenance of clean audit report through implementation of sound financial systems Continuous update of asset management base Sound financial management
Spatial Equity (7) Response to Climate Change (5)	Spatial and Environmental Analysis	Environmental Management (6)	To promote actively spatial concentration and sustainable environmental management system <ul style="list-style-type: none"> Municipal waste management, public health) Environmental compliance facilitation Integrated land management and spatial planning 	<ul style="list-style-type: none"> Review and implementation of environmental health by-laws
		Refuse removal (6.1)		<ul style="list-style-type: none"> Development of two regional waste sites Rehabilitation of existing waste sites to prolong their lifespan and to maintain their conditions Development and implementation of Spatial Development Frameworks Review and implementation of the Strategic Environmental Assessment

				<ul style="list-style-type: none">○ Development and implementation of wall to wall schemes○ Effective implementation of the Planning and Development Act○ Review and implementation of Disaster Management
--	--	--	--	--

SECTION E: STRATEGIC MAPPING AND IMPLEMENTATION PLAN

SECTION E 1: STRATEGIC MAPPING

1. SPATIAL DEVELOPMENT FRAMEWORK

In June 2012, Umzinyathi District Municipality completed the development of the new Spatial Development Framework which would guide the spatial implementation of the 3rd generation of the IDP's. The Spatial Development Framework was adopted by Council in June 2012, and subsequently submitted to the Department of Co-operative Governance and Traditional Affairs for comments and inputs.

During February 2013, the municipality received comments from the department which were not major as they related mostly to a detail risk assessment for disaster management and integration of spatial infrastructure into the SDF, and these comments will be addressed as part of the review process during 2013/14 financial year. The fundamental purpose of the SDF process intended to achieve, are as follows:

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

The summary of the Spatial Development Framework is as follows:

1. Introduction

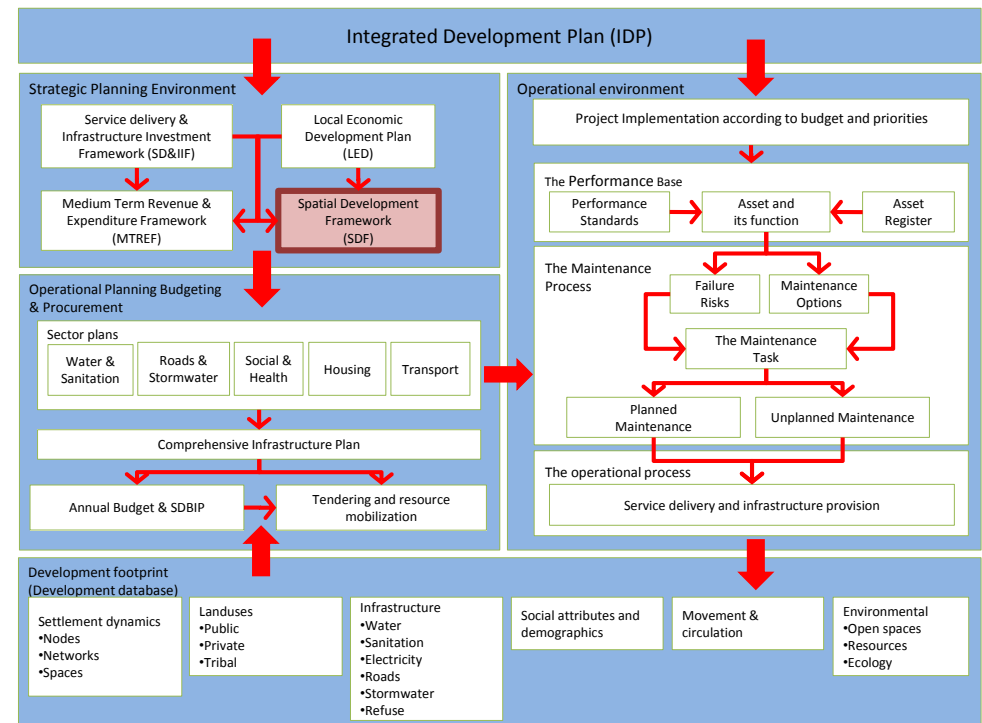
A Spatial Development Framework (SDF) is regarded as an integral part of an Integrated Development Plan (IDP) as required by Section 26 of the Municipal Systems Act of 2000 (Act 32 of 2000). In terms of the act, a SDF “...must include the provision of basic guidelines for a land use management system for the municipality.” However, a SDF is not a one-dimensional map or plan. It seeks to arrange development activities, land uses and the built form - in such a manner that they can accommodate the ideas and desires of people - without compromising the natural environment and how services are delivered. If not done properly, the system will be very costly, inefficient and can even collapse. A fine balance must be maintained at all times: too much emphasis on one element can harm the system; if development happens too quickly, infrastructure provision cannot keep up. In the final analysis, objectives of a SDF must be realistic and achievable.

1.1 The SDF within the context of municipal planning

All human activities have a spatial dimension. On the one hand, human action affects space and on the other hand, space helps to shape and direct human action. This dynamic relationship is addressed in a SDF. The figure below highlights the central and strategic role that the SDF plays in the municipal environment. Developing and implementing a sustainable SDF is a pivotal activity in any municipality. The need to integrate spatial planning and delivery with other core activities in the municipality is critical. The diagram illustrates this point.

1.2 The SDF focus: The extent of the municipal area requires a dual approach. The focus is on the total municipal area. At this level, the emphasis is on determining and assessing municipal wide trends and tendencies with the aim to:

1. Improve spatial functionality across the municipal area.
2. Integrate with the district and provincial SDFs.
3. Identify and develop a settlement typology for more detailed spatial planning.



The second focus area is more detailed and localised planning in terms of the agreed settlement typology. It might imply a broad distinction between spatial frameworks for the urban and rural components of the municipality. The focus remains integration and improved functionality in the local and broader spatial development system.

1.3 Key points of integration: Spatial development planning does not happen in isolation. It is necessary to be guided by and linked into other core planning processes in the Council. The basis for development planning processes is the Council's IDP, which will guide the process in terms of strategic priorities and links. Within the constitutional mandate of municipalities, namely access to services and local economic development, the Infrastructure Investment Plan (IIP) and the Local Economic Development Plan (LED) becomes the basis for other planning and integration activities.

Where the Medium Revenue and Expenditure Framework (MTREF) involve the Council's objectives in monetary terms, the SDF shows where these objectives will be achieved in spatial terms. The MTREF and SDF link with the Council's project prioritization and implementation processes, which in turn, are a derivative of the outcomes of the sector plans, which are based on the IIP and SDF within the context of the IDP.

All these activities are a function of the development footprint of the municipality, are influenced by it. It also aims to impact, and change this footprint where necessary. This approach will insure a seamless integration between the SDF and the other plans and functional activities in the Council.

1.4 Overall principles underlying future development

As shown in the chapter dealing with the Institutional Framework, there exist a multitude of principles, directives, and guidelines for spatial planning and development at national and provincial level. In terms of the White Paper on Spatial Planning and Land Use Management, 2001, "*The overall aim of the principles and norms is to achieve planning outcomes that:*

- *restructure spatially inefficient settlements;*
- *promote the sustainable use of the land resources in the country;*

- *channel resources to areas of greatest need and development potential, thereby redressing the inequitable historical treatment of marginalized areas;*
- *take into account the fiscal, institutional and administrative capacities of role players, the needs of communities and the environment;*
- *stimulate economic development opportunities in rural and urban areas; and*
- *support an equitable protection of rights to and in land."*

The various principles and directives can be translated into a set of **collective development objectives** in accordance with the national agenda that form the overarching objectives of the Spatial Development Framework, namely -.

- To promote sustainable development;
- To promote efficient development;
- To promote equitable development;
- To ensure integrated development, and
- To improve the quality and image of the physical environment.

1.5 Principles underlying national development objectives

Objective	Description
Efficiency	The objective of efficiency requires that optimal development levels and functionality must be achieved with the minimum expenditure of resources. The concept relates to both functional and operational aspects and includes issues such as growth management, optimal utilisation of strategic locations, usability, mobility, productivity, and accessibility. The lack of executive functions limits the municipal area in achieving this at a detailed level.
Sustainability	The objective of sustainability requires the sustainable management and use of both natural and man-made resources. Land use and development decisions must promote a harmonious relationship between the built and the natural environment while ensuring that land development is sustainable over the long term. Other aspects that need to be considered in the sphere of sustainability are conservation, environmental health and degradation, economic sustainability and community satisfaction. The principle of sustainable development is relevant throughout the entire municipality and in particular the Southern Drakensberg. Finding means of achieving balance between the conservation of this area and economic development is an important focus area of the Spatial Development Framework.
Equity	The objective of equity addresses social justice and fair and equal access to opportunities, facilities or

Objective	Description
	networks. Through planning, all residents irrespective of race, gender, ethnicity, faith or income should be dealt with in an equitable way. The objective of equity also refers to the manner in which planning will address the inequitable legacy inherited from the past.
Integration	The objective of integration requires that the separate and diverse elements involved in development planning and land use should be combined and coordinated into a more complete or harmonious whole. The objective of integration reflects the need to integrate systems, policies and approaches in land use planning and development. Firstly, it requires that the planning process is integrated, and secondly look at spatial integration of different land uses, transportation, and places of living with places of working and shopping and relaxing.
Livability and image	Livability and image include aspects such as convenience, safety, security and all other aspects related to one's experience of the physical environment, either as a resident or as a visitor. This aspect also directly relates to the marketability of the area from a qualitative perspective.

1.6 The legislative and policy environment – recognition & integration

The planning and development of cities, towns, and rural areas in South Africa are governed by a national developmental agenda. This agenda aims to improve the manner in which urban and rural areas develop to increase the efficiency, sustainability, and investment potential of all areas, better the conditions in which people live and conduct their daily lives and to protect valuable resources from irresponsible consumption. This developmental agenda finds expression in numerous sets of national and provincial legislation and policy documents. In order to ensure legitimacy, the Umzinyathi SDF must be formulated within the parameters of this institutional framework. In addition, the SDF is also affected by existing local strategic planning documents, such as the Integrated Development Plans, that direct development of the district and local municipalities.

1.7 National legislative and policy context

A number of acts and policies from national and provincial governments deal with spatial and physical development. It is impractical to deal with each one of these documents in detail. This section therefore instead focuses on legislation and policies that have a fundamental impact on the manner in which we address spatial and physical development in towns and rural areas in South Africa.

1.8 Legislation

South African legislation is largely enabling in nature. It therefore does not prescribe to municipalities but creates the necessary legal environment within which development and planning can take place. Recognising local government as one of the three spheres of government put a specific emphasis on intergovernmental relations. The implication is that the Council is primarily responsible to do their own planning while considering the interest and demands of the communities and stakeholders. This happens within a reciprocal consideration of the planning done in neighbouring municipalities and the other spheres of government.

1.9 National policies and frameworks

South Africa has put a strong emphasis on the development of policy. Policy shows government's intent and objectives which guides planning and decision-making. The key is to assess the impact of policy at local level in terms of its applicability and the Council's ability to sustain the development within set policy frameworks.

1.10 Provincial legislation, policies and frameworks

Provincial policies and frameworks have a more direct impact on local development. In the application of development frameworks or in considering development perspectives one should make a distinction between those aspects which lie within the control of the Council and those that affects the planning environment in the sense that the Council must recognise and adopt its approach and strategies accordingly.

1.11 Provincial legislation

The only relevant provincial legislation is the Kwazulu-Natal Planning and Development Act, 2008 (Act no. 6 OF 2008) which aims at regulating land use management matters. The provisions of the Act do not impact directly on the SDF but the SDF do have an direct impact on land use management through providing guidelines and guidance for development.

Provincial policies and development frameworks

Two policy frameworks are relevant in the provincial context. They are:

1. Provincial Spatial Economic Development Strategy (PSEDS)
2. Provincial Growth and Development Strategy (PGDS).

Provincial Spatial Economic Development Strategy

The PSEDS was developed as a response to the NSDP and ASGI-SA in 2006 as part of the process of aligning local IDPs and the NSDP within the framework of the PGDS. Although there is a later version of the PGDS the PSEDS remains valid in terms of its long-term spatial vision. The PSEDS emphasised an incremental approach to development by achieving the following:

- Provide spatial context to PGDS

- Address spatial imbalances, curb urban sprawl and ensure sustainable interventions
- Identify priority areas and types of development
- Align to municipal spatial development frameworks
- Guide budgeting processes of the province and municipalities
- Influence investment decisions of the private sector.

The PSEDS focus on four strategic development sectors namely:

- The Agricultural Sector: Agriculture & Agri-processing
- The industrial sector
- Primary sectors of tourism potential are beach, cultural and eco-tourism.
- The service sector

The KwaZulu Natal Growth and Development Strategy 2011 (PGDS)

The KZN PGDS 2011 list seven strategic goals within which the Provincial SDF is embedded. These goals are supported by 30 objectives and linked to 124 interventions. These goals deal with:

- Job creation
- Human resource development
- Strategic infrastructure
- Responsible climate change
- Governance and policy
- Spatial equity.

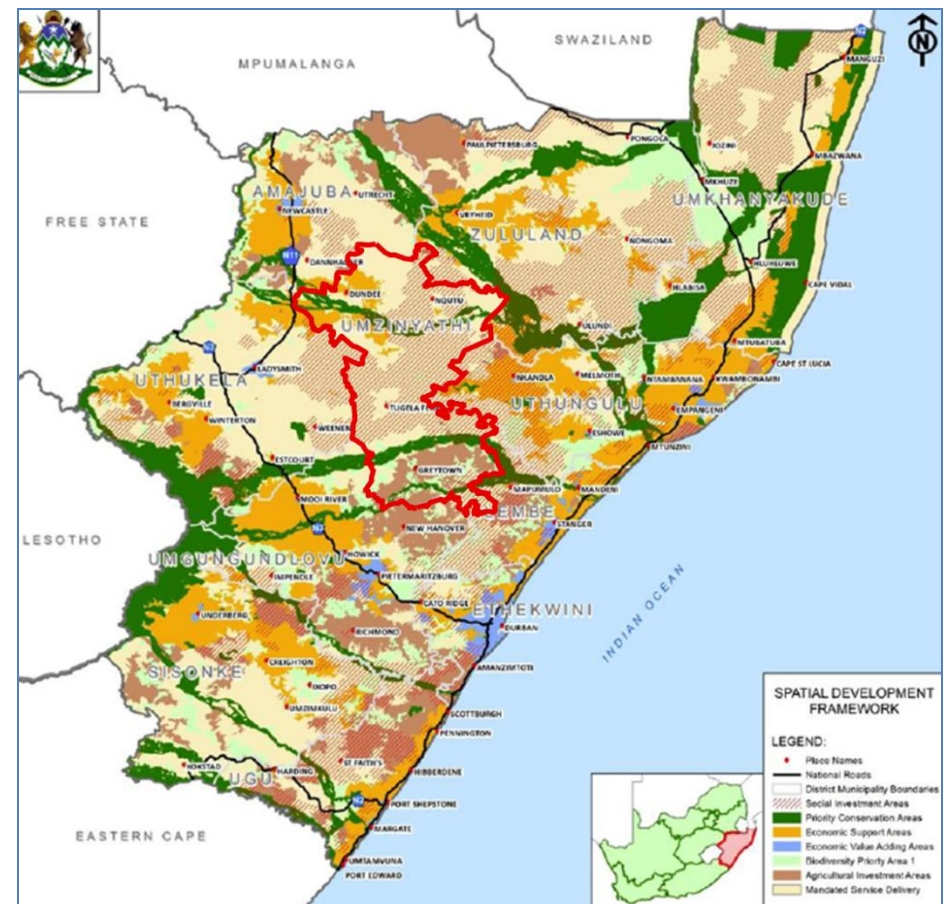
Within this framework, the provincial SDF was developed around a number of “sustainability pillars” based on economic efficiency, social equality, and ecological integrity. The sustainability pillars gave rise to nine spatial principles, namely:

- Environmental planning
- Economic potential
- Sustainable communities
- Local self sufficiency
- Spatial concentration
- Sustainable rural livelihoods
- Balanced development
- Accessibility

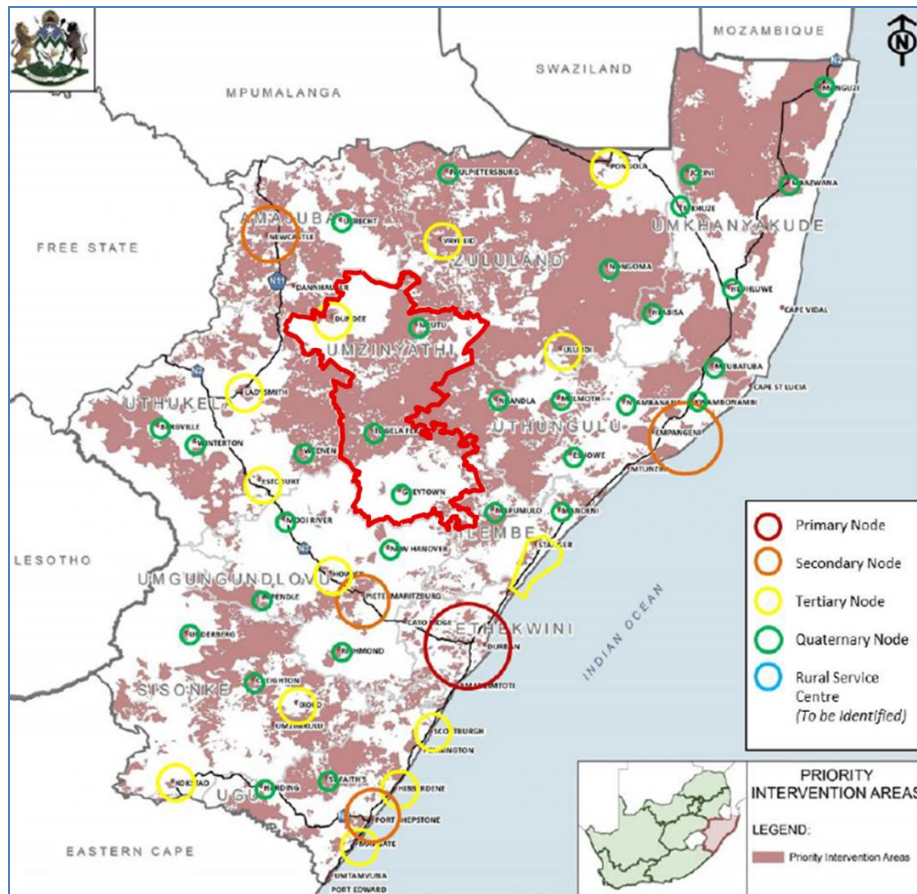
- Coordinated implementation.

The provincial area was assessed in terms of social needs, economic potential, environmental vulnerability, and accessibility to establish five levels of intervention. The final framework indicates the area around Dundee as an “economic support area” the middle part and eastern parts of the DM area as “social investment areas” and the southern part around Greytown is earmarked as an “agricultural investment area.” The area is also traversed “priority conservation areas” along the major river valleys and the Biggarsberg range.

Map 9: KZN SDF 2011



Map 10: KZN SDF Nodal structure



All the elements highlighted in this section were incorporated and considered when this SDF was formulated.

2. The development alignment at district level

2.1 Inter-district alignment

Umzinyathi DM borders on six other DMs in KZN. They are:

- Amajuba
- Uthukela

- Umgungundlovu
- Ilembe
- Uthungulu
- Zululand

The following links between UDM and its neighbouring DMs were identified:

2.2 Nodal structure

UDM is affected in the following way by the nodal structure in the PSDF and the neighbouring DMs.

- Amajuba DM Newcastle is a secondary node in terms of the PSDF. Dundee as a tertiary node is within its sphere of influence and one can accept the functional linkages between the two.
- Zululand DM Vryheid is of a similar status as Dundee and one should consider the gravitation breakpoint between the two at an equal distance from the two nodes.
- Uthukela DM Ladysmith is of a similar status as Dundee. Vryheid might have a slight advantage over Dundee in the sense that movement from the northern part of UDM tends to gravitate via Vryheid to the N3 and linking with the south.
- Uthungulu DM Ulundi does not have any functional linkages with the UDM area many because of accessibility constraints and Ulundi's relationship with the Empangeni area.
- Ilembe DM The Stanger nodal area should not have any direct impact on the southern parts of UDM since natural gravitation is rather towards Pietermaritzburg and Durban from Greytown and Tugela Ferry.
- Umgungundlovu DM Pietermaritzburg is to the south of UDM what Newcastle is to the north. It has the additional advantage that it provides the link with the Ethekwini area.

2.3 Networks (Expressed as “corridors” in the PSDF)

The following applies to network links in the DMs affected by UDM's SDF.

- Amajuba DM UDM is not directly affected by the N11 corridor

- (DC25) although it provides an important intermediate link for UDM to the N3 corridor and the rest of the country. The secondary corridor through Dannhauser to Dundee is not as important to UDM as the Dundee - N11 link at the Sunset rest/Fort Mistake intersection. Currently road quality may negatively impact on the status of this corridor.
- Zululand DM (DC26) The R33 from Vryheid to Dundee is important but the R68 link from Vryheid through Nqutu to Nkandla might not be a priority in the UDM context. It serves mainly an inter-regional rather than any explicit local function.
 - Uthukela DM (DC23) The Weenen-Tugela Ferry link is of regional importance and it should naturally extent to Estcourt and the N3. Current movement volumes along this rout are very high.
 - Uthungulu DM The link between Nkandla to Kranskop affects the UDM area as a secondary corridor but is not a priority in the UDM context.
 - Ilembe DM The further extension of the R74 from Kranskop to the south into Ilembe affects the UDM area but this secondary corridor is not a priority in the UDM context.
 - Umgungundlovu DM The extension of the R33 from Greytown through New Hannover to Pietermaritzburg is very important for UDM and should be regarded as a priority link between the two DM's.

2.4 Surfaces identified in the PSDF and affecting UDM and its neighbours

- Social intervention areas The social intervention areas are more or less the same as the areas under traditional leadership. They are marked by low intensity and low-density settlement. The cut across the UDM borders with all

the DM's as continuous areas except in the case between UDM and Amajuba and UDM and Umgungundlovu DM.

- Economic support areas The link in the PSDF between the Endumeni LM around Dundee and Glencoe with the Amajuba DM area. There are no cross border linkages with other DMs.
- Economic value adding areas Not applicable to any of the DM's and UDM.
- Biodiversity priority area 1 Three areas affect UDM and link it to its neighbours. The Biggarsberg range extents eastwards into Amajuba and cuts across to Zululand DM. The range that runs east west north of Greytown links UDM with the areas south of Estcourt through to the Drakensberg. The same area also extends eastward until it links with the lower Tugela valley between Uthungulu and Ilembe. The last area that link the UDM with Ilembe is the Mvoti River running from Mount Alida eastwards into Ilembe.
- Agricultural investment areas It is only the areas south of Greytown, linking to the area around New Hannover in Umgungundlovu that is indicated as agricultural investment areas. There are no other cross border linkages in this regard.

2.5 Intra-district alignment

The existing Umzinyathi SDF and the SDFs of the four constituting municipalities was the point of departure for this SDF. In this process, important principles do apply in terms of the South African government system.

- The Province, DM and LMs are recognised as constitutionally independent, as separate spheres of government, each responsible to meet their constitutional mandate and execute their respective powers and functions. One sphere of government can therefore not

prescribe to another. The DM's SDF can therefore not impose on the SDFs and strategies of the LMs. However, the principle of cooperative governance requires that organs of government coordinate and integrated efforts to achieve common objectives. In this sense, planning alignment is the first step to optimise the role of government in development.

- One cannot plan to implement where one do not have the necessary executive functions. In this respect it is thus important to focus primarily on the issues and functions, which the DM can legally address. This limited ability to execute and implement puts a very high premium on intergovernmental cooperation, and public-private relationships. The success of an SDF is thus largely dependent on the DM's ability to draw all role players together behind a single development vision.
- A SDF do not have any statutory powers and proposals in a SDF can therefore not be enforced by the municipality. In a judgment of the South Gauteng High Court, the Court stated that planning policies and those in a SDF or RSDF are indicative guidelines and not legal prescriptions.
- There is a clear need to move from a needs-based planning system to a resource-based system where interventions are backed by the necessary sustainable resources for implementation. Resources in this context refer to human and financial resources back by the necessary property plant and equipment. It implies that the SDF must translate needs into effective demand and where this cannot be done to highlights the cost of satisfying needs.

In achieving the goals of a SDF it is therefore incumbent on the SDF to convince stakeholders and beneficiaries of the benefits of subscribing to the proposal in an SDF as Council policy. This requires that the SDF must be rational, based on realistic and achievable objectives. It cannot simply be a needs statement and a conduit for political rhetoric and a large-scale simplification of a very complex reality.

2.6 SDFs of the local municipalities in the Umzinyathi area

Each of the municipalities in the DM areas has a SDF. The SDFs of Endumeni and Nqutu were reviewed recently, Msinga's SDF is currently under review, and Umvoti is in the process of starting their SDF review.

All the municipalities follow the principles of identifying nodes, networks and surfaces although the detail differs. There are clearly no agreed parameters for:

- Identifying and defining nodal hierarchies,
- A consistent approach in identifying corridors in terms of characteristics and functions, and
- Describing and categorizing surfaces as the basis for action and change processes.

The SDFs are largely a confirmation of historical and current development patterns, with no or very limited strategic direction for change and development. There is consequently no conflict in development alignment that impact on planning at the DM level.

A description of the development base

Current and future development is determined by a range of interacting and linked factors in the environment. It is necessary to have a clear understanding of these factors, their dynamics, and their reciprocal impact on each other. This understanding of the broader development system is necessary in order to be able to develop a strategy and plan for future development.

3. The biophysical factors

The **biophysical environment** is the symbiosis between the physical environment and the biological life forms within the environment. The biophysical environment can be divided into two categories: the natural environment and the built environment, with some overlap between the two.

3.1 Climate

The climate of southern Africa is influenced strongly by the position of the subcontinent in relation to the major circulation features of the southern hemisphere. However, in all areas topography exerts a strong control on rainfall and produces clear orographic¹ anomalies that are particularly evident in the case of Umzinyathi.

The following climate related factors are considered as important for development in the municipal area,

- Precipitation
- Temperature
- Evaporation
- Aridity zones
- Rainfall erosivity
- Moisture availability

3.2 Rainfall

In terms of the South Africa weather system, Umzinyathi falls within coastal summer rainfall areas. Rainfall is orographic in nature with the impact of the mountains and topography shown on the map. Rainfall in the municipal area ranges between 600mm to more than a 1000mm per annum. As the rainfall map indicates, rainfall exceeds 1000mm per annum in areas of the mountainous southeast. Rainfall in these areas is generally more than 800mm per annum but between 600mm and 800mm per annum as one reaches the savannah landscape in the northern parts of the municipal area.

Rainfall becomes more significant once it is linked to soil conditions, slope and intensity, together with agricultural and settlement practices contributes to erosion and general land degradation. These matters are dealt with in more detail later in this analysis.

3.3 Frost

Linked to the location of the municipal area and the impact of the general topography, frost occurs from more or less middle May in most of the area but somewhat earlier in the areas around Greytown. The central mountainous areas are generally frost free

The central areas are relatively frost-free the central areas and frost can occur until early spring in the northern and southern parts of the municipality. Frost is a factor in crop selection higher potential agricultural areas of the municipality.

3.4 Temperature

Umzinyathi is located in a moderate temperature region although significant temperature variations do occur at local level. The southern parts and specifically the mountainous area north of Greytown recorded the lowest maximum temperatures with average maximums below 25°C in summer. All areas where mountains dominate the landscape are relatively cooler with maximum temperatures ranging between 25°C and 27°C. The plateau landscape and foothills are slightly warmer in summer with maximum temperatures approaching 30°C. The higher temperatures are however found in the Tugela valley where maximum average temperatures exceed 30°C in summer.

The maximum temperature range over the total municipal area is about 5°C which is not much and there is no evidence that maximum temperature are a factor or constraint on development and development activities in the municipal area.

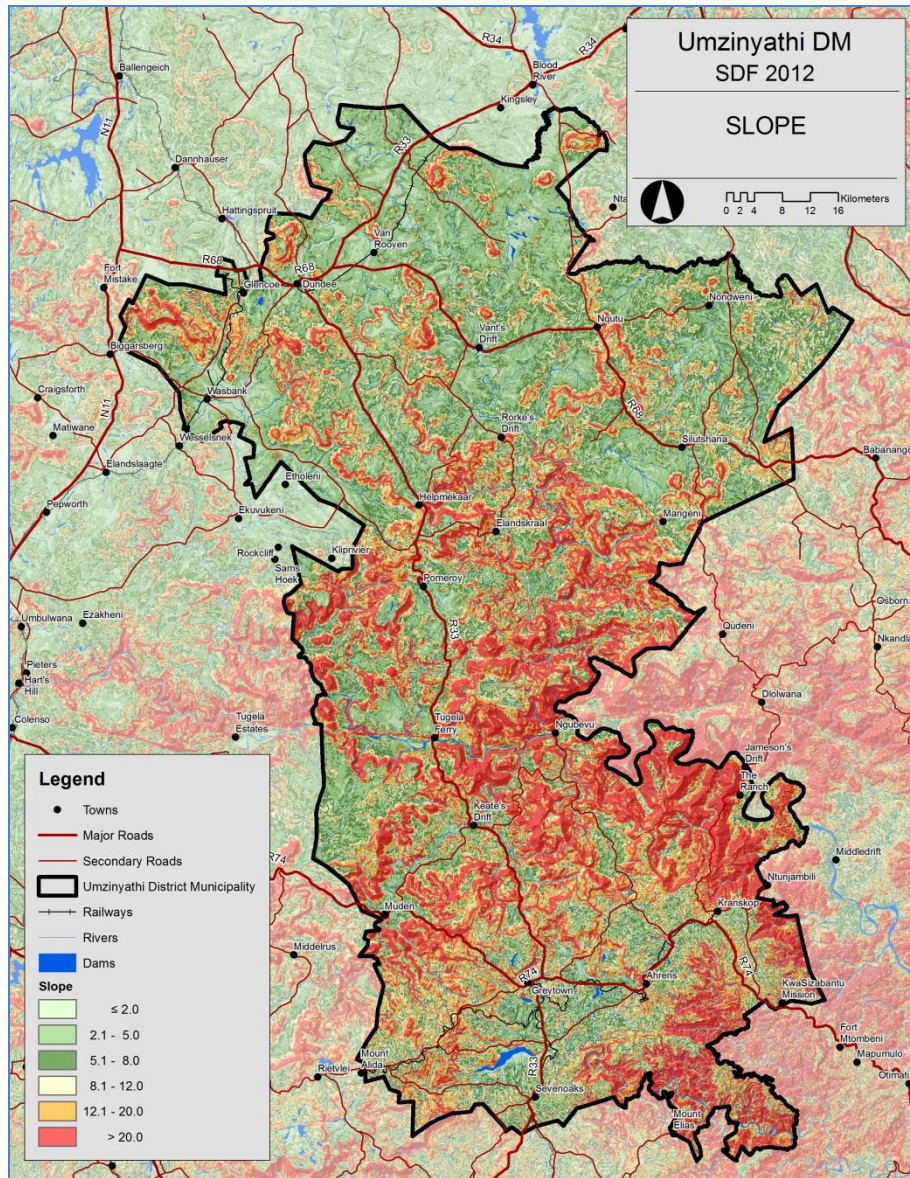
The Tugela River valley records the highest average minimum temperatures. Average minimum temperature in these valleys exceeds 8°C in winter. The whole mountainous area south of Mangeni-Rocke's Drift-Helpmekaar-Sams Hoek, down to the most southern parts of the municipal area record moderate winter temperatures ranging between 4°C and 8°C. The exception is the higher peaks immediately north of Greytown with minimum averages down to 2°C. The northern parts remain moderate with average minimum temperatures between 2°C and 6°C although north of Dundee in the Buffalo River valley average minimum temperatures drop below 0°C.

When the average maximum and minimum temperatures are compared the moderating effect of a coastal climate becomes evident in the south around Greytown. Although it reports lower maximums it also has generally higher average minimum temperatures. This generally favours the sugar cane farming along the Mooi River to the south west of Greytown and the forestry activities in the area. The opposite is also true of the northern part where the larger temperature variations of inland climates are evident.

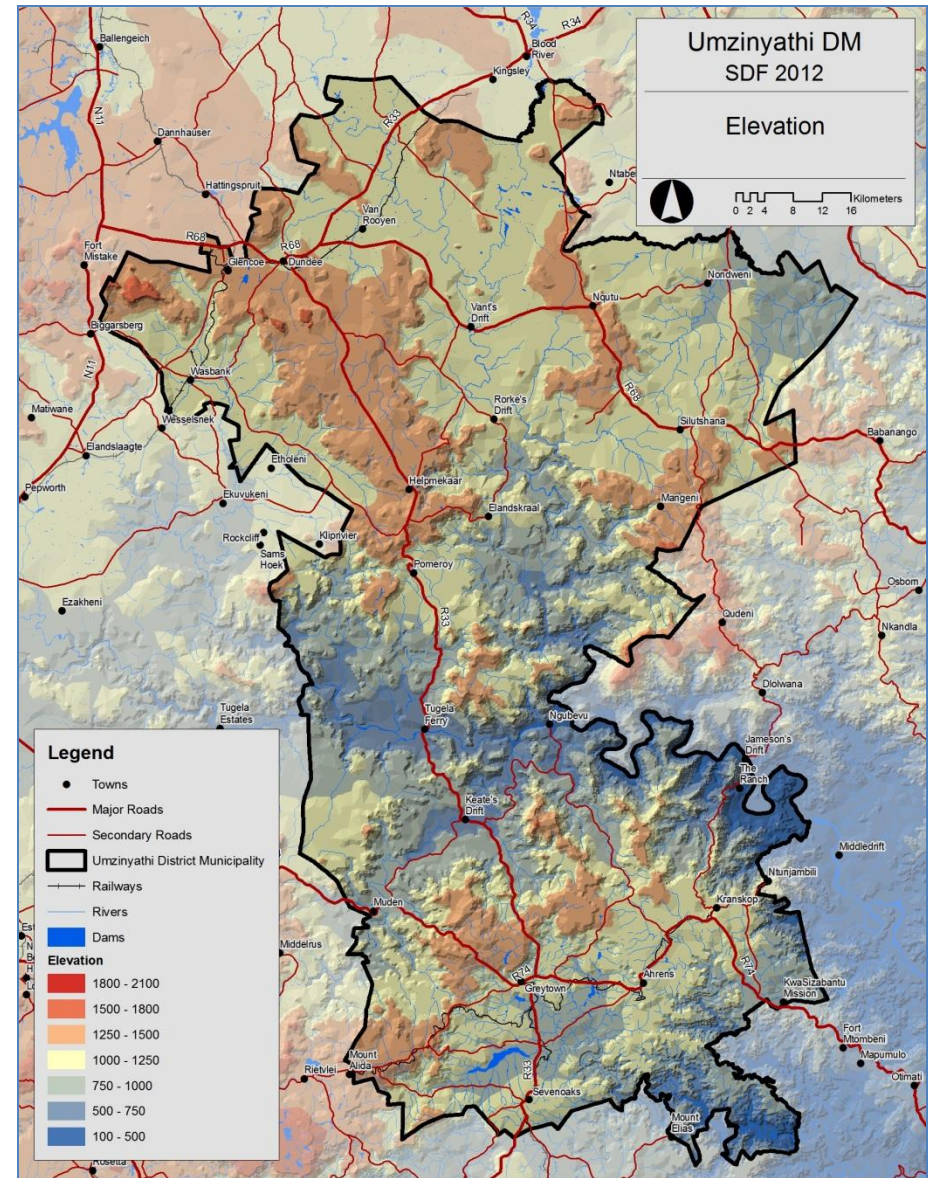
3.5 Slope

As is the case with the local terrain features, slope is a dominant feature in development in the municipal area. It largely determines locality and mobility. Not only is slope very important but also linked to the hydrology of the area and climate it can be regarded as the most important determinant of development and settlement patterns in the municipal area.

Map 11: Slope



Map 12: Elevation



An analysis of the terrain elevation shows very significant features. If this is linked to slope, then it is clear that the terrain morphology is the most dominant factor in determining settlement and settlement patterns.

The municipal area is clearly divided into three separate areas. The first is the northern plateau with the Biggarsberg and the Buffalo River valley dominating the landscape. The second element is the southern landscape defined by the mountains immediately north of Greytown and the Mvoti River valley. However, the most prominent area is the Tugela River valley into which the valleys carved by the Buffalo and Mooi Rivers feed into. The valley is marked by very deep gorges and steep slopes with very little land left for settlement and agriculture.

3.6 Vegetation

Natural vegetation is made up of individual plants, few or many, according to the habitat. These usually belong to a number of different species. They live together, competing with each other and perhaps assisting each other, so that a balance is maintained at a level of development determined by the locality or environment. Vegetation does have a direct agricultural impact but also plays an important role in urban development through carbon sequestration and the ability of certain habitats and plants to mitigate the impact of air and water pollution.

3.7 Acocks veld types

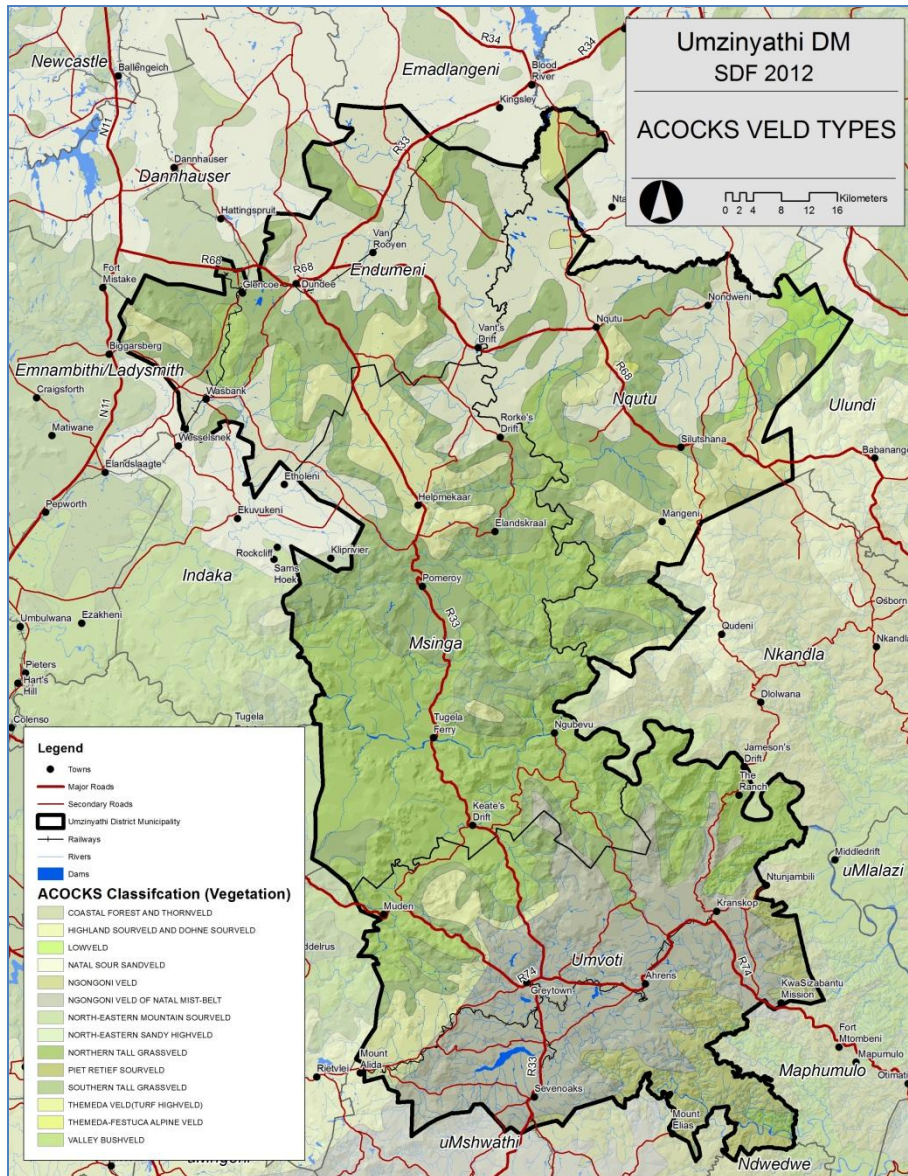
Vegetation changes according to the way it is treated. The concept of the veld type originated from a consideration both of botanical composition and of practical utilization. A veld type is a unit of vegetation whose range of variation is small enough to permit the whole of it to have the same farming potential. The challenge during the original conceptualization of veld types was to group the infinite variations of the vegetation (there are approximately 20 000 species of flowering plants in South Africa) into manageable units, and to separate the natural variations from the man-made ones.

The main driving force causing vegetation change is selective grazing. This causes the actual veld condition (species composition and cover) at a given time to differ from the modal veld type composition or benchmark.

Umzinyathi shows a large variation in veld types. It spans an area from the Ngongoni veld of the KwaZulu Natal mist belt, through the Valley Bushveld

to the KZN Sour Sandveld in the north combined with a range of sourveld types in the mountains and river valleys of the northern parts of the municipality.

Map 13: Acocks veld types



3.8 Degraded land

Land degradation is a concept in which the value of the biophysical environment is affected by one or more combinations of human-induced processes acting upon the land. It is viewed as any change or disturbance to the land perceived to be deleterious or undesirable. Natural hazards are excluded as a cause; however, human activities can indirectly affect phenomena such as floods and bushfires. Land degradation is a global problem, largely related to agricultural use. The major causes include:

- Land clearance, such as clear cutting and deforestation
- Agricultural depletion of soil nutrients through poor farming practices
- Livestock including overgrazing
- Inappropriate irrigation
- Urban sprawl and commercial development
- Land pollution including industrial waste
- Vehicle off-roading
- Quarrying of stone, sand, ore and minerals.

The main outcome of land degradation is a substantial reduction in the productivity of the land. The nature of degraded land, barren rock and erosion scars in particular, is such that they cannot be effectively shown at national scales. Considering that the general minimum mapping unit size of entries in the Land Cover Database is 25 ha, the occurrences that are shown are major and are to be considered with great concern. Land degradation also corresponds with former homelands.

Land degradation is a general feature of the Umzinyathi landscape and a direct consequence of unsustainable farming in the past or, maybe more serious, over grazing, indiscriminate settlement and overpopulation of certain areas. Given the inability of the environment to regenerate itself the consequences of degradation continues for decades into the future.

Examples of land degradation through agricultural practices in the Umzinyathi area



Land degradation through over grazing



Land degradation due to inappropriate cropping



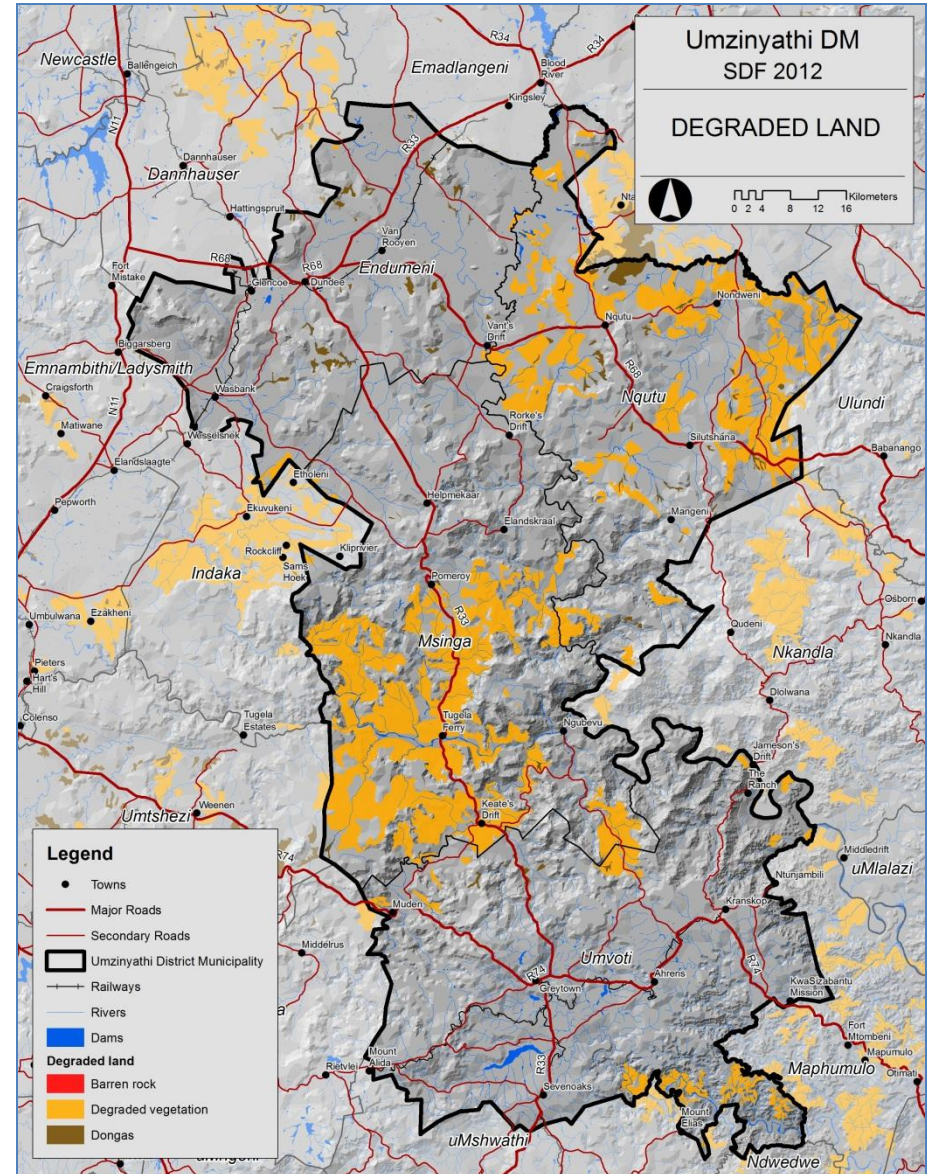
Land degradation through mining



Land degradation due to development pressure and urban activities

Land degradation is not only limited to the rural areas but also urban and mining development often has irreversible impact on the environment. The photos above show examples of land degradation due to over grazing, inappropriate cropping practices, mining, and urban development in Umzinyathi. Land degradation does not only affect the natural environment but it decreases the livability, economic investment potential and esthetic value of the urban and rural environment.

Map 14: Degraded land



The spatial aspects of socio-demographic factors

4. Population density and distribution

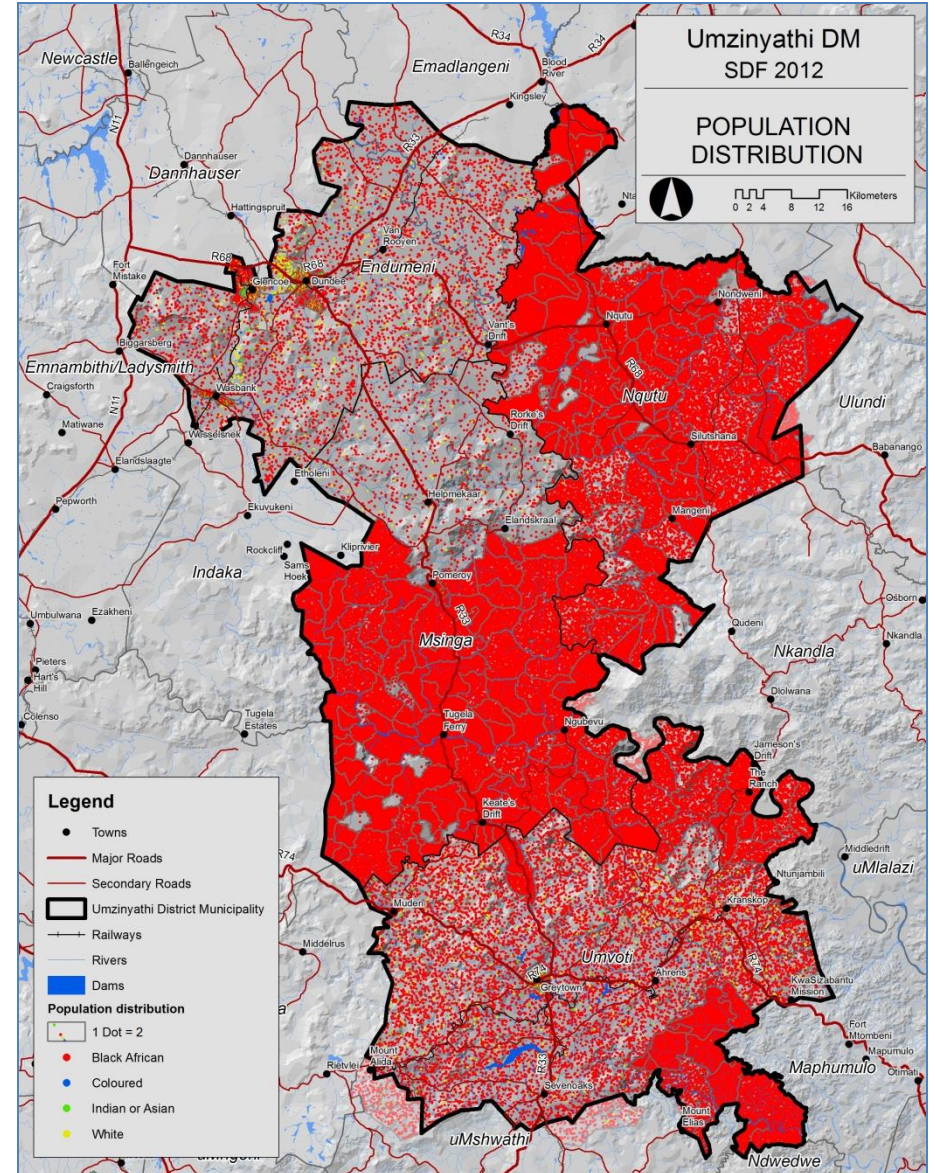
Population distribution can be dealt with in terms of four distinct areas. The first is the low density farming areas of Endumeni and Msinga; the second is the rural settlement in Nqutu and Msinga. The third is the higher density settlement in the Dundee-Glencoe complex and the last is settlement in Umvoti. The table below shows the details of household and population densities throughout the municipal area. The extent of change in these variables is dealt with later in this section.

Population and household size and densities

	Households 2012		Population 2012		Household size	Area (ha)	Household density (hh/ha)	Population density (p/ha)
	Total	%	Total	%				
Endumeni	13 581	12.4%	57 709	11.3%	4.25	161 290	0.084	0.36
Msinga	33 990	31.1%	168 551	32.9%	4.96	253 581	0.134	0.66
Nqutu	33 481	30.7%	163 483	31.9%	4.88	196 021	0.171	0.83
Umvoti	28 173	25.8%	122 780	24.0%	4.36	263 416	0.107	0.47
Total	109 225	100.0%	512 522	100.0%	4.69	874 308	0.125	0.59

Endumeni and the northern parts of Msinga exhibits typical patterns associated with commercial farming areas. The commercial farming areas in Msinga have a lower density than that of Endumeni. The Dundee-Glencoe urban complex shows substantially higher densities and is the focus of development in the north. Nqutu's and Msinga's population density is more than double that of Endumeni. However, there is an absence of clear population concentration points in these areas and the settlement patterns and spatial distribution of the populations is a challenge rather than the population numbers for the area. The Umvoti area is relatively denser with a larger population than Endumeni but population distribution factors are becoming a challenge for service delivery.

Map 15: Population distribution



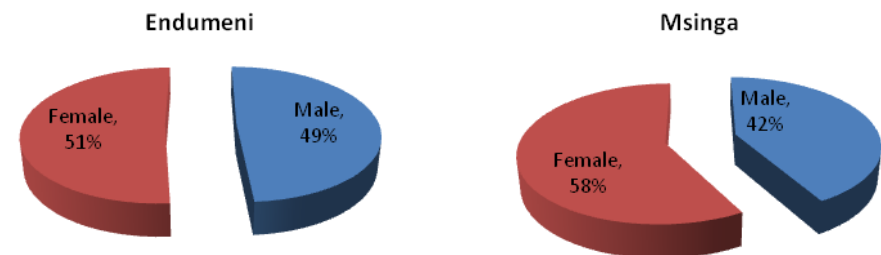
The key issue to consider from the age distribution of the people is the extent to which the lifecycle needs of the different age groups can be met through the spatial planning process.

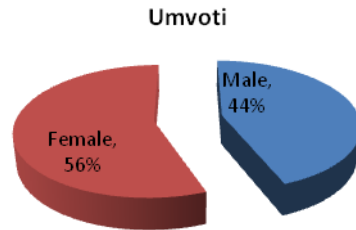
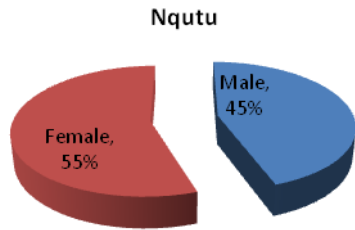
4.1 Gender distribution

Gender distribution is important since it provides an indicator of the extent of migrant labour in the municipal area. Male absenteeism indicates that men left the area to work elsewhere. The opposite is an indication of the availability of jobs and job opportunities.

There are substantially more females in all Msinga, Nqutu and Umvoti while Endumeni has a more “normal” distribution in terms of the national profile. One can safely assume that there are large numbers of males leaving the area to work elsewhere. From a social development point of view, this leads to a range of challenges. From an economic point of view, it introduces the concept of a displaced economic base for the area. It implies that the areas real economic base is elsewhere and in planning for the area one should recognise that national and even international economic trends and tendencies might have a bigger impact on the wellbeing of the local population than local economic factors itself. For example, if a large number of the migrants are working on the Free State Goldfields a drop in the gold price that might cause the closure of a mine in Welkom will increase poverty in Msinga.

Figure 1: Gender ratios





4.2 Level of education

The distribution of level of education confirms the broad socio-economic patterns in the municipal area. The next table summarises education levels.

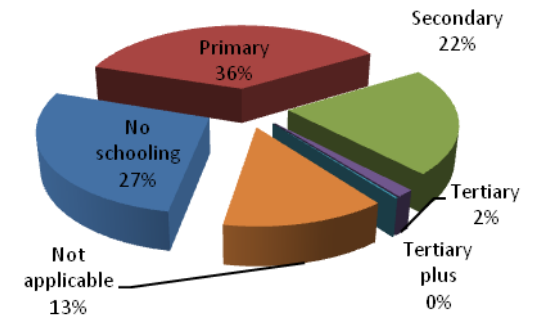
The educational levels in the Municipality are very low. More than 30% of the population has no education while more than 70% has less than a secondary school education.

Less than 2% have a post matric education.

Spatially the distribution of education levels between municipalities and between urban and rural areas differs significantly. There are a higher concentration of people with secondary and post-matric in the urban areas. The level of education highlights the importance of the primary sector, especially

agriculture, to accommodate and absorb unskilled workers and the limited opportunities for higher skilled workers in the current make-up of the local economy.

Level of education

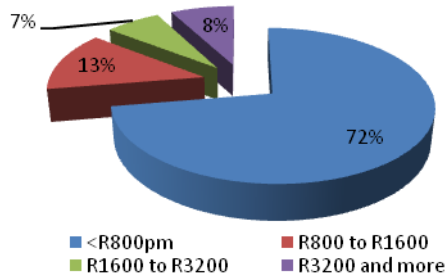


4.3 Household income and poverty

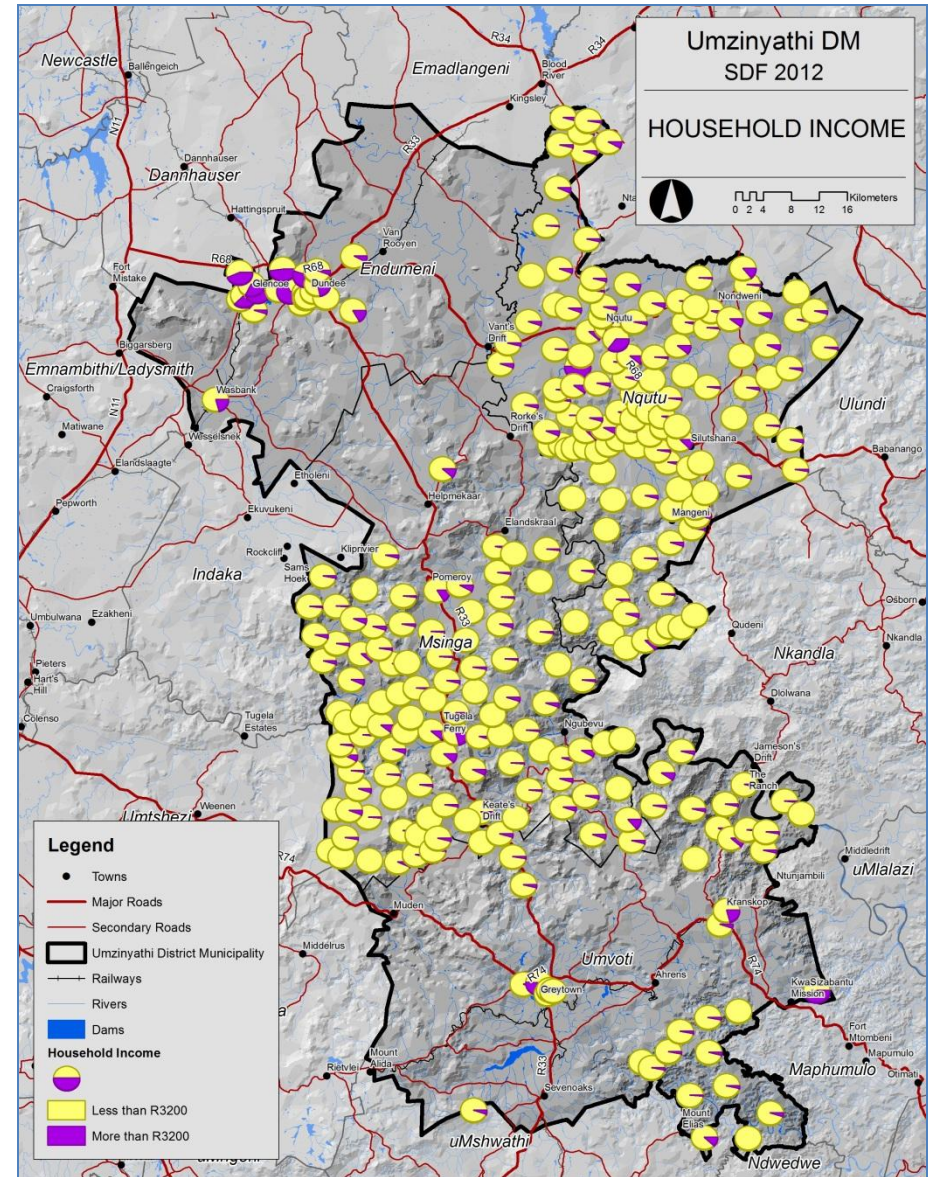
The map showing household income distribution is one of the most significant maps showing the extent of the poverty problems in the municipal area. R3200 per month is generally regarded as a good measure for poverty since it is more or less the cut off point for government assistance to poor households. The implications of this profile are profound. It implies that the local municipal councils have a limited resource base and thus a very limited ability to make a significant impact on development in general. The councils are highly dependent on grants and subsidies to be able to sustain basic levels of service delivery. The financial implications of this aspect of development are dealt with later in the report.

All the areas report very low household income. Only selected areas in the core urban centres have households with income levels above R3200 per month. The practical implication of this profile is that there is no local revenue base for any of the councils.

Household income distribution



Map 10: Monthly household income



4.Services and Social Infrastructure

Services and social infrastructure is key to development. A constrained or underperforming services environment does not contribute to sustainable development. The availability of services that meets the expected performance criteria and access to these services are prerequisites for social and economic development.

4.1 Transportation links

Development is a function of accessibility. Remoteness and isolation never promotes and enhances development. Access to facilities and opportunities sustain development. Spatially, transportation networks and facilities play an important role in development.

The dominant development potential is strengthened or weakened by its accessibility and links with the broader development environment. Access and functional linkages are described by:

- Road, rail and air links
- The mode of transport utilised by households
- The accessibility of major towns as regional and local service centre
- The functional service area of the urban core.

4.2 Roads

A key feature and determinant of development in Umzinyathi is its location between major corridors linking the coast and Gauteng and the north coast and Mpumalanga. It is located to an extent in an “economic no man’s land” with very few intervening opportunities that defines it as a destination in itself. It is within a comfortable distance of major provincial nodes such as Newcastle, Ladysmith Vryheid, and Pietermaritzburg. The following distances apply:

Distances to major centres (km)

Major centre	Distance from Dundee	Distance from Greytown
Johannesburg	375	470
Durban	308	150
Pietermaritzburg	230	73
Newcastle	65	195
Ladysmith	70	124

Vryheid	73	199
Richardsbaai	275	217
Greytown	126	
Dundee		126

The extent of roads and road coverage is important as well as the quality and conditions of the roads. There is an estimated 2 701km of roads in Umzinyathi and 663km (25%) is tarred. Generally, the gravel roads outside the urban areas are in a good to fair condition. They are well maintained through ongoing programmes of the Provincial Government. The R33 between Dundee and Greytown is the most important regional link but its condition varies. The road is generally not well maintained. The section through Tugela Ferry is in a very poor condition and dangerous. A lack of stormwater management has washed away sections through the mountain that will be very expensive to repair.

4.3 Railway

The development and extension of railway lines played an important role in the history of the municipal area. Glencoe owes its existence to the construction of the main railway line between Johannesburg and Durban in the 19th century. A number of important railway lines affect the municipal area

- Durban-Ladysmith-Volksrust (and beyond to Union in Gauteng)
- Glencoe-Dundee-Vryheid Main Line
- Pietermaritzburg-Greytown-Kranskop Branch Line
- Mount Alida Branch Line

4.4 Air fields

There are licensed airports at Dundee and Greytown. Both have paved runways and both are registered with South African Civil Aviation Authority.

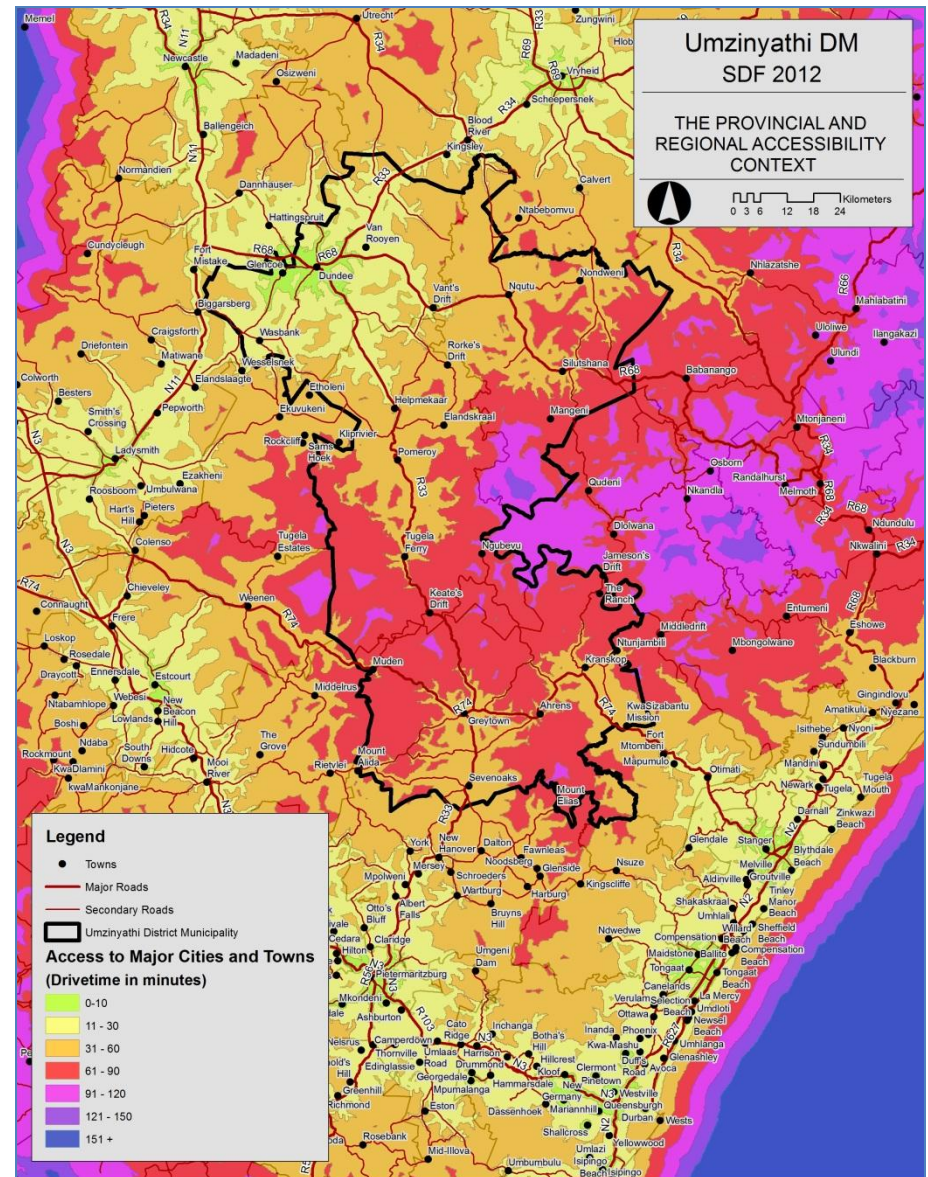
Airfield in Umzinyathi

Airfield	ICAO	Surface	Latitude	Longitude	Max Runway
Dundee	FADD	Paved	28° 10' 0" S	30° 13' 0" E	1000m
Greytown	FAGY	Paved	29° 07' 19" S	30° 35' 12" E	1500m
Zulu Wings		Grass	28° 07' 59" S	30° 22' 52" E	950m
Waterways		Grass	29° 01' 55" S	30° 40' 22" E	350m
Muden		Unknown	28° 25' 15" S	30° 24' 12" E	Unknown

4.5 Access and functional links

Although the municipal boundary describes the administrative unit, the function and impact of the urban core of the municipality does not necessarily follow the same boundaries. The extent of accessibility is shown on the next map.

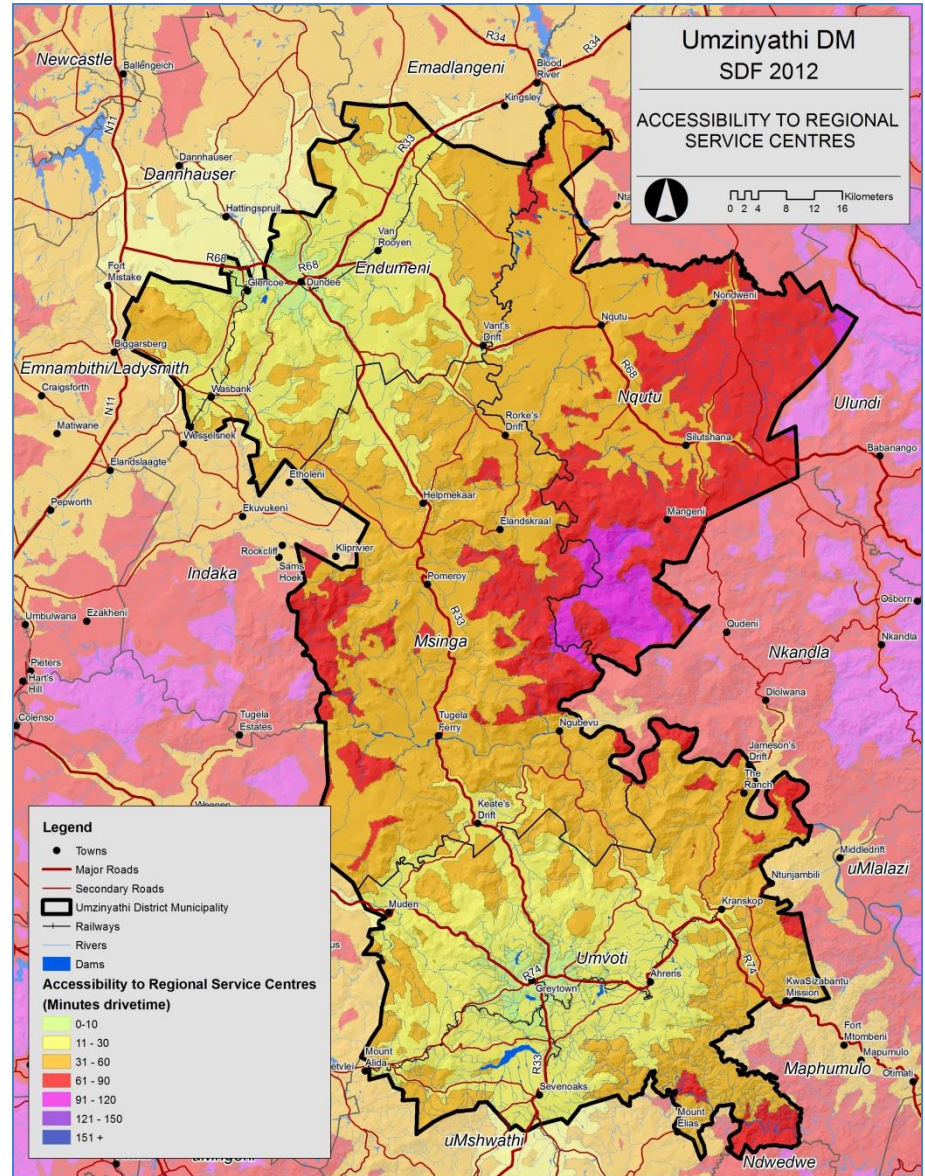
Map 16: The provincial and regional accessibility context



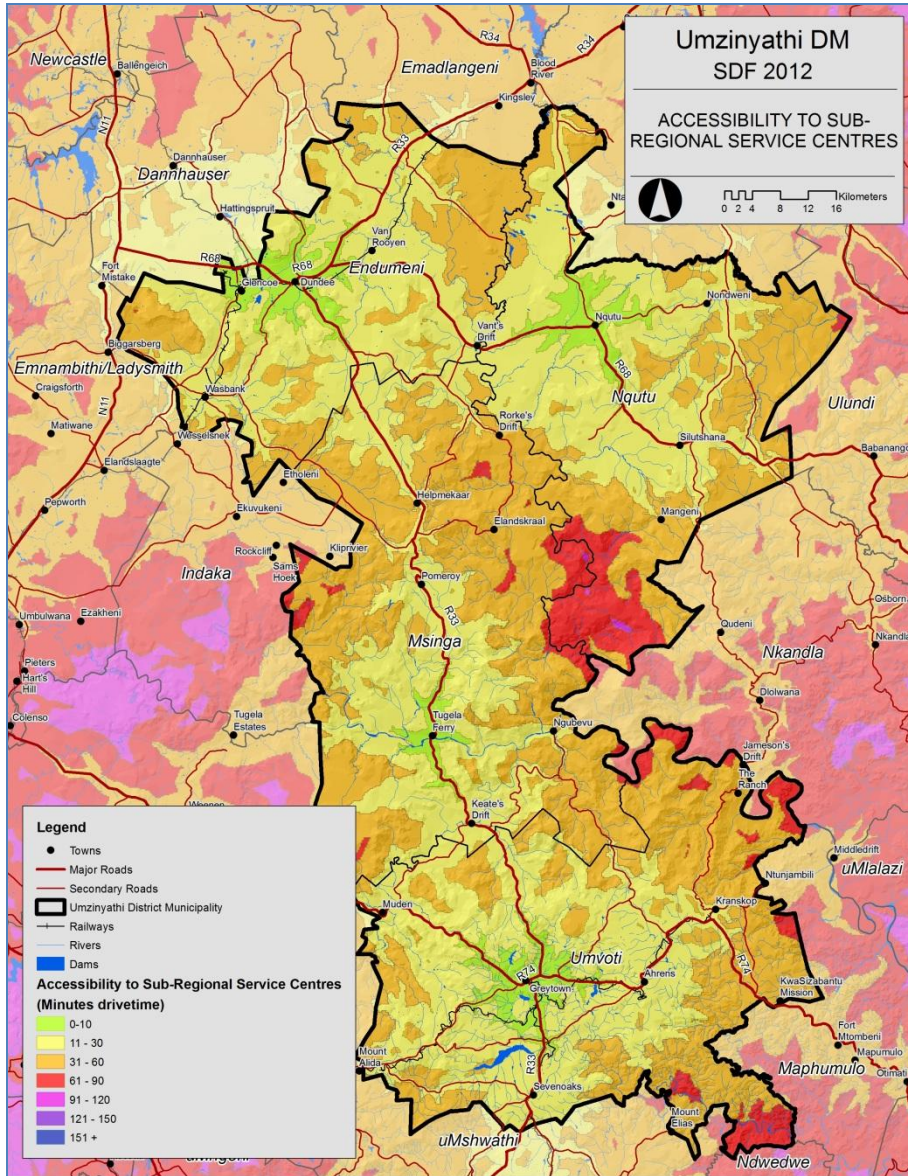
Regional and provincial accessibility was assessed from surrounding towns on the major routes through the province. The results show that only the southern and northern parts of the municipality are reasonably accessible. The area between Tugela Ferry and Greytown is very inaccessible and it correlates with the development challenges that were identified earlier in this assessment.

The next three maps show access within the municipal area. The first map, **Error! Reference source not found.**, assesses accessibility from the two higher order centres. The next level of assessment, accessibility when Nqutu and Tugela Ferry are added to as sub-regional service centres. If one now adds Wasbank, Pomeroy, and Kranskop as local service points, accessibility across the municipal area is very good. One can safely conclude that the basis structure and hierarchy of service points through the municipal area is well developed. This service point structure is a good basis for further focused on development initiatives.

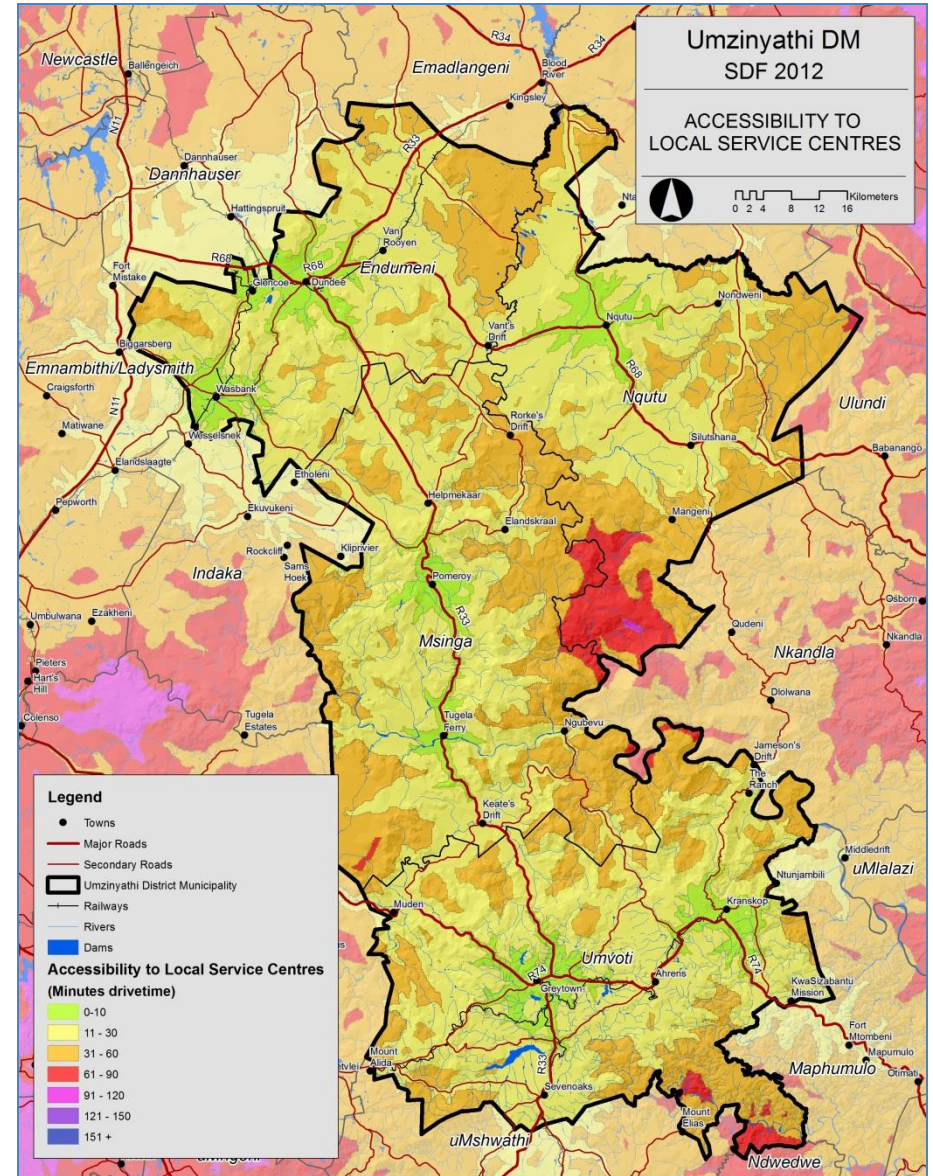
Map 17: Access and functional links: Regional service centres



Map 18: Access and functional links: Sub-regional service centres



Map 19: Access and functional links: Local service centres



4.6 Transport and mobility

Access and accessibility is directly related to mobility and mobility in turn links to the mode of transport. The assessment in terms of drive time is based on a person travelling by motorcar. These parameters will clearly change if a person is walking or travelling on horseback.

The first factor to be considered is the people who do not travel. If those who do not travel or those who travel by foot are regarded as structurally immobile then the next tables indicate that there is practically a total immobility in the municipal area. The implication is if services are not brought to their doorstep, they cannot access services. STRUCTURAL IMMOBILITY is the biggest development barrier in the area.

Degree of immobility

	Endumeni	Nqutu	Msinga	Umvoti	Total
People not travelling	81.3%	96.6%	97.8%	90.0%	94.0%

Structural immobility can only be overcome if densities within a walking distance are high enough to meet the lower threshold values required to provide services on a sustainable basis.

One of the key drivers for development in South Africa is sustainable service delivery. In the light of the high level of immobility of the local population, the next table shows density thresholds based on walking and drive time norms for different community facilities. The fact is if one cannot achieve the minimum density norm then a facility cannot be sustained in an area.

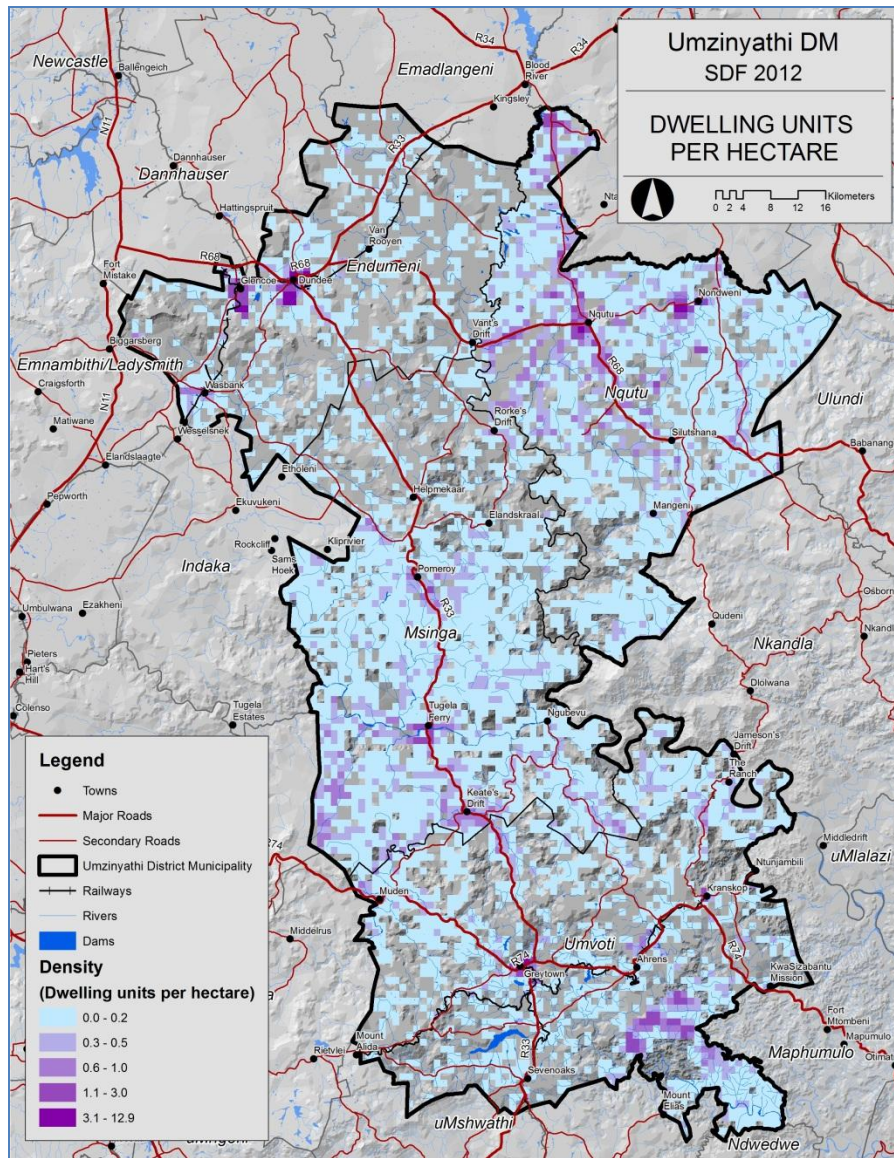
Density thresholds for community facilities

Land uses	Norm for provision	Density threshold walking (dwellings/ha)	Density threshold driving (dwellings/ha)
Community hall	1 per 20 000 people	1.667	0.017
Libraries	1 per 20 000 people	1.667	0.017
Clinics	1 per 10 000 people	0.835	0.005
Fire station	1 per 50 000 people	0.000	0.009
Ambulance station	1 per 50 000 people	0.000	0.042
Market/trading area	1 per 10 000 people	1.875	0.005

Post office	1	per 10 000 people	3.335	0.019
Public telephone	1	per 3 000 housing units	4.693	0.026
Post collection point	1	per 3 000 housing units	4.693	0.238
Police station	1	per 25 000 people	2.085	0.047
Day hospital	1	per 30 000 people	0.901	0.014
Hospice	1	per 50 000 people	1.500	0.024
Old age home	1	per 20 000 people	0.601	0.009
Children's homes	1	per 200 000 people	6.002	0.094
Community centre	1	per 10 000 people	3.335	0.042
Church	1	per 250 housing units	0.219	0.002
Crèche	1	per 5 000 people	1.667	0.009
Nursery school	1	per 2 000 people	1.500	0.014
Primary school	350	children per school	2.693	0.017
Secondary school	500	children per school	4.123	0.002
After school centre	1	1000 children	2.502	0.007

The average densities in Msinga are 0.13 persons per ha and in Nqutu it is 0.17 persons per ha. Accepting the near immobility of the local population, it implies that it will be near to impossible to sustain social services in the area without very careful planning and high levels of subsidization.

Map 20: Households density (Dwellings per ha)



5. Access to service infrastructure

Since this SDF deals with district wide issues, Service delivery in the local municipalities will not be directly assessed. The emphasis is on regional services. This applies to both infrastructure and social or community service.

5.1 Service delivery policies

Basic infrastructure services covers water, sanitation, electricity and refuse removal services. UDM is responsible for water, sanitation, and solid waste disposal site. The LMs are responsible for electricity services where they have supply licenses while Eskom provides electricity in the remainder of the area. Refuse removal is a local function while UDM and the LMs share the responsibilities for municipal roads and storm water services. The rest of the roads in the municipal area are under the jurisdiction of the KZN Department of Transport.

5.2 Access to services

Access to services and specially the capacity of existing bulk services have a direct impact on the prospects for future development. The Council is currently in process of profiling the municipal area in terms of service access. All the policy documents and sector plans still quotes Community Survey 2007 or even the Census 2001. The Council does have access to Global Insight's regional Explorer database and the Quantec database. Both these databases do provide access to services figures that are statistically estimated and do not necessarily reflect the *de facto* situation.

5.3 Water and sanitation services

The UDM is the Water Services Authority and water services are provided through Uthukela Water (Pty) Ltd. The majority of these bulk services is in the tribal and consists of reticulated networks and boreholes. These boreholes provide either direct access to water from the boreholes or feed into reticulated systems. There are 2297 boreholes but 40.7% are currently not working. There are clearly areas where there are more dysfunctional boreholes than in other areas.

The following table shows the estimated position regarded reticulated water services.

Access to water services 2010

	More than basic (House of yard connection)		Basic (Yard tap within 200m)		Below basic (Any other)		Total	%
	Total	%	Total	%	Total	%		
Endumeni	11 097	79.1%	1 078	7.7%	1 855	13.2%	14 030	100.0%
Nqutu	5 406	15.8%	11 442	33.5%	17 318	50.7%	34 165	100.0%
Msinga	1 086	3.1%	4 510	13.1%	28 907	83.8%	34 503	100.0%
Umvoti	13 375	49.2%	3 720	13.7%	10 085	37.1%	27 180	100.0%
Umzinyathi	30 964	28.2%	20 749	18.9%	58 165	52.9%	109 879	100.0%

The extent of the number of households with water services below the basic norm is clear. An expansion of these services does have large financial implications and higher densities and a more spatially focused approach might be appropriate under the circumstances. The map shows the location of bulk water infrastructure in the municipal area.

The next table shows the profile for sanitation services in the municipal area. The extent of the backlogs in the rural or more traditional areas is clear. The low densities and extended nature of the service area makes onsite sanitation systems a necessity.

Service profile for sanitation 2010

	More than basic (Waterborne)		Basic (VIP)		Below basic (Any other)		Total	%
	Total	%	Total	%	Total	%		
Endumeni	11 340	80.83%	330	2.35%	2 360	16.82%	14 030	100.00%
Nqutu	3 404	9.96%	5 733	16.78%	25 028	73.26%	34 165	100.00%
Msinga	1 510	4.38%	2 409	6.98%	30 584	88.64%	34 503	100.00%
Umvoti	11 316	41.63%	1 408	5.18%	14 457	53.19%	27 180	100.00%
Umzinyathi	27 570	25.09%	9 880	8.99%	72 428	65.92%	109 879	100.00%

5.4 Solid waste disposal

Practically, solid waste disposal only takes place in major urban areas. There are currently five solid waste disposal sites in the Umzinyathi area. They are:

- Glencoe
- Greytown
- Nqutu
- The Peacevale area north of Dundee
- Sibongile site south of Dundee

These waste disposal sites services the following areas.

- Umvoti: Greytown, Enhlalakahle, Kranskop and Muden
- Msinga: Tugela Ferry and Pomeroy
- Nqutu: Nqutu and Nondweni
- Endumeni: Wasbank, Glencoe/Sithembele and Dundee/Sibongile.

The next table shows the extent of services and how accessible these services are in the different areas and highlights the lack of services in rural areas.

Access to refuse removal services 2010

	More than basic (Kerbside removal)		Basic (Communal facility)		Below basic (Any other)		Total	%
	Total	%	Total	%	Total	%		
Endumeni	10 744	27.4%	321	0.8%	28 095	71.7%	39 159	100.0%
Nqutu	3 443	22.4%	174	1.1%	11 771	76.5%	15 388	100.0%
Msinga	772	3.2%	290	1.2%	23 125	95.6%	24 187	100.0%
Umvoti	9 562	11.0%	482	0.6%	76 652	88.4%	86 695	100.0%
Umzinyathi	24 520	14.8%	1 266	0.8%	139 643	84.4%	165 429	100.0%

Access to electricity

The LMs and Eskom provide electricity throughout the area. The next area shows the extent of access to electricity services.

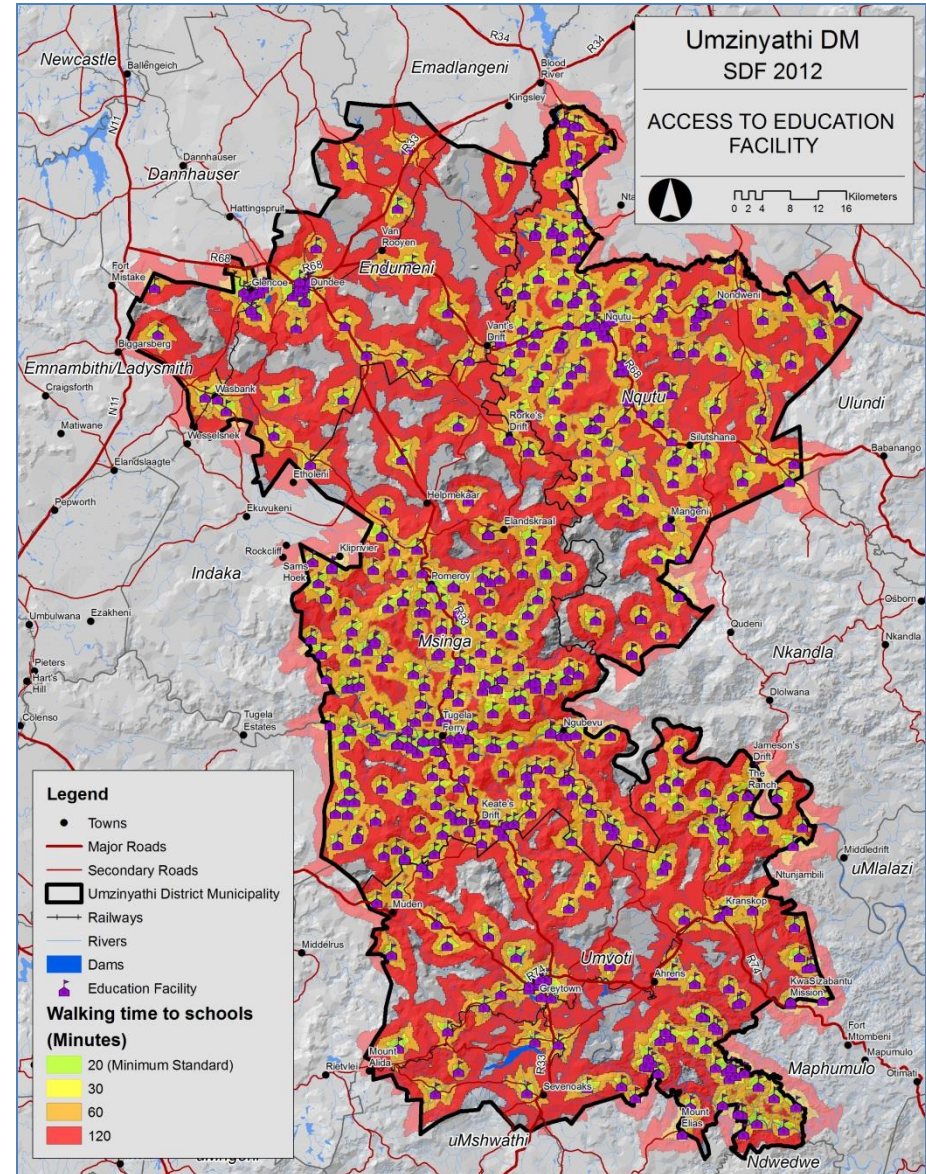
Access to electricity

	Basic and more (Electricity or solar connection)		Less than basic (No connection)		Total	%
	Total	%	Total	%		
Endumeni	11 203	79.8%	2 827	20.2%	14 030	100.0%
Nqutu	12 887	37.7%	21 278	62.3%	34 165	100.0%
Msinga	7 462	21.6%	27 040	78.4%	34 503	100.0%
Umvoti	13 298	48.9%	13 882	51.1%	27 180	100.0%
Umzinyathi	44 851	40.8%	65 028	59.2%	109 879	100.0%

5.5 General access to infrastructure services

General access to infrastructure services is poor. However, this allows for appropriate investment and delivery strategies. The key is to focus on existing nodal points and to encourage a higher intensity of development around these points and to actively discourage any development that amplifies and strengthen the dispersed nature of development beyond the absolute minimum basic services.

Map 21: Access to education facilities



5.6 Access to social services

In an earlier section of this report, the importance of access and mobility as a vehicle for development was described. This specifically applies to a community's access to education, health care, and security services. In an area such as Umzinyathi, there are a number of issues to consider. Any facility operates on a certain threshold population (See **Error! Reference source not found.**). This is the minimum population required to provide a viable service. Viability is not necessarily measured in only monetary terms but include elements such as the availability of the necessary infrastructure including building and basic services. For example, the threshold norm for a clinic is 10 000 people for one clinic. Given the extent of the area a clinic will have to serve, it is not possible to try and provide a service of the necessary quality based on the density of the area. This specifically applies to the rural areas. However, people still require such services.

The same issues apply to schools. The threshold for high schools is normally 750 learners and for a primary school 350 learners. With three primary schools feeding one high school. However, access to education services, given the general rural densities will be problematic.

5.7 Access to educational facilities

The maps show how schools are spread through the municipal area. There are nearly 530 schools in the municipal area.

Again, the sparsely populated western sector has very few schools. Most rural schools are on private land and linked to farming concerns. The next table shows the extent of access to schools. Since analysis has shown that 94% of rural people have to walk to where they want to be, access is measured in terms of persons within walking distance from schools. When the same parameters are applied in the urban context, the results are more acceptable and show generally good access to schools. The table below shows the average distance to schools in the municipal area. The difference between the different areas is a direct result of different settlement densities.

Time distance to schools (% of people)

Walking Time	Endumeni	Msinga	Nqutu	Umvoti	Grand Total
20 Minutes	79.6%	35.1%	43.6%	45.1%	46.0%
30 Minutes	6.6%	18.2%	15.5%	14.6%	15.0%
60 Minutes	7.7%	32.6%	26.4%	22.2%	25.0%
120 Minutes	4.9%	13.3%	13.9%	16.6%	13.1%
2 Hours +	1.2%	0.8%	0.6%	1.4%	0.9%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%

One should note that this assessment is about the spatial distribution and access to facilities and does not assess the qualitative aspects of the education system.

5.8 Access to libraries

Libraries are an essential part of the educational system. There are six libraries in the municipal areas. They are:

- Wasbank Public Library
- Nondweni
- Dundee Public Library
- Nqutu Public Library
- Greytown Public Library
- Kranskop Library

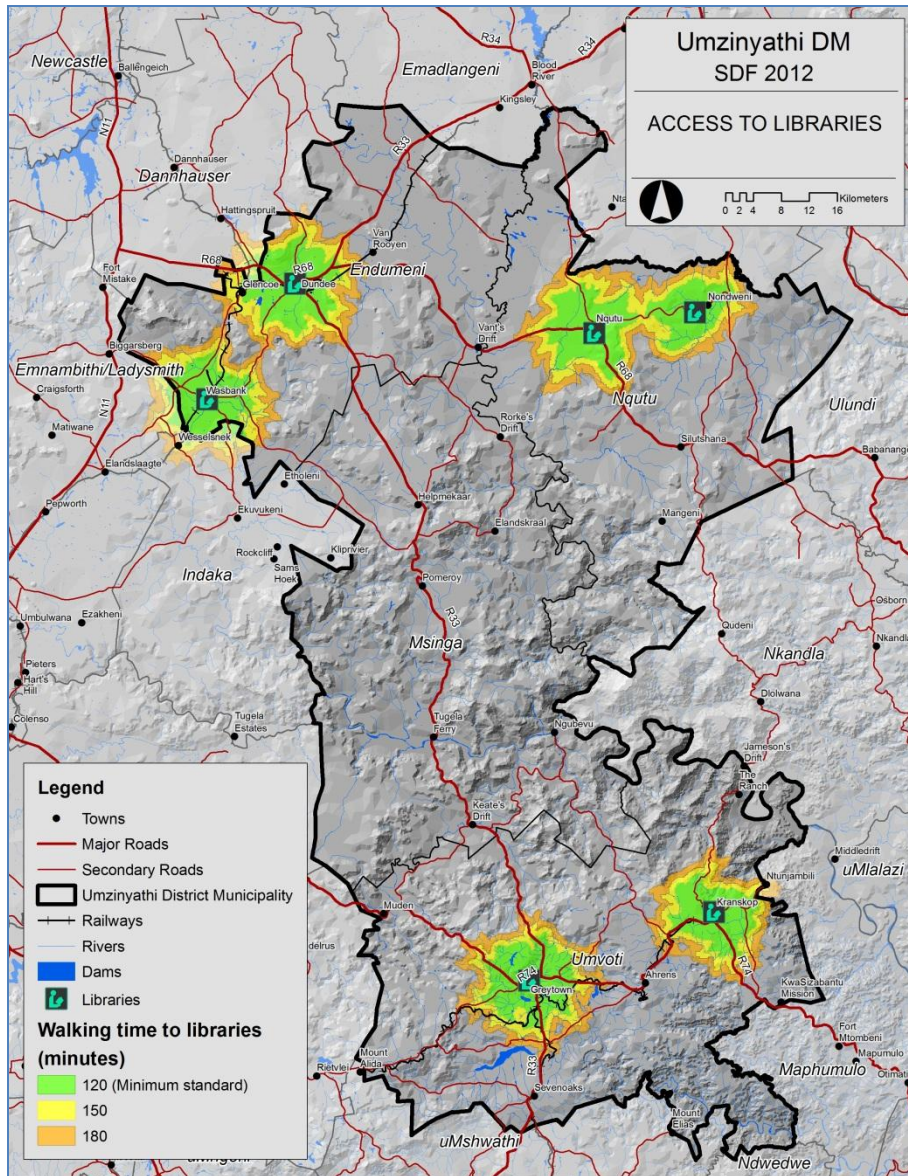
It is noticeable that smaller centres like Wasbank and Kranskop do have libraries. Accessibility is essential if a library should have any value to the community. The minimum accessibility standards for libraries are 120 minutes. Libraries are expensive and cannot be provided at a large scale across all communities. Accessibility in terms of percentage of households with access to libraries is shown in the next table.

Households with different walking times from a library (%)

	Endumeni	Msinga	Nqutu	Umvoti	Total
120 Min	67.1%	0.0%	29.5%	18.8%	22.4%
150 min	24.4%	0.0%	6.0%	1.8%	5.6%
180 Min	1.3%	0.0%	6.8%	1.9%	2.7%
180 Min +	7.2%	100.0%	57.8%	77.4%	69.3%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%

The above section shows access to libraries is very localised.

Map 22: Access to libraries



5.9 Access to emergency services

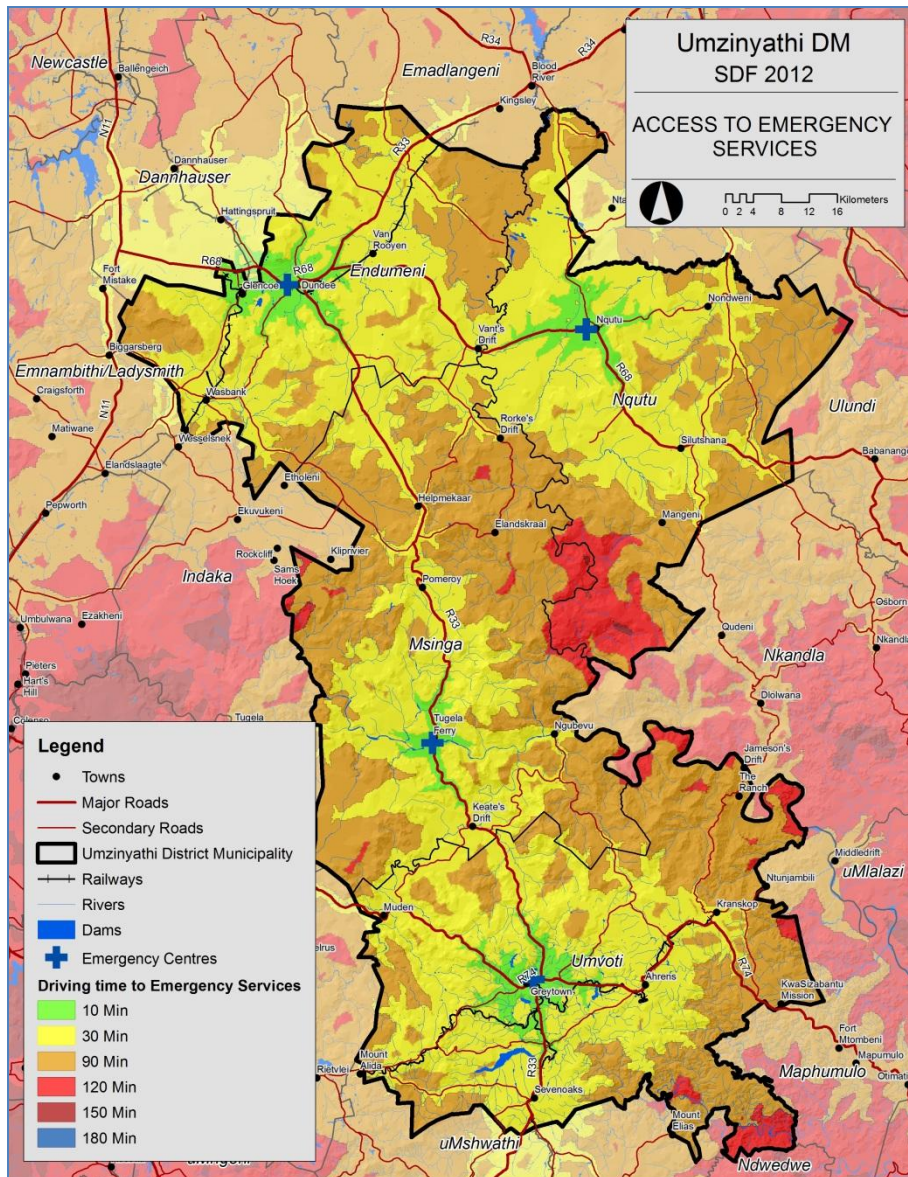
Emergency services play a very important role in safeguarding assets. Emergency services are essential for development because the availability of fire services impacts on insurance and the cost of investment for businesses. Providing emergency services is also part of the general health care and disaster management system in any municipal area. There are emergency service centres in the main towns of each of the four local municipalities. These services provide good coverage and all urban areas are well within the norm of a 10 minute response time. The larger part of the municipal area can be reached from these centres within the required 30 minutes. There are some rural areas, which is less accessible and do not meet the required norms and standards. However, these services are very expensive and costly to maintain and circumstances will have to be exceptional to justify an extension of the spatial footprint.

Households (%) reachable within drive time limits

Driving Time	Endumeni	Msinga	Nqutu	Umvoti	Grand Total
10 Min	84.5%	10.3%	25.0%	16.3%	26.3%
30 Min	13.0%	51.0%	55.4%	46.2%	46.2%
90 Min	2.4%	37.4%	17.1%	34.4%	25.6%
120 Min	0.0%	1.3%	2.5%	3.1%	1.9%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%

Only Endumeni have acceptable access. Although the other centres do have these facilities, general accessibility remains low due to the very low densities in these areas and the dispersed nature of settlement.

Map23: Access to emergency services



5.10 Access to health facilities

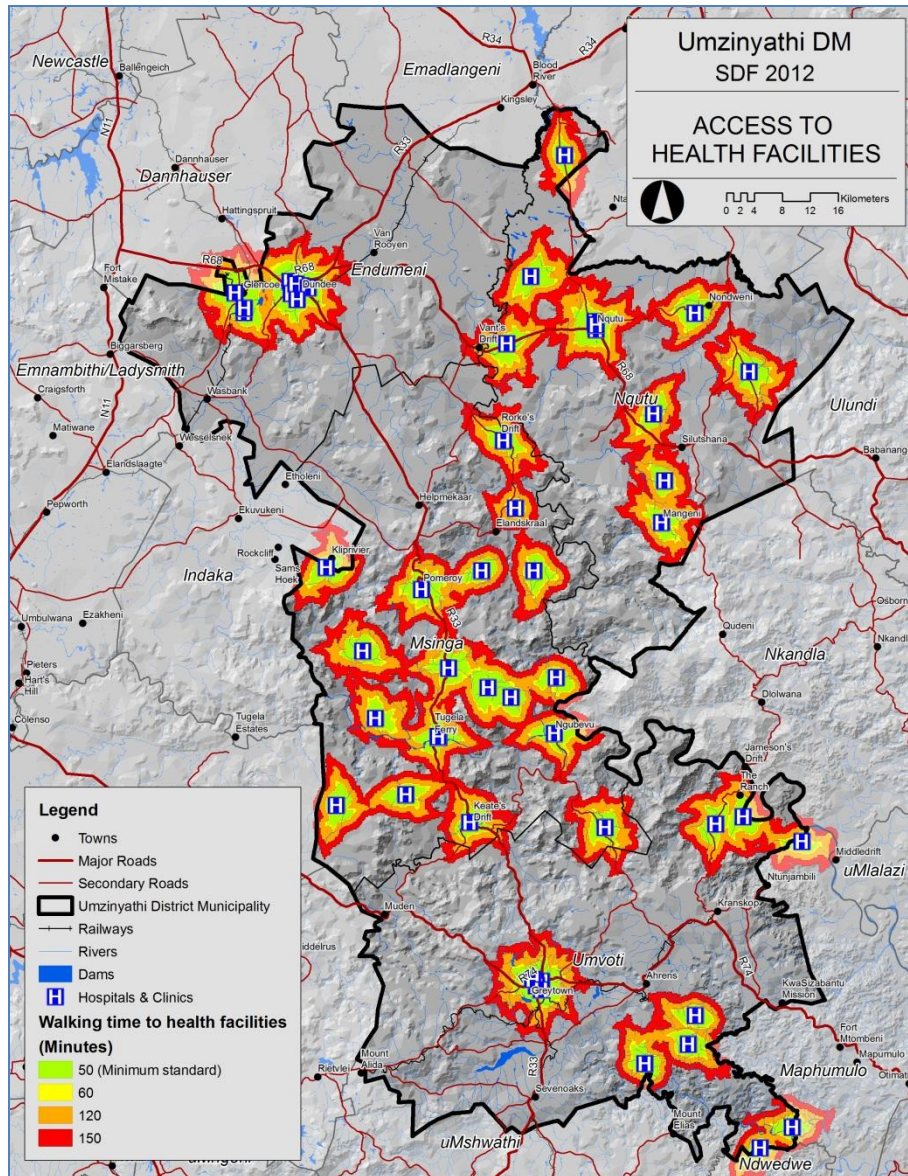
There are fewer health facilities in the municipality due to the higher threshold requirements for these types of facilities. Walking time was the assessment criteria and the same access issues and challenges do exist. Given the low growth rural environment it will not be possible to improve access through growth. The following section shows the average distances to health facilities in the municipal area.

Average time distance to health facilities (% of people)

Walking Time	Endumeni	Msinga	Nqutu	Umvoti	Grand Total
50 Minutes	81.7%	24.2%	25.2%	35.2%	34.7%
60 Minutes	0.4%	7.2%	4.1%	3.1%	4.4%
120 Minutes	1.7%	19.0%	15.8%	10.2%	13.8%
150 Minutes	3.0%	18.7%	18.8%	7.2%	14.1%
150 Minutes +	13.2%	30.9%	36.2%	44.2%	33.0%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%

The impact on settlement densities is reflected in the different distances. Again, one should note that this assessment is about the spatial distribution and access to facilities and does not assess the qualitative aspects of the health care system.

Map 24: Access to health facilities



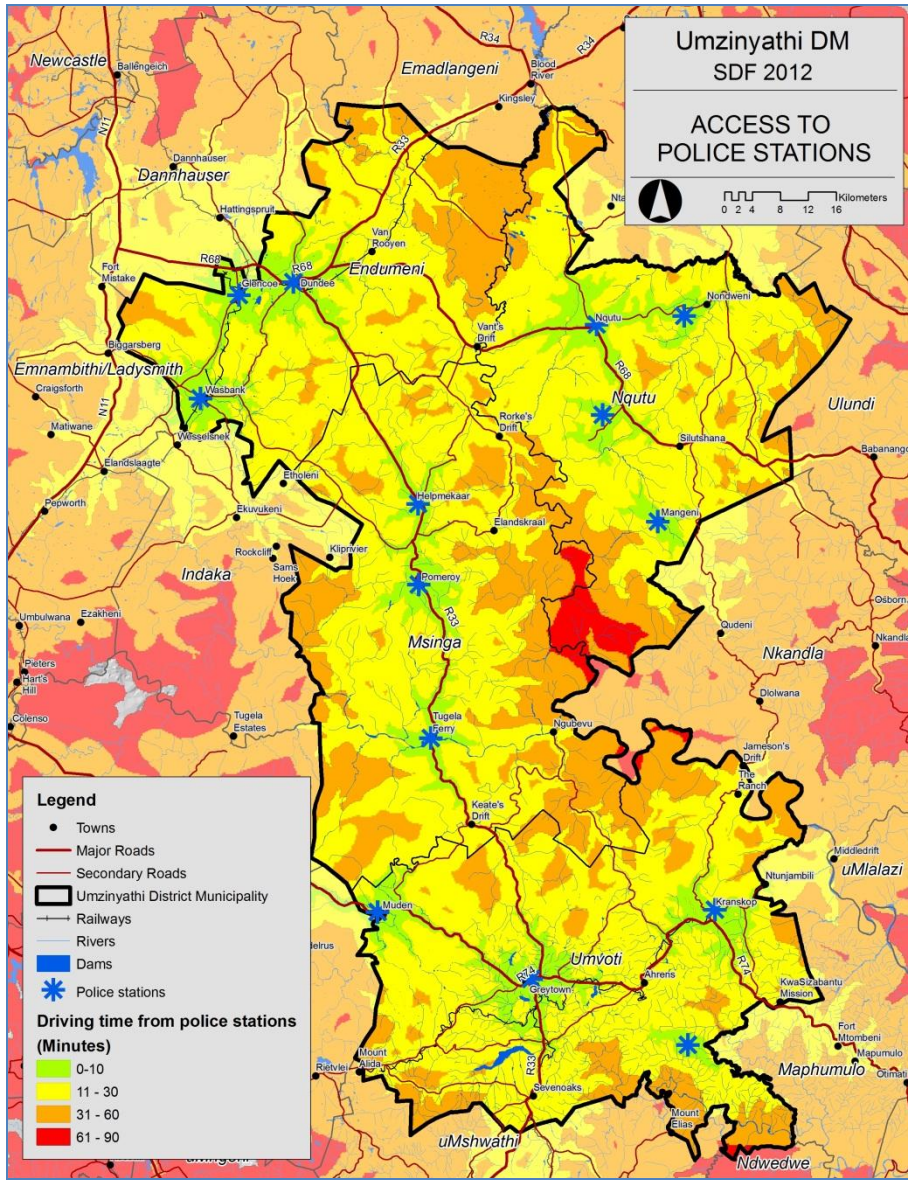
5.11 Access to police stations

Access to police stations was not assessed based on walking distance but rather on drive time from police stations. This assessment shows how long it will take the police to reach any point in the municipal area. It is important to note that police stations in neighbouring municipalities do play a role in Umzinyathi municipal area. The municipal area is however, very well covered by police stations with close to 90% of households reachable in 30 minutes.

Population within time distance from police stations

Driving Time	Endumeni	Msinga	Nqutu	Umvoti	Grand Total
10 Minutes	91.4%	19.0%	37.3%	36.8%	38.4%
30 Minutes	7.3%	60.5%	53.6%	51.9%	49.3%
60 Minutes	1.3%	20.2%	7.7%	11.2%	11.8%
90 Minutes	0.0%	0.3%	1.4%	0.1%	0.5%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%

Map 25: Access to police stations



5.12 Other social services and community facilities

The previous sections dealt with key facilities in the municipal area and assessed the accessibility thereof. However, many other facilities complete the community fabric. The table below shows a list of such facilities and gives an indication of the controlling authority or institutions. It is important to note the role that non-governmental institutions play in meeting the needs for community services and facilities.

Other social services and community facilities²

	Controlling authority									Total
	Religious	Community	Government	Mosque	Municipality	Other	Postal Service	Private	Traditional Authority	
Admin Centre			34		11	2			20	67
District Court			5							5
Government			27			1			1	29
Municipal			1		11					12
Other						1				1
Pension pay point									1	1
Traditional									1	1
Traditional Court			1						17	18
Cemetery	9	15			13	1			10	48
Formal Cemetery	1				12	1				14
Informal Burial Site	8	15			1				10	34
Crèche			78			13		16		107
Combined			40			11		3		54
Daycare			19			1		10		30
Other			1			1		1		3
Pre-school			18					2		20
Church	281									281
Church	256									256
Mosque				2						2
Open/Natural	17									17
Other	2									2
Temple	4									4
Community hall	3	2	68	1	40				5	119
Community Hall	3	2	68	1	40				5	119
Postal service								73		73
Cluster Box								65		65
Post Office								8		8

	Controlling authority									Total
	Religious	Community	Government	Mosque	Municipality	Other	Postal Service	Private	Traditional Authority	
Prisons			4							4
Prison			4							4
Sport facility		35	105		43	8		24		215
Basketball Court					1					1
Cricket Field			1							1
Equestrian Field			1							1
Golf Course						1		2		3
Gymnasium			1							1
Hockey Field								1		1
Netball Court			2		1			2		5
Other		1			1			3		5
Park					1	1				2
Rugby field			1		1			2		4
School field			76					1		77
Show Ground					1					1
Soccer and Rugby Field								1		1
Soccer Field								1		1
Spin Gym						1				1
Sports field		34	15		32	3		5		86
Swimming Pool			5		1	1		2		9
Tennis Court			3		4	1		4		12
Grand Total	291	52	289	3	107	24	73	40	35	914

The list is only indicative of the main functions that facilities fulfill. There are however, a number of facilities that serve multi-purposes. For example, schools provide education, have sporting facilities, and provide community halls. In the same way, traditional courts serve as pension pay points when required.

When the distribution of these facilities is spatially assessed, it is clear that in the past they have tended to respond to settlement patterns rather than serving as the focal point for settlement. In this sense the provision of these facilities have contributed towards entrenching the low density dispersed settlement patterns in the municipal area.

6. Housing

The Housing Act of 1997 (Act 107 of 1997 defines “housing development” as:

1(vi) “... the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities in areas allowing convenient access to economic opportunities, and to health, educational and social amenities in which all citizens and permanent residents of the Republic will, on a progressive basis, have access to:

(a) permanent residential structures with secure tenure, ensuring internal and external privacy and providing adequate protection against the elements; and

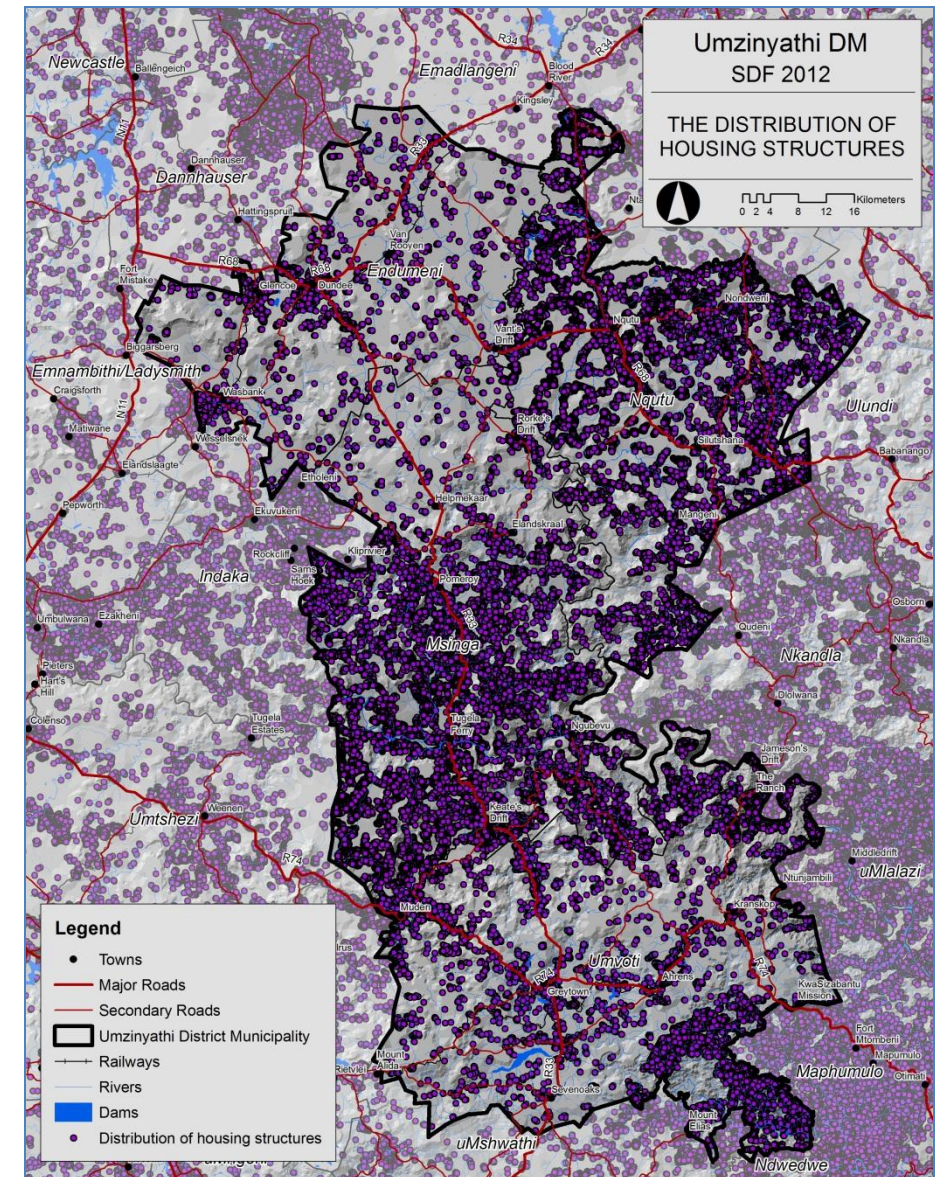
(b) potable water, adequate sanitary facilities and domestic energy supply.”

This definition links all the key elements in the urban environment. However, housing is not the focus of the SDF but housing remains one of the most important aspects in development.

6.1 The spatial aspects of housing

The distribution of housing across the municipality is important. The map shows the distribution of houses throughout Umzinyathi. The general low-density spread of settlement is very evident and the impact of topography on housing is noticeable. In this sense, mountain-ridges and river valleys are important settlement areas. The disperse nature of settlement make sustainable service delivery very difficult if not impossible in many areas.

Map 21: The distribution of housing structures

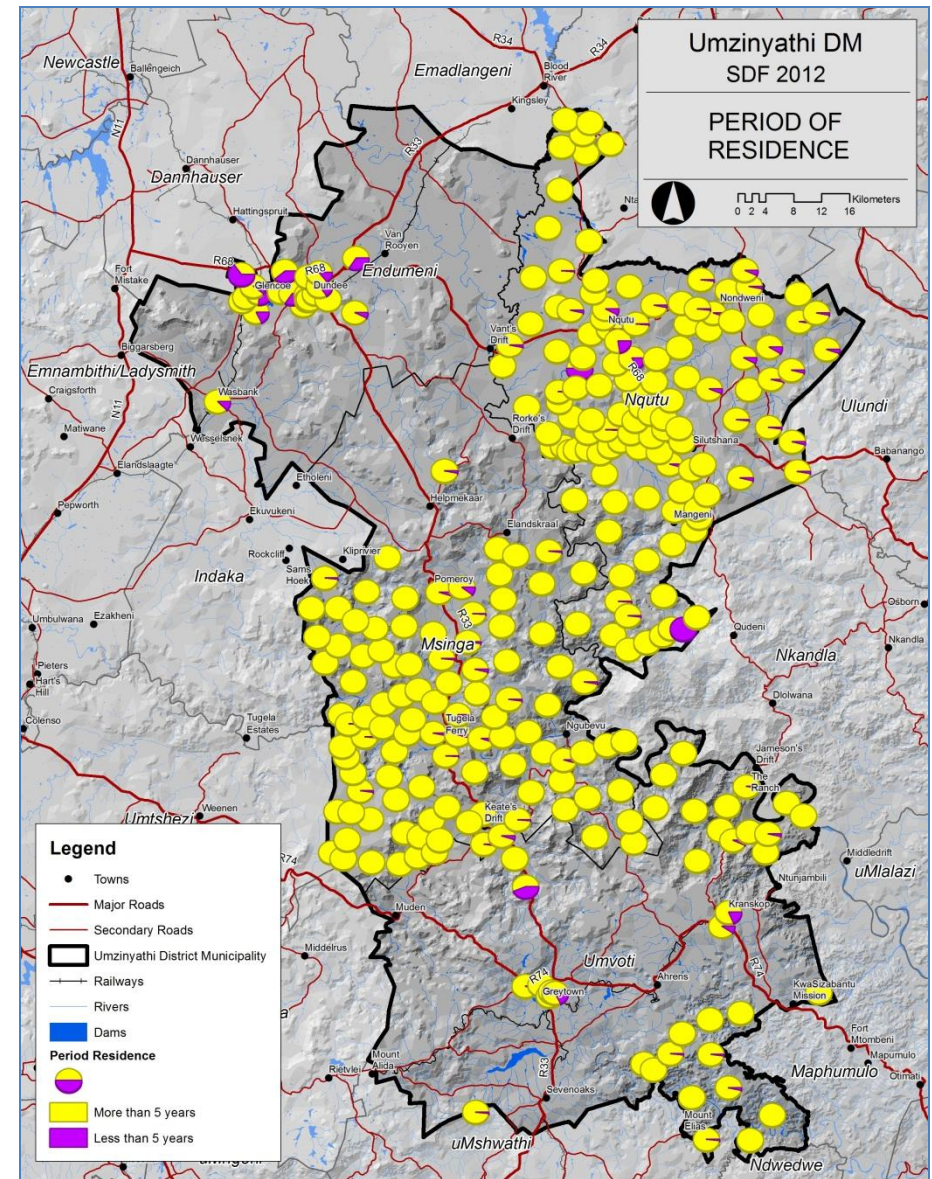


6.2 Period of residence

Period of residence is usually a good indication of migration and movement of people. The normal pattern is that the rural areas (farms and traditional) are very stable with little indications of movement while urban areas and especially the traditional lower income areas show high levels of changes. The next map confirms this lack of movement.

There are a few areas where new households are present. The Dundee-Glencoe complex shows some new households and there are a number of areas in the traditional areas where there where a very marginal influx of new people. There are however, many areas, which are very stable with no indication of any migration. This stability linked to the general immobility of people in the area aggravates situation of an area that stagnates and eventually, start to degenerate at a pace that will be difficult to turn around.

Map 26: Period of residence



6.3 Assessing change and growth

The previous section focused on the existing development environment from different perspectives. In order to move from the existing into proposals for future development it is important to understand growth and changes in the local demographic base and the economic environment. The purpose with this section is therefore to analyse the local population and households in order to do estimates of expected growth and changes and secondly, to assess the local economy in order to establish the sectors driving the economy and assess the extent and impact of economic change.

7. Population and household changes

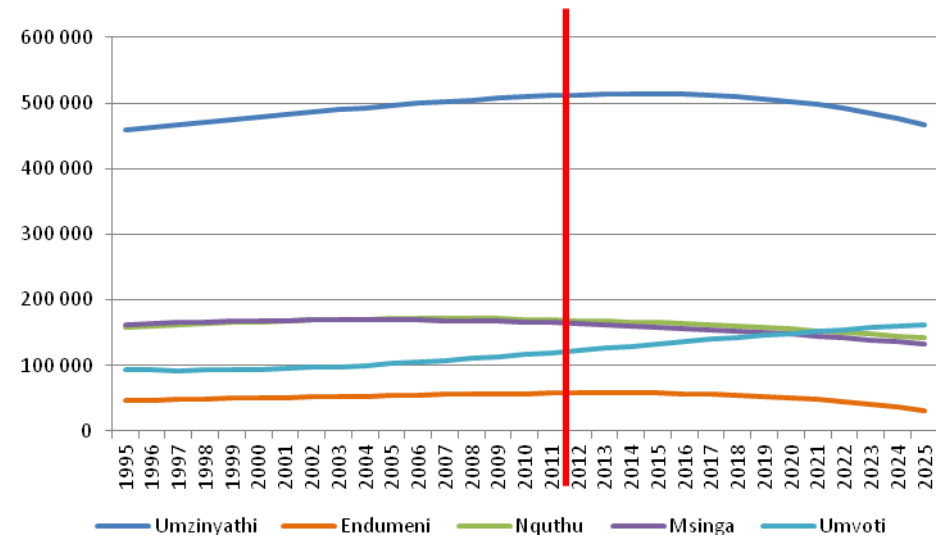
7.1 Population growth expectations

Population and household growth is one element that determines the long-term demand for goods and services. Based on historical population figures from 1995 to 2010, a trend analysis was done for each of the four municipalities. Curves were fitted to the data and were selected based on the best correlation coefficient that could be determined through the least squared method. The following polynomial expression were determined and used to project population figures up to 2015 for each of the municipalities.

Estimated and projected populations

	1995	2005	2 012	2 013	2 014	2 015	2 020	2 025
Endumeni	46 341	53 945	57 709	57 844	57 788	57 502	51 010	30 819
Nqutu	157 419	171 510	168 551	167 464	166 200	164 763	155 073	141 495
Msinga	162 697	169 691	163 483	162 040	160 434	158 665	147 394	132 132
Umvoti	91 979	102 226	122 780	126 082	129 416	132 760	148 856	161 871
Total	458 437	497 372	512 522	513 429	513 838	513 690	502 333	466 317

Figure 2: Population projection curves

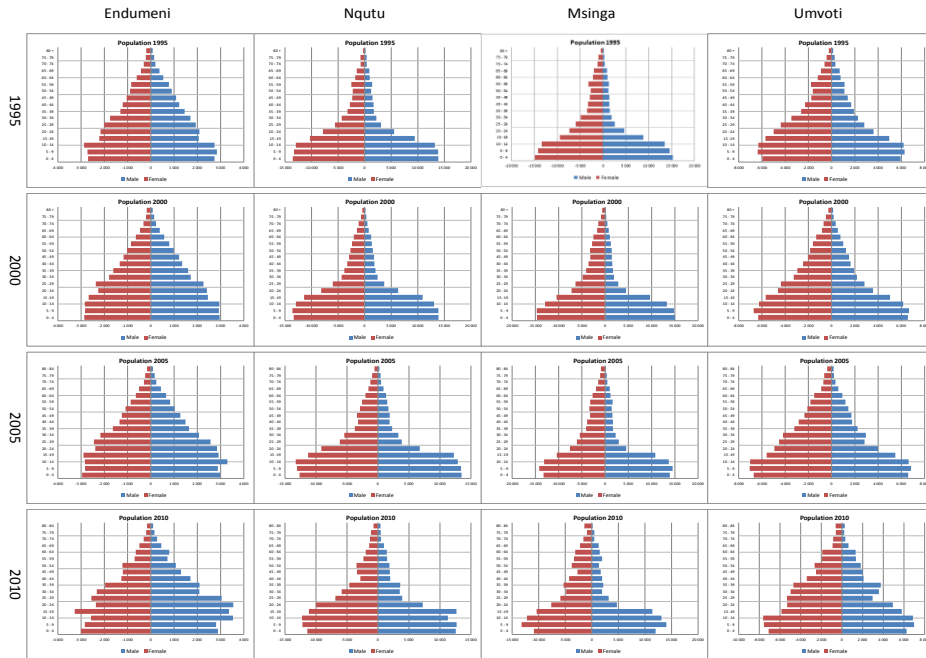


The following should be considered:

- There is a general and overall trend indicating that population numbers might decline over the next decade. However, over the past four years there are indications that the decline might have stabilized in Nqutu and Msinga. Indications are also that the population of Endumeni might start to decline within the next five years. However, the population of Umvoti will generally continue to increase. The population trends closely correlates with economic expectations as will be shown later in this section.
- The priority, policies, and decisions of the LMs and DM can also alter the situation. This cannot necessarily be predicted. For example, the fact that the councils actively promote the social investment is an impetus for migration in itself. Any event that deviate from the historical patterns, or which are not dictated by the processes of supply and demand, is difficult to discount in estimates of future growth and demand for services and land.

Population is not only about numbers. The structure of the population is equally important and gives insights into aspects such as economic activity, dependencies, future housing, and service demand. The figures below describe the profile of the population pyramids in five-year cohorts for the LMs in Umzinyathi over a period of 15 years.

Population structure 1991 to 2006



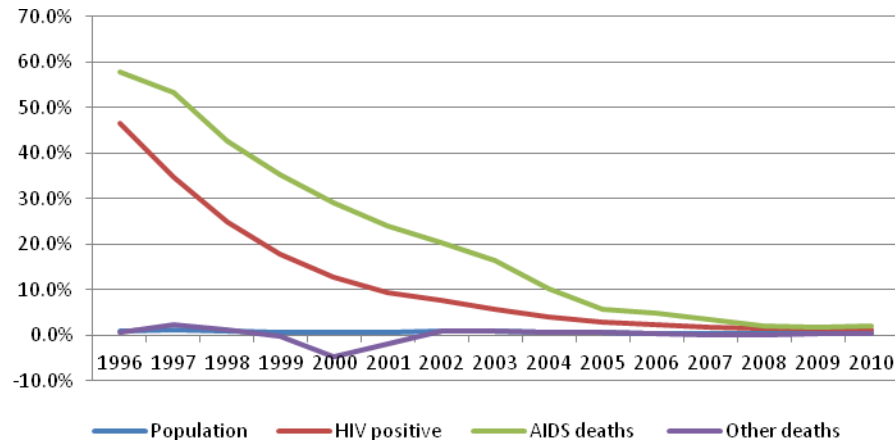
Source: Calculated from Quantec data

The general profile reflects a population structure with a large number of people below the age of 20. In these cohorts, male and female groups are more or less equally represented. Such a profile should be an indication of high growth levels and increased demand for infrastructure, housing, and services once these cohorts reach the age of household formation between the ages of 20 years and 64 years. However, the following are relevant:

- In all three LMs there was a clear decline in birth rates as reflected in the bottom cohort of 2010. This is more prevalent in Endumeni and Umvoti with the trend also emerging in Nqutu and Msinga.
- There is a clear increase in the number of males (blue bars) in Endumeni. The same happens to a lesser extent in Umvoti but in the case of Nqutu and Msinga there is a large scale out migration of economically active males. This points to entrenched migrant labour processes in Nqutu and Msinga. Out migration, that is, shedding males in the economic active categories between 20 and 64 years of age, is indicative of underperforming economic and an inability to absorb labour and hence high levels of poverty. From the cohorts above 65 years for males, it is also clear that these men do not return at retirement age but that they have left the area permanently. This might have serious social implications and would lead to increased dependency ratios in the remaining population.
- Given the declining birth rates and high levels of permanent male absenteeism, one should expect the population to decline over the long-term as shown in the preceding section.
- Indications are that Endumeni and Umvoti is to a certain extent busy absorbing males. The number of males to females in the economic active cohorts is increasing. This is however, not necessarily, an indication of improved or better economic conditions but might show an expectation of better economic opportunities in these areas rather than in Msinga and Nqutu. If the two economies cannot absorb these migrants it will increase local poverty levels, add to the social burden on the municipality and other social service providers.

HIV/AIDS do have far-reaching implications for population growth in the area. Not only does it affect the growth rate, it also affects the population structure of the area.

FChange in annual rates in HIV/AIDS related variables

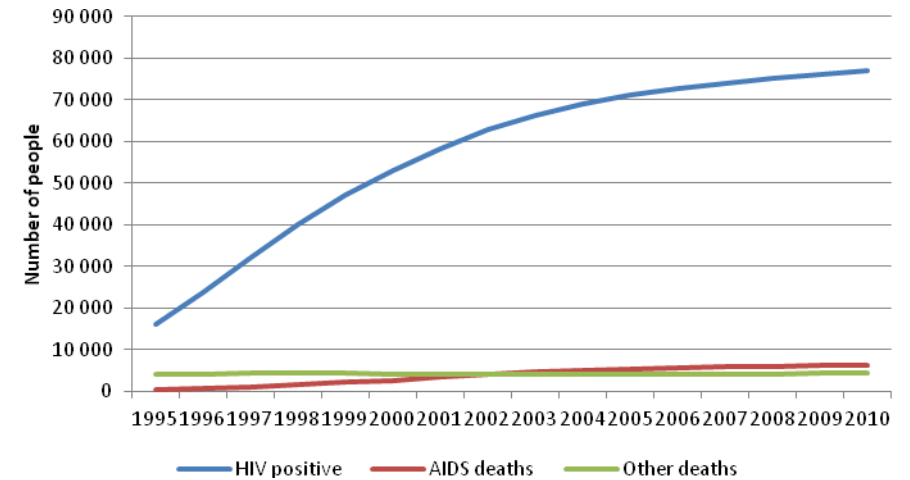


The graph shows the following for the UDM area:

- Population growth is very low and reached negative levels around 2007.
- The natural death rate remained more or less constant over the past decade and a half.
- The HIV/AIDS infection rate declined steeply as did the rate at which HIV/AIDS related deaths increased.

The real effect is shown in the next graph:

HIV positive persons, AID and other deaths



7.2 Households and household growth

Household growth was projected in the same way as population. The household growth expressions for each municipality, derived from the historical data, are shown in the table below.

Household growth expressions

	Growth expression	R-squared value
Endumeni	$y = -26.348x^2 + 717.16x + 9208.4$	0.9968
Nqutu	$y = -34.444x^2 + 1217.9x + 23228$	0.9975
Msinga	$y = -0.4398x^3 + 14.87x^2 + 239.18x + 21615$	0.9920
Umvoti	$y = -37.864x^2 + 932.57x + 28936$	0.9887

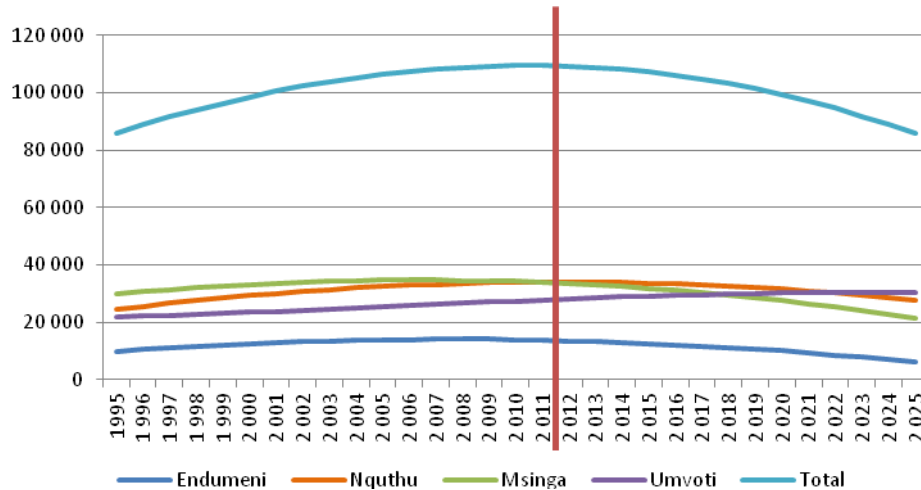
The next table shows the household projections based on the trend analysis.

Estimated and projected number of households

	1995	2005	2 012	2 013	2 014	2 015	2 020	2 025
Endumeni	9 899	13 909	13 581	13 323	13 012	12 649	10 043	6 120
Nqutu	24 411	32 457	33 990	33 934	33 808	33 614	31 609	27 882
Msinga	29 858	34 640	33 481	33 013	32 469	31 849	27 614	21 485
Umvoti	21 869	25 460	28 173	28 511	28 828	29 122	30 156	30 218
Total	86 037	106 466	109 225	108 780	108 118	107 235	99 422	85 705

The graph below shows the household growth profile for the municipalities since 1995 and projected to 2025

Household growth projections



7.3 Household size

Household size is an important indicator for the demand for services since the number of people in a household determines consumption demand for water, electricity, and waste disposal.

The estimates shown in the table below was derived from the population and households estimates in the previous sections. Household sizes are relatively high but it is not exceptional for a rural environment. All estimates show a small increase in household sizes. This is based on the assumption that there are no structural changes in the population. However, should the higher levels of migration in Umvoti, for example materialize, it might imply that they absorb more males, which are not necessarily attached to an existing household. This implies more single-person households, which might then lower the average household size. The increase is however material to any spatial planning.

Household size

	2 012	2 013	2 014	2 015	2 020	2 025
Endumeni	4.25	4.34	4.44	4.55	5.08	5.04
Nqutu	4.96	4.94	4.92	4.90	4.91	5.07
Msinga	4.88	4.91	4.94	4.98	5.34	6.15
Umvoti	4.36	4.42	4.49	4.56	4.94	5.36
Total	4.69	4.72	4.75	4.79	5.05	5.44

7.4 Urban and rural distribution of households

There is no data available to describe the current distribution of people in the area. Given the relative stability in the area and the low to negative growth prospects and the fact that there is no evidence of structural changes in the local demography, it is assumed that the position as reflected in Census 2001 is still valid. The following then applies:

Population per settlement type 2012

	Urban	Rural farm	Rural Traditional	Total
Endumeni	47 766	9 403	209	57 378
Nqutu	10 891	5 141	146 812	162 845
Msinga	1 505	2 075	185 087	188 667
Umvoti	18 684	23 504	61 445	103 633
Total per area	78 846	40 123	393 553	512 522

8. The general economic structure and changes in the municipal area

Irrespective of government policies, support strategies and interventions, it is the local economy and its linkages into the provincial and national or even international economy that will determine the pace and nature of future development.

8.1 The structure of local economy

Umzinyathi has a small economy. A small economy is usually also less diversified and exposed to higher risk levels. The change in the economic development path of the municipal area is reflected in the level of GVA generated per annum.

Structure of the local economy - GVA1995 to 2009 (R'million) in 2005 base year prices

	Agriculture	Mining	Manufacturing	Utilities	Construction	Trade	Logistics	Business services	Community services	Government
1995	501	77	458	54	69	468	235	305	240	716
1996	571	111	447	58	70	476	233	330	245	738
1997	555	117	438	59	76	476	234	348	244	715
1998	541	120	398	54	69	475	230	356	258	724
1999	513	90	380	54	67	505	225	386	268	696
2000	520	90	403	58	71	543	229	395	282	692
2001	510	87	418	61	98	583	232	423	289	696
2002	533	82	452	68	80	595	255	448	299	698
2003	559	96	480	65	87	618	281	478	319	714
2004	563	106	537	76	98	650	305	513	326	723
2005	533	105	618	89	117	697	341	570	342	759
2006	539	108	722	100	131	750	379	632	366	787
2007	569	123	835	116	156	798	426	704	394	825
2008	633	125	946	127	178	812	464	783	413	867
2009	627	168	939	140	193	792	486	801	431	907
Ave growth	1.8%	8.4%	7.5%	11.5%	12.7%	4.9%	7.6%	11.6%	5.7%	1.9%

The biggest contributors to the local economy is government (17%) and manufacturing (17%) They are followed by business services (15%), trade (14%), and then agriculture (11%). The weakest sectors are utilities, construction, and mining. One should note that community services only constitute 8% of GVA if government is reported separately. These two categories are usually lumped together. The aspects are significant in this regard.

Firstly, 25% of the total economy is focused on community and government services but, secondly, only a third of this is directed at community service delivery and two thirds goes towards sustaining government as institution. Logistics that includes the transport sector is very weak. This can only emphasise the immobility of the local population. This might be a combination of no need to travel and an inability to afford the cost of travelling. Immobility needs to be overcome if any development objectives need to be achieved.

8.2 The drivers of the local economy

Priority investment should support those economic sectors that drive local development and those sectors that it supports. The basis for finding the economic drivers in the municipality is a basic/non-basic analysis.³

As the next table shows, The DM and LMs are, when compared to the national economy, strong in agriculture, community and government services. Umvoti shows a comparative advantage in manufacturing but not in government services. Endumeni and Msinga shows construction as a basic service but this sector is particularly weak in Nqutu and Umvoti. The same applies to logistics. The reason for this is not clear. Nqutu is strong in trade while the other areas are marginally weaker.

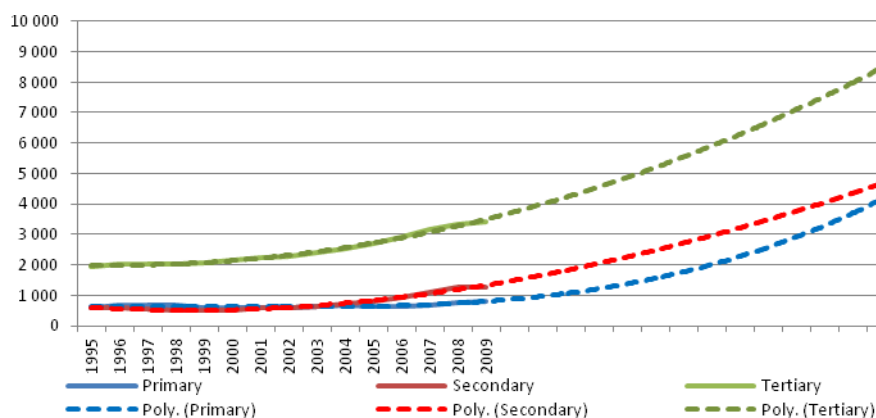
Basic/Non-basic ration measured at national level

	Agriculture	Mining	Manufacturing	Utilities	Construction	Trade	Logistics	Business services	Community services	Government
Kwazulu-Natal	0.86	0.15	1.20	0.61	1.10	1.01	1.24	0.93	1.10	0.99
Umzinyathi	1.93	0.23	0.91	0.58	1.01	0.95	0.87	0.51	1.29	1.23
Endumeni	1.49	0.45	0.85	0.99	1.68	0.87	1.00	0.46	1.09	1.49
Nqutu	1.47	0.20	0.71	0.12	0.55	1.22	0.70	0.52	1.12	1.62
Msinga	1.40	0.07	0.81	0.31	1.76	0.79	1.40	0.39	1.34	1.45
Umvoti	2.57	0.15	1.05	0.57	0.46	0.98	0.65	0.59	1.45	0.84

8.3 Expected change in the local economy

In paragraph **Error! Reference source not found.** the structure and history of GVA was assessed. The figure below shows the projected changes in GVA per sector. The projected trends are based on historical data. The projections remain valid if the current economic structures, market conditions, and production factor mixes remain intact. Any structural changes, changes economic markets, locally and globally, and intervention strategies by government can result in different outcomes.

Umzinyathi Projected changes in GVA per sector – GVA1995 to 2025 (R'million) in 2005 base year prices



When the total district economy is assessed it shows overall good growth in all sectors. The tertiary sector is expected to grow strongly while the primary sector shows equally strong growth prospects. Although the secondary sector also grow well it is not at the same rate as the other two sectors.

The following should be noted:

- All sectors are growing which is exceptional. The overall growth rate for Umzinyathi over the past decade and a half was 5.2%, which is substantially higher than the national average of 4.1% per annum.
- Many of the growth tendencies can be linked back to government investment and its role in the local economy. It includes the construction sector, community services, and obviously government. One should question the sustainability of an economy largely dependent on government. There might be inherent long-term risks involved.

The projected changes will result in a relatively high growth rate. This naturally subjected to economic cycles. However, it reflects an inherent potential in the economy to grow although growth is currently declining and low in the current downward cycle of the national and internal economy.

8.4 Employment and job creation

The last aspect that needs to be assessed in terms of economic development is employment. Employment is a priority for the Council and it is obvious that development and growth strategies will have to support job creation.

The map shows the distribution and sector composition of employment in the municipal area. Community and government services dominate the employment base. This is understandable in the light of government's efforts to improve access to services in these areas. Employment in the urban area clearly shows a stronger mix due to bigger economic mix of services and activities. The worrying aspects are that the primary sector is so small in a predominantly agricultural region.

The table below shows the employment per sector. The structure of employment and the extent of the link between employment and the level of economic activity are important.

Employment per sector (2009)

	Agriculture	Mining	Manufacturing	Utilities	Construction	Trade	Logistics	Business services	Community services	Government	Total
Umzinyathi	6 741	494	5 725	157	3 225	11 413	2 162	4 484	10 695	9 770	54 867
Endumeni	1 434	269	1 465	74	1 470	2 839	683	1 097	2 487	3 246	15 064
Nqutu	764	64	670	5	263	2 171	260	673	1 385	1 926	8 181
Msinga	757	25	790	13	871	1 454	540	533	1 726	1 791	8 501
Umvoti	3 787	137	2 800	65	620	4 949	679	2 181	5 097	2 806	23 122

Employment distribution per sector

Industry	Agriculture	Mining	Manufacturing	Utilities	Construction	Trade	Logistics	Business services	Community services	Government	Total
South Africa	6.4%	4.0%	11.5%	0.5%	5.8%	21.8%	4.5%	15.9%	15.2%	14.5%	100.0%
Kwazulu-Natal	5.5%	0.6%	13.8%	0.3%	6.4%	22.0%	5.6%	14.8%	16.7%	14.4%	100.0%
Umzinyathi	12.3%	0.9%	10.4%	0.3%	5.9%	20.8%	3.9%	8.2%	19.5%	17.8%	100.0%
Endumeni	9.5%	1.8%	9.7%	0.5%	9.8%	18.8%	4.5%	7.3%	16.5%	21.5%	100.0%
Nqutu	9.3%	0.8%	8.2%	0.1%	3.2%	26.5%	3.2%	8.2%	16.9%	23.5%	100.0%
Msinga	8.9%	0.3%	9.3%	0.2%	10.3%	17.1%	6.4%	6.3%	20.3%	21.1%	100.0%
Umvoti	16.4%	0.6%	12.1%	0.3%	2.7%	21.4%	2.9%	9.4%	22.0%	12.1%	100.0%

The strongest job creator is retail and wholesale trade that contributes 20.8% of all job opportunities. Second are community services and government which together accounts for more than 37% of all jobs in the municipal area. Agriculture and manufacturing is significant with the rest of the sector contributing to a lesser extent.

8.5 Sector changes and growth prospects

The process up to now has addressed the external legislative and policy environment, the status and extent of the existing development environment and the most important changes and the expected impact of

the demographic and economic environments. The purpose of this section is to address the key development sectors in the municipal area. They are:

- Agriculture,
- Tourism and conservation,
- Settlement and urban dynamics.

8.6 Agriculture

Many of the issues and factors addressed in the previous sections underpin agricultural development in the municipality. Where the previous sections dealt with the biophysical factors, socio-demographic profiles, access to infrastructure and the demographic and economy of the municipality, this section deal more specifically with potential for agriculture and development created through the integration of all these factors.

8.7 Land capability

Overall, agricultural potential is a combination of many factors. It gives an indication of the type of activity that is most suited in a particular area and the capability of the land. Land capability is determined mainly by the collective effects of soil and terrain features and climate. However, there may be circumstances in which the planner would first attempt to rate soil capability as such before considering the influence of climate on the use of the land. This aspect was dealt with in the previous section on soil potential. In the process of assessing the potential of the use, the current limitations of the land were considered. However, it might be possible to overcome some of the limitations through, for example, fertilization or liming.

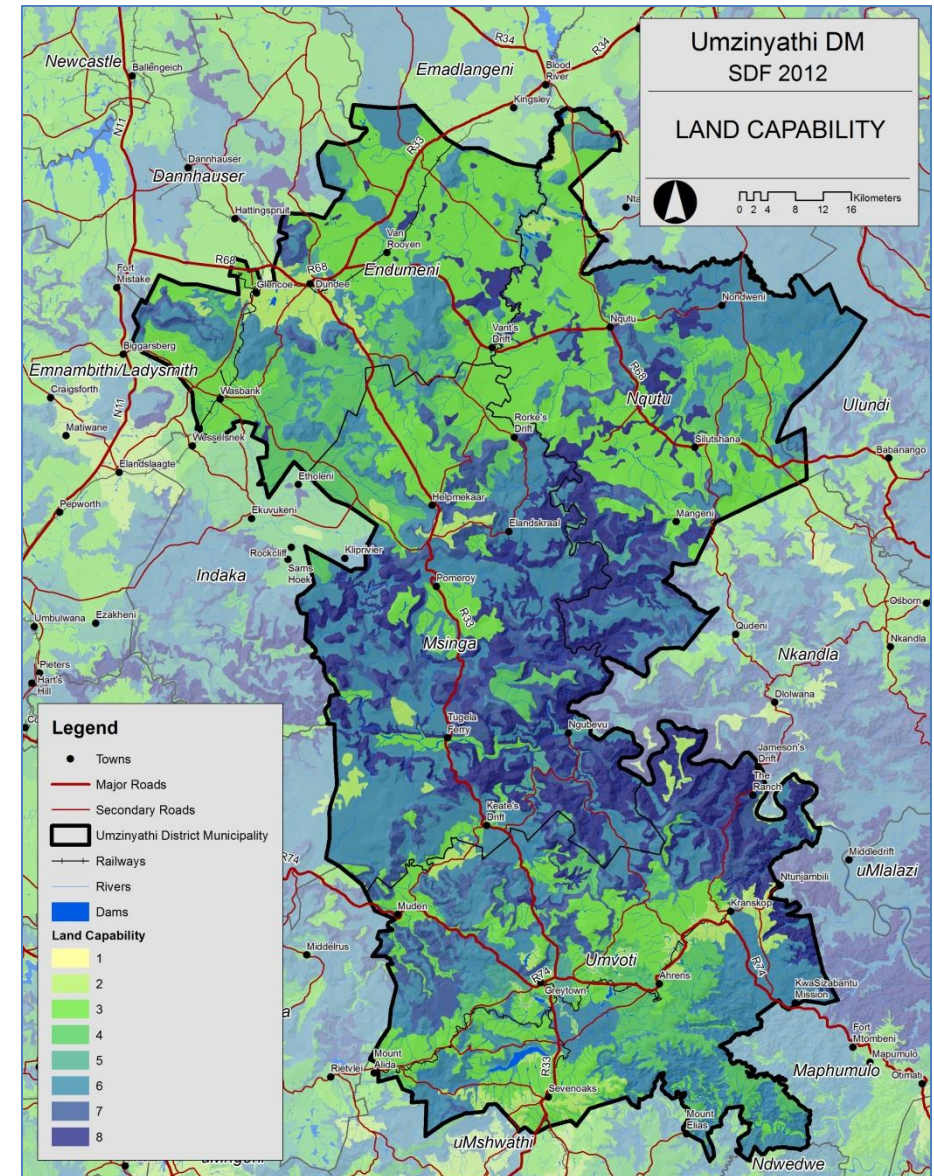
The capability classification system used in this section for analysis purposes was applied to rain fed agriculture and excludes any form of irrigation. Economic considerations such as proximity to markets and capital resources of the farmer are not criteria for land capability. The land suitability is presented in a hierarchy ranging from land with few limitations on its use starting with crop production through a range of other less intensive uses such as pasture, natural grazing, forestry, and wildlife. Land suitability is linked to good farm management practices.

Land capability classes and intensity of use

Land capability class	Land use options								Land capability groups	Legend
I	W	F	LG	MG	IG	LC	MC	IC	VIC	VIC Very intensive cultivation
II	W	F	LG	MG	IG	LC	MC	IC		IC Intensive cultivation
III	W	F	LG	MG	IG	LC	MC			MC Moderate cultivation
IV	W	F	LG	MG	IG	LC				IG Intensive grazing
V	W	F	LG	MG	IG					MG Moderate grazing
VI	W	F	LG	MG						LG Light grazing
VII	W	F	LG							F Forestry
VIII	W									W Wildlife

The next maps show the land capability classes in UDM. There is no land in Class I but the northern plateau areas are generally suitable as arable land except, where topography and drainage strict cultivation practices. The central parts, south of Helpmekaar, Rorke's Drift and Mangeni down to line define by Muden, Keate's Drift and Kranskop are generally only suitable for grazing and forestry. Topography plays the determining role in this regard although there are islands of higher capability in the area. Although this area is suitable for grazing, it is also very susceptible to erosion. Agricultural and land management practices are critical for sustainable farming.

Map 27: Land capability



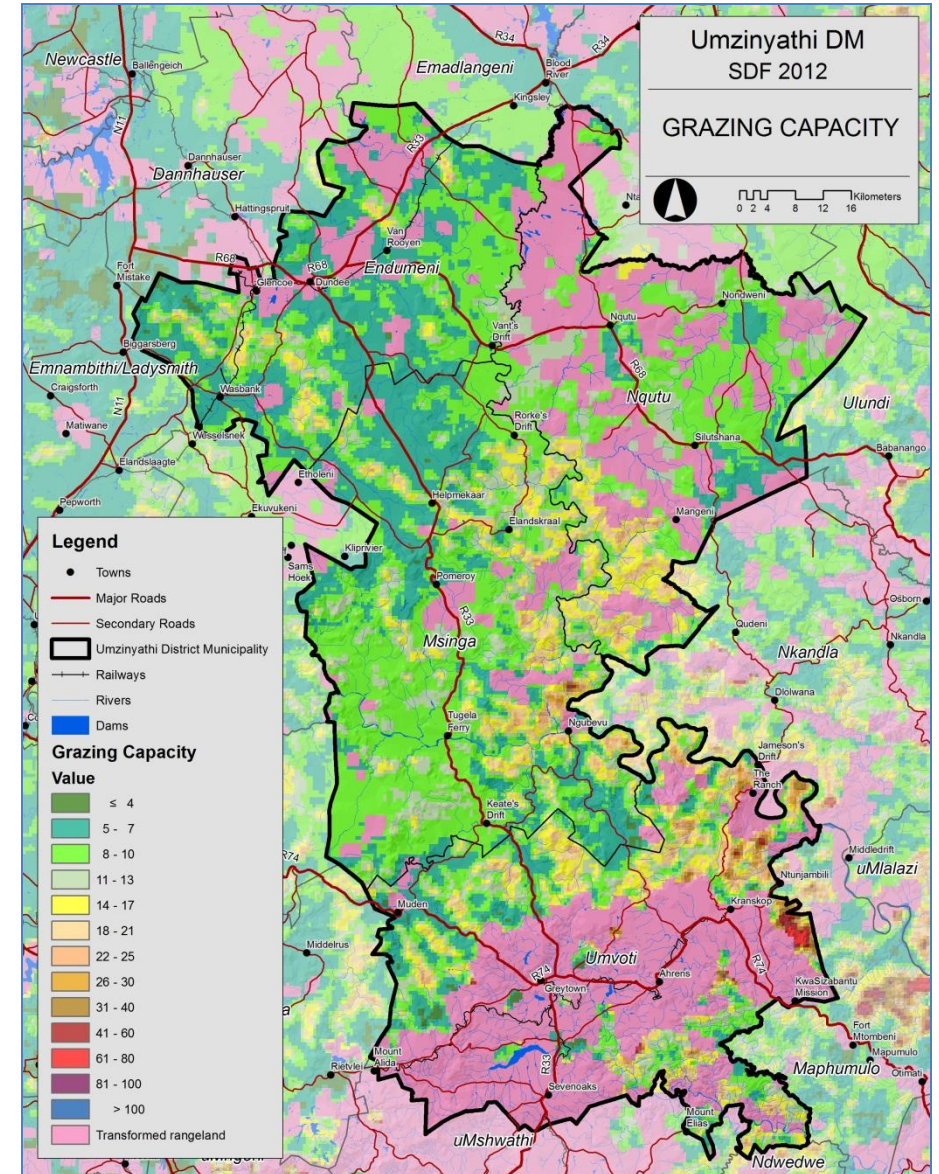
8.8 Irrigated land

There is limited cultivation under irrigation in the northern parts of UDM. The main irrigation areas are around Muden, south of Seven Oaks and Kranskop. Sugar cane is the main crop cultivated under irrigation although vegetables are also cultivated in the Muden area. Areas that should have potential along the Tugela River are not commercially utilised.

8.9 Grazing capacity

The grazing capacity of the area is expressed in terms of animal units. One Animal Units (AU) is equivalent to a 450kg cow. The map below shows the grazing capacity in the municipal area. As one can expect it confirms the land capability assessment. The general grazing capacity in the UDM area is very low and it is only in a few areas in the mountainous parts where the grazing capacity is between 14 and 17 AU. In the rest of the area, not classified as transformed rangeland, the grazing capacity is below 10 AU per hectare.

Map 28: Grazing capacity (Hectare per animal unit)

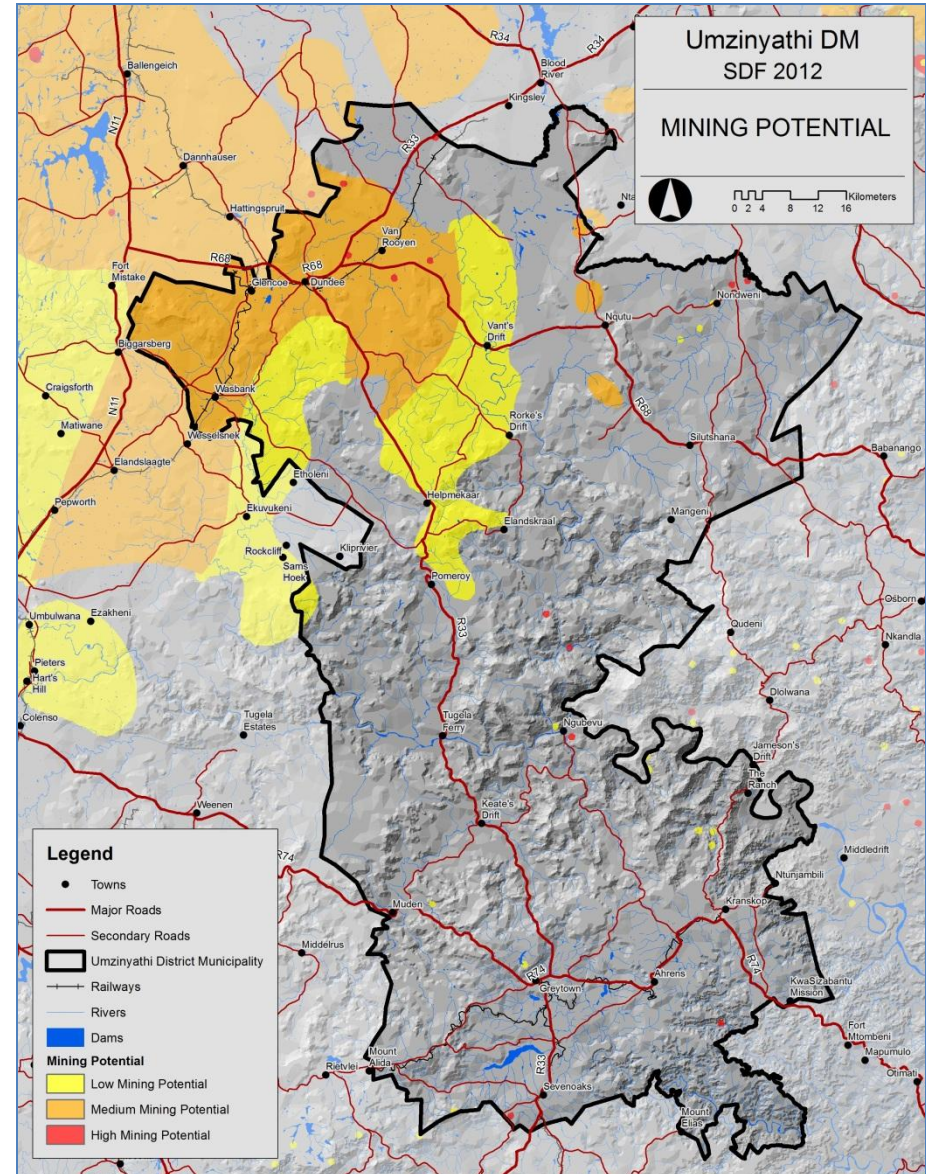


9. Mining

The area around Glencoe and Dundee has a long mining history. Mining was the reason for the establishment of Dundee in the 19th century. Mining played an important role in the local economy until the mid eighties when most of the mines closed. There are currently only one active mine in the area although mining continues north of UDM in the Dannhauser and Newcastle areas.

Mining is one of the weakest sectors in the local economy but as the map indicates, there are still substantial reserves of medium mining potential around Glencoe and Dundee. There are currently prospects of increasing mining activities but long-term demand for coal might prove otherwise.

Map 29: Mining potential



9.1 Tourism and conservation

Tourism and conservation plays an important role in the area. The key to tourism is the Battlefields area that forms part of broader cultural historical system in central KZN. The assessment of the area has shown some unique environmental features but environmental related tourism and formal conservation initiatives seem to be minimal.

9.2 Conservation and protected areas

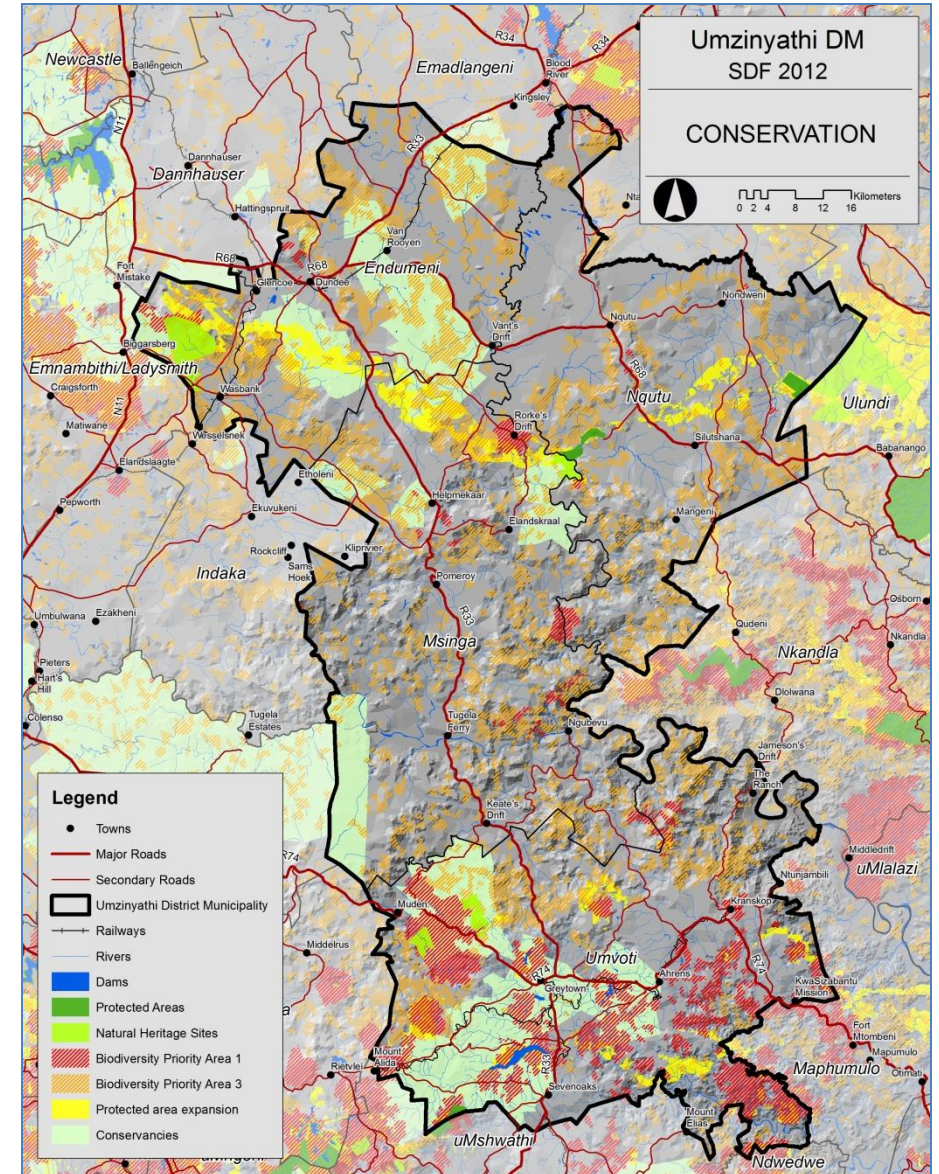
Conservation in South Africa is managed through a system of protected areas as set out in the National Environmental Management Act, No. 107 van 1998 and the National Environmental Management: Protected Areas Act 57 of 2003. In terms of these acts, the system of protected areas in South Africa consists of the following kinds of protected areas:

- special nature reserves, nature reserves (including wilderness areas) and
- world heritage sites;
- specially protected forest areas, forest nature reserves and forest wilderness areas declared in terms of the National Forests Act, 1998 (Act No. 84 of 1998); and
- mountain catchment areas declared in terms of the Mountain Catchment Areas Act, 1970 (Act No. 63 of 1970).

There are only five protected areas in the UDM. They are:

- The Intinini Field Training Centre east of Nqutu on the municipal boundary. This centre provides training for KZN game rangers.
- The Islandwana Nature Reserve, which also borders the Fugitives Drift Nature Reserve. Both these reserves are undeveloped and play no significant role in tourism.
- The Umvoti Vlei Nature Reserve, which protect a wetland south of Greytown and further south the Blinkwater Nature Reserve that covers a substantial indigenous forest area.

Map 30 Conservation status



It is not clear if any of these protected areas play any positive role in tourism or conservation in the larger UDM area. The Ezemvelo conservation plans indicate only three protected areas. However, there are large areas covered by conservancies in Endumeni and Umvoti. These mainly private initiatives play a very important role in conservation. They also form the basis for eco-tourism.

There is a range of biodiversity priority areas in the district. The map below shows a number of BPA 1 areas. BPA 1 areas designated planning units contain one or more features which are irreplaceable. This means that there are no other localities available to meet the conservation target for this feature(s). The distribution of this/these features is not always applicable to the entire extent of the area identified, however (except in the case of certain grassland vegetation types), but is more often than not confined to a specific niche habitat e.g. a forest or wetland. If special mitigation measures are put in place, the development (dependent on its nature) could be permitted. There are no fixed guidelines and each development should be assessed on its own merits.

The last significant feature is the protected area expansion areas that are proposed. These areas aim at developing conservation corridors but it is not clear how and to what extent they are to be implemented and brought under the control of NEMA

9.3 Tourism and conservation

Tourism development in Umzinyathi is focused on the Battlefields route, heritage, and cultural tours and to a limited extent on the scenery and biodiversity of the area. There are a number of tourist facilities in the area. A number of observations can be made regarding tourism facilities.

- Tourism facilities are largely private sector driven. Historical sites and museums are mostly linked to the so-called battlefield tourism.
- Mission stations are strictly not a “tourist facility” but they all have historical significance that might be capitalized on.
- The bulk of the facilities, such as recreation” have a local function rather than attracting tourists from outside the area.

The concentration of tourism facilities is mainly around Greytown and Dundee, and it is estimated that 75% of visitors to the battlefield sites are

domestic tourists.

The Councils SEA refers to the district tourism study that list the following pressures on the tourism sector:

- General poor infrastructure in terms of roads and basic services
- Land claims and land tenure issues prohibits investments in the sector
- The area is far from the main airports and target markets such as Durban and Johannesburg.
- The negative reputation of the areas in terms of crime drives tourists away from the area.

10. Settlement and urban development

As stated earlier in this report development is about access to resources and opportunities. The approach in the assessment of settlements and urban development in the municipal area is therefore to assess the settlement of people against the background of access to available resources and amenities. In terms of planning and strategy it implies enhancing access by either bringing resources or opportunities to people or otherwise, to bring people closer to opportunities and resources.

Where the solution is to bring resources and amenities to the people it implies that there must be a sufficient base to sustain these services by meeting at least the threshold populations in the service area of an amenity. On the other hand should people come to the resources and amenities it implies that there must be sufficient levels of mobility to allow people to access these resources and opportunities. Both these options and even a combination of the two seem to be a huge challenge in the UDM area.

10.1 Settlement patterns and dynamics

In order to facilitate assessment and to determine options for assessing or establishing settlement, concentrations were determined throughout the municipal area. Eighteen settlement focus points or areas of significance were identified mainly in terms of their general density characteristics and functions. There are areas also included which lie adjacent but immediately outside the municipal area that might have an impact on service delivery and development in the municipal area.

10.2 Settlement focus areas within the UDM

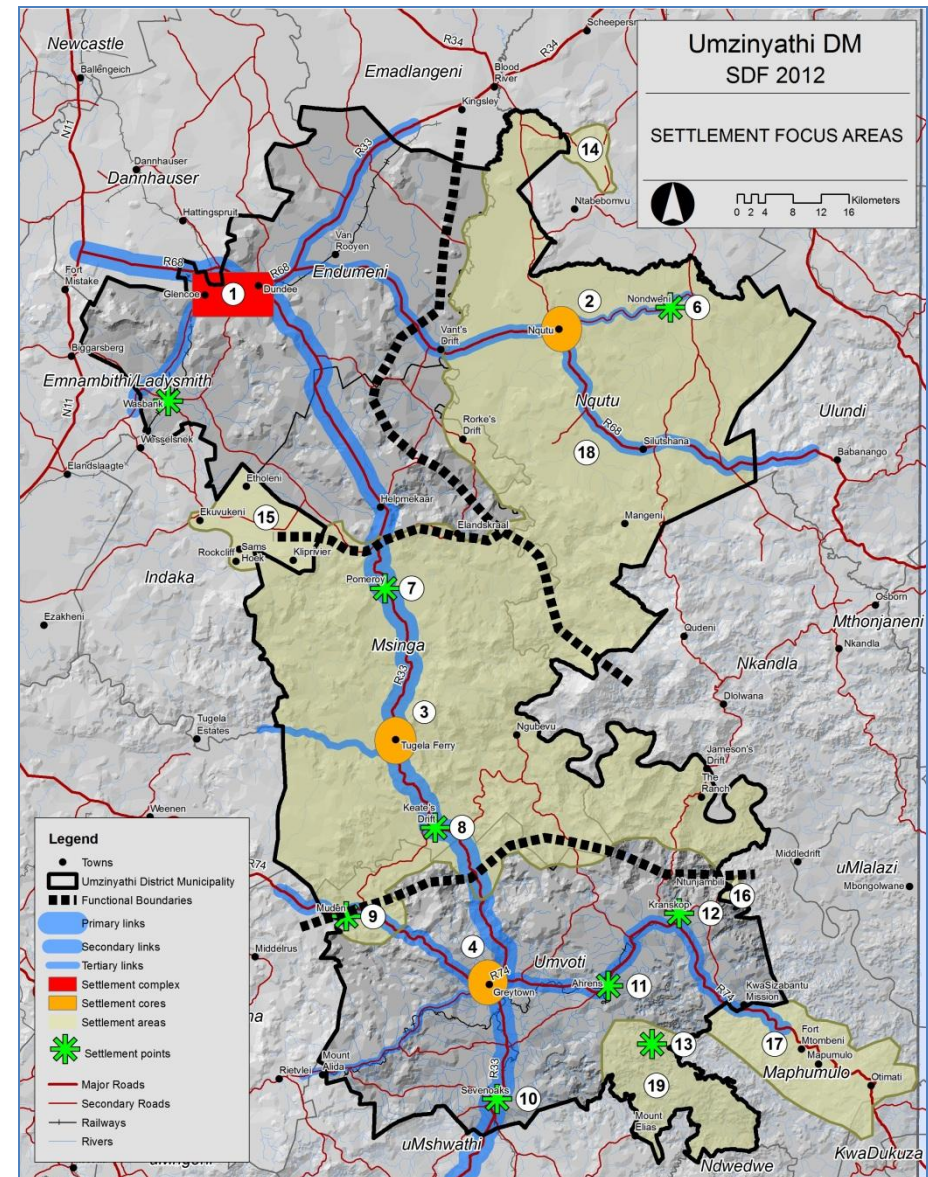
There are 13 significant settlement focus points within the UDM area. These settlement points are assessed below in terms of their significance for development in the broader UDM area. Some focus areas play an important role in local development but not necessary at a district scale. The settlement focus areas considered are:

- Settlement focus area 1-Dundee Glencoe urban complex
- Settlement focus area 2 – Nqutu
- Settlement focus area 3 – Tugela Ferry
- Settlement focus area 4 – Greytown
- Settlement focus area 5 – Wasbank
- Settlement focus area 6 – Nondweni
- Settlement focus area 7 – Pomeroy
- Settlement focus area 8 - Keate's Drift
- Settlement focus area 9 – Mudiri
- Settlement focus area 10 – Seven Oaks
- Settlement focus area 11 – Hermansburg-Ahrens
- Settlement focus area 12 – Kranskop
- Settlement focus area 13 - The Nkombelwe area

The following settlement areas are outside the municipal area but have an important impact on the municipal area:

- Settlement focus area 14 –Emondlo settlement next to northern extension of Nqutu
- Settlement focus area 15 –Enclave south of Glencoe
- Settlement focus area 16: Rural settlement east of Kranskop in Nkandla
- Settlement area 17: Extended rural settlement southeast of Umvoti

Map 31: Settlement focus areas



Facility densities and accessibility per node

The purpose with the SDF is to optimise access to facilities and minimise cost in sustaining service delivery. The previous sections identified settlement focus areas in terms of population concentrations and general locations. However, the presence of a large number of households does not necessarily define a priority for investment and support. This section assess the major settlement focus areas in terms of access to facility and specific facility density measured as the average number of households per facility..

In a well-developed nodal system, one should expect that the highest density should be in the area closest to the nodal point. This is in line with normal land rent theory and models of urban structure. In terms of the assessment, one would then expect the following:

- The largest number of households should be within the 10 minutes drive time isochrone.
- The highest household densities should occur within the 10 minute isochrone.
- The demand for facilities is a reflection of the number of potential users and hence the number of households in its catchment area. In other words, the more fictions concentrated in the inner isochrone the higher the central place function of settlement area.
- The lower the households per facility ratio in the inner core the higher the central place functions of the settlement focus area.

When these factors are considered Glencoe/Dundee is treated as single entity. The following should be noted:

1. Glencoe/Dundee serves the largest area within a 10-minute drive time followed by Nqutu. Tugela Ferry serves the smallest area because of its topography and general inaccessibility to its immediate environment.
2. Glencoe/Dundee service the highest number of households within its 10 minutes zone followed by Nqutu with Greytown in third place but with about 50% less households than Nqutu. Tugela Ferry is a close fourth and Pomeroy also serve a substantial number of households. Wasbank and Kranskop is by far the weakest in this part of the ranking.

3. Glencoe/Dundee has more or less the same number of facilities than Nqutu followed by Greytown and Tugela Ferry. Wasbank, Kranskop, and Pomeroy have very few facilities with Wasbank the weakest of the three.

Should one combine these factors then one get an indication of how strong these areas are in terms of meeting the accessibility needs for social services. The weighted ranking for these areas are:

10.3 Combined ranking and nodal status

Focus area	Combined weighted ranking	Nodal status	Nodal status in term of Provincial SDF
Glencoe/Dundee	1.0	First order	Tertiary node
Greytown	0.4	Second order	Quaternary node
Kranskop	0.2	Third order	Rural service centre
Nqutu	0.4	Second order	Quaternary node
Pomeroy	0.3	Third order	Rural service centre
Tugela Ferry	0.4	Second order	Quaternary node
Wasbank	0.1	Third order	Rural service centre
Nondweni	Not included in assessment	Third order	Rural service centre

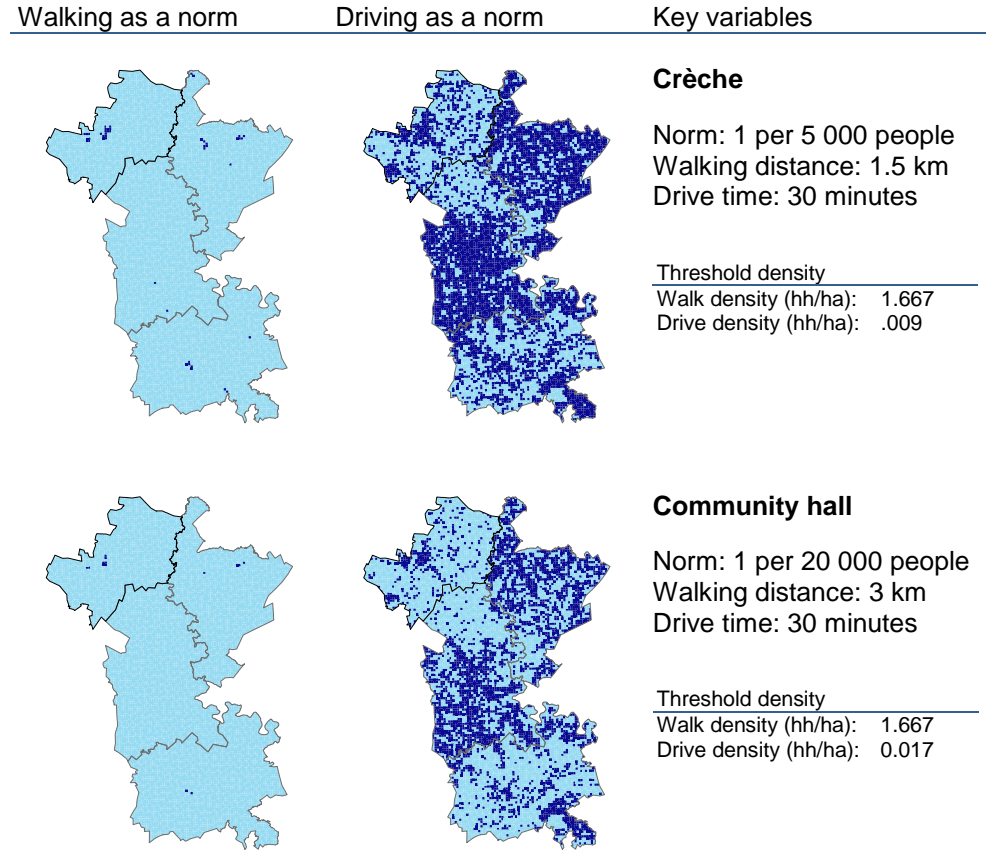
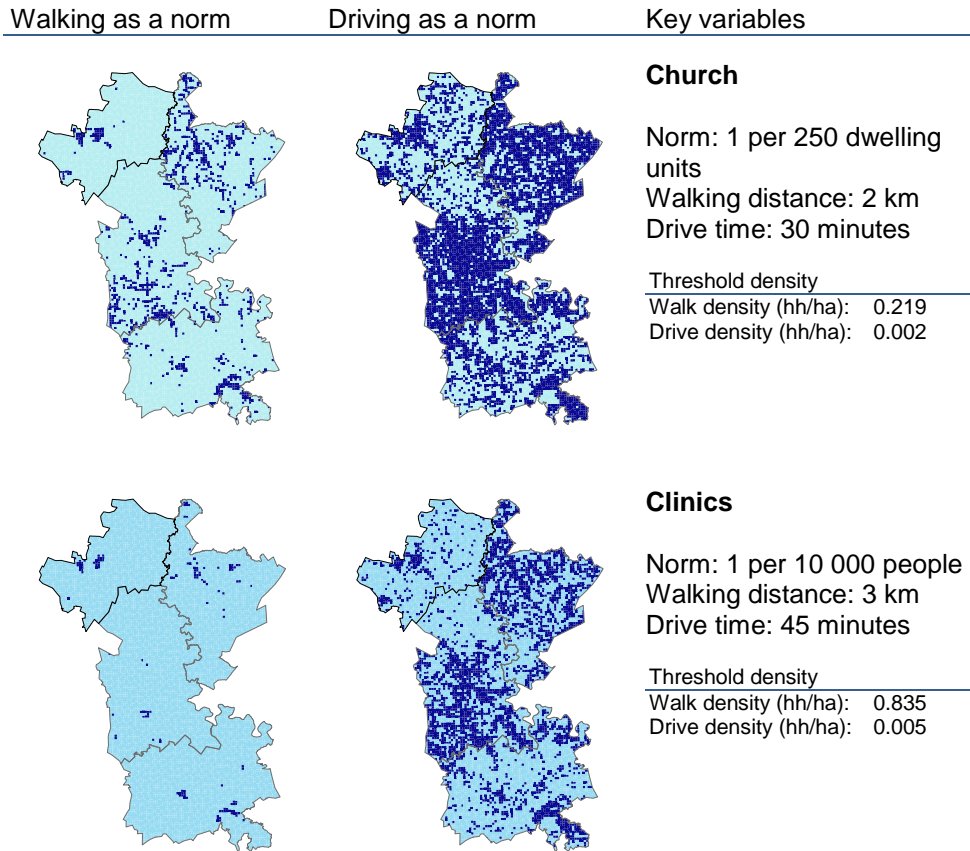
10.4 The impact of accessibility on facility thresholds

The aim of the preceding assessment was to determine the potential of different settlement areas to fulfill the role of a local service centre. The assessment was based on drive times and it was earlier indicated that the population is immobile and walk to access activities. The impact of walking distances needs to be assessed. The details for selected social facilities in the table below show the impact of driving versus walking to facilities on the access thresholds.

The dark blue indicate the areas where the threshold density for walking

and driving respectively is met.

Threshold densities some social services



This short assessment shows the impact of an immobile population. One should accept that as long as the population's mobility remains as low as it is, it will be impossible to render social services in a cost effect way. To counter this problem there should be a conscious effort to increase settlement in the primary and secondary nodes and to discourage it in any other area. Although third order nodes are recognised, one would rather try to direct investment and service provision away from them to the higher order nodes. This will need a coordinated effort between tribal authorities, the respective Councils, and all provincial and national departments rendering services in the municipal area. While service delivery and the extension of services need to be very selective and focused, one needs to address mobility in the total municipal area. If this cannot be achieved,

then one has no choice but to accept that Umzinyathi is a deep rural area where poverty and a lack of service delivery will persist into the future.

11. The Spatial Development Framework

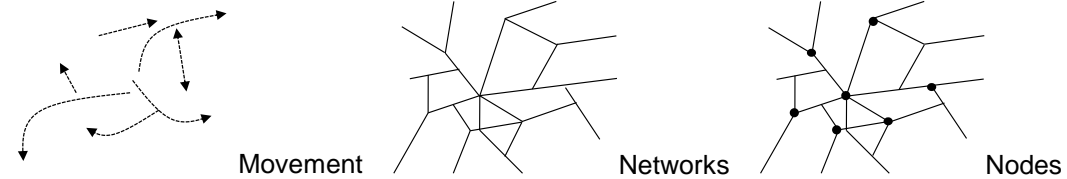
The preceding sections described and assessed the implication of the complexities, opportunities, and challenges of the municipal area. The vision for the municipality confirms the intension of creating a community-orientated local authority committed to sustainable development and affordable service provision. This is the basic guide to actions and strategies proposed in this SDF in working towards realising the vision. The first and a very central issue to consider is the fact that the municipality's ability to intervene and contribute is limited to its powers and functions. This reinforces the need for developing partnerships with the private sector, neighbouring district municipalities, the local municipalities, and other organs of government.

The question that remains is, "How do we do it?" The following sections aim to lay the foundation for that answer, by providing a set of building blocks to be used to restructure the municipal area, and to guide and facilitate growth and development where appropriate.

11.1 The concept – A system of networks nodes and surfaces

The spatial framework is developed through an interrelated set of nodes, networks and surfaces. The essence of development in this system is the movement of people, goods and services that produces the basic impetus for developing functional relationships between otherwise independent and unrelated elements. The movement of people, goods, and services are channeled along specific routes that describe a **network of interaction**. Where networks intersect the opportunity for people, goods and services develop to interact and this gives rise to activity nodes. The intensity of interaction gives rise to the development of a **hierarchy of nodes** of different sizes depending on the level of interaction taking place in a node. This one-dimensional system of networks and nodes are tied together through **surfaces** that fill the areas between the nodes and networks.

The development concept



11.2 Form giving elements

All the factors assess come together and provide a framework within which growth and development can take place. Some of these factors are visible and prominent while other provide a background that impact on all development.

11.3 The impact of environmental factors

Environmental factors are the basic building blocks. The following provides a summary of the key environmental factors that provides opportunities and challenges across all levels of development.

The development impact of environmental factors

Element	Opportunities	Challenges
<ul style="list-style-type: none"> ▪ General climate 	<ul style="list-style-type: none"> • Above average to high rainfall area • Climate variation allow from north to south increases agricultural scope 	<ul style="list-style-type: none"> ▪
<ul style="list-style-type: none"> ▪ Temperature 	<ul style="list-style-type: none"> • Cool to moderate winters • Areas from frost free to severe frost. 	<ul style="list-style-type: none"> • High temperatures in river valleys
<ul style="list-style-type: none"> ▪ Evaporation 	<ul style="list-style-type: none"> ▪ Very low evaporation levels 	<ul style="list-style-type: none"> • Occasional high humidity in some areas • Higher evaporation levels associated with higher temperatures in the Tugela and Mooi River valleys
<ul style="list-style-type: none"> ▪ Aridity zones 	<ul style="list-style-type: none"> • Aridity conditions allows for wide range of 	<ul style="list-style-type: none"> ▪

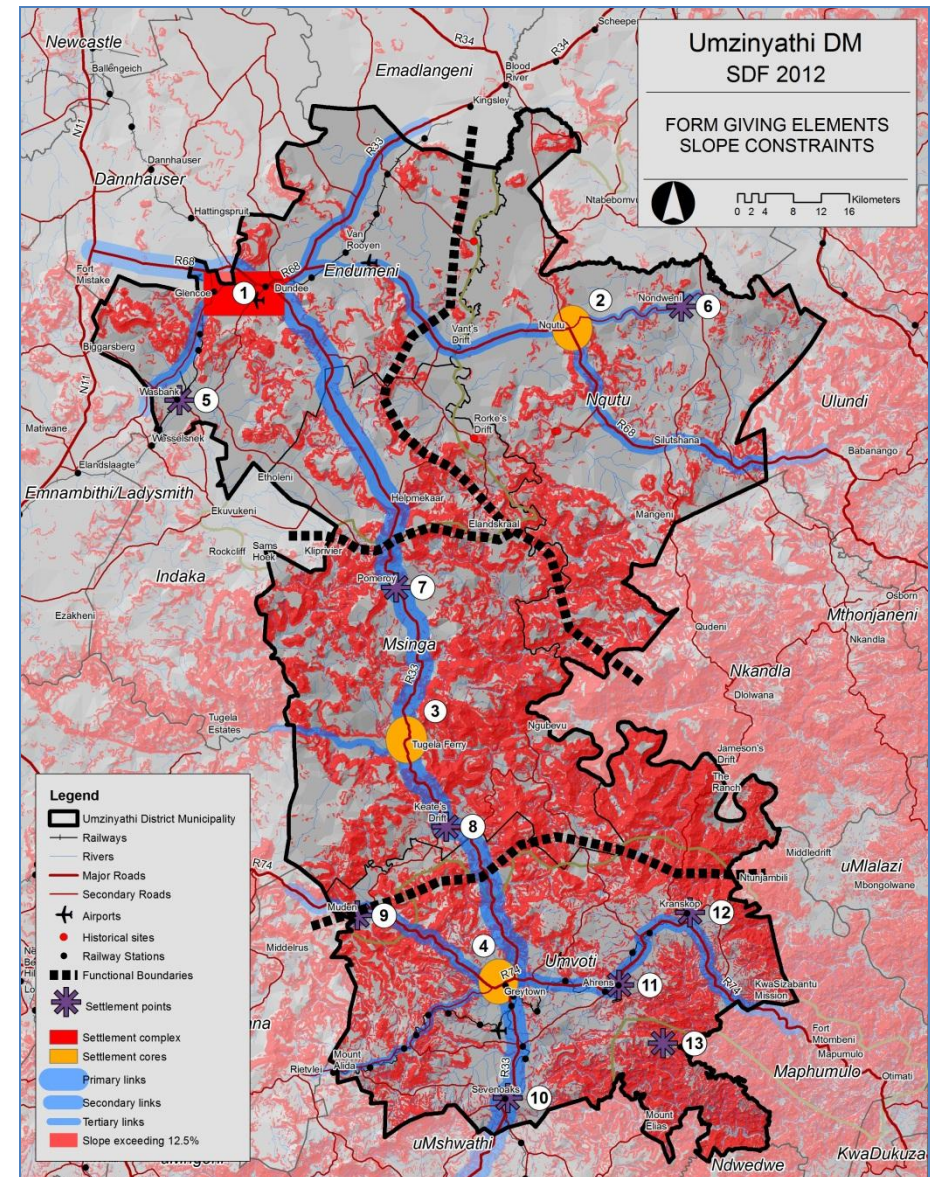
Element	Opportunities	Challenges	Element	Opportunities	Challenges
	agricultural conditions		holding capacity		limited water holding capacity which may create problems in drought periods
▪ Erosivity	▪	• High potential for erosion put demand on land management practices	▪ Soils with special requirements	▪	• The bulk of the area is susceptible to high erodibility
▪ Moisture availability	▪	• Very favourable for growing a large range of adapted crops	▪ Susceptibility to wind erosion	▪	• Some areas in Nqutu and Endumeni might be susceptible to wind erosion under bad land management practices
▪ Geology	• Generally good foundation conditions in urban areas • Availability of construction materials • Shale and mudstone might be a good sources for brickmaking materials	• Low ground water yields ▪	▪ Potential to regenerate when eroded	▪	• Low potential for self regeneration of damaged areas
▪ Slope	• Relatively flat terrain in the north	• Development severely impaired and restricted by very steep slopes • Slope restricts movement and accessibility • Slope increases cost of service deliver in terms of construction and maintenance	▪ Soils with a textural contrast	• Abrupt transitions are not present in the bigger part of the municipal area	▪
			▪ Soil drainage	• Most of the soils are well drained with only somewhat impeded drainage in soils in the north western sector	▪
▪ Rivers	• Some opportunities for irrigation • Good surface water resources	• Flash flooding • All rivers are in an ecologically vulnerable; condition • Umvoti River classified as endangered	▪ Swelling clays	• Swelling clays will have a minimal impact on urban related development	• Moderate swelling clays associated with Biggarsberg and area east of the R33 in Msinga
			▪ Saline and sodic soils	• Not an issue to be considered	▪
▪ Soils	• Favourable physical properties in some cases • High natural fertility in some areas	• High erodibility in general • Restricted soil depth • Problems with drainage in some areas	▪ Structurally favourable soils	▪	• Any the southern parts have soils with structure favouring arable land • Very limited or absent in the whole municipal area north of Greytown
▪ Water	▪	• The majority of the municipal area has very	▪ Tree density	▪	• Lower tree densities in Nqutu points to over

Element	Opportunities	Challenges
<ul style="list-style-type: none"> ▪ Alien plants ▪ Degraded land ▪ Soil loss ▪ Sediment delivery potential 	<ul style="list-style-type: none"> ▪ Very low in the Greytown area ▪ Very low in the Greytown area excluding the south eastern part of Umvoti 	<p>harvesting or general loss of trees, which might be due to settlement and land management practices</p> <ul style="list-style-type: none"> • High invasions along rivers throughout the areas • High levels degraded land in Nqutu and Msinga • Wide spread occurrence of dongas • Very high in Nqutu • Very high between Tugela Ferry and Keate's Drift • Very high throughout the municipal area • Creates problems with dams and weirs in rivers due to high silting

Of all the environmental factors assessed, slope is the environmental factor that has the greatest impact on development. Slope relates to geology and soil types and is a function of climate and rainfall. Slope places direct limitations on development. Slopes steeper than 1:8 or 12.5% is regarded as not suitable for human settlement. It restricts settlement and accessibility in general and makes the provision of service infrastructure very costly. Disturbing these slopes for whatever purpose leads to environmental degradation. This is especially true in an area very susceptible to soil erosion.

The next map shows areas with a slope steeper than 12.5% in terms of the settlement focus areas identified earlier. The numbers refer to the settlement focus areas dealt with earlier.

Map 32: Slope as a form-giving element



11.4 The impact of non-environmental factors

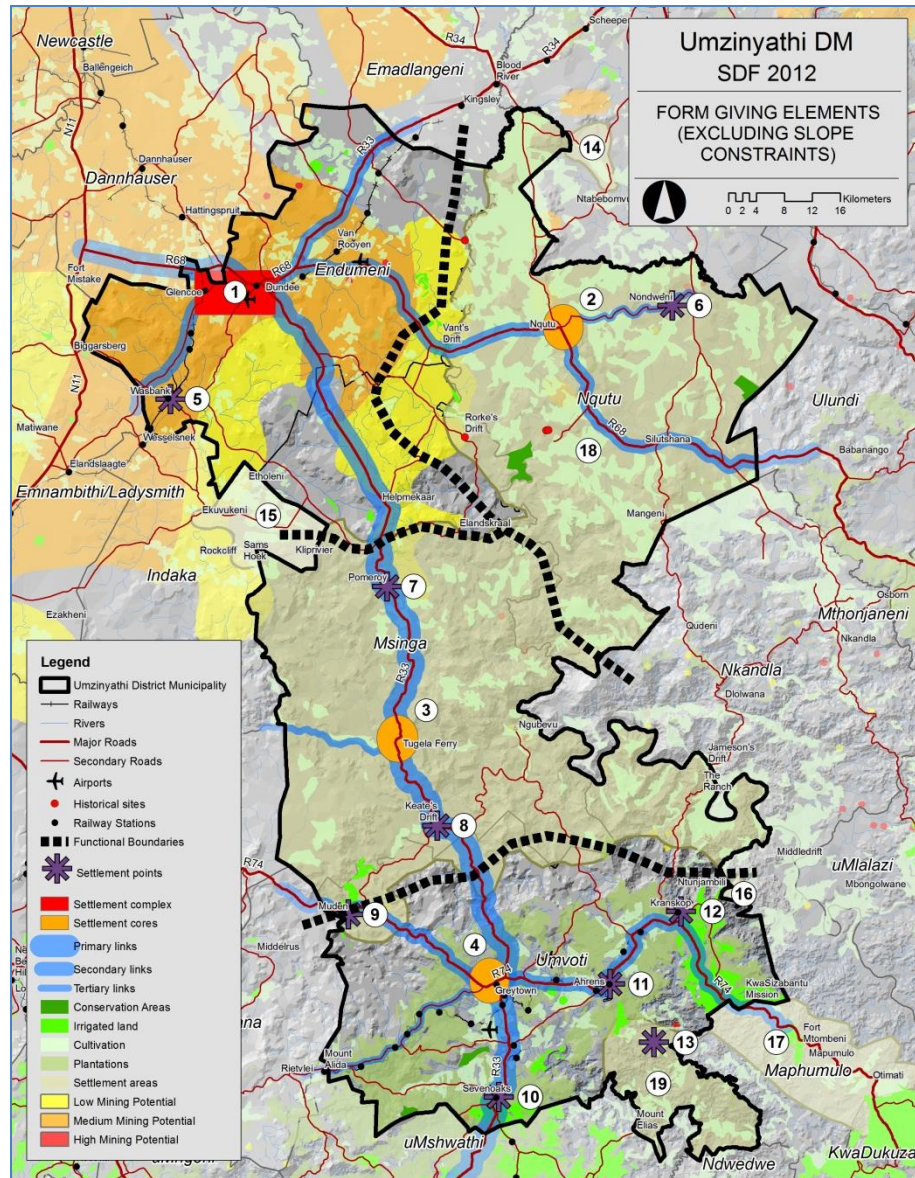
The following map shows the non-environmental factors that affect development. These factors were all dealt with as part of the preceding assessment of the development environment. The following should be noted for planning purposes:

1. The area has a well defined road network that practically serves the total area, The extent of the road network also aligns with the settlement structure All primary, secondary and tertiary road links are tarred although not necessary in an acceptable condition. The R33 is the backbone of the road network but certain parts are in a very poor condition. By regarding the R33 as the backbone of the road system the other roads, including the rural gravel developed as feeder system into the primary and secondary link roads. The rural gravel road network is in good shape and supports general accessibility. The R33 needs urgent attention.
2. The only two airfields of note are the ones at Dundee and Greytown and one should not expect it to play any significant role in future development. However, they are facilities that can work to the area's advantage.
3. The railway network is well establish and available as strategic infrastructure. However, it plays a limited local role. However, with the planned upgrading of national rail services, the Glencoe/Dundee settlement complex might benefit in the process.
4. The historical points in the area related to the battlefields history of the area. The battlefields concept is a recognised asset and it should be developed as such. There are a large number of mission stations in the area with a very long history. The origins and history of these mission stations can link with the battlefields history of the area and might have potential to develop as part of a broader tourism strategy.
5. The functional boundaries indicated on the map coincide with the drive time breakpoints between the nodes. They tend to follow topographical boundaries rather than the institutional (municipal) boundaries. The importance is that the functional roles of the major nodal points transcend municipal boundaries.
6. Settlement points are scattered throughout the municipal area. However, given the level of development and the resource and other constraints in the area it would have been preferable to focus on the

secondary nodes only and discourage investment in any of the settlement points. However, the settlement characteristics of the area, linked to the general immobility of the population necessities investment to improve access to very basic services only in the tertiary nodes identified earlier.

7. The Glencoe/Dundee settlement complex is the focus of urban development in the area and it should be developed as a unity. In addition, the area shows the most potential in terms of possible future non-agricultural related developments.
8. The three secondary nodes (settlement cores) main function is regional service access and it should be developed accordingly. There is very little, with the exception of Greytown that shows any form of viable economic base in their service areas.

Map 33: Form giving elements (excluding slope constraints)



9. There are no large protected areas in the municipality. However, game farming is increasing and the development of more formal conservation areas can be linked to tourism development. However, private sector investment will be necessary and the traditional landownership system might deprive the municipality and its people from this potential benefit.
10. Notwithstanding the general availability of surface water, there are very few and isolated areas where irrigation is taking place. Soil conditions might lower the potential for intensive cultivation under irrigation. However, the protection of existing irrigation areas should be a priority in the municipality.
11. Commercial cultivation is very limited and cultivation activities are generally linked to subsistence farming in the traditional areas. There is limited cultivation on the northern plateau outside the Nqutu area. In Msinga, cultivation is limited mainly to the narrow flood plains next to the main rivers.
12. Plantations are the main form of cultivation in the Umvoti area and are largely the mainstay of the local economy.
13. Mining used to play an important role in the past around Dundee and Glencoe. There are still some potential and it might, depending on future national and international demand for coal, play an economic role in the area. The necessary infrastructure still exists and it would require limited investment to reactivate the mining industry. Unfortunately, there is very little that can be done locally to reactivate this sector.

11.5 Conceptual framework

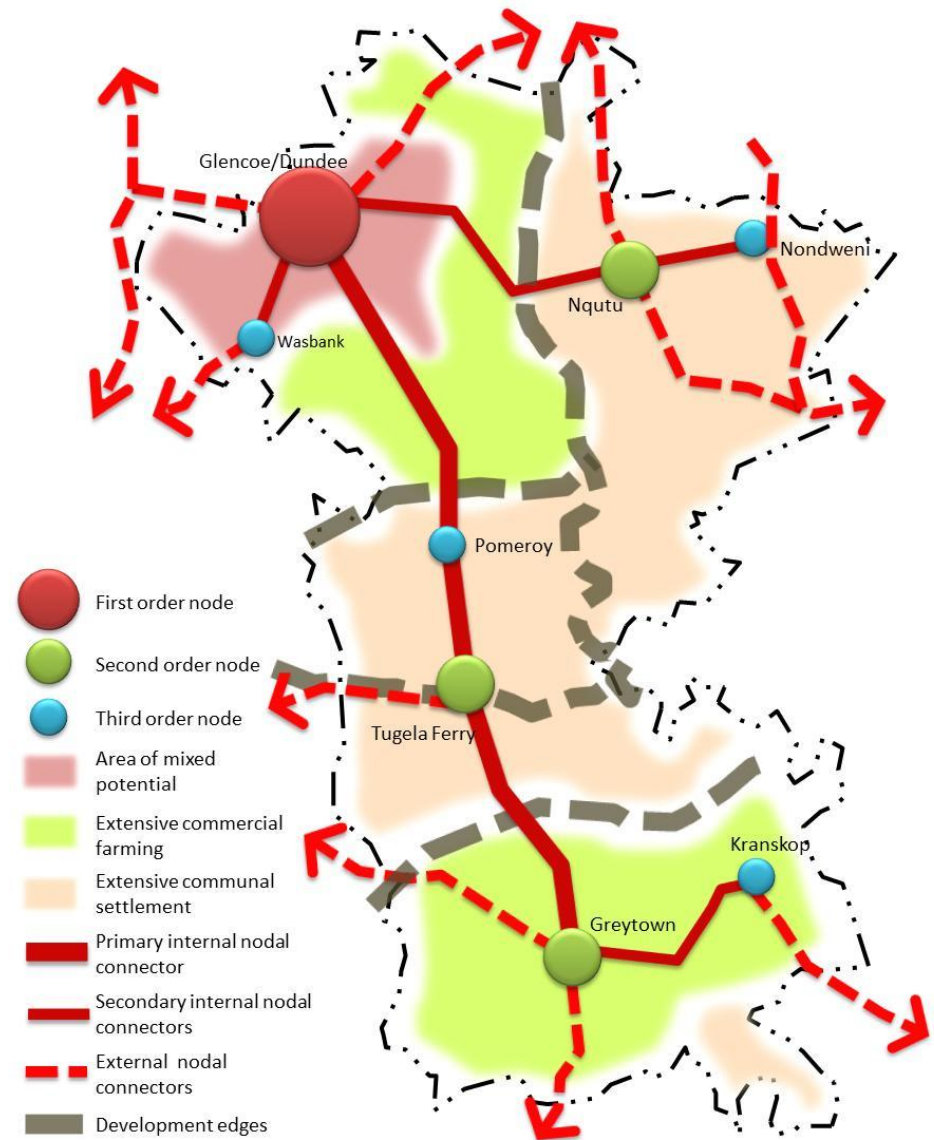
The conceptual framework brings together the development concept of movement, networks, nodes, hierarchies, and surfaces. It takes cognizance of the development perspective and preferred scenarios. The following figure shows how the broad development concept is applied in Umzinyathi District Municipality.

The conceptual framework is a derivative of the form giving elements detailed in the previous section. The impact of environmental factors and particularly the history of development in the area practically draw the current and future spatial structure of the area. There are elements of this structure that is not optimal in terms of development as well as location. However, realistically there is very limited scope to induce structural

changes into an environment:

1. That is clearly declining in terms of population.
2. Exporting labour and skills.
3. Where economic growth is driven by the government sector and social services.
4. With a primary resources base marked by low agriculture potential and a mining sector that cannot compete in the current market for coal.
5. With a very rigid and restricted tribal based communal land ownership system.
6. A commercial agricultural sector disrupted by large scale land claims.
7. Marked by an inherent inertia of households and people to move and respond to environmental changes.

Map 34: The application of the development concept



8. With high levels of immobility in the local communities which restricts access to facilities and opportunities.

There is no indication for any potential to embark on aggressive growth and development strategies under the current circumstances. A more appropriate approach might be to focus on:

1. Sustaining current services infrastructure and social facilities through appropriate maintenance programmes.
2. Prioritizing and focusing investment on the first and second order nodes.
3. Limiting social and service infrastructure provision to the very basic levels only and rather aim at improving the standard (quality) of existing services in the identified nodes.
4. Strategic investment in the first and second order nodes that will encourage households to migrate closer to or settle in these nodes.
5. Maintain and sustain the status quo in the extensive communal settlement areas at the current basic level of services.
6. Agrarian reform in communal settlement areas to complement and encourage resettlement and improve food security. This should be supported by an appropriate environmental and conservation strategy underpinned by improve land management practices.
7. The introduction of private capital in the communal settlement areas to capitalise on the tourist potential locked up in the history and scenery of the area.

The outline of the proposed spatial structure is below.

11.5.1 Nodes

A three level nodal structure is regarded as appropriate in the UDM. A lack of growth and mobility do not allow one the liberty of many nodal points but as prioritisation of development is key element development by necessity be in a small number of nodes that can actively supported and sustained.

First order node

The PGDS only identifies Dundee as one of its tertiary nodes. However, the close proximity of Glencoe and the functional links between the two areas needs to be considered. If only Dundee is selected, it undoubtedly implies that Glencoe should continue to decline. However, the two urban areas linked by more intensive farming and the possible reintroduction of mining and an up scaling of rail transport warrants the inclusion of Glencoe as part of an extended urban node.

Second order nodes

The second order nodes align with the PGDS proposals. It covers the administrative seats of Nqutu, Msinga and Umvoti Local Municipalities. The primary role is to service as regional service centres.

Third order nodes

None of the rural service centres was specifically identified by PGDS. However, the PGDS is clear on their envisaged role and function. The nodes identified as third order nodes all fulfill these function already. However, it is important to note that the fact that these points were identified as nodes it is not implied that grow and investment in these nodes should be supported. The approach would rather be to sustain current services and to direct development, investment, and growth to the first and second order nodes. The resource base of the municipality is simply too small to include these nodes in an investment strategy. The assessment has also shown that densities in their service areas are too low to support cost effective service delivery. These nodes should however, actively be managed to prevent further decay and to maintain health standards and ensure building safety.

11.5.2 Networks

It was indicated earlier that a development system of nodes, networks, and surfaces could only be sustained through movement. This includes the movement of all goods and services as well as people.

Road and transport networks

The municipal area is well endowed with main transport networks. Notwithstanding the relative isolation of the municipality, its interregional linkages are well developed. This applies to both the road and rail systems. The main road and rail networks developed very similar patterns. However, these networks focus on north south linkages and lateral linkages running east west is less developed due to significantly less interregional demand for east west movement. Only the Glencoe/Dundee and Greytown nodes have later links into the larger region. The intra-municipal movement utilises the same networks as primary movement lines that are supported by a well developed secondary network that serves local movement needs. No need or scope for further network

extension within the municipal area could be identified although greater emphasis can be put on secondary and tertiary roads feeding into and linking with the R33. The R33 is the backbone of the movement system but it needs urgent maintenance and upgrading in some areas. The single lane bridges over the Tugela and Mooi Rivers do not seem to be a serious constraint of movement at this stage. However, both bridges require urgent maintenance.

Service networks

The nodal areas do have access to all major services. There is very little growth pressure in the nodal areas and the focus should rather be on sustaining systems through maintenance. The rural and commercial areas are covered by bulk infrastructure where necessary. The electricity network is well developed and water service in the extensive low-density settlement areas might be hampered by borehole equipment not working. In essence, the emphasis should again priorities rehabilitation and maintenance of existing water infrastructure. Given the low-density nature of the rural areas and the inability to recover, any service costs in these areas a service delivery strategy should aim at providing only the very basic services and then where it is absolutely necessary.

There seems to be a tendency to develop large-scale water networks. If this is the case then one should assume that the current settlement profile is accepted and that it is entrenched and restructuring and optimising rural settlement over the long-term does not form part of any strategy of the District or any of local municipalities involve. The net effect might be a de facto acceptance of the current development scenario. This is underscored by an approach of taking facilities to people rather than bringing people to the required facilities as contemplated, for example, in the Nqutu SDF and the service delivery strategies put forward by provincial and national sector departments as part of Umzinyathi's LED programme.

Surfaces

The areas filling the gaps between the nodes and networks are utilised for five main groups of activities. These activities have been assessed in detail but it is worth highlighting some key aspects.

11.5.3 Conservation Corridors

The Umzinyathi SDF identified and recognised two main Conservation Corridors or areas in the municipality. The first is the Biggarsberg running from west to east through the northern part of the municipal area. It starts between Glencoe and Wasbank and runs past Helpmekaar eastwards towards the Nqutu boundary south of Mangeni. From Helpmekaar to the Nqutu boundary it delineated by the northern boundary of the greater Tugela valley and then in the east by the Buffalo River valley cutting into the Tugela River Valley from the north. There are currently no formal protected areas in this corridor or any indication that conservation is actively promoted. On the contrary, large parts of this area is severely degraded and scarred by agricultural and low-density settlement practices. The second area is described by the southern boundary of the Tugela valley where the elevation is more than 100m above sea level. The areas stretches from Muden to Kranskop Again there are no formal conservation activities or protected areas in this zone. Conservation is a matter that should achieve attention.

Biodiversity Priority Areas

The SDF recognises the KZN Wildlife conservation priority areas. It includes Biodiversity Priority 1 and 3 areas. The SDF also shows the Protected Area Expansion areas, the provincial Environmental Corridors, existing Protected Areas, Natural Heritage Sites and Conservancies.

High potential development area

The areas around Dundee and Glencoe (First order node) was identified as an area with a diverse potential. It not only includes a substantial population concentration and business and community facilities, it is also an area with relatively high agricultural potential on a proven but latent potential for coal mining. It is the heart of the battlefield tourism initiatives and the area had highly accessible through inter regional road and railway links.

High potential agricultural land

The PGDS identifies only the area around Greytown as an "agricultural investment area". However, this area already taken up forestry activities. However, the ARC indicates significantly more areas as category 2 and 3

in terms of land capability. These are areas suitable for moderate cultivation and intensive grazing. Nqutu do have substantial portions of these areas but they are largely constrained by low-density settlement, degradation due to land management practices and a land ownership system that restricts commercial use of the land. Endumeni also have large portions of relatively high potential agricultural but Msinga, mainly due to topography is largely deprived of such land. There are only limited patches south of Pomeroy and small isolated portions in the very narrow and inaccessible river valleys.

Extensive communal settlement

This area covers the larger parts of Nqutu and Msinga and poses serious development challenges. There is a similar area in the southeastern part of Umvoti. It is indicated in the PGDS as “social intervention areas”. The challenge is that need (on social concept) does not imply effective demand (economic concept). The difference between the two is the gap between welfare actions and financially sustainable service delivery. The issue is compounded further by the extreme and extended low density of development and the inherent immobility of the local population. These matters are further complicated by a land tenure system that do not necessarily promote development and entrepreneurship.

12. Development proposals

The conceptual framework as outline above is the basis for formulating proposals for spatial development in the municipal area.

- The basis for the SDF starts by dealing with the **natural structuring elements** in the municipal area. These constitute pre-existing conditions in the municipality that largely dictate spatial form and development patterns because of the restrictions that these elements often place on development. The natural structuring elements include physical barriers such as mountains, ridges, and rivers or natural resources such as conservation areas, mineral deposits, and high potential agricultural land.
- Secondly, the framework considers the division between urban and rural environments through the identification and demarcation of **development focal points**.
- The spatial development proposals subsequently address the **urban and rural environments** in terms of the nodes, networks, and surfaces that apply to those environments.
- Finally, the SDF considers **movement networks** that exist and connect the different elements, and how this should be strengthened to enhance the interaction between the various elements.
- The SDF also deals with certain non-spatial issues such as **financial sustainability and institutional capacity**.

In formulating guidelines and proposals for development, the approach is to focus on a few critical issues rather than identifying a plethora of issues and needs. This means that, while taking into consideration current growth dynamics, it is better to make a few key development proposals that will focus development energy to areas where agglomeration advantages can be created and a difference can be made in the spatial structure as opposed to identifying every possible development opportunity and never reaching critical mass with any of those.

In the rest of this chapter, each of the spatial structuring elements will be dealt with in terms of the following three aspects:

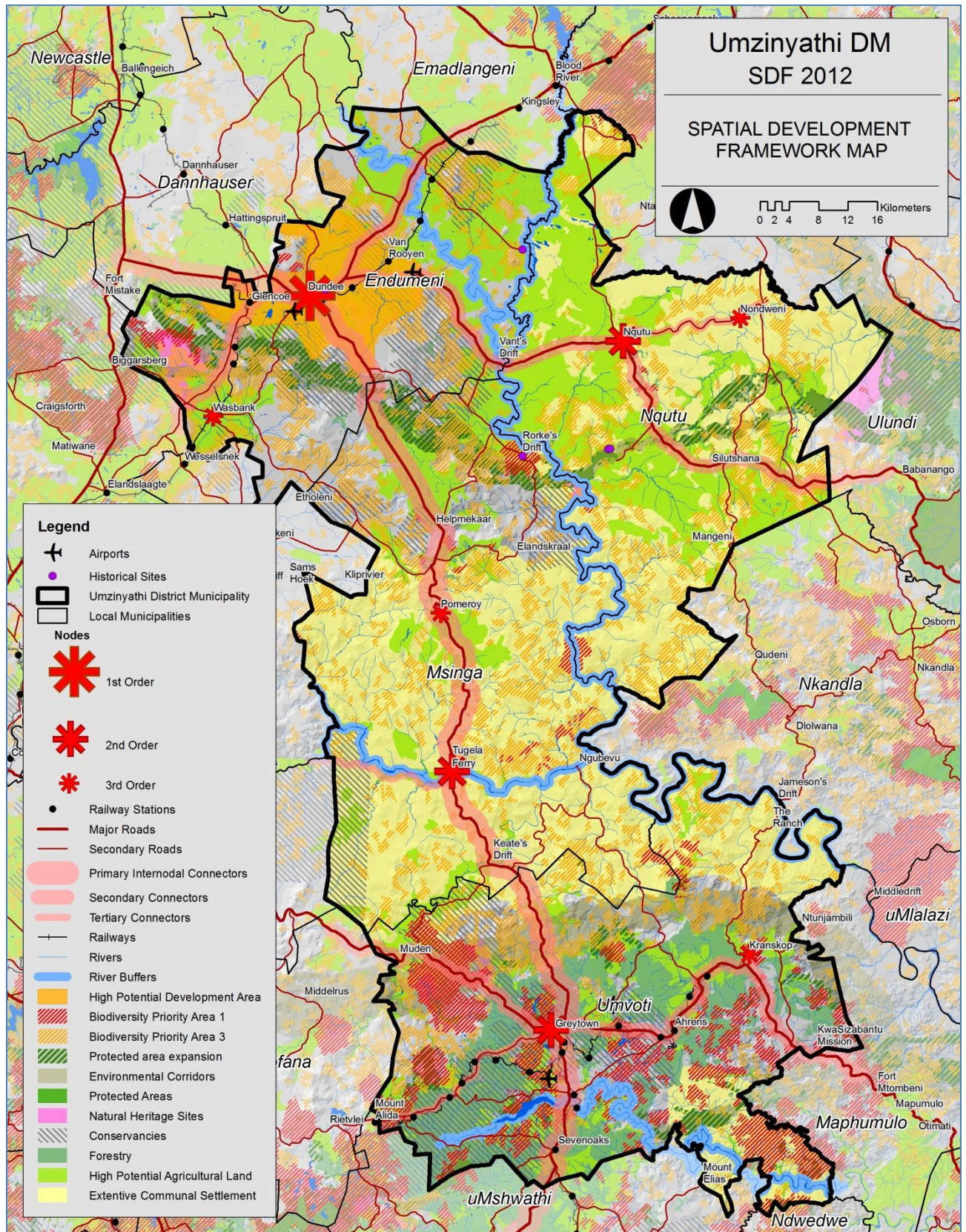
- General description and characteristics

- The identification of the elements in the planning area
- Principles and guidelines for implementation and management

It should be borne in mind that the Umzinyathi SDF remains a broad strategic planning framework due to the large geographic space that it covers as well as the District Municipality's functional and institutional relationship with provincial government and local municipalities in terms of powers and functions. It cannot therefore make detail proposals for specific areas. For that purpose, localised spatial development frameworks are more appropriate.

The proposals for spatial development are covered in the sections below. The proposals are shown on the next map followed by guidelines for land use interventions in terms of the SDF.

Map 35: Umzinyathi Spatial Development Framework



13. Natural Structuring Elements

Natural Open Space System

The natural opens space system is depicted on the map as “Priority Conservation Areas” and “Existing Conservation Areas”.

In dealing with natural structuring elements the following principles should apply when development may affect the natural open space system and environment:

- *The environment should be planned and managed as a single integrated system. This includes micro system in denser developed area as well as the broader environment at a municipal scale.*
- *The natural open space system should be protected from intrusive, irresponsible and ad hoc developments that damage the ecological integrity as well as visual quality of these areas and will result in environmental degradation.*
- *Where appropriate, a continuous open space system must be developed in the municipality. This means that in certain areas where natural open space is currently affected by activities the municipality must intervene through partnership arrangements with stakeholders in order to ensure that these ecological corridors can be created and are able to function appropriately.*
- *Not all areas are equality important. Focus should be placed on and resources allocated to those consolidated natural open space areas where long-term ecological sustainability can be achieved.*

Although the SDF aims to make proposals that respect the ecological integrity and environmental sustainability of the area, it may be necessary in certain instances to re-evaluate environmental potential against development potential in order to achieve the truly sustainable development of the area.

High Potential Agricultural Land

The SDF designates high potential agricultural areas as an important structuring element in the long-term growth of the municipality. This is based on the need for intensive agricultural production areas in close proximity to settlements on account of cost advantages due to links to markets, direct and indirect employment opportunities for settlement dwellers, stimulation of secondary business activities (e.g. food processing) and food security.

Land with irrigation potential is regarded as highest potential agricultural land and should be managed and protected as such. These areas should be reserved as prime agricultural land in the municipality and be protected from any development or land uses that may have a negative impact on the agricultural potential of the area. The most important is the areas under irrigation and those with irrigation potential. Nevertheless, the importance of agriculture in the local economy warrants special attention to all agricultural land.

The rest of the area is covered by low intensity extensive agricultural land. In terms of the land capability the areas agricultural potential varies substantially and range from land suitable for intensive cultivation through to land that preclude its use for commercial plant production and restrict its use to recreation, wildlife, water supply or aesthetic purposes

Agriculture is and will remain the backbone of job creation in the municipal area and is an integral part of eco-tourism in the municipality.

The following activities are consistent with development in the high potential agricultural area:

<i>Activity</i>	<i>Definition</i>
<i>Agriculture</i>	<i>The cultivation of land for crops and plants or the breeding of animals or the operation of a game farm on an extensive basis on natural veld or land.</i>
<i>Agri-Industry and Agri-Processing</i>	<i>An enterprise for the processing of agricultural products on a farming unit or within a rural area owing to the nature, perishableness and fragility of such agricultural products (e.g. farm pack stores, food processing etc.).</i>
<i>Agri-Village</i>	<i>A private settlement situated within an agricultural area and where residence is restricted to bona fide farm workers and their dependents of the farms involved in the development.</i>
<i>Agri-Tourism</i>	<i>A type of tourism in which travelers travel to rural areas to experience the activities and lifestyles of people living and working in the agricultural sector.</i>

Mineral resources

Mineral resources were, and might again be to key developments in the municipal area. The development of mineral resources contributes to development through increased economic activities and benefits. However, the location of mineral deposits and potential mining areas are clearly overlapping with high potential agriculture and core conservation and tourism areas. With the large coal deposits that do exist, and if the international demand for coal changes the pressure for further mining will undoubtedly increase.

In dealing with mining developments, the following principles should apply:

- Mining development is supported within the sectoral framework of national legislation and policies.*
- Activities on land owned by mining companies should exclude onsite residential, social and community facilities which should be*

accommodated in the formal urban areas itself.

- *No informal settlement will be allowed on mining land.*
- *Satisfying the demand for infrastructure, housing and services will be for the account of the mining companies. Should investments be required from the Council to meet the needs of mining companies, it will only be done once the acceptable performance guarantees are provided by the mining companies.*

Growth Management

The analysis has shown that the population will decline in the future. This however, does not eliminate urbanization that is expected to continue for the near future. Given the limited growth prospects and the fact that urbanization may provide the only element to engineer spatial change, the process needs to be managed with great circumspection. Spatial growth recognises a number of important elements. The management of spatial growth is structured around the spatial containment of growth by strengthening nodes and improving selected networks as development corridors and activity spines.

Urban and semi-urban areas

For the purpose of the SDF, the urban area is defined as those areas that are characterised by clearly defined concentrations of activity and built-up areas. The typical activities found in urban and related areas include residential development, business and administrative functions, social services and infrastructure, industrial, and commercial developments etc. The urban areas should comprise a range of services and facilities that are required to achieve a sustainable, efficient, convenient, and livable environment. The SDF do not make any specific proposals in this regard since it is recognised as the domain of the LMs. However, the following guidelines are provided to ensure a consistent approach throughout the municipal area.

Activity Nodes

Urban activity nodes are concentrations of development located at accessible locations such as modal interchanges and the intersections of public transport routes. These nodes should create areas of agglomeration advantages that are able to attract business and economic developments to these areas. Well-functioning activity nodes are vibrant areas comprising shopping, work, social and cultural opportunities and public transport facilities in a high quality, safe public environment.

The following nodes is the focus of development in the municipal area:

- **The Glencoe/Dundee Urban Complex** as the first order node and core urban area. Development in Umzinyathi had and will centre on the Glencoe/Dundee Urban Complex as first order node. This node has a very distinct role to play in the municipal area and it is the most significant urban area in the area and is recognised as such in the PGDS. The node is well established and provides the full range of business, community and government services to the municipal area.
- **Greytown, Nqutu, and Tugela Ferry as second order nodes** are important as higher order service nodes. Their importance lies in their roles as administrative seats of the three municipalities. Greytown is structurally well developed and it exhibits all the characteristics of a regional service centre. Nqutu and Tugela Ferry do have commercial and community facility elements that define its role as service centres but are structurally deficient in the sense that they do not have a strong and well-developed residential base. Very specific development strategies should be formulated to encourage and strengthen these nodes in order to fulfill their rightful role in the development landscape.
- **Wasbank, Nondweni, Pomeroy and Kranskop** are municipal service points. However, under normal conditions of development and growth with less limitations of mobility, one would not have opted for these for inclusion in the SDF. The resource base is simply too limited to support this many nodal points. However, given the nature and expansiveness of existing development patterns they have a role in providing very basic services to their immediate areas. Their development should however not be encouraged, its development should be limited to low levels of investment focusing on very basic service and community facilities. Strategically the aim remains the functional integration of development with the first and second order nodes through improving the mobility of the poor and to enhance access to opportunities and resources.

From an urban efficiency and functionality perspective, the clustering of community, social and business facilities in nodes around points of highest accessibility is of vital importance, i.e. –

- By clustering facilities, a selected few high quality nodes can be created that can serve as the heart of communities and promote social interaction.
- Multiple settlements can be served by social services in central points.
- The sharing of facilities between various services (e.g. buildings, logistics, parking etc.) can take place.
- Central clusters ensure enhanced accessibility and convenience for residents.
-

The following general principles apply to the development and management of nodes:

- *In order to support the effective development of nodes in the municipality, the development of urban non-residential land uses, such as business, retail, community facilities, and social services should be restricted to nodal areas.*
- *Nodes should typically be located at the main access points as urban areas, typically at the intersection of a major mobility route and the major collector route.*
- *These nodes should show a high degree of public investment in infrastructure, and social services.*
- *Nodes must be characterised by mixed-use, high intensity activity and higher density residential development.*
- *Nodes should be developed with a clear function and focus.*

The essence of this approach is to actively discourage the further expansion of services in the low-density rural settlements and restrict service delivery to the absolute basic necessities. One cannot afford the situation where a homeland legacy is literally cast in concrete and perpetuated into the future.

Densification

Densification is not an end in itself, but a means to achieve more efficient utilisation of transport, the creation of the necessary population thresholds to support community and business facilities and to prevent low-density outward expansion and development on land, which is

valuable from an ecological or agricultural perspective. In the case of a municipality that has largely pedestrian orientated communities like, densification helps with improving access to key facilities and amenities in the town.

The following should apply to densification:

- *Higher density development should be focused around and within walking distance from major activity areas and transport services. The key is infill development rather than redevelopment at higher densities.*
- *Densification should capitalise on existing available infrastructure.*

Aspects that may influence the level of densification in a particular local context include –

- Availability of infrastructure and services, which can support higher density residential development,
- Heritage aspects,
- Socio-economic characteristics,
- Topography.

Settlement and residential development

Housing development is a key lever in facilitating structural change. Residential development, in particular residential development for lower income groups, must focus on social and economic integration and inclusion. Settlement development should form an integral part of the urban areas and housing development initiatives outside the first and second order nodal points must be actively discouraged and be redirected to the higher order nodes.

All future settlement developments that take place in the municipal area shall adhere to the principles of the policy document Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlement. These include principles⁴ such as:

- *Residents should live in a safe and secure environment, and have adequate access to economic opportunities, a mix of safe and secure housing and tenure types, reliable and affordable basic services, educational, entertainment and cultural activities, health, welfare and police services.*
- *Ensure the development of compact, mixed land use, diverse, life-*

enhancing environments with maximum possibilities for pedestrian movement and transit via safe and efficient public transport in cases where motorised means of movement is imperative.

- *Ensure that low-income housing is provided in close proximity to areas of opportunity.*
- *Integrate previously excluded groups into urban areas and the benefits it offers, and to ensure the development of more integrated, functional and environmentally sustainable human settlements, towns and cities. The latter includes densification.*
- *Encourage Social (Medium-Density) Housing.*
- *Multi-purpose cluster concept will be applied to incorporate the provision of primary municipal facilities, such as parks, playgrounds, sports fields, crèches, community halls, taxi ranks, satellite police stations, municipal clinics and informal trading facilities.*
- *Enhancing settlement design by including design professionals at planning and project design stages, and developing design guidelines.*
- *Social housing must be understood to accommodate a range of housing product designs to meet spatial and affordability requirements.*

The residential settlement areas in Umzinyathi require its own particular interventions over and above the standard principles as set out above. The following indicates the development principles applicable to them.

Development and investment in these service centres should focus on creating sustainable human settlements.⁵ The general qualities that must be achieved are:

- *The area must be attractive, safe and convenient for people to live in.*
- *Residents must have access to residential amenities such as local businesses, transport facilities and social and community facilities.*
- *The area should have a functional local economy.*

- *The area must be linked to other urban areas through efficient and affordable movements systems to ensure people's access to goods and services outside of the townships.*
- *Development and investment in these service centres should focus on creating sustainable human settlements.⁶*

The following interventions might be appropriate:

- *Residential densification should take place around the activity network to create a proper mixed land use, integrated urban node.*
- *Infill housing developments must take place on vacant land parcels that are suitable for development.*
- *Infrastructure redevelopment, rehabilitation and upgrading should be a major force in development.*

Low density rural areas

Rural areas are defined as “the sparsely populated areas in which people farm or depend on natural resources, including the villages and small towns that are dispersed through these areas.”⁷ As shown in the contextual analysis, the largest part of the municipality comprises of low-density rural environment. The SDF must therefore focus on how to enhance and support appropriate rural development in the area.

The rural environment in Umzinyathi is essentially made up of the following four elements:

- Agriculture at varying degrees of intensity.
- Natural open spaces.
- Population concentration points.
- Conservation and tourism area.
- Large scale forestry with supporting infrastructure.

The rural environment should be protected from development that is not in line with the rural character of the area. The most important principle that applies is that development should be restricted and that the rural character should be maintained. These areas are typically removed from major nodes or activity areas with little chance of functional integration, which means that any inappropriate development in

these areas will contribute to an inefficient spatial form and functionality. Any uses that would normally occur in urban or suburban areas should not be approved outside the urban edge.

The following principles apply when evaluating applications for developments outside the urban edge:

- *Uses should be rural in nature, or should require a rural setting in order to be functional or viable.*
- *The development should not require extensive service infrastructure.*
- *The development should not have any negative environmental impact.*
- *The development should not create possibilities for other developments to establish in the area.*
- *Uses that primarily service the local market.*
- *Uses which are resource based.*
- *Uses which are located at a defined in approved service points.*

Land uses that can be permitted in the rural environment include:

- *Nature conservation/sensitive natural areas.*
- *Agricultural activities.⁸*
- *Tourism and related activities.*
- *Conference and training facilities.*
- *Recreational facilities, which are essentially rural in nature.*
- *Farm stalls and home industries.*
- *Resource based industries.*

Any other uses that in the municipality's discretion fit in with the character of the area outside the urban edge, provided that such development adheres to the criteria set out above.

There is always a need for housing development in rural areas. However, the danger of accommodating housing developments in rural environments without thorough consideration is that islands of poverty are created which have no potential for future economic development or intensive provision of social and community facilities.

It is important to ensure that residents of these settlements are not just housed in any rural location, which is devoid of services, facilities and economic opportunities, there are certain principles that should inform the development of rural housing. These are:

- Rural housing should as matter of principle be discouraged and housing delivery should focus on the first and second order nodes.*
- Rural housing should focus on providing housing to people who are connected to the rural economy.*
- Rural housing development should focus on particular locations in the rural environment where consolidated settlements can be developed. By focusing housing developments in particular locations in the rural environment, it will become possible to develop more sustainable settlements with all basic social services and facilities, rather than having small scattered housing settlements across the rural environment where it is not feasible to provide services and facilities to each of those settlements.*

14. Implementing the SDF

Strategic objectives for guiding the implementation of the SDF

To give impetus and effect to the Council's vision and the principles driving it, the SDF has an important role to play. However, this role is largely defined by the development realities driving long term development and the ability of the Council to give affect to a spatial implementation strategy and programme to support the objectives of the SDF.

The earlier assessments deal in detail with the factors affecting and determining the extent of development in the municipal area. The following are key considerations:

1. Population growth is low and negative growth is expected within the next two to three years. Spatial reconstruction through active population growth is not an option.
2. The permanent migration of economic active males is a feature of the labour market.
3. Economic growth is driven by the services sector and in particular government services. The primary and secondary sectors are stagnant and do not show short-and medium-term growth expectations.
4. Agricultural potential vary throughout the district but better potential is limited to the Dundee/Glencoe and Greytown areas. Nqutu do have relative good potential but is limited by the dispersed low-density settlement patterns, inappropriate subsistence farming actives and serious environmental degradation.

5. Unresolved land claims might have a very negative impact on agricultural development in the area.
6. There is still relatively good mining potential in the northern parts. However, the impact and development of this potential is largely depended upon the future demand for coal. It is not something that can be influenced by the Council but it ensure that t short term development initiatives do not compromised the future exploitation of these reserves.
7. There might be conflict between mining potential and environmental conservation objectives in some areas.
8. There are extensive conservation proposals but very few options for implementing these proposals. The Council should use EIAs as catch net to promote the provincial conservation objectives.
9. The largest potential for conservation lies in the promotion of the concept of conservancies created by private landowners. These conservancies are often linked to game farming, lodges, and tourism in general.
10. Tourism is currently built around the “battlefields” concept. However, this is largely incidental tourism and one should explore the expansion of this concept to the extent that the area becomes a tourism destination in its own right. The possibility of a Zulu Cultural Festival in line with the Grahamstown Arts Festival was mentioned as a possibility. The existence of various mission stations with a rich history linked to the post war periods might be a logical extension for the battlefields concept.
11. Existing settlement patterns are not conducive to development. The expansive low-density settlement in Nqutu and Msinga make the provision of the most infrastructure, commercial, and community facilities not feasible and sustainable.
12. Given the low and even negative population growth rates, the chances of changing this are very slim. One faces a settlement pattern that is structurally unsustainable.
13. The high levels of immobility of a very poor population aggravate the situation. One has two options to spatially restructure the spatial environment. The one is to bring people to services and secondly to bring services to where the people are. The latter is not a sustainable option since densities work against it. The only option is to improve the mobility of people. This will also not be easy given the large number of people spread over an even larger area.

As indicated in this summary, the assessment highlighted a number of issues or principles that should guide spatial development. The following have been identified as being critical to the development of the municipality:

Infill and compaction to accommodate any possible growth

The assessment has shown that spatially the settlement patterns reached an undesirable configuration that seriously disadvantage current residents and in the process isolate them for access to opportunities, amenities, and resources. Any future development initiated by the public sector should be much more focused and be limited to the immediate areas of the first and second order nodes. Within these nodes, the emphasis should be on infill and compaction.

Improved access and mobility

It is not an option for the Council not to continuously improve the access and mobility to the people of UDM. It should be the highest priority of the Council. Where low density settlement is a challenge, and where there is no indication that these patterns can be changed in the long term, it is important that the Council adopt an approach of bringing people to facilities and amenities rather than taking facilities and amenities to the people. In this respect, the PTP should be revisited with this specific aim in mind.

High premium on environmental conservation

The very nature of the environment is the catalyst for some of the core activities in the municipal area. The nature of agricultural and tourism activities is largely a function of environmental conditions. Deterioration in environmental conditions will imply a declining agriculture and tourism sector and hence negative impact on the local economy through job losses and the general decline of the economy.

Prioritise and focus on selected nodes

The Council should aim at focusing all possible investment on Dundee, Nqutu, Tugela Ferry, and Greytown. Resources are limited and these areas should be prioritised by the Council, the LMs and all sector departments.

A two pronged support strategy

Prioritizing the nodes should not imply that the outlying areas are ignored. A distinction should be made between economic investment and welfare support. Economic investment should be limited to the four selected nodes. The rest of the area should only receive very basic minimum support to sustain health and social conditions. There should also be a balance between allocating resources to both these areas. The indications are currently that all support is directed to the low-density areas or the so-called “priority intervention areas” in the provincial SDF. This also applies to the LED projects in the IDP.

Implementation strategy

The development and implementation of the SDF is built around the powers and functions of the UDM. It is important to recognise that the Municipality can only leverage development within the framework of its powers and functions. In this sense the executive options for the municipality is very limited. To achieve the objectives of the SDF two things must happen:

1. Development, land use planning and land use management must take place within the framework of the SDFs proposals and guidelines for land uses and development. These guidelines are dealt with in **Error! Reference source not found.**
2. The SDF in itself will not achieve any of the set objectives but is dependent on strategic projects that will enhance the spatial structure and contribute to goal achievement.

The projects linked or supporting the SDF objectives

To give effect to the tone and directions provided in the SDF a number of interventions are proposed. Interventions are structured along the following priority lines:

1. Strategic interventions that will affect the Council's operation for the next five years. These interventions need to be carried into the Council's IDP and from there into the MTREF, annual budgets and operational planning.
2. New projects that were identified to support the implementation of the SDF.
3. Project that fall outside the scope of the Council's powers and function but where it should play a leading role in initiating and promoting it.
- 4.

UDM is clearly under institutional stress as reflected in its challenges to reach budget targets. The inability to implement projects against the backdrop of nearly total dependence on grants and subsidies and the unlimited demand on the resources of the Council is evident. The role of budgetary processes is recognised and the projects listed in this section are not necessarily an indication that they are priority projects. Project prioritisation is part of the IDP and budgetary processes. The projects put forward are interventions that from a spatial planning point of view will contribute to the development of the area.

The SDF in its totality guides and aids decision-making on spatial development. However, in the processes of analysis and assessment a number of issues were identified that might go beyond the scope of the SDF itself and needs further attention from the Council. The following issues need specific attention:

Strengthening the impetus of the IDP

The Council's focus on infrastructure development can benefit from a longer term strategic framework that can direct service delivery in line with spatial and other strategic objectives. Currently the IDP with the MTREF is the only integrated framework for directing long term investment but the MTREF has only a three-year horizon. Furthermore, there are a proliferation of powers and functions between UDM and the LMs. The result is that different infrastructure services are delivered by different institutions. However, customers (households and other) receive a package of services at the end of the day. All the municipalities in the district (LMs and UDM) should benefit from an regionally based integrated Infrastructure Investment Framework that nevertheless, recognises the role and functions of each institution involved. This issue can be addressed through the implementation of the following project:

Project 1:	Infrastructure Investment Plan
1. Project rationale:	The success with achieving the outcomes of the SDF will be measured in terms of improved service delivery. Sustainable service delivery will reflect on economic and institutional development. The ability to meet the needs of the community will largely depend on the Council's ability to improve its revenue base by optimising own revenue sources
2. Objectives:	<ul style="list-style-type: none"> • To enhance the financial position of the UDM and LMs through sustainable infrastructure and service delivery • The development of an integrated and coordinate service delivery strategy • The alignment of local and regional service delivery objectives • To manage the combined impact of service delivery from various institutions on beneficiaries of service delivery • To accelerate backlog eradication in a coordinated and integrated manner
3. Issues to be addressed:	<ul style="list-style-type: none"> • Cooperation and buying of LMs and UDM into a joint strategic service delivery programme • The role and responsibilities of infrastructure service providers in the UDM area • Strategic options and approaches towards differentiated service delivery in responses to geographical and socio-economic differences in the UDM area • Demand for reticulated and bulk infrastructure • Capital requirements and funding sources <ul style="list-style-type: none"> ○ New infrastructure ○ Renewal of existing infrastructure

-
- Project 1: Infrastructure Investment Plan
- Assessment of the operating account in terms of the impact of capital investment
 - Impact on the UDM and LM's revenue base through changes in household bills and cost recovery strategies
4. Project outcome:
- An integrated Infrastructure Investment Plan (at least 10 years) to guide the Council to sustainable service delivery showing per LM and for the UDM:
 - Service delivery rates to meet strategic targets
 - Capital expenditure
 - Capital funding requirements
 - Operating income and expenditure per infrastructure service and different land uses
 - Net cash flow positions
 - Service quantities in terms of MI water, MI waste water generated, kWh electricity used, volumes of waste generated, etc.
 - The cost of top structures
 - Distinction between private and public investment
 - Cost recovery and subsidy strategies
5. Skills required:
- Development planning
 - Municipal infrastructure and service delivery
 - Municipal finance
 - GIS
6. Timeframe: 12 months for plan formulation and implementation and a subsequent 3 years maintenance project to assist the

Project 1:	Infrastructure Investment Plan Councils with integration of the strategies into their IDP and budgets
7. Budget	Project implementation: R500 000 per municipality which add to a total of R2.5 million Maintenance contract: R75 000 per month for three years (R2 700 000)

Improving access to facilities and resources

Rural densities do not satisfy the criteria for establishing viable rural community services and facilities. Furthermore people are immobile and clearly do not change locality very easily. However, the challenge remains to provide the residents of these low density areas with access to basic facilities and amenities. Improved accessibility can be achieved by proliferating community facilities through these areas but this comes at a substantial cost. Assessments in previous sections have shown that the existing densities cannot sustain the required amenities throughout the area. The alternative is to improve public transport through the area to increase general access into the identified nodal points. The current PTP did not address these issues. It will be appropriate to revisit the PTP with the specific mandate to investigate and formulate proposals regarding an improved public transport system.

Project 2:	Investigation into the establishment of a municipal rural transportation system
1. Project rationale:	It is more cost effective to provide people in rural areas with a free public transportation system than embarking on a programme to proliferate non-viable community facilities and amenities throughout the UDM area
2. Objectives:	To improve access of rural people to community facilities and economic opportunities in the identified nodal points
3. Issues to be addressed:	<ul style="list-style-type: none"> • Comprehensive feasibility study • Full costing of service • Coverage, time tables and routes • Service provider arrangement on possible

Project 2:	Investigation into the establishment of a municipal rural transportation system partnerships or out sourcing
4. Project outcome:	A regular free public transport service that covers the larger part of the rural component of the UDM area
5. Skills required:	<ul style="list-style-type: none"> • Development planner • Development economist • Transport planner • Legal support for contracting purposes
6. Timeframe:	To be determined
7. Budget	Feasibility study: R750 000 Implementation: To be determined

Capitalizing on an under developed tourism sector

Tourism is well established, recognised and to an extent coordinated in and around the UDM area. However, it was pointed out tourism is largely incidental and that there is a need to develop the area as a tourism destination in its own right. This should be based on expanding the battlefield concept and further incorporating cultural and eco-tourism into the such a strategy.

Project 3:	Integrated tourism development strategy
1. Project rationale:	Tourism is an already establish sector in the area. It is mainly private sector driven and shows potential for further investment and extension. It has a substantial potential for job creation and can directly contribute to economic development and conservation in the process.
2. Objectives:	To develop the UDM as a national and international tourism destination in its own right that offers a range of historic, cultural and eco-environmental attractions of a spectrum of people.
3. Issues to be	<ul style="list-style-type: none"> • Comprehensive feasibility study

Project 3:	Integrated tourism development strategy
addressed:	<ul style="list-style-type: none"> • The extent of current tourism • The role of the private and public sector • The extent of tourism infrastructure in terms of quality and quantity • The contribution of tourism to job creation and employment • Expanding the tourism base beyond the battlefields concept
4. Project outcome:	A joint strategy for tourism development between the private sector, UDM and the LMs
5. Skills required:	<ul style="list-style-type: none"> • Development planner • Development economist • Tourism expert
6. Timeframe:	To be determined
7. Budget	Feasibility study: R1 000 000 Implementation: To be determined

Further issues requiring attention

Notwithstanding the two projects and interventions listed above, the following issues warrants further attention:

1. The improvement of the R33. This road is the backbone of development and plays a very important and local role. This include:
 - a. The rehabilitation and upgrading of the road surface.
 - b. Urgent maintenance of the single lane bridges at Tugela Ferry and Keate's Drift.
 - c. The improvement of traffic flow through Pomeroy, Tugela Ferry and Keate's Drift.
2. The formulation of an agricultural development plan covering the commercial and traditional areas in the light of:
 - a. The fragility and sensitivity of the environment to change and degradation.
 - b. The importance of promoting food security.
 - c. The potential for job creation.
 - d. Need for extension services.

3. Revisiting the SDFs of the LMs which current do not further the aims of sustainable urban and rural development. They should be aligned to reflect and deal with more realistic growth expectation and a system of investment and development prioritisation.

Monitoring and evaluation

The SDF is the Council's response to the expected spatial changes in the local development environment. Through the IDP, the Council has set itself objectives and targets for development. The SDF provides a framework for the Council to respond to development. The key consideration is that the Council is one of a multitude of players in the environment and does not control development. It is therefore appropriate for the Council to monitor development on the broadest form but then specifically in terms of:

1. The incorporation of the recommended projects into the IDP and subsequently into the budget and the implementation thereof.
2. The impact of development of the biophysical environment. To this effect, the Council must ensure that the necessary EIAs are done when and where appropriate.
3. Settlement changes and changes in settlement patterns must be monitored. This also applies to assessing the impact of Council decisions of urbanisation, migration and settlement.
4. The impact of Council policies and decisions on the spatial integrity of the environment as outlined and described in the SDF

These four critical aspects need to be assessed annually as part of the IDP review of the Council. There is no need to create any extraordinary measures outside the day-to-day operation and management activities of the Council to meet the strategic objectives as spelled out in Section **Error! Reference source not found.** of this report.

2. STRATEGIC ENVIRONMENTAL ANALYSIS

During August 2009, Umzinyathi District Municipality identified the need to prepare a Strategic Environmental Assessment to ensure that these unique environmental features are appropriately considered within the context of sustainable development in its area of jurisdiction. The process is primarily aimed at ensuring that environmental sustainability aspects are considered in the Integrated Development Plan and the Spatial Development Framework of the municipality. The overall objectives of the Umzinyathi SEA are to:

- Pro-actively inform development plans and programmes of the UDM, specifically the SDF as the spatial expression of the District IDP;
- Identify opportunities and constraints which the environment places on development;
- Provide information on sustainability of envisaged development as described in the District IDP and SDF
- To maintain and/or enhance the level of environmental quality of the area

Umzinyathi District Municipality will be reviewing the Strategic Environmental Assessment (SEA) during 2013/14 financial to ensure that its applications are relevant and implementable.

The environmental analysis in terms of the Integrated Environmental Management Plan is as follows:

2.1 THE IDP AND SUSTAINABILITY

2.1.1 Integrated Development Plans (IDPs)

Integrated development planning is strategic, holistic and intended to result in appropriate delivery. The Integrated Development Plan (IDP), the product of this process, assists the municipality in being developmental and combining efforts with government agencies at national and provincial levels in ensuring delivery. Integrated development planning should result in integration which relates to a number of dimensions:

- **Spatial integration** of communities and land uses; addressing Apartheid geographies
- **Social integration** through participation and empowerment; addressing the inequalities of the past
- **Functional and sectoral integration** of the efforts of a number of role players, enabling coordinated delivery.

The **Constitution (1996)** specifies that local government should be developmental in facilitating social and economic growth as well as service delivery. It also promotes the notion of cooperative governance with the national and provincial spheres of government. The IDP, according to the Municipal Systems Act (2000) enables local government to fulfil this Constitutional mandate. In the spirit of co-operative governance, the plan must

- Reflect the principles contained in other legislation such as the Development Facilitation Act, Act No. 67 of 1995 and the National Environmental Management Act, Act No. 107 of 1998
- Align with the IDPs of adjoining municipalities
- Align with other relevant sector plans produced by National, Provincial or Local Government
- Comply with requirements of other legislation such as the National Environmental Management Act, Act No. 107 of 1998.

2.1.2 The concept of sustainability and sustainable development

Human life is dependent on a healthy supply of food, water and air. There has been an enormous increase in the human population over the last century without a matching increase in the planet's capacity to supply food, water and air. Human activity has damaged or reduced the earth's capacity to supply many essential life-supporting goods through the spread of urban development and the pollution of the earth's atmosphere and water. The extent of productive farmland is rapidly decreasing as land is taken up for human settlement. Climate change and global warming have been ascribed to the effects of pollution. Thus, the earth's capacity to support and sustain human life is under threat.

Our current rate of consuming resources and discharging wastes cannot be sustained.

A meeting of nations in 1992, referred to as the Rio Earth Summit, drew up an agreement called "Agenda 21" which records their political commitment and mechanisms for integrating environmental sustainability into social and economic processes. Ten years later, the nations met again in Johannesburg (World Summit on Sustainable Development, 2002) and reaffirmed this commitment with an additional emphasis on the eradication of poverty. The Gauteng Declaration issued at the conclusion of the World Summit on Sustainable Development (2002) states that sustainable development should:

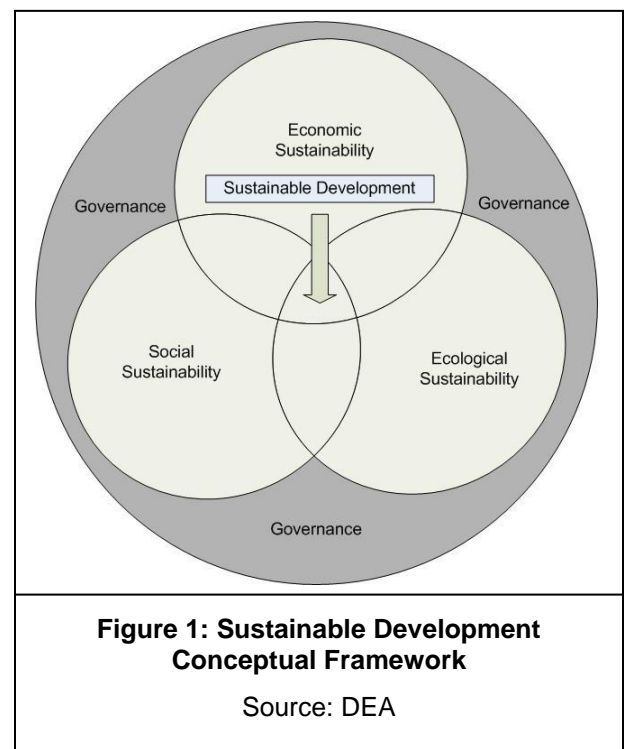
- "create prosperous and more equitable societies,
- increase employment opportunities,
- help to meet the basic human needs of everyone for food and water, shelter, energy, sustainable livelihoods, education and health care
- Protect the physical environment and natural resources which nurture us"

We need to make a transition to ways that are ecologically sustainable, i.e. ways of living that can be sustained on a long-term basis by the environment.

The concept of sustainability relates to all dimensions of human living and does not only focus on the natural environment although the tendency is to focus on 'green' issues given the many pressures that the natural environment is under. The most commonly used definition is 'development that meets the needs of present generations without compromising the ability of future generations to meet their needs' (WCED, 1987). Thus, economic production and the processes through which people enable livelihoods are intrinsically linked to the natural environment. People rely on natural resources (directly or indirectly) for these processes. Thus, on the one hand, protection of the natural environment is not enough – social, governance and economic systems need to function effectively also. On the other hand, if the natural environment is undermined, livelihoods will suffer.

Sustainability has economic, social, governance and ecological dimensions; the challenge of sustainable development is to ensure that one dimension is not enhanced at the expense of any of the others. These dimensions relate to:

- **Economic sustainability:** The aim to achieve economic growth is justifiable as long as it does not compromise the natural and social systems that enable this growth.
- **Social sustainability:** Social justice and equity are important. The building of social capital and maintenance of social networks are seen as important in achieving this.
- **Ecological sustainability:** Biodiversity maintenance and ecological diversity are considered important. Regeneration of natural resources and minimizing the use of non-renewable resources are underlying goals.



- **Governance:** Maintaining effective synergies between social, economic and ecological sustainability is not possible without effective political buy-in and governance processes. Negotiating issues surrounding sustainability requires that trade-offs be made between the various dimensions that inform sustainable development. The governance framework determines how these decisions are made and who makes them.

Distinguishing between sustainable development and sustainability is important. **Sustainability** implies balance: that an activity or a condition can be maintained into the future without constant external inputs. Economic, social, ecological and institutional factors need to be considered in an integrated way. In the long term, sustainability requires a change of values away from materialism towards social and cultural enrichment.

Sustainable development relates to action, defined by the National Environmental Management Act (NEMA) No 107 of 1998 as “the integration of social, economic and environmental factors into planning, implementation and decision-making so as to ensure that development serves present and future generations.”

In the South African context, environmental sustainability is enshrined in our Constitution “*Everyone has the right... to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that... secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.*” *Constitution of the Republic of South Africa, Section 24(b) (iii)*

The policy that elaborated on this aspect of the Constitution is recorded in the **White Paper for Environmental Management (1998)**. The White Paper promotes a vision of a society in harmony with its environment, working together towards the goal of sustainable resource use and sustainable living to meet present and future needs. The policy supports Agenda 21 principles for sustainable development. Furthermore, the White Paper provides the overarching framework for a sustainable approach to management of the environment.

2.1.3 Integration, Integrated Development planning, IDPs and sustainability

Integration is intended to result in holistic development, in the same way that sustainability is intended to address the relationships between natural and human-made

systems. Integration is essentially the process whereby the various dimensions of sustainability are combined into an overall planning process. The four core principles of sustainability – economic, environmental, governance and social sustainability – relate to the development planning process.

A significant share of the responsibility for addressing sustainable development rests with municipalities which are the least resourced sphere of government (Sowman et al, 2002). Traditionally, economic sustainability goals have dominated over environmental, and often social, concerns in the Integrated Development Plans of municipalities (Todes, 2003; RSA, 2006), often at the expense of the physical environment. The focus on economic growth and the high consumption lifestyles that this implies can have dire consequences for the environment in the long term. Sustainability, therefore, is of strategic importance and has long term impacts. Integrated development planning is essentially a strategic planning process that requires consideration of these long term impacts on a municipality. Degradation of the physical environment will, in the long term, lead to the failure of economic and social successes. Thus, balance needs to be achieved between the natural and built environment; integration of social, environmental and ecological dimensions of livelihoods and development processes.

An integrated understanding of the ways through which the natural environment is linked to social and economic production systems, yet also how natural systems are instrumental in the functioning of the natural and built environments ensures a more holistic approach to development.

2.1.4 Integrated Environmental Programme

The Integrated Development Planning (IDP) process requires the generation of an Integrated Environmental Programme (IEP) as a Sector Plan. Therefore it is essential that all Municipalities must have an IEP to ensure that environmental considerations are integrated with the final outputs of the IDP.

Essentially the primary role of the IEP should be to provide the environmental analysis for the district including the local municipalities. Secondly to guide strategic and project level development and planning decision making. The IEP should contribute to a

healthy environment by ensuring that strategic environmental issues are identified, as well as potential environmental requirements for future projects are taken into account during decision making.

2.2 ENVIRONMENTAL ANALYSIS

2.2.1 Water Resources

Asset

- Rivers
- Tugela
- Umvoti
- Blood
- Buffalo
- Wetlands and watercourses

Management Status

The entire river system in the municipal area is vulnerable. It implies that special attention will have to be paid to all development affecting the river system. The Umvoti River is already critically endangered and all development that might impact or affect the river will have to be very carefully monitored.

The catchment areas are vulnerable since large areas are exposed to erosion and agricultural practices in the traditional areas results in little or no ground cover. Good permanent ground cover is important for the long-term sustainability of catchments areas.

Management Measure

The provision of potable water remains a high priority need within the municipal area. The following Acts makes provision for catchments management areas to be managed:

- Water Service development Plan
- Working for Water
- National Water Act 36 of 1998 (land use around owned state owned dams)
- EIA Regulations
- National Environmental Management Act No. 107 of 1998
- Bulk Water Schemes
- Water Service development Plan
- Working for Water
- National Water Act 36 of 1998,

Pressures

- Reduced runoff from forestry areas as a result of high rainwater retention capacity (water infiltrates and causes detachment of soil particles and therefore results to soil erosion)
- Reduced water quality (due to pollution)
- Increased runoff
- Increase storm water peak flow intensity as well as increase in total annual storm water runoff.
- Water scarcity (in areas dependent on groundwater)
- Groundwater pollution as a result of poorly managed industrial practices
- Groundwater abstraction
- Siltation of wetlands
- River pollution as a result of drainage of pit latrines into rivers

Proposed Interventions:

- Determine all the source points contributing to declining water quality and set target objectives to minimize the impact on the health of this system.
- Bioaccumulation studies should be conducted on sediments, fish and birds hosted by the dam to derive benchmark values for contamination.
- Support the implementation of basic sanitation infrastructure projects
- Implementation of best practice environmentally sensitive storm water management systems.
- Water utilization training initiative should be initiated to train the local communities on water utilization.
- Wetlands and its tributaries act as environmental sieves and sponges and its value should be quantified. Set out research initiatives to locate all wetland systems in the district and do in depth biodiversity studies to determine the ecological value of these areas
- Strict policy for protection of wetlands from development and rehabilitation of degraded wetlands to improve water quality, water flow regulation and habitat provision at a regional scale.
- Ensure that all legal requirements in terms of environmental authorization and water use licenses are enforced for all infrastructure in water courses
- Water reticulation still a major priority in the area and efforts to supply potable water service to all communities should be a priority
- All new developments must consider their impact on regional water quality.
- Location of potentially polluting activities of infrastructure, especially waste disposal sites and cemeteries and settlement areas, should carefully consider geohydrological conditions during site selection.
- Institute a long term monitoring program that allows specific identification of water pollution sources
- Regulate the utilization of ground water in the area as allowed for by the specific permits adjudicated. Satellite technology can be applied to assess the groundwater utilization status in agricultural practices.
- Develop contingency plans for periods of drought with emphasis on communities reliant on borehole water

- Investigate different water availability scenarios for the next 20 years following rainfall, recharge and evaporation data and expected consumer pressure and plan realistically for future utilization
- Wetland delineation should thus be conducted at a site specific scale in new developments
- Ground water pollution can be addressed through provision of appropriate sanitation.

Map 36: Showing Umzinyathi Waster Resources



2.2.2 Biodiversity

Asset

- Indigenous forests
- Grasslands
- Forests
- Bush veld
- Thukela Thornveld
- Highland Thorn veld
- Sandy grassland

Management Status

Umzinyathi shows a large variation in veld types which changes according to the way it is treated. The main driving force causing vegetation change is selective grazing. This causes the actual veld condition (species composition and cover) at a given time to differ from the modal veld type composition or benchmark.

110 vegetation types are not protected at all. Most national or regional initiatives aimed at managing biological invasions lack objective protocols for prioritising invasive species and areas based on likely future spread.

Management Measure

With only 6% of the land protected, most of South African ecosystems are not adequately conserved and protected through:

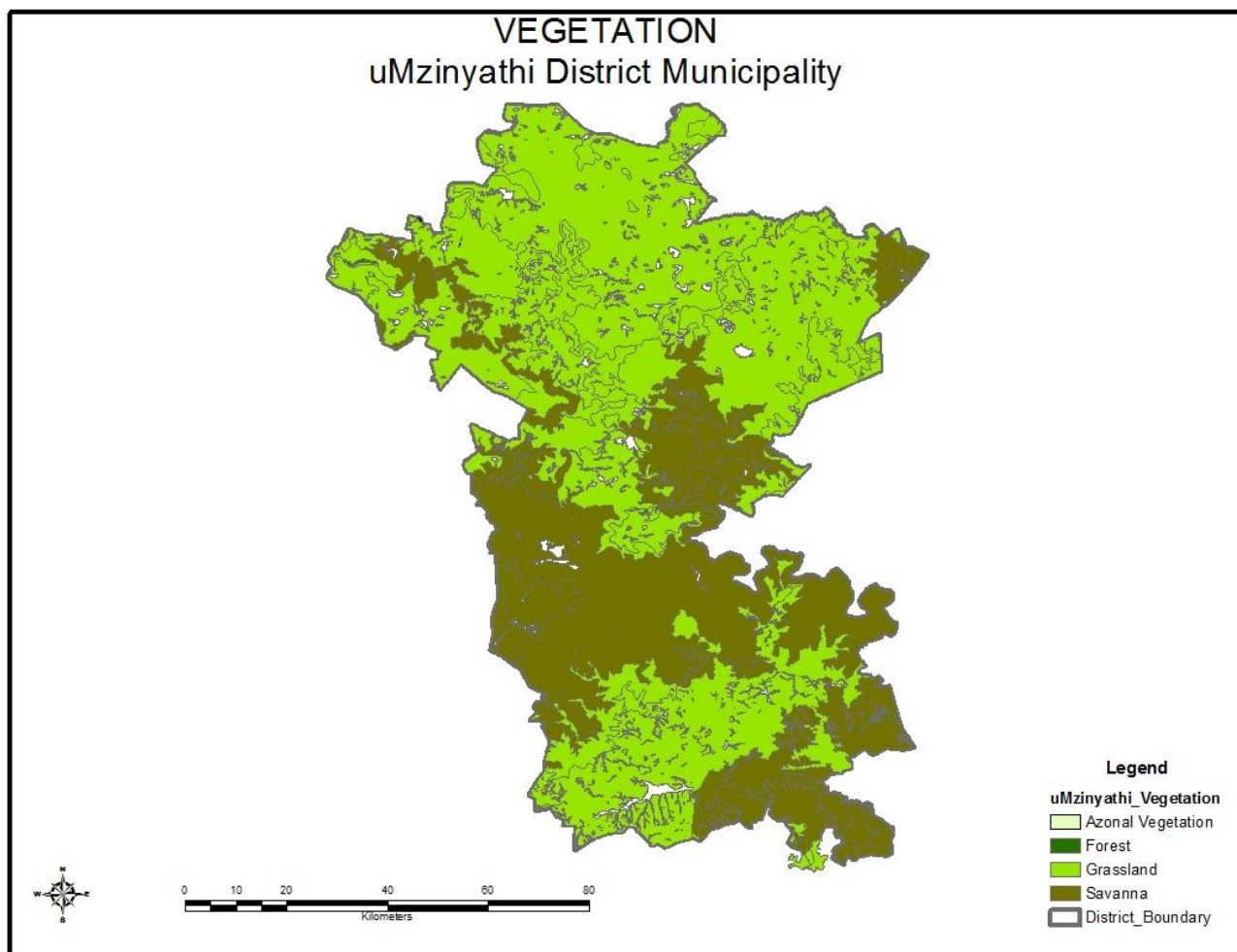
- Species Removal Projects
- Biodiversity Act No. 10 of 2004
- Local Agenda 21
- Risk Management Strategy
- National Forests Act No. 84 of 1998

Pressures

- Loss of indigenous vegetation.
- Reduced water resource through alien invasive vegetation.
- Increased risk of flooding
- loss of indigenous vegetation
- Increased soil erosion
- Wetland destruction or drainage,
- flow patterns, and groundwater abstraction
- Reduced vegetation cover leading to reduced primary productivity and land carrying capacity
- Over grazing
- Uncontrolled veld fires

- Wood burn

Map 37: Showing Umzinyathi DM Vegetation



Proposed Interventions:

- Develop a detailed strategy to preserve indigenous grasslands and consider in the identification of IDP project planning where possible.
- The location of all projects identified in the IDP should consider the identified environmentally sensitive areas
- Annual monitoring of fixed points as well as spot checks in the broader area. Mark all occurrences of rare and endangered species (GPS) (especially vegetation) and follow up its existence in following years
- A program to cultivate rare and endangered vegetation species should be initiated and the community should be included.
- An inventory of popular medicinal plants must be drawn up and efforts to commercially produce these species must be encouraged.
- Training and education on the implication of overexploitation of medicinal plants must be conducted with the local communities.

- All EIA's for developments to consider their potential impact on Red Data species.
- Developments should be avoided in areas that contain Red Data Species.
- Compile an inventory of wetlands in the district
- Compile guidelines for the protection of all wetland areas
- Co-ordinate activities of water users and of water management institutions within its water management area.
- A greening' programme in urban and rural areas to provide shade, erosion protection, and beautification
- Prepare and adopt an Invasive Species Monitoring, Control and Eradication Plan that is integrated and aligned with the IDP
- Prioritize areas for eradication which is accessible and degrading tourism as well as agricultural value.
- Include the local community in eradication programs as an economic empowerment project.
- Landowners educated and empowered considering their mandate to clear invasive species on their land.

2.2.3 Cultural Resources

Assets

- Ambush Rock
- Talana Museum
- Fugitives Drift
- Hlathikulu
- Heritage Site
- Arts and craft centres

Management Status

Tourism and conservation plays an important role in the area. The concentration of tourism facilities is mainly around Dundee, and it is estimated that 75% of visitors to the battlefield sites are domestic tourists. The key to tourism is the Battlefields area that forms part of broader cultural historical system in central KZN. The assessment of the area has shown some unique environmental features but environmental related tourism and formal conservation initiatives seem to be minimal.

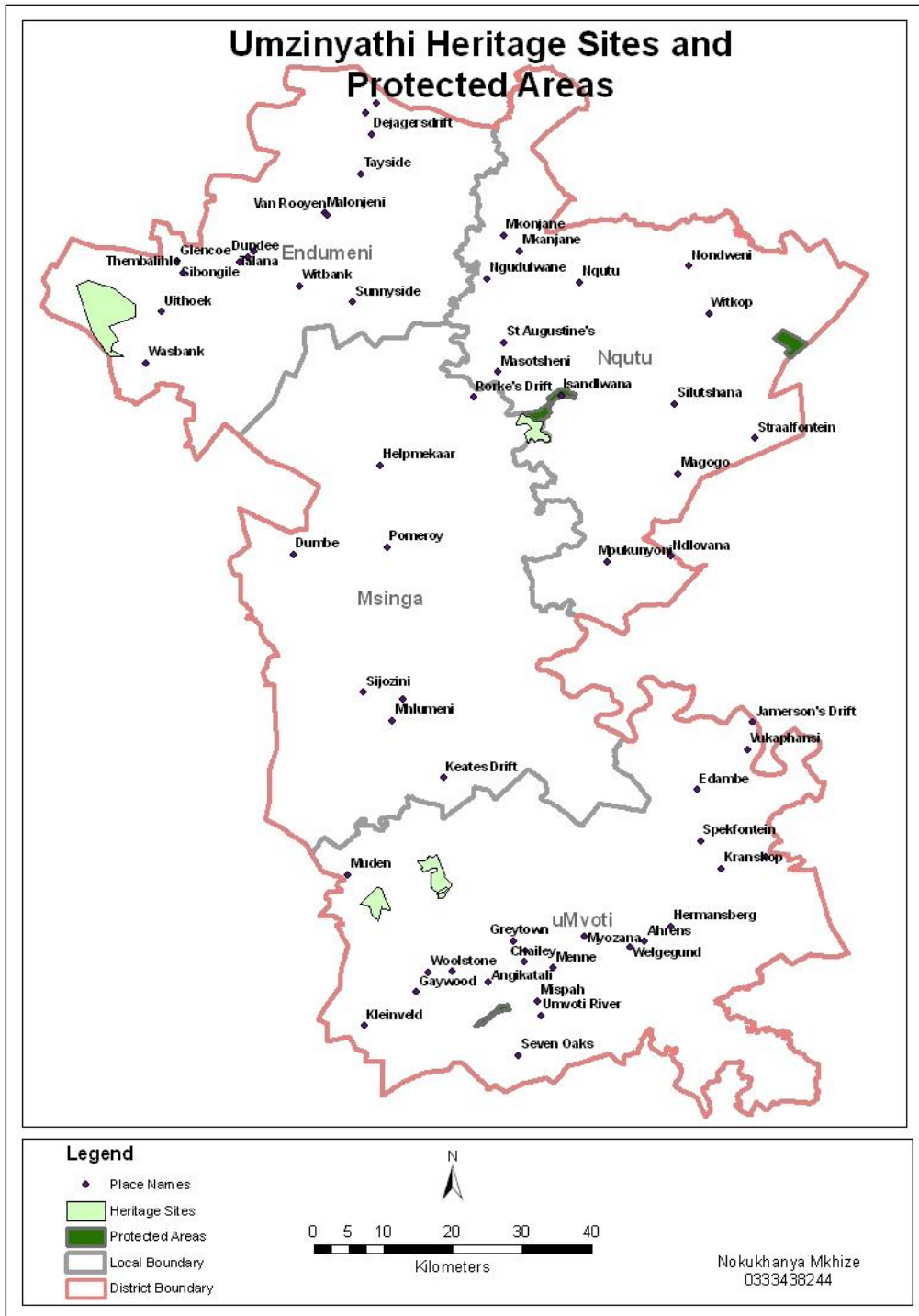
Management Measure

Conservation in South Africa is managed through a system of protect areas as set out in the National Environmental Management Act, No. 107 of 1998 and the National Environmental Management: Protected Areas Act 57 of 2003. In terms of these acts, the system of protected areas in South Africa consists of the following kinds of protected areas: special nature reserves, nature reserves (including wilderness areas) and, world heritage sites, specially protected forest areas, forest nature reserves and forest wilderness areas declared in terms of the National Forests Act, 1998 (Act No. 84 of 1998) and mountain catchment areas declared in terms of the Mountain Catchment Areas Act, 1970 (Act No. 63 of 1970).

Pressures

- Uncontrolled development on cultural and heritage resources of the district

Map 38: Showing Umzinyathi DM Heritage Site and Cultural Sites



Proposed Interventions:

- Protect heritage resources and incorporate into management plans
- Undertake a detailed study and assessment of all cultural and heritage resources in the district and the upgrading, restoration and management requirements of these.
- Evaluate existing municipal by-laws and determine whether provision is made for the protection of cultural and heritage sites within existing by-laws. If not, prepare the necessary municipal by-laws and adopt by council
- Municipalities should initiate a ward based community interaction program whereby further sites of cultural and heritage importance which could be classified as category 3 heritage resource within the municipality area can be identified
- Explore opportunities in both cultural and ecological tourism in the region.

2.2.4 Waste Management

Waste Type

- Sanitation
- Illegal Waste Sites
- Illegal coal mining dumps
- Littering

Management status

Solid waste disposal only takes place in major urban areas. There are currently five solid waste disposal sites and three transfer stations in the Umzinyathi area. The Council's Integrated Waste Management Plan deals with issues and challenges of solid waste management. The plan is however silent on dealing with waste problems in rural areas. Waste disposal in rural village are generally uneconomic and difficult to maintain at an acceptable level. A community based system of communal dumping sites or onsite disposal is usually more appropriate in rural areas.

Management measure

The municipality aims to reduce the sanitation backlog, which will be 15% (1912 households) by 27% (3800 households) thereby improving access to communities within the RDP standards, the percentage reduction of the backlogs is based on the allocation provided by Municipal Infrastructure Grant.

Umzinyathi DM does have a WSDP compiled for the Council in 2009. The WSDP was prepared according to the Department of Water Affairs' guidelines and format. It is in many respects incomplete with substantial data gaps. The spatial data and especially the demarcation of "villages" is suspect and leave one with question marks on the credibility of data in general. The WSDP in itself highlights data gaps and the general lack of information.

The municipality, in partnership with the Department of Environmental Affairs, is developing two regional waste sites for waste management to be shared by the four local municipalities. To date, the implementing agents for both sites have been appointed and currently working on the business plans.

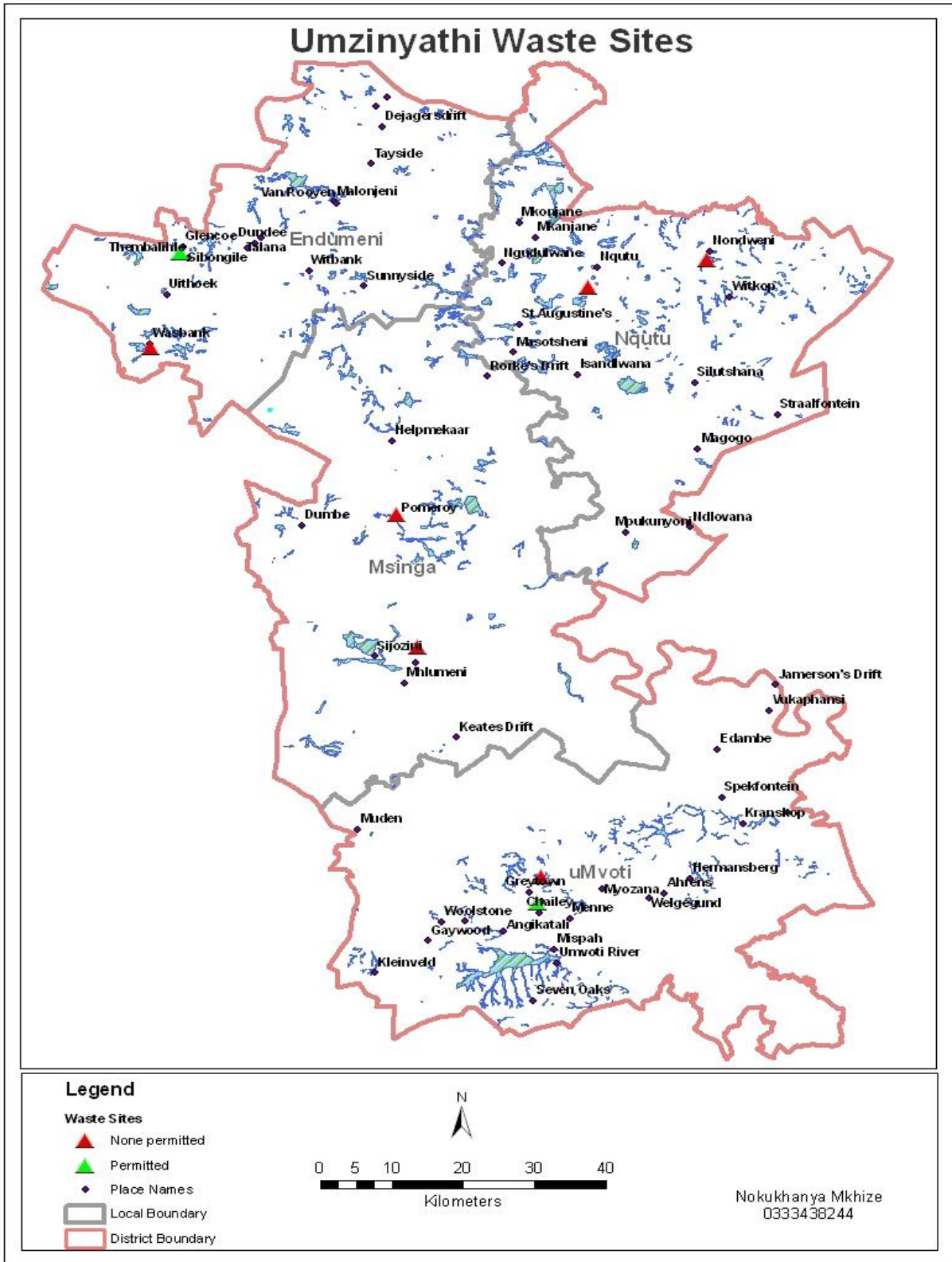
The municipality is currently rehabilitating the existing waste sites, which are Pomeroy, Nqutu and Glencoe. The project is almost completed.

The UDM in hands with the Department of Agriculture and Environmental Affairs is engaged in campaigns namely: Adopt a River, Reduce, Reuse, and recovering campaigns.

Pressures

- Visual impact of informal disposal of waste.
- burning of waste in informal waste dumps
- Limited formalized and registered landfill sites in the district.
- Limited capacity of municipalities to provide refuses removal services in extensive populated rural areas.
- Acid mine drainage (pollute the surface water resources)

Map 39: Showing Umzinyathi DM Waste Sites



Proposed Interventions:

- Plan and implement a pilot community based waste collection and management program in a pilot area within the municipal currently not provided with waste collection services
- Replicate this concept if the feasibility and viability thereof can be confirmed
- Investigate the possibility of outsourcing the service by involving local entrepreneurs and residents in order to create business opportunities.
- Development of partnerships with Community based Organisations and Non Government Organisations involved in environmental programmes.
- Prepare a detailed business plan for waste collection and management within the municipality which details equipment and human resource requirements
- Develop and implement a basic waste information system within municipality to keep record of the volumes of waste collected and disposed of by the municipality at municipal landfill sites.
- Keep a register of all waste related complaints received by the municipality.
- Undertake a full audit of all formal and informal waste disposal sites within the municipality in terms of the various criteria required in terms of the legislative requirements for landfill sites.
- Prepare an action program for the formalization of informal land fill sites or alternatively for the closure and rehabilitation thereof
- Initiate a process to identify a new municipal land fill site for the municipal area
- Formalise or close existing waste disposal sites that are not permitted
- Develop a waste minimization and recycling plan for the district
- Provide recycling facilities for paper, glass, plastic and tin at all major public institutions and commercial facilities.
- Upgrade the facilities at existing landfill sites (e.g. fencing, access control etc.) to satisfy all legal requirements regarding the operation of municipal landfill sites
- Initiate the necessary processes to permit informal waste disposal sites within the municipality where feasible

2.2.5 Sites of Conservation Value

Assets

- Bushman Paintings
- Rock Drift
- Museums
- Hlathikulu
- Bambatha and inhlamvankulu camp
- Ntunjambili view site
- Isandlwana battlefield
- ILake Merthlely
- Ngome Community conservation centre
- Ntinini Nature Reserve
- 13 private game reserves

Management status

Sites of Conservation value in Umzinyathi are focused on the Battlefields route, heritage, and cultural tours and to a limited extent on the scenery and biodiversity of the area. There are a number of tourist facilities in the area. Tourism facilities are largely private sector driven. Historical sites and museums are mostly linked to the so-called battlefield tourism.

These areas are managed through a system of protect areas as set out in the National Environmental Management Act, No. 107 van 1998 and the National Environmental Management: Protected Areas Act 57of 2003.

Management Status

To address these challenges the district uses the following recommendations for the development of this sector:

- Protected Areas Act No. 57 of 2003
- Municipal by laws
- Community Based Educational Programmes

Pressures

- Impacts of uncontrolled development on cultural and heritage resources of the district
- Lack of protection and management of known cultural or heritage sites

Proposed Interventions:

- Undertake a detailed study and assessment of all cultural and heritage resources in the district and the upgrading, restoration and management requirements of these.
- Evaluate existing municipal by-laws and determine whether provision is made for the protection of cultural and heritage sites within existing by-laws. If not, prepare the necessary municipal by-laws and adopt by council
- Municipalities should initiate a ward based community interaction program whereby further sites of cultural and heritage importance which could be classified as category 3 heritage resource within the municipality area can be identified
- Explore opportunities in both cultural and ecological tourism in the region.

2.2.6 Air Quality

Pollutants

- Industries
- Wind scattered litter
- Illegal coal mining dumps

Management Status

No data on ambient air quality data is available at present. However, it is assumed that air quality over the Umzinyathi area is negatively affected by various points and diffuse sources of air pollution.

Management Measures

Biogas Plant
Feed lot
Campaigns

Pressures

- Health impacts
- Ecological impact, including reduced bio-production
- Structural damage
- Impaired visibility
- Air pollution due to the use of coal, fuel wood, and paraffin
- Industrial emissions

Proposed Interventions

- Increasing the use of environmentally friendly energy carries such as electricity
- Decrease in mining activities
- Reduced carbon print for the district

3. KEY ENVIRONMENTAL ISSUES

Constraints

1. Environmental Management
2. Poor Waste Management
3. Biodiversity
4. Land Degradation
5. Soil Erosion
6. Surface and Groundwater pollution
7. Environmental Awareness
8. Climate Change

4. ISSUES IDENTIFIED PER LOCAL MUNICIPALITY

Umvoti Municipality

- Water Resource
- Provision of water
- Access to clean water
- Shortage of water for irrigation
- Solid Waste
- Illegal dumping sites
- No waste minimization strategies
- No proper plan for collection and transportation of refuse from Kranskop
- Groundwater pollution in the urban areas due to unmanaged residuals from industrial practices and in rural areas it's due to a lack of proper control infrastructures against contamination.
- Lack of suitable land for housing for housing
- Development on environmentally sensitive areas
- Land Invasion due to urbanization
- Air Pollution mostly in Richmond

Msinga Municipality

- Land Slope: Slope plays a limiting role in land development
- Soil erosion
- Loss of soil structure due to trampling and compaction
- loss of vegetation
- Loss of topsoil due to soil erosion
- Reduced Soil fertility due to topsoil and soil leaching which is a result of agricultural purposes
- silt pollution
- High drainage density
- Afforestation
- Surface water pollution
- Wetland destruction
- Physical barriers in rivers
- reduced water quality
- Corrosivity of certain pollutants on pipes
- water scarcity on drier areas
- Reduced bio-production
- Over grazing
- co-extinction of species
- Habitat degradation, modification and fragmentation

Nquthu Municipality

- Land degradation
- Unreliable water sources
- Soil erosion
- Lack of refuse removal services
- No formal waste sites
- Water pollution (due to pit latrines drainages into river streams)
- High water table
- Encroachment on environmentally sensitive areas
- Uncontrolled development

Endumeni Municipality

- Refuse removal and disposal
- Limited access to water
- Soil erosion and instability in lower slopes areas such as eSibongile
- Land degradation (due to over grazing)
- Diminishing of water reserves
- Water scarcity
- Poor waste disposal practices
- Lack of waste avoidance
- Increase water table and pollution of water bodies resulting from mining activities (Dundee and Glencoe forms part of the so called Coal Rim of KwaZulu-Natal)
- Groundwater contamination by sewage effluent
- Urban Greening

5. ENVIRONMENTAL ISSUES AND PROPOSED PROJECTS

Environmental Issue	Strategy	Projects	Relevant Authority	Priority
Environmental Management	The municipality has to establish and confirm the environmental roles and responsibilities assigned to itself and the local municipalities.	SDF EMF LUMS	DM DAEA	HIGH
	The municipality is to facilitate the increased awareness of municipalities environmental obligation, roles, responsibilities, as well as the access to relevant environmental legislation and guidance			
	The municipality should promote an understanding of the economic value of natural resources and urban systems and their role in ensuring sustained service delivery and the provision of basic needs to all.			
Management and Conservation of Natural Resources	The municipality is to revise the Spatial Development Framework		DM	MEDIUM
Biodiversity	The Municipality should undertake a Strategic Assessment considering the environmental attributes with biodiversity as a priority. On completing the strategic environmental assessment, a related Management Plan needs to be developed	Invasive Alien Species Removal	DM	LOW
	The municipality is to undertake a Strategic assessment considering the environmental attributes with biodiversity as a priority.			
	The municipality needs to identify the areas of greatest need and key interventions, the accessing of funding, and the co-ordination of initiatives being carried out at local level for the			

	removal of invasive species removal project.			
Water Resources	The municipality should ensure the environmentally responsible implementation of water service delivery programs and EIA compliance for the projects	Working for water Adopt a river campaigns	DM DWA DAEA	HIGH
	The municipality should facilitate and assist in establishing effective water quality monitoring programmes, as well as the gathering and storage of all information available regarding water quality			
	The municipality has to ensure that provision is made in the LUMF to enforce the identification, establishment of required set-backs, protection and maintenance of wetlands.			
	With respect to the above strategies, the municipality needs to prioritise the conservation of rivers			
Waste Management	The municipality should ensure the implementation of its Waste Management Plan by ensuring that performance indicators are met.	IWMP	DAEA UDM	HIGH
	The municipality is in the process of reviewing the Integrated Waste Management Plan to address waste management issues.			
	Development of Regional Waste Sites			
	The municipality should ensure the implementation of its Waste Management Plan by ensuring that performance indicators are met.			

	The municipality is in the process of reviewing the Integrated Waste Management Plan to address waste management issues.			
Environmental Awareness	The municipality needs to facilitate opportunities to further environmental awareness amongst politicians and officials.		DM DAEA	HIGH
	The municipality has to facilitate the increased awareness of municipalities' environmental obligation, roles and responsibilities, as well as the access to relevant environmental legislation and guidance.			
	The municipality should promote an understanding of the economic value of natural resources and urban systems and their role in ensuring sustained service delivery and the provision of basic needs to all.			

SECTION E 2: IMPLEMENTATION PLAN

1. IMPLEMENTATION PLAN

Umzinyathi District Municipality has prepared the implementation plans according to the National Key Performance Areas of the Five Year Strategic Local Government Agenda and they are also aligned to the departments of the municipality in relation to their implementation. The implementation plans serve as the alignment between the IDP and Budget, and they also unpack the strategies in terms of their programmes. They also have the core functions aligned to each Key Performance Areas to be undertaken during the 2013/14, 2014/2015 and 2015/2016 financial years, these core functions are then aligned to the budget to facilitate the implementation. The implementation plans have committed human and financial resources to enable the municipality to achieve its developmental mandate.

PGDS Strategic Goal(s)	National Key Performance Area(s)	Municipal Key Performance Area(s)	Project	Project Budget			Responsible Department
				2013/14	2014/15	2015/16	
Strategic Infrastructure	Basic Service Delivery and Infrastructure Investment	Integrated Infrastructure Investment	Implementation of new water schemes	186 505 000	179 132 000	190 254 000	Executive Manager: Technical Services
			Extension of existing water schemes				
			Rudimentary programme				
			Provision of new sanitation facilities				
			Operation and Maintenance	20 162 672	16 241 202	27 676 272	

PGDS Strategic Goal(s)	National Key Performance Area(s)	Municipal Key Performance Area(s)	Project	Project Budget			Responsible Department
				2013/14	2014/15	2015/16	
Job Creation	Local Economic Development	Economic Development	Implementation of the Economic Vision projects through the following programmes: Agricultural Development and Diversification Tourism Development Institutional Development SMME Development Co-ordination and support for Mining	5 500 000	11 253 907	14 805 348	Executive Manager: Office of the Mayor
	Local Economic Development	Economic Development	Promotion of Tourism	1 104 162	1 160 475	1 217 338	
	Local Economic Development	Socio – Economic Development	Implementation of the HIV/aids programmes and projects	1 000 000	1 051 000	1 102 499	Executive Manager: Office of the Mayor

PGDS Strategic Goal(s)	National Key Performance Area(s)	Municipal Key Performance Area(s)	Project	Project Budget			Responsible Department
				2013/14	2014/15	2015/16	
Governance and Policy	Good Governance and Public Participation	Social Development	Coordination of programmes for sports development				Executive Manager: Office of the Mayor
			Marathon	500 000	525 500	551 250	
			Wards development	222 391	233 733	245 186	
			Mayoral Sports Tournament	500 000	525 500	551 250	
			Rural Horse Riding	255 100	268 100	281 247	
			District Cultural Event	300 000	315 300	330 750	
			Sport and Culture	2 500 000	2 627 500	2 756 248	

PGDS Strategic Goal(s)	National Key Performance Area(s)	Municipal Key Performance Area(s)	Project	Project Budget			Responsible Department
				2013/14	2014/15	2015/16	
Governance and Policy	Good Governance and Public Participation	Social Development	Implementation of children and youth programmes which are as follows: <ul style="list-style-type: none"> • Learn & Play • Commemoration of Children's day • Child protection week • 16 Days of Activism • Establishment of Children's forum 	500 000	525 500	551 250	Executive Manager: Office of the Mayor
	Good Governance and Public Participation	Social Development	Implementation of sustainable programmes dealing with people living disabilities as per the following: <ul style="list-style-type: none"> • Wheel chair basketball • Wheel chair Race 	500 000	525 500	551 250	Executive Manager: Office of the Mayor
Human Resource Development	Institutional Development and Transformation	Institutional Development	Capacity development for the employees	800 000	840 800	881 999	Executive Manager: Corporate Services

PGDS Strategic Goal(s)	National Key Performance Area(s)	Municipal Key Performance Area(s)	Project	Project Budget			Responsible Department
				2013/14	2014/15	2015/16	
Governance and Policy	Good Governance and Public Participation	Good Governance	Marketing and promotions of the municipality	1 500 000	1 576 500	1 653 749	Executive Manager: Office of the Mayor
	Good Governance and Public Participation	Good Governance	Project launches	800 000	840 800	881 999	Executive Manager: Technical Services
	Good Governance and Public Participation	Good Governance	Mayoral Imbizo	1 000 000	1 051 000	1 102 499	Executive Manager: Office of the Mayor

PGDS Strategic Goal(s)	National Key Performance Area(s)	Municipal Key Performance Area(s)	Project	Project Budget			Responsible Department
				2013/14	2014/15	2015/16	
Governance and Policy	Good Governance and Public Participation	Social Development	Elderly and Widows as per the following programmes: <ul style="list-style-type: none"> Active seniors / Golden games Work & Play / interdepartmental games 	500 000	525 500	551 250	Executive Manager: Office of the Mayor
	Good Governance and Public Participation	Strategic Planning	Review of the 2013/14 IDP	1 000 000	1 051 000	1 102 499	Office of the Municipal Manager
			Procurement of updated data for the IDP analysis				
	Good Governance and Public Participation	Strategic Planning	Customer Satisfaction Survey	200 000	210 200	220 500	
IDP Sector Plans			800 000	840 800	881 900		

PGDS Strategic Goal(s)	National Key Performance Area(s)	Municipal Key Performance Area(s)	Project	Project Budget			Responsible Department
				2013/14	2014/15	2015/16	
Governance and Policy	Good Governance and Public Participation	Disaster Management	Installation of weather satellite stations one in each local municipality Procurement of Disaster Relief material Fire Services	1 500 000	1 576 499	1 653 748	Office of the Municipal Manager
	Good Governance and Public Participation	Social Programmes	Pauper Burial	129 469	136 072	142 739	Executive Manager: Office of the Mayor

2. CAPITAL INFRASTRUCTURE INVESTMENT PROGRAMME (2013/14, 2014/15 AND 2015/16)

In terms of the infrastructure projects (water and sanitation), the municipality will be spending an amount to the value of R 555,891,000.00 for the next three years to reduce water and sanitation backlogs.

The value of 2013/14 water projects is R 51,100,000.00 and R135,405,000 for sanitation projects. The municipality is intending to reduce the water backlog which will be 28,181 households by June 2013, and will be reduced by 750 households during 2013/14 financial year, the sanitation backlog which will be 18,332 households by June 2013, and will be reduced by 6,831 households during 2013/14 financial year. A detail breakdown of infrastructure projects and municipal programmes is as follows:

CAPITAL BUDGET 2013/2013, 2014/2015 AND 2015/2016							
	Municipal	PROPOSED BUDGET	REVISED BUDGET	PROPOSED DEPARTMENT	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET
MUNICIPAL FUNDED CAPITAL PROGRAMMES	Area	2012/2013	2012/2013	INPUT 2013/14	2013/2014	2014/2015	2015/2016
Water & Sanitation Infrastructure Programme	Umzinyathi D.M.	7 000 000	7 000 000				0
Qhudenani Maxhili Sanitation	Nquthu Municipality	-				-	-
Othame Sanitation	Msinga Municipality						
LED Projects	Umzinyathi	0					
Water and Sanitation Projects	Umzinyathi						
Water and Sanitation		7 000 000	7 000 000			0	0

Projects							
Pomeroy Complex Phase 1	Msinga Municipality						
Agricultural Implements (4 x Tractor,trailer,Ploughs)	Umzinyathi D.M.						
Road Maintenance Equipment (Grader)	Umzinyathi D.M.						
Renovation of Princess Magogo Building	Umzinyathi D.M.	3 500 000	3 500 000	4 400 000	2 000 000	0	0
Dundee airstrip					2 000 000		
Halodi Community Hall							
Community Centre							
Nquthu Sports Stadium		0					
Community Services Infrastructure		3 500 000	3 500 000		4 000 000	0	0
		11 460 000	10 564 350		4 641 984	0	0
		4 079 166	4 641 984		2 102 000	2 204 998	0
MUNICIPAL INFRASTRUCTURE GRANT PROGRAMMES							
Project Title		2012/2013			2013/2014	2014/2015	2015/2016
Rudimentary - Umzinyathi	Umzinyathi D.M.	4 000 000	4 000 000		4 000 000	-	-
PMU	Umzinyathi D.M.						
Sub Total		4 000 000	4 000 000		4 000 000	-	-
Dundee Bulk	Endumeni	10 000 000	10 000 000				

	Municipality						
Glenco/Sithembile Bulk Water Services Upgrade	Endumeni Municipality	7 000 000	7 000 000			-	-
Sithembile Housing	Endumeni Municipality				12 000 000		
Sub Total		17 000 000	17 000 000	-	12 000 000	-	-
Othame Sanitation	Msinga Municipality	-				-	-
Pomeroy Sub-Regional Sanitation	Msinga Municipality	-					
Pomery-Nkalane Sanitation	Msinga Municipality						
Kwakopi-Mhangana Sanitation	Msinga Municipality				3 500 000		
Mthembu West - Tugela Ferry Water	Msinga Municipality	12 000 000	12 000 000				
Ngubukazi Water Scheme	Msinga Municipality	6 500 000	6 500 000		12 000 000		
Keates Drift Water Scheme	Msinga Municipality	19 082 297	19 082 297		-		
Mbono Water	Msinga Municipality	16 000 000	16 000 000		16 000 000		
Ndaya Water	Msinga Municipality	12 000 000	12 000 000		-		
Othame/Msinga Top Water	Msinga Municipality				-		
Douglas Water	Msinga Municipality				-		
Mazabeko Water	Msinga Municipality				-		
Msinga bulk	Msinga	15 000 000	15 000 000		14 540 000		

	Municipality						
Muden -Ndaya - Keates Drift	uMvoti Municipality				57 265 000		
Sub Total		80 582 297	80 582 297	-	103 305 000	-	2 100 000
MUNICIPAL INFRASTRUCTURE GRANT PROGRAMMES							
Project Title		2012/2013	2012/2013		2013/2014	2014/2015	2015/2016
Nondweni Town Sewage Disposal	Nquthu Municipality	-					
Qhudeni- Manxili Sanitation	Nquthu Municipality						
Hlajakazi Water Scheme Phase 1 - Isandlwana	Nquthu Municipality	9 540 000	9 540 000				
Ntinini Regional Water	Nquthu Municipality	20 000 000	20 000 000				
Nquthu Sanitation		3 000 000	3 000 000		18 000 000		
Sub Total		32 540 000	32 540 000		18 000 000	-	-
Mbulwane/ Hlimbithwa Sanitation	uMvoti Municipality	5 124 703	5 124 703		2 500 000		
Muden / Ophathe Sanitation	uMvoti Municipality	4 000 000	4 000 000		-		
Muden Regional Water	uMvoti Municipality	15 000 000	15 000 000		-		
Makhabeleni Water Phase 4,5 and Bulk Upgrade	uMvoti Municipality	6 000 000	6 000 000		-		
Ophathe - Water	uMvoti Municipality	11 000 000	11 000 000		-		
Eshane Water Supply Scheme Phase 1	uMvoti Municipality				-		

Makhabeleni Phase 6	uMvoti Municipality				17 000 000		
Mbulwane/ Hlimbithwa Water	uMvoti Municipality	2 100 000	2 100 000		2 100 000		
Umvoti Sanitation area plan	uMvoti Municipality	3 000 000	3 000 000		6 000 000		
Othame Sanitation	Msinga Municipality	2 000 000	2 000 000		5 000 000		
KwaKopi - Mhlangana sanitation	Msinga Municipality	3 500 000	3 500 000		-		
Pomeroy - Douglas - Nkalane Sanitation	Msinga Municipality	10 600 000	10 600 000		10 600 000		
Muden Sanitation	uMvoti Municipality	-	-		6 000 000	-	-
DBSA LOAN REPAYMENT					-	-	
Sub Total		62 324 703	62 324 703		49 200 000	-	-
TOTAL PROJECT BREAK DOWN		196 447 000	196 447 000		186 505 000	-	2 100 000
MIG ALLOCATION AS PER DORA		196 447 000	196 447 000		186 505 000	179 132 000	190 254 000
		0				179 132 000	188 154 000
Water Projects		140 222 297	140 222 297	0	51 100 000	0	2 100 000
Sanitation Projects		56 224 703	56 224 703	0	135 405 000	0	0
		196 447 000	196 447 000	0	186 505 000	179 132 000	190 254 000

3. LOCAL ECONOMIC DEVELOPMENT CATALYTIC PROJECTS – 2013/14

During 2013/14 financial year, the municipality will be implementing a range of LED Catalytic projects which are aimed at promoting economic development thereby creating a conducive environment for economic growth, affective implementation of these projects is based on the extranal sourcing of funding from public and provate sector, and they are as follows: :

PROJECT NAME	PROJECT BENEFICIARIES	Estimated jobs to be created	Proposed budget	Project description	Project status	Project implementation plan												
Muden peach production	<ul style="list-style-type: none"> o Simunye CPA o Mpahleni Trust o Cathu cathu Cooperative 	150	R 25 M (external funding)	<p>The project seeks to revive stone fruit production in the Muden are. The area is known for having a climate that is conducive for peach production.</p> <p>Through the agri-incubation programme, a market has been identified in Johannesburg there have been a number of engagements to formalize agreements.</p> <p>The project will be piloted in three site which total 100 ha.</p>	<p>To date a technical assessment report and business plan have been produced.</p> <p>Original applications submitted to COGTA and the Jobs Fund were declined due to lack of bankable business plan. Applications will be resubmitted in the new financial year. Moreover the intention is to also tap into the recapitalisation programme by DRD&LR for those farms which qualify.</p>	<table border="1"> <thead> <tr> <th colspan="2">Activity Description</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Technical report and business plan compilation DONE</td> </tr> <tr> <td>2</td> <td>Finalization of agreements between farmers and Bambanani BEE fruit</td> </tr> <tr> <td>3</td> <td>Leveraging of funding for implementation</td> </tr> <tr> <td>4</td> <td>Infrastructure refurbishment</td> </tr> <tr> <td>5</td> <td>Planting</td> </tr> </tbody> </table>	Activity Description		1	Technical report and business plan compilation DONE	2	Finalization of agreements between farmers and Bambanani BEE fruit	3	Leveraging of funding for implementation	4	Infrastructure refurbishment	5	Planting
						Activity Description												
						1	Technical report and business plan compilation DONE											
						2	Finalization of agreements between farmers and Bambanani BEE fruit											
						3	Leveraging of funding for implementation											
						4	Infrastructure refurbishment											
5	Planting																	
Feasibility study and business plan for groundnut production	Community co-operatives under Inkosi Jiyane/ Inkosi Molefe/Inkosi Ngobese in	TBD	R 500 000 (internal funding)	<p>The project entails investigating the viability of planting 500 ha of groundnuts and the preparation of a business plan thereof. Groundnuts are apparently a</p>	The project was deferred to the 2013	<table border="1"> <thead> <tr> <th colspan="2">Activity Description</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Confirmation of availability of land</td> </tr> <tr> <td>2</td> <td>MOU between Amakhosi (ITB) and communities</td> </tr> <tr> <td>3</td> <td>Business plan compilation</td> </tr> </tbody> </table>	Activity Description		1	Confirmation of availability of land	2	MOU between Amakhosi (ITB) and communities	3	Business plan compilation				
						Activity Description												
						1	Confirmation of availability of land											
2	MOU between Amakhosi (ITB) and communities																	
3	Business plan compilation																	

	Nquthu			highly demanded commodity in both local and international markets. Furthermore, ground nuts production is very labour intensive and therefore has potential to create a number of job opportunities.		<table border="1"> <tr> <td>4</td> <td>Infrastructure development</td> </tr> <tr> <td>5</td> <td>Planting</td> </tr> </table>	4	Infrastructure development	5	Planting								
4	Infrastructure development																	
5	Planting																	
Msinga vegetable production	Primary Co-operatives in Msinga LM	300	R 27M (internal & external funding)	<p>The project entails production of vegetables in all accessible and suitable farming areas in Msinga and the re-operationalization of the vegetable Packhouse in Tugela Ferry. The Department of Trade and Industry has been involved in the process of revitalising business activity in this facility. A Service provider was appointed to review the existing business plan, leverage funding for implementation and to secure markets for the produce. To this end, the Department of Rural Development and Land Affairs is committing to at least R28 million rand for the project.</p> <p>Nevertheless, the success and sustainability of the Packhouse will be dependent on a consistent supply of produce from the producers</p>	<p>The Department of Rural Development has indicated that it is proceeding with funding of the Pack house in Tugela Ferry.</p> <p>To date the Municipality has funded infrastructure development and land preparation for 150 ha in Mankomfane Tugela Ferry. The land will be utilised for vegetable production and will be linked to the pack house and other markets such as the Johannesburg Fresh produce Market.</p> <p>NB: The budget for the pack house will not be transferred to the Municipality however the project is of great interest to both the</p>	<table border="1"> <thead> <tr> <th colspan="2">Activity Description</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Identification of suitable farm lands</td> </tr> <tr> <td>2</td> <td>Institutional arrangements</td> </tr> <tr> <td>3</td> <td>Technical assessment</td> </tr> <tr> <td>4</td> <td>Infrastructure planning</td> </tr> <tr> <td>5</td> <td>Technical implementation</td> </tr> </tbody> </table>	Activity Description		1	Identification of suitable farm lands	2	Institutional arrangements	3	Technical assessment	4	Infrastructure planning	5	Technical implementation
Activity Description																		
1	Identification of suitable farm lands																	
2	Institutional arrangements																	
3	Technical assessment																	
4	Infrastructure planning																	
5	Technical implementation																	

				<p>and the ability for the co-operatives to meet the demands of the markets. It is on this basis that the Municipality deems it necessary to support the initiative by investing in mobilizations of farmer co-operatives, development of irrigation infrastructure and the provision of agricultural inputs in order to catalyze vegetable production.</p> <p>An area of approximately 150ha along Tugela River opposite Msinga high school under Inkosi Mabaso has been earmarked for large scale vegetable production for year 2011/2012 financial year. While other huge hectors of land remain available and under-developed the current budget will allow council to pilot on this high potential area and further consider the remaining areas during the upcoming financial year. It should be noted that, the Nursery for the whole of Umsinga will have to be established in order to provide sufficient seeds to all local farming community.</p>	<p>Local and District Municipality as it is a catalytic project with potential multiplier effect. The Municipality will focus in augmenting the production side of the value chain.</p>	
--	--	--	--	--	---	--

				It is further encouraging that, the Johannesburg market is committed in procuring tomatoes and potatoes from the area even if the pack-house is not yet operational.												
Agricultural Mechanization unit	Farming communities in Umzinyathi DM	TBD	R 10M (external funding)	<p>The mechanization unit is proposed in order to support the various farming activities in Umzinyathi. The aim is to procure additional farming equipment and implements in order to establish a fully functional mechanization unit in partnership with the Department of Agriculture Environmental Affairs and Rural Development. Furthermore, the Department of Agriculture has been engaged with an intention to forge strong partnership that will enable and build sufficient capacity for agricultural development. Currently we require a political buy-in from provincial leadership to fast track the processes.</p> <p>Furthermore, UMzinyathi has re-called the four tractors and implements which were placed in the local Municipalities. To this end, the site for Mechanization has been identified at Endumeni</p>	<p>The District Municipality recalled 4 tractors from the Local Municipalities and in addition procured a further 4 tractors and implements.</p> <p>Formalization of agreement between DAEA and UDM has not yet been finalized. An application for setting up the mechanization unit has been developed for submission to the Jobs Fund. The project has also been introduced to the Department for Rural Development for possible support.</p>	<table border="1"> <thead> <tr> <th colspan="2">Activity Description</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Institutional Arrangement (Identification of suitable farm lands)</td> </tr> <tr> <td>2</td> <td>Infrastructure Planning</td> </tr> <tr> <td>3</td> <td>Approval of plans and Contractor Engagement</td> </tr> <tr> <td>4</td> <td>Technical Implementation</td> </tr> </tbody> </table>	Activity Description		1	Institutional Arrangement (Identification of suitable farm lands)	2	Infrastructure Planning	3	Approval of plans and Contractor Engagement	4	Technical Implementation
						Activity Description										
						1	Institutional Arrangement (Identification of suitable farm lands)									
						2	Infrastructure Planning									
						3	Approval of plans and Contractor Engagement									
4	Technical Implementation															

				<p>municipality's workshops on Union Street in Dundee. Hence, the proposal has since been submitted to Endumeni calling for partnership between the district and Endumeni to establish mechanization unit. It is undoubtedly clear that all the partners will benefit immensely from this initiative.</p>										
Land Reform farms profiling	CPA (Beneficiaries of LRAD farms)	TBD	R 490 000	<p>The project entails conducting an assessment of Land Reform farms in order to establish their economic potential and develop interventions which will help to revive economic activity in the farms. Furthermore, business plans will be developed.</p>	<p>The project was suspended at phase 1 due to budget limitations. It is to be resumed in the 2013/14 financial year. To date a draft report indicating technical assessments in 4 Land Reform farms. The final output will be the development of business plans for the farms which will be utilised to source funding for infrastructure revitalization and for production. The project will also be linked to the Department of Rural Development's recap program.</p>	<table border="1"> <thead> <tr> <th colspan="2">Activity Description</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Approval of assessment report</td> </tr> <tr> <td>2</td> <td>Development of business plans (recap format)</td> </tr> <tr> <td>3</td> <td>Submission of business plans for approval</td> </tr> </tbody> </table>	Activity Description		1	Approval of assessment report	2	Development of business plans (recap format)	3	Submission of business plans for approval
						Activity Description								
						1	Approval of assessment report							
						2	Development of business plans (recap format)							
3	Submission of business plans for approval													

SEDA contractor incubator	Black emerging contractors		R 1.5M (internal and funding)	The Construction incubator was piloted in 2009 in order to redress imbalances in a sector which had a history of being dominated by males and the historically advantaged. The aim of the initiative is to capacitate the emerging contractors through training in soft skills (business management) and provide mentorship in the successful execution of projects.	The 30 female contractors from the original intake are due to exit the programme at the end of March 2013. The contractors will continue to receive technical support and mentorship from the incubator. The Municipality has discussed with SCI on proceeding. The plan is for the Municipality to fund operations for one year whilst applying for funding from the dti's incubation programme fund for the succeeding years.	Activity Description	
						1	Graduation (first group)
						2	Extension of scope of work (SCI)
						3	Advertisement for new intake
						4	Enrolment of contractors
						5	Implementation
						6	Development of applications for funding
Zicole Sheep farming project	Youth Co-operative at Zicole	TBD	R 6.4 million (UDM allocation – R 1.4M, balance to be sourced externally)	Nquthu area of jurisdiction is generally known for its suitability in sheep farming; hence the youth cooperatives have identified this opportunity and seek to create opportunities for economic prosperity and jobs for local needy young people.	The project implementation was slowed by budget limitations in the 2012/13 financial year, however construction of the sheep pens has commenced. The total cost of the project was estimated at R 6 million. The Municipality allocated	Activity Description	
						1	Infrastructure development
						2	Formalization of agreements between project and National Wool Growers Association (DAEARD to facilitate)
						3	Approval of additional funding (Nquthu LM)
						4	Procurement of livestock

				Thus, the co-operatives require capital investment of at least R1.4 million rand to provide for infrastructure development and acquisition of initial stock to kick-start the project. The detailed business plan has been submitted for consideration by council.	funding for phase 1 of the total project. Nquthu Municipality has also indicated an interest in funding the project. Additional funding will be sourced externally.									
Msinga Nursery	Primary Co-operative		R 3M	The project entails the re-establishment of the Tugela Ferry nursery which is intended to supply seedlings to local farming operations. The rationale for this initiative is to minimize the production costs of the farmers by bring the supply of seedlings to closer proximity.	The business plan for the nursery was presented to COGTA and there was an initial in principle approval of the concept. There has been no further progress in this regard, however other funding avenues are being sought. The DAEA is also interested in resuscitating the project.	<table border="1"> <thead> <tr> <th></th> <th>Activity Description</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Submission of application to: <ul style="list-style-type: none"> o COGTA (Corridor Development) o Jobs fund o DEDT </td> </tr> <tr> <td>2</td> <td>Implementation</td> </tr> </tbody> </table>		Activity Description	1	Submission of application to: <ul style="list-style-type: none"> o COGTA (Corridor Development) o Jobs fund o DEDT 	2	Implementation		
	Activity Description													
1	Submission of application to: <ul style="list-style-type: none"> o COGTA (Corridor Development) o Jobs fund o DEDT 													
2	Implementation													
Community Tourism Organization (CTO) revitalization	Tourism sector in the LMs		R300 000	The project intends to revive the CTO structures in Umvoti, Msinga and Nquthu Local Municipalities. At present,	Currently, there has been progress in soliciting the support of the Local Municipalities in accepting the	<table border="1"> <thead> <tr> <th></th> <th>Activity description</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Formalization of agreements with LM</td> </tr> <tr> <td>2</td> <td>Council endorsements</td> </tr> <tr> <td>3</td> <td>Identification of CTO members</td> </tr> </tbody> </table>		Activity description	1	Formalization of agreements with LM	2	Council endorsements	3	Identification of CTO members
	Activity description													
1	Formalization of agreements with LM													
2	Council endorsements													
3	Identification of CTO members													

				<p>only Endumeni Municipality has a functional Tourism information centre. The recently reviewed Tourism development strategy identified a need for such structures in supporting tourism marketing at a cal level.</p> <p>In the past the District and Local Municipalities subsidized the operation of these structures. Endumeni LM still allocates a budget towards the running of the Tourism information centre. Municipalities</p>	<p>concept. The Tourism Officer has had some engagements with the relevant officials in this regard.</p>	<table border="1"> <tr> <td>4</td> <td>Setting up of CTO offices</td> </tr> <tr> <td>5</td> <td>Operationalization</td> </tr> </table>	4	Setting up of CTO offices	5	Operationalization								
4	Setting up of CTO offices																	
5	Operationalization																	
Umzinyathi Meat processing plant	All role players in the beef value chain i.e. emerging and commercial farmers, abattoirs etc.	<p>TBD</p> <p>NB: It is anticipated that the project will have a number of</p>	R 25M (external funding)	The project entails establishing a meat processing and deboning plant in Umzinyathi District. A study which was commissioned by Department	A business plan has been developed and submitted to various funding institutions . furthermore the project is enjoying support from Trade and Investment KZN who have presented the concept	<table border="1"> <thead> <tr> <th></th> <th>Activity description</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Formalization o f TIKZN/UDM partnership</td> </tr> <tr> <td>2</td> <td>Identification of local partner</td> </tr> <tr> <td>3</td> <td>Promotion of project</td> </tr> <tr> <td>4</td> <td>Funding applications</td> </tr> <tr> <td>5</td> <td>Implementation</td> </tr> </tbody> </table>		Activity description	1	Formalization o f TIKZN/UDM partnership	2	Identification of local partner	3	Promotion of project	4	Funding applications	5	Implementation
	Activity description																	
1	Formalization o f TIKZN/UDM partnership																	
2	Identification of local partner																	
3	Promotion of project																	
4	Funding applications																	
5	Implementation																	

		downstream opportunities which will create employment opportunities		of Trade and Industry concluded that this would be a viable business in the District, mainly due to its competitive advantage of being the second largest supplier of beef in the Inland Region.	to the IDC and international investors. The current hold up is the identification of a suitably capable local investor. TIKZN has committed to assisting in this regard.	
--	--	---	--	--	---	--

SECTION F: FINANCIAL PLAN

1. BUDGET OVERVIEW

The draft Budget for 2013/14 financial year has been prepared, aligned and integrated into the draft 2013/14 IDP Review. The budget below also contains indicative figures for 2014/15 and 2015/16 and revised budget for 2012/13.

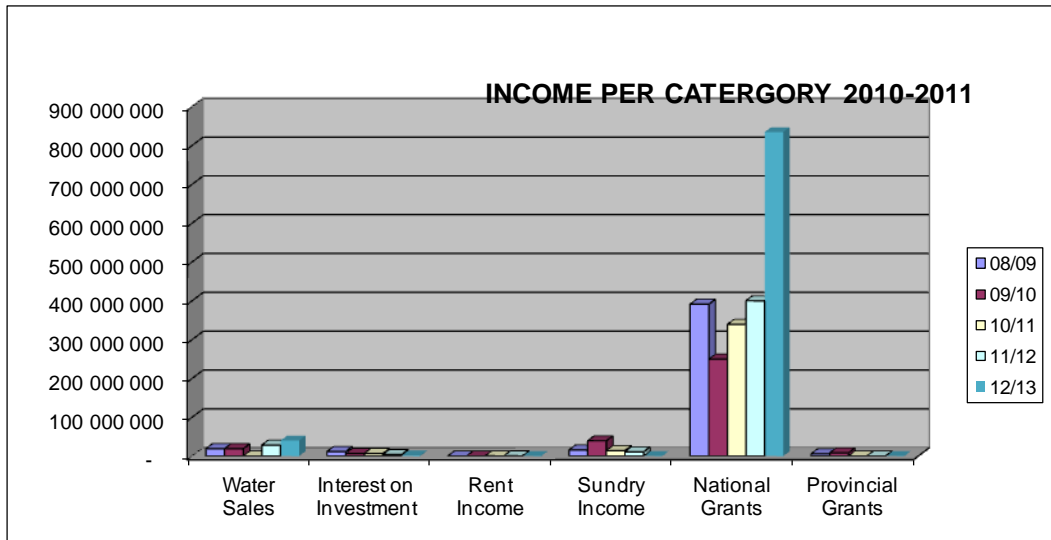
- The municipal income for 2012/13 was R 551,848,326.00 and it has increased to R 496,331,518.00 for 2013/14 financial year; and the decrease was due to decrease of the grant allocation which was being received from National and Provincial government;
- The expenditure for 2012/13 was R 550,901,756.00 and it will be decreasing to R 496,331,518.00 for 2013/14 financial year;
- The budget for operational programmes for 2012/13 was R 92,548,880.00 and it will be increasing to R 108,770,475 financial year; and the increase is necessitated by the fact that the municipality is intending to improve service delivery thereby developing the communities; and
- The budget for capital projects for 2012/13 was R 196,447,000.00 and it has decreased to R 186,505,000.00 for 2013/14 financial year due to the decrease of MIG and other grants allocation. .

TOTAL OPERATING AND CAPITAL BUDGET 2013/2014, 2014/2015 AND 2015/2016

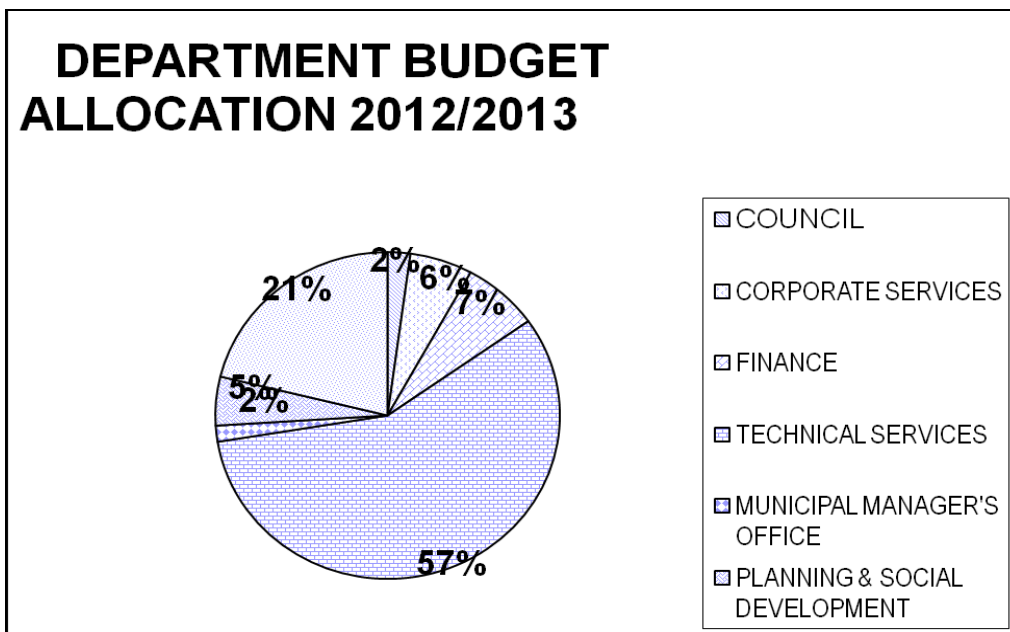
INCOME	Original Budget 2012/13	Revised Budget 12/13	Proposed Budget 2013/14	Proposed Budget 2014/15	Proposed Budget 2015/16
Water Sales	(28 284 013)	(26 307 235)	(37 614 944)	(38 705 777)	(39 828 245)
Service charges - Sanitation	(9 812 057)	(8 234 991)	(10 484 132)	(10 788 172)	(11 101 029)
Interest on outstanding Debtors		(10 459 581)	(5 500 000)	(5 659 500)	(5 823 626)
Interest on Investment	(3 800 000)	(1 500 000)	(1 582 500)	(1 663 208)	(1 744 705)
Rent Income	(455 789)	(338 624)	(533 552)	(560 763)	(588 241)
Sundry Income	(10 926 271)	(130 227)	(137 390)	(144 396)	(151 472)
National Grants	(399 911 000)	(504 477 667)	(440 226 000)	(623 813 000)	(834 415 000)
Provincial Grants	(400 000)	(400 000)	(253 000)	(268 000)	(282 000)
TOTAL REVENUE	(453 589 130)	(551 848 326)	(496 331 518)	(681 602 817)	(893 934 317)
OPERATING & CAPITAL EXPENDITURE	Original Budget 2012/13	Revised Budget 12/13	Proposed Budget 2013/14	Proposed Budget 2014/15	Proposed Budget 2015/16
Salaries, Wages & Allowances	81 060 343	70 114 536	91 021 250	83 485 596	90 994 170
General Expenses	102 600 968	126 213 030	128 755 254	142 216 504	170 171 585
Repairs & Maintenance	14 196 271	12 192 633	15 994 028	16 809 723	21 503 982
Capital Charges	7 926 347	8 997 725	8 392 003	25 701 993	10 588 582
Contribution to Capital Outlay	13 267 202	4 079 166	4 641 984	2 102 000	2 204 998
Contributions to Capital Project Fund	234 538 000	329 304 667	247 527 000	411 287 000	598 471 000
TOTAL EXPENDITURE	453 589 130	550 901 756	496 331 518	681 602 817	893 934 317
NETT DEFICIT/-SURPLUS	0	(946 570)	(0)	0	(0)
SALARIES AND WAGES AS A PERCENTAGE	18%	13%	18%	12%	10%

TOTAL OPERATING BUDGET 2013/2014, 2014/2015 & 2015/2016					
	Original Budget 2012/13	Revised Budget 12/13	Proposed Budget 2013/14	Proposed Budget 2014/15	Proposed Budget 2015/16
INCOME					
Water Sales	(28 284 013)	(26 307 235)	(37 614 944)	(38 705 777)	(39 828 245)
Service charges - Sanitation	(9 812 057)	(8 234 991)	(10 484 132)	(10 788 172)	(11 101 029)
Interest on outstanding Debtors	-	(10 459 581)	(5 500 000)	(5 659 500)	(5 823 626)
Interest on Investment	(3 800 000)	(1 500 000)	(1 582 500)	(1 663 208)	(1 744 705)
Rent Income	(455 789)	(338 624)	(533 552)	(560 763)	(588 241)
Sundry Income	(10 926 271)	(130 227)	(137 390)	(144 396)	(151 472)
National Grants	(152 505 798)	(170 547 264)	(188 310 016)	(210 692 000)	(234 021 002)
Provincial Grants					
TOTAL REVENUE	(205 783 928)	(217 517 923)	(244 162 534)	(268 213 817)	(293 258 319)
Salaries, Wages & Allowances	81 060 343	70 114 536	91 021 250	83 485 596	90 994 170
General Expenses	102 600 968	126 213 030	128 755 254	142 216 504	170 171 585
Repairs & Maintenance	14 196 271	12 192 633	15 994 028	16 809 723	21 503 982
Capital charges	7 926 347	8 997 725	8 392 003	25 701 993	10 588 582
Contribution to Capital Outlay	0	0	0	0	0
Contributions to Capital Project Fund	0	0	0	0	0
TOTAL EXPENDITURE	205 783 928	217 517 923	244 162 534	268 213 817	293 258 319
NETT DEFICIT/-SURPLUS	0	0	0	0	0
SALARIES AND WAGES AS A PERCENTAGE	39%	32%	37%	31%	31%

The following graph provides a summary of income sources for the municipality, the most important element regarding the income is that more than 51% of the income for the municipality is being sourced from the grants.

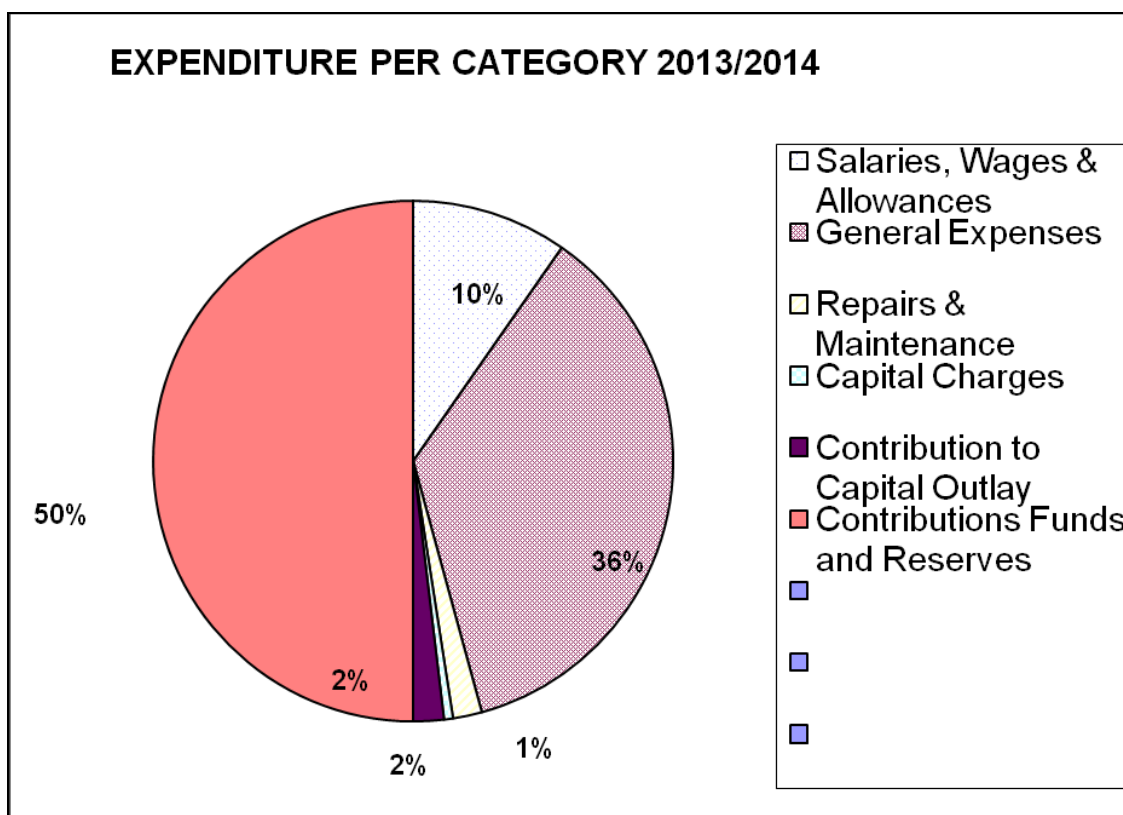


The allocation per department is shown in the graph below:



The largest allocation of the capital budget is provided for Technical Services with R 206,252,462.00 (57.22%) which deals with infrastructural projects, followed by water with R 76,293,409.00 (21.17%), followed by Finance with R 25,927,916.00 (7.19%), followed by Planning and Social Development with R 17,381,773.00 (4.82%) which deals with planning and community development, followed by Corporate Services with R 21,220,741.00 (5.89%), followed by Council with R 7,657,325.00 (2.12%) and lastly the Municipal Managers Office with R 5,730,786.00 (1.59%).

The expenditure per category is shown in the graph below:



The expenditure in terms of the municipal categories during 2013/14 financial year will be as follows:

Salaries, Wages & Allowances	34 899 967
General Expenses	129 854 915
Repairs & Maintenance	6 493 625
Capital Charges	2 000 000
Contribution to Capital Outlay	6 849 573
Contributions Funds and Reserves	180 042 538
Total	360 140 618

2. FINANCIAL PLAN

Umzinyathi District Municipality reviewed the Financial Plan was last reviewed during 2011/12 financial year for implementation in the 2012/13 financial year, which included the current status, future plans and the gaps, as well as a strategy on eliminating the gaps. The Financial Plan will be reviewed during 2013/14 financial year to cater for the billing in terms of revenue since the municipality took over the function from Uthukela Water as from the 01 July 2012.

The Financial Plan is regarded as one of the key plans towards the successful implementation of the IDP. It cuts across all IDP issues, strategies and programmes since all of them require funding input. The financial plan has an impact on all other development dimensions within the municipality. Hence, financial plan preparation would always seek to find better ways and means of sourcing funding and managing it efficiently while expediting the implementation of IDP priority issues.

2.1 Key Municipal Financial Challenges

- The district economy remains too dependent on government and social services;
- The GDP per capita value of the district economy is the second smallest in KwaZulu-Natal;
- Mining, manufacturing remain declining sectors but have some strength in their resilient remnants;
- There is a weak social base, with the district having the highest levels of unemployment and illiteracy in KwaZulu –Natal;
- Umzinyathi has the second lowest Human Development Index of all the districts in the province;
- There are low levels of local demand as a result of low household income;
- The southern municipal clusters in particular have an outward focus (towards the Midlands in particular). There is substantial economic leakage from these economies;
- There are low levels of reinvestment into productive sectors. The service sector dominates the economy and there is limited investment in tourism and agriculture;
- The District is largely rural, with a low population density. This means that purchasing power is diluted and service costs are higher;

- There has been a lack of progress around meaningful and practical Growth and Development partnerships between government, business and civil society to optimise the district economies strengths and deal with threats and weaknesses;

In this regard, the financial response to the challenges facing the Umzinyathi District require that our limited resources are used strategically and that a focus be given to growing the revenue streams available to address current and future needs. Based on the Municipality’s strategic focus areas, the allocation of resources in the Medium Term Expenditure Framework (MTEF) should strongly reflect a “Develop and Maintain” budget.

2.2 Financial Strategy Overview

Plugging the holes by:

- Promoting effective expenditure to avoid recurring surpluses on operating budget and conditional
- Grants vigorously pursuing credit control policies increasing efficiencies by working smarter, managing performance and alternative service delivery mechanisms

Increasing revenue by:

- Improving collections;
- Increasing rates base;
- Increasing share of intergovernmental grants to pay for unfunded/partially funded mandates;
- Vigorously pursuing cost cutting measures; and
- Pursuing public private partnerships at both programme and project level.

2.3 Capital and Operational Financial Strategies

The council is engaging various financial experts to assist council raise funds for strategic project implementation.

- Funds allocated for a specific purpose are to be used for that purpose only. The CFO and his office will pursue a strong campaign to all council departments aimed an enforcing this principle of complying with the budget allocations; and

- Where capital projects are to be funded by donor organizations, the Municipality must ensure that the funds have been secured prior to their inclusion in the capital budget.

2.4 Revenue Raising Strategies

- All Consumers must be registered and billed for services rendered;
- A debts collection service to be instituted to monitor the billing and payment of services;
- An adoption of credit control policy; part of the debt collection process is the levying of interest on outstanding payments;
- Fast racking of formalization of towns; and
- Attracting investors for property development in order to enhance rates income.

2.5 Asset Management Strategies

- All assets whether fixed or moveable are to be recorded in a asset register which is electronically maintained;
- The asset register is updated when assets are acquired (purchase or transfer once a capital project has been completed) or disposed off;
- On an annual basis at least there must be a reconciliation between the physical asset holding and that reflected in the asset register; and
- Where capital assets are transferred from the District Municipality, budgetary provision for the operation and maintenance of those assets must be included;

2.6 Cost Activities Strategies

- Development of a functional organizational structure that is staffed with appropriate personnel who contribute to the efficacy of the Municipality; and
- The implementation of internal controls that ensure the management of stock holding (control over shrinkage), management of cash flow to reduce usage of overdraft facilities with attendant penal interest rates and ensure efficient investment of surplus monies.

2.7 Policy Development and Refinement Strategy

The council is committed in an ongoing development of policies that are compliant with the Municipal Financial Management Act and other regulations in order to ensure smooth functioning of council and realisation of financial viability status. The council

refined and revised amongst other things, credit control policy, tariff policy, investment and cash management policy so as to enhance income or revenue streams. However, we are still monitoring the outcome and impact of such policy changes and developments within council.

3. REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF UMZINYATHI DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2012

Introduction

1. I have audited the financial statements of the Umzinyathi District Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Umzinyathi District Municipality as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Irregular expenditure

8. As disclosed in note 25 to the financial statements, the municipality has incurred irregular expenditure of R2,018 million, as a consequence of not complying with its supply chain management policy.

Restatement of corresponding figures

9. As disclosed in notes 2 and 31 to the financial statements, the municipality has adjusted corresponding prior years' figures; as a result of errors discovered during the 2011-2012 financial year.

Additional matter

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

Unaudited supplementary schedules

11. The supplementary information set out on pages xx to xx do not form part of the financial statements and is presented as additional information. I have not audited these schedules, and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages xx to xx of

the annual report.

14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned development objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected development objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

15. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matters

16. Although no material findings concerning the usefulness and reliability of the performance information was identified in the annual performance report, I draw attention to the following matters below.

No documented standard procedures

17. The municipality did not have documented and approved internal operating procedure manuals to address collection, recording, processing, monitoring and reporting of performance information to enable consistent collection and reporting on its selected development objectives, as required by section 62(1)(b) and (c) of the MFMA.

No performance report for Uthukela Water

18. The district municipality did not submit a performance report for Uthukela Water, as required by section 72(1)(a)(iv) of the MFMA

Mid-year budget and performance assessment was not in the required format

19. The mid-year budget and performance assessment of the municipality was not in the format specified in schedule C of the Local Government budget regulations, as required by section 72(1)(a)(i) of the MFMA.

Compliance with laws and regulations

20. I performed procedures to obtain evidence that the municipality has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Annual financial statements

21. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements with regards to the netting off of debtors against corresponding creditor balance and disclosure of assets relating to Uthukela Water (Pty) Ltd.

Audit committee

22. The audit committee did not substantially perform its functions, as required by section 166 of the MFMA.

Internal control

23. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matter reported below under the fundamentals of internal control is limited to the significant deficiencies that resulted in the findings on the performance report and compliance with laws and regulations included in this report.

Financial and performance management

24. Management did not implement effective controls over the preparation, review and reconciliation of financial records as well as the reporting of performance against predetermined objectives. This is evidenced by the material corrections in the financial statements and material findings on the usefulness of the annual performance report.

Governance

25. The audit committee did not adequately assess the effectiveness of controls and responses to risks, as evidenced by material corrections in the financial statements and the deficiencies identified on the usefulness of the annual performance report.

Pietermaritzburg

30 November 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

4. MUNICIPAL ACTION PLAN TO ADDRESS THE AUDIT QUERIES

No.	Query	Action plan to address audit finding	Person responsible	Target date
AUDIT REPORT ISSUES				
1	Irregular expenditure incurred due to the municipality not follow SCM processes for the hire of security services	1. BlackWatch Security services contract to be terminated. 2. A tender for the hire of security services to be advertised and SCM processes to be followed OR The municipality to make use of trained bodyguards.	CFO,HOD's.	01-Jan-13
2	Restatement of corresponding figures and material misstatements due to errors identified.	1. Ongoing checks and reviews on financial information to be performed in order to eliminate errors and misstatements. 2. Caseware financial system is to be used for the preparation of financial systems.	CFO	Ongoing
3	The municipality did not have documented and approved internal operating procedure manuals to address collection, recording and reporting of performance information to enable consistent collection and reporting on its selected development objectives as required by section 62(1)(b) of the MFMA.	1. A detailed procedure manual for the collection, recording and reporting of performance information is to be developed, approved and implemented.	IDP Manager	Jan-13
4	The district municipality did not submit a performance report for uThukela Water as required by section 72 of the MFMA.	A performance report will be compiled for Uthukela Water	CFO,HOD's.	Annually
5	The mid year budget and performance assesment was not in the required format specified in schedule C of the Local Government Budget Regulations and section 72 of the MFMA.	1. The budget format to be reviewed by management to ensure that the format complies with regulations.	CFO,IDP manager	01-Jan-13
6	Audit committee did not substantially fulfill its responsibilities	All the requirements of the MFMA will be complied with and the effectiveness of internal audit is to be assessed.	CFO,MM	Immediately
MANAGEMENT REPORT ISSUES				
1	Capital expenditure recorded with no evidence of transfer.(uThukela Water assets)	A schedule of all completed and WIP projects is to be completed and sent to Uthukela Water with supporting documentation for capitalisation.	CFO	Monthly
2	Current assets offset against creditors.	Checks and reviews will be performed to ensure that assets are not offset against creditors.	CFO	Monthly when financial statements are prepared.

SECTION G: ANNUAL OPERATIONAL PLAN (DRAFT SDBIP)

1. DRAFT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The 2013/14 Service Delivery and Budget Implementation Plan will be prepared once the IDP and Budget have been approved and adopted by Council in May 2013, and will be prepared within 14 days after the budget is adopted by Council in May 2013, as required in terms of Circular 13 of the Municipal Financial Management Plan.

The Service Delivery and Budget Implementation Plan will be prepared as required by the Municipal Finance Management Act (MFMA) using the National Treasury circular identifying key components as follows:

- Monthly projections of revenue to be collected for each source;
- Monthly projections of expenditure (Operating and Capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Ward information for expenditure and service delivery; and
- Detailed capital works plan broken down by ward over three years.

SECTION H: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

1. ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

Performance Management is a strategic approach to management, which equip leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

Chapter 6: of the Municipal Systems Act (No 32 of 2000) requires municipalities to:

- Develop a performance management system;
- Set targets, monitor and review performance based on indicators linked to their IDP;
- Publish an annual report on performance for the councillors, staff, the public and other spheres of government;
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government;
- Have their annual performance report audited by the Auditor-General; and
- Involve the community in setting indicators and targets and reviewing municipal performance.

2001: Municipal Planning and Performance Regulations states that:

- Performance Management System must entail a Framework that describes and represent how the municipality's cycle and process of performance management, including measurement, review, reporting and improvement, will be conducted;

- Performance Management System must inter alia comply with the requirements of the Systems Act, relates to the municipality's employee performance management processes and be linked to the municipality's IDP.

For the draft 2013/14 IDP Review financial year, the municipality has prepared a functional and effective Organisational Performance Management System which addresses performance needs of the organization and also serves to promote a culture of performance management, and to administer its affairs in an economical, effective, efficient and accountable manner as required by Section 38 of the Municipal Systems Act (No32 of 2000).

In terms of measuring the performance of the municipality in implementing the 2013/14 IDP Review, the municipality has reviewed the entire system of Performance Management System, and has the following documents in place which guide the review, implementation, monitoring and reporting on performance management system:

- Organisational Scorecards;
- Departmental Scorecards;
- Performance Framework Framework; and
- Performance Policy

The organisational scorecard is attached herewith as Annexure I 5.

2. INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

Subsequent to the adoption of the 2013/14 IDP Review and Budget in May 2013, the municipality will then prepare the Service Delivery and Budget Implementation Plan within 14 days after the adoption of the Budget which will serve as a monitoring tool for the implementation of the IDP, and then prepare the performance agreements for the Section 55 and 56 Managers as required by the 2006 Performance Regulations which will have to be concluded before the end of July 2013.

The municipality will also undertake the quarterly reviews during 2013/14 financial year to monitor performance as per the following quarters:

First quarter	:	July – September 2013
Second quarter	:	October – December 2013
Third quarter	:	January – March 2014
Fourth quarter	:	April – June 2014

The performance agreements which be concluded will consist of the following documents

- Annexure A : Performance Plan
- Annexure B : Personnal Development Plan
- Annexure C : Financial Disclosure Form
- Annexure D : Code of Conduct

3. 2011/12 ANNUAL PERFORMANCE REPORT

3.1 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Table 12: Implementation on PMS implementation in municipalities- 2011/12

Municipality	Does the municipality have a PMS Policy Framework developed /reviewed and adopted by Council (State date of adoption)	Did the municipality review/develop its IDP and engaged with the community in the process	Is the municipality's adopted IDP linked to SDBIP?	No of Section 56/7 Performance contracts signed?	No of Section 56/7 managers with signed Performance Agreements?	Is the municipality's PMS audited by an Internal Auditor for functionality and legal compliance?	Has the municipality Appointed Performance Audit Committee (PAC)	Did the municipality submit previous year's council oversight report and made public	No of quarterly performance reports submitted	Has the municipality cascaded PMS to lower levels	State reasons for non-compliance of any of these components
Y/N:	Yes	Yes	Yes	5	5	Yes	Yes	Yes			There is no framework in place as yet to cascade performance management system to lower levels
Date:	May 2011	May 2011	May 2011	June 2011	July 2011	July 2011	July 2011	February 2011	4	No	
									June 2012		

Table 13: Linkage between IDP and SDBIP

Municipality	2009/10			2010/11			2011/12		
	IDP Framework/ Process Plan Approved	IDP adopted and Submitted	Is the IDP aligned to SDBIP	IDP Framework/ Process Plan Approved	IDP adopted and Submitted	Is the IDP aligned to SDBIP	IDP Framework/ Process Plan Approved	IDP adopted and Submitted	Is the IDP aligned to SDBIP
Y/N:	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Date:	August 2008	May 2009	June 2009	August 2009	May 2009	June 2009	August 2010	May 2010	June 2010

Table 14: Filling of Section 56/7 Managers posts

Municipality	2009/10			2010/11			2011/12			Reasons for vacancies
	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies	
Municipal Manager	01	01	01	00	01	00	01	01	00	None
Chief Financial Officer	01	01	01	00	01	00	01	01	00	None
Technical	01	01	01	00	01	00	01	01	00	None
Corporate Services	01	01	01	00	01	00	01	01	00	None
Manager in Mayors Office	00	00	00	00	01	00	01	01	00	None
										None
TOTAL	04	04	04	00	05	00	05	05	00	

Table 15: Disciplinary processes against Section 56/7 Managers

Municipality	2009/10			2010/11			2011/12		
	No of reported cases	No of pending cases	No of resolved cases	No of reported cases	No of pending cases	No of resolved cases	No of reported cases	No of pending cases	No of resolved cases
Number:	00	00	00	00	00	00	00	00	00

Compliance with the EEA

Table 16: Women appointments – Section 56/7 Managers

Municipality	2009/10			2010/11			2011/12		
	No. of Section 56/7 posts approved	Women appointed in Section 56/7 posts	No of vacancies for women Section 56/7 Managers	No. of Section 56/7 posts approved	Women appointed in Section 56/7 posts	No of vacancies for women Section 56/7 Managers	No. of Section 56/7 posts approved	Women appointed in Section 56/7 posts	No of vacancies for women Section 56/7 Managers
Number:	00	00	00	00	00	00	01	01	01

Table 17: Employment of people with disabilities (The entire Organization)

Municipality	2009/10			2010/11			2011/12		
	Total no. of people with disabilities	No. of Section 56/7 Mangers with disabilities	No of vacancies for people with disabilities	Total no. of people with disabilities	No. of Section 56/7 Mangers with disabilities	No of vacancies for people with disabilities	Total no. of people with disabilities	No. of Section 56/7 Mangers with disabilities	No of vacancies for people with disabilities
Number:	00	00	00	00	00	00	01	00	00

Table 18: Employment of employees that are aged 35 or younger (Whole Organization)

Municipality	2009/10			2010/11			2011/12		
	Total approved posts	No of posts occupied by staff aged 35 or younger	% of posts occupied by staff aged 35 or younger	Total approved posts	No of posts occupied by staff aged 35 or younger	% of posts occupied by staff aged 35 or younger	Total approved posts	No of posts occupied by staff aged 35 or younger	% of posts occupied by staff aged 35 or younger
Number and percentage:	76	33	85%	74	49	66.2%	123	43	35%

Table 19: Development and Implementation of specific HR policies and systems per municipality – 2011/12

Municipality	Recruitment and selection policy			Skills Development Plan			EE Plan			HRM and HRD policies		
	Reviewed /Developed	Approved	Implemented	Reviewed /Developed	Approved	Implemented	Reviewed /Developed	Approved	Implemented	Reviewed /Developed	Approved	Implemented
Y/N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Date:	18/04/2012	18/04/2012	19/04/2012	29/06/11	29/06/11	30/06/12	01/10/2011	16/01/2012	16/01/2012	18/04/2012	18/04/2012	18/04/2012

Table 20: Workplace Skills Plans submitted by municipalities

Management level	municipality	2009/10		2010/11		2011/12	
		Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
Councillors		23	15	22	22	24	22
Senior Management level		04	04	04	04	04	04
lower level employees		20	20	32	32	33	32
Technicians and professional		31	28	32	32	39	32
Labourers		09	09	07	07	08	07
TOTAL		87	76	97	97	108	97

Section 139 interventions

Table 21: Has the municipality been put under section 139 interventions. If YES, which year(s)

municipality	2009/10	2010/11	2011/12
Y/N:	No	No	No
Year:			

3.1.1 CHALLENGES

- Lack of affective policies to strengthen and also to effective operational arrangements for the municipality.
- Lack of effective implementation of the Workplace Skills Plan due to financial constraints
- Lack of effective policy implementation

3.1.2 MEASURES TAKEN TO IMPROVE PERFORMANCE

- Effective implementation of policies to strengthen and also to effective operational arrangements for the municipality
- Provision of reasonable budget to enable effective implementation of the policies

3.1.3 RECOMMENDATIONS

- Specialist person be sourced to workshop councillors and staff on the impact of policies in the organisation
- Funding for training and development of councillors and staff needs to be prioritised and aligned.

3.2 BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

Table 22: Access to basic services

Municipality	2009/10						2010/11						2011/12																	
	Housing		Water (on site)		Sanitation		Refuse removal		Electricity (in house)		Housing		Water (on site)		Sanitation		Refuse removal		Electricity (in house)											
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual										
No. of hh			2635 hh	2653 hh	8896 hh	9003 hh							3000 hh	3462	3639 hh	6779 hh							2618 hh	3172 hh	3800 hh	11205 hh				

Housing Backlogs = 55 000 units - Function being performed by the local municipalities

Sanitation Backlogs = 7% (7309 households)

Water supply Backlogs =30% (29745 households)

Electricity Backlogs = 64% - Function being performed by the local municipalities

Waste Removal = 80% - Function being performed by the local municipalities

Table 23: Blue Drop Water Certification per province (Applicable to Water Service Authorities)

Municipality	2009/10		2010/11		2011/12	
	Did the municipality receive a blue drop certification?	If not, state the reason	Did the municipality receive a blue drop certification?	If not, state the reason	Did the municipality receive a blue drop certification?	If not, state the reason
Y/N and reason	No	Mainly it was because of the lack of human resources and the issues of routine reporting.	No	Improved from the previous assessment	Yes	

Table 24: Total grants, donations and contributions received per municipality

Municipality	2009/10			2010/11			2011/12		
	Allocations	Amount spent	% spent	Allocations	Amount spent	% spent	Allocations	Amount spent	% spent
Rands and percentages MIG Programme	115,134,761.06	142,494,831.82	124	75 274 192	119 573 755	159	161 942 339.31	179 437 433.59	111

Municipality	2009/10			2010/11			2011/12		
	Allocations	Amount spent	% spent	Allocations	Amount spent	% spent	Allocations	Amount spent	% spent
Rands and percentages RBIG Programme	12 499 800.00	14 289 766.81	114	22 970 600.00	9 210 820.00	40	1 357 600.00	10 238 269.10	754

Municipality	2009/10			2010/11			2011/12		
	Allocations	Amount spent	% spent	Allocations	Amount spent	% spent	Allocations	Amount spent	% spent
Rands and percentages-MASSIFICATION Programme	0.00	0.00	0	11 907 000	3 329 072	28	11 706 419.74	12 950 522.16	111

Indigent Policy implementation with regard to provision of free basic services

Table 25: Indigent Policies and Registers

Municipality	2009/10			2010/11			2011/12		
	Reviewed /developed indigent policies	Indigent policy implemented	Indigent registers in place	Reviewed /developed indigent policies	Indigent policy implemented	Indigent registers in place	Reviewed /developed indigent policies	Indigent policy implemented	Indigent registers in place
Y/N:	Y	Y	Function being performed by the LMs	Y	Y	Function being performed by the LMs	Y	Y	Function being performed by the LMs
Date:	February 2009	July 2009		February 2010	July 2010		February 2011	July 2011	

Table 26: Status on the provision of free basic services by municipalities (2011/12)

Municipality	Electricity		Water		Sanitation		Refuse removal	
	No of indigent households receiving free service	Units per household (kwh)	No of indigent households receiving free service	Units per household (kl)	No of indigent households receiving free service	Units/ R value pm per household	No of indigent households receiving free service	Units/ R value pm per household
Number of H/holds and units	Function being performed by the LMs	Function being performed by the LMs	104535	6kl	None	Rural Sanitation VIP Toilets	Function being performed by the LMs	Function being performed by the LMs

3.2.1 CHALLENGES

- The current trend of funding allocations from the various programmes collectively over the next financial years will position the municipality to achieve the the Milleniun Development Goals by 2020. The funding interventions that are available are unicipal Infrastructure Grant, RBIG, Massification and own capital collectively measured against the required 3.2 billion needed to eradicate the backlogs as per the Infrastructure Master Plan;
- The district has settlement patterns that are sparsely populated and that leads to the increase of unit costs for the service delivery;
- The topography is rocky and there is a huge lack of infrastructure, and that also contribute to the costs thus making it expensive to provide services to the community; and
- Scarcity of skills within the region thus forcing for the importing of the required skills at a high cost

3.2.2 MEASURES TAKEN TO IMPROVE PERFORMANCE

- Additional funding is being lobbied through financial institutions and other companies that have capacity to source funding in anticipation of accelerating the service delivery. This assignment is being undertaken so that the DORA Gazetted amounts of the five MTEF are going to be pledged against any loans that can be secured, and secondly the intention to implement the projects using current rates than the future expensive ones.
- The municipality has put up the internal team to be able to manage the planning and programme management of all projects. This has enabled the municipality to be in a position to meet its financial obligation; and
- Upfront planning through the appointment of service providers for the up and coming financial year for the preparation of tender processes.

3.2.3 RECOMMENDATIONS

- Recruitment of more personnel to strengthen the internal technical capacity;
- Effective implementation of the retention strategy;
- Sourcing of more funding to eradicate backlogs through bankable business plans.

3.3 LOCAL ECONOMIC DEVELOPMENT

Table 27: Municipalities with adopted and implemented LED strategies

Municipality	2009/10			2010/11			2011/12			Reasons for no strategy in place
	LED strategy reviewed/ developed	LED strategy approved	LED strategy implemented	LED strategy reviewed/ developed	LED strategy approved	LED strategy implemented	LED strategy reviewed/ developed	LED strategy approved	LED strategy implemented	
Y/N:	YES	YES	YES	Implementation plan reviewed YES	Yes	Yes	Yes	Yes	YES	
Date:	-	-	-	-	-	2010/2011	July 2011		2011/2012	

Table 28: Capacity of municipalities to implement LED

Municipality	2009/10		2010/11		2011/12	
	No of posts approved	No of filled posts	No of posts approved	No of filled posts	No of posts approved	No of filled posts
Number:	3	2	3	2	11	10

Figure 29: Number of jobs created per Municipality

Municipality	2009/10			2010/11			2011/12		
	No. of jobs created through EPWP	No. of jobs created through CWP	No. of jobs created for Co-operatives	No. of jobs created through EPWP	No. of jobs created through CWP	No. of jobs created for Co-operatives	No. of jobs created through EPWP	No. of jobs created through CWP	No. of jobs created for Co-operatives
Number:	126	-	-	330	-	-	881	-	-

Table 30: EPWP implementation per Municipality (2011/12)

Municipalities	Person-years of work including training	Person-Years of training	Gross number of work opportunities created	No of youth	No of women	No of people with disabilities
Number and percentage	1320	1	881	440	387 (women) 493 (men)	0

3.3.1 CHALLENGES

- Capacity constraints within the LED unit have posed a challenge in the implementation of local economic development programmes;
- Lack of capacity at local municipal levels has further compounded the challenge of proper coordination of District wide LED programmes;
- Poor participation of social partners in LED support structures such as the IDP/LED forum and sector forums has hampered meaningful coordination and implementation of LED in the District;
- Financial resources limitations have created a challenge and the lack of capacity to identify and leverage external funding has added to this challenge; and
- The Expanded Public Works Programme has previously been regarded as an infrastructure development support programme and confined to the Technical Services Department. Consequently, other departments and sectors, including LED have not reported on EPWP and this has affected the municipality's allocation of the incentive grant.

3.3.2 MEASURES TAKEN TO IMPROVE PERFORMANCE

- LED Technical support intervention by the Department of Economic Development and Tourism which entailed the deployment of a specialist to, amongst other things, augment capacity, help set up a function LED unit and facilitate skill development;
- The Council organogram was reviewed in 2011/2012 taking into consideration key existing vacancies and new posts which needed to be filled in order to improve the capacity of the unit. These include the LED Manager post which has now be filled, Economic Research and Development Officer, Small Business enterprise Development officer and Investment Promotions and Marketing officer;
- Due to overlapping issues between the IDP and LED processes and the recognition that both processes target the same social partners, the Municipality set up an IDP/LED structure which constitutes of officials from various sector departments and National and Provincial government as well as municipal officials. The main objective of the structure is to integrate and coordination the District's development endeavours;
- The Municipality has submitted an application to the Independent Development Corporation (IDC) for funding to set up an Economic Development Agency. It is

envisaged that the agency would take over the function of identifying and exploring catalytic interventions, package proposals, leverage funding, market the District and facilitate strategic linkages and partnerships for economic development. The Municipality has enjoyed the support of the IDC on this concept however the recent developments which saw a change in the type of support offered by the IDC entails that the Municipality will have to seek alternative avenues to fund the establishment and initial operational costs of the agency. The successful establishment of this special purpose vehicle will begin to address the capacity issues as stated in the points above; and

- In the current financial year, the reporting on the LED programmes will ensure that the alignment to the EPWP principles is highlighted to enable an increase in the share from the incentives grant.

3.3.3 RECOMMENDATIONS

- The key / critical posts which remain vacant need to be filled urgently in order to improve capacity of the LED unit to implement LED;
- Whilst the issue of capacity remains a major impediment to successful implementation of LED, the contract period for the LED technical support intervention needs to be extended. The alternative to this is the setting up of a LED Project Management Unit of Agency and it should be ensure that the structure has a high level of skilled and capacitated team to drive economic growth and development in the District. This proposal will be submitted to the current funder (DEDT) and the support of the IDC and other funding institutions will also be solicited;
- Resolutions which emanated from the IDP/LED engagement process need to be cemented by tangible commitments from the various stakeholders and this should have timeframes and monitoring systems in place;
- The Municipality needs to intensify skills and capacity building initiatives aimed at the current staff within he LED unit; and
- The focus by the municipality with regards to allocation of the LED budget should be the creation of a basket of bankable proposals of economic development initiatives.

3.4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Capital Expenditure by Municipality

Table 31: Performance against budget by municipalities

Municipality	2009/10			2010/11			2011/12		
	Budget approved	Revenue	Expenditure	Budget approved	Revenue	Expenditure	Budget approved	Revenue	Expenditure
Rands:	188 397 320	189400074	170488620	186376018	112356797	134 330 759	186 892 111	185822919	211 735 817

Table 32: Total grants, donations and contributions received

Municipality	2009/10			2010/11			2011/12		
	Total donations, grants and contributions available	Total spent	% expenditure	Total donations, grants and contributions available	Total spent	% expenditure	Total donations, grants and contributions available	Total spent	% expenditure
Rands and percentage	70464064	178264234	39%	38781892	237715156	16%	24748808	156484216	15%

Table 33: A-G Opinion

Municipality	Audit Opinion 2009/10				Audit Opinion 2010/11				Audit Opinion 2011/12			
	Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse
X	X				X				X			

Financial Viability

Table 34: Outstanding debt and debt management

Municipality	2009/10				2010/11				2011/12			
	Water & Electricity	Sewerage & Refuse	Housing	Other	Water & Electricity	Sewerage & Refuse	Housing	Other	Water & Electricity	Sewerage & Refuse	Housing	Other
Rands:	n/a	n/a	n/a	8057721	n/a	n/a	n/a	6231245	n/a	n/a	n/a	20323081

Table 35: Development of Revenue Enhancement Strategy

Municipalities	2009/10			2010/11			2011/12		
	Strategy Reviewed /developed	Strategy implemented	Has the municipality's Revenue improved?	Strategy Reviewed /developed	Strategy implemented	Has the municipality's Revenue improved?	Strategy Reviewed /developed	Strategy implemented	Has the municipality's Revenue improved?
Y/N:	No	No	No	No	No	No	No	No	No
Date:									

3.4.1 CHALLENGES

- High service backlogs which require funding;
- Council resolution to take over Uthukela Water from the 1 July 2012; and
- High rate of grant dependency.

3.4.2 MEASURES TAKEN TO IMPROVE PERFORMANCE

- Cash flow forecast prepared and cost cutting measures have been implemented; and
- Taking over of reticulation function from Uthukela Water; and
- Credit control policies implemented.

3.4.3 RECOMMENDATIONS

- Sourcing of external funding to eradicate backlogs; and
- Improve internal revenue collections.

3.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Table 36: Functionality of Ward Committees

Municipality	2009/10		2010/11		2011/12	
	No. of functional Ward Committees	% of functional Ward Committees	No. of functional Ward Committees	% of functional Ward Committees	No. of functional Ward Committees	% of functional Ward Committees
Number and percentage:	N/A	N/A	N/A	N/A	N/A	N/A

Table 37: Total number of deployed CDW's per municipality

Municipality	2009/10		2010/11		2011/12	
	No of CDW posts approved	No of CDW's deployed to wards	No of CDW posts approved	No of CDW's deployed to wards	No of CDW posts approved	No of CDW's deployed to wards
Number:	N/A	N/A	N/A	N/A	N/A	N/A

Table 38: Good governance indicators as at June 2012

Municipality	All admin delegations adopted	S59 MSA Delegations adopted	Roles of Committees and Political Office Bearers defined	Meetings convened					Number of meetings where quorum was <u>not</u> achieved		Code of conduct adopted (Council & staff)	Code communicated to community	Interests of councillors and staff declared	Councillors and staff members in arrears with municipal accounts
				Council	Executive mayoral committee	Portfolio Committee	Municipal Management	IDP Representatives	Council	Executive mayoral committee				
Y/N	Y	Y	Y	7	16	25	4	2	None	None	Y	Y	Y	None
Date - if applicable	23/08/2011	23/08/2011	9/06/2012	2011/2012	2011/2012	2011/2012	2011/2012	2011/2012	-	-	9/6/11	website	9/6/11	None

Anti-corruption

Table 39: Progress on the implementation of anti-corruption strategies by municipalities

Municipality	2009/10			2010/11			2011/12		
	Anti-corruption Plan compiled	Has Council adopted the Anti-corruption Plan	Anti-corruption Plan implemented	Anti-corruption Plan compiled	Has Council adopted the Anti-corruption Plan	Anti-corruption Plan implemented	Anti-corruption Plan compiled	Has Council adopted the Anti-corruption Plan	Anti-corruption Plan implemented
Y/N:	N	N	N	N	N	N	Y	Y	Y
Date:							24/03/11	24/03/11	24/03/11

Table 40: Mayoral Izimbizo (include any Presidential, Premier or Ministerial Imbizo held in the municipal area over the past 3 years)

Municipality	2009/10			2010/11			2011/12		
	No of Izimbizo's	Challenges	Resolutions	No of Izimbizo's	Challenges	Resolutions	No of Izimbizo's	Challenges	Resolutions
Number:	1	Service Delivery Challenges	To address the Service Delivery Challenges	1	Service Delivery Challenges	To address the Service Delivery Challenges	1	Service Delivery Challenges	To address the Service Delivery Challenges

3.5.1 CHALLENGES

- Review and effective implementation of the community strategy and policy;
- Effective communication of the municipal programmes and projects;
- Effective alignment of programmes and projects with other sector departments;
- and
- Effective implementation of the municipal policies.

3.5.2 MEASURES TAKEN TO IMPROVE PERFORMANCE

- Monthly Mayoral slots on Ukhozi FM to communicate municipal programmes and projects;
- Review of the Communication Strategy;
- Establishment of the IDP / LED Technical Working Committee for the alignment of programmes and projects;
- Preparation of the quarterly Newsletter; and
- Annual review of the municipal policies.

3.5.3 RECOMMENDATIONS

- Continuous implementation of the Monthly Mayoral slots on Ukhozi FM to communicate municipal programmes and projects;
- Review and effective implementation of the Communication Strategy;
- Continuous implementation of the IDP / LED Technical Working Committee for the alignment of programmes and projects;
- Annual review of the municipal policies.

3.6 CROSS CUTTING

Table 41: Development, submission and implementation rate of SDF's

Municipality	2009/10			2010/11			2011/12			Reasons
	SDFs approved	SDFs submitted	SDFs Implemented	SDFs approved	SDFs submitted	SDFs Implemented	SDFs approved	SDFs submitted	SDFs Implemented	
Umzinyathi	Yes	Yes as part of the IDP	Yes	Yes	Yes as part of the IDP	Yes	Yes	Yes as part of the IDP	Yes	
Endumeni	Yes	Yes as part of the IDP	Yes	Yes	Yes as part of the IDP	Yes	Yes	Yes as part of the IDP	Ye	
Nquthu	No	NO	No	Yes	Yes as part of the IDP	Yes	Yes	Yes as part of the IDP	Ye	Unavailability of funding
Msinga	No	NO	No	No	NO	No	No	YES	Not as yet	Unavailability of funding
Umvoti	Yes	Yes as part of the IDP	Yes	Yes	Yes as part of the IDP	Yes	Yes	Yes as part of the IDP	Yes	

3.6.1 SDFs: CHALLENGES

- **Financial:**

Challenges identified within parameters of the SDF vary from each municipality to the next within the district. Due to the shortage of funds, spatial development frameworks, are not usually reviewed timeously. It is for this reason that funding for this is always sourced externally. For instance, Msinga Municipality has been without an appropriate SDF which serves as a spatial implementation tool of the IDP. However, through intervention by the Department of Rural Development and Land Reform, Vuka Africa was appointed to undertake the exercise on behalf of the municipality. uMvoti municipality utilised their old SDF in the new IDP, however, interventions have been put in place to address this disjuncture. Nquthu's SDF on the other hand require slight amendments so that it incorporates the revised ward boundaries as determined by the Municipal Demarcation Board. Meanwhile, the challenges identified within SDF's are not major, hence they have been mitigated through various efforts.

- **Inavailability of reliable data:**

Although amendments to the Nquthu SDF could have been undertaken inhouse, The Development Planning Shared Services (DPSS) was unable to achieve this at the time of submission of the IDP, mainly due to the fact that reliable STAT SA report was still unavailable. Credibility of localised data for which quality has not been tested would have posed challenges, particularly at the provincial level when SDF's are assessed.

3.6.2 SDFs: INTERVENTIONS

The Department of Rural Development and Land Reform has funded the compilation of Msinga Municipal SDF with ancillary Precinct Plan for Keate's Drift area. The project is due to be completed in due course. Supply Chain Regulations renders a tender invalid when services commence beyond 90 days after advertising, therefore uMvoti Municipality has not been able to appoint a Consultant. The notice calling out for a tender is closing during the first week of November 2012 after which an appointment will be finalised. Budget for this exercise has been made available during 2012/13 financial year. Soon after the release of the STAT SA information, an exercise of effecting factual spatial and non-spatial information on the affected ward boundaries of Nquthu Municipality's SDF will be undertaken. It will be a duplication of efforts and waste of resources to undertake the same exercise as that of STAT SA, which in turn may also be labelled as not credible.

3.6.3 SDFs: RECOMMENDATIONS

All necessary mitigation strategies to minimise the risks where the MEC described the municipalities as non-compliant are underway. At this juncture, monitoring of the SDF project by various municipalities is important. These SDF's are being undertaken within the parameters of the District SDF which was approved earlier this year.

Table 42: State of readiness on National Disaster implementation per Municipality (Y/N and Date)

2009/10				2010/11				2011/12			
Functional disaster management centre	Disaster Management Head/ Manager appointed	Disaster management forums established	disaster management plan or framework in place	Functional disaster management centre	Disaster Management Head/ Manager appointed	Disaster management forums established	disaster management plan or framework in place	Functional disaster management centre	Disaster Management Head/ Manager appointed	Disaster management forums established	disaster management plan or framework in place
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
July 2009	July 2009	July 2009	July 2010	July 2010	July 2010	July 2010	July 2011	July 2011	July 2011	July 2011	July 2011

3.6.4 DISASTER MANAGEMENT CHALLENGES

- Lack of Disaster Management Plans in Msinga and Nquthu Municipalities;
- Lack of Disaster Management personnel in the local municipalities to co-ordinate and manage disaster management matters; which leads to poor attendance of the forum and committee meetings;
- General lack of understanding by councilors and the community on disaster management legislation and the policy framework, which creates confusion between councilors and officials when dealing with disastrous events.

3.6.5 DISASTER MANAGEMENT INTERVENTIONS

- The Umzinyathi district municipality recruited and trained forty (40) disaster management volunteers in March 2011. These volunteers are based at the local municipalities and work together with the disaster management officials of the local municipalities;
- Umzinyathi District municipality established the Disaster Management Advisory Forum and it involves the local municipalities and other stakeholders involved in disaster management in the area, and meets on quarterly basis;
- Umzinyathi District municipality established a coordinating committee with the intention of coordinating and monitoring the fire services throughout the district, and the committee meets on quarterly basis;
- Technical support has been provided by the district with the development of Nquthu Disaster Management Plan;
- The Department of Rural Development and Land Reform has appointed a Service Provider to assist with the development of Msinga Municipality Disaster Management Plan
- Good working relationship with the Provincial Disaster Management Centre and also provides support in carrying out assessments of disastrous events.

3.6.6 DISASTER MANAGEMENT RECOMMENDATIONS

- Review of Umzinyathi District Municipality Disaster Management Plan;
- Effective implementation of the Disaster Management Plans;
- Continuous undertaking of the awareness campaigns for disaster management; and
- Installation of the lightning conductors to mitigate striking lightning.

SECTION I: ANNEXURES

No	IDP Components	Comments
I.1	Government and Public Sector Participation, Private Sector and Community Involvement Report	
I.2	Spatial Development Framework (SDF) (Include land use management guidelines)	To be reviewed during 2013/14 fy to address COGTA comments
I.3	Disaster Management Plan	
I.4	Auditor General comments on latest audited financial statements and reponses including an Action Plan to address queries raised	
I.5	Organisational Scorecard	
I.6	Organisational Organogram	

SECTION J: APPENDIXES

Umzinyathi District Municipality has developed a number of Sector Plans which are aimed at assisting the municipality in making well informed decisions to enable effective implementation thereby improving the quality of life for our respective communities. A table hereunder indicates the sector plans that have been prepared by the municipality to date and their status

No	Sector Plans	Available		If Not Available
		Yes	No	Status
K 1	2011/12 Annual Report	√		
K 2	2011/12 Financial Plan	√		
K 3	Land Use Management Framework	√		
K 4	Integrated Waste Management Plan	√		To be reviewed during 2013/14 financial year
K 5	<ul style="list-style-type: none"> • Water Services Development Plan • Bulk water and sanitation Strategy 	√		To be reviewed during 2013/14 financial year
K 6	Integrated Transport Plan	√		To be reviewed during 2013/14 financial year
K 7	Local Economic Development Strategy	√		Currently being reviewed for implementation in the 2013/14 fy

