

# **THE BIG 5 FALSE BAY MUNICIPALITY**



**Final IDP Review  
2010/2011**

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# Introduction & Legal Framework

## Introduction

### A. Legislative Framework.

Municipal Integrated Development Planning needs to be distinguished as a planning process rather than a physical plan or outcome. The process is designed to incorporate all possible elements of municipal development, i.e. an integration of various developmental roles (e.g. comprehensive analysis, projects, budgets, non-local municipal functions such as education, water and electricity provision, strategic planning).

Local municipalities are required by the Municipal Systems Act to engage in integrated developing planning on an ongoing basis. Plans are completed every 5 years and reviewed annually. The IDP process is intended to result in a number of key outcomes, notably:

- Poverty Reduction – Local municipal jurisdictions have been extended from middle income established towns to include the rural (and mostly under-serviced) poor. The effective servicing of and stimulating of the economies within these areas is a major challenge to municipalities across South Africa and will continue to be so for a number of years.
- Sustainable Development – through informed, strategic land use planning, the development of various environments can be effectively managed. Environments requiring special attention through the IDP include
  - The built environment
  - Natural resources
  - Sensitive and important natural ecosystems such as rivers, forests, estuaries and beaches
  - Agricultural Land
  - Housing
- Service Delivery – the servicing of the poor is tackled through detailed analysis of service delivery backlogs and inter-departmental and municipal cooperation, project identification and the allocation of funding. The integrated approach and alignment of sector plans highlights issues and brings a greater degree of efficiency to service delivery.

### B. Local Context

Big 5 False Bay is a small local municipality situated within the Umkhanyakude District in northern KwaZulu-Natal. Easily accessible off the N2 national route, it lies adjacent to the False Bay (western) side of the Isimangaliso Wetland Park (a.k.a the Greater St Lucia Wetlands Park) and is the Starting point of the MR4( LSDI Corridor) which links Hluhluwe to Mozambique. The town of Hluhluwe, which contains the major shopping and light servicing facilities, as well as the municipal offices, services it. A large proportion of the land is used for agriculture and game lodge activities and is sparsely settled. The north-eastern parts of the municipality are occupied by fairly densely settled rural traditional communities (Makasa, Mngqobokasi and Nibela).

The Municipality is graded as a Grade 1 Municipality and since it's inception in 2000, has financially been burdened by "inherited" debt from the Umsikheli Municipal Support Services (the erstwhile Development & Services Board), which was previously responsible for the Management of Hluhluwe Town and it's surrounding Commercial Farm Areas. A massive reduction in the Municipality's Equitable Share (more than 35%) has caused the funding available for capacity building and capital projects to be drastically reduced. The municipality's

attempts to become less Grant-dependent have therefore also not been successful. Although various attempts have been made to enquire as to the reduction in the Equitable Share, no response has been forthcoming from National Treasury.

The Big 5 False Bay Municipality forms part of the Umkhanyakude District, which has been identified as an ISRDP Node by the Presidency. This programme has been put in place, to, inter-alia, assist the Municipality with human, technical and financial capacity to ensure development and alleviate poverty.

#### NSDP, PGDS & Millennium Goals

Within the auspices of the Powers and Functions, as set out in 1.2 above, the Strategic Focus Areas, Objectives, Strategies, Projects and Spatial Development Framework in this IDP have all been developed with the National Spatial Development Framework (NSDP) the Provincial Growth & Development Strategy (PGDS) and the Millennium Development Goals (MDG). The NSDP, PGDS and MDG are summarised as follows:

- NSDP  
Principle 1:

Rapid Economic Growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, amongst which poverty alleviation is key.

Principle 2:

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

Principle 3:

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

Principle 4:

Focus on people, not places, in efforts to address past and current social inequalities

Principle 5:

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

- PGDS

Programme 1: Governance and Administration

A People-focused, responsive, accountable and efficient governance delivering timely and quality sustainable services.

Programme 2: Economic Development

Improve economic growth and development; increase formal jobs and enhance skills development.

Programme 3: Community and Social Infrastructure

Maintain and increase the provision of sustainable, integrated basic service infrastructure development.

Programme 4: Human Capacity Development

Improve and invest in skills and education to develop provincial Human Capacity

Programme 5: Health & Social Support

Improve the livelihoods of the poor, reduce vulnerability to infectious diseases (especially HIV & AIDS), healthcare services;, provide social safety nets and build unified, safe communities

Programme 6: Crosscutting Priorities

HIV/AIDS and SMME development;, Sustainable environment, Human Rights, Integration, Capacity building; Innovation and technology; Poverty alleviation, and Risk Management

- MDG

Goal 1: Eradicate Extreme Poverty & Hunger

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

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

Goal 2: Achieve Universal Primary Education

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

Goal 3: Promote gender equality & Empower Women

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

Goal 4: Reduce Child Mortality

Target 5: Reduce the Under five mortality rate by two thirds, between 1990 and 2015

Goal 5: Improve Maternal Health

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

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

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

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

Goal 7: Ensure Environmental Sustainability

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

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

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

Goal 8: Develop a Global Partnership For development

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

Target 13: Address the special needs of the least Developed Countries, including tariff- and quota free access for Least Developed Countries exports, enhanced programme of debt relief for heavily indebted poor countries and cancellation of official bilateral debt and more generous official development assistance for countries committed to poverty reduction

Social Partners

During the 2007/2008 IDP development process, a number of social partners have been Identified who were directly and/or indirectly involved in the continuous public participation process, which followed into the 08/09 and 09/10 IDP Review Process. The development

processes, as set out in the adopted IDP Process plan were observed at community level, through ward committees, council involvement, NGO participation and government department attendance. It is the belief of The Big 5 False Bay Municipality that with the necessary structures in place and maintained, the Public-Private partnerships which are already emerging, will be crucial in the improvement of service delivery, the improvement in quality of life and the ultimate fulfilment of the Municipal Vision.

Social Partners involved in the 09/10 IDP Review Process have been identified as follows: (from attendance registers of the various IDP Representative Forum Meetings)

- Local Government structures
  - Council & Ward 1 Ward Committee: Chaired by the Mayor, Cllr C Khumalo
  - Ward 2 Ward Committee: Chaired by Cllr G. J. Mthetwa
  - Ward 3 Ward Committee: Chaired by Cllr Z Nkwanyana
  - Ward 4 Ward Committee: Chaired by Cllr Mdluli
  - Chairman: Management Committee, Municipal Manager, Mr. M.A. Mngadi
  - Corporate Manager (acting Technical Manager) Mr B. Creighton
  - IDP Manager: Ms. A van Zyl
  - Umkhanyakude District Municipality: Mr N. Mtiyane
  - Youth Forum: Rev. Gumbi
- Government Departments
  - Department: Local Government & Traditional Affairs: Ms. L. Dirker
  - Department of Agriculture: Mr. T Dlamini
  - Department of Welfare: N.S. Mabaso & N Mayise
  - Department Environmental affairs: P. M. Mhlongo
  - Department of Labour: K. Radebe & D. Mpongose
  - Department of Health: B. M. Nxumalo
  - Department Water affairs & Forestry: Thabile Dlamini
- Economic Partners
  - Hluhluwe District Improvement Association: Mr P. Conradie & Mr G. Lang
  - Elephant Coast Tourism Association: Mr. G. Lang
  - Pineapple growers association & Hluhluwe farmers association: Mr. D. Visser

Independent Development Trust:

- Non-Government Organisations  
Operation Upgrade: Mrs P. Petersen

Community law & Rural Development Centre: T.L. Sithole

KZN Education Development Trust: T. Dlamini



### C. MEC Comments 2009/2010 IDP

The MEC for Co-Operative Governance and Traditional Affairs has in his assessment of the Big 5 False Bay 2009/2010 IDP review, submit the following findings. (These are tabulated in this document for ease of reference).

KPA	AREA FOR IMPROVEMENT	RESPONSIBLE DEPARTMENTS (Submission of info only)	COMMENTS i.t.o. THIS REVIEW
<b>Municipal Transformation &amp; Institutional Development</b>	<b>Reporting on OPMS Functionality &amp; Monitoring Process</b>  <b>Comments on Auditor General Report &amp; Corrective measures</b>  <b>Anti Corruption Strategy /{Policy</b>  <b>Human Resource Development Strategy</b>	ALL (Info submitted by Corporate)  Finance  Finance/Corporate  Corporate	
<b>Local Economic Development</b>	<b>Led Implementation Strategies, Projects, Indicative budgets &amp; timeframes &amp; alignment with PGDS</b>	P & D	LED Plan adopted by council Sept 2009.  Summary contained in this document at Chapter 4
<b>Basic Service Delivery &amp; Infrastructure investment</b>	<b>Water Services Development Plan</b>  <b>Integrated Waste Management Plan</b>	<u>NOT A LM FUNCTION</u>  Technical/ P&D	Not a function of Big 5, but DC27 Project Indicated in Chapter 5.  Business Plan drawn

	<b>Municipal Indigent Policy</b>	Finance/ Corporate	up, unfunded.
<b>Financial Viability &amp; Financial Management</b>	<p><b>Expand Financial Plan Review &amp; Provide revenue raising Strategies</b></p> <p><b>5 Year Capital Programme that cover the full MTEF period</b></p> <p><b>Link Between Budgeting Process, Key Development Issues, Strategies, Projects &amp; Performance Monitoring</b></p> <p><b>AG Comments and corrective steps included in Review Process</b></p>	<p>Finance</p> <p>Finance</p> <p>Finance, P&amp;D</p> <p>Finance</p>	
<b>Good Governance &amp; Community Participation</b>	<b>Clear Programmes aimed at Designated groups (youth, Women &amp; Disabled)</b>	P&D/ Community Services.	
<b>Spatial Development Framework</b>	<p><b><u>SEA or Environmental Management Plan</u></b></p> <p><b><u>Spatial Expression of Capital Investment Framework</u></b></p>	<p>P&amp;D</p> <p>P&amp;D</p>	<p>Project Budgeted for in 2010/2011 Big 5 Budget</p> <p>Contained in Chapter 8.</p>
<b>Other</b>	<b><u>2007 Household survey to be used more</u></b>	P&D	Contained in Chapter 2, BUT disputed by Council. Funding by DIT currently negotiated to do own survey in 2010/2011 In line with StatsSA standards.



# Chapter 1:

## Municipal Overview

## 1. Municipal Overview

### 1.1 The Council

The Municipal Council consists of 7 Councillors of which 4 represent wards and the other 3 were proportionally elected on the basis of the proportion of votes cast for the respective parties.

The composition of the Council is as follows:

Political Party	No of ward Councillors	No of Proportional Councillors
IFP	4	1
ANC	0	2

- The Mayor is Councillor C.T. Khumalo (IFP)

#### The full time councillors are:

Ward 1	Cllr CT Khumalo	Mayor/ Ward Councillor	IFP
Ward 2	Cllr Mthetwa	Ward Councillor	IFP
Ward 3	Cllr Z.F. Nkwanyana	Ward Councillor	IFP
Ward 4	Cllr . Mdluli	Ward Councillor	IFP

#### Proportionate Councillors are

Cllr Mcambi	IFP
Cllr Mtshali	ANC
Cllr Mkhize.	ANC

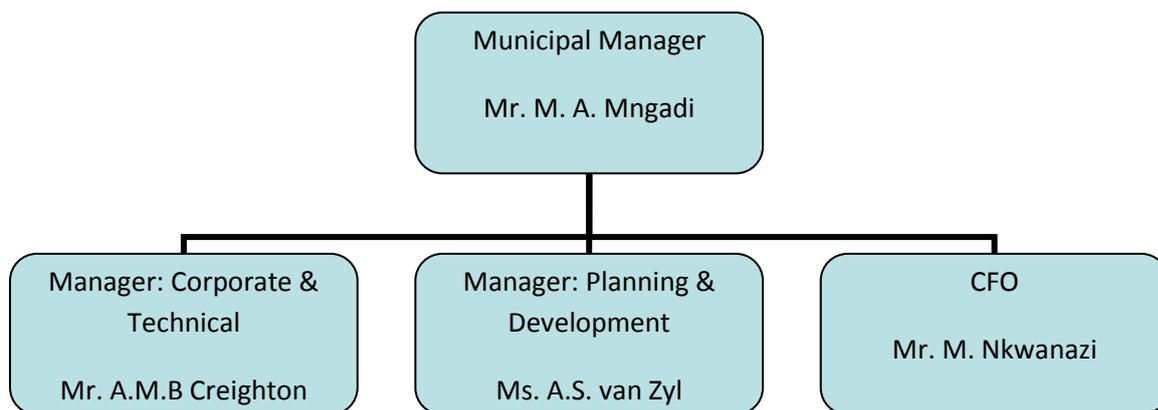
### 1.2 The Ward Committees

The 4 ward councillors mentioned above are the chair persons of the ward committees which each consist of 10 members. Details of the ward committees are available at the Municipality, the Office of the Mayor.

### 1.3 The Administration

#### 1.3.1 Management

The Current Macro organisational structure is indicated on the diagram below:



***PLEASE NOTE:*** The Organisational Structure is currently in the process of revision In Terms of the following aspects. (This will expanded on in the Municipal Turn Around Strategy, which will be completed by the end of April 2010 and Contained in the Final IDP)

- The Technical Department To function as a separate Department and the Manager: Technical /Civil Engineering has been identified as a Critical post
- The Manager : Corporate will also be responsible for the Community Services Section (Which also includes the LED Component)
- Library Services will be taken over by the Province and current staff will be
- All Posts are to be re-evaluated and incumbents re-assigned where applicable.

### 1.3.2 Middle management & Staff

Middle Management and Junior staff totals 33 individuals, which are proportionately employed per Department as follows *(To be restructured as stated in 1.3.1. above)*

Department	Number of staff members (Excluding Management)	% of employed staff component	Number of Vacancies
Office Of The MM	2	6%	1
Finance	12	36%	3
Corporate & Technical	17	52%	3
Planning & Development	2	6%	3

#### 1.4 Roles & Responsibilities

The Municipality functions within the ambit of the following roles and responsibilities. (It should be noted that the Mentioned Shared Services Agreement in Column 3 is not fully functional, which creates confusion where implementation is concerned)

<b>Local Functions (KZ273 The Big 5 False Bay)</b>	<b>District Functions (DC27 Umkhanyakude)</b>	<b>Proposed Shared Service Functions – As per 2003 Agreement)</b>
<ol style="list-style-type: none"> <li>1. Air Pollution &amp; Air Quality control</li> <li>2. Noise Pollution</li> <li>3. Environmental Management</li> <li>4. Building Regulations</li> <li>5. Child Care Facilities</li> <li>6. Pontoons, Ferries, Jetties Piers &amp; Harbours</li> <li>7. Storm Water Management in Built up areas</li> <li>8. Trading Regulations</li> <li>9. Beaches and amusement facilities</li> <li>10. Billboards and Display of advertisement in Public Places.</li> <li>11. Cleansing</li> <li>12. Control of public nuisances</li> <li>13. Facilities for the accommodation, Care and Burial of Animals</li> <li>14. Fencing and Fences</li> <li>15. Licensing of Dogs</li> <li>16. Local Amenities</li> <li>17. Local Sport Facilities</li> <li>18. Municipal Parks and recreation</li> <li>19. Pounds</li> <li>20. Public Places</li> <li>21. Street Trading</li> <li>22. Street Lighting</li> <li>23. Traffic &amp; Parking</li> </ol>	<ol style="list-style-type: none"> <li>1. Potable Water Supply</li> <li>2. Sanitation Services</li> <li>3. Electricity Reticulation</li> <li>4. Municipal Health Services</li> <li>5. Regional Airport</li> </ol>	<ol style="list-style-type: none"> <li>1. Fire Fighting &amp; Disaster Management</li> <li>2. Local Tourism</li> <li>3. Municipal Planning</li> <li>4. Municipal Public Transport</li> <li>5. Cemeteries, Funeral Parlours &amp; Crematoria</li> <li>6. Markets</li> <li>7. Municipal Abattoirs</li> <li>8. Municipal Roads</li> <li>9. Refuse removal, Land Fill sites &amp; Solid Waste Management</li> </ol>

#### 1.5 The IDP Process

This section deals with the IDP review process as set out in the adopted IDP Process Plan which is available at the Planning & Development Office office of the Municipality. It should be understood within the context of multi-year planning and budgeting.

## 1.6 Community Participation

Community involvement in the planning process is a priority for the Municipality.

The Ward Committees are a key factor and the basis for Community participation in the Planning Process

An advertisement was placed in the local News Paper and e-mailed for individuals, focus groups and NGO's to register on the Database. A relatively poor response in terms of this process resulted in the Management AND Council Identifying Key community leaders who were called to Ward Meetings during the first week of February 2010.

In Addition to ward committees, the respective ward meetings consisted of representatives from Traditional Authorities, Youth Groups, Formal Business, Rate Payers, Pastors Forum, (Attendance registers are available at the Planning & Development Department)

From the Ward Meetings, The Top 10 Community needs were Identified. This was identified, with the meeting, taking cognisance of the Community Needs identified during the 2009 review process. Clear Shifts in priority are evident, due to a combination of Service delivery and Economic Change.

The Following Community needs were Identified for 2010/2011, comparative to the 2009 needs.

*(The Responsibilities of the Big 5 False Bay municipality is in highlighted Italics)*

### Ward 1 : Makhasa

2009 Community Needs (Top 10)	2010 Community Needs (Top 10)
1. Electricity	• Electricity
2. Police Station	• Police Station
3. MPCC	• Cattle dams
4. High Schools	• Taxi rank
5. Health facilities Upgrade	• MPCC
6. <i>Crèches</i>	• Matric finishing school
7. Matric Finishing School	• Sanitation
FET/Technical Training Facility	• <i>Community hall</i>
8. Orphan Care	• Orphan care centre
9. Old-Age Home	• <i>Crèche</i>
10. <i>Community Hall</i>	

### Ward 2 : Mnqobokhazi

2009 Community Needs (Top 10)	2010 Community Needs (Top 10)
<ol style="list-style-type: none"> <li>1. Electricity</li> <li>2. Schools</li> <li>3. Water</li> <li>4. Clinic Upgrade</li> <li>5. Welfare office access</li> <li>6. Dipping Tanks</li> <li><b>7. Market stalls</b></li> <li>8. Matric Finishing School and Adult Literacy</li> <li>9. Police Station</li> <li>10. Dams for Cattle</li> </ol>	<ol style="list-style-type: none"> <li>1. Electricity</li> <li>2. Access roads (District Roads)</li> <li>3. High school</li> <li>4. Police station &amp; Access to Policing facilities</li> <li>5. Finishing school and FET</li> <li><b>6. Crèche (Bhekani area)</b></li> <li>7. Cattle dams</li> <li>8. Clinic upgrade</li> <li>9. Water connection</li> <li><b>10. Community hall (Nukamkhonto area)</b></li> </ol>

### Ward 3 : Hluhluwe & Commercial Farms

2009 Community Needs (Top 10)	2010 Community Needs (Top 10)
<ol style="list-style-type: none"> <li>1. Effective Policing &amp; Crime prevention</li> <li><b>2. Upgrading of Roads / Access</b></li> <li>3. Clinic</li> <li><b>4. Crèches (Phumlani)</b></li> <li>5. Welfare Offices access</li> <li><b>6. Informal Trader Market Stalls (Main Road)</b></li> <li>7. Highschool/FET's / Technical Skills Centre</li> </ol>	<ol style="list-style-type: none"> <li>1. Water bourn sewerage and ponds</li> <li><b>2. Refuse removal site</b></li> <li>3. High school in Hluhluwe</li> <li><b>4. Maintenance of streets, circles, and street lights</b></li> <li><b>5. Informal trade market</b></li> <li><b>6. Public Ablution facilities</b></li> <li>7. DOT roads (Bushlands North/south)</li> <li><b>8. Crèche (Phumlani area)</b></li> <li><b>9. Housing for low income and middle income</b></li> <li>10. Water Quality.</li> </ol>

<p><b>8. Storm Water Management</b></p> <p>9. Refuse Removal</p> <p>10. MPCC's / Social Service Centres</p>	
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**Ward 4: Nibela**

2009 Community Needs (Top 10)	2010 Community Needs (Top 10)
<p>1. Water</p> <p>2. Electricity</p> <p>3. Matric Finishing School and Adult Literacy</p> <p>4. Clinic</p> <p><b>5. Market stalls</b></p> <p><b>6. Community Centre</b></p> <p>7. Cell masts</p> <p>8. Dipping Tanks</p> <p>9. Police Station</p> <p>10. Dams for Cattle</p>	<p>1. Electricity</p> <p>2. High School</p> <p><b>3. Community Hall/ Centre</b></p> <p>4. Mobile Clinic Shelter &amp; Facilities</p> <p>5. Dam For Cattle</p> <p>6. Matric Finishing School</p> <p>7. Library</p> <p>8. Old Age Home</p> <p>9. Cell Mast/ Tower</p> <p><b>10. Crèche</b></p>

- Water Provision has clearly been increased, however, water quality remains a problem
- Electricity provision in the rural areas is the main priority area.
- High Schools and Facilitates for the completion of Grade 12 Certificates are in high demand.
- Access to diligent policing and crime prevention also needs serious attention. (A major factor is that the availability of police stations is not in line with municipal and ward boundaries).
- Community Facilities like crèches and community halls

## Chapter 2: Municipal Profile & Status Quo.

## 2. Municipal Profile & Status Quo.

Embarking upon the analysis process for Big 5 False Bay has required widespread research into the most reliable sources of data to use. It was determined prior the data scan that the population and demographic data would require the most attention; this is due to apparent inconsistencies in the census 2001 data as well the fact that inaccurate demographic data paints a directly distorted picture of the very population group that the IDP seeks to accommodate for, i.e. it's integral to understand the dynamics of the population for which one is planning.

A number of sources were scanned and/or contacted:

- Medical Research Council (MRC)
- Human Sciences Research Council (HSRC)
- Independent Electoral Commission (IEC)
- National Treasury (equitable share index)
- Kwanologa
- Eskom
- Mhluthuze Water (district water service provider)
- Labour Force Survey
- Bureau of Market Research
- Development Bank of Southern Africa (DBSA)
- Statistics South Africa
- Quantec

Two important and 'official' sets of data were made available by Stats SA and the DBSA; concerning the total population of the Big 5 False Bay:

1. **Stats SA** have produced a working document (currently being reviewed) that presents a 2006 mid-year estimate of urban and rural populations (added together giving the total population). Their approximate methodology is as follows:

Step 1: National projection – the cohort component method using a soft programme SPECTRUM (also taking into account the effect of HIV/AIDS)

Step 2: Provincial projections - again a cohort component method. These projections are based on methodology of the United Nations (taking into account the migration streams between provinces).

Step 3: District council projections – these are essentially the same as those used in step 2.

Step 4: Local municipalities - the ratio method. Here it is assumed that percentages that we found in the 2001 are still valid in 2007, which might or might not be the case.

While a number of factors have been taken into account (migration, HIV/AIDS), a key factor regarding the accuracy of this data is that it's *based on* the original data gathered during the 2001 census. Therefore, despite the validity of assumptions made since then, the data will be flawed if the data-collection process in the 2001 census was flawed.

2. The **DBSA** used a different methodology, working from ground level upwards, starting with smaller regions such as enumerator areas. Growth rates between two periods are arrived at and then applied to increasingly larger and larger regions, eventually reaching Provinces and South Africa as a whole.

Table 1 shows a comparison between the two afore-discussed data sources, as well as the figure from the 2001 Census:

Table 1: Various Total Population Figures for Big 5 False Bay Local Municipality

<b>Data Source</b>	<b>Total Population</b>
<b>Census 2001</b>	31283
<b>DBSA Projection 2006</b>	34669
<b>Stats SA mid-year Estimate 2006</b>	32044

The table shows increases in population over time in both sets of 2006 data, as one would expect. However, as both sets are based upon the census, all are invalid if the original census process in Big 5 False Bay in 2001 was flawed.

Other organisations have conducted research that although not arrived at through officially recognised means such as by those employed by Stats SA or the DBSA, have a significant level of accuracy. The Medical Research Council (MRC) conducted research of its own and made findings that are relevant to population analysis:

- Hut-counts were performed off aerial photography for the entire municipal area (It should be noted that Updated Imagery is not available and hut-counts were probably based on 2000 Aerial photographs)
- On-foot assessment of population sizes were conducted for each household

This data is not purported to be completely accurate, but could be used to give a realistic idea of population figures for a relatively large area such as a local municipality.

Two major service providers, Eskom (electricity) and Mhlathuze Water (district water provision) were the source of very significant information. Both organisations are required to have extremely detailed knowledge of the areas and people that they are servicing and intending to service. Mhlathuze Water in particular have undertaken a comprehensive study to understand the specific whereabouts of (mostly un-serviced rural) communities.

The sources that were considered by Mhlathuze Water, concerning the rural areas (Wards 1, 2 and 4) were:

- The 1996 Census data.
- The 1997 uPhongola Water Supply Strategy Plan, uThungulu Regional Council.
- The 2002 Water Services Development Plan, uMkhanyakude District Municipality.
- The 1994 survey data of the Medical Research Council's Malaria Programme, which covers all three of the wards.
- The 2001 survey data of the Medical Research Council's Malaria Programme which includes household sizes and geographical location of homesteads in 7 of the 10 MRC survey areas with the remaining three being checked before being made available
- 2007 Community Survey Data, is incorporated in terms of household and population counts, but it should be noted that Council does not agree with the 6% decrease in population size.

**PLEASE NOTE: Council does NOT agree with the official 2007 Stats SA statistics, as it is projected. Based on Local Household counts and Figures in terms of actual Rural Housing Projects, it is agreed that the unofficial count should be as much as 15% higher, instead of 6% less than the 2006 Estimates. (A decrease of nearly 10 000 people in 1 year?) The same figure applies for all municipalities in the Umkhanyakude District, regardless of migration patterns, economic profile and topography. This places a serious question mark over the process within the Umkhanyakude district as a whole. Serious mistakes in terms of Service delivery have also been picked up, especially in terms of water provision, Access to water borne sewerage and actual household counts.**

Table 5: Population size

Data Source	2007 Stats SA Household Census (-6%)	Total Population (prior 2007 mini Census)	2009 Population Based on Council Estimates (+15%)
<b>Census 2001</b>	<b>29406</b>	31283	<b>35975</b>
<b>DBSA Projection 2006</b>	<b>32589</b>	34669	<b>39869</b>
<b>Stats SA mid-year Estimate 2006</b>	<b>30121</b>	32044	<b>36851</b>
<b>Mhlathuze Water Estimate 2001</b>	<b>37314</b>	39696	<b>45650</b>
<b>Estimate Based on Mhlathuze Water (2006 IDP Estimate)</b>	40632	43226	<u>49709</u>

From the figures above, it is evident that a comprehensive study should be conducted internally to accrue a correct figure (and accepted by StatsSA) . This will be conducted with the next IDP cycle starting in 2011/2012.

## Summary of Municipal Profile.

A Detailed Status Quo analysis of the Big 5 False Bay Municipal Profile is contained in the 2009/2010 IDP Review and from the Department: Planning & Development.

From that analysis, the following pivotal issues are still applicable:

- Severe backlogs in the servicing of rural communities
  - Water (DC function)
  - Electricity (DC & ESKOM Function)
  - Sanitation (DC Function)
  - Refuse Collection
- Education and Technical Skills
- Support and growth of the major economic activities Agriculture and Tourism
- Support of growth potential and capacity of Hluhluwe Town
- Local economic development (LED)
- Organisational and systems restructuring

The following section is a summary of that Analysis.

## 2.1. Demographics and Population

### 2.1.1. Population Per ward

Table 7: Ward and Sub-ward Populations, 2006 IDP Estimates and 2001 Census Figures

Ward	Sub-Ward	2006 IDP Estimate	2001 Census
<b>Ward 1: Makasa</b>	Sikwakwane	1377	-
	Mgwenya	2521	-
	Mpakhathini	786	-
	Nyathini	1719	-
	Nsimane	3046	-

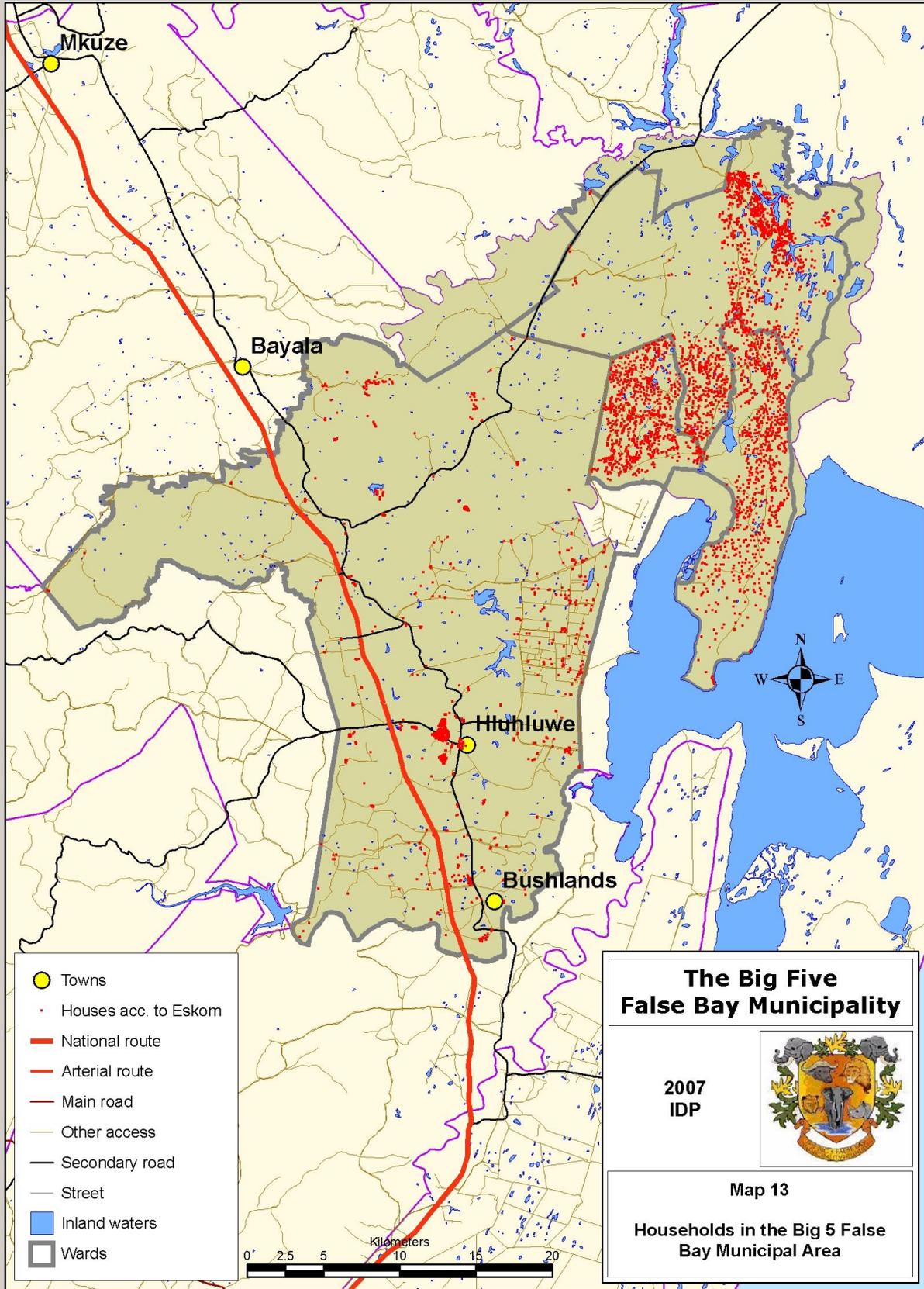
	Mahongoze	1096	-
<b>Sub-total: Ward 1</b>		<b>10544</b>	<b>7037</b>
<b>Ward 2: Mnqobokazi</b>	Njiya	2733	-
	Giba	6369	-
	Nokomkhonho	2856	-
<b>Sub-total: Ward 2</b>		<b>11958</b>	<b>12873</b>
<b>Ward 3: Town and Farms</b>	Hluhluwe / Phumlani	5796	-
	Commercial Farms	4355	-
<b>Sub-total: Ward 3</b>		<b>10151</b>	<b>3808</b>
<b>Ward 4: Nibela</b>	Bangizwe	3109	-
	Qomokuphila	2274	-
	Mphakhathini	3621	-
	Nqutshini	1568	-
<b>Sub-total: Ward 4</b>		<b>10572</b>	<b>7390</b>
<b>TOTAL</b>		<b>43225</b>	<b>31108</b>

Interestingly, the 2006 IDP population estimates of the four wards are very similar in size, falling into a range between 10151 and 11958 people. In almost each instance, the 2006 IDP estimate is significantly different to the 2001 census figures. The 2006 IDP population estimate figures are in stark contrast to the relative geographic sizes of the areas (see Table 8 below); for instance 23% of the population on 68% of the land (Ward 3) and 28% of the population on 19% of the land (Ward 2) contrasted to 24% of the people on 4% of the land (Ward 1).

Table 8: Ward Populations, 2006 IDP Estimates

Ward	Tribal Name	Population	Population %	Area (km <sup>2</sup> )	Area %
Ward 1	Makasa	10544	24%	43.4	4%
Ward 2	Mnqobokazi	11958	28%	203.2	19%
Ward 3	N/A	10151	23%	722.4	68%
Ward 4	Nibela	10572	24%	91.7	9%

Total		43225	100%	1061	100%
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### 2.1.2 Density

The relatively low population density of 41 ppl/km<sup>2</sup> of Big 5 False Bay is to be expected. This reflects:

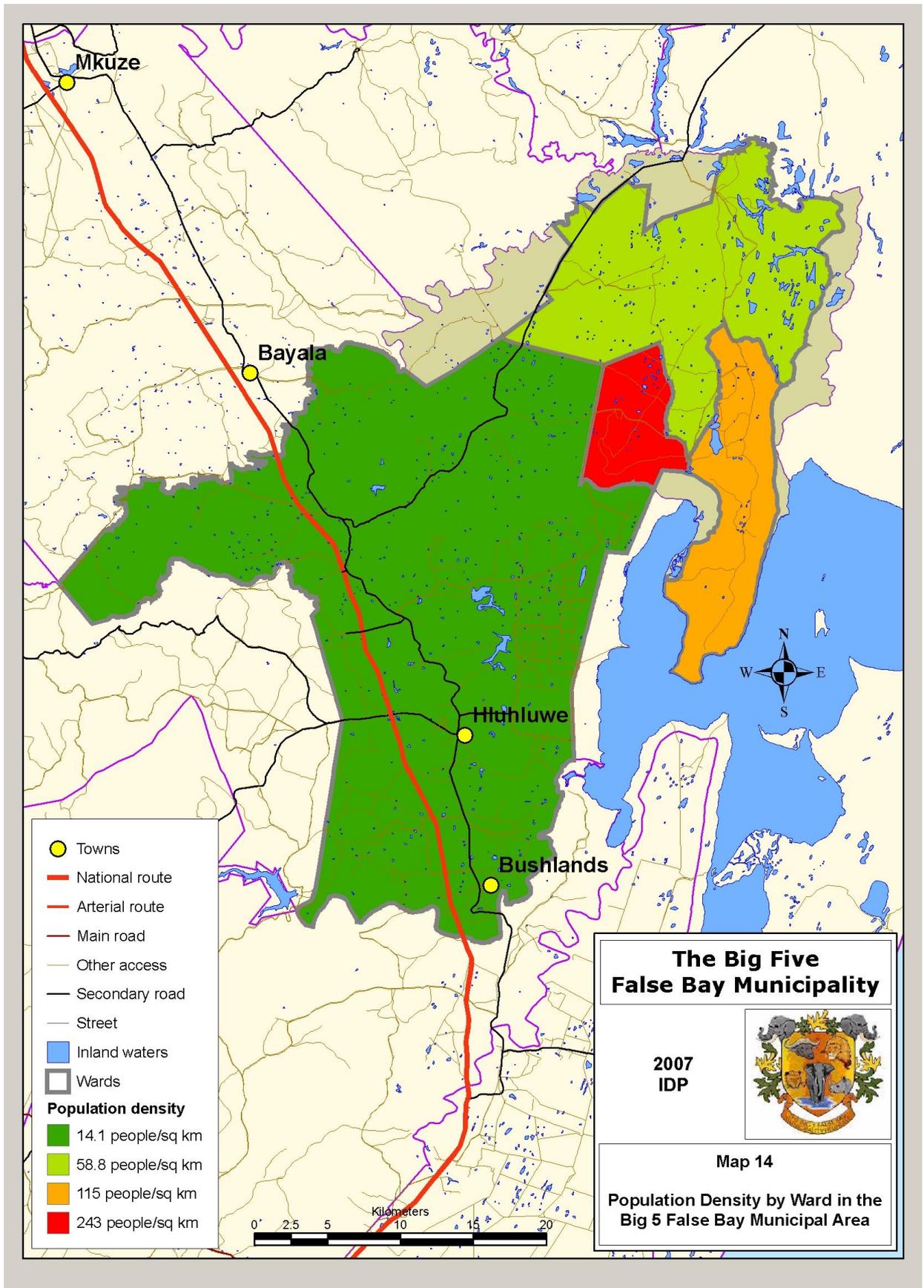
- Only one significant urban settlement (Hluhluwe town, including Phumlani)
- A large proportion of commercial agriculture in the municipal area
- A significant number of game lodges and GameFarms in the municipal area
- Significantly populated but scattered rural homesteads spread across large areas
- The Makasa tribal area (Ward 1) is far more densely populated than the other two traditional areas, despite having a very similar sized population.
- The Nibela peninsula is less densely populated than Makasa but more densely populated than Mnqobokazi, which is the least densely populated of the rural wards but also the largest in size.
- Aside from the settlement at Hluhluwe town, the rest of Ward 3 is very sparsely populated (14.1 ppl/km<sup>2</sup>). This ward accommodates all of the commercial agriculture and game lodge activity that occurs in Big 5 False Bay. However, it should be noted that information on the farm population is inadequate (based in Census 1996) and should be investigated at a later stage.

Density has a strong cost implication for service provision. The known low densities of the tribal areas (Wards 1, 2 and 4) already pose development challenges. Although other factors undoubtedly need to be taken into account, the densities listed below imply that Mnqobokazi would be the most difficult to service, followed by Nibela and that Makasa would be the least difficult or costly of the three.

Table 10: Ward Densities, 2006 IDP Estimates

Ward	Name	Population	Area (km <sup>2</sup> )	Density (ppl/km <sup>2</sup> )
Ward 1	Makasa	10544	43.4	243.0
Ward 2	Mnqobokazi	11958	203.2	58.8
Ward 3	(Hluhluwe)	10151	722.4	14.1
Ward 4	Nibela	10572	91.7	115.3
<b>Total</b>		<b>43225</b>	<b>1061</b>	





## Age Composition

The three figures below show the proportions of three population groups, ages 0-19, 20-29 and over 70, across various parts of South Africa. They depict each age category as a percentage of the total population for that area. There are some significant trends across the country:

Figure 4, Ages 0-19: In each 5 year sub-category from ages 0-19, the proportions of people are higher in the Zululand region and the parts within it (Umkhanyakude District the local municipalities within that) than the other areas. This simply says that there are higher proportions of people between the ages 0 and 19 in Zululand, Umkhanyakude and Big 5 False Bay than in the country as a whole and in KwaZulu-Natal Province, as well as in the two local municipalities in the Eastern and Western Cape. In fact, there are notable smaller proportions in Bergrivier and Kouga Local Municipalities. The most significant implication of this is that there are proportionally more children of school-going age in the Zululand region relative to other parts in the country.

**Figure 4: Proportion of Population Aged 0-19 (%)**  
**Source 2001 Census**

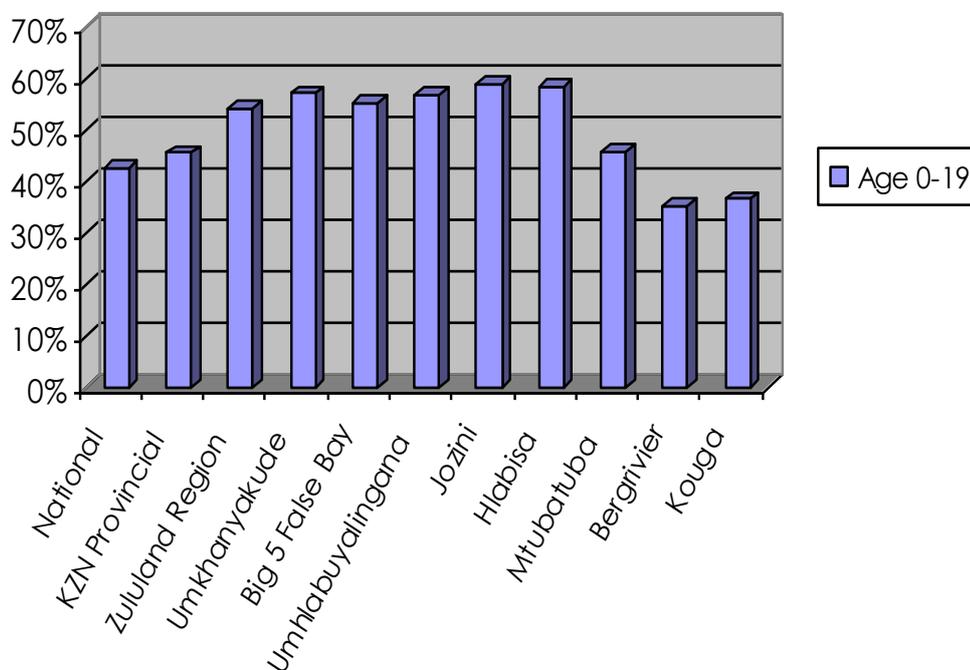


Figure 5, Ages 20-69: The trend in this age category is exactly opposite to that seen in Figure () above. Here there are decidedly lower proportions of people between the ages 20 and 69 in Zululand, Umkhanyakude and Big 5 False Bay than the national and provincial averages and Bergrivier and Kouga Local Municipalities in the Eastern and Western Cape. The implication here is that there are fewer proportions of people of working age in the Zululand region than in other parts of the country, which is significant for the labour force and employment.

**Figure 5: Proportion of Populatio Aged 20-69 (%)**  
**Source 2001 Census**

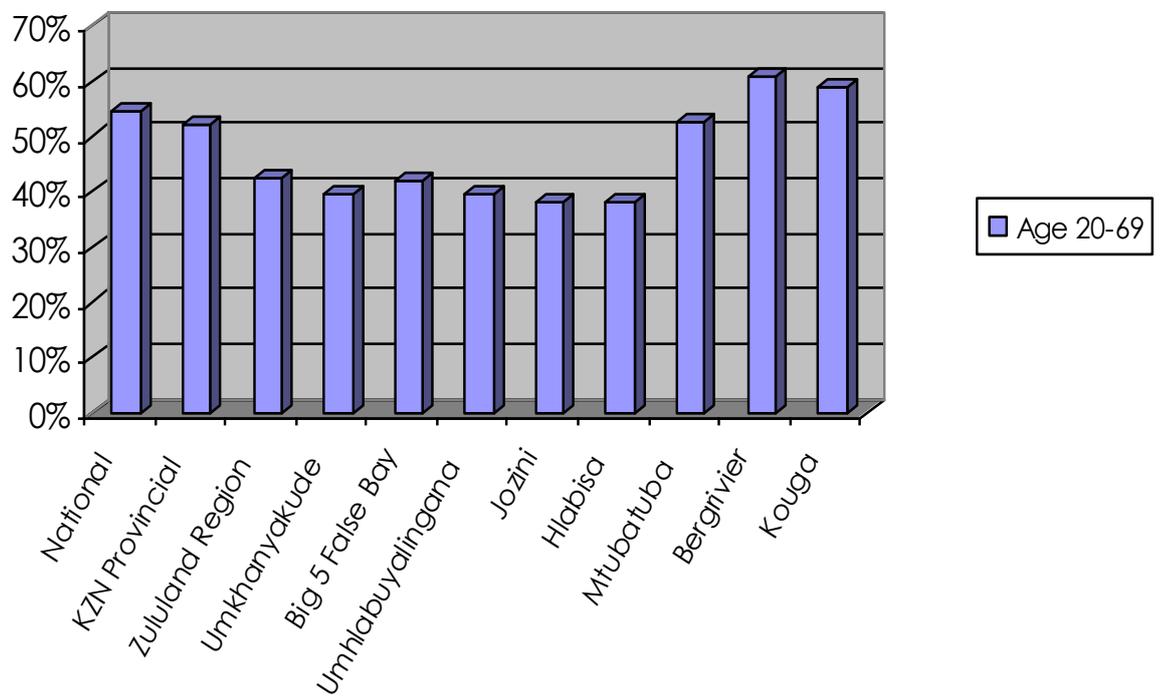
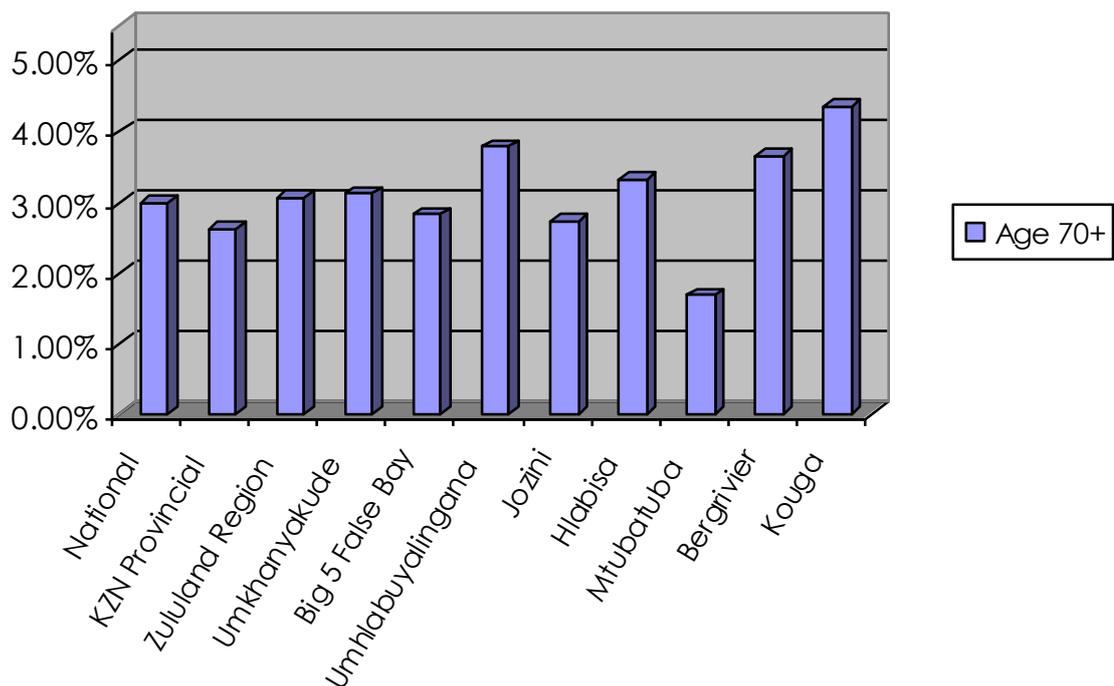


Figure 6, Ages over 70: There is no obvious trend in this age category. The proportion of the elderly in Big 5 False Bay relative to the rest of its population is almost the same as the national average.

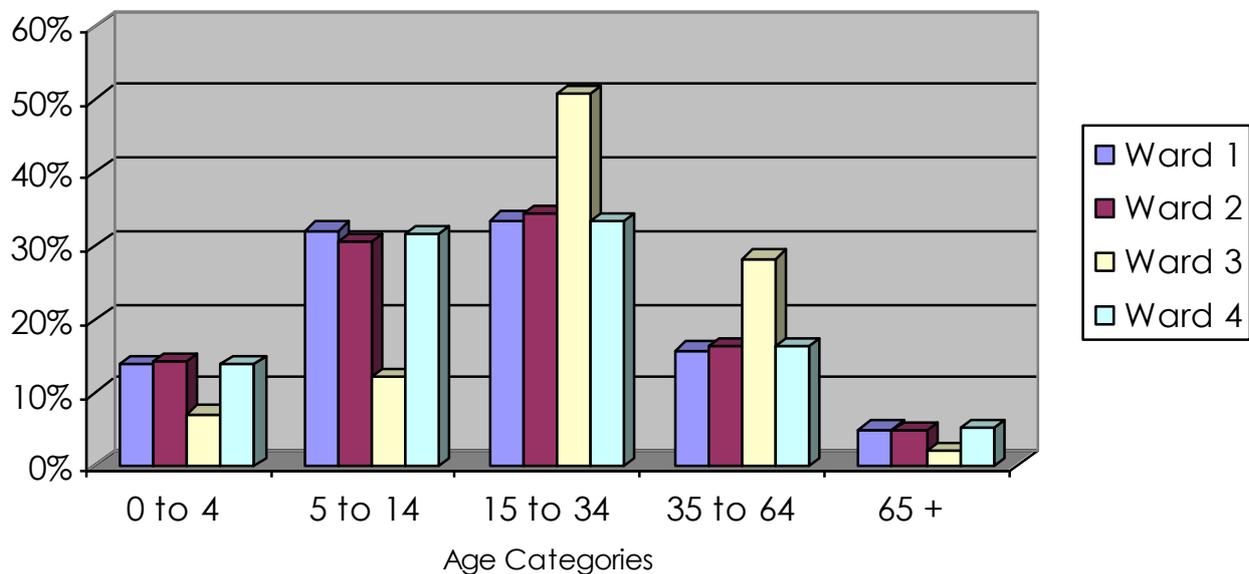
**Figure 6: Proportion of Population Aged 70+ (%)**  
**Source 2001 Census**



The age categories within Big 5 False Bay are shown below in figure 7. The age category data at a ward level was only available from Census 2001. Hence, while useful in giving an indication of age trends in each ward, is likely to be less accurate than the IDP 2006 population estimates.

Most importantly we see that the age trends are almost identical in each of the three traditional wards (Wards 1, 2 and 4). Ward 3, which includes Hluhluwe town, Phumlani, the commercial agriculture and game lodges, has a different proportion in every age category. Importantly, there are proportionally far fewer infants and young children and proportionally far more working aged people in Ward 3. The proportionally higher numbers of children in the rural wards has a strong implication for certain social services such as schools and crèches, and the smaller proportions of working aged people might be explained by migration of people seeking work elsewhere.

**Figure 7: Age Proportions (%), Wards, Source 2001 Census**

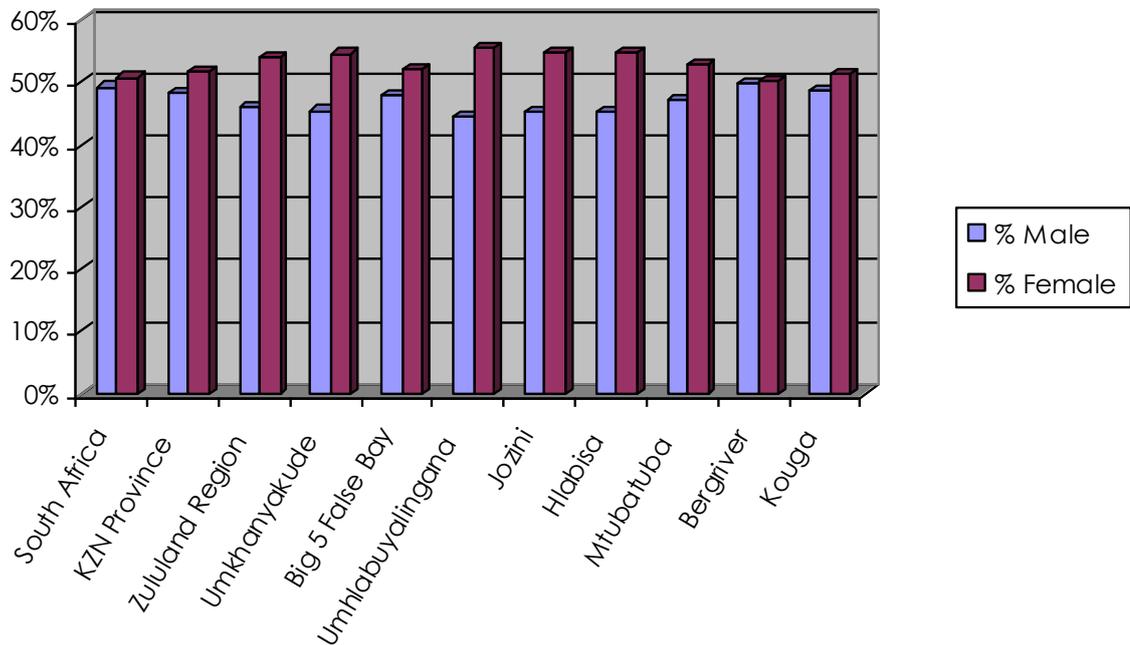


## 2.2 Gender and Race Composition

Both of these sections rely exclusively on Census 2001 data, which undermines credibility to an extent. However, it's important to realize that the statistical analysis of demographic patterns is never an exact science and should be used for planning in conjunction with other forms of analysis and data. Furthermore, the findings of the analysis based on this data should be used to give an indication of trends and patterns rather than as an exact representation.

Gender: A comparison across the study area (Figure 8 below) reveals that the Zululand region exhibits a greater disparity between males and females than the national and provincial averages, as well as Bergrivier and Kouga Local Municipalities in the Eastern and Western Cape. The Zululand region has a significant disparity and with Zululand, Umkhanyakude has an even greater disparity still. The greatest disparity, however, is shown by Umhlabuyalingana Local Municipality.

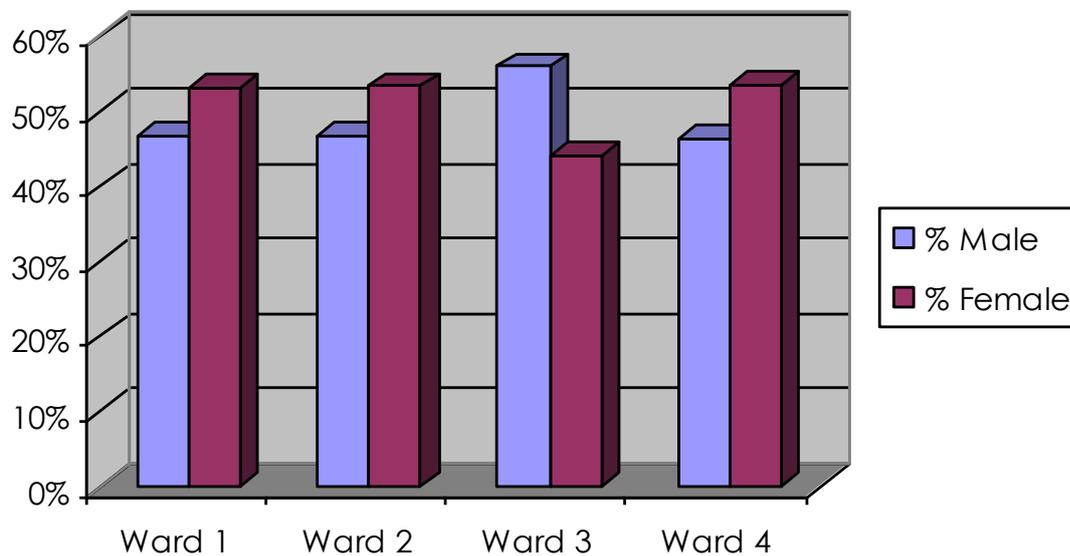
**Figure 8: Gender Proportions per Area (%), Source Census 2001**



Of all of the local municipalities in Umkhanyakude, Big 5 False Bay has the smallest imbalance in gender ratios, i.e. the most evenly matched proportion of males and females. The most significant implication of this is that the migration of male family members to find work away from home might occur less than in other parts of the district and in the Zululand region as a whole.

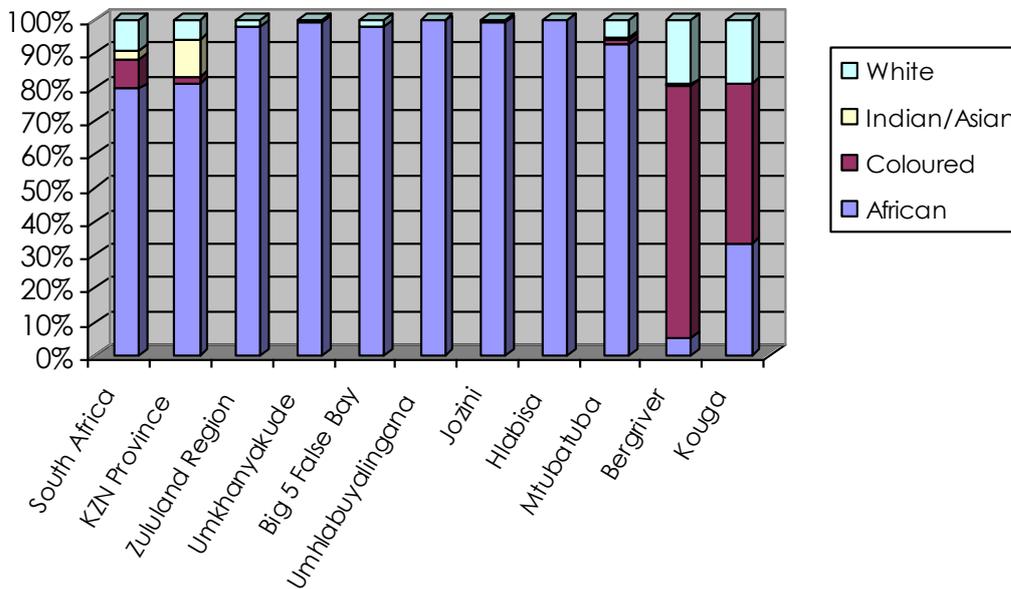
The gender breakdown of the individual wards of Big 5 False Bay (Figure 9 below) shows a stark difference between gender proportions in Ward 3 (urban areas, commercial farms and game lodges) and the traditional areas. Higher proportions of males in Ward 3 could be accounted for by farm workers living on the commercial farms (possibly originally residing in one of the tribal wards). None of the tribal wards (1, 2 and 4) display unusually high proportions of females to males; the distinction is none-the-less pronounced.

**Figure 9: Gender Proportions, per Ward, Big 5 False Bay  
Source 2001 Census**



Race Composition: The race composition of the entire Zululand region is overwhelmingly black, a characteristic well in line with the demographic profile of that part of the country. As expected this characteristic is also reflected in Big 5 False Bay. The other ethnic groups make up tiny proportions (white 1.8%, coloured 0.19% and Asian/Indian 0.15%) of the population.

**Figure 10: Race Composition (%), Source 2001 Census**

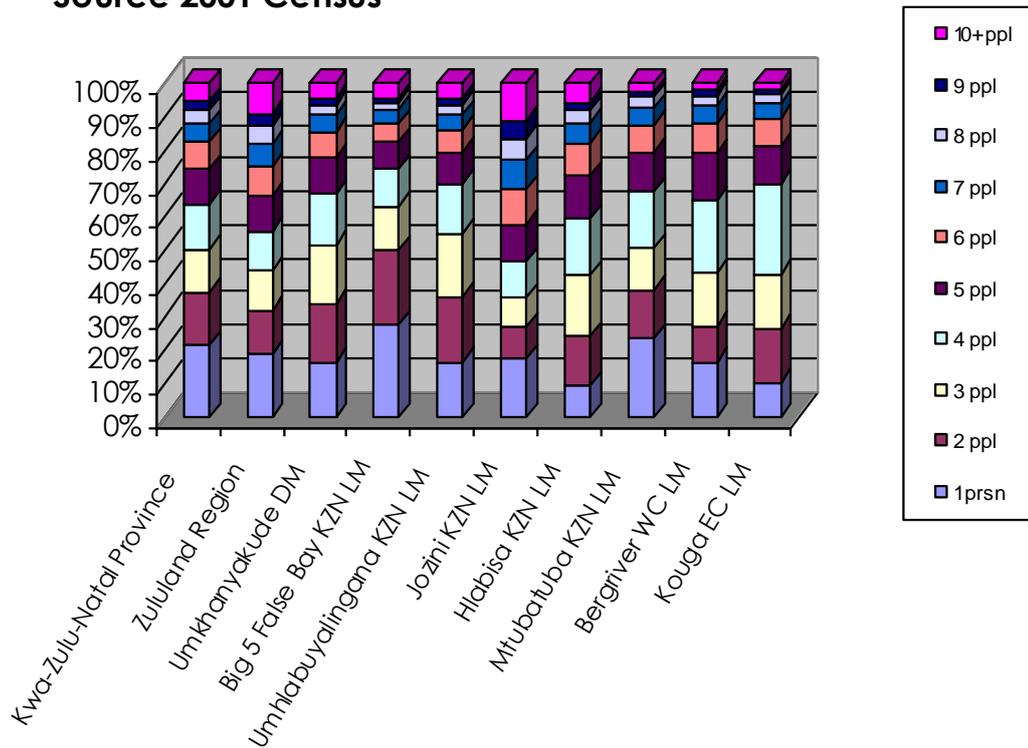


### 2.3 Households

The aggregating of household numbers according to municipal areas is problematic in South Africa. Municipal demarcation policy has ensured that local municipal jurisdictions include a range of land-use and settlement typologies (urban, rural, white-owned farms, traditional areas to name a few). The household structures across these typologies differ greatly. Consider a traditional white suburban household, which might comprise 3-5 members in one physical building, and a traditional rural black household that might house 15 or more people in a cluster of structures. Such differences in settlement patterns and cultures complicate statistical projections over large areas. The 2001 Census gives household sizes across the whole spatial spectrum.

Figure 11 below compares proportions of household sizes within the populations of KwaZulu-Natal Province, the Zululand region, Umkhanyakude District and a host of local municipalities. Single and two-person households generally have the highest proportion in most of the areas; the Eastern and Western Cape local municipalities have a high proportion of four-person households.

**Figure 11: Proportions of Household Sizes (%)**  
**Source 2001 Census**



The assertion by the data in figure 11 that the Zululand region and smaller areas within it have predominantly single, two-person, three-people and four-person households is highly questionable in light of the high proportion of rural traditional black households and settlements and relatively sparse collection of traditional white ‘urban’ areas. Only Jozini Local Municipality is reflected in the data as having a more representative proportion, with an 11% proportion of household made up of ten or more people.

Census 2001 provides ward-by-ward data for household sizes. In figure 12 below it’s easy to see how the averaging of household sizes for the whole municipality skewed the detail of the dynamics of each area. The information concurs with the expected cultural norms, with high proportions of larger (5 or more) households in the tribal areas (Wards 1, 2 and 4) and extremely high proportions of small households in Ward 3, representing the traditional urban settlement, Hluhluwe, and farms.

**Figure 12: Number of People per Household, by Ward  
Source 2001 Census**

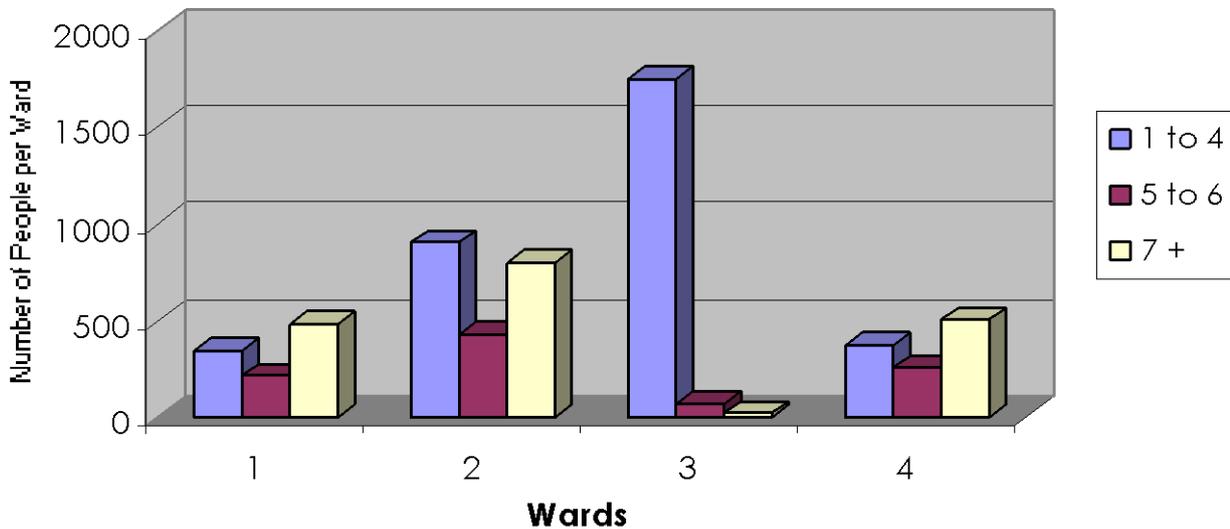
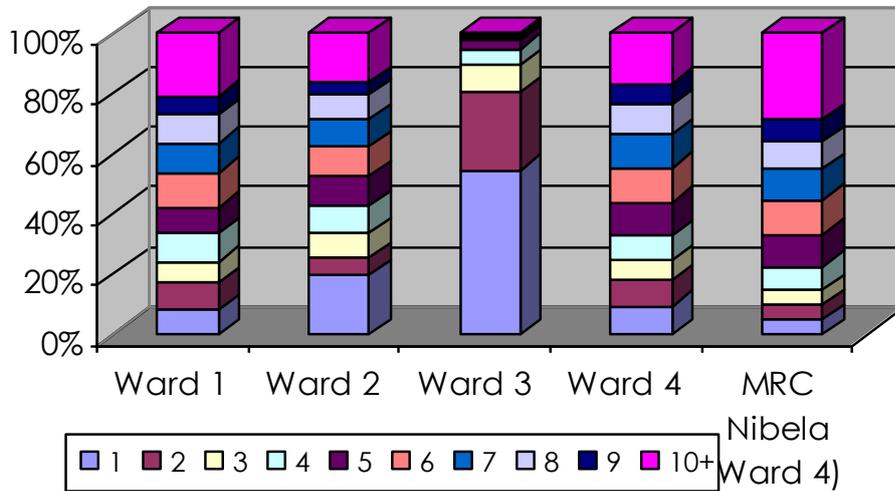


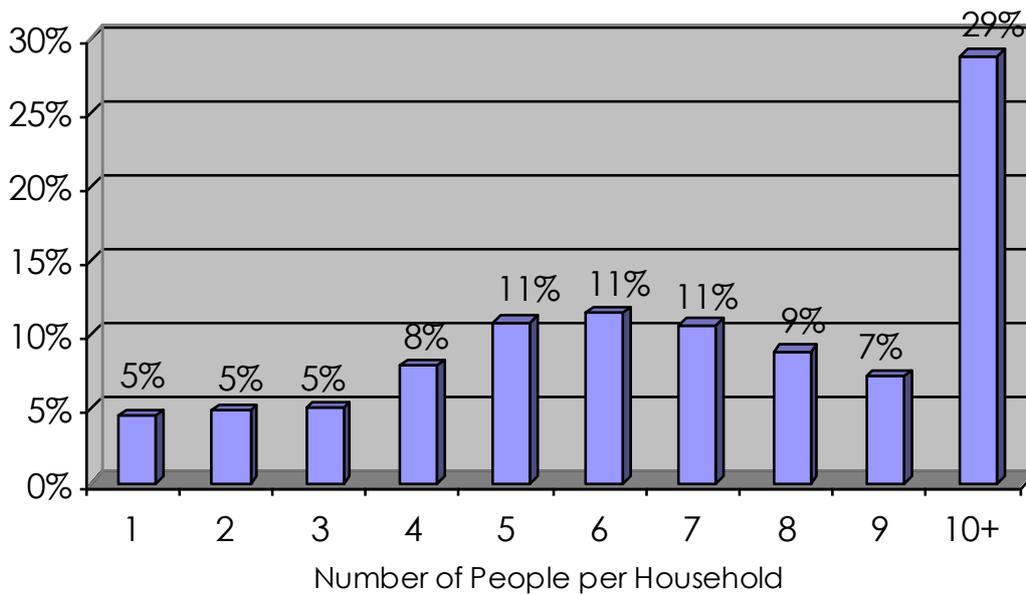
Figure 13 below gives the ward-by-ward proportions of household sizes from Census 2001, as well as data concerning Ward 4, the Nibela tribal area. The MRC data was captured during a detailed hut-count of the Nibela tribal area undertaken in 2001. During that process, the number of people per household, or umuzi, was counted. Hence, although several years old, the data gives a very accurate account of the population *at that time*. While the Stats SA Census 2001 accounts for larger households in the tribal wards than the Big 5 False Bay figure (), the MRC data depicts an overwhelming majority (29%) of the households house 10 or more people.

**Figure 13:**  
**Proportion of Household Sizes (%) for the Wards(Source 2001 Census)**  
**and MRC data for Nibela (Ward 4)**



Proportions of household sizes (for Nibela from MRC data) are shown below in figure 14:

**Figure 14:**  
**Proportions of People per Household, in Nibela (% of total HHs)**  
**Source MRC**



The implication of this fact is significant; the servicing of the rural population (at least 30000 people) can be far more effectively managed if the households, although scattered, hold large numbers of people, i.e. a pipeline to a household can service ten, or even twenty or thirty people in some instances, rather than merely three, four or five.

## **2.4 Migration**

There is no direct data on migration in Big 5 False Bay. However, several other sets of data can be used to infer information on migration patterns.

The gender discrepancies seen in figure 9 show that there are more females than males in the rural wards (wards 1, 2 and 4). The converse is true of ward 3. The likelihood is that the higher proportions of males in Ward 3 are farm workers or employed in the tertiary service sectors in Hluhluwe, who are technically living away from their original homes. The workers are also most likely to have come from the rural wards of Big 5 False Bay or from Mdletshe, the next closest non-urban settlement housing low-income communities in Hlabisa Municipality. Thus, in addition to income sources from other regions, incomes of the Big 5 False Bay tribal areas are thus expected to be supplemented to some extent by remittances from the farms in ward 3. Big 5 False Bay and in fact Zululand regional proportional age discrepancies (see figure 8) in the working age categories could also be attributed to some extent to worker migration.

## 1.2. Economic Analysis

### Household Incomes

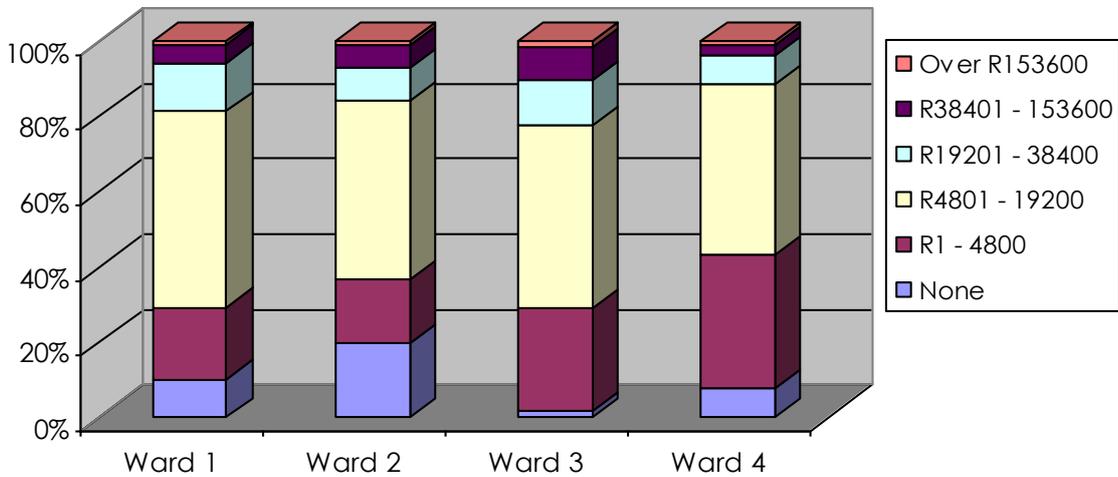
An integral part of the economic structure of an area is the spending power and multiplier effect of spending within the local economy. Table 11 below shows the numbers of households and the proportions of all of the households in that area fall into several income brackets. In Big 5 False Bay, on average, 48% of the households earned between R4901 and R19200 in the year 2001; that's between R408 and R1600 per month per household.

Table 11: Annual Household Incomes, Wards and Big 5 False Bay, Source 2001 Census

Income Bracket	Ward 1	%	Ward 2	%	Ward 3	%	Ward 4	%	Total for Big 5 FB	Total %
None	105	10%	423	20%	30	2%	87	8%	645	10%
R1 - 4800	198	19%	354	17%	510	28%	402	36%	1464	24%
R4801 - 19200	537	52%	1017	48%	900	49%	507	45%	2961	48%
R19201 - 38400	135	13%	183	9%	216	12%	87	8%	621	10%
R38401 - 153600	51	5%	132	6%	162	9%	33	3%	378	6%
Over R153600	9	1%	24	1%	33	2%	12	1%	78	1%
<b>Total Big 5 FB</b>	<b>1035</b>	<b>100%</b>	<b>2133</b>	<b>100%</b>	<b>1851</b>	<b>100%</b>	<b>1128</b>	<b>100%</b>	<b>6147</b>	<b>100%</b>

Looking at the individual wards (figure 15 below), in each instance the majority of the population lives in a household that falls into the R4801 to R19200 per year category, while the second largest proportion of the households earn less than R1600 per month. This is a good indication, even at 2001 prices, that on average the population of Big 5 False Bay is very poor. Consequently the internal spending power of the population is very limited. Note that while spending may be small, much income is retained in Big 5 False Bay through the services offered in Hluhluwe town.

**Figure 15: Proportions of Annual Household Income Levels per Ward, Source 2001 Census**



### Employment, Unemployment and the Labour Force

Population estimates from the Development Bank of Southern Africa (DBSA) were used to examine employment. Table 12 below shows the employment and unemployment per local municipality, which combined give the labour force per municipality (broad definition).

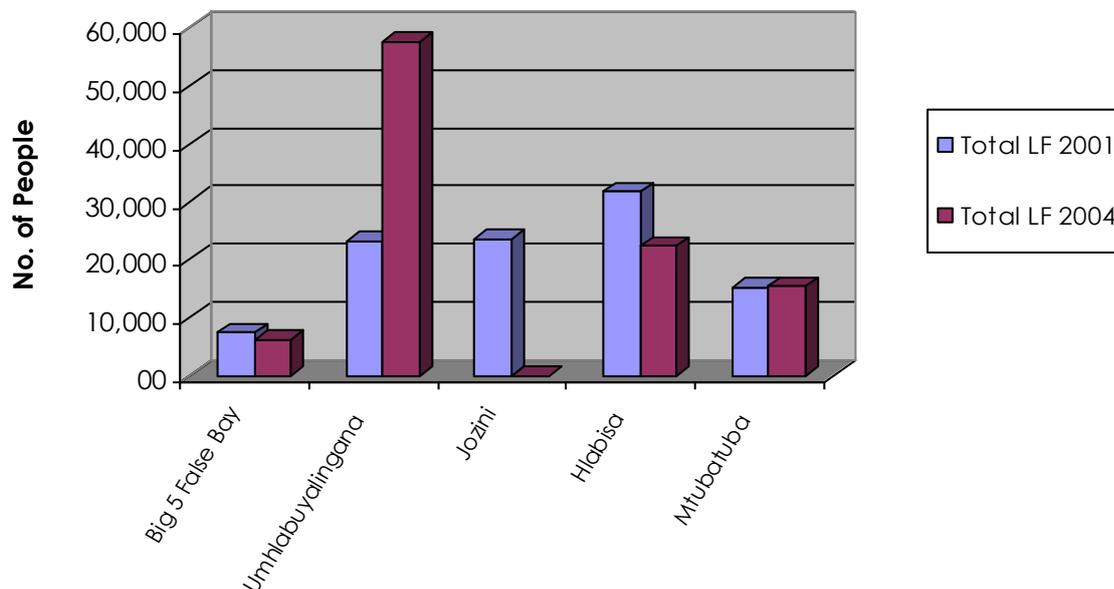
Table 12: Local Municipality's Employment, Unemployment and Labour Force (LF), 2001 and 2001 (DBSA estimates)

	2001			2004		
	Employed 2001	Unemployed 2001	Total LF 2001	Employed 2004	Unemployed 2004	Total LF 2004
<b>Big 5 False Bay</b>	3,874	3,494	7,368	2,273	4,012	6,285
<b>Umhlabuyalingan a</b>	7,163	15,972	23,135	15,990	41,699	57,689
<b>Jozini</b>	9,415	14,128	23,543	Data Error	Data Error	Data Error
<b>Hlabisa</b>	8,623	23,185	31,808	8,573	13,760	22,333
<b>Mtubatuba</b>	8,446	6,761	15,207	5,777	9,560	15,337
<b>Kouga</b>	20,129	7,319	27,448	22,139	7,892	30,031

<b>Bergrivier</b>	19,807	1,644	21,451	16,521	1,794	18,315
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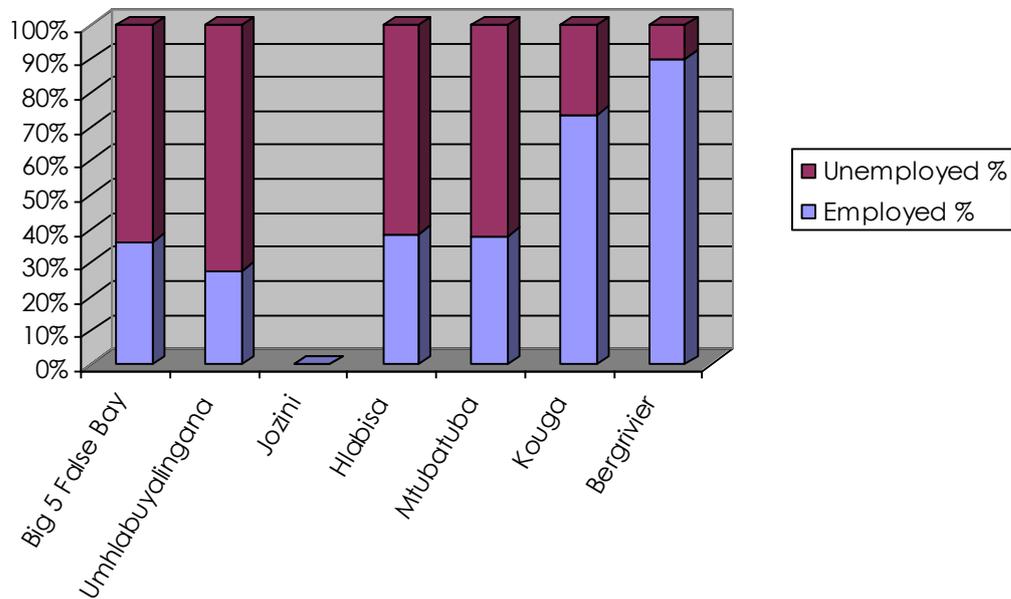
Dealing with labour force first, figure 16 below gives a visual comparison across the Umkhanyakude district. Despite a data error, Jozini would be expected to have a relatively large 2004 labour force. Clearly Big 5 False Bay has the smallest labour force of all of the local municipalities in Umkhanyakude, at approximately 6285 people. While the DBSA figures have likely been underestimated for all of the local municipalities, the difference in proportions of the sizes of labour forces is a useful guide.

**Figure 16: Total Labour Force per Local Municipality, 2001 and 2004**  
Source DBSA



The wide array of municipal population sizes in Umkhanyakude necessitates the use of proportions in comparisons of employment. Figure 17 below shows employment and unemployment as percentages of the labour force. The Umkhanyakude local municipalities have far higher weighting of unemployment (on average approximately 65%) than the Kouga and Bergrivier comparatives.

**Figure 17: Proportions of Employment and Unemployment per Municipality (DBSA 2004 estimates - Jozini Data Error)**



### Labour Absorption Rate

The labour absorption rate measures the extent to which the working age population correlates to the labour force, and hence the extent to which the working-age population is being absorbed into the labour market. Table 13 below shows the Big 5 False Bay labour force and working age population, which give a very low labour absorption rate of 37.55%. Again, the statistical sources of data are different, with labour force derived from the DBSA and working age population from Census 2001. As such this labour absorption rate shouldn't be taken as a completely true figure, but rather used as an indicator of generally low labour absorption in Big 5 False Bay.

Table 13: Big 5 False Bay Labour Absorption Rate

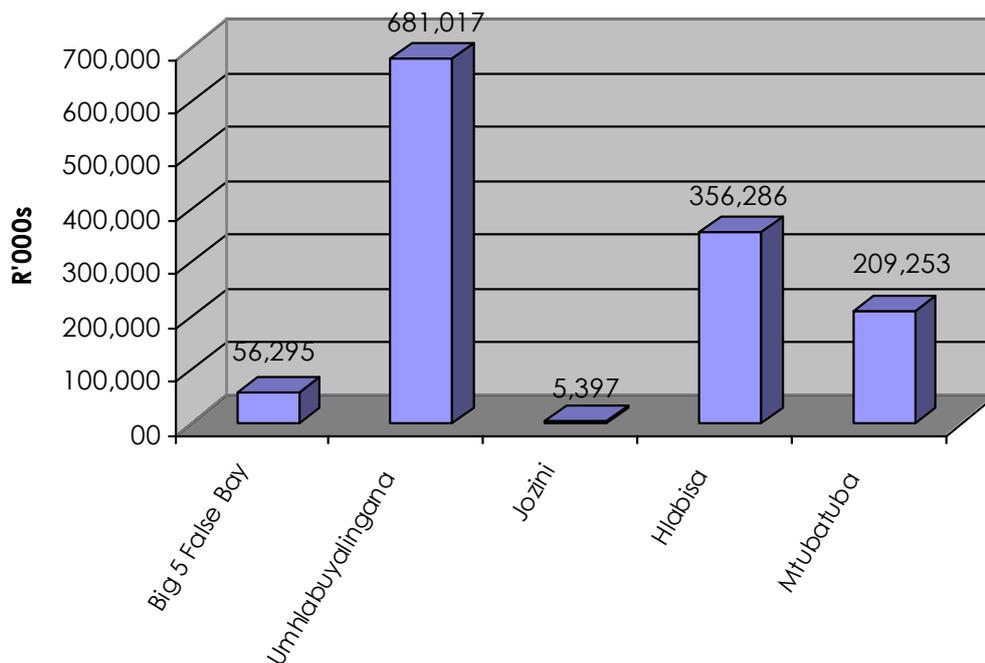
	Year 2004
Total Labour Force*	6,285
Working Age Population	16736
<b>Labour Absorption Rate</b>	<b>37.55%</b>

\* Source DBSA Estimates

## Value Added

The DBSA has provided value added figures for local municipalities. Value added measures the value added in production, and (gross value added) is the difference between output and the value of inputs and services used in the process of production. Figure 18 below compares the value added across Umkhanyakude. Both Big 5 False Bay and Jozini have very low value added figures when compared to the other three municipalities. This is surprising given the strong agricultural base in Big 5 False Bay (discussed later). The DBSA figures allocate only 4.3% of total value added in Umkhanyakude to Big 5 False Bay, a low proportion indeed.

**Figure 18:**  
**Local Municipality's Total Value Added for 2004 at constant 2000 prices**  
Source DBSA



## Economic Activities

Economic activities are categorised as follows:

1. Agriculture, forestry and fishing
2. Mining and quarrying
3. Manufacturing

4. Electricity, gas and water
5. Construction
6. Wholesale, retail and motor trade; catering and accommodation
7. Transport, storage and communication
8. Financial intermediation, real estate and business services
9. General government and personal services

Table 14 below shows the economic sectors, economic activities, the proportions of those activities for 2001 and 2004, and the extent of growth and decline, measured in value added (source DBSA).

Table 14: Big 5 False Bay's Economic Activities, patterns of Growth and Decline from 2001 to 2004 (%), Source DBSA

		2001		2004		
Sector	Activity*	VA	%	VA	%	Growth %
Primary	Agriculture	14,779	27.8%	14,596	25.9%	-1.24%
	Mining	4	0.0%	6	0.0%	50.00%
Secondary	Manufacturing	4,849	9.1%	4,703	8.4%	-3.01%
	Energy	1,455	2.7%	1,403	2.5%	-3.57%
	Construction	1,392	2.6%	1,608	2.9%	15.52%
Tertiary	Wholesale	5,821	10.9%	6,541	11.6%	12.37%
	Transport	8,282	15.6%	9,398	16.7%	13.48%
	Finance	4,000	7.5%	4,791	8.5%	19.78%
	Services	12,585	23.7%	13,249	23.5%	5.28%
	<b>Total</b>	<b>53,167</b>	<b>100%</b>	<b>56,295</b>	<b>100%</b>	<b>5.88%</b>

\*The activity categories have been simplified and summarized for the sake of this table, please refer to complete list above the table.

The three most significant economic sectors within Big 5 False Bay, in terms of value added in production in 2004, are:

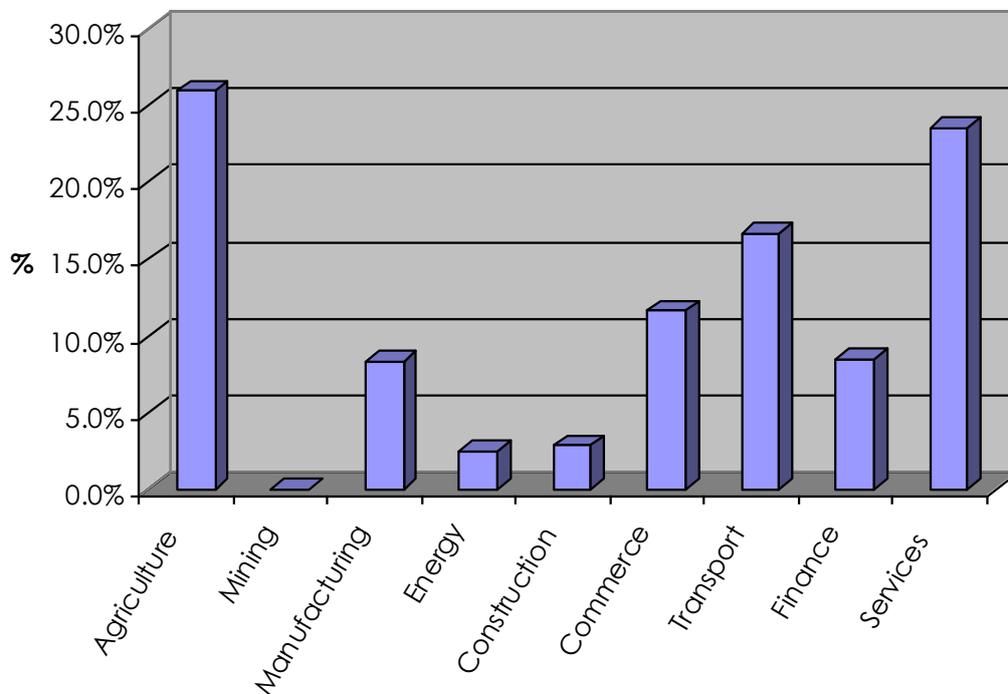
- Agriculture, forestry and fishing 25.9%
- Transport, storage and communication 23.5%
- General government and personal services 16.7%

Wholesale, retail, motor trade, catering and accommodation activities exhibit the fourth highest value added in 2004, with 11.6%.

Table 14 also shows that several activities have shown very high levels of growth in value added, namely construction, wholesale and retail, transport and finance. Significantly, value added in agriculture declined by 1.24% from 2001 to 2004, but this is a very negligible decline. Agriculture remains the most significant economic activity in Big 5 False Bay.

The proportions of the economic activities of Big 5 False Bay area shown below (figure 19):

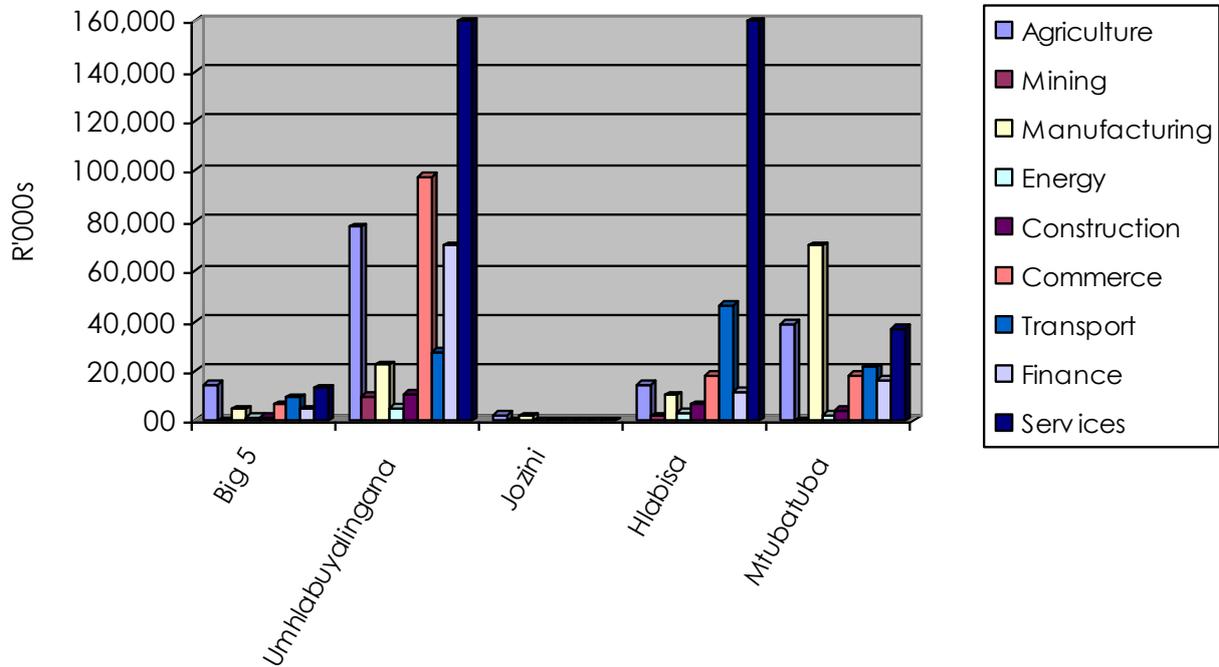
**Figure 19: Big 5 False Bay's Proportion of Economic Activities, by activity**  
Source DBSA



Comparing the economic activities proportionally will neglect to show the sometimes large differences in value added across the spectrum of the municipality. Figure 20 below shows that the value added in certain economic sectors within Umhlabuyalingana, Hlabisa and Mtubatuba is considerably larger than elsewhere in Umkhanyakude District. None of the activities within Big 5 False Bay are significantly close to or larger in value added than the largest sectoral levels of value added elsewhere in any of the other local municipalities comprising the district.

**Figure 20: Value Added per Local Municipality per Activity, Source DBSA**

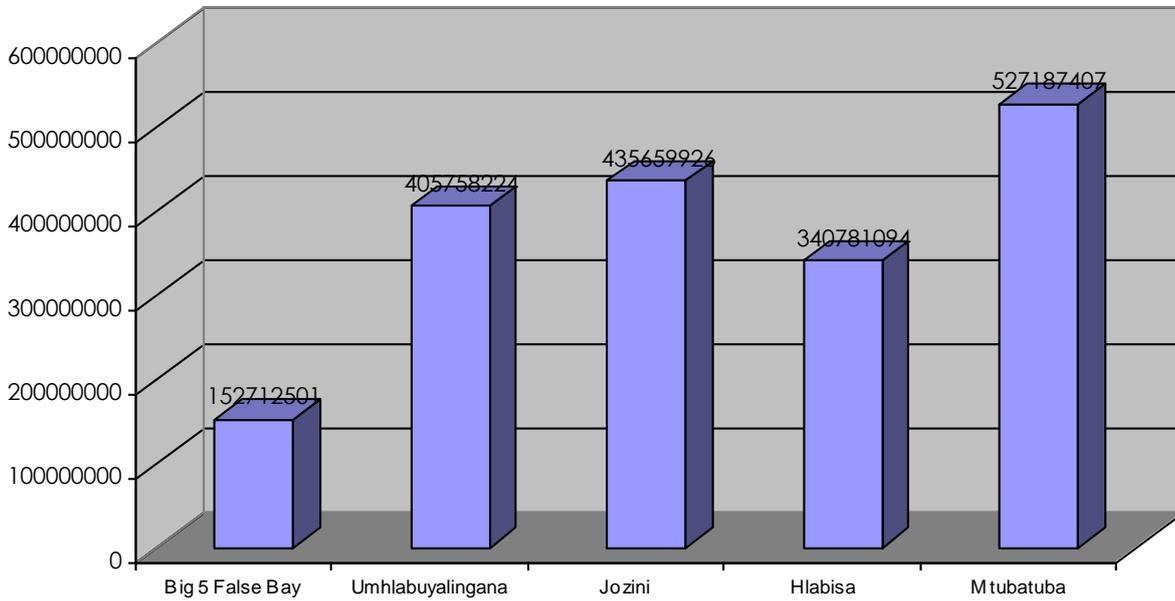
(Note: 'Services' in Umhlabuyalingana and Hlabisa are R360 mill and R242 mill respectively, and fall outside of the range of this graph)



**Gross Domestic Product (GDP)**

Rather than just rely on the value added figures from the DBSA to give an economic picture of Big 5 False Bay, GDP figures have been used. GDP gives a more complete picture of actual production generated. Figure 21 below shows 2004 GDP, at 2000 prices, across the local municipalities in Umkhanyakude. One can immediately see how the discrepancies between the GDP figures are far smaller than the discrepancies between the value added figures. Here Big 5 False Bay contributes almost R154 mill (about 8% of GDP for Umkhanyakude), although it remains the smallest economic producer in the district.

**Figure 21: GDP (constant 2000 prices), Local Municipalities, 2004, Source Quantec**



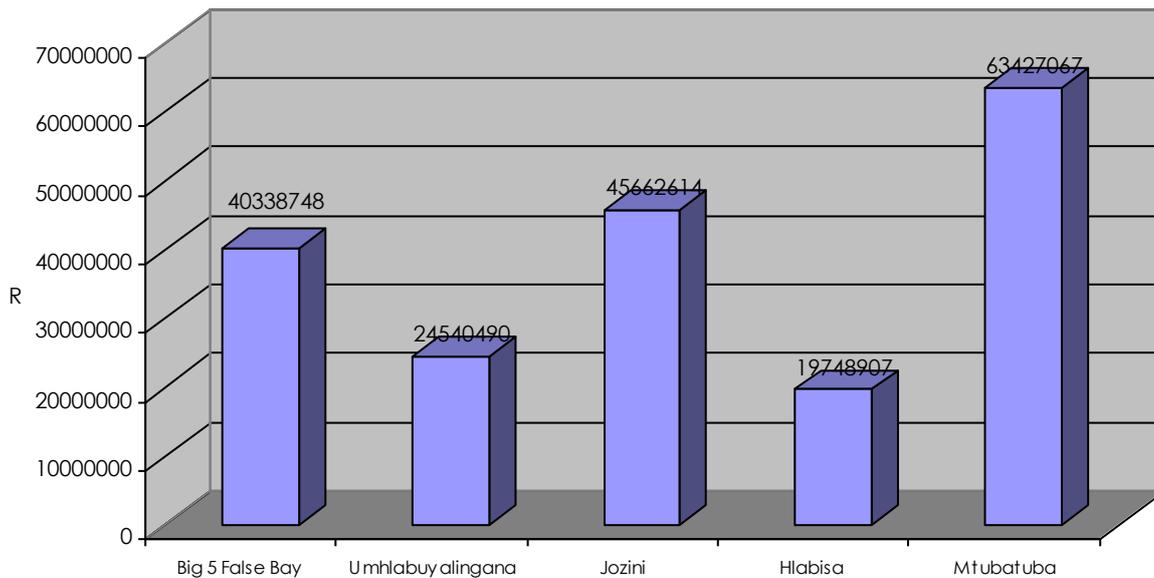
Agricultural GDP: while GDP gives a picture of overall economic performance, the agricultural GDP will show the relative strength of Big 5 False Bay's most significant economic activity. While the overall GDP for Big 5 False Bay was least significant in Umkhanyakude with 8%, it's agricultural GDP contributes 21% to the agricultural output of Umkhanyakude, ranking third, with significantly higher output than Umhlabuyalingana and Hlabisa (see table 15 below).

Table 15: Local Municipality's Agricultural GDP (ranked), 2004

Local Municipality	Agricultural GDP	%
Mtubatuba	63427067	33%
Jozini	45662614	24%
Big 5 False Bay	40338748	21%
Umhlabuyalingana	24540490	13%
Hlabisa	19748907	10%
<b>Total (Umkhanyakude)</b>	<b>193717826</b>	<b>100%</b>

Looking at figure 22 below, it's clear that relative to the other economic activities and to Umhlabuyalingana and Hlabisa, Big 5 False Bay has a competitive advantage in agriculture. The predominant crop and the product in which Big 5 False Bay has a nationally significant role in producing is the pineapple.

**Figure 22: GDP Agriculture, Local Municipalities, 2004, Source Quantec**



A key aspect of the economy not well measured or accounted for by the data sources is tourism. A number of factors foster a competitive advantage in tourism in Big 5 False Bay:

- Proximity to False Bay Reserve on Lake St. Lucia, a world heritage site
- Abundant natural expanses and wildlife
- Numerous game lodges
- Excellent accessibility off the N2 national route
- Proximity to Hluhluwe town which easily services the whole municipal areas, providing a number of key facilities
- An airport in Hluhluwe town

#### **Local Economic Development (LED)**

At the outset a very important distinction needs to be made between an investment-focused approach and a community-focused approach to LED. The investment focus will try to attract investment from outside an area essentially by marketing and incentives schemes, while a community's focus looks at capacity and training within an area, at poverty alleviation and

sustainable livelihoods. This discussion will cover each and attempt to evaluate their merits and short-fallings.

One of the most important actors in the process of LED is government - mostly in the form of local municipalities. They assume the roles of coordinator, facilitator, stimulator, at times entrepreneur and driver of LED. One of the main issues regarding development in KwaZulu-Natal is under-capacitated local municipalities. Many of the small local municipalities in KwaZulu-Natal are very understaffed and as yet inexperienced. While the initiation may need to come from within a community or area, if the municipality is unable to fulfil any of the roles listed above the success and sustainability of projects will be undermined. Staff capacity at Big 5 False Bay is certainly an issue, although concerted efforts are being made to address the issue.

Another serious problem in KwaZulu-Natal is poverty with its associated issues such as lack of infrastructure, services, access, housing etc. Entrepreneurial opportunities are very limited for people who are poverty-stricken and have little or no access to facilities such as credit, transport and markets. This type of poverty is rife in Big 5 False Bay see figure (). The proportion of households per ward that fall into very low income brackets is very high. While this is certainly an incomplete picture of poverty in Big 5 False Bay, it does give some indication that poverty is a serious issue. This presents a host of problems for LED for the reasons discussed above.

#### **Conclusions and Key Issues – Big 5 False Bay Economic Analysis**

- 48% of the households earn between R4901 and R19200 a year (between R408 and R1600 per month)
- Unemployment is approximately 68% but this is typical of other local municipalities (DBSA – broad definition)
- Big 5 False Bay has the smallest labour force in Umkhanyakude
- Value Added for 2004 was R56 million, which accounted for the smallest portion (4.3%) of value added in Umkhanyakude (DBSA)
- 6% growth in value added (2001 – 2004)
- GDP for 2004 almost R152 million (also smallest in Umkhanyakude) yet GDP 8% of Umkhanyakude GDP
- The most significant economic activities, statistically are:
  - Agriculture, forestry & fishing
  - General government and personal services
  - Transport, storage and communication
    - Specifically pineapple farming, forestry and tourism
- Third highest agricultural output in Umkhanyakude in 2004 (Approximately R4 million)

## **2.3. Service Delivery & Gap Analysis.**

### **6. LEVEL OF INFRASTRUCTURE IN THE MUNICIPALITY**

This section seeks to assess the level of infrastructure provision in Big 5 False Bay. It is very crucial to understand the issues of infrastructure in the Municipality so as to be realistic when setting spatial development goals in relation to housing.

#### **6.1 WATER SUPPLY**

The table below reflects the percentage distribution of households by type of water source, as per the 2007 Community Survey conducted by StatsSA:

<b>Description</b>	<b>Census (2001)</b>	<b>Community Survey (2007)</b>
Piped Water (in Dwelling)	13.5	20.7
Piped Water (in Yard)	13.4	9.5
Piped Water (outside Yard)	4.7	8.1
Borehole	25.8	10.1
Spring	7.0	2.0
Dam / Pool	17.5	10.0
River / Stream	11.1	13.0
Water Vendor	1.1	2.3
Rainwater Tank	2.1	15.0
Other	3.7	0.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

From the above table, there has been some improvement in the supply of piped water, albeit very limited, i.e. from 31.6% to 38.3%. This obviously implies that in 2007, 61.7% of households in the Municipality still had no access to piped water.

#### **6.2 SANITATION**

The table below reflects the percentage distribution of households by type of toilet facilities, as per the 2007 Community Survey conducted by StatsSA:

<b>Description</b>	<b>Census (2001)</b>	<b>Community Survey (2007)</b>
Flush Toilet (connected to sewer)	21.9	24.2
Flush Toilet (with Septic Tank)	2.8	4.0
Dry Toilet Facility	-	2.9
Chemical Toilet	3.0	51.7
Pit Latrine with Ventilation (VIP)	8.1	3.3
Pit Latrine without Ventilation	6.2	-
Bucket Latrine	0.7	0.5
None	57.2	13.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

It is interesting to note, from the above table, the significant increase in the use of chemical toilets, i.e. from 3.0% to 51.7%. There has not been a significant increase in flush toilets, i.e. 24.7% to 28.2%, whilst there has been a reduction in the use of VIPs, i.e. from 8.1% to 3.3%. **(However, This information is totally distorted and incorrect, seeing that the whole of Hluhluwe does not have access to waterborne sewerage, apart from Phumlani, the low income area)**

### **6.3 ROADS**

(See **Road Infrastructure Map** at the end of this Section) The Municipality has a short supply of good all weather roads. This restricts the provision of some services such as waste removal. In addition, access to economic opportunities is also limited. The main problem in Big 5 False Bay is the lack of access experienced by rural communities as rural roads are not in a good condition.

### **6.4 ELECTRICITY**

(See **Electrification Network Map** at the end of this Section)

The Eskom coverage indicates that an adequate supply is available to the major town in Big 5 False Bay, which is Hluhluwe town and to the Big Five False surrounding commercial farmlands. However there are deficiencies in the electrification grid in the deep tribal authority areas. Identified nodal areas are however relatively well served with electricity.

The information obtained from the census 2001 indicates that only 32.6% of the total number of households has access to electricity for lighting. This translates to a 67.4% backlog in terms of electricity provision.

Electricity provision for cooking is even worse.

## Chapter 3:

Vision, Mission & Overview of Strategies & Objectives in relation to the Proposed Municipal Turn Around Strategy. (MTAS)

### 3.1 BIG 5 FALSE BAY VISION & MISSION

The Big 5 False Bay Municipal Vision and Mission was revised to reflect the dynamics of the environment in which it functions. The Council, Management and the IDP Structures developed and approved the following Vision and Mission Statements for the Municipality.

#### VISION

It was agreed that the definition for the term “*Vision*” is a measurable idea that should provide unity of purpose and inspire.

**In light of the above, the Vision for the Big 5 False Bay Municipality is as follows:**

**“To be a competitive municipality that provides sustainable services to the community and attract investments”**

#### MISSION

It was agreed that the Big 5 False Bay Mission should be based on the following definition:

*The “mission” relates to service offerings, which are customer-focused and contain high level goals and targets, which are all implied by the Vision.*

The Big 5 False Bay Municipality’s Mission is as follows:

***As a rural and urban municipality we commit ourselves to improve the quality of life of local communities through service delivery by providing equitable socio-economic development through the provision of infrastructure and municipal services in a democratic manner while maintaining a strong environmental ethos so that by year 2015 all backlogs will be eliminated.***

### 3.2 STRATEGIC FOCUS AREAS, STRATEGIES & OBJECTIVES

In light of the Vision and Mission, and with the findings of the Analysis report, the following Strategies and Objectives were developed, based on the 5 National Key Performance Areas. However, it was deemed necessary to also include an Environmental Strategic Focus area, to highlight the importance of this factor in the Municipal Strategic framework. Therefore, the six strategic Focus Areas of the municipality are aligned to the National and Provincial KPA's, and then some.

This will in turn form the basis of the Draft Organisational Performance Management System, which is currently being revised and will be available in the Final IDP Document by the end of June 2007. The Capital Projects Budget has also been drawn up to reflect the KPA's and could therefore easily be aligned to the PMS and Strategic Focus Areas of the Municipality.

#### 3.2.1 EXPLANATION OF TERMINOLOGY

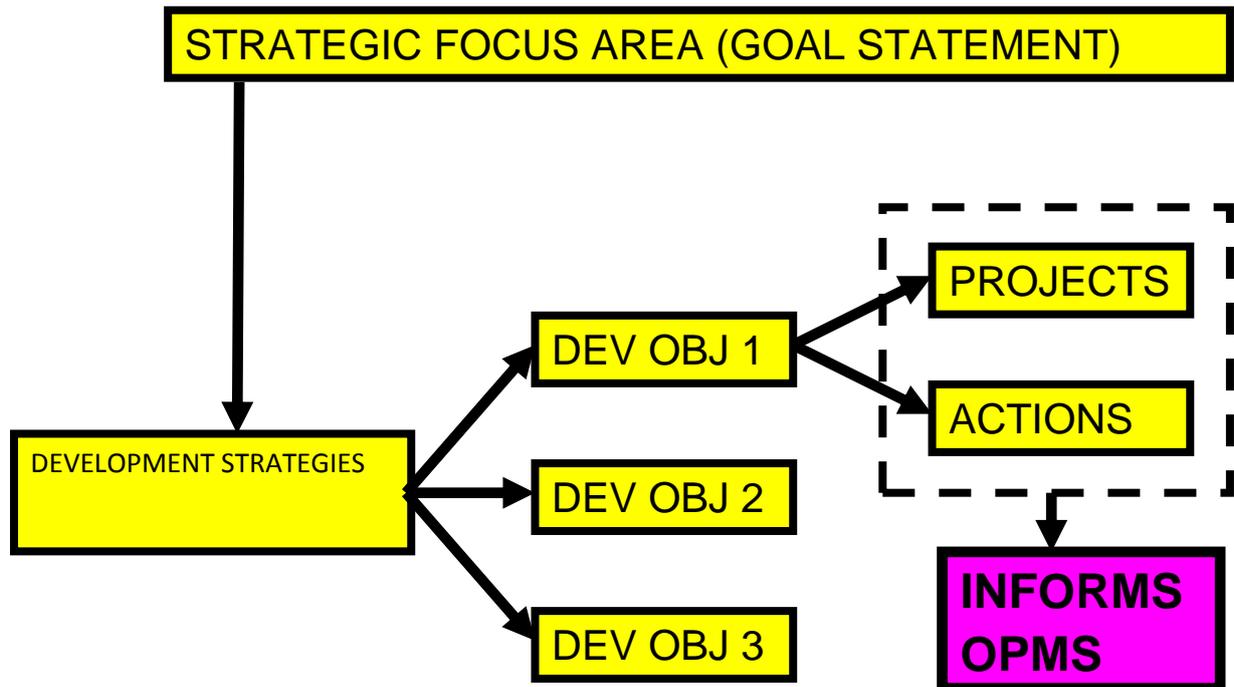
**Strategic Focus Area:** A broad goal statement providing strategic and focused direction to the municipality, taking cognisance of the development mandate of the municipality and the need to use scarce resources (human, financial, equipment) effectively and efficiently. The municipality cannot be and do everything for everyone. It needs to be strategically focused and only do what it should be doing, within the context of its available resources, to deliver successfully on its development mandate. A Goal can be defined as that which the municipality is **striving** to achieve. It is generally not measurable.

**Development Strategy:** The path or direction taken to strive towards achieving the goal/s and ultimately the Vision. Strategies establish broad themes for future actions and should reflect reasoned choices among alternative paths.

**Development Objective:** A clear "milepost" or "marker" along the strategically chosen path or direction (the Development Strategy) towards the strive to achieve the goal/s. Its purpose is hence to ensure that you are on the right path or that you have chosen the right direction to your goal/s.

An Objective is specific, measurable, actionable (or attainable), realistic (do-able) and timely (achievable within a specified time frame), thus S.M.A.R.T

### 3.2.2 Structure



### **3.2.3 Alignment to National Key Performance Areas**

The Strategies and objectives have been Structured with the National Key Performance Areas in Mind. These are:

1. Municipal Transformation & Institutional Development
2. Local Economic Development
3. *Basic Service Delivery & Infrastructure investment*
4. *Financial Viability & Financial Management*
5. *Good Governance & Community Participation*
6. *Spatial Development Framework*

Although the Objectives and Strategies differ from the above in terms of wording and structure, all the components intended in the National KPA's are addressed and

aligned within the Big 5 False Bay Municipal IDP and should be understood as such.

### 3.3. Municipal Turn Around Strategy

The Big 5 False Bay Municipal Turn Around Strategy Is currently being developed within the following timeframes (As contained in the Draft MTAS Process plan)

<b>Action</b>	<b>Timeframe (2010)</b>
Identification of Key Focus Areas & framework plans included in the Draft IDP and Budget.	29 – 31 March 2010  Workshop
Status quo Analysis and report on Actual figures as at 31 December 2009; action plans in response to, A.G's report. ; effective Supply chain Management, Cash Flow management	23 March – 9 April
Organogram Status Quo Analysis and Action plan on current Municipal practice, HR Management, recruitment and Retention Strategies.	23 March – 9 April.  (April & May)
Statement of Top 4 Vacancies, and actual all middle management & positions that require technical skills.	23 March – 9 April.
Plan to Improve Governance by communities	9 April -
Action Plans on Key Focus Areas	1 April – 19 April
Final TAS completed & Presented to ward Committees & Council	19 April – 29 April
TAS Implementation Plan included in Final IDP & Budget	1May – 15 June,
<b>Adoption by Council (with IDP review)</b>	<b>30 June</b>

In Addition to the Template provided in the Turn Around Strategy Guidelines (January 26, 2010) The Big 5 False bay Management has identified key Focus areas that will have the biggest impact in terms of it's Turn Around Strategy.

These will also be dealt with in terms of the National KPA's .

The Big 5 False bay Key Focus Areas Are:

<b>Key Performance Area</b>	<b>Big 5 False Bay Key FOCUS AREA</b>
Municipal Transformation & Institutional Development	<ul style="list-style-type: none"> <li>• Functional Fleet Management System in place</li> <li>• Organisational Evaluation &amp; Restructuring (Unifying “Silo” mentality”)</li> <li>• Identification of Key Vacancies</li> <li>• Review &amp; Implementation of Staff Retention Strategy</li> <li>• Acquisition Electronic Performance Management System</li> <li>• Planning &amp; Development Department: Urgent Staffing &amp; Equipment</li> <li>• Co-Operation by HOD's in terms of IDP Development</li> <li>• Co-Operation of HOD's In terms of Clean Audit</li> <li>• Effective IDP, Budget &amp; PMS alignment (Varying provincial timeframes and templates)</li> <li>• Simplification of Budget &amp; IDP Processes not allowed by Provincial &amp; National Processes</li> </ul>
Local Economic Development	<ul style="list-style-type: none"> <li>• Effective Roll-out of LED Plan: True LED vs. Poverty relief projects</li> <li>• Set-up of Key partnerships</li> <li>• Key Economic Investment Plan (In conjunction with LUMS)</li> </ul>
Basic Service Delivery & Infrastructure Development	<ul style="list-style-type: none"> <li>• Partner with DC27 to provide Water reticulation Function in Urban area</li> <li>• Apply for MIG funding for Water Bourne Sewerage in Hluhluwe</li> <li>• Recalculation of Free Basic Services and re-identification of Indigent customers i.t.o. electricity provision</li> </ul>

	<ul style="list-style-type: none"> <li>• Clear Identification of Municipal Roads in Rural Areas</li> <li>• Infrastructure Maintenance to be planned out of MIG budget</li> <li>• Preventative policies on road usage and access</li> <li>• Waste Management Strategy to be clarified by DC.</li> <li>• Roll-Out of Refuse removal to key points in Rural Nodes and Commercial farms</li> <li>• 30% of MIG allocations to fund EPWP. (To be included in Tender documents)</li> <li>• Provincial MIG roll-out not in line with Municipal Roll-out: Intervention Policies needed (Province to assist)</li> <li>• Establish PMU out of 5% MIG Allocation</li> <li>• Linking of effective Environmental Processes to Internal Municipal practices.</li> <li>• Repair &amp; Maintenance of Streetlights &amp; Street furniture</li> <li>• Effective Storm Water Management in Hluhluwe</li> <li>•</li> </ul>
<p>Good Governance &amp; Community Participation</p>	<ul style="list-style-type: none"> <li>• Create Public Participation &amp; Public Communication Strategy</li> <li>• Systems to be put in place for Implementation of Internal and External Communication Strategy</li> <li>• Policy Implementation on the effective functioning and Monitoring of Ward Committees .</li> <li>• Emphasis on Council’s Oversight Function – Capacity Building and Review of Non-Permanence of Councillors</li> <li>• Clarity on “Election Friendly” IDP &amp; Budget vs tangible service delivery (Province to advise)</li> <li>• Effective establishment of Portfolio Committees (Given size of council and Administration)</li> <li>• IDP Not Functional: Capacity Building (To council, management, Staff and community)</li> </ul>

Financial Viability & Financial Management	<ul style="list-style-type: none"> <li>• Effective Cash-flow management</li> <li>• Effective Debt Recovery Implementation</li> <li>• Bylaws &amp; Capacity Building to implement &amp; Monitor funding (i.t.o financial constraints)</li> <li>• Effective systems for Budget Control &amp; Expenditure management by HOD's</li> <li>• Redesign and Effective implementation of Supply chain &amp; Procurement Policies &amp; System implementation</li> </ul>
Spatial Development	<ul style="list-style-type: none"> <li>• Policies &amp; By-Laws to prevent &amp; Manage illegal settlement in Town Planning Scheme Area (Urban Area)</li> <li>• Finalisation of Draft Nodal Plans &amp; Town Planning Scheme</li> <li>• Environmental Management Planning &amp; Roll-out to receive Priority</li> <li>• Enforcement Policies in terms of Spatial &amp; Civil Engineering Matters</li> <li>• Building Inspector &amp; Health inspector urgently needed. (possible Partnership matter)</li> <li>• Planning &amp; subdivision of high potential Municipal land.</li> <li>• Implementation of Densification in Urban area.</li> </ul>

### Plans Which Still Need Development or Serious review

In the previous sections, details are provided for the development of a number of IDP sector plans. In this section, a table providing a description of those plans that also have to be prepared or have to be completed is provided. Many of these plans are of an operational nature and referenced in the Strategic Focus Areas of the IDP.

Communication Strategy	<p>Improved communication systems enable citizens to be informed of the opportunities created for them by democracy and also to enhance citizen participation in governance.</p> <p>To enhance democracy it is imperative that the communication function in government is seen as</p>	R100,000
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	<p>an integral element of governance and service delivery. As such, communication should be budgeted for and each municipality should have a communication strategy and plan.</p> <p>The plan and strategy should include internal and external communication components.</p>	
Community Health Plan	Although not a core function of the Big 5 False Bay Local Municipality, the enabling environment in terms of planning, delivery of services to facilities, communication etc needs to be created to ensure more effective delivery of community health services to the public.	R40,000
Marketing and Public Relations	The purpose of marketing and public relations is to get exposure for the municipality and build relationships with identified stakeholder groups, i.e. local communities (urban and rural), the business community as well as the different spheres of government. One of components of this plan is the development of an interactive website, through publications as well as the hosting of recreational events.	R60,000
Organizational Performance Management System	Funding is required for the implementation process of the OPMS. Amongst others, funding is needed for appointment of performance audit committees. Customer satisfaction surveys, the publishing of audit reports are included herein.	R200,00
Nodal Framework Plans	Three rural nodes have been identified in the IDP Spatial Development Framework for the Big 5 False Bay Local Municipality, i.e. Nibela, Mnqobokazi and Makasa. The orderly development of these nodes requires the preparation of Nodal Framework Plans (NFPs).	R450,000

	<p>The NFPs include an assessment and analysis of the current land use; details of confirmed and proposed developments; analysis of needs (social and infrastructural) informed by a technical analysis and the needs contained in the IDP. A basic infrastructure, environmental and geotechnical assessment of the nodal area will also be required where after a framework plan can be prepared for each rural node. This framework plan will then inform the preparation of a rural Land Use System (LUS) in each of the three nodal areas. An urban Land Use Management System (LUMS) is already being prepared for the urban areas of the municipality. Another very important component of the NFPs is to identify (in conjunction with the Municipal Housing Plan that will be underway in due course) areas for residential development as well as the estimated size of such residential developments.</p>	
Urban Renewal Plan	<p>Preparation of an Urban Renewal project of the Big 5 False Bay Municipal area. Focus of the plan is the Hluhluwe (Phumlani) urban area. However, some of the elements of the plan should be replicated to the emerging rural nodes, i.e. provision of traders as well as public transport facilities. The latter component of the project will require substantial community participation and the reaching of workable solutions. A further component of the project is to consider the spatial integration of the commercial CBD of Hluhluwe town with Phumlani and the lower section of the town where the service industrial type developments are located. These two components of the town are separated by the airfield and the rugby club.</p>	R250,000
Indigent Policy Review	<p>Review existing policy and formulate appropriate policy for Big 5 False Bay Municipality relevant for urban and rural communities.</p>	R20,000

Public Transport Plan	Although not a core function of the Big 5 False Bay Local Municipality, the enabling environment in terms of the planning of public transport facilities in the local municipality has to be created. As such, the district plan should be aligned with the specific local needs. The formalization of current informal taxi rank is included in the scope of work.	R150,000
Disaster Management Plan	Although a district function, proposed to be performed as a shared service, currently only fire prevention is addressed and local municipalities remain responsible for other types of disasters, i.e. drought, flooding, communicable diseases etc.	R100,000
SDBIP	<p>The purpose of the SDBIP being to provide a management implementation and monitoring tool that will assist the Mayor, Councilors, Municipal Manager, other Senior Managers, stakeholders and the community in monitoring service delivery. It will ensure that appropriate information is available to monitor:</p> <ul style="list-style-type: none"> <li>○ The execution of the budget;</li> <li>○ The performance of managers; and</li> <li>○ The performance of the municipality as a whole.</li> </ul> <p>The SDBIP complements and should be read together with multi-year budget, OPMS and the Integrated Development Plan (IDP). It also takes into account other sector plans.</p>	R250,000

**CHAPTERS 4-10 will Deal in More detail with Each National Key Performance Area, The Municipal Objectives , Strategies, key programmes and Capital Projects related to Each (Where applicable):**

## **CHAPTER 4:**

# **MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT**

#### 4.1: KPA, Strategic Focus Area, Strategies & Objectives.

<b>National KPA: Municipal Transformation &amp; Institutional Development</b>	
<b><u>Strategic Focus Area 5: To effectively build and maintain Institutional Capacity and enhance Municipal Transformation</u></b>	
<b>Development Strategies</b>	<b>Development Objectives</b>
To develop staff skills to ensure effective service delivery	<ul style="list-style-type: none"> <li>▪ Identify staff and councillor training needs</li> <li>▪ Review and implement a Workplace Skills Development Plan</li> </ul>
To align the organisational structure to the IDP	<ul style="list-style-type: none"> <li>▪ Ensure that organisational structure is aligned with the IDP</li> <li>▪ Ensure that Municipal Bylaws are aligned with the IDP where applicable</li> <li>▪ Appointment of Technical Manager</li> <li>▪ Appointment of LED Manager</li> <li>▪ Appointment of Town Planner</li> <li>▪ Appointment of Housing Officer</li> </ul>
To maintain effective and efficient communication between internal staff and councillors	<ul style="list-style-type: none"> <li>▪ Prepare and implement internal Communication Strategy</li> </ul>
To improve productive and accountable staff	<ul style="list-style-type: none"> <li>▪ Establish an electronic Performance Management and Leave Calculation System</li> <li>▪ Draft KPI's and job descriptions for all staff</li> <li>▪ Develop staff monitoring and evaluation system</li> <li>▪ Develop incentives for productivity</li> <li>▪ Implement anti-corruption policy</li> </ul>
Improve and maintain an efficient and effective Municipal Record Keeping System	<ul style="list-style-type: none"> <li>▪ Update Municipal Records</li> <li>▪ Get system in place to assist with the maintenance of municipal records (once updated)</li> </ul>
Policy Formulation	<ul style="list-style-type: none"> <li>▪ Prepare policy for disciplinary procedures</li> <li>▪ Prepare policy for public events and recreation events</li> </ul>

#### 4.2. Supplementary Municipal Turn Around Strategy Key Focus Areas (2010/2011)

<b>Key Performance Area</b>	<b>Big 5 False Bay Key FOCUS AREA</b>
Municipal Transformation & Institutional Development	<ul style="list-style-type: none"> <li>• Functional Fleet Management System in place</li> <li>• Organisational Evaluation &amp; Restructuring (Unifying “Silo” mentality”)</li> <li>• Identification of Key Vacancies</li> <li>• Review &amp; Implementation of Staff Retention Strategy</li> <li>• Acquisition Electronic Performance Management System</li> <li>• Planning &amp; Development Department: Urgent Staffing &amp; Equipment</li> <li>• Co-Operation by HOD’s in terms of IDP Development</li> <li>• Co-Operation of HOD’s In terms of Clean Audit</li> <li>• Effective IDP, Budget &amp; PMS alignment (Varying provincial timeframes and templates)</li> <li>• Simplification of Budget &amp; IDP Processes not allowed by Provincial &amp; National Processes</li> </ul>

#### 4.3. Programmes & Systems

##### 4.3.1.HR Development Plan

##### 1. Executive Summary

This document serves to address the current inefficiencies within the current Human Resources department and recommend a future Human Resources Planning that is aligned with, and is able to accommodate the ongoing changing needs and strategies of the Municipality. The proposed recommendations are based on best practice and successful implementation in industry world wide.

## **Background and Objectives**

The main objective of this engagement is to evaluate the value provided by the current HR department to the Municipality and to review the HR strategy going forward. A recommendation for an appropriate service delivery model aligned with IDP goals.

## **Approach**

The emphasis is to improve business processes, in order to resolve business problem, improve performance and dramatically enhance service delivery. This is achieved by using direct customer survey to identify current and future needs of the Municipality.

The methodology consists of four stages. The four stages are:-

- Stage I and II: Discovery and Visioning
- Stage III and IV: Redesign and Implementation

This approach involved the contribution of key HR and Customers personnel.

## **Environmental Scan**

Key Findings:-

These findings are based on a survey regarding customers' perception on internal activities within the Human Resource and Municipality. This study, although encompassing all the critical Municipality activities, delivers high level assessment. The key findings are:-

- Chronic industrial relations problems – there is a proper forum and structure to engage Union issues timeously. (Local Labour Forum)
- No career path for ambitious talented employees – No succession plan and career development to retain ambitious talented employees due to insufficient funding in terms of salaries, wages and skills development.
- Lack of clear performance measure – No performance targets and reviews
- No induction training for new employees due to insufficient funding and budget constraints.
- Critical skills shortage – there are sufficient skills or powerbase in the organization and it need to be prioritized by Human Resource in conjunction with the Heads of Departments.
- There are no rewards and are not linked to performance in the workplace

## **2. Project Background**

## **2.1 Introduction**

There is a need to transform the HR function according to its new challenges, which are:-

- Cultivate a culture of performance throughout the organization
- Attraction and Retention strategy address the skills shortage
- Focus on training and development in terms of personal development.
- Co-determination approach on industrial relations matters
- Review organizational structure.
- Drive employee wellness plan
- Implementation of Employment Equity Plan
- Initiate career development and succession plan

A holistic approach is required to address these issues, and improve HR service delivery to the Municipality.

## **2.2 Scope and Objectives**

The objectives of the HR Planning Development project are as follows:-

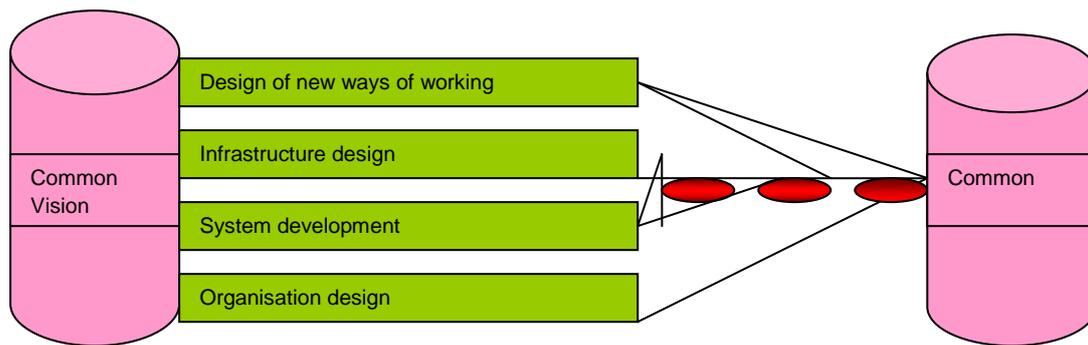
- To alignment HR Planning document with Municipality objectives based on IDP.
- To determine the appropriate Human Resources service delivery model that will support Municipality need.
- To propose a high level structural changes which support the HR Strategy.

## **2.3 Approach**

The approach that was adopted is based on holistic view of the Municipality. The process provides a framework for redesigning core and support structure in order to improve Municipality service delivery:

- Setting and achieving more challenging performance target.
- Focusing on activities to address business needs.
- The emphasis is on significantly improving business processes, in order to resolve business problem, improving performance and dramatically enhance market position.

These stages are undertaken concurrently on all four levels, whilst being driven by the process engineering stream. The interaction of stage on the level of change is depicted in figure 1.



**Figure 2: Process engineering stream**

- During the Discovery and Visioning, the current malfunctioning of Human Resources is understood. This is followed by establishing an agreed HR Strategy supported by clear goals and understanding the gap between the current and future positions.
- The redesign stage involves the development of a blue print for the future processes, inclusive of the details and new ways of working, and organisational structure that is consistent with achieving the goal set.
- The implementation stage deals with the implementation of the change in order for it to be embedded in the organisation.

A high-level road map will however be provided to guide the implementation of recommendation.

### **3. Human Resource Planning Review**

#### **3.1. Introduction**

Municipality growing awareness of the increasing importance of human capital issues provides with the perfect opportunity to re-examine the way it is handling human resources, to look at the HR Department place in the world, how it carries out its responsibilities and whether it is fulfilling the demanding role of a strategic business partner.

#### **3.2. Strategy Alignment**

“Operational effectiveness and strategy are both essential to superior performance, which, after all is the primary goal of any enterprise.”

Michael Porter – Harvard Business Review

In 'discovering' the degree of alignment between Municipal objectives and Human Resources Plan, in order for the strategy to 'add value' it's therefore imperative to align with common goal and objectives. The Human Resources Plan defines how to build an infrastructure to deliver Human Resources services that are aligned with the Municipality objectives. Predetermined and communicated Human Resources is essential not only to provide vision and direction to the employees of organisation but also to measure one's performance against set of objectives.

### **3.3. Services Delivery Model**

Choosing the right operational model is the key in guaranteeing efficient and effective service delivery.

The Human Resources can deliver their services through a combination of delivery mechanism. Details are summarised below,

#### **3.3.1. Attraction and Retention Strategy**



Key employee retention is critical to the long term health and success of your municipality. Managers readily agree that retaining your best employees ensures customer satisfaction, service delivery, satisfied coworkers and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning.

***The quality of the supervision an employee receives is critical to employee retention.***

People leave managers and supervisors more often than they leave companies or jobs. It is not enough that the supervisor is well-liked or a nice person, starting with clear expectations of the employee, the supervisor has a critical role to play in retention. Anything the supervisor does to make an employee feel unvalued will contribute to turnover.

***Talent and skill utilization is another environmental factor your key employees seek in your workplace.***

A motivated employee wants to contribute to work areas outside of his specific job description. How many people could contribute far more than they currently do? You just need to know their skills, talent and experience, and take the time to tap into it.

***The ability of the employee to speak his or her mind freely within the organization is another key factor in employee retention.***

Does Municipality solicit ideas and provide an environment in which people are comfortable in providing feedback? If so, employees offer ideas, feel free to criticize and commit to continuous improvement. If not, they bite their tongues or find themselves constantly "in trouble" - until they leave.

***Frequent employee turnover centre on these areas.***

- Lack of clarity about expectations,
- lack of clarity about earning potential,
- lack of feedback about performance,
- failure to hold scheduled meetings, and
- Failure to provide a framework within which the employee perceives he can succeed.

Employee retention is one of the primary measures of the health of your organization. If the organization is losing critical staff members, you can safely bet that other people in their departments are looking as well. **Exit interviews** with departing employees provide valuable information you can use to retain remaining staff. Heed their results. You'll never have a more significant source of data about the health of your organization.

### **3.4. Career Development and Succession Plan**

Succession management is a key strategy that you will probably want to implement as a result of your HR planning process. It addresses many of the issues that the Municipality is currently facing, such as:

- an aging workforce
- increasing retirement rates
- tight labour market
- limited competitiveness, and
- fast-paced changes at work.

By implementing a succession management program that is transparent and equitable you will be creating an environment for people to develop their skills in preparation for a range of future possibilities. This results in a workplace that will be well positioned to face whatever lies ahead.

### **3.5. Municipality and Human Resource Structure**

The current structure does not support an integrated service delivery to the customers of the Human Resources Department. Restructuring is the first steps to provide a more effective, integrated and seamless HR service to the organisation. The process entails:-

- Categorise all administrative tasks to determine the duplication of tasks
- Conduct job evaluation exercise
- Combine tasks and streamline processes
- Grade the jobs accordingly

In order to determine a suitable structure, there are certain design principles that need to be taken into consideration. Human Resources have become more and more a function integrated with the business operations. The two primary delivery functions are:-

- Self Service
- Shared Services

The lowest –cost channel is self-service, giving employees easy and direct access to their organisation HR policies, their own record and answer to frequent asked questions.

**Self-service** is generally placed on the intranet or similar electronic files and can also be used by Managers to retrieve and access HR information.

**Shared services** in the organisation encompass processes within an enterprise that have a set of dedicated resources such as people or assets, to achieve either economies of scale or expertise. They are managed through a single unit servicing many individual parts of an organisation, known as a shared service centre. Shared services deliver mutual agreed service levels to their customer at a specified cost.

### **3.6. Employee Relations Strategy**

Municipality currently experiencing chronic industrial relations problem, hence proactive approach required to address issues. Co-determination strategy might be appropriate in this regard.

#### ***Constructive Workplace Relationships***

Constructive workplace relationships contribute to the achievement of common goals such as safety, efficiency and productivity, quality customer service, job satisfaction and career opportunity. A constructive approach will help to minimise industrial disputation and promote innovative issue resolution. Participative negotiation can provide a climate for facilitating resolution and delivering balanced results. In these circumstances, each party has more influence over the outcome.

***Strategy:***

- Promoting constructive workplace relationships between employees and management at the local level;
- Recognizing the role of unions in issue resolution at the local level;
- Involving employees in decision making and promoting issue resolution at the local level;
- Promoting ownership of organizational change initiatives;
- Promoting collaborative and productive working relationship and teamwork;
- Proactive, constructive and respectful dispute resolution practices which encourage the timely resolution of disputes through consultation, information sharing and negotiation;
- Promoting a flexible approach to consultation with unions and addressing issues as they arise;
- Consultative arrangements at all levels of the business; and
- Facilitating and maintaining constructive relationships with key stakeholders including unions based on:
  - Open and honest communication;
  - Being professional and treating each other with respect;
  - Promoting of equity and actively seeking diverse view points;
  - Genuine participation in the consultative process; and
  - Valuing different points of view with willingness to compromise when appropriate.

***Formal Employee Relations Consultative Framework***

To encourage and promote constructive workplace relations between Municipality and unions through effective communication and consultation.

***Municipal Manager Meetings***

Municipality Manager meetings are held bi-annually and are designed to:

- Facilitate the development of high-level relationships between the Municipal Manager and senior union officials, while addressing strategic issues affecting the whole of the Municipality; and
- Ensure a forum to discuss workplace issues of strategic concern.

### ***Corporate Director Issues Forums***

Issues Forums are held bi-monthly between Corporate Director and unions officials, Shop Stewards and are designed to:

- Encourage and promote a constructive relationship between Municipality and the unions through effective communication and consultation;
- Facilitate consultation and dispute resolution on industrial issues;
- Reduce potential industrial conflict through the development of a positive employee relations environment;
- Provide a regular forum for the exchange of ideas, opinions and information;
- Proactively obtain input and feedback from unions on issues affecting Municipality and its employees; and
- Facilitate the achievement of outcomes taking into consideration the needs and requirements of Municipality employees, customers and organisational goals.

## **3.7. Performance Management**

### ***Strategic imperative to deliver superior service***

The overall aim of performance management is to improve the performance of each employee, each team and the Municipality as a whole. This must be taken into account when the Key Performance Indicator's are set for each employee. There should be a mix of team and individual targets with the main focus on the individual targets. It is important to remember that each KPI and the target set for that KPI should be SMART (Specific, Measurable, Achievable Relevant, Time based) for the

system to succeed. Frequent reviews (at least twice per year) are needed to ensure that each employee has a fair chance of improving their performance and thus achieving their targets set for the year.

Another important part of the performance management process is to align career-as well as training and development planning with the achievement of set objectives, both in the short and long term.

### ***Step 1: Prepare for the Performance Planning Meeting***

#### ***Head of Department:***

1. Prepare for the Performance Planning Meeting by clarifying the overall goals of the organisation/department for the next performance cycle.
2. Develop 'SMART' measurements/targets for each employee.
3. Notify each employee of the meeting and what to expect.

#### ***Employee:***

1. Plan for the Performance Planning Meeting by reviewing your most recent KPI's and identifying any new KPI's.
2. Formulate short term (1-2 years) and long term (3-5 years) career goals.

### ***Step 2: Conduct the Performance Planning Meeting***

#### ***Manager and Employee:***

#### ***Performance Planning:***

1. Discuss and agree individual KPI's, measurements/targets and weightings for the next performance cycle. The total weighting for all the KPI's combined MUST be equal to 100
2. Discuss and agree resources/support required
3. Agree review dates 1,2 as well as the final performance assessment date

#### ***Career and Development Planning***

1. Discuss and agree 3 strengths and 3 development areas.
2. Discuss and agree career development plans.
3. Discuss and agree training and development plans.
4. Book specific training courses and studies by completing the appropriate Training document.
5. Trainings must also be included in the Work Skills Plan submitted on annual basis.

***Step 3: Prepare for Performance Reviews***

***Employee:***

1. PRIOR to the performance review meeting – compare your actual performance against set measurements/targets for the review period and rate yourself.
2. Gather supporting documentation.
3. Submit your self ratings to your manager before the review meeting.

***Step 4: Conduct Performance Reviews 1 and 2 (Review 1 by end April and Review 2 by end July)***

***Manager and Employee:***

1. Agree achievement level ratings.
2. Discuss and incorporate additional accomplishments and support factors.
3. It is advisable to re-look at the relevance of the KPI's and targets change/update if needed.
4. Add any comments and sign it off.

***Step 5: Conduct Final Performance Rating (by end October)***

***Manager and Employee:***

- Agree achievement level ratings.
- Discuss and incorporate additional accomplishments and support factors.
- Agree overall performance rating %.
- It is advisable to re-look at the relevance of the KPI's and targets and change/update if needed. Should any of the KPI's not be relevant anymore the weighting of the KPI should be made 0 and remaining KPI weighting should be adjusted to equal 100 again. Add any comments, sign off and keep a filed copy of the document.

### **3.8 Training and Development**

***Priority areas for Municipality***

Training and development provision is not an end in itself but needs to underpin and support the achievement of organisational objectives, specifically IDP goal. The strategy needs to address at least two elements simultaneously:

- Specific training and development initiatives aimed at supporting the achievement of key organisational objectives.
- The creation of an appropriate infrastructure and culture within which training and development decisions are taken and resources allocated in a timely and targeted way.

***Arising from the points noted above the following areas are proposed as priorities:***

- The implementation of a performance and development review/appraisal process consistently across the municipality – this will generate information on training needs that can be used to inform Municipality training plans thereby increasing the potential effectiveness of training and development delivery.
- Commitment to attendance on appropriate leadership and management development programmes, for example the Heads of Departments are required to address the various strategic and operational challenges that they face including, for example, project management etc.
- Administration development and training to address the perceived shortfall in skills and support.
- Support for team development, including work to develop an appropriate organisational culture in line with Municipality strategic goals and also enhance service delivery.
- The creation and implementation of a Municipality training and development management system, including an agreed training and development policy framework, needs analysis and planning approach and evaluation system. The training and development plan needs to coordinate with the wider planning and resource allocation schedule for the Municipality and clearly delineate responsibility for various actions, for example collection and collation of needs analysis information by the Heads of Departments.

The creation of an appropriate training and development infrastructure is critical to ensuring that training and development resources allocated in support of the achievement of strategic objectives are effectively utilised. Aiming for high standards of training and development service delivery is necessary both to build support for training and development and to enhance individual, team and Municipality performance.

### **3.9 Employment Equity**

Municipality recognizes people as decisive success factors in competitive situations and as forming the foundation of the Municipality long-term Human Resources strategy. Employment Equity is a key element in this strategy and is seen as a prerequisite for business success and in gaining the edge over service delivery. The Employment Equity programme are detailed in the Employment Equity Report and Plan

The broad objectives of Municipality Employment Equity programme are :

- To achieve, through Affirmative Action measures, an equitable representation in all the Municipality occupational categories and levels. Further, the company aims.
- To achieve a diverse culture of equal opportunity for all and to eliminate any form of unfair discrimination.

### **3.10 Conclusion**

It is proposed that Municipality embark on a Human Resources transformation programme. The programme will involve the transformation of the proposition for HR and align programs and services provided by HR to that of the Municipality. This proposed programme is envisaged to span over one (1) year period involving assessment, development and implementation of a HR strategy and Municipal structure.

## **APPENDIX A**

A detailed implementation plan should include:-

- The development of detailed role description,
- Development of competency profile,
- Identifying transition issues in relation to new design for 'strategy' HR,
- Communication plan to communicate transition in service delivery to Municipality and other relevant stakeholders

If Municipality decides to commence with the transition in their Human Resources strategy and structure a detailed implementation plan including all activities and cost can be compiled.

#### **4.3.2. Staff Retention Strategy**

### **A RETENTION STRATEGY FOR THE BIG 5 FALSE BAY MUNICIPALITY**

#### **SECTION A**

#### **PURPOSE:**

1. (a) The main aim of the retention strategy is to keep The Big 5 False Bay Municipal employees within the employment of The Big 5 False Bay Municipality for the long duration by ensuring a working environment which promotes a positive working relationship among employees and management at all levels and by furthermore attract a best talent from outside when a need arise i.e. when there is a vacancy within the municipality.
1. (b) The Big 5 False Bay Municipality retention strategy must promote productivity, effectiveness and efficiency in all of its operations by ensuring a team work spirit and initiating innovative ideas while remaining community orientated.
1. © The retention strategy of The Big 5 False Bay Municipality shall ensure that The Big 5 False Bay Municipal employees are developed both socially and career wise this will be done by ensuring that the social aspiration for the employees are not being overlooked and career aspirations of the employees are taken care of by providing training opportunities and career paths within the municipality by increasing the chances of promotions and placements within The Big 5 False Bay Municipality.
1. (d) The retention strategy shall ensure that the interests of The Big 5 False Bay Municipality are safeguarded in ensuring that the skills and experience gained by its employees does not leave the municipality premature since the loss of skill and experience will harm the municipality both financially (new employees will have to be trained) and productivity loss (new employees with lack of experience will not be able to perform efficiently as those with experience).

#### **PARTICIPATION**

In order for the retention strategy to be successful, the involvement of all stakeholders concerned is needed for it to be legitimate and transparent moreover their buy in into the retention strategy is vital for its approval. Participation will be needed from the top management (Municipal Manager and the Mayor), Senior Management (Finance, Technical Services, Corporate Services and

Community Services) , Line Management (Section Managers, i.e. HR, and Admin, IDP, LED etc), Supervisors and Employee representatives (Trade Unions).

### **TOP MANAGEMENT**

Top management after having approved the proposed retention strategy will help in terms of providing the necessary support needed in execution of the retention strategy and also provide the resources in connection with the retention strategy. It is the responsibility of the top management to hold on to their senior managers by providing an exciting work environment with less work stress, senior managers need to feel engaged and empowered so that top management can assist by involving the senior management in critical decision making process, assigning challenging task to senior management to enable the senior management to move away from their comfort zone, because what happen when the senior manager comes to work every day and only to a routing work with no real challenge he / she will eventually feel bored and lose interest as soon as the better offer comes his / her way he / she will grab it even if there is no such big difference financially so the top management has to ensure that the senior management adds real value at the Big 5 False Bay Municipality by providing good leadership.

### **SENIOR MANAGEMENT**

Senior management will have to ensure that they provide the necessary support, guidance, motivation, and clear instruction to their immediate subordinates and encourage the spirit of team work among their subordinates and also ensure that good work and improvements are given due recognition so as to ensure further improvement and the desire to meet and exceed the set standard. Senior Management will have to listen and take action to their employees concerns in doing so they have to be approachable and humble towards their subordinates and also to be able to see beyond their subordinate's qualification in terms of personal growth by identifying their hidden skills.

### **LINE MANAGEMENT**

Here we are talking about the people closest to the work and employees in the case of The Big 5 False Bay Municipality that will be the department most affected, the Corporate Services Department, Technical Services Department and Community Services and Supervisors will have to believe in the retention strategy and make sure that employees are given respect and are given the same treatment what applies to line management (2b) also applies to line management.

## **EMPLOYEES REPRESENTATIVES**

There should be co-operation between employee representatives and the management to ensure a healthy relationship between employees and the management.

## **RESOURCES**

For the retention strategy to be successful necessary resources like technical, human and financial should be available. The support of the top management is vital in this instance as they are the ones who should ensure the availability of resources.

## **TECHNICAL**

Technical resources are important for employees to execute their work easily and feel appreciated to technical availability is vital if the retention strategy is to succeed things like tools and work uniforms for floor / field staff and things like computers, fax machines, phones and printers for office staff should be obtained to create an exciting work environment.

## **HUMAN**

Matching jobs with the right incumbent should be an ongoing process. An employee should perform in the job where his / her skills will be utilized optimally to his / her skills should be compared with the jobs specific requirements this will reduce work stress as the incumbent will have the required skills of executing the jobs tasks and this should boost his / her confidence and as a result the productivity levels will increase thus employees should be put where their skills will be utilized optimally. Also any employee that reaches ten years of services at The Big 5 False Bay Municipality shall qualify for increment plus additional benefits and financial rewards.

## **FINANCE**

With regards to financial issues employees should be remunerated accordingly and any other financial incentives should be market related to avoid a situation whereby The Big 5 False Bay Municipality are being lured away by the more financially rewarding employers. As a result that will leave The Big 5 False Bay Municipality with a very high labour turnover.

## **REVIEW OF THE CURRENT CULTURE OF THE BIG 5 FALSE BAY MUNICIPALITY**

In order to review the current culture of The Big 5 False Bay Municipality one needs to make use of a survey to determine the critical factors impacting on retention strategy. Here we will make use of an

observation technique, kept records and interviews with an emphasis on anonymity of a respondent, answers should be obtained on factors like the following among others.

- ❖ At the moment how are employees being treated by their seniors?
- ❖ How are tasks and overall organization activities being structured and assigned?
- ❖ If there is, how effective is performance management?
- ❖ If there is, how effective and informative is an induction programme?
- ❖ What is our labour turnover rate and the rate of absenteeism?

## **RESTRUCTURING OF A CULTURE**

After having identified the current culture of The Big 5 False Bay Municipality and identified areas that needs attention by applying techniques mentioned under Paragraph 4, we should be able to formulate our new ideal culture by involving everyone at the Municipality getting their input on which working environment do they enjoy working under. With that data we should be able to prepare the theoretical components of the new retention strategy of The Big False Bay Municipality of which it will appear on Section B of this draft retention strategy.

## **SECTION B**

### **IMPLEMENTATION OF A RETENTION CONCEPT**

After a careful study of the previous steps we need to use the data obtained to come up with a solid concept of retaining our employees and this should be done systematically.

- Employees should be fully involved in the staff meetings and team building exercise openness is vital for that to be possible.
- Publication of the policies to all employees not only to the management, and making sure that they understand the policies.
- Getting all the necessary resources mentioned under paragraph three in place.
- Championing the idea, always preach the concept of retaining the staff, why it is a good idea to work for The Big 5 False Bay Municipality, how is your staff important in achieving the

goals of The Big 5 False Bay Municipality, how important a healthy work environment is, how to appreciate what you put in and get rewarded for by working for The Big 5 False Bay Municipality. Everyone who has subordinates who report to him/ her should do this on a daily basis.

- The activities of the departments should be co-ordinated by encouraging information sharing, team work, assisting the other department wherever it is possible and co-operating on various work projects.
- Controlling the deviations from the goals of the retention of the retention strategy which are, inter alia, to keep the best employees and creating a healthy working environment.
- Coming up with success indicators to measure the level of retention strategy success and that will be our staff turnover, rate of absenteeism, number of grievances and disciplinary actions and the number of conflicts at workplace.

#### **CREATING A FAVOURABLE WORKING ENVIRONMENT**

- Regular monthly meetings will be held to discuss work issue and employees problems and challenges.
- The Human Resource Department will have dedicated function dealing with inter-relations conflict whereby its main aim is to resolve conflict between employees and not to point fingers or channel the blame, employees will be provided with the document, which will outline the process of conflict management.
- The new reviewed induction programme will be introduced which will enable the new recruits to have a good first impression which will hopefully be an everlasting impression.
- Introduction of Flexi time managerial staff.

#### **FUTURE RECRUITMENT.**

- The future recruitment of The Big 5 False Bay Municipality should ensure that the potential candidates have the similar principles as The Big 5 False Bay Municipality and not only the academic potential are being considered but also the personality should match The Big 5 False Bay Municipal culture.
- The Big 5 False Bay Municipality will adhere to its recruitment policy during the hiring process.

#### **MONITORING THE RETENTION STRATEGY**

- The retention strategy will be monitored constantly to assess its effectiveness.
- The success indicators will be analyzed and the data obtained will be used to improve the retention strategy of The Big 5 False Bay Municipality.
- Every employee that leaves the municipality will undergo the exit interview with an aim of ascertaining what caused him / her to leave and if there is anything that the municipality can do to rectify the situation.
- There will be a constant contact with former employees to be able to win them over should they wish to be re-employed as they will have gained more skills and experienced from their previous employer plus our past investment in them will boost us even more.



## Organisational Performance Management

### **BI-ANNUALLY PERFORMANCE ASSESSMENT REPORT- ORGANIZATIONAL**

#### **1. PURPOSE**

To present the Bi-annually Performance Assessment Report for the organization for the financial year 2009/10

#### **1.1. BACKGROUND**

Attached herewith is the detailed bi-annual Performance Assessment for the organization.

##### **1.1.1. DELIBERATIONS**

Most of the targets that are on the Performance Plan were achieved for this bi-annual. Even though there are still some capacity gaps, mainly due to scarce financial resources, the organization has now been able to put together a lean efficient structure to enable the Municipality to meet its service delivery targets.

##### **1.1.2. HIGH PERFORMANCE AREAS**

The Municipality has performed significantly well in the Infrastructure and Service Delivery key performance area despite low capacity in the Project Management Unit. The organization has also done well in the Municipal Transformation and Institutional Development as well as the Democracy and Governance key performance areas.

##### **1.1.3. CHALLENGING AREAS**

The organisation has embarked in conversion of their accounting policy. The conversion to GRAP combine with the change in Financial System had put more challenges. Staff training during these processes is very low due to budget constraints. The municipality need to enhance SCM unit as corporate Services includes Technical department.

INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY								
IDP Goal Ref	Key Performance Objectives	Key Performance Indicator		Set Score	Target			Progress on review
		PMS Ref			Time frame	Quality	Quantity	
ID 1	To ensure the provision, upgrading and maintenance of infrastructure Services to dress backlogs	ID 1.1.	<ul style="list-style-type: none"> <li>Number of Bus Plans for MIG developed</li> </ul>	5	Dec 09	2009-12	7	All completed: <ul style="list-style-type: none"> <li>Makhasa Clinic</li> <li>Makhasa Crèche</li> <li>Mqhobokazi Market Stall</li> <li>Ezimpondweni Market Stall</li> <li>Phumulani Hall</li> <li>Ward 3 Access Road</li> <li>Ward 2 Access Road</li> </ul>
		ID 1.2.	<ul style="list-style-type: none"> <li>Business Plan for development of Municipal Asset Maintenance Plan</li> </ul>	5	Dec 08		1	Done – On going process
			<ul style="list-style-type: none"> <li>Percentage spending on maintenance budget</li> </ul>		Jun 09		100%	100% Spent

INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY								
IDP Goal Ref	Objective/Goals	Key Performance Indicator		Set Score	Target			Progress on review
		PMS Ref			Time frame	Quality	Quantity	

ID 1	To ensure the provision, upgrading and maintenance of infrastructure Services to address backlogs	ID 1.4.	<ul style="list-style-type: none"> <li>Level of completion of Phumlani Main Road</li> </ul>	5	May 10	1km of resealing of black top	100%	+ - 65% Complete
			<ul style="list-style-type: none"> <li>Completion of Phumlani Hall</li> </ul>	5	Jan 10	Project hand-over	100%	+ - 95% Complete
			<ul style="list-style-type: none"> <li>Completion of Extension 4 roads</li> </ul>	5	Jun 10	800m of black top road	100%	+ - 65% Complete
			<ul style="list-style-type: none"> <li>Completion of Makhasa Crèche</li> </ul>	5	Dec 09	Project hand-over	100%	100% Complete
			<ul style="list-style-type: none"> <li>Completion of Ezimpondweni Market Stalls</li> </ul>	5	May 10	Project hand-over	100%	+ - 60% Complete
			<ul style="list-style-type: none"> <li>Completion of Mnqobokazi Market Stalls</li> </ul>	5	May 10	Project hand-over	100%	+ - 60% Complete

**INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY**

IDP Goal Ref	Objective/Goals	Key Performance Indicator		Set Score	Target			Progress on review
		PMS Ref			Time frame	Quality	Quantity	
			<ul style="list-style-type: none"> <li>Level of completion of Phumlani Sport field</li> </ul>	5	Jun 10		50%	+ - 50% Complete

ID 2	To ensure co-ordinated service delivery from all service providers	ID 2.1.	<ul style="list-style-type: none"> <li>Roles and responsibilities of all service providers reflected on the MIDP</li> </ul>	5	Mar 10			IDP in Progress. Draft IDP review for 2010 2011 will be completed by end of 3 <sup>rd</sup> Quarter, in line with performance target.
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SOCIO-ECONOMIC DEVELOPMENT								
IDP Goal Ref	Objective/Goals	Key Performance Indicator		Set Score	Target			Progress on review
		PMS Ref			Time frame	Quality	Quantity	
SD 1	To ensure provision of sustainable, affordable and suitable located housing development	SD1.1	<ul style="list-style-type: none"> <li>Municipal Housing Sector Plan Developed</li> </ul>	5	Mar 10		1	Housing Sector Plan Complete
		SD1.2	<ul style="list-style-type: none"> <li>Level of completion of Makhasa Rural Housing</li> </ul>	5	Jun 10		100%	100% complete (Won 3 <sup>rd</sup> place Govan Mbeki award in Dec 2009 for this project)
		SD1.3	<ul style="list-style-type: none"> <li>Level of completion of Mnqobokazi Rural Housing</li> </ul>	5	Jun 10		50%	+ - 75% complete Ahead of target
		SD1.4	<ul style="list-style-type: none"> <li>Level of completion of Nibela Rural</li> </ul>	5	Jun 10		30%	+ - 33% complete Ahead of target

SOCIO-ECONOMIC DEVELOPMENT								
IDP Goal Ref	Objective/Goals	Key Performance Indicator		Set Score	Target			Progress on review
		PMS Ref			Time frame	Quality	Quantity	
SD 4	To cater for the economic and social development needs of youth, women, the disabled and the aged members of community	SD4.2.	<ul style="list-style-type: none"> <li>% of companies owned by disabled persons and women benefiting from the Municipality's General expenditure and R &amp; M budget</li> </ul>	5	Jun 10	At least 10% of women or disabled ownership	10%	Due to limited budget municipality is procuring direct from suppliers however small supplies are procured from designated group
SD 5	To facilitate economic growth and development within the municipal area	SD5.1	<ul style="list-style-type: none"> <li>Local Economic Development Plan reviewed</li> </ul>	5	Jun 10		85%	Plan being reviewed in line with Draft IDP Review target set for March 2010
		SD5.2	<ul style="list-style-type: none"> <li>Level of completion of Makhasa Women Project</li> </ul>	5	Mar 10	Project hand over	100%	All Projects Identified by council. Project business planning commenced with for procurement and
		SD5.3	<ul style="list-style-type: none"> <li>Level of completion of Mngobokazi Youth Project</li> </ul>	5	Mar 10	Project hand over	100%	

		SD5.4	<ul style="list-style-type: none"> <li>Level of completion of Phumlani Youth Project</li> </ul>	5	Mar 10	Project hand over	100%	hand-over
		SD5.5	<ul style="list-style-type: none"> <li>Level of completion of Nibela women's Project</li> </ul>	5	Mar 10	Project hand over	100%	
<b>SOCIO-ECONOMIC DEVELOPMENT</b>								
IDP Goal Ref	Objective/Goals	Key Performance Indicator		Set Score	Target			Progress on review
		PMS Ref			Time frame	Quality	Quantity	
SD6	To market the Municipality to attract investment	SD6.1	<ul style="list-style-type: none"> <li>Number of LED Forum meetings</li> </ul>	5	Jun 10	Quarterly	4	1 in First Quarter, 2 <sup>nd</sup> quarter meeting postponed due to unavailability of members
		SD6.2	<ul style="list-style-type: none"> <li>Number of contributions to TIKZN publications</li> </ul>	5				Budget constrains – Costs for publication are too high and not budgeted for

		SD6.3	<ul style="list-style-type: none"> <li>Number of meetings with potential investors</li> </ul>	5				2 informal meetings with land owners and developers. No formal results due to recession and water shortage. There is a potential BEE Tourism project at Sand Forest lodge
<b>SOCIO-ECONOMIC DEVELOPMENT</b>								
IDP Goal Ref	Objective/Goals	Key Performance Indicator		Set Score	Target			Progress on review
		PMS Ref			Time frame	Quality	Quantity	
SD7	To facilitate Tourism growth and development within the municipal area	SD7.1	<ul style="list-style-type: none"> <li>Reports to council on Tourism activity in the Municipality supported</li> </ul>	5	Mar 1		2	Local Tourism represented on LED forum and IDP Representative forum. No meetings in 2 <sup>nd</sup> quarter, due to unavailability of members
		SD7.2	<ul style="list-style-type: none"> <li>Number of engagements with Local Tourism Office per annum</li> </ul>	5	Jun 10		2	

		SD7.3	<ul style="list-style-type: none"> <li>Number of engagements aimed at enhancing PDI's and SMME's in tourism</li> </ul>	5	Jun 10		1	
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SOCIO-ECONOMIC DEVELOPMENT								
IDP Goal Ref	Objective/Goals	Key Performance Indicator		Set Score	Target			Progress on review
		PMS Ref			Time frame	Quality	Quantity	
SD8	To promote SMME development in the municipality	SD8.1	<ul style="list-style-type: none"> <li>% of companies owned by DC 27 persons benefiting from the municipality's from the Municipality's General expenditure and R &amp; M budget</li> </ul>	5	Jun 10	At least 10% ownership by local people	10%	3%

		SD 8.2	<ul style="list-style-type: none"> <li>Number of local businesses registered in the supplier database during the year</li> </ul>	5	Jun 10		10	4
SD 9	To create a safe and secure environment for all residents and visitors in the Municipality	SD 9.2.	<ul style="list-style-type: none"> <li>Level of completion of the establishment of the Traffic Management System in the Municipality</li> </ul>	5	Jun 10	Law enforcement officer - Officer appointed	1	Done – 1 Law Enforcement Officer appointed

**MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

IDP Goal Ref	Key Performance Objective	Key Performance Indicator		Set Score	Target			Progress on Review
		PMS Ref			Time frame	Quality	Quantity	
FM 1	Improve Debt Management processes	FM 1.1.	<ul style="list-style-type: none"> <li>Debt collection rate</li> </ul>	5	Jun 10		70% of billed revenue	55% Billed revenue
FM 2	Ensure that financial resources are efficiently and effectively allocated	FM 2.1	<ul style="list-style-type: none"> <li>Alignment of Operational with Capital Budget</li> </ul>	5	Jun 10		1	In progress
		FM 2.2	<ul style="list-style-type: none"> <li>Review of the Financial</li> </ul>	5	Feb 10		1	In progress

			Plan					
		FM 2.3	<ul style="list-style-type: none"> <li>Tabling of mid-year adjustment budget</li> </ul>	5	Feb 10		1	In progress
		FM 2.4	<ul style="list-style-type: none"> <li>Service Delivery and Budget Implementation Plan (09/10)</li> </ul>	5	Aug 09		1	Completed
		FM 2.5	<ul style="list-style-type: none"> <li>No of Quarterly reports to council on SCM implementation</li> </ul>	5	Within 30 days after 2 <sup>nd</sup> quarter		4	2 Reports done
		FM 2.6	<ul style="list-style-type: none"> <li>Internal procedures and processes manual</li> </ul>	5	Mar 10	Developed & aligned to SCM Policy	1	Included in the GRAP conversion process
		FM 2.7	<ul style="list-style-type: none"> <li>Supplier database</li> </ul>	5	Mar 10		1	Complete

**MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

IDP Goal Ref	Key Performance Objective	Key Performance Indicator		Set Score	Target			Progress on Review
		PMS Ref			Time frame	Quality	Quantity	
FM 3	To enhance the Municipality's revenue base	FM 3.1	<ul style="list-style-type: none"> <li>% Completion of the Supplementary Municipal Valuation</li> </ul>	5	Jun 10		100%	In progress

			on Roll					
		FM 3.2	<ul style="list-style-type: none"> <li>Monthly sending of bills to customers on a new valuation roll</li> </ul>	5	Before the 5 <sup>th</sup> of each month		100%	Done
FM 4	Ensure sound financial management practices into the MFMA and enhance the institutional capacity for municipality to spend	FM 4.1.	<ul style="list-style-type: none"> <li>% budget saving</li> </ul>	5	Monthly		3.5%	Request to review time frame on this item
		FM 4.2.	<ul style="list-style-type: none"> <li>% of Bid meetings attended</li> </ul>	5	Jun 10		90%	Attended
		FM 4.3	<ul style="list-style-type: none"> <li>Submission of the 2008-09 AFS</li> </ul>	5	Aug 08		1	Done
		FM 4.4	<ul style="list-style-type: none"> <li>No of monthly reports to Council, PT &amp; NT</li> </ul>	5	Monthly		12	Done
			<ul style="list-style-type: none"> <li>No of monthly management reports to HOD's</li> </ul>	5	Monthly		9	Done
		FM 4.5	<ul style="list-style-type: none"> <li>The Auditor's report on the</li> </ul>	5	Nov 09	Unqualified report	1	Qualified

			2008-09 AFS					
		FM 4.7	<ul style="list-style-type: none"> <li>% Completion of the GRAP compliant Fixed Assets Register</li> </ul>	5	Jun 10		100%	In progress
		FM 4.8	<ul style="list-style-type: none"> <li>% Completion of GRAP conversion</li> </ul>	5	Jun 10		70%	In progress

DEMOCRACY AND GOVERNANCE								
IDP Goal Ref	Objective/Goals	Key Performance Indicator		Set Score	Target			Progress on Review
		PM S Ref			Time frame	Quality	Quantity	
DG 1	To ensure that Integrated Development Planning occurs within the Municipality	DG 1.1	<ul style="list-style-type: none"> <li>Annual IDP review approved</li> </ul>	5	Jun 10		1	IDP in Progress. Draft IDP review for 2010 2011 will be completed by end of 3 <sup>rd</sup> Quarter, in line with performance target.

DG 2	To ensure appropriate and effective use of land through spatial planning initiatives and the implementation of outcomes thereof	DG 2.2	<ul style="list-style-type: none"> <li>Spatial Development Framework review report</li> </ul>	5	<b>Jun 10</b>	Reviewed Report	1	IDP in Progress. Draft IDP review for 2010 2011 will be completed by end of 3 <sup>rd</sup> Quarter, in line with performance target.
		DG 2.3	<ul style="list-style-type: none"> <li>Draft Municipal Nodal Plan</li> </ul>	5	<b>Mar 10</b>	Draft Municipal Nodal Plan	1	Draft Nodal Plans complete. Draft Clauses Complete. Community participation for finalisation set for Feb 2010
<b>DEMOCRACY AND GOVERNANCE</b>								
IDP Goal Ref	Objective/Goals	Key Performance Indicator		Set Score	Target			Progress on Review
		PM S Ref			Time frame	Quality	Quantity	
DG 3	To facilitate community involvement in all aspects of local governance	DG 3.1.	<ul style="list-style-type: none"> <li>No of ward committees involved in IDP process</li> </ul>	5	As per IDP process plan		All	All wards involved.  Community meetings set for end Jan & Early Feb

		DG 3.2	<ul style="list-style-type: none"> <li>No of ward IDP meetings</li> </ul>	5	Jun 10		4	Community meetings set for end Jan & Early Feb
		DG 3.3	<ul style="list-style-type: none"> <li>2008/09 Annual Report submitted to Council.</li> </ul>	5	Jan 10	Draft for comment	1	Draft completed
		DG 3.4	<ul style="list-style-type: none"> <li>No of Budget and IDP community meetings</li> </ul>	5	As per IDP process plan		3	1 IDP Road Show in Dec.  4 Community meetings set for Jan & Feb

**DEMOCRACY AND GOVERNANCE**

IDP Goal Ref	Objective/Goals	Key Performance Indicator		Set Score	Target			Progress on Review
		PM S Ref			Time frame	Quality	Quantity	
DG 4	To promote conducive interaction between the Council and Traditional Leadership	DG 4.1.	<ul style="list-style-type: none"> <li>Number of meetings between council and Traditional Leadership coordinated</li> </ul>	5	Jun 10		2	In progress

DG 5	Improve coherent functioning of key structures of the council	DG 5.2	<ul style="list-style-type: none"> <li>No of MANCO meetings attended per year</li> </ul>	5	Jun 10		4	6 Meetings Attended
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MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
IDP Goal Ref	Key Performance Objective	Key Performance Indicator		Set Score	Target			Progress on Review
		PM S Ref			Time frame	Quality	Quantity	
OD 1	Cultivate a culture of performance throughout the organization	OD 1.2	Skills Development Plan	5	Jun 10		1	Completed in advance
		OD 1.3	% of staff completed training during the year	5	Jun 10		25%	In Progress: +- 80% Staff Trained
OD 2	Ensure that the organizational structure is aligned to the IDP and promotes efficient service delivery	OD 2.3	<ul style="list-style-type: none"> <li>% of budgeted positions filled</li> </ul>	5	June 10		90%	In Progress: +-95% Positions filled

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
IDP Goal Ref	Key Performance Objective	Key Performance Indicator		Set Score	Target			Progress on Review
		PM S Ref			Time frame	Quality	Quantity	
OD 4	To improve productive and accountable staff	OD 4.1	<ul style="list-style-type: none"> <li>Organizational PMS Quarterly reviews</li> </ul>	5	Quarterly		4	2 <sup>nd</sup> Quarter Review completed
			<ul style="list-style-type: none"> <li>PAC meetings</li> </ul>	5	Bi-annually		2	1 <sup>st</sup> meeting held
			<ul style="list-style-type: none"> <li>Quarterly compliance rating</li> </ul>		Quarterly		100%	Done
			<ul style="list-style-type: none"> <li>% council resolutions implemented</li> </ul>		Quarterly		95%	100% Implementation
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
IDP Goal Ref	Key Performance Objective	Key Performance Indicator		Set Score	Target			Progress on Review
		PM S Ref			Time frame	Quality	Quantity	

OD 5	To improve and maintain an efficient and effective Municipal Record Keeping System	OD 5.1	<ul style="list-style-type: none"> <li>Status of Municipal Records</li> </ul>	5	June 10	Records updated		Records updated fully
OD 6	Ensure cohesion in the policy development of the Municipality, and alignment of administrative and political priorities of council	OD 6.1	<ul style="list-style-type: none"> <li>Workshop on policies</li> </ul>	5	Jun 10		1	Completed in advance

# CHAPTER 5

## Local Economic Development

## 5.1 KPA, Strategic Focus Area, Strategies & Objectives.

<b>National KPA: Local Economic Development</b>	
<b><u>Strategic Focus Area 2:</u> To actively pursue social and economic development.</b>	
<b>Development Strategies</b>	<b>Development Objectives</b>
To reduce the impact of HIV/AIDS on communities	<ul style="list-style-type: none"> <li>▪ Prepare and Implement an HIV/AIDS Strategy for Big 5 False Bay Municipal area, in line with the DM HIV/AIDS Strategy</li> <li>▪ To prepare and implement, with the involvement of all relevant role players, education programmes for HIV/AIDS awareness and prevention</li> <li>▪ Mobilise farmers in rural areas to develop a strategy for their own group of workers</li> </ul>
To minimize the effect of natural and other disasters on communities	<ul style="list-style-type: none"> <li>▪ Prepare and implement Big 5 False Bay Municipal Disaster Management Plan</li> </ul>
To cater for the economic and social development needs of youth, women, the disabled and the aged members of communities	<ul style="list-style-type: none"> <li>▪ Prepare and implement a Development Plan focused on the marginalized groups in the society</li> <li>▪ Ensure that the municipal Procurement Policy is gender and disabled sensitive</li> <li>▪ Ensure that Municipal Employment Equity Plan is gender and disabled sensitive</li> </ul>
To facilitate economic growth and development within the municipal area	<ul style="list-style-type: none"> <li>▪ Prepare and implement a Local Economic Development (LED) Plan for the municipal area</li> <li>▪ Prepare and implement Municipal Agricultural Development Plan</li> <li>▪ Identify land for development within development nodes through the preparation of Nodal Development Plans</li> <li>▪ Prepare and Implement a Urban Renewal Plan for Hluhluwe town</li> <li>▪ Develop policy for service providers to employ local economic active population</li> <li>▪ Support appropriate industrial and commercial initiatives at suitable locations within the municipality</li> <li>▪ Investigate the feasibility of establishing skills-based training facilities at Secondary Nodes</li> <li>▪ Facilitate the establishment of Adult Basic Education and Training (ABED) facilities at appropriate locations within the municipal area</li> </ul>
To market Big 5 False Bay Municipal area to attract investment	<ul style="list-style-type: none"> <li>▪ Prepare and implement a Municipal Marketing and Communication Strategy</li> </ul>

To promote Big 5 False Bay as a tourism destination	<ul style="list-style-type: none"> <li>▪ Prepare and implement a Municipal Tourism Plan</li> <li>▪ Promote and support appropriate local Tourism Initiatives</li> </ul>
To promote SMME development in the Municipality	<ul style="list-style-type: none"> <li>▪ To ensure that SMME development is catered for in the Big 5 False Bay LED Plan and that recommendations in this regard are implemented.</li> <li>▪ Prepare an Informal Trading Policy</li> <li>▪ Prepare and implement a Business Skills Development Plan for entrepreneurs and communities</li> </ul>
To create a safe and secure environment for all residents in, and visitors to, the Municipality	<ul style="list-style-type: none"> <li>▪ Prepare and Implement a Municipal Crime Prevention Strategy (involvement of all relevant stakeholders)</li> <li>▪ Establish Traffic Management Services in the municipality</li> </ul>
To ensure the provision of sustainable community facilities	<ul style="list-style-type: none"> <li>▪ Prepare and Implement a Municipal Community Facilities Plan (to include sport and recreation facilities, community halls, libraries, child care facilities, pension payout points, cemeteries &amp; crematoria, cultural and historical sites, facilities for the disabled and aged)</li> <li>▪ Prepare Business Plans and Funding Applications for the development of cemeteries at appropriate locations</li> <li>▪ Prepare and implement a Municipal Telecommunications Plan</li> <li>▪ With the co-operation of the Department of Health, prepare and implement a Health Facilities Plan for the Municipal Area</li> </ul>

5.2. Supplementary Municipal Turn Around Strategy Key Focus Areas (2010/2011)

<b>Key Performance Area</b>	<b>Big 5 False Bay Key FOCUS AREA</b>
Local Economic Development	<ul style="list-style-type: none"> <li>• Effective Roll-out of LED Plan: True LED vs. Poverty relief projects</li> <li>• Set-up of Key partnerships</li> <li>• Key Economic Investment Plan (In conjunction with LUMS)</li> </ul>

5.3. Link With ASGISA & SDF

**ACCELERATED AND SHARED GROWTH INITIATIVE FOR SOUTH AFRICA (ASGISA)**

This government instituted initiative is aimed at promoting a *growth for all strategy* for South Africa that is intended to halve poverty and unemployment by 2014. Maintaining a steady growth in GDP of above 4.5% in the short term, and then adopting envisaged growth of 6% between 2010 and 2014 is a cornerstone of the initiative. Developing labour absorbing industries that generate value added activities is at the core of the initiative. Investment in infrastructure, education and skills development are significant components of the initiative. The elimination of the second economy by enhancing access to micro-finance, SMME support and the reduction of gender inequality issues in conjunction with government’s macro-economic and good governance strategy focusing on the role of local government and service delivery forms the remainder of the initiatives outline.

The ASGISA initiative has identified the following focus areas in order to attain its objective of accelerated and shared growth:

- Economic opportunities that are labour intensive
- Economic sectors that are growing
- Sectors that provide opportunities for BBEEE
- Small business development

**APPLICATION:**

This national initiative is routed in local level implementation, specifically through the Big 5 False Bay Municipality LED Plan (Which was Adopted in September 2009). This shared growth strategy has been designed to help eradicate inequality and poverty, which are the desired outcomes of the LED Strategy process. The emphasis on the infrastructure and skills development also speaks to the LED Plan, and the development of LED Strategies, within the LED Plan, needs to be considered within the ASGISA initiative framework.

The following table provides a summary of alignment between ASGISA initiatives/actions and the Development Strategies underpinned by the Big 5 False Bay Municipality Local Municipality’s Key Performance Management Areas:

**SDF Table 1: ASGISA & Big 5 False Bay Municipality's Development Strategies Alignment**

DEVELOPMENT STRATEGIES	ASGISA INITIATIVES
<ul style="list-style-type: none"> <li>○ Ensure that Financial Resources are efficiently and affectively allocated</li> </ul>	<p>ASGISA has identified the need to monitor budget expenditure of departments in that some departments overspend while others under spend. National Treasury is proposing the implementation of a Capital Expenditure Management Information System.</p>
<ul style="list-style-type: none"> <li>○ To promote Big 5 False Bay Municipality as a tourism destination</li> </ul>	<p>ASGISA has identified the need to increase the contribution of tourism to the GDP. Also, a number of strategies are focused on eliminating the 2<sup>nd</sup> economy.</p>
<ul style="list-style-type: none"> <li>○ To facilitate economic growth and development within the municipal area</li> <li>○ To ensure the provision, upgrading and maintenance of Infrastructure and Services to address Backlogs</li> </ul>	<p>LED is a critical contributor towards halving unemployment by 2014. Also, ASGISA moots the need to increase infrastructure investment in order to address backlogs.</p>
<ul style="list-style-type: none"> <li>○ To promote SMME development in the Municipality</li> <li>○ To facilitate economic growth and development within the municipal area</li> </ul>	<p>ASGISA has identified the need to support and introduce more labour absorbing economic activities.</p>
<ul style="list-style-type: none"> <li>○ To ensure the appropriate and effective use of land through spatial planning initiatives and the implementation of the outcomes thereof</li> <li>○ Ensure the sustainability and protection of the Municipality's Natural Resources</li> <li>○ To facilitate economic growth and development within the municipal area</li> </ul>	<p>It is crucial that the planning and management of land use (in terms of zoning) does not prevent the timeous development of land. Similarly, environmental procedures should be expedited for developments to obtain approvals faster.</p>
<ul style="list-style-type: none"> <li>○ To cater for the economic and social development needs of youth, women, the disabled and the aged members of communities</li> </ul>	<p>Need to work closely with women and youth in order to halve poverty.</p>
<ul style="list-style-type: none"> <li>○ To promote SMME development in the Municipality</li> </ul>	<p>The national skills shortage is considered as the largest impediment to sustained economic growth.</p>
<ul style="list-style-type: none"> <li>○ To ensure the provision of sustainable community facilities</li> </ul>	<p>Improve electronic communication</p>

## **LED Plan (Extracts)**

The Big 5 False Bay Municipality adopted its LED Plan in September 2009. (A full copy of this Plan is available from the Department: Planning & Development) The Plan also provides development frameworks for the Agriculture and Tourism Sectors, which are the two main economic sectors in the Municipality.

The various pieces of legislation and policies clearly indicate that Local Government such as this Municipality has a legal obligation to promote economic development in their localities. Although Local Municipalities are not directly responsible for creating jobs they are responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities. As such, the Big Five False Bay Municipality serves the roles as enabler, connector and stimulator.

### **Enabler**

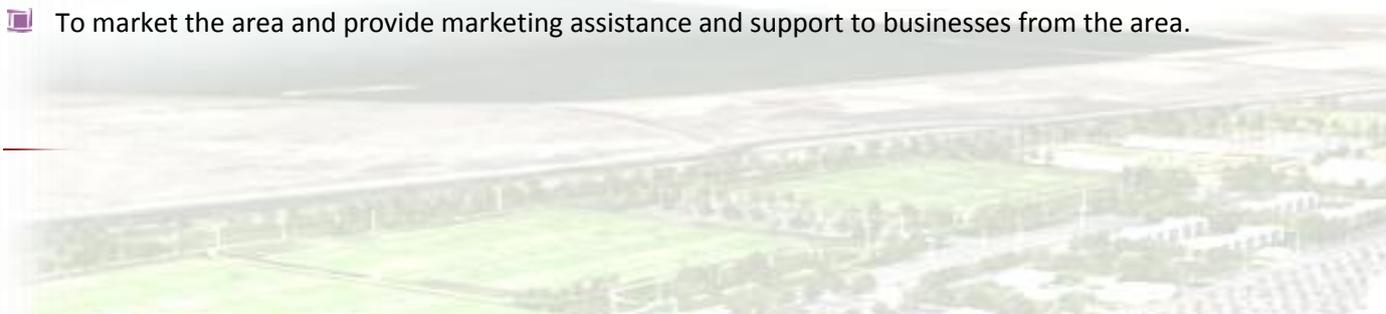
- To create an **enabling** socio-economic environment for LED;
- Provide strategic economic infrastructure;
- Develop human capital;
- Deliver new types of public goods (networks, skills & technology, innovative development & spatial redevelopment); and
- Provide appropriate regulatory framework.

### **Connector**

- To organise the contacts, links and exchanges with possible national and international economic partners;
- Development of social capital (encouraging and developing the presence and capacity of all relevant stakeholders in the local economy e.g. Chambers of commerce, NGO's, CBO's etc);
- Incorporate local role players directly in partnerships;
- Access funds;
- Assist with the development of co-operatives that enhances the capacity of communities to fend for themselves;
- Plug the leaks in the local economy (retaining income in the local economy);
- SMME development (e.g. Business infrastructure, access to finance etc); and
- To identify business clusters and business opportunities and to facilitate the participation of the population in using the opportunities.

### **Stimulator**

- Facilitate the establishment of new businesses or the growth of the existing ones;
- Support the creation and/ or consolidation of chambers of commerce and business associations;
- Support the establishment of effective business development services;
- Support the involvement of organised labour in LED planning and activities;
- To prepare and implement technically good, viable and sustainable LED components for their IDP's, in alignment with the PGDS; and
- To market the area and provide marketing assistance and support to businesses from the area.



Through the above roles Local Municipalities should be aiming towards bridging the gap between the first and second economies present in both local municipalities and district municipalities. In terms of the Big Five False bay Municipality there is a need to bridge the economy of the town with the poorer areas within the traditional areas.

#### The LED Programme

The Strategies for the Big 5 False Bay Local Economic Development, is based on the following LED Targets and the Led Plan for the Municipality has been developed with that in mind. Plan has served to provide the Municipality with a set of guidelines through the use of strategies, programmes and projects, which through diligent implementation will stimulate economic development within the Big Five False Bay Municipality. It is envisaged that this will be achieved through the broadening of the economic base of the local economy with the establishment of sustainable and a wide range of employment opportunities by strengthening and diversifying the various economic sectors of the local economy.

It is expected that the **agricultural sector** will diversify to more low mass, high value products targeted at an export market.

The tourism industry will continue to grown and will welcome the initiatives and products produced by the local people. With the implementation of key projects such as a cultural village and cultural hub, the Big Five False Bay Municipality will be an attractive destination for tourists looking for a Zulu cultural experience and for those who want to endure the rustic environment and water activities. With the added emphasis on the marketing or the area and the improvement of the signage and location of tourism information offices, the area is likely to attract more tourists.

BIG FIVE FALSE BAY LM Strategic local economic development targets						
Key performance indicator						
	Unemployment	Skilled workforce	Spatial Inequality	Extreme Poverty	Gross Value add	Exports
<b>International, national and provincial</b>	Halve unemployment by 2014	Approximately 20,000 artisans	Reduce GINI co-efficient	Halve extreme poverty by	Average annual growth of 6% per	10-15% growth by 2014

BIG FIVE FALSE BAY LM Strategic local economic development targets

Key performance indicator

	Unemployment	Skilled workforce	Spatial Inequality	Extreme Poverty	Gross Value add	Exports
<b>directive</b>		nationally per annum		2014	annum	
<b>Source of information</b>	ASGISA	ASGISA-JIPSA	National spatial development perspective	ASGISA	ASGISA	ASGISA
<b>Baseline value (2004)</b>	5277	Less than 1% (85) individuals with higher than Grade 12	0.73	20375	155 315 000	3 144 793
<b>Source of information</b>	National spatial development perspective (CSIR and Global Insights)	Quantec	National Treasury (proxy for Umkhanyakude District)	National spatial development perspective (CSIR and Global Insights)	National spatial development perspective (CSIR and Global Insights)	
<b>Target value by 2014</b>	2639	200	0.63	10188	278 283 000	12 708 938
<b>Annual target from 2004</b>	At least 265 jobs per annum	At least 0.1% of the national target for artisans per annum (20 artisans per annum)	At least 0.01 index points per annum	1020 individuals need to move out of poverty trap (earn more than R3500 / \$1 per day)	At least 4.5% more than the previous year per annum (45% increase from	At least 7.5% more than the previous year per annum (75%

BIG FIVE FALSE BAY LM Strategic local economic development targets

Key performance indicator

	Unemployment	Skilled workforce	Spatial Inequality	Extreme Poverty	Gross Value add	Exports
				per annum	baseline)	increase from baseline )
<b>LED option 1</b>	Attract labour intensive work opportunities into region	Invest in higher education (industry) skills development and provision infrastructure	Take employment generating activities to people / communities	Enhance initiatives that ensure minimal income for food security	Attract / enhance value adding of local content and resources in local economy	Improve the quantity of local quality (export ready) products
<b>LED option 2</b>	Focus on both temporary and full time employment opportunities	Invest in skills development programmes that can be supported by local and regional industry	Attract people / communities to settle closer to areas that have high economic relevance (potential)	Enhance community collaboration initiatives aimed at social and safety networking	Reduce impediments in the local business operating environment	Target additional export markets
<b>LED option 3</b>	Encourage self-employment opportunities	Invest in skills for new venture creation where market demand for the	Encourage economic regionalisation / localization	Encourage household income generating activities (live-work)	Develop cost-effective infrastructure to encourage industrial investment	Enhance the market presence of quality local content

**BIG FIVE FALSE BAY LM Strategic local economic development targets**

**Key performance indicator**

Unemployment	Skilled workforce	Spatial Inequality	Extreme Poverty	Gross Value add	Exports
	enterprise is high and the barriers to entry in the local sector is low (skills for local enterprise development)			and growth	

**5.1 Develop & Promote the Tourism Sector Focussing From the Bottom-Up**

**5.1.1 Introduction**

For the purpose of developing a relevant tourism strategy for the Big Five Municipality, the concepts of pro-poor tourism and value chain analysis is being utilised.

**5.1.2 What is Pro-Poor Tourism?**

Pro-poor tourism (PPT) is not a specific tourism product; it is an approach to tourism development and management which ensures that local poor people are able to secure economic benefits from tourism in a fair and sustainable manner. Pro-poor tourism may improve the livelihoods of poor people in three main ways:

1. Economic gain through employment and micro-enterprise development;

2. Infrastructure gains: roads, water, electricity, telecommunications, waste treatment;
3. Empowerment through engagement in decision making.

The language of pro-poor tourism is being used widely and there is now an emerging consensus that it is important to move beyond general talk about “trickledown” and multipliers and to focus on measurable impacts on improving the livelihoods of poor people.

In summary, traditional views of growth in the tourism sector need to be accompanied by a focus on generating economic benefits for poor people in destinations.

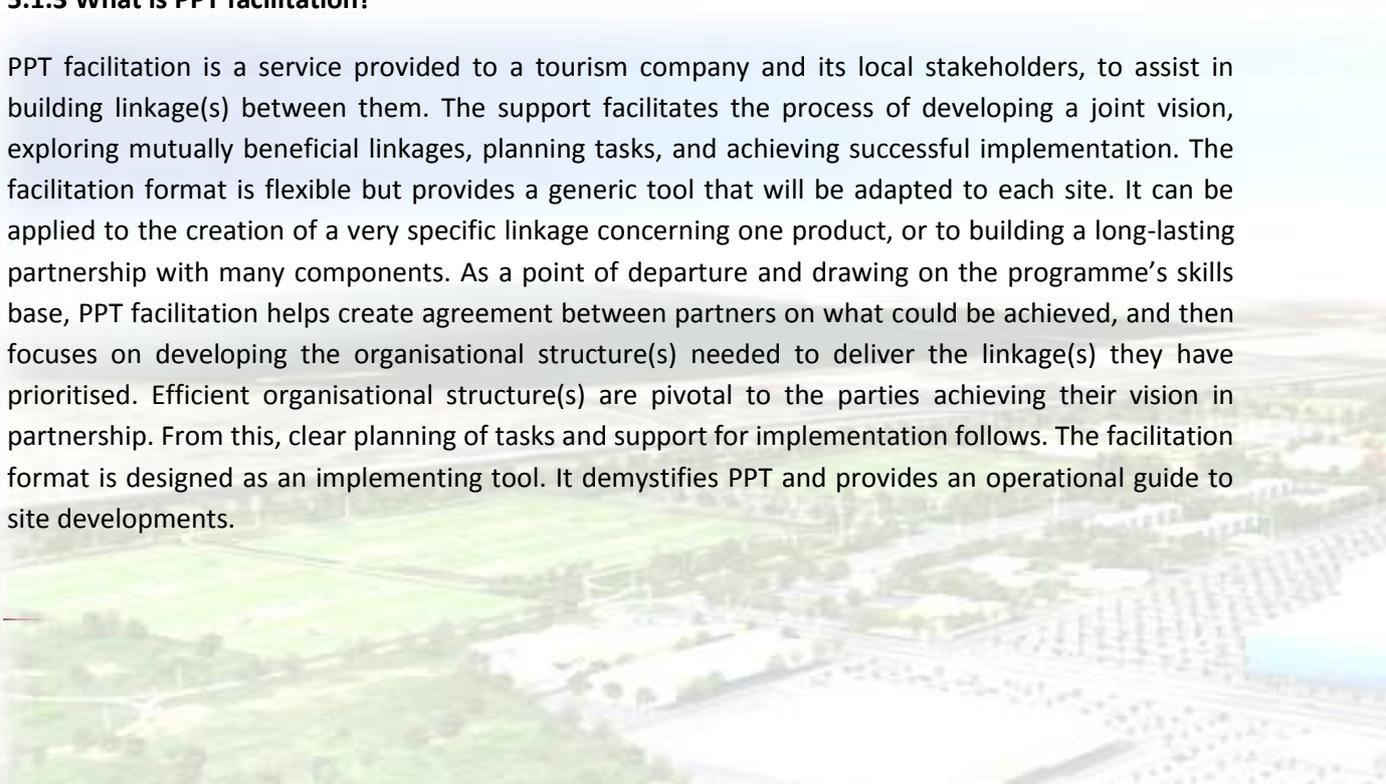
Pro-Poor Tourism aims at identifying and implementing linkages that bring benefits to poor people, and make business sense to the operator. The initial (‘scoping’) stage involves understanding the current linkages between the tourism company, in question and local (poor) stakeholders, and the identification of the needs and assets of the company and local stakeholders. Building on this, the next key step is to identify the type of linkage or linkages that should be developed and with which local partners. From there, PPT facilitation supports the partnership through stages – from making joint commitments into implementation.

Initial scoping reports must be prepared for each partner by compiling information gathered during consultation, in order to provide background information for prioritisation and implementation of PPT actions. These cover:

1. Stakeholder analysis (identification of needs and assets of company and community);
2. Assessment of existing linkages between stakeholders; and
3. Discussion of potential linkages

### **5.1.3 What is PPT facilitation?**

PPT facilitation is a service provided to a tourism company and its local stakeholders, to assist in building linkage(s) between them. The support facilitates the process of developing a joint vision, exploring mutually beneficial linkages, planning tasks, and achieving successful implementation. The facilitation format is flexible but provides a generic tool that will be adapted to each site. It can be applied to the creation of a very specific linkage concerning one product, or to building a long-lasting partnership with many components. As a point of departure and drawing on the programme’s skills base, PPT facilitation helps create agreement between partners on what could be achieved, and then focuses on developing the organisational structure(s) needed to deliver the linkage(s) they have prioritised. Efficient organisational structure(s) are pivotal to the parties achieving their vision in partnership. From this, clear planning of tasks and support for implementation follows. The facilitation format is designed as an implementing tool. It demystifies PPT and provides an operational guide to site developments.



### **Example of Pro-Poor Tourism:**

#### **Hotels and Resorts**

- Hotels and resorts can contribute and secure commercial advantage by working with local communities and SMEs to encourage the development of the diversity of local tourism services and products.
- Hotels and resorts can contribute to this destination enrichment by providing market access for the communities and micro-enterprises that can provide these goods and services. Commercial advantage and risk management favour cooperation.
- In adopting these approaches the hotel or resort is encouraging their clients to spend money in the local economy on complementary products by providing market access. Traditionally hotels and resorts have done this by entering into contracts with the local formal sector industry. There is commercial advantage to be gained by widening the range of goods and services available to guests and in the process a far more significant contribution can be made to the local economy by enhancing market access.

#### **5.1.4 Value Chain Analysis**

Value chain analysis (VCA) is a useful tool for looking at local linkages and opportunities for community participation. A value chain “describes the full range of activities which are required to bring a product or service from conception, through the different phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final consumers, and final disposal after use” (Kaplinsky and Morris 2000: 4).

This perspective serves to highlight that production is only one of a number of value-added links in any chain; in addition, each link entails a range of activities. Intra-chain linkages are also often of a two-way nature – e.g. the design of any product both influences and is influenced by its production and marketing. VCA has recently received more emphasis as a tool of pro-poor development. As such it looks at value chain governance - how value is distributed along the chain, and the various interests and power relations that influence this distribution - and can help to identify interventions along the chain that could increase the value accruing to the poor. VCA also clearly shows the up- and downstream effects of interventions. This reveals that the appropriate policy focus is sometimes broader than the ‘target group’ of beneficiaries, because leverage points up or downstream can often have multiplier effects and a more durable impact for a broader population (Posthumus 2007).

Most VCA research has focused on products (e.g. agricultural commodities or industrial clusters), but it is beginning to be applied to services - of which tourism is a major example (Ashley and Mitchell 2007). Its application here requires breaking down tourist spending into functional components (accommodation, food, shopping, transport etc.), assessing the value in each and determining how

much accrues to poor participants, and identifying any barriers to entry or other constraints on the participation of poor communities in the value chain.

### Value chain analysis in pro-poor tourism: findings

Some summary findings (from Ashley and Mitchell 2007, who review several VCA studies of pro-poor impacts in tourism around the world) have implications for attempts to increase the pro-poor impacts of developments – particularly when considered in light of the principle of aiming for maximum LED impact relative to cost. For instance, tourist **spending in local areas** has been found to have a higher pro-poor impact than other value chain segments: a high proportion (potentially 25% - 50%) of tourist expenditure on restaurants (if supplies are local), shopping (especially crafts), and local transport and excursions can reach the poor. These sectors are also accessible to informal operators – many of whom are poorer, less skilled or female entrepreneurs. The pro-poor impact of unskilled and semi-skilled hotel **employment** – though it can be very significant to local households – is relatively less substantial, accounting for a smaller proportion (about 10% on average) of turnover. The importance of the **food value chain** also emerges from these studies: in addition to the obvious and direct benefit to hotel workers, “there may be more income, and certainly many more poor people, involved in farming and selling food for tourists...these supply chains have a different geographical impact on poverty, as they are often in more peripheral regions that may not otherwise have benefited from tourist expenditure” (2007: 3).

The key determinants of the overall pro-poor impact of tourism appear to be:

- The level of out-of-pocket **expenditure** (a higher proportion of tourists’ discretionary spending reaches the poor than of ‘big-ticket’ costs like accommodation and travel);
- The extent to which **food** is sourced domestically/locally – the agricultural supply chain often sustains more poor households than jobs in hotels and restaurants;
- **Wage levels** – higher wage levels mean a greater pro-poor impact, as long as the poor can access jobs.

### 5.3 Programmes to develop and Promote Tourism

As understood from the previous sections of the report, the area is abundantly supplied with tourism attractions and activities. This sector/industry is primarily a privately driven one and there is little space for local government intervention. The development of new tourism products are limited to establishing a cultural village and the more generic types of developments, some of which are not successful on implementation. However, in this area, the development of cultural villages is being demanded by tourists as they require an authentic Zulu experience. Many documents support the development of these facilities.

More importantly, though it is believed that the local government interventions in this area need to target six specific areas. As such, six programmes are suggested:

***Programme 1: Promote the establishment of SMMEs***

Employment creation is unlikely to come from new big businesses being set up in this area. The services sector is a prime area for the establishment of small businesses. The municipality needs to host road shows and SMME workshops to advise people on the benefits of operating a small business, how to set up their businesses and where they can get assistance.

However, the issues around training and business skills come to the fore. As such, it is suggested that the municipality further looks at the establishment of a one-stop centre, which will attend to technical skills development, business management training and a business set up centre. This centre should be able to assist the local entrepreneur with preparing a business plan, applying for financial assistance, registering and setting up the business and with monitoring and evaluation of the business.

These SMME's should be developed to feed the tourism sector as much as possible. For example local tourism businesses require the services of various businesses including electricians, plumbers, handy men, cleaners, beauticians, hairdressers, and pool services to name but a few.

***Programme 2: Promote Pro-Poor Tourism through a Value Chain Analysis***

The local municipality can act as facilitators between local entrepreneurs and the existing tourism businesses in the area. The link between them needs to be established and concretised. These should range across the value chain of the tourism business from supply of agriculture and garden services to laundry services and high end beauty technicians and masseuses. The full spectrum of services should be considered. These opportunities need to be fully explored with the businesses on both sides (demand and supply).

Preference must be given to those who are from previously disadvantaged backgrounds, the disabled and women.

This presents the greatest mechanism to create employment in the area.

***Programme 3: Grow the Cultural Tourism Aspects of the Industry***

The culture of the area and the Zulu people is a great asset for this area. However, it is not being utilised to its full potential. There are opportunities for the development of:

- Authentic Cultural Villages with Zulu people living in these developments and allowing tourists to experience the traditional Zulu lifestyle and culture.
- Cultural trails with guides who are well-versed in the history and cultural heritage of the area.
- Homesteads that allow tourists to visit and live with them and experience the true Zulu life.
- Develop the craft in the area. The existing craft lacks diversity and varies in quality. There is a need for intervention to train local crafters in new techniques and how to maintain the quality of the products.

The implementation of the cultural hub in Makhasa, for which a feasibility study and business plan as was prepared by the Umkhanyakude District Municipality, will address many of the issues hindering the cultural tourism aspects from growing to its full potential.

***Programme 4: Establish Tourism Offices in the Area***

Currently there is only one Tourism Information Office, which operates for the entire Elephant Coast. It is located en route to Sodwana Bay. However, there is a need for a number of smaller tourism offices to be located in various parts of the Big Five Municipality. It would be ideal to have a fairly big tourism office in Hluhluwe and others in strategic places such as the gates of the Hluhluwe-Umfolozi Game Reserve. This is in line with the Tourism Global Competitiveness Project's recommendations for the area.

***Programme 5: Develop a Marketing Plan***

A major concern that was raised through the consultation process was the fact that the area was not well marketed. This was also raised in the Tourism Global Competitiveness Project report on the area. As such, it is viewed as a key initiative to developing and promoting the tourism sector in this area. A consultant should be commissioned to develop a marketing plan for the area. In addition, it is imperative that an incentive scheme is also put together for the marketing of the area to potential

investors domestically and internationally. Given that the area has significant land available for development, they should be packaged, serviced and made available for investors.

### ***Programme 6: Hluhluwe Town Upgrade***

Hluhluwe town is the service centre to the entire area. However, it is currently in need of upgrade and renewal. As a hub for tourism in the province, this is a necessity. The municipality needs to undertake a urban renewal programme for the upgrade of the CBD and its infrastructure. The main aspects that need to be addressed are:

- Roads maintenance;
- Electricity;
- Water;
- Landscaping;
- Sewerage;
- Street lighting;
- Refuse removals;
- Verge cutting;
- New market stalls;
- Relocation of taxi rank;
- Upgrading of pavements & pedestrian walkways;
- Maintenance of traffic islands;
- Robust signage;
- Play park &;
- Cultural centre

#### **5.3.1 Strategy: Identification of Capital Investment Projects, New Product Development, & Facilitation of Access to Funding for Development**

This strategy is associated with the generic strategy of **new business creation**. This strategy serves to accelerate empowerment and assists in reducing unemployment. Prior to the creation of new enterprises, it is imperative that a human resource base and target market is established. This applies to all sectors, and involves identifying, packaging, and motivating for the new projects so as to source

funding for their implementation. One programme is suggested here with a number of associated actions.

### ***Programme 1: Identify, Package & Motivate New Development Opportunities***

It is essential to identify, encourage and motivate new development within the municipality. Moreover, this will enhance the level of job creation, resource distribution, as well as income generation within the municipality. For this to take place, there is a need to have good infrastructure and good governance. Identification of new projects in an area increases the level of:

- competition,
- economic growth, and
- skills development.

As such the following actions are recommended:

- Action 1: Maintain a working list of developments
- Action 2: Identify land for potential future property developments and investment
- Action 3: Undertake feasibility studies for all proposed developments to ensure that they make business sense.
- Action 4: Source development funds through private or public sector investors and the facilitation of micro-financing mechanisms

### **5.3.2 Strategy : Promotion Of Capacity Building, Training, Mentoring & Support Services**

The generic strategy linked to the above specific strategy is that of promoting **business development services (BDS)**, **information communication technology (ICT)** and **training and education**. Business development services offer assistance and support to small and medium enterprises in the form of counselling, information and training. The main aim of BDS is to increase competitiveness, which is brought about in terms of innovative products and services, production or delivery processes irrespective of size of the enterprises. Therefore, SMMEs should be encouraged through BDS to build up their competitive edge.

Education and training are two very important criteria for economic development. A high level of skills located in an area would warrant investors interested in such skills to locate there. This would lead to greater sustainable employment and skills development. Non-formal skills training is also key to

economic development. As such, it is important that universities and techinkons, NGOs, Chambers of Commerce, and private training providers make capacity building available.

Experience shows that many SMMEs do not have the staff that they require due to a lack of training and education. This often results in unsustainable enterprises over the medium to long-term. As such, it is vital that the staff with the appropriate, required skills are hired to ensure that the enterprise is a strong one.

To this end, four programmes are being suggested together with their associated actions:

***Programme 1: Appoint an Led Manager***

In order for the LED strategy to be implemented, the Municipality requires the capacity of an individual who will be able to champion LED within the area. Specific tasks that are required of the LED officer at the very outset include:

Action 1: Understand the LED strategy

Action 2: Implement the Strategy

Action 3: Set up an SMME Desk

***Programme 2: Support the development of Co-operative***

Co-operatives have been acknowledged to be a useful mechanism of stimulating businesses in localities amongst people to have a similar interest. New initiatives are needed to further develop the co-operative environment or the development of specific smaller business opportunities.

***Programme 3: Facilitate business related education and training courses in the Municipality***

Skills development is crucial to meet the ever-changing demands and requirements of the existing businesses in order to make them more competitive. New skills in production, packaging or presentation techniques in any sub-sector would put the SMMEs in a stronger position for competition. Training skills are very important for business related education. Local residents need skills to equip themselves on issues pertaining to businesses. The identified project, which is a training centre, will have a tremendous role to play in the lives of the local residents. In order to develop entrepreneurs and to practise entrepreneurship in all socio-economic activities of the municipality, there is a need to develop an “entrepreneurial culture” over a period of time. It is important to have training, financing and enterprise development institutions.

As such, six actions are being suggested here:

- Action 1: Develop Centres for ICT
- Action 2: Establish a training centre in the area
- Action 3: Implement rural business development and advisory service in the municipality
- Action 4: Skills development
- Action 5: Develop a skills register
- Action 7: Engage with nearby colleges to address the skills shortage

***Programme 4: Formulate and implement systems for information dissemination & the capacity building of local communities***

Relevant information based on any form of business needs to be made available to interested persons in the area. As such, it is imperative that there be a body either in the Municipal office or in the training centre that can provide this information. Three suggested actions to achieve this are:

- Action 1: Maintain databases
- Action 2: Develop brochures
- Action 3: Locate and update notice boards at strategic locations with relevant information

**5.3.3 Strategy: Promotion of Market Research, Marketing, Knowledge & Awareness Campaigns**

This strategy is aligned to the generic strategy of **investment promotion or place marketing**, and refers to all aspects related to the promotion and marketing of the economic strengths and opportunities of the municipality. Investment promotion is a complex task for LED. This entails advertising and marketing of the area and drawing on the competitive advantages that can be of interest to investors, as investors generally seek a stable economic environment. Incentives offered by the municipality do play a role but this is not the only factor, which attracts an investor to a municipality. Successful business investment promotion results from convincing an investor that administrative persons understand his/her needs, will be available on request, and will handle any disagreement that may arise. Investment promotion is important in terms of creating opportunities that connect to needs, and therefore requires careful targeting. Investment ensuing sustainable employment must be such that it builds on existing or potential competencies in the area.



To this end, two programmes are being suggested with their related actions:

***Programme 1: Knowledge and awareness campaigns***

These are specifically geared towards the agriculture and tourism developments. Empowerment through information regarding agriculture and tourism developments will increase the local awareness and knowledge about any developments that will be put in place. Marketing of the development projects will ensure that tourism and agriculture developments grow more effectively and efficiently. Lack of knowledge will have negative impact on the sustainable growth and development of businesses in the area. The information regarding agriculture, tourism and business must be regarded as a cornerstone for the success of these three sectors.

Two actions are recommended here:

- Action 1: Plan the content and strategic times for campaigns
- Action 2: Establish the mechanism to be utilised in the campaign

***Programme 2: Formulate marketing strategies and tools to attract investment and create awareness regarding the opportunities in the area***

The development of a sophisticated marketing culture is fundamental to the success of micro and small enterprises. The following issues are critical for marketing:

- research marketing opportunities and developing sector specific trade information systems,
- participating in relevant trade shows and missions at the national, provincial and local level,
- building organisational capacity to promote specific goods, and
- Developing the marketing and technical skills of SMMEs owners.

The following actions are recommended:

- Action 1: Undertake marketing research and data collection
- Action 2: Formulate a Marketing Plan
- Action 3: Formulate, market and implement an Incentive Policy
- Action 4: Create awareness regarding opportunities
- Action 5: Promote unique events
- Action 6: Build on relationships through networking



### **5.3.4 Strategy: Bee, PDI, Gender Promotion & HIV/Aids**

It is important that specific attention is paid to ensure equal representation of women and vulnerable groups. Undertaking planning in collaboration with previously disadvantaged individuals (PDIs) is necessary in ensuring that these individuals are empowered and have the opportunity of economic development in their communities. The views of these individuals must be streamlined into the planning process and they should also be beneficiaries through the implementation of such projects.

#### ***Programme 1: Encourage Participation of Vulnerable Groups***

In order to understand the plight of vulnerable groups in the area, it is important to engage them. Service delivery with their best interests at its core can only happen if this understanding is in place.

Organise and host a workshop the development opportunities and potential projects with vulnerable groups to understand the needs and aspirations of groups and individuals. Specific importance should be given to rural communities, women, youth, HIV/AIDS communities & areas with high levels of poverty. Their needs to be streamlined within the planning process and must ensure that their specific needs are catered for.

#### ***Programme 2: Adopt & Implement a BEE Policy***

In order to ensure that vulnerable groups are adequately considered the implementation of such a policy is critical. A specialist in policy development must be consulted to ensure that this policy is appropriated formulated. The following actions are suggested:

- Action 1: Appoint a Consultant
- Action 2: Adopt the BEE policy
- Action 3: Implement the BEE policy

#### ***Programme 3: Youth Development***

Given the fact that the majority of the population is made up by the youth, it is imperative that there are specific interventions designed specifically for the youth in the area. As such, two initiatives are suggested below.

Action 1: Establish Youth Centres

Action 2: Establish ICT Centres in various parts of the Municipality

#### ***Programme 4: Women/Gender Promotion***



Women comprise a higher percentage than males in the municipality. As such, there is a need for directed interventions to encourage a greater level of economic engagement from women. As such, the following actions are being suggested:

Action 1: Establish women's co-operatives

Action 2: Business Training

Action 3: Set up women's groups

# Chapter 6

## Basic Service Delivery & Infrastructure

6.1. KPA, Strategic Focus Area, Strategies & Objectives (As per IDP 2007/08 & subsequent reviews)

<b>National KPA: Infrastructure and Services</b>	
<b><u>Strategic Focus Area 1:</u> To create an enabling environment for effective service delivery to enable service providers and investors to function within the municipality</b>	
<b>Development Strategies</b>	<b>Development Objectives</b>
To ensure the provision, upgrading and maintenance of Infrastructure and Services to address Backlogs	<ul style="list-style-type: none"> <li>▪ To ensure that water and sanitation needs are catered for in the uMkhanyakude DM Water and Sanitation Development Plan (WSDP) and that its roll-out is programmed accordingly (including operation and maintenance).</li> <li>▪ To ensure, through liaison with ESKOM and uMkhanyakude DM, that Big 5 False Bay's residents receive electricity</li> <li>▪ Prepare and implement a Municipal Infrastructure Development Plan</li> <li>▪ To ensure that all municipal infrastructure is properly maintained through the preparation and implementation of a Municipal Service Maintenance Plan</li> <li>▪ Prepare and implement a Municipal Integrated Waste Management Plan.</li> <li>▪ Identify municipal roads and storm water drainage which needs to be constructed or upgraded and accordingly prepare and implement a Municipal Roads Programme (as part of the Infrastructure Development Plan)</li> <li>▪ Prepare Public Transport Plan (in-line with uMkhanyakude DM Public Transport Plan)</li> </ul>
To ensure co-ordinated service delivery from all service providers	<ul style="list-style-type: none"> <li>▪ To prepare and implement an Infrastructure and Services Provision Communication Strategy which details the roles and responsibilities of all service providers in the municipality, as well as assist with the co-ordination of such service delivery</li> <li>▪ To ensure that all required Sector Plans are prepared / revised and implemented</li> <li>▪ Enter into Service Level Agreements with respective service providers in the municipal area</li> </ul>

6.2. Supplementary Municipal Turn Around Strategy Key Focus Areas (2010/2011)

<b>Key Performance Area</b>	<b>Big 5 False Bay Key FOCUS AREA</b>
Basic Service Delivery & Infrastructure Development	<ul style="list-style-type: none"> <li>• Partner with DC27 to provide Water reticulation Function in Urban area</li> <li>• Apply for MIG funding for Water Bourne Sewerage in Hluhluwe</li> <li>• Recalculation of Free Basic Services and re-identification of Indigent customers i.t.o. electricity provision</li> <li>• Clear Identification of Municipal Roads in Rural Areas</li> <li>• Infrastructure Maintenance to be planned out of MIG budget</li> <li>• Preventative policies on road usage and access</li> <li>• Waste Management Strategy to be clarified by DC.</li> <li>• Roll-Out of Refuse removal to key points in Rural Nodes and Commercial farms</li> <li>• 30% of MIG allocations to fund EPWP. (To be included in Tender documents)</li> <li>• Provincial MIG roll-out not in line with Municipal Roll-out: Intervention Policies needed (Province to assist)</li> <li>• Establish PMU out of 5% MIG Allocation</li> <li>• Linking of effective Environmental Processes to Internal Municipal practices.</li> <li>• Repair &amp; Maintenance of Streetlights &amp; Street furniture</li> <li>• Effective Storm Water Management in Hluhluwe</li> <li>•</li> </ul>

## 6.5. Business Plans

### 5. INFRASTRUCTURE DEVELOPMENT PLAN

#### 5.1 Background

The preparation of an Infrastructure Development Plan for the Big 5 False Bay Municipality is required in terms of the IDP Strategic Focus Area: “To create an enabling environment for effective service delivery to enable service providers and investors to function within the municipality.” The preparation of an Infrastructure Development Plan has to be informed by the Infrastructure Development Framework. The latter being prepared in relation to the municipal vision for future development.

#### 5.2 Purpose of an Infrastructure Development Plan

The Infrastructure Development Framework (as the forerunner of the Infrastructure Development Plan) should establish where infrastructure development should take place in context of the municipal (local and district) IDPs as well as the respective IDP sector plans. The framework should therefore direct infrastructure development in order to attain the municipal vision, strategies, and objectives and give effect to the spatial development framework. Following the determination of the infrastructure framework, the infrastructure development plan provides details on infrastructure development capacity and constraints and roll-out of services.

#### 5.3 Components of an Infrastructure Development Plan

As noted in the previous paragraph, the Infrastructure Development Plan has to be informed by an Infrastructure Development Framework. The Infrastructure Development Framework has to be determined based on possible development scenarios

The municipal Infrastructure Development Framework should direct infrastructure development in order to attain the municipal vision, strategies, and objectives and give effect to the spatial development framework. The infrastructure development plan should provide details on the status quo with regard to infrastructure in the area at present. The plan should also provide an assessment of the short, medium and long terms demand based on the IDP and the scenarios contained in the framework.

#### 5.4 Scope of Work

The following scope of work is proposed for the preparation of the Infrastructure Development Plan. It is important that an Infrastructure Development Framework is prepared at the outset of the process

to provide an indication of the overall development vision for the area as contained in the municipal IDP and spatially presented in the Spatial Development Framework. Hereunder, more detail on the proposed scope of work is provided for the infrastructure development framework and plan components of the project:

- Infrastructure Development Framework**
- Provides an analysis of the municipal vision and SDF to pre-empt where infrastructural services may be required in future.
  - Analysis is based on possible development scenarios for the Big 5 False Bay municipal area. Scenarios to be based on development projections and growth rates (e.g. high, medium, low) as well as the influence of major development initiatives in an around the municipal area.
  - Scenarios also to be informed by the demographic dynamics of the area, i.e. a demographic update would be required.

- Infrastructure Development Plan**
- Status quo of the current infrastructure situation in Urban and Rural Areas, including, but not exclusive to, Roads, Sewerage, Water, Refuse & Electricity
  - Should provide an assessment of the capacity of the bulk infrastructure within the Big 5 False Bay municipal area at the various localities, i.e. town of Hluhluwe, Phumlani as well as the rural nodes.
  - The assessment should show clearly where additional capacity exists as well as where critical upgrade and maintenance is required.
  - Plan should reflect not only the capacity of the bulk infrastructure but also potential environmental concerns relating to any bulk infrastructure project – as alluded to in the Integrated Environmental Programme.
  - Assessment of short, medium & long-term infrastructure demands in Urban and Rural areas in line with the 2007/2008 IDP as well as the infrastructure development framework
  - Infrastructure Development Plan to consider impacts of sector plans as implementation programmes of service providers.
  - Plan should include a municipal roads development programme that includes an assessment and grading of following types of roads in the municipal area :(1) Roads within the town of Hluhluwe (including Phumlani) as well as the roads within the identified rural nodes.

The Infrastructure Development Plans also has to consider the management plan components relating to the maintenance of infrastructure as an income and expenditure component of the municipal Operational Budget.

## **5.5 Budget and Time Frame**

The preparation of both the Infrastructure Development Framework and Plans for the Big 5 False Bay Local Municipality is anticipated to take 10 months and a budget of R250,000 is required for the task.

## **7. COMMUNITY FACILITIES PLAN**

### **7.1 Background**

The need for the preparation of a community facilities plan for the Big 5 False Bay Municipality has been identified in the social and economic development strategic focus area of the municipal IDP. It is acknowledged that the focus over the previous IDP period has been on basic infrastructure provision and that there exists a need to plan for the provision of community facilities.

Under the auspices of a Community Facilities Plan, the following is included:

- Child Care Facilities
- Sport fields and other public sporting facilities
- Pension Payout Points
- Cemeteries
- Community Halls
- Market Stores

### **7.2 Purpose of the Community Facilities Plan**

Determine the community facilities needs (based on a technical analysis) of the community and relevant stakeholders in the Big 5 False Bay Local Municipality to guide investment in community facilities.

### **7.3 Key Components of the Community Facilities Plan**

The following is considered the key components of a Community Facilities Plan:

- Conduct a physical audit of the defined community facilities currently available in the municipal area.
- Determine the community facilities needs (existing and projected) of the community and relevant stakeholders in the municipal area. This needs analysis will be informed by the local IDP as well as a technical evaluation.
- Establish a Community Facilities Development Framework.
- Prepare a methodology to implement the Community Facilities Plan.
- Prepare budgets for the implementation of the plan.

## 7.4 Scope of Work

The following project scope of work is proposed:

- |                 |  |   |
|-----------------|--|---|
| <b>Phase 1:</b> | Conduct an audit of defined community facilities currently available in the municipal area   | <ul style="list-style-type: none"><li>• An audit of available child care facilities, local amenities, sports facilities and community halls will be conducted.</li><li>• The audit has to be conducted by way of an actual site visit to each facility, capturing an image as well as its geographic location.</li></ul>            |
| <b>Phase 2:</b> | Determine the community facilities needs of the community and relevant stakeholders in the municipal area and develop Community Facilities Development Framework | <ul style="list-style-type: none"><li>• Through a consultative process, at least the following has to be addressed:<ul style="list-style-type: none"><li>○ Needs determination for community facilities</li><li>○ Proposals for the establishment of a Community Facilities Development for the municipal area.</li></ul></li></ul> |
| <b>Phase 3:</b> | Prepare Community Facilities Plan  | <ul style="list-style-type: none"><li>• Outcomes from phases 1 to 2 will be consolidated to prepare a Community Facilities Plan for the municipal area, which would include a proposed methodology to implement the plan, as well as proposed budgets for implementation.</li></ul>   |

## 7.5 Budget and Time Frame

The preparation of a Community Facilities Plan for the Big 5 False Bay municipal area should take 6 months to complete within a budget of R100,000.

# Chapter 7

## Financial Viability & Financial Management

## 7.1 KPA, Strategic Focus Area, Strategies & Objectives

<b>National KPA: Financial Management &amp; Viability</b>	
<b><u>Strategic Focus Area 4: To create and uphold effective and efficient Financial Systems</u></b>	
<b>Development Strategies</b>	<b>Development Objectives</b>
Improve debt management processes	<ul style="list-style-type: none"> <li>▪ Identify all debtors and prepare and implement a Debt Recovery Plan</li> <li>▪ Review and implement an Indigent Policy</li> </ul>
Ensure that financial resources are efficiently and effectively allocated	<ul style="list-style-type: none"> <li>▪ Review Municipal Financial System and restructure to attain Municipal Vision.</li> <li>▪ Prepare and implement Financial Management Plan.</li> <li>▪ Ensure regular budget meetings and adjustments by HODs</li> <li>▪ Ensure that the Budget (capital and operational) is aligned to the IDP through the preparation and implementation of the Service Delivery Budget Implementation Plan (SDBIP) and review annually.</li> <li>▪ Ensure the implementation of a supply chain management system that complies with the MFMA and Supply Chain Management Policy.</li> </ul>
Increase municipal revenue through the application of the Property Rates Act	<ul style="list-style-type: none"> <li>▪ Update Municipal Valuation Roll</li> <li>▪ Formulate a Property Rates Policy</li> <li>▪ Implement Property Rates Act</li> </ul>

## 7.2. Supplementary Municipal Turn Around Strategy Key Focus Areas (2010/2011)

<b>Key Performance Area</b>	<b>Big 5 False Bay Key FOCUS AREA</b>
Financial Viability & Financial Management	<ul style="list-style-type: none"> <li>• Effective Cash-flow management</li> <li>• Effective Debt Recovery Implementation</li> <li>• Bylaws &amp; Capacity Building to implement &amp; Monitor funding (i.t.o financial constraints)</li> <li>• Effective systems for Budget Control &amp; Expenditure management by HOD's</li> <li>• Redesign and Effective implementation of Supply chain &amp; Procurement Policies &amp; System implementation</li> </ul>

## **7. 3. Programmes & Systems**

### **7.3.1. Financial Management Plan (2009 – 2012)**

#### **1. Introduction**

The Big 5 False Bay Municipality has committed itself to ensuring that the budgeting process is aligned to the IDP, which includes a multi-year budget forecasting model developed using financial modelling which allows for informed decision making in budgeting, borrowing and long term sustainability.

Furthermore, it was recognised that without the financial plan, the IDP would be incomplete. The Municipal Finance Management Act No. 56 of 2003 (MFMA) requires the municipality to take into account the IDP during the budget preparation process. It further requires the municipality to take all reasonable steps to ensure the municipality revises the IDP in terms of Section 34 of the MSA, taking into account realistic revenue and expenditure projections for future years.

Consequently the IDP process has been extended to include the financial plan in this section of the IDP. The financial plan is set out as follows:

- Financial strategies for the 3 year period
- Financial issues
- Detailed 3 year financial strategy action plan
- Budget projections
- Capital and investment program

#### **2. Financial Strategies**

The financial strategies adopted by Council should include a general strategy which will apply to the detailed strategies, a financial resources (capital and operational) strategy, revenue raising strategy, asset management strategy, capital financing strategy, operational financing strategy and cost effectiveness strategy. These strategies have been incorporated into a detailed financial action plan that follows this section. More details of the aforementioned strategies are set out below.

##### **2.1. General**

###### **2.1.1. Social responsibility**

All aspects of matters relating to financial matters will take cognisance of

councils social responsibility. A further aspect of social responsibility will focus on transformation and empowerment, for example in Council's supply chain policy.

### **2.1.2. Engendering investor and consumer confidence**

Council's main aim is to increase investor and consumer confidence by building on the sound financial base. This will include developing sufficient reserves and limiting risks by ensuring that major contracts are awarded to "blue chip" partners and suppliers. At the same time Council must take cognisance of its social responsibilities and will only enter into agreements with partners and suppliers who can demonstrate a significant and continuing contribution to the empowerment of previously disadvantaged communities.

It is envisaged that an alliance with "blue chip" partners and suppliers will in the long term contribute to the betterment of the community through investment and increased employment opportunities. Although preference on major contracts will be given to "blue chip" partners and suppliers, Council will at the same time seek to improve the fortunes of the community by awarding affordable smaller contracts to businesses and individual's resident or operating within the jurisdiction of the Municipality.

In order to limit risk, Council reserves the right to have due diligence reviews conducted in respect of any new partners, institutions or suppliers, including major suppliers. Recognising that smaller contractors might have difficulty in securing lines of credit, Council will investigate mechanisms to assist these contractors without placing the Council at risk. One such method will be the direct payment to suppliers of the contractors via cession documents. Such payments being limited to the amounts which the emerging contractors owe the suppliers.

An important factor considered by investors in relocating to an area is the ability of the authorities to demonstrate financial discipline, adherence to statutory requirements, timely preparation and production of financial statements, adherence to generally accepted accounting practices and unqualified audit reports. In order for the finance department to deliver on these strategies, it is Council's intention to clearly define accounting policies and recruit the best finance people for that department. To this end, Council will define recruitment policy for finance staff, put in place a pre- and continuing education policy and develop career progression paths for designated finance staff. Like the IDP the financial action plan will be subject to a regular review and comparison of actual performance to predetermined performance measures.

### **2.1.3. Financial Resources**

For the purposes of this plan, Council has considered financial resources for both capital projects and operational purposes. The various resources available to Council are summarised below.

Capital expenditure:

- External borrowings
- Grant funding from both National and Provincial government
- International funding
- Twin city funding
- Capital market
- Public/ private partnerships
- Disposal of un-utilised assets

Operational expenditure:

- Normal revenue streams
- Short term borrowings:
  - External

#### **2.1.4. Revenue raising**

The Big 5 False Bay Municipality's most significant source of revenue is from grants. The contribution of the various alternative streams of revenue will be subject to review.

#### **2.1.5. Asset management**

It is important to maintain a regular inventory of property, plant and equipment, implementation of a maintenance programme review and insurance cover. This part of the plan will be extended to assist in identifying and listing unutilised/ uneconomic assets with a view to disposal as previously indicated.

#### **2.1.6. Financial management**

Council is committed to sound financial management and the maintenance of a healthy economic base. Although the statutory requirement for the contribution to statutory funds will disappear with the possible repealing of the Kwa-Zulu Natal and Local Authorities Ordinance No 25 of 1974, Council will put in place policies, which will maintain sufficient contributions to similar funds established in terms of GAMAP. Financial management policies and procedures for the entire municipality will be implemented.

In addition, financial management systems and procedures will be reviewed to incorporate the following:

- Budgeting methods
- Cash forecasts and cash flow monitoring against forecasts
- Credit risk management
- Investment policies
- Management reporting
- Supply chain management policies
- Supplier payment periods
- Supplier selection and monitoring procedures

Municipal staff will be encouraged to adhere to value for money principles in carrying out their functions. To assist finance staff achieve efficiencies in their daily tasks a performance review incorporating time and motion studies will be conducted on all functions. It is expected that this review will promote efficiencies in the finance department. Council has adopted a zero tolerance approach in respect of both internal and external audit reports and measures will be implemented to ensure that any material or fundamental issues are addressed immediately. It is expected that the internal audit function will raise any material or fundamental issues before external audit. Other issues arising will be prioritised and addressed accordingly.

Council recognises the need to maintain a positive cash flow at all times and will be investigating various avenues to improve cash flow. Strong positive cash flow will result in additional revenue in the form of interest earned.

#### **2.1.7. Capital financing**

When determining appropriate sources of funding it is important to assess the nature of projects, expected revenue streams and time frames for repayment. As a general guide, the following principles will apply:

- Statutory funds for fund specific projects
- National and provincial government funding for medium term and long term projects
- External borrowings for long term revenue generating and strategic projects

#### **2.1.8. Operational financing**

Council's policy is to fund operating expenses from normal revenue streams with short term funding being used as a last resort. It is expected that strong financial management including accurate cash forecasting will obviate the need to resort to short-term borrowings.

It is Council's intention to maintain a strong economic base by buying on good working capital management including the setting aside of adequate provisions for working capital. It is anticipated that these reserves will be based on the same principles as currently apply to existing statutory funds in that the respective reserves will be cash backed.

#### **2.1.9. Cost effectiveness**

In any organisation it is necessary to strive for cost effectiveness. It is Council's intention to develop outsourcing policies and review all non-core services with a view to outsourcing or alternate service delivery. The effectiveness of departments and services provided by the departments will be subject to value for money reviews. It is expected that these reviews will achieve cost savings. The concept of shared service centres is being investigated with the objectives of seeking to obtaining savings where services could be provided to a number of municipalities and possibly entities in the private sector.

### **3. Financial Issues – The Big 5 False Bay Local Municipality**

#### **3.1. Non payment of services**

- Non payment of services is highest in the low income area.
- Low cost housing consumers refuse to pay for refuse and rates
- Ward Councillors and Mayor held meetings with the community regarding the issue of non payment and consumers had agreed to pay. To date no payments has been received.
- The total outstanding debt is increasing.
- The indigent policy needs to be revisited as part of the district wide initiative being currently undertaken.

### **3.2. IDP/Capital Expenditure**

- The District receives and manages some of the funding on behalf of the local municipality.
- The municipality needs to prioritise its list of projects.
- There is a shortage of funds for capital projects.
- Business plans are needed for projects taking into consideration operational cost of projects
- Information on backlogs need to be compiled.

### **3.3. Equitable share**

- The equitable share was significantly reduced in 2007/08 which has negatively impacted the municipality.

### **3.4. Financial**

- The budgeting process must comply with the MFMA and the Systems Act
- The 2008/09 budget needs to conform to GAMAP.
- The budget needs to be linked to the IDP.
- The financial policies need to be workshopped.
- An internal audit committee needs to be established. A shared service with the District Municipality is under consideration.
- The Councillors are due for back pay on their salaries. Provision has to be made to meet this financial obligation.

### **3.5. Policies and procedures**

- The supply chain policy needs to be implemented.

### **3.6. Asset Management**

- The budget for hired vehicles has been exceeded for the current year.
- Log books are not signed
- Tighter control over use of vehicles needs to be maintained
- The municipality is considering purchasing vehicles once the leases have terminated.

## **4. Detailed Financial Strategy Action Plan**

### **Revenue Enhancement and Cost Reduction Strategy**

The Big 5 False Bay Municipality is largely dependant on grants and subsidies as a source of income. The reduction of the equitable share in the 2007/08 financial year has increased the urgency for the municipality to find ways of enhancing its revenue base. The following strategies will need to be considered if the current situation is to be improve

### **Revenue Enhancement Strategy**

- Part of the LED strategy would be to attract local and international investment for development.
- The municipality needs to identify all uneconomic and unutilised assets and dispose of these assets.
- A debt management solution is needed to ensure consumers pay the outstanding and current debt. This is to be addressed through the District wide revenue enhancement initiative.
- A project plan needs to be implemented for the implementation of the new rates act.
- Prepare project business plans that will assist in determining fairly accurate capital and operational funding requirements.
- A dedicated person is required to liaise with grant funders, establish a database and monitor the respective grant funders ensuring the municipality is receiving the required funding. The municipality is currently considering employing a Deputy CFO.
- The tariff charged for refuse must be cost reflective.
- Compile and develop indigent register working closely with the District.

### **Cost Reduction Strategy**

- Implement a cash flow monitoring system to maintain control over income and expenditure.
- Ensure effective monitoring of vehicle fleet so that monthly mileage is not exceeded.
- The use of external loans needs to be reduced.

### **Financial Strategy Action Plan**

1. The financial strategy action plan identifies the most feasible strategies to increase efficiency and cost effectiveness within the Municipality.
2. The financial strategy action plan incorporates strategies covering a period of 3 years
3. The implementation of the financial strategy action plan requires a team effort. A team approach requires the involvement of the Council, Municipal Manager, Chief Financial Officer and all Heads of Departments in implementing these strategies.
4. It is crucial that individuals to whom the responsibilities have been allocated according to the action plan be held accountable for the outcome of these actions.
5. The progress made towards achieving these strategies should be measurable and it is essential that these strategies be included in the performance appraisals of individuals.

**FINANCIAL STRATEGIES AND ACTION PLAN**

<i>FINANCIAL STRATEGIES</i>	<i>REDUCE COSTS</i>	<i>INCREASE REVENUE</i>	<i>ACTION REQUIRED</i>	<i>By whom</i>	<i>2008/09</i>	<i>2009/10</i>	<i>2010/11</i>	<i>2011/12</i>
Capital financing strategy		Obtain International and local grant funding to undertake projects	Dedicate a particular person to the function of raising grants	CFO	√			
			Identify, establish, maintain and update database of all grant funders	CFO	√			

<b>FINANCIAL STRATEGIES</b>	<b>REDUCE COSTS</b>	<b>INCREASE REVENUE</b>	<b>ACTION REQUIRED</b>	<b>By whom</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
			Undertake project feasibility studies and project plans	<b>All Departments</b>	Ongoing	Ongoing	Ongoing	Ongoing
			Approach prospective funders with IDP and Financial plan for funding	<b>CFO/IDP Manager &amp; MM</b>	Ongoing	Ongoing	Ongoing	Ongoing
<b>Asset management strategy</b>	<b>Effective asset management</b>		Ensure asset management system is implemented and functional	<b>CFO</b>	√			
			Ensure all assets are properly maintained	<b>CFO</b>	Ongoing	Ongoing	Ongoing	Ongoing
		<b>Disposal of unutilised assets</b>	Identify and list unutilised & uneconomic assets	<b>CFO</b>	Ongoing	Ongoing	Ongoing	Ongoing

<i>FINANCIAL STRATEGIES</i>	<i>REDUCE COSTS</i>	<i>INCREASE REVENUE</i>	<i>ACTION REQUIRED</i>	<i>By whom</i>	2008/09	2009/10	2010/11	2011/12
			Dispose of unutilised assets	<b>CFO</b>	√			
			Improve the use of uneconomic assets	<b>All Departments</b>	√			

<i>FINANCIAL STRATEGIES</i>	<i>REDUCE COSTS</i>	<i>INCREASE REVENUE</i>	<i>ACTION REQUIRED</i>	<i>By whom</i>	<i>2007/08</i>	<i>2008/09</i>	<i>2009/10</i>	<i>2010/11</i>
<b>Financial management</b>	<b>Implement internal controls</b>		Workshop with staff & management all financial policies, procedures and document flows	<b>CFO</b>	√			
			Implement a cash flow monitoring system. Monitor cash forecasts and cash flow against forecasts	<b>CFO</b>	√			
			Prepare meaningful monthly management reports	<b>CFO</b>	√			
			Consider the impact of The Municipal Finance Management Bill and Systems Act in the budgeting process	<b>CFO</b>	√			

<b>FINANCIAL STRATEGIES</b>	<b>REDUCE COSTS</b>	<b>INCREASE REVENUE</b>	<b>ACTION REQUIRED</b>	<b>By whom</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
			Employ consultants to aid with the implementation of GAMAP	<b>CFO</b>	√			
			Ensure business plans are prepared for projects	<b>All Departments</b>	<b>Ongoing</b>	<b>Ongoing</b>	<b>Ongoing</b>	<b>Ongoing</b>
			Determine operational costs of new capital projects	<b>All Departments</b>	<b>Ongoing</b>	<b>Ongoing</b>	<b>Ongoing</b>	<b>Ongoing</b>
<b>Cost Effectiveness</b>			Conduct a skills audit of financial division staff	<b>HR Manager</b>	√			
			<ul style="list-style-type: none"> <li>• Develop and implement vehicle policy.</li> <li>• Effective implementation and monitoring of vehicle fleet and maintenance</li> </ul>	<b>CFO</b>	√			

<i>FINANCIAL STRATEGIES</i>	<i>REDUCE COSTS</i>	<i>INCREASE REVENUE</i>	<i>ACTION REQUIRED</i>	<i>By whom</i>	<i>2007/08</i>	<i>2008/09</i>	<i>2009/10</i>	<i>2010/11</i>
			Set up internal audit committee(Consider shared services with District)	<b>CFO</b>	√			

## 5. Budget Projections

Financial projections have been developed using a financial model developed for the The Big 5 False Bay Municipality. More importantly model scenarios will give the municipality a long term look at financial health and force a change in the way it budgets. The five-year projection is based on certain basic assumptions reflecting on course of events that may occur or exist in the future. These assumptions have been discussed with the management team and are set out in the table below:

### ***Assumptions:***

The following assumptions were made when developing the model based on information provided:

### **INCOME**

Description	Budget 2008/09	Budget 2009/10	Budget 2010/11	Budget 2011/12
Cemeteries	Base Year	7%	5%	5%
Equitable Share	Base Year	21%	5%	5%
Interest on Investments	Base Year	-343%	5%	5%
Land Sales	Base Year	-337%	5%	5%
Library Fines	Base Year	0%	5%	5%
Penalties & Collection Charges	Base Year	10%	5%	5%
Rates	Base Year	6%	5%	5%
Rates Clearance Certificate	Base Year	5%	5%	5%
Refuse Removal	Base Year	7%	5%	5%
Sundry Income	Base Year	98%	5%	5%
Telephones	Base Year	95%	5%	5%
Town Planning	Base Year	97%	5%	5%
Traffic Fines	Base Year	10%	5%	5%

- The percentage increases for the years 2008/09 and 2009/10 are based on the approved three-year budget forecast.
- The major portion of income is from grants and subsidies.
- The average year on year increase in revenue is as follows:

2009/10 – 21%

2010/11 – 5%

2011/12 – 5%

**EXPENDITURE**

Description	Budget 2008/09	Budget 2009/10	Budget 2010/11	Budget 2011/12
Salaries	Base Year	5%	5%	5%
General Expenses	Base Year	-7%	5%	5%
Advertising	Base Year	28%	5%	5%
Audit Committee	Base Year	-5%	5%	5%
Audit fees	Base Year	5%	5%	5%
Car Rental	Base Year	-7%	5%	5%
Computer Rental	Base Year	8%	5%	5%
Disaster Management	Base Year	7%	5%	5%
Electricity & Water	Base Year	7%	5%	5%
Entertainment & Functions	Base Year	5%	5%	5%
Insurance	Base Year	9%	5%	5%
Legal fees	Base Year	9%	5%	5%
MAP GRANT	Base Year	0%	5%	5%
MFMA -Local Govt Finance Management	Base Year	-5%	5%	5%
Office Machine rentals	Base Year	9%	5%	5%
Postage & Telephone	Base Year	8%	5%	5%
Printing & Stationary	Base Year	5%	5%	5%
Refreshments	Base Year	7%	5%	5%
Security	Base Year	5%	5%	5%
Service Provider	Base Year	21%	5%	5%
Sports and Recreation	Base Year	5%	5%	5%
Staff Training	Base Year	21%	5%	5%

Subsistence & Travel	Base Year	5%	5%	5%
Uniforms	Base Year	6%	5%	5%
Upliftment Programme	Base Year	-5%	5%	5%
Other	Base Year	5%	5%	5%
Repairs and Maintenance	Base Year	95%	5%	5%
Capital charges	Base Year	-16%	5%	5%
Contributions	Base Year	7%	5%	5%
Contributions to Capital Outlay	Base Year	9%	5%	5%

- The percentage increases for the years 2008/09 and 2009/10 are based on the approved three-year budget forecast.
- The average year on year increase in expenditure is as follows:

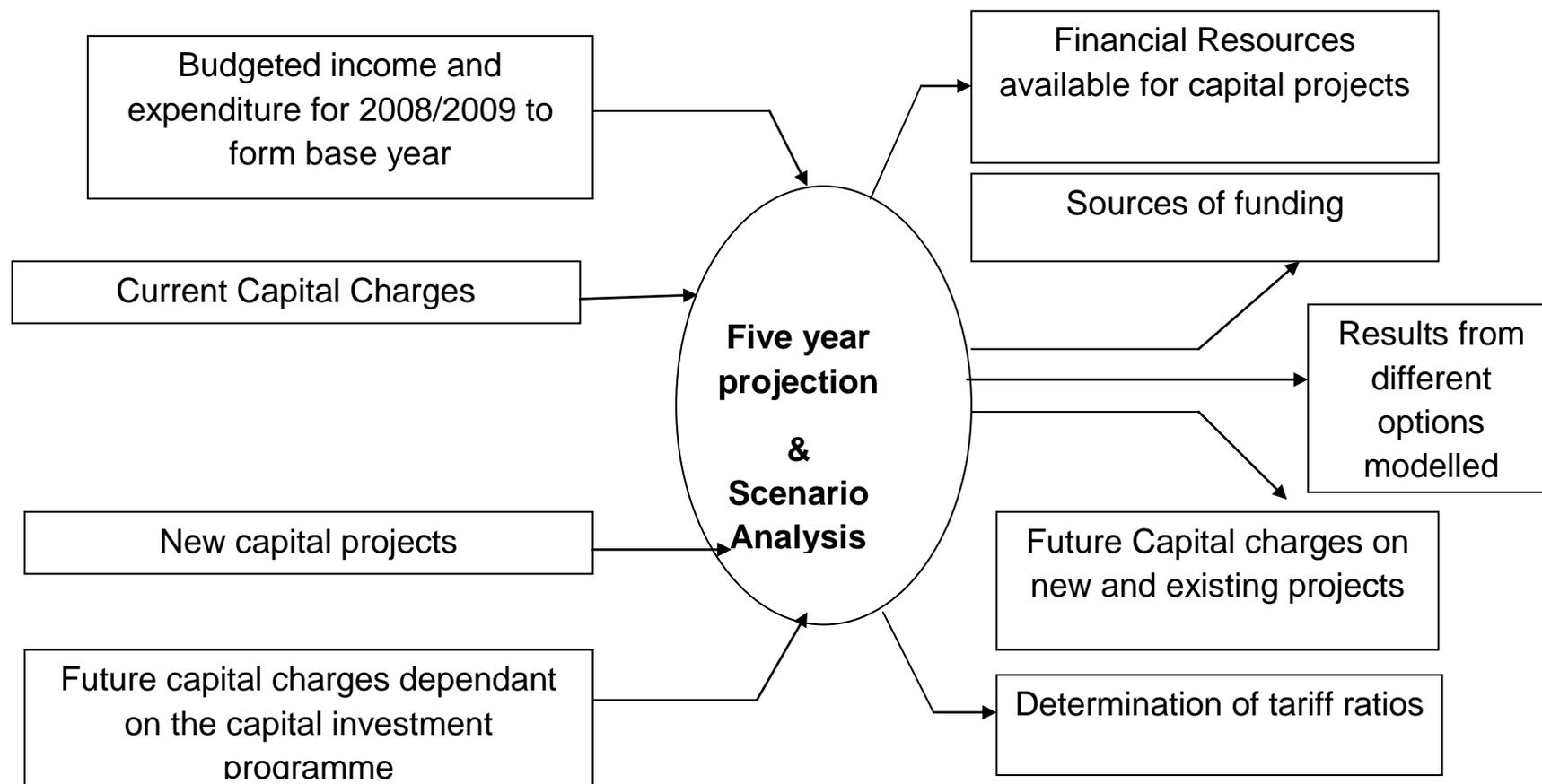
2008/09 – -21%

2009/10 – -21%

2010/11 – -21%

(Figure 1a)

## Principles of Financial Model



## OPERATING BUDGET PROJECTIONS

### INCOME

Description	Budget 2008/09	Budget 2009/10	Budget 2010/11	Budget 2011/12
Cemeteries	6,500	7,000	7,343	7,703
Equitable Share	5,536,000	7,048,000	7,393,352	7,755,626
Interest on Investments	294,000	66,400	69,654	73,067
Land Sales	5,239,000	1,200,000	1,258,800	1,320,481
Library Fines	500	500	525	550
Penalties & Collection Charges	62,000	68,200	71,542	75,047
Rates	1,500,000	1,600,000	1,678,400	1,760,642
Rates Clearance Certificate	3,800	3,990	4,186	4,391
Refuse Removal	356,000	381,000	399,669	419,253
Sundry Income	7,200	315,000	330,435	346,626
Telephones	2,200	44,600	46,785	49,078
Town Planning	200	7,700	8,077	8,473
Traffic Fines	41,700	45,870	48,118	50,475
<b>Total Income</b>	<b>13,049,100</b>	<b>10,788,260</b>	<b>11,316,885</b>	<b>11,871,412</b>

- The financial projections are based on a financial model developed for The Big 5 False Bay Municipality
- The financial model is dependant on the draft 2008/09 operating budget which has been used as the base year,
- All the projects on the IDP are funded out of grant funds and do not impact on the operating budget.
- Only inflationary increases have been considered in projecting the future-years expenditure.

## BUDGET PROJECTIONS

### EXPENDITURE

Description	Budget 2008/09	Budget 2009/10	Budget 2010/11	Budget 2011/12
Salaries	4,850,914	6,001,205	6,295,264	6,603,732
General Expenses	7,136,085	6,651,978	6,977,925	7,319,844
Advertising	598,880	827,300	867,838	910,362
Audit Committee	52,450	50,000	52,450	55,020
Audit fees	490,000	514,500	539,711	566,156
Car Rental	10,700	10,000	10,490	11,004
Computer Rental	147,000	160,000	167,840	176,064
Disaster Management	1,363,700	1,459,159	1,530,658	1,605,660
Electricity & Water	71,000	76,700	80,458	84,401
Entertainment & Functions	446,374	468,692	491,658	515,749
Insurance	105,000	115,000	120,635	126,546
Legal fees	63,000	69,000	72,381	75,928
MAP GRANT	950,000	-	-	-
MFMA -local gov finance management	52,450	50,000	52,450	55,020
Office Machine rentals	173,000	190,000	199,310	209,076
Postage&Telephone	167,800	183,000	191,967	201,373
Printing & Stationary	196,750	206,587	216,710	227,329
Refreshments	33,500	36,000	37,764	39,614
Security	146,000	154,000	161,546	169,462
Service Provider	234,511	234,511	246,002	258,057
Sports and Recreation	104,900	57,000	59,793	62,723
Staff Training	181,100	181,100	189,974	199,283
Subsistence & Travel	951,343	998,910	1,047,857	1,099,202
Uniforms	253,000	270,000	283,230	297,108
Upliftment Programme	209,800	200,000	209,800	220,080
Other	133,827	140,518	147,404	154,627
Repairs and Maintenance	38,493	758,304	795,461	834,438
Capital charges	462,600	400,000	419,600	440,160
Contributions	226,715	244,500	256,481	269,048
Contributions to Capital Outlay	320,000	352,000	369,248	387,341
<b>Total Expenditure</b>	<b>13,034,807</b>	<b>14,407,987</b>	<b>15,113,979</b>	<b>15,854,564</b>
<b>Net Surplus/Deficit</b>	<b>14,293</b>	<b>-3,729,598</b>	<b>-3,912,349</b>	<b>-4,104,054</b>

- The table above reflects the budgeted expenditure forecast for 2009 to 2012.
- The contribution to capital from the budget is minimal. The municipality needs to make provision for the operating costs of these projects in its budget. This can only be achieved if business plans are prepared and the project operating costs are realistically calculated.

## 6. Capital Investment Program Summary

### Project List A: Critical Funded Projects

Category	Budget		
	2008/2009	2009/2010	2010/2011
1. Infrastructure & Services	202,820,000	4,915,000	5,315,000
2. Environmental	130,000	800,000	350,000
3. Socio Economic Development	1,976,000	1,690,000	50,000
4. Financial Management	1,550,000	300,000	0
5. Democracy & Governance	330,000	0	0
6. Institutional Transformation	950,000	95,000	100,000
<b>Total</b>	<b>207,756,000</b>	<b>7,800,000</b>	<b>5,815,000</b>

### Project List B: Critical Unfunded Projects

Category	Budget		
	2008/2009	2009/2010	2010/2011
1. Infrastructure & Services	12,310,000	2,000,000	2,000,000
2. Environmental	2,900,000	0	0
3. Socio Economic Development	1,750,000	250,000	0
4. Financial Management	10,000	0	0
5. Democracy & Governance	0	0	0
6. Institutional Transformation	1,510,000	0	0
<b>Total</b>	<b>18,480,000</b>	<b>2,250,000</b>	<b>2,000,000</b>

- A summary of the capital investment program is provided in the table above.

- The Projects are categorised into funded and unfunded projects. The total value of unfunded projects is R18, 480,000 in 2008/09. The municipality needs to approach the respective departments with business plans for funding these projects.
- The cost of projects need to be determined as part of the IDP review process which will assist in determining the funding requirements for the ensuing years.
- Project business plans will be required to estimate the project operating costs.

Please Turn Page for Big 5 Budget.

## 7.4 Budget Summary

### Big 5 falsebay Draft Municipality Budget 2010 to 2013

Description	Funding Source	Budget 2009/2010	Adjustment Budget	Full Forcast	Meduim term expenditure and Revenue					
					Budget year 2010 2011		Budget year 1 2011 2012		Budget year 2 2012 2013	
Rates Assessment	Internal Revenue	000 000.00	4 4 000 000.00	000 000.00	4 500 000.00	4 000 000.00	5 000 000.00	6 000 000.00		
Rates Penalties	Internal Revenue	200 000.00	1 700 000.00	700 000.00	500 000.00	550 000.00	600 000.00			
Service Charges	Internal Revenue									
Refuse Removal	Internal Revenue	985 000.00	985 000.00	985 000.00	600 000.00	650 000.00	700 000.00			
Venue Hire	Internal Revenue									
Budget	Internal Revenue									
Rental Income Executive	Internal Revenue									
Rental Income Budget	Internal Revenue	170 400.00	170 400.00	170 400.00	50 000.00	50 000.00	60 000.00			
Rental Income Corporate	Internal Revenue									
Hiring of Grade	Internal Revenue									
Budget	Internal Revenue	300 000.00	-	-						
Interest on investment	Internal Revenue	316 100.00	316 100.00	316 100.00	50 000.00	55 000.00	55 000.00			
Interest on main account	Internal Revenue									

Traffic Fines Budget	Internal Revenue								
Library Fines Budget	Internal Revenue								
Dumping permit budget	Internal Revenue								
	National Grant		7		7		9	10	12
Equitable share	Grant	723 000.00		7 938 000.00	938 000.00	747 000.00	956 000.00	026 000.00	
FMG Financial Management	National Grant		1	1 500 000.00	500 000.00	500 000.00	240 000.00	300 000.00	2
MIG Capital Income									
MSIG Munucipal system	National Grant	735 000.00		735 000.00	735 000.00	750 000.00	790 000.00	800 000.00	
Gijima budget & Treasury									
Gijima planning & Development									
Management Assistant		450 000.00		-	-				
Vat refund	Internal Revenue	904 800.00		904 800.00	904 800.00	000 000.00	200 000.00	500 000.00	1
Tender fees Budget									
Cemetery budget									
Fines		500 000.00		500 000.00	500 000.00	000 000.00	100 000.00	100 000.00	1
Dbasa funding									
Pastel System		-		550 000.00	550 000.00	-	-	-	
Housing Project planned	Provincial Grant			-	-	169 000.00			
Other income budget	Internal Revenue	23 700.00		23 700.00	23 700.00	23 700.00	26 070.00	28 677.00	
Propert rates	Provincial Grant					18 000.00	19 000.00	19 000.00	

<b>Total Income</b>			<b>18 308 000.00</b>	<b>18 323 000.00</b>	<b>18 323 000.00</b>	<b>19 907 700.00</b>	<b>22 636 070.00</b>	<b>25 188 677.00</b>
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Big 5 falsebay Draft Municipality Budget 2010 to 2013

Council	Description	Funding Source	Budget 2009/2010	Adjustment Budget	Full Forecast	Meduim term expenditure and Revenue			
						Budget year		Budget year 2	
						2010	2011	2011	2012
						2010	2011	2012	2013
	Allowances and salaries	Revenue Contribution	1 152 400.00	1 209 600.00	1 209 600.00	1 204 819.20	1 279 517.99	1 358 848.11	
	Staff Training	Revenue Contribution	27 000.00	77 000.00	77 000.00	81 389.00	86 435.12	91 534.79	
	Bursary	Revenue Contribution	100 000.00	250 000.00	250 000.00	264 250.00	280 633.50	297 190.88	
	Commtee Support	Revenue Contribution	15 000.00	15 000.00	15 000.00	15 855.00	16 838.01	17 831.45	
	Functions & Events	Revenue Contribution	30 000.00	50 000.00	50 000.00	52 850.00	56 126.70	59 438.18	
	Events	Revenue Contribution	150 000.00	250 000.00	250 000.00	-	-	-	
	Poverty	Revenue Contribution	100 000.00	100 000.00	100 000.00	105 700.00	112 253.40	118 876.35	
	Publicity	Revenue Contribution	65 000.00	85 000.00	85 000.00	89 845.00	95 415.39	101 044.90	

	on						
	Revenue						
	Contribution	56 000.00	56 000.00	56 000.00	59 192.00	62 861.90	66 570.76
Substance	Revenue						
Uplifment	Contribution	400 000.00	250 000.00	250 000.00	-	-	-
Program	Revenue						
Traditional	Contribution				60 000.00	63 720.00	67 670.64
Council	Revenue						
	Contribution					2 053	
TOTALS		2 095 400.00	2 342 600.00	2 342 600.00	1 933 900.20	802.01	2 179 006.05
Council							
					-		
Municipal Manager							
	Revenue						
Allowances & Salaries	Contribution	770 000.00	760 000.00	760 000.00	770 000.00	817 740.00	865 986.66
	Revenue						
Bonus	Contribution	83 000.00	83 000.00	83 000.00	83 570.77	88 752.15	93 988.53
	Revenue						
Medical aid	Contribution	24 000.00	24 000.00	24 000.00	19 541.90	20 753.50	21 977.96
	Revenue						
Pension	Contribution	19 600.00	19 600.00	19 600.00	24 000.00	25 488.00	26 991.79
	Revenue						
SKILLS	Contribution	7 700.00	7 700.00	7 700.00	7 688.49	8 165.18	8 646.92
	Revenue						
Staff Training	Contribution	65 000.00	80 000.00	80 000.00	84 560.00	89 802.72	95 101.08
	Revenue						
Housing	Contribution	14 000.00	14 000.00	14 000.00	14 798.00	15 715.48	16 642.69

UIF	on Revenue Contribution	7 700.00	7 700.00	7 700.00	8 138.90	8 643.51	9 153.48
workmens Compansation	on Revenue Contribution	2 000.00	2 000.00	2 000.00	2 114.00	2 245.07	2 377.53
Overtime	on Revenue Contribution	5 000.00	5 000.00	5 000.00	5 285.00	5 612.67	5 943.82
Salga	on Revenue Contribution	6 000.00	6 000.00	6 000.00	6 342.00	6 735.20	7 132.58
Leave	on Revenue Contribution	50 000.00	50 000.00	50 000.00	52 850.00	56 126.70	59 438.18
Depreciation	on Revenue Contribution	150 000.00	90 000.00	90 000.00	95 130.00	101 028.06	106 988.72
Reparis	on Revenue Contribution	5 000.00	20 000.00	20 000.00	21 140.00	22 450.68	23 775.27
Service Provider	on Revenue Contribution	150 000.00	150 000.00	150 000.00	158 550.00	168 380.10	178 314.53
Auidt fees	on Revenue Contribution	25 000.00	25 000.00	25 000.00	26 425.00	28 063.35	29 719.09
Membership subsription	on Revenue Contribution	25 000.00	25 000.00	25 000.00	26 425.00	28 063.35	29 719.09
Audit fees	on Revenue Contribution	420 000.00	420 000.00	420 000.00	443 940.00	471 464.28	499 280.67
Audit fees internal	on Revenue Contribution	300 000.00	300 000.00	300 000.00	317 100.00	336 760.20	356 629.05

	on						
Disaster Management	Revenue Contribution	1 200 000.00	1 200 000.00	1 200 000.00	1 268 400.00	1 347 040.80	1 426 516.21
Electricity	Revenue Contribution	170 000.00	170 000.00	170 000.00	179 690.00	190 830.78	202 089.80
Functions & Events	Revenue Contribution	30 000.00	30 000.00	30 000.00	31 710.00	33 676.02	35 662.91
Grands donation	Revenue Contribution	30 000.00	30 000.00	30 000.00	31 710.00	33 676.02	35 662.91
Insurance	Revenue Contribution	300 000.00	195 000.00	195 000.00	206 115.00	218 894.13	231 808.88
Legal fees	Revenue Contribution	100 000.00	50 000.00	50 000.00	52 850.00	56 126.70	59 438.18
Licences	Revenue Contribution	26 000.00	26 000.00	26 000.00	27 482.00	29 185.88	30 907.85
Office Machines	Revenue Contribution	150 000.00	200 000.00	200 000.00	211 400.00	224 506.80	237 752.70
Postage & Telephone	Revenue Contribution	40 000.00	40 000.00	40 000.00	42 280.00	44 901.36	47 550.54
Publicity	Revenue Contribution	60 000.00	40 000.00	40 000.00	42 280.00	44 901.36	47 550.54
Security	Revenue Contribution	450 000.00	450 000.00	450 000.00	475 650.00	505 140.30	534 943.58
Sports & recreation	Revenue Contribution	52 000.00	52 000.00	52 000.00	-	-	-

	on							
Substances & travelling	Revenue Contribution	120 000.00	40 000.00	40 000.00	42 280.00	44 901.36	47 550.54	

Totals Manager		4 857 000.00	4 612 000.00	4 612 000.00	4 779 446.06	5 075 771.72	5 375 242.25	
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Budget & treasury Office

Allowances & Salaries	Revenue Contribution	1 700 000.00	1 700 000.00	1 700 000.00	1 580 000.00	1 677 960.00	1 776 959.64	
Bonus	Revenue Contribution	132 000.00	132 000.00	132 000.00	209 359.96	222 340.27	235 458.35	
Medical aid	Revenue Contribution	108 000.00	108 000.00	108 000.00	108 000.00	114 696.00	121 463.06	
Pension	Revenue Contribution	118 000.00	118 000.00	118 000.00	104 739.20	111 233.03	117 795.78	
SKILLS	Revenue Contribution	16 000.00	16 000.00	16 000.00	22 232.73	23 611.16	25 004.22	
Staff Training	Revenue Contribution	60 000.00	150 000.00	150 000.00	158 550.00	168 380.10	178 314.53	
Housing	Revenue Contribution	-	-	-	-	-	-	
UIF	Revenue Contribution	16 000.00	16 000.00	16 000.00	16 912.00	17 960.54	19 020.22	

workmens Compansation	Revenue Contributi on	5 000.00	5 000.00	5 000.00	5 285.00	5 612.67	5 943.82
Overtime	Revenue Contributi on	10 000.00	10 000.00	10 000.00	10 570.00	11 225.34	11 887.64
Cell allowance	Revenue Contributi on	9 600.00	9 600.00	9 600.00	10 147.20	10 776.33	11 412.13
Leave	Revenue Contributi on	90 000.00	90 000.00	90 000.00	95 130.00	101 028.06	106 988.72
Depreciation	Revenue Contributi on	78 000.00	78 000.00	78 000.00	82 446.00	87 557.65	92 723.55
General budget	Revenue Contributi on	6 000.00	6 000.00	6 000.00	6 342.00	6 735.20	7 132.58
Service Provider	Revenue Contributi on	400 000.00	300 000.00	300 000.00	317 100.00	336 760.20	356 629.05
intership program	Revenue Contributi on	480 000.00	480 000.00	480 000.00	507 360.00	538 816.32	570 606.48
Grap Conversion	Revenue Contributi on	250 000.00	250 000.00	250 000.00	264 250.00	280 633.50	297 190.88
IT Upgrade	Revenue Contributi on	210 000.00	240 000.00	240 000.00	253 680.00	269 408.16	285 303.24
Tribunal board	Revenue Contributi on	150 000.00	50 000.00	50 000.00	52 850.00	56 126.70	59 438.18
Bank charges	Revenue Contributi on	65 000.00	65 000.00	65 000.00	68 705.00	72 964.71	77 269.63

<b>Functions &amp; Events</b>	Revenue Contribution	15 000.00	15 000.00	15 000.00	15 855.00	16 838.01	17 831.45
Fuel & Oil	Revenue Contribution	15 000.00	15 000.00	15 000.00	15 855.00	16 838.01	17 831.45
Office Machines	Revenue Contribution	100 000.00	200 000.00	200 000.00	211 400.00	224 506.80	237 752.70
Postage & Telephone	Revenue Contribution	65 000.00	65 000.00	65 000.00	68 705.00	72 964.71	77 269.63
Printing & stationery	Revenue Contribution	95 000.00	89 000.00	89 000.00	94 073.00	99 905.53	105 799.95
Publicity	Revenue Contribution	15 000.00	15 000.00	15 000.00	15 855.00	16 838.01	17 831.45
Substances & travelling	Revenue Contribution	120 000.00	30 000.00	30 000.00	31 710.00	33 676.02	35 662.91
Vehicle lease	Revenue Contribution	54 000.00	60 000.00	60 000.00	63 420.00	67 352.04	71 325.81
Metval systems	Revenue Contribution	130 000.00	130 000.00	130 000.00	137 410.00	145 929.42	154 539.26

<b>Totals Budget &amp; Treasury Office</b>			4 512 600.00	4 442 600.00	4 442 600.00	4 527 942.09	4 808 674.50	5 092 386.30
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**Corporate**

Allowances & Salaries	Revenue Contribution	1 660 000.00	1 475 400.00	1 475 400.00	1 762 393.40	1 871 661.79	1 982 089.84
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Bonus	Revenue Contribution	141 000.00	141 000.00	141 000.00	157 727.20	167 506.29	177 389.16
Medical aid	Revenue Contribution	156 000.00	156 000.00	156 000.00	144 000.00	152 928.00	161 950.75
Pension	Revenue Contribution	115 000.00	115 000.00	115 000.00	151 744.61	161 152.77	170 660.79
SKILLS	Revenue Contribution	16 500.00	16 500.00	16 500.00	18 927.35	20 100.85	21 286.80
Staff Training	Revenue Contribution	71 400.00	71 400.00	71 400.00	85 000.00	90 270.00	95 595.93
Housing	Revenue Contribution	6 900.00	6 900.00	6 900.00	7 293.30	7 745.48	8 202.47
UIF	Revenue Contribution	16 500.00	16 500.00	16 500.00	16 819.79	17 862.62	18 916.51
workmens Compansation	Revenue Contribution	5 000.00	5 000.00	5 000.00	5 285.00	5 612.67	5 943.82
Overtime	Revenue Contribution	12 000.00	12 000.00	12 000.00	12 684.00	13 470.41	14 265.16
Leave	Revenue Contribution	16 000.00	16 000.00	16 000.00	16 912.00	17 960.54	19 020.22
Depreciation	Revenue Contribution	69 700.00	69 700.00	69 700.00	73 672.90	78 240.62	82 856.82
Reparis & Maintance	Revenue Contribution	8 000.00	8 000.00	8 000.00	8 456.00	8 980.27	9 510.11

Books & Periodical	Revenue Contribution	3 000.00	3 000.00	3 000.00	3 171.00	3 367.60	3 566.29
Functions & Events	Revenue Contribution	15 000.00	15 000.00	15 000.00	15 855.00	16 838.01	17 831.45
Fuel & Oil	Revenue Contribution	15 000.00	25 000.00	25 000.00	26 425.00	28 063.35	29 719.09
Legal Fees	Revenue Contribution	100 000.00	54 000.00	54 000.00	57 078.00	60 616.84	64 193.23
Office Machines	Revenue Contribution	100 000.00	120 000.00	120 000.00	126 840.00	134 704.08	142 651.62
Postage & Telephone	Revenue Contribution	29 000.00	35 000.00	35 000.00	36 995.00	39 288.69	41 606.72
Printing & stationary	Revenue Contribution	50 000.00	44 000.00	44 000.00	46 508.00	49 391.50	52 305.59
Publicity	Revenue Contribution	15 000.00	25 000.00	25 000.00	26 425.00	28 063.35	29 719.09
Sports & Creation	Revenue Contribution	250 000.00	150 000.00	150 000.00	-	-	-
Subsistance & Travelling	Revenue Contribution	101 000.00	91 000.00	91 000.00	96 187.00	102 150.59	108 177.48
Vehicles Lease	Revenue Contribution	54 000.00	100 000.00	100 000.00	105 700.00	112 253.40	118 876.35
Inservice training	Revenue Contribution				18 000.00	19 116.00	20 301.19

<b>TOTALS Corporate</b>			<b>7 668 600.00</b>	<b>7 344 000.00</b>	<b>7 344 000.00</b>	<b>3 002 099.55</b>	<b>8 142 833.65</b>	<b>8 623 260.83</b>
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**Planning & Development**

<b>Allowances &amp; Salaries</b>	<b>Revenue Contribution</b>	<b>880 000.00</b>	<b>880 000.00</b>	<b>880 000.00</b>	<b>779 764.51</b>	<b>828 109.91</b>	<b>876 968.39</b>
<b>Bonus</b>	<b>Revenue Contribution</b>	<b>75 000.00</b>	<b>75 000.00</b>	<b>75 000.00</b>	<b>80 099.96</b>	<b>85 066.16</b>	<b>90 085.06</b>
<b>Medical aid</b>	<b>Revenue Contribution</b>	<b>36 000.00</b>	<b>36 000.00</b>	<b>36 000.00</b>	<b>39 959.94</b>	<b>42 437.46</b>	<b>44 941.27</b>
<b>Pension</b>	<b>Revenue Contribution</b>	<b>35 000.00</b>	<b>35 000.00</b>	<b>35 000.00</b>	<b>36 000.00</b>	<b>38 232.00</b>	<b>40 487.69</b>
<b>SKILLS</b>	<b>Revenue Contribution</b>	<b>8 500.00</b>	<b>8 500.00</b>	<b>8 500.00</b>	<b>9 611.97</b>	<b>10 207.91</b>	<b>10 810.17</b>
<b>Staff Training</b>	<b>Revenue Contribution</b>	<b>30 000.00</b>	<b>55 000.00</b>	<b>55 000.00</b>	<b>58 135.00</b>	<b>61 739.37</b>	<b>65 381.99</b>
<b>Housing</b>	<b>Revenue Contribution</b>				<b>-</b>	<b>-</b>	<b>-</b>
<b>UIF</b>	<b>Revenue Contribution</b>	<b>8 500.00</b>	<b>8 500.00</b>	<b>8 500.00</b>	<b>9 551.25</b>	<b>10 143.43</b>	<b>10 741.89</b>
<b>workmens Compansation</b>	<b>Revenue Contribution</b>	<b>2 000.00</b>	<b>2 000.00</b>	<b>2 000.00</b>	<b>2 114.00</b>	<b>2 245.07</b>	<b>2 377.53</b>
<b>Overtime</b>	<b>Revenue Contribution</b>	<b>3 000.00</b>	<b>3 000.00</b>	<b>3 000.00</b>	<b>3 171.00</b>	<b>3 367.60</b>	<b>3 566.29</b>

Salga	Revenue Contribution	1 500.00	1 500.00	1 500.00	1 585.50	1 683.80	1 783.15
Leave	Revenue Contribution	7 000.00	7 000.00	7 000.00	7 399.00	7 857.74	8 321.34
Depreciation	Revenue Contribution	50 000.00	-	-	-	-	-
Service Provider	Revenue Contribution	50 000.00	60 000.00	60 000.00	63 420.00	67 352.04	71 325.81
Community Participation	Revenue Contribution	50 000.00	50 000.00	50 000.00	52 850.00	56 126.70	59 438.18
Functions & Events	Revenue Contribution	15 000.00	15 000.00	15 000.00	15 855.00	16 838.01	17 831.45
Hluhluwe Housing	Revenue Contribution	150 000.00	150 000.00	150 000.00	50 000.00	53 100.00	56 232.90
Led Economic Development	Revenue Contribution	400 000.00	275 000.00	275 000.00	50 000.00	53 100.00	56 232.90
Postage & Telephone	Revenue Contribution	20 000.00	20 000.00	20 000.00	21 140.00	22 450.68	23 775.27
Printing & stationery	Revenue Contribution	8 000.00	8 000.00	8 000.00	8 456.00	8 980.27	9 510.11
Publicity	Revenue Contribution	15 000.00	15 000.00	15 000.00	15 855.00	16 838.01	17 831.45
Roads shows	Revenue Contribution	20 000.00	20 000.00	20 000.00	21 140.00	22 450.68	23 775.27

	Subsistance & travelling	Revenue Contribution	50 000.00	35 000.00	35 000.00	36 995.00	39 288.69	41 606.72
	Measuring Wheel	Revenue Contribution	-	-	-	1 500.00	1 593.00	1 686.99
	PDF Programme	Revenue Contribution	-	-	-	50 000.00	53 100.00	56 232.90
	Plotter Maps	Revenue Contribution	-	-	-	50 000.00	53 100.00	56 232.90
	GPS Implementation & PDA Advertsment	Revenue Contribution	-	-	-	10 000.00	10 620.00	11 246.58
	Scheme Admin	Revenue Contribution	-	-	-	30 000.00	31 860.00	33 739.74
	Survey of local	Revenue Contribution	-	-	-	100 000.00	106 200.00	112 465.80
<b>Totals Planning &amp; Development</b>			<b>1 914 500.00</b>	<b>1 759 500.00</b>	<b>1 759 500.00</b>	<b>1 704 603.12</b>	<b>1 810 288.52</b>	<b>1 917 095.54</b>

#### Technical

	Allowances & Salaries	Revenue Contribution	458 000.00	431 000.00	431 000.00	477 788.02	507 410.87	537 348.11
	Bonus	Revenue Contribution	38 000.00	38 000.00	38 000.00	36 865.35	39 151.00	41 460.91
	Medical aid	Revenue						

	Contribution Revenue	96 000.00	96 000.00	96 000.00	133 005.99	141 252.36	149 586.25
Pension	Contribution Revenue	55 000.00	55 000.00	55 000.00	58 135.00	61 739.37	65 381.99
SKILLS	Contribution Revenue	4 600.00	4 600.00	4 600.00	23 647.77	25 113.93	26 595.66
Staff Training	Contribution Revenue	13 000.00	40 000.00	40 000.00	42 280.00	44 901.36	47 550.54
Housing	Contribution Revenue				-	-	-
UIF	Contribution Revenue	4 600.00	4 600.00	4 600.00	23 555.08	25 015.49	26 491.41
workmens Compansation	Contribution Revenue	1 800.00	1 800.00	1 800.00	1 902.60	2 020.56	2 139.77
Overtime	Contribution Revenue	9 000.00	9 000.00	9 000.00	9 513.00	10 102.81	10 698.87
Salga	Contribution Revenue	55 000.00	55 000.00	55 000.00	58 135.00	61 739.37	65 381.99
Leave	Contribution Revenue	-	-		-	-	-
Depreciation	Contribution Revenue	90 000.00	63 000.00	63 000.00	66 591.00	70 719.64	74 892.10
Reparis	Contribution Revenue	3 000.00	30 000.00	30 000.00	100 000.00	106 200.00	112 465.80
General Roads	Contribution Revenue	330 000.00	130 000.00	130 000.00	137 410.00	145 929.42	154 539.26

	on						
Furniture & fittings	Revenue Contribution	15 000.00	15 000.00	15 000.00	15 855.00	16 838.01	17 831.45
Buildings Roads	Revenue Contribution	286 900.00			-	-	-
Service provider	Revenue Contribution	180 000.00	280 000.00	280 000.00	295 960.00	314 309.52	332 853.78
Functions & Events	Revenue Contribution	5 000.00	5 000.00	5 000.00	5 285.00	5 612.67	5 943.82
Equipment	Revenue Contribution	10 000.00	20 000.00	20 000.00	21 140.00	22 450.68	23 775.27
Fuel & Oil	Revenue Contribution	125 000.00	125 000.00	125 000.00	132 125.00	140 316.75	148 595.44
Parks & Gardens	Revenue Contribution	15 000.00	15 000.00	15 000.00	15 855.00	16 838.01	17 831.45
Printing & Stationary	Revenue Contribution	5 000.00	5 000.00	5 000.00	5 285.00	5 612.67	5 943.82
Publicity	Revenue Contribution	4 000.00	14 000.00	14 000.00	14 798.00	15 715.48	16 642.69
Subsistance & Travelling	Revenue Contribution	5 000.00	5 000.00	5 000.00	5 285.00	5 612.67	5 943.82
Vehicle Lease	Revenue Contribution	130 000.00	130 000.00	130 000.00	137 410.00	145 929.42	154 539.26
Inservice Training	Revenue Contribution						

on

<b>Totals Technical</b>			<b>1 938 900.00</b>	<b>1 572 000.00</b>	<b>1 572 000.00</b>	<b>1 817 826.81</b>	<b>1 930 532.07</b>	<b>2 044 433.47</b>
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**Community Services**

<b>Allowances &amp; Salaries</b>	<b>Revenue Contributi on</b>	<b>518 000.00</b>	<b>518 000.00</b>	<b>518 000.00</b>	<b>576 600.00</b>	<b>612 349.20</b>	<b>648 477.80</b>
<b>Bonus</b>	<b>Revenue Contributi on</b>	<b>44 000.00</b>	<b>44 000.00</b>	<b>44 000.00</b>	<b>59 542.38</b>	<b>63 234.01</b>	<b>66 964.82</b>
<b>Medical aid</b>	<b>Revenue Contributi on</b>	<b>36 000.00</b>	<b>36 000.00</b>	<b>21 345.46</b>	<b>48 000.00</b>	<b>50 976.00</b>	<b>53 983.58</b>
<b>Pension</b>	<b>Revenue Contributi on</b>	<b>36 000.00</b>	<b>36 000.00</b>	<b>36 000.00</b>	<b>21 345.46</b>	<b>22 668.88</b>	<b>24 006.34</b>
<b>SKILLS</b>	<b>Revenue Contributi on</b>	<b>2 700.00</b>	<b>2 700.00</b>	<b>2 700.00</b>	<b>7 145.09</b>	<b>7 588.08</b>	<b>8 035.78</b>
<b>Staff Training</b>	<b>Revenue Contributi on</b>	<b>45 000.00</b>	<b>45 000.00</b>	<b>45 000.00</b>	<b>47 565.00</b>	<b>50 514.03</b>	<b>53 494.36</b>
<b>Housing</b>	<b>Revenue Contributi on</b>				<b>-</b>	<b>-</b>	<b>-</b>
<b>UIF</b>	<b>Revenue Contributi on</b>	<b>2 700.00</b>	<b>2 700.00</b>	<b>2 700.00</b>	<b>2 853.90</b>	<b>7 145.09</b>	<b>7 566.65</b>
<b>workmens Compansation</b>	<b>Revenue Contributi on</b>	<b>1 500.00</b>	<b>1 500.00</b>	<b>1 500.00</b>	<b>1 585.50</b>	<b>1 683.80</b>	<b>1 783.15</b>
<b>Overtime</b>	<b>Revenue Contributi on</b>	<b>17 000.00</b>	<b>17 000.00</b>	<b>17 000.00</b>	<b>17 969.00</b>	<b>19 083.08</b>	<b>20 208.98</b>

	<b>Functions &amp; Events</b>	Revenue Contribution	5 000.00	5 000.00	5 000.00	5 285.00	5 612.67	5 943.82
	Office Machines	Revenue Contribution	16 000.00	16 000.00	16 000.00	16 912.00	17 960.54	19 020.22
	Printing & stationary	Revenue Contribution	9 000.00	9 000.00	9 000.00	9 513.00	10 102.81	10 698.87
	<b>Events &amp; Development</b>	Revenue Contribution				528 500.00	561 267.00	594 381.75
	Publicity	Revenue Contribution	5 000.00	5 000.00	5 000.00	5 285.00	5 612.67	5 943.82
	Substance & Travelling	Revenue Contribution	26 000.00	26 000.00	26 000.00	27 482.00	29 185.88	30 907.85
	Uniforms	Revenue Contribution	5 000.00	5 000.00	5 000.00	5 285.00	5 612.67	5 943.82
	<b>HIV Programme</b>	Revenue Contribution						
	Vehicles Lease	Revenue Contribution	54 000.00	54 000.00	54 000.00	57 078.00	60 616.84	64 193.23
	Inservice Training	Revenue Contribution				12 000.00	12 744.00	13 534.13
	Sports & Creation	Revenue Contribution				213 514.00	226 751.87	240 810.48
<b>Totals Community</b>			<b>822 900.00</b>	<b>822 900.00</b>	<b>808 245.46</b>	<b>1 437 946.33</b>	<b>1 531 213.24</b>	<b>1 621 554.83</b>

<b>TOTAL EXPENDITURE</b>	<b>19 203 764.17</b>	<b>25 353 115.71</b>	<b>26 852 979.26</b>
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<b>19 907 700.00</b>	<b>INCOME</b>
<b>-19 203 764.00</b>	<b>EXPENDITURE</b>
<b>703 936.00</b>	<b>Difference</b>

**Income excluding conditional grants**

**19 907 700.00**

**-1 500 000.00**

**-750 000.00**

**-169 000.00**

**-180 000.00**

**17 308 700.00**



# Chapter 8

## Good Governance & Community Participation

## 8.1 KPA, Strategic Focus Area, Strategies & Objectives

<b>National KPA: Democracy and Governance</b>	
<b>Strategic Focus Area 6: To promote participatory and transparent governance for the community, service providers and investors to function in the municipality</b>	
<b>Development Strategies</b>	<b>Development Objectives</b>
To ensure that integrated development planning occurs within the Municipality as a whole	<ul style="list-style-type: none"> <li>▪ To review the Big 5 False Bay IDP annually</li> </ul>
To facilitate community development and involvement in all aspects of local governance	<ul style="list-style-type: none"> <li>▪ Involve Ward Committees and Community Development Workers (CDWs) in the IDP processes</li> <li>▪ Prepare a Framework for ward committee structures i.t.o. functionality, composition and performance criteria.</li> <li>▪ Conduct IDP Road Shows</li> </ul>
To promote conducive interaction between the Council and the Traditional Leadership	<ul style="list-style-type: none"> <li>▪ Establish bi-annual combined meetings between Municipal Council and Traditional Leadership to discuss matters of mutual concern/interest</li> </ul>

## 8.2. Supplementary Municipal Turn Around Strategy Key Focus Areas (2010/2011)

<b>Key Performance Area</b>	<b>Big 5 False Bay Key FOCUS AREA</b>
Good Governance & Community Participation	<ul style="list-style-type: none"> <li>• Create Public Participation &amp; Public Communication Strategy</li> <li>• Systems to be put in place for Implementation of Internal and External Communication Strategy</li> <li>• Policy Implementation on the effective functioning and Monitoring of Ward Committees .</li> <li>• Emphasis on Council's Oversight Function – Capacity Building and Review of Non-Permanence of Councillors</li> <li>• Clarity on "Election Friendly" IDP &amp; Budget vs tangible service delivery (Province to advise)</li> <li>• Effective establishment of Portfolio Committees (Given size of council and Administration)</li> <li>• IDP Not Functional: Capacity Building (To council, management, Staff and community)</li> </ul>

## **Chapter 9**

# **Spatial Development**

## 9.1 KPA, Strategic Focus Area, Strategies & Objectives

<b>National KPA: Spatial development</b>	
<b><u>Strategic Focus Area 3: To Sustainably Develop Municipal physical space and maintain a strong Environmental Focus</u></b>	
<b>Development Strategies</b>	<b>Development Objectives</b>
Ensure the sustainability and protection of the Municipality's Natural Resources	<ul style="list-style-type: none"> <li>▪ Prepare Strategic Environmental Assessment (SEA) and incorporate into municipal planning initiatives</li> <li>▪ Prepare and implement a Municipal Environmental Management Plan</li> </ul>
To ensure the appropriate and effective use of land through spatial planning initiatives and the implementation of the outcomes thereof	<ul style="list-style-type: none"> <li>▪ Finalise and implement LUMS</li> <li>▪ Finalise the Revision of the Big 5 False Bay Spatial Development Framework and implement</li> <li>▪ Prepare and implement the Municipal Nodal Plan and implement</li> <li>▪ Ensure that Land Reform is incorporated into local municipal planning</li> </ul>
To ensure the provision of sustainable, affordable and suitably-located housing development	<ul style="list-style-type: none"> <li>▪ Prepare and implement the Big 5 False Bay Housing Sector Management Plan.</li> <li>▪ Prepare &amp; Implement a Municipal Es</li> </ul>

## 9.2. Supplementary Municipal Turn Around Strategy Key Focus Areas (2010/2011)

<b>Key Performance Area</b>	<b>Big 5 False Bay Key FOCUS AREA</b>
Spatial Development	<ul style="list-style-type: none"> <li>• Policies &amp; By-Laws to prevent &amp; Manage illegal settlement in Town Planning Scheme Area (Urban Area)</li> <li>• Finalisation of Draft Nodal Plans &amp; Town Planning Scheme</li> <li>• Environmental Management Planning &amp; Roll-out to receive Priority</li> <li>• Enforcement Policies in terms of Spatial &amp; Civil Engineering Matters</li> <li>• Building Inspector &amp; Health inspector urgently needed. (possible Partnership matter)</li> <li>• Planning &amp; subdivision of high potential Municipal land.</li> <li>• Implementation of Densification in Urban area.</li> <li>• Impacts of the Ward New Demarcation needs to be incorporated in the SDF.</li> </ul>

### 9. 3. Programmes & Systems

#### 9.3.1. Environmental Management

The Big 5 False Bay Fully recognises the Importance of Environmental Planning, & The following Principles Will apply in this process. (In terms of the *Environmental Sustainability Toolkit for integrated Development Planning In KwaZulu-Natal*)

- Sustainability: respect natural systems to avoid ecological collapse and the security of future generations
- Dynamic Balance between human activities and their ecological base
- Concept of place: human life is qualitative affected by a sense of place
- Regionalism; interdependence between place, people, and cultural expressions and forms
- Resource sensitivity: recognition of the limited nature of resources and the imperative to use them wisely

The Big 5 False Bay Municipality is in the process of expanding its In-house Environmental Management Toolkit in terms of Environmental Framework (EMS), Strategic Environmental Assessment (SEA) and Environmental Management Plan. This remains unfunded by the relevant Provincial Department and the internal Big 5 False Bay Municipal Capital budget is limited. Therefore, the roll-out of the Programme will be staggered over the next 3 to 4 years and incorporated into the SDF.

#### **The objectives of an EMF Will be the basis of the Development of the Environmental Management Programme:**

- support the process of delineating geographical areas within which additional specified activities are to be identified in terms of NEMA;
- support the process of delineating geographical areas within which activities listed in terms of NEMA may be excluded by identifying areas that are not sensitive to the potential impacts of such activities;
- support informed and integrated decision-making by making significant and detailed information about an area available before activity proposals are generated;
- contribute to environmentally sustainable development by anticipating potential impacts and by providing early warnings in respect of thresholds, limits and cumulative impacts; and
- Support the undertaking of environmental impact assessments in the area by indicating the scope of potential impacts and information needs that may be necessary for environmental impact assessments.

**Business plans for the SEA and the EMP is contained at the end of the end of this section and a budget of R100 000 for the development of an SEA has been allocated in the Draft Municipal Capital Budget 2010/ 2011**

### 9.3.2. Spatial Development

The following maps should be viewed in the context of this section of the report:

1. Population Density
2. Community Facilities
3. Spatial Development Framework

A Spatial Development Framework (SDF) is a sector plan of a municipal IDP (Integrated Development Plan) and is the visual representation of a municipality's vision, goals and strategies. As such, it is essentially a forward planning document that should not only reflect the current reality but also future development options, i.e. the SDF should be used to guide decision making as well. In terms of the Municipal Structures Act (Act No. 23 of 2001) the spatial development framework should also "include the provision of basic guidelines for a land use management system for the municipality".

## 1 GUIDING PRINCIPLES AND LEGISLATIVE FRAMEWORK

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The review of the Big 5 False Bay Municipality SDF should be undertaken with due consideration of a number of principles that are borne in legislation and policies. These principles are summarized hereunder:

- Balance between urban and rural land development.
- Urban and rural areas should be developed in support of each other.
- The discouragement of urban sprawl by encouraging settlement on serviced land within existing nodes.
- The direction of new development towards logical infill areas.
- Rural settlements should be developed to an acceptable standard of services and infrastructure.
- Compact urban form is desirable.
- Development should integrate social, economic, institutional and environmental aspects.
- Sensitive, vulnerable, highly dynamic or stressed ecosystems require specific attention in management and planning procedures, especially where they are subject to significant human resource usage and development pressure.
- Development should be within limited resources (financial, institutional and physical).
- Stimulate and reinforce cross boundary linkages, i.e. between the Municipality, conservation areas and the Greater St Lucia Wetland Park.
- A Spatial Development Framework (SDF) should indicate areas where strategic intervention is required and should act as marketing tool to indicate where development can be promoted.
- Very importantly, a balanced settlement pattern has to be established in order to improve the provision of public administrative and economic services to outlying rural areas.

## 1 (A) NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE

The Policy Co-ordination and Advisory Services (PCAS) in the Presidency produced a National Spatial Development Perspective (NSDP) that was endorsed by Cabinet in March 2003. The four principles of the NSDP are as follows:

- Economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation.
- Government spending on fixed investment should therefore be focused on localities of economic growth and/or economic potential in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.
- Efforts to address past and current social inequalities should focus on people not places. In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low development potential, government spending, beyond basic services, should focus on providing social transfers, human resource development and labour market intelligence.
- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres.

The NSDP places a lot of emphasis on the presence of institutional capacity to realize the developmental impact of any given area or identified resource that has developmental potential. As such, it distinguishes between the following categories of potential: (1) innovation and experimentation, (2) the production of high-value differentiated goods, (3) labour intensive mass-production, (4) public service and administration, (5) tourism and (6) commercial services and retail.

### **APPLICATION:**

Apart from improved service delivery and ensuring a basic standard of living for all in the Municipality, a summary of the aim of the Municipal Key Performance Areas clearly links with the principles of the NSDP:

- The Local Economic Development Key Performance Area aims to establish economic growth and development in all economic sectors and to promote social development and community empowerment. It also focuses on the strengthening of the nodes in the Municipality while ensuring the equitable development of the rural areas through land reform, housing and service delivery.
- The spatial development vision for the Municipality is based on a hierarchy of functions for centres and nodes.
- The spatial implications of the NSDP has been addressed through the Review of the Spatial Development Framework

## **1 (B) ACCELERATED AND SHARED GROWTH INITIATIVE FOR SOUTH AFRICA (ASGISA)**

This government instituted initiative is aimed at promoting a *growth for all strategy* for South Africa that is intended to halve poverty and unemployment by 2014. Maintaining a steady growth in GDP of above 4.5% in the short term, and then adopting envisaged growth of 6% between 2010 and 2014 is a cornerstone of the initiative. Developing labour absorbing industries that generate value added activities is at the core of the initiative. Investment in infrastructure, education and skills development are significant components of the initiative. The elimination of the second economy by enhancing access to micro-finance, SMME support and the reduction of gender inequality issues in conjunction with government's macro-economic and good governance strategy focusing on the role of local government and service delivery forms the remainder of the initiatives outline.

The ASGISA initiative has identified the following focus areas in order to attain its objective of accelerated and shared growth:

- Economic opportunities that are labour intensive
- Economic sectors that are growing
- Sectors that provide opportunities for BBEEE
- Small business development

### **APPLICATION:**

This national initiative is routed in local level implementation, specifically through the Big 5 False Bay Municipality LED Plan. This shared growth strategy has been designed to help eradicate inequality and poverty, which are the desired outcomes of the LED Strategy process. The emphasis on the infrastructure and skills development also speaks to the LED Plan, and the development of LED Strategies, within the LED Plan, needs to be considered within the ASGISA initiative framework.

The following table provides a summary of alignment between ASGISA initiatives/actions and the Development Strategies underpinned by the Big 5 False Bay Municipality Local Municipality's Key Performance Management Areas:

### **ASGISA & Big 5 False Bay Municipality's Development Strategies Alignment**

DEVELOPMENT STRATEGIES	ASGISA INITIATIVES
<ul style="list-style-type: none"> <li>○ Ensure that Financial Resources are efficiently and affectively allocated</li> </ul>	<p>ASGISA has identified the need to monitor budget expenditure of departments in that some departments overspend while others under spend. National Treasury is proposing the implementation of a Capital Expenditure Management Information System.</p>
<ul style="list-style-type: none"> <li>○ To promote Big 5 False Bay Municipality as a tourism destination</li> </ul>	<p>ASGISA has identified the need to increase the contribution of tourism to the GDP. Also, a number of strategies are focused on eliminating the 2<sup>nd</sup> economy.</p>
<ul style="list-style-type: none"> <li>○ To facilitate economic growth and development within the municipal area</li> <li>○ To ensure the provision, upgrading and maintenance of Infrastructure and Services to address Backlogs</li> </ul>	<p>LED is a critical contributor towards halving unemployment by 2014. Also, ASGISA moots the need to increase infrastructure investment in order to address backlogs.</p>
<ul style="list-style-type: none"> <li>○ To promote SMME development in the Municipality</li> <li>○ To facilitate economic growth and development within the municipal area</li> </ul>	<p>ASGISA has identified the need to support and introduce more labour absorbing economic activities.</p>
<ul style="list-style-type: none"> <li>○ To ensure the appropriate and effective use of land through spatial planning initiatives and the implementation of the outcomes thereof</li> <li>○ Ensure the sustainability and protection of the Municipality's Natural Resources</li> <li>○ To facilitate economic growth and development within the municipal area</li> </ul>	<p>It is crucial that the planning and management of land use (in terms of zoning) does not prevent the timeous development of land. Similarly, environmental procedures should be expedited for developments to obtain approvals faster.</p>
<ul style="list-style-type: none"> <li>○ To cater for the economic and social development needs of youth, women, the disabled and the aged members of communities</li> </ul>	<p>Need to work closely with women and youth in order to halve poverty.</p>
<ul style="list-style-type: none"> <li>○ To promote SMME development in the Municipality</li> </ul>	<p>The national skills shortage is considered as the largest impediment to sustained economic growth.</p>
<ul style="list-style-type: none"> <li>○ To ensure the provision of sustainable community facilities</li> </ul>	<p>Improve electronic communication</p>

## 1 (C) KWAZULU-NATAL PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

The KwaZulu-Natal Provincial Growth and Development Strategy (PGDS) has as its purpose the provision of strategic direction for development and planning in the Province. The following six provincial priorities that address a number of developmental challenges related to economic and social needs of the province provide the focus of the PGDS:

- Strengthening governance and service delivery
- Integrating investments in community infrastructure
- Sustainable economic development and job creation
- developing human capability
- Developing a comprehensive response to HIV/Aids
- Fighting poverty and protecting vulnerable groups in society

The link between the PGDS goals and programmes and the Big 5 False Bay Municipality is illustrated hereunder:

### Alignment with KZN PGDS

PGDS			Big 5 DEVELOPMENT STRATEGIES
<b>PGDS GOALS</b>	<b>Build a People Focused and Effective, Efficient Government</b>	Programme 1: Good Governance	<ul style="list-style-type: none"> <li>○ To facilitate community development and involvement in all aspects of local governance</li> <li>○ To promote active participation of all political role players</li> </ul>
		Programme 2: Transformation	<ul style="list-style-type: none"> <li>○ To develop staff and councilor skills to ensure effective service delivery</li> <li>○ To improve effective and efficient communication between internal staff and councilors</li> <li>○ To improve productive and accountable staff through an effective Municipal Performance Management System</li> </ul>
	<b>Build the Economy</b>	Programme 3: Competitive Investment	<ul style="list-style-type: none"> <li>○ To facilitate economic growth and development within the municipal area</li> <li>○ To market Big 5 False Bay Municipality Municipal area to attract investment</li> </ul>

PGDS		Big 5 DEVELOPMENT STRATEGIES	
		Programme 4: Local Economic Development	<ul style="list-style-type: none"> <li>○ To facilitate economic growth and development within the municipal area</li> <li>○ To market Big 5 False Bay Municipality Municipal area to attract investment</li> <li>○ To promote Big 5 False Bay Municipality as a tourism destination</li> </ul>
	<b>Reduce Poverty and Create Sustainable Communities</b>	Programme 5: Sustainable Communities	<ul style="list-style-type: none"> <li>○ To facilitate economic growth and development within the municipal area</li> <li>○ To cater for the economic and social development needs of youth, women, the disabled and the aged members of communities</li> <li>○ To ensure the provision, upgrading and maintenance of Infrastructure and Services to address Backlogs</li> </ul>
		Programme 6: Basic Income Opportunities	<ul style="list-style-type: none"> <li>○ To facilitate economic growth and development within the municipal area</li> <li>○ To promote SMME development in the Municipality</li> </ul>
	<b>Cross Cutting Issues</b>	HIV and Aids	<ul style="list-style-type: none"> <li>○ To reduce the impact of HIV/AIDS on communities</li> </ul>
		BEE	<ul style="list-style-type: none"> <li>○ Preferential Procurement</li> <li>○ To promote SMME development in the Municipality</li> </ul>
		Environmental Management	<ul style="list-style-type: none"> <li>○ Ensure the sustainability and protection of the Municipality's Natural Resources</li> <li>○ To ensure the appropriate and effective use of land through spatial planning initiatives and the implementation of the outcomes thereof</li> </ul>
		Human Rights and AA	<ul style="list-style-type: none"> <li>○ To facilitate community development and involvement in all aspects of local governance</li> <li>○ To cater for the needs of human resources within the municipality</li> </ul>
		Integration	<ul style="list-style-type: none"> <li>○ Ward Committees and Development</li> <li>○ To facilitate community development and involvement in all aspects of local governance</li> </ul>
		Capacity Building	<ul style="list-style-type: none"> <li>○ To facilitate community development and involvement in all aspects of local governance</li> <li>○ To promote SMME development in the Municipality</li> </ul>
		Science and Technology	<ul style="list-style-type: none"> <li>○ GIS Development</li> </ul>

## **1 (D) PROVINCIAL SPATIAL & ECONOMIC DEVELOPMENT STRATEGY**

The **Provincial Spatial & Economic Development Strategy** aims to:

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

The PSEDS is intended as a guide to service delivery within the cluster to achieve the goals set in ASGI-SA: Halve poverty & unemployment by 2014. Principles of development and growth underpinning PSEDS:

- Government has a constitutional obligation to provide basic services to all citizens. Basic services include health, education, housing, transport
- All areas of the province require development
- Certain areas of the province will drive economic growth
- The PSEDS attempts to indicate where different types of investment should be directed in order to achieve development and/or economic growth
- Four key sectors have been identified as drivers of economic growth in the province, namely:
  - The Agricultural sector (including agri-processing and land reform )
  - The Industrial sector (Including Manufacturing)
  - The Tourism sector
  - The Service sector (including government services)
- The logistics and transport sector (including rail) underpin growth in all four sectors.
- Sustainable and affordable water and energy provision is crucial to economic growth & development.

## 2 DEVELOPMENT CONTEXT

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The Big 5 False Bay Municipality is situated directly north of the Mtubatuba Municipality and it stretches as far north as the Mkuze game Reserve, with the Hlabisa Municipality comprising its western boundary and the Greater St Lucia Wetland Park/False Bay Park its eastern boundary.

The Big 5 False Bay Municipal area can be divided into three distinct portions, namely. The private game farms, the three tribal authorities and the commercial farm land.

The population settlement density is generally below 150 people per km<sup>2</sup>. A higher population density is found in Ward 1 (Makasa Traditional Authority area). Higher densities are also found at the rural nodal areas (identified in the previous IDP SDF) of Mngqobokasi, Nibela and KwaMduku.

Specific locational/spatial characteristics are evident that have shaped the spatial development of the Big 5 False Bay Municipality. These include:

- **Accessibility**

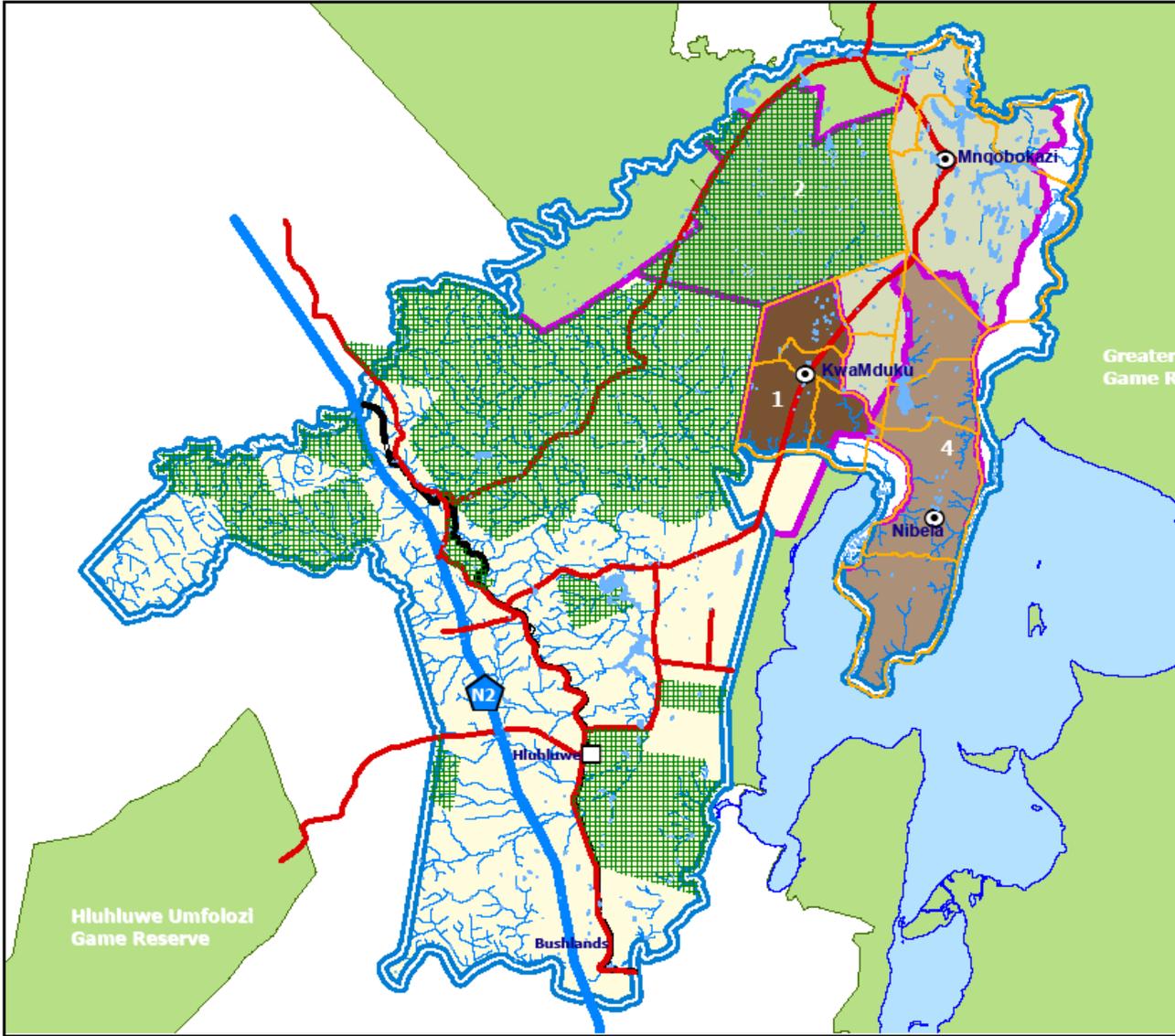
The N2 is the main link between Durban, the KZN North Coast, Gauteng and Mpumalanga. It traverses the area on the west. The SDI road to Mbazwana and Manguzi is the main access to the eastern portion of the municipality. Sandy soil conditions in the Big 5 False Bay area complicate access and many roads are not accessible during the rainy season.

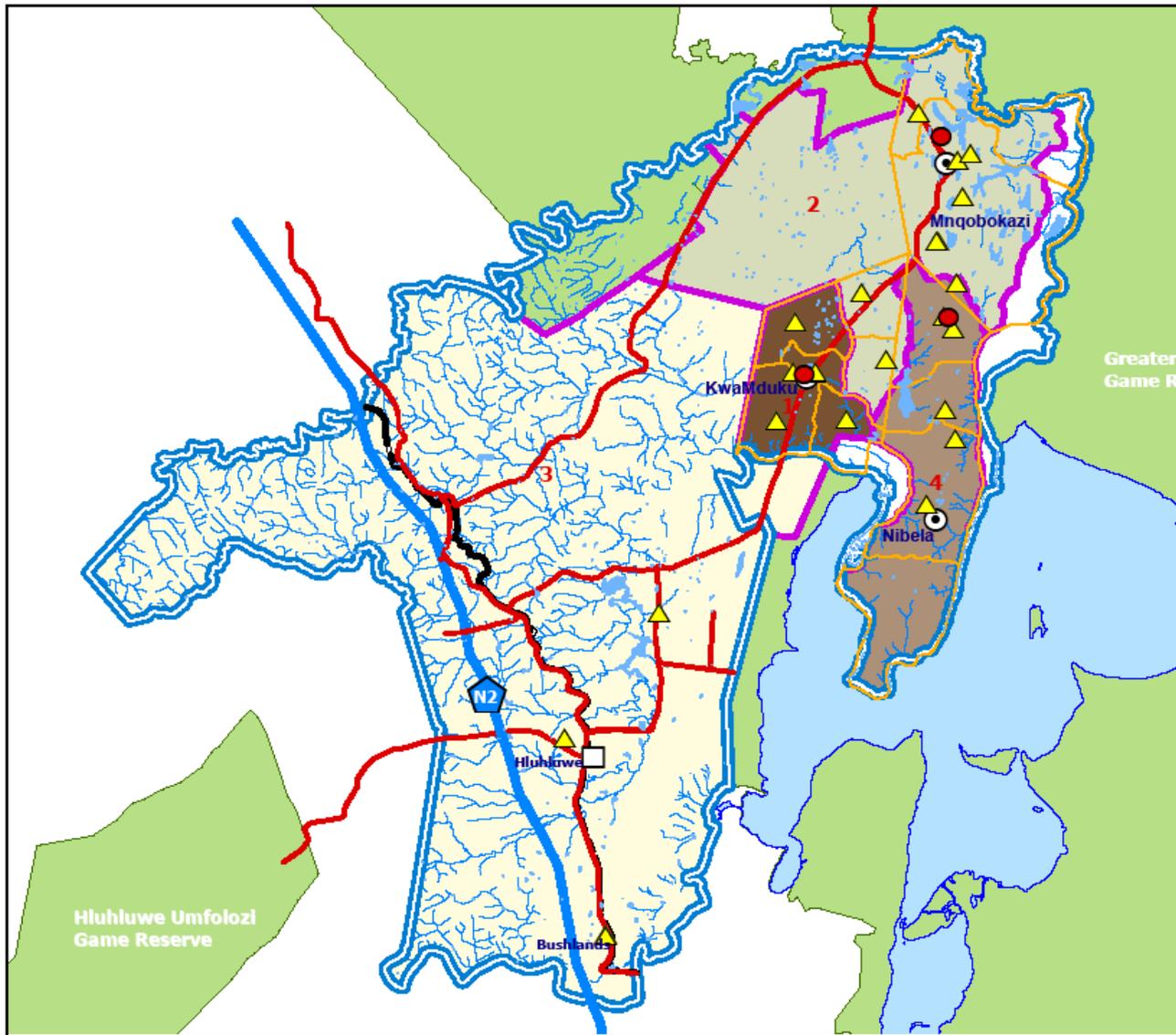
- **Agglomeration**

The development in the Traditional Authority (TA) areas, i.e. Makasa, Nibela and Mngqobokasi is scattered settlement pattern with an absence of a strong nodal hierarchy. As a result service provision, both physical and social, is poor and the delivery of services to such a dispersed settlement remains problematic and expensive. The establishment of a nodal hierarchy is critical to ensure the efficient delivery of services and infrastructure to these areas.

- **Agricultural potential**

The Big 5 False Bay area has limited agricultural potential. The area with the highest potential is the Nibela TA area. The rainfall drops from the East (coastal) to the west (inland). Improved agriculture production can be remedied by the introduction of sound agricultural management and irrigation.





### 3, SPATIAL DEVELOPMENT FRAMEWORK

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The SDF for the municipality, as a forward planning document, is informed by a number of current trends as well as the municipal strategic focus areas. The strategic focus areas of the municipality that have an impact that can be effected and presented spatially are depicted hereunder:

- **To create an enabling environment for effective service delivery**
- **To actively pursue social and economic development**
- **To maintain a strong environmental focus**

The SDF for Big 5 False is based on land use and natural features (as well as existing community facilities), the transportation network and nodes, i.e. areas of development or investment. Future development proposals around these are informed by the strategic focus areas listed above.

Land uses and natural features in and adjoining the municipal area that are significant from a spatial development perspective are the Isimangaliso Wetland Park, Private Game Reserves as well as District Reserves (UMkhanyakude DMA). The population density map shows that the areas listed above have very low population densities as well. The distribution of community facilities (namely schools and clinics) clearly follows the areas of highest population density and is not located in these areas of environmental significance.

From a spatial development perspective these areas are protected by way of an *Interface Area* that buffers the areas of environmental significance from extensive development intrusion. Rather, *limited agriculture and eco-tourism is suggested to be undertaken in these interface areas.*

**Strategic Focus Area: To maintain a strong environmental focus**

**With regard to the Transportation Network the SDF does not indicate corridors but rather transport routes with a distinction between the type of transport network. Thus, there is caution not to identify corridors that may be perceived to be promoting ribbon development. The following type of transport routes are identified in the SDF:**

#### **Primary Corridor**

- The N2 and the LSDI Road are national roads or *Primary Corridors*, as per the PSEDS. They present the municipal area with development potential in that they provide access to areas with development potential by way of other non-national roads that intersect with them. Access off these roads is not readily attained or permissible. The N2 in particular (and the LSDI road to a smaller degree) carries larger volumes of traffic than the other roads through the municipal area at higher travelling speeds. As such, the N2 and the LSDI are classified in terms of the SDF as Main Transport Routes. Importantly, these routes have limitations on the distance (not only access) of development from them by way of road building lines. These have to be abided by for safety purposes and the fact the infrastructure services are in the road reserve of the LSDI road in particular.

#### **Secondary Corridors**

There are a number of Tourism Routes or *Secondary Corridors* as per the PSEDS, identified in the SDF as well.

- The first one is the P466. It primarily provides access to the various private game

reserves located in the northern portion of the municipal area between the N2 and the LSDI road. This area described above is referred to as a "Management Area" in the draft rural LUMS. A variety of tourism and recreational related activities take place in this area that need to be managed in terms of the appropriate legislation.

- Secondly, the route from Hluhluwe in a westerly direction, across the N2, towards the northern entrance of the Hluhluwe Umfolozi Game Reserve is proposed as a tourism route in the SDF. A portion of this route is the entrance into Hluhluwe town from the N2.
- The circular route that provides access to the False Bay and numerous private resorts to the west of Lake St Lucia is also a very important tourism route in the SDF.

#### **Tertiary Corridor**

- A route that is considered to be a Lover Tourism and Community Access route or Tertiary Corridor is the route that provides access from KwaMduku to Nibela (in a south easterly direction) and towards Mngobokasi in the north. It is the proximity of the area that is served by this route to Lake St Lucia and the Greater St Lucia Wetland Park that has contributed to its proposed tourism route status. The area referred to has inherent tourism potential.
- Access to the various private game reserves is also gained from KwaMduku in a westerly direction as shown on the SDF map as well.

#### **Strategic Focus Area: To pursue social and economic development**

Areas of development or investment (nodes) have also been identified in the SDF. Bearing the guiding principles in mind that have been expanded upon earlier in this report, the following areas are considered in more detail:

- **Hluhluwe Town (Including Phumlani) (Major Development Area or Primary Node)**
- **KwaMduku Rural Node (Economic and Social Development Area or Secondary Node)**
- **Nibela Rural Node (Social and Tourism Area or Tertiary Node)**
- **Mngobokasi Rural Node (Economic and Social Development Area or Secondary Node)**

#### **Primary Node**

The town of Hluhluwe remains the major development area (from an urban perspective) in the municipal area. The town is at the gateway to the LSDI road, close of the N2 and an existing service centre to the commercial farming community. The town provides its catchment with a wider variety of social and administrative services as well as community facilities than the other urban nodes in the municipality. From a spatial development perspective, development in and around the town of Hluhluwe should focus on infill and densification, thereby ensuring the maximum use of infrastructure and services. It is also important that critical maintenance to the town's infrastructure is done to ensure it maintains its important development role.

#### **Secondary Nodes**

The KwaMduku Rural Node is the major economic (from a commercial and value adding perspective) and social node in the rural areas of the municipality. It is classified as such given its locality on the LSDI road and the fact that access to both the Nibela Peninsula and the Phinda Game Reserve is gained from it. There are already a number of developments in the node with a major sport stadium being developed. There is also increasing pressure for the further development of the node as its economic and social roles are recognized by the community and investors alike. As such, it is imperative that a framework for the development of the KwaMduku Node be prepared in the short term to ensure the orderly

(and sustainable) development of the node. This framework plan will also have to provide guidelines in terms of access to developments adjoining the LSDI road.

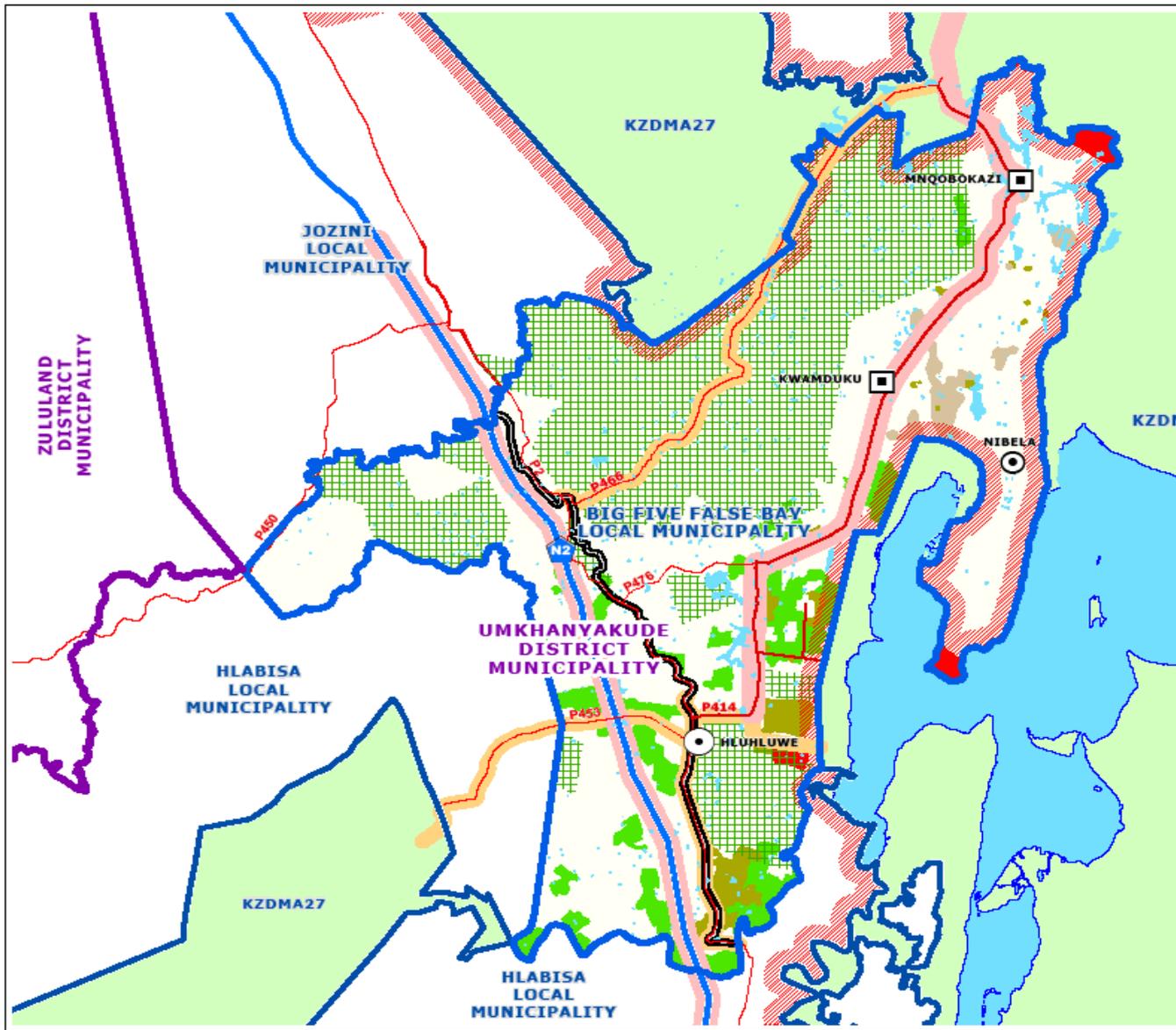
The Mngobokasi Rural Node is the minor economic (commercial and value adding) and social node in the municipality. It has similar characteristics than the KwaMduku Node but does not have the same development pressure and extent. It is also located along the LSDI road but is not at such an important intersection of the KwaMduku Node. While the development of a framework for the node is also important it should follow the KwaMduku node framework. As with the KwaMduku Node, the node has a large catchment community that relies on the social services accessible at the node.

### **Tertiary Node**

With regard to the nodal development of Nibela it is important to recognize that, although many people live in the area, the area is more isolated (in terms of access) than the economic and social nodes. However, the area has significant tourism development potential. As such, the Nibela node is classified as a social and tourism node. The node has a definite role to provide social services to the community while it is likely that only limited economic activity would be sustainable in the node given its location. At present, a process is underway to investigate and propose delineation for the node along with land use management guidelines.

### **Strategic Focus Area:**

- **(3) To pursue social and economic development and**
- **(2) To create an enabling environment for effective service delivery**



#### 4 LAND USE MANAGEMENT PLAN (Summary)

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A draft Land Use Management Framework Plan that also serves as the Rural Town Planning Scheme for the municipality, has been prepared that proposes the following zones.

- o Agriculture
- o Education
- o Medium Impact Mixed Use
- o Management Area
- o Traditional Settlement
- o Existing and future movement corridors
- o Existing Railways
- o National Parks and Equivalent Reserves
- o Communications Towers

The following comments should be noted:

- o The extent of the Hluhluwe Town Planning Scheme area is indicated as a town planning scheme area and has its own zonings and land development controls.
- o The Management Area is defined and has its own policy statements and recommended land management controls.
- o In each of the three Traditional Authority Areas, the Department of Housing is in the process of initiating rural housing projects. These projects will include the preparation of settlement plans that will, once completed, become formal zoning plans that form part of the Municipal LUMS.

The following descriptions for the rural zones referred to on the previous page are expanded upon hereunder out of the draft Land Use Management Framework Plan:

Agriculture	The primary purpose of this zone is to protect land agricultural land within the greater municipal area. The zone is to ensure that agricultural land is utilized in accordance with national legislation and regional policy guidelines related to sustainable development, agricultural production and natural resources.
Existing Roads	This zone shows the major existing roads that have structured and affect land use patterns in Big 5 False Bay Municipality.
Existing Railway	Shows the existing railway and other structural features of the municipality.

Management Area	<p>This zone is in close proximity to the town of Hluhluwe and is located between the Mzinene River to the west and north and the Greater St Lucia Wetland Park (GSLWP), a World Heritage Site to the east. This area is designated as 'Mixed Use Tourism' in the IDP and has had numerous development inquiries and applications for residential and holiday accommodation.</p> <ul style="list-style-type: none"> <li>o The intention of this zone is firstly, to prevent urban sprawl, secondly to carefully assess the potential impact of any proposed development on this land adjoining the GSLWP, a World Heritage Site, and thirdly to try to ensure a range of tourist accommodation for all income groups. Assessing the economic potential of development in any area is difficult especially if those doing the assessing are carrying no commercial risk. For this reason the controls have been designed to ensure that the environmental impact of proposed developments remains a priority in assessing proposals in this zone.</li> <li>o To avoid the creation of high land values that result from identifying nodes for development of agricultural land each development application must be subject to an environmental scoping report subject to a Record of Decision from the Department of Agriculture and Environmental Affairs before development can be approved.</li> <li>o The area has been intensively subdivided over the years and includes many subdivisions less than 10Ha in extent. The intention is to limit development in this area to low density developments that will provide accommodation and options for eco-tourism ventures but preserve the sense of place.</li> <li>o The agricultural suitability of land in this zone is rated as moderate and the vegetation of this bioresource group in this area is sandy bush and palm veld with extensive farming (Bioresource Program KZN).</li> <li>o It is also recommended that the high capital costs of developing tourist accommodation be investigated with a view to developing a government assisted loan policy to assist the development of tourist oriented accommodation.</li> </ul>
Medium Impact Mixed Use	<p>This zone is to encourage the development of a central business district in the SERC's in Makasa and Mngobakasi and the Opportunity Node in Nibela. All development required in urban areas that serve the adjoining rural areas is encouraged to locate in these mixed use areas so that in the future it will ultimately be possible for the authorities in the area to service them on a sustainable basis.</p> <ul style="list-style-type: none"> <li>o For the reasons outlined earlier discussions held with the Traditional Authorities, to develop acceptable methods of incorporating them into existing land management procedures and the proposed LUMS, were not successful. It is suggested that negotiations between the Councilors and the Traditional Authorities be commenced as soon as possible. There is a need to establish a mutually agreed administrative mechanism in the short term to ensure that changing land use information from the Traditional Areas, whether authorized in terms of development legislation or not, is included in the land use information database</li> </ul>

	<p>of the municipality.</p> <ul style="list-style-type: none"> <li>o This mechanism could ensure that land use allocations and changes made in the Traditional Areas are passed on to the municipality. This would ensure that the actual ongoing land uses in these areas can be recorded the municipality's land use information database even though the formal legal processes for integrating land allocation procedures in the Traditional Areas have not yet been established. This information will be extremely valuable to all authorities involved in development and can only improve future land development decisions. It is not suggested that any laws be flouted by any authorities and applications of any uses requiring approval from government authorities must be made.</li> </ul>
National Parks and Equivalent Reserves	This zone recognizes all existing Game Parks in the municipal area. The parks are all managed by competent public or private authorities and have controlled public access.
Education	The location of the existing schools throughout the rural areas of Big 5 False Bay are shown where the scale of the LUMFP permits.
Communication Towers	The position of telecommunication towers are indicated on the LUMFP.

### 9.3.2 Municipal Housing Plan

The Big 5 False Bay Housing Plan (Adopted September 2009, Available from the Planning & Development Office) has indicated that

#### 5.1 RURAL HOUSING IN THE MUNICIPAL AREA

The following table show the different housing typologies in the study area, relating to the determination of housing demand, as per the 2001 Census and the 2007 Community Survey conducted by StatsSA. It should be noted that the survey also indicated an increase in the total population resident in the Municipal Area between 2001 and 2007, from 31 291 to 34 991 (6 183 households to 6 657 households).

It must be noted that other sources of statistical information, such as Mhlathuze Water, do not correspond with the findings of the StatsSA Community Survey of 2007. In 2006, Mhlathuze Water estimates were that there are 43 226 people residing in the Municipal Area.

Type of Dwelling	2001 H/Holds	2007 H/Holds
Traditional Dwelling	44.6 2758	39.7 2643
House/Flat/Room in Back Yard	4.2 260	2.4 160
Informal Dwelling/Shack in Back Yard	1.1 68	1.5 100

Informal Dwelling/Shack not in BackYard	4.3 266	2.8 186
<b>Total</b>	<b>54 3351</b>	<b>46.4 3089</b>

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The table above also indicates that there has been a decrease in housing demand from 2001 to 2007, namely from 54% to 46.4%, or 3351 units to 3089 units.

In the case of Big 5 False Bay, the determination of housing demand is not a cut and dry calculation. As stated previously, housing demand can be determined using different criteria which will ultimately result in different findings. This is demonstrated below:

☐ **Household Size:** Some 4 755 households (or 67% of the total number of households) have  $\geq$  5 pp/household;

☐ **Income per Annum:** Some 6 878 households (or 97% of the total number of households) earned between R0 and R76 800 per annum in 2001. These 6 878 households are clearly eligible for housing subsidies;

☐ **Traditional or Informal Dwellings:** Some 3089 households (or 46% of the total number of households) are housed in traditional or informal dwellings.

In summary, for the purposes of this report, it is proposed that, whilst it is acknowledged that 6 878 households are eligible for a housing subsidy, the number of households that are housed in traditional or informal dwellings be considered as the target demand for housing for the next 5 years, namely 3089 households. However, the above demand only reflects rural housing demand.

The Municipality currently also experiences a housing need for middle to upper income earners at its Primary Node, i.e. Hluhluwe Town. The current demand is estimated at 140 units / households. The housing demand, over and above the current need, over the next 5 years is difficult to project given the level of information available upon which a projection can be made. It is therefore proposed that the current demand of 140 units / households be provided for through the private market by releasing municipal land for such purposes.

## 5. BIG 5 FALSE BAY HOUSING STATUS QUO

### 5.1 PRIORITIZED HOUSING PROJECTS

At present, the Big 5 False Bay Local Municipality has no fully completed housing projects although three rural housing projects have been approved for implementation by the Provincial Housing Department. The rural housing projects that have been approved are in Wards 1, 2 and 4, covering the total area of each ward. The projects are *in-situ* projects, and have already commenced with construction.

One Slums Clearance Project, adjacent and to the east of Hluhluwe town is awaiting approval from the Provincial Housing Department.

The Municipality has appointed four (4) housing implementing agents to establish housing development within the municipality. The application for these housing projects was done in terms of the Department of Local Government and Traditional Affairs: *Assessment of In-Situ Housing Projects on Ingonyama Trust Land* Information Document, (September 2005). This report seeks not to duplicate the work that is already done by implementing agents.

### 5.2 HOUSING PROJECTS LINKED TO HOUSING DEMAND

The current housing demand (see Section 5 above) is estimated at 3089 units. This demand is only for people residing in traditional and informal dwellings, as per the findings of the 2007 Community Survey conducted by StatsSA.

The Provincial Housing Department has already approved the development of 3000 rural in-situ units. It has also approved, in principle, the replacing of informal units, in terms of its Slums Clearance Programme, with 500 formal housing units. Thus, 3500 units are currently catered for, of which 3000 is already under construction.

**The above approved and planned housing projects thus already exceed the current housing demand by some 410 housing units (If assumed that the statistical data is correct)**

## 6. LEVEL OF INFRASTRUCTURE IN THE MUNICIPALITY

This section seeks to assess the level of infrastructure provision in Big 5 False Bay. It is very crucial to understand the issues of infrastructure in the Municipality so as to be realistic when setting spatial development goals in relation to housing.

### 6.1 WATER SUPPLY

The table below reflects the percentage distribution of households by type of water source, as per the 2007 Community Survey conducted by StatsSA:

#### Description Census (2001) Community Survey (2007)

Piped Water (in Dwelling) 13.5 20.7

Piped Water (in Yard) 13.4 9.5

Piped Water (outside Yard) 4.7 8.1

Borehole 25.8 10.1

Spring 7.0 2.0

Dam / Pool 17.5 10.0

River / Stream 11.1 13.0

Water Vendor 1.1 2.3

Rainwater Tank 2.1 15.0

Other 3.7 0.4

**Total 100.0 100.0**

From the above table, there has been some improvement in the supply of piped water, albeit very limited, i.e. from 31.6% to 38.3%. This obviously implies that in 2007, 61.7% of households in the Municipality still had no access to piped water.

### 6.2 SANITATION

The table below reflects the percentage distribution of households by type of toilet facilities, as per the 2007 Community Survey conducted by StatsSA:

#### Description Census (2001) Community Survey (2007)

Flush Toilet (connected to sewer) 21.9 24.2

Flush Toilet (with Septic Tank) 2.8 4.0

Dry Toilet Facility - 2.9

Chemical Toilet 3.0 51.7

Pit Latrine with Ventilation (VIP) 8.1 3.3

Pit Latrine without Ventilation 6.2 -

Bucket Latrine 0.7 0.5

None 57.2 13.5

**Total 100.0 100.0**

It is interesting to note, from the above table, the significant increase in the use of chemical toilets, i.e. from 3.0% to 51.7%. There has not been a significant increase in flush toilets, i.e. 24.7% to 28.2%,

whilst there has been a reduction in the use of VIPs, i.e. from 8.1% to 3.3%. (However, This information is totally distorted and incorrect, seeing that the whole of Hluhluwe does not have access to waterborne sewerage, apart from Phumlani, the low income area)

### **6.3 ROADS**

(See **Road Infrastructure Map** at the end of this Section) The Municipality has a short supply of good all weather roads. This restricts the provision of some services such as waste removal. In addition, access to economic opportunities is also limited. The main problem in Big 5 False Bay is the lack of access experienced by rural communities as rural roads are not in a good condition.

### **6.4 ELECTRICITY**

(See **Electrification Network Map** at the end of this Section)

The Eskom coverage indicates that an adequate supply is available to the major town in Big 5 False Bay, which is Hluhluwe town and to the Big Five False surrounding commercial farmlands. However there are deficiencies in the electrification grid in the deep tribal authority areas. Identified nodal areas are however relatively well served with electricity.

The information obtained from the census 2001 indicates that only 32.6% of the total number of households has access to electricity for lighting. This translates to a 67.4% backlog in terms of electricity provision.

Electricity provision for cooking is even worse.

## **7. OTHER FACTORS INFLUENCING HOUSING DEVELOPMENT**

### **7.1 INTRODUCTION**

An important factor that has to be addressed as part of the development of a housing sector plan is that a set of criteria has to be developed to inform decision making around housing provision . particularly possible green field housing development. This section therefore focuses mainly on the latter, since it is considered that .in-situ. rural housing projects do not affect the status quo . an existing a traditional or an informal dwelling is merely replaced.

### **7.2 FACTORS INFLUENCING GREEN FIELD HOUSING DEVELOPMENT AREAS**

#### **7.2.1 Dense Settlements/Population Density Classification**

It is considered that areas with the highest number of households or population density should be where housing development should first be focused. This includes both green field and .in-situ. housing projects. A concentration of development makes scarce resources accessible to a maximum number of people. This could contribute towards financially feasible development and will allow for the economies of scale with regards to service provision. In addition, population density also plays a significant role in determining where housing development could occur.

#### **7.2.2 Environmental Factors**

No green field Housing Development should be permitted to take place on wetlands, reserves and conservation areas. A large area to the north-east within the municipal area municipality is classified as Private Reserves. A relatively large area to the north-west in the municipal area is classified as .irreplaceable., whilst the area to the immediate north-east of Mnqobokazi node is taken up with wetlands.(see *.Environmental Considerations. Map at the end of this Section*).

Fortunately minimal residential settlement or development has taken place in these areas.

In areas where residential development is adjacent to high potential agricultural land or where residential settlement has already taken place Big Five False Bay Housing Sector Plan July 2009 29

on such land, careful in-situ settlement and agricultural planning should take place and communal agricultural activities should be promoted in order to fully optimize the agricultural potential in the area. No further green field residential settlement should be encouraged.

**7.2.3 Slope Characteristics**

All areas with a gradient of 25% or more should be excluded for green field housing development purposes, due to the higher cost implications (cutting of platforms for top structures, upgrading road networks, etc.) (*See .Slope Characteristics. Map at the end of this Section*).

**7.2.4 Accessibility Factors**

Potential green field Housing Development is influenced by a number of factors, of which accessibility to land, employment opportunities, road infrastructure, community and other facilities, development nodes and bulk service infrastructure (particularly water) are critically important.

A series of *Accessibility Maps* are attached at the end of this Section.

1) Accessibility to Land:  
Three types of land ownership prevails in the study area i.e. privately owned land, state land and land that is vested under Ingonyama Trust. All the settlements in the study area, with the exception of Hluhluwe town, are located on Ingonyama Trust Land. This means that due procedures that relates to development on the Ingonyama Trust land will need to be followed should a decision be made to proclaim these area as townships before housing development take place. At the moment it is understood that the traditional authorities have been part of the working groups for the at least the three approved projects of eight housing projects identified for the study area. Another issue which needs to be taken into consideration is that of land reform and land claims (if any). Attempts have been made to establish whether there are any land claims in Big 5 False Bay Municipality that might impede upon potential future green field housing development. No information on this has yet been received.

2) Accessibility to Employment Opportunities  
The table below depicts the employment status of the economically active sector of the population of Big 5 False Bay (Census, 2001):

**Table 2: Employment Status**

STATUS	TOTAL	%
Employed	3887	52.5
Unemployed	3520	47.5%
Not Economically Active	9467	–

It is alarming, but not surprising, that only 52.5% of the economically active sector of the population of Big 5 False Bay is employed. This is probably as a result of the distance (accessibility) to employment opportunities.

3) Accessibility to Road Infrastructure  
The Western section of Big 5 False Bay is relatively well serviced with road infrastructure. The eastern section, i.e. the traditional authority areas, is relatively well served with a tarred district road (P414) which traverses the western portion of these areas. However, these areas are poorly served with community access road infrastructure. Further, A section along the eastern boundary (which includes Nibela Node) is poorly served with both District and access roads. (*see .Road Infrastructure Map. atthe end of this Section*).

#### 4) Accessibility to Community and Other Facilities

Big 5 False Bay Municipality is not served with a large number of community and other facilities. Such facilities are mainly located in and around the KwamDuku and Mngqobokazi Nodes (*see .Community Facilities. Map at the end of this Section*).

#### 5) Accessibility to Development Nodes

Accessibility to the following development nodes is relatively good:

☑ KwamDuku; and

☑ Mngqobokazi

Accessibility to Nibela Node is considered average.

It should be noted that whilst access to Hluhluwe town is very good, there are no significant settlements or population in the surrounds of the town. (*See .Development Nodes. Map at the end of this Section*).

#### 6) Accessibility to Bulk Infrastructure (particularly Water)

Access to water in the traditional authority areas is relatively good, whilst access to electricity seems to be relatively poor, with the exception of provision thereof to the identified nodal areas, i.e:

☑ Nibela

☑ KwamDuku; and

☑ Mngqobokazi

(*See .Water Supply. and .Electrification Network. Maps at the end of this Section*).

### 7.3 AREAS SUITABLE FOR HOUSING DEVELOPMENT

It is proposed that the following areas be excluded as possible suitable green field housing development sites:

☑ Areas that are further than 30 minutes travel time, by public and other transport, from main roads;

☑ Areas that are further than 30 minutes travel time, by public and other transport, from development nodes;

☑ Areas that are further than 20 minutes travel time, by public and other transport, from facilities and other areas;

☑ Areas where the population density is less than 80 people per km<sup>2</sup>;

☑ Environmentally Sensitive Areas - exclude all wetlands, reserves, private reserves and conservation areas as well as all areas with an Irreplaceability Index > 0.8; and

☑ Slope Characteristics . exclude all areas with gradient >25%.

It should be noted that high potential agricultural land (Class 1,2 And 3) has been excluded from the criteria since it will render more than 75% of the municipal area unsuitable for housing development, whilst the remaining 25% has an Irreplaceability Index > 0.8 (*See .Land Capability Classification. Map at the end of this Section*). The resultant map (*.Suitability Analysis. Map at the end of thisSection*) excluded the above areas, and indicates the areas considered most suitable for housing development. The following deductions can be made:

☑ A relatively large area around KwamDuku node remains available for green field housing development;

☑ An area immediately north of Nibela node is also suitable for green field housing development; and

☑ A small area around Mngqobokazi node is suitable for green field housing development.

It is very interesting to note that the nodal areas seems to be the only areas where green field housing development could take place in the future, given the criteria used to analyse suitable areas.

## 8. MUNICIPAL INSTITUTIONAL ARRANGEMENTS

The Big 5 False Bay Institutional Structure is depicted overleaf. In terms of the current organisational structure, the Manager: Planning & Development is responsible for the housing functions within the municipality. However, the organizational structure makes provision for a Housing Officer who reports to the IDP Manager. This post is currently vacant. This has clearly been identified as a concern since the GIS Officer currently has to fulfill some of the functions that a Housing Officer would normally fulfill.

These functions, *inter alia*, can be summarized as follows:

- ☑ To manage, monitor and evaluate the Implementation of the Housing Sector Plan;
- ☑ To ensure integrated housing development within the municipality; ☑ To co-ordinate line-function responsibilities and actions pertaining to housing development;
- ☑ To maintain a database on all erven and property transfers;
- ☑ To provide technical support on housing related matters;
- ☑ To ensure compliance with national and provincial legislation and policies relating to housing development;
- ☑ Monitor and combat land invasion; and
- ☑ To assist communities and other role players with housing related queries.

It is therefore considered imperative that the vacant post for a Housing Officer be budgeted for and filled.

## **10. INTEGRATION WITH OTHER SECTORS**

As it has been shown throughout this document, an integrated approach to housing development is not just about bricks and mortar. A holistic approach to housing development will take into consideration *inter alia*:

- ☑ Provision of municipal infrastructure and services;
- ☑ Access to social services and economic opportunities; and
- ☑ Alignment of housing plan with other Municipal plans strategies such as the Integrated Development Plan, Spatial Development Frameworks and Land Use Management.

Therefore the delivery of projects must be coordinated between departments, through the Municipality's IDP. This proposed integration is an ongoing process which should inform municipal planning at large and it will require communication amongst the various Municipal Departments and other service providers to ensure that integrated human settlements are developed. The municipal housing official's role is to ensure that all of the departments are aware of the planned and proposed developments and that funding is coordinated to ensure maximum development benefits. At a basic level, this plan should ensure that MIG funding is correctly coordinated with the proposed delivery of housing over the next five years.

Although this plan does give an some indication of the level of services and facilities available in the different communities of Big 5 False Bay, it is hoped that further coordination of relevant sector departments such as education, economic development, social services health etc. will be cultivated so as to ensure that the proposed projects in this plan are implemented in an integrated and sustainable manor.

## **11. CONCLUSION**

The Big 5 False Bay municipality has been progressive in identifying and initiating a number of housing projects in the area. All the projects identified and approved, with the exception of the Slums Clearance Project, are rural in-situ in nature. In being pro-active, the Municipality has, to a large degree, eradicated the housing backlog, particularly in the rural areas. However, in the absence of accurate population figures (discrepancy between Mhealthuze Water 2006 estimates and StatsSA

Community Survey 2007), and resultant from actual counts, in some areas, there still remains some backlogs in the rural areas. This backlog could be anywhere between 500 to 1,500 rural residential dwelling units.

Further, there is an estimated demand of some 140 erven / units formiddle to upper income households in Hluhluwe Town.

#### 9.4 Capital Projects

#### 9.5. Business Plans

The purpose of this section of the report is to provide business plans of the required IDP sector plans to (1) provide information on the content of the required sector plans and (2) to provide motivation for the funding of these sector plans.

## **1. INTEGRATED WASTE MANAGEMENT PLAN**

### **1.1 Background**

The need for preparing a Waste Management Plan is borne in a number of national laws as well as policy and other documents. Some details are provided hereunder:

Section 20 of the **Environmental Conservation Act** – ECA - (Act 73 of 1989) provides for control of environmental pollution while section 21 provides for the control of activities which may have a detrimental effect on the environment. In addition, waste disposal is prohibited from being undertaken (Section 22) without written authorization of the Minister, or an officer designated by the Minister. The ECA also provides that no waste may be discarded at a place other than a disposal site, which has written authorization. The EIA regulations of the ECA also have to be borne in mind.

The **National Environmental Management Act** (NEMA) provides principles directly related to waste management. These relate to, amongst others:

- People's needs must be put at the forefront when matters of environmental management are considered.
- Development must be socially, environmentally and economically sustainable.
- Pollution, environmental degradation, and waste must be avoided minimized or remedied.
- Participation of vulnerable and disadvantaged interested and affected parties must be promoted with community wellbeing, and empowerment also being promoted.
- Chapter 5 of the above Act provides for the investigation, assessment, and communication of activities with potential impacts on the environment.

The following directives originate from the **National Water Act** (Act 36 of 1998) (NWA). The NWA provides major reform of the laws applicable to water resources. Notably, the Act provides for the protection of water resources related to its utility. The Act also defines waste as any solid material with the ability to cause pollution and recognizes the potential for land based activities to affect the status of water resources.

The siting of landfill and waste disposal sites could have a deleterious effect on water resources, and due consideration should be made for this potential when designing these facilities.

Apart from the selected laws above, a number of policies and guidelines are also of relevance. These include:

**White Paper on Integrated Pollution and Waste Management** (IPWM) subscribes to the vision, principle, goals, and the regulatory approach enshrined in NEMA, and is the policy for pollution and waste management for the South African government. Landfills must be seen not only as the final solution to the problem of waste and pollution, but rather be considered as one of the steps in sustainable waste management.

Key issues identified by the policy are that waste disposal sites are a major source of land pollution, notably those sites disposing of hazardous, medical and veterinary waste. Other problems include poor location and management of sites, leachate, illegal sites and poor town planning.

The **KZN Draft Waste Management Policy** (KZN WMP) represents the efforts of the province to take on its responsibility as prescribed in the ECA (Section 24, Act No. 73, 1998) to make regulations with respect to waste management.

The general objective is:

- Registration of waste generators and handlers

- Access to information
- An equitable system of governance, for generators and handlers, with a view to eliminating illegal practices

## **1.2 Purpose of an Integrated Waste Management Plan**

The purpose of preparing an Integrated Waste Management Plan is to reflect the Status Quo (current situation) with regards to solid waste in the Big 5 False Bay Municipality. Emanating from this information key issues and strategic options has to be identified that form the base for the preparation of integrated strategies. The above has to be undertaken to ensure that the environment is protected and that the municipality complies with legislation.

## **1.3 Key Components of the Integrated Waste Management Plan**

At least the following key components have to be addressed as part of the Integrated Waste Management Plan:

1. Information on Waste Quantities and Characteristics
2. Waste Prevention and Minimization Strategies
3. Waste Collection and Transportation
4. Recycling Facilities
5. Waste Treatment Facilities
6. Waste Disposal Facilities
7. Waste Management Resources

## **1.5 Budget and Time Frame**

The preparation of an Integrated Waste Management Plan should be completed in a 6 month time frame and the budget required for such an exercise is R150,000.

# **2. INTEGRATED ENVIRONMENTAL MANAGEMENT**

## **2.1 Background**

One of the key strategic focus areas of the Big 5 False Bay Municipality is to maintain a strong environmental focus by ensuring the sustainability and protection of the municipality's natural resources. A series of plans are proposed to attain this, notably an Integrated Environmental

Programme (IEP), Strategic Environmental Assessment (SEA) and an Environmental Management Plan (EMP).

The preparation of an Integrated Environmental Programme (IEP) should provide the Big 5 False Bay Local Municipality with a decision support tool to evaluate the outcomes of the IDP Process, ISRDP and other related development programmes and projects in terms of its environmental implications, thereby contributing towards a clean, healthy and safe environment. It has a future planning role as well in that it should guide future investors in terms of environmental considerations and requirements associated with planned development projects.

The SEA is a pro-active tool that informs development proposals and is used to assess the effect of the existing environmental and socio-economic conditions on development opportunities and constraints.

An EMP provides a framework for addressing cumulative impacts of ongoing development by way of mitigation, monitoring and management.

## **2.2 Purpose of Integrated Environmental Management**

Given the above, the intention of Environmental Management is to contribute to a sustainable environment by ensuring that critical environmental issues are addressed and also to mitigate the impact of development projects on the environment. As such, alignment with the implementation of other plans and programmes, i.e. the IDP, ISRDP and CMIP is critical.

## **2.3 Key Components of Integrated Environmental Management**

An **Integrated Environmental Programme** should include at least the following components:

- State of the Environment Report (SOER) as a situation analysis or assessment, summarizing and assessing all relevant data on the environment. This SOER should include Key Performance Indicators (KPIs) for monitoring purposes.
- Strategies, Guidelines, Programmes and Projects have to be prepared as part of the IEP. The preparation thereof has to be guided by legislation, principles as well as the IDP vision. The above have to be formulated relating to more general issues such as environmental awareness and also relating to specific stages in the development process.

A **Strategic Environmental Assessment** has, amongst others, the following critical components:

- Focus on environmental sustainability
- Identification of opportunities and constraints which the environment places on the development of plans and programmes
- Sets the levels of environmental quality of limits of acceptable change.

Some of the key components of an **Environmental Management Plan** is provide a description of the methods and procedures for mitigating and monitoring impacts. As such it contains environmental objectives and targets. Other components include:

- Summary of impacts for which mitigation is required
- Description of mitigation measures

- Description of monitoring programme
- Institutional arrangements depicting responsibilities for mitigation and monitoring actions
- Legal enforceability
- Implementation schedule and reporting procedures

## **2.4 Scope of Work**

The following outline scope of work is proposed for the Integrated Environmental Programme component of the work:

### **1 Environmental Profile of the Municipal Area**

A SOER at least including information on (1) the Biophysical Environment, (2) Social Environment, (3) Land Use and Infrastructure, (4) Economic Profile

### **2 Priority Issues/Problems and Baseline Information**

Identification of specific environmental issues/problems relating to at least the following:

- IDP Issues, Objectives and Projects in relation to their environmental impact.
- Environmental issues/projects not directly related to municipal activities such as mining and farming.
- Baseline, measurable information must be gathered for each issue.

### **3 Impact Measurement**

It is important to measure and indicate the impact of activities on the identified environmental issues/problems and to develop future scenarios if such activities continue. The scenarios must enable the Municipality to make informed decisions about their activities and the impact thereof on the Environment.

### **4 Strategy Formulation and Projects**

Considering all of the above, possible methods to deal with the issues/problems and to facilitate the implementation thereof have to be identified. Also includes the following:

- Policy guidelines to limit environmental impact
- Risk assessment
- Recommendations to improve on existing sector plans

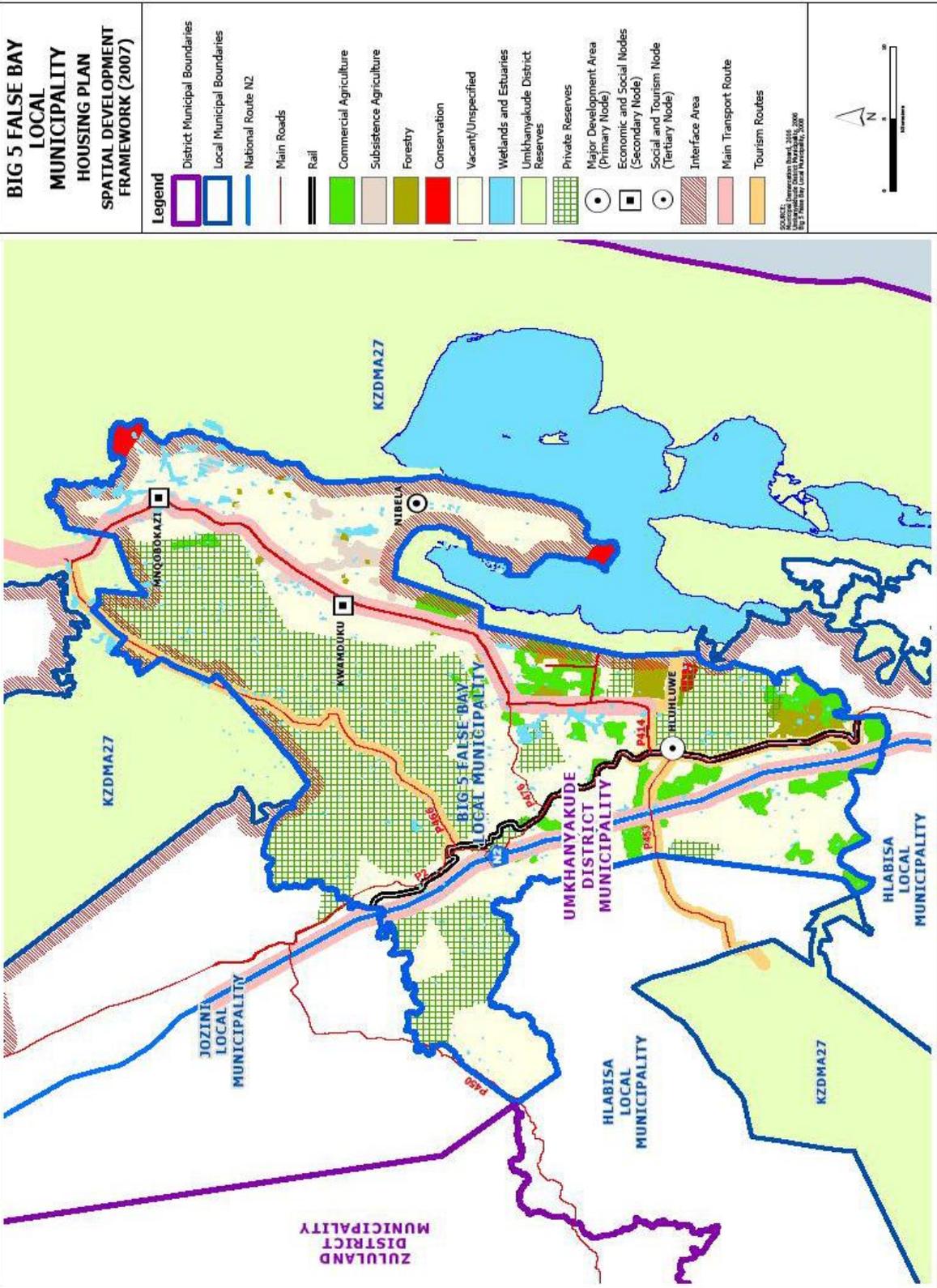
### **5 Project Implementation Programme**

Ensure projects are implemented and recommendations regarding institutions or structures.

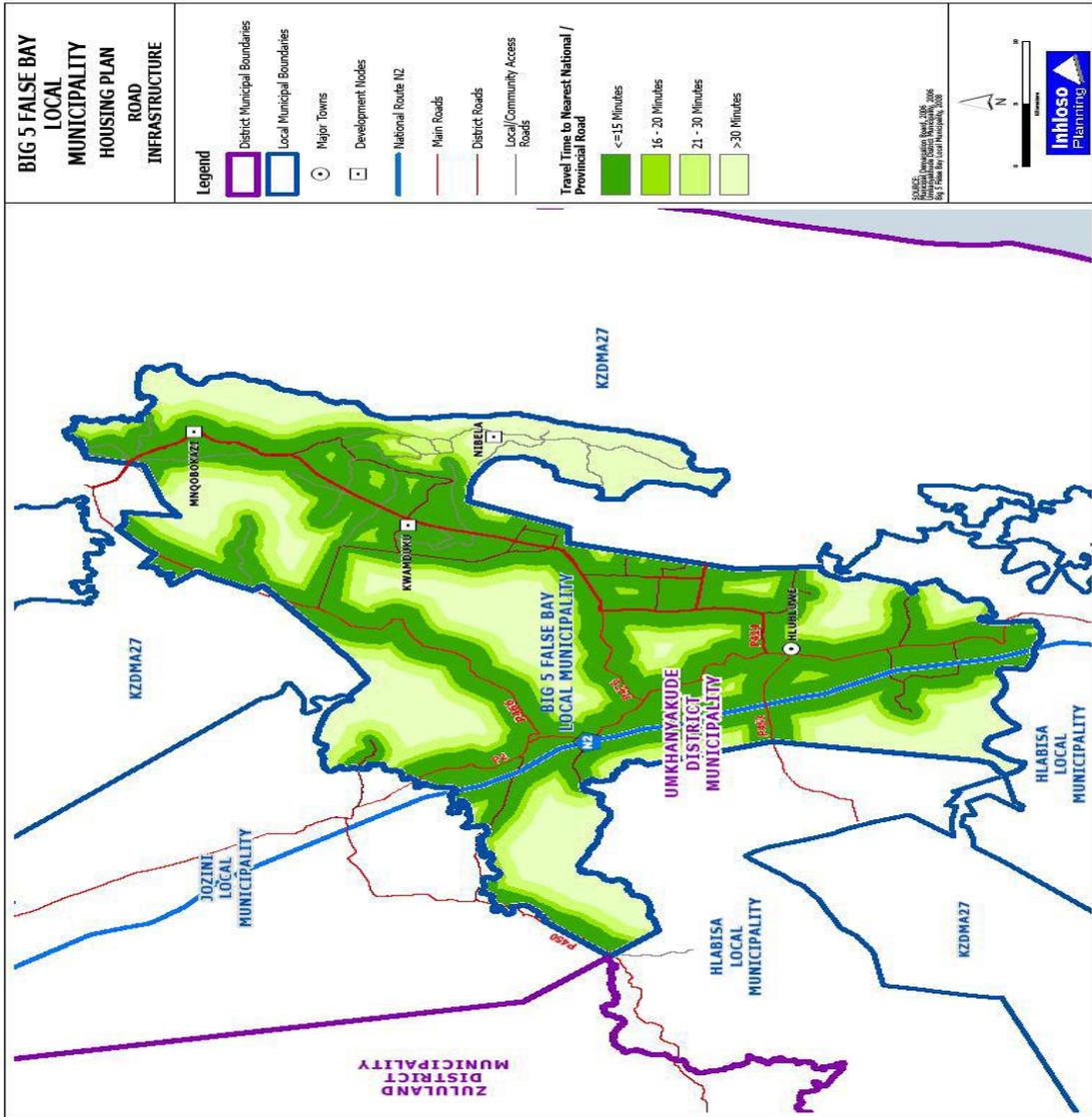
Includes identification of financial and funding requirements.

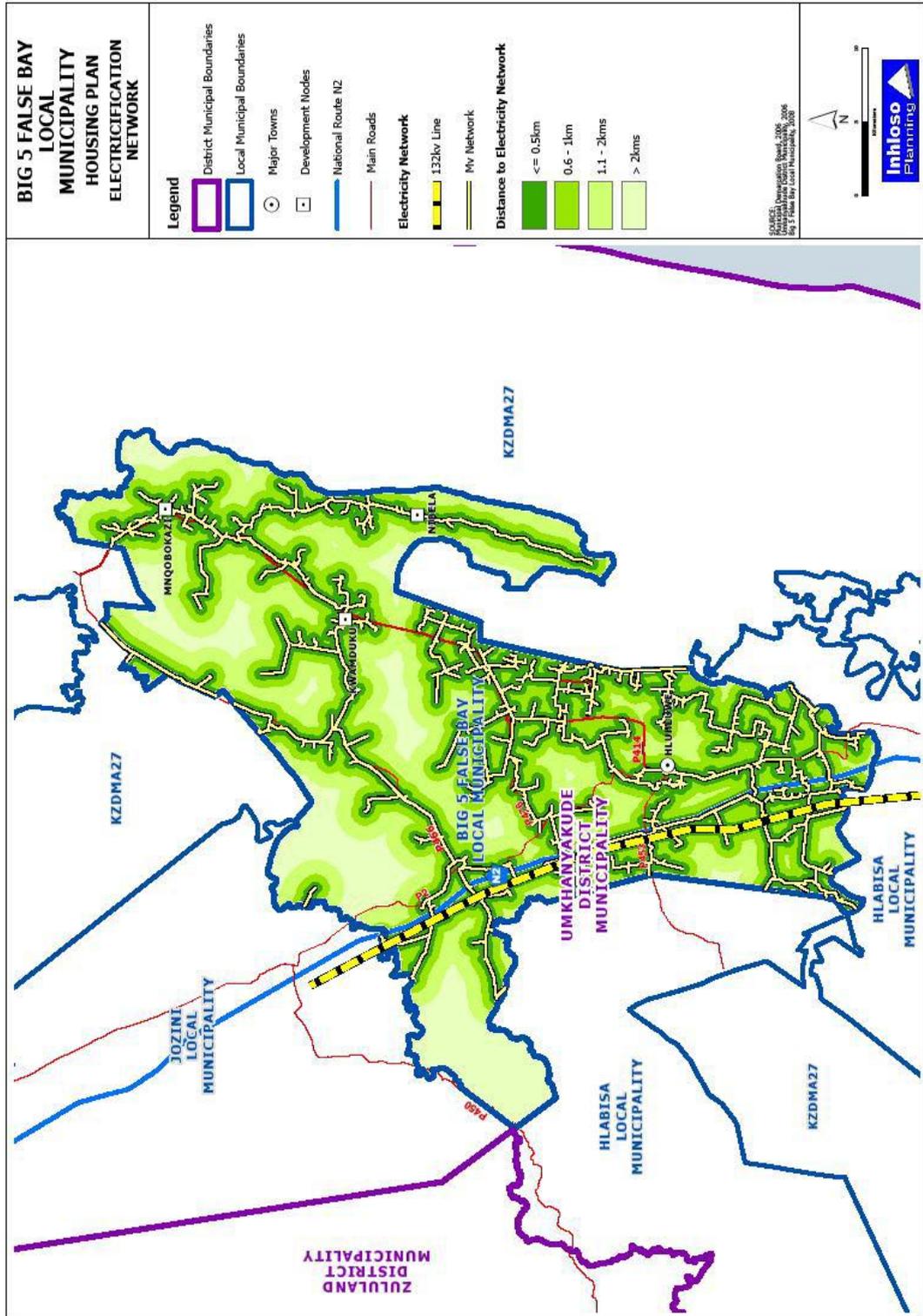
## **2.5 Budget and Time Frame**

The preparation of the Integrated Environmental Management series of plans for the Big 5 False Bay Municipality should be complete within 10 months and the budget requirement is R200,000.









## **Chapter 10**

# **FUNDED Capital Projects and Areas Of Required Intervention By Sector Departments**

This Section Will Deal with FUNDED PROJECTS and Sector Department Responsibilities in relation to the Identified COMMUNITY NEEDS

The Following Community needs were Identified for 2010/2011, comparative to the 2009 needs. *(The Responsibilities of the Big 5 False Bay municipality is in highlighted Italics)*

Ward 1 : Makhasa

2009 Community Needs (Top 10)	2010 Community Needs (Top 10)
<ul style="list-style-type: none"> <li>• Electricity</li> <li>• Police Station</li> <li>• MPCC</li> <li>• High Schools</li> <li>• Health facilities Upgrade</li> <li>• <i>Crèches</i></li> <li>• Matric Finishing School</li> <li>• FET/Technical Training Facility</li> <li>• Orphan Care</li> <li>• Old-Age Home</li> <li>• <i>Community Hall</i></li> </ul>	<ul style="list-style-type: none"> <li>• Electricity</li> <li>• Police Station</li> <li>• Cattle dams</li> <li>• Taxi rank</li> <li>• MPCC</li> <li>• Matric finishing school</li> <li>• Sanitation</li> <li>• <i>Community hall</i></li> <li>• Orphan care centre</li> <li>• <i>Crèche</i></li> </ul>

**Ward 2 : Mngobokhazi**

2009 Community Needs (Top 10)	2010 Community Needs (Top 10)
<ul style="list-style-type: none"> <li>• Electricity</li> <li>• Schools</li> <li>• Water</li> <li>• Clinic Upgrade</li> <li>• Welfare office access</li> <li>• Dipping Tanks</li> <li>• <b>Market stalls</b></li> <li>• Matric Finishing School and Adult Literacy</li> <li>• Police Station</li> <li>• Dams for Cattle</li> </ul>	<ul style="list-style-type: none"> <li>• Electricity</li> <li>• Access roads (District Roads)</li> <li>• High school</li> <li>• Police station &amp; Access to Policing facilities</li> <li>• Finishing school and FET</li> <li>• <b>Crèche (Bhekani area)</b></li> <li>• Cattle dams</li> <li>• Clinic upgrade</li> <li>• Water connection</li> <li>• <b>Community hall (Nukamkhonto area)</b></li> </ul>

**Ward 3 : Hluhluwe & Commercial Farms**

2009 Community Needs (Top 10)	2010 Community Needs (Top 10)
<ul style="list-style-type: none"> <li>• Effective Policing &amp; Crime prevention</li> <li>• <b>Upgrading of Roads / Access</b></li> <li>• Clinic</li> <li>• <b>Crèches (Phumlani)</b></li> <li>• Welfare Offices access</li> <li>• <b>Informal Trader Market Stalls (Main Road)</b></li> <li>• Highschool/FET's / Technical Skills Centre</li> <li>• <b>Storm Water Management</b></li> <li>• <b>Refuse Removal</b></li> <li>• MPCC's / Social Service Centres</li> </ul>	<ul style="list-style-type: none"> <li>• Water bourn sewerage and ponds</li> <li>• <b>Refuse removal site</b></li> <li>• High school in Hluhluwe</li> <li>• <b>Maintenance of streets, circles, and street lights</b></li> <li>• <b>Informal trade market</b></li> <li>• <b>Public Ablution facilities</b></li> <li>• DOT roads (Bushlands North/south)</li> <li>• <b>Crèche (Phumlani area)</b></li> <li>• <b>Housing for low income and middle income</b></li> <li>• Water Quality.</li> </ul>

**Ward 4: Nibela**

2009 Community Needs (Top 10)	2010 Community Needs (Top 10)
<ul style="list-style-type: none"> <li>• Water</li> <li>• Electricity</li> <li>• Matric Finishing School and Adult Literacy</li> <li>• Clinic</li> <li>• <b>Market stalls</b></li> <li>• <b>Community Centre</b></li> <li>• Cell masts</li> <li>• Dipping Tanks</li> <li>• Police Station</li> <li>• Dams for Cattle</li> </ul>	<ul style="list-style-type: none"> <li>• Electricity</li> <li>• High School</li> <li>• <b>Community Hall/ Centre</b></li> <li>• Mobile Clinic Shelter &amp; Facilities</li> <li>• Dam For Cattle</li> <li>• Matric Finishing School</li> <li>• Library</li> <li>• Old Age Home</li> <li>• Cell Mast/ Tower</li> <li>• <b>Crèche</b></li> </ul>

**1. Implementation Plan (Core Functions) – Confirmed Funded Projects – 2009/ 2010/2011**

**(Note that Projects completed in 2009/2010)are highlighted**

Community need	Priority Ward	Project	Total Budget	Strategic Focus area	Implementation Quarter (2009/2010)				Responsibility	Funding Source
					Q 1	Q 2	Q 3	Q 4		
Crèches	1	Makhasa Crèche (	1,641,000	1,2,3	X				Technical	MIG
	3	Phumlani Crèche (Registration & Business Planning)	2,500,000	1,2,3,		X			Technical	MIG
Community Halls	3	Phumlani Community Hall	2,360,000	1,2,3	X				Technical	MIG
	1	Makhasa Community Hall (Construction Completion)	2,360,000	1,2,3				X	Technical	MIG
Market Stalls	4	Nibela (Ezimpfondweni) Market Stalls (	819,000	1,2,3		X			Technical	MIG
	2	Mnqobokazi Market Stalls (	819,000	1,2,3		X			Technical	MIG
	3	Hluhluwe Main Road Market Stalls)	900,000	1,2,3			X		Technical	
Roads, Ranks & Bridges	3	Phumlani Main Road (construction completion)	7,035,000	1,2,3				X	Technical	MIG

	2	Mnqobokazi Community Access Roads (Construction completion)	4,500,000	1,2,3			X		Technical	MIG
	4	Nibela Community Access Roads (Construction completion)	3,250,000	1,2,3			X		Technical	MIG
	1	KwaMduku Pedestrian Bridge(Registration & Business Plan)	2,000,000	1,2,3				X	Technical	MIG
	3	Hluhluwe Taxi Rank(Registration & Business Plan)	4,500,00	1,2,3				X	Technical/ Dev & Plan	MIG
Storm Water	3	Phumlani Storm Water Drainage (registration & Business Plan)	3,000,000	1,2,3		X			Technical	MIG
Street Lighting	3	Hluhluwe & Phumlani Street Lights (Registration & Business Plan)	20,000,000	1,2,3			X		Technical	MIG
Land Fill/ Refuse removal	3	Hluhluwe Land fill site (registration & Business planning)	9,800,000	1,2,3			X		Technical	MIG
Municipal Buildings		Expansion of municipal office building, site development and parking: ((Registration &	3,300,000	1,2,3			X			

		Business Plan)								
Sport & Recreation	3	Phumlani Sports Field (Construction Completion)	1,500,000	1,2,3	X				Technical	Dept. Sport & Recreation
	1	Makhasa Sport Complex (Construction Initiated)	2,500,000	1,2,3		X			DC27/ Technical	DC27, MIG
	4	Nibela Sport Complex (top-up funding Registration & Business Plan)	3,000,00	1,2,3			X		Technical	MIG, Spanish Government
	2	Mnqobokazi Sport Field (Completion)	860,000	1,2,3			X		DC27	DC27
Housing	1	Makhasa Rural Housing (Project Completion)	55,000,000	2,3			X		Dev & Planning	DoH
	2	Mnqobokazi Rural Housing (Project Completion)	55,000,000	2,3				X	Dev & Planning	DoH
	4	Nibela Rural housing (Project continuation)	55,000,000	2,3	X				Dev & Planning	DoH
	3	Phumlani Slums clearance project (Development Approval and Project commencement)	28,000,000	2,3				X	Dev & Planning	DoH
	1	Makhasa Womens Project (Handover)	100,000	3			x		Dev & Planning	Big 5

	2	Mnqobokazi Youth Project (Handover)	100,000	3			X		Dev & Planning	Big 5
	3	Phumlani Youth Project (Handover)	100,000	3			X		Dev & Planning	Big 5
	4	Nibela Womens Project (handover)	100,000	3			X		Dev & Planning	Big 5

#### DC 27 Project Budget for Big 5 False Bay

Makhasa Sportfield	KZ 273	R	16 574 508	R	943 357	MIG
Hluhluwe 3 (WATER)	KZ 273	R	23 000 000	R	3 322 824	MIG
Phumlani stormwater	KZ 273	R	1 200 000	R	846 522	MIG
<b>Total</b>		<b>R</b>	<b>40 774 508</b>	<b>R</b>	<b>5 112 703</b>	

#### Electricity (Eskom)

- Makhasa ward 01 – 1500 new self build connections (± R 15 mil funded by the Big 5 False Bay Municipality, Makhasa Tribal Authority and Umkhanyakude District Municipality)

(note: No budget is currently available from Big 5 False Bay for the project, as stated by Eskom)

### 1. Sector Involvement (NON-Core Functions) – Critical Interventions

Community need	Priority Ward	Project	Strategic Focus area	Responsibility
Electricity	1, 2, & 4	Grid Expansion and Reticulation to nodes and surrounding areas	1	Eskom, DME
	3	<b>Urgent:</b> Reticulation Extension 4, Industrial area and Phumlani (350 sites)	1	Eskom, DME
Water	2, 4	Reticulation: RDP Standards	1	DC27, DWAF
	3	Improved Water supply and Quality. Reticulation to	1	DC27, DWAF
High Schools	3, 1, 2	Urgent need for Highschool in Hluhluwe and 1 more in Makhasa and Mnqobokazi & Nibela	2	DoEducation
Police Station/ Improved Policing & Crime prevention	3	<b>Urgent:</b> Upgraded facilities, More effective response times, staff competence and increased vehicular capacity	2, 6	SAP, Dept of Defence
	1,2,4	Re-alignment of Police districts, mobile police units at Makhasa, Mnqobokazi and Nibela, vehicular capacity.	2, 6	SAP, Dept of Defence
MPCC	1, 3,	(MPCC) Thusong centres at Hluhluwe and Makhasa	2, 6	Premier, DoWorks, DoSocial Welfare, DLGTA
Clinics, Health facilities	3, 4	<b>Urgent:</b> Clinic at Hluhluwe/Phumlani and Nibela	2	DoHealth
	1, 2	Upgraded Clinic Facilities at Kmaduku, Ezimpondweni and Mnqobokazi	2	DoHealth

Matric Finishing Schools/FET training Facilities/ ABET	1,2,4	Facilities to re-take and complete grade 12 at Makhasa, Nibela and mnqobokazi	2	DoEducation
	3, 1	FET training facilities in Hluhluwe/Phumlani and Makhasa	2	DoEducation, DoWorks
	1,2,3,4	Adult basic Education in all wards (Nibela being dealt with)	2	DoEducation
Orphan Care & Old Age home	1, 3	<b>Urgent:</b> Orphanage at Hluhluwe/Phumlani and Makhasa, Old Age home at Makhasa & Phumlani	2, 6	DoSocial Welfare, DoHealth, DoWorks
Dams for livestock, Dipping tanks	2, 4	Fresh water dams for livestock at Nibela and Mnqobokazi	1,2	DoAgriculture, DC27, DWAE
	4	Dipping tanks for livestock	1,2,	DoAgriculture,