



UMDONI MUNICIPALITY

**DRAFT
IDP**

2017/2022

THE J.E.W.E.L OF THE SOUTH COAST



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GLOSSARY

AGSA	Auditor General
AIDS	Acquired Immune Deficiency Syndrome
ART	Antiretroviral therapy
ARV	Antiretroviral
ASGISA	Accelerated Shared Growth Initiative of South Africa
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
DBSA	Development Bank of Southern Africa
DEAT	Department of Environmental Affairs and Tourism
DFA	Development Facilitation Act
DFID	Department for International Development
DRDLR	Department of Rural Development and Land Reform
DLGTA	Department of Local Government and Traditional Affairs
DM	District Municipality
DoH	Department of Housing
DoL	Department of Labour
DWAF	Department of Water Affairs & Forestry
EMP	Environmental Management Plan
EPWP PSC	EPWP Provincial Steering Committee
EPWP	Expanded Public Works Programme
FBS	Free Basic Services
FET	Further Education and Training
HH	Households
HIV	Human Immuno-deficiency Virus
HR	Human Resources
ICT	Information Communications Technologies
IDP	Integrated Development Plan
IDPRF	Integrated Development Plan Representative Forum
IGR	Inter Governmental Relations
IWMP	Integrated Waste Management Plan
ISRDP	Integrated Sustainable Rural Development Programme
KZN	KwaZulu-Natal
LED	Local Economic Development
LGSETA	Local Government SETA
LM	Local Municipality
LRAD	Land Redistribution Programme
LUF	Land Use Framework
LUMS	Land Use Management System
MDG	Millennium Development Goals
MIG	Municipal Improvement Grant
MLL	minimum Living Level
MM	Municipal Manager
MPA	Municipal Plan of Action
MSIG	Municipal Systems Improvement Grant
NSDP	National Spatial Development Perspective
OHS	Occupational Health and Safety
OPMS	Organisational Performance Management System
PC	Project Consolidate
PCPMU	Project Consolidate Project Management Unit
PDA	Planning and Development Act

PGDS	Provincial Growth and Development Strategy
PMS	Performance Management System
PMTCT	Prevention of Mother to Child Transmission
PSEDS	Provincial Spatial Economic Development Strategy
RDP	Reconstruction and Development Programme
SANRAL	South African National Roads Agency Limited
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEA	Strategic Environmental Assessment
SIC	Standard Industrial Codes
SLA	Sustainable Livelihood Approach
SPLUMA	Spatial Planning Land Use Management Act
STATSSA	Statistics South Africa
ToR	Terms of Reference
VCT	Voluntary Counseling and Testing

GLOSSARY OF LEGISLATIVE ENACTMENTS

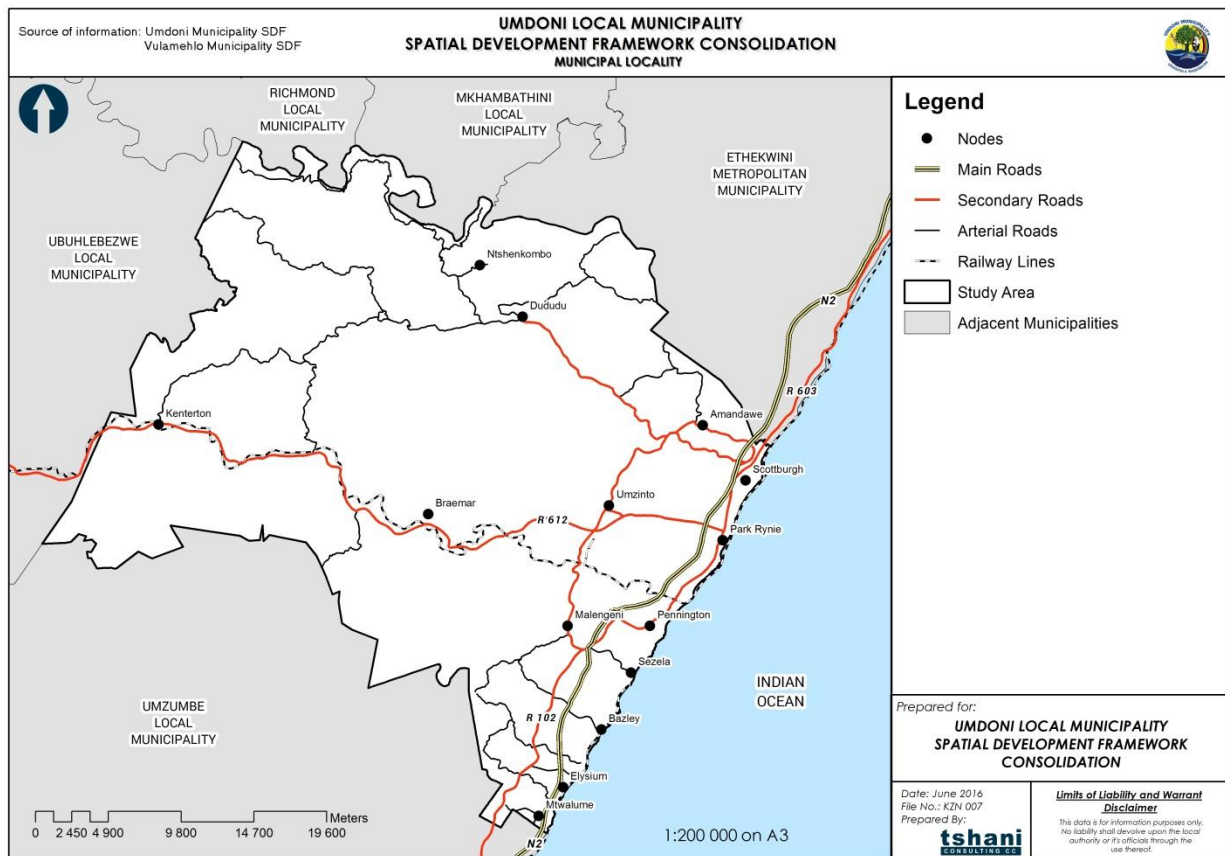
The Constitution	South African Constitution Act 108 of 1996
The Systems Act	Municipal Systems Act No 32 of 2000
The Structures Act	Municipal Structures Act No 117 of 1998
DFA	Development Facilitation Act No 67 of 1995
MFMA	Municipal Finance Management Act No 56 of 2003

SECTION A: EXECUTIVE SUMMARY

1.1 Who are we?

Umdoni local municipality is located in KwaZulu-Natal within the Ugu District municipality (DC21 within the Province of KwaZulu-Natal (Map 1). Umdoni municipality consists of 19 wards with a geographical area of 994 square kilometers. It abuts eThekweni Metro to the north, and Umzumbe to the south, and Ubuhlebezwe to the west, making it almost halfway from Port Shepstone and Durban. The Municipality is therefore conveniently located about 50 km from Durban and 65 km from Port Shepstone. Umdoni has an approximate coastline of 40 km and stretches inland as far as Kenterton. It includes the towns of Scottburgh, Umzinto and urban areas and settlements such as Amandawe, Emalangeni and Amahlongwa and Dududu.

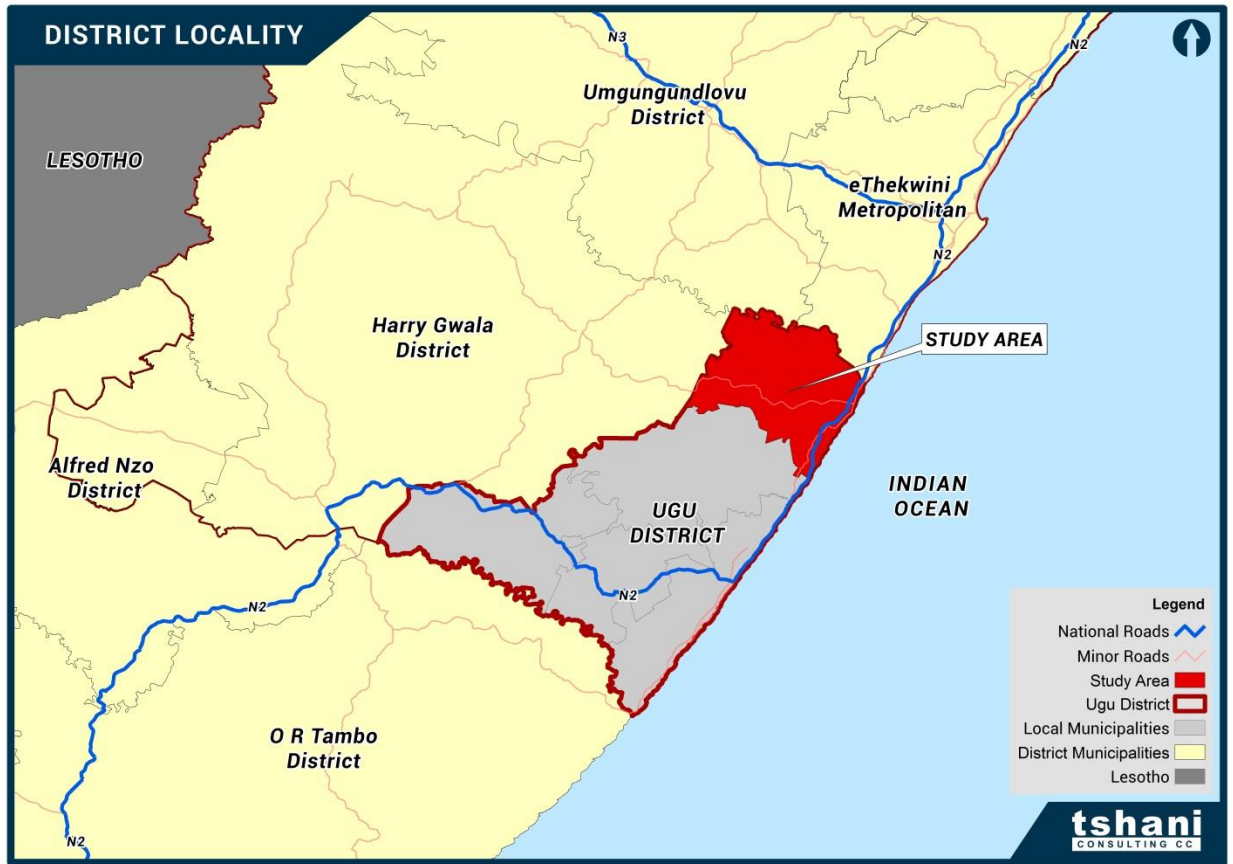
Map 1: Umdoni Municipality Locality



The municipality comprises of 19 municipal wards. The municipality incorporates seven traditional authority areas comprising 19 municipal wards. The traditional Authorities fall under Ugu Local Houses of Traditional Leaders in KZN. The Local House has its own vision, mission and strategic focus areas,

depending on the development programmes of its community. The Ugu Local House is governed by the Traditional Leadership and Governance Framework Act, 41 of 2003, and the KZN Traditional Leadership and Governance Act, 5 of 2005. These two pieces of legislation ensure alignment of the institution of traditional leadership in KZN with constitutional imperatives. Umdoni Council comprises of 19 ward Councilors and 17 Proportional Representative Councilors. The Map below indicates the geographic location of wards

Map 3: Umdoni Locality within UGU District



Source: Umdoni Consolidated SDF Report 2016/2017

Umdoni Municipality has a total population of approximately 144,551 which constitutes of 74,924 of that population being female and 69,627 being male from the total population. The Municipality also has a total number of 35,433 of households.

1.2 How was the Plan Developed?

The municipality developed a process plan for the review of the 5 year 4th Generation IDP of Umdoni Municipality and the plan was adopted by Council on 30 September 2016. The purpose of the adopted process plan is to indicate and manage the planned activities and strategies that the municipality will follow to review the IDP and align it to the annual budget. It also seeks to co-ordinate the planning cycle between other strategic processes within the municipality such as the budget, SDBIP and the Annual Report of the municipality. The illustration below describes the processes followed to review the IDP Umdoni Municipality:

Stakeholder Consultation

Umdoni Municipality places a high premium on inclusivity and subsequently the involvement and participation of all relevant stakeholders forms an essential component of the IDP review process. The public participation process for the 2017/2018 review of the IDP was done on the basis of full-scale public meetings in all 19 wards within the municipality. The purpose of the public participation was:

- To discuss the process to be followed for the 2017/18 to 2021/2022 IDP Development
- To get community needs and inputs

To provide feedback on the progress made in terms of implementation of the 5 year 4th Generation IDP to date.

During the review process of the IDP and particularly the public participation process it became apparent that approximately 40% of the issues raised and the projects suggested by communities relate to competencies which fall outside of the ambit of local government. Integrated planning between the different spheres of government is thus critically important if government wants to effectively fulfil its constitutional mandates and effectively address the socio-economic challenges faced by communities.

IDP is increasingly becoming a cornerstone for intergovernmental planning and budget alignment. Resources are also limited and establishing strategic partnerships between the different spheres of government will certainly optimise the impact of such resources.

The IDP should therefore guide where sector departments allocate their resources at local government level. The municipality should however also take into consideration the sector department's policies and programmes when developing its own policies and strategies. For this reason it is in the interest of the sector departments to participate in the IDP review process of the municipality to ensure alignment between development programmes.

IDP Indaba

The KwaZulu Natal Department of Cooperative Governance and Traditional Affairs hold the IDP Indaba engagements on an annual basis. The first IDP Indaba is usually held during September each year and focuses on strategic alignment between the municipalities and the different sector departments in the province. The second IDP Indaba is usually held during February each year and has the following objectives:

- To provide provincial strategic guidance and dialogue on provincial policies and programmes and overall planning implications for municipalities;
- To create a platform for alignment of Districts and local municipality IDPs to Provincial and National plans;
- Obtain and share information on sector projects implemented in municipalities, focusing on geo-spatial budgeting;
- Share municipal priorities with sector departments to inform and guide future sector departmental priority setting;
- Foster alignment between municipal and provincial project implementation as part of intergovernmental Planning and through spatial mapping as a planning aid;
- Present and share information on municipal financial allocations; and
- To encourage cross border alignment of plans at municipal level

The above-mentioned engagements form an integral part of the IDP review process and assist municipalities to gain support and or interventions from the different sector departments with a number of programmes/projects implemented within Umdoni Municipality. Section F gives an overview of programmes/projects referred to the respective sector departments included in this section is the map indicating where sector departments are investing their money.

IDP Assessment

In terms of Section 32 of the Municipal Systems Act (Act 32 of 2000) a copy of the municipality's IDP must be submitted to the MEC for Local Government for assessment which will ensure that more credible IDP's are produced. The timing of the assessment process is strategically determined during the month of April each year to allow input from sector departments on the draft revised IDP's which will allow municipalities to still make adjustments before the final IDP reviews are adopted by Councils towards the end of May.

The first assessment engagement of the Umdoni Municipality was done at the District wide assessment held on **20 April 2016** where a comprehensive report on the assessment of the draft IDP review and budget were discussed and practical suggestions for improvement of the draft IDP review and budget were introduced.

The written comments received from the MEC for Cooperative Governance assists municipalities a great deal to ensure strategic alignment with the objectives and planning processes of the provincial and national government. The MEC's comments also form the basis of the review process of the 5 year strategic plan of Umdoni Municipality and the comments received last year have been duly incorporated into this review. Below is a summary of the MEC comments on the IDP Review 2016-17 of Umdoni Municipality:

Table 1: MEC Comments 2016/2017

No.	MEC COMMENT	ACTION BY LOCAL MUNICIPALITY	COMPLETED/ NOT COMPLETED	DEPARTMENT
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				
1.	Review and Adopt Human Resources Strategy	Human Resources Strategy to be reviewed and adopted in 2017/2018 Financial Year	Not Completed	Corporate Services
2.	Development of the ICT Policy Framework	Umdoni ICT Policy Framework was last reviewed and adopted in 2015, however the Municipality has initiated processes to review the Policy Framework in the 2017/2018 Financial Year.	In Progress	Corporate Services
BASIC SERVICE DELIVERY				
1.	Data and Graphs on Basic Service Delivery is unclear and not referenced	Data that is projected in this document will be referenced with regards to where the data was collected from	Completed	Technical Services
2.	Initiate Review of the Integrated Waste Management Plan and the Development of waste recycling initiatives	Waste recycling project has been identified in the LED Strategy however, it will be implement in the 17/18 financial year due to budget constraints	Completed	Technical Services
3.	The Municipality needs to indicate the institutional responsibility for transport infrastructure on maps and include a detailed report on operation and maintenance.	Map included under Basic Service Delivery Analysis	Completed	Technical Services
4.	Information on Telecommunications to be in graphs, tables and maps	Telecommunications data has been included in this IDP	Completed	Community Services
LOCAL ECONOMIC DEVELOPMENT				
1.	Review and Adopt LED Strategy that is in line with the National development Plan Vision 2030	Umdoni Local Municipality will review, adopt and consolidate LED strategy with the former Vulamehlo LED Strategy to ensure that it covers the newly demarcated Umdoni and is in line with the national vision 2030 by the end of the 2017/2018 Financial Year	In Progress	Planning and Development
2.	Develop Monitoring and Evaluation system for all LED Programmes and Targets	All Umdoni Local Economic Development programmes are incorporated into the Service Delivery and Budget Implementation Plan of the Municipality which is used as a	Completed	Planning and Development

		tool for Performance Management that monitors and evaluates LED programmes and targets		
FINANCIAL VIABILITY AND MANAGEMENT				
1.	What Percentage of Repairs and Maintenance has been budgeted for against non-current assets	Addressed under Financial Viability and analysis	Completed	Finance
2.	Indicate how the enhancement and protection strategies have benefited the Municipality	Addressed under Financial Viability and analysis	Completed	Finance
3.	The Municipality has not reflected a coherent plan to reserve the useful life of assets.	Addressed under Financial Viability and analysis	Completed	Finance
4.	The employee related cost to total is at 41% which is above the ceiling of the norm range of 25% to 40%, a strategy must be developed to break down the information further to include the information per customer group and debtor's age analysis.	Addressed under Financial Viability and analysis	Completed	Finance
5.	An Action plan to be put in place to address AG findings	Addresses under Good Governance Analysis	Completed	Finance/Internal Audit
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
1.	A combined and comprehensive Good Governance SWOT Analysis that speaks to Good Governance Issues within the Municipality	To be address in this IDP review	Completed	Corporate Services (Communications)
3.	Report on membership of the Various Bid Committees	To be address in this IDP review	Completed	Finance/Office of the Municipal Manager
4.	Participation Status of the Amakhosi in Council Meetings	Participation Status and challenges with regards to the participation of Amakhosi in Council Meetings will be addressed in the IDP document	Completed	Corporate Services
CROSS CUTTING				
1.	No evidence of the Strategic Focus within the SDF with no clear goals, objectives, strategies and programmes as well as budget elements. The SDF does not include a Capital Investment Framework	The Municipality will be reviewing and consolidating the SDF for the newly demarcated Umdoni to include the former Vulamehlo area. The SDF will seek to address matters such as the strategic focus, goals, strategies and	In Progress	Planning & Development

		budgeting elements as well as the inclusion of the Capital Investment Framework.		
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1.4 Municipal Key challenges

Whilst we are encouraged by the strides that we have made as a municipality we cannot say we are without challenges. We can be able to highlight a few challenges that we have experienced as a municipality in the preparation of this document. To name but a few:

Community Participation - Understanding the concept of the IDP by all the communities whilst contributing meaningfully to the development of the IDP is still seen as a challenge, we await the time where all will be understanding the process, concept the role to be played.

Alignment with the various institutions and government departments- even though we now have a few departments coming into board and understanding that this IDP document is a collective, the majority of the departments such as the Department of Education are still not participating within these processes hence Education Statistics for the Municipality and planned Education Infrastructure and programmes are not represented within our plan. Some departments when presenting information only present it at a district level with information showing district stats or programmes.

Effective implementation of the IDP – because of the nature and complexity perception of the IDP, our municipality has not fully mastered implementation. This was also echoed by our political leadership at the strategic planning that was held whilst preparing this document. There needs to be synergy between the planning department and the implementing departments.

Producing a simply IDP that is understood by all as a result of the compliance matters that have to be addressed by the municipality as per COGTA’s credibility – the document that we often produce is often thick and therefore not necessarily reader friendly as a number of annexures have to be appended so that we ensure compliance and COGTA’s expectation.

Table 2: Umdoni Key Challenges

Umdoni Municipality Key Challenges	
Service Delivery and Infrastructure development	<p>Urban and Rural Roads maintenance is poor and failure to compact Rural roads has led to degradation of roads.</p> <p>The gaps between Urban and Rural roads show spatial inequality</p> <p>Infrastructure is aging mainly access roads increasing issues of storm water damage.</p> <p>Street lights are not maintained.</p> <p>Inefficient and ineffective water supply and sanitation.</p> <p>Infill's of electricity and illegal connections.</p> <p>The lifespan of the land fill site is shortening Insufficient accredited training facilities for the training of the staff</p> <p>Lack of co-operation by other Government Departments mainly the Department of Education</p> <p>Insufficient revenue streams for long term sustainability</p> <p>Maintenance of Council Infrastructure / Facilities</p> <p>Housing Demand list is outdated and no survey has been conducted in the past 10 years.</p> <p>Access to land for new housing projects poses a challenge</p> <p>Privately owned land with proposed developments of middle income and high income housing developments don't cater for indentured laborers</p> <p>Lack of financial commitment from the District with regards to the provision of water and sanitation infrastructure for current housing projects</p> <p>collection of solid waste not implemented in most rural areas</p>
Local Economic Development	<p>No Tourism Development Plan</p> <p>Increasing number of businesses operating illegally with no business licenses</p> <p>Limited resources (Financial) to support SMMEs and Cooperatives</p> <p>Lack of LED capacity (Human and Financial) within the Planning and Development Section and the LED Manager has handed in her resignation in March 2016.</p> <p>Limited/lack of land for development opportunities</p> <p>Lack of area plans to direct development</p>
Good Governance and Public Participation	<p>Public Participation not being centralized</p> <p>No communication plan</p> <p>Lack of implementation of the Occupational Health and Safety Policy</p> <p>Lack of capacity within the Public Participation Office and Youth Office</p>
Financial Management and Viability	<p>Follow up and communication on finance issues.</p> <p>Payments over 30days are not done on time</p> <p>Debt collection (increasing non-payment of municipal service providers)</p> <p>Completeness of Revenue Billing</p>

	<p>The Supply Chain Management processes delay planning. Budget and SCM proactive planning (Priority Expenditure) Asset Management Compliance with MSCOA</p>
Institutional Development and Transformation	<p>No career & succession planning Lack of cooperation and communication amongst internal departments Lack of achievement of Employment Equity targets No training facilities (venue) Communication internal and external Service & license renewals not being done timeously Organogram not aligned to the needs of the IDP and the skills within the Organization</p>

1.5 What Is our Long Term Vision?

The Municipality’s long term vision is

VISION

“By 2030, Umdoni Municipality will be the JEWEL of the South Coast”

The mission statement is as follows:

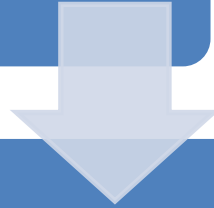
MISSION STATEMENT

“Working together in contributing to job creation, Economic viability to ensure the Well-being of our community in an eco-friendly environment through sustained local economic development”

MUNICIPALITY'S SPATIAL VISION

MUNICIPALITY'S LONG TERM VISION

- "By 2030 Umdoni will be the J.E.W.E.L of the South Coast



SPATIAL VISION

"By 2030 Umdoni Municipality will be the tourism hub of the South Coast through enhancing development and promoting the economic sectors of Tourism, Industrial, and agriculture."

1.6 What are we doing to address the key challenges?

The municipality has come up with the following priorities in order to unlock the challenges that the

Table 3: Umdoni Key Priorities

PRIORITY NO	IDP PRIORITY	KEY FOCUS AREAS	MUNICIPAL PERFORMANCE AREA	KEY RESPONSIBLE DEPARTMENT
1	Service Delivery and Infrastructure Development	<ul style="list-style-type: none"> • Human settlements • Waste management • High Mast Lights. • Roads and storm water (urban and rural) • adequate resources for libraries • Ensure adequate resources for all facilities 	Basic Service Delivery and Infrastructure Development	Technical Services/Community Services
2	Municipal Financial Viability	<ul style="list-style-type: none"> • Debt Recovery • Revenue Enhancement • Supply Chain Management • Asset Management • Financial Viability • Payment of creditors within 30 days • Accurate billing and collection • Capacitated human capital 	Financial Viability and Management	Financial Services
3	Local Economic Development	<ul style="list-style-type: none"> • Tourism development • SMME Development • Job Creation • Control illegal Developments • Environmental management and compliance • Business Development and Investment Attraction 	Local Economic Development	Planning and Development/Technical Services/Corporate Services/Community Services and Finance
4	Institutional Development and Transformation	<ul style="list-style-type: none"> • HR Strategy & Organizational development • Efficient and sustainable ICT environment • Legal exposure minimized/managed • PMS (Institutionalized Performance Management System) • IDP (Timely, cost efficient, realistic and community focused) 	Municipal transformation and Institutional Development	Corporate Services

5	Public Participation and Good Governance	<ul style="list-style-type: none"> • To enhance efficient communication & public participation • Special Programmes • Youth development • Fraud and Corruption <ul style="list-style-type: none"> • IGR Strategy 	Local Development/ Service Delivery and Infrastructure Development	Economic Basic and Office of the Municipal Manager
6	Land Use Management	Town Planning LUMS SEA	Cross-cutting issues	Planning and Development

1.6 Development Objectives

Table 4: Umdoni Development Objectives

KEY PERFORMANCE AREA	OBJECTIVES
Municipal Transformation and Institutional Development	<ul style="list-style-type: none"> To improve HR Policy Framework that is in line with the IDP and legislation and to ensure alignment of Organizational skills with the Organogram To improve HR Policy Framework that is in line with SALGA best practices and legislation and to ensure alignment of Organizational skills with the Organogram To establish an efficient and effective ICT System unit within Umdoni which is compliant, advanced and enhances communication channels that will improve time management and increase service delivery and achievement of Performance targets To ensure an effective and Efficient Performance management Culture within the municipality that enhances accountability. Time management and achievement of Service Delivery Targets
Basic Service Delivery and Infrastructure Development	<ul style="list-style-type: none"> To ensure provision, upgrading and maintenance of infrastructure and services that enhances economic development. To ensure that Umdoni communities have access to energy sources by 2022 and beyond. To ensure that the housing Backlog is eliminated.
Local Economic Development	<ul style="list-style-type: none"> To promote economic development in order to reduce poverty, inequality and unemployment. To properly manage land administration and usage. To facilitate an integrated approach towards planning for urban and rural communities.
Good Governance and Public Participation	<ul style="list-style-type: none"> To ensure efficient and effective Internal and External Communication To establish an Umdoni Fleet monitoring system that will monitor and eradicate abuse of Municipal Fleet To promote Human rights and Social Upliftment of Vulnerable Groups To manage and minimize Risk to Umdoni Municipality To ensure the provision of a safe and secure environment for all Umdoni residents To ensure an effective and efficient pro-active response to disaster management
Financial Viability and Management	<ul style="list-style-type: none"> To improve effectiveness and efficiency in procurement process To ensure financial sustainability and sound financial principles.
Cross cutting	<ul style="list-style-type: none"> To facilitate an integrated approach towards planning for

	<ul style="list-style-type: none"> urban and rural communities To monitor and manage proposed buildings and buildings under construction
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1.8 How will our Performance be measured?

The SDBIP is essentially the management and implementation tool that sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the target of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used. The SDBIP indicates the responsibilities, and outputs for each of the senior managers in the top management team, the inputs to be used, and the time deadlines for each output.

The SDBIP together with OPMS will therefore determine the performance agreements of the municipal manager and senior managers, including the outputs and deadlines for which they will be held responsible. The SDBIP should also provide all expenditure information (for capital projects and services) per municipal ward, so that each output can be broken down per ward, where this is possible, to support ward Councilors in service delivery information.

Table 5: Municipal Goals, objectives and Responses/Actions

GOALS	OBJECTIVE (S)	MUNICIPAL RESPONSE FOR 2017/2018
KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT’.		
Institutional Development and Transformation	<ul style="list-style-type: none"> To ensure effective and efficient human resource systems, processes and practices commensurate with applicable legislation and IDP imperatives for advanced service delivery. To establish an efficient and effective ICT environment and infrastructure systems that will optimise business efficiency and productivity in line with IDP service delivery strategies. To improve the institutional performance management culture and foster accountability. To ensure efficient and effective internal and external Communication and stakeholder management. 	<ul style="list-style-type: none"> HR Strategy delivered/Organisational development; Efficient and sustainable ICT environment; Legal exposure minimised/managed; Effective PMS (Institutionalised Performance Management System);

GOALS	OBJECTIVE (S)	MUNICIPAL RESPONSE
KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE		
Service Delivery and Infrastructure Development	<ul style="list-style-type: none"> To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development. To ensure that Umdoni communities have access to energy sources 	<ul style="list-style-type: none"> Decent and sustainable Human settlements; Effective and compliant Waste management; Community safety (High Mast Lights); and Functional and Roads and storm water systems (urban and rural).
GOALS	OBJECTIVE (S)	MUNICIPAL RESPONSE
KPA 3: LOCAL ECONOMIC & SOCIAL DEVELOPMENT		
Local Economic Development	<ul style="list-style-type: none"> Tourism development; SMME Development; Job Creation through economic development and other Programmes of the municipality; Management of illegal Developments; Environmental management and compliance; and Business Development and Investment Attraction. 	<ul style="list-style-type: none"> Tourism development; SMME Development; Job Creation through economic development and other programmes of the municipality; Management of illegal Developments; Environmental management and compliance; and Business Development and Investment Attraction.
GOALS	OBJECTIVE (S)	MUNICIPAL RESPONSE
KPA 4: MUNICIPAL FINANCIAL VIABILITY & FINANCIAL MANAGEMENT		
Municipal Financial Viability	<ul style="list-style-type: none"> To ensure financial sustainability and sound financial principles 	<ul style="list-style-type: none"> Debt Recovery; Revenue Enhancement; Compliance, equitable and transparent Supply Chain Management; Asset Management; Financial Viability; Payment of creditors within 30 days; Accurate billing and collection; Capacitation of human capital.
GOALS	OBJECTIVE (S)	MUNICIPAL RESPONSE
KPA 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION		
Good Governance and Public Participation	<p>To promote Human rights and social upliftment of vulnerable groups</p> <p>To ensure the provision of safe and secure environment for all Umdoni Residents</p>	<ul style="list-style-type: none"> Integrated Development Planning (Timely, cost efficient, realistic and community focused); Efficient and effective communication, public participation and stakeholder management;

		<ul style="list-style-type: none"> ◆ Prioritisation of Special Programmes with emphasis on Youth development, senior citizens and disabled; ◆ Aggressive fight against and Fraud and Corruption; and ◆ Effective Inter-Government Relations ◆ timing exercises ◆ Conduct disaster risks education and awareness campaigns at schools
GOALS	OBJECTIVE (S)	MUNICIPAL RESPONSE
KPA 6: CROSS CUTTING		
Overcoming the Spatial Divide that exists between Urban and Rural Communities	Broader Economic Development (SDF, LUMS & SEA)	<ul style="list-style-type: none"> ◆ SDF ◆ SEA ◆ Environmental Awareness Campaigns ◆ Wall to Wall Scheme

1.9 Measuring our progress in relation to the IDP

SECTION B: PLANNING AND DEVELOPMENT PRINCIPLES AND GOVERNMENT POLICIES AND IMPERATIVES

2.1 Introduction

During the review of the IDP it is important to assess the strategic alignment of the planning processes of Umdoni Municipality with the National, Provincial and District development planning framework. The continuous evolution and adjustments of policies and development strategies in the other spheres of government compels local authorities to also strengthen the strategic alignment with such policies and the most effective platform for these purposes is the annual review of the IDP. Table towards the end of this section summarizes the integration of the developmental frameworks into one strategy for the Umdoni Municipality.

In terms of section 24 of the Municipal Systems Act –

(1) The planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government contained in section 41 of the Constitution.

(2) Municipalities must participate in national and provincial development programmes as required in section 153(b) of the Constitution.

It is therefore important for municipalities to align its strategic objectives with national and provincial development policies, strategies and programmes. Chapter 5 of the MSA, in particular, provides direction on co-operative governance, encouraging municipalities to develop their strategies in line with other organs of state so as to give effect to the five-year strategic plan. It goes further to instruct that the IDP must link, integrate and co-ordinate development plans for the municipality. Resources and capacity must align with the implementation of the plan, forming the foundation on which the annual budget must be based. The plan must be compatible with national development plans and planning requirements binding on the municipality in terms of legislation.

The Umdoni Municipality is not an island and must ensure a well-co-ordinated strategic relationship with other spheres of government. Therefore uMdoni's IDP must be aligned to other key planning and policy instruments from the national, provincial and the district government levels.

2.2 PLANNING AND DEVELOPMENT PRINCIPLES

Table 6: Planning and Development Principles

POLICIES	KEY IMPERATIVES	MUNICIPAL RESPOSES
<p>Spatial Land Use Management Act (SPLUMA)</p>	<p>The principle of spatial justice</p> <p>The principle of spatial sustainability</p> <p>The principle of efficiency</p> <p>The principle of spatial resilience</p> <p>The principle of good administration</p>	<p>Development of Municipal Bylaws that will be in line with SPLUMA, with regards to SPLUMA readiness the Municipality will adopt the Wall to Wall Scheme by June 2015 and is currently in the process of the development of a joint Municipal Planning Tribunal.</p>
<p>National Framework for LED in South Africa (2006 – 2011)</p>	<p>Development of sustainable local economies through integrated government action</p> <p>Mobilization of local people and local resources to address local economic issues</p> <p>Addressing poverty, economic potential, access to initiatives, and etc. All at local and \community level.</p> <p>Coordination of economic development planning across all spheres of government.</p> <p>Democratic and accountable governance.☐</p> <p>Public- Private Partnership and coordination in economic development.</p> <p>Public Sector Leadership and governance and Sustainable community Investment programmes</p>	<p>Umdoni municipality is currently reviewing the LED Strategy however there are other initiatives being taken by the municipality to enhance Local Economic Development through the Scottburgh Beachfront Development Concept, Rehabilitation of Scottburgh CBD through maintenance of existing infrastructure that will in turn enhance our tourism and attract potential investors in our area.</p> <p>The development of the Umdoni LED Strategy will facilitate the rejuvenation of the tourism industry and expand the tourism market in terms of the products available and the inclusion of people who have not had the opportunity to participate in the sector.</p> <p>District LED Plan</p>
<p>Breaking New Ground – Human Settlements</p>	<p>Low income Housing must be provided in close proximity to areas of opportunity</p>	<p>Umdoni is currently reviewing its Housing Sector Plan with the assistance of the Department of Human Settlements and currently has housing projects that are in</p>

		<p>construction such as the Umzinto Slums Clearance – Farm Isonti and the Refurbishment of Riverside Park project and projects that are still under planning and Inception Phase such as Amahlongwa, Amandawe Rural Housing projects</p>
<p>CRDP</p>	<p>Land development procedures must include provisions that accommodate access to secure tenure</p> <p>Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilized</p> <p>Engagement with stakeholder representatives on policy, planning and implementation at national, Sectoral and local levels is central to achieving coherent and effective planning and development</p>	<p>Umdoni Municipality is undergoing a process to Review its Local Economic Development Strategy that will facilitate the rejuvenation of the tourism industry and expand the tourism market in terms of its products available and the inclusion of the people who have not had the opportunity to participate in the sector</p> <p>With regards to the agricultural sector the strategy will facilitate the expansion and agricultural sector and assist in the diversification of the sector to include more small producers and to expand the product range, however service delivery has not been put on hold due to the lack of a reviewed LED Strategy, the municipality has a partnership with the UGU South Coast tourism to find ways to achieved local economic development and enhance the tourism sector.</p>

2.3 GOVERNMENT POLICIES AND DEVELOPMENT IMPERATIVES

One of the key objectives of Integrated Development Planning (IDP) is to ensure alignment between national and provincial priorities, policies and strategies which include but not limited to the following:

- Sustainable Development Goals 2030 (SDG's)
- National Development Plan (2030 Vision)
- Integrated Urban Development Framework
- Medium Term Strategic Framework
- National Outcomes
- National Infrastructure Plan(NIP and Strategic Integrated Projects SIP)
- Back to Basics
- State of the Nation Address
- State of the Province Address
- Provincial Growth and Development Plan
- Ugu District Growth and Development Plan
- Spatial Land Use and Management Act(SPLUMA)

2.3.1. The Sustainable Development Goals 2030 (SDGS)

15 years after they were created, the UN's Millennium Development Goals (MDGs) have reached their expiration date. Progress has been made across the board, from combatting poverty, to improving education and health, and reducing hunger, but there is a long way to go.

Shockingly, surveys found that in September 2015 only 4% of the UK public had heard of the MDGs. These international agreements have the potential to change the lives of millions of the world's poorest. At Five Talents, we believe that public understanding of these big-picture development goals is of great importance, because of this we have put together this page on the set of goals the UN will be focusing on for the next 15 years: the Sustainable Development Goals (SDGs).

Figure 1: Sustainable Development Goals



Source: UN Trade

2.3.2 The National Development Plan (NDP)

The National Planning Commission has been established in 2009 under the leadership of former Minister Trevor Manuel. After extensive research and consultation with a wide range of stakeholders, a National Development Plan (NDP) commonly referred to as Vision 2030 has been drafted. It is quite evident that government places a high priority on the implementation of the plan and it can be expected that the NDP will be the compass by which the national government is going to steer the development path of South Africa into the future. The broad goal of this plan is to reduce unemployment, alleviate poverty and reduce inequality by 2030. The key focus areas of this plan are illustrated in the figure below:

Figure: National Development Plan



Source: National Development Plan Summary Document

The Table 11 below illustrates the alignment of the strategic objectives of Umdoni Municipality with the objectives of the National Development Plan and also indicates the programmes/projects which the municipality is currently embarking on that will significantly contribute to underpin and strengthen such objectives:

Table 7; National Development Plan

NDP CHAPTER	NDP OBJECTIVE	NDP ACTION	STRATEGIC OBJECTIVE	IDP PROGRAMME
Chapter 3: Economy and Employment	Public employment programmes should reach 1 million by 2015 and 2 million people by 2030	Broaden the expanded public works programme to cover 2 million full-time equivalent jobs by 20202	To create an enabling environment for economic growth that attracts investors, encourages innovation and facilitates pro-poor interventions	Effective implementation of the EPWP programme
Chapter 4: Economic Infrastructure	The proportion of people with access to the electricity grid should rise to at least 90% by 2030, with non-grid options available for the rest		To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	
	Ensure that all people have access to clean, potable water and that there is enough water for agriculture and industry, recognising the trade-offs in the use of water.		To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment.	
	The proportion of people who use public transport for regular commutes will expand significantly. By 2030, public transport will be user friendly, less environmentally damaging, cheaper and integrated or seamless.	Public transport infrastructure and systems, including the improvement of road-based transport services at an affordable rate.	To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment.	
Chapter 5: Environmental Sustainability	A target for the amount of land and	Put in place a regulatory framework for land use, conservation and restoration of protected areas	To ensure ecological integrity through sustainable practices of municipal governance	Strictly adhere to all NEMA principles Implementation of an

	oceans under protection			Environmental Management Plan (EMP) and Strategic Environmental Assessment (SEA)
	Achieve the peak, plateau and decline trajectory for greenhouse gas emissions, with the peak being reached around 2025		To ensure ecological integrity through sustainable practices of municipal governance	
	By 2030 an economy wide carbon price should be entrenched	Carbon price, building standards, vehicle emission standards and municipal regulations to achieve scale in stimulating renewable energy, waste recycling and in	To ensure ecological integrity through sustainable practices of municipal governance	Implementation of Waste Minimisation Strategies Exploring of sustainable alternative energy sources
	Zero emission building standards by 2030	All new buildings to meet the energy efficiency criteria set out in South African National Standard 2004	To ensure ecological integrity through sustainable practices of municipal governance	Implementation of the new eco-friendly building regulations
	Absolute reductions in the total volume of waste disposal disposed to landfill each year	Absolute reductions in the total volume of waste disposal disposed to landfill each year	To ensure ecological integrity through sustainable practices of municipal governance	Review of Integrated Waste Management Plan to include effective and efficient Waste Minimisation Strategies
	Improved disaster preparedness for extreme climate events		To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	Implementation of comprehensive Disaster Management Plan
	Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.	Channel public investment into research, new agricultural technologies for commercial farming, as well as for the development of adaptation strategies and support services for small-scale and informal farmers.	Agricultural technologies environment friendly and that attracts investment, encourages innovation and facilitate pro-poor interventions.	Facilitate partnerships with relevant sector departments and agricultural practitioners to implement commercially viable agricultural enterprises
Chapter 8: Transforming Human Settlements	Strong and efficient spatial planning system, well integrated across the spheres of government.	Reforms to the current planning system for improved creation of a	Provide a enabling environment for economic growth that attracts investors, encourages innovation and facilitates pro-poor interventions	Review of the Spatial Development Framework (SDF).
		Provide incentives for citizen activity for local planning and development of spatial compacts	To establish a common vision and create coherence in government's work by seeking close partnerships	Encouraging of effective public participation in all planning processes.

			with citizenry.	
	Upgrade all informal settlements on suitable ,well located land by 2030	Develop a strategy for densification of cities and resource allocation to promote better located housing and settlements	To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe.	Review of the Housing Sector Plan
	More people living closer to their places of work	Develop a strategy for densification of cities and resource allocation to promote better located housing and settlements	To establish a common vision and create coherence in government's work by seeking close partnerships with citizenry	
	More people living closer to their places of work	Conduct a comprehensive review of the grant and subsidy regime for housing with a view to ensure diversity in product and finance options that would allow for more household choice and greater spatial mix and flexibility. This should include a focused strategy on the housing gap market, involving banks, subsidies and employer housing schemes	To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	
	Better quality public transport	Substantial investment to ensure safe, reliable and affordable public transport	To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	
	More jobs in or close to dense, urban townships	Introduce spatial development framework and norms, including improving the balance between location of jobs and people	To create an enabling environment for economic growth that attracts investors, encourages innovation and facilitates pro-poor interventions	Review of the SDF and integration with other strategic plans through ISDF process
Chapter 9: Improving education, training and innovation	Make early childhood development a top priority among the measures to improve the quality of education and long-term prospects of future generations. Dedicated resources should be channelled towards ensuring that all children are well cared for from an early age and receive appropriate emotional, cognitive and physical development	Design and implement a nutrition programme for pregnant women and young children, followed by an early childhood development and care programme for all children under the age of 3	To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	Participate in the programmes of other spheres of government to establish functional ECD
		Increase state funding and support to ensure universal access to two years of early childhood development exposure before grade 1	To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	
		Strengthen co-ordination between departments, as well as the private and non-profit sectors. Focus should be on routine day-to-day co-ordination between units of departments that do similar work	To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	Participate in the programmes of other spheres of government to establish functional ECD centres

	stimulation			
Chapter 10: Health care for all	Progressively improve TB prevention and cure		To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	HIV/Aids and TB strategy to be implemented effectively and embarking on a comprehensive awareness campaign in partnership with the Departments of Social Development and Health
	Reduce maternal, infant and child mortality		To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	Facilitate programmes to make pregnant women more aware of the advantages of a healthy lifestyle during pregnancy
	Reduce injury, accidents and violence by 50% from 2010	Expanding staff and capital resources in police departments for all citizens to equitable, especially appropriate and sustainable infrastructure and services within a safe environment	To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	Effective traffic law enforcement on all major roads
	Deploy primary healthcare teams provide care to families and communities	Provide effective primary health-care services	To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	Identifying the need for health care facilities in all wards and referring submissions to the Department of Health via IGR structures
	Everyone must have access to an equal standard of care, regardless of their income		To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	Determining of the service levels at health care facilities and making submissions to the Department of Health and EMS
Chapter 11: Social Protection	All children should enjoy services and benefits aimed at facilitating access to nutrition, health care, education, social care and safety	Address problems such as hunger, malnutrition and deficiencies that affect physical growth and cognitive development, especially among children	To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	Participate in programmes from other spheres of government to achieve this objective
	Provide income support to the unemployed through various active labour market initiatives such as public	Pilot mechanisms and incentives to assist the unemployed to access the labour market.	To create an enabling environment for economic growth that attracts investors, encourages innovation and facilitates pro-poor interventions	Effective implementation of the EPWP programme with a targeted approach towards youth employment

	works programmes, training and skills development and other labour market related incentives			
Chapter 12: Building safer communities		All schools should have leaner safety plans Increase community participation and safety initiatives Safety audits done in all communities focussing on crime and safety conditions of the most vulnerable in the community	To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	Supporting of Community Policing Forum initiatives and neighbourhood watches
Chapter 13: Building a capable and developmental state	A state that is capable of playing a developmental and	In 2030 people living in South Africa feel safe and have no fear of crime. They feel safe at home, at school and at work, and they enjoy an active community life free of fear. Women can walk freely in the street and the children can play safely outside. The police service is a well-resourced professional institution staffed by highly skilled officers who value their works, serve the community, safeguard lives and property without discrimination, protect the peaceful against violence, and respect the rights of all to equality and justice.	To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	Enhancing a developmental approach in all the affairs of Local Government and providing a platform for local stakeholders to actively participate in all development initiatives
	Staff at all levels has the authority, experience, competence and support they need to do their jobs.	Create an administrative head of the public service with responsibility for managing the career progression of heads of department. Put in place a hybrid approach to top appointments that allows for the reconciliation of administrative and political priorities	To develop progressive strategies to optimise the use of available human resources	All management and financial staff to obtain Minimum Competency Requirements. Continuous training and skills development of staff in line with the Umdoni Work Place Skills Plan
	Relations between national, provincial and local government are improved through a more pro-active approach to managing the intergovernmental systems	Use differentiation to ensure a better fit between the capacity and responsibilities of provinces and municipalities. Take a more pro-active approach to resolving coordination problems and a more long-term approach to building capacity	To develop progressive strategies to optimise the use of available human resources	Participating and adding value to all IGR structures in the spirit of Co-operative Governance
		Develop regional utilities to deliver some local	To develop progressive strategies to	Explore the implementation

		government services on an agency basis, where municipalities or districts lack capacity. Make the public service and local government careers of choice. Improve relations between national, provincial and local government	optimise the use of available human resources	of a shared services model where internal capacity might be lacking
		Adopt a less hierarchical Approach to coordination so that routine issues can be dealt with on a day-to-day basis between mid-level officials. Use the cluster system to focus on strategic cross-cutting issues and the Presidency to bring different parties together when co-ordination breaks down	To develop progressive Strategies to optimise the use of available human resources.	Effective utilisation of existing IGR structures.
Chapter 14: Fighting corruption	A corruption-free society, a high adherence to ethics throughout society and a government that is accountable to its people	Expand the scope of whistle-blower protection to include disclosure to bodies other than the Public protector and the Auditor-General. Strengthen measures to ensure the security to whistle	To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery	Risk Management Strategy and Plan
		Centralise oversight of tenders of long duration or above a certain amount	To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery	Strictly enforcing all relevant Supply Chain Management Policies & Procedures
		An accountability framework should be developed linking the liability of individual public servants to their responsibilities in proportion to their seniority	To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery	Effective implementation of a Performance Management System for Sec. 57 Employees as well as the cascading of Performance Management to Lower levels of staff within the organization

		Clear rules restricting business interest of public servants should be developed	Clear rules restricting business interest of public servants should be developed	Effective implementation of the Codes of Conduct for Councillors and Officials Conduct ethics workshop to all employees and Councillors
		All corrupt officials should be made individually liable for all losses incurred as a result of their corrupt actions	All corrupt officials should be made individually liable for all losses incurred as a result of their corrupt actions	Effective implementation of Disciplinary Procedures.
Chapter 15: Nation building and social cohesion	Our vision is a society where opportunity is not determined by race or birth right: where citizens accept that they have both rights and responsibilities. Most critically, we seek a united, prosperous, non-racial, non-sexist and democratic South Africa	Improving public services and spaces as well as building integrated housing and sport facilities in communities to ensure sharing of common spaces across race and class.	To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service deliver	Adhering to Batho Pele principles and being responsive to the needs of the community

2.3.3 Integrated Urban Development Framework

The IUDF strategic goals (Access, Growth, Governance, and Spatial Transformation) inform the priority objectives of the eight levers. The levers address in combination all of the structural drivers that promote the status quo in the country.

Lever 1 -Integrated Spatial Planning: Cities and towns that are spatially organised to guide investments that promote integrated social and economic development, resulting in a sustainable quality of life for all citizens.

Lever 2 -Integrated Transport and Mobility: Cities and towns where people can walk, cycle and use different transport modes to easily access economic opportunities, education institutions, health facilities and places of recreation

Lever 3 - Integrated Sustainable Human Settlements: Cities and towns that are spatially equal, integrated and multi-functional in which settlements are well connected to essential and social services, as well as to areas of work opportunities.

Lever 4 -Integrated Urban Infrastructure: Cities and towns that have transitioned from traditional approaches to resource efficient infrastructure systems which provide for both universal access and more inclusive economic growth.

Lever 5 -Efficient land governance and management: Cities and towns that grow through investments in land and property, providing income for municipalities that allow further investments in infrastructure and services, resulting in inclusive, multi-functional urban spaces.

Lever 6 - Cities and towns that are dynamic and efficient, foster entrepreneurialism and innovation, sustain livelihoods, enable economic growth, and generate the tax base needed to sustain and expand public services and amenities.

Lever 7 - Empowered active communities: Cities and towns that are home to socially and culturally diverse citizens, who are actively involved in city life and committed to making South Africa work.

Lever 8 -Effective urban governance: Cities and towns that have the necessary institutional, fiscal and planning capabilities to build inclusive, resilient and liveable urban spaces

Cross Cutting Issues

1. Rural-urban interdependency: The IUDF recognises that the rural and urban areas are interdependent and inter-linked and as such it advocates for an integrated and coordinated approach of the urban and rural areas. It is demonstrated through The IUDF that urban development is not an alternative to rural development. Both areas are connected through flows or people, and natural and economic resources. A good balance is therefore needed between urban and rural development especially given the interdependencies between the two.

2. Disaster risk reduction and climate change: In recent years South Africa has reflected an increasingly diverse spectrum of disasters and environmental challenges. These include impacts partly attributed to growing urban populations, changing settlement patterns, and climate variability. Urbanisation and growing informality of urban settlements are also putting increased pressure on the natural environment. The IUDF gives direction and calls for consolidated effort to address environmental challenges and disaster risks.

3. Urban Safety: Safety is a core human right and a necessary condition for people's well-being, quality of life and for economic development. Safety in public spaces is an essential ingredient to the creation of liveable and prosperous cities. Therefore, urban spaces and facilities need to be designed and managed in a way that promotes community safety and makes citizens feel safe from violence and crime

2.3.4 MEDIUM TERM EXPENDITURE FRAMEWORK

Medium-Term Strategic Framework: The MTSF base document is meant to guide planning and resource allocation across all the spheres of government. National and provincial departments have to develop their five-year strategic plans and budget requirements taking into account the medium-term imperatives. Municipalities are expected to adapt their Integrated Development Plans in line with the national medium-term priorities and aspire to address to such priorities. Critically, account has to be taken of the strategic focus of the framework as a whole. This relates in particular to the understanding that economic growth and development, including the creation of decent work on a large scale, investment in quality education and skills development are at the centre of the government's approach. The Medium Term Strategic Framework lists 10 priorities: Speed up economic growth and transform the economy to create decent work and sustainable livelihoods;

- Implement a massive programme to build economic and social infrastructure;
- Implement a comprehensive rural development strategy linked to land and agrarian reform and food security;
- Strengthen the skills and human resource base;
- Improve the health profile of society;
- Intensify the fight against crime and corruption;
- Build cohesive, caring and sustainable communities;
- Pursue regional development, African advancement and enhanced international co-operation;
- Focus on sustainable resource management and use; and
- Build a developmental state including improvement of public services and strengthening democratic institutions

2.3.5 National Outcomes

National Government has designed 14 Outcomes for Government and all its service delivery functions. The 14 Outcomes are based on a concept of The Outcomes Approach which is essentially a strategic approach which focuses on achieving the expected real improvements in the life of all South Africans.

The outcomes approach broadly defines what is expected to be achieved, how it is to be expected to be achieved and whether the outcomes are being achieved. The overall goal of the 14 outcomes that have been designed is to ensure that government does not just carry out the functions it is supposed to, but to ensure that results from these functions are achieved and show impacts on the lives of South Africans.

The outcomes approach mainly:

- Focuses on results
- Makes explicit and testable the chain of logic in our planning, so we can see the assumptions we make about the resources that are needed
- Links activities to outputs and outcomes and to test what works and what doesn't
- Ensure expectations are as clear and unambiguous as possible
- Provides clear basis for discussion, debate and negotiation about what should be done and how it should be done
- Enables learning and regularly revising and improving policy, strategy and plans through experience
- Makes co-ordination and alignment easier

The 14 Outcomes have been based on the Election Manifesto and the Medium Term Strategic Framework (2014-2019), as well as consultation on ministerial and administrative levels. The outcomes are a representation of the desired development impacts to be achieved by government's policy priorities.

The 14 Outcomes are listed as:

1. Quality basic education
2. A long and healthy life for all South Africans
3. All people in South Africa are and feel safe
4. Decent employment through inclusive growth
5. A skilled and capable workforce to support an inclusive growth path
6. An efficient, competitive and responsive economic infrastructure network
7. Vibrant, equitable and sustainable rural communities towards food security for all

8. Sustainable human settlements and improved quality of household life
9. Responsive, accountable, effective and efficient local government
10. Protect and enhance our environmental assets and natural resources
11. Create a better South Africa and contribute to a better Africa and a better World
12. An efficient, effective and development orientated public service
13. A comprehensive, responsive and sustainable social protection system
14. A diverse, socially cohesive society with a common national identity

2.3.5.1 Outcome 9- A responsive, accountable, effective and efficient local government systems

The local municipality draws particular focus on Outcome 9, which intends to ensure a responsive, accountable, effective and efficient local government system with an intention of restoring the confidence of citizens in the local government sphere. The local municipality is responsive to the outcome in the following ways:

Table 8: Alignment of Umdoni Municipality with Delivery Outcome 9

No	Output	Key Performance Area	Municipal Response
Output 1:	A differentiated approach to Municipal financing, planning and support	Municipal Transformation and Institutional Development	
Output 2:	Improving Access to Basic Service Delivery	Basic Service delivery and Infrastructure Development	<ul style="list-style-type: none"> • Ensure provision of access roads • Ensure the provision of electricity/energy within Umdoni Local Municipality • Ensure the maintenance of community facilities i.e., community halls and sport-fields • Implement a maintenance plan • Ensure the maintenance of the municipal roads
Output 3:	Implementation of the Community Works Programme	Local Economic Development	Ensure the implementation of CWP.

Output 4:	Actions supportive of the human settlement outcomes	Basic Service delivery and Infrastructure Development	The Municipality has developed and is implementing the Housing Sector Plan
Output 5:	Deepen democracy through a refined ward Committee Systems model	Good Governance and Public Participation	Monitoring and Evaluation of ward Committee structures and their functionality
Output 6:	Administrative and Financial Capability	Financial Viability and Management	To ensure MSCOA compliance
Output 7:	A single window of coordination	Good Governance and Public Participation	<ul style="list-style-type: none"> • To improve inter-departmental and external (including IGR) communication • To ensure effective and efficient internal and external communication

2.3.6 National Infrastructure Plan (NIP and Strategic Integrated Projects (SIPs)

The South African Government adopted the National Infrastructure Plan (NIP) in 2012. It seeks to transform the national economic landscape through the maximization of job creation and improved basic service delivery. The central premise includes upgrading existing and building new infrastructure. It calls for investments in: healthcare and education facilities; housing and electrification; sanitation facilities; road and railway infrastructure; construction of dams and ports.

The plan is furnished with 18 Strategic Integrated Projects (SIPs) to help guide such investments. These catalytic projects align development and growth with cross-cutting areas. Some of these projects are relevant to Umdoni Municipality, which the municipality takes cognizance of and seeks to align its development goals accordingly. These projects are listed as follows:

SIP 2: Durban-Free State-Gauteng logistics and industrial corridor.

The primary purpose of the SIP is to strengthen the logistics and transport between the main industrial hubs in South Africa.

SIP 6: Integrated Municipal Infrastructure Project

SIP 6 identifies the significance of adequate delivery of bulk service infrastructure, particularly in 23 of the least resourced district municipalities. Ugu District Municipality has been identified accordingly. The project seeks to address maintenance backlogs of existing and required sanitation, water and electricity bulk infrastructure. It is also detailed with a road maintenance programme to promote a more efficient delivery capacity in this regard. Accordingly, the project advocates for the participation of key sector departments including Health, Education, Water and Sanitation, Human Settlements.

The PICC has appointed DBSA to co-ordinate the functions of the project and facilitate related project activities. Currently, DBSA has conducted and completed an analysis of the current capacity of the relevant above mentioned district municipalities. This analysis is instrumental in the business plan currently being drafted to guide SIP 6 implementation. This business plan will be detailed with various interventions to help address the identified infrastructure backlog in each local municipality within the relevant district municipalities

SIP 11: Agri-logistics and rural infrastructure

SIP 11 is crucial for predominantly rural municipalities such as uMdoni Municipality which will be incorporating six and half wards from Vulamehlo Municipality which predominantly rural. The SIP places emphasis on investment in agricultural and rural infrastructure. This allow for growth in production and employment from both small-scale farming and rural development. Requisites of SIP 11 include fencing of farms, processing facilities (abattoirs, dairy infrastructure), and irrigation schemes to poor areas, improved R&D on rural issues (including expansion of agricultural colleges), aquaculture incubation schemes and rural tourism infrastructure.

SIP 13: National School Build Programme

The programme seeks to address national backlogs through the provision of adequate schools that are in good condition to harness learning environments. This includes the address of backlogs in classrooms, computer labs, libraries and administration buildings. Key priorities of the programme include uniformity in planning procurement, contract management and provision of basic services. As part of the programme, the Schools Infrastructure Backlog Grant (SIBG) provides funds for an Accelerated Schools Infrastructure Delivery Initiative (ASIDI). The programme will be instrumental in the provision of rural schools and in reducing overcrowding in schools.

SIP 18: Water and Sanitation Infrastructure

SIP 18 is a ten-year plan that seeks to address backlogs in water supply and basic sanitation to households. This will help serve social needs through efficient basic service delivery. It prioritizes on improving the management, rehabilitation and upgrading of existing infrastructure, the provision of new infrastructure.

2.3.7 Back to Basics Approach

The Back to Basics Approach has identified Key Performance Areas that each local Municipality should gear towards achieving:

Table 9: Back to Basics

Back to Basics	Objectives
Good Governance	<ul style="list-style-type: none"> • Clear description of roles and responsibilities. • Transparency and accountability • Community engagement • Functional Oversight Committees
Public Participation: putting people first	<ul style="list-style-type: none"> • Regular and concise reporting (regular reports by ward councilors) • Regular feedback on petition and complaints • Clean engagement platforms with civil society, ratepayers and the other stakeholders • Accountable and responsive governance • Functional Ward Committees
Basic Services: creating decent living conditions	<ul style="list-style-type: none"> • Job creation through EPWP, CWP and Working for the Coast Programme • Develop and maintain infrastructure within the municipality • Implement infrastructure maintenance plan • Ensure provision of Free Basic Services
Sound Financial Management	<ul style="list-style-type: none"> • Proper book keeping of annual financial statements • Cut wasteful expenditure • Functional supply chain management structures with appropriate oversight • Increase revenue base • Ensure credit and internal controls • Ensure serious consequences for corruption, maladministration and fraud • Greater transparency and scrutiny for supply management • Ensure efficient Bid Committees
Building Capable Institution and Administration	<ul style="list-style-type: none"> • Functional administration through a proper system of delegation • Regular interaction between management and organized labour • Realistic organogram that should be aligned to municipal development strategy • Ensure competency standards to all managers • Ensure PMS is Cascaded to all staff

2.3.8 State of the Nation Address (SONA)

In 2015 the state introduced the 9 point plan as means of addressing socio-economic challenges that South Africa is facing. Significant progress has been made in the implementation of such a plan.

Unlocking the potential of SMMEs, cooperatives, township and rural enterprises

Umdoni Municipality is currently formulating a SMMEs & Co-operatives Development Plan and Implementation Plan. The plan looks to provide support and yield the economic potential of all SMMEs and Co-operatives in all municipal wards.

Revitalising agriculture and the agro-processing value chain and Encouraging Private sector Development

.The National Department of Rural Development and Land Reform (DRDLR) appointed Urban-Econ Development Economists and team to undertake the development of a Master Agri-park Business Plan for Ugu District Municipality. Furthermore, the Master Agri-park Business Plan will identify the three most feasible agricultural commodity value chains within the district. The ultimate goal of the project is to use agricultural development as a catalyst for rural economic transformation by effectively utilising land with high agricultural potential.

Continue to promote opportunities for the youth

Umdoni Municipality is in the process of developing the Youth Development Plan. The main objective of the plan would be to identify strategic objectives that will be aligned the youth to economic opportunities and other government programmes. The Municipality also seeks to close gaps and increase capacity within the Youth Office in the organization to ensure that the needs and challenges that are facing the youth in Umdoni are well catered for.

Back to Basics programme to promote good governance and effective administration through cutting wastage, spending public funds prudently, hiring competent staff, and ensure transparency and accountability in municipalities.

The Municipality is committed to ensure that the Back to Basics approach is implemented accordingly.

2.3.9 State of the Province Address (SOPA)

The 2017 State of the Province Address is the third one to be delivered in this six-year cycle in the implementation of the National Development Plan (NDP) and the KZN Provincial Growth and Development Plan (PGDP), the Premier reiterated the significance in the Province strengthening alignment with the NDP by prioritizing on the 5 key National Priorities and the associated 14 outcomes. He stated that the province has moved forward and has remained well on track to 2030

The focus areas for the next 5 years that was highlighted in the SOPA that would have an impact on Umdoni Municipality are as follows:

Table 10: Provincial Growth and Development Strategy

INTERVENTION	SPECIFICATION	UMDONI'S RESPONSE
1. Resolving the energy crises and enhancing the energy mix	All stakeholders must play a role in reducing energy demands in residential dwellings through the promotion of energy efficient technologies.	Ensure that all new buildings meet the energy efficiency criteria set out in SANS 2004.
2. Revitalizing the agriculture value chain	Agriculture is a key sector to ensure food production and security. Objective 1.1. Of the PGDP to unleash, agricultural potential in Kwa-Zulu Natal needs to be internalized. Create new employment opportunities in the agricultural sector.	The National Department of Rural Development and Land Reform (DRDLR) appointed Urban-Econ Development Economists and team to undertake the development of a Master Agri-park Business Plan for Ugu District Municipality. Furthermore, the Master Agri-park Business Plan will identify the three most feasible agricultural commodity value chains within the district. The ultimate goal of the project is to use agricultural development as a catalyst for rural economic transformation by effectively utilizing land with high agricultural potential. LED projects implemented to help create employment opportunities.
3. Economic Development and Private Sector	Recognition of the role the private sector plays in provincial economic growth and job creation Contribution made by tourism development	Umdoni Municipality continues to work in partnership with the private sector in various development across the main local economic sectors i.e. agriculture, tourism, and manufacturing. Meetings with Umdoni Business Chamber are held on Quarterly basis with the Municipality to strengthen

		<p>partnership</p> <p>The local municipality strides towards creating an enabling environment for a competitive tourism sector, as informed by its identified comparative advantages in this sector.</p> <p>The LED strategy has been adopted by Council in February 2016 and will be reviewed in the 2017/2018 Financial year to be in line with the National Development Plan as well as be consolidated to include the newly demarcated areas that where a part of Vulamehlo Municipality</p>
<p>4. Unlocking SMMEs and Co-operatives potential</p>	<p>Create an environment conducive for small businesses to grow.</p> <p>Create a space for new entrepreneurs to emerge and link up with big co-operates where possible.</p>	<p>The Municipality has recently established an interim Informal Economy Chamber.</p> <p>The informal Economy Policy has been adopted by Council.</p> <p>The municipality has developed a SMMEs and Co-operatives Support Plan to help local small enterprises, co-operatives and new entrepreneurs participate in the local economy.</p> <p>The small businesses information sharing session is conducted on an annual basis. The main objective of this session is to ensure the information is cascaded to all businesses within Umdoni. To share information on how to access funding and other programmes and also to allow small businesses to share their experiences. Sector departments, banking sector and other prospective funders</p>

2.3.10 Provincial Growth and Development Plan

The Provincial Growth and Development Strategy (PGDS) is aligned within the current provincial, national as well as global policy frameworks, aimed at bettering the lives of its citizens through sustainable practices. The strategy is aimed at mobilising as well as synchronising strategic plans and investment priorities in all spheres of government, state owned entities, business, higher education institutions, labour, civil society and all other social partners. The purpose of the PGDS is to be the primary growth and development strategy for KwaZulu-Natal to 2030. It sets a long-term (20 year +) vision and sets out the strategic goals and objectives for the Province.

Figure 4: Strategic Goals and Objectives for KZN until the Year 2030



Source: KZN PGDS, 2011-2030

Figure 2: KZN PGDS

The PGDS is meant to serve as the overarching strategic framework for development – it is not an inventory but focuses on strategic areas. The PGDS is meant to guide the activities and resource allocation of all levels of spheres of government as well as provide suggestions to private sector and non-government agencies that can contribute to development in the Province. The main challenge is to devise people-centred strategies to advance a sustainable and transformative agenda which also curb historically derived social and spatial disparities.

According to the PGDS, the various challenges effecting the growth of KwaZulu-Natal Province includes the current unsustainable settlement practices, capacity and skill constraints as well as inefficiencies in the governance and administrative landscape, non performing economic development areas, dispersed rural settlements, high levels of adult illiteracy, unemployment, gender inequality and environmental

degradation. In order to alleviate and eradicate these issues, it is pointed out that consistent intervention and investment is required.

Key implications for the Umdoni Local Municipality

The presentation of the PDGS presents Umdoni as an area which is mainly comprised of economic support and social investment areas. The implementation of these objectives and strategic goals should seek to achieve and stimulate economic growth and social development. The strategy should not only aim at increasing skills and education levels, but to also increase productivity, alleviate poverty, stimulate job creation, promote good health and achieve environmental sustainability.

2.3.11` Ugu District Growth and Development Strategy

The strategy contains four levels. At the highest level of the strategy, there are 6 strategic drivers; these each have strategic objectives, followed by strategic programmes, and finally, key intervention areas. The 6 strategic drivers that have been identified are:

1. Sectoral Development and Support
2. Education and Skills development
3. Safety and Empowerment of Communities
4. Strategic Infrastructure Investment
5. Institutional development
6. Environmental Sustainability

Table 11: Ugu District Growth and Development Strategy: Strategic Drivers

No	Strategic Divers	Objectives	Umdoni Priority Focus Area
1	Sectoral Development and Support	<ul style="list-style-type: none"> • Expand the Key Productive Sectors • Enhance the Business and Investment Environment throughout the District 	Local economic Development and job Creation Tourism Development
2	Education and Skills development	<ul style="list-style-type: none"> • Ensure Early Childhood Development and Primary & Secondary Education • Encourage Demand Driven Skills Development & Training linked to Industry 	Institutional Development: Accountability and Management tools and Framework
3	Safety and Empowerment of Communities	<ul style="list-style-type: none"> • Ensure Poverty Alleviation through Social Development and Food Security • Provide Support to Create Healthy Communities & Citizens • Ensure the Establishment of Sustainable Human Settlements 	Local economic Development and job Creation

		<ul style="list-style-type: none"> Guarantee the Safety and Security of Communities 	
4	Strategic Infrastructure Investment	<ul style="list-style-type: none"> Development of Airports and Harbours Develop an Integrated Road & Rail Network to support both Passenger and Cargo Transport Develop ICT Infrastructure to Support the Knowledge Strengthening of Energy Infrastructure Capacity and Efficiency Ensure Effective Water Resource Management and awareness 	Roads Sustainable Housing and Human Settlement
5	Institutional development	<ul style="list-style-type: none"> Enhancing Coordinated Planning and Implementation Strengthen Inter-Governmental Relations & Private Sector Partnerships Building Local Government Capacity Eradicating Fraud & Corruption Ensuring Participative, Facilitative, and Accountable Governance 	Institutional Development: Accountability and Management tools and Framework
6	Environmental Sustainability	<ul style="list-style-type: none"> Advance Alternative Energy Generation Capacity Manage the Pressures on Biodiversity and Environmental Quality Ensure Efficient Environmental Monitoring, Regulation and Disaster management 	Broader Economic Development(SDF,LUMS and SEA)

2.4 Horizontal Alignment of Key Strategies

Horizontal alignment is pursued through inter-governmental planning, consultation and co-ordination and ensured through aligning the respective vision, mission and strategic objectives of the municipalities in the region. The alignment of key national, provincial and regional strategies is illustrated in the table below:

Table12: Horizontal Alignment

Sustainable Development Goals	National Development Plan	National Outcomes	Provincial Growth and Development Strategy	Ugu District and Development Strategy	Umdoni IDP Objectives/Priority
Decent Work and economic growth	Faster and more inclusive growth	Decent employment through inclusive economic growth	Job Creation	Sectoral Development and Support	Local economic Development and job Creation

Quality Education	Building Capabilities: Improving the quality of education	Improved quality of basic education National Outcome 5: A skilled and capable workforce to support an inclusive growth path.	Human Resource Development	Education and skills development	Institutional Development: Accountability and Management tools and Framework
Sustainable cities and Communities	Quality Health Care for all; Social protection; & Building safer communities	All people in South Africa are and feel safe. Vibrant, equitable and sustainable rural communities with food security for all. Sustainable human settlements and improved quality of household life.	Human and Community Development	Safety and Empowerment of Communities	Institutional Development: Accountability and Management tools and Framework
Industry Innovation and Infrastructure	Building Capabilities: Improving Infrastructure	An efficient, competitive and responsive economic infrastructure network.	Strategic Infrastructure	Strategic infrastructure development	Roads and Sustainable Housing and Human Settlement
Peace and justice	A capable and developmental state: Towards better governance; & fighting corruption Leadership and responsibility throughout society	A responsive, accountable, effective and efficient local government system. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Governance and Policy	Institutional development	Institutional Development: Accountability and Management tools and Framework
Affordable Clean Energy life on land Protect the planet Life below Water	Building Environmental sustainability and resilience	Environmental assets and natural resources that are well protected and continually enhanced	Environmental Sustainability	Environmental Sustainability	Broader Economic Development(SDF,LUM S and SEA

SECTION C: SITUATIONAL ANALYSIS

Introduction and Overview

20 years into the democratic South Africa and 12 years into developmental local government is still a minor step taken considering the challenges that are facing municipalities. This is the fourth IDP that municipality is preparing and it will be reviewed yearly until the new council is elected again. Previously municipal planning mainly concerned itself with the provision of technical aspects of land-use control through various legal mechanisms, and the provision of infrastructure by the public sector. As such, it was relatively inflexible and predominately sector-based and public consultation was limited.

Despite this legislation and policy context integrated development planning failed to provide the tool it was envisaged to be, therefore an in-depth review of integrated development planning occurred in 2006, and the concept of a “credible integrated development planning process and plan” was developed which provides clear guidelines on IDP development and content requirements.

Therefore, development planning has “evolved”, and having evaluated previous experiences is now at the stage whereby its requirements, contents, approaches and best-practice have been widely communicated to be utilized – to ensure effective developmental planning at municipal level.

It has also been the belief that municipalities “plan...plan ...plan”, we therefore need to overcome this perception and ensure that our IDP’s are fully implementable and that they talk to situations on the ground.

Integrated Development Planning is a process through which municipalities decide on their strategic development path for a five-year period: the IDP is a product of the process.

The third sphere of government is a key vehicle of the state in implementing its developmental goals. Prior to implementing programmes, however planning is required and hence integrated development planning at a municipal level is legally required.

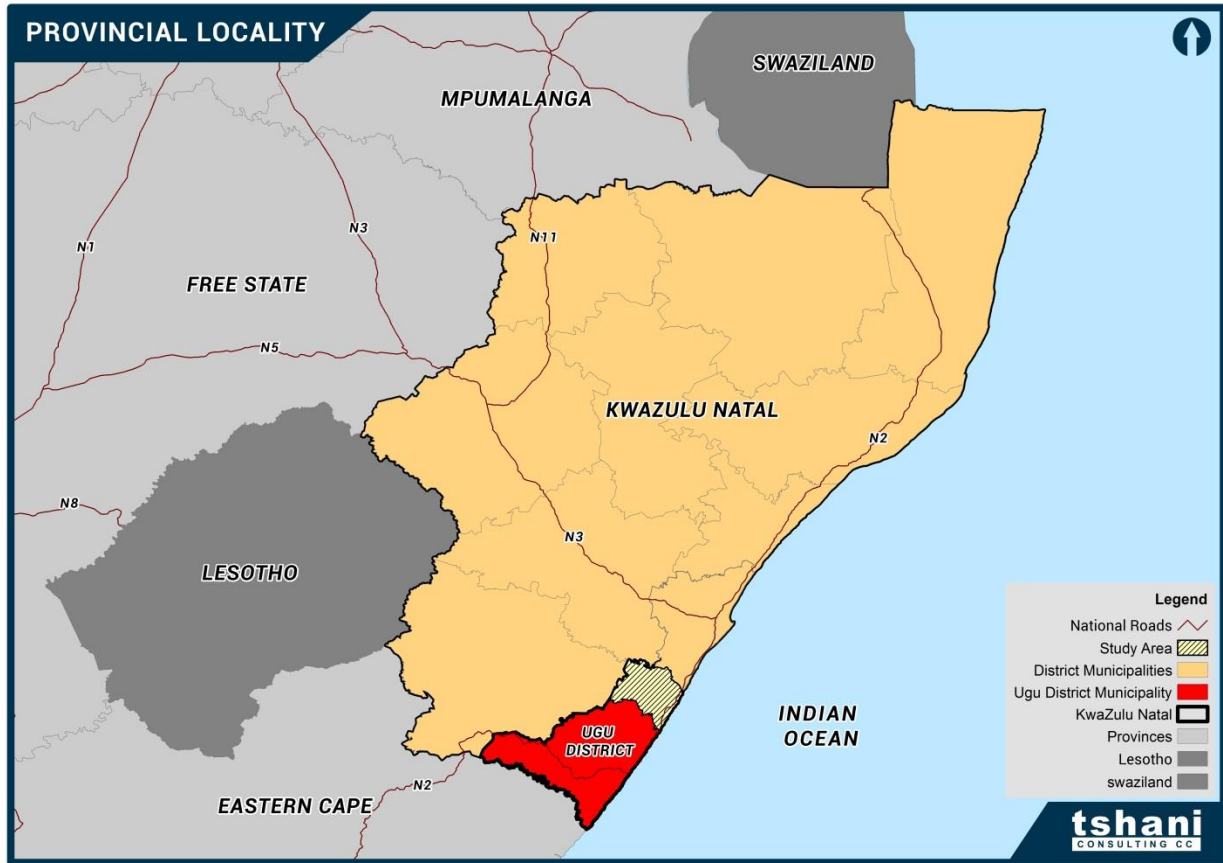
1.1 Regional Context

The Umdoni is located within Ugu District Municipality about 50km from the City of Durban and 65km from Port Shepstone along the South Coast. It is divided into three major land use zones, that is, commercial agriculture dominated by sugar cane fields, the traditional authority areas located to the north of the municipal area and the coastal urban nodes forming part of the ribbon development stretching from Amanzimtoti down the South Coast. The urban nodes include Scottburgh, Park Rynie, Kelso, Pennington, Bazley, Ifafa Beach, Elysium, Mtwalume, and the historic town of Umzinto. Umdoni has a coastline of approximately 40km and stretches inland as far as Kenterton. The land use of the area is dominated by agriculture, particularly sugar cane.

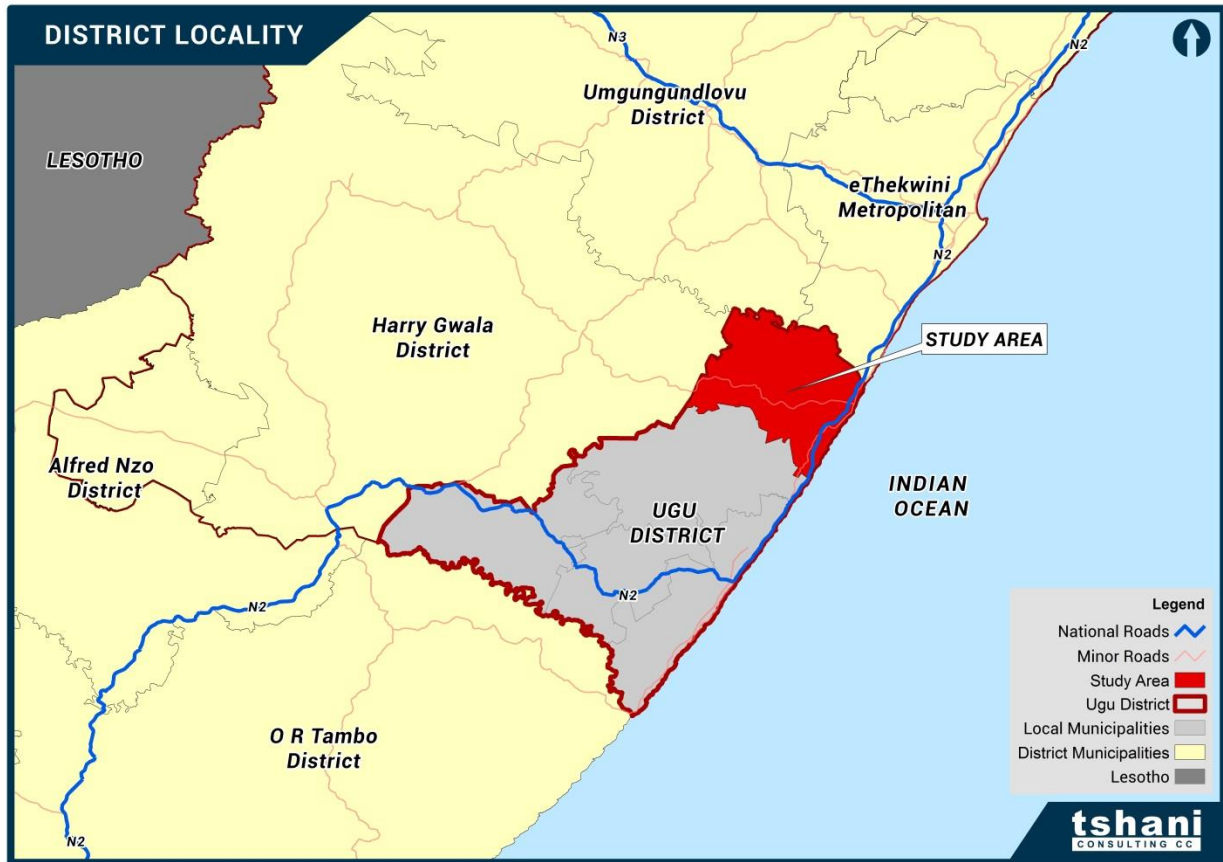
Umdoni Municipality is strategically located along major route N2, R612 and R102 it serves as the gateway of Ugu District Municipality from the North.

Umdoni Municipality is Located along the coast and coastal development corridor Major coastal development opportunities but also requirements for appropriate conservation, New national environmental legislation requires a much more sensitive approach to coastal development. Potential increased development pressures and opportunities emanating from the west already visible in terms of pressure for additional coastal accommodation and various forms of economic development, Adjacent municipalities to west and north of rural character with the potential to provide additional agricultural and tourism activities, Providing some regional and district east west linkages.

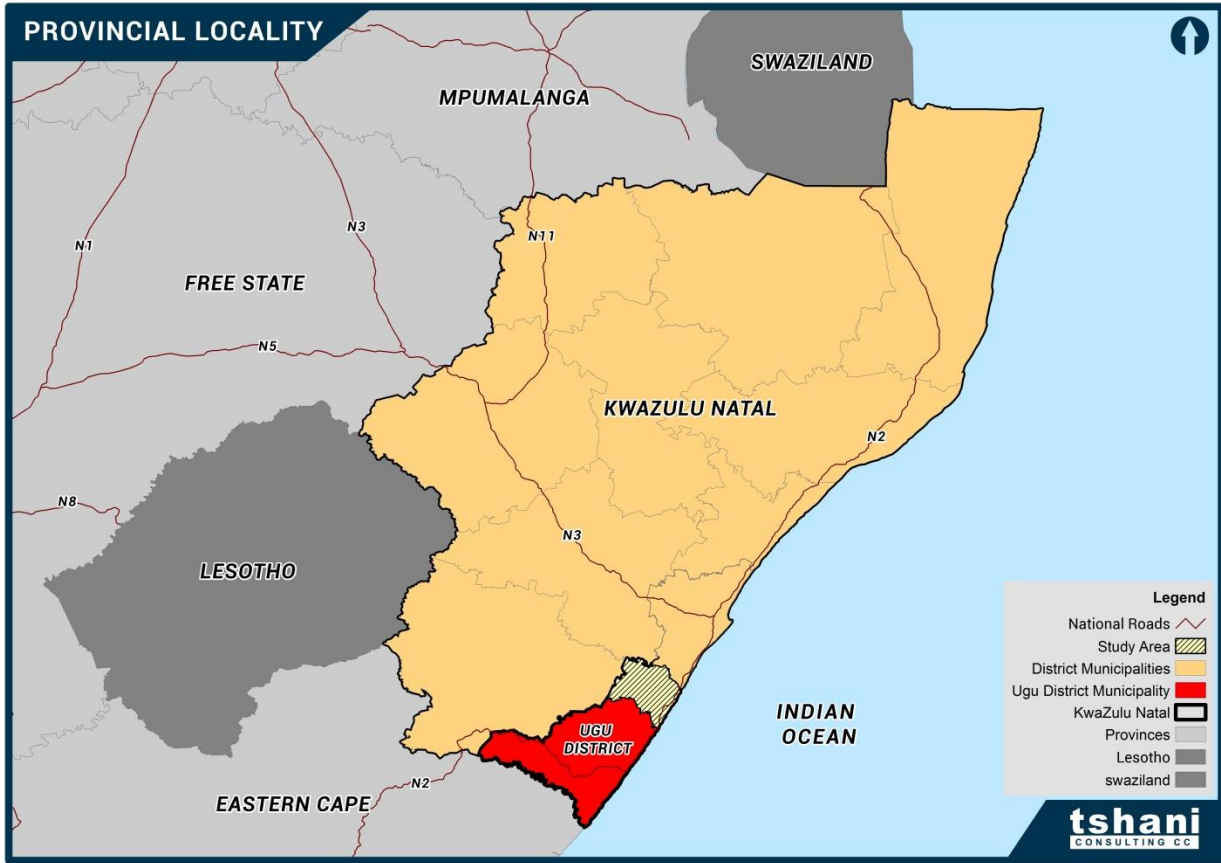
Map 3: Provincial Locality of Umdoni Municipality



Map 4: District Locality



Map 5: UGU District Municipality



1.2 Administrative Entities

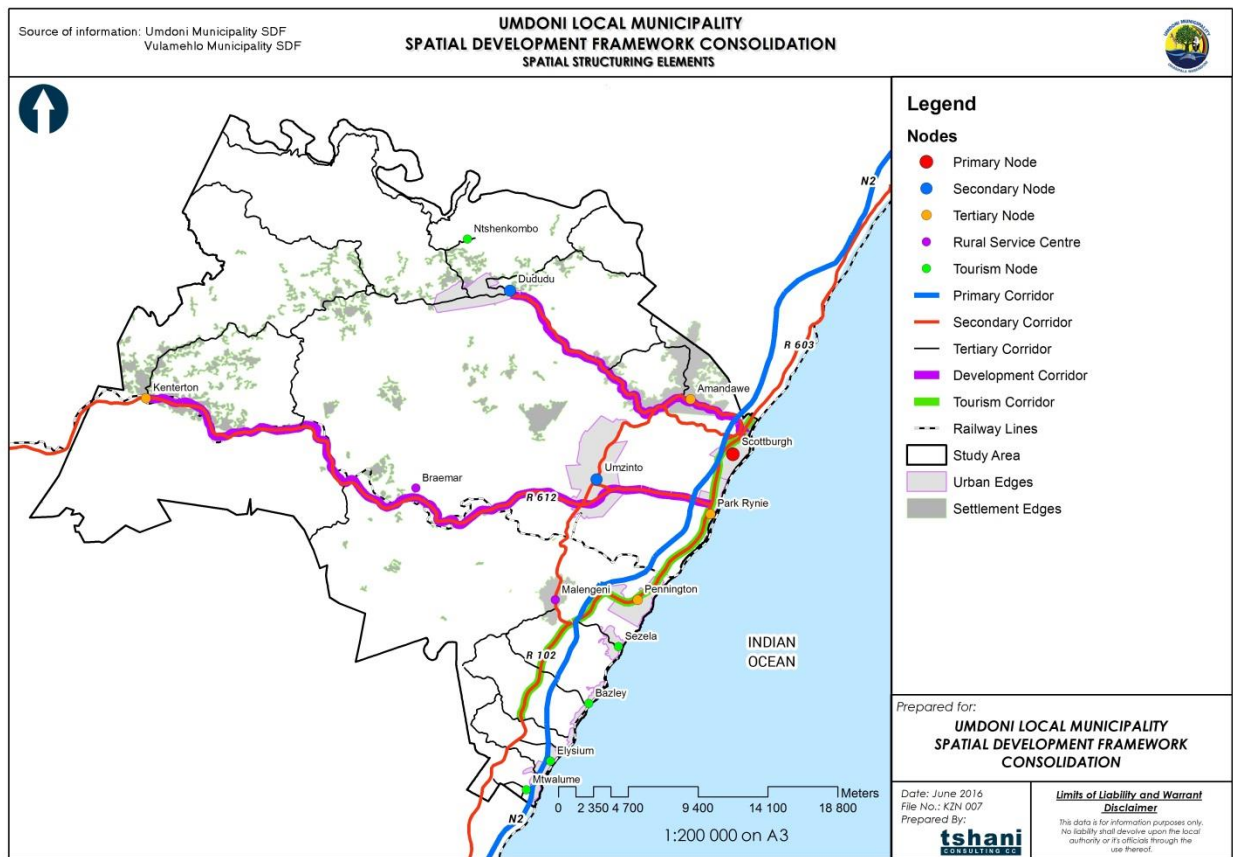
The municipality has no administrative entities. It consists of nineteen wards.

1.3 Structuring elements

In order to plan efficiently, there needs to be a focus on investing resources in areas of opportunity in order to create maximum impact, there needs to be certain structuring elements to give guidance to develop and spatial planning. For the Umdoni Municipality Spatial Development Framework there are four Spatial Structuring Elements that can guide spatial development and decision-making in the town and these elements include: -

- Nodes,
- Corridors
- Urban Edges,
- Settlement Edges

Map 6: Umdoni Structuring Elements



1.3 Existing Nodes and Corridors (including urban edges)

Nodes

Nodes' is term usually ascribed to cities, towns and villages. This tends to work against the need to achieve rural development through integration of urban and rural areas. It is accordingly proposed the term node is to be less prominent and less significant in future SDFs with the emphasis rather being placed on identifying "human settlement" where integrated programs can be shared. Such settlement/s can be both rural and urban in nature and could serve to bridge diversity between these communities.

Nodes are generally described as areas of mixed-use development, usually having a higher intensity of activities involving retail, transportation, office, industry and residential land uses. These are the places where most interaction takes place between people and organisations, enabling most efficient transactions and exchange of goods and services. Nodes are usually located at interchanges to provide maximum access and usually act as catalysts for new growth and development.

Due to the intensity of activities/land uses found within nodes, they (nodes) can be further classified in terms of the level of service they offer i.e. Primary, Secondary and Tertiary nodes.

Primary Nodes: -

These nodes are mainly centers which should provide service to the sub-regional economy and community needs. These centers were identified as Third Order Development nodes within the PSEDS. The following functions are envisaged for these centers: -

Secondary Economic Growth Areas

Promote as Secondary Node in support of Corridor Development

Promote Compact Urban Development & Combat Urban Sprawl

Promote Focused Investment & Managed Growth

Promote Densification (Brown Agenda) & Infill Development

Provide Economies of Scale for Effective & Affordable Services Delivery

Infill where High Levels of Services are Available (Restricting Nodes)

Increased Residential Density (number of dwellings)

Promote Socio-Economic Upliftment

Promote provision of sufficient bulk infrastructure Services (demand & supply)

Priority Spending on Infrastructural Upgrading Needs (New & Maintain)

Promote Effective & Efficient Public Transportation Systems linked to Multi Modal Facilities

Scottburgh is identified as a Primary Node within the municipality.

Scottburgh is a sub-regional centre for the entire of Umdoni and large sections of Vulamehlo. It aids as a primary node for investment promotion and centre of supply of services within this region. It forms part of the district spatial systems and is identified in the district SDF as a secondary node or secondary service centre.

Scottburgh is established with administrative, social, and economic facilities and services, and has potential for further development of social and economic facilities. As a means to enable this node to perform its function efficiently and effectively, the following activities should be strengthened in Scottburgh:

- ❖ Development of commercial activities serving the entire municipal area and the surrounding areas (sub-region).
- ❖ Location of district and sub-district offices of various government departments and serve delivery agencies.
- ❖ Location of facilities and services for an effective administration and local governance of Umdoni Municipality.
- ❖ Location of tourism products that consolidates the role of Umdoni within South Coast Tourism Region.
- ❖ Location of public transport facilities that link Umdoni with the surrounding urban centres such as Port Shepstone and Durban.
- ❖ Transformation of the town from being a low density, low key and retirement village into a modern and dynamic economic hub.
- ❖ Expansion of the CBD through accretion of business and commercial uses into the residential area abutting onto the CBD.
- ❖ Expansion of the town towards Park Rynie. Recommendations proposed for Scottburgh:-
- ❖ Revitalisation Strategy for Scottburgh CBD
- ❖ Landscaping/ Streetscaping projects
- ❖ Public Transportation Points/ Shelters
- ❖ Redevelop South Beach
- ❖ Lagoon Site/ George Crookes Gateway

Secondary Nodes: -

These nodal areas do not provide services or economic advantages significant on a Provincial Level, but fulfil very important service delivery functions within the local economies of the municipalities and are the only areas providing some commercial choice to the residents of the respective municipalities.

These nodes were identified as fourth order nodes within the KZN PSEDS. Key strategic interventions specifically targeted at these nodes and the directly surrounding areas might include:

- ❖ Focused Investment in area of Poverty Concentrations
- ❖ Promote Integration (Green Agenda)
- ❖ Integration in terms of Mixed Densities & Uses
- ❖ Improve Transportation Linkages to Nodes
- ❖ Promote social- economic Integration
- ❖ Eradicate Backlogs & Promote Basic Services Infrastructure & Delivery
- ❖ Promote Socio Economic Upliftment
- ❖ Promote provision of sufficient Bulk Infrastructure Services (demand & supply)
- ❖ Priority spending on Infrastructural Upgrading Needs (New & Maintain)
- ❖ Rural Service Delivery Point
- ❖ Promote & Establish PPP's
- ❖ Promote Cultural & Community Based Tourism

Umzinto is a rapidly growing urban centre developed with a range of residential properties, public amenities, limited industry and commercial facilities. Umdoni Municipality has formulated an Urban Design Framework as a means to provide for an effective management of this rapid growth and revitalize the precinct the town. The vision is to transform the area into a series of sustainable, mixed use sub-precincts integrated with parks and open spaces that will greatly expand the municipality's capacity for employment and recreation.

The Umzinto residential area is closely connected to the central CBD and represents an important opportunity to establish a positive and meaningful relationship with its surrounding development.

Umzinto must ideally grow into clear vibrant destination with a variety of experiences and amenities along its length, but at the same time it must be a highly local environment and must have strong connections with the adjacent commercial, mixed use and residential areas. It must be a beautiful and desirable place to work, live and shop.

Dududu has been identified as the secondary nodal area in the municipality. Currently, the town plays a core administrative function of providing municipal services, government services and acts as the main thoroughfare into the central parts of the municipality. The focus of Dududu's development is to continue in its current administrative role such as housing various government departments and where a range of urban housing typologies promoting densification can occur. On the contrary, Dududu does not currently lend itself as a commercial hub, however, neighbourhood retail and low order commercial facilities can be encouraged. Public investment towards housing provision, a higher standard of water and sewerage infrastructure, frequent waste removal and road upgrades will have the potential of enhancing the current functionality and image of the town. Other areas of importance include environmental management and better land use practices to contribute towards its spatial sustainability.

Recommendations:-

- Umzinto CBD Revitalisation
- Streetscaping/ Landscaping within the CBD
- Street lighting Project with the CBD
- Umzinto Entrance Feature/ Welcome
- Umzinto Sport field alterations and additions
- Formalisation of Dududu (Administration and planning)
- Dududu Water Reticulation infills
- Dududu Library Development
- Formalisation of Dududu (Planning Scheme)
- Development of Dududu LAP

Tertiary Nodes: -

These small centers will serve as location points for community facilities serving the local community which will include:

Primary and secondary schools. Clinics including mobile clinics. Pension pay points. Community halls and other community facilities.

Tertiary Nodes are optimal locations for lower order services serving the neighbouring communities. The following Tertiary Nodes have been identified as follows: ***Pennington, Park Rynie, Amandawe and Kenterton.***

While Umzinto will develop into a mixed use service centre, Pennington will develop into a tourism and leisure development node. Commercial development and public facilities will be limited to those serving

the day-to-day needs of the local community. Golf estates, upmarket residential units, holiday homes and various types of tourist accommodation facilities will be accommodated in this area.

Future development within this node should substantially follow the following guidelines/directives:

- ❖ Initiatives that support nature conservation and the associated eco-tourism should be promoted and supported.
- ❖ This will enhance the role of Pennington as an eco-tourism node.
- ❖ Redevelopment on the existing development footprint (single residential properties) which may involve putting down some existing structures and replacing them with new econ-friendly ones.
- ❖ The existing town planning scheme should be reviewed to provide for the changing role of the town. Pennington will cease to exist as a small isolated settlement, and become one of the major nodes within the South Coast Tourism Region
- ❖ The surrounding natural environment serves as an urban edge and should be observed as such. Any outwards expansion should not be promoted. This includes areas across the river.
- ❖ Intensity of development within the town should be kept at low to medium density through the introduction of height and density controls. Buildings with more than three storeys in height should be avoided as a means to curb visual impact.

Recommendations:-

- Pennington Precinct Plans
- Park Rynie Town Revitalisation Strategy
- Amandawe Precinct Plan Development
- Kenterton Precinct Plan Development

Tourism Node:-

Tourism Node can be defined as service and supply centres catering for up to 500 overnight visitors as well as permanent residence. These nodes provide a range of visitor services and amenities such as accommodation, eco-lodge/camps, caravan bays, camping sites, utilities, limited food and grocery facilities and perhaps fuel.

The following Tourism Nodes have been identified as follows:

- ❖ **Bazley**
- ❖ **Elysium**
- ❖ **Mtwalume**
- ❖ **Ntshenkombo**

Recommendations:-

- Bazley, Elysium, Mtwalume, Ntshenkombu Tourism Node Precinct Development
- Tourism Marketing and Area branding

Rural Service Centers: -

These centres have the potential for further development hence need to be supported by further public and private sector investment.

Service centers can be conceived as points of attraction for the people who otherwise would go to Tertiary or Secondary nodes. These centers provide goods and services to its own population as well as its surrounding population, creating a balanced socio-economic development of the area. These centers allow rural areas to become self-sufficient in its basic socio-economic facilities and amenities.

In addition to the primary and secondary centres, the vision for the future spatial development of the Umdoni Municipality includes strengthening functional linkages between rural and urban areas through rural development nodes in Emalangen. Rural development nodes or service centre will serve as location points for community facilities serving the local surrounding communities and transport interchange areas between the urban nodes and the rural settlements. Public facilities that will be located within these nodes will include the following:

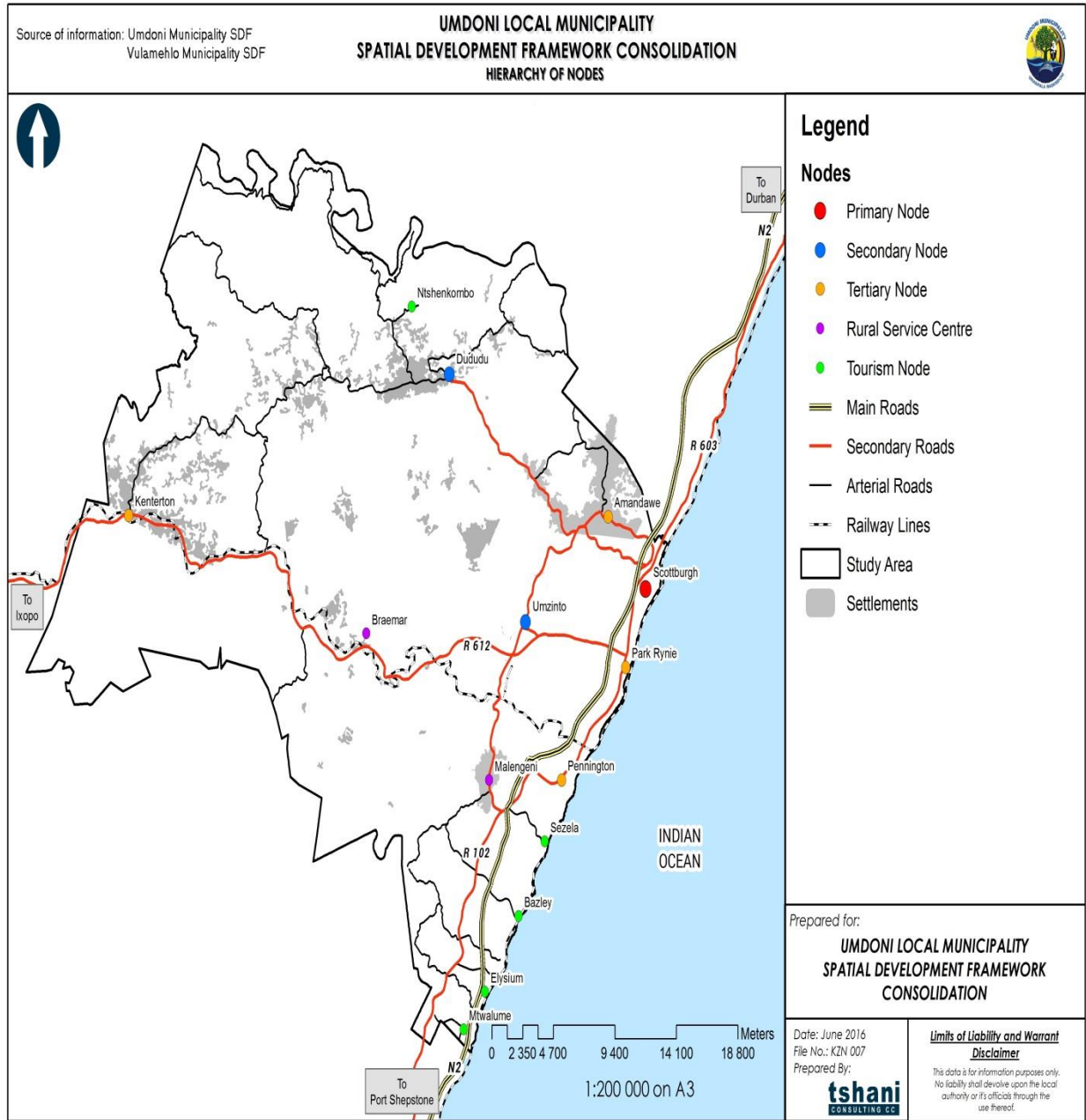
- ❖ Primary and secondary schools.
- ❖ Clinics including mobile clinics.
- ❖ Pension pay points.
- ❖ Community halls and other community facilities.
- ❖ Local convenient and/or neighbourhood shopping facilities.
- ❖ SMME trading facilities

The identification of tertiary nodes was undertaken with the participation of the affected community leaders, particularly traditional councils and ward councillors.

Umdoni Municipality consolidated can therefore, be summarized as follows: -

Node Type	Town
Primary Node	Scottburgh
Secondary Node	Umzinto Dududu
Tertiary Node	Pennington Park Rynie Amandawe Kenterton
Rural service centre	Emalangeneni Breamar
Tourism Node	Bazley Elysium Sezela Mtwalume Ntshenkombu

Map 7: Nodes



Development Corridors

A “*Development Corridor*” is normally used to symbolise the area where important economic activities are to be encouraged along a particular transport route. There is often difficulty in stakeholder perceptions regarding the term ‘corridor’ and the purpose of such planning tool. It is proposed that the use of the term ‘transport route’ be adopted in future because it places emphasis on the transportation activity, which is critical for economic clusters to grow in both urban and rural environments;

Development Corridors are identified for spatial and economic planning purposes, as roads and/or railway routes associated with the movement of goods and people. The high transportation function creates the opportunity for economic activity to take place along these movement corridors, particularly at junctions. These occur at various levels, from local development corridors along the main streets of the towns or even along rivers, to Regional and Provincial Corridors. Different types of corridors can be distinguished, such as development corridors, movement corridors and cavity corridors.

Primary Corridors:-

A primary corridor refers to a densely populated well-travelled route which connects two major centres. The **N2** has been identified as a **primary transport** (regional) corridor. The N2 is a national development corridor, and runs along the coastal part of Umdoni Local Municipality in a north-south direction. It is one of the main national access routes to the provincial economic hub of Ethekwini, and links KwaZulu-Natal with the Eastern Cape to the south and Mpumalanga Province to the north. At a provincial level, the N2 corridor links a number of coastal urban centres with Ethekwini. In the Ugu District, this includes Scottburgh, Umzinto (both located within Umdoni Municipality) and Port Shepstone.

Development along the N2 Development Corridor is subject to the rules and regulations of the South African National Roads Agency (SANRAL). The N2 is a national limited access and high speed public transport route. As such, direct access onto this road is limited to the existing interchanges, and this creates opportunities for the location and development of mixed land use nodes in these areas. As such, Umdoni Municipality will promote and facilitate development of mixed land use nodes at key road intersections along the N2 corridor subject to the rules and regulations for development along the national roads.

Secondary Corridors:-

A **secondary corridor** provides the same function as that of the primary, but at a lower intensity. A number of existing roads have been identified as secondary or sub-regional development corridors in view of the opportunities they present for unlocking new development areas. The key existing secondary corridors include the following:

- ❖ The P 197/3 Corridor stretches from Amandawe in the north through Umzinto down to Ifafa Glebe in the south. It runs through a predominantly rural part of Umdoni including expansive rural settlements and commercial farms. Urban settlement along this corridor occurs in the form of Umzinto Town only. Major development areas along this corridor include the following: Settlements that form part of Mahlongwa Traditional Council area, which indicates increasing

levels of densification along this corridor. These settlements will be upgraded into dense rural human settlements.

- ❖ Amandawe which is the focal point for the location of a wide range of community facilities and neighbourhood shops that serves the surrounding settlements.
- ❖ Umzinto town which is identified as a target area for urban regeneration and industrial development.
- ❖ Emalangen Traditional Council area with potential for the development of small-scale agriculture, particularly sugar cane out grower schemes.
- ❖ Development of a tertiary missed land use node in Mkumbane or Ifafa Glebe should be investigated.
- ❖ Ifafa Glebe to the south with potential for the development of urban sustainable human settlements targeting the poor and low-income communities.
- ❖ Privately owned land used for extensive production of sugar cane should be protected from settlement.

Development along this corridor should observe the rules and regulations of the Provincial Department of Transport. This includes direct access onto the road and a mandatory building line from the centre of the road.

The R102 Corridor runs in a north-south direction connecting the south of Ethekwini with the Umdoni Municipality from Freeland Park in the north through Scottburgh to Sezela/Mtwalume in the south. It runs along the coast for the majority part and is strongly associated with the South Coast/Ugu tourism. Major development areas along this corridor include the following:

- ❖ Regeneration and extension of the Scottburgh CBD from the coast to Galway Street as a means to accommodate additional commercial space. However, there are also various opportunities for infill and redevelopment.
- ❖ The TC Robertson conservation area should be developed in a manner that will enable this strategically located site to fulfil its conservation-related intentions in a way that enhances the tourism potential of the Umdoni corridor. It is approximately 29.7 ha in extent and extends inland to the west of the R 102 as far as the N2.
- ❖ The Council land on which the Golf Club is developed is an attractive feature of the town and clearly adds address value. As an extensive sea-facing site, of about 40.8 ha in size, represents a highly sought-after re-development opportunity.
- ❖ The area to the south of Scottburgh Mall between the N2 and R 102 down to the landing strip should be developed as a mixed land use precinct with a focus on logistics and warehousing to take advantage of the landing strip.
- ❖ The landing strip site is too small to be developed further, but nonetheless provides an opportunity for the movement of goods from Umdoni to the Dube Trade Port in Ethekwini.
- ❖ Development of a mixed land use precinct on the land located between the N2 and R 102 to the west and east respectively, and R 612 to the north and Umzinto River to the south.
- ❖ Development of low density residential and golf estates in Pennington and other small settlement to the south thereof.
- ❖ Protection and enhancement of agricultural land in areas to the south of Sezela. At this point, the R 102 crosses over the N2 and runs to the west of the N2 into Turton in Umzumbe Municipality.

Tourism Corridor:-

R 102 is identified as a tourism corridor within Umdoni Municipality.

Development Corridor:-

Park Rynie-Umzinto-Kenterton Development Corridor -The Park Rynie-Umzinto-Kenterton Mixed Land use Development Corridor is proposed along P 66 between Umzinto Secondary Node and Park Rynie Industrial Node. The area at the intersection of R 612 and the N2 will be developed mainly for light industry, warehousing, office parks, industrial estates and motor-show rooms. Large commercial centres of a regional or sub-regional character will also be accommodated in this area.

Mixed use residential uses will be developed in areas located along the corridor, but away from the nodal points. These will include residential estates, golf estates and medium to high density residential developments. These communities will be planned as large residential estates with sufficient thresholds so support public facilities such as schools, clinics, sports fields, etc.

Industrial land accommodating medium impact industry will be located along the southern boundary of the corridor and in the vicinity of Park Rynie. It is important for this type of industry to be located away from tourism oriented and the environmentally sensitive areas.

This corridor is of particular importance, as it has the opportunity to develop as major development corridor between Kenterton, Umzinto and Park Rynie.

Dududu Road Development Corridor stretches from Dududu down through to Amandawe and Scottburgh to the east, along the coast. Development along this corridor will focus on the following:

- ❖ Consolidation of the existing dense rural settlements in Amandawe into sustainable rural human settlements.
- ❖ Development of Amandawe Node into a mixed land use node that serves the surrounding communities.
- ❖ Unlocking land for the development of a mixed land use node at the intersection of the N2 and Dududu Road. Development of this node will not only take advantage of the N2 Corridor, but will also integrate Amandawe and Scottburgh spatially.

East-West Axis – A number of provincial and district roads runs in an east-west direction to complete the multi-directional grid in Umdoni Municipality. These roads are classified and differently and perform different functions as part of the access grid. P22 links Umzinto with Park Rynie and eventually Scottburgh through R102. The municipality will promote and facilitate development of a mixed land use corridor along this road with the intersection of this road with the N2 as the focus point. In the long term, this will result in a continuous urban development linking Umzinto, Park Rynie and Scottburgh.

P188 runs between Amandawe and Scottburgh and links the Shadow Corridor with the N2 and R102. A substantial portion of this road runs through dense rural settlements thus limiting the potential for mixed use development. However, nodal development is proposed where this road intersects with the Shadow Corridor. Potential for limited light industrial development at the intersection of this road with the N2 should also be investigated. Development along this road will integrate Amandawe.

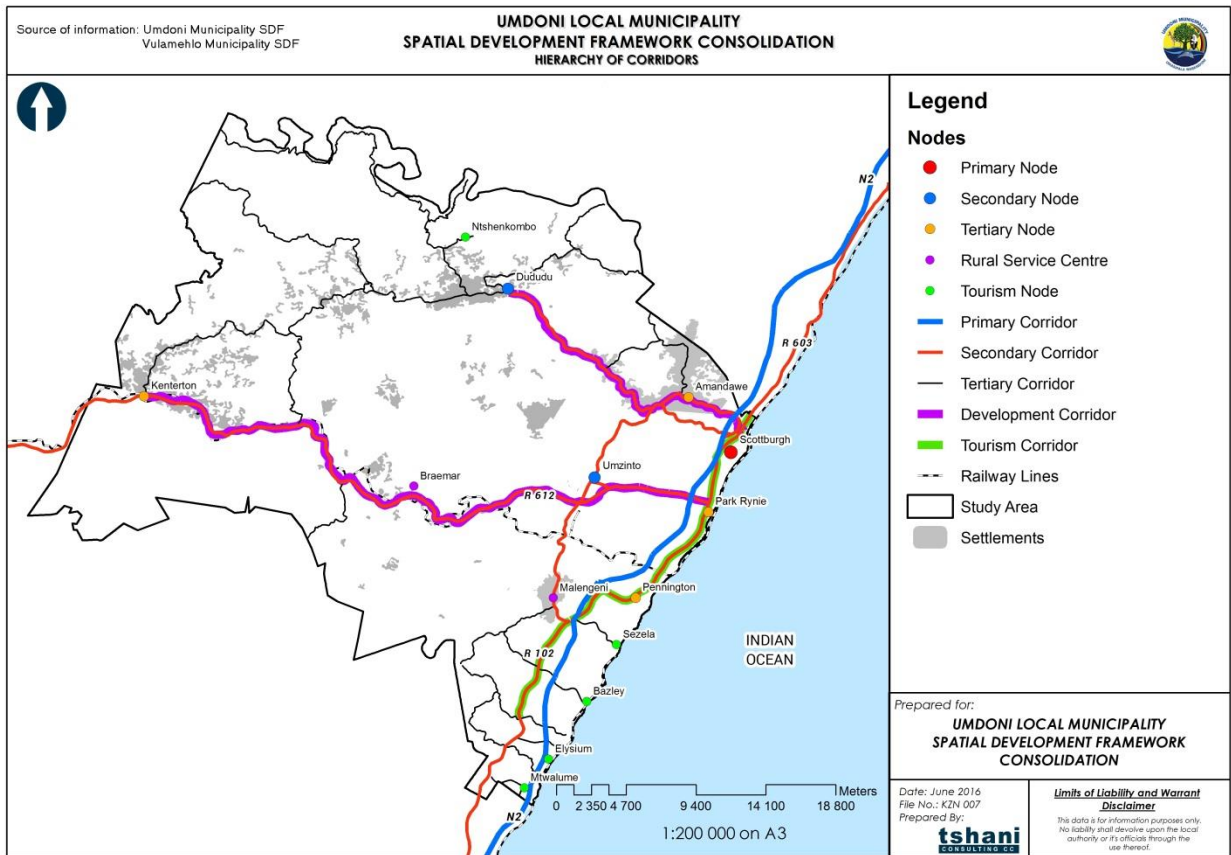
Recommendations:-

- Corridor Development Studies for Umzinto - Park Rynie & Dududu Road Development Corridors

- Tourism Marketing and branding, signage along the tourism corridors linking to tourism nodes.
- Maintenance and upgrades for all corridors identified.

The map below depicts the corridors identified above.

Map 8: Nodes and Corridors



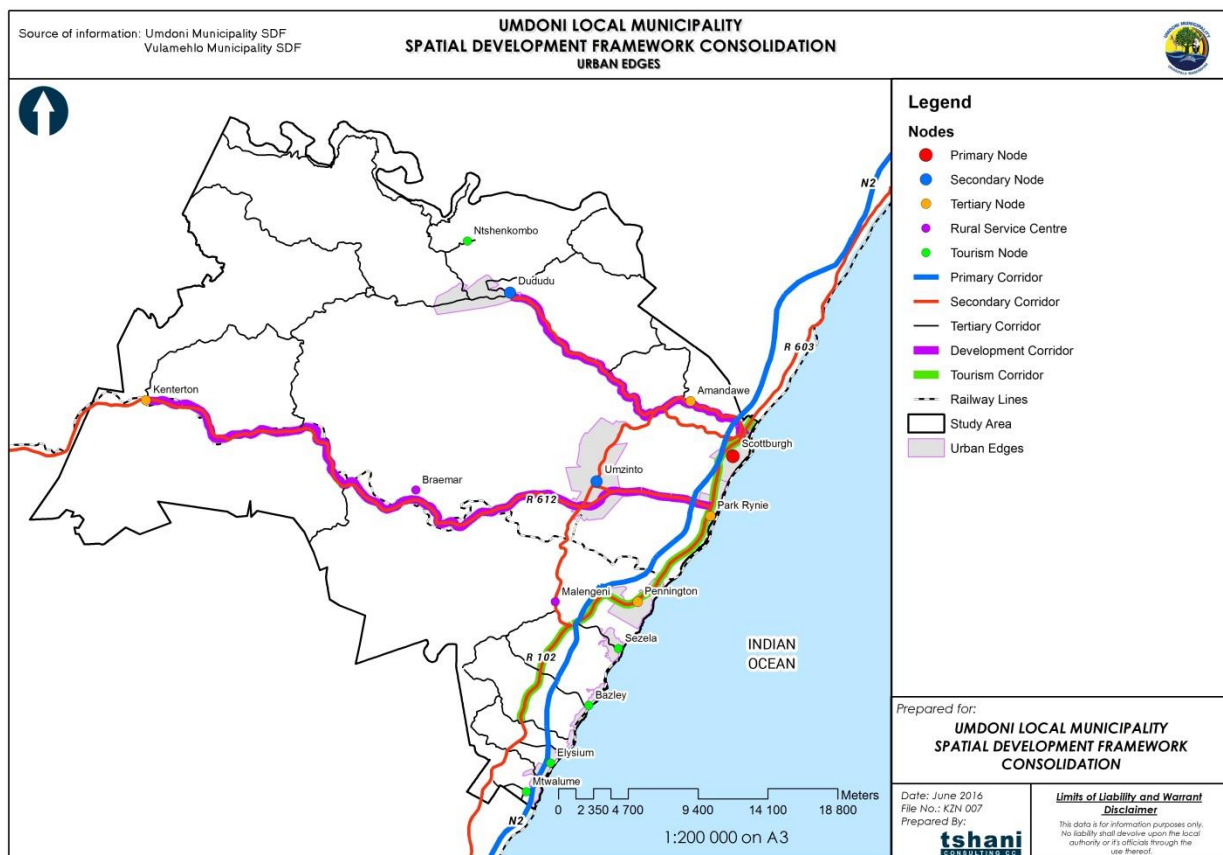
Urban Edges

An “urban edge” is normally used to define the limit of urban built up areas and enables limitations to high capacity infrastructure provision. As part of the effort to consolidate the urban areas and achieve a more compact town, the Spatial Development Framework proposes that an Urban Edge be introduced to all nodal areas. The urban Edge is a distinguish line that serves to manage, direct and control urban expansion. The Urban Edge will be used to -

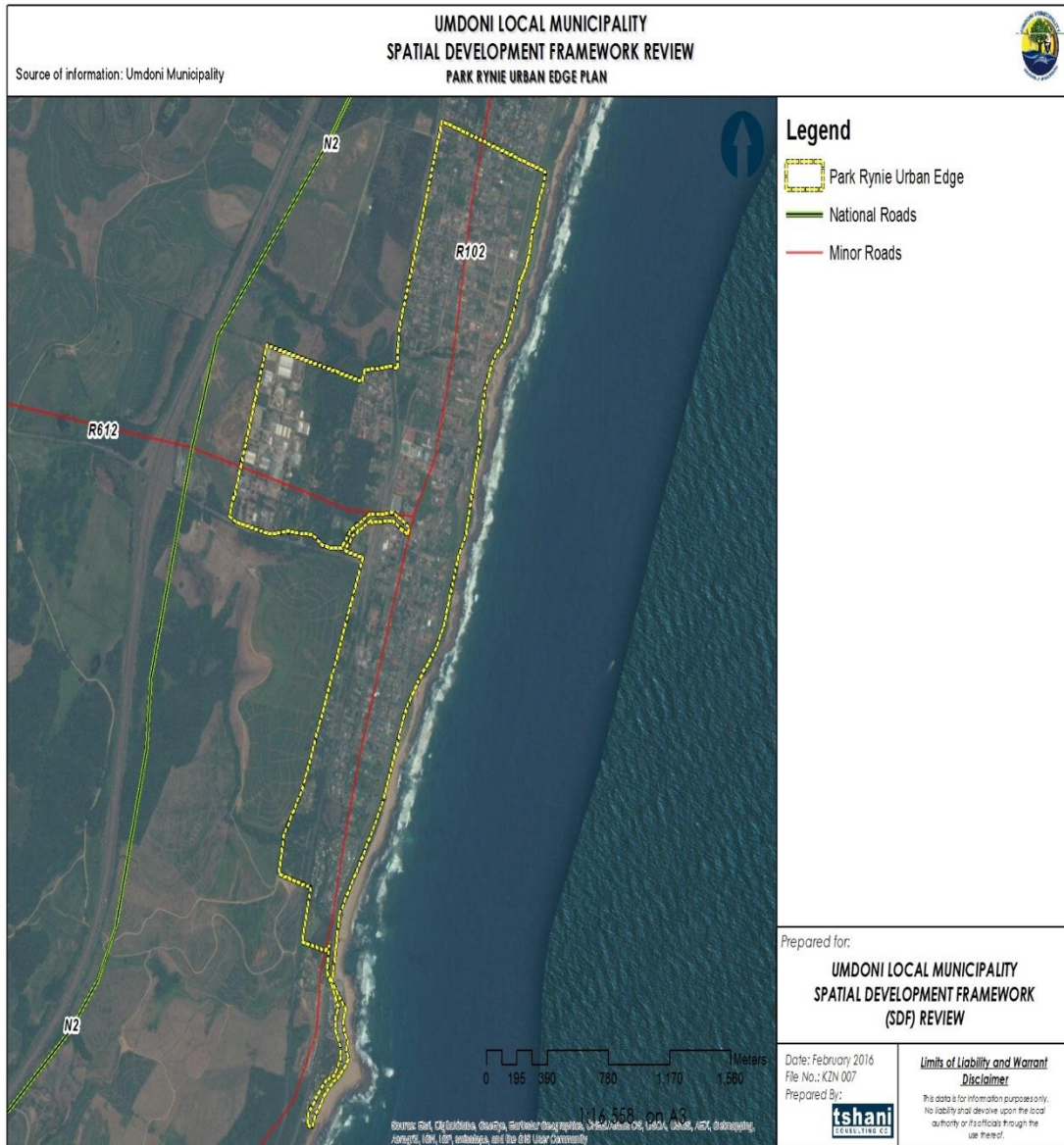
- Contain Urban Sprawl
- Protect significant environments and resources
- Re-orientate Growth Expectations
- Densify built environments
- Restructure growth
- Rationalize service delivery area

Urban Edges were delineated by analysing and utilising the Precinct Plans Conceptual Frameworks which were prepared for each major area. The urban edges include existing and proposed developments of the area. The plans below depict the urban edges for the major towns within the municipality

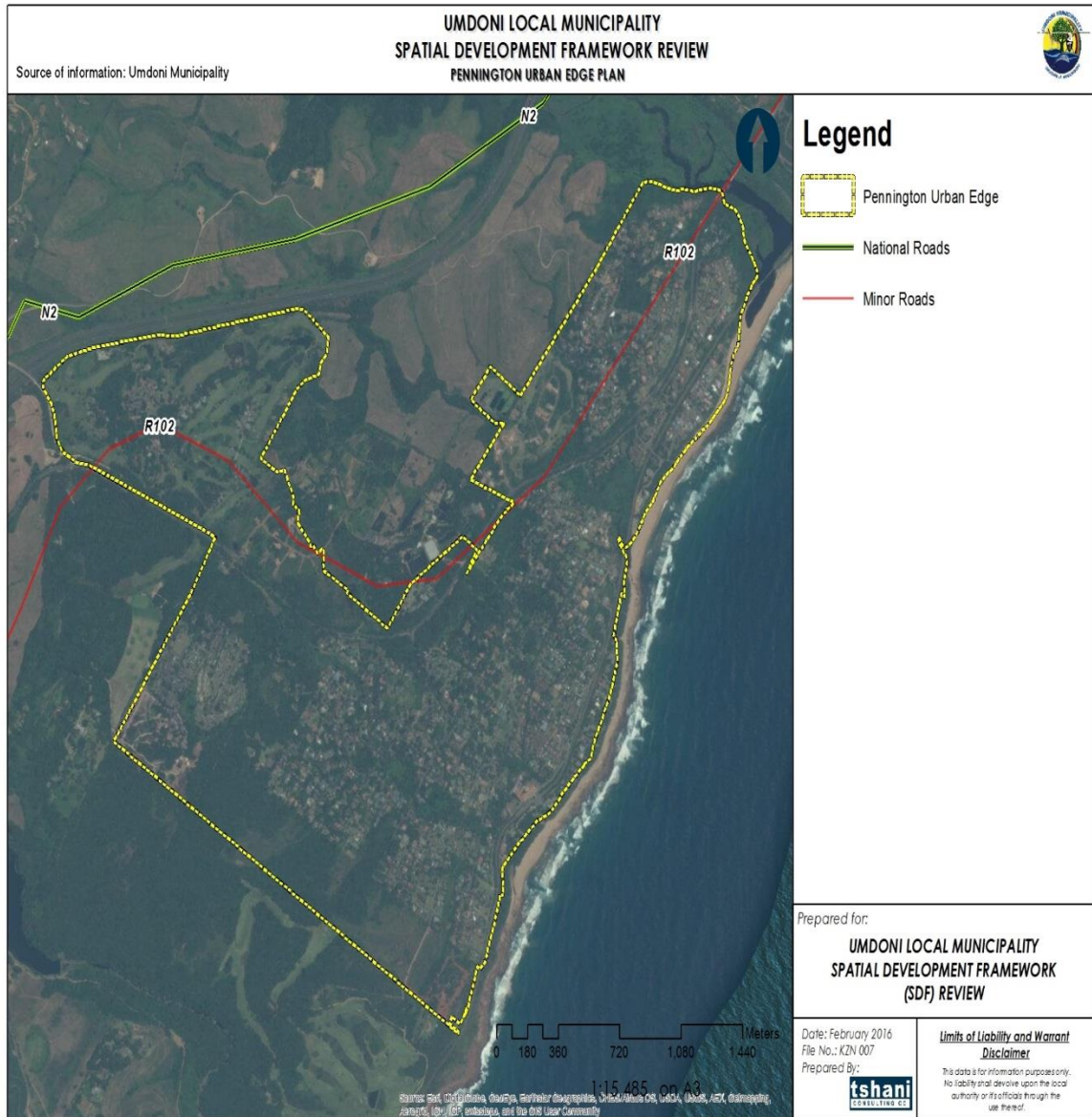
Map 09: Urban Edges



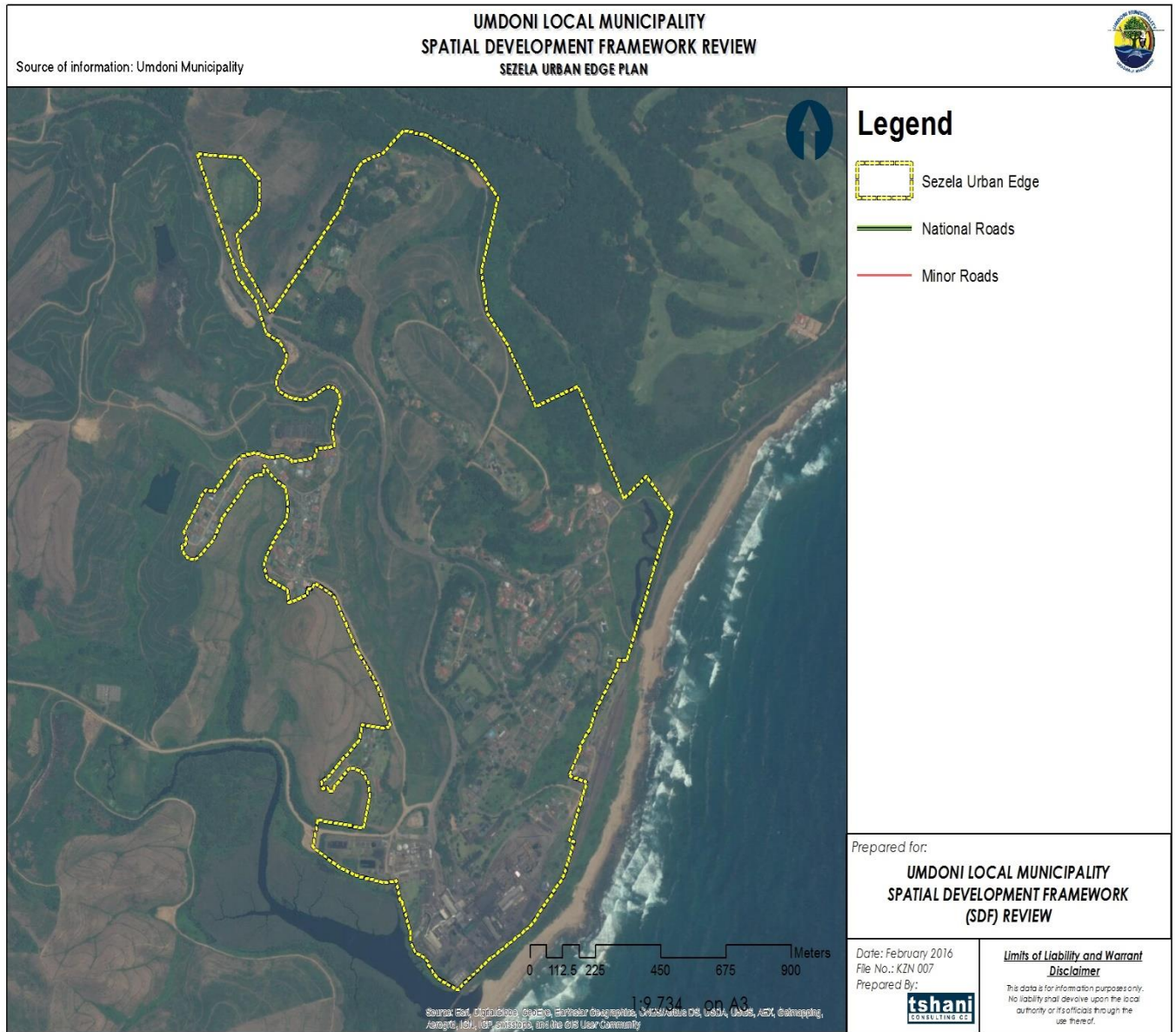
Map 11: Park Rynie Urban Edge



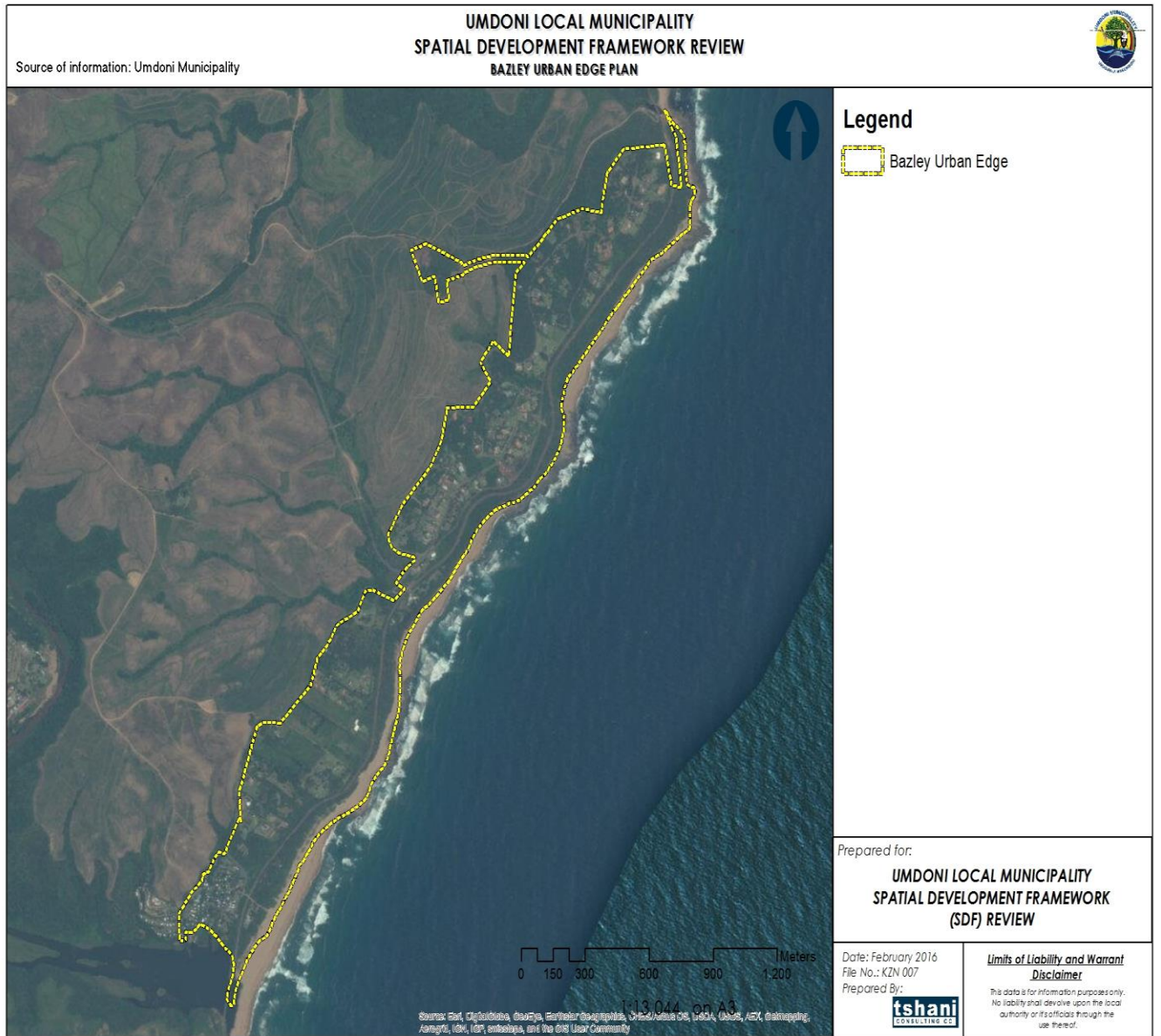
Map 12: Pennington Urban Edge



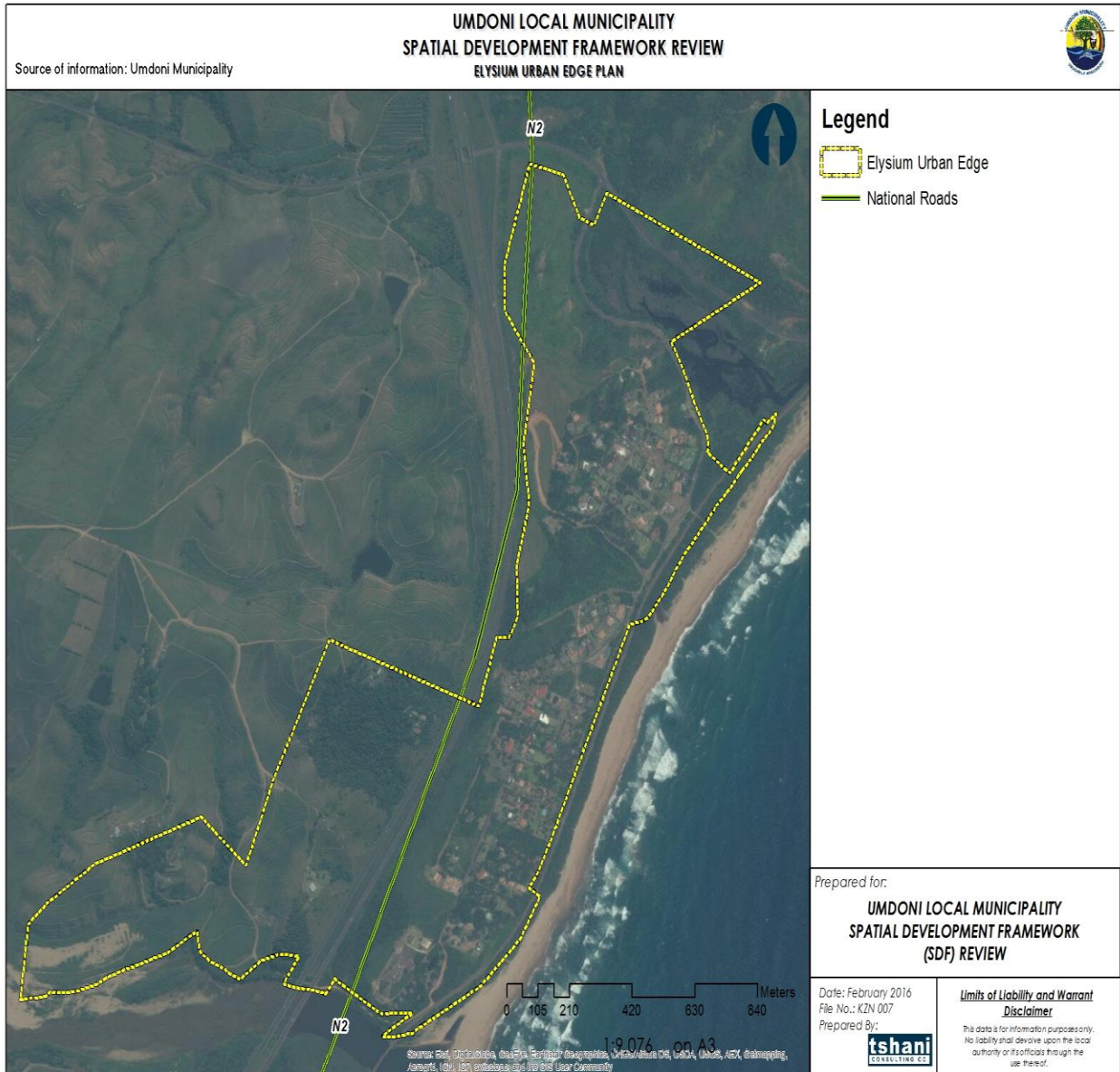
Map 13: Sezela Urban Edge



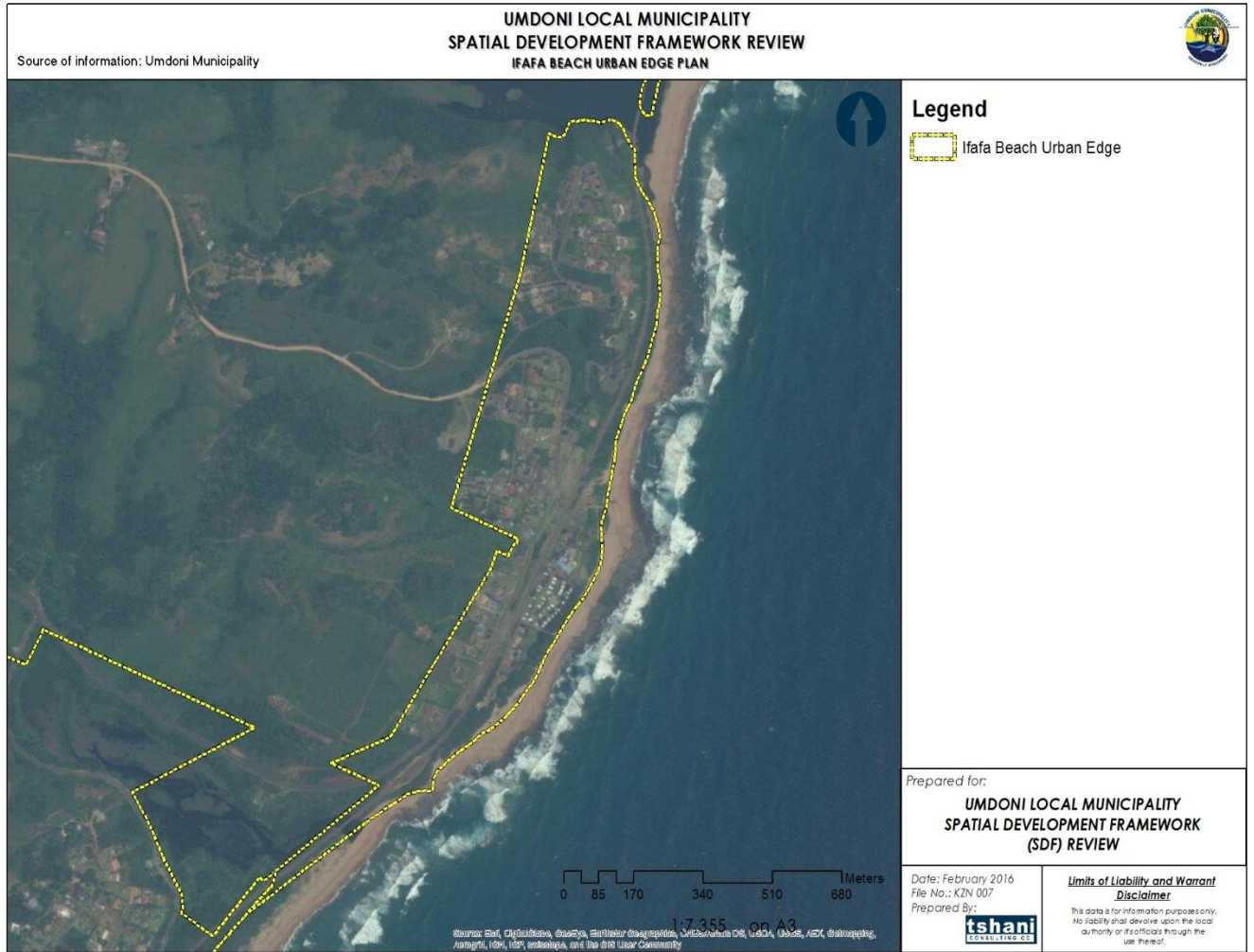
Map 14: Bazley Urban Edge



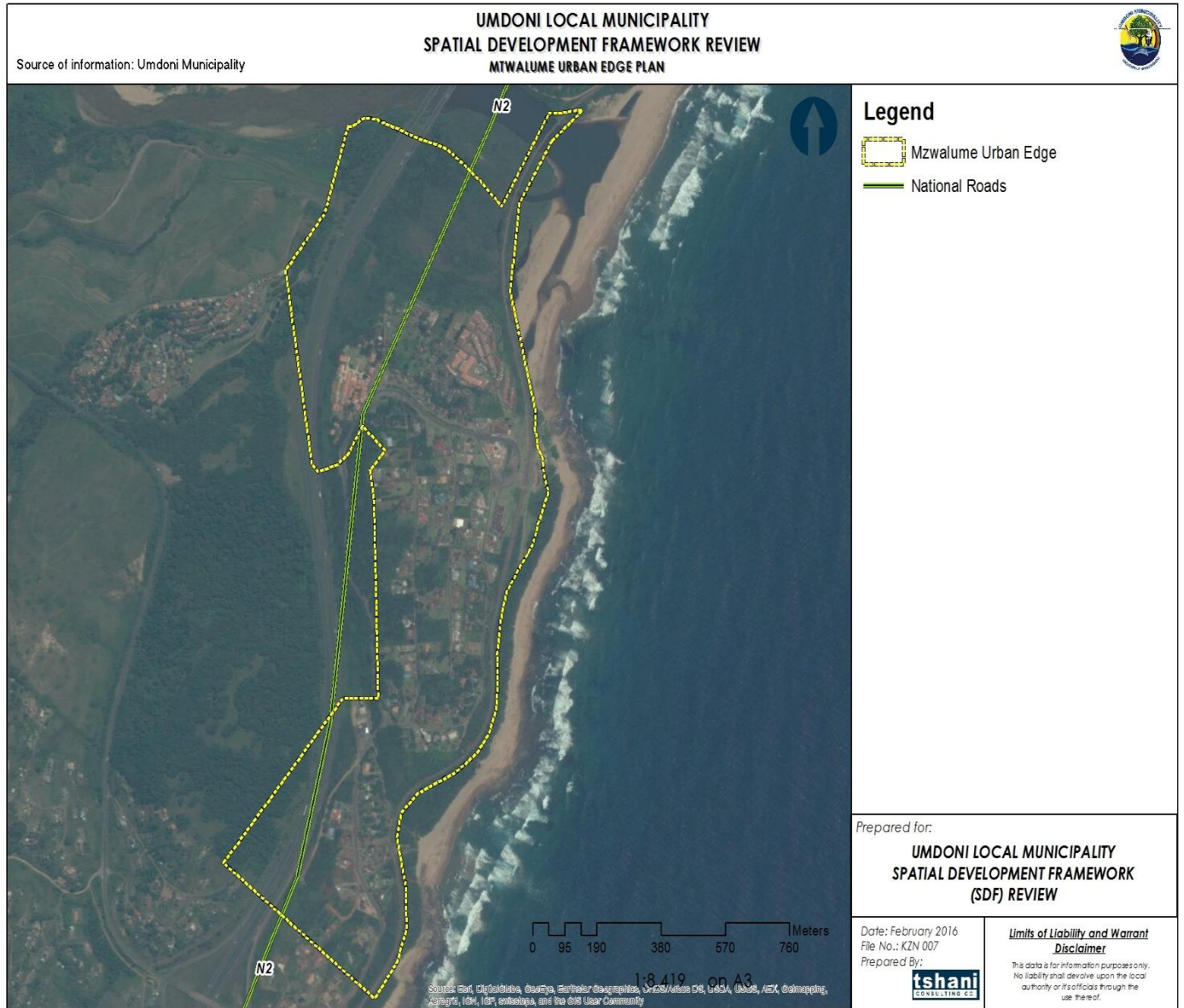
Map 15: Elysium Urban Edge



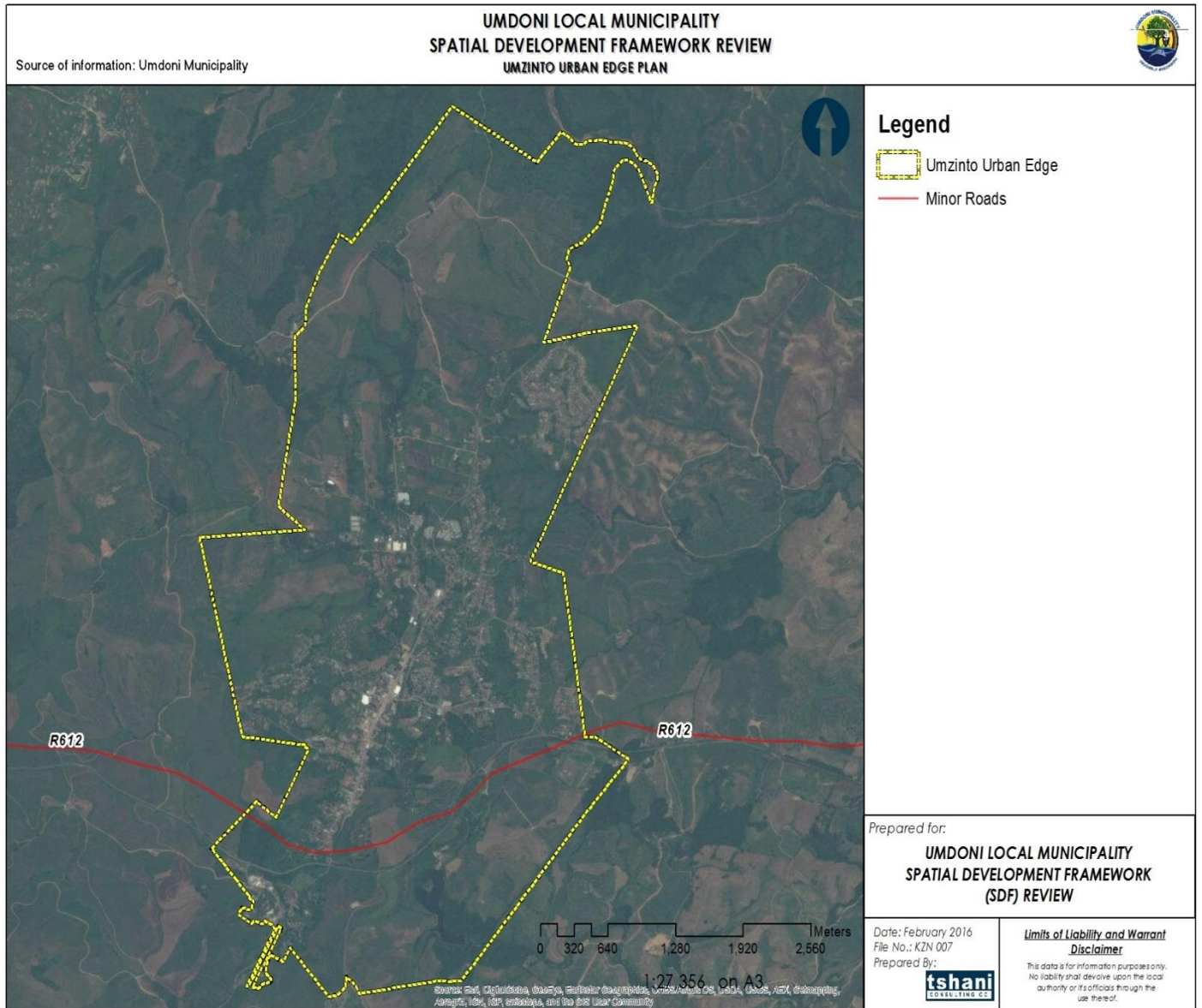
Map 16: Ifafa Beach Urban Edge



Map 17: Mtwalume Urban Edge



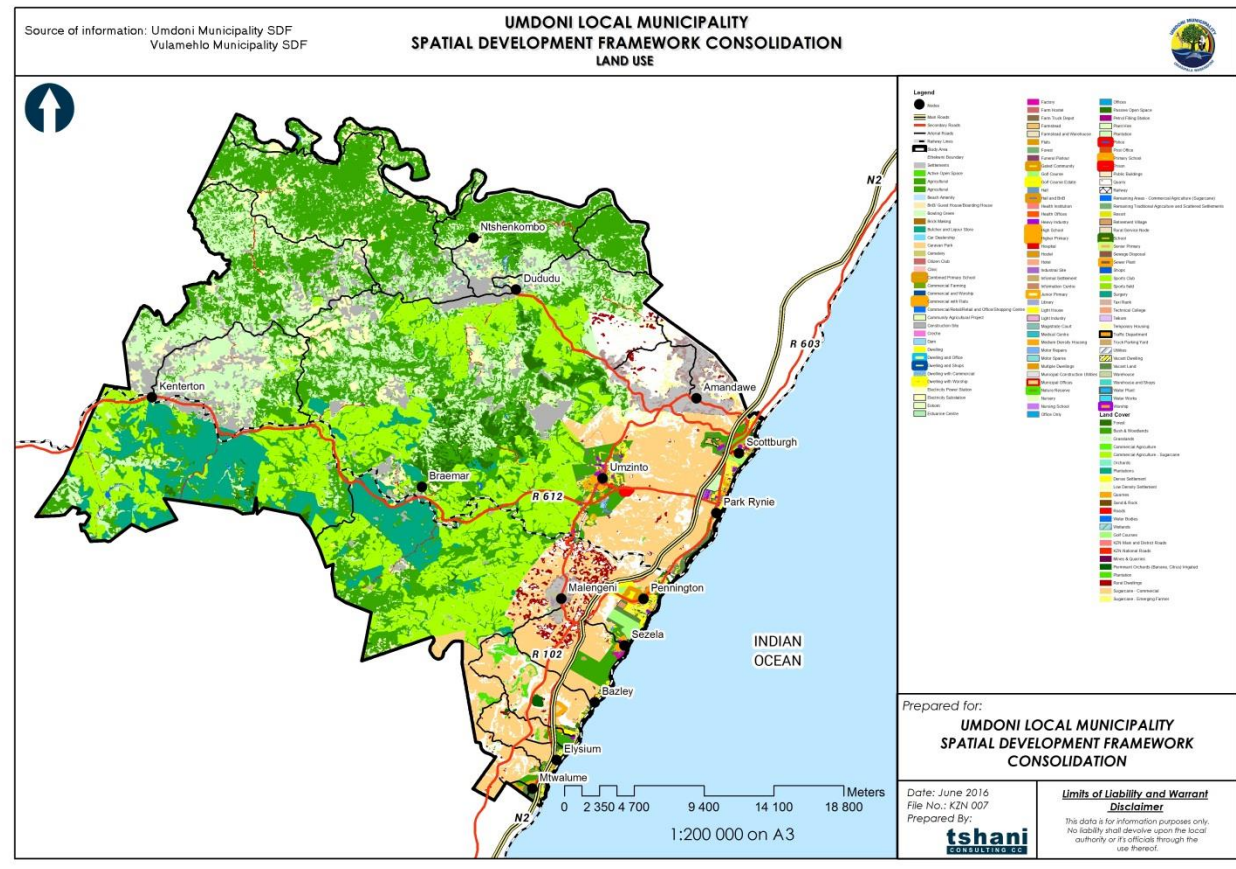
Map 18: Umzinto Urban Edge



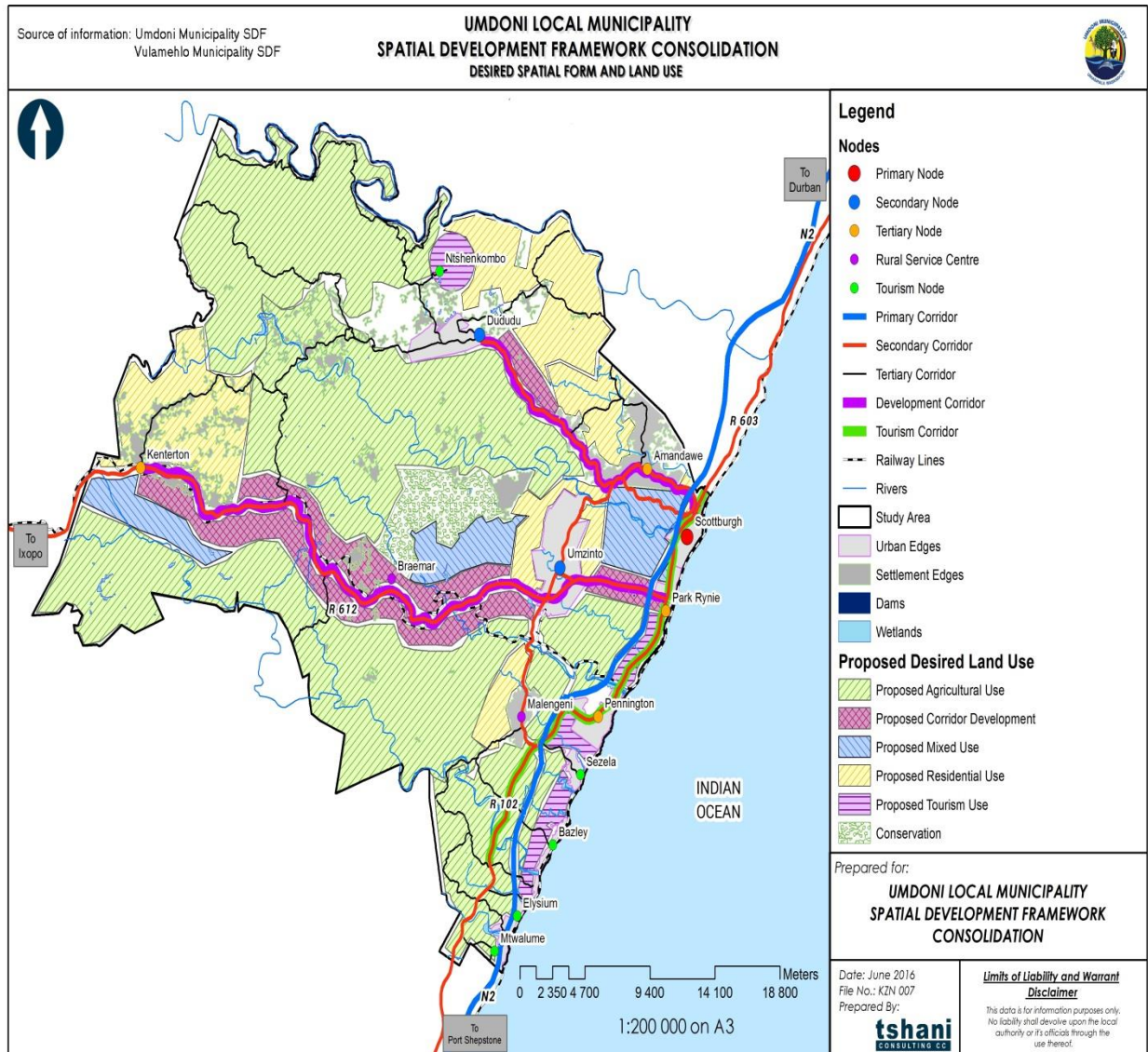
1.5 LAND COVER AND BROAD LAND USES

The land cover in rural areas of Umdoni comprises predominantly sugar cane, bananas and commercial forestry. The majority of the remaining area is under formal and informal urban development. There are limited areas of indigenous vegetation interspersed in the commercial crop lands. The majority of the rural areas of Umdoni Municipality appear to be under sugar cane production. There are relatively small areas of commercial forestry or plantation, particularly in the south of the Municipality. Banana production also occupies a relatively small area of the municipality.

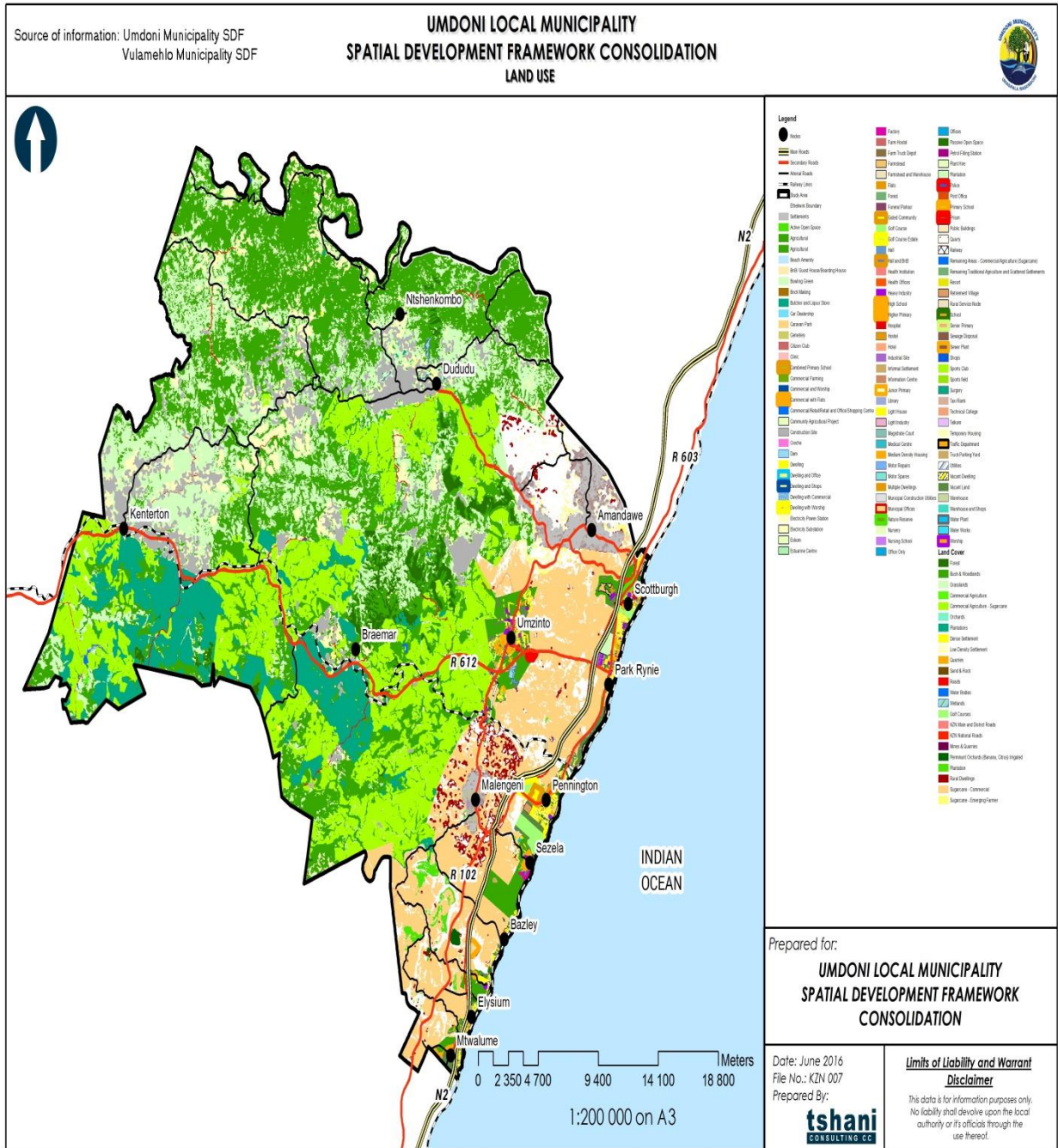
Map 19: Umdoni Land Use



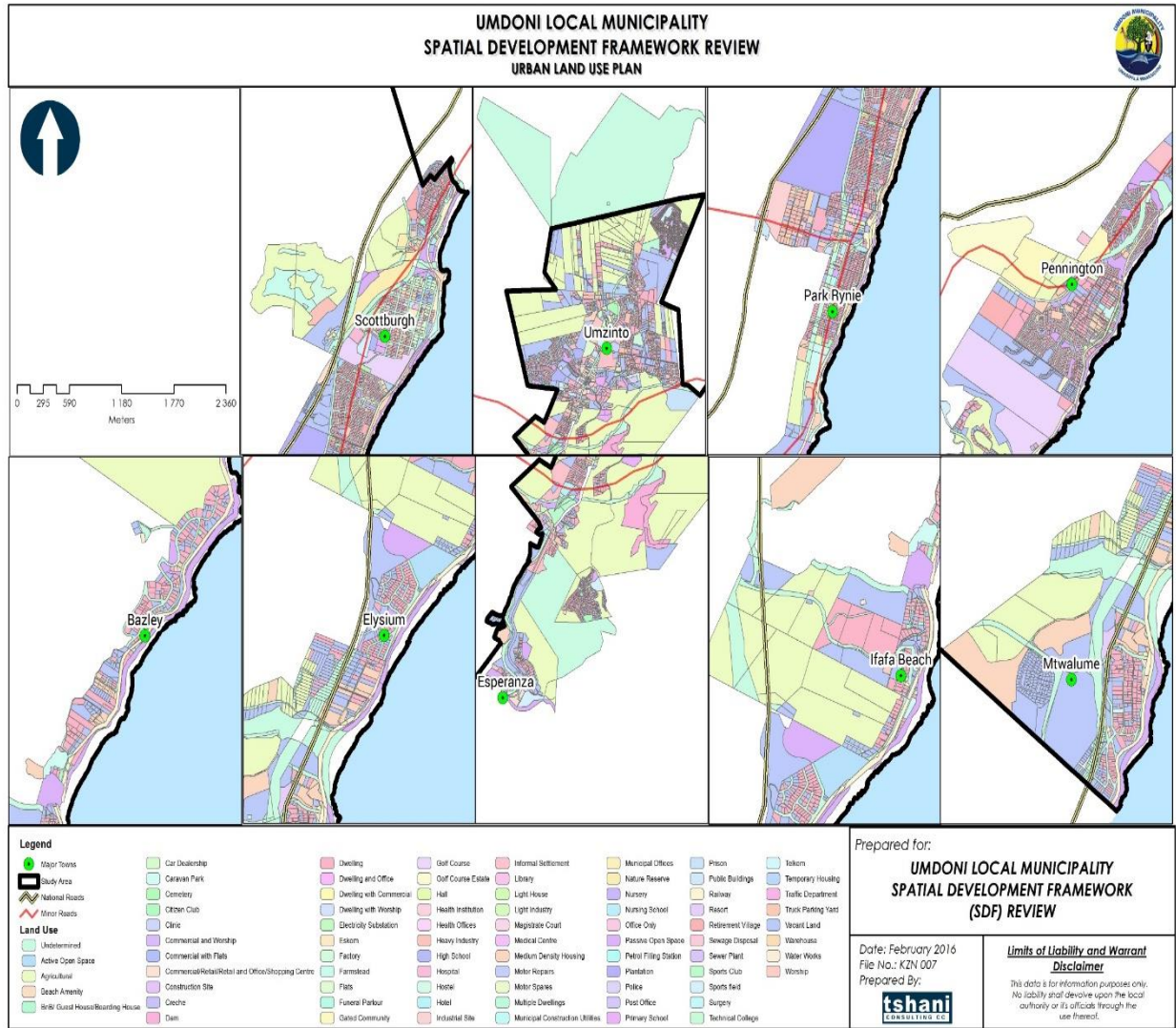
Map 20: Proposed Land Cover



Map 21: Municipal Land Use



Map 22: Urban Land Use



1.6 Land Ownership

The land along the coast is privately owned and along the hinterland, the land falls under Ingonyama Trust Board and tribal authority. The municipality has made budget provision to conduct the land audit for the entire municipality in order to ascertain land ownership within the municipality.

Table 1: Land Ownership

LAND OWNERSHIP	HECTARE
Church	0.2
Commercial Agriculture	9706.6
Municipal	1.6
Private	996.9
Roads	190.8
State Land	56.9
Traditional Council Owned Land	11485.3
Trans-Net	75
Trust	336.4
Unknown	1485.4
Urban Areas	816.5

There are seven Traditional Council areas in Umdoni Local Municipality (see table 9). The table indicates the extent of each Traditional Council Area. Langa, which is situated southeast (see map 4) is the largest Traditional Council followed by Kwa-Cele.

1.7 Land reform

Umdoni Local Municipality forms part of the Ugu District Municipality. As is the case throughout much of South Africa, land reform in Ugu District Municipality has been slow. This has been attributed to the high number of Restitution Claims existing in the district and limitations on capacity in the Commission dealing with Restitution. Trends in Umdoni Local Municipality appear to be similar to those in the District; that is few of the Restitution Claims have been settled. A limited number of Redistribution Claims have been made in Umdoni Local Municipality the majority of which have been settled through the Ugu Land Affairs' office. Land Reform claims taking place in Umdoni Local Municipality comprise of two products, land Restitution and land Redistribution. There are currently 74 Restitution claims making up 91% of all claims in the municipality. Of the 74 Restitution claims, only four have been settled while the remainder are processed and gazetted.

Concerning Redistribution claims, six of the seven have been completed with the land having been settled in most cases since 2003. In all of the seven redistribution claims, the land was settled under the Land Redistribution and Agricultural Development (LRAD) programme and is under sugarcane cultivation. The total area in the municipality under land reform is 4071.274 hectares. This equates to 17% of the total land area of Umdoni Local Municipality. Those areas under Restitution claims account for 3358.954 hectares with the size of the individual claims varying from 1311.202 hectares to 0.041 hectares. Of the total land area under Restitution claims 1456.974 hectares or 43% has been settled. The Redistribution claims make up the remaining 712.32 hectares of which 681.045 hectares have been settled. It should be noted that there are a number of Land Redistribution projects that border Umdoni Local Municipality in the west but exist within Vulamehlo Local Municipality.

The majority of land reform claims in Umdoni Local Municipality exist inland of the N2 highway towards the south of the municipality. The exception is five Restitution Claims with a total area of 221.7 Hectares on the Umdoni – eThekweni border. This area is bisected by the N2. Inland of the N2 Restitution Claims exist in the South of the municipality near the Umzumbe Local Municipal Border. Land use in the area is dominated by sugarcane cultivation with small pockets of forest and plantations.

Further north, running along the border of Vulamehlo Local Municipality, are two Restitution claims one of which is for 1311.202 hectares, the largest claim in the municipal area. The land use in these areas is predominantly commercial sugarcane. The seven Redistribution Claims in Umdoni Local Municipality exist on the borders of Umdoni, Umzumbe and Vulamehlo local municipalities. As stated in the 'Extent of Land Reform section' (above) as one moves north there are numerous Redistribution Claims in Vulamehlo Local Municipality that border on Umdoni Local Municipality.

Land reform is taking place in Umdoni Local Municipality using two products, Land Restitution and Land Redistribution. In the case of Land Redistribution, the Land Redistribution and Agricultural Development (LRAD) programme has been used.

Potential difficulties arise when land reform takes place on commercial agricultural land as is the case in Umdoni Local Municipality. Cases of land reform being implemented without sufficient planning are common, with a lack of post-settlement support making commercial farming unviable (Sisonke Area Based Plan, 2007).

Commercial agriculture is an important sector of Umdoni’s economy and has been identified as critical in stimulating economic development. Poor planning, lack of post settlement support and the slow implementation of land reform is likely to impact negatively on the agricultural sector, the local economy and as a result the broader community. This is particularly pertinent to Restitution roll out in KwaZulu-Natal and given the fact that 14% of the land area of Umdoni is under claim; this could have negative long-term implications for commercial agriculture.

The potential effect of land reform on the natural environment of Umdoni will only become apparent in the longer term. This largely depends upon the land use planned for each property included in a land claim and the commitment to that plan in post project support by the beneficiaries and implementing agencies.

1.8 Land Capability

The majority of cultivable land in Umdoni, which is not under alternative forms of development, is already under commercial agricultural production. The majority of the cultivable area is under sugar production relatively small areas of land are being used for commercial timber and banana production. Traditional areas will be characterised by mixed use including smallholder cane production. There may be land available in traditional areas, which could be considered for commercial agricultural expansion; the opportunities for expansion of existing areas of land under agriculture appear limited. Farming methods associated with the different crops produced will determine the impact of agriculture on the surface and ground water in each of the catchments, pollution from fertilisers, top soil loss and siltation of estuaries at river mouths.

1.9 PRIVATE SECTOR DEVELOPMENTS

Table 17: Development of Land outside the Scheme Applications

Application No.	Date Received	Description Of The Property	Type Of Application	Status
Dol/07/2016	25/07/2016	Portion 3 (Of 1) Of The Farm The Pasture No. 6241	Commercial (Petrol Filing Station)	Advertised
Dol/08/2016	23/09/2016	Portion 2, 3 And 5 Of The Farm Glen Alie No. 2037	Property Boundary Adjustment	Acknowledged Still Awaiting Requested Information From The Applicant
Dol/09/2016	17/11/2016	Portion 136 (Of 102) Southern Home No. 2025	Commercial (Petrol Filing Station)	Acknowledged Still Awaiting Requested Information From The Applicant
Application No.	Date Received	Description Of The Property	Type Of Application	Status

PDA APPLICATIONS RECEIVED BY UMDONI TOWN PLANNING DEPARTMENT

Table 18: PDA Applications

Application No.	Date Received	Description Of Property	Type Of Application	Status
Comb/23	02/08/2016	Portion 3 (Including Portion 23 Of 3) Of The Farm Darlington South No. 14361 & Remainder Of Farm Elysium No. 15582	Subdivision And Rezoning	Acknowledged And Still Awaiting Requested Documents From The Applicant
Comb/24	23/08/2016	Remainder Of Erf 1040 Scottburgh	Subdivision And Removal Of Restrictive Condition Of Title	Still On Discussion By The Members Of The Mpt
Comb/25	08/09/2016	Erf 891 & 892 Scottburgh	Consolidation And Removal Of Restrictive Condition Of Title Deed	Approved
Comb/26	21/10/2016	Erf 436 Scottburgh	Rezoning And Removal Of Restrictive Condition Of Title Deed	Approved
Comb/27	17/11/2016	Erf 25 Scottburgh	Rezoning From Residential Only 3 To Low Impact Mixed Use	Acknowledged And Still Awaiting Requested Documents From The Applicant
Comb/28	19/09/2016	Rem Of The Farm Lot 13 No. 1847 & Rem Of The Farm Lot 12-1849 Renishaw	Special Consent And Amendment Of The Layout Plan And Conditions Of Establishment	Approved

1.10 Environmental Analysis

1.10.1 Overview

In recognizing and to give attention to the requirements of The Bill of Rights, Umdoni Municipality undertook an environmental evaluation and planning process known as a Strategic Environmental Assessment – SEA – during 2010 & 2011.

The SEA is an important tool that will be used to guide all planning and development processes, not only for conservation reasons but also for the acknowledgement of the vital role the environment plays in providing free goods and services to the people. It sets the criteria for levels of environmental quality or limits of acceptable change. In addition to this it is stated that the SEA will form the baseline on which future versions of land use management schemes and Spatial Development Frameworks are developed.

The SEA assessed all three issues pertaining to sustainable development; namely, social, economic and environmental parameters, covering aspects such as

Natural & Cultural Heritage; Land reform, use and future planning; Agricultural and food security; Livelihood strategies; Climate change parameters; Waste Management (both sewage and solid waste); the roll and importance of Tourism within Umdoni and the Geophysical and Biophysical environments which included an assessment of Ecosystem goods and services . Other issues that were investigated are the negative impact of alien plant infestation; sand-winning; air quality incl. the pollution thereof assessment of vegetation and habitat types and the identification of sensitive eco-systems and environmental priority areas.

Where the natural resource base is intact and well managed, it will retain its full potential to produce and deliver ecosystem goods and services. However, as the level of transformation and degradation increases, the ability to produce and deliver ecosystem goods and services decreases. In addition to the clear linkages that are shown between the natural and the socio-economic components of the environment, the resource ecology view of an area can provide an assessment of the importance of these and an indication of the way in which the natural environment does and can contribute to the socio-economic well-being of people in a particular area. Conversely, a decline in environmental assets will lead to a decline in income.

The SEA undertaken by Umdoni Municipality during the period 2010 – 2011 clearly indicates that more than 75% of the area that comprises the municipality been transformed and is subject to impacts related to this large-scale transformation. As a result, Umdoni is in a situation where the natural environment places more constraints on development than it offers opportunities. What the above summary indicates is that development in Umdoni has exceeded the thresholds of sustainability and that the term ‘development’ needs to be looked at from a different perspective than it traditionally is. The traditional perspective of development is that land must be under some form of economic activity, which is supporting and growing the social fabric of the society.

By viewing the natural environment as **natural capital** which is there to support socio-economic growth one can begin to realize the important role that it plays in providing the foundation for both the social and the economic aspects of society.

Natural Capital is valued according to the extent, to which it can underpin and support economic activities and societal livelihoods, but it is also finite with thresholds that need to be respected, only then does sustainability become a reality.

It is unfortunate and apparent that the above view has not held within the municipality consequently opportunity costs have been and are significant: e.g. the siltation of the EJ Smith dam to such an extent that it can no longer meet the demand for water in Umdoni. The financial loss of this strategic piece of infrastructure is compounded by the fact that water now has to be brought in from the north via a pipeline at an increased cost to all communities residing within Umdoni.

The coastal assets from the estuaries, dunes, sandy beaches and rocky shores are significant attractions and the tourism income they attract has significant multiplier effects throughout the whole local economy.

It is clear then, that any development that will, impact negatively on tourism will have a devastating effect on the local economy (Coetzee, undated). The beaches and sea are clearly the main attractions, with Scottburgh being the leading Centre. Tidal pools, surf and rock fishing, surfing, deep-sea fishing and scuba diving are all associated activities. However, the estuarine study done for the SEA reveals that in general the relative 'health' of Umdoni's estuaries is fair to highly degraded, suggesting a particularly bleak future for these systems and a potentially high negative impact on our other coastal assets.

The riverine systems in Umdoni were assessed and found to be in a very poor state and thus highly vulnerable. This has and will continue to have a negative impact on those rural communities within Umdoni that rely on a natural river for their well-being. Maintaining any remaining natural systems along the main stem rivers is considered critical for ensuring continued delivery of ecosystem services and connectivity required for biodiversity persistence. **River corridors** must be developed along north south and east-west axes. A shortcoming within the planning domain is the high level of transformation directly adjacent to stem rivers, highlighting the importance of catchment management. All **wetlands** (including estuaries) are essential for maintaining hydrological services, including flow regulation, water purification and preventing sedimentation. Accordingly, a persistence target of 100% of all wetlands will be adopted, including a 30m buffer on each wetland to ensure sustained wetland functioning. The 100% wetland target is based on wetland functioning to ensure the delivery of ecosystem services goods and services, rather than biodiversity targets.

However, it is possible that the poor environmental situation that currently exists can, in some instances, be turned around. This is particularly relevant when considered within the context of the role and value of the natural capital and where government job creation projects such as Working for Water and the Extended. Public Works Programme invests in environmental rehabilitation projects.

The level of transformation and/or degradation has no doubt elevated the status of the untransformed areas, which remain. The implications of this are that all untransformed land within the boundaries of the UM are of conservation importance and all future development applications will need to be

scrutinised very carefully and subjected to rigorous environmental impact assessment and management to ensure that the important biodiversity features are not impacted on. Where development plans are unable to avoid and mitigate impacts on site, they should not be considered.

A non-negotiable will have to be that the investment must bring about an enhancement of the remaining untransformed natural capital and vital rehabilitation of sensitive eco-systems that are already compromised.

It would be irresponsible to suggest that there are traditional development opportunities in the Umdoni Municipality however, in lieu of the traditional development opportunities the following projects provide some recommendations on how the UM can facilitate access to the natural capital of the area and contribute to the livelihoods of the people:

Food Production - Small market gardens hold the potential to supply 'fair trade' products to residents and the tourism industry in the area. The municipality can facilitate a process of encouraging individual and/or communal gardens and the linkages between these and the local consumers by providing a place for trading initiate a municipal certification system and provide technical and marketing support.

Rain Water Harvesting - Rainwater harvesting within all sectors of the municipal society will take the pressure off the natural environment to provide water and will enhance the livelihoods of poor communities through the provision of water close to the point of consumption as well as providing water for the irrigation of food and market gardens. The technology required is very simple and the UM can play an important role in promoting this activity by removing inhibitive bylaws and creating incentives related to reduced water consumption. As far as poor communities are concerned, the municipality can also play the role of accessing government-based finance for the installation of the required technology. The Extended Public Works Programme may fund projects aimed at installing rainwater-harvesting systems in poor communities.

Biogas Production - Here the municipality can play a role of facilitating access to finance and information as well as promoting this as an opportunity that can release pressure on the natural capital and enhance the livelihoods of poor people. Biogas is widely used around the world, especially in countries such as India, Nepal, China and Vietnam.

Payment for Ecosystem Services (PES) - the concept of PES has worked and is working in numerous examples around the world and there is no reason why it cannot work in the UM. The example of the Blue Flag Beaches is used as it is relevant and offers distinct possibilities; however, there are other opportunities such as the relationship between municipal waste water treatment works and upstream land users that impact on catchment integrity. The exact nature of the PES agreements will differ based on the circumstances presented in each opportunity where some may present as a direct economic agreement, whereas other may present as mechanisms to leverage support from government job creation programmes such as Working for Water and/or the Extended Public Works Programme. It must be noted though that the latter are not sustainable and must be seen as a point of departure for PES ventures and a longer-term business plan will need to be developed to ensure the sustainability of any agreements.

Incentives towards Improved Catchment Services - the situation in the municipality is that majority of the water catchment area affecting its supply is outside of the Umdoni Municipality boundary and much of the surface area of these catchments, both within the municipality and outside, have been transformed and degraded. This has resulted in the loss of strategically important services such as optimum rainfall infiltration and associated flood attenuation, reduced soil erosion and winter base-flow. This degradation and the remediation thereof provide a strong argument for changes in land use and land use management with associated rehabilitation and restoration throughout the catchments e.g. the reinstatement of riparian areas and wetlands within sugar plantations. The municipality may engage with organised agriculture in collaboration with the District to broker agreements towards improved catchment management.

Carbon, Water and Waste Neutrality - within an environment that is as stressed as that of the Umdoni municipality it is appropriate and urgent that the Municipality begin to introduce incentives and mechanisms that promote carbon, water and waste neutrality. It should then be integrated into the process of assessing new development applications and thereafter be retrospectively applied to existing residences, businesses and industries. The latter is based on the assumption that the UM will be able to apply these concepts to their own operations in a very short space of time, however if this is not the case, then it may be necessary to produce a plan of action that provides opportunities for the simultaneous introduction to all sectors. Such a programme of action must be based on incentives and the UM must provide the enabling environment for this to take place. In other words, bylaws and policies may need to be amended to encourage sustainable living and working practices.

Sustainable Certification - There are distinct benefits for all sectors within Umdoni to live and work sustainably and there are a number of systems that can be subscribed to that recognize such efforts. Consumers are increasingly becoming aware of the necessity for sustainable operations and where businesses can achieve this, they provide for themselves a marketing edge. The example of the Blue Flag Beaches, which is part of the Foundation for Environmental Education (and which also includes the Eco-Schools programme, Green Key, etc.), has already been used but there are many others such as Fair Trade, Green Globe, Heritage SA, NaturCert, ISO and We Try. Each of these and the many others that are available has their pros and cons and will need to be assessed according to the area of application. There are tangible benefits that can be realised from transforming homes, offices, businesses and factories into sustainable entities. The intangible benefits are that such processes will relieve the stress that is currently on the natural environment of the Umdoni Municipality.

1.10. 2 Integrated Environmental Management Plan

Coming out of the Strategic Environmental Assessment there was an urgent need to develop an Integrated Environmental Management Programme (IEMP) that would provide a pro-active tool that will guide decision-making within the municipal area from an environmental management perspective. This framework sets a vision for the Umdoni Municipality and provides a series of sustainability objectives that address the environmental concerns or issues that have been identified as well as guide the

municipality towards the achievement of the desired state of the environment. The focus on these zones, the way in which they were identified and delineated, the provision of guidelines that dictate the management required to reinstate and maintain their integrity, and the listing of activities that are either appropriate or inappropriate. In this way, the planning officials in the municipality are equipped with a tool which they can use to screen development applications and substantiate related decisions.

The IEMP which has been adopted by the Umdoni Council provides a series of actions that are very specifically articulated to capture what must be done, by whom, with whom, with what, by when and how will the progress be measured in terms of deliverables.

The SEA Report and specifically the sustainable objectives were used as the basis for the selection of the relevant actions. In this it was recognized that the first set of objectives that related to the rehabilitation of natural capital were the most relevant and of the highest priority. Some of the iterated actions are listed below:

Actions that need to be taken to facilitate the Alignment of the Town Planning Schemes and the SEA – the findings of the SEA must be used to amend the SDF

Actions related to water resources

Actions related to natural resource rehabilitation throughout the municipality

Actions related to building coastal resilience through the rehabilitation of dune vegetation and other activities as outlined in the Coastal Vulnerability Index compiled for the Umdoni Municipal Coastline and the SEA

Action related to the management of storm water runoff and water quality

There is destruction of natural capital as increasingly threatening the sustainable livelihoods of the people of the Umdoni and that the dynamics causing this are reversed through a programme of rehabilitation and sustainable management in a way that ensures that the intrinsic and economic value inherent within the natural and social capital are optimised for the benefit of residents and visitors both now and into the future.

It is reiterated at this point that this project has highlighted the significant loss of resilience due to the 75% land cover transformation and loss of natural capital that has taken place.

As a result the area is vulnerable to extreme weather events, outside of the predicted influences of climate change, and that with the next drought, flood and/or sea surge infrastructure will be damaged and lives will be lost. In addition to this, the insidious effects of land transformation will continually impact on the ability of the Council to efficiently deliver services to its constituents. Implementation of the IEMP must therefore be seen as a priority in order to enhance the Council's performance and service delivery.

It is also acknowledged that the IEMP will need to be reviewed and updated on an annual basis - this will provide the opportunity to revise time frames accordingly.

1.10.3 Integrated Waste Management Plan

The Umdoni Municipality has adopted an Integrated Waste Management Plan which was compiled by the District Municipality for all its Local Municipalities.

Waste services are one of the key service delivery areas of the municipality, with services rendered in the form of refuse collection from residential & business premises as well as supplying a basic service to rural areas by strategically placing large skips into which the communities can place their waste; these skips are then removed to the licensed landfill. Other waste management requirements consist of maintaining the formal town areas clean as well as the management of the landfill as per its permitted requirements.

The Waste management plan puts measures in place to provide a more effective and efficient waste management service thereby reducing operational costs and improving service delivery. A significant part of the municipal budget is allocated to waste related services and this is likely to increase. It is therefore imperative that the UM take measures to reduce the costs of waste disposal by implementing plans to promote recycling & reuse – adopting the cradle-to-cradle philosophy.

1.10.4 Coastal Management Plan – Including Estuarine Management

The Integrated Coastal Management Act - Act 24 of 2008 that became effective in 2009 – stipulates to:

The establishment of a system of integrated coastal and estuarine management in the Republic, including norms, standards and policies, in order to promote the conservation of the coastal environment, and maintain the natural attributes of coastal landscapes and seascapes, and to ensure that development and the use of natural resources within the coastal zone is socially and economically justifiable and ecologically sustainable; to define rights and duties in relation to coastal areas; to determine the responsibilities of organs of state in relation to coastal areas; to prohibit incineration at sea; to control dumping at sea, pollution in the coastal zone, inappropriate development of the coastal environment and other adverse effects on the coastal environment; to give effect to South Africa's international obligations in relation to coastal matters; and to provide for matters connected therewith.

The coastal protection zone is established for enabling the use of land that is adjacent to coastal public property or that plays a significant role in a coastal ecosystem to be managed, regulated or restricted in order to—

- (a) Protect the ecological integrity, natural character and the economic, social and aesthetic value of coastal public property;
- (b) Avoid increasing the effect or severity of natural hazards in the coastal zone;
- (c) Protect people, property and economic activities from risks arising from dynamic coastal processes, including the risk of sea-level rise;
- (d) Maintain the natural functioning of the littoral active zone;

(e) Maintain the productive capacity of the coastal zone by protecting the ecological integrity of the coastal environment; and

(f) Make land near the seashore available to organs of state and other authorised persons for (i) performing rescue operations; or (ii) temporarily depositing objects and materials washed up by the sea or tidal waters.

Coastal Municipalities such as Umdoni have in terms of sections 20, 25, 34 & 48 of the ICMA specific responsibilities with regard to coastal access land; the establishment of coastal setback lines and the incorporation of this line onto maps that form part of the municipal zoning scheme; the preparation and adoption of both coastal and estuarine management plans.

In terms of section 20 (1) a municipality in whose area coastal access land falls, must amongst other duties, control the use of, and activities on, that land; maintain that land so as to ensure that the public has access to the relevant coastal public property; ensure that the provision and use of coastal access land and associated infrastructure do not cause adverse effects to the environment; describe or otherwise indicate all coastal access land in any municipal coastal management programme and in any municipal spatial development framework prepared in terms of the Municipal Systems Act;

In terms of section 25 (1) An MEC must in regulations published in the *Gazette* establish or change coastal set back lines *after* consulting with any local municipality within whose area of jurisdiction the coastal set-back line is, or will be, situated. Such setback lines are so delineated to, *inter alia*, protect the coastal protection zone; to protect coastal public property, private property and public safety; preserve the aesthetic values of the coastal zone; prohibit or restrict the building, erection, alteration or extension of structures that are wholly or partially seaward of that coastal set-back line. Further, A local municipality within whose area of jurisdiction a coastal set-back line has been established must delineate the coastal set-back line on a map or maps that form part of its zoning scheme in order to enable the public to determine the position of the set-back line in relation to existing cadastral boundaries.

In terms of section 40 (1) A coastal municipality must, within four years of the commencement of this Act, prepare and adopt a municipal coastal management programme for managing the coastal zone or specific parts of the coastal zone in the municipality; must review any programme adopted by it at least once every five years and when necessary, amend the programme. (Note: As the ICM Act was commenced in 2009 such coastal management programmes must be in place by 2013/2014.)

In terms of section 34 a coastal municipality may prepare and adopt an estuarine management plan that should address the protection and any required rehabilitation of estuaries that occur within the Municipality's boundaries. Such a plan must be consistent with national estuarine management protocol and the national coastal management programme and with the applicable provincial coastal management programme and municipal coastal management programme. An estuarine management plan may form an integral part of a provincial coastal municipal coastal management programme.

1.10.5 River/Estuary

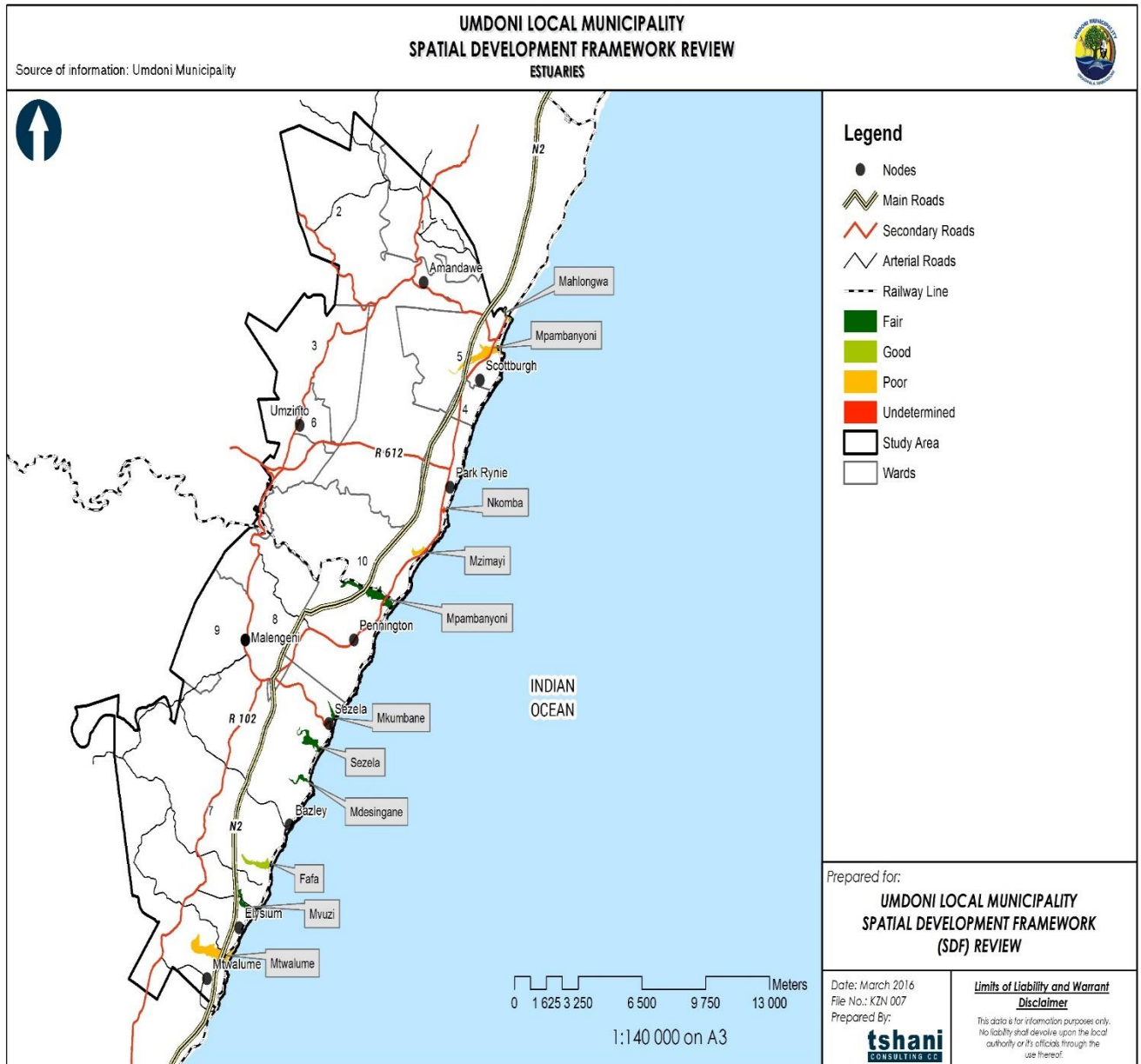
The quality of the water in most rivers within the Umdoni Municipality is poor creating unsuitable habitats for aquatic organisms and presenting a possible health risk to rural communities that depend on such rivers for their water supply. This degradation / pollution of our rivers is largely attributed to agricultural runoff, erosion, contamination by waste and untreated effluent and sewer discharges.

A rehabilitation plan ensures programs/ projects are in place that prevents negative impacts on rivers/estuaries; projects could include clearing of alien invasive vegetation in rivers, preventing waste from entering the system and improving biodiversity. Improved functionality of these riverine systems will assist in combating climate change and the supply of free goods and services such as carbon sequestration and flood attenuation etc.

The estuaries and the condition thereof are depicted in the table below:-

Name	Type	Health
Fafa	Temporarily closed estuary	Good
Mdesingane	Temporarily closed estuary	Fair
Mkumbane	Temporarily closed estuary	Fair
Mpambanyoni	Temporarily closed estuary	Poor
Mtwalume	Temporarily closed estuary	Poor
Mvuzi	Temporarily closed estuary	Fair
Mzimayi	Temporarily closed estuary	Poor
Mzinto	Temporarily closed estuary	Fair
Sezela	Temporarily closed estuary	Fair

Map 23: Umdoni estuaries



1.10.6 Environmental Management Framework

The National Environmental Management Act (1998) provides for the development and adoption of an Environmental Management Framework (EMF). EMF is a study of the biophysical and socio-cultural systems of a geographically defined area to reveal where specific land uses may best be practiced and to offer performance standards for maintaining appropriate use of such land. Such an EMF is being developed by the Ugu District Municipality and will greatly benefit the Umdoni Municipality once it has been finalized.

1.10.1 BIODIVERSITY HOTSPOT

Umdoni Municipality falls under the Maputaland-Pondoland-Albany Hotspot Region an area described by Conservation International as “Biodiversity Hotspot. The hotspot’s vegetation is comprised mainly of forests, thickets, bushveld and grasslands.

Map 24: Biodiversity Hotspots



Terrestrial Biodiversity Features

Within the terrestrial environment, two broad biomes are represented in the Umdoni Local Municipality, namely the Indian Ocean Coastal Belt and Forest.

Vegetation and Habitat Types

The vegetation types found within Umdoni Municipality:

- KwaZulu-Natal Coastal Belt: 23301.1ha (97.86% of municipality)
- Northern Coastal Forest: 196ha (0.82% of municipality)
- Subtropical Coastal Lagoons: 79ha (0.33% of municipality)
- Subtropical Seashore Vegetation: 224.6ha (0.94% of municipality)

According to the KZN Terrestrial Systematic Conservation Plan 2011, 4591.4ha (19.3%) of the municipality remains natural, while 19100.5ha (80.2%) of the municipality has been transformed. The significant areas of natural vegetation are the coastal strip, river valleys and their tributaries. Indian Ocean Coastal Belt is the only biome type found within the municipality. The dominant vegetation type within the municipality is KwaZulu-Natal Coastal Belt.

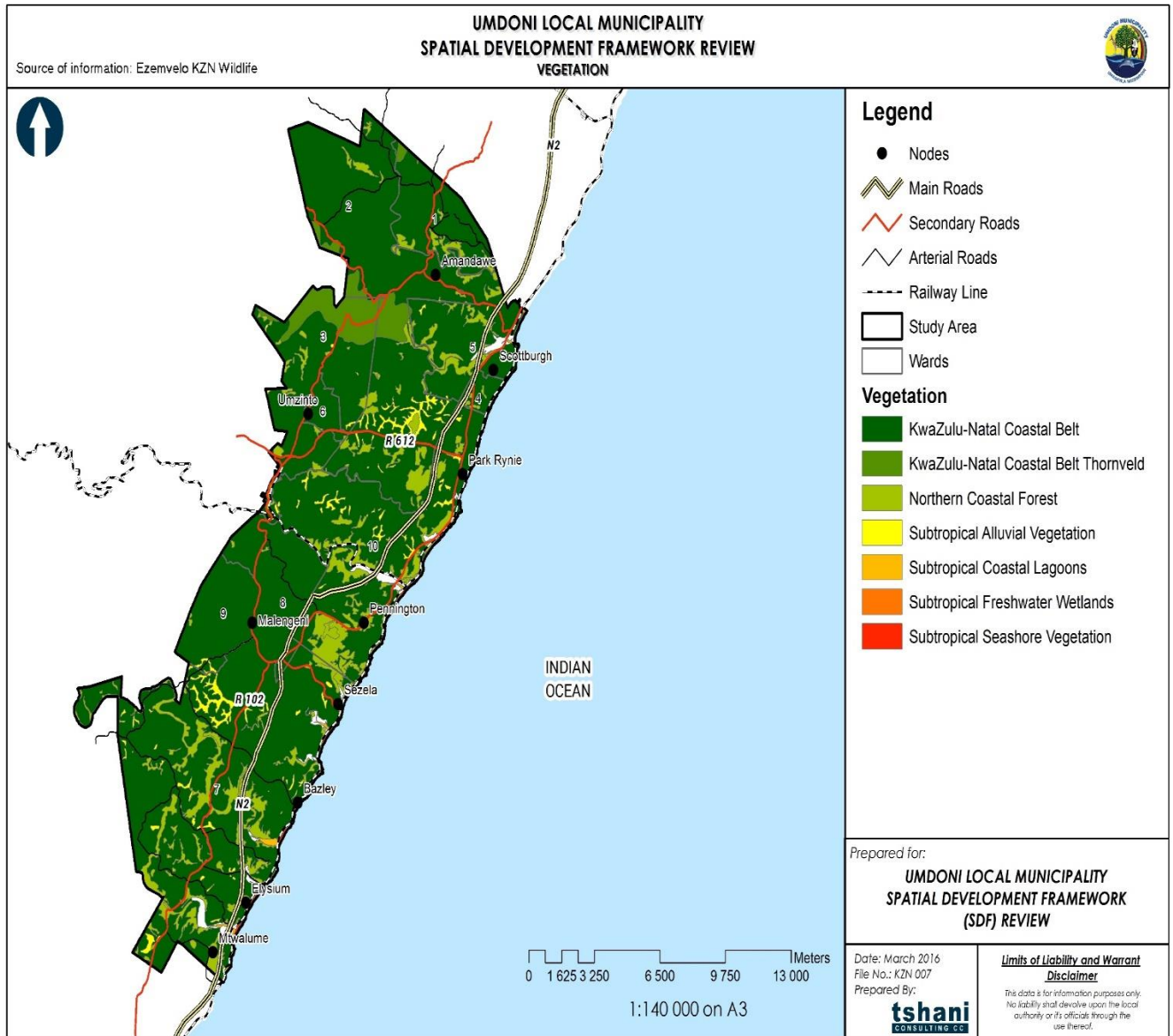
There are two critically endangered ecosystems covering 4587.3ha (19.3%) of the municipality:

- Interior South Coast Grasslands (3175.1ha)
- Southern Coastal Grasslands (1412.2ha)

There are no endangered ecosystems within Umdoni Municipality. However, there is one vulnerable ecosystem namely KwaZulu-Natal Coastal Belt covering 0.2 ha (Source: South African National Biodiversity Institute (SANBI))

Within the biomes, there are 12 vegetation types found within the Municipality. The predominant vegetation type is Income Sandy Grassland, which covers 48.61% of Municipality.

Map 25: Vegetation



Environmental Priority Areas in the Umdoni Local Municipality

Most vegetation has been disturbed due to random fires, forest clearing, trampling, overgrazing, agriculture (sugar cane) and township development. Aerial photographs taken in 1937 show nearly all trees from the Umzinto River to 1.5 km south were cleared, yet today re-establishment of forest trees is evident. It is accepted that given proper management and environmental conditions and because of natural plant succession, rehabilitation is possible. Severely disturbed and developed areas are included as a group. The vegetation communities, habitats and properties included in each Priority group are listed in the table below:

Table19: Vegetation communities, habitats and properties included in each Environmental Priority Area

PRIORITY 1	PRIORITY 2	PRIORITY3	No priority but which can be upgraded with proper management
<p>Dune Pioneers Wetlands Estuaries, streams and rivers and all vegetation within 10m of the banks of the rivers, and within 3 m of the banks of streams, Coastal Forest Those properties seaward of roads parallel to and nearest to the coast (indicated on the Town Planning Scheme Maps) and for contiguous to the Admiralty Reserve. It was decided to include these properties within</p>	<p>Coastal Forest with Weed Infestation Disturbed Forest Coastal Grassland</p>	<p>Disturbed Forest with Weeds Disturbed Forest with Exotics Disturbed Grassland Disturbed Shrubland</p>	<p>Sugar Cane / Cultivation Severe Weed Infestations</p>

It must be noted that there has been considerable development with further degradation and destruction of natural areas and that there has been further stakeholder/public discussions with regard to the Umdoni LUMS where it was agreed that the areas described as priority 1, 2 and 3 would no longer be considered separately.

These areas are given priority status, i.e. flagged with no distinction between them. This argument is strengthened by the fact that the status of South Coast Grasslands is 'critically endangered'.

Existing Conservation Areas

There are no formal Protected Areas or informal Natural Heritage Sites within the municipality but there are seven Sites of Conservation Significance and the Pennington Conservancy. The table below indicates the informal conservation areas in Umdoni municipality

Table 2: Existing Informal Conservation Areas in Umdoni Municipality

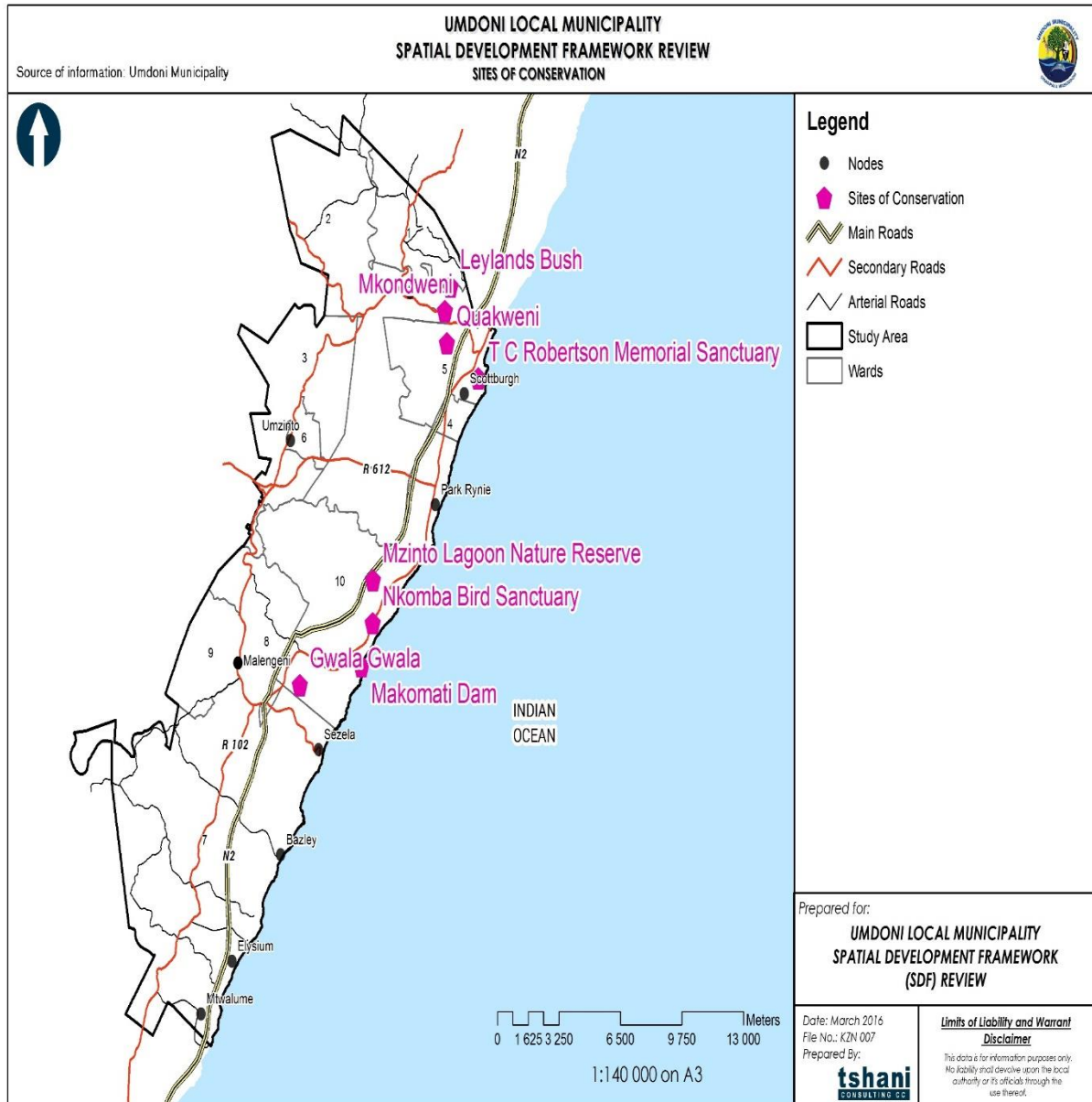
CONSERVATION AREA		CATEGORY OF PA	OWNERSHIP
Leylands Bush	Informal	SoCS 123	Municipal
Mkondweni	Informal	SoCS 124	Municipal
Quakweni	Informal	SoCS 125	Municipal
T C Robertson Memorial Sanctuary	Informal	SoCS 004	Municipal
Mzinto Lagoon Nature Reserve	Informal	SoCS 074	Municipal
Nkomba Bird Sanctuary	Informal	SoCS	Municipal
Makamati Dam	Informal	SoCS 075	Municipal
Gwala Gwala	Informal	SoCS 284	Private
Pennington Conservancy	Informal	Conservancy	Municipal/Private
Farm Abrams	Informal	Green Wedge 3	Private
Umdoni Park I	Informal	Green Wedge 4	Private
Sezela	Informal	Green Wedge 5	Private

The archaeological sites which have been identified include:-

- Bazley
- Higharces Farm
- Ifafa Beach, Beach Station and North bank
- Kelso Beach Estate Office and Station North
- King's Dale
- Mnamfu River North Bank
- Mtwalume
- Mzimayi River
- Paddy's Caravan Park
- Pennington Beach and Pennington Road
- Renishae Station
- Scottburgh and Scottburgh North

- Sezela Beach and Sezela Road
- Sezela and the new reservoir water tanks
- TC Robertson Nature Reserve
- Umbeli Belli
- Umdoni Park
- Umtwalumi River and North Bank
- Umzimaari River North Bank

Map 26: Sites of Conservation



In addition, municipality the Umdoni M hosts three of the eleven Green Wedges identified along the KZN South Coast in the mid-1970

The three Green Wedges in Umdoni LM are summarised as follows:

Green Wedge 1 - Farm Abrams this wedge consisted of a small problematic area, which is significantly disturbed by residential and infrastructural developments, in particular the Happy Wanderers Caravan Park. For these reasons, boundary extensions were recommended as apriority. The new boundaries extend this wedge from the Park Rynie residential area to the north to the N2 in the west and include the Mzimayi estuary and Turtle Bay. The proposed extended boundaries will encompass the complete range of diverse plant communities found in the coastal corridor between Park Rynie and Pennington/Kelso. Rehabilitating of disturbed areas of this Green Wedge will require intensive conservation management.

Green Wedge 2 - Umdoni Park - This private nature reserve protects one of the largest intact indigenous coastal thicket/forest and grassland areas of 390 hectares, on the upper South Coast. This Green Wedge is probably ranked second only to Green Wedge 11 - Red Deserts as having a high conservation value. The existing Golf Course and the existing network of trails through a portion of the coastal forest make this one of the few Green Wedges that is easily accessible to the public. A wide range of plant and animal species are afforded protection by this Green Wedge.

Green Wedge 3 – Sezela - Three valuable corridors of natural habitat worthy of conservation are found in this Green Wedge, these are the Sezela and Ndasingane Rivers and the cordon of dune vegetation along the seashore and railway line. An ecological link between this Green Wedge and the protected natural environments of Umdoni Park along the coastal dunes was considered feasible and recommended. Most of the surrounding land in this green wedge is under sugar cultivation and the property of Illovo Sugar. A portion of this land is regarded as suitable for accommodating an appropriate eco-tourism related development. In addition to the above there are two green wedges just to the north of the northern municipal boundary, i.e. Clansthal and Crocworld, and it is important to note that while these are outside of the ULM they can serve as a link to neighbouring areas of conservation significance such as the Mpambanyoni estuary and the remaining scraps of dune vegetation between the two rivers.

1.10.2 HYDROLOGY

Ground and Surface Water

This aspect of the natural environment of the municipality area is dealt with according to the catchments of the various rivers and streams that drain the area. Either there are seven large surface water systems that occur within the area in part or as a whole with the former being the predominant situation. In addition to these there are a number of smaller systems that are fully contained within the municipality. The table below provides a summary of these systems as they occur from north to south. The information contained in this table was extracted from the Ezemvelo KZN Wildlife aquatic conservation Plan (2007).

Umdoni falls with the mvoti-mzimkhulu water management area. This catchment is further subdivided into the following five (5) catchment areas are located within the municipality (sanbi):-

- Fafa and mvusi,
- Mpambanyoni,
- Mtwalume,
- Mzimayi, mzinto, mkumbane, sizela & mdesingane, and
- Amahlongwa

There are approximately 5 major rivers that traverse the municipality namely amahlongwa, fafa, mpambanyoni, mtwalum and mzinto rivers. The municipality also consists of numerous dams and wetlands. There are 225 wetlands covering 210.6 ha (0.9) of the municipality (sanbi). Recognizes the important role wetlands play in delivering ecosystem services such as water filtration and purification, and flood attenuation.

Specialist investigations, including wetland delineation and functionality assessments must be undertaken to inform any proposed development application process within 500 meters of any wetland area in the Umdoni Local Municipality.

Therefore, the municipality will not allow any land use activity that will result in the transformation of wetlands. Wetlands should be retained for the ecosystem goods and services they supply. However, in cases where wetland impacts cannot altogether be avoided or acceptably mitigated on-site, consideration must be given to establishing off-site wetland offsets that would result in positive impacts for wetland management within the Umdoni LM or immediately adjacent

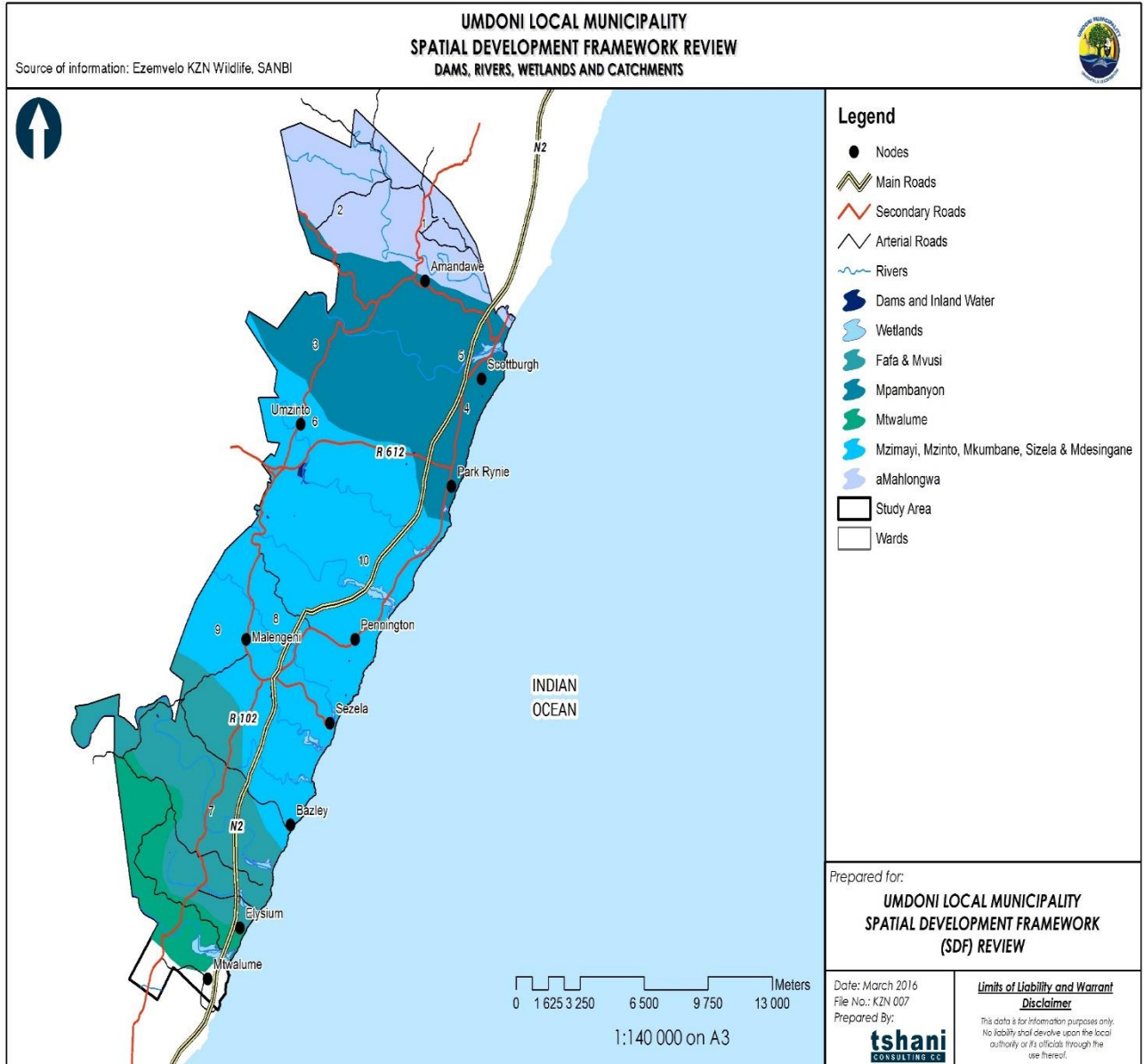
Whilst the municipality contains a number of rivers with significant runoff, no major impoundments exist in the region (Umgeni Water IMP, 2010) and their impact on the flow regimes is thus limited, but in certain instances, such as with the Mtwalume, there are many impoundments. Although these are relatively small, their accumulative impact on the flow regime will have the same as that of a larger impoundment. However, the influence of the dams on the Mzinto, Mkumbane and Sezela rivers (and the resultant water consumption from them) is indeed significant (Klusner, pers. Comms.).

Surface water ecosystems in temperate zones such as the ULM where there are distinct variations in seasonal rainfall and runoff, are driven by fluctuations in flow volumes. The ecosystem health is dependent on the system receiving flood pulses in season and where there are impoundments these absorb these pulses and cause delays. The greater the size of the impoundments and/or the greater the number of impoundments in a system, the greater the delay will be in the seasonal flood pulse being sent through the system. This will impact on the ability of aquatic organisms to maintain their life cycles which in turn could have a negative impact on the health of the systems.

The Umzinto supply system, which receives its water from the Umzinto WTP, includes the areas of Freeland Park, Hazelwood, Kelso Junction, Pennington, Umzinto and Park Rynie. Mtwalume supply system receives water from the Mtwalume WTP and includes the areas of Elysium, Ifafa, Mtwalume and

Sezela. Afforestation and irrigation are widespread in the region, with commercial sugar farming being the dominant feature within the municipality.

Map 27: Umdoni Dams and Catchments



1.10.3 WATER QUALITY

The Middle South Coast Region contains three major water sources, namely from the Mtwalume River, Umzinto Dam (Mzinto River) and E.J. Smith Dam (Mzimayi River). The following section is derived from Umgeni Water’s IMP (2010).

The water quality status of the Mzimayi system is depicted as unsatisfactory and this is mainly due to the on-going sewer problems arising in the Umzinto town which lies upstream of the E.J. Smith Dam. During heavy rainfall events, Stormwater infiltration into the sewer network causes the overflow of sewage into the surrounding watercourses thereby polluting it with sewage.

The E.J. Smith system is supplied by the E.J. Smith Dam which is highly impacted by the town, farming and industrial activities upstream in the catchment. The data indicates that in 2009, nutrients (Nitrates and SRP), sewage (*E. coli*) and turbidity have increased. The failures in this system are all related to the on-going sewer reticulation system problems in the town.

The Mtwalume WTP abstracts water directly from the Mtwalume River and since there is no impoundment of water; rainfall related pollution will have immediate effects on the raw water quality. Although the algae counts are low this does not necessarily indicate that nutrient loading is low as there is no water impoundment. The raw water quality indicates that the *E.coli* content of the water has increased and that there is an increase in breaches of the Resource Quality Objectives (RQO). Turbidity is also a problem and this is probably caused by sand mining along the banks of the river upstream of the treatment facility.

Water Balance / Availability

The urban requirements include those of the towns of Pennington, Hazelwood, Umzinto, Park Rynie, Mtwalume, Ifafa, Sezela, Elysium and Hibberdene. There is a small industrial requirement (1.2million m³/annum or 3.3 MI/day) related to the Sezela Sugar Mill which abstracts water directly from a run-of-river structures on the Mkumbane and Sezela Rivers.

Table below illustrates a negative water demand balance for the Middle South Coast Region which explains why a significant investment has had to be made to augment this shortfall by providing piped water from eThekweni

Table 3: Status of Umdoni LM Rivers (source NSBA, 2004)

NAME	STATUS
aMahlongwa	Vulnerable
Mpambanyoni	Vulnerable
Mzimayi	Not Assessed
Mzinto	Vulnerable
Mkumbane	Not Assessed
Sezela	Not Assessed
Mdesingane	Not Assessed
Fafa	Vulnerable
Mvusi	Not Assessed
Mtwalume	Vulnerable

Source: NSBA Status of Umdoni LM Rivers (source NSBA, 2004) and EKZNW Aquatic C-Plan

1.10.4 AIR QUALITY

Air quality Pollution Sources

The main commercial activity in the Umdoni LM is agriculture, which is dominated by sugarcane. The practice of burning sugarcane prior to harvesting is common in the area, and this occurs predominantly in the late winter and early summer months. Sugar cane fires can affect ambient air quality over an extensive area, depending on the prevailing meteorology and the size of the fire or fires.

However, sugarcane burning in the Umdoni LM is well controlled following the formulations of a burning policy to alleviate the various problems associated with sugarcane burning that was developed with input from key stakeholder groups. Controlled and uncontrolled burning of grasslands are sources of smoke and particulates throughout the Umdoni LM, especially during the drier winter months.

The only major industrial source of air pollution in the Umdoni LM is the sugar mill at Sezela, where approximately 2 million tons of cane is crushed annually (SASA, 2010). Sugar milling is typically associated with emissions of particulates, some sulphur dioxide and odour. The Sezela Sugar Mill uses mostly bagasse for steam generation and the installed emission abatement equipment ensures that the emission concentrations comply with the requirements of the NEM: Air Quality Act (Act No.39 of 2004) (Pers. Comm. Conrad Klusener, Illovo Sugar, Sezela).

Sappi Saiccor on the northern border of the Umdoni LM is a relatively significant source of SO₂ and particulate matter. There are a number of industrial and mining activities in the Port Shepstone area to the south of the Umdoni local municipality, including the Marburg industrial area, NPC Cimpor's Simuma cement mill and quarry, and the mining at Idwala Carbonates.

A large proportion of homes in the Umdoni LM are electrified, but paraffin and wood are used in a large number of homes for cooking. Paraffin is a relatively clean fuel when used in inefficient stoves, but wood burning emits particulate matter and carbon monoxide (CO).

Current Air Quality Status

No ambient air quality monitoring has been conducted in the municipality. In addition, no air quality assessments have been done beside that for the Wild Coast N2 Toll Road (CSIR, 2008). Despite the lack of information, the absence of significant sources of air pollution implies that air quality in the local municipality is relatively good, except when sugar cane is burnt and in close proximity to sources.

Emissions from industrial activity to the north and the south are unlikely to affect ambient air quality in the local municipality despite the prevailing winds from the northeast and southwest. The prevailing north-easterly winds will disperse pollutants from Sappi Saiccor towards the area, but the effect will be minimal and only occasional in the north-eastern parts of the municipality.

1.10.5 COASTAL MANAGEMENT

The total population of the municipality is 56 042 people, however during peak holiday season populations in the coastal towns normally double. The main driver of tourism in this area is the 31km of coast. The Umdoni Local Municipality has a mean Coastal Vulnerability Index (CVI) score of 23, resulting in it being at *high risk* relative to the rest of the KwaZulu-Natal coast .This means that this section of coast is highly vulnerable to potential damage and impact as a result of coastal erosion and extreme events. The high risk associated with this section of coast can be attributed to poor dune widths (0m) and little vegetation behind the back beach (30m).

The Umdoni Local Municipality contributes low percentages to the total coastal resources; largely due to the fact that is a relatively short section of coast. A large proportion (33%) of the coastal railways are found in the Umdoni Local Municipality, 14% of commercial sugarcane and 15% of sports areas are also found in this local municipality. Of concern is that although the area only supports 21% of subsistence fishing areas, all of these (100%) are located within cells of very high CVI, 100% of swimming beaches and boat launch sites within this local municipality are also located within cells of High Risk CVI values. This needs proper management as these resources are key to attracting tourists to the area.

1.10.5 CLIMATE CHANGE

Many as the most important environmental challenge regard climate Change in our era. Climate Change is defined by the United Nations Framework Convention on Climate Change (UNFCCC) as “a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability over comparable time periods”. Global Warming has been blamed on human activity, which has had the most influential impact on climate change. Global warming is defined by the UNFCCC as “the increase in the earth’s temperature, in part due to emissions of greenhouse gases (GHG’s) associated with human activities such as burning fossil fuels, biomass burning, cement manufacture, cow and sheep rearing, deforestation and other land-use changes.”

Climate change is already having and will continue to have far-reaching impacts on human and natural environments. As a result, policy and development plans must take cognizance of the implications of a changing climate and develop strategies for both mitigation and adaptation for a changing climate.

Recent studies within South Africa, which involve climate change modelling and associated projections all, show conclusively that the symptoms of climate change in South Africa are likely to include:

- Higher temperatures
- Altered rainfall patterns
- More frequent or intense extreme weather events, including heat-waves, droughts, storms and floods
- Rising sea levels

The implications of the above predicted weather and climatic changes would impact on the physical environment which will ultimately impact on the sustainability of human livelihoods. It is crucial that future planning initiative programmes take into consideration the risks, impacts and limitations imposed by climate change such as increased temperatures; changes in precipitation levels; increase in the intensity and frequency of storm events and droughts; tidal surges and sea-level rise; and consider adaptation measures.

The above climate changes could imply that Umdoni Local Municipality is faced with:

- More frequent and severe flooding because of higher intensity storm events. This will impact on human settlements, infrastructure, human health and place a greater burden on particularly impoverished communities

Higher rainfall may increase agricultural production but water availability could become a limiting factor, requiring increased irrigation. Small scale farming is likely to be the most affected from water shortages during prolonged drought periods.

The average annual rainfall for Port Shepstone and Paddock is 1140 mm and 1271 mm respectively (SAWB, 1992). Within the Umdoni Municipality, the highest rainfall 910-965 mm falls along the coast from south of Park Rynie south to Sezela and also at Mtwalume. Rainfall decreases in a westerly direction but averages about 850 mm mean annual precipitation (Source data: South African Atlas of Agro hydrology and Climatology). The wind over the coast and the adjacent interior of the Umdoni LM is described by means of wind roses at Sezela and Paddock respectively. Wind roses simultaneously depict the frequency of occurrence of hourly winds from the 16 cardinal wind directions and in different wind speed classes. Wind direction is given as the direction, from which the wind blows, i.e., south westerly winds blow from the southwest.

1.10.6 ALIEN ERADICATION PROGRAMME

Invasive alien organisms pose the greatest threat to the biodiversity of the Umdoni region and if left unchecked will result in a tremendous loss in species diversity and localized extinctions. The Umdoni Municipality is currently experiencing a huge problem of alien plant infestations and if uncontrolled the problem will double within the next 10 years. Alien species pose an enormous risk to the environment as the invasion of aliens can:

- Cause decline in species diversity,
- Destroy and displace indigenous vegetation thereby contributing to the local extinction of indigenous species,
- Contribute to the impacts of climate change
- Substantially reduce agricultural resources and food security,
- Considerably increase agricultural input cost,
- Increase the loss of valuable ground water,
- Create an ecological imbalance, thereby increasing the risk of catastrophic events.
- Exuberate the threat of fires on infrastructure and ecosystems

SPATIAL AND ENVIRONMENTAL TRENDS AND ANALYSIS

1.12 SPATIAL & ENVIRONMENTAL: SWOT ANALYSIS

<p><u>STRENGTHS</u></p> <ul style="list-style-type: none"> • Recognized area with Tourism growth opportunities • Natural beach areas • Umdoni Park forest, the largest coastal forest outside a protected area. • 42 Km Coastline • Good Environmental Conservation areas • Agricultural attribute • Strategically located along N2, R601 and R612 	<p><u>WEAKNESSES</u></p> <ul style="list-style-type: none"> • Lack of Tourism Plans • Lack of management of Agricultural land • Water Quality • Limited budget to implement SEA • Lack of Recycling initiatives within Umdoni • Adhoc developments • Lack of Area Plans • Lack of GIS Data
<p><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> • Management of Agricultural Land for food security • Recycling • Umdoni Park Forest for promotion of Tourism • Hinterland Tourism 	<p><u>THREATS</u></p> <ul style="list-style-type: none"> • Climate change • Degraded Coastline • Invasive alien species • Waste Water Treatment polluted • Inadequate Landfill site • Lack of funding for natural areas • Lack of Estuary Management Plan • Loss of invaluable Coastal Forest and Grasslands • Illegal Developments • Illegal Dumping

DISASTER MANAGEMENT

1.13.1 MUNICIPALITY INSTITUTIONAL CAPACITY

Fire and Disaster Management within Umdoni local municipality is coordinated in partnership with Umzumbe local municipality as shared services. All municipal 19 ward have not been capacitated with 19 members of the community per ward in area of basic firefighting and first aid. The department is working towards 24 hours fully operational and have substation in other two local municipality sharing services with them. Hence, the challenges are staff. All municipal departments have disaster representative selected and active. We have disaster advisory forum which include all government department and NGO's operating in our jurisdiction and its going the have one meeting per quarter.

1.13.2 RISK ASSESSMENT

One of the Disaster Management's key objectives is to conduct risk assessments in the entire area of the municipality covering all 19 wards. The action to wards, conduct ward based risk assessments. This particular report aims to inform the internal and external stakeholder on the risk profile for Umdoni Municipality as per 2017/18 revised IDP. Looking at the previous risk profile created on the area an assessment was then conducted which resulted in the prioritization of the risks based on different wards. An attachment of each ward based aerial photograph has been attached just to provide an overview of the slope of each ward.

Most parts of the area were found to be situated in a high lying area especially ward 1,2 and ward 7. Ward 6 and 10 is in a low lying area with less exposure to winds and storm. Most part of the area is vegetated mostly being sugarcane nearing housing therefore a risk of veld fires is a high possibility. There could be less exposure to deforestation, land degradation and landslides due to the fact that most parts of the area are rural with segregated housing and less over development taking place. Human disease can be of common issue since unemployment and illiteracy is high. Hazard spills could be found in ward 4, 5 and 7 due to the nearing freeway. Some parts of the area may be affected by tidal waves ward 5 in particular due to its stretch to the ocean. There could be moderate severity in terms of water pollution since most areas are provided with JoJo water tanks by Ugu District Municipality.

COMMUNITY CONSULTATION MEETINGS

The consultations were conducted through the District, ward by ward. Communities were issued an opportunity to confirm the risks, oppose and provide additions. Response was almost similar in all wards whereby Communities confirmed the risks as they are dated. Most communities emphasized on the already identified risks. Wild Pigs have been mentioned by communities to be threatening their food security as most households rely heavily on agrarian as a form of food security. Crime in ward 8 and 9

threatens people's lives. Unfinished projects in Amahlongwa and Amandawe areas also threaten people lives. An accident by roads, whereby most communities call for road signs and speed humps inside their areas was seen as a solution to road accidents.

PROPOSED INTERVENTION

- A stakeholders consultation which will issue each relevant stakeholder or department an opportunity to comment and issue intervention concerning each risk.
- Awareness Campaigns for communities to educate communities on preventative measures and to adapt. Stakeholder\Sector Departments will be invited into awareness campaigns.

DISASTER MANAGEMENT TO RESPONSE TO CLIMATE CHANGE:

Disaster Management programmes to respond to climate change

MITIGATION

- New RDP houses project will install energy efficient light
- All Umdoni informal settlements to utilize Ethanol Gel as alternative sources of energy.
- all Umdoni traffic robots will be using energy efficient street light/ traffic light

ADAPTATION

- Installation of lightning conductor in venerable houses and publics halls and municipality sport grounds
- Water = Ugu provide JoJo tanks and water tank trucks to assist communities in rural areas.
- Possible rise in temperature – may cause fire, drought
- Possible rise in sea level - may cause tidal waves

UMDONI CLIMATE AND EMISSION INFORMATION	
HAZARD	IMPACT
Drought – no rain	<p>Food shortage –local livelihoods and businesses affected death of livestock.</p> <p>Human deaths through extreme heat and dehydration.</p> <p>Issuing of food parcels =16 months of municipal capacity diverted to this task.</p> <p>Erosion of soil</p> <p>Skin irritation, malaria, bilharzias, cholera, typhoid (from stagnant water) =pressure on health system, many deaths.</p> <p>Malnutrition.</p> <p>Climate refugees- people forced off the land, don't return=permanent loss of agriculture production, new entrants into labour market needing jobs 1992-1994: rain came – and high levels malaria post the dry times.</p>
Storms	<p>Landslides</p> <p>Damage to infrastructure: roads, bridges, houses, electricity and water infrastructure-enormous cost.</p> <p>Ran short of mielie meal.</p> <p>Couldn't bury the dead because couldn't get death certificates because cut off from town.</p> <p>No road infrastructure</p> <p>communication cut off</p> <p>Sewage overflow</p> <p>Deaths where people stranded in mountains, disease</p> <p>School collapsed and many had close for quite a long time</p> <p>Work stopped</p> <p>economic disruption where crops washed away those spend on subsistence food ,or on trading local agricultural produce where deperate, often no fall back- dependent on daily income from sales of fruits and veg</p>
Extreme heat	Affect water and livestock
Extreme winds	we experiences wind storm in all seasons in a particular our rural area ,it could be strong enough to flatten houses

UMDONI RISK ASSESSMENT PROFILE

1. Air Pollution
2. Drought
3. Fire
4. Floods
5. HIV
6. Land degradation
7. Oil Pollution
8. Rabies
9. Severe Storms
10. Tidal wave
11. Water Pollution

WARD BASE ASSESSMENT

Amahlongwa

Hazards	Severity	10 Prioritized Hazards	Probability	Total Hazard score	Actions Required
1. Wind and dust storm	Extreme	Wind and dust storm	Likely	Destructive	Preparedness plan
2. Accidents by roads	Extreme	Accidents by roads	Likely	Destructive	Preparedness plan
3. Floods	Moderate	Fire	Likely	Destructive	Risk reduction plan
4. Fire	Extreme	Air pollution	Normal	Destructive	Preparedness plan
5. Air pollution	Extreme	Drought	Likely	Destructive	Risk Reduction plan
6. Rabies	Moderate	Human diseases	Normal	Destructive	Preparedness plan
7. Drought	Extreme	Floods Storm	Normal	Destructive	Preparedness/Risk reduction plan
8. Human diseases	Extreme	Wild pigs	Likely	Destructive	Preparedness plan
9. Hail Storm	Insignificant	Rabies	Unlikely	Tolerable	Preparedness plan
10. Water Pollution	Moderate	Animal diseases	Unlikely	Destructive	Preparedness plan
11. Animal disease	Moderate				
12. Earthquake	Insignificant				
13. Landslide	Unlikely				
14. Deforestation	Unlikely				
15. Hazard Spills	Unlikely				
16. Installations	Insignificant				
17. Storm	Extreme				
18. Land Degradation	Unlikely				
19. Oil pollution	Unlikely				
20. Tidal Wave	Insignificant				
21. Mining of natural resource	Unlikely				

Amandawe

	Hazards	Severity	10 Prioritized Hazards	Probability	Total Hazard score	Actions Required
1.	Air pollution	Extreme	Air pollution	Likely	Destructive	Preparedness plan
2.	Fire	Extreme	Accidents by roads	Likely	Destructive	Preparedness plan
3.	Floods	Moderate	Wind and dust storm	Likely	Destructive	Risk reduction plan
4.	Accidents by roads	Extreme	Fire	Normal	Destructive	Preparedness plan
5.	Wind and dust storm	Extreme	Human diseases	Likely	Destructive	Risk Reduction plan
6.	Rabies	Moderate	Floods	Normal	Destructive	Preparedness plan
7.	Drought	Extreme	Drought	Normal	Destructive	Preparedness/Risk reduction plan
8.	Human disease	Extreme	Storm	Likely	Destructive	Preparedness plan
9.	Hail Storm	Insignificant	Rabies	Unlikely	Tolerable	Preparedness plan
10.	Water Pollution	Moderate	Wild pigs	Unlikely	Destructive	Preparedness plan
11.	Animal disease	Moderate				
12.	Earthquake	Insignificant				
13.	Landslide	Unlikely				
14.	Deforestation	Unlikely				
15.	Hazard Spills	Unlikely				
16.	Installations	Insignificant				
17.	Storm	Extreme				
18.	Land Degradation	Unlikely				
19.	Oil pollution	Unlikely				
20.	Tidal Wave	insignificant				
21.	Mining of natural resource					

Malangeni

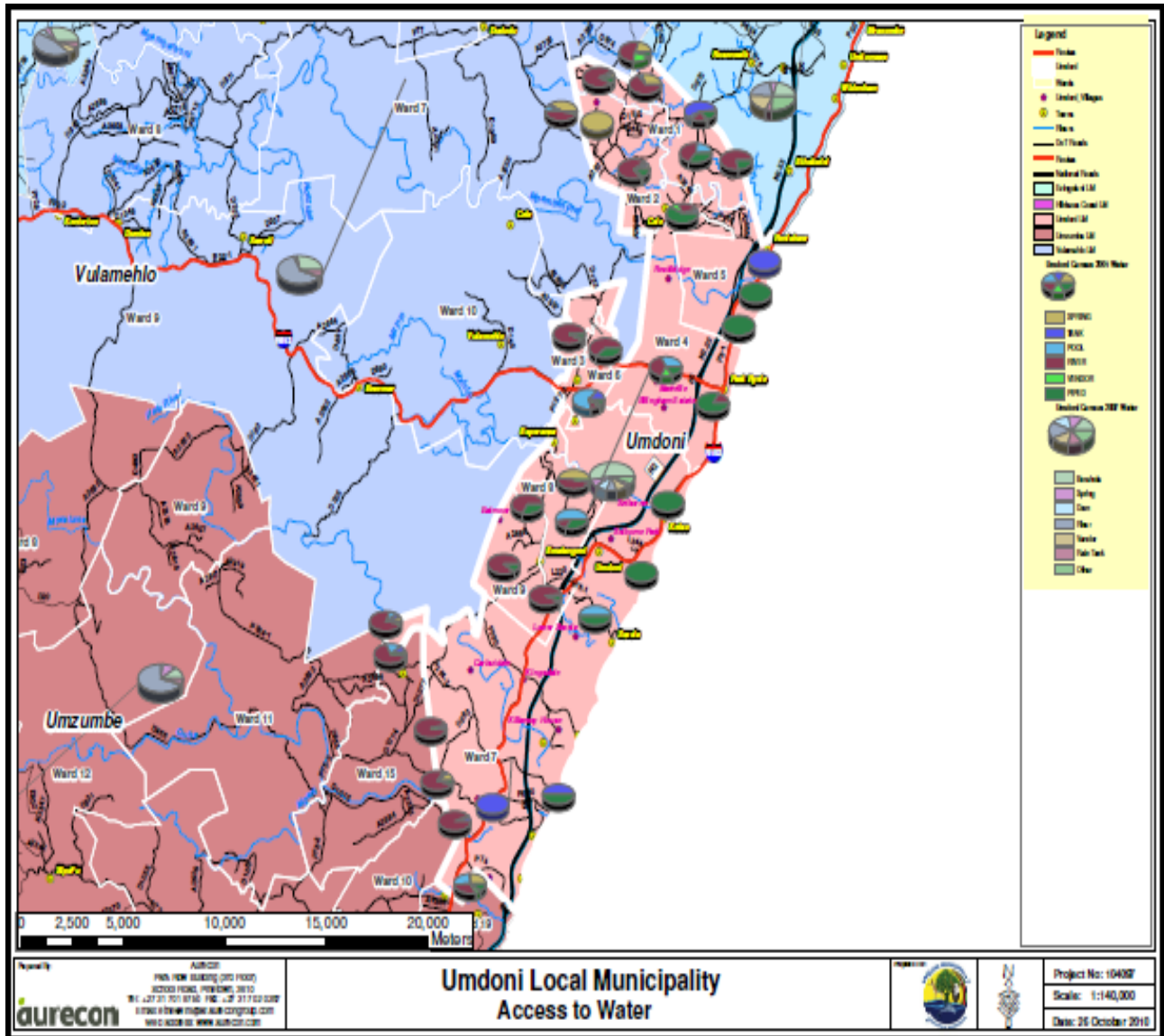
	Hazards	Severity	10 Prioritized Hazards	Probability	Total Hazard score	Actions Required
1.	Air pollution	Extreme	Floods	Likely	Destructive	Preparedness plan
2.	Fire	Extreme	Fire	Likely	Destructive	Preparedness plan
3.	Floods	Moderate	Human diseases	Likely	Destructive	Risk reduction plan
4.	Accidents by roads	Extreme	Accidents by roads	Normal	Destructive	Preparedness plan
5.	Wind and dust storm	Extreme	Wind and dust storms	Likely	Destructive	Risk Reduction plan
6.	Rabies	Moderate	Rabies	Normal	Destructive	Preparedness plan
7.	Drought	Extreme	Storm	Normal	Destructive	Preparedness/Risk reduction plan
8.	Human diseases	Extreme	Water pollution	Likely	Destructive	Preparedness plan
9.	Hail Storm	Insignificant	Hazardous spills	likely	Tolerable	Preparedness plan
10.	Water Pollution	Moderate	deforestation	Unlikely	Destructive	Preparedness plan
11.	Animal disease	Moderate	installations	likely	tolerable	Preparedness plan
12.	Earthquake	Insignificant				
13.	Landslide	Unlikely				
14.	Deforestation	Unlikely				

15.	Hazard Spills	Unlikely
16.	Installations	Insignificant
17.	Storm	Extreme
18.	Land Degradation	Unlikely
19.	Oil pollution	Unlikely
20.	Tidal Wave	Insignificant
21.	Mining of natural resource	Unlikely

PENNINGTON

Hazards	Severity	10 Prioritized Hazards	Probability	Total Hazard score	Actions Required
1. Fire	Extreme	Floods	Likely	Destructive	Preparedness plan
2. Human diseases	Extreme	Fire	Likely	Destructive	Preparedness plan
3. Wind and dust storms	Moderate	Human diseases	Likely	Destructive	Risk reduction plan
4. Accidents by roads	Extreme	Accidents by roads	Normal	Destructive	Preparedness plan
5. Deforestation	Moderate	Air Pollution	Likely	Destructive	Risk Reduction plan
6. Tidal Waves	Moderate	Wind and dust storm	Normal	Destructive	Preparedness plan
7. Water Pollution	Extreme	Storm	Normal	Destructive	Preparedness/Risk reduction plan
8. Hazardous Spills	Extreme	Rabies	Likely	Destructive	Preparedness plan
9. Installations	Insignificant	Hazardous spills	likely	Tolerable	Preparedness plan
10. Storm	Moderate	Deforestation	Unlikely	Destructive	Preparedness plan

Map 28: Disaster Risk Areas



1.13.3 Response and Recovery

In case of the Disaster strikes in 5-minute disaster, management personnel will respond to do activities that might need to be performed when hazard occurs and the magnitude of incident will lead to activation of Joint Operation Centre within 30 minutes.

Umdoni Disaster Management Centre with assistance of Ugu District Disaster Management Centre and Provincial Disaster Centre, will disseminate early warn through community structures. We conduct disaster assessment. The integration contingency operational plan will be activated. Joint Operational Centre (JOC) will be activated then the delegation of responsibility, regulations and directives. The classification and declaration of disaster.

Umdoni provides blanket, tents (Wendy house if assessment outcome require Wendy house) plastic sheet, and food parcel if assessment outcomes require food parcel.

Management of relief will monitored via JOC, post disaster project.

1.13.4 Training and Awareness

Full time workers to do 2 hours internal training all Monday and Wednesday when they is no incident. At list two staff members has to attend advance external training per year. Three school awareness and one community awareness will be conducted per quarter.

Umdoni will send a minimum of two personnel to attend an accredited course per financial year. Either Firefighting course or Disaster management related course.

1.13.5 Funding Arrangements

Prevention and Reduction Programmes, Advisory Forum and awareness's requires a budget to be conducted effectively.

Funding for disaster incident municipality will have to declare disaster and submit to Ugu district disaster management for assistance. Council for immediate response provide funding. When disaster has been declared Ugu district, Provincial Disaster Centre and National disaster center assist in order to make sure the rehabilitation process is done accordingly

Disaster SWOT Analysis

Strengths

Our strength is the commitment of disaster management staff, vehicle disaster management responds that reach almost all part of Umdoni. Good working relationship with disaster management stakeholders. The committed disaster management volunteers and NGO like Red Cross always avail themselves for assistance.

Weaknesses

Our weakness is the shortage of staff. When disaster strikes, the communication system breaks down, normal two way radio are not working, landline and cell phone. Rural areas don't have fire hydrant.

Opportunities

The opportunities after disaster strike are on rehabilitation when local people get jobs, the lesson learned by disaster practitioner and development.

Threats

Our threat is a lack of budget towards disaster management programs that includes risk reduction program and all project form disaster management plan.

2.2.1 DEMOGRAPHIC INDICATORS

2.2.1.1 Total Population

Umdoni Local Municipality covers approximately 994 km², which represents about 21% of the total area of the Ugu District Municipality.

As revealed by the Table below, approximately 11.0 million people resided in KwaZulu-Natal in 2016, of which only about 7% resided in the Ugu District Municipality. The table further reveals that the Umdoni Local Municipality has a population of less than 144 551 people in 2016 and had seen a large increase in annual growth between 2011 and 2016 with a growth rate of 16.6%, when compared to the growth rates on a national, provincial and district level. This is to be attributed to the re-demarcation of Municipal boundaries in 2016 and the disestablishment of Vulamehlo Local Municipality and Umdoni Municipality inheriting the 6 and a half wards from Vulamehlo which brings the total population of the recently demarcated Umdoni Municipality to 144 550 people.

TABLE 22: Population figures for National, Provincial, District and Local Level

Judicial Area	2001 Population	2011 Population	2016 Community survey	Annual Average Growth rate (2011-2016)
South Africa	44 819 778	51 770 560	55 653 651	1.5%
KwaZulu-Natal	9 584 129	10 267 300	11 065 240	1.5%
Ugu DM	704 030	722 484	753 336	0.8%
Umdoni LM	62 375	78 875	144 550	16,6%

Source: StatsSA Census 2001, 2011 and 2016 Community survey data

The table below compares the population distribution and densities for the various local municipalities within the Ugu District.

TABLE 04: Population Distribution per Local Municipality within the Ugu

Local Municipality	Area (km ²)	Percentage area split	2016 Population	Percentage Population split	Density (pop/km ²)
Umdoni LM	994	21%	144 550	19%	145.4
Umzumbe LM	1221	25%	151 676	20%	124.2
Umuziwabantu LM	1089	23%	108 575	14%	99.7
Ray Nkonyeni LM	1487	31%	348 533	46%	234.3
Ugu District	4791	100%	753336	100%	603.6

Source: StatsSA Community Survey 2016 data,

When considering the population distribution amongst the four local municipalities within the Ugu District Municipality, it is clear that the Ray Nkonyeni Local Municipality is home to more than a third of the population (31%), which is understandable as this local municipality is the economic hub of the Ugu district and includes various vibrant coastal towns regional centres such as Port Shepstone, Hibberdene, Ramsgate, Margate and Port Edward. The Umzumbule Local Municipality contributes 25% to the total population of the Ugu District, followed by Umdoni with 19% population share. The smallest local municipality in terms of population share within the district is Umziwabantu with (14%). It is however interesting to note that the Umdoni Local Municipality has the second highest population density within the District with approximately 145.4 people per square kilometre.

2.1.1.2 Population Growth

According to Stats SA 2011 Census, over the last year, the Municipality has seen a 16,6% population growth.

The expected population growth and its location, presents the area with a unique set of challenges including addressing the need of the growing population in terms of labour tenants, land restitution and land redistribution as well as the inheritance of a disestablished municipality that is predominantly rural. In essence, it may lead to the growth of informal settlements on agricultural land, which could result negatively on agricultural production.

The graph below depicts the growth of the population should the population growth remain at only 1% over the next ten to twenty years.

Population Growth Projections

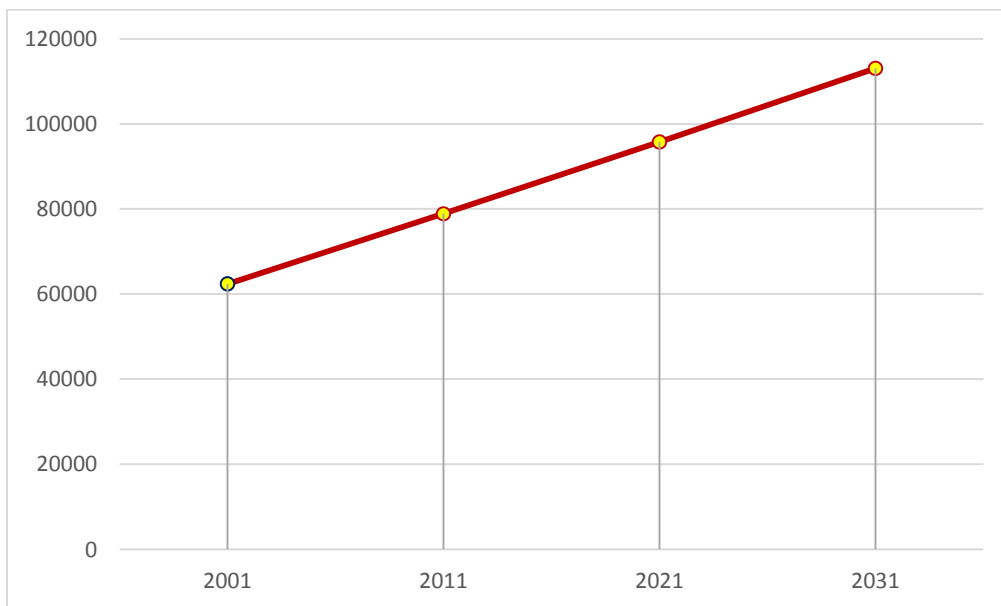
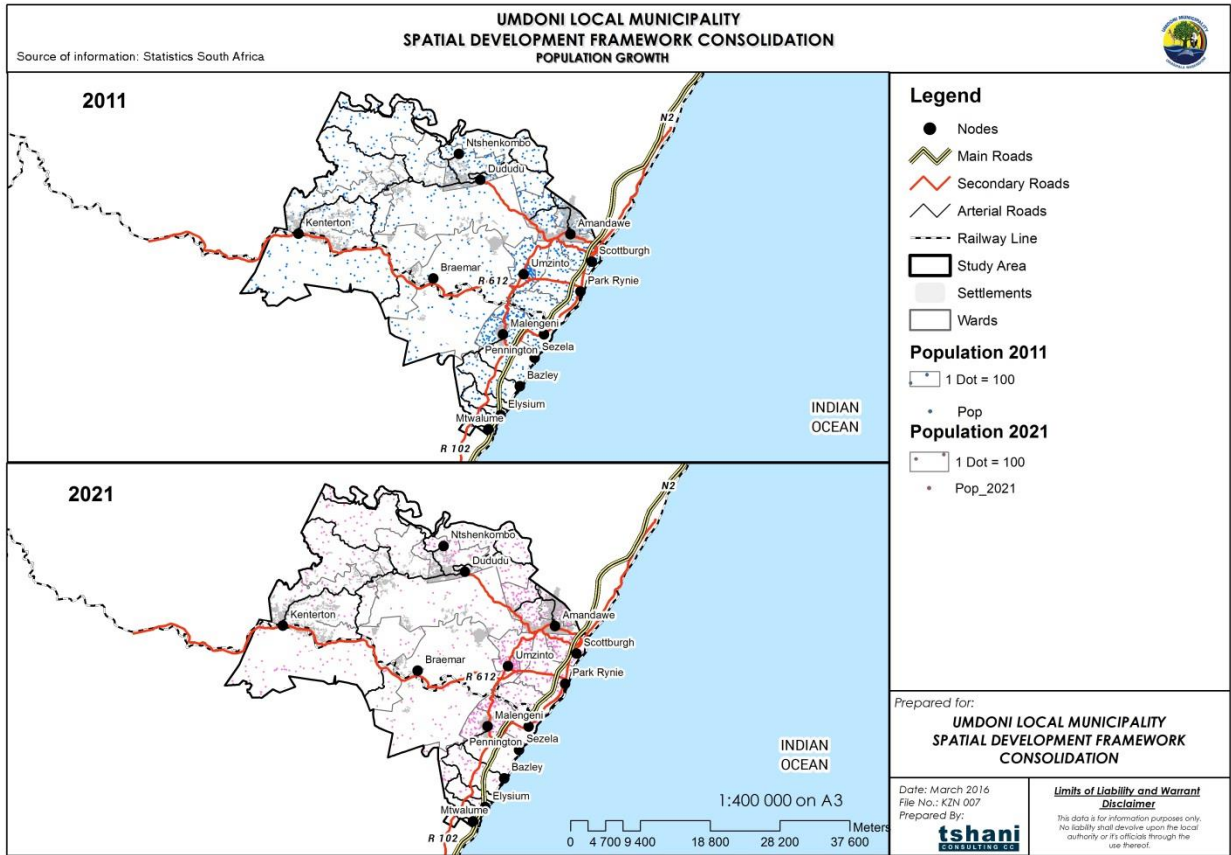


Figure 3: Population Growth Projections

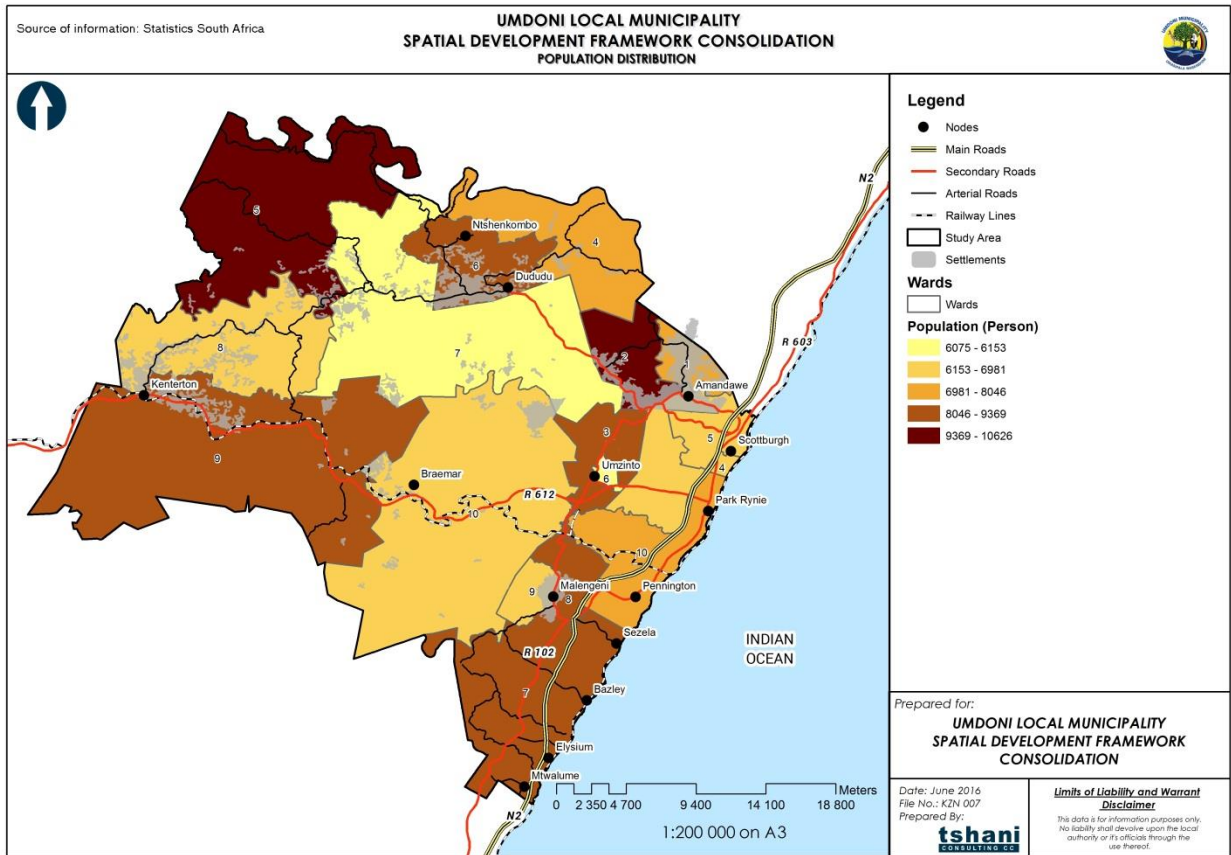
Map 29: Population Growth



2.1.1.3 Population Distribution

The following map illustrates the population distribution for Umdoni Local Municipality per Ward.

Map 30: Population distribution for Umdoni Local Municipality



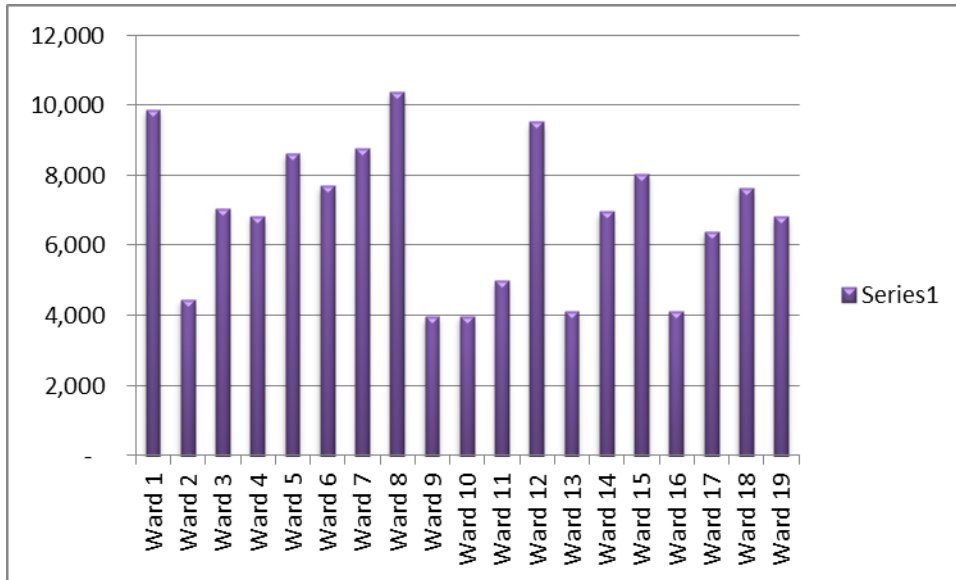


Figure: population Distribution per Ward

The above maps and Graph articulate population Growth per wards and wards that have higher populations within Umdoni Local Municipality being Ward 8 and Ward 1.

It can be noted from the above Map that ward 2 and 5 are the highly populated wards in Umdoni and this could be due to the fact that these wards are predominantly rural.

Population Distribution per Age and Gender

GENDER AND AGE DISTRIBUTION

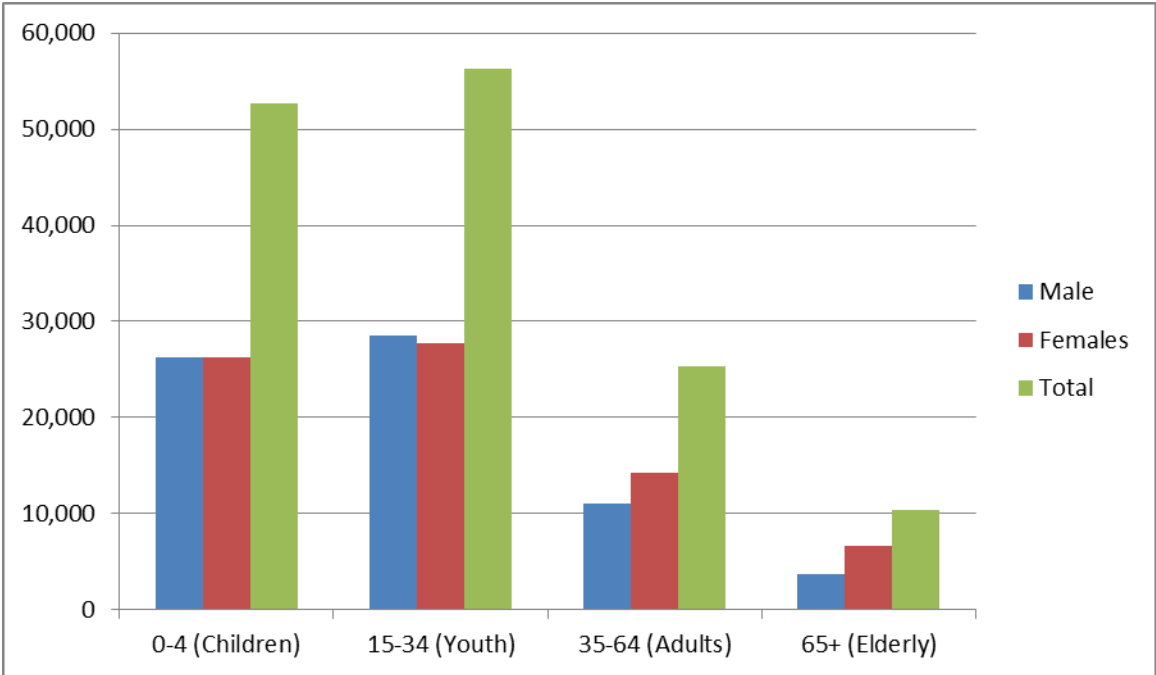
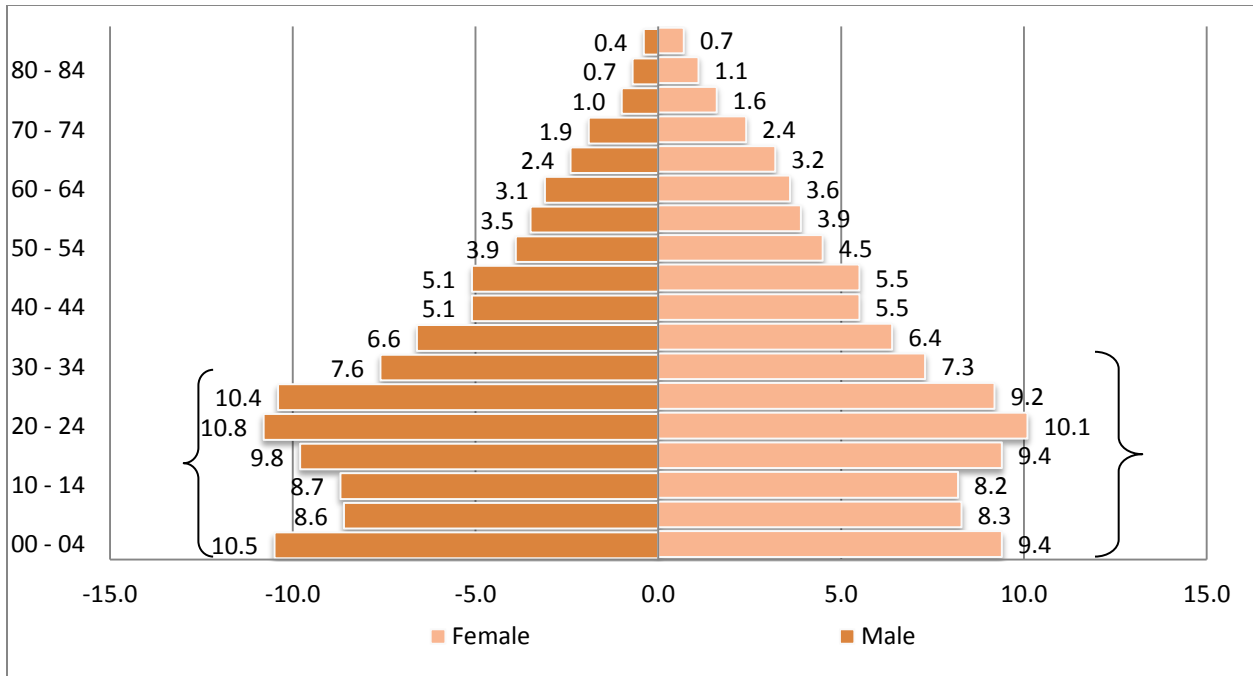


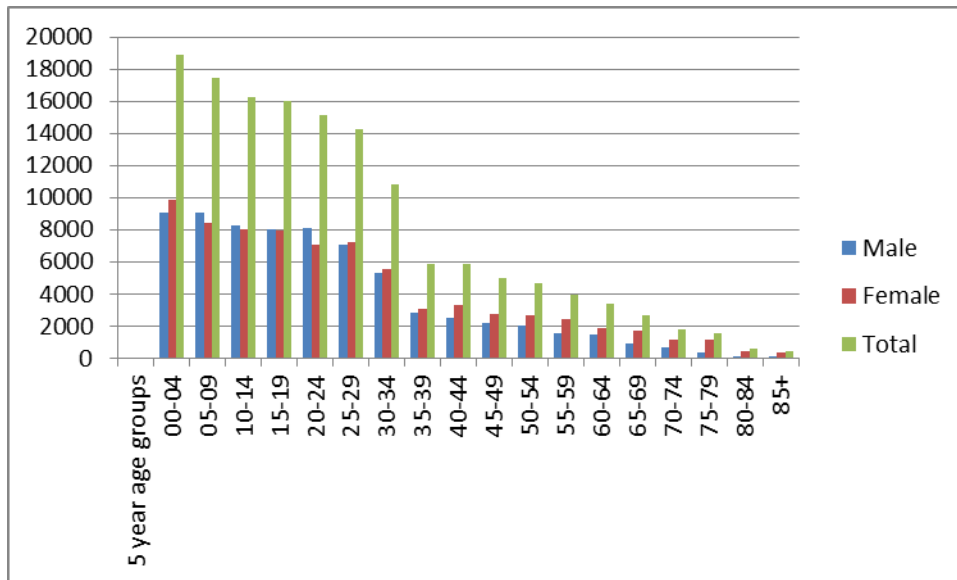
Figure 5: Gender Distribution

Source: StatsSa 2016 Community Survey



Source: Stats SA Census 2011

Figure 6: Population Distribution per Age and Gender



It can be noted that Umdoni Local Municipality is a youth dominated Municipality with a substantial number of people being within the youth bracket. With an increasing number of people between the ages 0-4 this means a rising need for Department of Health to provide assistance in terms of Clinics, Immunizations, Department of Education with early childhood enrollments into Schools as well as the provision of books. It can also be noted that the age cohort 15-35 has experienced a growth since the 1996 Census; this group represents the driving force behind the economically active population or total

labour force in the Umdoni Municipality. This is where all sector Departments are needed to play a role in the creation of Job Opportunities in order to decrease the dependency ratio. Umdoni Municipality has inherited predominantly Rural wards from the disestablishment of Vulamehlo Municipality and this calls for the Department of Rural Development to get on board with regards to programmes that will alleviate the strain on the municipality with regards to job creation. Rural development can aid the rural communities in areas such as hinterland tourism, agricultural development and sustainable farming that will increase jobs and ensure food security for rural communities.

2.1.1.4 Population Composition

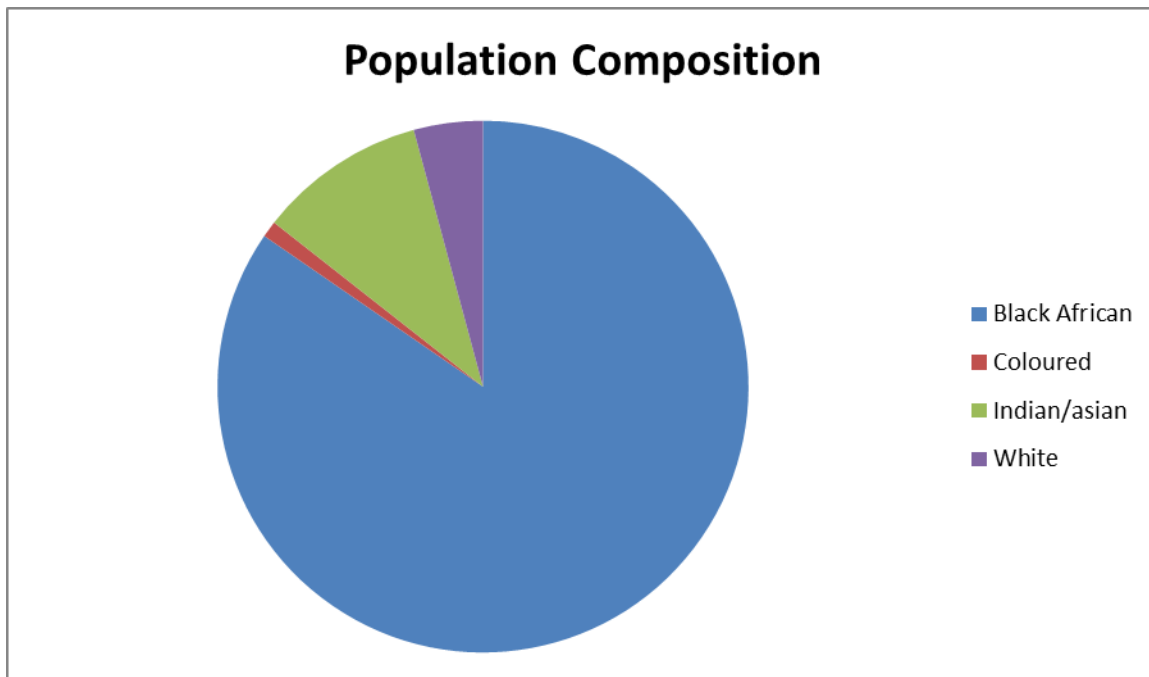


Figure 7: Population Composition per Race group

Source: StatsSA 2016 Community Survey

The diagram above indicates that the general population of Umdoni has increased since 2001 by 2.35 and indicates the growth rate per race, it can be noted that there has been a substantial decrease in White, Colored and Indian persons that reside in Umdoni from 1996 to 2001 by 10.22%, 5.61% and 1.4% and the African population increasing by 28% from 1996 to 2001. However, findings from the 2011 Statistics South Africa census show that there has been a slight increase in the white, Colored population from 2001 to 2011 by 12.5%, 26.9% and the Indian population still decreasing by 14.8%. However, the absolute figures for these race groups still fall way short of the African group, which comprises well over 84% of the total Umdoni Municipality Population.

2.1.15 Dependency Ratio

The United Nations Development Programme¹ (UNDP) defines the dependency ratio as the ratio of the sum of the population aged 0-14 and that aged 65+ to the population aged 15-64. The child dependency ratio is the ratio of the population aged 0-14 to the population aged 15-64. The old-age dependency ratio is the ratio of the population aged 65 years or over to the population aged 15-64. All ratios are presented as number of dependants per 100 persons of working age (15-64). This means that a dependency ratio of 0.5 implies that for every 100 people that are economically active 50 are dependents. The dependency ratio of Umdoni Municipality is 52,7% as compared to 2001 where it was 54,7% has decrease in by 2% in 2011 and a Dependency Ratio of 56,4% with a 2% increase in 2016.

2.1.16 Population Density

The number of persons per square kilometer (1 km²) is 229 in 1996, 263 in 2001 and 334 in 2011 and has now decreased to 145 in 2016 due to the incorporation of Vulamehlo.

2.2 Migration Trends

To determine possible factors influencing migration of people to Umdoni, the figure below provides insight to the number of people who moved to Umdoni per year since 2011.

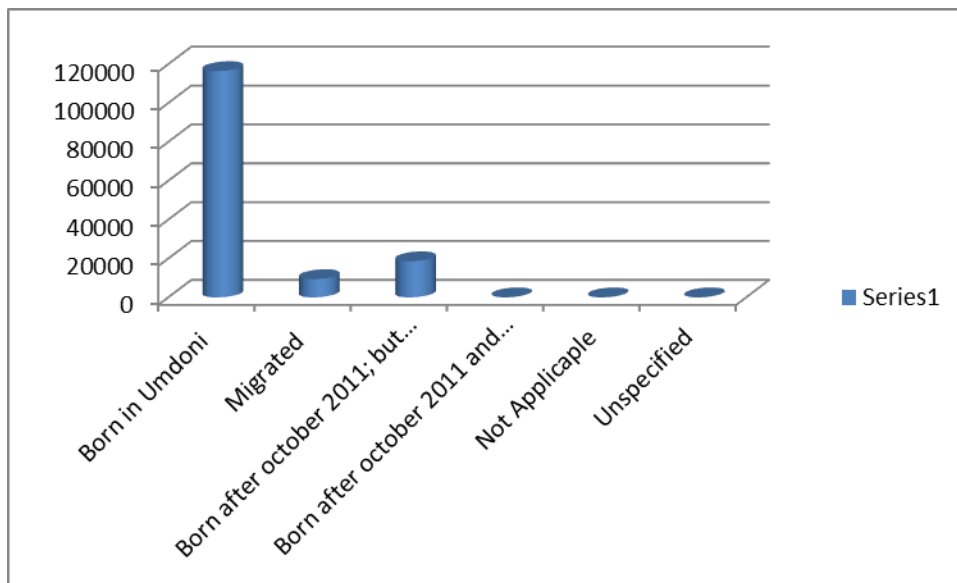


Figure 8: Migration Trends

This diagram attempts to show migration trends within Umdoni where by the Municipality has over 116 000 residents born in Umdoni. About 6% of the Umdoni Population has migrated from other regions, provinces and other countries and have become residents of Umdoni.

From the figure it is clear that the majority of in-migration to Umdoni Local Municipality occurred during 2009 to 2010, this could be as a result of people migrating to this area as a result of possible employment opportunities linked to the industrial development at Park Rynie. For that same period (2009-2010) 386 people had moved to Ugu District. Possibly indicating that more elderly residents are moving towards the coast to enjoy a more scenic retirement than what the urban areas provide. Another possible reason for migration to Ugu could be that people are seeking job opportunities that might be available in the Metropolitan (eThekweni) although they might not want to live in the city, therefore moving to Ugu, in order to still be in a comfortable commutable distance from eThekweni

Table 24: Demographic Indicators

<i>Demographic indicators</i>	<i>1996</i>	<i>2001</i>	<i>2011</i>	<i>2016</i>	<i>Source</i>
<i>Population Size</i>					
Total Population	54220	62293	78644	144 550	StatsSA
Growth Rates	-	2,81%	2,35%	16.6%	StatsSA
<i>Population Distribution</i>					
Population Density	229 persons/km2	263 persons/km2	334 persons/km2	145 persons/km2	StatsSA
Urban Formal	8778	9530	10957	30 688	StatsSA
Urban Informal	884	2104	55775	n/a	StatsSA
Rural Formal	135	70	839		StatsSA
Traditional	2728	3583	11073	106 367	StatsSA
<i>Population Composition</i>					
Young (0-14)	16503	17885	21138	52 615	StatsSA
Working age (15-64)	33472	40260	51658	56 262	StatsSA
Elderly (65+)	2050	2448	6079	10 355	StatsSA
Sex Ratio (women/100 Men)		91,9	94,4	92,9%	StatsSA
Dependency Ratio	-	54,7%	52,7%	56,4%	StatsSA
Disabled (%)					
<i>Fertility Rates*</i>					
Total Fertility Rate	3.1%	0,6% (2003)	2,6% (2008)		StatsSA &SADHS
Adolescent Fertility Rate					
Crude Birth Rate					
<i>Mortality Rates*</i>					
Total Mortality Rate	-	-	985 (total Deaths)		Dept. of Health
Under 5 Mortality rate	-	-	3,3%		Dept. of Health
Infant Mortality Rate	-	-	6,1%		Dept. of Health

Leading Cause of Death	-	-	PTB		Dept. of Health
HIV prevalence Rate	-	-	10 576		Dept. of Health
<i>Life Expectancy*</i>					
Males					
Females					
Human Development Index					
<i>Population Groups</i>					
Black African	33929	43275	60514	122178	StatsSA
Colored	767	724	919	1514	StatsSA
White	6634	5956	6704	6135	StatsSA
Indian	12516	12338	10507	14722	StatsSA

Source: Stats SA Census (1996, 2001, 2011)

Table 25: Socio-Economic Indicators

Socio-Economic Indicators	1996	2001	2011		Source
Households and Services					
Average Household Size	4,3	3,7	3,2	4,0	StatsSA Dem.Board
Access to Piped Water	32%	37,3%	40,6%		Stats' & Dema. Board
Access to Electricity	31%	66,3%	76,3%		StatsSA, Dem. Board
Access to Sanitation	5%	8%	34,2%		StatsSA Dem. Board
Tenure Status (% owned)	-	60%	57,3%		StatsSA
Education Status					
Literacy Rate	-	-	-		Dept. of Education.
No Schooling	5175	7342	4142		StasSA
Primary	5964	6868	9370		StatsSA
Teacher: Learner Ratio					
Secondary	9453	11091	29511		StatsSA
matric	5514	7521	15801		StasSA
Matric Pass Rate					Dept. Of Edu.
Completed Higher Education	1794	2942	3748		StatsSA
Employment Status					
Unemployment Rate(official)	4784	9810	8337		StatsSA
Unemployment Rate(Youth)	26%	52%	43.3%		StatsSA, Dem.Board
Main Occupation Sector	Elementary	Elementary	Elementary		StatsSA
Income Status					
Indigent Households(below R800)	11337	11521	11032		StatsSA

Social Grants Recipients	-	31999 (year 2008)	32685 (year 2009)		SASSA
Gini Coefficient	0.52	0.60	0.65		Dept. of Treasury

2.3 Key Findings (including trends)

The demographic and socio economic trends within Umdoni municipality indicate a number of changes that need to be considered when looking at longer term interventions. Below is a summary of those noteworthy trends.

DEMOGRAPHIC AREA	TREND
Occupational group	Decline in profession by 9%
Age Groups	The average age group of the population is increasing.
Unemployment Rate	Increased from 25% in 1996 to 42% in 2001
Poverty	90% earn less than R800-00 per month.
Employability	Population not trained or skilled in areas potential demand may arise such as tourism and manufacturing
Labour absorption	Potential is poor. Economy appear to have labour surplus
Wages and sectors	Employment is in low wage sectors

3. MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT ANALYSIS

3.2 Organisational Development

3.2.1 Institutional Arrangements

Council

The council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Committee. The council's role is to debate issues publicly and to facilitate political debate and discussion. The council plays a very active role in the operations of the Municipality. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

The Council of the Umdoni Municipality comprises of 37 elected Councillors, made up from 19 Ward Councillors and 18 Proportional Representation (PR) Councillors. The portfolio committees are made up of councillors drawn from all political parties. Five portfolio Committees has been established with the reporting line to EXCO. Council nominates chairperson of each portfolio Committee. Each Committee has its own terms reference. Their core function is to look at specific issues that relate to each portfolio committee. The portfolio committees deliberate issues and then make recommendations to EXCO to take decision. The Council and EXCO meet monthly.

The figure below indicates the workflow within the municipality.

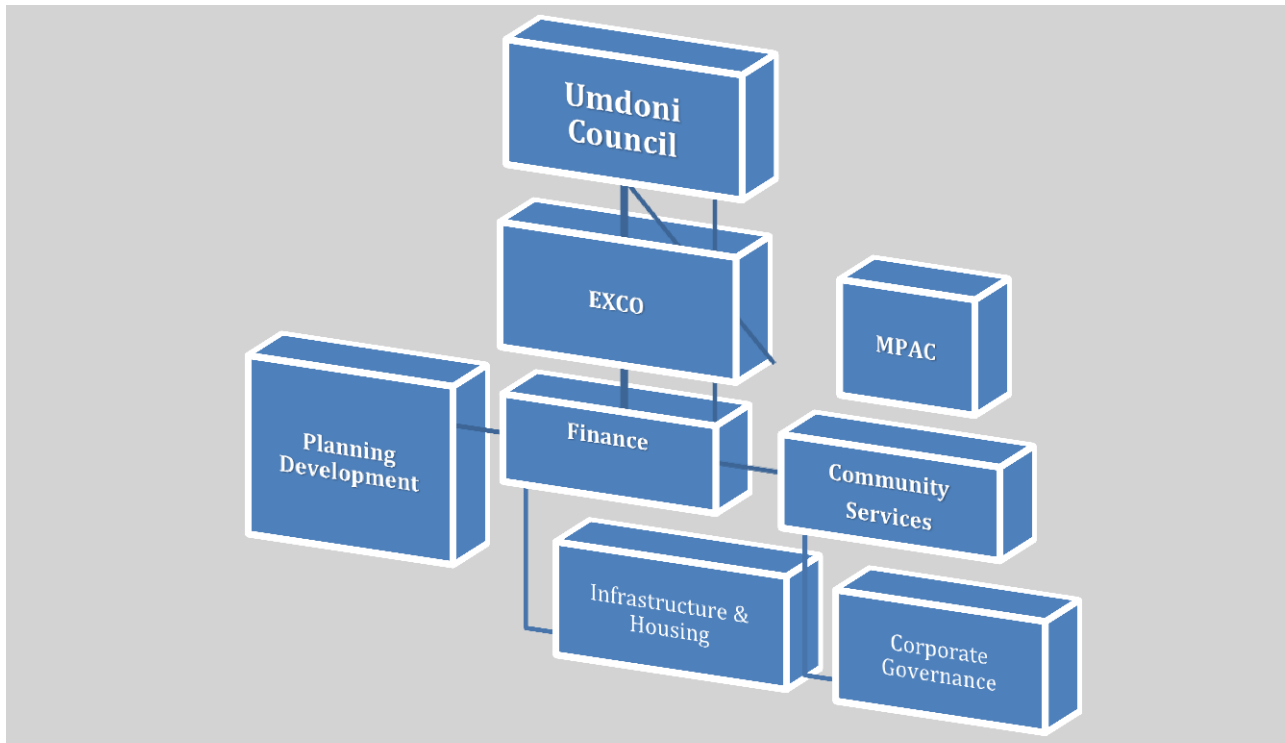


Figure 9: Committees

Administration

The administration component of Umdoni Municipality is headed by the Municipal Manager, who has 5 Senior Managers who report directly to her in terms of Section 56 of the Municipal Systems Act. The Senior Manager Internal also report directly to the Municipal Manager. The Internal Audit Unit and an independent Performance Audit and Audit Unit assist the Municipal Manager in meeting his accountability requirements in terms of the Municipal Finance Management Act and other pieces of legislation.

The diagram below indicates the Departments within the municipality. Each department hold its Departmental meetings.

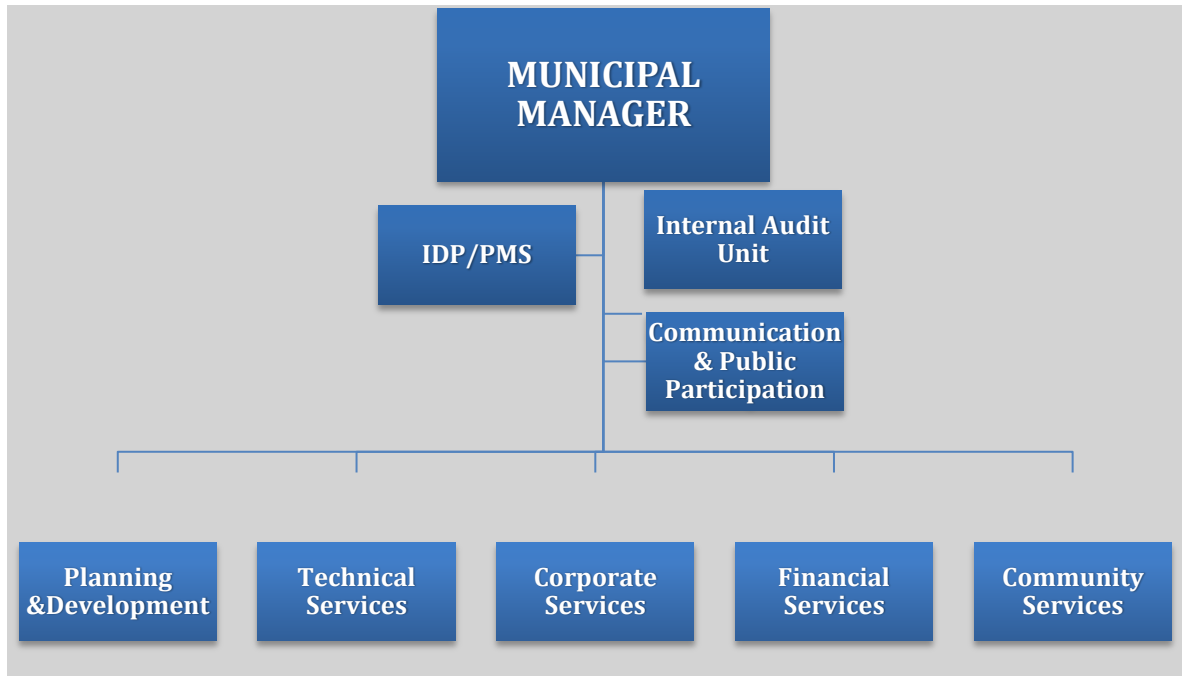


Figure 10: Departmental Structure

3.2.2 Powers and Functions

In terms of the Municipal Structures Act and the Municipal Demarcation Board, the Umdoni Municipality is classified as Category B Municipality and falls within the Ugu District Municipality. This act made provision for the division of powers and functions between the District and local municipalities. Umdoni Municipality is responsible for number of functions. The Municipality has entered into a shared service with Ugu District Municipality in to some of the functions.

The list below reflects powers and functions of local government. It must be noted that the allocation of powers and functions does not include the adjustments by the MEC following the recommendations of the Municipal Demarcations Board.

Table 26: Powers and Functions

Local Function	Shared Function	District Function
Air Pollution (Local Function)	Municipal Airports (Shared Function)	Electricity Reticulation (ESKOM function)
Building Regulations (Local Function)	Municipal Public Transport (Shared Function)	Municipal Health Services (District Function)
Child Care Facilities (Local function)	Cemeteries, Funeral Parlours and Crematoria (Shared Function)	Potable Water (District Function)
Pontoons, Ferries, Jetties, Piers and Harbours	Markets (Shared Function)	Sanitation (District)

Local Function	Shared Function	District Function
(Local Function)		Function)
Fire Fighting Services (Shared Function)	Municipal Abattoirs (Shared Function)	
Local Tourism (Shared Function)		
Municipal Roads (Shared Function)		
Storm Water Management Systems in Built up Areas (Local Function)		
Refuse Removal, Refuse Dumps and Solid Waste (Shared Function)		
Trading Regulations (Local Function)		
Development Planning		
Billboards and the Display of Advertisements in Public Places (Local Function)		
Cleansing (Local Function)		
Control of Public Nuisances (Local Function)		
Control of Undertakings that Sell Liquor to the Public (Local Function)		
Facilities for the Accommodation, Care and Burial of Animals (Local Function)		
Fencing and Fences (Local Function)		
Licensing of Dogs (Local Function)		
Licensing and Control of Undertakings that sell food to the public (Local Function)		
Local Amenities (Local Function)		
Local Sport Facilities (Local Function)		
Municipal Parks and Recreation (Local Function)		
Noise Pollution (Local Function)		
Pounds (Local Function)		

Local Function	Shared Function	District Function
Public Places (Local Function)		
Street Trading (Local Function)		
Street Lighting (Local Function)		
Traffic and Parking (Local Function)		

Organisational Structure and Organogram

Organizational Structure

ATTACHED ORGANOGRAM

The organizational structure includes the following Departments:

Office of the Municipal Manager

Technical Services

Community services

Planning and Development

Finance

Corporate Services

Department	Functions	Department	Functions
Corporate Services	Legal and Estates IT Human Resources	Community Services	Community Facilities Protection Services Beach Section Library Section Building Maintenance Parks and Gardens
Finance	Supply Chain management Budget Income Expenditure	Planning and Development	Local Economic Development Town Planning Building Control Environmental Management
Technical Services	Infrastructure maintenance Roads and Stormwater Workshop Waste Management Human Settlement Project Management	Office of the Municipal Manager	Internal Audit Council support IDP/PMS Special Programmes

	Unit(PMU)		
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Organogram

The Umdoni municipality's organogram is aligned to the activities of each Department. The municipality's organogram gives as indication of the vacant and filled positions. The full organogram is attached as an appendix

3.2.4 Municipal Institutional Capacity & Status of Critical Posts

Section 57 positions have all been filled.

3.2.5 Human Resource Development

3.2.5.1 Skills Development and Training

The Municipality conducts a training needs survey and analysis of both Councilors and employees on an annual basis with a purpose of addressing the skill development needs. An annual training plan is formulated with the purpose of ensuring that training interventions are in line with the Workplace Skills Plan. An annual training budget is allocated for in-service training interventions and conditional educational grants. There has also been an intervention for unemployed graduates who volunteer their service to the Municipality. The Municipality in turn provides relevant training to its employees in line with their profession as well as the applicable subsistence and travelling allowance on a monthly basis. The Municipality has, through the Financial Management Grant (FMG) appointed five budget interns and one Budget and Compliance Manager who are allocated to the Finance department to ensure that the Municipality complies with relevant legislation and legislated reporting requirements.

3.2.5.2 Minimum Competency Levels for Senior Management:

The Municipal Finance Management Act, Sections 83, 107 & 119 prescribe that the Accounting Officer, Senior Managers, the Chief Financial Officer and other financial officials of a municipality must meet the financial management competency levels prescribed by regulation. National Treasury issued regulations on Minimum Competency Levels on the 15 June 2007 the regulation prescribe the minimum competency levels for the following categories of employees:-

Accounting Officers of Municipalities and Municipal entities;

Chief Financial Officers of Municipalities and Municipal entities;

Senior Managers of Municipalities and Municipal entities;
Other Financial Officials of Municipalities and municipal entities; and
Supply Chain Management Officials of Municipalities and Municipal entities.

3.2.5.3 Learnership and Experiential Learning Programme

In recognizing government's policy the municipality has established a policy for the intake of unemployed graduates either in the form of Learnership, in-service training / experiential learning. The intakes are mainly undertaken at the beginning of the financial year for a period of a year and learners are placed according to their field of study. The contract is then terminated at the end of the financial year.

In – Service training has been designed to offer individuals experience in order to complete their qualifications whilst experiential learning is aimed at providing experience to those individuals that have completed their qualification. It therefore is understood that the above programme is not to be provided for a continuous period ideally such opportunities should also be afforded to other equally deserving individuals within Umdoni.

For the period the past four years, a significant amount of learners have been afforded the opportunity by Umdoni Municipality for In- Service and Experiential learning. The Municipality affords all participants in, In – Service and Experiential learning a stipend of R100.00 per day, which is aimed at covering their traveling costs. year. Some of the learners who have participated in this programme have been employed by the Municipality, either on a full time basis or contractual basis.

3.2.5.4 Occupational Health and Safety Policy

The Municipality reviewed and adopted the Occupational Health and Safety Policy in August 2013 which has been workshopped with Management and Councilors. The policy is based on the provisions of the Occupational Health and is aimed at ensuring that employee safety controls are in place with the view to guarantee employee health and safety in the work place. An Employee Wellness Programme has been established to strengthen the employer support to employees affected, infected by HIV/AIDS, and psychosocial and health related problems.

The new Committee for Occupational Health and Safe has been reelected due to the term of office of the previous committee expiring.

3.2.5.5 Recruitment and Selection Policy and Procedure

The Municipality has formulated and adopted recruitment and selection policy as means of tightening its recruitment strategy. The recruitment and selection policy and its implementation will be aimed at

matching the human resources to the strategic and operational needs of the Municipality and ensuring the full utilization and continued development of these employees.

All aspects of the staffing, structuring, recruitment, selection, interviewing and appointment of employees will be non-discriminatory and followed in a fair, objective, consistent and transparent manner thereby reducing the risk of alleged Unfair Labour Practice.

3.2.5.6 Exit & Termination Procedure

The main objective of the Exit and Termination procedure is to facilitate the effective administration associated with all circumstances of termination of employment with the Municipality. The main issues covered in the procedure are as follows:

- Resignation, Retrenchment & Dismissal
- Retirement
- Medical Boarding
- Death

3.2.5.7 Human Resource Strategy

Umdoni Municipality has developed a Human Resources Strategic document, which was considered during the 2012 strategic planning session. The strategic plan will be adopted by Council in June 2018. The strategic document was formulated to pursue the following objectives:

To ensure recognition of excellent performance

Training and Skills Development

To this end, the Strategy is structured around the following key themes:

Recruitment & Retention

Reward System

Training and Development

Diversity & Equal Opportunities

Performance Management

Policy Framework

The Human Resource Strategy is currently under review and is to be adopted in June 2017.

3.2.5.8 Workplace Skills Plan

The Municipality prepared the Workplace Skills Plan (WSP), which incorporated the Skills Development Plan for the 2017/18 has been developed and will be submitted to Local Government SETA by 30 April 2017. The skills audit and training needs analysis and qualification profile of staff was conducted in the 2017/2017 Financial Year that has assisted in the formulation and development of the Work Place Skills Plan for 2017/2018 Financial Year.

3.2.5.9 Employment Equity Plan

Umdoni Municipality has adopted its Employment Equity Plan, which provides a framework for improving gender equity within the ranks of the Municipal workforce. There is also a need to constantly observe and monitor the implementation of the Plan and its integration with the Recruitment and Selection Policy. Umdoni Municipality has consciously acknowledged the serious need to address existing gaps on implementation of the Employment Equity Plan.

3.2.6 Information Technology Strategy

It was resolved that the Municipality should embark on a municipal-wide integrated strategic IT reform. The purpose of the IT Strategic Plan is to provide the municipality with a cohesive strategy to ensure that all the IT initiatives strive towards a common goal, which in turn will ensure that optimal use is made of the IT investments of the municipality.

Another purpose of the IT Strategic Plan is to align the future direction of IT with the Municipal objectives.

The three main areas to focus on will be:

Information Systems [IS]

The various software applications used by the organization to automate business processes.

Information Technology [IT]

The technology deployed to provide access to systems, information and people.

Information Management [IM]

The responsibility for IS and IT, governance, staffing, etc.

The strategic plan will be updated and revised continuously because both the technology it is based on as well as the business needs it supports, are not static. The municipality proposed that IT should be standard item on the agenda of the relevant portfolio Committee in order to will review the plan on a quarterly basis to ensure it remains current.

The following goals were identified:

Establish an IT governance framework that supports and enables the business, delivers value and improves performance.

Design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information.

Implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored.

3.2.7 Municipal Transformation & Organisational Development: SWOT Analysis

<p><u>STRENGTHS</u></p> <ul style="list-style-type: none"> • Good HR administration • Development of Policies aligned to current legislations • Training and Development of staff • Accessibility of internal information 	<p><u>WEAKNESS</u></p> <ul style="list-style-type: none"> • High staff turnover • Lack of Retention Policy • Insufficient staff with specialized skills • Lack of Communication staff • No formal structures format of working • Organogram not aligned to the IDP needs and Skills of the Organization
<p><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> • Improved recruitment and selection of competent staff to positions through competency based assessments • Staff Retention through improved training programmes • Appointment of new communications section • Support Workshops 	<p><u>THREATS</u></p> <ul style="list-style-type: none"> • Non-compliance to policies • Interference of Unions in work processes • Lack of User Departmental control on overtime and leave • Not responding to the media on time • Negative publicity about the Municipality on the media • Lack of utilities to enhance Umdoni as a brand.

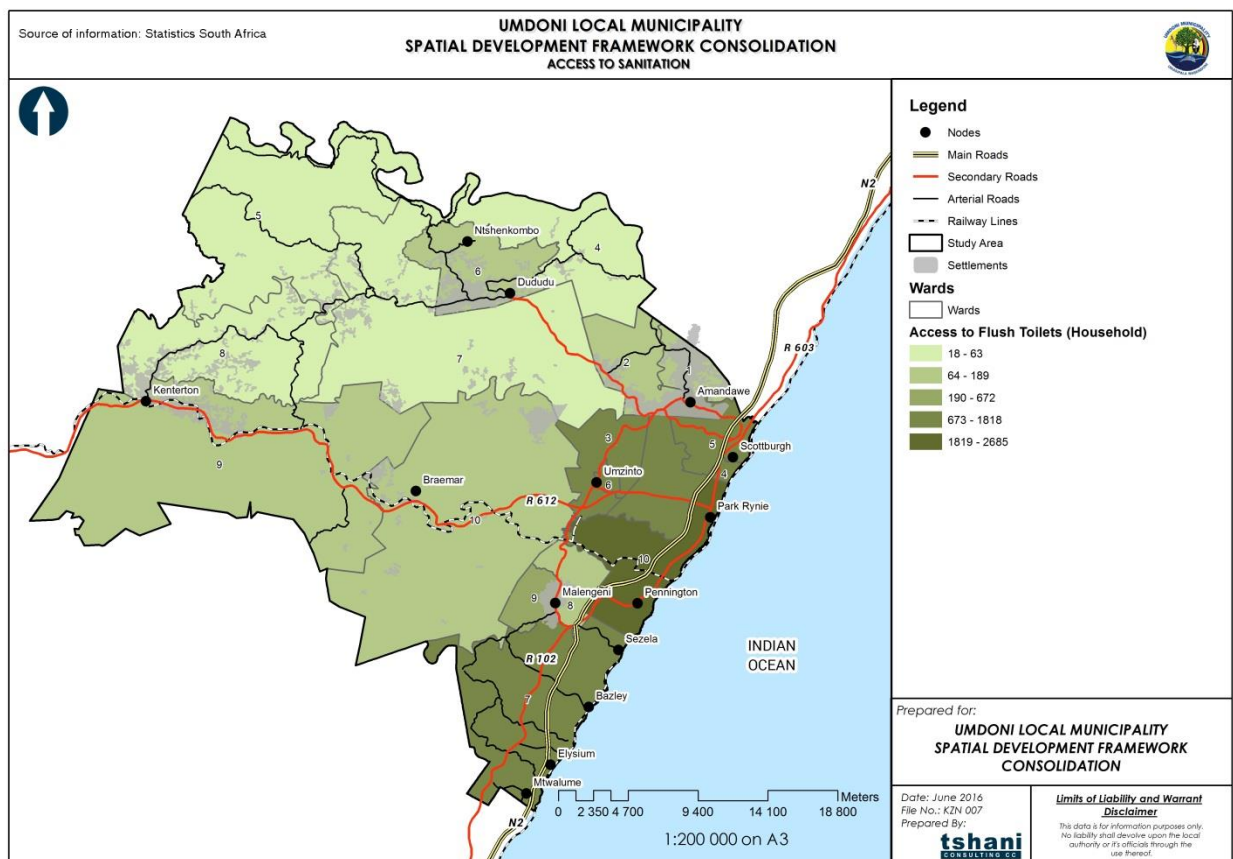
4. BASIC SERVICE DELIVERY

4.1 WATER & SANITATION

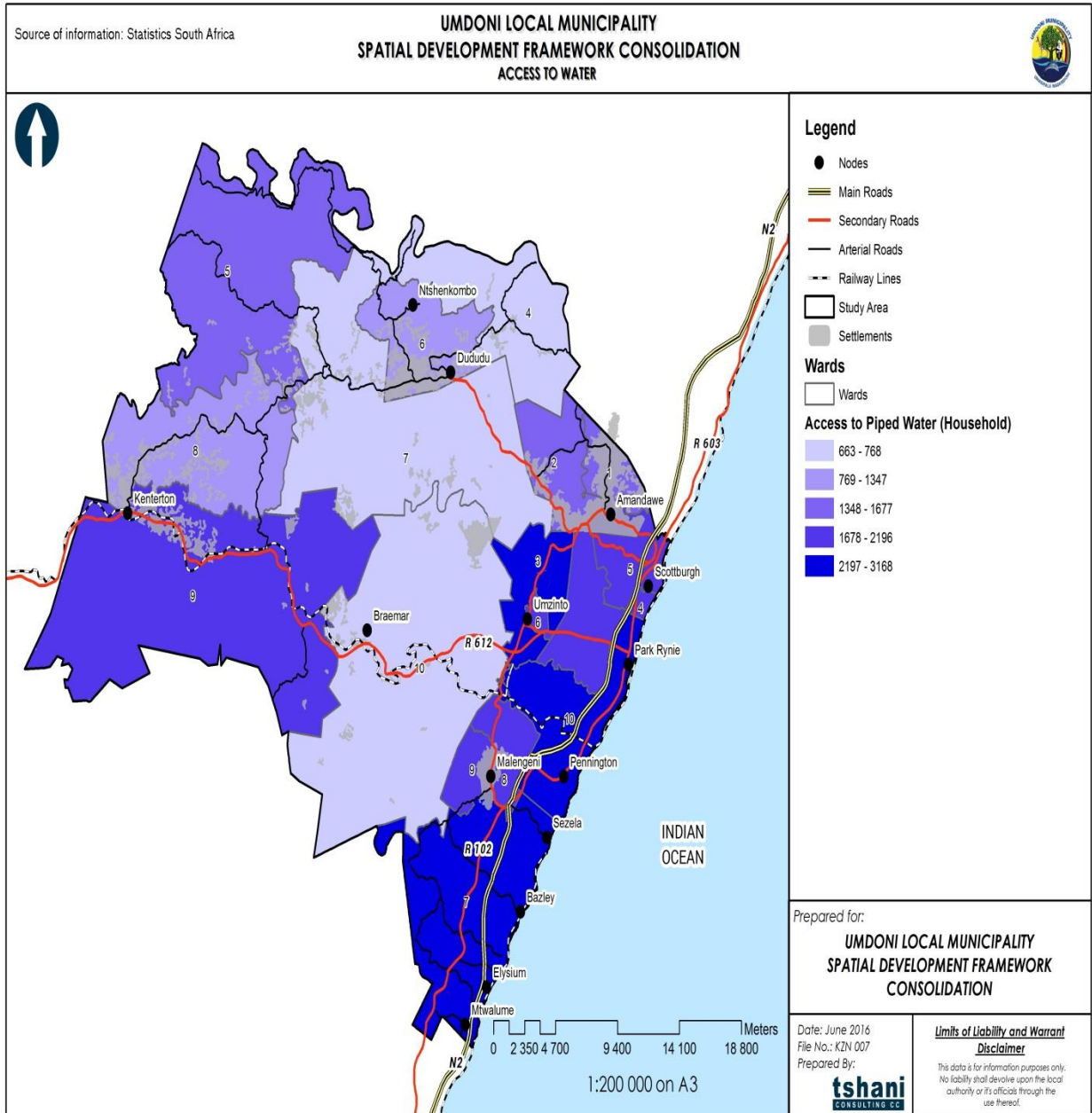
The Umdoni Municipality is experiencing water shortage and disruption of services on a regular basis. The provision of water is the responsibility of the Ugu District Municipality although the Local Municipality is assisting in gathering of information and the development of a Consolidated Infrastructure Plan to inform the Water Services Development Plan by providing information on backlogs and needs. This will assist the District to strategize the eradication of backlogs. The graph below depicts the service level provision within the Umdoni Municipality with Ward indicated as having a higher than average level of service provision.

It must be noted that there has been some improvement in the provision of safe drinking water within Umdoni area if comparing information from census 2001 and 2011. The table below illustrates improvements.

Map 31: Access to Sanitation



Map 32: Access to Water



The Figure Below Indicates the Sources of Water Within Umdoni Municipality

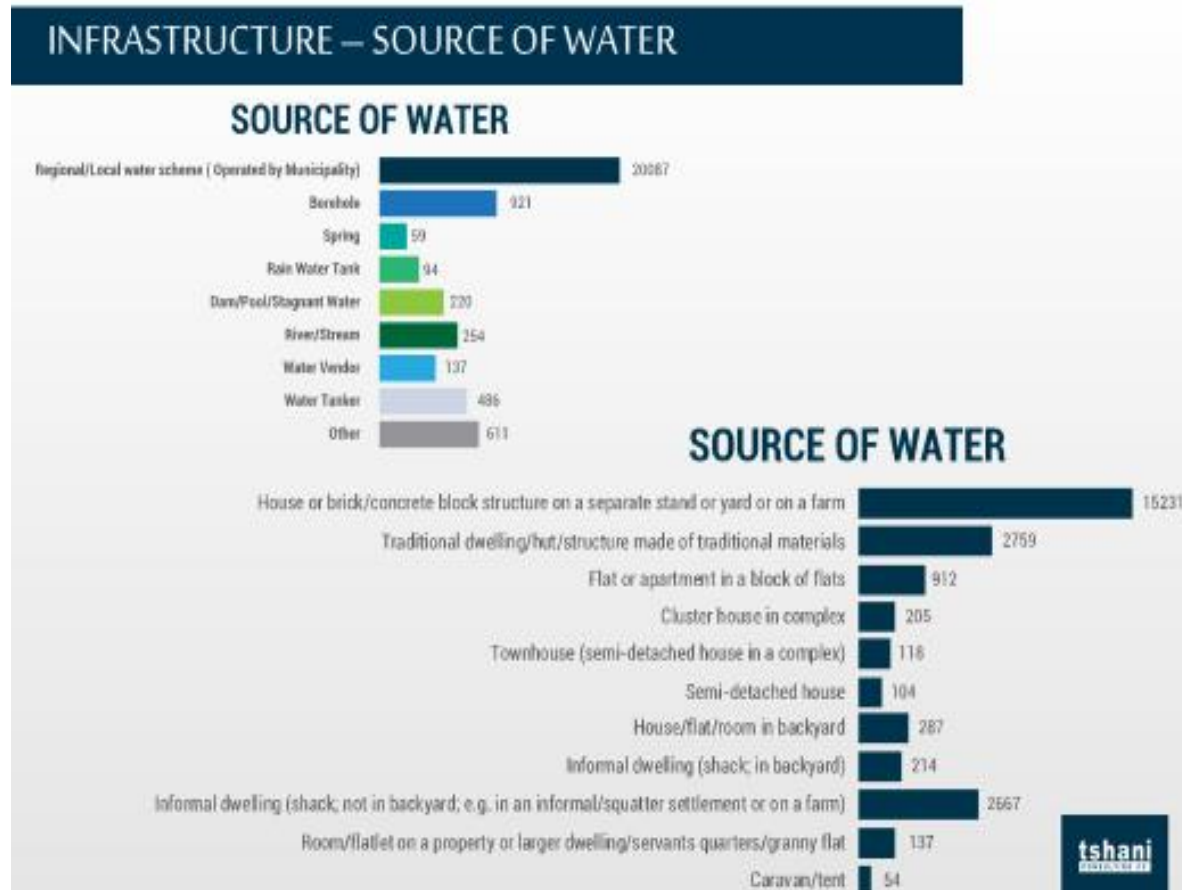
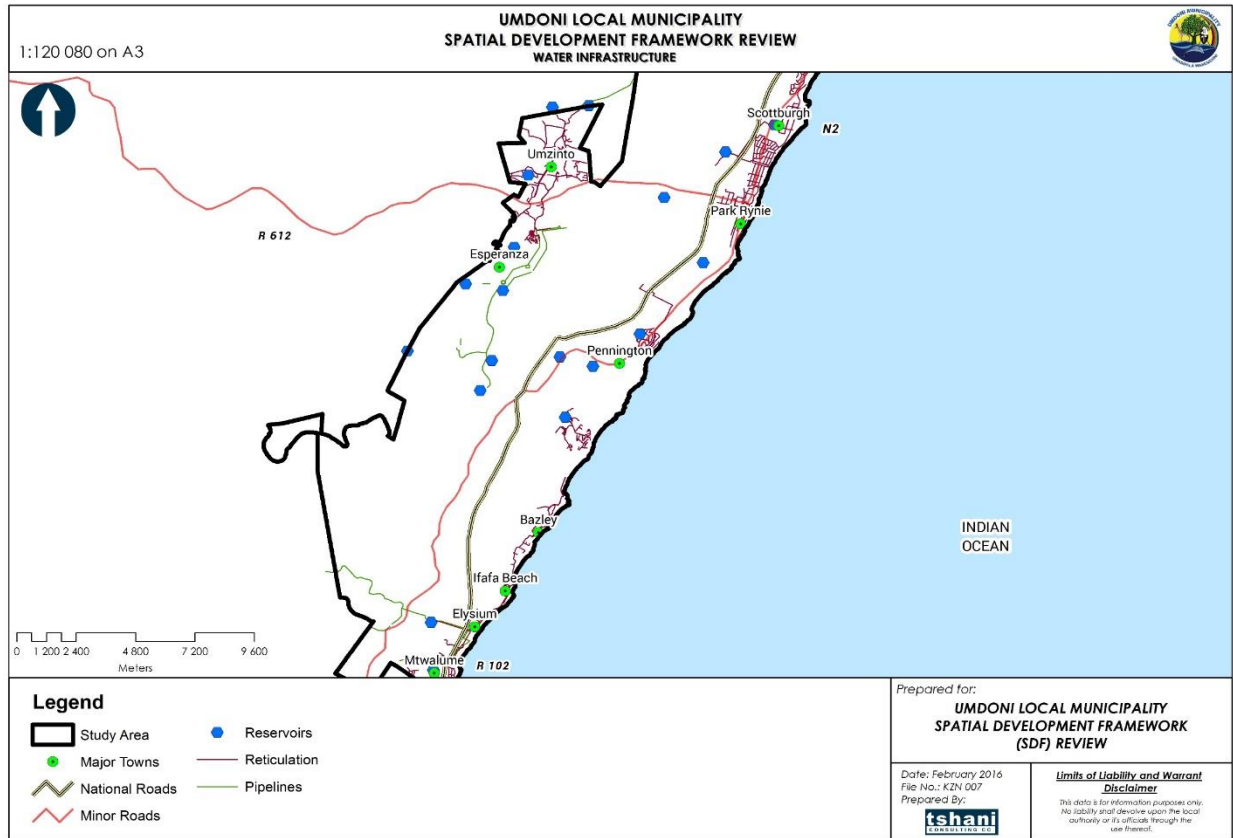


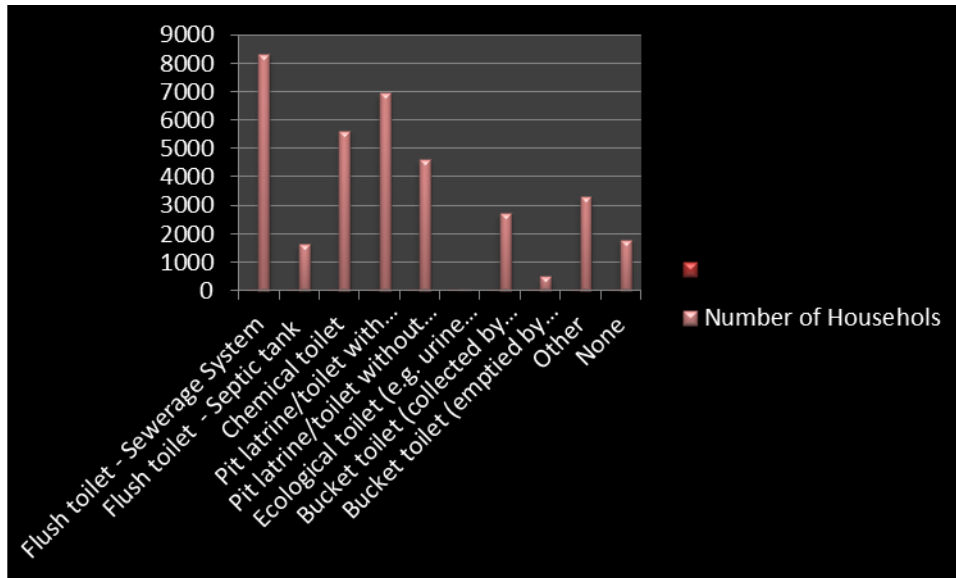
Figure 12: Source of Water

The basic services are a challenge as they involve a number of stakeholders, with Umdoni being the recipient for some and the implementing agent for others. UGU District municipality is the service provider for the water and sanitation projects and has since reviewed the Water Services Development Plan, which will address the housing backlog.

Map 38: Water Infrastructure



Sanitation



Source Stats SA 2016 Community Survey

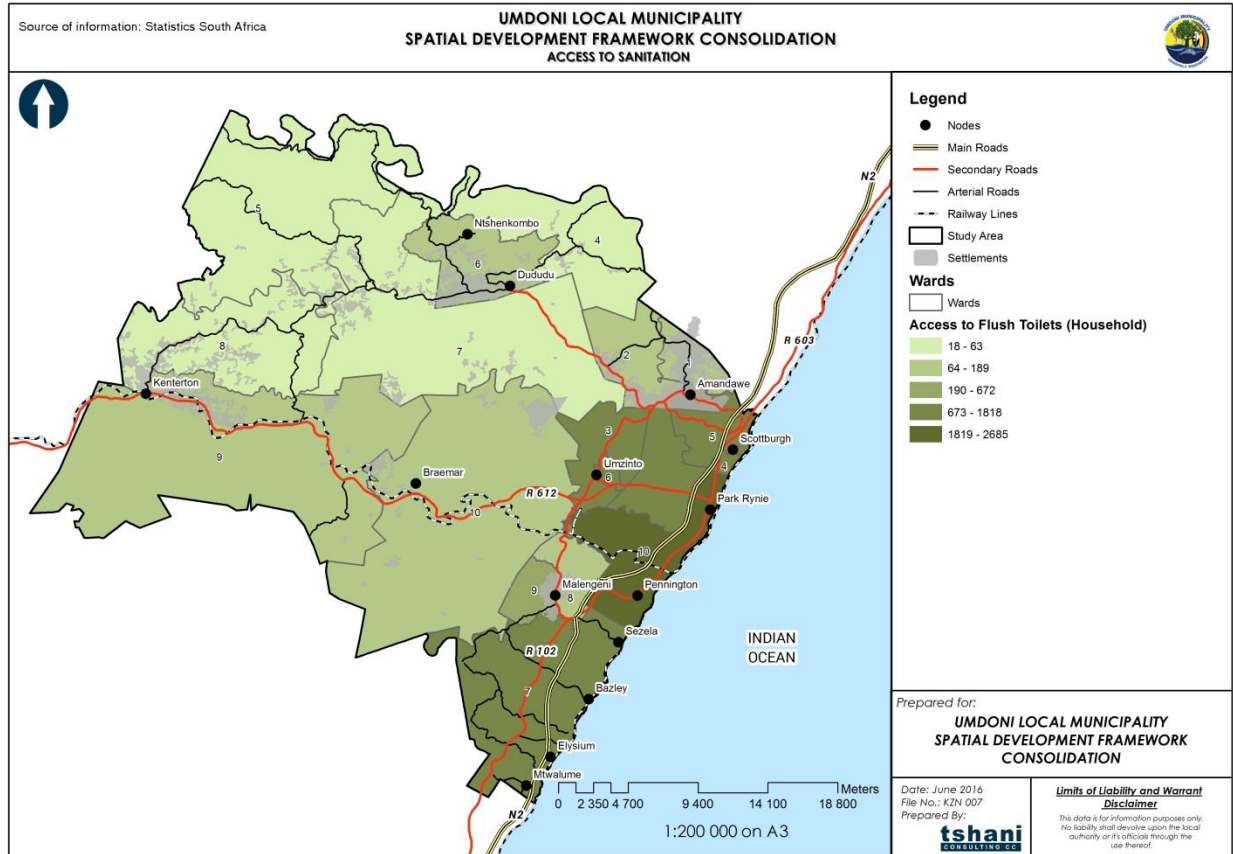
Figure 13: Sanitation

There has been a major improvement in the delivery of Basic Services such as Sanitation in the Umdoni Municipal Area even though some areas lack adequate sanitation however; the data above shows figures that delivery of this service to the people has improved. In 2016 it shows that less than 2000 households have no access to sanitation and this is a call to the UGU District Municipality to come forward with plans to address these challenges within the Municipality. After 20 years of Democracy all Households should have access to Sanitation. People who still use the Bucket System have decreased from, 552 to 504 in 2016. The number of people utilizing Flush Toilets has increased as well.

The basic services are a challenge as they involve a number of stakeholders, with Umdoni Municipality being the recipient for some and the implementing agent for others. UGU District municipality is the service provider for the water and sanitation projects.

Wards 3, 4, 5, 6 and 10 are well served with water borne sewerage disposal or by septic tanks. The more rural nature of wards 8, 9, 7 is highlighted by the predominant use of pit latrines (with or without vents) for the purpose of sewage disposal.

Map 39: Access to Sanitation



Solid Waste management

Waste service is one of the key service delivery areas of the municipality. It includes services such as:-

- H Kerbside refuse collection (domestic) once a week in residential areas
- H Removal of waste in the Central Business District
- H Street weeping and litter picking
- H Cleaning of streets, litterbins and public ablutions.

According to the Umdoni Waste Management Plan a total number of 8 645 properties receive a waste collection service. Ninety four percent of households in the Umdoni Municipal area receive refuse removal services. The plan also intends to extend waste collection services to cover rural areas as well.

The Umdoni Local Municipality has one operational solid waste landfill site, which is located in Umzinto Humberdale Landfill. This landfill site is operated by a private contractor and is in possession of a permit terms of section 20 (1) of the Environment Conservation Act 73 of 1989. Only hazardous waste are collected at the landfill site and disposed of at a hazardous landfill site. Used motor vehicle oil is collected by an oil company and medical waste is collected by contracted personnel who transport the waste to Durban where it is incinerated at their facilities.

Ward 3, 4, 5, 6 and 7 are well served in terms of refuse removal with the majority of households having refuse removed once a week. Rural wards have no refuse removal service and household use their own refuse dumps to dispose of solid waste. The municipality is planning to provide this service in the rural wards in the form of providing skips.

The statistics reveal that a significant number of households within the municipality have limited access to basic services, which can lead to poor socio-economic conditions as well as unhygienic situations. The focus should therefore, be on preventative strategies such as the provision of basic infrastructure. Focus should also be placed on improving and upgrading existing infrastructure, which is in poor condition.

The demand for services in rural areas is a core function of the Municipality but insufficient budgets has resulted in limited implementation.

REFUSE DISPOSAL

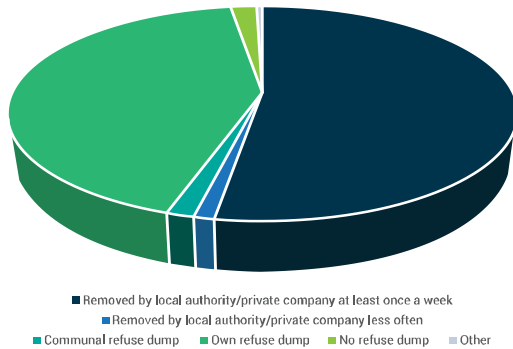


Figure 15: Refuse Removal

4.3 TRANSPORTATION INFRASTRUCTURE

Road Network

Primary access to Umdoni Municipality is achieved through the N2. The N2 is the main access route to the South Coast tourism region and serves to link Umdoni with towns and cities as far afield as Port-Shepstone in the south and Durban in the north. It is also a major link route between the KwaZulu-Natal and the Eastern Cape Province. Development along this corridor is subject to the rules and regulations of the South African National Roads Agency (SANRAL). Future initiatives to take advantage of the opportunities this corridor presents to Umdoni Municipality should be in line with the SANRAL requirements and enhance the role of the N2 as limited access trade route. Importantly, it also presents an opportunity for high levels of visibility and accessibility as it is located on a busy national route. This route is set to become more important in the national and provincial spatial economy with the development of the N2 Wild Coast Toll Road. The Old Main Road (MR3/R102) forms a secondary movement corridor, which links coastal towns and main road 612 runs from Park Rynie inland to Umzinto North and onwards to Braemar, Highflats and Ixopo. The provincial road network presents a high proportion of the road network in

The road infrastructure within Umdoni is deteriorating with the recent disasters (mainly 2008) having a major impact on the damaged roads. Most of the rural access roads are gravel and therefore require constant maintenance. Whilst certain urban roads are often characterized by potholes, the municipality also has a number of roads which are a responsibility of the department of Transport. The municipality must also pay attention to the storm water drainage system.

The municipality has a potential in terms of enhancing its transportation network it's located along major transport routes and the railway line. The primary mode of Transport is public transport that being rail, bus and taxi. The Municipality is well serviced with commuter rail services which consist of the line from Durban, Scottburgh Park Rynie and Pennington. The taxi and bus route system provides extensive coverage throughout the municipality however, it must be stated that there are areas that are

still not accessible to transport. The Municipality is working closely with the Department of Transport to prioritize public transport routes during budgeting process.

Taxi ranks

Umdoni Local Municipality has four Taxi Ranks namely:

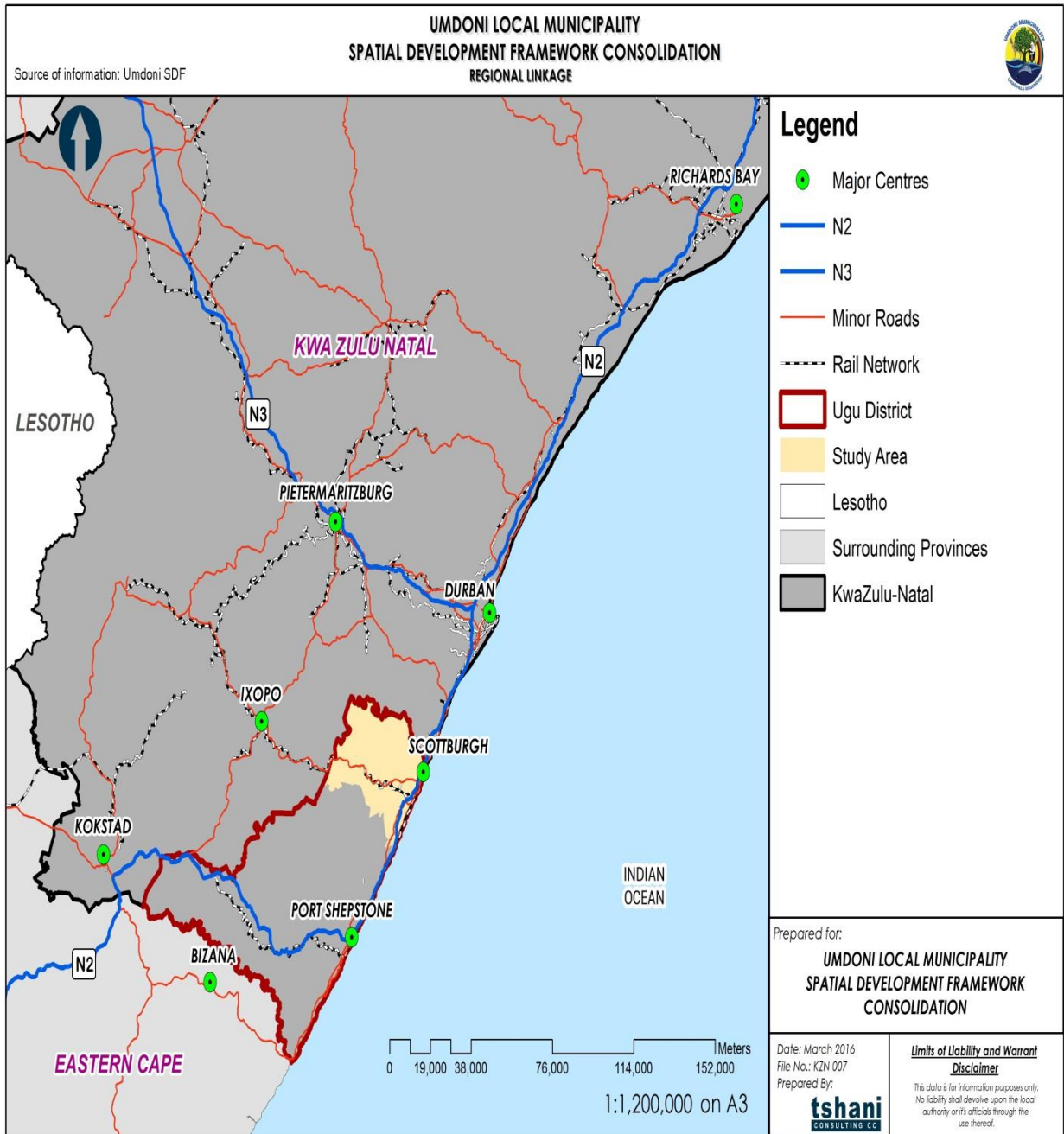
- H Umzinto taxi Rank: this is a formal off-street rank, is swamped by the huge numbers of operator vehicles, which clog all aisles, and approaches to the rank. It does have vehicle and passenger shelters and a paved surface. There is no holding area.
- H Scottburgh Taxi Rank: This rank is formally developed on-street with passenger shelters and a paved surface. Municipal ablutions are available nearby.
- H Mandawe Taxi Rank: This taxi rank is located at the intersection of roads P188 and P197 on private land. This rank is defined as an informal commuter rank with no amenities provided. There is a newly constructed rank nearby, which is not being used.
- H Sibiya Taxi Rank: This rank is located to the north of the Mandawe rank in the same rural area. It is an informal ranking area with no amenities

Rail Network

The metropolitan rail system serving the Ethekewini area, with its terminus at Durban Station, only touches the northern extremity of the Ugu area with three stations (Kelso, Park Rynie and Scottburgh) inside the Umdoni. Although the south coast railway line is electrified and in use by Spoornet as far as Port Shepstone, no commuter services are offered south of the three stations mentioned. According to the figures provided by Metrorail, the daily average number of passengers, (7 day week) from each station, is as follows:

- Scottburgh: 949 passengers.
- Park Rynie: 759 passengers; and
- Kelso: 244 passengers

Map 40: Transportation Infrastructure



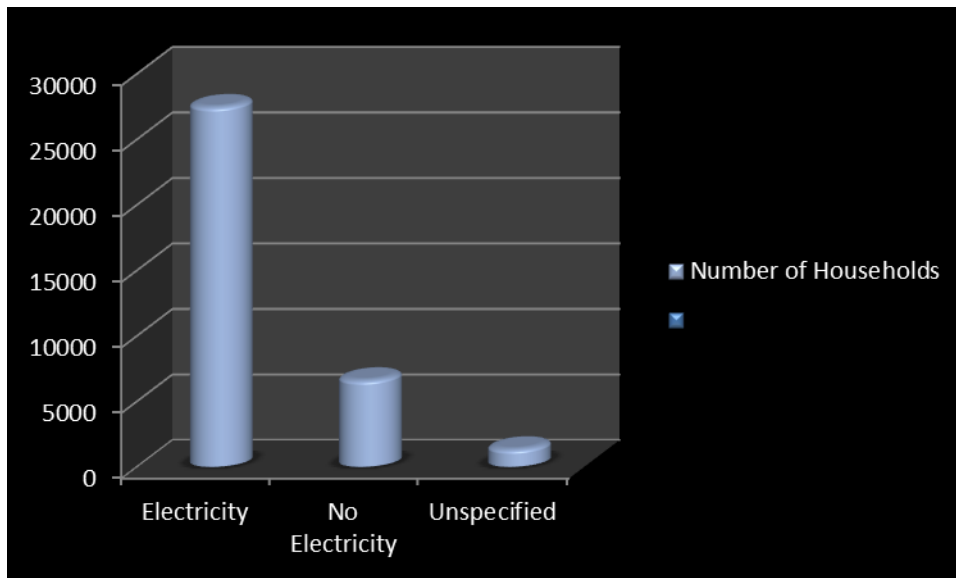
4.4

ENERGY

ACCESS TO ELECTRICITY

From the Graph below it is evident that out of a total of 35 433 Households in Umdoni over 6500 Households still have no access to Electricity and the Municipality urges Eskom to come up with programmes for the next 5 years that indicate the number of households that will be electrified in our jurisdiction every year until 2022. Our target as the Municipality is to have 90 % household electrified in the 2017 - 2022 financial year. Although the municipality is not providing electricity but the municipality works closely with ESKOM in order to ensure that community's needs are taken care of. However one should take into consideration the delays that ESKOM has experienced in terms of capacity that has resulted in constant load shedding. One should hope that going forward and taking into consideration the State of the Nation address made by the Honourable President Jacob Zuma, whereby funds have been allocated to ESKOM to capacitate and to address their capacity challenges one should hope that the provision of electricity will be fast tracked moving forward. The Municipality will continue to strengthen the relationship between ESKOM and Umdoni in order to bring services to its communities.

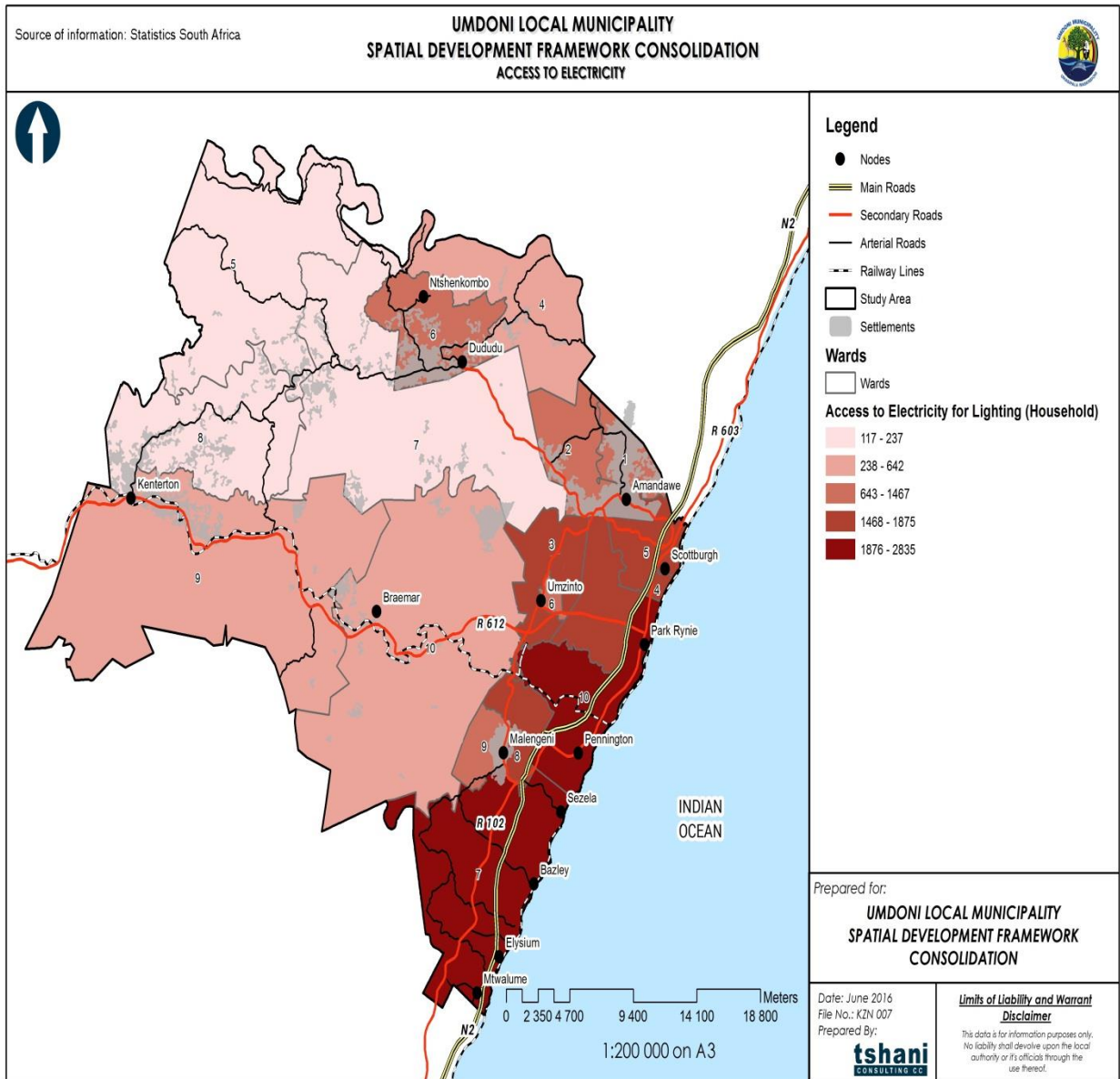
Electricity



Source: StatsSA 2016 Community Survey

Figure 16: Electricity

Map 41: Access to Electricity



ALTERNATIVE ENERGY

At the beginning of the 2016/2017 financial year, the municipality provided alternative energy (Gel) to 3 700 beneficiaries. During the course of the year, phase 2 of the Electrification project commenced and areas of Amahlongwa and Malangeni benefited. At the end of the financial year the municipality provided for 4 000 beneficiaries which included new beneficiaries. Umdoni municipality in conjunction with PACE (non-profit organisation) joint ventured and managed carbon credits through the alternative energy project programme. Funds generated from this initiative are reinvested; into the alternative Energy Supply Project, however Council has taken a resolution that in the long term GEL Distribution will not be sustainable therefore it is better to electrify households.

HUMAN SETTLEMENTS

4.6.1 KEY DEMOGRAPHICS

The figure below indicates the statics of the household with access to housing since 1996 to 2016 .it is evident from the figure below that there is an increase of access to housing from Umdoni Municipality. People living in informal housing have decreased by 1% from 2001. This is not a positive figure. This suggests that the Municipality should fast track the slums clearance programme as well housing delivery as whole.

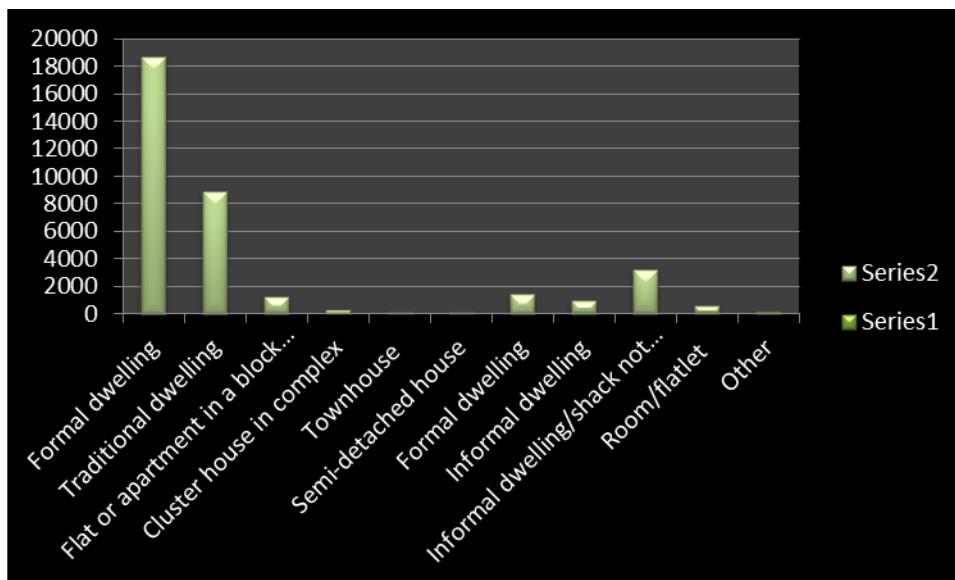
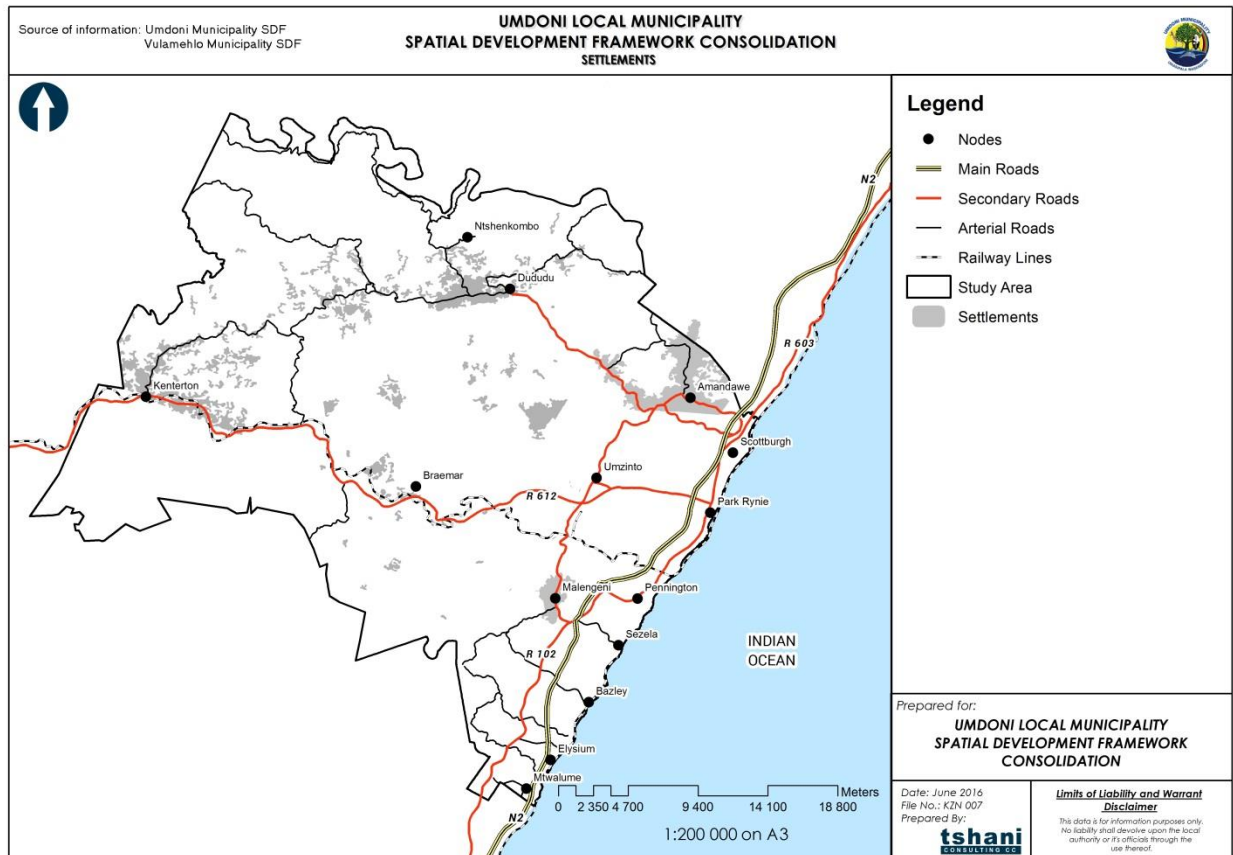


Figure 17: Settlements

Statssa 2016 Community Survey

TENURE STATUS	PERCENTAGE
Rented	13.8%
Owned and fully paid off	64.7%
Owned but not yet paid off	4.5%
Occupied rent free	13.0%
Other	3.3%

The map below indicates the type of settlement patterns within Umdoni Local Municipality:



ORGANISATIONAL ARRANGEMENT FOR THE HOUSING UNIT

The Human Settlements Section which is based in Umzinto Offices is staffed by a Manager, 2 Housing Officers and a Housing Clerk. The Manager Human Settlements reports to the General Manager Technical Services. The Manager is responsible for all housing projects and has to regularly liaise with Implementing Agents and relevant government departments, inspect and monitor progress of housing projects. More over the Manager must submit reports for the Human Settlements Committee and Council. The General Manager Technical Services works closely with the Provincial Department of Human Settlements and other stakeholders, eliciting their assistance and attendance at meetings to address challenges and thereby ensuring that housing delivery is at its premium in a sustainable manner.

The Housing Finance Section which is based in Scottburgh is staffed by a Senior Housing Debtors Clerk and a Debtors Clerk who report via the Manager Income to General Manager Financial Services.

INTRODUCTION

The Housing Sector Plan is a 5 year strategic plan that introduces a number of programmes to strengthen the strategic objective of integrated and sustainable human settlements. The approach is to respond to housing needs through analysing housing environment, provide effective project management and implement housing programmes that are geared towards elimination of slums, provide rural low income housing and rental stock accommodation.

BACKGROUND

The need for Housing Sector Plans (HSP) arises from a concern that, in most municipalities, the Integrated Development Planning (IDP) process inadequately address issues related to the provision of housing. While the initial HSP was prepared independently of the IDP, the HSP now forms part of the IDP and take into cognisance the Spatial Development Framework of the Municipality.

HOUSING SECTOR PLAN OBJECTIVES:

- To ensure that the limited resources available are used most effectively
- To gain consensus on the prioritisation of housing projects
- To ensure more integrated development through coordinating development activities of role players including the municipality, Ugu District Municipality, Department of Water and Sanitation, Department of Human Settlements (DHS) and other sector departments
- To improve linkages between the spatial development framework and the implementation of housing projects on the ground
- To provide a focus for housing within the IDP

In order to achieve these objectives, the following outputs must be focused on:

- Priority implementation list of housing projects within the municipality

- Preliminary assessment of the technical and social feasibility of all projects in the municipal area
- IDP linkages for all prioritized projects
- MIG and other funding for projects
- Stakeholder involvement in the development process
- Sustainable and comprehensive bulk infrastructure
- Updated spatial development framework linked to housing needs
- Transfer of skills from consultants to the staff of the municipality

The HSP is therefore a strategic document intended to inform and guide the municipality in the allocation of resources with respect to housing and its associated engineering and social infrastructure. The Municipality is the process of appointing a service provider that will conduct a study and develop a comprehensive Housing Sector Plan.

SOCIO-ECONOMIC CONTEXT

The IDP contains a more detailed analysis of the socio-economic context of the Umdoni Municipality. The development indicators highlighted in this section highlight a number of key factors relating to housing delivery. These figures are derived from the 2011 and 2016 Community Survey census according to Statistics South Africa.

HOUSING DEMAND LIST

Applications for housing are processed by the Housing / Customer Care Clerk, who regularly updates the data base. We have extracted information from the data base and have categorized the Housing Demand as follows.

1. Informal Settlements: Umzinto
2. Informal Settlements: Out of Umzinto
3. Urban Areas
4. Rural Areas

1. INFORMAL SETTLEMENTS: UMZINTO AREA

Temporary Housing	562
NPA	210
Sanathan	743
Roseville	161
Alexander	67
Mbetheni	242
TOTAL	1985

2. INFORMAL SETTLEMENTS: OUT OF UMZINTO AREA

Farm Abrams ,Kelso	175
Sezela N2 Freeway	208
TOTAL	383

TOTAL INFORMAL SETTLEMENTS (1985 +383): 2368

3. URBAN AREAS

Umzinto	500
Shayamoya	500
Park Rynie	846
Renishaw	25
Ocean View	20
Ifafa Glebe	2000
TOTAL	3891

4. RURAL AREAS

Area	Demand
Vulamehlo Ward 1 & 2	1500
Mistake Farm	1000
Umzinto Slums Clearance Farm Isonti Phase 2	1500
Dumisa Ward 4 & 5	1500
Dududu Phase 2	1500
Chinatown	500
Glebelands	426
Karrims Lane	250
Farm Abrahms	250
Riverside Park Renovation	100
Shayamoya Renovation	500
Amahlongwa/Olwasini	3000
Ifafa Glebe	2000
Amandawe	436
Overview Barracks	100
Kwa Cele	2000
Amandawe	2000
Hazelwoods Flats	500
Malangeni	3000
Gandeduze	500
Two Sticks	500
Zwelisha	433
Ntabeni	166
	23 661

TOTAL HOUSING DEMAND: 23 661

(It is important to note that, these figures will only be verified once the Housing Sector Plan has been reviewed to incorporate Wards that were inherited from the disestablishment of Vulamehlo Municipality.)

URBANISATION AND POPULATION GROWTH CHALLENGES

Over the years there had been an influx of people into the urban areas especially Umzinto and the population of Umzinto has escalated. This form of migration from rural to urban areas is normal and is in keeping with national and international trends. Furthermore there have been a significant increase number of people from other local municipalities and provinces who have migrated to Umdoni Municipality looking for economic opportunities.

Obviously, more work opportunities, saving on transport costs, better schooling and proximity to health services and social amenities etc. has motivated people to relocate or find rented accommodation in urban areas. The previous district municipality administrations did not take this pattern of housing demand into consideration, hence the current bulk infrastructure master plan is inadequately responding to current and future housing projects. The Local and District Municipalities have put in short term interventions such as water stand pipes, refuse removal skips and high mast lighting in responding to bulks need within the Municipality.

UNAUTHORISED ELECTRICAL CONNECTIONS

The Umzinto area is plagued with the serious issue of illegal electricity connections in the temporary housing and shack settlements. Eskom held workshops to educate the community on the risks of illegal connections. ESKOM, Umdoni Municipality and other relevant stakeholders have established a provincial task team as per the Office of the Premier's instruction to deal with illegal connections, and it with great pleasure to announce that ESKOM has delivered temporary infrastructure in Sanathan informal settlement for people to have legal connections. The aim is also to roll out the temporary electrification programme to other informal areas within Umzinto.

SLUMS CLEARANCE

The Umzinto Slums Clearance Housing Project is now in the construction stage and the informal settlers are destined to be relocated to properly built homes. The construction of 500 units for Project Phase 1 A is nearing completion where it has created job and economic opportunities for the local people within Umdoni Municipality area.

The Municipality through it Implementing Agent is in the process of appointing a contractor that implement the second phase of the project to construct the remainder of the 1425 houses and Ugu District Municipality has already set the budget aside in ensuring that bulk infrastructure and services are sufficiently provided to complete the remainder of the houses.

MUNICIPAL SERVICES

ROLE OF UMDONI MUNICIPALITY

The level of services provided will comply with the Housing Code 2009 and in terms of the conditions stipulated in the planning approval. Refuse removal and road maintenance are services that are rendered by the local Municipality.

ROLE OF UGU DISTRICT MUNICIPALITY

Ugu District Municipality is responsible for bulk services such as bulk water and sewer infrastructure. Representatives from the District Municipality are invited to monthly Human Settlements Committee Meetings to deliberate on the issues pertaining to bulk services in Housing Projects. UGu has provided water stand pipes in rural areas, portable toilets in informal settlement areas, and ablution blocks in the temporary housing and VIP toilets in rural areas.

ELECTRICITY

Eskom is the government agency that is responsible for electrification; they include housing projects that require electrification in their business plan and budget allocation. Eskom has been fully informed of completed, current and future housing projects.

SOLAR HEATING

Investigations into the implementation of Solar Heating as an alternate energy source has been conducted and different service providers have made presentation to the Municipality for consideration and Council has yet to make a policy decision on solar heating in line with national norms and standards.

MIGRATION PLAN AND DEMOLITION OF SHACKS

In communication with the affected communities the Municipality will implement a relocation strategy, through clearing one shack settlement at a time as they re-locate to the new houses at "Farm Isonti." The key issue being the demolition of shacks that will become vacant and strict monitoring the re-emergence of new shacks. Landowners will be encouraged to fence and utilize their properties productively.

SOCIAL VIABILITY

The planning phases of housing projects do take into consideration the existing transport route, access roads, railway route including sites allocation for schools, open spaces, sports field, crèches, small industry and commercial centres. This is in line with providing sustainable human settlements with accessible social and economic amenities.

REPORT ON PROJECTS

Our schedule of projects has been categorized as follows: Completed Projects, Current Projects, Future Projects Immediate and Future Projects Medium Term.

COMPLETED PROJECTS

MALANGENI RURAL HOUSING PROJECT (PROJECT NUMBER K 0310 0018)

Construction of 1000 rural in-situ upgrades was completed in March 2011.

IFAFA GLEBE HOUSING PROJECT (PROJECT NUMBER K 19980036)

This People Housing Project which commenced under the auspices of the erstwhile Pennington TLC has been successful in building 1863 of the 1967 houses. The project is practically completed and close-out processes and outstanding work are receiving attention of the Project Manager, DHS and the Municipality.

HOUSING FOR JUNE 2008 FLOOD VICTIMS

564 Temporary houses were built at Province's intervention to provide emergency accommodation for flood victims from the informal settlements. About 201 of the 203 disaster funded houses were built for the people who were affected by floods

DISASTER HOUSING PROJECT FOR 2011 FLOOD VICTIMS

The Department of Human Settlements appointed a contractor in October 2012 to construct 29 low cost housing units for the flood victims which were affected in December 2011 and the construction of 15 houses was completed in May 2014. The other beneficiaries had already benefitted from housing subsidy in other areas and others were owning properties in other areas so that they could not benefit from this project.

AMAHLONGWA MISSION RESERVE RURAL HOUSING PROJECT (K 03 100016)

This rural in-situ project to build 1000 houses commenced in December 2010 and by July 2014 and 980 houses have been completed and the remainder of the sites has challenges ranging from wetlands, affected by servitudes of other infrastructure agencies and other sites are not accessible. The housing solution to sites with challenges will be dealt with to the next phase. The project manager has concluded the close out report.

NB: It is important to note that there are about 5059 houses which have been built for needy beneficiaries since 2008, this reduces the housing demand total number which is 9935 to 4876; the municipality is going to conduct a social and economic survey to determine the current housing demand status.

CURRENT PROJECTS

UMZINTO SLUMS CLEARANCE HOUSING PROJECT (K 03 100019)

This is a Greenfields housing project that will provide 1925 low income houses and 312 serviced sites for the Middle Income group. The construction of Phase 1 A is at final construction stage for 500 low cost houses and civil works. The Umzinto treatment works currently has capacity for +500 houses and it is in the process of being upgraded by Ugu to accommodate the remainder of the houses for phase two.

RURAL HOUSING PHASE 2

These rural housing projects have completed all the studies for the planning and submissions for application of funding for the construction stage have been submitted to the Department of Human Settlements for consideration. The Technical Evaluation Committee of DHS have recommended these projects to the MEC of Human Settlements for authorisation:

- Malangeni Rural Housing Phase 2, which is located Ward 7, 8 and 9 for 1000 units
- Amahlongwa Rural Housing Phase 2, which is located Ward 1 for 1000 units
- Kwa Cele Rural Housing Phase 1, which is located Wards 2, 4 and 5 for 1000 units

It is important to note that the portion of the church land in Amahlongwa Rural Housing Project will undergo a technical assessment by Housing Development Agency (HDA) to determine the value of the land and once that process has been concluded negotiations will resume between Umdoni Municipality and United Congregational Church of Southern Africa (UCCSA). The HAD has committed in providing funding for the purchase of the land on behalf of the Municipality once the negotiations have been concluded.

RIVERSIDE PARK REFURBISHMENT

The Department of human Settlements approved the funding in October 2012 for the refurbishment and transfer of flats in Riverside, this project is at construction stage and is expected to be completed by July 2017

Table 27: Future Housing Projects – Immediate (2016 – 2018)

	Area	Project Description	Wards	Number of units	ACTION
1	Kwa Cele Traditional Authority Area	KwaCele Rural Housing Project Rural	Ward 2	2000	Implementing Agent Appointed to Conduct a Prefeasibility Study
2	Amandawe	Amandawe Rural Housing Project Rural	Ward 2, 4 and 5	1000	Construction of houses
3	Malangeni	Malangeni Rural Housing Project	Ward 7, 8 and 9	1000	Construction of houses
4	Karim’s Lane, Renishaw, Oceanview and Farm Abrahams	Park Rynie Housing Project Urban	Ward 10	1000 units	Acquisition of land
5	Malangeni	Ifafa Glebe Rectification Project Urban	Ward 9	2000 units	To appoint a service provider that will undertake structural assessment and rectification of this housing project
6	Amahlongwa	Amahlongwa Rural Housing Phase 2	Ward 1	1000 units	Construction of houses
7	Amahlongwa	Amahlongwa Rural Housing Phase 3	Ward 1	500 units	Land acquisition from a religious organization

Table 28: FUTURE HOUSING PROJECTS - MEDIUM TERM (2018 – 2020)

The medium term projects are as follows:

	Area	Project Description	Ward	Number of Units
1	Malangeni	Malangeni Rural Housing Project Phase 3 Rural	7, 8 and 9	2000
2	Kwa Cele Traditional Authority Area	KwaCele Rural Housing Project Phase 2 Rural	2	1000
3	Mandawe	Amandawe Rural Housing Phase 3 Rural	2, 4 and 5	1000
4	Amahlongwa	Amahlongwa Rural Housing Phase 3 Rural	1	500
5	Umzinto	Umzinto Slums Clearance Phase 2 Urban	3 and 6	1000
6	Umzinto	Middle Income Housing – Serviced Sites Urban	3 and 6	500
7	Umzinto	Hazelwood Rental Stock Accommodation Urban	3 and 6	1000
7	Scottburgh	Scottburgh Rental Stock Accommodation Urban	5	1000
8	Amandawe	Amandawe Rental Stock Accommodation	2, 4 and 5	1000

CHALLENGES:

GANDHI NAGAR

About 607 houses have been transferred to beneficiaries in terms of the Enhanced Extended Discount Benefit Scheme (EEDBS) and about 68 houses are not yet transferred. The municipality has exhausted all the means of encouraging and debt collecting to the remainder of the beneficiaries, most of the people are unemployed and have low income earnings. The Council in September 2015 took a resolution that transfers should proceed with the endorsement on Title Deeds until the outstanding debts are paid by beneficiaries.

RIVERSIDE PARK

The process of collecting data for the purposes of transfers in line with EEDBS was concluded and will also be still verified before tenants take ownership. Many of the tenants cannot afford rentals; the Council took a resolution in September 2014, that in accordance with section 1.10 of the EEDBS all the outstanding debt relating to Riverside Park be written off with immediate effect and no further rentals will be raised and all accounts have a zero balance.

The 78 recorded overcrowding people will be considered to a planned rental stock housing project in Hazelwood, the MEC for Public Works is the process of concluding a donation agreement with Umdoni Municipality and the property will be transferred to the municipality for housing development purposes.

DEMAND FOR COMMUNITY RENTAL UNITS

We cannot over emphasise the dire need for community rental units in both urban and rural areas. No community rental units have been built in more than 20 years, hence the frustration of numerous families living in pitiable and parlous state at the behest of sometimes unscrupulous landlords.

Municipality does not own land around Umzinto and other urban areas, a service provider will be appointed by Planning and Development Department to conduct a comprehensive land audit for the municipality.

HOUSING FOR MIDDLE INCOME

Since the middle income sector had not been catered for in receiving housing assistance thus far, provision has been made in terms of integrated housing development for 325 sites in the Umzinto Slums Clearance Housing Project for middle income beneficiaries. This will be an initial start with the possibility of further developments depending on demand. The municipality will pursue public private partnerships with developers and financial institutions to provide “gap” market housing solution.

COMMUNITY CONCERNS

Community expectations in the delivery of housing are extremely high and delays in implementing housing projects is a direct deprivation of approved subsidy beneficiaries to own houses. Community engagement and robust communication should be continuous with communities. The municipality has experienced a lot of protest and work stoppages on project that are on the construction phase due to the level of high rates of unemployment and competition over subcontracting opportunities.

CONCLUSION

All stakeholders should work together in eliminating the housing backlog in Umdoni Municipality and support from other agencies for infrastructure development can no longer be emphasized in delivering decent and sustainable human settlements.

4.8 TELECOMMUNICATIONS

There has been a considerable amount of cell mast that has been erected in the area however there are some areas that still have no networks. The municipality is considering engaging the network service providers to consider other areas that have no network coverage.

4.9 Basic Service Delivery: SWOT Analysis

<p><u>Strengths</u></p> <ul style="list-style-type: none"> • Municipality has its own landfill sites • Large labour pool 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> • Poor contract management • Poor planning • No Storm water management • Ageing infrastructure that needs refurbishment
<p><u>Opportunity</u></p> <ul style="list-style-type: none"> • Logistics and Transportation (Railway Line) 	<p><u>Threats</u></p> <ul style="list-style-type: none"> • Incline weather conditions • Delays in the approval of EIA applications • lack of service delivery • Influx of people into the area – strain infra etc

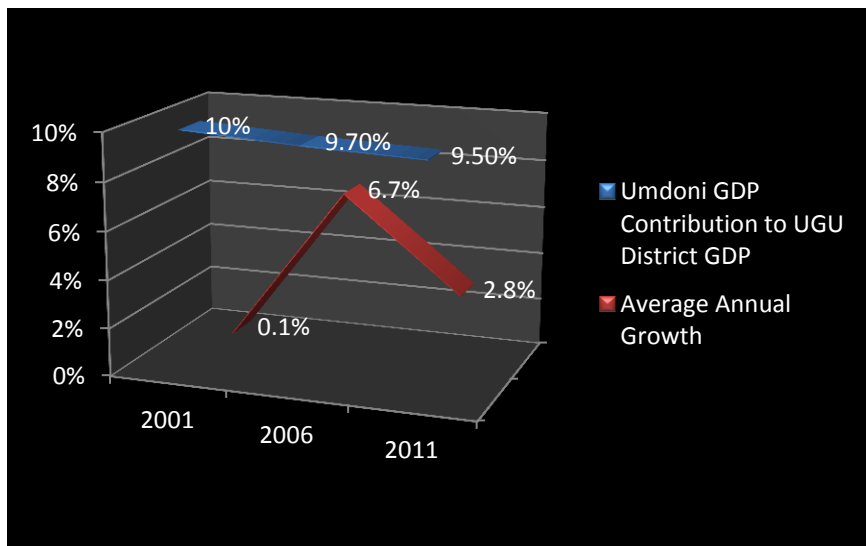
5. LOCAL ECONOMIC AND SOCIAL DEVELOPMENT ANALYSIS

Local Economic Development Analysis

Gross Domestic Products within KwaZulu- Natal and Ugu District Municipality

Table 29: Gross Domestic Product by Region

Year of Census	Gross Domestic Product Per Municipality within KwaZulu Natal and UGU District							
	KwaZulu Natal	UGU District Muni.	Vulamehlo LM	Umdoni Local Muni.	Umzumbe Local Muni.	Umziwabantu Local Muni.	Ezinqoleni Local Muni.	Hibiscus Coast Local
2001	219,618,002	8,241,816	747,752	820,704	2,362,099	338,947	264,886	3,707,428
2006	269,797,288	9,714,032	821,651	937,578	2,595,624	398,299	313,040	4,647,840
2011	311,122,702	11,493,062	935,267	1,087,813	2,872,213	480,367	371,339	5,746,063



Source: Department of Treasury

Figure 19: GDP Contribution to District GDP

The gross domestic product (GDP) is one the primary indicators used to gauge the health of a country's economy. It represents the total dollar value of all goods and services produced over a specific time - you can think of it as the size of the economy. Usually, GDP is expressed as a comparison to the previous quarter or year. In 2001, Umdoni Local Municipality contributed 10% to the District GDP, 9.7% in 2006 and 9.5% in 2011 respectively, even though it seems that Umdoni has contributed less during the years (2006-2011) that is not the case, Umdoni contribution has increased over the years due to the fact that

the Districts GDP has also increased therefore the contribution made by Umdoni may seem less, however that is not the case. The GDP Growth rate has been steady over the years.

5.1.2 Main Economic Contributors

In order to gain perspective on the economic situation within a specific area, the GVA contribution for that specific area needs to be considered. Table 30 provides an overview of the GVA contribution per economic sector for South Africa, the KwaZulu-Natal Province, Ugu District Municipality and Umdoni Local Municipality.

Table 30 shows that the GVA for Umdoni Local Municipality in 2013 was over R3.7 billion, about two and half times more than the 2003 GVA at R1.4 billion. The greatest contributor towards Umdoni Local Municipality's GVA in 2013 was made by the business services sector, which shows a higher contribution than the District and Provincial average contribution. This in essence shows the relative importance of the Business Services Sector in Umdoni Local Municipality. This could be attributed to the infrastructure upgrades that were done to the tarred and gravel roads in the Umdoni Local Municipality, therefore increasing the accessibility and efficiency for both customers and employers. The Wholesale & Retail trade sector contributes the second most towards the Local GVA (20%) followed by the manufacturing sector (16%). It is however noticeable that since 2003, the Manufacturing sector has seen a substantial decline of 10% in GVA contribution in the Umdoni Local Municipality. This could possibly be due to the close proximity of the Local Municipality to the well-established industrial areas in Durban.

Table 30: Sectoral share of GVA at current basic prices, 2003 and 2013

	South africa		Kwazulu-natal		ugu dm		umdoni lm	
	2003	2013	2003	2013	2003	2013	2003	2013
GVA (R/million)	1 155 150	3 030 263	189 679	480 382	8 059	21 338	1 481	3 707
Agriculture	3%	2%	6%	4%	14%	8%	11%	8%
Mining	7%	9%	2%	2%	1%	1%	0%	1%
Manufacturing	19%	12%	26%	16%	19%	17%	26%	16%
Utilities	3%	3%	3%	3%	4%	3%	3%	1%
Construction	2%	4%	2%	3%	2%	4%	1%	3%
Retail trade	14%	17%	14%	18%	17%	19%	16%	20%
Transport	10%	9%	13%	13%	10%	12%	10%	9%
Business services	20%	22%	16%	19%	14%	17%	17%	22%
Social services	6%	6%	6%	6%	6%	6%	6%	6%
Government services	15%	17%	13%	15%	12%	13%	11%	13%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Source: Quantec Research 2015, Kayamandi calculations

The agricultural sector in Umdoni Local Municipality shows a higher contribution towards GVA when compared to the average contribution of the KwaZulu-Natal Province and South Africa. The Umdoni Local Municipality is characterised by commercial agriculture, dominated primarily by sugar cane fields. However, since 2003, the agricultural sector has seen a decline of 3% in GVA contribution in the Umdoni Local Municipality. This could be as a result of various factors such as rising input costs, drought, etc.

Table 31 below shows the contribution of each of the local municipalities contained within Ugu District Municipality towards the District GDP, as well as the contribution of each Local Municipality's economic sectors towards the District's economic sector:

Table 31: Contribution of LMs to Sectoral GDP of the Ugu DM, 2013

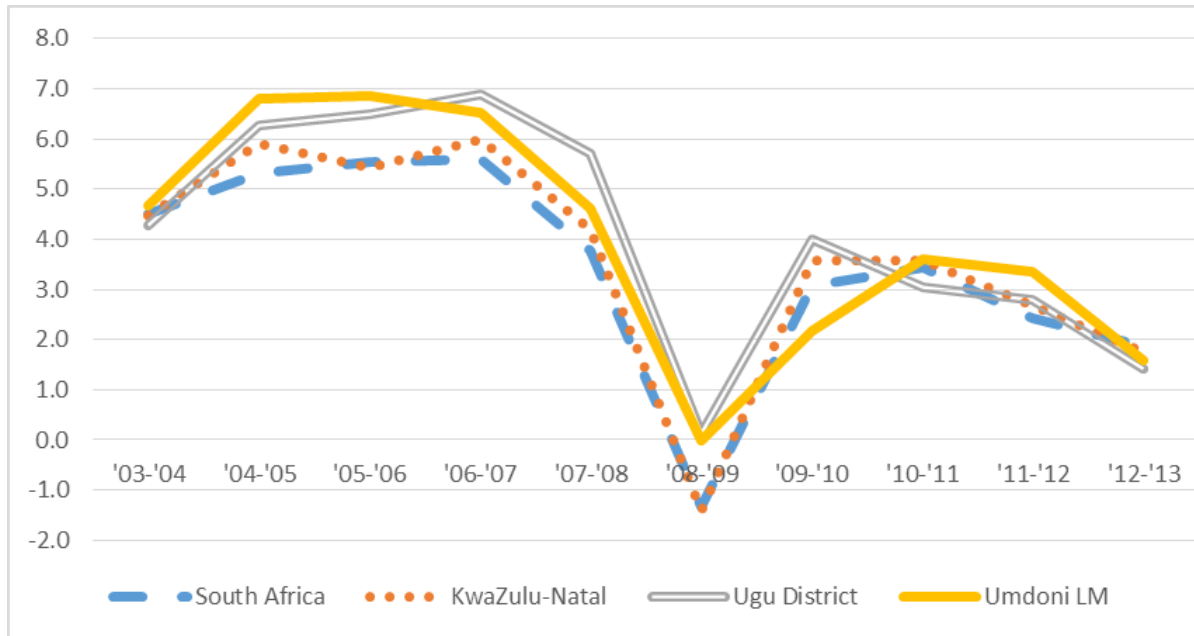
Sector	Umdoni LM	Vulamehlo LM	Umzumbe LM	Umuziwabantu LM	Ezingoleni LM	Hibiscus coast LM	Ugu DM
Agriculture	17%	5%	31%	9%	2%	37%	100%
Mining	31%	27%	9%	11%	5%	18%	100%
Manufacturing	17%	2%	10%	14%	2%	55%	100%
Utilities	7%	1%	6%	6%	4%	75%	100%
Construction	16%	5%	13%	7%	7%	54%	100%
Retail trade	18%	4%	12%	6%	4%	56%	100%
Transport	14%	6%	8%	5%	10%	58%	100%
Business services	22%	4%	13%	11%	1%	49%	100%
Social services	18%	4%	15%	12%	3%	48%	100%
Government services	17%	3%	12%	15%	5%	48%	100%
Total	17%	4%	13%	10%	4%	52%	100%

Source: Quantec Research 2015, Kayamandi calculations

From the table above, it is clear that highest contributor towards the Districts total GDP is the Hibiscus Coast Local Municipality (52%), followed by the Umdoni Local Municipality (17%). It is also interesting to note that despite the fact that the mining sector does not contribute significantly towards the local economy of Umdoni Local Municipality, it contributes the most towards the GVA for mining in the District when compared to the other local municipalities. The table furthermore reveals that the Hibiscus Coast Local Municipality is the major regional node of the District, based on the dominant distribution of sector contribution.

Annual GVA Growth

To provide an overview of Umdoni Local Municipality’s economic performance, the annual growth in GVA for the area over a ten year period need to be examined and considered. Figure 4.5 presents the annual growth in GVA from 2003 to 2013 for South Africa, KwaZulu-Natal Province, Ugu District Municipality and Umdoni Local Municipality.



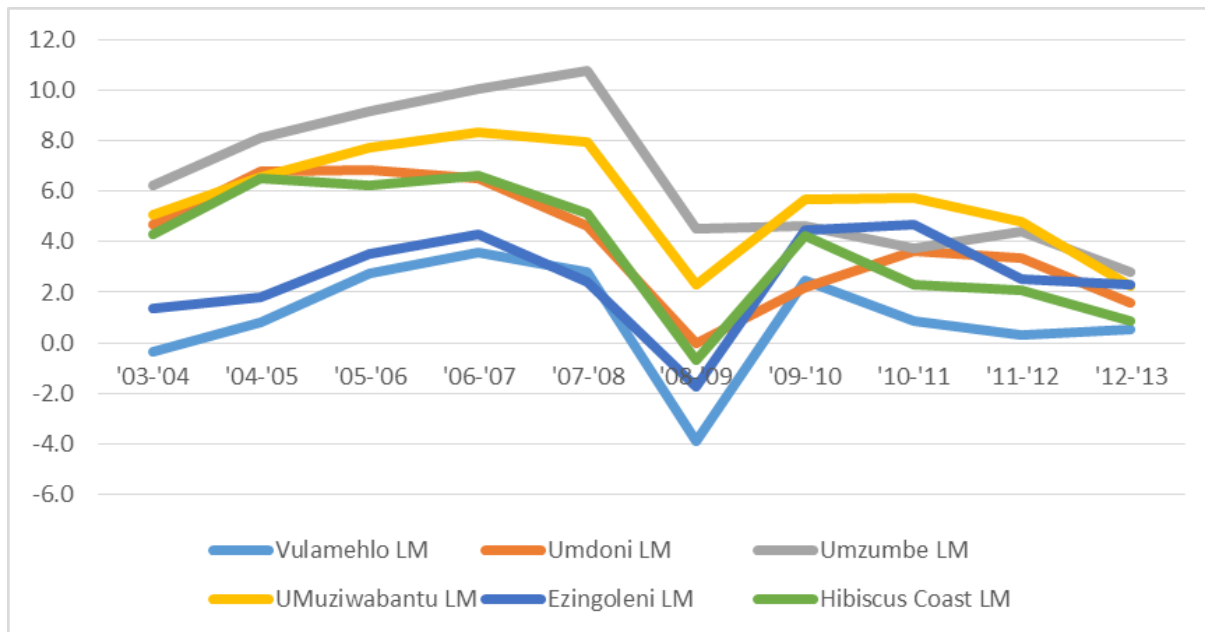
Source: Quantec Research 2015, Kayamandi calculations

Figure 20: Annual GVA growth, 2003-2013

From the figure above it is clear that the GVA growth in Umdoni Local Municipality broadly follows the same growth trend as the district, province and country at large. The latest recorded GVA growth for Umdoni Local Municipality of 1.6% (2012 to 2013), is slightly higher than the average for the District (1.4%), but slightly lower than the average for South Africa (1.9%) and KwaZulu-Natal (1.8%).

When examining the GVA growth for the six local municipalities contained within the Ugu District Municipality (Figure 4.6), it shows that Umdoni Local Municipality follows the same trend than the other five municipalities, with uMuziwabantu Local Municipality showing, on average, more positive and rapid growth compared to the remaining five local municipalities.

The latest recorded growth rates for the various local municipalities (2012 to 2013) reveal that Umzumbe LM recorded the highest growth rate (2.8%), followed by Umuziwabantu LM and Eziqoleni LM (2.3% respectively), Umdoni LM (1.6%), Hibiscus Coast LM (0.9%), and Vulamehlo LM (0.5%).



Source: Quantec Research 2015, Kayamandi calculations

Carvalho Classifications

Figure 21: Annual GVA growth - LM comparison, 2003-2013

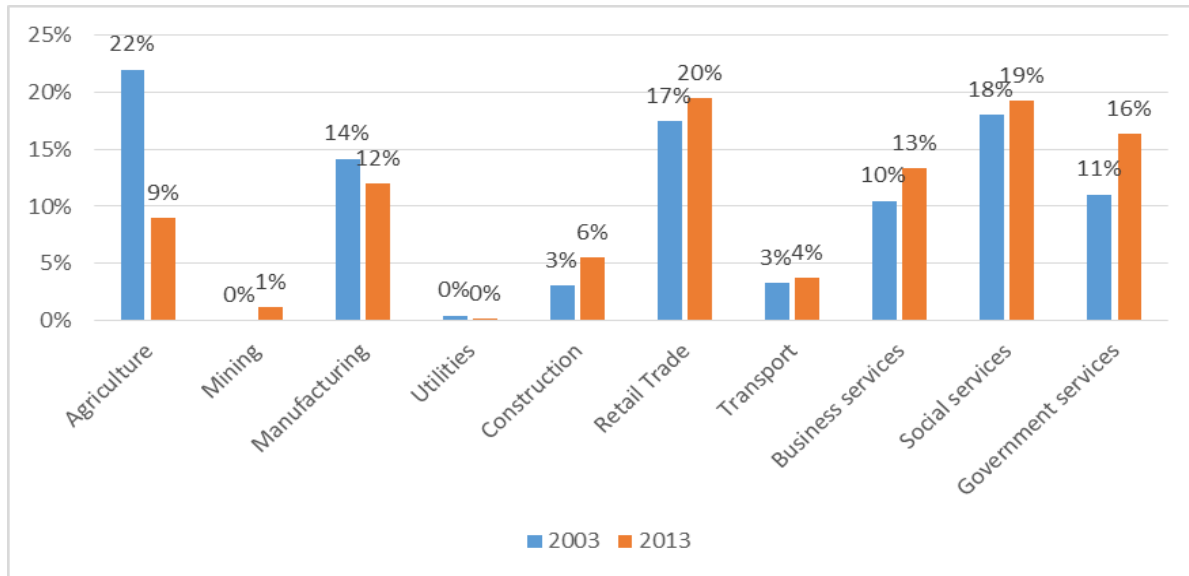
Table 32 below shows the Carvalho Classifications, as well as the prospects for each of the economic sectors for the Umdoni Local Municipality. Umdoni Local Municipality’s economic sectors are compared to the Ugu District Municipality’s economic sectors and are based on the GDP growth between 2003 and 2013.

Employment and Income Levels

Employment and Labour

Employment is considered as one of the ‘big three’ economic indicators along with inflation and GDP, when analysing the economic situation for a specific area or region. Employment rate, sectoral employment share and skills level all contribute to establishing the employment and labour profile of a specific area, such as Umdoni Local Municipality.

When considering **Figure 4.10 below**, it is clear that although the agriculture sector held the greatest employment share in Umdoni Local Municipality in 2003, the employment share decreased by approximately 13% from 2003 to 2013. The Retail Trade sector is currently the highest contributor towards formal employment with 20% share, followed by social services sector at 19% and the government services sector at 16%. All three these sectors have recorded an increase in percentage share towards formal employment between 2003 and 2013.



Source: *Quantec Research 2015, Kayamandi calculations*

Figure 22: Sectoral contribution to formal employment in Umdoni LM

Table 32 below provides a summary of growth in employment in the time period between 2003 and 2013 and seeks to reveal the employment trends for Umdoni Local Municipality for the same period.

Table 32: Average per annum employment growth in Umdoni LM, 2003 and 2013

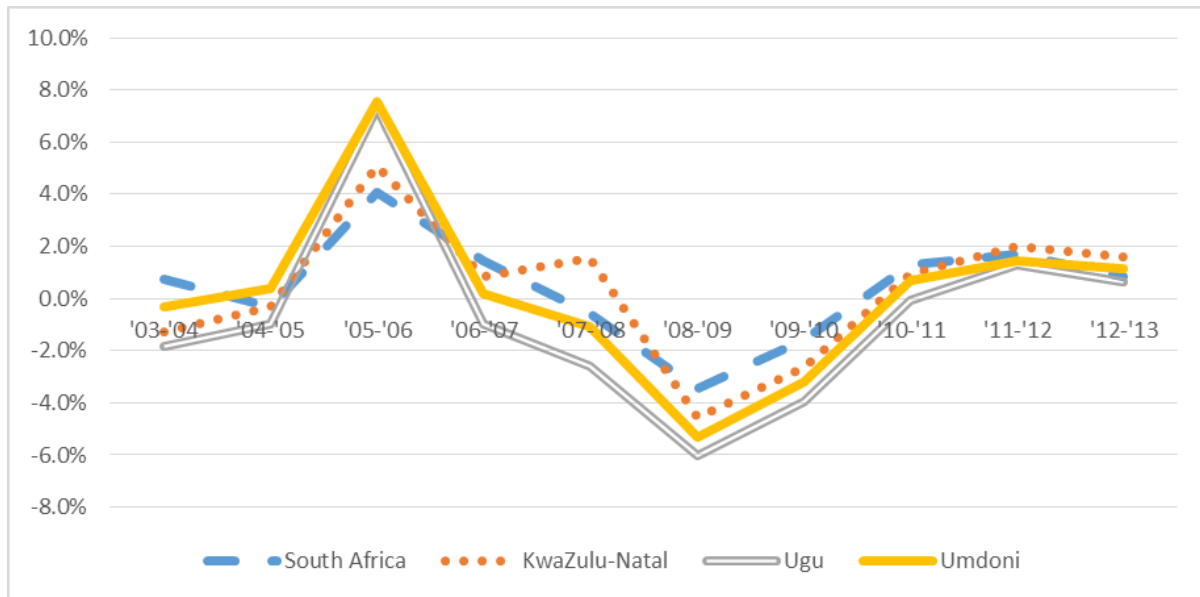
	2003	2013	Change (%)	Change (Abs)
Agriculture	3 517	1 451	-8.5%	-207
Mining	6	188	40.8%	18
Manufacturing	2 266	1 943	-1.5%	-32
Utilities	70	20	-11.9%	-5
Construction	486	891	6.2%	40
Retail and trade	2 790	3 151	1.2%	36
Transport & communication	523	602	1.4%	8
Finance and business services	1 676	2 152	2.5%	48
Community services	2 889	3 104	0.7%	21
Government services	1 766	2 647	4.1%	88
Total	15 990	16 146	0.1%	16

Source: *Quantec Research 2015, Kayamandi calculations*

From the table above, it is clear that Umdoni Local Municipality has seen a very small increase in employment from 2003 to 2013 with a total gain of 156 jobs at an annual growth rate of 0.1%, and average job creation of 16 jobs per year. It should however be noted that only three sectors in Umdoni Local Municipality showed negative employment growth, with the utilities sector recording a negative growth rate of -11.9% per annum, followed by the agricultural sector (-8.5%) and the manufacturing sector (-1.5%). The agricultural sector has been struggling as a result of the drought that the local municipality has been facing; this could thus be influencing the number of produce harvested, and consequently influence the amount of labour used during ploughing, planting or harvesting seasons. It is therefore possible that, in order to keep costs low, farmers are reducing their labour inputs in order to receive greater marginal returns which contribute to the decline in labour this sector.

When comparing the employment growth trend in Umdoni Local Municipality with that of South Africa, KwaZulu-Natal Province and Ugu District Municipality in Figure 23, it is clear that Umdoni Local Municipality has over the decade, showed, on average, a higher growth rate than the District average, but a lower growth rate than the provincial and national averages. This trend is understandable in that Umdoni is a coastal municipality within the District (increased job opportunities due to tourism and developed areas), which is predominantly rural.

Umdoni Local Municipality recorded the same general trends as the country, province and district in terms of formal employment growth rates. It is also clear that although South Africa and the Province has recorded increased growth rates in terms of employment during the 2005/2006 period, the District and Local Municipality recorded significantly higher growth rates for the same time period. This could be attributed to active sugar cane industry in this area and the increased production of sugar during the same period as reported by the Department of Agriculture's Statistics and Economic Analysis division and the South African Sugar Association (SASA).



Source: Quantec Research 2015, Kayamandi calculations

Figure 23: National, Provincial, District and Local employment growth trends

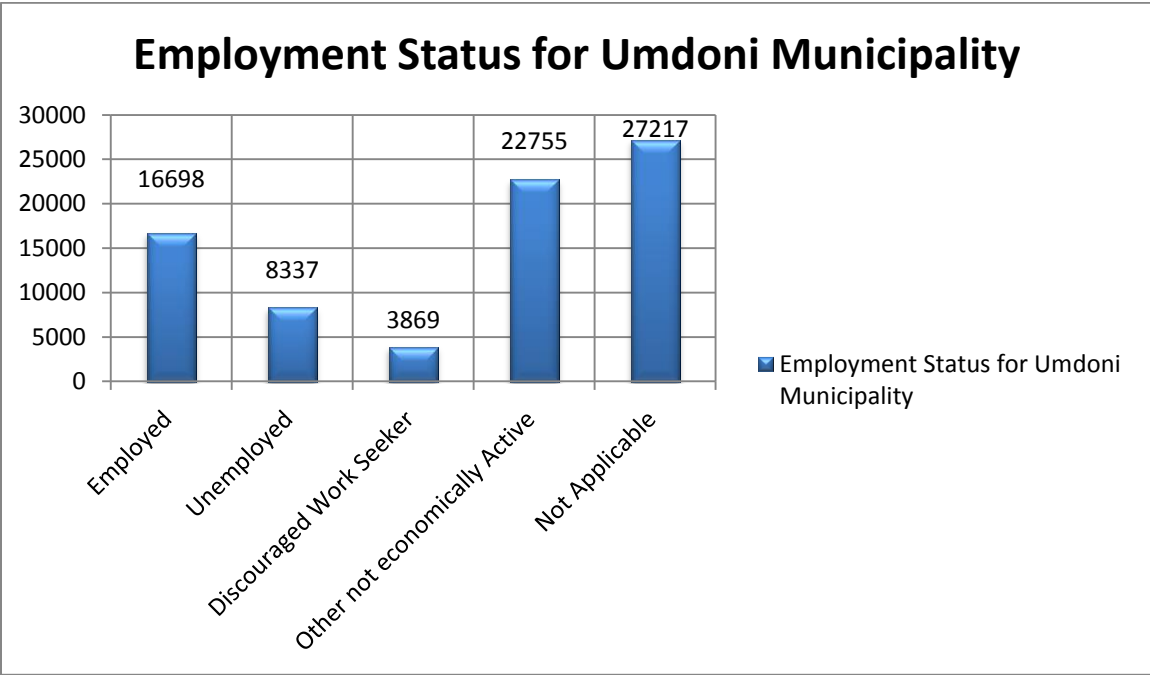
Table 4.23 below depicts the skill level for those employed in Umdoni Local Municipality for the year 2003 compared to the year 2013. From the table it is clear that the majority (43%) of those formally employed in 2011, are semi-skilled or unskilled, followed by 41% that are skilled, and only 16% who can be classified as highly skilled.

Table 24: Skill level of formal employment for Umdoni LM, 2003 vs. 2013

Skill level	2003		2013	
	Population	Percentage	Population	Percentage
Highly skilled	1 909	12%	2 543	16%
Skilled	5 512	34%	6 591	41%
Semi- and unskilled	8 568	54%	7 012	43%
Total	15 989	100%	16 146	100%

Source: Quantec Research 2015, Kayamandi calculations

It is also evident that the percentage of skilled and highly skilled employees have increased and the percentage of semi-skilled and unskilled employees has decreased. Furthermore, the overall numbers of those formally employed have increased by 157, (approximately 1%). More significant however, is the increase of approximately 643 in those employed in highly skilled occupations (approximately 33%), which shows a shift within the Local Municipality towards higher skilled occupation. This could possibly be attributed to the labour force that is working in eThekweni but living in Umdoni



Source: Stats SA Census 2011

Figure 25: Employment Status

The experience of unemployment whether is your discouraged work seeker or the non-economically active citizens can lead to greater skepticism and pessimism about the value of education and training and lead to workers being less willing to invest in the long years of training that some sectors require. The absence of income can force some families to deny educational opportunities to their children and deprive the economy of those future skills, in terms of planning all Sectors need to come on board with plans of projects and Programmes that will create employment opportunities for the youth and sustain the economy seeing that the municipality is dominated by young people. This will then lead to a decrease in the number of people dependent on the government grant as well as the dependency ratio. Depart of social development also needs to assist with projects that can address the discouraged work seekers and the non-economical active.

Table 33: Classification of employment status by gender

Classification of Employment status by Gender	Ages 15-34	35-64
Male		
Employed	4240	5094
Unemployed	2749	1221
Discouraged Work-seeker	1253	460
Other not economically active	6535	3638
<i>Total</i>	<i>14777</i>	<i>10413</i>
Females		
Employed	3313	4051
Unemployed	3019	1348
Discouraged work-seeker	1415	740
Other not economically active	6840	5741
<i>Total</i>	<i>14587</i>	<i>11881</i>

Source: STATSA Census 2011

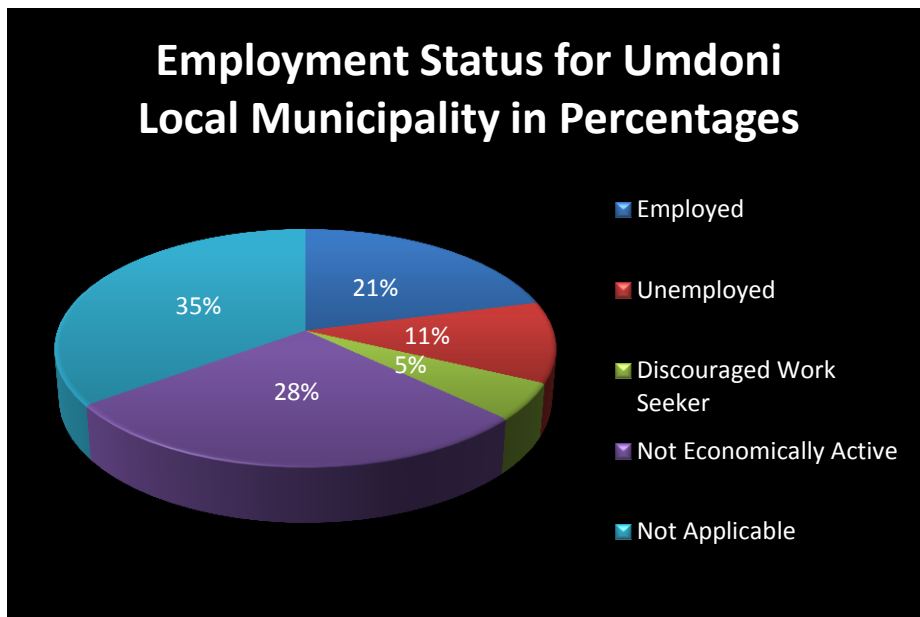


Figure 26: Employment Status by percentage

With only 21% of the Umdoni Population employed and the majority either being Non Economically active and others being discouraged work seekers this then means that the dependency ratio within the Jurisdiction of Umdoni on Pension, Grants and other forms of government support are quiet high. More than 35% percent of the Population either survives on Pension, Disability grant, or Child Welfare grants and support because they are not economically active or are not fit enough to seek employment.

Household Income

Analysing household income levels can provide insight into a population's poverty levels and living standards.

Table 35: Annual Household Income per Ward

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Ward 10
No income	238	248	589	193	200	556	552	507	475	288
R 1 - R 4800	78	92	147	37	66	87	137	81	267	33
R 4801 - R 9600	150	208	228	88	91	161	189	189	229	61
R 9601 - R 19 600	392	496	663	378	273	523	614	586	515	413
R 19 601 - R 38 200	365	478	616	349	285	343	547	423	335	373
R 38 201 - R 76 400	207	234	415	253	280	205	345	224	171	463
R 76 401 - R 153 800	93	126	302	243	272	172	235	91	68	544
R 153 801 - R 307 600	37	61	149	174	265	91	164	37	37	445
R 307 601 - R 614 400	22	14	65	142	140	56	75	14	5	217
R 614 001 - R 1 228 800	7	1	11	34	43	7	20	1	1	62
R 1 228 801 - R 2 457 600	-	-	3	11	10	5	8	1	1	15
R 2 457 601 or more	1	-	2	10	7	4	6	1	-	9

Source Stats SA Census 2011

The table above indicate that in 2011, 17% of households in Umdoni received no income. The rural nature of Umdoni Local Municipality could result in low job opportunities available, and therefore a high rate of "no income earners". One third (33%) of the households in Umdoni Local Municipality fell within the low income classification, while 49% of households fell within the middle income classification and as little as 1% of the households are high income earners. This could be as a result of majority of the area having agrarian terrains, which is used mostly for sugarcane planting or the primary sector. Although the mountainous terrain calls for higher labour input, than on more flat terrain, the industry does not employ as many individuals as it would in an urban economy, or a more industrialised sector.

Based on the average annual household income it is assumed that the majority of households in Umdoni Local Municipality are struggling to afford basic necessities, and can be classified according to the South African Audience Research Foundation's (SAARF) Living Standard Measurement (LSM) as Level 1 or Level 2 households. This means that the heads of these households typically fall within the 15-24 or 50 and older age categories, have completed some primary or secondary education, live in a small town or rural

area and their dwellings comprise of either a shack or traditional hut. These households are also typically very dependent on social grants.

The map below presents the geographic distribution of annual household income in Umdoni Local Municipality for 2011. The map reveals that more than half of the residents in Ward 4, Ward 5 and Ward 10 are receiving annual household incomes of the middle income category (between R19 201 and R614 400 income per year). The remaining wards (Wards 1, 2, 3, 6, 7, 8 and 9) host the majority of the residents who earn low incomes (no income to R19 200 per year).

GEOGRAPHIC DISTRIBUTION OF ANNUAL HOUSEHOLD INCOME FOR UMDONI LM

Map 43: Geographic Distribution of Household Income

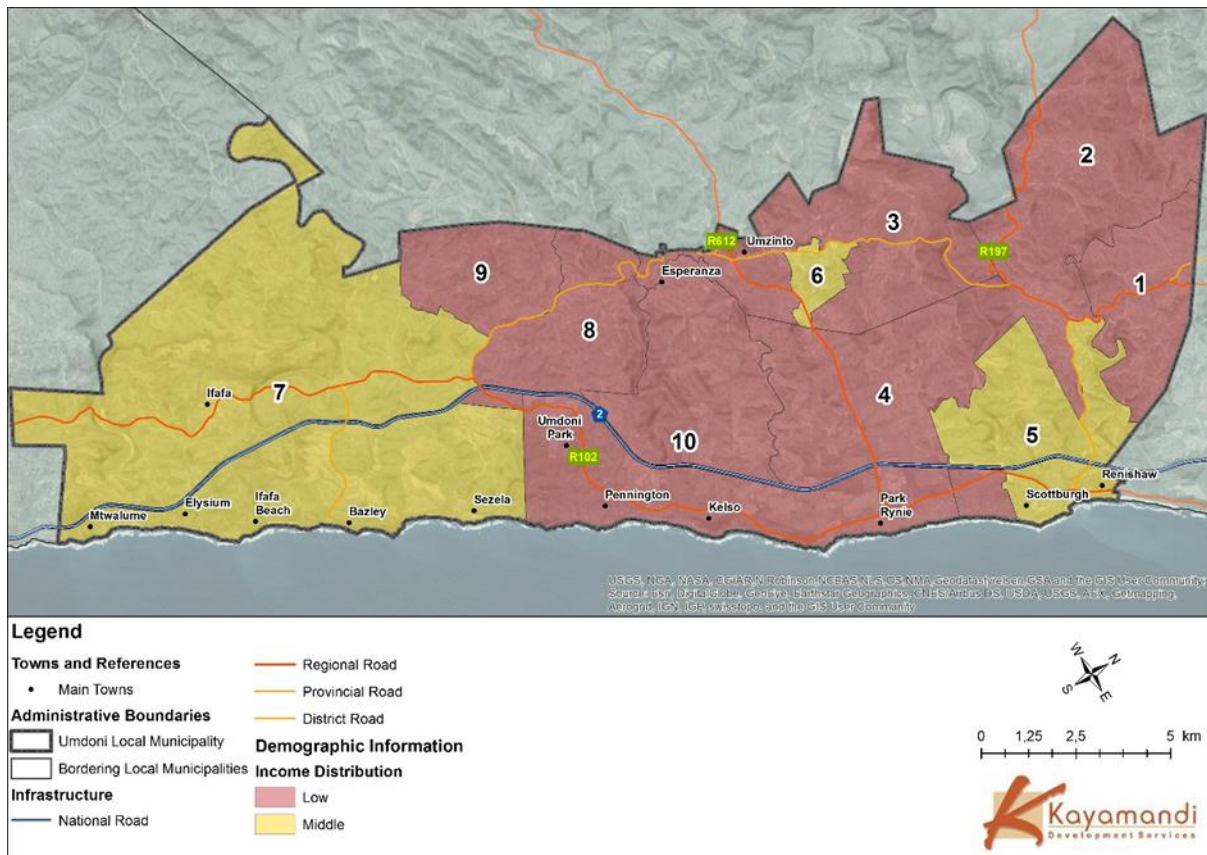


Table 36: Percentage of people living in poverty

Population Group	2001 Number	2001 Percentage	2011 Number	2011 Percentage
African	26 082	61.0%	34 109	64,3
White	183	2.5%	90	1,2
Coloured	197	29.9%	113	17,4
Asian	1 783	14.0%	1591	12,6
TOTAL	28 246	44.6%	35 903	48,6

Source Stats SA Census (2001, 2011)

In Umdoni municipality national government, the district and local municipality all have an important role to play in the successful implementation of local economic development initiatives. All these spheres have established principles and provide a framework for the formulation of localized economic development strategies.

They create a range of opportunities for funding, institutional development and initiatives for economic growth and development in Umdoni. Based on this, it is important that LED within Umdoni focus on the following areas:

Addressing local development needs, crises and job creation requirements;

A partnership between all key stakeholders – the local authority, communities, and the private sector by reviving the Umdoni Municipality LED Forum

Initiative and entrepreneurship;

The use of local resources and skills;

Appropriate external support, advice and facilitation; and

Creating an environment that facilitates economic growth and diversification

Comparative and Competitive advantage:

Comparative and competitive advantage: Comparative advantage indicates relatively more competitive production function for a product or service in a specific local economy than on the aggregate economy (provincial or national). It therefore measures whether a specific economy produces a product more efficiently. Competitive advantage allows an entity to outperform its competition through having a stronger market position than its competitor. For example it may have stronger resources or skills and therefore maximize its economy of scale in certain goods and services, at lower but competitive prices.

The comparative advantages identified for Umdoni LM are:

- The tourism sector provides comparative advantage. Therefore the development of tourism in particular areas, alleviate the spatial skewing of tourism where it currently is, as well as contributing to the overall development of the district LED strategy.
- Strategic location of Umdoni Local Municipality needs to be exploited and other comparative advantages to achieve economic development. Umdoni Local Municipality is located along the N2 and forms part of the South Coast Ribbon Development
- The environmental assets of Umdoni are clearly the main attraction of the area and provide a strong comparative advantage. These assets include the beaches and sea which provide recreational activities such as surf and rock fishing, deep-sea fishing, tidal pools, surfing and scuba diving.
- Carvelo indicates that the mining, manufacturing and business services sectors have a comparative advantage in their respective sectors. This indicates that these sectors are out performing their respective sectors at district level and thus, play a major role in the development and growth of the local and district economies.

The competitive advantages identified for Umdoni LM are:

- The agricultural land in Umdoni is currently progressing strongly with the commercial sugarcane production. Further growth can be assisted by the various well-developed transport enterprises in the district as well as the usage of the established agricultural export market for sugar and macadamia products.
- To make the area more competitive an extension of the production capacity in terms of new products and services and application of new technologies that is not being applied in production processes.

Food Security

Challenges of poverty, hunger and food security are facing communities residing within the municipal area. The fundamental challenges encountered include the lack of financial and non-financial resources. In order to address this challenge the municipality to assist in the alleviation of food shortage has initiated various programmes. These self-sustaining projects such as community gardens, One-home-One garden Programme etc. Support in the form of seedlings and the municipality in conjunction with the Department of Agriculture provides compost together with expertise to communities to assist them in ensuring their food security. The table below indicates the number of people living in poverty within the Municipality. It is evident from the table below that the highest number of people living in poverty is the African population. It shows that there is an improvement from the other population group where the number has decrease from 2001 to 2011.

SMME's

Promoting SMME's forms part of the principles for LED development. It is important to involve and uplift the SMME sector through enhancing the capacity of local entrepreneurs by establishing support measures and incentives to promote participation. This suggests that appropriate technology transfer needs to place in an environment conducive for the successful establishment of SMMEs.

Previous programmes in the Umdoni LED (2005) included:

- The LED unit and business chamber should create linkages with SMME support agencies based in Durban.
- Initiate skills development programme for SMME owners

The current LED review indicates opportunities such as:

- Promotion of SMME and Entrepreneurial development
- Ensuring Effective Assistance and Support to SMME's, Cooperatives and Informal Traders
- Establish businesses (SMMEs) for the selling of agricultural inputs such as seeds, pesticides, equipment, feed etc.
- Establish businesses for the selling of manufacturing outputs such as the non-perishable food products
- Updating the current SMME strategy for Umdoni Local Municipality
- Provide local contract opportunities for local SMME's when upgrading projects
- Ensuring Effective Assistance and Support to SMME's, Cooperatives and Informal Traders
- Provide training and skills development programmes for existing SMME's
- Establishing of a women and youth entrepreneurial centre
 - One-stop for business advice

- Information Centre
- Entrepreneurial training facility
- Awareness creation and knowledge bank of business climate and existing businesses in the area
- Informal sector
- Drafting an informal SMME strategy
- Formalise the informal traders
- Provide trading areas for informal SMME traders

Informal Economy

Informal Trading has become a feature of our urban environment in most South African cities, and symbolises the changing nature of the city in both spatial and economic terms. In a study of Africa's rapidly growing cities, markets and street vendors were found to be major sources of provisioning for poor urban households. It is recognised that Informal Trading forms a vital part of any emerging economy. In Sub-Saharan Africa, the Informal Sector accounts for up to 60% of the economy¹

The informal trading sector forms part of the economically active residents. Through local area economic development service, the municipality has assisted this sector through the informal economy policy, which spells out where trading should and should not take place, the types of trading that can be promoted, suitable operating hours and the obligations and responsibilities of stakeholders.

A permit will be granted depending on whether you meet a number of criteria. Informal traders, which are classified as survivalist in nature also forms part of the SMME. They are trading on the pavement along Umzinto Main Road, Scottburgh CBD and are more so, clustered around the Rhino Store area and in front of the taxi rank. The focus should be on compiling regulations pertaining to this sector. Formalisation of the two associations.

Cooperatives

Informal traders, which are classified as survivalist in nature also forms part of the SMME. They are trading on the pavement along Umzinto Main Road, and are more so, clustered around the Rhino Store area and in front of the taxi rank. The focus should be on compiling regulations pertaining to this sector and providing proper infrastructure e.g. market stalls. The municipality has embarked on the process of engaging Co-operatives in the provision of services. Currently two cooperatives are being utilized for cleaning of Scott burgh and Umzinto Town.

Agriculture

Overview of the Agricultural Sector

As defined by the Standard Industrial Classification (SIC), the Agriculture sector includes activities such as the growing of crops, market gardening, horticulture, farming of animals, forestry and logging and related services. Related sub-sectors of the Agriculture sector also comprise of commercial hunting, game proliferation, forestry, logging and fishing (SIC, 1993).

Umdoni Local Municipality has prime agricultural land, and therefore extensive agricultural practices are focused on. The predominant agricultural activities that can be found in Umdoni Local Municipality include crop, vegetable and some fruit farming, with other agricultural activities including sugarcane production with the associated Illovo Sugar Mill located in Sezela. Sugarcane is a strategic crop for Kwazulu-Natal, where sugarcane production is located, comprising nearly 50% of field crop gross farming income across the province. A unique relationship exists between sugarcane and sugar production, in that cane is a bulky, non-tradable commodity which requires rapid post-harvest processing in order to preserve the sucrose in the cane stalk. As a result sugar mills are always located as close as possible to cane supply. The financial viability of these significant capital investments is entirely dependent on a sustainable supply of sugarcane in each mill supply area. This in turn means the sheer size of economic activity generated in rural areas through the activities of sugarcane cultivation and sugar production generates a number of jobs in support industries and commerce. In most cases the sugar mill and accompanying cane farms form the backbone of the nearest rural town and are major contributors to the development of secondary economic activity, services and infra-structure that otherwise would be absent.

The grazing capacity and soil conditions are of high quality, although the area is currently experiencing a drought, the IDP identified the agricultural sector in Umdoni Local Municipality as a strategic sector which provides major strengths and potential expansion opportunities.

The agricultural sector contributes a small portion to employment and GVA in Umdoni Local Municipality, as is outlined by the indicators provided in Table 37 below. The agricultural sector can however have significant multiplier effects throughout the entire regional economy, because of the stimulation of other economic activities that are related to the agricultural sector, such as manufacturing, agro-processing and trade.

From the table above it is clear that employment in the agriculture sector on both a district and local municipal level experienced a slight decrease during 2003 to 2013. A negative annual growth rate of

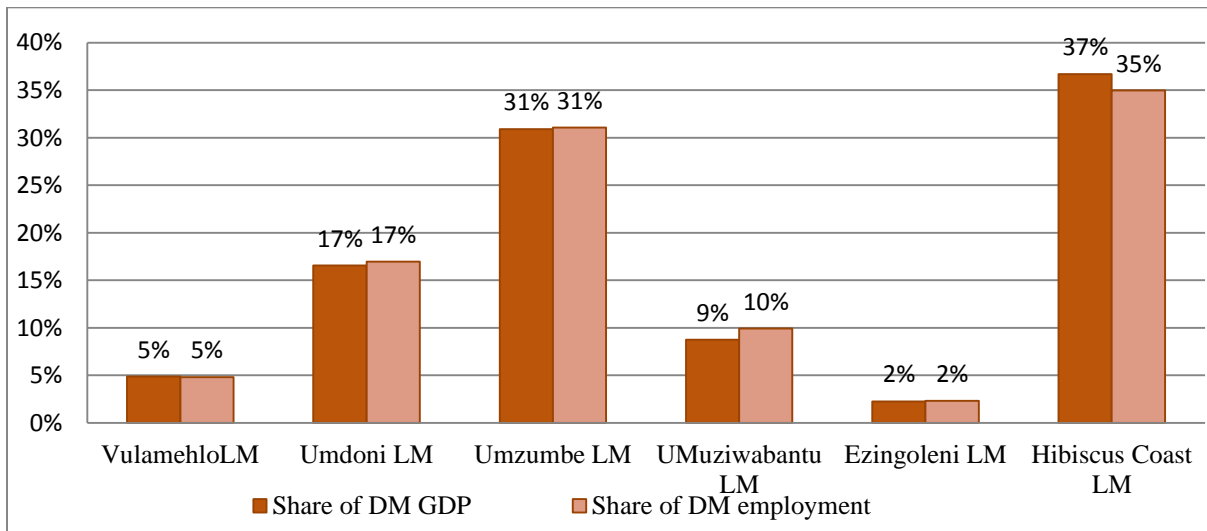
Table 37: Agricultural Sector's Current Situation (2003-2013)

Economic Variable	UDM	Umdoni LM
Share GDP	7.9%	7.5%
GDP growth per annum (2003-2013)	-0.1%	1.4%
GDP contribution to sector in DM	-	16.5%
Share of employment	7.2%	7 %
Employment growth per annum(2003-2013)	-10.4%	-8%
Employment contribution to sector in DM	-	17%

Source: Quantec data 2015, Kayamandi Calculations

Umdoni experienced a GDP growth rate of 1.4% in the agricultural sector, although the sectoral employment rate per year was negative, this could indicate that the agricultural sector might have become more mechanised, therefore resulting in a low or declining employment rate for the period of 2003 to 2013. Therefore, much needs to be done to utilise the job creation potential of the sector and add value to the local agricultural produce.

The agricultural sector of Umdoni Local Municipality contributes approximately 17% to the District's agricultural employment, as can be seen in the Figure below. This indicates that out of the 9 921 workers in the agricultural sector of Ugu District Municipality, approximately 1 683 are employed in the agricultural sector within Umdoni Local Municipality.

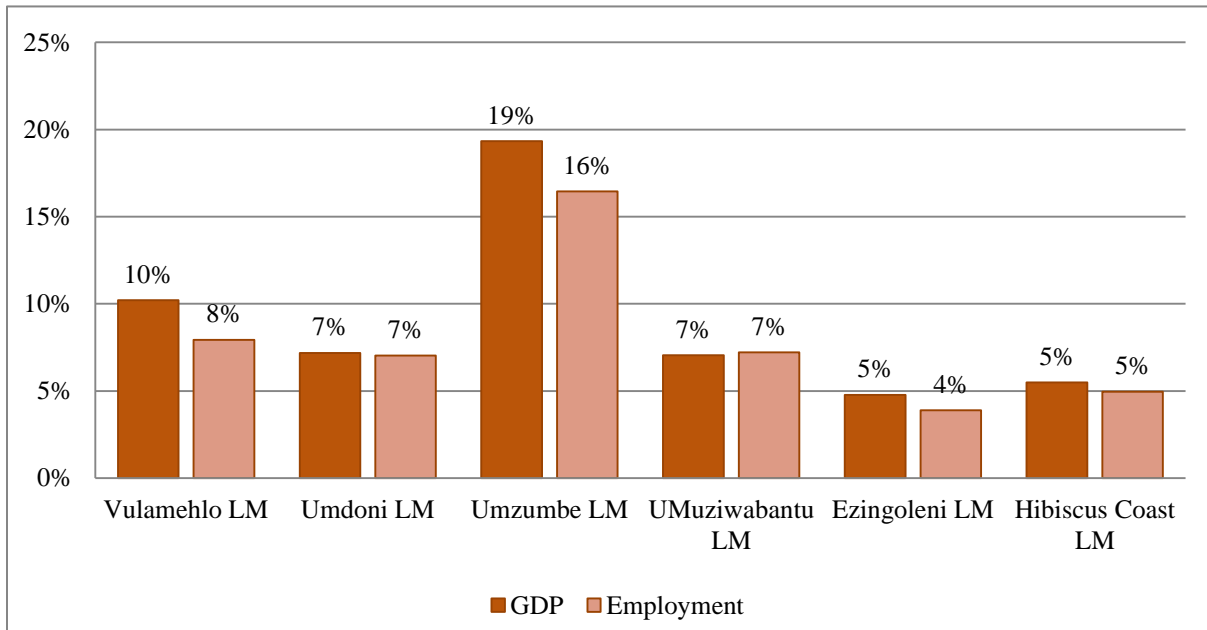


Source: Quantec data 2015, Kayamandi calculations

Figure 27: Agriculture sector GDP contribution vs. employment (2013)

Although Umdoni LM is among the higher contributing municipalities for the agricultural sector in the Ugu DM, Umdoni still contributes very little employment share and GDP share. Hibiscus Coast LM contributes the highest in the District, with more than double than Umdoni LM GDP and employment share.

Figure 28: Agricultural sectoral share per local municipality (2013)



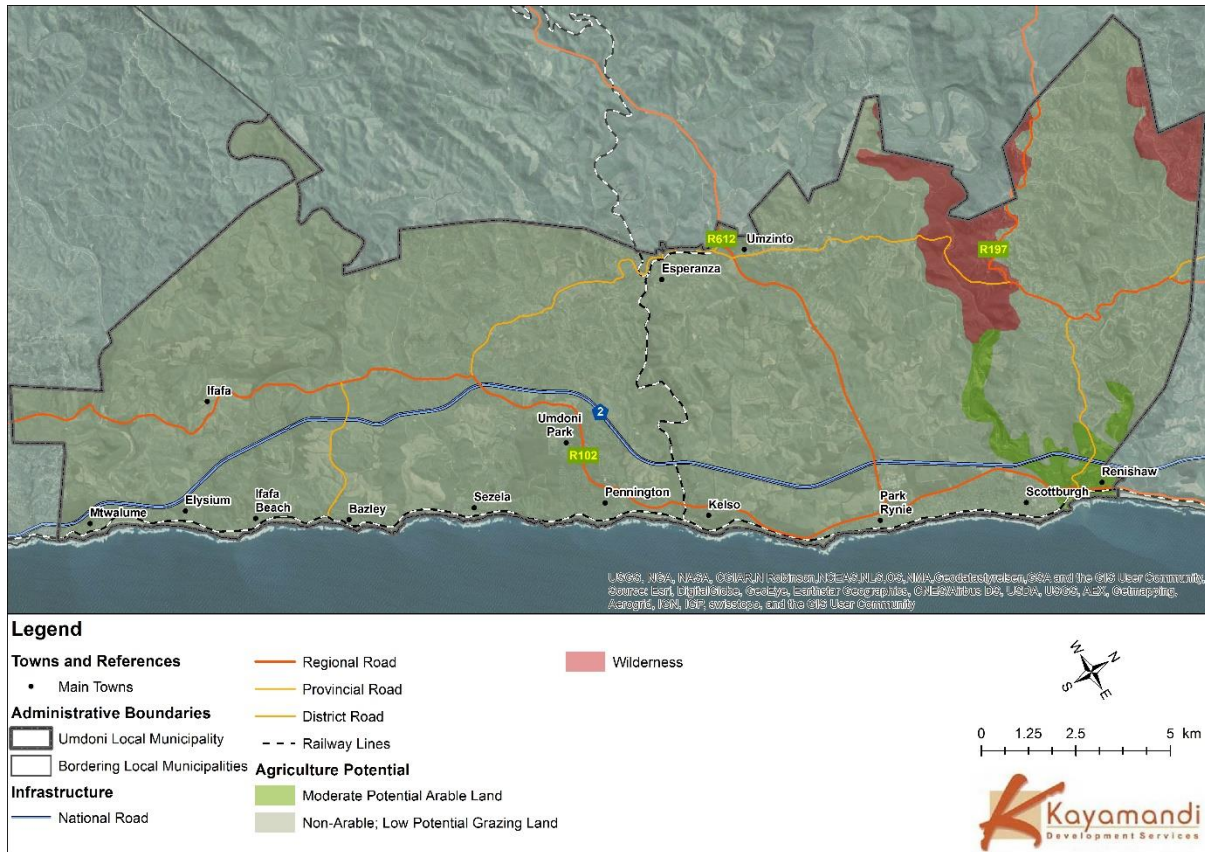
Source: Quantec data 2015, Kayamandi calculations

Figure 28 indicates that both the agricultural GDP and employment of Umdoni Local Municipality contribute 7% towards the total GDP and employment within that local municipality. Here it can be determined that the agricultural sector in Ugu District is not a strong sector as five out of the six local municipalities contribute 10% or less to the total GDP and employment in each respective municipality. Umzumbe LM has the strongest agricultural sector out of the six local municipalities in Ugu District.

Apart from analysing the economic indicators, it is also important to understand the status quo of existing agricultural products and the potential for increased and diversified production. It is necessary to take into account aspects such as land cover, land capability, specific agricultural regions and grazing capacity within Umdoni Local Municipality.

Map 44 below visually illustrates the agricultural potential in Umdoni Local Municipality according to the Southern African Agricultural Geo-referenced Information System (AGIS). The map indicates that the Umdoni Local Municipality generally has moderate potential arable land, although minimum ‘moderate potential arable land’. This supports the sectoral contribution towards Ugu District, although it does contradict the District and Province’s view of the strong agricultural sector (arable agricultural land and labour force available) that KwaZulu-Natal has.

Map 44: Umdoni Local Municipality Agricultural Potential



Further factors of the analysis of potential

The following factors, specific to the Umdoni Local Municipality have an influence on the development potential within the Agricultural sector:

Availability of resources:

- The availability and quality of water is a constraining factor.
- Degradation of ecosystem and natural water bodies
- Favourable weather conditions
- Agricultural land (grazing capacity and soil conditions)
- Sloping terrain in Umdoni
- Weather conditions
- Prices of fertilizer and herbicides
- Cane crushing potential (Amount of sugarcane harvested per ha)

Economic linkages:

- Close proximity to Durban and Port Shepstone
- Close proximity to exporting and importing markets
- Natural resource base increase tourism market

Market trends:

- Growing demand for value added products
- Growing demand for agro-processing products

Supporting/Enabling environment:

- Transformation and degradation of natural resources
- Lack of financial services and support for subsistence and emerging farmers

Development Opportunities and Potential Projects

In order to identify possible opportunities within the agricultural sector, it is important to understand the strengths and constraints within the sector. Based on the above and through stakeholder consultation, a number of strengths and constraints have been identified, as tabled below:

Table 38: Agricultural Strengths and Constraints

Strengths	Constraints
<ul style="list-style-type: none"> • Umdoni Local Municipality has been identified by the IDP as the an area dominated by sugar cane • Established agricultural activities such as crop production and livestock farming • Established sugar cane production and the Illovo Sugar Mill located in Sezela • Existing infrastructure such as transport networks • Within reach of local and international markets • Natural environments ranging from beach fronts, estuaries and lagoons • Umdoni Local Municipality falls within the District’s “Large convenience node” as well as a tourism point • 9706 ha commercial agricultural land • Existing agricultural support agencies such as the Sezela Cane Growers Association (SCGA) • Labour absorbent sector • SA investment climate for exports has increased 	<ul style="list-style-type: none"> • Agricultural activities are constrained through large conservation areas • Lack of skills and knowledge for emerging farmers to produce commercially • Emerging farmers experience a lack of funds • Lack of knowledge on how to access agricultural land • Lack of support to agricultural cooperatives • Soil erosion, overgrazing and conservation areas • Small linkages with agro-processing industries • Little beneficiation • Lack of capital for infrastructural spending • Environmental degradation • International commodity price swings • Sugar cane burning places increased pressure on biodiverse areas • Lacks grazing capacity and good soil conditions • Increase in price of fertilizer and herbicides • Lack of cane tonnage has caused suspension of crushing at Umzimkulu Mill (Port Shepstone) • Lack of cane irrigation limits product outputs • Unfavourable climate (drought) • Limited budget to implement SEA

Taking the above factors into account, together with national and provincial policy directives and previous research that has been conducted in the area and the province, this section seeks to identify a number of development opportunities that can address the current issues experienced within the agricultural sector as well as build on potential strengths.

The development opportunities/potential projects identified are:

SMME and Cooperative Support & Training:

- Skills development
- Support & general equipment
- Access to funding
- Addressing land tenure/ownership issues
- Conduct and assist with proper research and feasibility studies prior to project implementation

Provision and Manufacturing of Local Agricultural Inputs:

- Livestock (dairy, beef and chickens)
- Cattle feed, chicken feed, etc.
- Fertilisers, chemicals, insecticides, etc.
- Commercial Farming
- Perishable food products could link to the agricultural parks

Development of Niche-Market Agricultural Products:

- Tea production
- Commercial timber
- Macadamia nut production

Creating an Enabling Environment:

- Revise and incentives rates & taxes
- Land reform (small-scale emerging farmers and rural cooperatives)
- Need more support from the Municipality for small cane growers
- Agricultural Centre/ Distribution Depot (linking to the N2, R612 and R102)

Food Security Programmes and Projects:

- Management of Agricultural Land for food security for
 - i. Community gardens
 - ii. Household gardens
 - iii. School food gardens and feeding

Tourism

Overview of the Tourism sector

Tourism is not an economic sector on its own, but forms part of other sectors, especially the trade, transport and finance sectors. However, due to its importance as an income and employment generator, it is believed that this sector should be discussed separately from the other sectors.

Tourism includes travel for a variety of reasons, amongst others leisure and recreation, business, education, health and healing, religious pilgrimages, sport, visiting friends and relatives, meetings and conferences.

The tourism sector is increasingly being recognised as an industry which has the economic potential to contribute to the reduction of poverty in developing countries and in remote rural areas, particularly as a result of its labour intensive nature, as well as the fact that many of the natural and heritage attractions are located in these rural areas, giving them a comparative advantage. There are a number of reasons why tourism is especially suitable for economic development in the least developed countries, and by extension rural areas, and include:

- Tourism is consumed at the point of production, which means that the tourist has to go to the destination, opening up opportunities for local businesses and ensuring local benefits
- Tourism is a more diversified industry than many others, allowing linkages with and support for other economic activities
- Tourism is labour intensive and supports a wide range of skills
- It creates opportunities for small and micro entrepreneurs
- Apart from the material benefits, tourism also provides the poor with cultural pride, creating greater awareness of the natural environment and its economic value
- The infrastructure required by tourism can also benefit poor communities.

The Tourism sector is, therefore, seen as an 'engine' of employment creation, poverty eradication, ensuring gender equality and protection of the natural and cultural heritage. Tourism is a market led industry, where demand and market requirements inform the development of tourism supply. A brief analysis of current trends in tourism demand for KwaZulu-Natal will therefore provide direction for future tourism product development in the Province and allow for a more focussed approach in its marketing efforts. Detailed market information and tourism demand statistics even for KwaZulu-Natal Province, never mind Ugu District and Umdoni Local Municipality, is limited, and the analysis is largely based on information obtained from South African Tourism, discussions with tourism authorities in the Province, and local tourism role-players.

As aforementioned, tourism is not a standalone economic sector; it relies on other economic sectors for functionality. In an attempt to understand the economic contribution of tourism in Umdoni Local

Municipality, the GDPR and employment of the accommodation and catering sub-sector were analysed. The table below depicts the employment and GDPR growth of the accommodation and catering subsector.

Table 39: Accommodation And Catering Sub-Sector Economic Indicators (2013)

Sector Share (2013)	Sector Share in Umdoni LM	Sector share in Ugu DM	Contribution of Umdoni LM to sector of Ugu DM	
Employment share	2.7%	2.8%	17.1%	
GDPR share	1.9%	1.6%	20.7%	
Sector average growth (2003-2013)	Sector growth in South Africa	Sector growth in KwaZulu-Natal	Sector growth in Ugu DM	Sector growth in Umdoni LM
Employment	1.1%	1.8%	0.9%	0.3%
GDPR	2.9%	3.6%	2.2%	3.0%

Source: Quantec data 2015, Kayamandi Calculations

As depicted by the table above, the contribution made by the sub-sector to GDPR and employment in Umdoni Local Municipality and the District is almost insignificant. Umdoni does however contribute nearly a quarter of its employment and a fifth of its GDPR towards the total employment and GDPR for Ugu District Municipality. The table further indicate that there has been small growth in employment and GDP from this sector in South Africa. An even smaller amount of growth in employment can be seen in Umdoni (0.3% per annum).

In 2007 Umdoni Local Municipality compiled a Tourism Marketing Plan for the area. As part of the compilation of the Tourism Plan, surveys were conducted. The results had indicated that 47% of the visitors who visit the South Coast area is because of 'word of mouth' and 34% said it was as a result of brochures they had collected. The tourism market, prior to 2007, had consisted of 75% beach apartment and holiday cottage renting (61% were self-catering accommodation).

Existing Tourist Attractions and Facilities

Umdoni has a few established tourism attractions, along with their beautiful natural environments ranging from the coastal settings, to nature reserves for the more adventurous spirits. The area currently includes a diverse mix of coastal tourism activities and facilities, although the municipality's main attraction is currently the beach front. These range from high end products, such as the Selborne Golf Estate, to caravan and camping resorts for the tourism market.

Various tourism activities include:

- Coastal Hotels
- Caravan and Camping Parks/resorts (including water slides, large tidal pool, excellent surf, mini golf)
- Bed and Breakfasts
- Guest Houses
- Tour Operators

- Self-Catering establishments
- Holiday apartment and Cottage lets
- Tourism Events (Scottburgh Spring Festival and Sani2C mountain bike race)
- Restaurants
- Coastal Economy
 - Fishing and Diving charters(rock fishing, deep sea fishing charters, scuba diving)
 - Beach amenities

Current tourism products and services in Umdoni offer a variety of activities right throughout the year, although statistics from the KZN Tourism Master Plan had indicated that international tourists visit the province with high peaks during South African summer's, whereas local tourist had preferred to visit the South Coast during the June and July winter months. Therefore there are still various areas of potential that can be developed to further develop tourist attractions surrounding the natural features that can be exploited to further create potential growth, and increased visitors throughout the year

The tourism opportunities/potential projects identified are:

- Recreation & leisure tourist activities for low-income groups (local market)
- Day visitor facilities
- More diversified tourism portfolio to include interests for international visitors
- Adventure tourism (mountain biking, hiking, fishing, abseiling, zip-line, gliding, rafting, canoeing etc.)
- Scottburgh Spring Festival
- Niche markets, e.g. environment and coastal economy (conservation and marine protected areas)
- Support accommodation & catering initiatives
- Arts & Culture development
- Multi trails product (Izi-Go-Trail, Umzumbe River Eco-Trail and Vernon Crookes Trail Centre)
 - Provide hiking equipment facilities for purchasing or rental
 - Provide bike rentals for tourists
 - Provide facilities for bike repairs
- Upgrading of entrances (potential amphitheatre project)
- Upgrading of Vernon Crookes
- Upgrading and development of TC Robertson site (eco-tourism facilities, lodge, conference facilities, small sanctuary, hiking/biking/equestrian trails etc.)
- Reintroduce hawker support
- Coastal Economy
 - Licensing and development of a restaurant at/on the beach
 - Development of launching facilities
 - Development of luxury diving facilities (accommodation, entertainment etc)
 - Upgrading, maintenance and development of beach front facilities

- Development of Beachfront Master Plan
 - Cultural Tourism (Missions, memorial sites, museums etc)
 - Agri-tourism
 - Development of Tourism 'page' on Umdoni Municipality's website (with links to Ugu SCT for further information)
 - Building of Amazon Valley Waterpark in Kelso (largest water park in South Africa)
- Attainment of Blue Flag Beach status

TOURISM EVENTS

Sani2 C

Sani2c is a three-day stage mountain bike race that starts in the Underberg and ends in Scottburgh. It is one of South Africa's biggest mountain bike events. The event is run as two separate races divided into the Sani2c Adventure and the Sani2c. Each race will accommodate no more than 650 teams. It all comes down to their desire to stage a world-class event without losing the personal touch which characterises this unique race. Over the last five years it achieved distinction as one of South Africa's best loved races.

Beaches

Scottburgh Beach is and its grass-covered banks leading down to sandy beaches have made it a popular holiday resort for South Africans and foreign holidaymakers alike for many years. Surfers and Body-boarders from around the world come for surf trips around the south coast, and would visit Scottburgh in particular for its worldwide surfing reputation. The municipality has received the grant funding through corridor development for the Detailed Design of the Scottburgh Beachfront Upgrade

Golfing

Within the South Coast, in particular Umdoni can boasts as one of the hidden treasures of the Golf coast. With a 18-hole course situated on 200 hectares of indigenous coastal forest is renowned for its fauna and flora and magnificent vistas. This really makes it a true pleasure to play on the South Coast of Umdoni.

Umdoni is another typically short but testing old-fashioned South Coast course where the wind plays a major role in your game. A strong North Easterly can make this course a challenge to any golfer. Very hilly, and the holes take you through some beautiful indigenous bush. Splendid views over the Indian Ocean abound

Caravan Parks and Camp sites

Umdoni is also braced by the presence of Caravan parks which are privately owned and municipal campsites. Scottburgh Caravan Park's reception has an abundance of information for visitors, with maps,

books, postcard, and leaflets - and there is always plenty of helpful advice at hand from the staff. Scottburgh Caravan Park is 'The one on the Beach', and we have it all! As a popular seaside resort, Scottburgh Caravan Park boasts water slides, safe protected bathing, large tidal pool, excellent surf and rock fishing, deep sea fishing charters, scuba diving, mini golf, and a wide variety of restaurants and shops all within easy walking distance of the resort.

Scottburgh Caravan Park is 'The one on the Beach', and fresh water swimming pools have been installed recently, so as to offer you, the holidaymaker, a pleasant alternative. Floodlights shine over the park and beach after dark and security fencing along the landward boundaries creates a safe environment, and the resort is patrolled by 24-hour security.

Rural Tourism

Umdoni has the most scenic routes which still lie undiscovered of which with proper packaging and marketing can develop into a tourism route. The municipality is yet to explore the potential offered by the rural areas

Manufacturing

Overview of the Manufacturing Sector

By definition, manufacturing is the chemical and physical transformation of materials or compounds into new products. Similarly it can be described as the process of turning raw material into a finished product. Manufacturing is usually undertaken through small or large-scale industrial operations.

Umdoni Local Municipality's manufacturing sector has a relatively large impact on the local economy as a result of the development and expansion of industrial and commercial areas. The creation of agglomeration of economies between the agriculture and manufacturing sectors will result in major growth in the area. This can be achieved through value added production plants, as well as by making use of the locally produced agricultural products. Forward and backward linkages between the agricultural and manufacturing sectors need to be further exploited, through industries such as agro-processing. The table below presents the manufacturing subsectors in Umdoni Local Municipality.

Table 40: Important Manufacturing Subsectors In Umdoni Lm (2013)

Subsector of manufacturing	% share of Umdoni LM manufacturing employment	% share of Umdoni LM manufacturing GDP
Food, beverages & tobacco	26%	31%
Metals, metal products, machinery and equipment	12%	10%
Petroleum products, chemicals, rubber & plastic	29%	8%
Other non-metal mineral products	1%	2%

Source: Quantec data 2015, Kayamandi Calculations

From the table it can be concluded that the agricultural sector contributes significantly to the manufacturing sector as the beneficiation of produce from the agricultural sector into food, beverages and tobacco products accounts for approximately 31% of the local municipality's manufacturing GDP.

Table 40 reveals the current situation for the manufacturing sector within Ugu District Municipality and Umdoni Local Municipality. From the table, it is evident that 16.4% of Umdoni Local Municipality's GDP and 9.7% of the employment share is accounted for by the manufacturing sector in 2013. The employment share in Umdoni Local Municipality (9.7%) is higher than that of Ugu District Municipality (9.4%). Despite the fact that the GDP for this sector shows a positive annual growth rate on both local and district level, employment in the manufacturing sector shows a negative growth rate in Umdoni LM(-1.4%). This could attributed to various factors, including the mechanisation of manufacturing processes or increases in minimum wage stipulations.

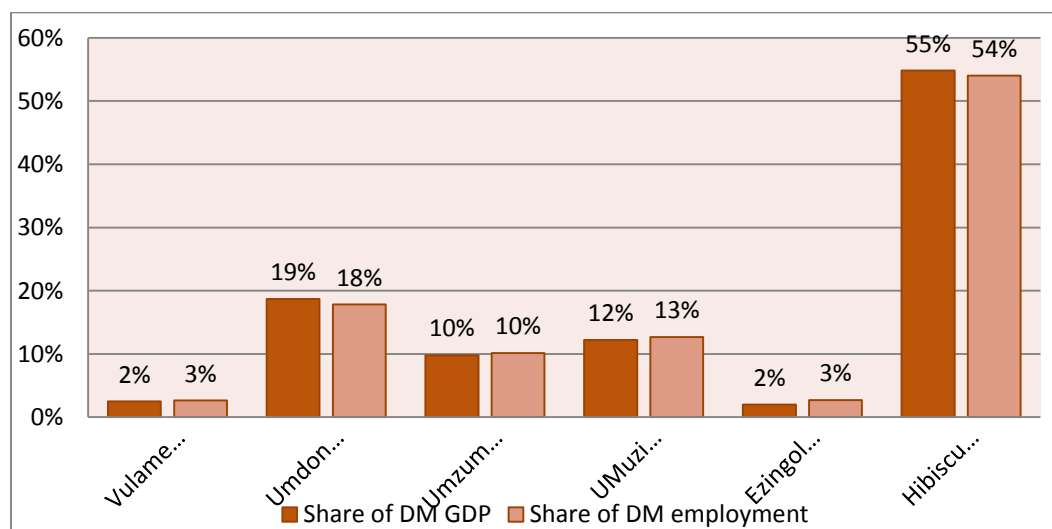
Table 41: Current Situation for Manufacturing in Umdoni Lm (2003-2013)

Economic Variable	UDM	Umdoni LM
Share GDP	16.9%	16.4%
GDP growth per annum (2003-2013)	5.9%	3.5%
GDP contribution to sector in DM	-	18.7%
Share of employment	9.4%	9.7%
Employment growth per annum (2003-2013)	0.5%	-1.4%
Employment contribution to sector in DM	-	17.8%

Source: Quantec data 2015, Kayamandi Calculations

The manufacturing sector in Umdoni LM contributes 18.7% towards the district's manufacturing GDP, and contributes 17.8% towards employment for this sector in the district.

Figure 29 below compare the GDP and employment share for the manufacturing sector of the six local municipalities located in Ugu District Municipality, as well as the percentage contribution of the six local municipalities towards the total GDP contribution and employment share for the manufacturing sector of Ugu District Municipality.

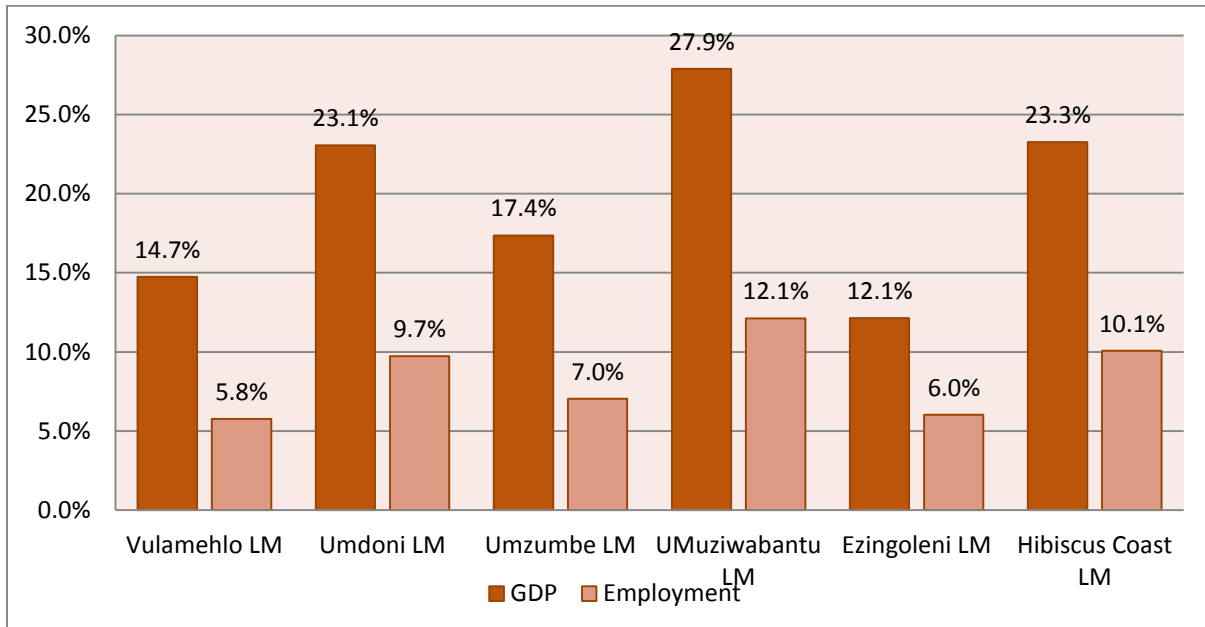


Source: Quantec data 2015, Kayamandi calculations

Figure 29: GDP Contribution vs. Employment Share for Manufacturing (UDM, 2013)

From the graph above it can be deduced that the manufacturing sector is the strongest in Hibiscus LM, as it has the highest contributions to the District, with regards to GDP (55%) and employment (54%) share. Umdoni LM contributes more than average, to the District, with regards to GDP and employment share. Four of the six municipalities contribute no more than 13% to either GDP or employment at the District level.

Figure 5.6 presents the share of the various local municipalities' manufacturing sectors towards their respective total GDP and employment. It is clear that Umdoni's manufacturing sector has a higher percentage share towards its total GDP (23%) and employment (9.7%), in comparison to the other local municipalities.



Source: Quantec data 2015, Kayamandi calculations

Figure 30: GDP and Employment Contribution of LM's towards UDM (2013)

Factors in the analysis of development potential

The following factors, specific to Umdoni Local Municipality, have an influence on the development potential within the Manufacturing sector:

- **Economic Linkages:**
 - Close proximity to large export market in Durban
 - Potential forward and backward linkages between the agriculture and manufacturing sectors
 - Leakage of buying power to Durban and Port Shepstone

- Establishment of business parks/incubators for the manufacturing sector (Umdoni IDP 2015/16)
- **Availability of skills and labour:**
 - A shortage of critical skills within the manufacturing sector, such as technical and artisanal skills, is one of the major development constraints within this sector
 - Specific skills requirements: Technical and artisanal skills, engineering skills, design skills, IT skills, quality control, research, science and technology
- **Market trends:**
 - International manufacturing trends towards the “new economy” such as natural and herbal remedies, food supplements, pharmaceuticals and cosmetics, etc. have not been fully exploited
 - A clear indication of a need for a food processing plant has been expressed

5.1.7.2 Ugu Industrial Perishable Hub

The province will be establishing manufacturing industrial hubs in all the KZN districts. The service provider has been appointed by the Department Of Economic Development and Tourism to investigate the establishment of “The Ugu Perishable Goods Industrial Hub”. This is on the KZN South Coast. The feasibility study is currently towards completion to establish the Perishable Industrial Hub. This is in line with the provincial Industrial Strategy approach of decentralizing industrialization in the province.

Site Selection Criteria

Defining the criteria to aid in objective site selection, consideration was again given to cost considerations, both from the point of view of implementation costs as well as the cost competitiveness of future operators.

Having a large enough site in close proximity to Durban and along the main N2 motorway is a critical requirement of an industrial hub as most of the existing and proposed industrial parks tend to be large estates (in excess of 20 ha) located along interchanges of the N2. A large enough site would give the economy of scale the hub would need to install bulk infrastructure and offer land at competitive rates, and have sufficient space for expansion. A large estate would also have a significant market influence and visibility to attract the attention of large investors and operators of perishable processing firms.

The following criteria were considered during the site identification and evaluation process:

Size

Proximity to Durban (as the main transport hub and local market);

Proximity to major intersections of the N2 Corridor;

Distance to bulk utilities networks such as electricity, water, sewage systems, etc.

Cost of acquisition (R/ha);

Zoning (with industrial zoning preferred);

Degree of environmental impact/sensitivity;

Land ownership;

Readiness of site for development;
Topography;
Each factor above was given

Park Rynie [Ellingham Estates, Park Rynie]

This site is in the Umdoni Local Municipality adjacent to the Park Rynie Industrial Park. It is situated in the along the R 612, about 3km away from the town of Park Rynie. It comprises an area of approximately 17 hectares and is currently zoned agriculture, although a feasibility study and land use plan has been developed for a multi-user development. Access to the site is via the Park Rynie/Umzinto N2 off ramp, which is less than 1 km away. In terms of environmental constraints (natural, social and heritage), this site is not near any sensitive areas to warrant its disqualification. The site is currently owned by the Ellingham Estates and is available for sale. Based on current market prices, it is assumed that this site would not be priced above the R1000/m²mark.

Ifafa Sugar-cane Farm [Ifafa]

The Ifafa Sugar-cane farm is adjacent to the N2 off-ramp to Ifafa Beach and is approximately 60 km from Durban. The farm is privately owned and was previously put up for sale and later withdrawn due to lack of interest. The site is well positioned from a logistics point of view, has local water supply in the form of a river, which could also be used to dispose of treated water. Current market prices for agricultural land would prevail.

Services

Mining

The mining sector referred to in this section can be classified as a combination between the definitions for “mine” and “mineral” as stated within the Minerals and Petroleum Resources Development Act, Act 28 of 2002 (MPRDA).

A Mine is defined as “any operation or activity for the purposes of winning any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto”, whilst Mineral is defined as “any substance, whether in solid, liquid or gaseous form, occurring naturally in or on the earth or in or under water and which was formed by or subjected to a geological process, and includes sand, stone, rock, gravel, clay, soil and any mineral occurring in residue stockpiles or in residue deposits, but excludes the following:

- Water, other than water taken from land or sea for the extraction of any mineral from such water,
- Petroleum, or
- Peat

The mining sector thus is the practice of extracting and beneficiation of minerals occurring naturally above, in or under the ground and includes solids, liquids, grease and crude petroleum being mined from an underground and/or surface mine, quarry or well extraction.

Table 42 below provides the agricultural sector's current situation in Ugu DM and Umdoni LM.

Table 42: Mining Sector's Current Situation (2003-2013)

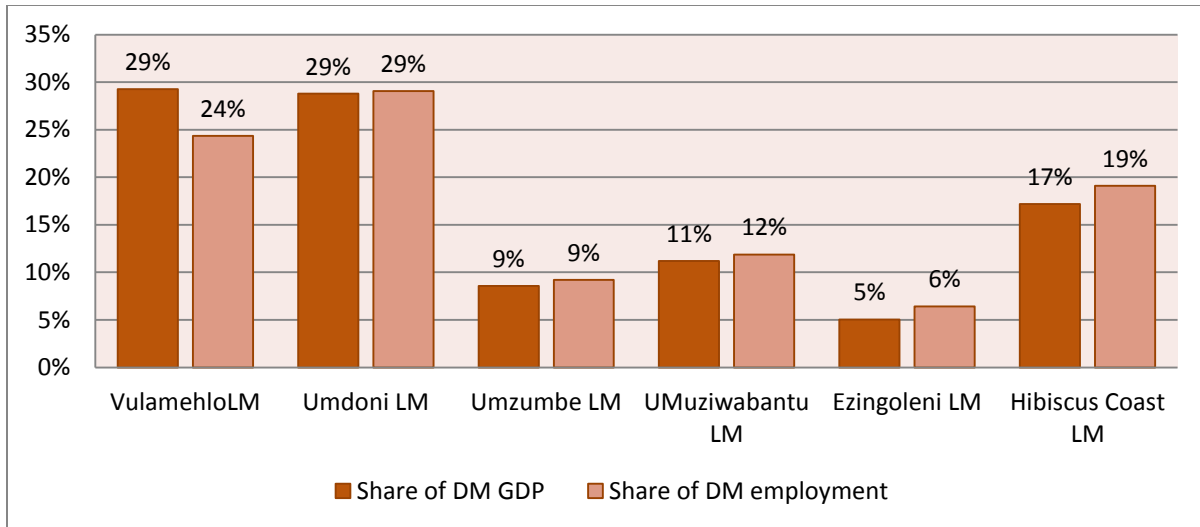
Economic Variable	UDM	Umdoni LM
Share GDP	0.8%	1.4%
GDP growth per annum (2003-2013)	20%	40.8%
GDP contribution to sector in DM	-	29.1%
Share of employment	0.04%	0.1%
Employment growth per annum(2003-2013)	-6.0%	9.1%
Employment contribution to sector in DM	-	28.8%

Source: Quantec data 2015, Kayamandi Calculations

The information above indicates that this sector is a minor contributor of GDP to the local economy of Umdoni LM (1.4%) as well as Ugu DM (0.8%). On both district and local economic levels, the mining sector has shown large annual growth rates between 2003 and 2013 with 20% and 40.8% respectively. Umdoni Local Municipality's (29%) mining sector contributes a large portion of GDP and employment to the total District's mining sector.

With regards to employment, the mining sector contributes 0.1% towards the employment share within Umdoni, whereas Ugu's mining sector contributes even less towards employment share (0.04%). Employment in the mining sector is developing at a negative rate of -6% per annum in Ugu DM, while it is growing at a rate of 9% per annum in Umdoni LM between 2003 and 2013.

The figure below reveals the GDP contribution compared to the share of employment for mining of the six local municipalities located within the Ugu District Municipality.



Source: Quantec data 2015, Kayamandi calculations

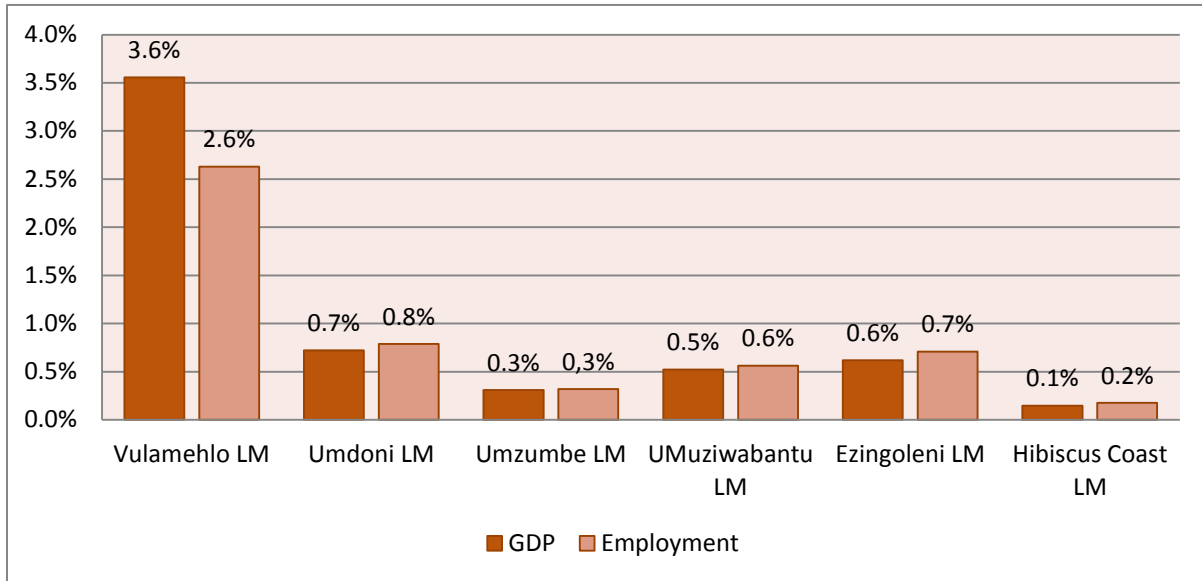
Figure 31: GDP Contribution Vs. Employment Share For Mining (2013)

From the figure above, it is clear that the mining sector in Umdoni Local Municipality contributes the highest to employment share when compared to the mining sector in the other local municipalities within Ugu Municipality. Vulamehlo Local Municipality is the highest contributor to GDP share, followed by Umdoni Local Municipality.

Figure 32 below compares the GDP and employment contribution of the mining sector within each of the six local municipalities towards the respective local municipality's total GDP and employment in 2013.

From the figure, it is clear that although mining contributes little to the total GDP and employment in Umdoni LM. Umdoni LM's mining sector contributes slightly more, on average, towards the total employment and GDP for mining in the district than Umzumbe LM, UMuziwabantu LM, Ezingoleni LM and Hibiscus Coast LM, although the contribution is still very low.

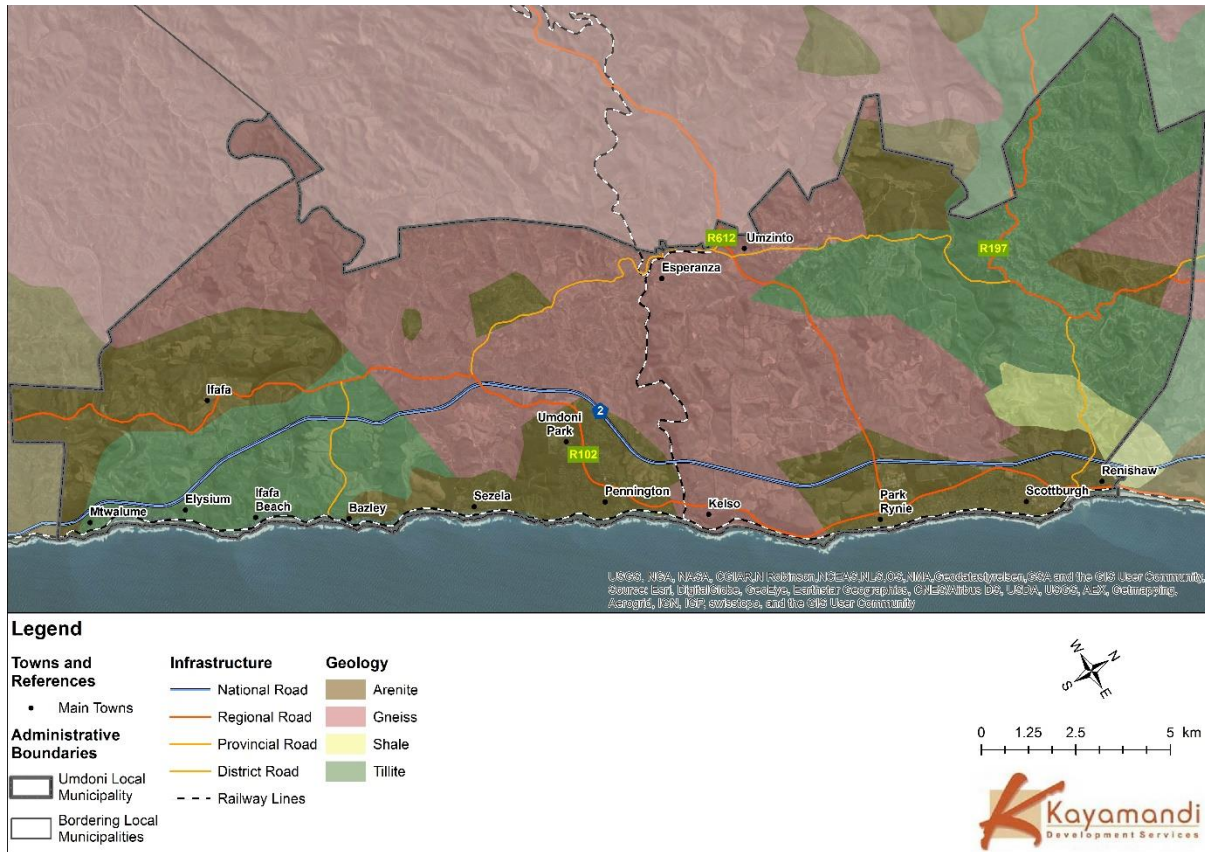
Figure 32: GDP and Employment Contribution of LMs Towards UDM (2013)



Source: Quantec data 2015, Kayamandi calculations

Map 44 presents the geology of the Umdoni Local Municipal area according to information obtained through the Department of Environmental Affairs (2002). From the map it is clear that the main geology types present in the Umdoni Local Municipality are Arenite, Gneiss, Shale and Tillite.

Map 44: Umdoni Local Municipality Geology



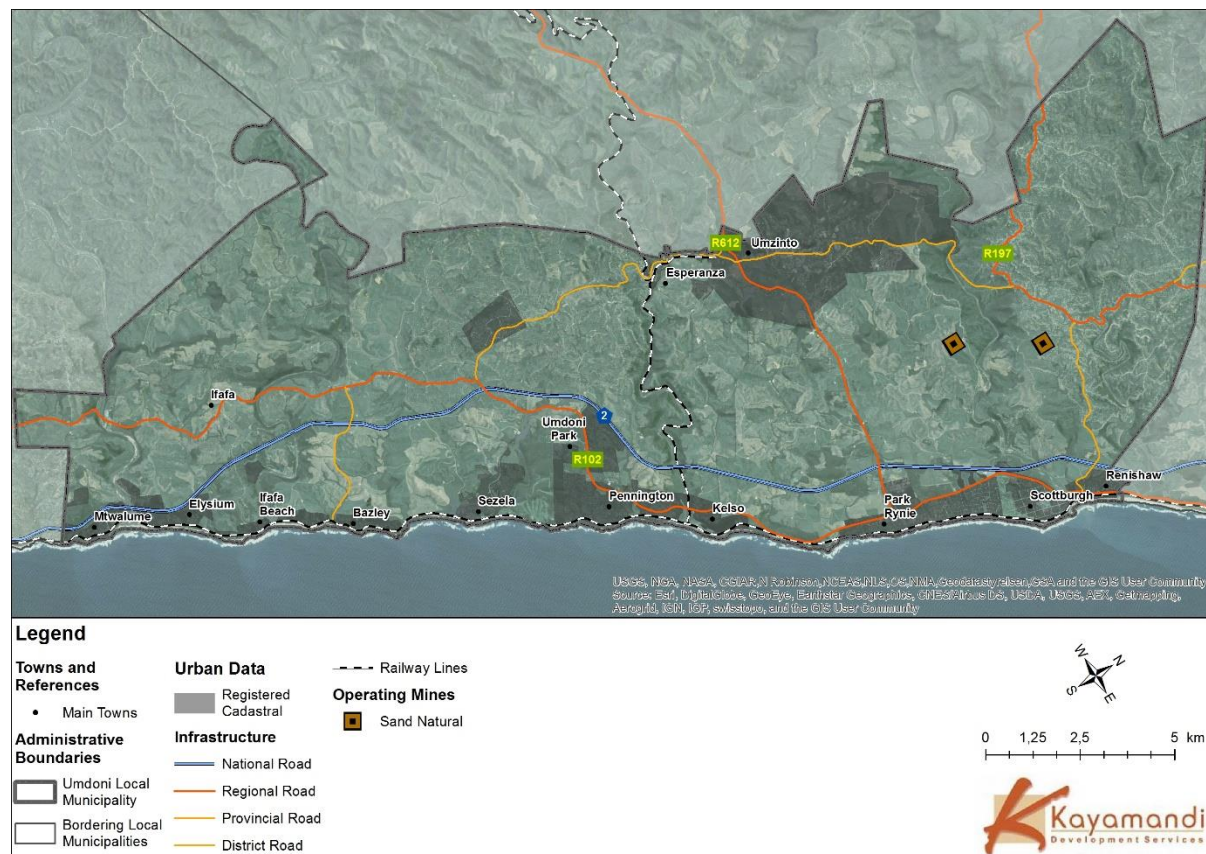
In Umdoni only 9.2ha of land is covered with mines and quarries, this translates to 0.04% of the municipal area. Various areas in Umdoni Local Municipality have deposits of sandstone, mudstone/shale, granite/gneiss dwyka formation, dolerite sills and shales. Table 5.4 presents the mines that are operational according to the Department of Mineral Resources. . The localities of these mines are presented in Map 5.3.

Table 43: Mining operations active within Umdoni LM (2015)

Mine Name	Mine Owner	Commodity	Area	Type of Mining	Farm name
Lancaster Quarries - Scottburgh	Lancaster Quarries	Aggregate; Sand Natural	Umzinto	Mine opencast	Amandawe
Ifafa Lagoon Estates CC	Ifafa Lagoon Estates CC	Sand natural	Umzinto	Mine opencast	Morewood Glen sub 3
Monte Video	CF Landers & Son (Pty) Ltd	Sand natural	Umzinto	Mine opencast	Farm 16641 & 3 of 14; Monte Video
Mpambanyoni Sands	Crookes Bros Ltd	Sand natural	Umzinto	Mine opencast	Renishaw Estate
Triple Option Trading 608 CC	Triple Option Trading 608 CC	Sand natural	Umzinto	Mine opencast	Lucas 2626 sub 5

Source: DMR 2015 Operational Mines Database

Map 45: Operational Mines In Umdoni LM



Business Environment

The finance and business services sector is the best performing sector with regards to GDP in Umdoni Local Municipality, which means that this sector should be expanded and further cultivated to contribute even further to the local GDP.

The table below gives insight into the current situation of the finance and business services sector:

Table 44: Current Situation for the Finance and Business Sector (2003-2013)

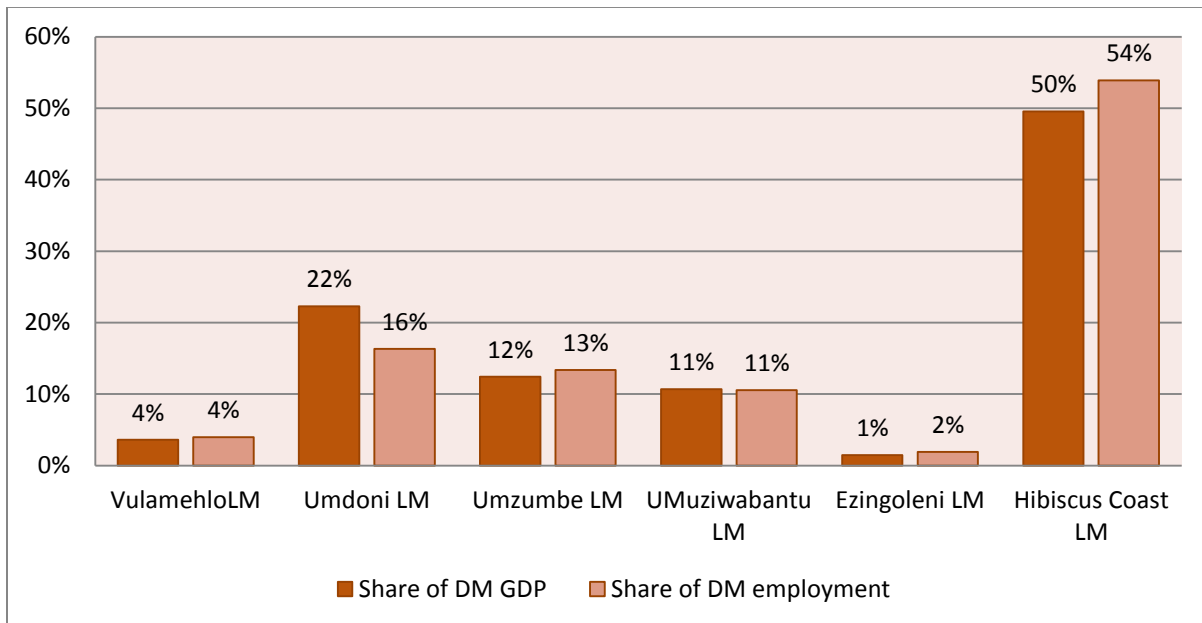
Economic Variable	UDM	Umdoni LM
Share GDP	17.2%	21.9%
GDP growth per annum (2003-2013)	6.6%	6.8%
GDP contribution to sector in DM	-	22.3%
Share of employment	11.3%	10.6%
Employment growth per annum(2003-2013)	3.6%	3.6%
Employment contribution to sector in DM	-	16.3%

Source: Quantec data 2015, Kayamandi Calculations

The finance and business services sector in Umdoni Local Municipality contributes approximately 21.9% towards the local GDP, which is around 4.7% higher than the District average. Umdoni Local Municipality's finance and businesses services sector shows a 6.8% growth rate (0.2% higher than the District) and IS the biggest contributor towards the Local Municipality's GDP. This sector also contributes 22.3% towards the GDP of the sector in the District.

The finance and business sector accounts for 10.6% of the employment share in Umdoni Local Municipality (0.7% lower than the District's GDP contribution) and shows employment growth of only 3.6%, both locally and on District level. Umdoni Local Municipality's employment share towards the finance and business sector in the District only accounts for 16.3%.

Figures below visually illustrates the above statistics, compared to the other five local municipalities located within Ugu District Municipality.



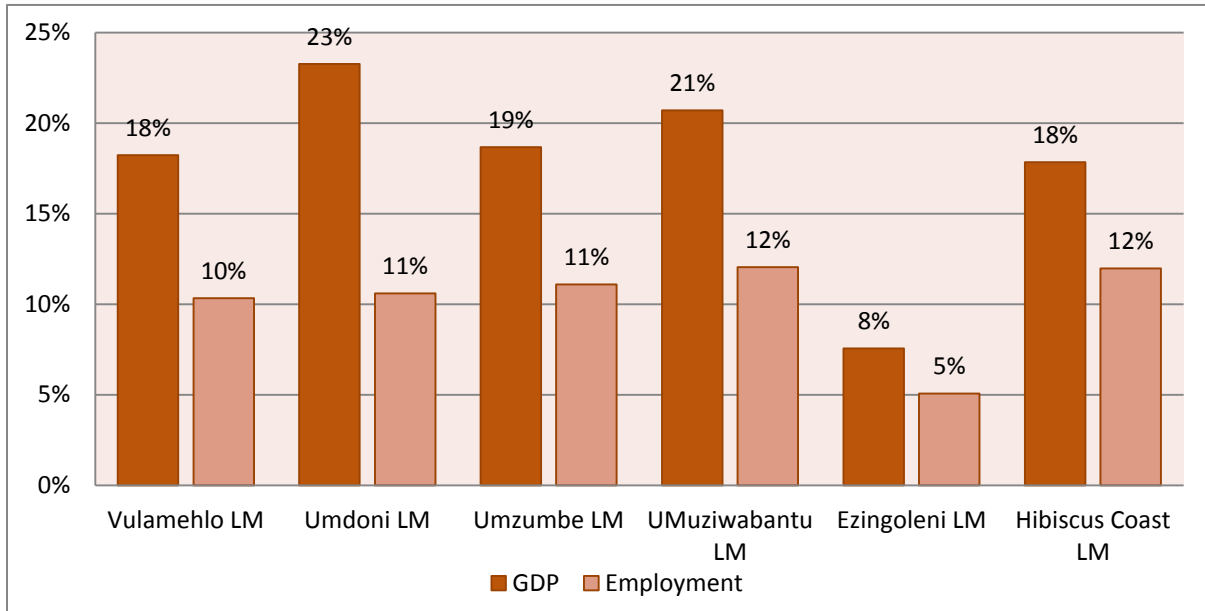
Source: Quantec data 2015, Kayamandi calculations

Figure 33: GDP Contribution vs. Employment Share for Finance and Business Services (2013)

The figure above indicates that after Hibiscus Coast LM, Umdoni' LM's finance and business sector contribute the most towards its local GDP, and employment share compared to the other four local municipalities.

The figure below shows that, when compared to the other five municipalities located within Ugu District Municipality, Umdoni Local Municipality holds the highest share of the district GDP and an above average employment share for the financial and business sector.

Figure 34: GDP And Employment Contribution Of LMs Finance & Business Services Towards UDM (2013)



Source: Quantec data 2015, Kayamandi calculations

Taking all of the above into consideration, the proposed vision and objectives for the Umdoni Local Municipality's LED can be defined as the following:

VISION

To promote a **diversified, integrated** and **sustainable** local economy ensuring **job creation, economic viability** and ultimately ensuring a **better quality of life** for all its citizens

STRATEGIC OBJECTIVES

- * *Expanding, rejuvenating and diversifying the tourism sector*
- * *Facilitating growth and expansion of the manufacturing sector*
 - * *Enhancing and diversifying the agricultural sector*
 - * *providing support to the SMMEs*
 - * *Expanding the skills base*
- * *Developing sustainable LED institutional structures*
 - * *Facilitating targeted spatial interventions.*

The vision stated above is aligned with the visions and objectives of various National, Provincial and Local legislation and policies (all of which are outlined in Section 2), in that it is geared towards creating jobs, reducing poverty and creating equality.

In an effort to capitalise on the unique advantages of the area, strategic thrusts have been identified. The aim of these thrusts is to increase local community benefit and to enhance the competitiveness of the Local Municipality. Thrusts are thus defined as “planned actions aimed at creating impetus and critical mass in the local economic environment in order to generate momentum in the economy”.

Each strategic thrust identified comprise of a number of programmes. The aim of these programmes is to focus attention on specific areas of development to support the overall objective of the thrust. Each programme, in turn, comprise of specific projects to be implemented and facilitation actions that need to be addressed. By implementing and fulfilling the projects and facilitation actions, the overall objectives and targets of the relevant thrust will be achieved.

The thrusts are furthermore formulated and packaged in such a way that an integrated approach towards development and growth in the municipality is possible. It also ensures that the overarching objectives set by the vision, mission and goals are achieved. The different strategic thrusts also allows for projects and facilitation actions to be linked to the different thrusts identified to enable a more focussed and coordinated approach to economic development

While issues such as the expansion of economic infrastructure, improved institutional capacity and good governance do have a critical role to play in ensuring the effective economic development does take place, these issues are considered to be supportive elements that will not in its own result in the expansion of the economic base, and are therefore not included in the strategic thrusts.

Table below presents the key thrusts and programmes that have been identified which constitutes the development framework for the Umdoni Local Municipality’s local economic development.

Table 45: Thrusts & Programmes

LED THRUSTS

Agriculture support, growth & Local value-adding	Tourism development, & sustainable town & revitalisation	Conservation & Green Economy Development	Industrial and Business Development Promotion	Regional and Rural Integration and Support
LED PROGRAMMES				
<ul style="list-style-type: none"> • Sustainable & diversified agricultural development • Emerging/upcoming farmer support & skills development • Agro-processing development & expansion • Market development & creating an 	<ul style="list-style-type: none"> • Tourism industry development, enhancement & support • Destination marketing, branding, promotion & awareness • Town 	<ul style="list-style-type: none"> • Natural environment revitalisation & conservation • Green economy development • Unlocking the Oceans 	<ul style="list-style-type: none"> • Business support & capacitation & Entrepreneurial Development • SMME development & Integration of the informal 	<ul style="list-style-type: none"> • Regional Integration • Strengthen Community LED education and capacitation • Rural integration & spatial Planning

enabling environment	Revitalisation	Economy	economy <ul style="list-style-type: none"> • Promotion of Industrial, Trade & Construction activities • Marketing & Information Technology Platforms 	
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<p><u>Strengths</u></p> <ul style="list-style-type: none"> • Economic Potential i.e. Tourism, Beachfront, Agriculture • Diverse cultural Assets 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> • Adhoc developments • No marketing Strategy for Umdoni Municipality • High Unemployment rate
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> • Economic Potential i.e. Tourism, Beachfront, agriculture. • Strategically located along N@ Corridor • Close Proximity to Durban 	<p><u>Threats</u></p> <ul style="list-style-type: none"> • Lack of economically driven (commercial) & sustainable developmental concepts • Lack of Financial and Human Capacity in the LED Section

5.2 SOCIAL DEVELOPMENT ANALYSIS

5.2.1 Broad Based Community Needs (limited to 3 priority projects per ward)

The involvement of community members and/or community organisations in matters of local Government and in development will enhance the effectiveness of local governments in various ways, including the following.

Firstly, since communities or community organisations know the challenges their communities face, they are not likely to struggle in identifying them.

Secondly, involving them in the process of finding solutions to such problems creates a sense of ownership of the programmes/projects that are designed to address them.

Thirdly, the fight against poverty can be won if it is fought at the grassroots level.

COMMUNITY PRIORITY NEEDS PER WARD 2014/2015

Table 46: Community Needs

WARD	PRIORITY 1	PRIORITY 2	PRIORITY 3
1	Housing	Access Roads	Sport Facilities (Combi court)
2	Roads	Community facilities	Housing
3	Roads	Housing	Community Facilities
4	Access Roads	Housing	Community Facilities
5	Housing	Access Roads	Community Facilities
6	Housing	Roads	Community facilities
7	Roads	Community facilities	Housing
8	Roads	Community facilities	Housing
9	Roads	Electricity Housing	Community facilities
10			
11	Roads	Community facilities	Housing

12			
13	Roads	Housing	Community facilities
14	Roads	Access Roads	Housing
15	Roads	Access roads	Housing
16	Roads	Community facilities	Housing
17	Roads	Housing	Community facilities
18	Roads	Housing	Community facilities
19	Roads	Housing	Community facilities

5.2.2 Access to Public facilities

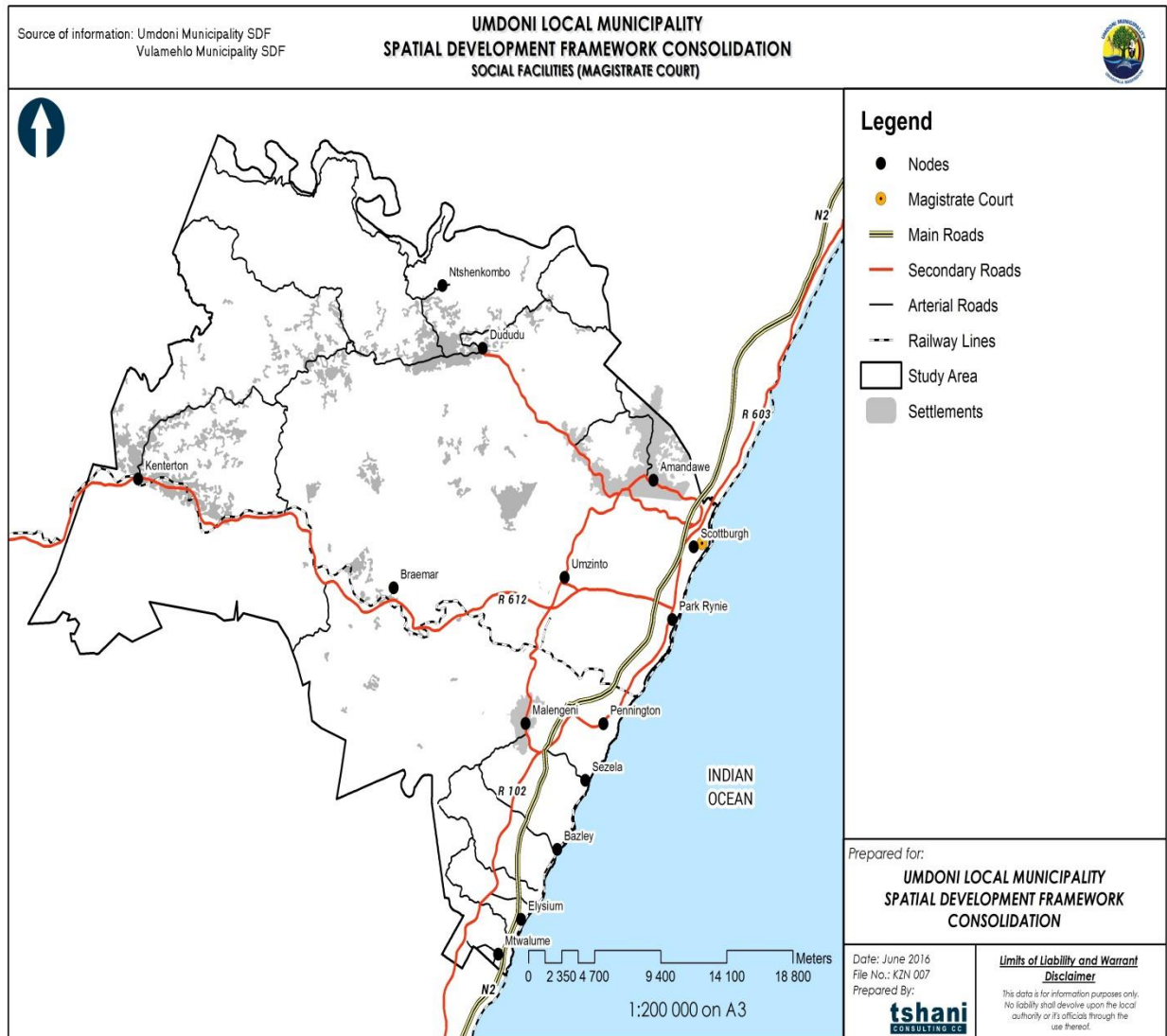
The following strategies for social infrastructure is based on the criteria as stipulated in terms of the CSIR Human Settlement Guidelines

Table 47: Access to Public Facilities

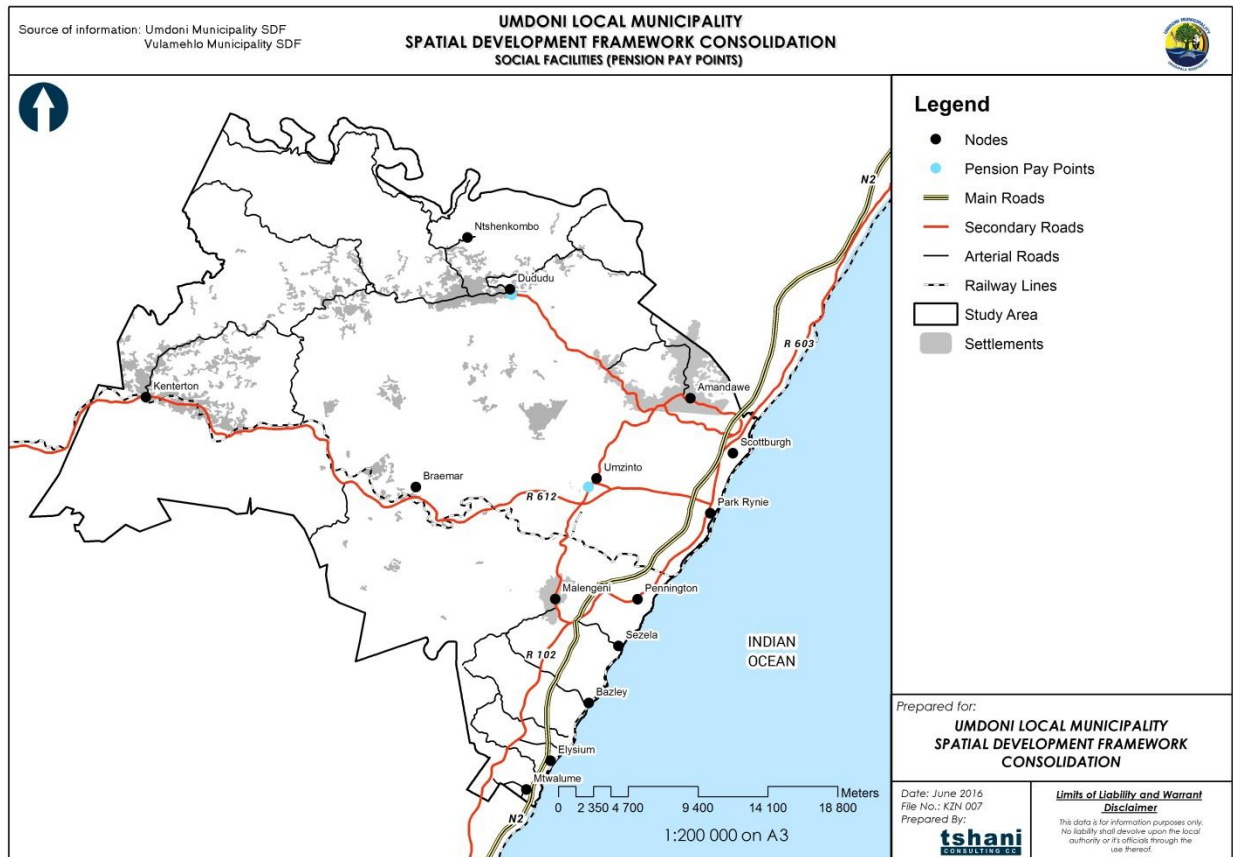
Planning Thresholds	Walking Distance	Minimum Requirements
Crèche	2 km Radius	2 400 – 3 000 people
Primary School	5 km Radius	7 000 people
Secondary/ High School	5 km Radius	12 500 people
Library	8 - 10 km Radius	20 000 – 70 000 people
Clinic	1.5 km Radius	5 000 – 20 000 people
Primary Hospital	5 km Radius	24 000 – 70 000 people
Police Station	8 - 24 km Radius	60 000 – 100 000 people
Post Office	5 km Radius	40 000 people
Church	15 km Radius	3 000 – 6 000 people
Pension Pay Points	5 km Radius	40 000 people
Community Halls	15 km Radius	10 000 – 15 000 people

The following maps below depict the number of existing social facilities per ward as well as the number of social facilities which should be there based on the current population size and the CSIR guidelines.

Map: Social Facilities



Map: Pension Paypoints



SOCIAL FACILITIES – PUBLIC OPEN SPACES

Umdoni has also developed a number of parks, golf courses, and sports facilities, which includes, amongst others:

- Ghandinager Sports field: This sports field was built with a surface of 8000m² with change rooms, ablution facilities and an open space stand seating area.
- EMalangeni Sports Field/ Complex: This sports field is located in the Malangeni area and was constructed in 2009. This sport facility is supplied with water and sanitation services. The facility is also with a change room.
- Amandawe Sports Field- with ablution facilities and changing rooms.
- Amahlongwa Sports Field: This field is located in Amahlongwa in ward. According to the Rural Development Strategy these public facilities are not in good condition, they are not well maintained. The road leading to the facility needs upgrading.

- Kwa Cele Sport Field: This field is located in Kwa Cele in ward 2 and this field is not well maintained. It is accessed via a gravel road and water and sanitation facilities are not available. The users of this facility depend on the neighbouring houses for these services.
- Olwazini Sport Field: This field is located in Nkulu area and was constructed in 2009.
- Umdoni Park.
- Scottburgh Golf Course.
- Selborne Park.

Commemorative Park: This Park was constructed in Ward 3 in Umzinto. The edges of the park are defined with face-brick columns and galvanised palisade. Recreational facilities form an important aspect within the community. It provides a place for physical activity, as well as a space for social functions where people can gather and interact. The application of planning standards indicates that at least one sports field is required for every 7 700 – 12 000 people. Umdoni thus requires (6) sports fields.

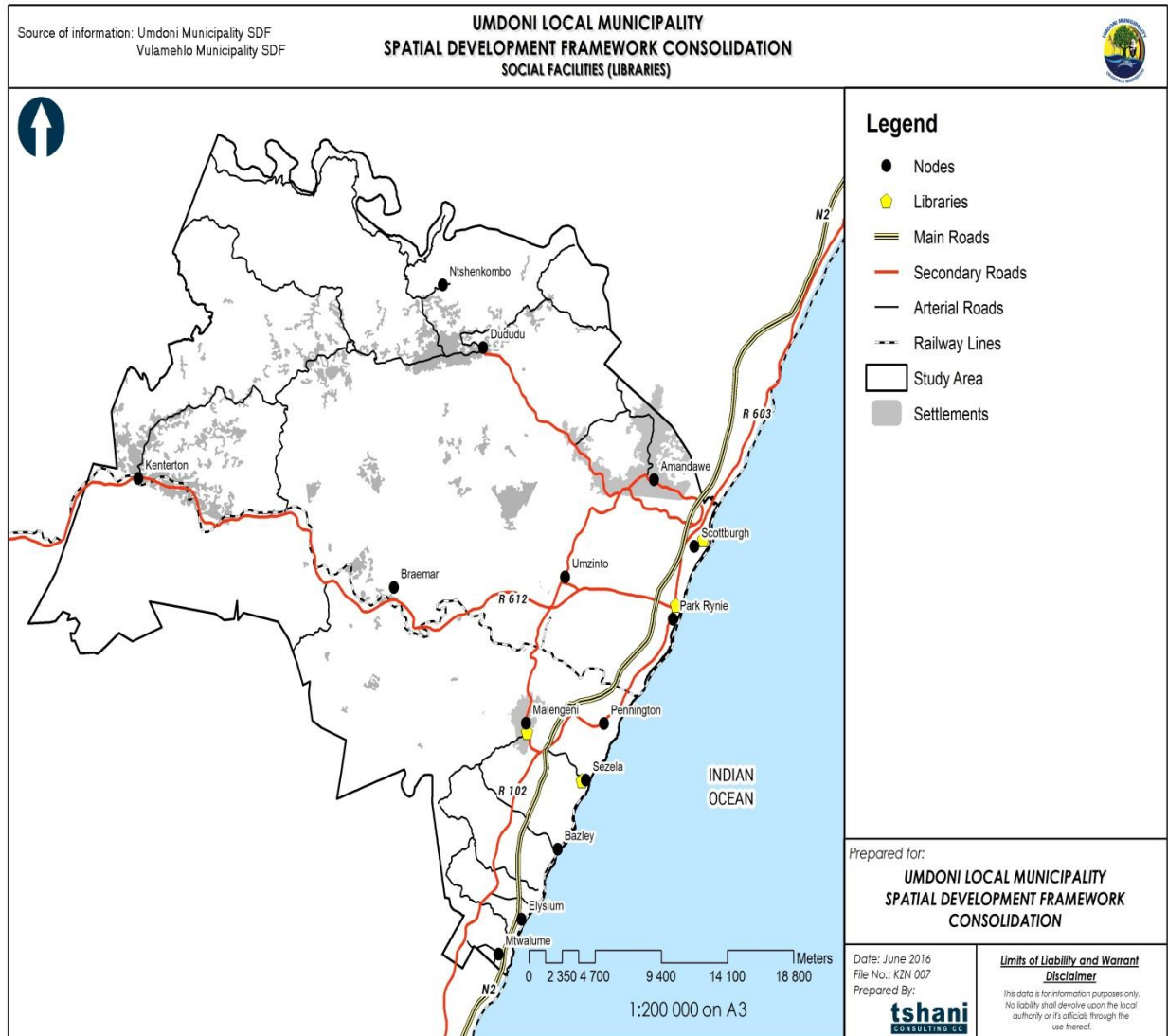
Social Facilities – Libraries

There are eight libraries within Umdoni, namely:

- Malangeni library
- Umzinto Library;
- Pennington Library;
- Park Rynie Library;
- Shayamoya Library;
- Sezela Library;
- Ifafa Beach Library; and
- Scottburgh Library.

In terms of planning standards, at least one library should be provided for every 5000-50 000 people. As such, a maximum of 15 libraries is required and a minimum of 1.5.

Map 48: Social Facilities Library



Social Facilities Cemeteries

Umdoni is one out of three municipalities in the Ugu District, which has formal cemetery sites. Informal cemetery sites are however found in rural settlements, where burial practices are conducted traditionally within the residential plots.

The following cemeteries are located within Umdoni:

- Scottburgh Cemetery.
- Shayamoya Cemetery has a capacity of 1500 graves.
- Park Rynie Cemetery.
- Humberdale Cemetery located in Kelso include crematorium

Implications for Umdoni

From the plans above, it can be seen that there are many social facilities, which are lacking in most of the settlements/villages. The Municipality needs to provide these for communities. Once the population have access to these facilities, this will have many positive implications on the municipality in relation to the following:-

- Increased child development facilities, educational and skills levels;
- Better access to health facilities and medical assistance;
- Increased community cohesion
- Better access to services such as police services, post offices, pension pay points, places of worship, etc.

Access to these social facilities will lead increased socio-economic, economic, infrastructure and human development within the Municipality. Thus, resulting in an increase in the quality of settlements and quality of life.

Social facilities interventions

Table 48: Social facilities Interventions

Education

There are 39 schools within Umdoni Local Municipality, and categorized as follows:

Primary	Secondary	Combined	Pre-Primary	LSEN	Total
25	8	3	2	1	39

QUINTILE RANKING OF PUBLIC ORDINARY SCHOOLS

Quintile Ranking	Number of schools
1	3
2	5
3	14
4	2

5	10
---	----

Source: Dept of Education

22 schools have a Quintile ranking of 1, 2 and 3 and therefore are on nutrition scheme of the Department of Education and are no fee schools. 11 456 Learners (55%) in UGU District benefit from the nutrition scheme provided by the Department. There is a total learner enrollment in Umdoni Local Municipality of 21 006, where 20 595 enroll in public schools and 413 enroll in Independent Schools. There are 672 Educators in Umdoni with a teacher learner ratio of 1:31

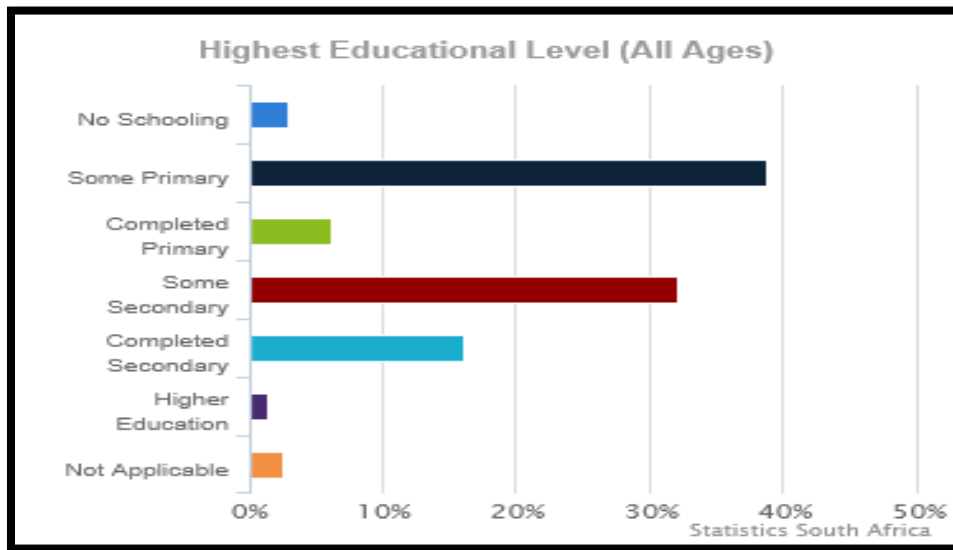
The table below depicts the education profile. To worsen the situation, the graph below depicts that an alarmingly large portion of the economically active population has only had primary education, with very few people-reaching grade 10, or 12. This means that job creation project will have to take the form of labour intensive projects, or that an effort should be made to educate the population. Labour intensive projects such as the Expanded Public Works Programmes, will further only be feasible for a short period of time, and dependant on the capital available only affect a small number of the population. Please refer to the graph below for a depiction of the educational levels of the municipality

Table 49: Education levels

Highest Educational Level	Population by Age					
	0-10	11-19	20-34	35-49	50-69	70-120
Primary Education	7133	5136	2480	3107	3003	779
Secondary Education	-	7365	16091	7230	4597	1592
National Certificate	-	10	229	147	165	100
Certificate with less than Grade 12 / Std 10	-	2	62	23	19	7
Diploma with less than Grade 12 / Std 10	-	2	36	30	36	20
Certificate with Grade 12 / Std 10	-	7	264	155	64	30
Diploma with Grade 12 / Std 10	-	6	306	297	209	47
Higher Diploma	-	18	192	286	235	105
Post Higher Diploma Masters; Doctoral Diploma	-	23	25	41	52	14
Bachelors Degree	-	-	161	146	160	75
Bachelors Degree and Post graduate Diploma	-	39	41	75	95	29
Honours degree	-	-	58	110	70	16
Higher Degree Masters / PhD	-	1	19	44	54	12
Other	-	1	35	43	54	32
No Schooling	610	144	528	1212	1698	702
Not Applicable	7948	258	1272	492	579	283

The skills shortage is usually identified as one of the key challenges for economic growth. It has been argued that the majority of the population is unskilled. The skills of those regarded as being skilled are also not in line with the requirements of the economy. While more research is still required in this regard, indications from perceptions out there are that the national phenomenon applies in the municipality. Given the importance of relevant skills for employment and economic growth, a Local Skills Profile is urgently required.

Highest Education Levels



Source: Stats SA 2011 Census

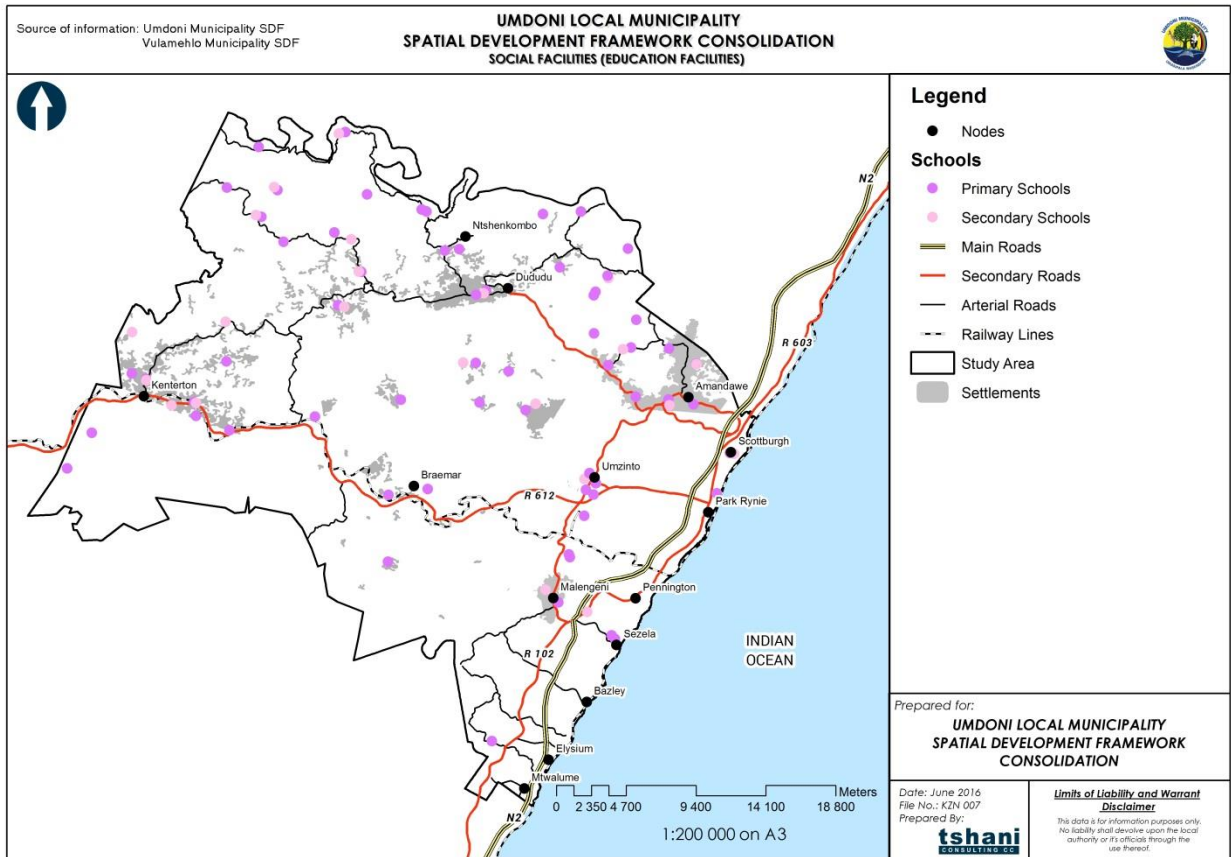
Figure 36: Education Level all ages

The number of people getting an Education and becoming Literate from Grade 7 and higher has been steadily increasing in Umdoni Local Municipality over the years. 60% of the Umdoni Local Municipality population has some secondary, matric level and/or higher education. This has implications for poverty reduction and productivity growth in the labour force. When the Literacy rate is increasing this then means that people of Umdoni are becoming more eligible for better jobs thus increasing their household income, becoming less dependent on government social grants and also decreasing the dependency rate, programmes from the Department of Education and FET colleges need to come in and play a role to ensure that matriculates can further their education as to increase the number of skills within Umdoni Local Municipality.

Education Programmes within the municipality

Programme	Status
Children: Dress a school child campaign	<p>The handover of full school uniform to 192 scholars in Umdoni Area was held at Scottburgh Town Hall. Each school identified 06 mostly indigent cases, and ended up having 192 scholars who benefitted from the Programme.</p> <p>For 2017/2018 Budget there is a budget provision made for schools within Umdoni Municipality will benefit from. Distribution date for 2017/2018 has not been confirmed</p>
Umdoni Bursary Fund	<p>Umdoni has made and will continue to make a substantial and core contribution to student financial support in its area of jurisdiction. The fund is intended to assist with annual fees per successful applicant. Umdoni Municipality advertises in the local Newspapers (Rising Sun and Fever) and distribution of those adverts was also extended to Umdoni local libraries and in all respective wards, with the assistance of our ward councilors. The Advert entailed the conditions and eligibility criteria of the bursary fund.</p>

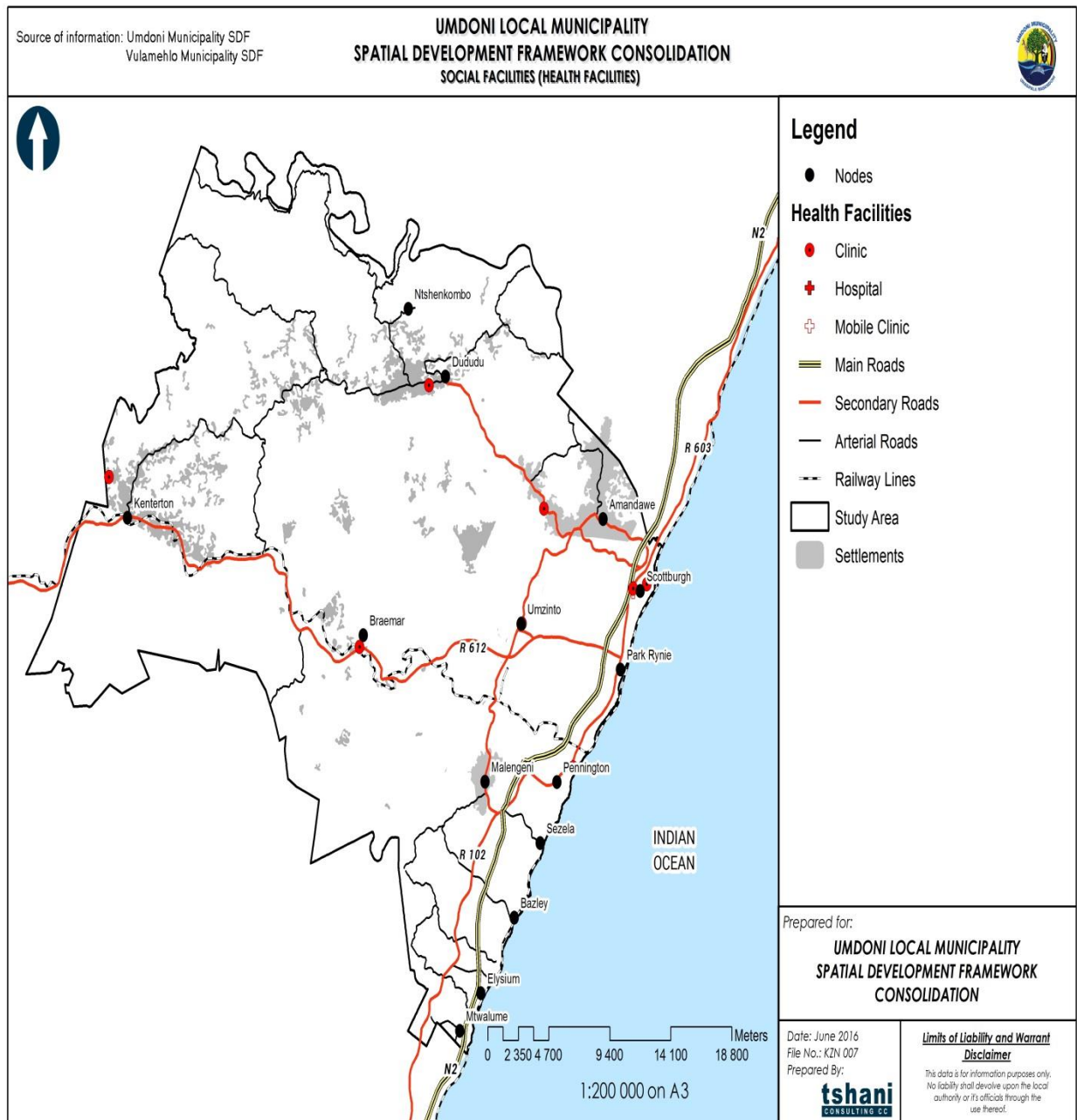
Map: Education facilities



Access to Public Facilities

5.2.3 Health

Map 49: Health Facilities



Umdoni special programmes, Ugu District municipality and Department of Social Development coordinated the sanitary dignity campaign programme. Hluzingqondo and Malangeni Secondary School benefited from the programme 200 female students per school were identified as needy and will be getting sanitary towels from Department of Social Development for a period of 1 year.

Community Development with Particular Focus on Vulnerable Groups

5.2.6.1 Youth Development

Youth, like any other previously disadvantaged groups were victims of previous unjust government systems and were not afforded opportunity to develop to their fullest potential. As a developmental local government one of our responsibilities is to play our part in redressing the imbalances of the past through developing a coordinated and integrated response to challenges facing young people.

In the past three years Umdoni Municipality has made significant achievement in developing its institutional capacity to make positive change in the lives of young people. Some of targeted programmatic interventions include formulation of a municipal youth development policy which was adopted by council. This policy represents an important milestone towards an integrated and holistic approach to youth development for the advantage of the young people of our municipality.

We have recently initiated a bursary fund to assist youth from disadvantaged families to pursue their tertiary education.. There is also a need to focus on the development of scarce skills within the municipality so as to ensure that skills are developed for the area

5.2.6.2 Development of the people with Disabilities

Although the Constitution of South Africa protects the rights of people with disability and prohibits discrimination on the basis of disability, limited facilities currently exist in the uMdoni Municipality for people living with disability. Currently public amenities such as libraries, community halls, municipal offices & buildings and road infrastructure are badly designed for people with disabilities. Council has however lately demonstrated more cognizance of this fact and new buildings and renovations to existing infrastructure are developed in such a way that access for people with disability are provided for. The municipality has recently formed a partnership with the Department of Social Development to develop focussed social development programs to up-scale representation of people with disabilities within our community as well as in municipal decision making processes.

The municipality has also set specific targets in its Employment Equity Plan

The shift from pure service delivery to a developmental approach has presented our municipality with new challenges. Umdoni Municipality is expected not only to respond to the service needs of local

communities, but also to establish, understand and accommodate the needs of disabled people, and ensure that they benefit from development initiatives.

Umdoni Municipality has been making attempts to implement key legislation such as the Employment Equity Act, Skills Development Act and the Preferential Document Act, to appoint people with disability and also provide for people with disability in the EPWP projects that are currently being implemented in the different wards. A database of people with disability will be established which will also indicate their skills and competency levels.

Generally, these efforts are still at a very infant stage, at best fragmented and with very few pockets of excellence. Umdoni Disability Forum was launched and we have engaged in the development of a local strategic plan in partnership and with assistance from Kwa- Zulu Natal Premiers Office. This strategic plan will assist in accelerating our pace in developing decisive interventions for the benefit of disabled people

5.2.6.3 Development of the Elderly

Senior citizens have been one of the neglected sectors in terms of targeted programmes in all spheres of governance other than old age grants. The programme targeting senior citizens has recently been introduced at a Provincial and District level.

With limited budget the municipality now hosts a formal event in celebration of the senior citizens. The event was to celebrate the lives of our seniors and affirm their value in the society. The municipality has launched a senior citizens forum, which is a civil society structure that will be interacting with Umdoni Municipality as part of our public participation programme.

5.2.6.4 Development of Women

Women form a significant percentage of our population and government; through various legislations have shown commitment to address their social and economic needs. Part of the government commitment has been to make decisive interventions to redress imbalances of the past where women were seen as secondary citizens to men.

Through the guidance of spheres of government above Umdoni Municipality, we have since launched a women council, which was later changed to Gender Forum. The purpose of the forum is to consult and advise municipality on matters and priorities relating to women programmes. The municipality has made budget provision for gender programmes.

Umdoni vulnerable group fund has been one of our flagship projects aimed at assisting women agricultural groups with garden tools and seeds

5.2.6.5 People affected by Crime, HIV/AIDS, Drugs, etc.

In South Africa, the AIDS pandemic is no longer a distant threat but an immediate reality reflected in the early death of hundreds of people every year. About 34% of the total population is infected with the human immunodeficiency virus (HIV) that causes AIDS. People having HIV may be symptom-free for years without developing AIDS. The scale of the problem has been largely hidden. Today's invisible HIV pandemic is tomorrow's AIDS pandemic. In theory, they follow each other like waves, eventually becoming similar in size. Hundreds of thousands of South Africans are already infected and there is no way to avert their illness and eventual death. HIV is spread in other ways but mainly through sexual transmission and this means that it can be prevented by behavioral change as has happened in countries as diverse as Australia, Thailand and Uganda. HIV and AIDS is perceived by many as a disease and the emphasis has been on prevention. Others, however, see HIV and AIDS as more than a disease. It affects the whole of society. No part of society could be excluded from the impact of HIV and AIDS, although some sectors such as mining and transport would be affected more than others. It is this factor, which makes HIV and AIDS important to the business community.

The Municipality has adopted its HIV and AIDS Policy. The Municipality is currently putting together an employee wellness programme. A number of support services not necessarily confined to HIV and AIDS will be provided to support employees. The recent statistics could not be obtained from the Department of Health to confirm the data that is presented.

SOCIAL DEVELOPMENT: SWOT ANALYSIS

<u>Strengths</u> Dedicated Unit for Special programmes	<u>Weaknesses</u> Limited budget to implement projects
<u>Opportunities</u> Partnership with government Departments and other stakeholders	<u>Threats</u> HIV/AIDS

6. MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT ANALYSIS

Financial Viability and Management Analysis

Umdoni Municipality strives to achieve to be a municipality that is financially viable by creating an environment that is resilient and has a sustainable economic base supported by reliable municipal services in all forms. The municipality's operating budget is funded mainly from the municipality's grants for the 2017/2018 financial year. Own resources income drivers of the municipality are property rates revenue and refuse removal revenue

Models Used for Prioritization of Resources

Community participation is an effective method of identifying priorities, but it is also critical to develop an IDP Prioritization/Project Evaluation model for determining budget allocations. This model would take into account community needs, project profiles and assessment, available resources, strategic planning, national, provincial and local policy and good municipal management. Development and approval of Financial Planning and Annual IDP Review Guidelines will also assist this process.

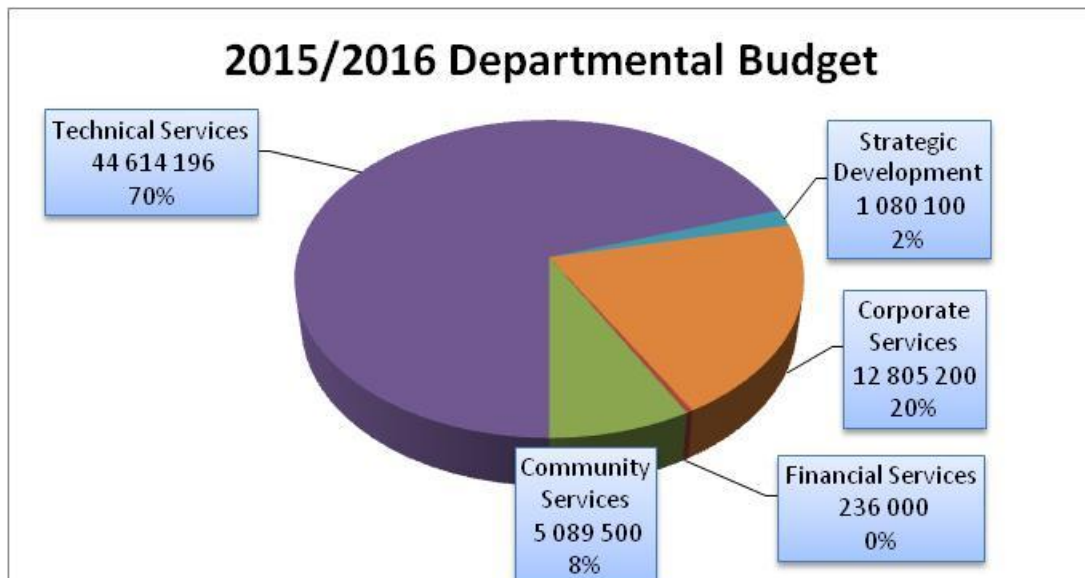
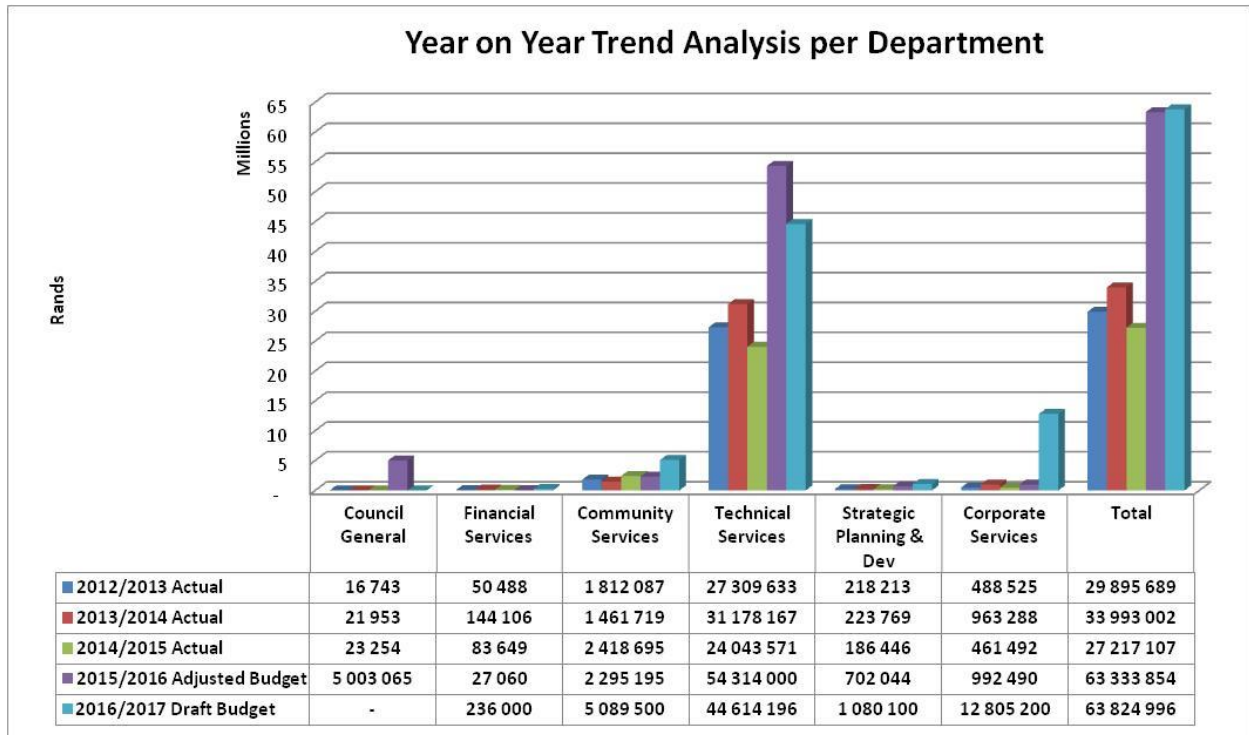
Consultation

In accordance with the Municipal Systems Act and the Municipal Financial Management Act, consultation was undertaken with the local community primarily through public meetings in all wards.

Copies of the draft budget are to be provided to other levels of government for their comment.

The municipality has fully fledged and functioning Finance department which is headed by the CFO supported by four manager's income, SCM, expenditure and budgeting and reporting. There is a vacancy for the manager income which is owed to be filled after amalgamation with Vulamehlo Municipality.

Table below reflects percentage spent on Capital Budget for the last five financial years (2012/2013-2016-2017)



BUDGET FORECAST

The five year plan reflects the municipality's ongoing effort to provide the highest quality of service in daily operations. Thus the municipality recognized that in order for the services to be provided at the best level possible the Integrated Development Plan (IDP) must be linked to a financial plan. Furthermore, it was acknowledged that without the financial plan, the IDP would be incomplete since the financial plan will give an indication of the financial viability of the municipality.

The financial plan together with the IDP is reviewed annually as per S21 of the Municipal Finance Management Act no. 32 of 2000 and in terms of S34 of the Municipal Systems Act no. 32 of 2000 taking into account the realistic revenue and expenditure projections for future years. This annual review is as a result of the relevant regulations and the financial commitments and priorities which differ from year to year.

The Umdoni Municipality budget has been prepared in terms of Chapter 4, section 24 of the Municipal Finance Management Act, no 56 of 2003, as well as outcomes and outputs based on the following IDP priorities:

Basic Service Delivery

Municipal Institutional Development and Transformation

Local Economic Development and Social Development Issues

Municipal Financial Viability and Management

Good Governance and Public Participation

Cross Cutting (Spatial Analysis, Environmental Management, Disaster Management, SPLUMA).

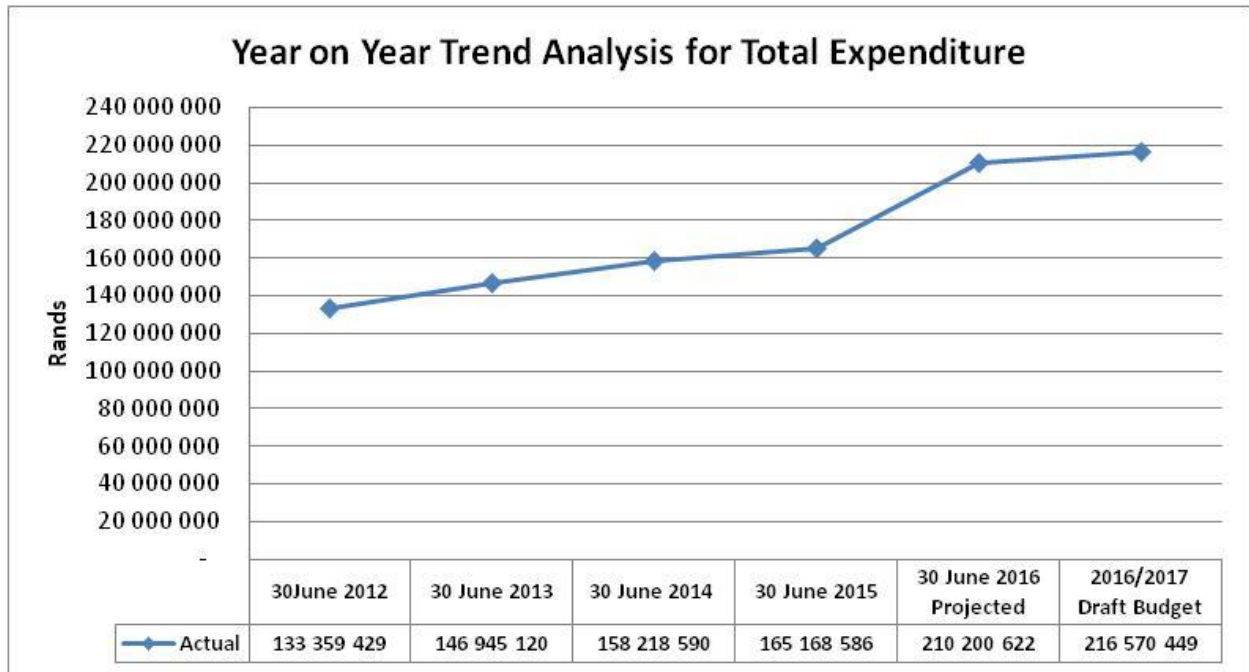
Operating and Capital Budget Estimates

The five year financial plan includes an Operating Budget as well as the Capital Investment Programmes per source of funding for the Medium Term Revenue and Expenditure Framework ending June 2019 (5 years starting from 2014/2015 to 2018/2019). The estimates are guided by a National Treasury Circular 78 and 79.

SUMMARY FOR ALL DEPARTMENTS - PER CATEGORY

	2014/2015 AUDITED ACTUAL	2015/2016 ORIGINAL BUDGET	2015/2016 SAMRAS BUDGET	FULL YEAR FORECAST	2016/2017 DRAFT BUDGET	2017/2018 DRAFT BUDGET	2018/2019 DRAFT BUDGET
<u>OPERATING REVENUE BY SOURCE:</u>							
Property rates	-66 636 851	-69 059 958	-69 064 321	-68 843 721	-70 681 982	-74 216 081	-77 926 885
Property rates - penalties & collection charges	-2 354 370	-1 000 000	-1 000 000	-2 787 415	-1 400 000	-1 470 000	-1 543 500
Service charges - refuse removal	-7 195 589	-8 250 000	-8 250 000	-8 157 197	-8 662 500	-9 095 625	-9 550 406
Rental of facilities and equipment	-4 031 185	-4 879 000	-4 282 000	-4 804 612	-4 944 000	-5 191 200	-5 450 760
Interest earned - external investments	-5 847 967	-4 250 000	-6 000 000	-6 000 000	-7 500 000	-7 875 000	-8 268 750
Fines and Penalty income	-1 107 571	-432 000	-432 000	-486 189	-1 520 000	-1 596 000	-1 675 800
Licences and permits	-5 159 513	-5 805 000	-6 205 000	-7 426 054	-6 805 000	-7 145 250	-7 502 513
Government grants and subsidies	-69 578 466	-102 387 000	-102 805 470	-102 387 000	-109 353 930	-92 021 926	-96 623 023
Other income:	-5 259 862	-4 833 454	-5 131 563	-6 529 225	-5 704 038	-5 989 240	-6 288 702
Total Revenue by Source	-167 171 373	-200 896 412	-203 170 354	-207 421 413	-216 571 450	-204 600 322	-214 830 338

	2014/2015 AUDITED ACTUAL	2015/2016 ORIGINAL BUDGET	2015/2016 SAMRAS BUDGET	FULL YEAR FORECAST	2016/2017 DRAFT BUDGET	2017/2018 DRAFT BUDGET	2018/2019 DRAFT BUDGET
<u>OPERATING EXPENDITURE BY TYPE:</u>							
Employee Related Costs	61 649 612	66 794 929	65 155 488	72 852 295	69 753 528	73 241 205	76 903 265
Remuneration of Councillors	6 295 923	6 782 234	6 838 276	7 398 223	7 330 632	7 697 163	8 082 022
Depreciation	29 416 581	29 000 000	29 157 814	29 157 814	29 381 276	30 850 340	32 392 857
Repairs and maintenance	6 385 352	10 075 500	10 820 500	11 161 686	11 791 100	12 380 655	12 999 688
Interest paid	273 147	500 320	500 320	593 798	392 000	411 600	432 180
Contracted services:	15 526 579	18 725 000	18 420 000	20 590 109	22 872 160	24 015 768	25 216 556
Grants and subsidies paid	3 676 249	3 384 000	3 367 000	5 073 950	4 674 000	4 907 700	5 153 085
General expenses:	34 986 473	38 398 431	41 275 304	37 268 426	52 458 853	45 932 096	48 228 700
Contributions	6 958 668	27 235 200	27 634 854	26 104 321	17 916 900	18 812 745	19 753 382
Total Operating Expenditure	165 168 585	200 895 614	203 169 556	210 200 622	216 570 449	218 249 272	229 161 735



6.1 Capability of the Municipality to Execute Capital Projects

Capital Budget and Exp	2012/2013	2013/2014	2014/2015	2015/2016 (Current to date)
Budget	38 454 120	48 862 444	37 765 328	69 333 854
Expenditure	29 895 689	33 993 002	27 217 107	29 439 720
% Spent	77.74%	69.57%	72.07%	42.46%

DESCRIPTION	2016/2017 BUDGET YEAR	2017/2018 BUDGET YEAR	2018/2019 BUDGET YEAR
<u>Capital Expenditure - by Department</u>			
Council General	-	-	-
Financial Services	236 000	-	-
Community Services	5 089 500	-	-
Technical Services	44 614 196	-	-
Strategic Development	1 080 100	12 075 000	500 000
Corporate Services	12 805 200	-	-
TOTAL CAPITAL BUDGET	63 824 996	12 075 000	500 000
<u>Capital Expenditure by GFS Classification</u>			
Executive and Council			
Financial and Admin	13 272 200	-	-
Community and Social Services	2 266 500	-	-
Roads	41 259 196	25 000	-
Sport and recreation	1 690 000	500 000	500 000
Public Safety	1 687 000	11 550 000	-
Waste Management	2 570 000	-	-
Strategic Planning and Development	1 080 100	-	-
TOTAL CAPITAL BUDGET	63 824 996	12 075 000	500 000
<u>Capital Expenditure by Funding Source</u>			
National Grant - MIG	17 707 296	-	-
Provincial Grant	1 400 800	-	-
Ex Revenue	11 716 900	12 075 000	500 000
Cogta	12 000 000	-	-
Own Revenue	21 000 000	-	-
TOTAL CAPITAL BUDGET	63 824 996	12 075 000	500 000

The capital budget for the 2016/2017 financial year is focused toward improving the lives of the communities, and therefore 78% of the capital budget has been targeted toward Technical Services and Community Services. The main projects in the capital budget is the upgrading of roads. In addition an

amount of R 10 million has been budgeted for the rehabilitation of urban roads. This signifies Umdoni's commitment to maintenance on infrastructure. The greater part of other capital items are all geared towards service delivery.

To this end a large proportion of the capital budget, approximately 95% is geared toward upgrading of rural as well as urban roads. R 17,7 million, funded from MIG, has been budgeted for upgrading of rural roads and R 21 million, funded internally, has been set aside for the rehabilitation of urban roads.

As evident from the graph presented above, it is clear that year on year the majority of Umdoni's Capital Budget is split between Community Services and Technical Services. This shows Umdoni's commitment to providing infrastructure for the community rather than spending administratively.

Some of the challenges faced with the spending of the capital budget in 2015/2016 included:

- *Change in scope of work due to change in circumstances of some of the projects;*
- *Poor performance of consultants and contractors;*
- *Cash flow problems experienced by some of the contractors which caused delays in completion of projects;*
- *Delays were experienced in order to comply with Supply Chain processes;*
- *Delays were experienced with organs of state such as Department of Environmental Affairs delaying approval of EA's;*

The infrastructure unit is not fully staffed due to the municipality not being able to provide attractive remuneration as offered in the cities and at other municipalities Umdoni is failing also to retain skills. However, most of the capital projects are outsourced to consultants and contractors, monitored by the infrastructure unit. The infrastructure unit and finance unit work closely together to address any delays on capital projects arising from outstanding procurements or outstanding payments to contractors.

The performance of all capital projects is an ongoing process and will be monitored and reported to the Planning and Finance Committees on a regular basis to intervene and take necessary action where required to ensure that all capital projects are implemented and managed efficiently and effectively.

6.2 Indigent Support (Including Free Basic Services (FBS))

The social packages are assisting households that are poor or destitute and those that are having limited ability to pay for services. To receive these free services households are required to register in terms of the Municipality Indigent Policy. During 2013/2014 financial year the municipality reviewed indigent register as required by the indigent policy. The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. The number of the beneficiaries has been stagnant with insignificant fluctuations in the last three years.

The total cost of the FBS over the last three years.

Cost of Free Basic Services	2012/2013	2013/2014	2014/2015	2015/2016 (Current to date)
Alternate Electricity	3 057 875	2 463 984	2 398 628	1 999 169
Indigent Refuse	188 573	245 703	259 483	349 396
Rural Refuse	72 920	94 128	113 352	142 116
Electricity Indigent	493 491	557 207	602 653	743 300
Total Cost	3 812 860	3 361 022	3 374 116	3 233 980

6.3 Revenue Enhancement and Protection Strategies

The financial policy of Umdoni Municipality is to provide a sound financial base and the resources necessary to sustain a satisfactory level of the municipal services for the community of Umdoni. It is the goal of the Municipality to achieve a strong financial position with the ability to survive local and regional economic impacts, adjust effectively to the community's changing service requirements, and manage the municipality's budget and cash flow to the maximum benefit of the community and provide a high level of protective services to assure public health and safety.

Umdoni Municipality's financial policies will address the following goals:

- To keep the municipality in a financially sound position in both short and long term.
- Maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations.
- Apply credit control policies which maximize collection while providing relief for the indigent; and recognizing the basic policy of customer care (service level standards) and convenience.
- Maintaining existing infrastructure and other capital assets as emphasized in the 2016 SONA and Budget Speech.

FINANCIAL MANAGEMENT POLICIES

Budget Policy

- The annual budget is the central financial planning document that entails all revenue and expenditure decisions. It establishes the level of services to be provided by each department. The accounting officer confirms the municipality's priorities in the formulation of the draft and the final budget document.
- A budget, as per S71 of the MFMA, is subject to monthly control and reporting to Council with recommendations of action to be taken to achieve the budget's goals. The budget is also subject to a mid-term review which might result in a revised budget, thereby resulting in the adjustments budget, which is in terms of S28 of the MFMA. Unfinished capital project budgets shall not be carried forward to future fiscal years unless the project expenditure is committed or funded from grant funding, which will require the rolling over of those funds together with the project.

Credit Control Policy

- This policy together with the relevant work procedure manuals provides direction in areas of credit control, collection of amounts billed to customers, procedures for recovery of arrear accounts, etc. Umdoni Municipality annually revises policy as well as the related bylaws and approved the revised policy together with the annual budget approval.

The principles supported in this policy are:

The administrative integrity of the municipality must be maintained at all costs. The democratically elected councilors are responsible for policy making, while it is the responsibility of the accounting officer to ensure the implementation of these policies.

Indigent Policy

- The criteria for benefits under this scheme are part of the credit control policy. An indigent register is maintained in order administer indigent support. The application forms to qualify for the indigent support will be completed annually. The Municipality may annually, as part of its budgetary process, determine the municipal services and levels thereof which will be subsidized in respect of indigent customers in accordance with the national policy, but subject to principles of sustainability and affordability.
- An indigent customer shall automatically be deregistered if verification concludes that the financial circumstances of the indigent customer have changed to the extent that he/she no longer meets the qualifications. The indigent customer may at any time request deregistration.

Tariff Policy

- The purpose of this policy is to ensure that a uniform tariff is applied to the municipal area of jurisdiction. The policy is updated and sent for public comment annually to conform to latest legislation requirements.

RATES POLICY

- This has been implemented with the Municipal Property Rates Act with effect from 1 July 2009. Policy is reviewed annually when the draft budget is submitted for public comments.

Free Basic Services

- Indigent households receive free services each month. Refuse for these low income areas are raised and credited from equitable share. Rates on properties below a certain value receive a 100% rebate and Gel distribution as an alternative energy source to destitute families.

Investment Policies

- Every municipal council is required in terms of Section 13(2) of the Municipal Finance Management Act (MFMA) no 56 of to approve a Cash and Investments Policy for the Council. The primary objective of the investment policy is to gain the highest possible return, without unnecessary risk, during periods when excess funds are not being immediately required. For this to be achieved, it is essential to have an effective cash flow management program. Before any monies can be invested, the Chief Financial Officer or his/her delegate must determine whether there will be surplus funds available during the term of the investment. The term of the investment should be fixed and in order to do this it is essential for the cash flow estimates to be drawn up.
- Investment shall be made with care, skill, prudence and diligence. Investment officials are required to adhere to written procedures and policy guidelines, exercise due diligence and exercise strict compliance with all legislation. The Minister of finance may identify by regulation in terms of Section 168 of the MFMA instruments or investments other than those referred to below in which the Municipality may invest:
 - a) Deposit with banks registered in terms of the Banks Act, 1990 (Act No.94 of 1990);
 - b) Securities issued by the National Government;
 - c) Investments with the Public Investment Commissioners as contemplated by the Public Deposits Act, 1984 (Act No. 46 of 1984);
 - d) A Municipality's own stock or similar type of debt;
 - e) Bankers, acceptance certificates or negotiable certificates of deposits of banks; Long term securities offered by insurance companies in order to meet the redemption.

The following are some of the more significant programmes that have been identified:

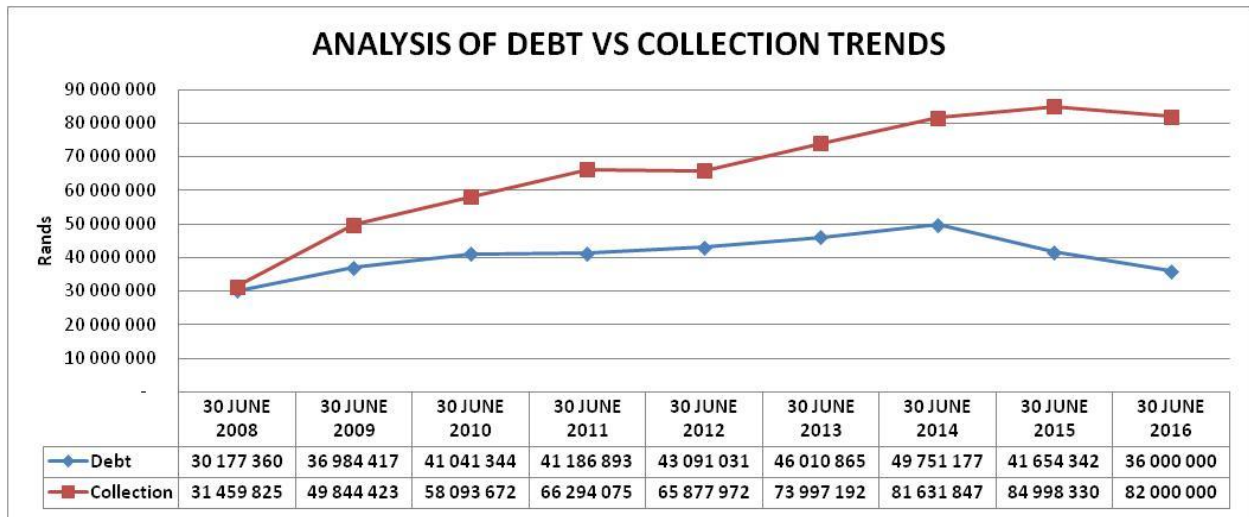
- a) Ensure continued compliance with GRAP
- b) Audit /inspection of electricity meters
- c) Replacement of faulty meters
- d) Maintain and update valuation roll
- e) Management of prepaid data base
- f) Efficient vending of prepaid electricity
- g) Annual Reviewing of budget related policies
- h) Updating of Fixed Assets Register
- i) Enable a greater awareness of the Municipal Property Rates Act

- j) Accurately Billing customers on a regular basis(Data Cleansing exercise, Indigent register maintenance, Improved Debt Collection procedures, Affordable Tariff Setting)
- k) Expenditure analysis and reduction

6.4 Municipal Consumer Debt Position

The data cleansing exercise has assisted the municipality in improving its debt collecting through easing the ability to trace debtors to initiate credit control procedures. The revenue enhancement strategy that has been implemented by the municipality has assisted in the reduction of aged debtors by over the last previous years as stratify below.

Credit Control And Debt Collection



UMDONI MUNICIPALITY

FRONT PAGE

February 2016
Rand Value

January 2016
Rand Value

DEBTORS SNAPSHOT

Total Debt(Arrears)				36 638 265.75	37 829 221.07
Status of top 50 debtors				14 104 829.18	14 727 992.62
Deceased Estates				2 353 702.23	2 344 554.04
Recoveries for the month				6 812 405.18	4 388 160.35
Councillors in arrears				0.00	0.00
Staff accounts in arrears				966.56	837.54

DEBT RECOVERY PROCESSES

First Notices				1750	1555
Sms				1040	1539
Summons				117	52
Judgments				8	23
Warrant of Execution				8	23

ACTUAL RAISED VS ACTUAL COLLECTED 2015-2016

Month	2013/2014 Actual	2014/2015 Actual	2015 / 2016 ACTUAL RAISED	TARGET INCREASE OF 3% OF ACTUAL	ACTUAL COLLECTED 2015/2016	% COLLECTED
July	3 963 607.83	5 070 179.36	23 130 338.19	23 824 248.34	4 361 605.28	18%
August	6 100 764.80	7 474 260.80	7 784 326.84	8 017 856.65	7 074 189.15	88%
September	17 009 337.29	16 996 448.41	6 467 824.67	6 661 859.41	19 577 803.46	294%
October	7 089 510.91	10 793 499.10	5 591 099.74	5 758 832.73	8 109 280.68	141%
November	6 205 495.81	6 534 815.95	6 057 621.67	6 239 350.32	7 300 212.53	117%
December	5 439 907.12	5 293 421.57	5 488 727.96	5 653 389.80	5 171 254.44	91%
January	4 876 552.58	5 315 131.80	5 052 396.45	5 203 968.34	4 388 160.35	84%
February	7 596 399.84	4 998 059.95	5 589 312.45	5 756 991.82	6 812 405.18	118%
March	5 745 089.71	5 813 387.45		0.00		
April	4 997 166.94	4 429 696.71		0.00		
May	5 434 185.62	5 722 944.64		0.00		
June	7 173 827.57	6 551 504.14		0.00		
TOTAL COLLECTION	81 631 846.02	84 993 349.88	65 161 647.97	67 116 497.41	62 794 911.07	94%

ANALYSIS OF DEBT PER CATEGORY		
ACTIONABLE DEBT	Feb-16	Jan-16
INTERNAL LEGAL ACCOUNTS	10 822 752.38	10 924 101.05
SHAYAMOYA	58 326.26	50 899.38
SUNDRY	203 314.79	224 262.52
STATE	12 575 523.89	12 986 814.59
NORMAL	3 877 982.22	4 303 301.61
ACCOUNTS UNDER QUERY	40 266.60	98 421.81
COUNCILLORS	0.00	0.00
STAFF	966.56	837.54
	27 579 132.70	28 588 638.50
PARKED OFF DEBT AS PER COUNCIL RESOLUTION		
GHANDINAGAR RENTALS	1 855 321.00	1 990 093.00
	1 855 321.00	1 990 093.00
HIGH COURT / LEGAL ACTION		
ATTORNEYS	2 863 957.69	2 919 783.40
LEGAL(BUILDING MATTERS)	434 993.13	434 993.13
	3 298 950.82	3 354 776.53
TRAFFIC FINES		
TRAFFIC FINES	1 551 159.00	1 551 159.00
ESTATES		
ESTATES	2 353 702.23	2 344 554.04
	2 353 702.23	2 344 554.04
GRAND TOTAL - ARREARS	36 638 265.75	37 829 221.07

COLLECTION STATS FOR FEBRUARY 2016		
SERVICE	CURRENT COLLECTION	ARREARS COLLECTION
Ghandinagar	-420.89	-12 196.62
Rates	-2 041 996.49	-2 608 619.50
Refuse	-287 455.36	-282 891.87
Sundry	-33 060.55	-227 286.40
Unallocated Credits	-1 151 984.02	-166 493.48
TOTAL COLLECTED	-3 514 917.31	-3 297 487.87
		-6 812 405.18

HIGHEST 50 DEBTORS FEBRUARY 2016

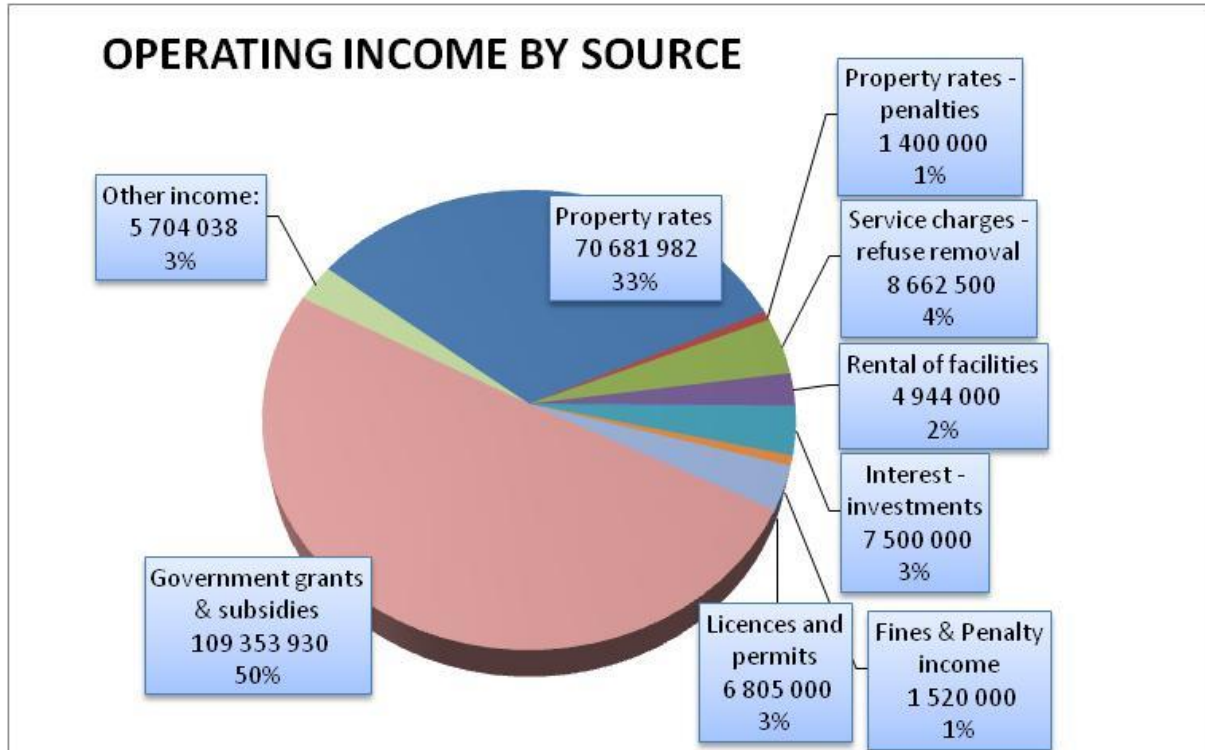
Account	Surname	Arrears	Comments
10160514	AMBER SUNRISE PROPERTIES 35 PTY LTD	847 392.37	New sale has been concluded and in the process of being finalized. Payments of outstanding rates will be recovered upon transfer.
10198526	CALLAGHAN	398 104.33	Payment of R 10 000.00 received 04/03/2016
10239214	THEO & IZAK ONTWIKKELING CC	301 085.30	Company has been liquidated. Awaiting appointment of trustees to proceed further
10196050	PAT ELSONS PROP (PTY)LTD	158 211.51	Payment of R 1000.00 received 05/02/2016
10117145	LUNGOMARE (PTY) LTD	126 399.03	Company has been liquidated. Advised by attorney that they are at the final stage of distribution
10125331	CHESTNUT HILL INVESTMENTS 347 (PTY)	83 489.34	Company is deregistered. Debtor has been traced. Matter to be handed over to attorney to re - register company and proceed for recovery of rates.
10003808	ELLINGHAM PARK PTY	71 346.37	Outstanding refuse account. Query with technical services dept.
10198131	SWANEPOEL	71 076.59	Debtor is indigent, cannot afford to pay . Paying current account
10325380	SCHAMREL	70 301.78	Debtors cannot be found. Tracing required
10198351	CHESTNUT HILL INVESTMENTS 347 (PTY) LTD	69 495.21	Company is deregistered. Debtor has been traced. Matter to be handed over to attorney to re - register company and proceed for recovery of rates.
10191017	STERNBERG TRUST	63 526.95	Paying R2000.00 per month as per arrangement
10266115	SPARAX TRADING 62 PTY LTD	59 114.67	Debtor is overseas, summons cannot be served. Options being explored as to how we may proceed to recover the debt.
10316904	UMUSAWAKHOPK TRADING (PTY) LTD	52 731.90	Lease Ice Cream Parlour. Arrear rental being dealt with by Legal and Estates
10147128	KIMMIE	51 903.65	In the process of selling property, full payment will be received upon transfer
		2 424 179.00	

HIGH COURT/ DEFENDED MATTERS

10166682	SULAGAN	523 813.39	The taxing master has set down the matter for 22nd March 2016 for arguments on the taxation of the legal costs
10221640	SULAGAN	345 484.11	High Court Building Claim. Awaiting taxation
10148868	MORNING GLORY PROP (PTY)LTD	268 476.46	Founding affidavit has been prepared by attorney and are in the process of being filed together with summons for the re- registration and liquidation of property
10202784	AMRICHPROP 43 PROPERTIES	112 339.06	High Court Vacant land dispute. Awaiting trial date
10203967	JABATTA MANUFACTURERS (PTY)	110 209.42	High Court Vacant land dispute. Awaiting trial date
10116797	JABATTA MANUFACTURERS (PTY)	105 546.27	High Court Vacant land dispute. Awaiting trial date
10101078	BERNHARD	85 999.14	High Court Vacant land dispute. Awaiting trial date
10340132	AMRICHPROP 43 PROPERTIES	52 927.70	High Court Vacant land dispute. Awaiting trial date
		1 604 795.55	

6.5 Grants and Subsidies

For financial year 2016/2017 this municipality will receive R 109 353 930 for Government grants and subsidies.



As indicated above, 33% of the income anticipated to be received by the municipality relates to property rates, second only to Government Grants which represent 50% of the estimated income. Included in the grants and subsidies are the equitable share allocation which has been calculated at R 61, 1 million, followed by R 1, 8 million allocated for the Finance Management Grant, as well as R 5 million from the Departments of Arts and Culture for library services and the remainder as non-cash recognition of capital grants in accordance with the GRAP standards. In addition R 1, 05 million has been allocated for the EPWP grant.

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		31 529	36 503	-	66 334	66 334	66 334	73 696	66 598	65 986
Local Government Equitable Share		27 805	32 963		60 678	60 678	60 678	61 104	58 906	62 683
Finance Management		1 865	1 650		1 800	1 800	1 800	1 825	2 020	2 142
Municipal Systems Improvement		859	890		930	930	930	-	-	-
EPWP Incentive		1 000	1 000		1 069	1 069	1 069	1 053	1 106	1 161
Municipal Demarcation Transition Grant					1 857	1 857	1 857	9 714	4 566	-
Provincial Government:		2 492	5 075	-	4 939	4 939	4 939	5 019	5 270	5 533
Provincialisation of libraries, Environmental Manag		2 492	5 075		4 939	4 939	4 939	5 019	5 270	5 533
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers:		521	279	-	-	-	-	-	-	-
SETA		195	279							
Umdoni Industrial, SMME, Tourism, Agri, Old Mutual		326								
Total Operating Transfers and Grants	5	34 542	41 857	-	71 273	71 273	71 273	78 715	71 868	71 520
Capital Transfers and Grants										
National Government:		22 572	33 164	-	31 114	31 114	31 114	30 639	16 286	17 135
Municipal Infrastructure Grant (MIG)		22 572	33 164		20 060	20 060	20 060	18 639	16 286	17 135
Grant - Scottburgh CBD Rehab Municipal Disaster Recovery Grant					11 054	11 054	11 054	12 000	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Mun. pound, Housing, Library Services, Agri&Env Affairs										
District Municipality: <i>Sustainable Livelihood, Flagship, Tourism Development, Youth Development</i>		-	-	-	-	-	-	-	-	-
Other grant providers:		-	200	-	-	-	-	-	-	-
SETA			200							
Park Rynie Industrial Park, Thusong Centre										
Total Capital Transfers and Grants	5	22 572	33 364	-	31 114	31 114	31 114	30 639	16 286	17 135
TOTAL RECEIPTS OF TRANSFERS & GRANTS		57 114	75 221	-	102 387	102 387	102 387	109 354	88 154	88 655

6.6 Municipal Infrastructure Assets and Maintenance

The Municipality must ensure that the asset management system is fully implemented and functional. There is a need for the municipality to identify all the unutilized assets so that they can be disposed of. The status of the asset register review process and asset verification starts towards the end of January every financial year. This is an ongoing process that is now done in-house by Umdoni Municipality and consultants are only called in for a review to ensure we comply with required standards. The municipality will appoint a New Manager that will be responsible for Assets and Liabilities as it has been proposed in the reviewed organogram.

The Municipality is utilizing computerized asset management software and is already in the process of investigation, identification and implementation of suitable integrated asset management system. This will also include the capture of all assets onto the system, the maintenance of this system and the production of a complete asset register in terms of GRAP requirements.

All assets are maintained through repairs and maintenance budget. Also we have insured all municipal Infrastructural assets. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. During the compilation of the 2016/2017 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure. The budget allocated for repairs and maintenance is R 11 971 100.00 for 2016/2017 financial year. The repairs and maintenance budget forms 6% of budgeted expenditure for the year. Although the NT circular recommends 8% of PPE to be budgeted for repairs and maintenance, Umdoni has budgeted approximately 2%. The reasons for this are twofold. First and foremost; the municipality cannot afford to budget the recommended 8%. Further, approximately R 10 million has been budgeted under the capital budget to upgrade roads due to the nature of the work to be done. This is in line with what the municipality can afford as well as the capacity to carry out the necessary works.

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		4 966	2 287	2 125	4 250	4 573	4 573	4 405	4 625	4 857
Infrastructure - Road transport		4 722	1 926	1 928	4 000	4 304	4 304	4 000	4 200	4 410
Roads, Pavements & Bridges		4 722	1 926	1 928	4 000	4 304	4 304	4 000	4 200	4 410
Storm water										
Infrastructure - Electricity		77	190	118	160	172	172	180	189	198
Generation										
Transmission & Reticulation										
Street Lighting		77	190	118	160	172	172	180	189	198
Infrastructure - Water		109	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification		109								
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		58	170	80	90	97	97	225	236	248
Waste Management		58	64	80	90	97	97	225	236	248
Transportation	2									
Gas										
Other	3		106							
Community		277	455	741	-	-	-	955	1 003	1 053
Parks & gardens										
Sportsfields & stadia										
Swimming pools		277	403	343				835	877	921
Community halls										
Libraries										
Recreational facilities			4							
Fire, safety & emergency				55				120	126	132
Security and policing			20	197						
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8		27							
Other				146						
Heritage assets		261	-	-	-	-	-	-	-	-
Buildings										
Other	9	261								
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		2 724	2 814	3 519	5 826	6 268	6 268	6 431	5 650	5 932
General vehicles		1 302	1 391	1 473	1 632	1 755	1 755	1 808	1 898	1 993
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		825	661	579	991	1 066	1 066	980	1 029	1 080
Computers - hardware/equipment		2	2	22	15	16	16			
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		579	760	1 359	1 715	1 845	1 845	3 177	2 233	2 344
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		16		85	1 473	1 585	1 585	467	490	515
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	8 228	5 556	6 385	10 076	10 841	10 841	11 791	11 278	11 841
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
R&M as a % of PPE		1.6%	1.1%	1.3%	1.4%	1.5%	1.5%	1.5%	1.4%	1.5%
R&M as % Operating Expenditure		5.6%	3.7%	3.9%	5.0%	5.3%	5.3%	5.4%	5.6%	5.7%

6.7 Current and Planned Borrowings

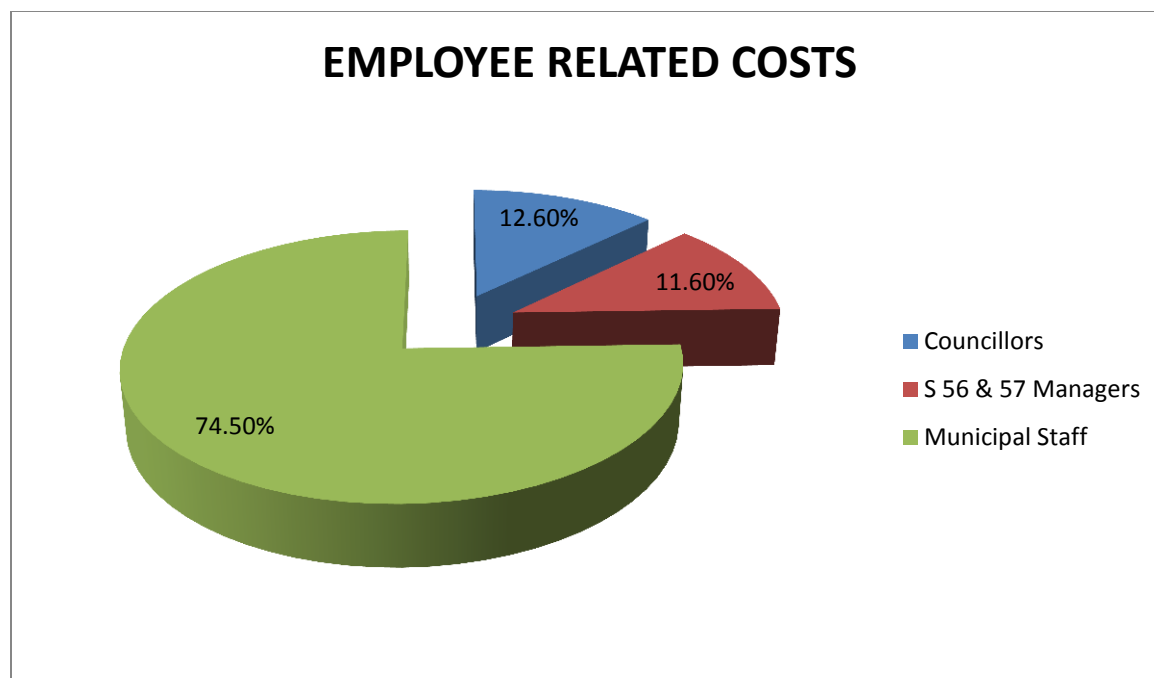
Borrowing cost can be defined as interest and other costs incurred by the municipality in relation to the borrowing of funds. Explaining in a more technical way, borrowing costs refer to the expense of taking out loan expenses like interest payments incurred from a loan or any other kind of borrowing. Interest also counts amortization of premium/discount on debt. Other costs include amortization of debt issue costs and some foreign exchange differences which are treated as an adjustment of internal cost. Umdoni Municipality borrowing cost ratio is 0.8: 2.5.

Borrowing - Categorized by type R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality										
Long-Term Loans (annuity/reducing balance)		295	128	4 970	3 813	3 813	3 813	2 437	936	983
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	295	128	4 970	3 813	3 813	3 813	2 437	936	983
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	295	128	4 970	3 813	3 813	3 813	2 437	936	983

6.8 Employee Related Costs (Including Council Allowances)

The Employee related costs is estimated R71 062 714.00, 22% of the total operational budget the remuneration of councilors accounts for R7 330 632.00, 2.3% of the total operational budget.

COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS



CONTRACTED SERVICES

Contracted Services	2012/2013	2013/2014	2014/2015	2015/2016 (Budget)
Actual/Budget	15 421 955	20 102 795	15 554 079	18 720 000
Total Expenditure	146 779 612	157 584 461	165 168 586	203 169 556
% Spent	10.51%	12.76%	9.42%	9.21%

Budgets

National Treasury has published draft budget and reporting regulations in accordance with the relevant provisions of the MFMA. This resulted in the organogram changes of finance directorate in order to effectively deal with those budget regulations. Umdoni Municipality complied with these regulations from the inception and will maintain full compliance in the 2016/2017 financial year. Umdoni Municipality complied with the National Treasury Budget and Reporting Regulation formats introduced in 2010/11. The municipality is aware that there is a project called Standard Chart of Accounts (SCOA) planned by National Treasury to be implemented in the 2016/2017 financial year.

SCOA As part of the SCOA classification process perfect alignment between the Municipal Budget and Reporting Regulations and specimen annual financial statements will facilitate the compilation of an appropriation statement and ensure compliance to the Standards of GRAP 24.

The following are additional benefits of SCOA

Improve LG sphere's ability to deliver basic services to all through:

- a) Improved financial sustainability
- b) Facilitation of medium term planning and policy choices on service delivery

The SCOA shall achieve this by formalizing financial classification norms and standards.

This shall, in turn, improve:

- a) Credibility, Sustainability, Transparency, Reliability, Relevance; and
- b) Comparability of budgets and in year reports of municipalities and municipal Entities

Forms part of MFMA financial management reforms and is directly aligned to the MBRR and in-year reporting framework (Section 71 and 72 reporting)

- a) Contributes to evidence-based financial management and decision-making
- b) More predictable financial classification system for financial practitioners

6.9 AUDITOR-GENERAL'S REPORTS

For any investor to invest in any area, they need to see the municipality is financially disciplined. They want to see that their investments will be protected and then obviously profitable. This includes adherence to statutory requirements, the assurance that the financial statements are prepared timeously and a good record of unqualified reports. Indeed Umdoni Municipality has displayed all of these and for seven consecutive years has produced unqualified financial statements (2008/2008 – 2014/2015). This Municipality is confident that for the 2015/2016 financial year as well they will indeed be issued with another unqualified report by the Auditor General. In addition, the municipality has targeted and is working towards maintaining a clean audit administration by 2016. The Umdoni municipality has significantly improved its financial liquidity in the past four years and matters of emphasis on the audit findings the main challenge is still the municipal assets however there municipality has action plans in place to address it.

6.10 SWOT ANALYSIS

Supply Chain Management (SCM)

This unit consists of four staff and is headed by the Manager: SCM.

A key emphasis made in the code of conduct for SCM practitioners is that these are positions of trust, implying the duty to act in the public interest. There must be declaration of business, commercial and financial interests, accountability for actions and decisions taken through transactions for procurement of goods and services. Corruption and maladministration undermine the constitutional commitment to human dignity, achievement of equality and advanced human rights. Government and Supplier information must be confidential and protected to not infringe on contractors personal rights. Unethical and illegal practices such as fictitious quotations cover quoting, lower prices and non-existing competition must be prevented.

It is the responsibility of the Accounting Officer through the SCM policy to provide measures and take steps that prevent the abuse of SCM system. To investigate all allegations against an official and other role players of fraud, favoritism, unfair and irregular practices or failure to comply with SCM policy where justified. Appropriate steps against such official must be taken and report any alleged criminal conduct to the SAPS. Before awarding the contract the SCM section ensures neither the recommended Bidder has quoted according to the specifications provided nor it submitted all the required documentation nor it is not restricted or blacklisted on National and Provincial Treasury data base or any Public sector Data Base in terms of Section 38(1) (g) (iv) the register of defaulter should be accessed on the National Treasury website.

The SCM Unit also checks if the bidder is not in arrears with Rates for more than 3 months and whether the tax matters are up to date. The bidder also checked if it has performed satisfactory on the previous contracts and has not committed any corrupt or fraudulent act in competing for the particular contract. If then the Bidder has committed any corrupt or fraudulent activity during the bidding process the contract will be cancelled with immediate effect. An official or other role player committed any corrupt or fraudulent activity during the bidding process or the execution of contract that benefited the service provider will lead to cancellation of the contract.

There are three bid committees in place and their functions are briefly as follows:-

Bid Specification Committee

Compiles the specifications for the procurement of goods and services by the municipality

Number of meetings for the financial year =

Bid Evaluation Committee

Evaluates bids and recommends to the bid adjudication committee, regarding award of the

bid. Number of meetings for the financial year =

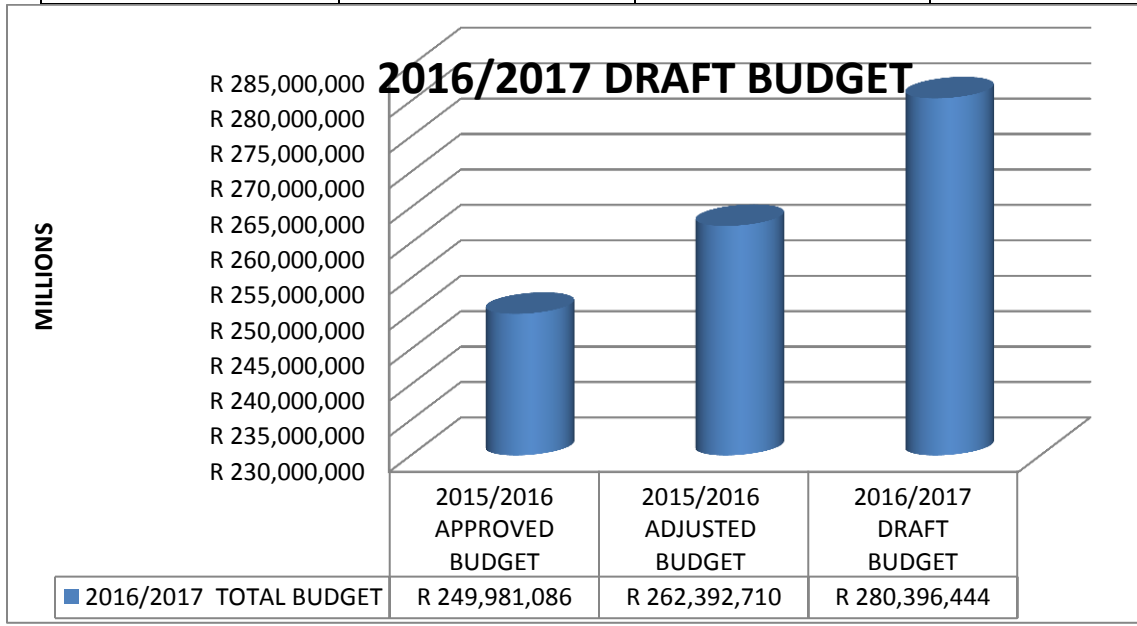
Bid Adjudication Committee

Considers the report and recommendations of the bid evaluation committee and depending on its delegations, makes a final award; or makes further recommendation to the Accounting Officer on how to proceed with relevant procurement of goods and services

Number of meetings for the financial year

TOTAL MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

Description	Approved budget 2015-2016 '000	Adjusted Budget 2015-2016 '000	Draft Budget 2016-2017 '000
Total Operating Revenue	203,703	203 169	216 571
Total Operating Expenditure	192,337	203 168	216 570
Total Capital Budget	57,643	59, 223	63 824



OPERATING REVENUE

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
Financial Performance										
Property rates	63 661	64 967	68 991	70 060	70 064	70 064	70 064	72 082	76 393	80 962
Service charges	7 267	7 365	7 196	8 250	8 250	8 250	8 250	8 663	9 096	9 721
Investment revenue	4 763	5 046	5 848	4 250	6 000	6 000	6 000	7 500	8 500	9 250
Transfers recognised - operational	57 114	40 072	52 846	71 273	71 273	71 273	71 273	78 715	71 868	71 520
Other own revenue	17 258	18 553	15 558	21 003	16 051	16 051	16 051	18 973	19 922	20 918
Total Revenue (excluding capital transfers and contributions)	150 063	136 003	150 439	174 836	171 638	171 638	171 638	185 932	185 778	192 371

- Revenue to be generated from property rates is R72 082 mil in the 2016/2017 financial year and increase to R8 880 mil by 2018/2019 which represents 10.97 per cent of the operating revenue base of the municipality. It remains relatively constant over the medium-term. The new valuation of properties for the next 5 years will be started 2016/2017.
- Service charges relating to refuse removal constitutes the second biggest component of the revenue basket of the municipality totaling R8 662 mil for the 2016/2017 financial year and increasing to R1 058 mil by 2018/2019. For the 2016/2017 financial year service charges amount to 10.89 per cent of the total revenue base and increases by an average of 5 per cent per annum over the medium-term.
- Operational grants and subsidies amount to R109 353 mil, R88 154 mil and R88 654 mil for each of the respective financial years of the MTREF, or 58, 59 and 58 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are the biggest component of the revenue basket.
- Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R7.5mil, R8.5 mil and R9.25 mil for the respective three financial years of the 2016/2017 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions.
- The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.
- Non-cash items, such as depreciation, impairment losses and contribution to provisions contribute are also recognized. For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.
- The MTREF therefore provides for a balances and cash backed budget of R185 932 mil, R186 778 mil and R192 371 mil in each of the financial years.

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
Financial Performance										
Property rates	63 661	64 967	68 991	70 060	70 064	70 064	70 064	72 082	76 393	80 962
Service charges	7 267	7 365	7 196	8 250	8 250	8 250	8 250	8 663	9 096	9 721
Investment revenue	4 763	5 046	5 848	4 250	6 000	6 000	6 000	7 500	8 500	9 250
Transfers recognised - operational	57 114	40 072	52 846	71 273	71 273	71 273	71 273	78 715	71 868	71 520
Other own revenue	17 258	18 553	15 558	21 003	16 051	16 051	16 051	18 973	19 922	20 918
Total Revenue (excluding capital transfers and contributions)	150 063	136 003	150 439	174 836	171 638	171 638	171 638	185 932	185 778	192 371
Employee costs	55 071	58 355	61 703	66 795	65 275	65 275	65 275	69 754	73 241	76 903
Remuneration of councillors	5 359	5 688	6 242	6 782	6 838	6 838	6 838	7 331	7 697	8 082
Depreciation & asset impairment	21 386	29 848	29 417	29 000	29 158	29 158	29 158	29 381	30 200	30 804
Finance charges	14	2	273	500	500	500	500	392	412	432
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	3 896	3 812	3 787	3 787	3 787	5 615	5 896	6 191
Other expenditure	64 950	56 936	63 637	94 006	97 611	97 611	97 611	104 098	84 615	87 093
Total Expenditure	146 780	150 829	165 169	200 896	203 170	203 170	203 170	216 570	202 061	209 505
Surplus/(Deficit)	3 284	(14 826)	(14 729)	(26 059)	(31 532)	(31 532)	(31 532)	(30 638)	(16 283)	(17 134)
Transfers recognised - capital	-	35 150	16 732	26 060	31 532	31 532	31 532	30 639	16 286	17 135
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	3 284	20 323	2 003	1	1	1	1	1	3	1
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	3 284	20 323	2 003	1	1	1	1	1	3	1

CAPITAL REVENUE

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
Capital expenditure & funds sources										
Capital expenditure	29 896	33 993	27 217	57 934	63 334	63 334	63 334	63 825	12 075	500
Transfers recognised - capital	23 006	29 519	12 981	26 405	26 842	26 842	26 842	31 108	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	626	5 863	-	-	-	-	-	-	-
Internally generated funds	6 890	3 848	8 373	31 529	36 492	36 492	36 492	32 717	12 075	500
Total sources of capital funds	29 896	33 993	27 217	57 934	63 334	63 334	63 334	63 825	12 075	500

- Capital grants and receipts equate to 50.9% of the total funding source, which represents R63, 825 million for the 2016/2017 financial year.

FINANCIAL PLAN

Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
			Funding measures									
Cash/cash equivalents at the year end - R'000	18(1)b	1	69 210	67 839	91 818	60 290	81 171	81 171	81 171	81 691	103 435	137 228
Cash + investments at the yr end less applications - R'000	18(1)b	2	75 413	85 225	97 186	99 055	73 360	81 802	81 802	165 051	184 943	194 190
Cash year end/monthly employee/supplier payments	18(1)b	3	8.5	8.2	10.6	5.8	7.9	7.9	7.9	7.3	9.5	12.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	3 284	20 323	2 003	1	1	1	1	1	3	1
Service charge rev %change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(4.0%)	(0.7%)	(3.2%)	(6.0%)	(6.0%)	(6.0%)	(2.9%)	(0.1%)	0.1%
Cash receipts %of Ratepayer & Other revenue	18(1)a,(2)	6	100.1%	103.0%	102.6%	95.9%	101.1%	101.1%	101.1%	100.0%	100.0%	100.0%
Debt impairment expense as a %of total billable revenue	18(1)a,(2)	7	4.4%	1.6%	2.1%	2.6%	2.6%	2.6%	2.6%	1.9%	1.8%	1.7%
Capital payments %of capital expenditure	18(1)c,19	8	100.0%	100.0%	98.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts %of capital expenditure (excl. transfers)	18(1)c	9	0.0%	(3.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants %of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors %change - incr(decr)	18(1)a	11	N.A.	(6.8%)	(8.5%)	(21.1%)	0.0%	0.0%	0.0%	3.2%	(0.7%)	5.0%
Long term receivables %change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M %of Property Plant & Equipment	20(1)(vi)	13	1.6%	1.1%	1.3%	1.4%	1.5%	1.5%	1.6%	1.5%	1.4%	1.5%
Asset renewal %of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	59.9%	53.5%	53.5%	0.0%	36.9%	0.0%	0.0%

Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a			2.0%	5.3%	2.8%	0.0%	0.0%	0.0%	3.1%	5.9%	6.1%
% incr Property Tax	18(1)a			2.1%	6.2%	1.5%	0.0%	0.0%	0.0%	2.9%	6.0%	6.0%
% incr Service charges - electricity revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - water revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - sanitation revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - refuse revenue	18(1)a			1.3%	(2.3%)	14.7%	0.0%	0.0%	0.0%	5.0%	5.0%	6.9%
% incr in Service charges - other	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		70 928	72 332	76 187	78 310	78 314	78 314	78 314	80 744	85 489	90 683
Service charges			70 928	72 332	76 187	78 310	78 314	78 314	78 314	80 744	85 489	90 683
Property rates			63 661	64 967	68 991	70 060	70 064	70 064	70 064	72 082	76 393	80 962
Service charges - electricity revenue			-	-	-	-	-	-	-	-	-	-
Service charges - water revenue			-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-	-
Service charges - refuse removal			7 267	7 365	7 196	8 250	8 250	8 250	8 250	8 663	9 096	9 721
Service charges - other			-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			4 515	5 059	4 031	4 879	4 282	4 282	4 282	4 944	5 191	5 451
Capital expenditure excluding capital grant funding			6 890	4 474	14 236	31 529	36 492	36 492	36 492	32 717	12 075	500
Cash receipts from ratepayers	18(1)a		88 253	93 607	94 127	95 250	95 448	95 448	95 448	99 718	105 410	111 601
Ratepayer & Other revenue	18(1)a		88 186	90 884	91 745	99 313	94 365	94 365	94 365	99 718	105 410	111 601
Change in consumer debtors (current and non-current)			(2 221)	(2 837)	(3 313)	(7 484)	(7 484)	(7 484)	(7 484)	900	(205)	1 435
Operating and Capital Grant Revenue	18(1)a		57 114	75 222	69 578	97 333	102 805	102 805	102 805	109 354	88 154	88 655
Capital expenditure - total	20(1)(vi)		29 896	33 993	27 217	57 934	63 334	63 334	63 334	63 825	12 075	500
Capital expenditure - renewal	20(1)(vi)		-	-	-	34 674	33 904	33 904		23 550	-	-
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%

Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
			Total Operating Revenue			150 063	136 003	150 439	174 836	171 638	171 638	171 638
Total Operating Expenditure			146 780	150 829	165 169	200 896	203 170	203 170	203 170	216 570	202 061	209 505
Operating Performance Surplus/(Deficit)			3 284	(14 826)	(14 729)	(26 059)	(31 532)	(31 532)	(31 532)	(30 638)	(16 283)	(17 134)
Cash and Cash Equivalents (30 June 2012)										81 691		

Capital Revenue											
Internally Funded & Other (R'000)		6 890	3 848	8 373	31 529	36 492	36 492	36 492	32 717	12 075	500
Borrowing (R'000)		-	626	5 863	-	-	-	-	-	-	-
Grant Funding and Other (R'000)		23 006	29 519	12 981	26 405	26 842	26 842	26 842	31 108	-	-
Internally Generated funds % of Non Grant Funding		100.0%	86.0%	58.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding		0.0%	14.0%	41.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding		77.0%	86.8%	47.7%	45.6%	42.4%	42.4%	42.4%	48.7%	0.0%	0.0%
Capital Expenditure											
Total Capital Programme (R'000)		29 896	33 993	27 217	57 934	63 334	63 334	63 334	63 825	12 075	500
Asset Renewal		-	-	-	34 674	33 904	33 904	33 904	23 550	-	-
Asset Renewal % of Total Capital Expenditure		0.0%	0.0%	0.0%	59.9%	53.5%	53.5%	53.5%	36.9%	0.0%	0.0%
Cash											
Cash Receipts % of Rate Payer & Other		100.1%	103.0%	102.6%	95.9%	101.1%	101.1%	101.1%	100.0%	100.0%	100.0%
Cash Coverage Ratio		0	0	0	0	0	0	0	0	0	0
Borrowing											
Credit Rating (2009/10)									0		
Capital Charges to Operating		0.0%	(0.0%)	0.5%	0.8%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%
Borrowing Receipts % of Capital Expenditure		0.0%	(3.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves											
Surplus/(Deficit)		75 413	85 225	97 186	99 055	73 360	81 802	81 802	165 051	184 943	194 190
Free Services											
Free Basic Services as a % of Equitable Share		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)		7.5%	0.0%	9.6%	10.8%	11.4%	11.4%		10.7%	11.3%	11.3%
High Level Outcome of Funding Compliance											
Total Operating Revenue		150 063	136 003	150 439	174 836	171 638	171 638	171 638	185 932	185 778	192 371
Total Operating Expenditure		146 780	150 829	165 169	200 896	203 170	203 170	203 170	216 570	202 061	209 505
Surplus/(Deficit) Budgeted Operating Statement		3 284	(14 826)	(14 729)	(26 059)	(31 532)	(31 532)	(31 532)	(30 638)	(16 283)	(17 134)
Surplus/(Deficit) Considering Reserves and Cash Backing		75 413	85 225	97 186	99 055	73 360	81 802	81 802	165 051	184 943	194 190
MTREF Funded (1) / Unfunded (0)		15	1	1	1	1	1	1	1	1	1

6.9 Auditor-General's Reports

For any investor to invest in any area, they need to see the municipality is financially disciplined. They want to see that their investments will be protected and then obviously profitable. This includes adherence to statutory requirements, the assurance that the financial statements are prepared timeously and a good record of unqualified reports. Indeed Umdoni Municipality has displayed all of these and for seven consecutive years has produced unqualified financial statements (2008/2008 – 2014/2015). This Municipality is confident that for the 2015/2016 financial year as well they will indeed be issued with another unqualified report by the Auditor General. In addition, the municipality has targeted and is working towards maintaining a clean audit administration by 2016. The Umdoni municipality has significantly improved its financial liquidity in the past four years and matters of emphasis on the audit findings the main challenge is still the municipal assets however there municipality has action plans in place to address it.

Financial Viability and Management: SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> ▪ Fully established and functional Supply Chain Management Committees ▪ Political Stability ▪ Unqualified audit reports ▪ Implementation of free basic services (refuse removal and supply of alternative energy) ▪ Sound reserves and liquidity ▪ Adoption of financial related policies ▪ Availability of an Audit Committee and Internal Audit ▪ Availability of the Revenue Enhancement Strategy and debt recovery 	<p>Weaknesses</p> <ul style="list-style-type: none"> ▪ Shortage of staff ▪ Limited sources of funding and revenue ▪ Delayed implementation of SCM <p>Processes</p> <ul style="list-style-type: none"> ▪ Slow turn-around time with SCM Bid Committees ▪ Inability to attract and retain adequately skilled and experienced staff ▪ Dependency on government grant <p>Funding</p> <ul style="list-style-type: none"> ▪ Non-payment of rates and service charges (Low debt recovery rate)
<p>Opportunities</p> <ul style="list-style-type: none"> ▪ Implementation of Municipal Property Rates Act ▪ Internship programme made available through funding from Financial Management Grant ▪ Implementation of enabling legislation (Municipal Systems Act, National Credit Act) 	<p>Threats</p> <ul style="list-style-type: none"> ▪ Unfunded mandate (e.g. library, landfill site & Disaster management)(note to strategy: In terms of Constitution library functions does not fall within the ambit of local municipalities) ▪ High staff turnover ▪ Economic Recession

7. GOOD GOVERNANCE & PUBLIC PARTICIPATION ANALYSIS

7.1.1 Good Governance Analysis

PROGRESS ON OPERATION SUKUMA SAKHE

Number of ward in this Local Municipality.09 Wards has war-rooms operational. War room 10 is in the process of resuscitation. All ten war rooms were established

<u>WARD NO</u>	<u>NAME OF THE CONVENERS</u>	<u>WARD NO</u>	<u>NAME OF THE CONVENER</u>
01	Mrs. Shibe(DoH)	06	Mr Majola(Sassa)
02	Mr.Nkontwana(DoH)	07	Mr. Manci(DoA)
03	Mrs.Mkhize(DoH)	08	Mr .Cele(DoHA)
04	Mr.Madiba(Env.Affairs)	09	Mr.Mthembu(DsD)
05	Mrs.Vilakazi(DsD)	10	Mr.Mchumu(Human Settlements)

DAYS WHEN WAR ROOMS ARE HELD

<u>WARD NO</u>	<u>DAYS</u>	<u>WARD NO</u>	<u>DAYS</u>
01	Mondays	06	Wednesdays
02	Wednesdays	07	Wednesdays
03	Challenges	08	Thursday s
04	Fridays	09	Tuesdays
05	Fridays	10	Challenges

7.1.1 CHALLENGES REGARDING OPERATION SUKUMA SAKHE

- Non submission of Reports timeously in Ward 3 and 10
- Profiling from all reported war-rooms
- Lack of Youth Ambassadors
- Ward 10 war room poorly functional due to the number of CCGs
- Non-attendance of Sector Departments, Conveners and Councillors at LTT meetings and War-rooms
- Lack of Community Structures formed by Youth Ambassadors

7.1.1.2 Community Works Programme

Community Works Programme is the initiative designed to provide employment safety net, by providing participants with a predictable number of days of work per month, thus supplementing the livelihoods strategies and affording them a basic level of income security through work labour.

The programme targeted at unemployed or underemployed people over 18 years of age, including those whose livelihoods activities are insufficient to lift them out of poverty. It is implemented at the local level and is designed to employ a minimum of 1000 people per site for two days a week, or eight days per month up to a maximum of three days

7.1.3 Intergovernmental Relations (IGR)

The municipality fosters relations with other spheres of government and participates in various intergovernmental activities to promote a closer working relationship between the various spheres of government. Council is of the view that these relationships can assist in enhancing government's services to the communities of the Umdoni Municipal Area.

The municipality delegated officials and Councillors to the following forums:

Table: 50 Involvement in IGR Structures

Forum	Frequency	Responsibility
Premiers coordinating forum	Quarterly	Municipal Manager/Mayor
Provincial and District Municipal Manager's Forum	Quarterly	Municipal Manager/Mayor
MuniMeC	Quarterly	Municipal Manager/ Mayor
District Development and Planning Forum	Quarterly	General manager Planning and Development/IDP Manager/Senior Town Planner
Local economic development forum	Quarterly	General Manager Planning and Development LED
Disaster Management Forum	Quarterly	Fire and Disaster
Provincial Planning Law Forum	Quarterly	General Manager Planning and Development/IDP Manager/Senior Town Planner
Asset Management Forum	Quarterly	CFO/manager Budget
SCM Forum	Quarterly	CFO/manager SCM
Property Rates Forum	Quarterly	CFO/Manager Income
Provincial CFO,s Forum	Quarterly	CFO

7.1.3 Municipal Structures

(A) Ward Committees

Section 152 of the Constitution places the participation of communities at the centre of service delivery and other matters of Local Government, the Municipal Structures Act, and (Act 117 of 1998).Municipal Systems Act, (Act 32 of 2000) provides the legislative framework for the establishment of Ward Committees within the municipality and its area of jurisdiction. Ward Committees were introduced in municipalities as community structures to play a critical role in linking and informing the municipality about the needs, potentials and challenges of the communities.

ESTABLISHMENT OF WARD COMMITTEES

Notice was given in terms of Chapter 4 of the Local Government Municipal Systems Act 32 of 2000 and Part 4 of Chapter 4 of the Municipal Structures Act. Act 117 of 1998 for the established of Ward Committees in all Wards that fall within the jurisdiction of Umdoni. A Ward Committee was established for each Ward in the Municipality. Umdoni is sub-divided into ten Wards comprising of Rural and Urban components. To enable Ward Committees to perform their functions and exercise their powers effectively, a fully equipped office was allocated for the Ward Secretariat to perform his/her duties. The provisions of these facilities are to ensure that the Ward Committee's duties are performed in an efficient and effective manner. A Ward Committee Official is available at the office to offer support and assist administratively were necessary.

Composition of Ward Committees

A Ward Committee consists of the Councillor representing that Ward in the Council, who must also be the Chairperson of the Committee; and not more than 10 other persons. When electing members the following is taken into account as follows:-

Women must be equitably represented in a Ward Committee

Diversity of interests in the Ward to be represented

Gender equity may be pursued by ensuring an even spread of men and women on a Ward Committee.

Frequency of Ward Committee Meetings

In accordance with the Ward Committee Policy Ward Committees must meet at least once every quarter. Extra-ordinary meetings may be convened as and when the Committee deems it necessary. An annual schedule of meetings is circulated to all Ward Committees in preparation for forthcoming meetings. Due to the Local Government Elections that took place in the first quarter, no meetings were convened during this period

(B) IDP Representative Forum

The IDP Representative Forum (IDP RF) will be constituted as part of the preparation phase of the IDP and will continue its functions throughout the annual IDP Review processes.This forum represent all

stakeholders and will be as inclusive as possible. Efforts will be made to bring additional organisations into the IDP RF and ensure their continued participation throughout the process. It must be noted however that the municipality is still experiencing challenges due none attendance of some of the Sector Departments.

The proposed composition of the IDP RF is as follows:

EXCO members;

Councillors;

Traditional leaders;

Ward Committee Chairpersons;

Ward Committee Members;

Senior Municipal Officials;

Stakeholder representatives of organised groups;

Advocates of unorganised groups;

Resource persons;

Other community representatives;

National and Provincial Departments regional representatives;

NGO's; and

Parastatal organizations

(C) Executive Committee (EXCO)

The Executive Committee meets once on a monthly basis. All the meetings are open to the public. His worship the Mayor: Cllr TW Dube is the Chairperson of the Executive Committee, the Committee also comprises the following Councillors: Deputy Mayor: Cllr ST Khathi, Speaker: Cllr SSI Khwela, Cllr ZD Cele, Cllr NP Mpanza, Cllr BC Mngadi, Cllr EV Baptie and Cllr S Mzelemu. The EXCO has delegated powers to functions of the municipality except for Approval of the Budget, IDP, PMS, raising of tariffs, approval of policies and bylaws and appointment of Managers directly accountable to the Municipal Manager.

(D) Council

Umdoni Municipal Council consists of 37 Councillors, eight of which are full time Councillors. Council is responsible for the approval of the Approval of the Budget, IDP, PMS, raising of tariffs, approval of policies and bylaws and appointment of Managers directly accountable to the Municipal Manager.

(E) IDP Steering Committee

The municipality was using MANCO as its steering committee whereby a standing item was submitted on IDP, however this has partially worked to further enhance this, a separate steering committee needs to be established over and above this measure.

As the IDP Steering Committee has not been operational and it is our intention to revitalize it during the inception of the IDP preparation process in this financial year. The IDP SC will act as a support to the IDP Representative Forum, making technical decisions and inputs, to the Municipal Manager and the IDP Manager. This IDP SC, as well as the Representative Forum will be reconstituted for the IDP preparation process. The IDP SC will be chaired by the Municipal Manager and in his absence, by the IDP Manager. Secretariat will be provided by the IDP Manager. Members of the IDP SC will comprise of the Top Management, the staff responsible for the preparation of the IDP, PMS and Budget and any other members as the Municipal Manager may deem fit. The IDP will remain a standing item at MANCO.

(F) Municipal Public Accounts (MPAC)

Umdoni Municipality established the following committees: - Planning, Development, Infrastructure and Housing, Finance, Community Services, Corporate Governance and MPAC in line with Section 79 of the Municipal Structures Act.

The main role of these committees is to play an oversight function on any administrative matters and make recommendations to Council. The committees assist both administrative and political leadership to make informed decisions and deal with matters objectively and transparently

7.1.4 Audit and Performance Audit Committee

The various pieces of legislation for South Africa requires the establishment of an Audit Committee, with its roles and responsibilities clearly defined within a written terms of reference.

The Local Government Municipal Planning and Performance Regulations 2001 require a municipality to appoint, as an integral part of its mechanisms, systems and processes for auditing results of performance measurements a Performance Audit Committee.

The Municipality considered appropriate in terms of economy, efficiency and effectiveness to consolidate the functions of the aforementioned committees and establish an Audit and Performance Audit Committee (PAC). The PAC is the shared amongst local municipality of the Ugu District Municipality. Municipality's PAC consists of four members with different areas of expertise. The committee meets quarterly.

The PAC is an independent advisory committee appointed by Council to create a channel of communication between Council, management and the auditors both internal and external. It provides a forum for discussing accounting practices, business risk control issues and performance management. This Committee reports directly to Council.

The primary objective of this committee is to advise the municipal Council, the political office –bearers, the accounting officer and the management staff of the municipality on matters relating to:

Internal financial control

The Safeguarding of assets

The maintenance of an adequate control environment and systems of internal control

The successful implementation of the council’s risk management Strategy and effective operation of risk management processes

The preparation of accurate financial reporting in compliance with all legal requirements and accounting policies and standards

Effective corporate governance

The effectiveness of the municipality’s performance management system in ensuring the achievements of objectives set as per the Municipality’s IDP.

Any other issues referred to it by the municipality.

The detailed Internal Audit Chapter which clearly defined the roles and responsibilities, composition of the committee as well as meetings has been adopted.

7.1.4 STATUS OF MUNICIPAL POLICIES

The Municipality has developed and adopted a number sector plans, some sector plans are being developed and require funding to be secured.

Internal Policies

Table 51: Status of Municipal Policies

POLICIES	COMMENTS/ PROGRESS
Supply Chain Management Policy	Completed
Indigent Policy	Completed
Risk Assessment Plan	Completed
Employment Equity Plan	100% Completed
Skill Development Plan	100% Completed
Fleet Management Policy	100% Completed
Employment Equity Plan	100% Completed
Financial Plan	included in this document
Communication Plan	100% completed
IDP Process Plan	Completed
Comprehensive Infrastructure Plan	Draf
Speed Humps Policy	Completed
Rates Policy	Completed
Petty Cash Policy	Completed
Acting appointments Policy	Completed
Housing Allocation Policy	Completed
Policy on the Use of Beaches	Completed
Policy on the Use of Community Facilities	Completed
Municipal Youth Development Policy Framework	Completed
Recruitment and Selection Policy & Procedure	Completed

Overtime Policy	Completed
Study Leave	Completed
Telephone Policy	Completed
Council car wash Procedure	Completed
Mobile Signage Policy	Completed
Fraud Prevention Policy	Completed
Policy for placement of permanent poster placeholders	Completed
Policy on attendance, Punctuality and Official working Hours	Completed
Appointment of temporary employees	Policy approved but require reviewing
Cellphone Policy	Policy approved but require reviewing
Learnerships Procedures & Guidelines	Policy approved but require reviewing
Credit Control and Debt Collection Policy	Policy approved but require reviewing
Procurement Procedures	Policy approved but require reviewing
Attraction and Retention Policy	Policy Drafted but not approved
Cash Management and Investment Policy	Policy Drafted but not approved
Policy on Leases, Contracts & Agreements	Policy Drafted but not approved
Tariff Policy	Policy Drafted but not approved
Acting allowances Policy & Procedures	Approved
Policy on Attendance at Conferences & Workshops - Int. Travel (Incl Cllrs)	Approved
Disciplinary & Grievance Policy & Procedures	Approved
Exit & Termination Policy & Procedure	Approved
HIV & AIDS Policy	Approved
Induction & Orientation Policy & Procedure	Approved
Leave Policy	Approved
Job Evaluation Policy	Approved
Placement Policy	Approved
Remuneration Policy	Approved
Human Resources Management Policy	Approved
Job Description	Approved
Bed & Breakfast Policy	Approved
Encroachment Policy	Approved
Policy on Relaxation of Building Lines	Approved
Budget Policy	Approved
Internet & E-mail Policy	Approved
Grant In Aid Policy	Approved
Policy on the Use of Shipping Containers : Umdoni Municipality's Jurisdiction	Approved
Performance Management and Development Policy/Manual	Approved
Ward Committee Policy & Procedure	Approved
Occupational Health and Safety Policy	Approved
Internal Audit Charter	Approved
Directional Signage Policy	Approved
Policy for Placement of Banners	Approved

Signage ByLaws	Approved
Assets Management Policy	Approved
Credit Card Policy	Approved
EEDBS Policy	Approved
Policy on prevention of re-emergence of slums and land protection	Approved
Right Sizing Policy- Ghandinager	Approved

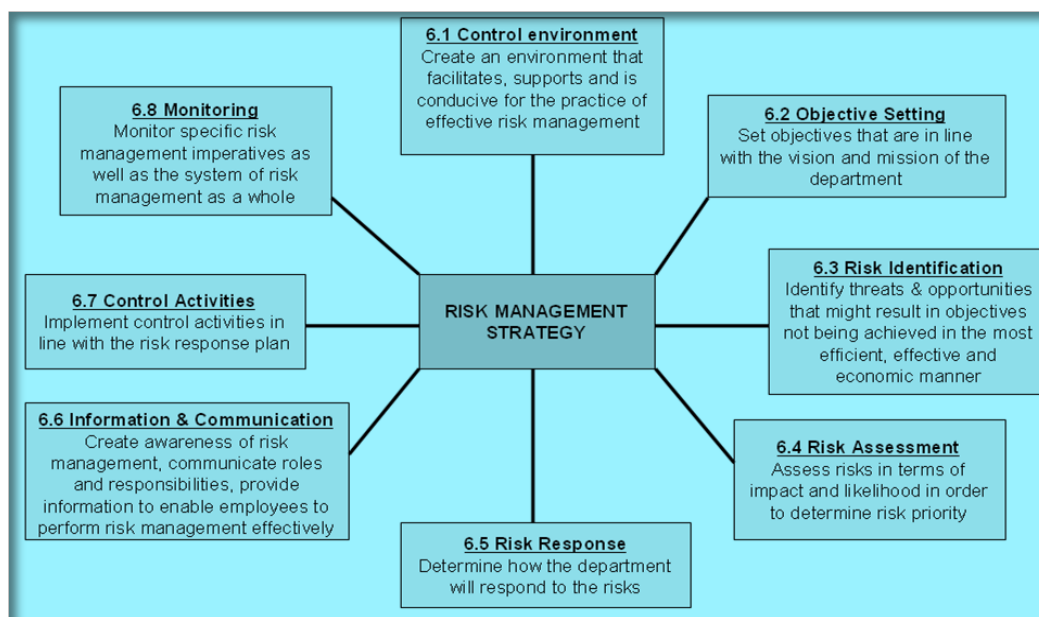
7.1.5 Municipal Risk Management

A risk-based audit plan which spans over three year period has been adopted by Council. Subsequent to an annual revision of the Risk assessment register, an Annual Internal Audit Plan is collated. Risk management is prevalent and rife with salient challenges which are not unique to the Umdoni environment.

Risk is addressed in the categories of Operational; Strategic; Informational; Financial; Legislative and Reputational/Social and is monitored on a low, medium and high rating scale.

Risk Management Committee (RMC) has been established. The Annual Internal Audit Plan for Financial Year 2016-17 will be primarily informed by the Risk Profiling process. To date a Risk Management Committee as per regulations has been established by the municipality. Council has adopted a phased-in approach herein. The Risk profiling Register has been reviewed by management with a support role by Representatives from Provincial Treasury.

Figure 37: Elements Underpinning Risk Management



7.1.7 PUBLIC PARTICIPATION ANALYSIS

The municipality does not have a separate community participation strategy but does however have a Communication strategy which is annexed to the document in which community participation is addressed. The municipality also has community participation programmes, such as:

Mayoral Izimbizo – these took place in the second quarter of the financial year

IDP/Budget Roadshows – these take place in the third quarter of a financial year and are done in collaboration with the district municipality

Customer Care vehicle – this service is new to the municipality and the first of its kind in the district where the municipality goes to the people in trying to assess their needs utilising a specialized vehicle and in doing so working together with other departments that offer social services to our communities. The targeted communities are those communities living in poverty stricken areas and those that have difficulty in accessing government services and information. The theme of the programme is “taking services closer to the people”.

During the review process of the IDP and particularly the public participation process it became apparent that approximately 50% of the issues raised and the projects suggested by communities relate to competencies which fall outside of the ambit of local government. Integrated planning between the different spheres of government is thus critically important if government wants to effectively fulfil its constitutional mandates and effectively address the socio-economic challenges faced by communities. IDP is increasingly becoming a cornerstone for intergovernmental planning and budget alignment. Resources are also limited and establishing strategic partnerships between the different spheres of government will certainly optimise the impact of such resources.

The IDP should therefore guide where sector departments allocate their resources at local government level. The municipality should however also take into consideration the sector department’s policies and programmes when developing its own policies and strategies. For this reason it is in the interest of the sector departments to participate in the IDP review process of the municipality to ensure alignment between development programmes.

GOOD GOVERNANCE & PUBLIC PARTICIPATION: SWOT ANALYSIS

COMBINED SWOT ANALYSIS

STRENGTHS	WEAKNESSES
Good Political Leadership Stable political environment	poor delivery of services Poor workmanship
Tourism, beaches (coastline) and potential of untouched ruralism	Lack of infrastructure- Stormwater management Aging infrastructure
delivery of Houses Access roads	Internal & External communication Lack of monitoring
	Water supply and Energy Lack of suitable land for Human Settlements
OPPORTUNITIES	THREATS
Location of Umdoni	Climate Change (leading Disaster, Heavy Rains)
Economic Potential i.e. Tourism, Beachfront, agriculture	Fraud and Corruption
Logistics and Transportation (Railway Line)	lack of service delivery Influx of people into the area – strain infra etc.
the size of Umdoni Proximity to the Metro & other Locals (major routes/ roads i.e. N2, R102 & R612)	lack of oversight Poverty and inequality Influx of migrants into the Municipality
	Revenue/ Inc income (financial viability) expenses growing more than income.
	Lack of economically driven (commercial) & sustainable developmental concepts/ projects

SECTION D: VISION GOALS, OBJECTIVES AND STRATEGIES

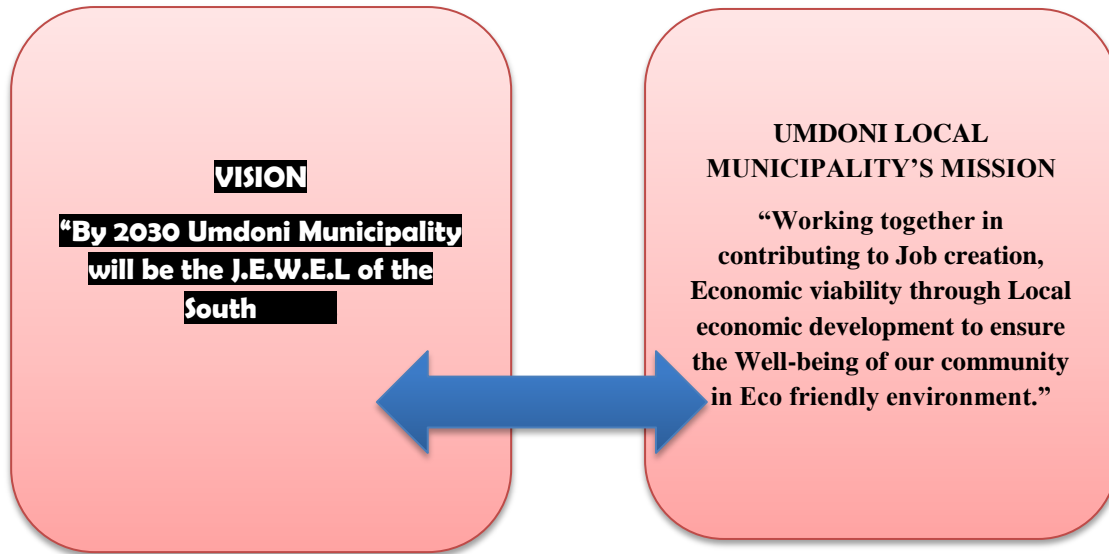
Strategic Planning is a critical component of the long term sustainable management of a municipality. Umdoni Municipality has already compiled a 5-year IDP which maps out the strategic direction of the municipality as part of an integrated system of planning and delivery. This 2017-2022 IDP endeavours to take stock of the performance in terms of the targets which the Council has set for itself and affirms that the municipality is still on track with its commitment to improve the livelihoods of the people in the Umdoni Municipal Area. The IDP remains the principal strategic planning instrument of the municipality and the review process provides an effective mechanism to determine in what way the IDP has informed the following aspects:

- The annual budget of the municipality;
- The budgets and investment programmes of all provincial and national sector departments;
- The business plans of the municipality;
- Land-use management decisions;
- Economic promotion measures;
- The municipality's organisational set-up and management systems; and
- The monitoring and performance management system.

The municipality is at the coal face of development in its area of jurisdiction and the dynamics, needs and priorities of its people change constantly. That is why the IDP of the municipality must be reviewed on an annual basis to keep track of such ever changing circumstances and dynamics. It is important that the implementation of projects and programmes by other spheres of government should reflect the changes in local conditions and their planning processes need to be linked to the IDP review of Umdoni Municipality. It is envisaged that the IDP will form the building blocks for achieving this long term vision.

VISION AND MISSION

Umdoni Municipality is committed to bridging the gap between the extremely rich and the extremely poor and that could not be better expressed in the Municipality's



VALUE STATEMENT

Value	Value Statement
Integrity	Display a level of unquestionable honesty and ethics
Responsiveness	Work to improve the quality of life for all our communities
Dedicated	Be Loyal and committed public servants
Efficiency	Ensure all actions are adding value to seamless service delivery
Human Dignity communities	Show profound respect and observance to human rights of all our communities
Accountability	Be transparent and open about all our actions

Having reviewed the development priorities, objectives and in some cases strategies: and exercise in agreeing to the priorities and then prioritising the priorities. Each participant had two priorities they could indicate under any national key performance area. Then each participant was given two stickers to vote. The votes were then counted and following logic of the most votes would be the highest priority: the following results were obtained and it was agreed:



KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

PGDS: Human Resource Development and Policy and Governance

OUTCOME 9: Differentiated Approach to Municipal Financing, Planning and Support

KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT							
Priority: Human Resources, Information Technology, Performance Management							
GOAL:	Effectiveness and efficiency of Human Resource, IT, PMS and Communication						
IDP Ref	Strategic Objective	Strategies/ Input	Measurable Objective/Output	Key Performance Indicator	Annual Target	Responsible Department	Budget
MTO1	To ensure effective and efficient human resource systems, processes and practices commensurate with applicable legislation and IDP imperatives for advanced service delivery	Develop and Adopt Human Resources Strategy	Developed and Adopted Human Resources Strategy by 30 June 2018	Develop and Adopt Human Resources Strategy by 30 June 2018	Develop and Adopt Human Resources Strategy by 30 June 2018	Corporate Services	R250 000
MTO2	To ensure effective and efficient human resource systems, processes and practices commensurate with applicable legislation and IDP imperatives for advanced service delivery	Review and Adopt 4 Human Resource Policies	Reviewed and Adopted 4 Human Resource Policies	Number of Human Resource Policies reviewed and Adopted by 30 June 2018	Reviewed and Adopted 4 Human Resource Policies by 30 June 2018	Corporate Services	R200 000
MTO3	To develop staff and ensure effective service delivery through training	Training of Staff as per WSP	Train 30 Staff Members as per the WSP	Number of Staff Members Trained as per the WSP	Train 30 Staff members as per WSP by 30 June 2018	Corporate Services	R1 500 000
MTO4	To develop Umdoni Councillors and ensure effective service delivery and Oversight through training	Training of Councillors as per WSP	Train 37 Councillors as per the WSP	Number of Councillors Trained as per the WSP by 30 June 2018	Train 37 councillors as per the WSP by 30 June 2018	Corporate Services	R500 000
MTO5	To ensure effective and efficient human resource systems, processes and practices commensurate with applicable legislation and IDP imperatives for advanced service delivery	Review and Adopt Organogram that is in line with the Skills of the Organization	Reviewed and Adopted Organogram	Review and Adopt Organogram by 30 June 2018	Review and Adopt Organogram by 30 June 2018	Corporate Services	R0

MTO6	To establish an efficient and effective ICT environment and infrastructure systems that will optimise business efficiency and productivity in line with IDP service delivery strategies	Review and Adopt ICT Policy, Strategy and Framework	Reviewed and Adopted ICT Policy, Strategy and Framework	Review and Adopt ICT Policy, Strategy and Framework by 30 June 2018	Review and Adopt ICT Policy, Strategy and Framework by 30 June 2018	Corporate Services	R250 000
		Develop and Adopt Enterprise Architecture (ICT)	Developed and Adopted Enterprise Architecture (ICT)	Develop and Adopt Enterprise Architecture by 30 June 2018	Develop and Adopt Enterprise Architecture by 30 June 2018	Corporate Services	R600 000
MTO7	To improve the institutional performance management culture and foster accountability	Review PMS Policy and Framework	Reviewed and adopted PMS Policy and Framework	Review and adopt PMS Policy and Framework by 31 July 2016	Review and adopt PMS Policy and Framework by 31 July 2016	OMM	R25 000

KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Priority 1& 2 : Roads, Maintenance and Sustainable Housing

Outcome 9:Improved Access to Basic Services

Goal	To Improve access to Basic Services for all communities						
IDP REF	Strategic Objective	Strategies	Measurable Objectives/Output	Key Performance Indicator	Annual Target	Responsible Department	Annual Budget
BSD1	To ensure that Umdoni communities have access to energy sources	Installation of 4 High Mast Lights in Umdoni communities	Install 4 High Mast Lights in Umdoni (Amandawe, Malangeni, Dududu, Dumisa)	Number of High Mast Lights installed in (Malangeni, Amandawe, Dududu, Dumisa) by 30 June 2018	Install 4 High Mast Lights (Malangeni, Amandawe, Dududu and Dumisa) by 30 June 2018	Technical Services	TBC
BSD2	To ensure that Umdoni communities have access to energy sources	Electrification of House Holds	Electrify 700 Households in Joni/Nduduma	Number of Households electrified in Joni/Nduduma by 30 June 2018	Electrify 700 Households in Joni/Nduduma by 30 June 2018	Technical Services	R8 000 000

KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Priority 1& 2 : Roads, Maintenance and Sustainable Housing

Outcome 9:Improved Access to Basic Services

Goal To Improve access to Basic Services for all communities							
IDP REF	Strategic Objective	Strategies	Measurable Objectives/Output	Key Performance Indicator	Annual Target	Responsible Department	Annual Budget
BSD3	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	Construction of Halls	Constructed 4 Community Halls (Mafithini, Mahlafuna, Mashanela, Nkosi uQiko)	Number of Community Halls constructed and completed (Mafithini, Mahlafuna, mashanela,Nkosi uQiko)	Construct and Complete 4 Community Halls (Mafithini, Mahlafuna, Mashanela, ,Nkosi Qiko) by 30 June 2018	Technical Services	R10 460 000
BSD4	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	Rural Roads Upgrade	Upgraded ## Kms of Rural Roads (Olwasini and Sizophumelela)	Number of Kms of Rural roads upgraded (Olwasini and Sizophumelela) by 30 June 2022	Upgrade ## Kms of Olwasini and Sizophumelela Roads by 30 June 2018	Technical Services	R3 400 000
BSD5	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	Upgrade Rural Roads from Gravel to asphalt	Upgraded ## of Kms of Roads from Gravel to Asphalt by 30 June 2018	Number of kms of Roads upgraded from Gravel to asphalt by 30 June 2018	Upgrade ## Kms of Gqolweni Road from Gravel to Asphalt by 30 June 2018	Technical services	R3 932 000
		Upgrade Rural Roads from Gravel to asphalt	Upgraded ## of Roads from Gravel to Asphalt by 30 June 2018	Number of kms of Roads upgraded from Gravel to asphalt by 30 June 2018	Upgrade ## Kms of Nkombe Road from Gravel to Asphalt by 30 June 2018	Technical Services	R4 000 000
BSD6	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	Construction of Bridge	Constructed and completed 1 Bridge (Nyuswa)	Number of Bridge constructed and completed (Nyuswa) by 30 June 2018	Construct and Complete 1 Bridge (Nyuswa) by 30 June 2018	Technical services	R3 300 000
BSD7	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	Construction of Causeway Bridge	Constructed and Completed 1 causeway bridge in Mgangeni	Number of Causeway Bridge constructed and completed in Mgangeni by 30 June 2018	Construct and Complet 1 causeway Bridge in Mgangeni by 30 June 2018	Technical Services	R2 100 000
BSD8	To ensure provision, upgrading, and maintenance of	Resurfacing and maintenance of Urban Roads in Umzinto	Resurfaced and Maintained ## Kms of Roads in Umzinto	Number of Kms of a roads resurfaced and Maintained in Umzinto (Shayamoya Road) by	Resurface and Maintain 1 Kms of roads in umzinto (Shayamoya Road)	Technical Services	R2 800 000

KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Priority 1& 2 : Roads, Maintenance and Sustainable Housing

Outcome 9:Improved Access to Basic Services

Goal To Improve access to Basic Services for all communities							
IDP REF	Strategic Objective	Strategies	Measurable Objectives/Output	Key Performance Indicator	Annual Target	Responsible Department	Annual Budget
	infrastructure and services that enhances economic development		(Shayamoya Road)	30 June 2018	by 30 June 2018		
BSD9	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	resurfacing and Maintenance of Urban Roads	resurfaced and maintained 4 Kms of Urban Roads (Mtwalume, Sezela, Ifafa, Ellysium and Bazley) by 30 June 2018	Number of Kms of Urban Roads resurfaced and Maintained in (Mtwalume, Sezela, Ifafa, Ellysium and Bazley) by 30 June 2018	Resurface and Maintain 4 kms of Urban Roads in (Mtwalume, Sezela, Ifafa, Ellysium and Bazley) by 30 June 2018	Technical Services	TBC
BSD10	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	Upgrading of Stormwater	Upgraded 0,5 Kms of Umzinto Stormwater	Number of Kms of Umzinto Stormwater upgraded by 30 June 2018	Upgraded 0,5 kms of umzinto Stormwater by 30 June 2018	Technical Services	R1 000 000
BSD11	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	Resurfacing and Maintenance of Urban Roads	Resurfaced and maintained 4 Kms of Urban Roads (Pennington, Preston, Scottburgh and Park Rynie)	Number of Kms of Urban Roads resurfaced and Maintained in (Pennington, Preston, Scottburgh and Park Rynie) by 30 June 2018	Resurface and Maintain 4 kms of Urban Roads in (Pennington, Preston, scottburgh, Park Rynie) by 30 June 2018	Technical Services	TBC
		Resurfacing and Maintenance of Urban Roads	Resurfaced and Maintained ## Kms of 5 th Street	Number of Kms of 5 th Street resurfaced and maintained by 30 June 2018	Resurface and Maintain ## Kms of 5 th Street by 30 June 2018	Technical Services	R2 200 000
BSD12	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	Construction of Sports Field	Construct and Complete 1 sport Field (Amandawe)	Number of Sport Field constructed and completed by 30 June 2018	Construct and Complete 1Sportfield (Amandawe) by 30 June 2018	Technical Services	R1 500 000
BSD13	To ensure provision, upgrading, and maintenance of	Affective Maintenance of Verge areas in Umdoni	Maintained Verges in 11 Areas in Umdoni	Number of Verge areas maintained in Umdoni by 30	Maintain Verges in 11 Areas by 30 June 2018	Technical Services	R6 000 000

KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Priority 1& 2 : Roads, Maintenance and Sustainable Housing

Outcome 9:Improved Access to Basic Services

Goal	To Improve access to Basic Services for all communities						
IDP REF	Strategic Objective	Strategies	Measurable Objectives/Output	Key Performance Indicator	Annual Target	Responsible Department	Annual Budget
	infrastructure and services that enhances economic development			June 2018			
BSD14	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	Paving of Mtwalume Beach Car Park	Paved 1 Car Park in Mtwalume beach	Number of Car Park in Mtwalume Beach paved by 30 June 2018	Pave 1 Car Park In Mtwalume beach by 30 June 2018	Community Services	R500 000
BSD15	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	Maintenance of Tidal Pools in Umdoni	Maintained Tidal Pools in 5 Beaches per maintenance Plan	Number of Tidal Pools Maintained in 5 Beaches per Maintenance plan by 30 June 2018	Maintain Tidal Pools in 5 Beaches as per maintenance Plan by 30 June 2018	Community Services	R500 000
BSD16	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	Construction of Crematorium in Umdoni	Constructed ##% of Crematorium in Umdoni by 30 June 2020	Number of Percentages of Crematorium constructed in Umdoni by 30 June 2018	Construct ##% of Crematorium in Umdoni by 30 June 2018	Community Services	R5 000 000
BSD17	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	Maintenance of Sport Fields	Maintain 14 Sport Fields by 30 June 2018	Number of Sport Fields maintained by 30 June 2018	Maintain 14 Sport Fields by 30 June 2018	Community Services	R400 000
BSD18	To ensure provision, upgrading, and maintenance of infrastructure and services that enhances economic development	Maintenance of Community halls	Maintain 28 Community Halls by 30 June 2018	Number of Community Halls maintained by 30 June 2018	Maintain 28 Community Halls by 30 June 2018	Community Services	R1 500 000

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Provincial Growth and Development Strategy: Job Creation, Human Community Development, Strategic Infrastructure and Human Resource Development

Local Priority: Local Economic Development and job creation, Tourism development, Broader Economic Development (SDF, LUMS, SEA)

Outcome 9: Community Works program

KPA 3: LOCAL ECONOMIC DEVELOPMENT							
Priorities: Local Economic Development, Job creation and Tourism development							
Goal	Vibrant Economic Development And Quality Services						
IDP REF	Strategic Objective	Strategies/Input	Measurable Objectives/Output	Key Performance Indicator	Annual Target	Responsible department	Budget
LED1	To promote economic development in order to reduce poverty, inequality and unemployment	Scottburgh Beachfront Development Concept	Facilitated the Implementation of Scottburgh Beachfront Development Concept by 30 June 2018	Facilitate the Implementation of Scottburgh Beachfront Development Concept by 30 June 2018	"Facilitate the Implementation of Scottburgh Beachfront Development Concept by 30 June 2018	Planning and Development	R600 000
LED2	To promote economic development in order to reduce poverty, inequality and unemployment	Upgrading of Umdoni Beaches	Upgrade ## Umdoni Beaches	Number of Umdoni Beaches upgraded by 30 June 2018	Upgrade ## Umdoni beaches by 30 June 2018	Planning and Development	R600 000
LED3	To promote economic development in order to reduce poverty, inequality and unemployment	Hinterland Tourism Development	Conducted Feasibility Study for Hinterland Tourism Development by 30 June 2018	Conduct Feasibility Study for Hinterland Tourism in Umdoni by 30 June 2018	"Conduct and Adopt Feasibility Study on Hinterland Tourism Development in Umdoni by 30 June 2018	Planning and Development	R400 000
LED4	To promote economic development in order to reduce poverty, inequality and unemployment	Umdoni Museum	Conducted Research on the establishment of Umdoni Museum by 30 June 2018	Conduct Research on the Establishment of Umdoni Museum by 30 June 2018	Conduct Research on the establishment of Umdoni Museum by 30 June 2018	Planning and Development	R300 000
LED5	To promote economic development in order to reduce poverty, inequality and unemployment	Rural Development	Conducted Feasibility Study on Rural Development in Umdoni	Conduct Feasibility Study on Rural Development in Umdoni by 30 June 2018	"Conduct Feasibility Study on Rural Development in Umdoni by 30 June 2018	Planning and Development	R350 000

	unemployment						
LED6	To promote economic development in order to reduce poverty, inequality and unemployment	SMME Training	Train 10 SMMEs by 30 June 2018	Number of SMMEs Trained by 30 June 2018	Train 10 SMMEs by 30 June 2018	Planning and Development	R500 000
LED7	To promote economic development in order to reduce poverty, inequality and unemployment	Strengthen Partnerships between Developers and SMMEs	Co-ordinated 1 SMME Indaba and Breakfast	Number of SMME Indaba and Breakfast co-ordinated by 30 June 2018	Co-ordinate 1 SMME Indaba & Breakfast by 30 June 2018	Planning and Development	R300 000
LED8	To promote economic development in order to reduce poverty, inequality and unemployment	Business Incentive Policy	Developed and Adopted Business Incentive Policy	Develop and Adopt Business Incentive Policy by 30 June 2018	Develop and Adopt Business Incentive Policy by 30 June 2018	Planning and Development	R400 000
LED9	To promote economic development in order to reduce poverty, inequality and unemployment	Alignment of SCM Policy with SMME Development	Linked SCM Processes with SMME Development by 30 June 2018	Link SCM Processes with SMME Development by 30 June 2018	Link SCM processes with SMME development by 30 June 2018	Planning and Development	R0
LED10	To promote economic development in order to reduce poverty, inequality and unemployment	SMME Incubator	Developed and Implemented SMME Incubator	Develop and Implement SMME Incubator by 30 June 2018	Develop and Implement SMME Incubator by 30 June 2018	Planning and Development	R500 000
LED11	To promote economic development in order to reduce poverty, inequality and unemployment	Informal Traders Stalls	Constructed Informal Trader Stalls	Construct Informal Trader Stalls by 30 June 2018	Construct Informal Trader Stalls by 30 June 2018	Planning and Development	R1 200 000
LED12	To promote economic development in order to reduce poverty, inequality and unemployment	LED Strategy	Reviewed and Consolidated LED Strategy	Review, Consolidate and Adopt LED Strategy by 30 June 2018	Review, Consolidate and Adopt LED Strategy by 30 June 2018	Planning and Development	R500 000
LED13	To promote economic	Maritime Economy	Conducted Feasibility	Conduct and Adopt Feasibility	Conduct and Adopt		R500 000

	development in order to reduce poverty, inequality and unemployment		study on Umdoni Maritime Economy	Study for Umdoni Maritime Economy by 30 June 2018	Feasibility Study on Umdoni Maritime Economy by 30 June 2018		
LED14	To promote economic development in order to reduce poverty, inequality and unemployment	Food Security	Assisted 19 Communal/One Home One Garden by 30 June 2018	Number of Communal/One Home One Gardens assisted by 30 June 2018	Assist 19 Communal Gardens by 30 June 2018	Planning and Development	R50 000

KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

UMDONI Priorities: Institutional Development: Accountability and Management tools and Frameworks

Goal IDP REF	To support individuals infected and affected with HIV/AIDS, Disabled, Youth, effective Internal Audit and Communication						
	Strategic Objective	Strategies	Measurable Objective/Output	Key Performance Indicator	Annual Target	Responsible Department	Budget
GG1	To effective and efficient internal and external communication	Annual Report	Reviewed and Adopted Umdoni Annual Report	Review and Adopt Umdoni Annual Report by 30 June 2018	Review and Adopt Umdoni Annual Report by 31 March 2018	Corporate Services	R200 000
GG2	To effective and efficient internal and external communication	Communication Strategy	Developed and Adopted Communication Strategy by 30 June 2018	Develop and Adopt Communication Strategy by 30 June 2018	Develop and Adopt Communication Strategy by 30 June 2018	OMM	R400 000
GG3	To promote human rights and social upliftment of vulnerable groups	Gender Programmes	300 Women to attend Umkhosi Womhlanga Reed Dance by 30 September 2017	Number of Women attended Umkhosi Womhlanga Reed dance by 30 September 2017	300 Young Women to attend Umkhosi Womhlanga Reed dance by 30 September 2017	OMM	R350 000
GG4	To promote human rights and social upliftment of vulnerable groups	Bursaries	Assisted 30 Matriculants with registration fees by	Number of Matriculants assisted with registration fees by 30 June 2018	Assist 30 Matriculants with Registration Fees by 30 January 2018	OMM	R150 000

KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION							
UMDONI Priorities: Institutional Development: Accountability and Management tools and Frameworks							
Goal IDP REF	To support individuals infected and affected with HIV/AIDS, Disabled, Youth, effective Internal Audit and Communication						
	Strategic Objective	Strategies	Measurable Objective/Output	Key Performance Indicator	Annual Target	Responsible Department	Budget
GG5	To promote human rights and social upliftment of vulnerable groups	Participating in SALGA Games by December 2016	Participated in SALGA Games	Participated in SALGA Games by 31 December 2017	Participate in SALGA Games by 31 December 2017	OMM	R600 000
GG6	To promote human rights and social upliftment of vulnerable groups	Dress a School Child	Dress 150 Scholars with school Uniform by 31 March 2018	Number of Scholars Dressed with School Uniforms by 31 March 2018	Dress 150 Scholars with Uniforms by 31 March 2018	OMM	R100 000
GG7	To promote human rights and social upliftment of vulnerable groups	Sanitary Towels	Distributed Sanitary Towels to 33 Schools within Umdoni Municipality	Number of Schools distributed with Sanitary Towels by 30 June 2022	Distribute Sanitary Towels to 33 schools within Umdoni Municipality by 30 June 2018	OMM	R100 000
GG8	To promote human rights and social upliftment of vulnerable groups	Distribution of Wheelchairs	Distributed 10 Wheelchairs	Number of Wheelchairs distributed by 30 June 2018	Distribute 10 Wheelchairs by 30 June 2018	OMM	TBC
GG9	To promote human rights and social upliftment of vulnerable groups	OVC	Created a Database for OVC's within Umdoni Municipality	Create a Database for all OVCs within Umdoni Local Municipality by 30 June 2018	Create a Database for all OVCs within Umdoni Local Municipality by 30 June 2018	OMM	R0
GG10	To promote human rights and social upliftment of vulnerable groups	Training of Women on sewing	Trained and Assisted 10 women with Sewing Machines	Number of women trained and assisted with Sewing Machines by 30 June 2018	Train and assist 10 Women with Sewing Machines by 30 June 2018	OMM	TBC
GG11	To promote human rights and social upliftment of vulnerable groups	Youth Development	Co-ordinated and Facilitated 1 Youth Career Exhibition	Number of Youth Career Exhibition Co-ordinated and Facilitated by 30 June 2018	Co-ordinate and facilitate 1 Youth Career Exhibition by 30 June 2018	OMM	TBC
GG12	To promote human rights and social upliftment of vulnerable	Youth Summit	Conducted and Hosted 1 Umdoni Youth Summits	Number of Umdoni Youth Summit conducted and hosted	Conduct and Host 1 Umdoni Youth Summit by	OMM	TBC

KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION							
UMDONI Priorities: Institutional Development: Accountability and Management tools and Frameworks							
Goal IDP REF	To support individuals infected and affected with HIV/AIDS, Disabled, Youth, effective Internal Audit and Communication						
	Strategic Objective	Strategies	Measurable Objective/Output	Key Performance Indicator	Annual Target	Responsible Department	Budget
	groups			by 30 June 2018	30 June 2018		
GG13	To promote human rights and social upliftment of vulnerable groups	Annual Sports Event	Conducted and Hosted 1 Annual Sport Events in Umdoni	Number of Annual Sport Event conducted and hosted by 30 June 2018	Conduct and Host 1 Annual Sport event in Umdoni by 30 June 2018	OMM	TBC
GG14	To promote human rights and social upliftment of vulnerable groups	Arts and Culture Event	Conducted and Hosted 1 Annual Arts and Culture Events in Umdoni	Number of Arts and Culture Event conducted and hosted in Umdoni by 30 June 2018	Conduct and Host 1 Arts and Culture Event by 30 June 2018	OMM	TBC
GG15	To ensure the provision of a safe and secure environment for all Umdoni residents	Disaster Risk Management Business Inspection	Inspected 40 business premises per year	Number of Business Premises Inspected by 30 June 2018	Inspect 40 business premises by 30 June 2018	Community Services	R0
GG16	To ensure the provision of a safe and secure environment for all Umdoni residents	Beach Education Awareness	Conduct 10 Beach education awareness campaigns	Number of Beach education awareness campaigns conducted by 30 June 2018	Conduct 10 Beach Education Awareness Campaigns by 30 June 2018	Community Services	R0
GG17	To ensure the provision of a safe and secure environment for all Umdoni residents	Municipal Policing in Umdoni	Conduct 100 Policing Patrols per Policing Plan	Number of Policing Patrols conducted as per Policing Plan by 30 June 2018	Conduct 100 Policing patrol as per Policing Plan by 30 June 2018	Community Services	R1 500 000
GG18	To ensure the provision of a safe and secure environment for all Umdoni residents	Satellite Stations in Dududu and Kenterton	Establish 2 Satellite Stations in Dududu and kenterton	Number of satellite stations established by 30 June 2018	Establish and Operate Satellite Station in Dududu and Kenterton by 30 June 2018	OMM	R5 000 000

KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION							
UMDONI Priorities: Institutional Development: Accountability and Management tools and Frameworks							
Goal IDP REF	To support individuals infected and affected with HIV/AIDS, Disabled, Youth, effective Internal Audit and Communication						
	Strategic Objective	Strategies	Measurable Objective/Output	Key Performance Indicator	Annual Target	Responsible Department	Budget
GG19	To ensure the effective Oversight of Performance Audit Committee and Audit Committee	Coordinating PAC and AC meeting	Co-ordinated 4 PAC and AC meetings	Number of PAC and AC meetings co-ordinated by 30 June 2018	Coordinate 4 PAC and AC meeting by 30 June 2018	OMM	TBC
GG20	To have functional Internal Audit Unit	Approved Internal Audit Plan	Approved Internal Audit Plan and Completed all Internal Audit projects	Approved Internal Audit Plan and Final Internal Audit Projects by 30 June 2018	Approve & Implement Internal Audit Plan by 30 June 2018	OMM	TBC
GG21	To have functional Internal Audit Unit	Audit Charter and Methodology	Reviewed and Adopted Internal Audit Charter by 30 August 2017	Review and Adopt Internal Audit Charter by 30 August 2017	Review and Adopt Internal Audit Charter by 30 August 2018	OMM	TBC

KPA 5: FINANCIAL VIABILITY MANAGEMENT

Provincial Growth and Development Strategy: Governance and Policy

KPA 5: FINANCIAL VIABILITY AND MANAGEMENT							
Priority							
IDP REF	Strategic Objective	Strategies	Measurable Objectives/Output	Key Performance Indicator	Annual Target	Responsible Department	Annual Budget
FVM1	To ensure financial sustainability and sound financial principles	mSCOA Project Steering Committee	Convened 4 MSCOA project steering Committee meetings	Number of MSCOA Project Committee Meetings convened by 30 June 2018	Convene 4 mSCOA Project Steering Committee Meetings by 30 June 2018	Finance Department	R2 000 000
FVM2	To ensure financial sustainability and sound financial principles	effective and Compliant Asset Management	0 Audit Queries raised by Auditor General on Assets by 30 June 2018	Number of Audit Queries raised by AG on Assets by 30 June 2018	0 Audit queries raised by AG on Assets by 30 June 2018	Finance Department	R1 000 000
FVM3	Cost Coverage ratio	Financial Viability Management	Maintain financial viability through cash/cost coverage ratio	financial viability Maintained through cash/cost coverage ratio by 30 June 2018	Maintain financial viability through cash/cost coverage ratio of 3:1 by 30 June 2018	Finance Department	R0
FVM4	To ensure financial sustainability and sound financial principles	Data Cleansing	Conducted 1 cleansing on the Debtors Data Base	Number of Cleansing on Debtors database conducted by 30 June 2018	Conduct 1 Cleansing exercise on the Supplier Data Base per Annum by 30 June 2018	Finance Department	R400 000
FVM5	To ensure financial sustainability and sound financial principles	Property Valuations	Implemented MPRA by 30 June 2018	Implement MPRA by 30 June 2018	Implementation of MPRA by 30 June 2018	Finance Department	R240 000
FVM6	To ensure financial sustainability and sound financial principles	Property rates By-Laws and Policies	Reviewed and Adopted Property Rates Policy and By-Laws by 30 June 2018	Review and Adopt Property Rates Policy and By-Laws by 30 June 2018	Review and Adopt Property Rates Policy and By-Laws by 30 June 2018	Finance Department	R20 000

KPA 6: CROSS CUTTING INTERVENTIONS

Provincial Growth and Development Strategy: Environmental Sustainability and Spatial Equity

Local Priority: Sustainable Housing: Human Settlement, Broader Economic Development (SDF, LUMS, And SEA)

KPA 6: CROSS CUTTING INTERVENTIONS							
UMDONI Priorities: Sustainable Housing: Human Settlement, Broader Economic Development (SDF, LUMS, SEA)							
Goal							
IDP REF	Strategic Objective	Strategies/Input	Measurable Objectives/Output	Key Performance Indicator	Annual Target	Responsible Department	Annual Budget
CC1	To facilitate an integrated approach towards planning for urban and rural communities	Umzinto Urban Design Framework	Developed and Adopted Umzinto Urban Design Framework	Develop and Adopt Umzinto Urban Design Framework by 30 June 2018	Develop and Adopt Umzinto Urban Design Framework by 30 June 2018	Planning and Development	R600 000
CC2	To facilitate an integrated approach towards planning for urban and rural communities	Umdoni Street Naming	Implemented Umdoni Addresses and Street Naming Programme	Number of Umdoni Addresses and Streets named as per Implementation Plan by 30 June 2018	Implementation of Umdoni Addresses and Street Naming - Phase 1 (Urban Areas) by 30 June 2018	Planning and Development	R 500 000
CC3	To facilitate an integrated approach towards planning for urban and rural communities	Wall to Wall Town Planning Scheme	Consolidated and Adopted Umdoni Wall to Wall Scheme	Consolidate and Adopt Umdoni Wall to Wall Scheme by 30 June 2018	Consolidate and Adopt Umdoni Wall to Wall Scheme by 30 June 2018	Planning and Development	R1 500 000
CC4	To Monitor and manage proposed buildings and buildings under construction	Umzinto Park Rynie Corridor	Developed Umzinto Park Rynie Corridor Development Plan	Develop Umzinto Park Rynie Corridor Development Plan by 30 June 2018	Develop Umzinto Park Rynie Corridor development Plan by 30 June 2018	Planning and Development	R1 000 000

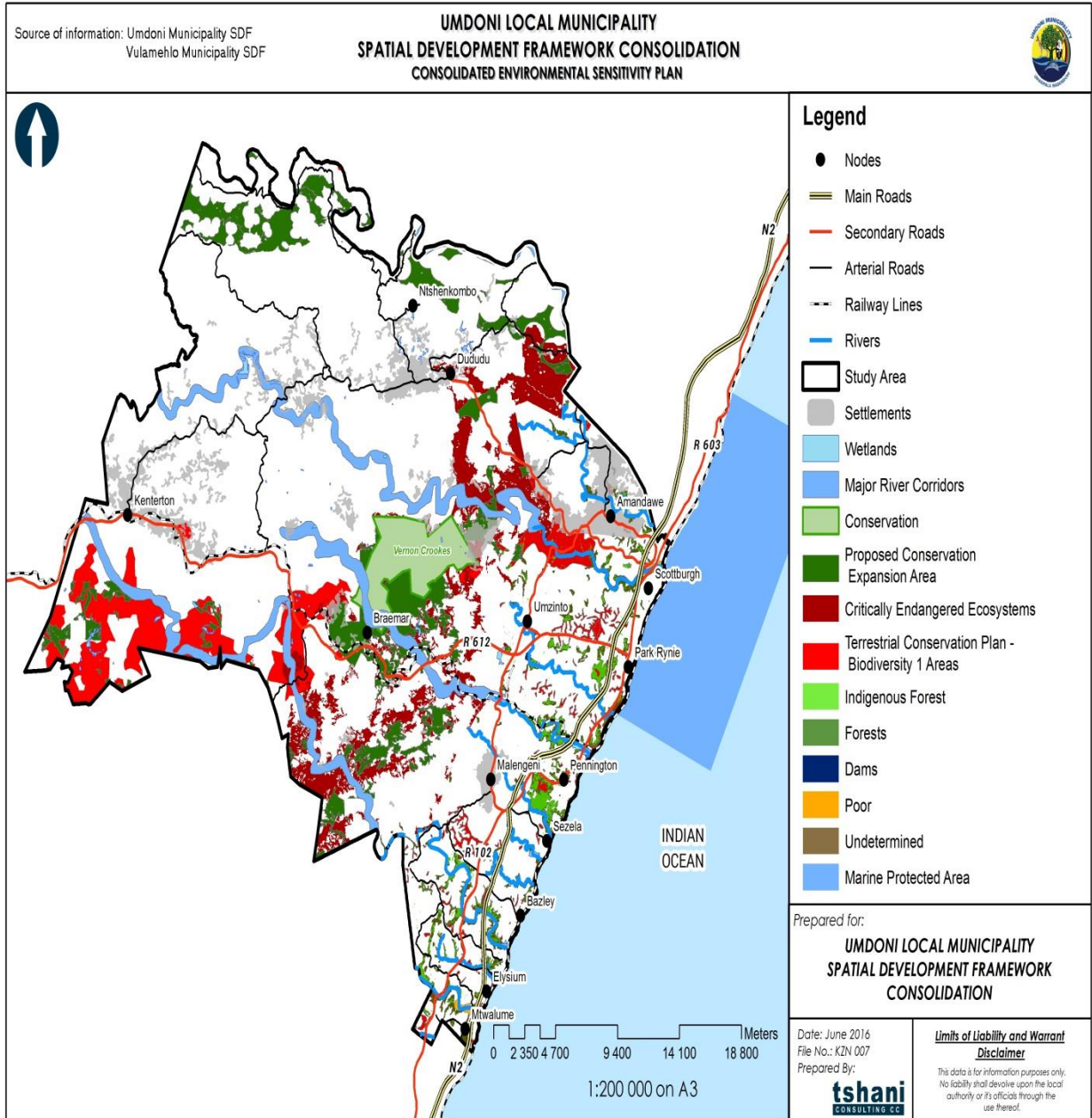
CC5	To facilitate an integrated approach towards planning for urban and rural communities	Dududu Local Area Plan	Developed and Adopted Dududu Local Area Plan	Develop and Adopt Dududu Local Area Plan by 30 June 2018	Develop and Adopt Dududu Local Area Plan by 30 June 2018	Planning and development	R500 000
CC6	To facilitate an integrated approach towards planning for urban and rural communities	Spatial Development Framework	Reviewed and Adopted Spatial Development Framework	Review and Adopt Spatial development Framework by 30 June 2018	Review and Adopt Spatial Development Framework by 30 June 2018	Planning and Development	R500 000
CC7	To facilitate an integrated approach towards planning for urban and rural communities	Digitization of Geographical Information Systems Data	Digitized Geographical Information System Data	Digitize geographical Information system Data by 30 June 2018	Digitize Geographical Information System Data by 30 June 2018	Planning and Development	R1 500 000
CC8	To facilitate an integrated approach towards planning for urban and rural communities	SEA	Developed and Adopted Strategic Environmental Assessment Framework	Develop and Adopt Strategic Environmental Assessment Framework by 30 June 2018	Develop and Adopt Strategic Environmental Framework by 30 June 2018	Planning and Development	R1 800 000
CC9	To facilitate an integrated approach towards planning for urban and rural communities	Alien Invasive Plan	Developed and Adopted Alien Invasive Plan - Phase 2	Develop and Adopt Alien Invasive Plan - Phase 2 by 30 June 2018	Develop and Adopt Alien Invasive plan - Phase 2 by 30 June 2018	Planning and Development	R350 000
CC10	To facilitate an integrated approach towards planning for urban and rural communities	Estuary Management Plan	Developed and Adopted Estuary management Plan	Develop and Adopt Estuary management Plan by 30 June 2018	Develop and Adopt Estuary management Plan by 30 June 2018	Planning and Development	R400 000
CC11	To facilitate an integrated approach towards planning for urban and rural communities	Environmental Awareness campaigns	Conducted Environmental Awareness Campaigns	Number of environmental Awareness campaigns conducted by 30 June 2018	Conduct Environmental Awareness Campaigns by 30 June 2018	Planning and Development	R100 000

SECTION E: STRATEGIC MAPPING AND IMPLEMENTATION PLAN

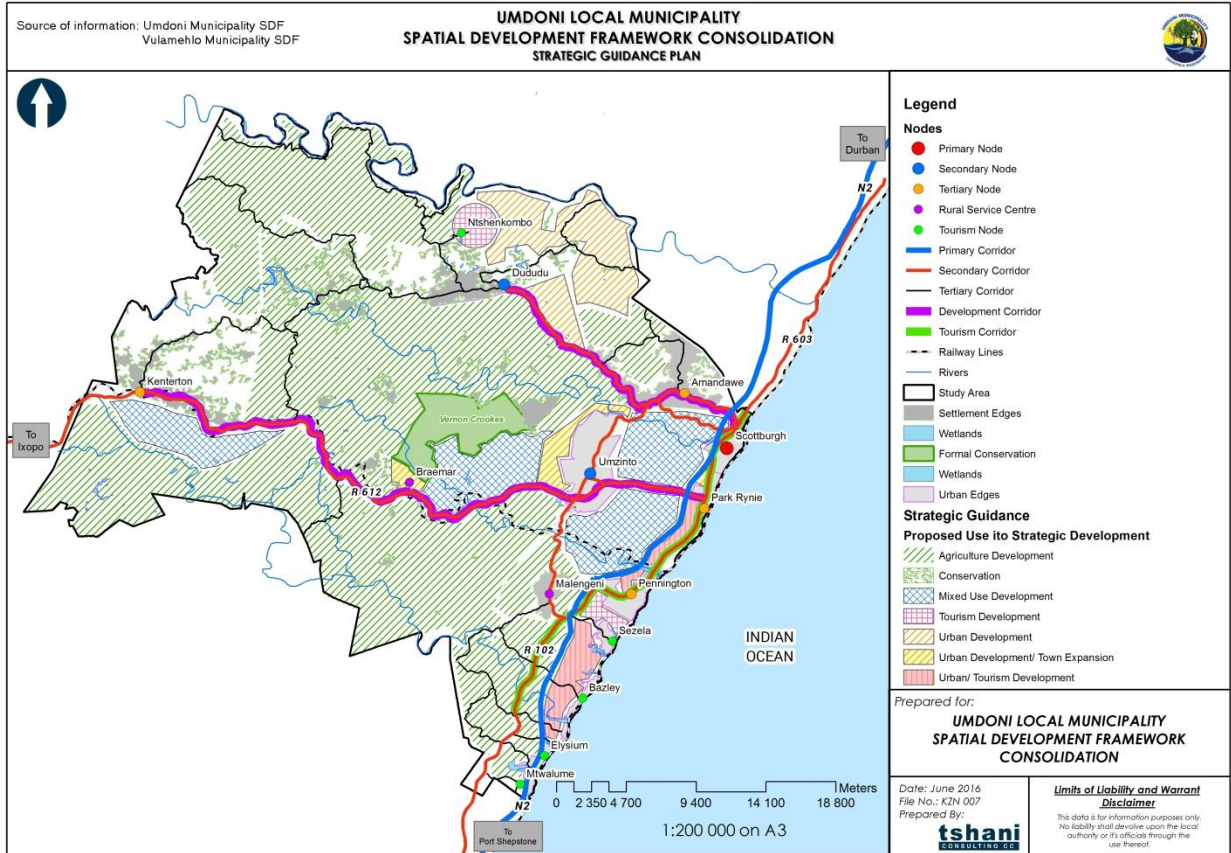
E1 Strategic Mapping

E1A Environmental Sensitive Areas

Map 50: Environmental Sensitive areas

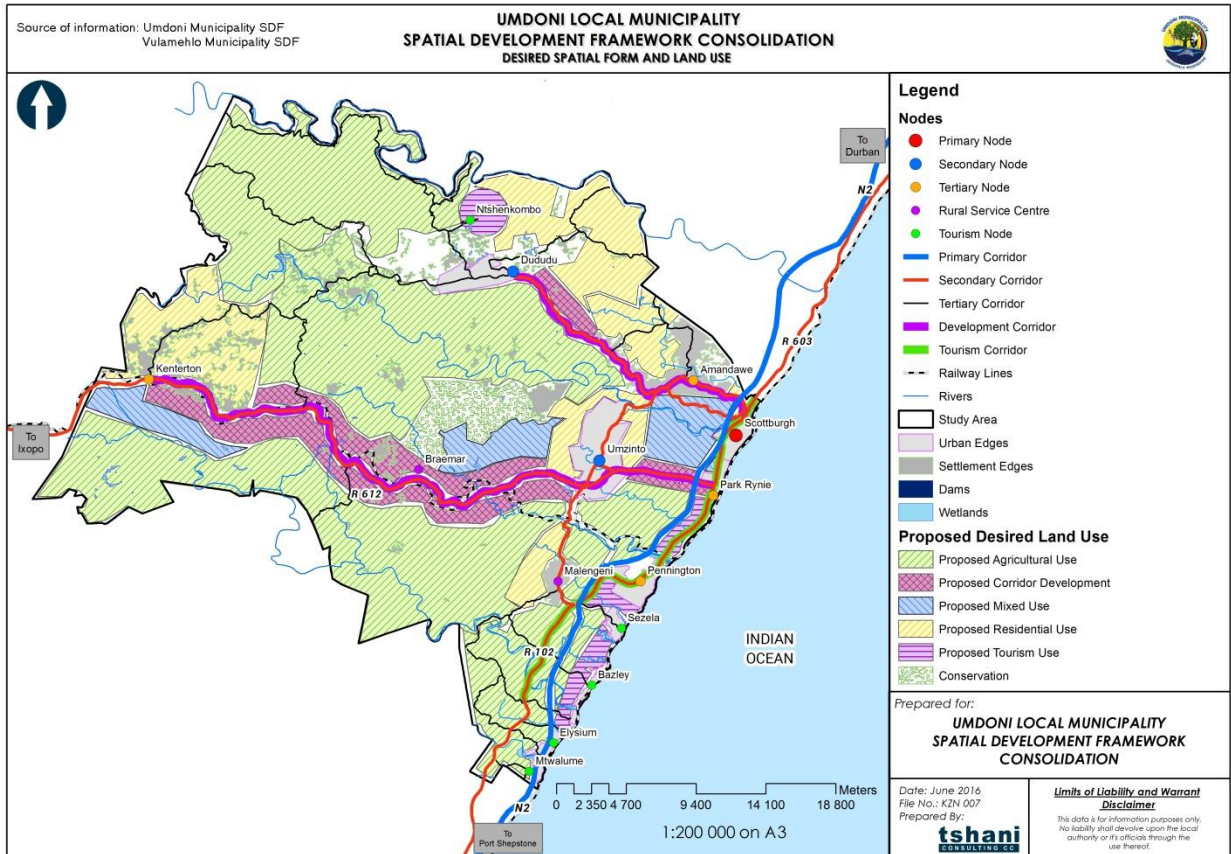


E1B Strategic Guidance Plan



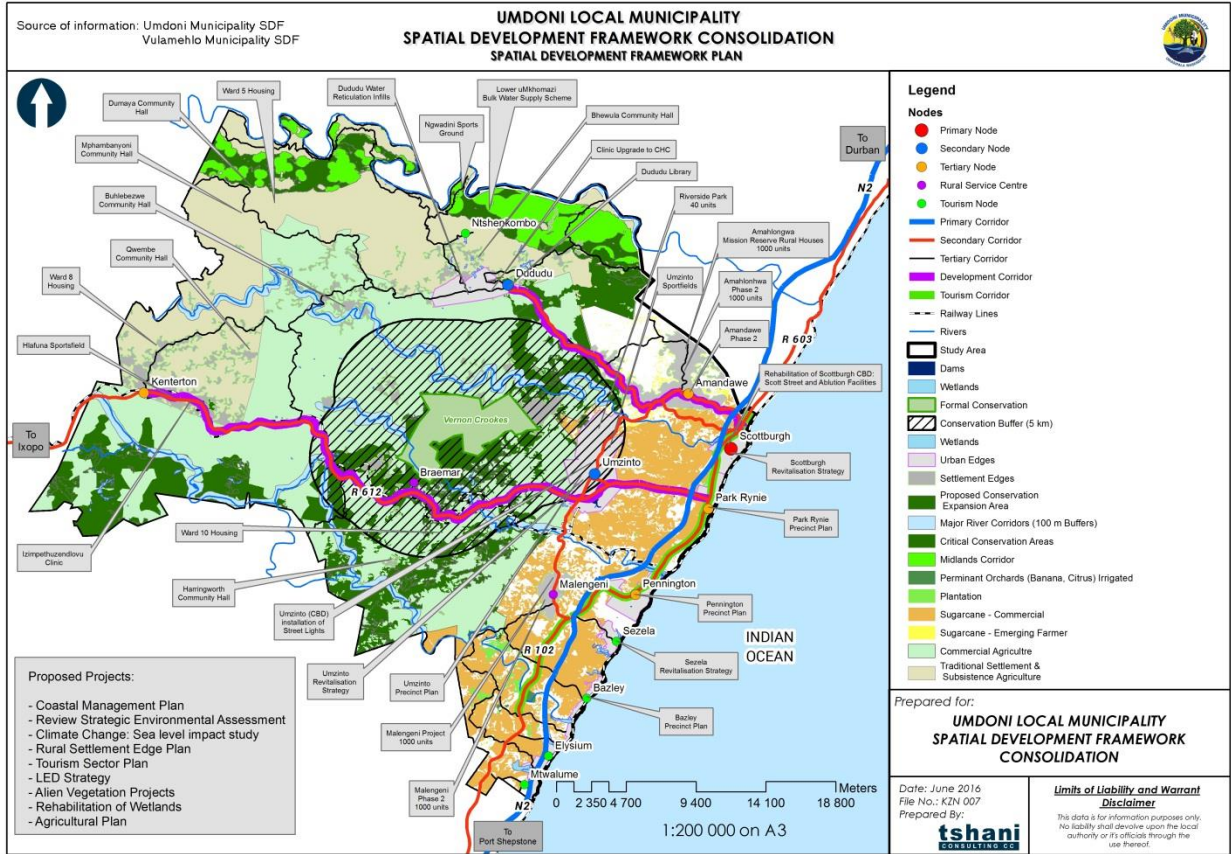
E1C Desired Spatial Form and Land Use

Map 51: Desired Spatial Form and land use



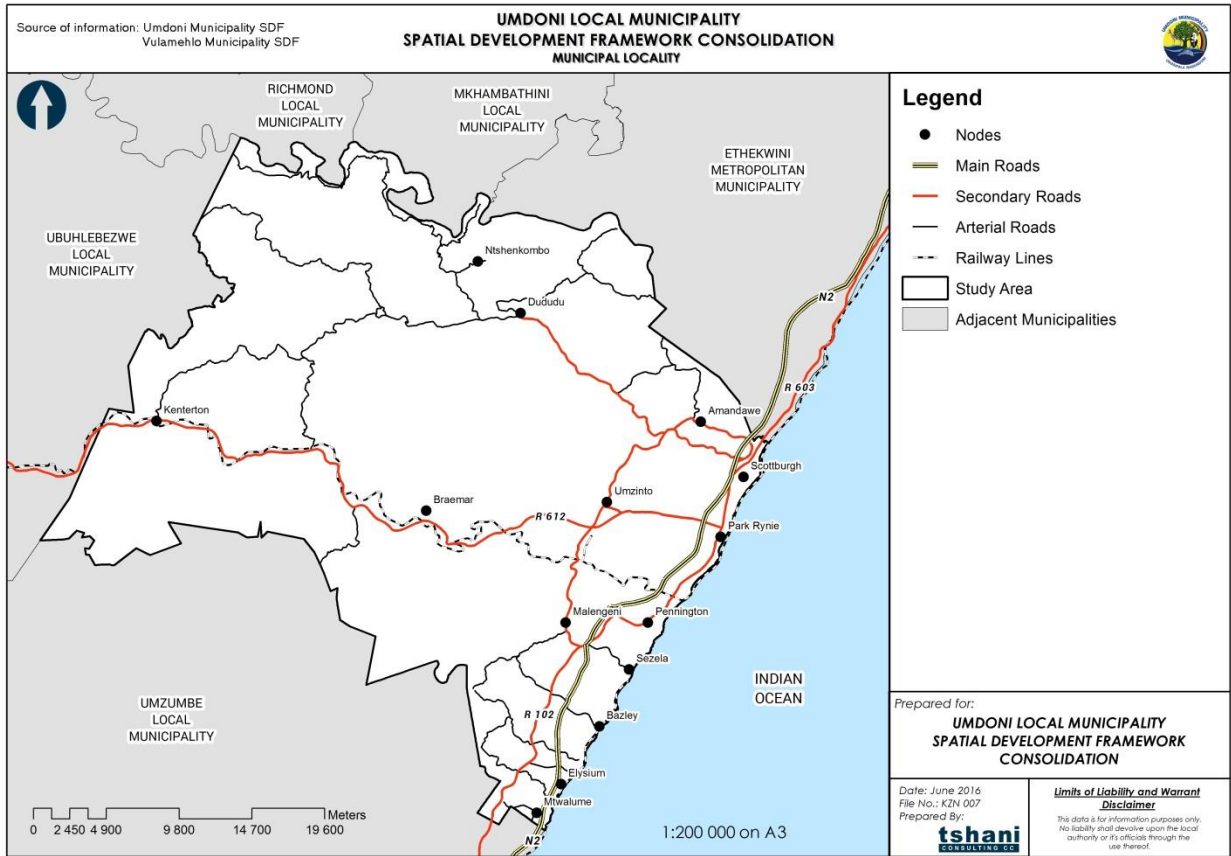
E1D Spatial Reconstruction of the municipality

Map 52: Spatial Reconstruction of the municipality



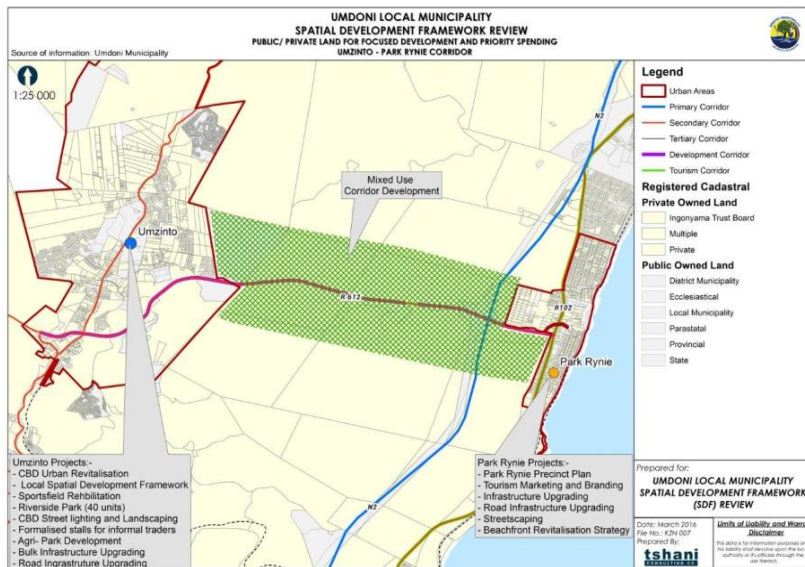
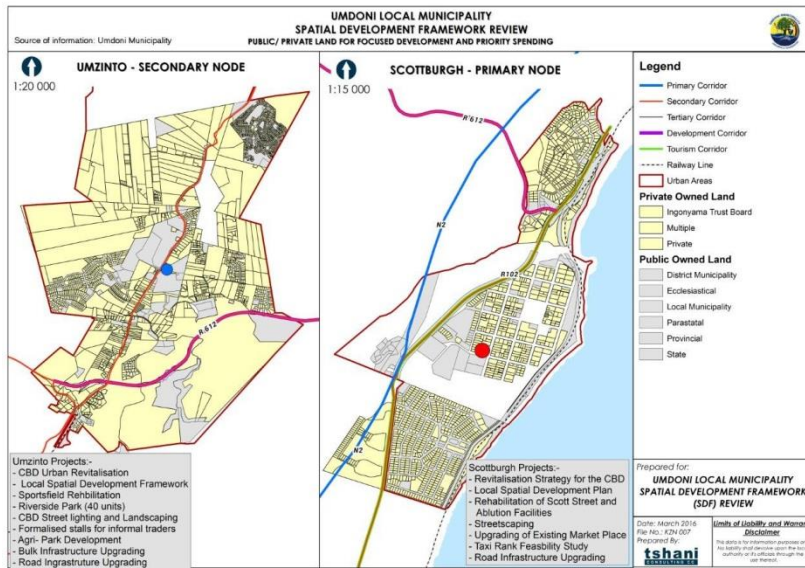
E1F Spatial Alignment with neighbouring Municipalities

Map 54: Spatial Alignment with neighbouring Municipalities



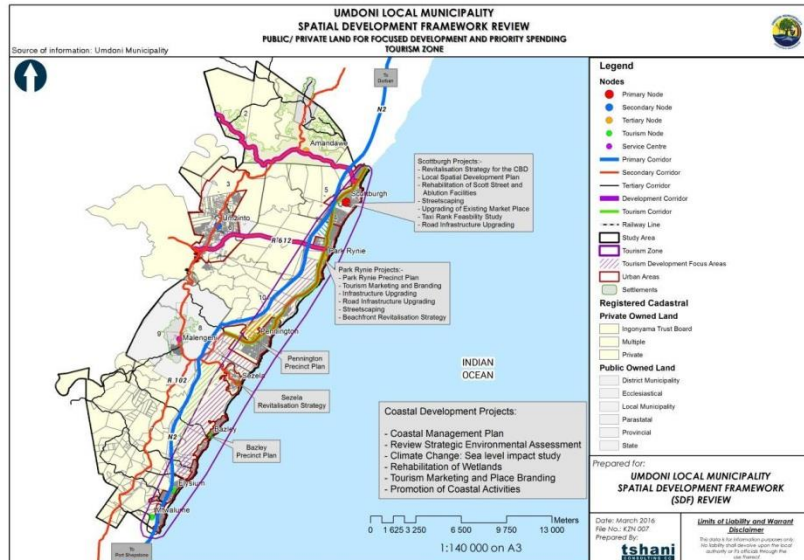
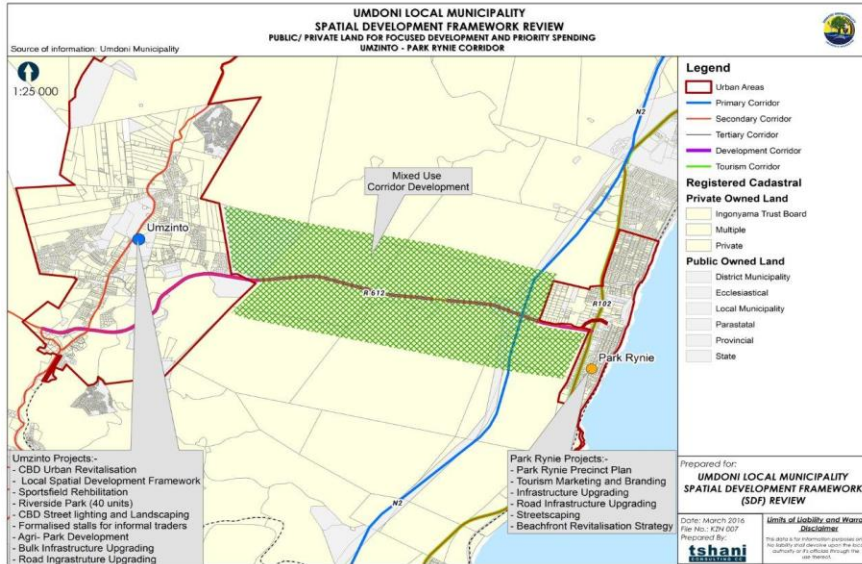
E1G Public and Private Land Development and infrastructure investment

Map 55: Public and Private Land Development and infrastructure investment

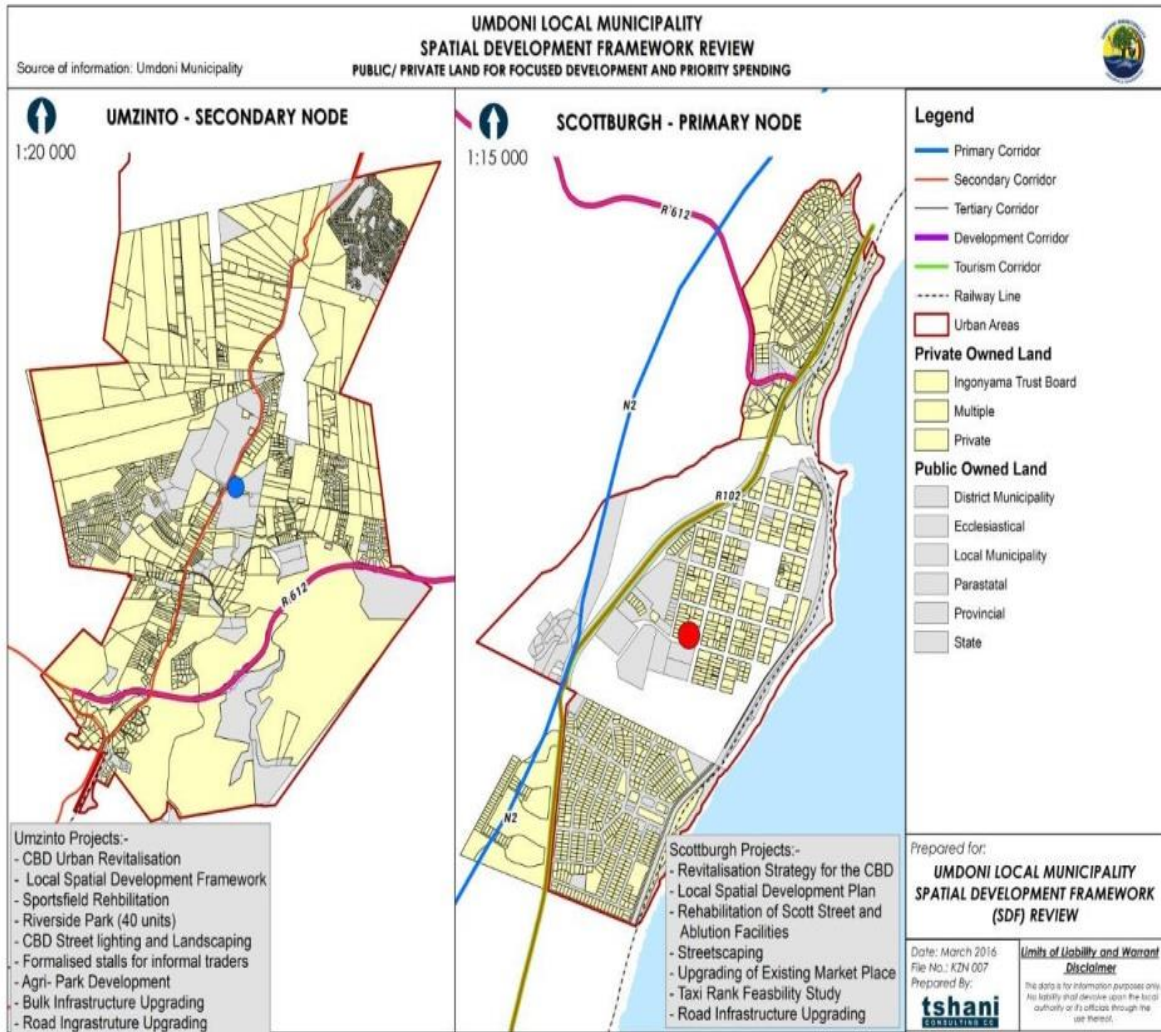


E1G Priority Spending Areas

Map 56: Priority Spending Areas



E1G Priority Spending Areas



Audit Report and Plan of Corrective Measures: 2015/2016

PLAN OF CORRECTIVE MEASURES: FINAL AUDIT REPORT: FY 2015-16

Plan of Corrective Measures by the respective departments to address findings raised by the AG in the Final Management Report FY 2015 – 2016:

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
1	Strategic planning and performance management	The key performance indicator relating to refuse removal has not been included in the IDP, SDBIP and APR for the basic service delivery and infrastructure development priority. It was noted that the KPI set by the municipality did not include an indicator on the percentage / number of households with access to basic level of solid waste removal (refuse removal).	The General Manager: Planning and Development and the Accounting Officer will put a process in place to ensure that the indicator on the removal of solid waste from households included in the IDP and SDBIP and the Annual Performance report thereof.	PMS Officer : Ms S Chiya / Municipal Manager: Mr X Luthuli	28 February 2017	Resolved	Through inspection of the revised SDBIP approved by Council on the 22 February 2017, it was noted that the key performance indicator relating to refuse removal has been included.	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
2	Annual Financial Statements	Prior period error note not included in notes to financial statements a. It was noted during the review of the 2015/16 annual	Amend AFS to include the correct amounts in the prior year comparative figures on Note 31 (impairment of assets) and the statement of Net	CFO	30 June 2017	n/a	n/a	n/a

		<p>financial statements that the following prior year figures were restated without an accompanying prior period error note being included in the financial statements as required by GRAP 3</p> <p>b. It was noted during the audit of property, plant and equipment that mayor chains were incorrectly included in the balance of furniture and fittings in the prior year. A reclassification of mayor chains from furniture and fittings to heritage assets was performed in the current year however a prior period error note has not been disclosed in the financial statements nor is it reflected in the statement of net changes in assets. (Refer to MR)</p>	Assets					
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No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
3	Annual Financial Statements	<p>Change in estimate not disclosed in annual financial statements</p> <p>It was noted during the audit of property, plant and equipment that upon assessment of useful lives that there were 7843 assets that required adjustments to their useful lives, which were made however the change in estimate has not been disclosed in the annual financial statements nor is it reflected in the statement of changes in net assets.</p>	Amend AFS to include the correct amounts in the prior year comparative figures on the statement of Net Assets	CFO	30 June 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
4	Annual Financial Statements	Receivables not disclosed by customer classification During the audit of receivables, it was noted that note 4 relating to consumer debtors and note 5 relating to receivables from exchange transactions did not contain disclosures according to customer classification (consumer, industrial/commercial and national/provincial government) specifically identifying those amounts owed by other spheres of government.	Classify Receivables and consumer debtors according to customer classification: Consumer, Industrial, Commercial and National and provincial	CFO	30 June 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
5	Annual Financial Statements	"Fair value" included in property, plant and equipment for assets measured using the cost model Per inspection of note 9 relating to property, plant and equipment, it was noted that there is an item called "fair value" which is considered misleading as the entity applies the cost model to the affected assets.	-	CFO	-	Resolved	Upon inspection of the Annual Financial Statements, it was noted that fair value has been removed from note 9.	-

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
6	Supply Chain Management	Awards made to suppliers In service of the state Suppliers were awarded contracts	Follow up on the 10 suppliers who have submitted declarations to provide clarity of employment	SCM: Manager /CFO	30 April 2017	n/a	n/a	n/a

		even though their respective Directors I Members were in the service of the state and declarations did not include or disclose that the person is in the service of the state (Refer to MR)	and corrective measures for those who are in service of state.					
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No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
7	Supply Chain Management	<p>Incorrect BBBEE points allocated to pricing calculation</p> <p>It was noted during the audit of supply chain management that the points scored by a bidder in respect of a level of B-BBEE contribution were incorrectly added to the points scored for price (refer to MR)</p>	<p>Management should ensure that the preference point pricing calculations are adequately reviewed by a senior official before an award is made to ensure the accuracy thereof.</p> <p>Management should ensure that points allocated to the preference point calculation for the bidders BBBEE level is checked and referenced to the bidders BBBEE certificate issued.</p> <p>A compliance checklist which specifically relates to supply chain management regulations and other related acts should be developed and implemented by the municipality. This compliance checklist must be reviewed by the General Manager: Financial Services on a regular basis to ensure that all applicable laws and regulations are being complied with.</p>	SCM: Manager /CFO	30 April 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
8	Supply Chain Management	<p>Contract awarded to suppliers in which employees have a close family relationship with the owners</p> <p>Suppliers were awarded contracts even though their respective directors / members were close family members of employees of the municipality and declaration of interests were not provided to determine whether the supplier did disclose their interest as required by the supply chain management regulations. (Refer to MR)</p>	Follow up with the supplier who have submitted declarations to provide clarity of family relationship and corrective measures to be taken.	SCM: Manager /CFO	30 April 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
9	Supply Chain Management	<p>Inadequate follow up performed on awards made to suppliers in service of the state Identified In the 2014/15 financial year. suppliers were awarded contracts during the 2014/15 financial year even though their respective directors / Members were in the service of the state. The municipality did not perform any follow up procedures to determine if the suppliers indicated below were really in service of state as recommended in the 2014/15 management report (Refer to MR)</p>	Follow up on the 6 suppliers who have submitted declarations to provide clarity of employment and corrective measures for those who are in service of state.	SCM: Manager /CFO	30 April 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
10	Expenditure Management	Payments not made within 30 days It was noted during the audit of expenditure were not paid within 30 days from date of receipt of an invoice (Refer to MR)	A process of ensuring that all payments are made within 30 days should be developed.	Manager: Expenditure /CFO	30 April 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
11	Expenditure Management	Payments made to suppliers prior to being approved by the delegated official During the audit of expenditure it was noted that the following suppliers were paid for services rendered prior to the payment being approved by the accounting officer (Refer to MR)	Payments should only be processed once all delegated officials have approved the payment.	Manager: Expenditure /CFO	30 April 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
12	HR Management	Appointment letter signed by incorrect employee During the testing employee costs it was noted that the appointment letter relating to S.B. Dlamini, employee code: PGS054 was incorrectly signed by another employee (BM Msani)	Going forward the HR manager will review the appointment letters and put adequate process in place to ensure that all appointment letters are signed by the correct employee.	Manager: HR/ GM: Corp	In progress	Resolved	Through inspection of the employees file we noted that contracts have been signed by the correct employees.	

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
13	Grant Management	<p>Evidence that quarterly non-financial reports were submitted to provincial treasury COGTA has not been provided for audit</p> <p>it was noted that the municipality did not provide evidence that the quarterly non-financial performance reports relating to the municipal infrastructure grant and the disaster recovery grant were submitted to the transferring national officer and the relevant provincial treasury within 30 days after the end of each quarter.</p>	Quarterly non-financial performance reports should be submitted to Treasury within 30 days and records as proof of submission should be kept.	CFO	In progress	Resolved	Upon verification of email sent, it was noted that the non financial reports for December 2016 was submitted to Provincial Treasury within the allocated time frame.	-

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
14	Statement of comparison of budget and actual amounts	<p>Statement of comparison of budget and actual amounts</p> <p>An explanation of material differences between the budget, for which the entity is held publicly accountable and actual amounts has not been disclosed, nor a reference made to where the explanations have been disclosed in the financial statements. Explanations between the original approved budget and the final budget have not been included.</p> <p>Further, the format of the statement of comparison of budget and actual amounts is not the same as the final budget; therefore it becomes difficult to agree the amounts</p>	Management to include explanations between original approved budget and final budget and references these to the statement of comparison of budget and actual amounts.	CFO	30 June 2017	n/a	n/a	n/a

		presented in the statement of comparison of budget and actual amounts to the final budget.						
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No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
15	Statement of comparison of budget and actual amounts	<p>Difference noted between the 'final budget' amount in the statement of comparison of budget and actual amounts and the amount reflected in the actual adjustment budget</p> <p>During the audit of the statement of comparison of budget and actual amounts, it was noted that the budget amounts disclosed in the statement does not agree to the municipalities' adjustment budget.</p>	Management to include explanations between original approved budget and final budget and references these to the statement of comparison of budget and actual amounts.	CFO	30 June 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
16	Trade Payables	Information not provided for audit (Refer to MR)	Information will be provided	CFO	30 June 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
17	Trade receivables	<p>Basis for the calculation of the provision for doubtful debts not substantiated</p> <p>During the audit of the impairment of receivables it was noted that the municipality does not have a policy that they follow with regards to the impairment of debtors i.e. the municipality credit control and debt policy does not contain details on how</p>	Debt collection and credit control policy will be amended to include the provision to address the calculation of the impairment loss	CFO	30 June 2017	n/a	n/a	n/a

		<p>the provision for doubtful debts is calculated.</p> <p>It was further noted that the municipality has used 29% in their calculation; however this percentage could not be explained nor substantiated. An amount of R10 189 991 was raised as the impairment of receivables.</p>						
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No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
18	Audit on Predetermined Objectives	<p>Performance agreements not signed</p> <p>During our audit it was noted that the following performance agreements are not valid as not all parties have signed the contract (Refer to MR)</p>	Management to insure that all performance agreements are signed by all the contracting parties.	MM	30 June 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
19	Audit on Predetermined Objectives	<p>Performance agreements not signed before the legislated deadlines</p> <p>During our audit it was noted that the following performance agreements were not signed within 60 days after appointment (GM: Financial Services) and within one month after the beginning of the financial year (Municipal Manager) as required by legislation (Refer to MR)</p>	Management to insure that all performance agreements are signed by all the contracting parties.	IDP/PMS Officer/ MM	30 June 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
20	Audit on Predetermined Objectives	<p>Performance monitoring not adequate</p> <p>During our audit it was noted that the internal reports on performance measurement for quarter 1 and 2 were not submitted to the audit committee for review. This could result in inadequate monitoring of performance and corrective measures may not be performed timeously and thus non-compliance with legislation</p>	Internal audit to timeously complete and submit quarterly performance reports to be tabled at each quarter of the audit committee meeting	Internal Audit/MM	30 June 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
21	Use of Consultants	<p>Policy for the appointment of consultants not in place for 9 months during period under audit</p> <p>During the audit of use of consultants the following deficiencies in internal controls were noted:</p> <ul style="list-style-type: none"> • There is no policy or strategy that defines the main purpose and objective of appointing consultants and • The municipality does not have a consultancy reduction plan. 	-	-	-	Resolved	Upon inspection of the appointment of consultancy Policy, it was noted that the Policy was approved on the 20 April 2016. The purpose is defined in the introduction and primary reasons for appointment of consultants, the consultancy reduction plan is documented under the training or transfer of knowledge and skill	-

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
22	Roads infrastructure management	<p>Internal control deficiencies identified in roads infrastructure management During the audit of roads infrastructure the following deficiencies in internal controls were noted:</p> <ul style="list-style-type: none"> The municipality does not have an approved policy in place for the planning, management and reporting of roads infrastructure. The municipality utilises the asset management policy which does not cater for the specific requirements of a roads infrastructure policy. The municipality did not have an approved roads maintenance plan in place for the renewal and routine maintenance of roads infrastructure from 01 July 2015 up until 25 May 2016 when the roads and storm water maintenance plan was approved and adopted by council. The municipality does not have an approved priority list of roads infrastructure renewal and routine maintenance projects. 	Asset management policy and Maintenance policy is in place and should be adhered to	GM: Technical Services	-	Unresolved	<p>Upon enquiry with the GM: Technical Services (Mr Mngadi), he stated the following:</p> <ul style="list-style-type: none"> There is a Draft Roads Infrastructure Management Plan There is no Maintenance Plan in Place. The municipality does not have an approved priority list of roads infrastructure renewal and routine maintenance projects. <p>No evidence has been forthcoming for Internal Audit to verify.</p>	<p>GM: Technical Services- A Draft Roads Infrastructure Mgmt Plan has been developed.</p> <p>No Roads Management Plan in place</p> <p>The municipality does not have an approved priority list of roads infrastructure renewal and routine maintenance projects.</p>

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
23	Non-compliance with the MFMA	The municipality did not appoint five interns as required by the financial management grant conditions As per the provincial treasury circular TC/RM 2 of 2016/2017 dated 12 August 2016 it was noted that the municipality did not appoint a minimum of 5 interns as required.	The municipality has currently 5 interns appointed	GM: Corp	-	Resolved	Through inspection of the intern files we noted that municipality employed five interns	

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
24	Information technology systems - cash and bank process	The documented Electronic Funds Transfer ("EFT") Payment Policy has yet not been approved by the Council to govern payments made to staff and creditors at the municipality.	Council to approve EFT payment policy	IT Manager/ GM : Corp	24 February 2017	In Progress	Our enquiry with GM: Corporate services Mrs N Ncame revealed that Draft EFT policy and Procedures went to MANCO on the 01 November 2016. Further we noted that draft was not yet adopted by Council. Through inspection of the MANCO agenda we noted that policy was tabled to MANCO.	GM: Corporate services Mrs N Ncame revealed that Draft EFT policy and Procedures went to MANCO on the 01 November 2016. Further we noted that draft was not yet adopted by Council. Will be submitted to Council by 31 May 2017.

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
25	Information technology systems - programme change management	Lack of SAMRAS system change log reviews SAMRAS system change logs had not been monitored to ensure only authorised changes were implemented for the period under review.	Management should ensure a log of changes is available and is maintained for SAMRAS	IT Manager/ GM : Corp	30 June 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
26	Information technology systems -IT service continuity	Disaster Recovery Plan not tested The Disaster Recovery Plan ("DRP") implemented at the municipality had not been tested during the period under review.	The DRP should be reviewed and updated to reflect changes in the DR process as the DR site is changing. The DRP should then be approved and periodically tested; furthermore training should be completed for all staff that will have been allocated roles and responsibilities for the plan. The results of the testing performed should be maintained and used to improve the DRP so as to ensure that all associated issues are identified and resolved.	IT Manager/ GM : Corp	30 June 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
27	Information technology systems -IT service continuity	Restoration testing of backup media not performed for SAMRAS, VIP payroll and Windows Active Directory In the absence of periodic restoration testing, management may not be aware of the continued readability and success of backups performed.	Management should ensure that system restoration tests occur on a periodic basis. Evidence of the restoration tests as well as the outcome should be maintained.	IT Manager/ GM : Corp	30 June 2017	n/a	n/a	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
28	Grants and subsidies	No evidence of review of grant journals It was noted during the audit of grants that the following journals were not authorized for evidence of review (Refer to MR)	Management to ensure all grant journals are reviewed and signed by all prepare and reviewer	CFO	Monthly	Resolved	Upon inspection of the grant journals, it was noted that it has been reviewed by the Expenditure Manager.	-

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
29	HR Management	Minutes of interview meetings and original short listing of candidates were not provided for the audit During the audit of employee costs minutes of interview meetings documenting the consideration of the above requirements for the candidates as well as the recommended candidate could not be provided	HR should ensure that all supporting documentation relating to appointments are filed and are readily available when requested.	HR: Manager/ GM: Corp	30 June 2017	n/a	IA has confirmed the statement made by the GM: Corporate Services regarding AG receiving unsigned minutes as it is documented in the Management Report.	GM: Corporate Services (Mrs Ncame) stated that minutes were submitted to the AG although the minutes were not signed since the AG lost the original signed minutes.

		for the employees (Refer to MR)					
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No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
30	HR Management	<p>No performance agreements in place for employees other than s57 employees</p> <p>It was noted during the audit of human resource management that the municipality has not implemented a performance management system for employees other than section 57 employees and these employees do not have a performance agreement in place.</p>	-	GM: Corporate Services	-	In Progress	GM: Corporate Services (Mrs. N. Ncame), there is no legislation that compels the Municipality to have a system for employees besides S57 employees. There is a HR system which has a tool to monitor the performance system of all employees, Management are is a process of investigating into the matter, however there is a budget required for the implementation, therefore training will be conducted in the 2016/17 financial year and implementation will take place in the 2017/18 financial year.	GM: Corporate Services (Mrs. N. Ncame), There is a HR system which has a tool to monitor the performance system of all employees, Management are is a process of investigating into the matter, however there is a budget required for the implementation, therefore training will be conducted in the 2016/17 financial year and implementation will take place in the 2017/18 financial year.
No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
31	Employee costs	<p>No evidence of review I approval of termination calculations</p> <p>During the audit it was noted that the calculation relating to the termination of the employee below was not reviewed or approved (Refer to MR)</p>	Corporate services should put process in place to ensure that there is a space for signatures which should also included the names of the relevant person(preparer reviewer)	GM: Corporate Services/ Finance	In Progress	Resolved	Through inspection of employee files, we noted that the calculation relating to the termination of employees were signed by the preparer which is the Salary clerk, reviewed by the Expenditure Manager and Approved by the CFO.	

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
32	Employee costs	Job description not approved During the audit it was noted that the job description for position of Senior Creditors Clerk filled in February 2016 was not approved by the relevant officials.	New job description to be authorised and signed by all staff.	GM: Corporate Services	In Progress	Partially Resolved	Through inspection we noted that new job descriptions were not signed by relevant official, further we noted that new job descriptions were incomplete. Upon enquiry with the GM: Corporate Services, job descriptions are being reviewed and are in draft until they will be evaluated by the end of the financial year.	Job descriptions are in draft until they will be evaluated. The process is not completed. Due Date: 30 June 2017

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
33	Cash and cash equivalents	Safekeeping of unsigned cheques During our audit it was noted that the unsigned cheques were kept in an unlocked drawer in an open plan office at the municipality. It was further noted through discussions with the Creditors Clerk in charge of safekeeping of the unsigned cheques that the drawer is only locked at the end of the day.	The safekeeping of unsigned cheques will be a responsibility of expenditure manager	Manager expenditure	In Progress	Resolved	Upon inspection, it was noted that the safekeeping of unsigned cheques is responsible by the expenditure manager	The safekeeping of unsigned cheques is the responsibility of expenditure manager and maintained in a lockable safe

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
34	Cash and cash equivalents	No evidence of review of year-end bank reconciliation During the audit of cash and cash equivalents it was noted that there was no evidence that the year-end bank reconciliation was reviewed by a senior official of the municipality	-	CFO	-	Resolved	Upon inspection of the year end bank reconciliation, it was noted that it had been signed by the CFO	n/a

No	Category	Findings	Action Plan	Person Resp.	Due Date	Progress to date	IA Comment	Management Comment
35	Value Added Tax	VAT journals not authorised by a senior employee Journals relating to VAT were not signed/authorised as proof of being reviewed by a senior employee (Refer to MR)	Going forward the journals will be signed and the evidence will be kept for audit purpose.	CFO	-	Resolved	Upon inspection of VAT journals, it was confirmed that it was signed by the Expenditure Manager	n/a

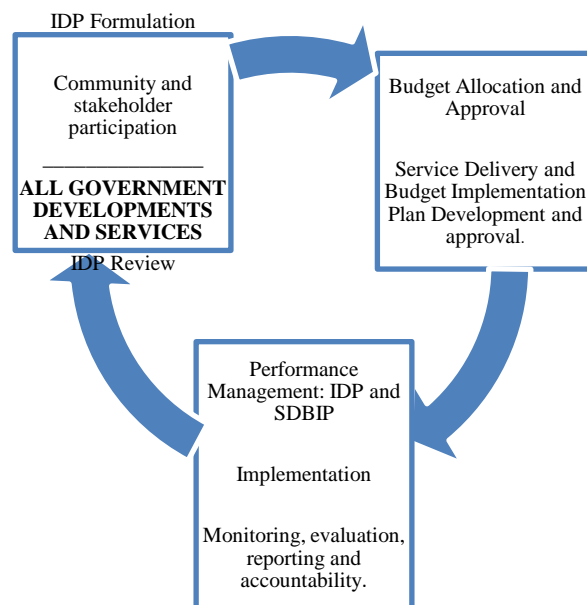
SECTION G: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Section 69(3) (a) of the Municipal Finance Management Act, Act 56 of 2003(MFMA) requires the Accounting Officer to submit a draft Service Delivery and Budget Implementation Plan (SDBIP) to the Mayor no later than 14 days after the approval of the Budget and drafts of the performance agreements as required in terms of Section 57 (1) (b) of the Municipal Systems Act, Act 32 of 2000. The Mayor must subsequently approve the SDBIP no later than 28 days after the approval of the Budget in accordance with section 53(1) (c) (ii) of the MFMA.

This is a one year detailed implementation plan which gives effects to the IDP and Budget and provide measuring performance in service delivery against end year targets and for the purposes of our municipality will be used as an implementation plan.

The final SDBIP for the 2016/2017 financial year will be adopted by June 2016 after the adoption of the budget. The Service Delivery and Budget Implementation Plan (SDBIP) will be serving as our implementation which will be derived from proceedings of the strategic planning session.

Every attempt has been made in this Process Plan to align the IDP and Budget preparation process, and the Performance Management System (PMS) review/SDBIP. The linkages of the three processes are summarised in the following diagram:



In this financial year, the Umdoni municipality in order to address queries raised by the Auditor General in the 2014/2015 Audit it has developed the Compliance Checklist to ensure compliance with laws and Regulations with laws and Regulations. Over and above the compliance Checklist, each Department has developed the Standard Operating procedures, which are subject to verification by the Internal Audit Unit

SECTION H: ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEMS

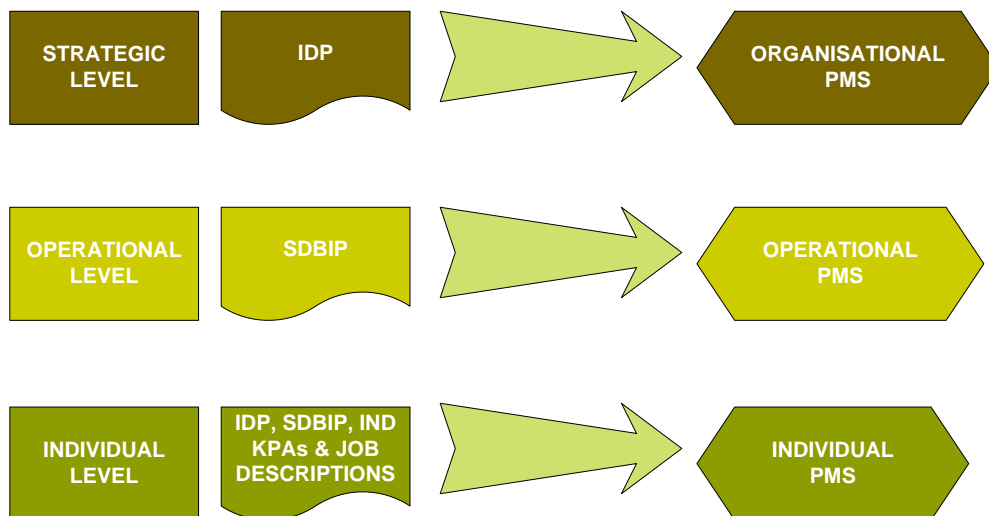
8.1 Introduction

Performance Management has been developed internally and has since been separated from being a combined SDBIP/PMS into an SDBIP and OPMS as separate documents. This Section details the OPMS framework. The Municipal Systems Act of 2000 requires the establishment of both an IDP and PMS and links the two. Specifically section 26 of the MSA identifies the core components of the IDP which includes the establishment of performance indicators and performance targets. The Organizational Performance Framework is in place and is currently being reviewed to include the Standard Operating Procedures and the Compliance Checklist.

It identifies core components of the PMS as including:

- ✓ *An appropriate set of Key Performance Indicators for measuring performance in relation to IDP and*
- ✓ *Setting measurable performance targets for each development priority and objective in the IDP.*

Umdoni Council has undergone an intensive strategic planning session where it mapped out its development priorities and came out with clear strategies to deliver on its mandate for the coming year which is in line with Local Government Development agenda and other National and Provincial and provincial programs and priorities. This is in accordance with the five National KPA's with the addition of the sixth KPA on Spatial Rationale and Environment. The table below indicates roles and responsibilities of Umdoni Municipal Structures in Performance Management Systems.

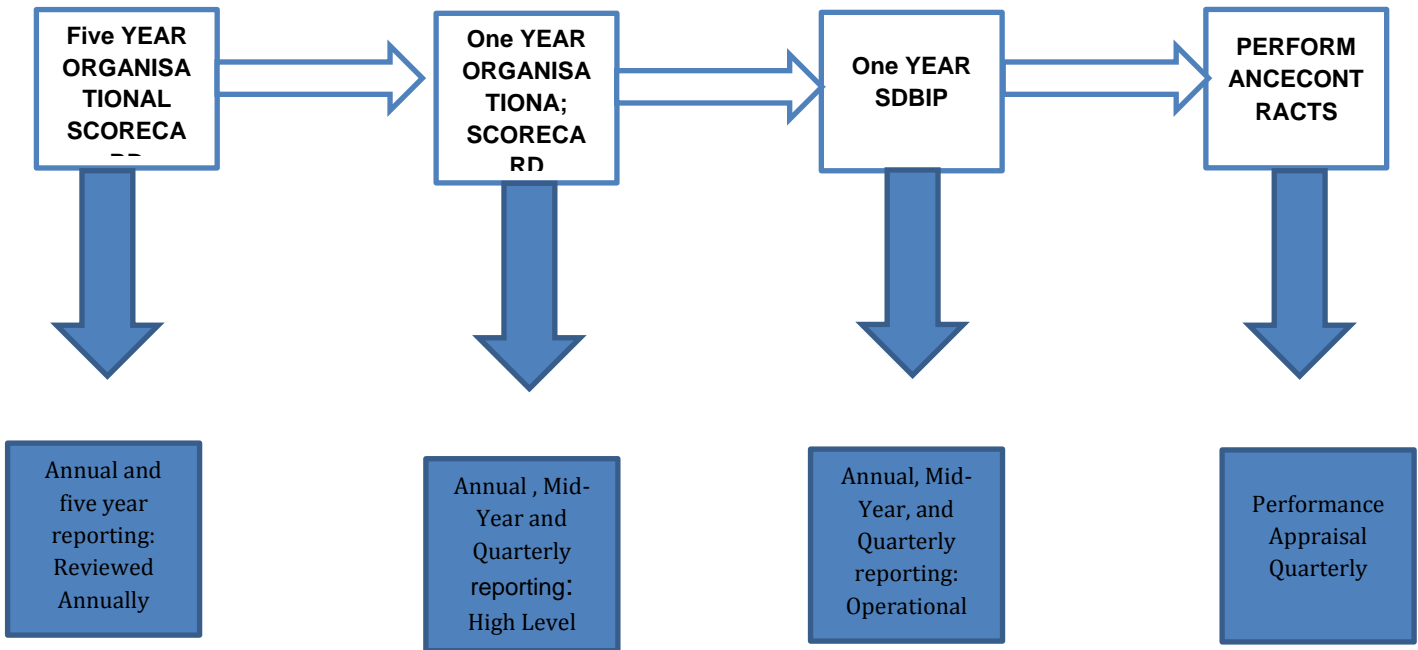


Strategic (Organizational) Performance linked to the integrated development plan (IDP) of a municipality

At this level, the performance of the municipality is measured and managed against the progress made in achieving the strategic objectives as set out in the integrated development plan (IDP) of the municipality. This is done based on key performance indicators and targets set for each of the IDP objectives of a municipality. Given that an IDP has, a five-year timespan the measures set at this level should be of a strategic and mostly long-term nature with an outcome and impact focus.

The measures set for the Municipality at organisational level is captured in an organisational scorecard structured in terms of the preferred performance management model of the Municipality. Organisational Scorecard is attached as **Annexure C**.

Below is the diagrammatic illustration of the components of Umdoni Organisational Performance Management Systems, which further illustrate the linkages and reporting cycles.



DESIGNATION	ROLE
Municipal Council	Approval and Oversight
Executive Committee	Oversight
Ward Committees	Participation
Municipal Manager	Monitoring
IDP/PMS Manager	Establish, Monitor and report
Internal Audit	Monitor and review
Performance Audit Committee	Oversight review
Municipal SCOPA	Oversight
Senior Management	Implement
Communities	Monitoring and participation

8.2 Organisational Performance Management Framework

Umdoni Municipality is currently reviewing its organizational Performance Management Framework on a yearly basis. In this financial year the municipality is currently reviewing the framework to incorporate the standard operating procedures and the compliance checklist. The policy will not be appended on this document however it will be available on request to the municipality and on the website www.umdoni.gov.za.

8.3 Performance Contracts

The staff performance management is currently confined to the Section 57 Managers. On an annual basis section 57 employees sign performance contracts and performance plans which are based on the adopted IDP and budget. All section 57 managers have previously been appointed on a five year contract; This category of Municipal officials is expected to report on their performance on a quarterly basis. Bi-annual assessment are also conducted by the municipal manager and the performance audit committee members to act as an early warning system and to further alert the MM of the required corrective measures which need to be undertaken to ensure that all targets for the year are met.

Annual performance of up to a maximum of 14% is payable to these employees upon completion of assessment of performance at the end of each financial year through a performance evaluation committee which is established as per legislative requirement. Payment of bonuses is only effected after the adoption

of the annual report by Council. Probation management is conducted for the first six months of employment respectively on all appropriate categories of employees.

All contracts to be signed by the end of July after the start of the new financial year.

8.4 Reviews

Reviews are conducted on a quarterly basis. Council resolved to have the reviews conducted at the respective portfolio committees for the first and second quarter of the financial year. However as an additional measure the municipality conducts a bi-annual review which is set on a specific date and all councilors are present for the bi-annual and the annual review.

8.5 Annual Report

Section 121 of the Municipal Finance Management Act 56 of 2003 requires municipalities to develop annual performance reports for each financial year. This must be prepared within nine months after the end of a financial year. Umdoni has developed the 2015/2016 Annual Performance Report and its adoption took place on the 29th of March 2017 for 2015/2016 Financial Year.

Due to the voluminous nature of the document, the annual report will not be annexured in this document however; it will be made available on request to the municipality and on the website www.umdni.gov.za

The role of internal audit in terms of performance management

The MFMA requires that the Municipality must establish an internal audit section. This service could be outsourced depending on its resources and specific requirements. Section 45 of the Municipal Systems Act stipulates that the results of the Municipality's performance measures must be audited by the internal audit section as part of the internal auditing process and annually by the Auditor-General.

The Municipal Planning and Performance management Regulations stipulates that the internal audit section must, on a continuous basis, audit all performance and this must include an assessment of the following:

- (i) The **functionality** of the municipality's performance management system.
- (ii) Whether the municipality's performance management system **complies** with the Act.
- (iii) The extent to which the municipality's performance measurements are **reliable** in measuring the performance of municipalities by making use of indicators.

NO	ANNEXURE	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)	The current SDF is outdated the municipality is currently reviewing the SDF; the draft strategy has not been completed to be attached with this document. <u>Attached separately</u>
I.3	Disaster Management Plan/s	The Disaster management Plan was adopted in the 2010/2011 financial year. Therefore there is a need to review the current plan. The municipality have not made any budget provision in the next financial year. <u>Attached separately</u>
1.5	Status of Sector Plans	Attached as an Annexure
I.4	AG Comments on latest Audited Financial Statements and Responses & Actions thereto	Attached to the document

Annexure 1.4 STATUS OF SECTOR PLAN

NO	SECTOR PLAN	COMPLETED /Y/N	ADOPTED Y/N	DATE OF NEXT REVIEW
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				
	Housing Sector Plan	Yes	Yes	2016/2017
	Capital Investment Plan	Yes	Yes	2017/2018
	Operations and Maintenance Plan	Yes	Draft format will be adopted in April 2017	N/A
	Energy Sector Plan	No	No	2017/2018
SOCIAL AND LOCAL ECONOMIC DEVELOPMENT				
	Local Economic Development Strategy	Yes	Yes	2017/2018
	Tourism Plan	No	No	To be developed in 2017/2018
FINANCIAL VIABILITY AND MANAGEMENT				
	Revenue Enhancement Policy	Yes	Yes	N/A
	Fraud Prevention Strategy	Yes	Yes	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
	Community Participation Strategy	No	N0	To be developed in 2017/2018
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				
	Communication Strategy	No	N0	To be developed in 2017/2018
	Youth development Strategy	No	N0	To be developed in 2017/2018
	Organizational PMS Policy	Yes	YES	2016/2017

	Workplace Skills plan	Yes	Yes	2016/2017
	OHSP	No	In a Draft form will be adopted in May 2017	
	HR Strategy	Yes	Yes	2016/2017
	PMS Framework	Yes	Yes	2016/2017
SPATIAL AND ENVIRONMENTAL ANALYSIS				
	Spatial Development Framework	Yes	Yes	2016/2017
	Coastal Management Plan	No	No	N/A
	LUMS	Yes	2014	Will be reviewed in 2017/2018 to incorporate Vulamehlo municipality
	IWMP	Yes	Yes	2017
	SEA and IEMP	Yes	Yes	2017
	Disaster Management Plan	Yes	Yes	2017