

Integrated Development Plan



**Endumeni
Municipality
2012/2017**



**ENDUMENI MUNICIPALITY IDP 2012/2017
FOREWORD BY HIS WORSHIP THE MAYOR,
CLLR T. M. MAHAYE**

The period 2012/2013 to 2016/2017 introduces not only the third generation of the IDP process in all Local Authorities of the Republic of South Africa, but also brings about the third phase of political leadership in Local Government for the next five years.

In order to identify the needs of the Endumeni Municipality and also to establish the current status so as to determine its future desires, it is incumbent upon all the various stakeholders from the business sector, industries, government departments and other organized interest groups to formulate a strategy specifically aimed at providing municipal services and regenerating the economy of the Endumeni area and its surrounds.

The aim of this IDP strategy is to make Endumeni a regionally competitive area by means of creating a realistic, positive, vibrant and economically successful and sustainable area, with strong links with the Umzinyathi District, other surrounding districts and their respective local municipalities. To achieve this aim we are faced with serious challenges due to the fact that the Endumeni is predominantly a dormitory area with minimum industrial and commercial opportunities and we must ensure our survival through harsh economic times with minimum resources and support. The strong point though is that Endumeni is centrally situated in Northern KwaZulu-Natal and this has benefitted the Municipality into encouraging most Government Departments including the Umzinyathi District Municipality into setting up office at Endumeni. This trend must most certainly continue and by doing so our hope for economic survival can materialize to becoming a reality.

Our approach to the IDP process for the next five years needs to encompass a concerted effort to stimulate Local Economic Development in Endumeni, to ensure improvements in infrastructure and services, provide adequate and quality housing for the poor and destitute, structure the workforce to be aligned to meet the desired services required for this area, to ensure financial viability, to reduce outstanding debt, engage the community through a organized and co-ordinated community participation process and to ensure good and clean governance aimed at improving the lives of all Endumeni residents. In doing so we seek to review our Vision and Mission statement which will be streamlined to direct the Endumeni Municipality into successfully achieving the aforementioned aims and goals.

The IDP process must also ensure alignment to the Nationally determined Key Performance Areas as outlined in the Local Government: Municipal Planning Performance Regulations (2001) and must achieve the following strategic objectives as listed below:

- ◆ Municipal Transformation and Organizational Development;
- ◆ Infrastructure Development and Service Delivery;
- ◆ Local Economic Development;
- ◆ Municipal Financial Viability and Management; and
- ◆ Good Governance and Public Participation.

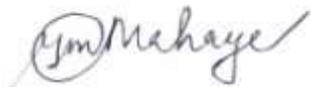
The IDP process is a participative, interactive and dynamic process, which is used in developing a high level 5-year strategic plan for the municipality. The IDP process presents

the Endumeni Municipality with an opportunity to involve the public in establishing a realistic, sustainable developmental process and methodology that will move the municipality towards becoming a developmental local authority as required by legislation.

As the Mayor of the Endumeni Municipality, I took the initiative in November 2011 to spearhead the process of public consultation so as to engage the community on what they see as priorities for the Council to achieve on their behalf. This initiative has paid dividends by the involvement of all six wards of Endumeni whereby the community at large was provided with the platform to ventilate their desires and expectations to the Council to act on their behalf and to take appropriate decisions on service delivery. This community participative approach must continue on a regular basis so that the political office bearers can be in line with the community it serves and provide designated services and aligning them to provincial and national goals.

With the abovementioned comments setting the pace for the 5-year IDP process, I conclude by saying that we are determined to succeed.

I thank you!

A handwritten signature in black ink, appearing to read 'T M Mahaye', enclosed within a faint circular outline.

CLLR T M MAHAYE
MAYOR: ENDUMENI MUNICIPALITY

**ENDUMENI MUNICIPALITY IDP 2012/2017
FOREWORD BY THE ACTING MUNICIPAL MANAGER,
P G MABILISA**

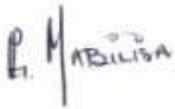


The year 2011/2012 saw newly elected councillor's inducted and further witnessed the Presidency, the highest office in the land, place a sustained focus on the local sphere of government. This was occasioned by the communities' unhappiness with the slow pace of service delivery. This focus brought a plethora of intervention aimed at making service delivery at local level a collective governmental responsibility, the most tangible being the development and implementation of a Municipal Turn-Around Strategy (MTAS) aimed at primarily dealing with identified weaknesses. Appropriate legislative amendments are being promulgated to ensure that municipalities employ the necessary skills and expertise to deliver on their functional mandates. Whilst we were not found to be languishing at the 'bottom of the pile', we were found to be experiencing certain challenges that were hindering our ability to be a seamless delivery mechanism. The provision of basic housing still remains our primary challenge which is hindered as a result of a failure of Authorities to provide Water & Sanitation to such developments, together with rural development. These two priorities have been addressed in the 2012 2016 IDP and it is hoped that subsequent progress will be realised. Our approach to service delivery, especially the provision of infrastructure, should be informed by the model followed in delivering our world class stadia and all attendant services for the Soccer World Cup.

Decision-making was quick and infrastructure was delivered in record time. This ethos of working to non-negotiable timeframes should be mandatory for deliverables and milestones in government, especially local government. Whilst our third consecutive unqualified audit report would suggest a commitment to good corporate governance, unnecessary matters of emphasis brings to the fore some lapses in commitment. The Auditor General is convinced we can achieve this by 2013, a challenge we are vigorously pursuing is to enhance revenue streams via improved payment rates for services charges and taxes owed to Endumeni Municipality. A fundamental shortcoming in the local government revenue collection arm shall be solved. Unfortunately, the cost of legislative compliance in planning is prohibitive in that not many resources are available to deliver the services to our communities. The allocation of resources must be in direct proportion to the value they bring to beneficiary communities.

The preparation of the 'new' IDP must be needs-driven and more community-generated. The content must be practical, implement able and add value and special focus in public participation should be the productive involvement of all our rural communities. The global economic upheaval in the last few years has created awareness for municipalities to plan for such occurrences and to ensure financial sustainability. We have limited our exposure to external loans and are in the process of creating a sustainable financial platform. Given the demanding and multi-faceted nature of local government, we must ensure that we have the necessary skills and expertise to deliver on our mandates. The minimum competency levels, as prescribed by National Treasury, must be achieved. Poor performance and mediocrity by senior management cannot be "accepted if municipalities are to become centres of excellence in service delivery.

Seeking to mirror Cabinet's acknowledgement that local government is everyone's business, we must engineer our systems to ensure that we are the nucleus of the service delivery mechanism to make a difference for the better in the lives of all our communities. Finally, it is appropriate and relevant to acknowledge the present political leadership in the drafting of the new third generation IDP to be adopted under their stewardship. All our administrative actions were tempered with sound political leadership and oversight which assisted us to find local solutions for local challenges. Human existence, by its very nature, is interdependent and, therefore, our functioning as a local sphere of government is always reliant on the support of many role-players and stakeholders, to whom we will always remain grateful.

A handwritten signature in black ink, appearing to read 'P. G. MABILISA'.

P G MABILISA
ACTING MUNICIPAL MANAGER

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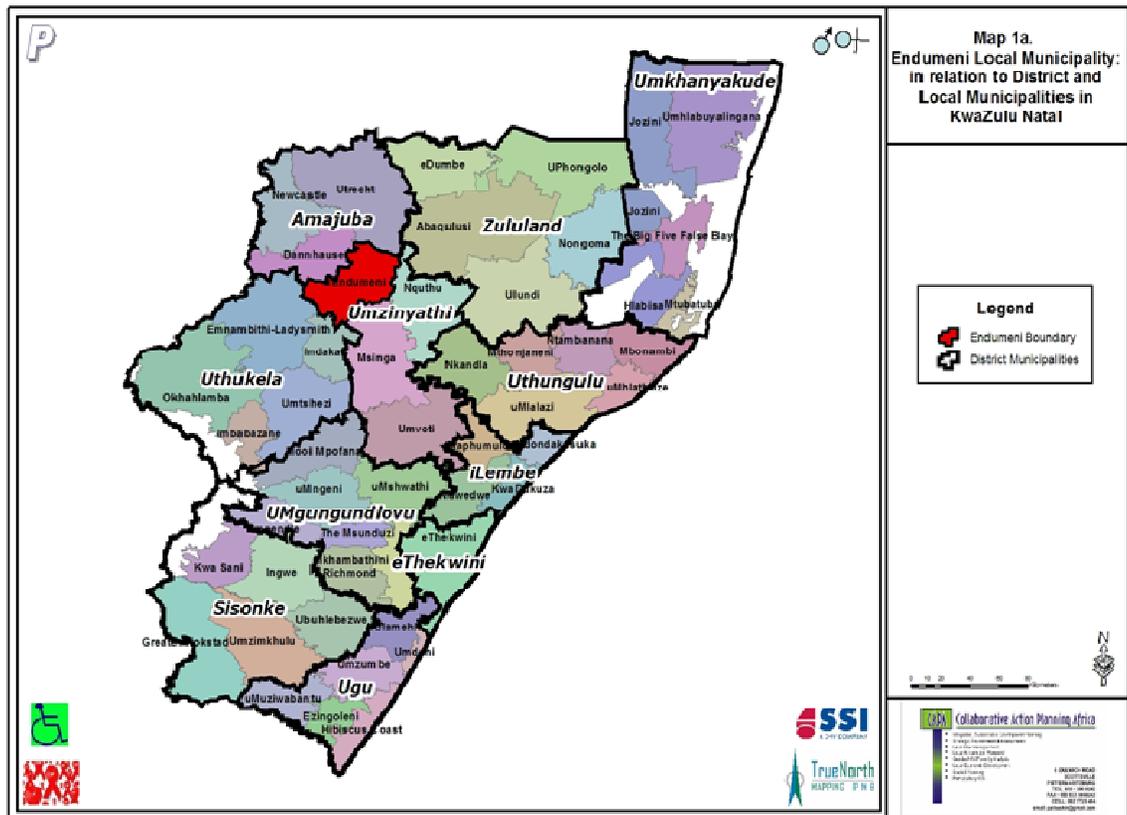
A - EXECUTIVE SUMMARY



A1 INTRODUCTION

Geographical area

Endumeni Municipality is located 360 kilometers South East of Johannesburg and 290 kilometers North of Durban. The area is in the Biggarsberg Valley in the foothills of the Drakensberg. The Municipality is generally accessed by turning off the N3 highway onto the N11 then proceeding onto the R68 into the Municipal area.



Endumeni municipal area is one of four local authorities forming the uMzinyathi District Municipality. The local municipalities comprising the District are:

- Endumeni (KZ 241)
- Nqutu (KZ 242)
- Msinga (KZ 244)
- uMvoti (KZ 245)

Endumeni has the smallest population but the largest economy of the local authorities in the District, focusing as it does on the main urban areas of Dundee and Glencoe.

For detailed locality maps of the area and a list of the farms of which the area is comprised, reference should be made to the above-mentioned document.

Summary of Key Information pertaining to Endumeni

Demographic/Social Issues

The Endumeni Municipality (KZ 241) comprises the towns of Dundee, Glencoe and Wasbank, together with a number of farms astride MR 33, MR 68 and DR 602. It should be noted that no Ingonyama Trust land is located within the Municipal Area.

The population of the Local Authority area, as determined in the 2007 census, was 53025 people, of which 70,1% were of African origin. The gender split was relatively evenly balanced at 50, 95 for females to 49, 02 for males. The majority of the population (59%) was under the age of 29 years old, with 32% being of school going age at between 5-19 years of age. Despite the large percentage of very young people, the population pyramid does not indicate the normal situation of a large base with most people being in the youngest age groups (under 4 years). In this instance, there are more people in the age group between 5 and 10 years, than 0 to 4 years. It is apparent that the higher infant mortality rate can be directly related to the HIV/AIDS pandemic. This is supported by the fact that the adult population in the 20-29 year age group is also disproportionately small.

15% of the population of Endumeni has no education. This comprises mainly those over the age of 50 years. A relatively high percentage (14%) of the population of the Municipal area has a senior certificate, tertiary or other higher education. This augurs well for the future economic development of the area. There is nonetheless a shortage of schools to serve the education needs of the area's population.

Per capita income is generally low, with 54% having no income, and 25, 55% earning less than R18 000 per annum.

Over 75% of the population of Endumeni lives in formal urban housing, whilst another 10% of the community lives in informal housing in Endumeni. Thirteen Percent of the population lives on rural farms in the area. Present estimates are that an additional 1750 sites are required.

Service Infrastructure

As regards infrastructural services, approximately 72, 4% of the population has access to portable water, whilst 77% of households have flush toilets. 66% of households within Endumeni are also supplied with electricity. In comparison to rest of the District Municipality, the people of Endumeni are generally significantly better off in terms of access to service infrastructure.

Moreover, 84% of the population has good access to telephone services either within their dwellings or nearby.

The Municipal area is well connected by rail, being served by both the main line between Durban and Johannesburg which passes through Glencoe, and a spur line which links Glencoe to Dundee and Vryheid, and from where it links to the Richards Bay/Gauteng mainline.

It is also well served by a network of inter- and intra-regional transportation routes, which includes links to Ladysmith, Newcastle, Dannhauser, Vryheid and Greytown via Pomeroy and Tugela Ferry, as well as links to Nqutu and beyond.

The standard of roads throughout the Dundee area is high, there being a 100km of the surfaced road, with only approximately 10km not being surfaced, primarily in the smallholdings area.

In the Glencoe area, approximately 60km of road is surfaced, with about 30km not being surfaced.

Conventional road storm water drainage exists in most of the urban areas.

There is however, a need to focus on the upgrading of rural access roads within Endumeni.

The urban areas are well serviced with regard to refuse removal; with 90,6% of the population have a weekly or other type of municipal refuse removal service. A new regional solid waste disposal site is under construction at Glencoe.

As regards Cemeteries, there are cemeteries located in Dundee, Sibongile, Glencoe, Sithembile and Wasbank.

The Dundee/Sibongile cemetery still has approximately 12 000 available sites, with an expected life of 20 years, whilst Glencoe/Sithembile and Wasbank have 5 000 sites, with an expected life of 5 years; and 1 660 sites, with an expected life of 20 years respectively.

Since the cemetery at Sithembile is likely to be full in 5 years, this might necessitate an extension of this or on or more of the other cemeteries in the relatively near future.

Economic Matters

The key economic sectors in terms of the 2007 Census data within Endumeni included:

➤ Social Services		22,16%
➤ Trade	-	13,64%
➤ Private household/domestic workers		13,49%
➤ Farming	-	9,57%
➤ Manufacturing	-	7,39%
➤ Business Services	-	4,93%

- Construction - 4,5%
- Transport - 4,48%
- Mining - 1,47% and
- Utilities 1,03%

This highlights the dominance of the service centre nature of the local economy, with the social services and trade sectors comprising 35% of the economy. It also highlights that Endumeni has a relatively well diversified local economy.

Tourism in particular, contributes significantly to the economy of Endumeni. This is dominated by cultural tourism, bearing in mind that Dundee is centrally situated to a number of Anglo-Zulu and Anglo-Boer war battlefields. The local Museum, Talana Museum, is one of the foremost museums in the country. Dundee forms a pivotal part of the northern KwaZulu-Natal tourism route, as well as itself being a tourist destination.

It is also abundantly clear that the dominance of the mining and agricultural sectors of the early days is long gone.

This provides an overview of the context within which the review of this IDP is founded.

A2 ISSUES

Issues were identified throughout the IDP processes and were confirmed by management, councillors and the community as applicable, namely found in the six different KPA's of the IDP. Conclusive SWOT analyses were also taken of the individual KPA's:

TABLE 2: IDP Priority issues

Priority	Issue	Section in the IDP
1	Basic Service Delivery	Section B and C
2	Local Economic Development	Section B and C
3	Good Governance and Public participation	Section B and C
4	Municipal Institutional development and transformation	Section B and C
5	Municipal financial Viability and management	Section C, D, E, I and J
6	Spatial Planning and Environmental Management	Section B, D and E

A3 OPPORTUNITIES

Endumeni has the smallest population but the largest economy of the local authorities in the District, focusing as it does on the main urban areas of Dundee, Glencoe and Wasbank. The area is in the Biggarsberg Valley in the

foothills of the Drakensberg. The Municipality is generally accessed by turning off the N3 highway onto the N11 then proceeding onto the R68 into the Municipal area that is the heart of the Battlefields.

The locality of the Municipality opens up various opportunities such as the expansion of the agricultural sector through agro processing and beneficiation of products, as well as tourism, trade and transport opportunities. The following projects of growth potential have been identified in the IDP, namely:

- Battlefields Route
- Talana Museum
- Sport - Rural Horse Riding Festival
- Annual Biltong Festival
- Annual Fly Inn - Battlefields Country Lodge
- Meat Processing Plant
- Biogas Energy Plant

A4 IMPROVEMENTS

Basic to the strategic actions aiming at improving delivery are the key performance areas that underpin “a credible IDP”. In this context, preliminary assessment process, each national KPA is briefly addressed in turn in this executive summary as called for in the March IDP review process.

The municipality then went a step further by highlighting the “matters” raised by the MEC of Cooperative Government and Traditional Affairs (COGTA) by then identify “action to be taken” as follows.

KPA	MATTER	ACTION TO BE UNDERTAKEN
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	<ul style="list-style-type: none"> • There is no indication whether the policies and plans are being implemented, whether any problems or challenges are experienced and how these have contributed towards institutional development and municipal transformation. • In order to improve on the Institutional plan and its implementation, I advise that a proper SWOT analysis of your institution should be included in the plan through which key issues and challenges can be identified. A clear action plan on how to address such issues and challenges also need to be 	<ul style="list-style-type: none"> • Policy / Plan matrix showing status of individual policies included in the Institutional Plan. • SWOT Analysis done and included in the IDP.

	<p>reflected in the plan.</p> <ul style="list-style-type: none"> • There are no indications on how well the Municipality's powers and functions are performed. Please provide an indication of this in your new IDP which you are currently preparing. • Include at least a draft organisational scorecard. 	<ul style="list-style-type: none"> • Matrix of Powers and Functions showing the level of functionality. • PMS Scorecard included.
LED	<ul style="list-style-type: none"> • There is no reflection of the proposed LED interventions and projects in the Municipality's IDP Review Objectives and Strategies. Ensure that there is full alignment between your LED Plan and your Objectives and Strategies. 	<ul style="list-style-type: none"> • The current LED Review is taking into cognisance. These comments will be
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	<ul style="list-style-type: none"> • no clear SWOT analysis have been undertaken in order to identify the key challenges and issues that your Municipality faces with regards to service and community facilities provisioning. Please ensure that this is addressed in your new IDP. • You are encouraged to ensure that the Capital Investment Plan (CIP) is linked and incorporated into your strategies and objectives for the new 2012/2013 to 2016/2017 IDP. 	<ul style="list-style-type: none"> • SWOT Analysis undertaken and included in IDP • Capital Investment Plan in Progress and will be included in final IDP
FINANCIAL VIABILITY AND MANAGEMENT	<ul style="list-style-type: none"> • I advise you to ensure that both the Financial Plan and Revenue Enhancement Strategy are implemented. In this regard, a report back on their respective implementation status and results need to be provided in your IDP for 2012/2013 to 2016/2017. • You are encouraged to provide in future IDPs, the latest AG Reports together with your response thereto. 	<ul style="list-style-type: none"> • To implement phase 2 and phase 3 of the Revenue Enhancement Plan. • The reports have been completed
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	None	None

<p>SPATIAL DEVELOPMENT FRAMEWORK</p>	<ul style="list-style-type: none"> • Although the SDF contains a land capability analysis, it does not include sufficient social and infrastructural spatial analysis. I have noted that your SDF does not include an implementation plan, or a tangible linkage to the municipality Capital Investment Framework. Furthermore, there is little evidence of planning integration with surrounding municipalities and I recommend that this should be addressed in the review of your SDF. • A comprehensive assessment of your SDF, with specific recommendations was compiled by my department and it is recommended that future reviews of your SDF take cognisance thereof. You are lastly reminded in terms of the KwaZulu-Natal Planning and Development Act, 2008 (Act No. 6 of 2008) (KZN PDA), that your municipality is required to formulate and adopt a municipal wide LUMS, aligned to your IDP and SDF, by 1 April 2014. 	<ul style="list-style-type: none"> • Comments from the MEC and COGTA's Spatial Unit have been taken into consideration and attended to. • Sustainable human settlement approach to housing projects. • Geo-referencing of capital investment projects • Endumeni under the UMzinyathi DM umbrella participated in the Northern Regions Alignment Meeting coordinated by COCGTA.
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Endumeni Performance Management System

Endumeni Local Municipality has finalised and reviewed its Organisational Performance System as required in terms of Chapter 6 of the Municipal Systems Act, 32/2000. The documents which have been developed as part of the process are as follows and consideration is currently being given to the conversion to an electronic system:

- Organisational and Departmental Score Cards
- PMS policy
- PMS Framework
- Individual Performance plans
- Individual Performance Agreements

The Organisational and Departmental scorecards contain strategies in line with SALGA guidelines and are further compliant with the Provincial Growth and Development Strategy.

It has been recommended that the Performance Plans that have been developed for Section 57 Managers be made applicable to all employees. However, to date Endumeni Municipality Performance Management System has been refined to include a system of individual staff appraisals as contemplated per section 67 of the Municipal Systems Act.

A5 FIVE YEAR ACTION PLAN AND KEY PERFORMANCE AREAS

Basic to five year action programme are the projects which have been reviewed and are shown in **Section G**. The process of reviewing, revising and updating the 2012/13 - 2016/17 IDP Projects Table was co-ordinated internally by the IDP Manager. A series of meetings were convened both individually and collectively with the various line-function Departments within the Municipality, as well as with the key Sector Departments, and ward committees in order to identify projects that accord with the Municipality's Vision. This resulted in the compilation of a comprehensive schedule of proposed projects as shown in **Section G**. The outputs from the Ward Committee meetings also inform the review of and prioritisation of projects and are included in the 2012/13 - 2016/17 communication section of this IDP.

A6 MEASURING & MONITORING PROGRESS

The Service Delivery Budget Implementation Plan was revised by the IDP manager in conjunction with stakeholders including the Price Waterhouse Coopers team. The Performance Management System was also reviewed and the SDBIP and PMS Service as the tools used to monitor and evaluate delivery progress. The IDP is linked to the budgeting process and projects are appropriately categorised into the capital and operational budget process as is required of a "credible IDP".

A7 INSTITUTIONAL ARRANGEMENTS FOR IDP REVIEW PROSESS

LEGISLATIVE MANDATES

Municipal Systems Act (No 32 of 2000)

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

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

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

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

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

Municipal Structures Act (No 117 of 1998)

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

Municipal Finance Management Act (No 56 of 2003)

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

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

- a) The preparation, tabling and approval of the annual Budget;
- b) The annual review of:
 - a. The integrated development plan in terms of Section 34 of the Municipal Systems Act, and
 - b. The Budget related policies
- c) The tabling and adoption of any amendments to the integrated development plan and budget related policies, and

-
- d) The consultative processes forming part of the processes referred to in subparagraphs (a), (b) and (c).

Disaster Management Act (No 53 of 2002)

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

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

- (2) A disaster management plan for a municipal area must-
 - (a) form an integral part of the municipality's integrated development plan;
 - (b) anticipate the types of disaster that are likely to occur in the municipal area and their possible effects;
 - (c) place emphasis on measures that reduce the vulnerability of disaster-prone areas,
 - (d) seek to develop a system of incentives that will promote disaster management in the municipality;
 - (e) identify the areas, communities or households at risk;
 - (f) take into account indigenous knowledge relating to disaster management;
 - (g) promote disaster management research;
 - (h) identify and address weaknesses in capacity to deal with possible disasters;
 - (i) provide for appropriate prevention and mitigation strategies;
 - (j) contain contingency plans and emergency procedures in the event of a disaster,

- (3) A district municipality and the local municipalities within the area of the district municipality must prepare their disaster management plans after consulting each other.

- (4) A municipality must submit a copy of its disaster management plan, and of any amendment to the plan, to the National Centre, the disaster management centre of the relevant province, and, if it is a district municipality or a local municipality, to every municipal disaster

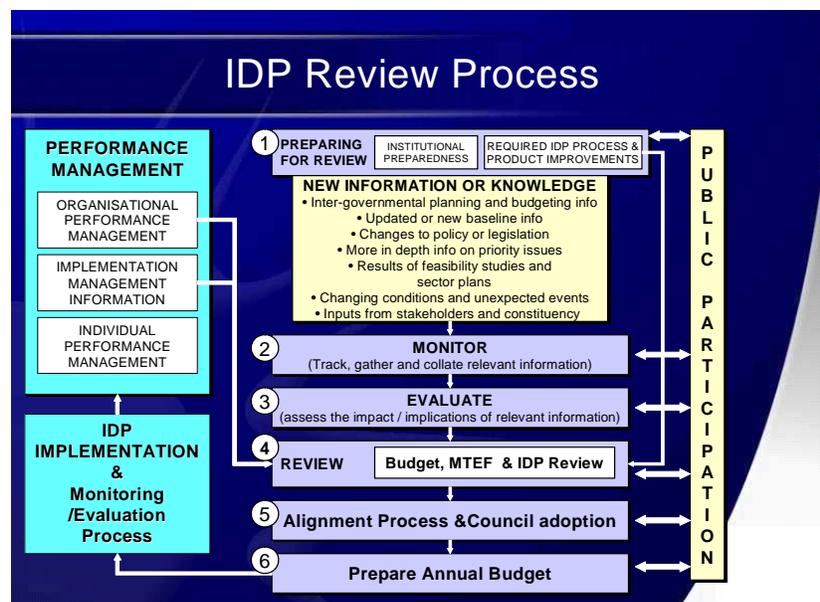
management centre within the area of the district municipality concerned.

Local Government: Municipal Planning and Performance Management Regulations, 2001

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

A7.1 The IDP Cycle

The 2011/2012 cycle for the development of the 2012/13 - 2016/17 IDP is illustrated in the following diagram on how the municipality came to this IDP:



A7.2 Institutional management structures

The Department that is responsible for driving the IDP process in the Endumeni Municipality is the Senior Planner, appointed per COGTA Shared Services Initiative, and headed by the IDP Manager, Mr. T. Buthelezi and Manager Technical Services, Mr. J B Maltman. The new IDP Manager managed the process, this process was however a team effort. The Municipal Manager, Senior Management, Councillors and public provided guidance throughout the process. There is general recognition that the process was well managed and there are effective structures in place. Ultimate responsibility, however, still rests with the Municipal Manager.

A7.3 IDP Representative Forum, Steering Committee & Strategic Planning Forum

The IDP Representative Forum functions to assess the analyses presented, engage in debate and the strategic direction of the planning process. The IDP Steering Committee is used as a “Think Tank” during the process. The steering Committee and IDP Representative Forum were called upon to address the project review and alignment aspects of this review at the first IDP Forum meeting held on 27 October 2011 this included an overview IDP process in the light of the MEC ‘s comments on the 2011/2012 IDP and Key Performance Areas. These core aspects were then considered at an IDP Steering committee held on 7 December 2011 in detail by the Endumeni Exco, and senior management staff. The municipality then hosted its Strategic Planning session on the 8th February 2012 and its 2nd IDP Forum on the 23 February 2012.

A7.4 Project Task Teams and Municipal Technical Alignment:

Project task teams were established and the following staff delegated to complete the following tasks by 20 February 2012.

A7.5 Participation in the IDP /BUDGET process

A key form of promoting community involvement is through the Ward structures. Ward Committees are in place, and meetings generally take place as per an approved IDP/Budget/Community involvement Process Plan. These committees were utilised during the IDP process, although their function is not to deal exclusively with IDP related matters. The following ward committee meetings occurred and they were specifically focused on IDP/BUDGET/PMS AND COMMUNITY related matters:

WARD MEETINGS						
Ward	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6
Actual Date	12 July 2011	12 July 2011	17 July 2011	13 July 2011	7 July 2011	13 July 2011
	25 November 2011	15 September 2011	07 February 2012	27 October 2011	16 September 2011	11 August 2011
		10 November 2011				

MAYORAL PUBLIC MEETINGS	
13 November 2011	Sibongile Hall
19 November 2011	Wasbank Sports Ground
26 November 2011	Forestdale
27 November 2011	Glenridge
27 November 2011	Sithembile Hall

TEERING COMMITTEE	
7 December 2011	Council chamber
15 March 2012	Council chamber
STRATEGIC PLANNING SESSION	
8 February 2012	Council chamber
REPRESENTATIVE FORUM MEETING	ACTUAL DATE
1 st Rep Forum	27 October 2011
2 nd Rep Forum	23 February 2012

There was consensus that the Ward Committee system is being used effectively in achieving meaningful community involvement in the IDP process. These committees are comprised of members of the community who are elected to serve on them. These meetings are successfully used to identify and prioritise community needs at local level. The draft IDP project list and the draft Council budgets are also debated at these 'forums' in order to develop a participative IDP Review process each year.

Other stakeholders, such as business and community organisations and any other interested and affected party are encouraged to attend and serve on the IDP Representative Forum. This Forum has good and diverse representation. All of the key informants to the IDP were represented and discussed at the various Representative Forum meetings.

It is clear that these meetings have performed their function well in that meetings have been well attended, participation was enthusiastic, and such matters as the Vision and Mission of the Municipality have been ratified, the integrated, gender, poverty and ICT issues were enthusiastically debated and the economic analysis was thoroughly discussed.

A7.6 Integration of Plans and Processes

During the 2011/2012 IDP process there was consensus that the strategies in the IDP document do address priority issues that are reviewed each year and revised through an inclusive and participatory process. This also serves to ensure that the document addresses both the rural and urban issues although the rural and urban development requirements often differ considerably. An emphasis was placed on integration in phase three and four of this IDP process in order to ensure further improvement on the March 2010 preliminary assessment process.

A7.7 Alignment with Sector Departments

Endumeni along with the other locals in the district came together with the district municipality to do an IDP/LED Planning Sessions with Sector Departments. The sessions ensured maximum alignment in terms of future projects between the municipalities and sector departments. The 1st session sat on the 01-02 November 2011 and the 2nd on the 28th February 2012. This ensures priorities and project funding are reflected on the 2012/13 - 2016/17 IDP Projects list for the Municipal area:

The foregoing forms the basis of the review of the 2011/2012 IDP process, and it was presented for review prior to being submitted to Council for adoption in March 2010.

B - SITUATIONAL ANALYSIS



BACKGROUND

In order to strive for alignment with the district, cross border and local municipalities, the team reviewed the following documents as part of this IDP process:

- International conventions and key sustainability and climate change documents, National and Provincial Policy;
- The UMzinyathi District Municipality Comprehensive IDP if 2007-2012 and the IDP's of all Local Municipalities within UMzinyathi District;
- The Water Services Development Plan developed by Jeffers and Green (Pty) Ltd in 2007;
- The Public Transportation Plan completed by Arup SA (Pty) Ltd 2006;
- Integrated Waste Management Plan completed by Keri V3 Engineers in 2006;
- UMzinyathi Strategic Environmental Assessment (SEA) developed by Environment Solutions and PLPD: Pat Luckin Planning and Development in 2007;
- All LED and Informal Sector documentation developed by Isibukhu Se Africa, the University of KwaZulu Natal, MXA and LEAD- 2007.
- The Nguni Route, Tanya Sandberg South African Country Life, Caxon Magazines, Mobeni Durban, September 2008.
- Challenging the Face of Challenge, Anita de Villiers & Kyley Roos South African Country Life, Caxon Magazines, Mobeni Durban, April 2008

The documentary review also encompassed various forms of statistics. Currently, most official demographic and economic data stems from the last South African Census of 2001 (StatsSA). This information is largely outdated for economic analysis purposes and is questioned from the "Credible IDP" perspective. The most up to date estimates of the regional data sets developed by Quantec Research Africa (Pty) Ltd is the only reliable local municipal level data which can address this data set problem. The data sets derived from Quantec Research Africa (Pty) Ltd, provide reliable estimates of actual district and local level information. Extensive usage of these data sets were specifically sourced and analysed for this report with the aim of adding value to the LED and IDP process which need to be seamlessly integrated.

Additional data sets used in the analysis include the Labour Force Surveys of 2002, 2005 and 2007, the General Household Surveys 2002, 2005 and 2007, and the Gender Demographic, Sector, Income and expenditure Data sets.

However, the models used in the 2005 household surveys are still considered by statisticians to be "problematic" from an accuracy and coverage perspective and have hence been used with caution and "accepted best practice" modification. (Global Insight Africa (December 2007) and Quantec Research Africa (Pty) Ltd (January 2008) - personal communication).

However, it must be pointed out that irrespective of where and how the data sets are developed, the two Censuses, 1996 and 2001 are the only all-inclusive censuses that Statistics South Africa has conducted thus far. Vital demographic and socio-economic data has had to be developed and projected from the Census Data and various surveys noted above.

Statisticians, Demographers and Spatial/ LED Planners, are now stressing the importance of local level data to address the complexities of migration and the spatial distribution of “rural” and “urbanizing populations” in their quest for survival and “development”.

In this context, the Statistics Council of South Africa are monitoring the development and efficacy of ‘official statistics processes’ and particularly the findings of the five year community surveys which are designed to fill the current ten year census data vacuum. The Statistics Council of South Africa point out that with regard to the 2007 Community Survey:

- “The fertility and mortality rates derived from the Community Survey data are entirely plausible.
- Most of the service delivery indicators compare well with other surveys conducted by Stats SA and other surveys, such as All Media and Products (AMPS).
- There are some concerns with certain variables and Council suggests that warnings be issued to caution users on data relating to:
 - Institutional population (merely an approximation to 2001 numbers and not new data);
 - Unemployment in the Community Survey is higher and less reliable because some questions were asked differently;
 - Income includes unreasonably high income for children - presumably misinterpretation of the question, listing parents’ income for the child; and
 - Distribution of households by province has very little congruence with the General Household Survey or last census.

In the absence of a comprehensive sampling frame, it is difficult to determine whether the differences are due to sampling error, biases or the reality that has changed beyond our expectations. There may be other variables that will require similar warnings after further interrogation. A number of systematic errors were observed in the data, which include:

- An underestimate of men relative to women,
- An underestimate of children younger than 10 years,
- An excess of those aged 85+, in particular among men,
- Missing women aged 20-34 from the Coloured population,

-
- Mal-distribution of the population by province,
 - Excess of people aged 10-24 in Western Cape and Gauteng, and
 - A shortfall of women aged 20-34 in Free State, KwaZulu-Natal and Limpopo” (Statistics South Africa P0301 Community Survey, 2007:7)

In keeping with the recommendations of the Council, the statistics used in this report are founded on the “good practice” standard of an agreed upon set of revised weights to produce more credible estimates of the population at national and provincial levels. The local municipal gender by age pyramid has not been included in this report because the data is being thoroughly checked again by Quantec Research Africa (Pty) Ltd¹ given the importance of this information for spatial and strategic planning purposes. The combined, age and time variance pyramid has been generated to add value to the report in the interim and will be augmented by the age/ gender/ time pyramid in the final report prior to strategic planning workshop.

STATUS QUO ANALYSIS

1. The location of Endumeni Local Municipality

The Endumeni Local Municipality is one of four local municipalities located within the UMzinyathi District Municipality. As is shown in Map No 1a, the Municipality is situated in the northern section of KwaZulu-Natal, one of the nine provinces of South Africa.

Endumeni Municipality shown in red on map No 1, is located in the northern section of the UMzinyathi district and shares a border with The Amajuba Municipality in the North West and the uThukela district Municipality to the West.

2. Demographic Trends and District Context

UMzinyathi District Municipality (DC24) is one of the ten district municipalities in KwaZulu-Natal. It is approximately 85909km² in extent and is situated in the central portion of the province of KwaZulu-Natal. Endumeni municipality constitutes about 11 % of the UMzinyathi District Municipality, and is one of the four local municipalities that make up UMzinyathi District Municipality. The other local municipalities include Msinga, Nquthu and Umvoti Local Municipalities. Endumeni has the smallest population in the district yet has the largest economy of the four local municipalities. Dundee, a well developed urban area, serves as the district administrative centre supporting the 000agricultural, tourism and manufacturing economic base of the district.

An in depth analysis of the demographic trends was undertaken within the district and regional context in order to provide a sound foundation to the IDP as called for in the provincial requirements for a "Credible IDP". The population within the UMzinyathi District Municipality has been estimated to have grown at the rate of 0.9% per annum between 1995 and 2007 according to the 2007 community survey process². This is significantly lower than the population growth rate of 1.1% for KwaZulu-Natal and 1.3% in South Africa.

Endumeni Municipality is approximately 1615 km² in extent and as is shown in Table No 1, it had a population of about 77,717 people in 2007 (Global Insight Africa, 2008). *Msinga had the highest population in the district at 255, 539 people in 2007 followed by Nqutu at 220,560 and Umvoti with a population of 140,348.*

o Access to roads and Stormwater

Year	2001	% of District	2007
Endumeni	51,105	11.20	77,717
Nquthu	145,036	31.77	220,560
Msinga	168,037	36.81	255,539
Umvoti	92,290	20.22	140,348
uMzinyathi	456,468	100.00	694,164

ENDUMENI MUNICIPAL FINAL IDP 2012/13 TO 2016/17

The development of sustainable living environments is high on the agenda for Endumeni and other local municipalities. Consequently the Department of Traditional Affairs is supporting the development of infrastructure plans within the uMzinyathi local municipalities. This issue features prominently at the IDP alignment meeting where officials from the Department of local Government stress that the infrastructural aspects of infrastructure plans need to be aligned. This is particularly relevant to roads and stormwater provision in relation to housing delivery.

Settlement type	Endumeni	Nquthu	Msinga	uMvoti	uMzinyathi
House or brick structure on a separate stand or yard	72.3	27.2	12.8	28.2	28.3
Traditional dwelling/hut/structure made of traditional materials	13.0	58.6	81.0	54.5	59.5
Flat in block of flats	1.4	8.5	3.4	4.9	5.1
Town/cluster/semi-detached house (simplex; duplex; triplex)	3.9	1.5	0.3	1.7	1.5
House/flat/room in back yard	3.7	1.7	0.8	5.8	2.5
Informal dwelling/shack in back yard	1.6	0.7	0.3	1.1	0.8
Informal dwelling/shack NOT in back yard	3.4	0.9	0.8	2.1	1.5
Caravan or tent	0.3	0.1	0.1	0.2	0.1
Room on shared property	0.3	0.7	0.4	1.4	0.7
Private ship/boat	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0

o **Access to Water & Sanitation Services**

This section is a new review of the backlog statistics in order to improve the March IDP where such information was not addressed. As is shown in Table No 3, access to water from rivers or streams accounts for 49.2% of the water supply in Msinga, 18.4% in Umvoti and 14.9 % in Nquthu and Endumeni 0%. While the river based access has remained static for Nquthu at approximately 13-14% since 2005, there has been a significant improvement in the Umvoti where the figure has dropped from 32% to 18% and in the Endumeni area from 1.9% to nil.

Endumeni now has 57% of its population supplied with piped water inside the dwelling and 26.9 % of the population have pipes in the yard. This represents a 20% improvement from 2005 to 2007 in the services supplied on site and a 5% reduction in the supply of services outside of the yard.

TABLE NO. 3 UMZINYATHI WATER SUPPLY SERVICES 2005-2007										
Main Water Supply	Endumeni		Nquthu		Msinga		Umvoti		uMzinyathi	
	2005	2007	2005	2007	2005	2007	2005	2007	2005	2007
Piped water inside dwelling	37,2	57.4	3,4	3.7	1,1	0.7	15,4	26.6	9,9	15.5
Piped water inside yard	42,4	26.9	8,3	12.6	3,5	1.5	22,6	24.7	14,6	14.0
Piped water from access point outside the yard	13.4	8.6	45.5	51.3	10.6	19.5	10.7	16.2	21.5	27.0
Borehole	0,5	1.4	11,8	9.3	11,2	17.5	3,7	6.4	1,1	10.1
Spring	1,9	-	11,3	6.9	6,2	7.9	8,2	4.4	2,9	5.7
Rain-water tank	0,5	1.2	1,0	0.2	1,2	0.5	1,6	1.1	31,3	0.6
Dam/pool/stagnant water	0,9	0.7	2,2	0.6	4,3	1.8	3,0	0.8	2,9	1.0
River/stream	1,6	3.2	13,5	14.9	58,4	49.2	32,7	18.4	31,3	24.9
Water vendor	0,2	-	0,6	-	1,2	1.5	1,0	0.9	0,9	0.7
Other	1,4	0.7	2,4	0.4	2,3	-	1,2	0.6	1,9	0.4
Total	100	100	100	100	100	100	100	100	100	100

Table No 3: Endumeni and the UMzinyathi Municipality water supply services in 2007 relative to 2005 (Source: Quantec 2009)

As is shown in Figure 1, overleaf, there has been a 27% improvement in water services for Nquthu, 21% for Endumeni, 16% for Umvoti and 12% for Msinga. There has been a 19% improvement in access to water across the district. In comparison to the national and provincial delivery percentages, the district lags behind the national figures by 5% and the provincial figures by 6%. Msinga is the most poorly served with a 13% disparity provincially and a 4-9% variance relative to other municipalities locally.

Figure No1 : Umzinyathi District % Change in Access to Water 1995-2007 (Source: Quantec 2009)

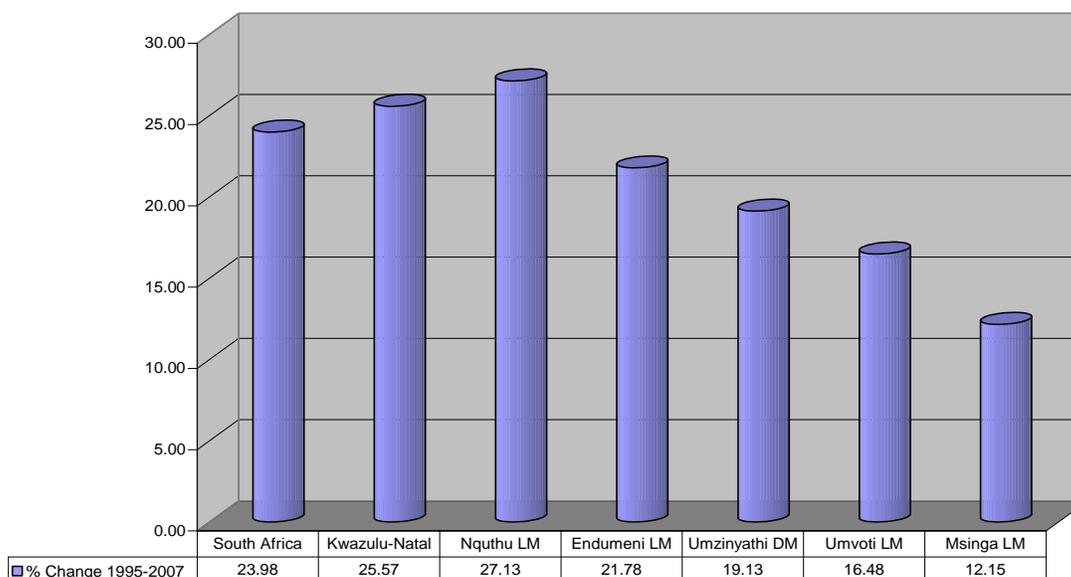
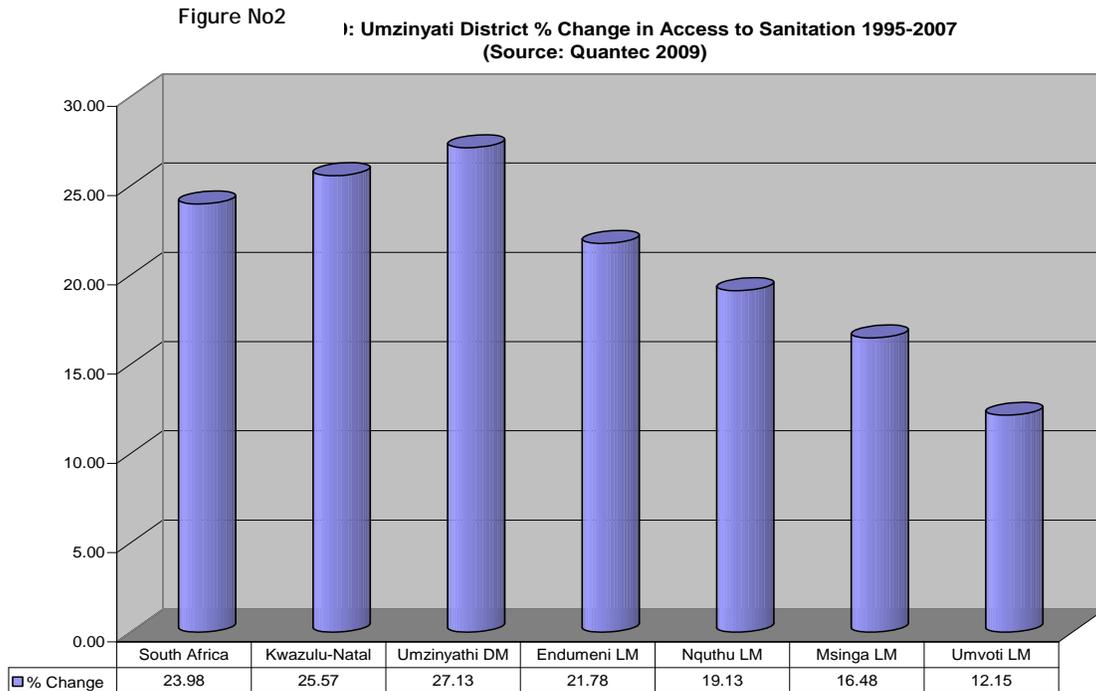
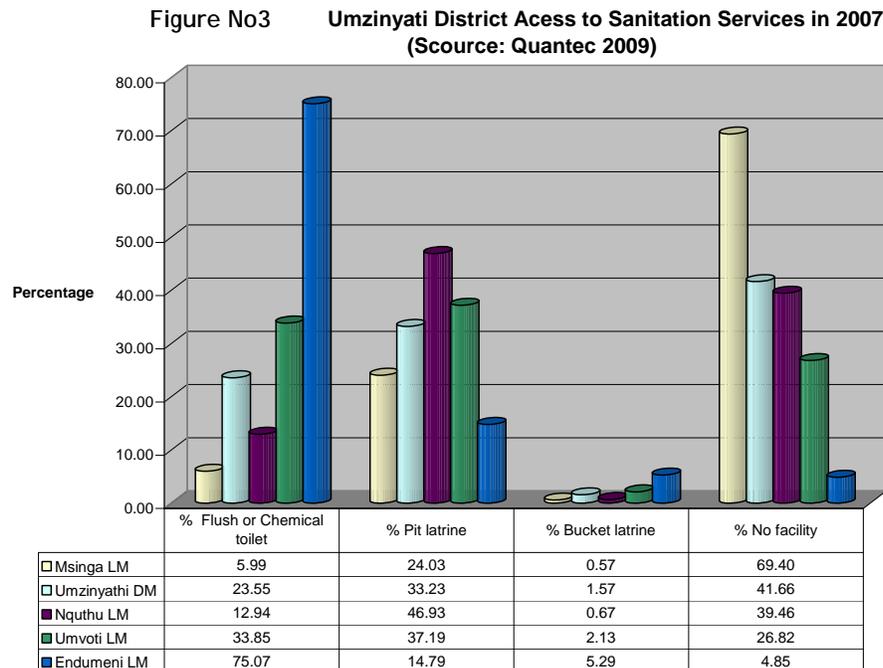


Figure No 2 shows the percentage change in access to sanitation services over the past twelve years.



The district has outperformed the provincial and national access to sanitation figures by 2% and 3% respectively. At the local level, Umvoti is the most poorly served with an improvement of 12% while Endumeni has improved the most by 21% over the past twelve years, followed by Nquthu at 19.13%, Msinga at 16.48%. The backlogs in access to the key kinds of sanitation services is shown in Figure No 3.



Endumeni Local Municipality has achieved a 75% access to flush toilets in stark contrast to Msinga at 5.9%, Nquthu at 12.93% and Umvoti at 33.8%. The backlog of 69.4% of households without any form of sanitation service in Msinga is of concern and needs to be addressed. Overall, there is still a backlog of 41.6% of households without sanitation in the district.

○ Refuse Removal

The Integrated Waste Management Plan was completed by Kwezi V3 Engineers in January 2006. Within the rural parts of the municipality, there are still large disjuncture's with regard to refuse removal. However over the past twelve years, a concerted effort has been made in order to address the sever backlogs faced by rural communities within the district.

The slow but sure progress that has been made is shown in Figure No 4.

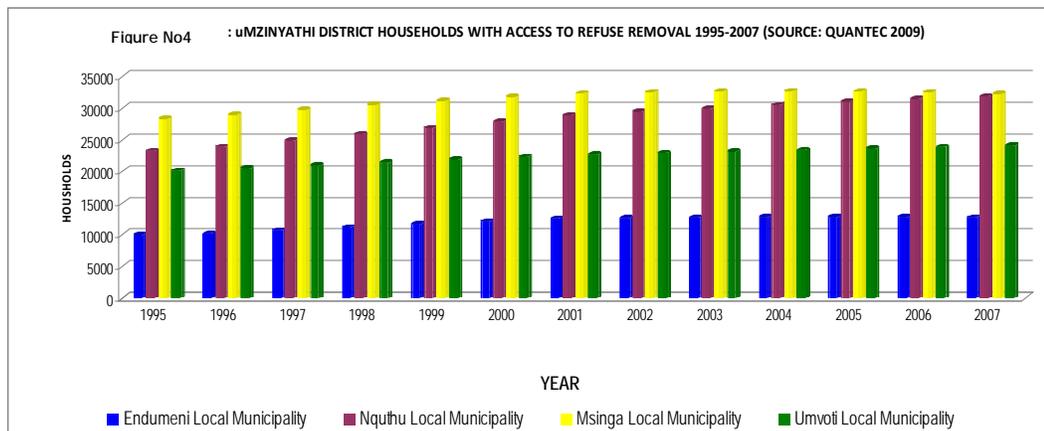
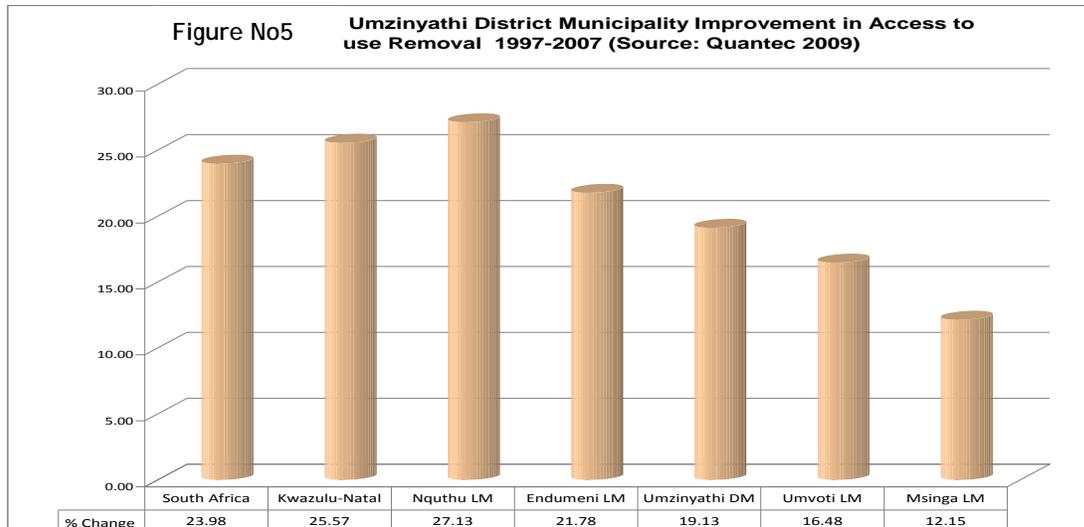


Figure No 5 analyses the empirical levels of improvement in access to refuse removal services over the past twelve years. The greatest improvement is shown to have occurred in Nquthu Municipality at 27.15% followed by Endumeni at 22.75%, uMvoti at 16.48% and Msinga at 12.15%. Across the district there has been a 19.13% improvement since 1997 which is, however, 6% lower than the provincial and national improvement levels pegged at 25.57% and 25.98% respectively.



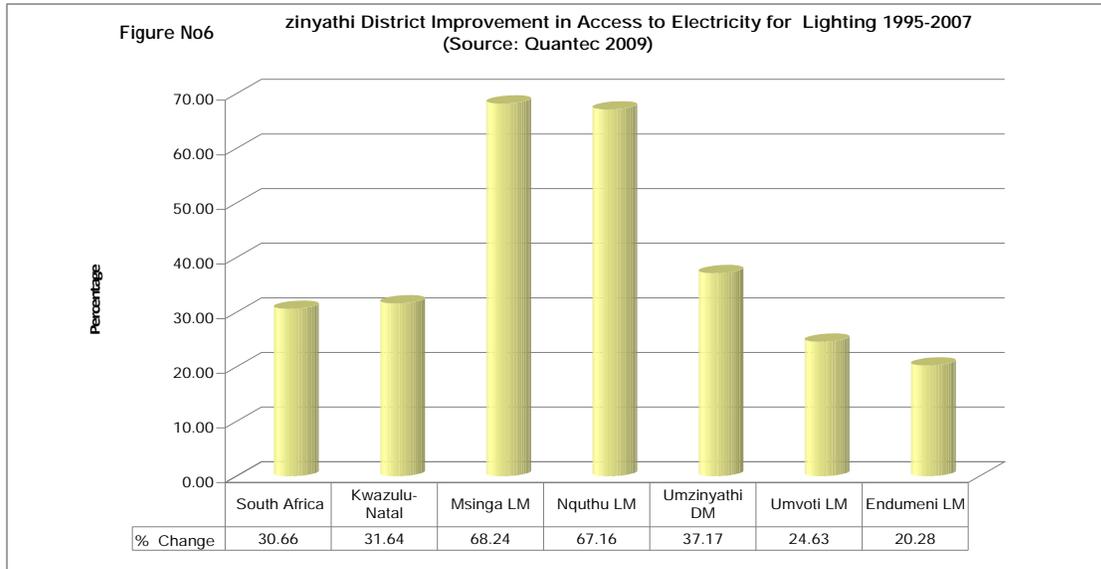
o Energy

Eskom power grid supplies the urban areas of the District, and those areas along the major roads. In rural areas much of the energy for cooking and heat is from wood. In those areas where there are wattle plantations, or where wattle has become invasive, this is a good supply of wood. However there is little indigenous wood for use as an energy source, and the use of a scarce resource for firewood should not be encouraged.

There is a potential for using solar power throughout the District, as there are many sunny days. In the mist belt, in summer, the sunny days may be more limited, but this should not preclude investigations into this sustainable and relatively cheap energy source.

Hydro-electric power is also a sustainable source of power, however this is only practical in areas where there is a constant flow of water and good drop, some areas near Kranskop may be suitable.

There is still very little power supply in the rural areas; however, there has been some improvement to the energy supply over the past ten years as is shown in figure 6.



Since 1995, there has been a 68% Improvement in electricity supply services in Msinga and a 67% improvement in Nquthu. This is followed by a 24% improvement in Umvoti and a 20% improvement in Endumeni in 2007. Overall. The UMzinyathi District has outpaced the national level of improvement by approximately 5% and the provincial level of improvement by 7%.

- o **Housing & Land Reform – and alignment of services**

The development of sustainable living environments is high on the agenda for Endumeni and other local municipalities. Consequently the Department of Traditional Affairs and Housing is supporting the development of housing plans within the uMzinyathi local municipalities. This issue features prominently at the IDP alignment meeting where officials from the Department of Housing stress that the infrastructural aspects of housing plans need to be aligned. This is particularly relevant to water provision in relation to housing delivery. The District Municipality is working closely with the Department of Housing in order to ensure that housing planning is properly addressed so that the infrastructure elements of such planning can be aligned at the correct time and not after the plans have been completed as was the case with the previous three plans.

Similarly, the Department of Land Affairs is promoting “Area Based” land reform delivery across the district. There are numerous parcels of land in Endumeni, Msinga, uMvoti and to a lesser extent in Nquthu that are included in this extensive land reform drive within the district. There are a range of housing types in the district as shown in Table No4.

HUMAN IN SETTLEMENTS THE UMZINYATHI DISTRICT BY PERCENTAGE 2005					
Settlement type	Endumeni	Nquthu	Msinga	uMvoti	uMzinyathi
House or brick structure on a separate stand or yard	72.3	27.2	12.8	28.2	28.3
Traditional dwelling/hut/structure made of traditional materials	13.0	58.6	81.0	54.5	59.5
Flat in block of flats	1.4	8.5	3.4	4.9	5.1
Town/cluster/semi-detached house (simplex; duplex; triplex)	3.9	1.5	0.3	1.7	1.5
House/flat/room in back yard	3.7	1.7	0.8	5.8	2.5
Informal dwelling/shack in back yard	1.6	0.7	0.3	1.1	0.8
Informal dwelling/shack NOT in back yard	3.4	0.9	0.8	2.1	1.5
Caravan or tent	0.3	0.1	0.1	0.2	0.1
Room on shared property	0.3	0.7	0.4	1.4	0.7
Private ship/boat	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0

Table No 4: UMzinyathi Municipality settlement types in 2005 (Source: Quantec 2007)

Within the rural areas, dwellings are constructed by households and community members, and they are built either using traditional materials (thatch, wattle-and-daub) or by more conventional methods (concrete blocks produced in block-yards in the area). The size and quality of dwellings in the municipality vary considerably due to households' resource constraints but in general there is evidence that most households have made relatively significant investments in their homesteads and a large proportion of dwelling units are of a fairly high standard. There is need for development intervention in expanding informal settlements in order to ensure public health and safety in areas of high density. Such intervention is needed around towns and in rural centres. The issue of service delivery in the context of sustainable human settlement planning is high on the agenda from the perspective of local municipalities.

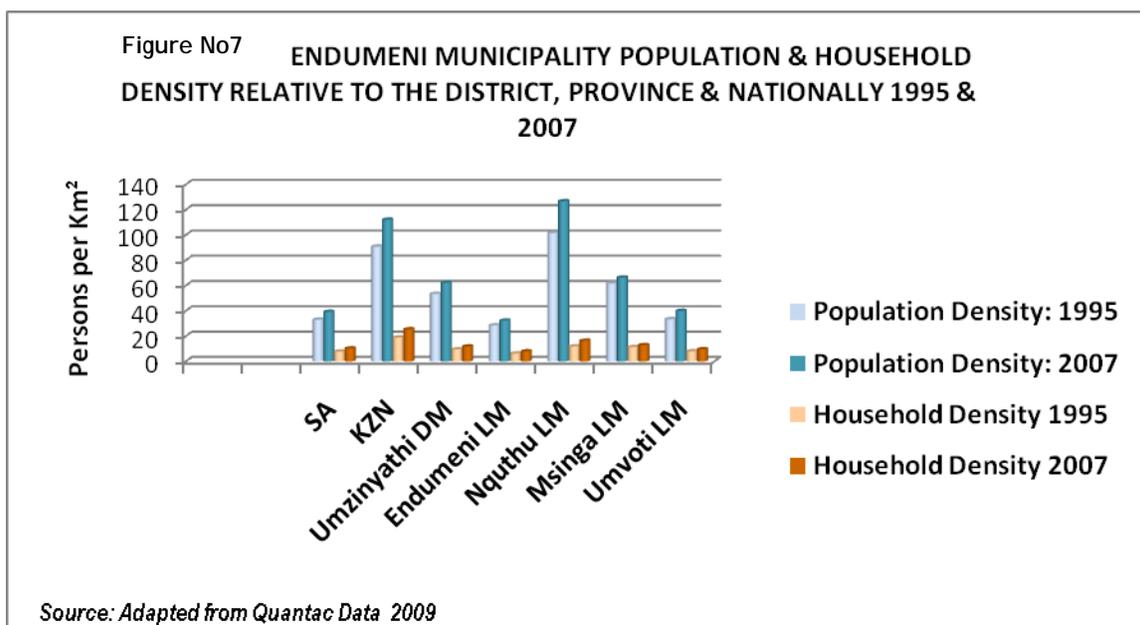
3. *Density and housing stock trends*

The population density of Endumeni Municipal area has increased significantly over the past twelve years. In 1995, there were 28.47 people per square kilometre of land within the municipal area. In 2007, this has increased dramatically to 32.28 people per square kilometre. As is shown in Table No 3b, the households per square kilometre only increased marginally from 6.17 households in 1995 to 7.89 households per square kilometre in 2007. This means that although densities are increasing, the overall proportion of households is not increasing at the same rate. Therefore, one must conclude that the actual household sizes are increasing and not the net number of households.

TABLE NO 5: POPULATION & DENSITY: ENDUMENI MUNICIPALITY, LOCAL, PROVINCIAL & NATIONAL COMPARISON 1995 - 2007					
Municipalities	Area Size(Km ²)	Population Density: 1995 (Persons per km ²)	Population Density: 2007 (Persons per km ²)	Household Density 1995 (Households per km ²)	Household Density 2007 (Households per km ²)
South Africa	1,221,219	32.97	39.17	7.76	10.21
Kwazulu-Natal	93,378	90.83	112.07	18.86	25.34
Umzinyathi DM	8,079	53.44	62.20	9.50	11.75
Endumeni LM	1612	28.47	32.28	6.17	7.89
Nquthu LM	1454	101.54	126.68	11.87	16.29
Msinga LM	2504	61.69	66.32	11.31	12.88
uMvoti LM	2508.92	33.38	39.93	7.99	9.57

Source: Adapted Quantec 2009

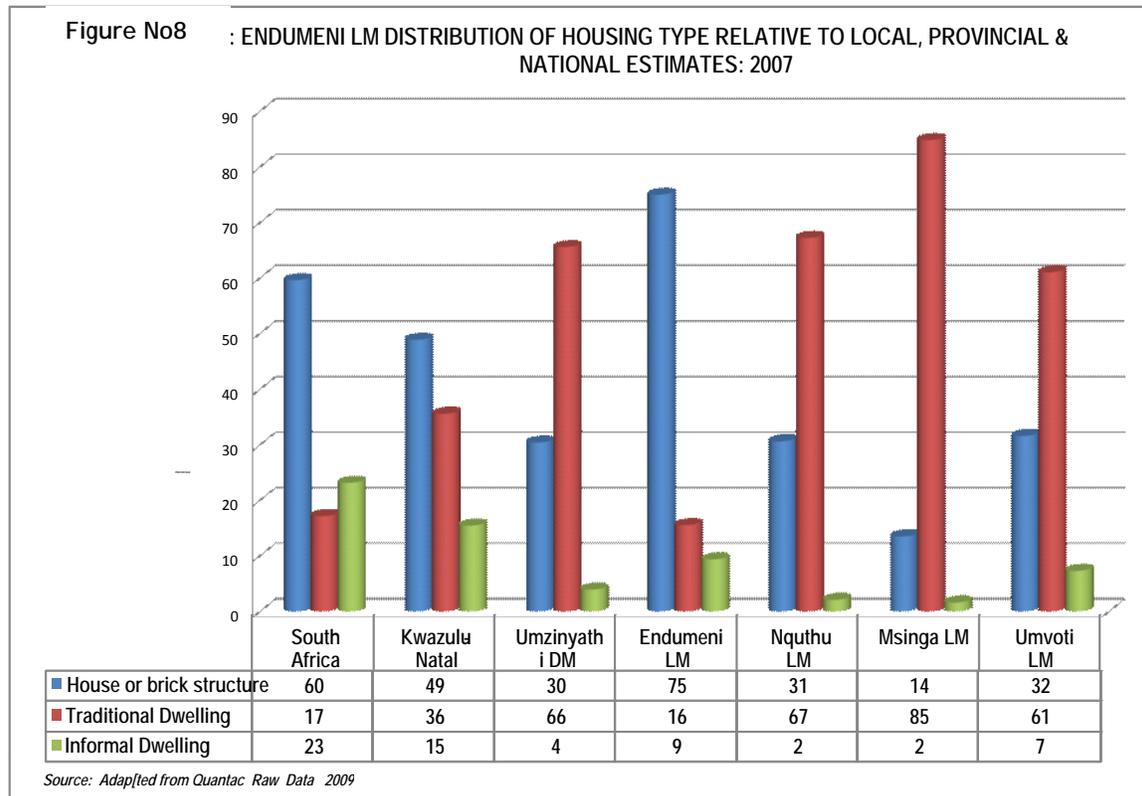
As is shown in Figure No 7, there has been a sharp increase in population density in the province relative to the small density increase nationally. The Endumeni degree of density increase is however not as high as has occurred in Nquthu. The household density increases are substantially smaller across the country.



This phenomenon requires additional research. One contributing factor to the slow rate of household density increase could be partially attributed to the impact of HIV/Aids on the household structure where more family members who have lost parents or siblings are being accommodated into existing family units. Other contributing factors could be the lack of funds to build new structures and the slow rate of housing delivery in the district and the province in general.

Figure No 8, shows the distribution of brick housing relative to traditional and informal dwellings in 2007. Brick housing dominates the Endumeni Municipal area at 75% of the housing stock while 16% is made up of traditional dwellings and 9% of housing is informal. The Endumeni traditional dwelling distribution is 1% lower than the national level and substantially lower than the 36% of provincial traditional housing stock.

The rural municipalities in the district all show low levels of brick housing compared with the traditional dwellings at 85% for Msinga, 67% for Nquthu and 61% for uMvoti. Endumeni has the highest level of informal housing in the district at 9% of its housing stock. The Municipality is in the process of addressing this problem through the sustainable living environment planning process which has recently been completed.



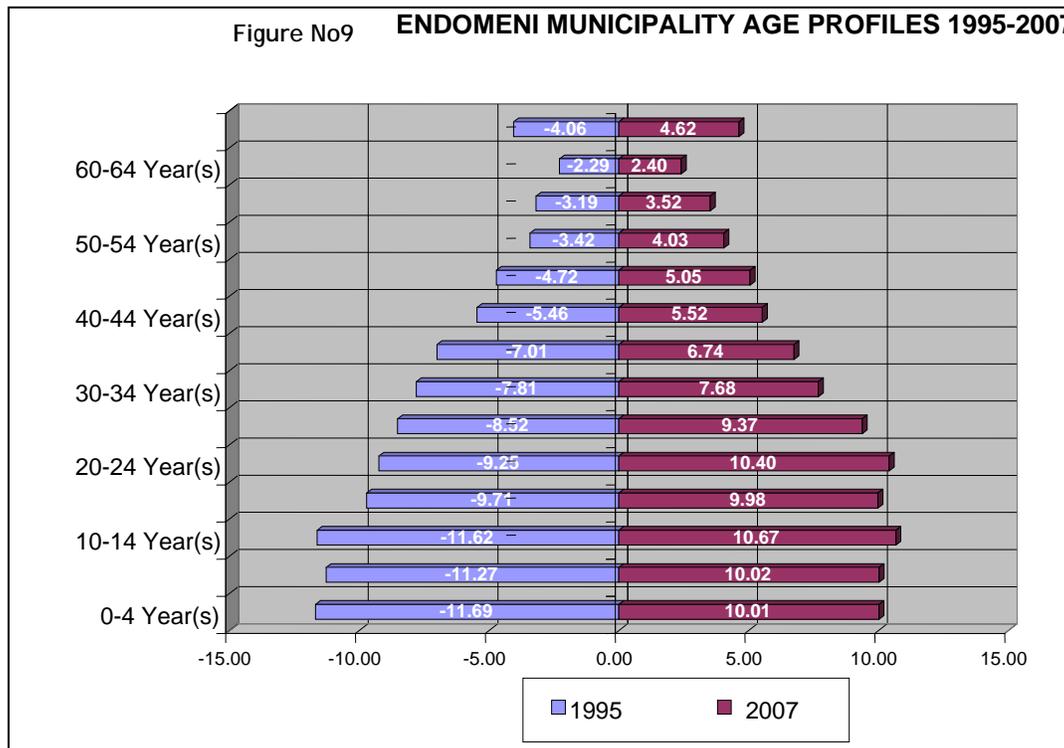
4. Age and Gender Trends

<i>TABLE NO 6a: ENDUMENI MUNICIPALITY AGE PROFILE RELATIVE TO LOCAL , PROVINCIAL & NATIONAL ESTIMATES - 2007</i>							
	Endumeni LM	Nquthu LM	Msinga LM	Umvoti LM	Umzinyathi DM	KwaZulu-Natal	South Africa
% Female	56.57	57.16	55.09	47.64	52.50	52.50	51.73
Age Groups (yrs)	%	%	%	%	%	%	%
0-4	10.57	13.78	13.02	11.32	12.61	10.54	10.28
5-9	10.15	14.67	16.45	12.85	14.33	11.46	10.55
10-14	11.20	13.61	15.17	12.85	13.68	11.48	10.20
15-19	12.16	13.56	12.71	9.82	12.26	11.42	10.50
20-24	10.53	10.09	7.24	8.93	8.94	10.71	9.88
Total (0-24)	54.61	65.72	64.59	55.77	61.83	55.61	51.41
25-29	9.02	5.46	4.56	6.15	5.72	8.21	8.38
30-34	7.40	5.13	3.44	7.03	5.26	7.35	7.71
Total (25-34)	16.42	10.59	7.99	13.18	10.98	15.56	16.09
Total (0-34)	71.03	76.31	72.58	68.96	72.81	71.17	67.50
<i>TBABLE NO 6b CONTINUED : ENDUMENI MUNICIPALITY AGE PROFILE RELATIVE TO LOCAL , PROVINCIAL & NATIONAL ESTIMATES - 2007</i>							
	Endumeni LM	Nquthu LM	Msinga LM	Umvoti LM	Umzinyathi DM	KwaZulu-Natal	South Africa
% Female	56.57	57.16	55.09	47.64	52.50	52.50	51.73
Age Groups (yrs)	%	%	%	%	%	%	%
35-39	6.40	4.23	3.84	6.68	4.91	5.74	6.63
40-44	5.93	3.24	4.59	5.65	4.53	5.05	5.85
45-49	4.55	3.48	2.82	4.34	3.58	4.26	4.97
50-54	4.11	3.44	3.28	4.16	3.63	3.65	4.06
55-59	2.34	2.42	3.61	3.06	2.95	3.08	3.23
60-64	2.18	1.75	2.62	2.61	2.28	2.21	2.39
Total (35-64)	25.51	18.58	20.77	26.50	21.88	23.99	27.12
65-69	1.49	1.47	2.40	1.36	1.75	1.81	1.98
70-74	0.85	1.05	1.24	0.95	1.07	1.18	1.37
75-79	0.62	1.29	1.06	0.87	1.04	0.92	0.99
80-84	0.13	0.73	1.04	0.75	0.77	0.48	0.54
Total (65-84)	3.08	4.54	5.74	3.94	4.63	4.39	4.89
85+	0.38	0.58	0.91	0.61	0.67	0.45	0.50
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

There are 16.42 % of people in the 25-34 age bracket and 54.61 % in the 0-24 age bracket within the municipality. Within the 25-34 age groups, Endumeni has the largest proportion of young people relative to the other local municipalities in the district. Within the 0-24 age group, Endumeni has the lowest proportion of young people relative to the other local municipalities in the district. This suggests that there is some migration after the age of 15-19 from the rural municipalities to Endumeni. Nationally, 51.8% of the population are younger than 24 years of age and

4.9% of the population are 65 years or older. In Endumeni, 25.51% reach the 64 year mark and then the distribution drops dramatically to 3.08 % for people older than 65.

The age profile over the past ten years has not changed significantly and shows constant, wide bell shaped distribution with a large proportion of the population being young people between 0-35 yrs old.

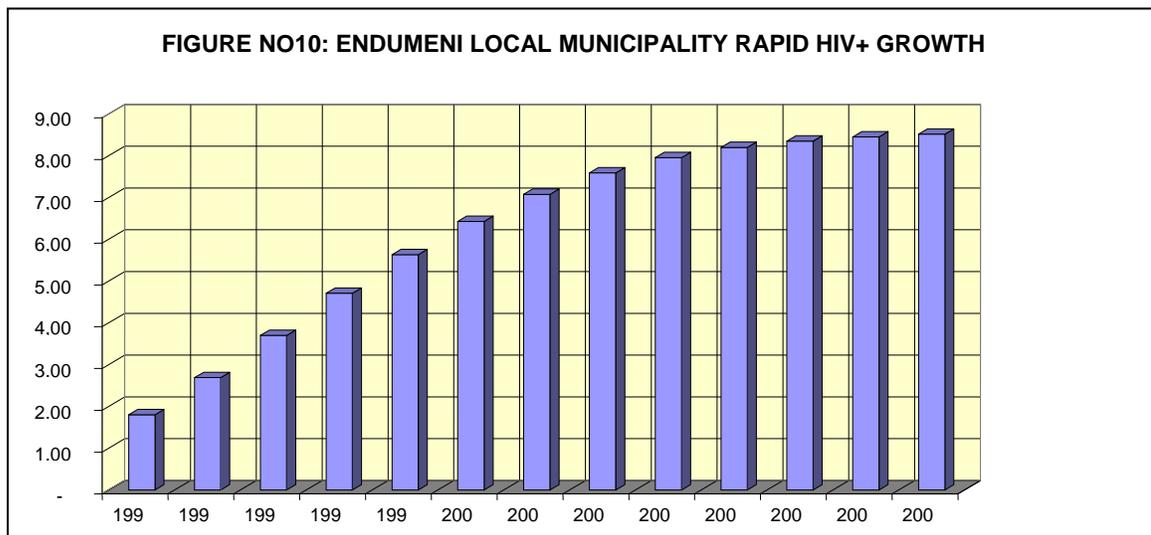


(Source: Adapted Quantec Raw Data 2008)

There are more women than men in the Municipality. The gender difference between men and women is 5 %, compared to 4% in KZN and 4% in South Africa. The large gender gap in the area stems from the fact that men leave rural areas to work in urban centres outside of the Municipality in Vryheid, Newcastle, eThekweni Metropolitan Areas and in Gauteng. This gender based out migration results in an increase in women’s vulnerability as women increasingly becomes responsible for the household income generation. This situation is exacerbated by the HIV /AIDS pandemic. Table No 7 summarises Endumeni HIV /AIDS trends relative to local municipalities in the District.

	Endumeni LM 2007	Nquthu LM 2007	Msinga LM 2007	Umvoti LM 2007	District Municipality 2007	Province 2007	South Africa 2007	% Change 1995-12007
Total HIV positive	8579.46	25676.35	22033.14	15910.14	72199.09	1664752.96	5933819.93	16.46
Total AIDS Deaths	674.90	2022.54	1823.61	1272.58	5793.63	127701.80	397950.36	4.61
HIV + % of Population	16.49	13.94	13.27	15.88	14.37	15.91	12.40	9.98
Deaths	1102.91	3579.93	3322.43	2172.25	10177.53	213761.13	760763.18	388764.99
% AIDS Related	61.19	56.50	54.89	58.58	56.93	59.74	52.31	47.38
% Increase 1995-2007	54.03	48.41	47.05	51.16	49.16	52.07	47.38	

As is shown in Table No 7, Endumeni have the highest percentage HIV+ percentage of the population at 16.49% in 2007 and which represented a 9.98% increase over the past twelve years. The percentage of AIDS related deaths stands at 61.19% which represents a 54.03 % increase over the past twelve years. Relative to the provincial figures, Endumeni is approximately 2% higher and approximately 9% higher than the national percentage of 52.31%. There has been a rapid growth of HIV/Aids from 1995 to 2005 when the growth started to slow down and to reach a plateau in 2006 and 2007. However, the infection rate is still high and of concern.



(Source: Adapted Quantec Research Data)

5. Education Profile

As is shown in Table No 8, the percentage of people with higher education is low. Many of the schools are in the fairly remote areas where teachers do not find safe accommodation. They are currently seeking a solution to this issue. One of the reasons so many of the school children are to be found wandering around on the roads is that there is not adequate discipline and dedicated teachers in the rural areas.

TABLE NO 8 ENDUMENI EDUCATION PROFILE					
Persons	2001	1996	% Change 1996-2001	% of over 20 yrs 1996	% over 20 yrs 2001
No Schooling	4362	3934	10.88	16.54	14.97
Some Primary	5102	4164	22.53	17.50	17.51
Complete Primary	1922	1579	21.72	6.64	6.60
Secondary	9290	8224	12.96	34.57	31.88
Grade 12	6272	4515	38.91	18.97	21.53
Higher	2189	1375	59.2	5.78	7.51
<i>Source: STATS SA</i>					

The overall percentage change in persons with no schooling decreased slightly between 1996 and 2001. The positive trend is the increase in the number of individuals who have grade 12 and higher education.

6. Implications of the demographic trends

The rapid increase of the HIV/AIDS pandemic has had a significant impact on the demographic profile of the municipality. Consequently, the importance of considering the linkages between HIV/AIDS and development interventions of all kinds is stressed. The impact of the disease on development economics and where funds should be allocated should not be underestimated in the strategic interventions phase of this IDP.

- ❑ The gender gap between women and men calls for a gendered approach to LED with a strong emphasis on empowering women and reducing the push factors which are causing men to migrate out of the municipal area.
- ❑ The increase in the number of households means that a strong emphasis should be placed on integrated planning particularly and for housing delivery. This should be understood aligned with the SDF focus on area based management and focused housing development in nodal areas. Basic to this approach is the development of sustainable living environments with appropriate infrastructure.
- ❑ The youth of the Municipal area make up a significant proportion of the demographic structure. Youth based programmes are therefore prominent in LED strategy.

7. Economic sector trends

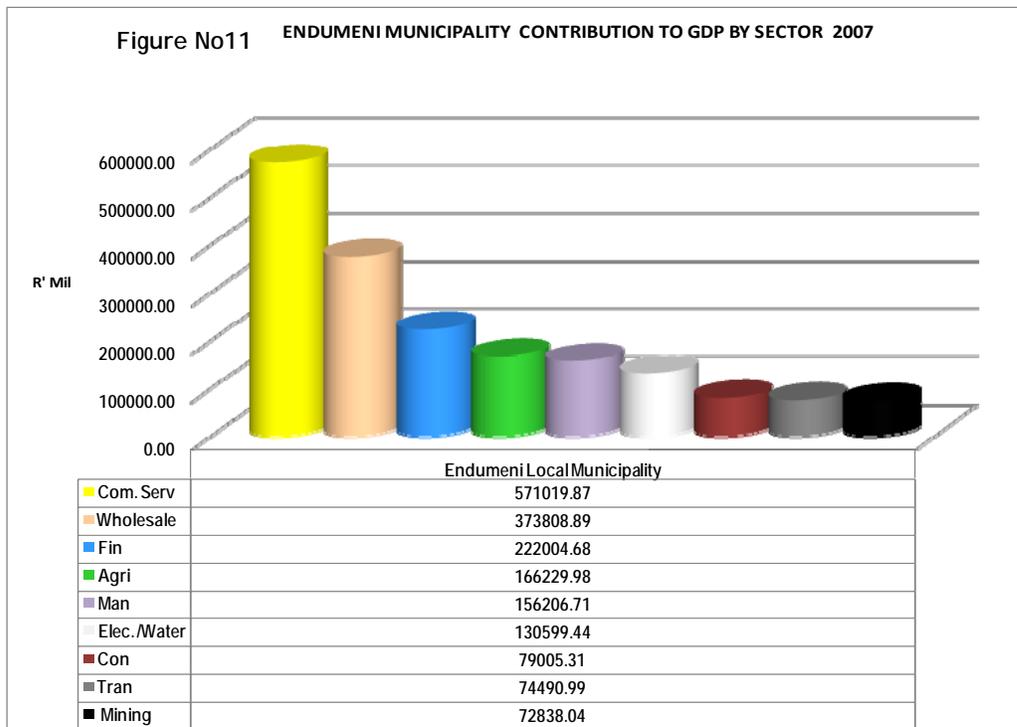
As is shown in table no 9, the Endumeni Municipality contributed an amount of R1, 846,203.90 mil or 38.23 % of the total UMzinyathi district economy in 2007. This placed the municipality second to the uMvoti Local Municipality which contributed 1868378.16 or 38.68% mil to the district economy. The Nqutu share is about 14% and that of Msinga is approximately 8%.

TABLE N09: ENDUMENI MUNICIPALITY GDP IN RELATIONSHIP TO LOCAL, PROVINCIAL & NATIONAL CONTRIBUTIONS 2007				
	Total GDP	% Contributed to National GDP	% Contributed to Provincial GDP	% Contributed to District GDP
South Africa	1768349065.29			
Kwazulu-Natal	287180489.62	16.24		
Umzinyathi	4829022.12	0.27	1.68	
				38.23
Nquthu Local Municipality	709896.04	0.04	0.25	14.70
Msinga Local Municipality	404544.02	0.02	0.14	8.38
Umvoti Local Municipality	1868378.16	0.11	0.65	38.69
Total	2065187599.16	16.79	3.36	100.00

Although there has been an overall increase in GDP within the district Nquthu and Msinga municipality trail at R 709 896.94 mil and R 404 544.02 mil respectively. Such performances are due to the fact that both areas are mainly rural and rely on subsistence economies. The urban contexts along with favourable environments of uMvoti and Endumeni have ensured steady sector GDP growth over the 1995-2007 periods. Specifically Endumeni has seen notable growth in its government, trade and business sector.

The Endumeni Municipality is also situated in prime agriculture area which comprises adequate feeding lots and a suitable soil conditions for farming and livestock. The presence of the mining and various trade and primary sector activities sets the Endumeni apart from the other predominantly rural municipalities.

An economy is usually analyzed in terms of its component parts i.e. its sectors. Economists distinguish between three main sectors. They are the primary, secondary and tertiary sectors. In this context, the primary sector is made up of activities which are directly related to natural resources e.g. agriculture, forestry, fishing, mining and quarrying. Primary industry tends to dominate the economies of developing nations, but as secondary industries and tertiary services develop, the share of primary sector economic output tends to decrease. Secondary sectors include goods that are produced or manufactured. Tertiary sector activities are service based such as banking, finance, insurance, retail, education, transport, information and communications (ICT) services. The Endumeni Municipal Economic structure is dominated by tertiary services which include government services, wholesale and trade, finance and business and manufacturing. The important primary sectors are Agriculture and Mining. The Endumeni sector specific contributions to GDP need to be understood in the context of the overall local sector contributions which are ranked from 1- 9 addressing the primary, secondary and tertiary sectors. The sequence is Com Services, Wholesale, Finance Agriculture, Manufacturing, Electricity and Water, Construction, Transport & Mining.



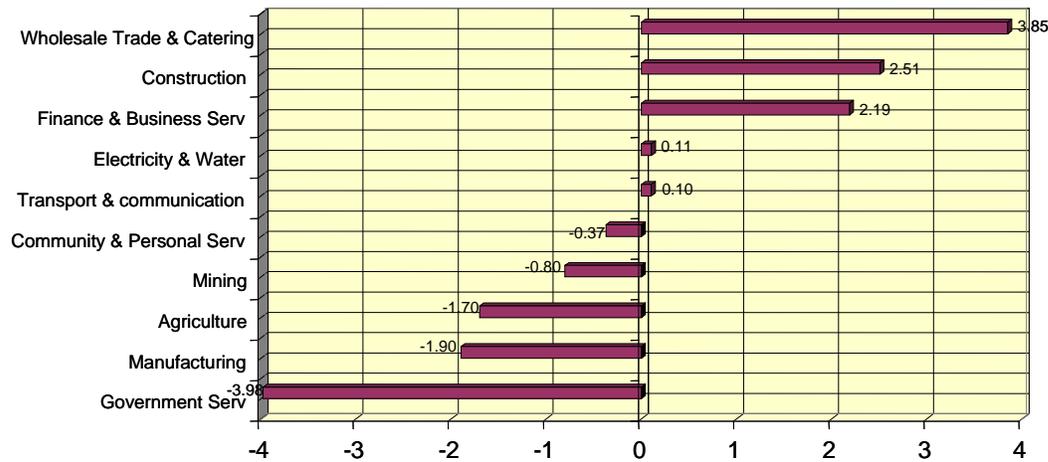
(Source: Adapted Quantec Research Data (2008))

Endumeni Municipality contributes substantially to the Community services sector which was the largest GDP share at R 571019.87 million in 2007 and was at R 226,770 million in 2005. The Trade and Finance sectors contributed R 222,004.68 in 2007 and R 226,501 in 2005. These contributions are significant and harbour potential for growth particularly since tourism development is encapsulated within the Finance and Trade figures. Such figures act as clear guidelines in terms of which economies need to be further encouraged or promoted by the municipality. Although the Agricultural sector remains as one of the leading economies within Endumeni the sector has suffered in comparison to its performance ten years ago. The sector does still hold great potential for development of the local economy with significant job creating opportunities since the Agricultural sector is an employment rich sector. The sectors ranked five -ten in terms of their contributions to GDP are Manufacturing Electricity and Water, Construction, Transport and Mining.

All of the sectors hold the potential increased GDP figures and require stimulation wherever possible. This is especially true for the construction and mining since these sectors employ large numbers of people.

Figure No12

ENDUMENI MUNICIPALITY CHANGE IN GDP 1995-2007



(Source: Adapted Quantec Research Data (2008))

The above table shows that the real changes in GDP contribution by sector from 1995 to 2007 occurred in government which had a difference of -3,9 and Wholesale which increased by 3,35 in the last decade. Mining, Agriculture and Community Services show a decline in GDP from 1995-2007 with negative figures of -0,8, -1,70 and -1,90 respectively. The reasons for this decline need to be probed in the strategic planning workshops. The decline of coal mining despite large deposits of coal in Endumeni are based on high input factors high transport cost, labour regulatory processes and demanding environmental regimes. However the current energy crisis and 'clean carbon' technology means that this resource harbours the potential for new strategic LED intervention. Endumeni should therefore capitalise on the competitive advantage of being able to meet the growing demand for energy generation. However sound eco system services will need to be researched and managed for the well being of the people of Endumeni. The mining sector proposes to establish modern technologies in efficient, monitoring, management processes. The finance, construction, water and electricity sectors showed stable GDP trends and therefore should be focus of strategic planning interventions.

In relation to local municipalities within the uMzinyathi district, the Endumeni economy is the strongest in comparison to other local municipality within the district.

	Com. Services	Finance & Business	Elec. & water	Con	Trans	Man	Mining	Agric	Wholesale & Trade
Endumeni LM	44.85	35.83	80.84	44.02	28.97	25.67	58.11	19.13	50.82
Nguthu LM	24.21	23.99	4.06	8.46	24.43	7.99	30.90	1.63	9.11
uMvoti LM	21.23	32.24	11.79	8.90	35.46	63.54	8.58	71.27	34.74
Msinga LM	9.72	7.94	3.31	38.62	11.14	2.80	2.41	7.96	5.33
(Source: Adapted Quantec 2008)									

As is shown in Table No 10, Endumeni dominates the district economy in terms of a number of sectors including Community Services (44.85%), Finance and Business (35.83%), Electricity and Water (80.84%), Construction (44.02%), Mining (58.11%) and wholesale and trade (50.82%).

uMvoti Municipality dominates the agricultural sector share (71.27%) largely through the Timber sub-sector. It holds a substantial segment of the manufacturing sector (63%) and to a lesser degree in the Transport sector at 35.43% of the economic structure.

The focus of the economy in Endumeni is in the urban areas of Dundee and Glencoe where Trade and Finance were R 222,004.68 mil in 2007 which represents a slight decline of approximately R 6,000.00 mil from the 2005 figures but is still double that of the other local municipalities in the district.

8. Tourism sector analysis

KwaZulu Natal is rated as the most popular destination for tourists in South Africa. South African Tourism estimates that 11.9 million domestic tourists travelled to one or more destinations within KwaZulu Natal with an estimated market value of R5.3 billion in 2006. The key destinations visited by domestic tourists in the province are Durban, South Coast, the PMB/Midlands and the Battlefields of Endumeni municipal area.

According to a LED Strategy a total of 1, 435 million foreigners visited the province in 2006, with a market value of R8.8 billion (iSibukuse Africa 2007:12).

8.1 The battlefields (uMzinyathi District)

The area known as the Battlefields is an area which was once the scene of bloody conflict between the Zulu, Boer and the British. Their clashes and military engagements shaped the history of South Africa, and shook the might of the British Empire's military. It was in this area over a period of some seventy years, that one historical drama after another unfolded, making this a popular tourist destination, particularly for relatives of those men who served their countries and paid the ultimate sacrifice. In addition, the area is characterized by picturesque hills and rock formations containing a myriad of battlefield sites, historic towns, national monuments and museums.

The areas tourism potential lies in these battle sites as well as Zulu cultural experiences, craft and birding routes, games reserves, fishing, white water rafting, horseback safaris and 4X4 tracks. As a tourist destination, Endumeni serves as the Hub from which historical/cultural tourism routes are launched into the broader Battlefields destinations of Nquthu and uMvothi areas.

The following table lists some of the historic, recreational and sporting events that are undertaken within Endumeni:

TABLE NO. 11 HISTORIC, RECREATIONAL AND SPORTING EVENTS (Source: LED Strategy - Isibuko Se Africa 2007:12).	
FUNCTION	EVENT
Commemoration of the Isandlwana Battle	Historic
½ Marathon 21km Isandlwana to Rorke's Drift	Sport
Rorke's Drift Commemoration	Historic
Golf Tournament	Sport
Endumeni Agricultural Show	Recreational
St James Country Fair - Craigieburn	Recreational
Soiree and Commemoration Prince Imperial	Historic
Elandskraal Fete	Recreational
Fly-in	Recreational
Biltong Festival	Recreational
Mpati Mountain Race	Sport
Ghandi Walk	Sport/Historical
Creations Craft Show	Arts & Crafts
Chicken Festival	Recreational
Ghost Tour	Historical
Friedman Cup Bowls	Sport
Christmas in Africa	Recreational
Commemoration of Blood River	Historical

The Endumeni Municipal Area contains a number of tourism assets.

8.2 The cultural assets in the area include:

- ❑ Monuments and Museums (Rorkes Drift, Talana Museum, Prince Imperial, Fort Pine, MOTH Museum, Fort Mistake, etc)
- ❑ Maria Ratschitz Mission
- ❑ Other Cultural Attractions and Crafts (Bushman Paintings, Iron Age Smelting Site, ELC Craft Centre, Talana Crafts, Talana Zulu Cultural Village)
- ❑ Centrally situated is the town of Dundee, from where roads connect to Ladysmith, Vryheid, Newcastle and uLundi. Within 60 km Dundee are Rorkers Drift, Isandlwana and Blood River-names engraved in world military history. Just outside Dundee are the flat topped Talana and Lennox Hills, where the first major skirmishes of the Anglo-Boer war took place (Country Life: 2008). The Talan Museum, established in 1982 is one of the best in the area. Other battlefields site includes Talana, Blood River/Ncome, Elandslaagte, Fugitives Drift, Helpmekaar, Isandlwana and Rorke's Drift.

8.2.1 Adventure Tourism Assets

The rivers in the area allow for water sport activities such as white-water rafting and fishing. The rugged terrain provides 4x4 tracks, hunting, game viewing and abseiling.

8.2.2 Nature Based Assets

These include environmentally sensitive biodiversity, wetlands, habitats and breeding sites, nature reserves and conservation areas. The bird species found in the area provides opportunities for adventurism activities.

8.2.3 Tourism SWOT Analysis

Tourism strengths weaknesses, opportunities and threats analysis was undertaken for the LED sector planning process. This is included in the IDP in order to ensure IDP alignment and integration with the sector plan which has now been completed and was seen as a major shortfall of the 2008 IDP review process.

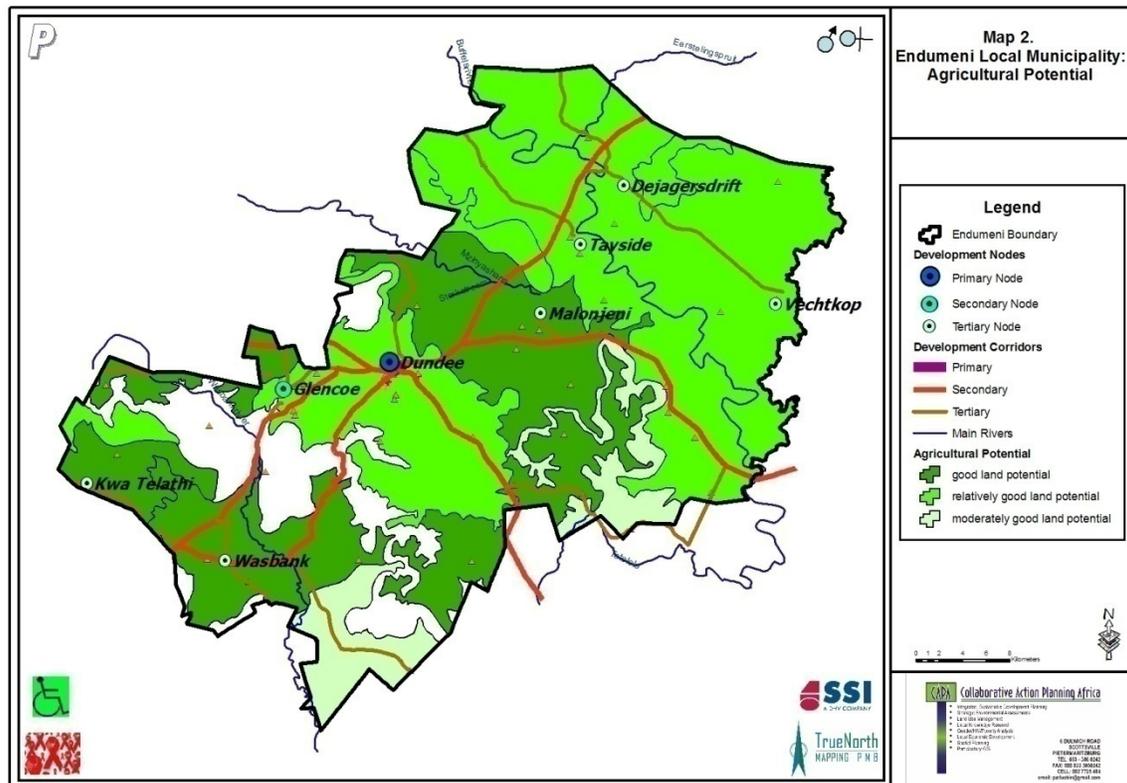
TABLE NO. 12 TOURISM SWOT ANALYSIS (Source: LED Strategy Status Quo Report- Ibibio se Africa 2008:20)			
STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> 1. Diverse natural attractions 2. Dundee is well placed in the centre of the Battlefields. 3. Good range of accommodation types for different markets 4. Town has facilities to support tourism market e.g. banking facilities, medical facilities, tourism operators, commercial infrastructure, etc 5. Excellent existing and potential products. 6. Assistance from municipality. 7. Part of the newly established "Nguni" Route. 8. Tourism information offices are strategically placed and easily accessible. 9. Tourism information is readily available and efficiently disseminated. 10. Scenically beautiful 	<ol style="list-style-type: none"> 1. Poor road infrastructure 2. Poor tourism marketing 3. Operate in a niche market 4. Lack of coordination. 5. Insufficient funding. 	<ol style="list-style-type: none"> 1. More focused advertising under Endumeni Tourism banner. 2. Improve relations with local and district municipalities. 3. Youth schemes 4. Concentrate on eco-tourism, culture, crafts and arts. 5. Broaden membership base. 6. Rand exchange rate benefits tourism. 	<ol style="list-style-type: none"> 1. Worldwide competition 2. Some sectors becoming overtraded. 3. Problem of crime and grime. 4. Unrealistic expectations.

The strengths and opportunities were fully harnessed for competitive advantage in the LED Sector plan and in the LED Key Performance Areas in the Projects and Programmes section of this IDP.

9. Agriculture sector

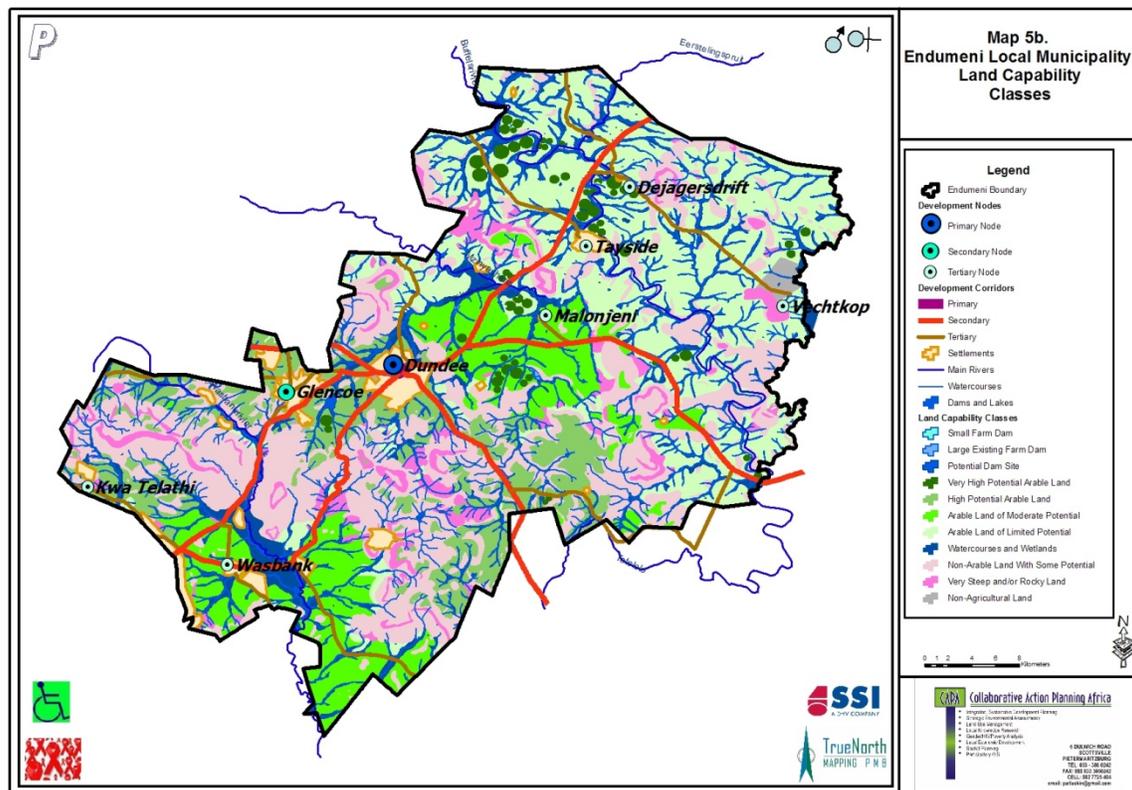
In 2007, uMvoti Municipality is the leading Agricultural area with its contribution of R619213.40 million to GDP in the district. Endumeni follows with R166 229.98 million which is almost double the 2005 contribution of R80, 353 810 million. The Endumeni Agricultural sector is largely focused in mixed farming and livestock while the uMvoti Agricultural sector is based on timber and commercial forestry.

As is shown in Map No 2, Endumeni has extensive tracts of good (dark green) relatively good (lighter green) and moderate (light green) tracts of agricultural land spanning the municipal area from West to East. It is hence essential that this potential is harnessed for economic development.



The Endumeni LED strategy states that, “within agriculture, the area has become a major player in the feedlot industry with at least 3 of the industry leaders based in Endumeni. The sector informants put the total number of feedlots in Endumeni at 30. Primary production in Endumeni has important backward and forward linkages with agric-processing through dairy processing, milling and the red meat cold chain. There are significant opportunities to expand existing enterprises and to bring new enterprises into the agro-processing supply and value chain” (Isibuko Se Africa 2007).

However, it is necessary to address agriculture and land potential with caution within Endumeni given the history of erosion and land degradation which has occurred in the past due to over grassing and overstocking particularly in the central and western sensitive grassland areas. Consequently, an extensive agricultural assessment was commissioned in order to address agricultural potential within Endumeni with insight and sound empirical knowledge. The study called the “EXPANDED AGRICULTURAL RESOURCE ASSESSMENT OF THE ENDUMENI MUNICIPALITY” has recently been completed by *P Hawkins and M Laing* of Rural Development Services, *Mark Morgan* of Morgan Geomatics and *Rod Montgomery and Andrew Schultz* of SSI. This important work has been integrated into the IDP and spatial framework by the team and is attached to this IDP as a sector plan. The key findings of the expanded agricultural resources assessment are shown on Map No 5a³ showing the detailed land capability areas in shades of green and in relation to water resources, roads and the SDF nodes.



The highest land potential, shown in dark green, is in the Northern and central areas of the Municipality.

As *P Hawkins and M Laing state*, "climate, and especially rainfall, therefore plays a major role in determining the potential for agricultural intensification, but this may then be modified by two secondary factors:

- the patterns of soil types and local topography as discussed in the earlier sections on soils and land capability;
- the availability of irrigation to offset the moisture deficit in drier climates.

When all of these factors are taken into account, the specific enterprises which are considered to be best suited to the study area are listed below. These are listed under the headings of higher and lower rainfall areas, more or less coinciding with 800mm per annum mean annual rainfall. Suitable horticultural crops to be grown under irrigation are also included for both categories.

Higher rainfall areas

Dry land field crops: maize, soya bean, dry bean, potato and oats.

Dry land hay and pasture crops: Kikuyu grass, *Digitaria eriantha* and *Eragrostis curvula*.

Horticultural crops under irrigation: cabbage, cauliflower, broccoli, carrot, tomato etc.

Lower rainfall areas

Dryland field crops: sorghum, maize, soya bean, dry bean, groundnut, sunflower and sweet potato.

Dryland pastures: *Digitaria eriantha*.

Horticultural crops (irrigated): cabbage, cauliflower, broccoli, carrot, tomato etc.

In addition to these crops, most of which are already well established in the area, there are a number of other crops which, subject to successful trial plantings, could be considered for the area. These could include orchard crops like Pecan nuts, olives and grapes as well as deciduous fruits like peaches, plums and apricots. Lentils and lupins are also other possible field crops, but all, of course, subject to favourable economic prospects as discussed later.

Livestock enterprises

Livestock enterprises are less affected than crops by relatively minor climatic changes so that most of the common livestock enterprises like dairying, beef production, sheep farming or pig or poultry production can be practised throughout the study area subject to

- economic constraints as will be discussed later
- Physical or environmental requirements for certain enterprises e.g. dairying for which it has become an economic imperative to have irrigated winter pastures. An adequate water supply is therefore needed for that enterprise. Sheep farming on the other hand is better suited to the drier parts of the country unless very high veterinary standards are practised. It has also become very vulnerable to stock theft.

The general farming system throughout the area is one of mixed farming with livestock, mainly beef cattle, utilising the grazing land (which is largely the non-arable land) but with a varying emphasis on cropping depending on local soil and climatic conditions. *This pattern is logical and is to be encouraged provided that livestock numbers are kept within the carrying capacity of the veld. This is essential because there is evidence of past damage, on a massive scale, to the area as a result of soil erosion.*

Much of this damage is thought to have occurred in the period between about 1920 and 1960 when most farms in the area (and throughout much of South Africa) would have had, in addition to their commercial beef or dairy herd, two or three spans of oxen for ploughing and other mechanical operations (equivalent to 30-40 animal units) to be supported off the veld. Serious overstocking resulted and caused severe damage, especially on the highly erodible duplex soils of the colluvial slopes and the water course areas, many of which are now eroded down to bare rock.

Fortunately the advent of the tractor has helped to bring that era to an end, and the costs incurred on tractor operations have since had the further beneficial effect of forcing farmers to restrict their cropping operations to only their better, more productive soils. As a result large areas of marginal land have been allowed to revert to veld so that, while stock numbers have tended to decline as a result of tractor mechanisation, the grazing area has expanded. These two fortuitous recovery benefits could very quickly be reversed if overstocking is permitted to recur, *and special care will be needed to prevent this from happening on land reform projects.*

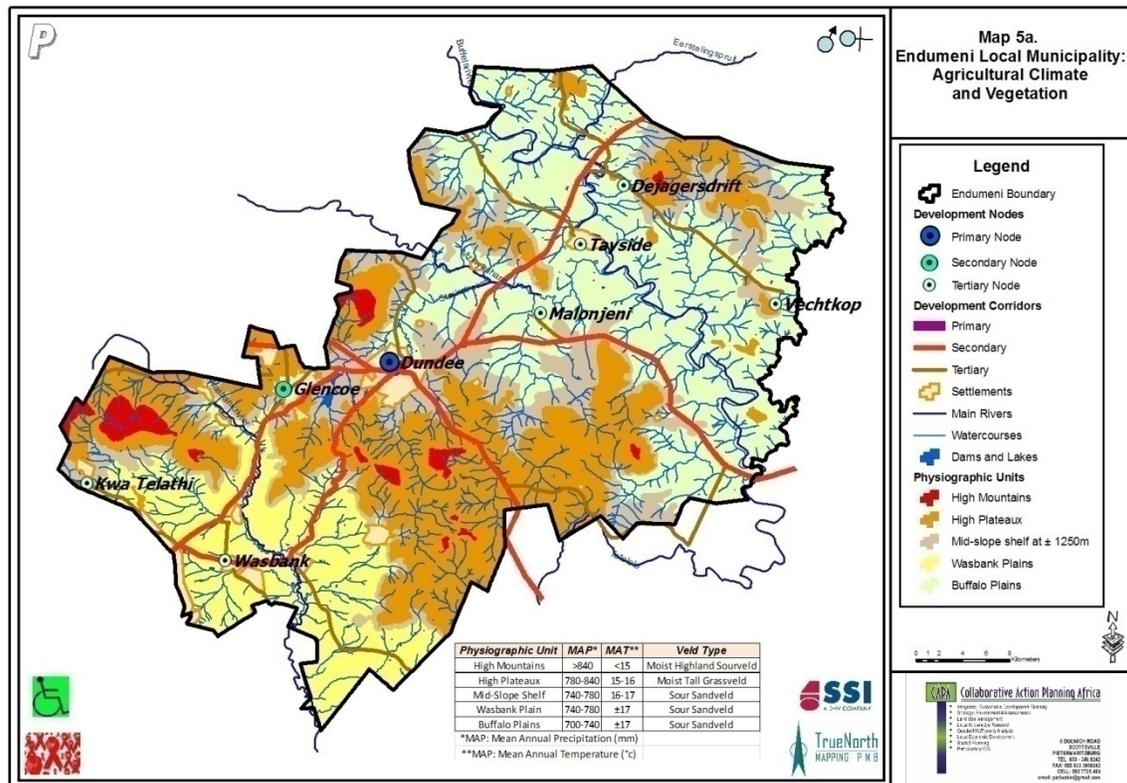
3.2 The effect of economic factors in the selection of agricultural enterprises

The selection of agricultural enterprises in the area has resulted from both the resource criteria discussed in the previous section and economic criteria such as marketing considerations, the availability of infrastructure and the economics of the most common farming enterprises. Regarding the latter, the following table shows the gross margins for both crop and livestock enterprises as given in the 2006/2007 combined budgets produced by the Department of Agriculture (2006/7). The crop budgets give the gross margin per ha while the livestock budgets give gross margins per herd or breeding unit.

Table 13: Agriculture enterprise gross margins from the 2006/2007 combined budgets

Enterprise	Gross Margin
<u>Dryland crops:</u>	
Maize	R1 240 per ha
Dry bean	866 per ha
Sorghum	2 245 per ha
Groundnut	-2 per ha
Lupin	-384 per ha
Soya bean	494 per ha
Sunflower	1 008 per ha
<u>Irrigated crops:</u>	
Cabbage	17 446 per ha
Carrot	43 658 per ha
Potato (table)	17 780 per ha
Tomato	105 511 per ha
<u>Livestock:</u>	
100 milking cow dairy herd (Friesland)	443 764
100 cow beef herd on sourveld producing weaners	164 499
300 sow unit	80 966
500 bird poultry broiler unit	43 896

An application of this enterprise potential needs to be considered in the light of the climatic and vegetation conditions of the Endumeni Municipal area. The climatic and vegetation mapping as shown in Map 5a should be seen as a resource to be used in conjunction with the basic guidelines laid down in the report.



In relation to the key findings of the report, it is stated that the important factors in the Endumeni Municipality are climate, vegetation, soils and land capability and carrying capacity. Each aspect as summarised in the report are cited verbatim:

➤ **“Climate:**

There are 4 distinct agricultural climates:

- A cool, very moist montane climate with a mean annual rainfall exceeding 840mm on the Biggarsberg Mountain and several other high mountains rising from the Dundee plateau but, from a cropping point of view, the land is too steep for cultivation.
- A mild, moist plateau climate on the Dundee plateau with a mean annual rainfall of 780-840mm which is suitable for intensive cropping where soils are favourable.
- A warm climate with rainfall in the 740-780mm range which is too dry for intensive cropping to maize but may be better suited to more drought-resistant crops like sorghum or groundnuts, and to less intensive production practices e.g. lower plant populations.
- A hot, rather dry valley climate in the Buffalo and Blood river valleys with a mean annual rainfall of less than 740mm, which is too dry for intensive cropping so that the farming system there should be based on livestock.

➤ **Vegetation**

The vegetation of the area tends to reflect the physiographic and climatic units with Moist Tall Grassveld on the higher and moister Dundee plateau and with Sour Sandveld on the Wasbank and Buffalo plains. The average carrying capacities of these two veld types are put at 2,6ha per AU and 4,5ha per AU respectively. *In both areas more intensive livestock production is, however, possible, with the use of the recommended pasture and hay crops - provided such intensification is warranted economically.*

➤ **Soils and their suitability for crop production**

The soils of the Endumeni municipal area are mainly medium-textured plinthic soils of good or at least moderate depth. They are predominantly of the Avalon form and are good arable soils which are well suited to the local climate, except in the rather dry Buffalo plain where soil moisture holding capacity becomes critical. *There, unfortunately, many of the soils tend to be very sandy and to be shallow resulting in only very limited moisture-holding capacity.*

➤ **The amount of arable land and land capability**

This soil pattern obviously casts a serious constraint on overall land capability. There are also climatic constraints on land capability in the broader sense, notably the rainfall deficit in the drier areas where mean annual rainfall is below 800mm. In these areas it must be accepted that even on the best soils there are limitations to the intensity of crop production if not to the choice of crops. Thus, on the plateau where mean annual rainfall is about 800mm or slightly more, all of the normal crops, including maize, can be grown successfully at the plant populations normally recommended for the good cropping areas with the corresponding inputs of fertilizer. In the drier areas, on the other hand, the choice of crops and the plant populations as well as input levels need to be reduced. In these areas sorghum, groundnuts and sunflowers may also be preferred to maize as being more drought-resistant crops.

Even with livestock enterprises the intensity of production needs to be related to the constraints of climate so that in the drier areas, the stocking rate does not exceed the average carrying capacity of 4,5ha to support one Animal Unit off the veld and with comparable reductions in carrying capacities on planted pastures as compared to those for pastures in the moister areas. This means of course that, in order to provide similar income levels, farms in the drier areas need to be substantially larger (or conversely that on farms of the same size those in the drier areas must be limited to smaller herds and hence lower incomes - a fact that some of the land reform beneficiaries may not understand).

It will therefore be evident that only a limited part of the municipal area is suitable for intensive agriculture and only a limited proportion of that consists of the higher potential soils. It will also be evident that most of the municipal area suffers from both climatic and soil constraints and that in these areas farming

systems and practices need to be adapted to the environmental circumstances. It follows therefore that:

- a) Special care needs to be taken to retain the best land for agriculture and specifically for intensive food production in the years to come.
- b) Agricultural extension work needs to be based on a clear understanding of the limitations in the drier areas and of the best ways of minimising them.
- c) Any land settlement proposals, including land reform projects, need to be based on farm sizes commensurate with the productive capacity of the land and in accordance with the farming systems and practices best suited to the capability of the land in question.

➤ **The amount of irrigable land**

The potential for irrigation cannot be adequately assessed on the basis of existing information. This is because this potential depends on being able to match many comparatively small and very localised parcels of potentially irrigable land to corresponding localised sources of water, many of which may need to be created, or augmented, by building storage dams on nearby streams. When compared to other farming areas like those in the uMngeni and Mpofana municipal areas, there has been only very limited water development in the Endumeni area in the form of farm dams and there appears to be a large undeveloped potential but much more work needs to be done on this aspect. Regarding irrigable soils, the best existing sources of information are the Tugela Basin Soil maps which, with a little confirmatory field work, will provide the necessary soils data (except on the alluvial soils where more detailed field work may be needed).

➤ **The suitability and carrying capacity of the vegetation for livestock.**

The classes of livestock best suited to veld grazing are beef cattle (or dry dairy animals), goats and wildlife. The carrying capacities of the veld for livestock have already been discussed (averages are 4,5ha per AU for the Sour Sandveld and 2,6ha per AU for the Moist Tall Grassveld). Both averages can be increased under good management but both are based on the commercial farmers' practices of rotational grazing and of leaving their cattle on the grazing land day and night. If, for reasons of security or custom, the cattle are to be kraaled at night problems arise because of heavy stocking pressures and much trampling near homesteads and, depending on farm size, possible under stocking of the more distant parts. In these cases stocking rates must obviously be decreased.

Regarding the classes of wildlife which are best suited to the various veld types, the Department of Agriculture's recommendations are:

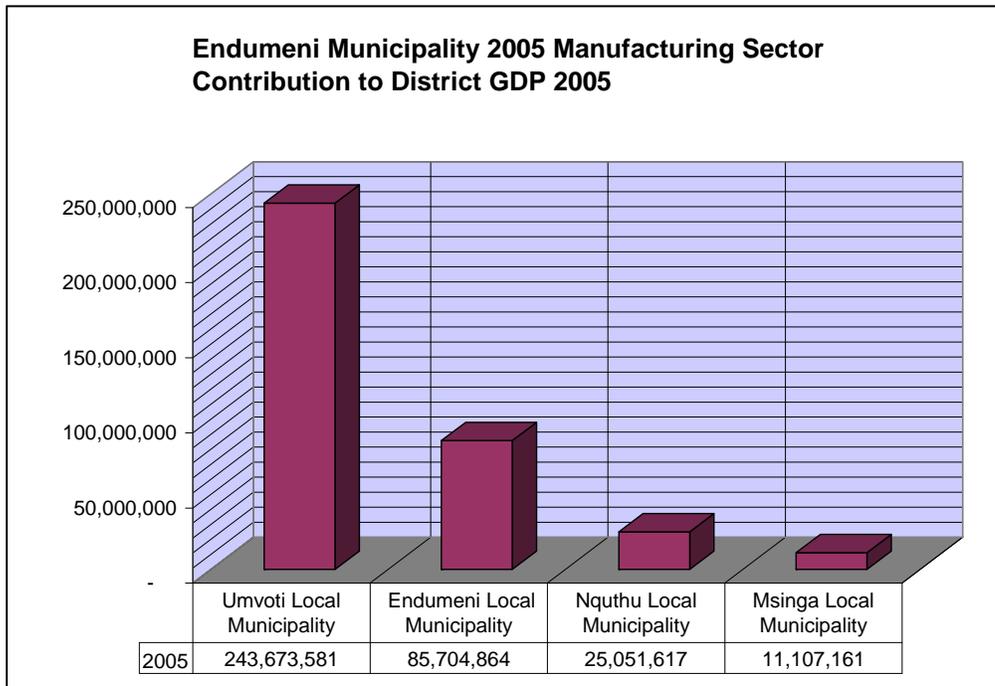
- in the valleys on Sour Sandveld: blesbok, springbok and black wildebeest, but at low stocking rates because of the fragility of this veld type.
- On the plateau on Moist Tall Grassveld: black wildebeest, red hartebeest, springbok, steenbok, mountain reedbuck, common reedbuck, grey duiker, oribi and zebra.
- on Moist Highland Sourveld in the Biggarsberg: blesbok, eland, common reedbuck, mountain reedbuck, grey rhebuck, oribi, black wildebeest, and red hartebeest.

➤ The scope for intensifying agricultural production:

Two important, and locally relevant, means of intensifying agricultural production are through irrigation on the crop side and through the production of pastures and fodder crops for livestock. There would seem to be considerable scope for promoting both of these endeavours although, in both cases, the economics of doing so need to be investigated carefully”.

10. Manufacturing sector

FIGURE NO 13 ENDUMENI MUNICIPALITY MANUFACTURING SECTOR CONTRIBUTIONS TO DISTRICT GDP 2005



(Source: Adapted Quantec Research Data (2008))

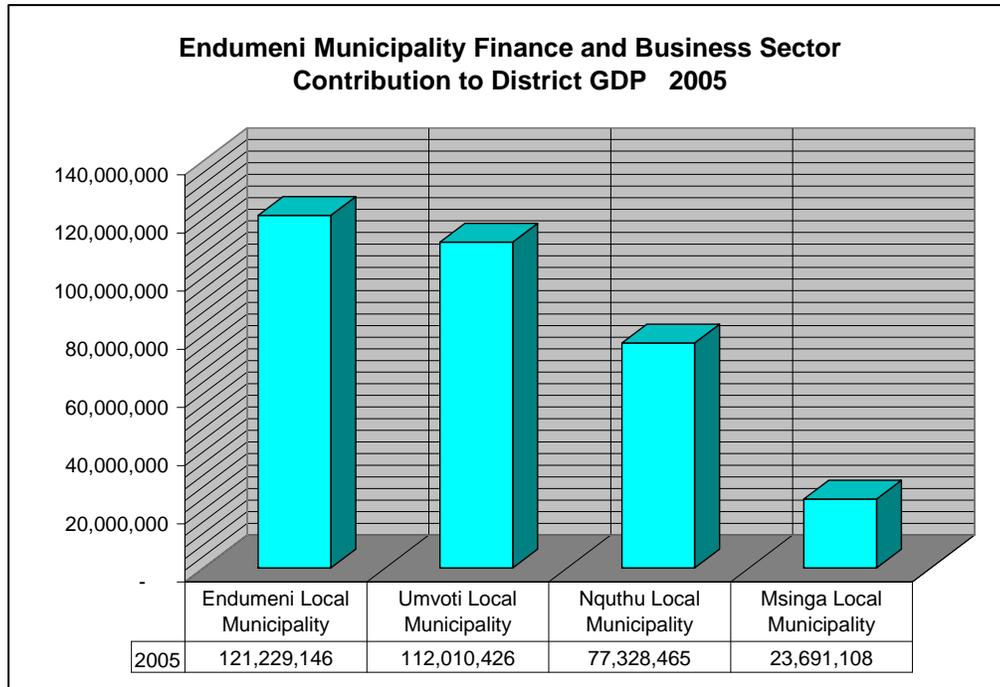
The manufacturing sector holds the potential for stimulating the growth of other activities, such as services, and achieving specific outcomes, such as employment creation and economic empowerment for any municipal area. This sector specifically has potential to grow the local economy through skills development, labour intensive methods and employment opportunity. uMvoti manufacturing sector boasts R243 673 581 contribution this is due to wood based factories with a fairly well developed agro-processing sector specialising in commodities like juices, tomatoes, mushrooms and avocado-pears.

Endumeni LM contributed R85 704 864 mil during 2005 with the bulk of the produce stemming from the beef industry and to a lesser extent from small scale mixed farming and mutton and horses.

The predominantly rural municipalities of Nquthu and Msinga ranked in a R25 051 617 and R11 107 161 mil respectively. This is due to the limited access to viable commercial farm lands.

11. Finance sector

FIGURE NO 14: ENDUMENI MUNICIPALITY FINANCE AND BUSINESS SECTOR CONTRIBUTION TO DISTRICT GDP 2005



(Source: Adapted Quantec Research Data (2008))

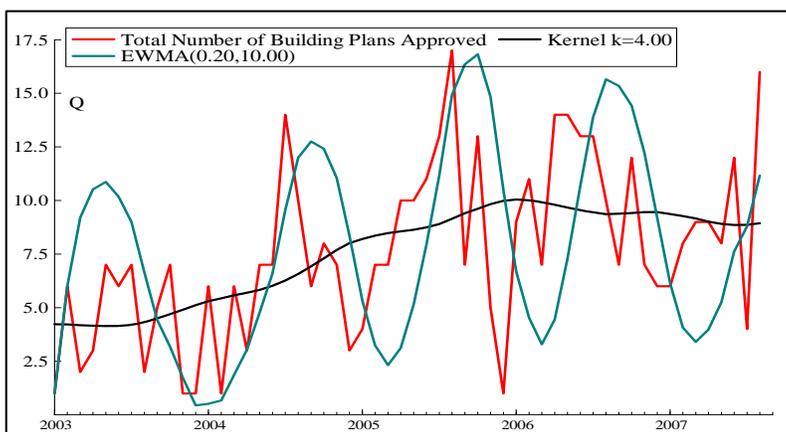
As is shown in Figure 14, relative to the other local municipalities, Endumeni contributes substantially to GDP at finance and business sector figure of R 121, 229, 146.

12. Building and development sector

This section of the report relies entirely on the work of Isi Buko Se Africa (2007) . They report that the average monthly number of building plans approved increased from 4 in 2003 to 9 during the first two quarters of 2007, representing a 125% increase for the period and a 17% year-on-year increase during the first two quarters of 2007. The average monthly Rand value of building plans approved increased from about R613 000 in 2003 to about R4.2m during the first two quarters of 2007, representing a massive 581% increase for the period and a more modest 0.6% year-on-year increase during the first two quarters of 2007.

The average monthly Rand value per building plan approved increased from about R147 000 in 2003 to R491 000 during the first two quarters of 2007, representing a massive 233% increase for the period. The average monthly Rand value of building plans approved increased by 34% year-on-year during 2006. Some of the huge increases could be due to the low base values and the rapid increases in the cost of building.

FIGURE NO 15: BUILDING PLANS APPROVED TIME SERIES TREND.



Although the number of building plans approved has increased, this is still very low suggesting that the local economy is experienced very low rates of growth for the period. This is also indicative of a very small construction sector, which is typically a very labour intensive sector. The following table indicates the different categories of Building Plans Approved and the relative % of each category:

TABLE NO.14 ENDUMENI MUNICIPALITY : CATEGORIES OF BUILDING PLANS APPROVED 2007 (Source: Adapted Isi Buko Se Africa 2007)	
Category	% of Total Rand Value
Additions and Alterations to existing buildings	33%
Dwelling-houses < 80m ²	6%
Dwelling-houses > 80m ²	35%
Flats and Townhouses	6%
Other residential buildings	2%
Office & Banking Space	5%
Shopping Space	2%
Industrial & Warehouse Space	3%

The majority of the construction sector growth, reflected in the building plan approval process is occurring almost exclusively in the residential sector. Consequently, additions to dwellings are the norm particularly for plans below the 80m² marks. With regard to commercial and industrial sector development, the building plan approval process is negligible indicating stability or stagnation in the commercial and industrial accommodation demand.

13. Implications of the economic sector trends for led

- ❑ The leading sectors of the local economy, Government Services; Wholesale and Trade; Finance, Manufacturing and Agriculture need to be supported and strengthened.

- ❑ The Mining sector should be carefully re-assessed for its potential to contribute clean carbon for the energy industry and particularly for export linkages with regard to carbon sequestration with countries such as China and Brazil.
- ❑ Linkages with the PEDS and the NSDP particularly in the agriculture and tourism sectors should be established and strengthened.

14. Employment, income and expenditure trends

Of economically active population the majority of the people in Endumeni are employed in nine sectors. These include the Government Sector as the leading employer followed by the Community and Personal Services, Finance and Business Services, Agriculture, Manufacturing, Construction, Transport and Communication, Mining and finally with the least employment the Food and Beverage sector. This is shown graph 10, which shows the analysis of the employment distribution by sector

A large proportion of the economically active population is located within the tertiary employment sectors of Government Services (2 323) Community Services (1 989), Finance (1 245), Transport (263) and Food (251) sectors. The primary sector of Agriculture (1 237), Mining (260), and the secondary sector Manufacturing (1069) jointly employ smaller proportions of the economically active population.

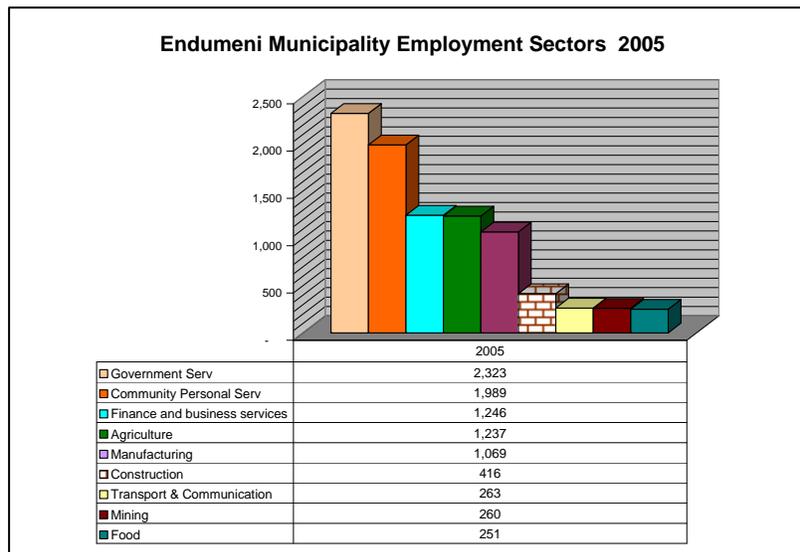
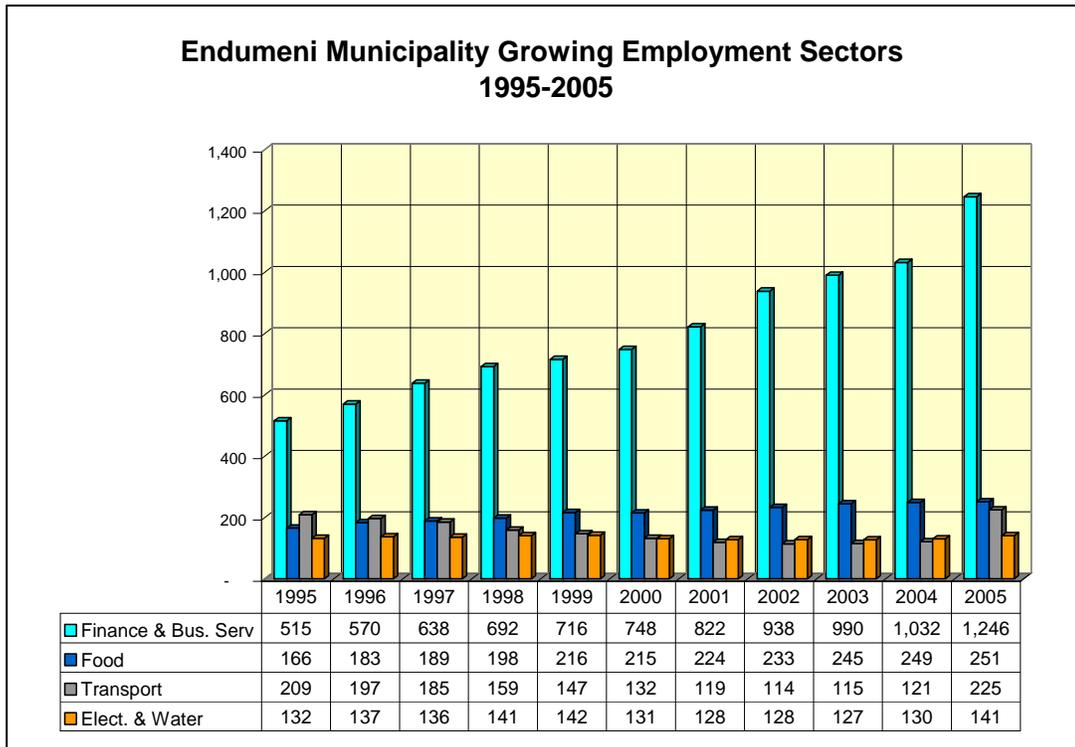


FIGURE NO 16: ENDUMENI MUNICIPALITY EMPLOYMENT SECTORS 2005
(Source: Adapted Quantec Research Data (2008))

The low uptake of employment of the construction, mining, food and transport industries is of concern and indicates that the economic base of the area is not diversified but concentrated within a few tertiary sectors namely, Government Services, Transport, Trade Agriculture, Finance Mining, Community Services and Food and Beverages sectors as noted above. There is slow growth of employment in the Food and Beverage sectors.

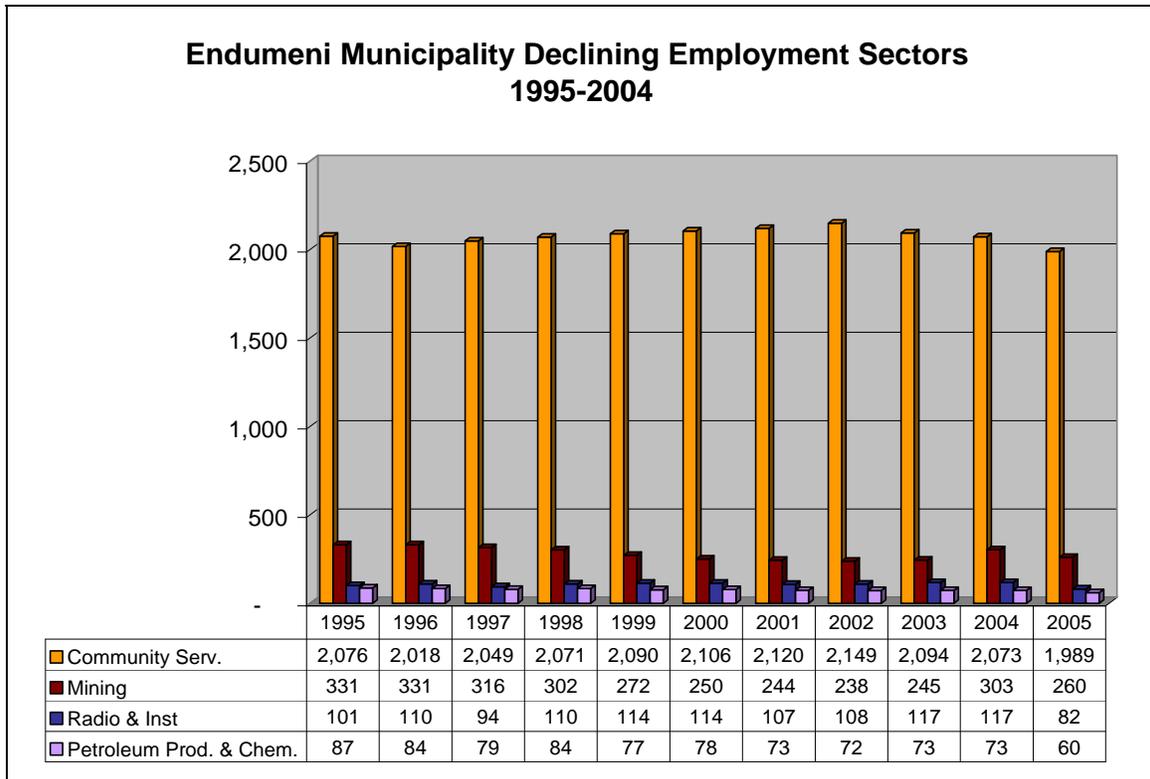
FIGURE NO 17: ENDUMENI MUNICIPALITY GROWING EMPLOYMENT SECTORS 1995-2005



(Source: Adapted Quantec Research Data (2008))

From 1995 to 2005 there has been a steady increase in employment in the electricity and water services and food sectors. The finance sector has almost been able to recover to its former performance levels of 1995 when it held 515 employed people. The number of people employed in the finance and business has reached 1 246 doubling the figures it held back in 1995. The transport and communication sector has peaked at 225 employees in 2005. This specific sector fluctuates and the root cause of this fluctuation needs to be investigated since it may be indicating a potential growth in a specific secondary sector.

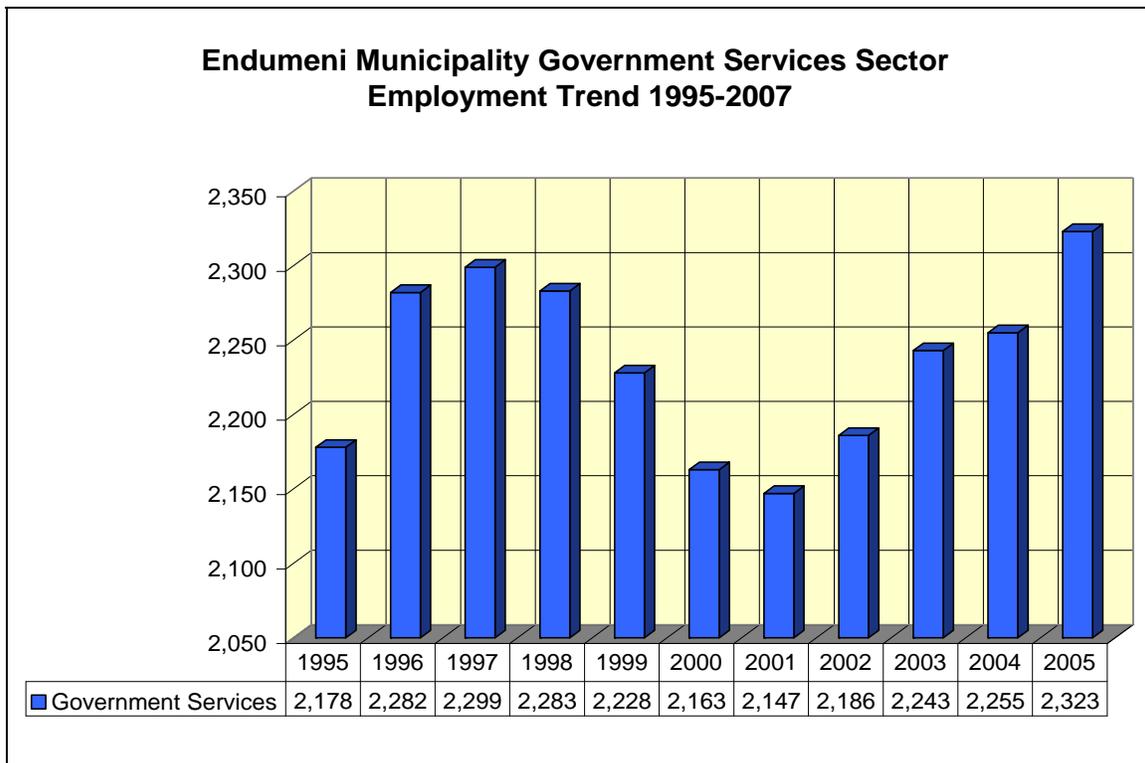
FIGURE NO 18: ENDUMENI MUNICIPALITY DECLINING EMPLOYMENT SECTORS 1995-2005



(Source: Adapted Quantec Research Data (2008))

The decline in employment figures in spite of a positive growth in some of the sectors specifically Mining, Radio (other instruments such as appliances) and Petroleum Product (chemicals etc) is of concern and needs to be investigated carefully in the strategies phase of projects so that local causal factors can be revealed. Mining sector with only 260 of employment holds potential to increase this figure through new labour intensive development of coal mines. Labour intensive methods not only create job opportunities but could trickle down the economy of Endumeni.

FIGURE NO 19: ENDUMENI MUNICIPALITY GOVERNMENT SECTOR EMPLOYMENT TREND 1995-2007



(Source: Adapted Quantec Research Data (2008))

The steady decline of employment within the Petroleum products and Chemicals (only 60 recorded employees by 2005) is in contrast with dynamic Government Service sector employment uptake from 1995 - 2005. Government figures have fluctuated yet still place the sector as the leading sector in the Endumeni municipal area.

15. Informal sector employment

There is a shortage of reliable information and research relating to the informal sector in the Endumeni Municipality. The empirical reasons for these changes must probe in the LED workshops. Additional, focused survey research needs to be undertaken in order to develop reliable and realistic empirically grounded strategies pertaining to the informal sector.

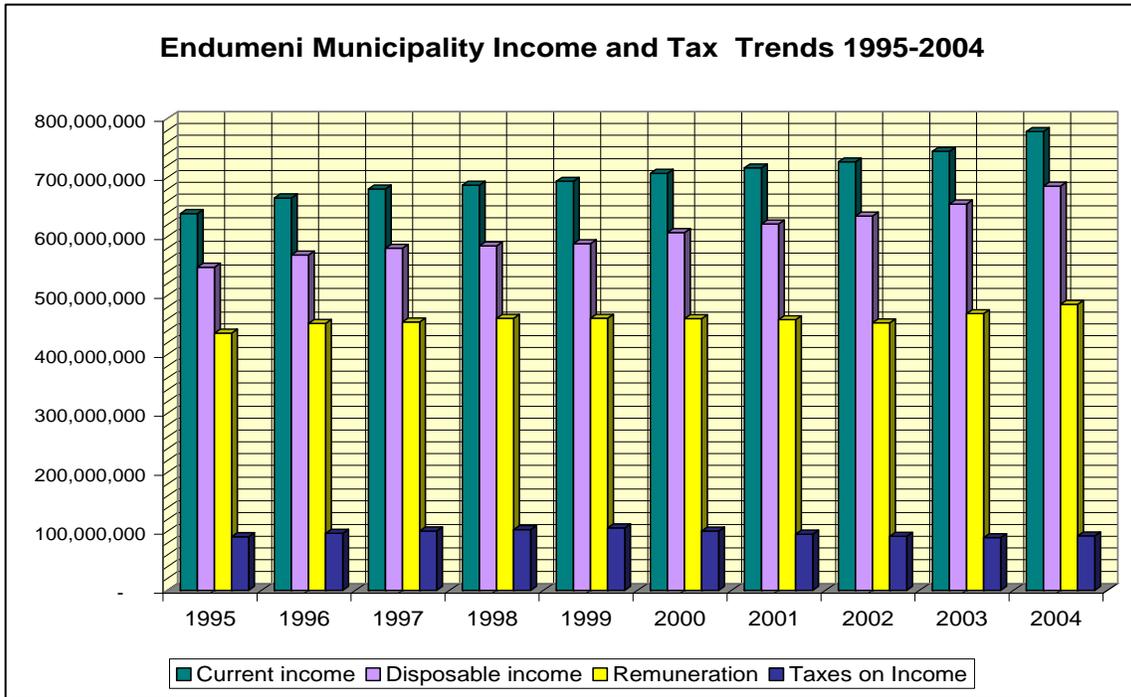
16. Income, taxation and expenditure trends

The income, taxation, saving and expenditure trends are a new value added element to LED status quo reporting for strategy development. The figure shows the relationship between income, taxation and remuneration trends.

Over the past nine years, disposable income has increased exponentially within Endumeni Municipal Area. However, Taxation levels seem to have remained the same and remuneration sum across the municipal area has fluctuated within the same region of figures.

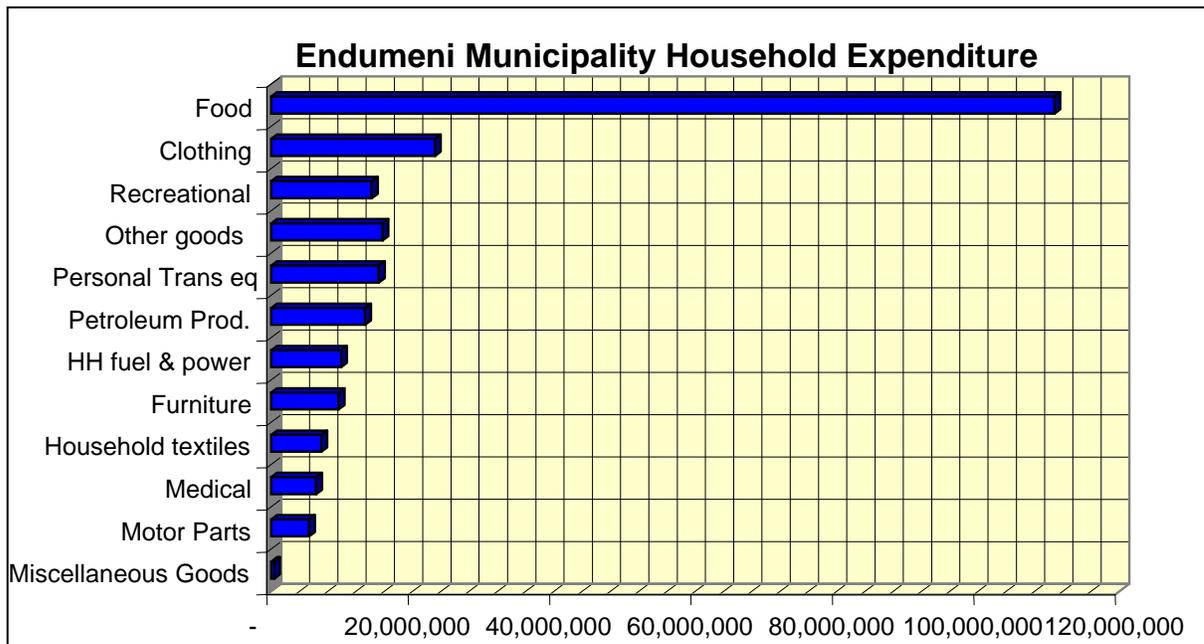
The credit squeeze has also affected investment potential in the area and hence the development process is heavily dependent on disbursements from government, foreign direct investment and export oriented processes.

FIGURE NO20 ENDUMENI MUNICIPALITY INCOME AND TAX TRENDS 1995-2005



(Source: Adapted Quantec Research Data (2008))

FIGURE NO 21 ENDUMENI MUNICIPALITY HOUSEHOLD EXPENDITURE 2005



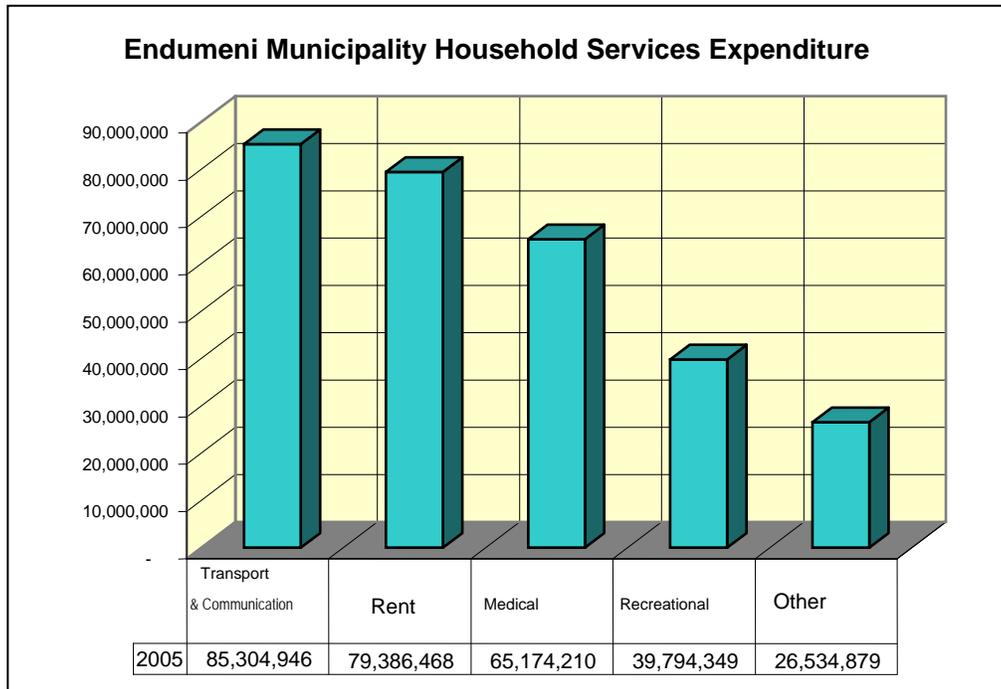
(Source: Adapted Quantec Research Data (2008))

The above graph shows the Household expenditure trend for the past 12 years. The highest levels of expenditure are as expected the necessities such as food and clothing, followed by recreational services. The high cost of transport has a great impact on how household budgets are distributed. This applies for both personal transport owners and those who rely solely on the public transport system. The space economy of Endumeni is typical of Apartheid South Africa where people are located great distances from economic activities. This means that a large and disproportionate portion of incomes is then spent transportation and petrol cost.

Endumeni households are no more different to other areas in terms of expenditure on fuel and power or energy, other consumer goods and petroleum products. Furniture and Appliances, Textiles and Medical products items are lower on the spectrum of expenditure priorities with motor parts being the least prioritised in Endumeni.

Expenditure on Education is an important economic development decision which households need to make. This bodes well for the long term LED since basic to LED is investment in people and education. However the expenditure on education, training and new ICT in Endumeni Municipal Area is not documented. In a rapidly developing knowledge economy this needs to be systematically addressed in an LED strategy.

FIGURE NO 22: ENDUMENI MUNICIPALITY HOUSEHOLD SERVICES EXPENDITURE 2005



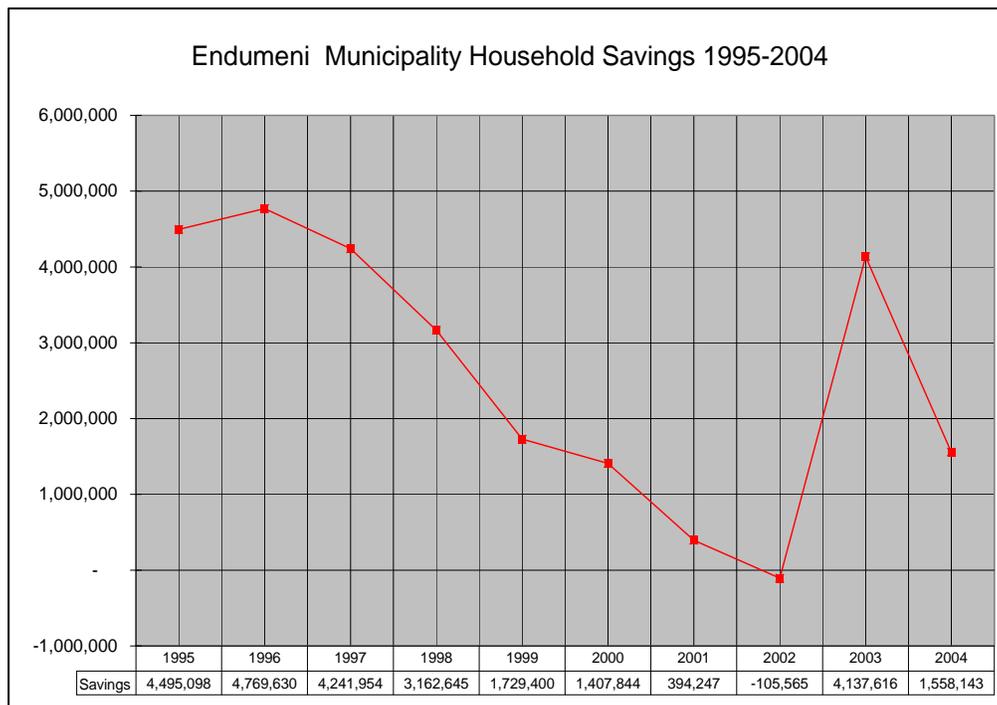
(Source: Adapted Quantec Research Data (2008))

The Endumeni Municipal Area leading household service expenditure is in:

- Transport and Communication,
- Rent,
- Medical Service, and
- Recreation

The combined sum of R85 304 946 is allocated towards Transport and Communication by individual households. The R 79 386 468 rental budget is typical of urban settlement environments which is also the locus of the recreational and medical expenditure.

FIGURE NO 23: ENDUMENI MUNICIPALITY HOUSEHOLD SAVINGS 1995- 2005



(Source: Adapted Quantec Research Data (2008))

Savings in the area have fluctuated within the last 10 years as shown above. They peaked in 1996 and again showed a sharp increase in mid 2003. These figures show the unpredictable nature of savings that is prompted by fluctuating interest rates and household finances. It is safe to assume that household savings are largely influenced by the cost of borrowing capital. The higher the cost of capital the more people refrain from borrowing and risk exposure increases.

17. Implications of the employment, income and expenditure trends for LED

The domains of informal economy, employment, income and expenditure trends in Endumeni Municipal Area are not well researched. There is therefore the need for ongoing research into:

- ❑ The full range of informal activity in the Endumeni Municipal Area with a specific strategic focus on the growing informal sectors of activity;
- ❑ The low uptake of employment in many of the tertiary sectors is of concern and indicates that the economic base of the area is not diversified. This needs to be further investigated and appropriate strategies to address this issue need to be developed.
- ❑ The decline in employment figures in spite of a positive growth in some of the tertiary sectors such as Food and Beverages and the primary Agricultural sector is of concern and needs to be investigated carefully in the strategies phase of the project so that local causal factors can be revealed.
- ❑ The expenditure on ICT in Endumeni Municipal Area is not documented and in a rapidly developing knowledge economy this needs to be systematically addressed in an LED strategy.

CONCLUSION

The rapid increase of the HIV/AIDS pandemic has had a significant impact on the demographic profile of the municipality. Consequently, the importance of considering the linkages between HIV/AIDS and development interventions of all kinds is stressed.

The gender gap between women and men calls for a gendered approach to LED with a strong emphasis on empowering women and reducing the push factors which are causing men to migrate out of the municipal area.

- The increase in the number of households means that a strong emphasis should be placed on integrated planning particularly and for housing delivery. This should be understood aligned with the SDF focus on area based management and focused housing development in nodal areas. Basic to this approach is the development of sustainable living environments with appropriate infrastructure.

The age profile

- The age profile over the past ten years has not changed significantly and shows a constant, wide bell shaped distribution with a large proportion of the population being young people between 0-35 yrs old.
- Youth based programmes are therefore prominent in LED strategy and consequently in this IDP review.

Basic economic sectors

- The leading sectors of the local economy, Government Services; Wholesale and Trade; Finance, Manufacturing and Agriculture need to be supported and strengthened.

-
- The Mining sector should be carefully re-assessed for its potential to contribute clean carbon for the energy industry and particularly for export linkages with regard to carbon sequestration with countries such as China and Brazil.
 - Linkages with the PEDS and the NSDP particularly in the agriculture and tourism sectors should be established and strengthened.
 - The domains of informal economy, employment, income and expenditure trends in Endumeni Municipal Area are not well researched. There is therefore the need for ongoing research into:
 - The full range of informal activity in the Endumeni Municipal Area with a specific strategic focus on the growing informal sectors of activity;
 - The low uptake of employment in many of the tertiary sectors is of concern and indicates that the economic base of the area is not diversified. There is thus an emphasis on diversification and SMME development in the objectives and strategies section of the IDP.
 - The decline in employment figures in spite of a positive growth in some of the tertiary sectors such as Food and Beverages and the primary Agricultural sector is of concern. Consequently, a detailed agricultural strategy was developed in this IDP with a more generalised diversification strategy to address the tertiary development needed.
 - The expenditure on ICT in Endumeni Municipal Area is not documented and in a rapidly developing knowledge economy this needs to be systematically addressed through the LED and institutional strategies.

CHAPTER THREE: SWOT ANALYSIS PER KPA

Endumeni in following with what was highlighted in the MEC Letter earlier this year, went through a stage of SWOT analysis per KPA. This was done in order to assess each KPA and then follow the analysis to give rise to the priority issues of the municipality. With the priority issues identified, interventions were then identified with the relevant personnel or sector department to act on it.

Service delivery	
Strengths	Weakness
ELECTRICITY: Availability of Electricity Master plan and provision (funding secured: rural;)	Illegal connections- loss of potential income
Securing of funding for Eskom areas	No BULK water and Sanitation on newly established townships;
ROADS/STORMWATER: Integrated Transportation Plan for Roads, mainly local& provincial Rds (SLA in place)- funding sought (Cogta& MIG- R50m to be spent over 3 years);	Rural housing stock with no access to water and sanitation
Availability of Council owned land for development i.e. housing	Multi-purpose centre not being fully utilised
Availability of MIG funding	Turn around times for installation of electricity (multi-sectoral partnerships)
Opportunities	Threats
Availability of Council owned land	LIFESPAN AND MAINTANANCE: Capacity and state of infrastructure
Availing municipal services to the FET college site	Emerging of Informal settlements
Establishment of community facilities i.e. Libraries, sports fields, etc	
Provision of municipal service/BULK to urban erven for security of rates purposes	

PRIORITY ISSUES	INTERVENTION	RESPONSIBILITY
Illegal Connections	Electricity Audit Tender Bid 05/2012	Manager Electrical
Roads & Stormwater Plan 2012/2013/2014	Compile Integrated Roads & Stormwater Plan Award Tender R50 Million Bid 69/2010	Manager Technical Services
Rural Electrification Programme Ubusi Kwa Tehlaphi	R12 Million sourced 2011/2013	Manager Electrical
Ubusi Kwa Tehelaphi	Connections Tender No. /2012	Manager Electrical
No Bulk Water and Sanitation Services Housing Projects: Craigside, Forestdale, Dlamini Village	Revised Water Services Development Plan	Umzinyathi District Municipality
Housing Projects Slums Clearance	Housing Sector Plan	Manager Technical Services
Rural Housing	Housing Sector Plan	Manager Technical Services

Local Economic Development	
Strengths	Weakness
150 ha of land for crop farming and livestock	Land given back to community for LED purposes is not fully utilised
Capacity building initiative/ skills development programmes, etc for the community	Unimplemented Bylaws
Craft market	Operational maintenance on the aerodrome establishment
Agri processing businesses, existing Abattoir,	No sustainability of LED projects once handed over to beneficiaries
Skills development related to agri-processing plants	Unavailable/ undeveloped LED infrastructure i.e market stalls
Tourism , existence of govt institutions locally	
Opportunities	Threats
Tourism plan to be compiled	Ineffectiveness of approved Bylaws
Attributes such Battlefield Tourism Route to be fully explored	
Involvement of other sectors of LED matters	
Emerging farmers	

PRIORITY ISSUES	INTERVENTION	RESPONSIBILITY
Land Reform	<ul style="list-style-type: none"> - Qualification of LR - Profiling - Production Support / Provision of Basic Service 	Technical Services (Development Planning Unit)
Mining Support	<ul style="list-style-type: none"> - Road Infrastructure - Restructure Glencoe Siding - Establish Mining Co-Ops - Transport Operation 	Technical Services (LED Unit)
Town & Nodal	<ul style="list-style-type: none"> - CBD Plan - Industrial - Recycling Project(Tyre) 	Technical Services (Development Planning Unit)
Municipal Land Strategic Use	<ul style="list-style-type: none"> - Incubation program on Municipal land - Donald McHardy Dam: High Income Housing development - Entertainment 	Technical Services (Development Planning Unit and LED Unit)
SMME Development and Investment Promotion	<ul style="list-style-type: none"> - Hiring of LED Manager 	HR Office

Financial Viability	
Strengths	Weakness
5 year financial plan,	IT internal Controls;
5 year investment plan	Centralisation of Supply Chain
Revenue Enhancement	Debt collection from govt farms
Liquidity position of Council (at least 8 months)	
Only two existing Loans	
Grap compliant	
89% of collection rate	
Funding of grant in aid	
Fully compliant with MFMA/ Supply Chain Regulations	
Over R13Mil debt collected on govt offices	
Opportunities	Threats
Increase Revenue	No funding from District Controls municipality
Development incentives Schemes in the next financial year	Increased indigence (over 50% on the past 5 years)
Identification of Child Headed Households	Loss of income through illegal connections

PRIORITY ISSUES	INTERVENTION	RESPONSIBILITY
Govt Debt	Declare Inter Govt Dispute	C.F.O.
IT Internal Controls	Compile procedures, manuals and implement	IT Manager
Illegal Connections	Appoint external service providers or inspect	Manager Electrical
Revenue Enhancement	Implement Phase 2 & 3 of Plan	C.F.O.
Development Incentives	Design and compile relative policy	C.F.O.

Institutional Development and Transformation

Strengths	Weakness
Skills Development plan	Municipality has not substantially transformed on race and gender i.e. Strategic positions to represent demographics
Human Resource Recruitment Policy	Job evaluation which is delayed and not finalised
Organisational Performance	Retention of interns within the organisations
Full compliance with MSA	Skills & Qualification auditing
Implementation of individual performance management	Delay on implementing of Council resolution
	Youth desk not being implemented
	Delays in filling of vacancies
Opportunities	Threats
Implementation of Scarce skills	Loss of competent staff
Review and implementation of Organogram	Employee Assistance Programme

PRIORITY ISSUES	INTERVENTION	RESPONSIBILITY
Senior Management not demographically represented	Implement Employment Equity Plan	Corporate Services to ensure L M Complies
Job Evaluation process delayed	SALGBC Memorandum of Agreement to be signed	SALGBC
Retention of Interns & competent Staff	Budget for posts	Corporate Services & Financial Services
Youth Desk	Youth Desk to be included in the Youth Development Office	Corporate Services
Staff Vacancies	Fast track employment in terms of Council's Recruitment Policy	Corporate Services

Good Governance	
Strengths	Weakness
Audit committees, charter and plan	Timeframes for issuing of title deeds;
Existence of MPAC	Libraries to keep up with evolving technologies
All committees are fully functional	Effectiveness of partnership agreements
Effective communication strategy	Functionality of IGR
Ongoing Mayoral meetings with other committees	Delayed in implementation of Council Resolutions
Electronic Document Management System	
Opportunities	Threats
Migration to electronic dissemination of municipal agendas, etc	

PRIORITY ISSUES	INTERVENTION	RESPONSIBILITY
Techno - Libraries	Electronic Equipment upgrade at Libraries	Corporate Services & Dept of Arts and Culture
Partnership Agreements	Ensure Political Leadership & Senior Management Involvement	All IGR Structures

Spatial Development and Environmental Management

Strengths	Weakness
SDF in place	Implementation/budgeting of the SDF
Existing and PDA TPS in place	Parking of trucks on the main corridors
Greenest town in the District	Movement of pedestrians across Victoria Corridor within the taxi-rank area
Town effectively linked in terms of transportation	No environmental officer and town planner within the municipality. Shared Services is temporarily.
Grant funding for parks establishment and removal alien plants	
Opportunities	Threats
Geo-referencing of municipal projects	Lack of new investment into the municipal area
Linkage of the District Infrastructure Plan to SDF	Sustaining current investment within municipal area
Job Creation through removal of alien plants and green town	Deteriorating weather patterns
Identification and establishment of Truck stop	Degraded environment and erosion
Investigation into redirecting pedestrians that cross Victoria in the taxi-rank area	
Street furniture i.e drop off zones, shelters	

PRIORITY ISSUES	INTERVENTION	RESPONSIBILITY
Implementation / budgeting of the Spatial related functions	<ul style="list-style-type: none"> - Employment of a Town Planner for proper management of spatial unit (regardless of Shared Services) 	Technical Services (Development Planning Unit)
Protection of environmental sensitive spaces	<ul style="list-style-type: none"> - Implementation of the Environmental Management Plan throughout the municipal area (including private farm land) 	Technical Services (Development Planning Unit) and Dept of Environmental Affairs
Transportation Plan	<ul style="list-style-type: none"> - Feasibility study on Truck Stops and Weigh Bridge because of the reintroduction of mines in the area. - Feasibility study on Taxi/Bus rank and public stops on main routes 	Technical Services (Development Planning Unit)

C - Development Strategies



MOTTO

“TOGETHER IN PROSPERITY”

VISION

“ENDUMENI, BEING AT THE HEART OF THE KWAZULU-NATAL BATTLEFIELDS, STRIVES TO BE A DYNAMIC MUNICIPALITY PARTICIPATING WITH ITS ENTIRE PEOPLE FOR THE PROMOTION OF SUSTAINABLE AND HARMONIOUS DEVELOPMENT WITHIN ITS URBAN AND RURAL COMMUNITIES.”

Endumeni:

- **Strives:** strives to be the best in strategic development
- **Dynamic:** It's a community with rich history that has led to a dynamic community
- **Participating:** ensure public participation through a long tradition of reconciliation between our dynamic community
- **Sustainable:** Endumeni has ensure sustainable economies in various sectors contributing to a positive gross domestic product
- **Harmonious:** providing services in the best interest of all communities

MISSION STATEMENT

“To provide an effective and transparent system of good governance aimed at addressing the challenges of our municipality in a manner benefiting our core values;”

- **Effective:** to ensure effective services delivery in the shortest turn around time
- **Transparent:** to publicly account and participate the communities in all programs
- **Good governance:**

CORE VALUES

- **T**ransparency
- **H**umanism/ Ubuntu
- **E**nthusiasm;
- **R**esponsiveness;
- **E**xcellence;

PRIORITIES

These priorities were extracted from ward meetings and agreed upon at the Strategic Planning Session:

- **EDUCATION**

Endumeni and the district as a whole have one of the highest levels of illiterate members of the community in the province. The focus is to establish strong literacy levels from early childhood education to tertiary. With Dundee already being the administrative hub of the district, focus is now channelled to establish Dundee as the hub for Skills Development through Amajuba FET.

- **EMPLOYMENT**

Endumeni and the district as a whole have one of the highest levels of unemployment in the province. It's now the Local Municipality's objectives to ensure that all strategies and programs are implemented as prescribed by the PGDS and other policies on creating jobs.

- **HUMAN SETTLEMENT**

Endumeni is to ensure that it creates human settlements that are densified and conducive to sustainable outcomes:

- Water and Sanitation

The shortage of water and sanitation needs to be effectively managed, pursuant to the provision of section 84 of Municipal Structures Act 117, of 1998. This is especially with all related projects having been blocked for the past 5 years.

- Housing

The provision of houses has been blocked because the Water and sanitation impasse labelled above for the past 5 years.

- Community Facilities

Existing municipal facilities have been out grown by the population growth and they have not been extended because of shortage of land in they locality. And new ones have not been built because of the memorandum by the water service provider for the past 5 years on new buildings.

- **LED**

Endumeni is to create conducive environments that enhance on local amenities for economic spin offs to take place in order to have a sustainable gross product.

- **Tourism**

To unlock business opportunities to the previously disadvantaged of the rich historical battlefields and other tourism spheres.

- **Agriculture/Mining**

Endumeni to ensure it avails its agricultural land to emerging farmers together with the necessary programs to ensure sustainable and productive use of land.

Endumeni to conduct an audit of mineral resources together with the department of mineral and energy affairs in order to promote mineral beneficiary.

- **SMME's/Business**

Endumeni is to ensure growth and development of small business through taking advantage of existing opportunities in economic active sectors.

- **TRANSPORTATION**

The rehabilitation of Provincial Roads within the Dundee CBD by means of initiative undertaken by KZN Department of Transport and Endumeni Municipality in order to rehabilitate requisite transportation infrastructure, contribute to the amenity of the town in order to further amplify the gross domestic product of the Endumeni area.

DEVELOPMENT STRATEGIES

KPA 1: BASIC SERVICE DELIVERY:

Facilitate Effective Infrastructure and Sustainable Service Delivery

This strategy focuses on facilitating the provision of new infrastructure and also the maintenance of existing infrastructure to ensure sustainable service delivery within the community.

Outcome: The first priority is to provide water and sanitation to the communities that currently do not have access at a minimum RDP standard of 25 litres per day per person within 200 metres walking distance. Sanitation target is to provide a VIP latrine per household.

The ultimate aim of the strategy is to reduce the water backlog which will be 33% (33217 households) by 8% (2618 households) and sanitation backlog which will be 18% (17772 households) by 21% (3800 households) for 2011/12 financial year through the implementation of MIG projects.

The outcome of this strategy is informed by:

- 2011/12 Water Services Development Plan;
- Back log study
- 2012/2013 Integrated Waste Management Plan
- Millennium Development Targets.

KPA 2: LOCAL ECONOMIC DEVELOPMENT

Promoting a vibrant and sustainable local economy

In the main the economic strategic thrusts of Endumeni seek to regenerate an already dwindled economy, thereby stimulate both private and public sector investments that will lead to creation of sustainable job opportunities.

Outcome:

The envisaged outcome will be a direct response to Special Economic Zone initiative that earmarked the development of the mining sector in KZN to occur in Endumeni. Undoubtedly, the outcome should result to increased and improved infrastructure investment at Endumeni area of jurisdiction.

Hence, we envisage the opening of new mining operations, diversification of agricultural products which includes meat processing and agri-process of locally produced crops. Furthermore, the revival of nodal towns of Glencoe through re-opening of mining sidings and full utilisation of railway facilities is on the cards as well as stimulating agricultural activity on land reform farms in and around Wasbank area.

In order to implement the economic strategic thrust of the municipality the main focus areas will be amongst other things concentrate on strengthening of institutional arrangements, development and support of SMMEs, strengthening partnerships with the mining sector role players and business chamber at large.

To this end, the major projects on the pipeline are as follows:

1. Opening of four new mining houses
2. Expansion of Miranda mines
3. Establishment of Orange Groove Cheese Factory
4. Expansion of Rock's Drift Hotel
5. Building of new Amajuba FET College

KPA 3: GOOD GOVERNANCE

The Endumeni Municipality logo “Together in Prosperity” was purposefully chosen to ensure that the municipality and all its residents work as a united force to meet their common goals. The Endumeni Municipality in 21 July 2005 sought to establish itself as a “Collective Executive with a Ward Participating System” by virtue of the promulgation made under Provincial Notice No. 1250 of 2005 which culminated with the obligatory establishment of 6 participating ward committees which are duly established after each local government elections are held. The ward committees are a statutory tool to enhance ward participation and involvement of the communities at large and in the day to day running of the municipality.

To further enhance the principles of good governance the establishment of an Audit Committee at Endumeni ensured that there are strict control measures and monitoring mechanisms undertaken at this municipality.

Good Governance at Endumeni is also dependent on strict adherence to the Councils Policies, Procedures, Codes of Conduct and the updating of the old By-Laws that were inherited from the old dispensation to new By-Laws more appropriate and suited to the demands of the contemporary local government.

The adoption of a consultative community participatory system entrenches the philosophy of democratic governance whereby the diverse communities of Endumeni are afforded ample opportunity to partake in the management of their own affairs. The political office bearers under the leadership of the Mayor have also embarked on a series of mass community meetings in all six wards to extrapolate the general needs of the Endumeni Community and thereafter merging them into the policies and core objectives of the Council.

KPA 4: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The Endumeni Municipality, since its inception in December 2000, had undergone a series of transformational and institutional development processes in order to bring about a change from the erstwhile Transitional Local Government Administration to the new dispensation. Much of the major transformational development was initiated in the first generation IDP process whereby the various transitional entities were amalgamated to form the new entity of the Endumeni Municipality. The organization was restructured in a manner so as to meet the demands of the area that Endumeni municipality serves and all strategies, policies, procedures and work related processes were aligned in such a manner that the mandate given to the newly established Council can be satisfactorily met. The human resources at Endumeni are deemed to be adequate and efficiently managed which are guided by all labour related legislations, policies and procedures to ensure a stable workforce, without losing sight of the demands and challenges that were initially inherited in terms of the employment equity shortfalls.

Endumeni Local Turn Around Strategy

Endumeni Municipality Turnaround Strategy was developed in partnership with the KZN Department of Co-operative Governance and Traditional Affairs and refined during October 2011. Councillors, Administration, Ward Committees, Sector Departments, Business Community were part of the stakeholders that developed the Municipal Turnaround Strategy. Ten priorities were developed as part of the turnaround strategy.

As part of the monitoring process for the implementation of the above ten priorities through the turnaround strategy, quarterly reports are being prepared indicating progress made in reaching the targets, and subsequently submitted to the Department of Co-operative Governance and Traditional Affairs.

Please refer to Appendices'K1 "Institutional Plan" for the following: Institutional Transformation and Organizational Development; Institutional Plan and Organograms.

KPA 5 FINANCIAL VIABILITY

Promote Sound Financial Management

Compliance with the requirements of the MFMA ensures sound financial management and compilation of funded budgets as per budget regulations enhances financial sustainability which also ensures alignment with the IDP.

OUTCOME: Increase collection of rates and service income, timeous utilization of annual grant funding, payment of creditors within 30 days, enhance debt management process, liquidity ratio improvement, and write off of irrecoverable debts.

The outcome of the strategy is informed by:

- Debt collection and Credit Control Policy
- Indigent Policy
- Tariff Policy
- SDBIP
- Financial Plan
- Cash Management and Investment Policy
- Supply Chain Management Policy
- Asset Management Policy
- Provision for Doubtful Debts Policy

Alignment with Provincial and National Priorities (PDGS + Outcome 9 + Draft PSEDS)

PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

The province of KwaZulu - Natal has managed to develop the Provincial Growth and Development Strategy which was adopted by Cabinet on the 31 August 2011, and has a vision to be achieved by 2030. The PGDS is crucial to:

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

(PGDS) Provincial Growth Development Strategies			
No.	Strategic Goals	PROVINCIAL STRATEGIES	MUNICIPAL STRATEGIES
	JOB CREATION	<ol style="list-style-type: none"> 1. Unleashing the Agricultural Sector 2. Enhance Industrial Development through Trade, Investment & Exports 3. Expansion of Government-led job creation programmes 4. Promoting SMME, Entrepreneurial and Youth Development 5. Enhance the Knowledge Economy 	<ol style="list-style-type: none"> 1. Municipality to avail its agricultural commonage to emerging farmers 2. Parks and Gardens Unit is EPWP compliant in creating jobs for the SMME's. 3. Sthembile Township Media Centre in conjunction with DUT in transferring knowledge through an ICT program.
No.	Strategic Goals	PROVINCIAL STRATEGIES	MUNICIPAL STRATEGIES
	HUMAN RESOURCE DEVELOPMENT	<ol style="list-style-type: none"> 6. Early Childhood Development, Primary and Secondary Education 7. Skills alignment to Economic Growth 8. Youth Skills Development & Life-Long Learning 	<ol style="list-style-type: none"> 1. Municipality has released land and signed the MOA for the development of a regional FET to be established in the main town of Dundee.

No.	Strategic Goals	PROVINCIAL STRATEGIES	MUNICIPAL STRATEGIES
	HUMAN & COMMUNITY DEVELOPMENT	9. Poverty Alleviation & Social Welfare 10. Enhancing Health of Communities and Citizens 11. Sustainable Livelihoods & Food Security 12. Sustainable Human Settlements 13. Safety & Security 14. Social Cohesion 15. Youth, Gender and Disability Advocacy & The Advancement of Women	2. Funding economical projects that are identified through Operation Sukuma Sakhe, especially those that are food security orientated like the Ngcedo Garden on Tandy Street. 3. Endumeni Housing Sector Plan 4. Endumeni Safety & Security Plan
	STRATEGIC INFRASTRUCTURE	16. Development of Ports and Harbours 17. Development of Road & Rail Networks 18. Development of ICT Infrastructure 19. Improve Water Resource Management 20. Develop Energy Production Capacity	1. Rehabilitation of provincial roads/taxi rank in Dundee CBD at the amount of 50million. 2. Council has approved an application for a Biogas station linked to the agricultural feedlot industry. 3. Rural solar lighting project in conjunction with DMEA.
	RESPONSE TO CLIMATE CHANGE	21. Increase Productive Use of Land 22. Advance Alternative Energy Generation 23. Manage pressures on Biodiversity 24. Disaster Management	1. Council has approved an application for a Biogas station linked to the agricultural feedlot industry. 2. Rollout of solar geysers for socio-economic housing in conjunction with DMEA and DHS

No.	Strategic Goals	PROVINCIAL STRATEGIES	MUNICIPAL STRATEGIES
	GOVERNANCE AND POLICY	25. Strengthen Policy and Strategy Co-ordination & IGR 26. Building Government Capacity 27. Eradicating Fraud & Corruption 28. Promote Participative, Facilitative & Accountable Governance	1. Endumeni Fraud and corruption strategy 2. District Coordinating Forum that coordinates intergovernmental relations. 3. Endumeni Municipal Public Accounts Committee 4. Ward committee training for the new term of office
No.	Strategic Goals	PROVINCIAL STRATEGIES	MUNICIPAL STRATEGIES
	SPATIAL EQUITY	29. Actively Promoting Spatial Concentration 30. Facilitate Integrated Land Management & Spatial Planning	1. Endumeni Spatial Development Framework and Housing Sector Plan 2. Draft "Wall to Wall" Town Planning Scheme

OUTCOME 9: RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM

During September 2010, the National Government agreed to 12 outcomes as a key focus of work between now and 2014. Each of the 12 outcomes requires involvement of all spheres of government and other stakeholders outside government. The applicable outcome for local government is outcome 9 which has seven outputs, and local government has to deliver on these seven outputs by 2014, and they are as follows:

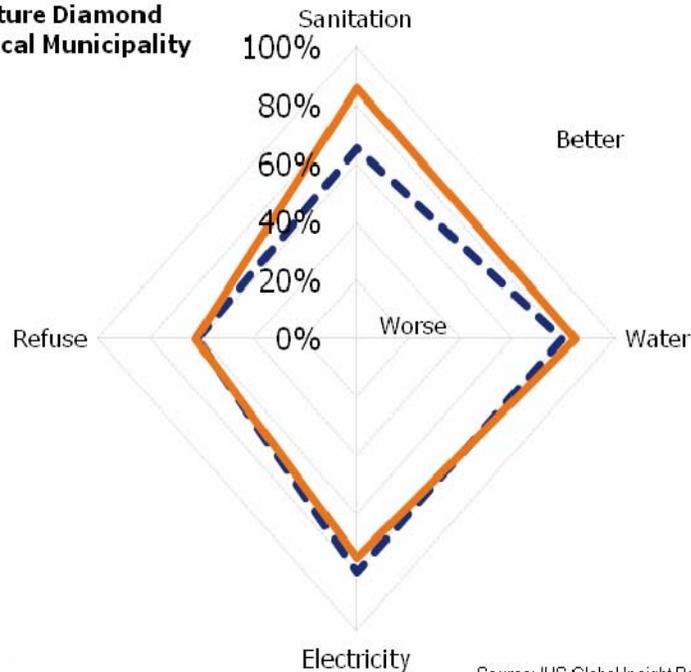
Output 1: Implement a differentiated approach to municipal financing, planning and support

- The 2012/13 -2016/17 IDP is structured according to the KZN Framework Guide in order to be a credible IDP
- The Development Planning Shared Service (DPSS) in the District in full use and has a Town Planner and GIS Technician working 3days of the week in our municipality.
- The municipality's OPMS is the best practice in the district.

Output 2: Improving access to basic services.

- Endumeni is doing a good job on service delivery in terms of infrastructure regardless of not having the “powers & functions” over water and sanitation. Concern in backlogs is in the sanitation area and this is mainly from the rural areas of the municipality.

**Infrastructure Diamond
Endumeni Local Municipality**



Source: IHS Global Insight Regional eXplorer version 593

Output 3: Implementation of the Community Work Programme

- Roads / Parks and Gardens Unit are EPWP compliant in creating jobs for the SMME's.

Output 4: Actions supportive of the human settlement outcome

- Endumeni has released former buffer trip land in order to integrate the former townships to the existing former white areas that form the town. This then encourages densification and accessibility to amenities.

Output 5: Deepen democracy through a refined Ward Committee model

- Ward framework, policy as per resolution number CO2/17/05/11 and systems in place. Training budget of R150 000 approved and currently being implemented.

Output 6: Administrative and financial capability

- The municipality has a successful rate of revenue collection of 84%
- And the municipality also has an unqualified report.

Output 7: Single window of coordination

- All legislation that affects the Endumeni municipal is implemented upon promulgation and any policy or procedure that is affected by such promulgation is subsequently updated to meet the requirements of such legislation.

KZN PSEDS ENDUMENI ECONOMIC DRIVER PROFILING

KZN PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY AND ECONOMIC STRATEGIES

The KZN government's growth and development strategy is aimed at transforming the structure of the economy and narrowing and eventually eliminating the gap between the first and second economies.

The four pillars on which this strategy rests are as follows:

- Increasing investment in the province;
- Skills and capacity building;
- Broadening participation in the economy; and
- Increasing competitiveness.

Programmes to boost growth include: promotion and attraction of Foreign Direct Investment, Investment in infrastructure, Dube Trade Port, Provincial Growth Fund, 2010 Soccer World Cup - investment in supporting infrastructure, sector development and corridor development.

To promote SMMEs and Black Economic Empowerment, the provincial government has created a series of funds, secured training through FET's and facilitated access to financing through Ithala Bank.

ECONOMIC		CERTAIN DRIVER	POSSIBLE DRIVER	UNCERTAIN
Company /sector	Company	<ul style="list-style-type: none"> • Orange Grove Dairy • CCC 	<ul style="list-style-type: none"> • Talana Museum 	
	Sector/Sub-Sector/Cluster	<ul style="list-style-type: none"> • Mining • Tourism – battlefields • General Government • Agriculture 		
Developments	Strategic Developments			Donald McHardy Dam
	Supporting Facilities			
Infrastructure	Supporting Economic Zones	CBD Urban Renewal		
	Link Infrastructure		Biogas linked to CCC	
	Other Infrastructure			

D - High Level Spatial Development Framework



HIGH LEVEL SPATIAL DEVELOPMENT FRAMEWORK

1. BACKGROUND

ENDUMENI IS CURRENTLY REVIEWING IT SDF FOR THE 2012/13 - 2016/17 IDP. IT IS TAKING THE COGTA, MEC LETTER AND DEVELOPMENT PLANNING SHARED SERVICES COMMENTS INTO TASK IN ORDER TO ACHIEVE A CREDIBLE SDF FOR THE NEW 5YR TERM.

Spatial Development Frameworks

1.1 Legislative Mandate

The Municipal Systems Act (Act 32 of 2000 - Section 26) compels all municipalities to prepare an Integrated Development Plan.

Such a plan should contain, at a minimum, the following:

- ♦ The municipal council's vision for the long term development of the municipality;
- ♦ An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services, e.g. tribal authority areas;
- ♦ The council's development priorities and objectives, including its local economic development aims and its internal transformation needs, i.e. Employment Equity;
- ♦ The council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- ♦ A **Spatial Framework Plan** which must include the provision of basic guidelines for a land use management system for the municipality.

The Spatial Development Framework (SDF) is a sector plan of the IDP. As such, it is a spatial representation of the municipality's vision and is to be used to guide the location of development as envisaged in the IDP.

The Regulations promulgated in terms of the Municipal System Act (2000) set out the following requirements⁴ for the development of a Spatial Development Framework:

"A spatial development framework reflected in a municipality's integrated development plan must:

- 1) give effect to the principles contained in chapter 1 of the Development facilitation Act 1995 (Act no. of 67 1995);
- 2) set out objectives that reflect desired- spatial form of the municipality;
- 3) contain strategies, policies and plans which must-
 - (i) indicate desired patterns of land use within the municipality;
 - (ii) address the spatial reconstruction of the location and nature of development within the municipality; and

-
- (iii) provide strategic guidance in respect of the location and nature of development within the municipality;
 - 4) set out basic guidelines for land use management system in the municipality;
 - 5) set out a capital investment framework for the municipality's development programs
 - 6) contain a strategic assessment of the environmental impact of the SDF;
 - 7) identify programs and projects for the development of land within the municipality;
 - 8) be aligned with the SDFs reflected in the integrated development plans of neighbouring municipalities; and
 - 9) provide a visual representation of the desired spatial form of the municipality, which representation:
 - (i) must indicate where public and private land development and infrastructure investment should take place;
 - (ii) must indicate desired or undesired utilisation of space in a particular area;
 - (iii) may delineate the urban edge;
 - (iv) must identify areas where strategic intervention is required; and
 - (v) must indicate areas where priority spending is required.

1.2 SDF Review 2012/2013

The purpose of this review has been to update and improve the SDF, in keeping with the new 2011 focus of a credible IDP review process and comprehensive spatial planning requirements noted by the letter from the MEC of Department of Cooperative Governance and Traditional Affairs.

Key recommendations to be addressed include:

- ◆ The preparation of clear guidelines for Land Use Management System
- ◆ The preparation of a Capital Investment Framework
- ◆ Strategic Assessment of the environmental impact of the SDF
- ◆ Alignment of the SDF with the SDF's of neighbouring municipalities and the Umzinyathi District
- ◆ Adherence to the provincial 2009 spatial development guidelines 1 - 8

2. SPATIAL ANALYSIS OF ENDUMENI MUNICIPALITY

2.1 The Study Area

Endumeni is one of four Local Municipalities located within the District Municipality of Umzinyathi within the valleys of the Biggarsberg Mountain Range with the two main towns of Dundee and Glencoe located at the base of the Indumeni Mountain.

Endumeni is located on the northern edge of the Umzinyathi DM, in the northern portions of KwaZulu-Natal and is bordered by the Amajuba District Municipality to the North, the Uthukela District Municipality to the South West, the Msinga Local Municipality to the South and Nquthu Local Municipality to the East.

Endumeni is 1,612km² in extent, 55km wide from north-east to south-west on the R33/R602 and 30km on the R33/R621 south-east to north-west.

The municipality comprises six wards.

Further detailed analysis of the current demographic, social, economic and environmental status quo is included in later sections of the SDF

2.2 Land Use and Activity System

Drawing on the Rural Service System concept, the SDF for Endumeni, focuses on the establishment and promotion, within the various areas comprising the municipal area, of a system nodes and corridors for encouraging appropriate types and levels of development and service delivery. The identification of hierarchy has been developed based on the spatial analysis of Endumeni and incorporates areas of concentrated urban and rural populations, areas indentified for possible future housing projects and areas already functioning as service nodes (See and).

2.2.1 Development Corridors

The development corridors within Endumeni have been located with a provincial context and are therefore named accordingly.

Primary Corridor

The primary corridor within the region is the N11 (Ladysmith to Newcastle). Whilst the N11 does not pass through Endumeni it does provide access to the R602 and R68 for access to the area from the west. This is a key industrial and agricultural corridor.

Secondary Corridor

R33 and R621 form the central spine of the secondary provincial priority corridor. The focus of this corridor is agriculture and tourism.

Tertiary Corridors

These comprise the lower order roads within the municipal area, including the R33 from Dundee to Wasbank and the R68 to Nqutu and the R33 to Vryheid.

Although they are lower order roads, they play an important role in enhancing accessibility to a number of the rural settlements within the municipal area.

Activity Corridor

Mixed use activity corridors are located within Dundee and Glencoe. These routes offer an opportunity to provide the highest range and intensity of mixed use activities.

2.2.2 Nodes and Corridors

Primary Node - Dundee

An existing multipurpose business, administrative, social service and intermodal transportation terminal centre that services the surrounding urban and rural communities of Endumeni and its neighbouring municipal areas. Dundee is home to the headquarters of the Umzinyathi District Municipality. The role of the node is to provide essential 'day to day' commercial needs and social and commercial services to communities within the greater municipal area.

This node must be consolidated with Glencoe to form an urban core for Endumeni.

A range of residential, commercial, industrial, institutional and recreational land uses would be encouraged within the node. A focus should be on mixed land uses and the intensification of land use along major transportation routes.

Secondary Node - Glencoe

An existing secondary node that serves the greater Glencoe community with a mix of commercial and social services. The role of the node is to provide essential 'day to day' commercial needs and social and commercial services to immediately adjacent communities.

The node should be consolidated with Dundee to form an urban core for Endumeni.

A range of residential, commercial, industrial, institutional and recreational land uses would be encouraged within the node commensurate with the local threshold population. A focus should be on mixed land uses and the intensification of land use along major transportation routes.

Rural Services Node - Wasbank

An existing settlement that serves the southern region of Endumeni. Wasbank should be consolidated and/or enhanced as village centre that provides support to the development of the rural and agricultural hinterlands of Endumeni.

These node should include community facilities, commercial and transportation infrastructure to support the residential needs located in the rural hinterland and they are to be developed in a manner that reflects or establishes a clear identity with the community that it serves and the landscape that it is situated in.

Such facilities should include mobile clinic, school, community hall, postal services, police satellite station, mobile welfare services, banking services and basic sports facilities.

Residential development should be rural/traditional in nature.

Rural Services Satellite Nodes

Further Rural Service Satellite Nodes are proposed in areas where there is a significant concentration of rural population:

- ♦ De Jagersdrift
- ♦ Malonjeni
- ♦ Vechtkop
- ♦ KwaTelaphi
- ♦ Tayside

These nodes fulfil a similar function to the rural services node but the provision of social facilities can be provided in a non-permanent manner.

Such facilities should include mobile clinic, school, mobile welfare services, mobile banking services, postal services, and a basic sports facility.

The development of these nodes should coincide with the development (settlement) of proposed housing and/or land reform projects. Detailed Precinct Plans should be developed prior to establishing and/or consolidating the nodes in order to determine infrastructure requirements.

As with a rural services node, residential development should be rural/traditional in nature. Activity Corridors

2.2.3 Land Use

The purpose of these land use categories is to guide and manage the use of land in accordance with the objectives of each proposed land use as outlined below. These land use categories should, in due course, be incorporated into the proposed new land use management system or LUMS.

Environmental Services

The purpose of this land use category is to promote the protection and management of any so-designated areas in accordance with ecological and environmental principles in order to ensure their longer-term environmental sustainability. Such areas may be in public or private ownership.

The environmental services areas as reflected on the SDF are derived from the Environmental Plans and Land Capability Assessment undertaken for the Endumeni Municipality.

Areas so designated within the municipal area include the major wetlands within the area as well as all rivers. In principal, a 50 metre buffer around major water courses has been designated as environmental services, although it is acknowledged that, in practice, the width of the environmentally sensitive portions of rivers will vary.

Although the Alden Lloyd Nature Reserve is a formally protected area, it has not been included under this land use category as it is intended that, whilst it should be managed according to the aforementioned principles, it should also enjoy greater exposure as a tourism/recreation area and, hence, is accorded an alternative designation.

Urban Core

As described in the concept, Endumeni must accommodate of a variety of lifestyle options through the establishment of both urban and suburban settlement types.

Residential land uses should make provision for a range of housing typologies and land uses that can associate with and be mixed with residential such as home business, community facilities; local neighbourhood shopping etc should be encouraged and facilitated within the core and within nodes. Areas for potential densification have been identified adjacent to the existing CBDs of Glencoe and Dundee.

Social facilities should be clustered where appropriate to improve the efficiency of social services provision and should be located within nodes and the urban core.

Provision is made for the development of an FET and Umzinyathi Community College at the intersection of the R68 and R602

Office development should be encouraged within the existing primary and secondary nodes of Dundee and Glencoe within the existing CBDs.

Retail and commercial economic should be encouraged to remain within the existing nodes Dundee and Glencoe and permitted on the activity spine between the two nodes.

General and light Industrial development should be consolidated in the existing industrial nodes.

All non-residential land uses should be integrated with other land uses to create more mixed use environments and to increase thresholds for public transport.

Urban Edge

Land Reform (Rural Residential)

The purpose of this land use category is to endeavour to achieve a balance between the use of productive agricultural land on the one hand, with a recognition of the related use of portions of the land for rural settlement purposes on the other associated with land reform projects.

In terms of this category, some level of future low density rural residential and associated social and economic development should be permitted at rural services nodes. Housing in agricultural areas should be associated with agricultural activity and no new rural residential settlements should be permitted outside of identified nodes and existing land reform projects (further details in section **Error! Reference source not found.**).

Agriculture

The primary purpose of this land use category is, in the first instance, the protection of higher potential agricultural land. Secondly, it is to promote sustainable agricultural land practices. Thirdly, its purpose is to permit, in a controlled

manner, related agricultural industries or other related resource-based activities.

The area to the north-east of Endumeni, north of the Sterkstroom River has a land capability rating of VI (arable land of limited potential for dryland cropping). Smaller pockets of land occur in the north-east, as well as a belt of land on the Wasbank plains that have a land capability rating of VI (good non-arable land within scope for intensification). Good agricultural land, land capability of rating of I and II (high potential arable land suitable for intensive dryland cropping) is located on the high plateau of the central area around Glencoe and Dundee. The areas located to the west of Dundee south of the Sterkstroom River and in the south-west on the Wasbank River have a land capability rating of III (arable land with moderate potential for dryland cropping).

Agricultural land uses do not preclude rural residential development associated with land reform projects, but new settlements should not be encouraged outside of identified rural services nodes or existing land reform projects.

Eco-Tourism

The purpose of this land use category is to recognize and promote areas that have been identified as having inherent tourism qualities by virtue of them having eco-tourism, cultural, historical or other attractions - including private game farms, and prominent places of interest such as the Biggarsberg, the Platberg and Indumeni, as well as the Alden Lloyd Nature Reserve.

These zones are located within the environmental services areas and should be managed in accordance with sound environmental principles and preferably in accordance with environmental management plans.

Extractive Industry

The purpose of this land use category is to highlight the general location of disused and/or existing mineral extraction and mining operations, including coal, since these are or were important nodes of economic activity.

Compliance with environmental and planning legislation is to be monitored on an on-going basis, provided that related economic activities should also be able to be permitted under controlled circumstances.

Public health and safety issues are also of paramount importance in areas so designated. In this regard, it is vital that mines that are no longer operational be rehabilitated under the guidance of the Departments of Minerals and Energy and of Water Affairs and Forestry, and that the problems associated with many of the historic mines be addressed.

It should be noted that, at this stage, not all historical or existing coal mines have been identified.

A long-term project should be to identify and map also shafts or audits within the municipal area, as well as determining the

economic viability of any remaining reserves with a view to resuscitating mining as a key economic sector.

Areas of Priority Spending

This refers to those areas of the Municipality outside of the Urban Core, which have been identified and prioritised as areas of future focus for Municipal spending and service delivery. The intention is that investment initiatives and LED should be directed to these previously under served areas. The key areas of focus in this regard include:

- ♦ Wasbank
- ♦ KwaTelaphi
- ♦ Tayside
- ♦ De Jagersdrif
- ♦ Vegkop

Possible Future Residential Development

This refers to those areas within the Municipality which have been identified for possible future residential development, and include:

- ♦ Wasbank
- ♦ KwaTelaphi
- ♦ Tayside
- ♦ De Jagersdrift
- ♦ Vegkop.
- ♦ Areas within the Dundee and Glencoe nodes

3. HOUSING

The primary goal in Endumeni is to use housing in its various forms as a building block to create an urban and rural form that is compact and efficient and integrated into the urban systems of the municipal area, or where appropriate integrated with the agricultural systems. Housing should be used to create urban areas that are dense enough to offer citizens efficient public transport, better access to social and commercial facilities, and improved thresholds for economic activity.

Future residential development to be accommodated through the intensification of existing areas and in expansion areas located within the urban core. These include Craigside to the north of Dundee, west of the Dundee Golf Course and a number of smaller pockets of land adjacent to, or located within the existing built-up areas of Dundee, Glencoe and Wasbank.

Land for housing at the Municipal level has been identified at:

- ♦ De Jagersdrift
- ♦ Tayside
- ♦ Vechtkop
- ♦ Kameelkop
- ♦ Commonage
- ♦ Ruigtefontein
- ♦ Boschkloof

And within the urban core at (Error! Reference source not found.):

- ♦ Craigside
- ♦ Erf 642 Dundee (Forestdale
- ♦ Sithembile 3
- ♦ Sithembile 2

-
- Extension)
 - ♦ Avon
 - ♦ Dlamini Village
 - ♦ Buffer Strip Phases 2 and 3
 - ♦ Extension 18
 - ♦ Glencoe Bypass Extension
 - ♦ Sithembile 1
 - ♦ Sub 1 of Erf 694 Glencoe
 - ♦ Erf 3296 Dundee (Extension 20)
 - ♦ Erf 72 of Craigside No 2272

4. LAND REFORM PROJECTS

There are a number of de facto rural residential settlements located within the agricultural hinterland of Endumeni. The intention of the land reform process is to provide security of tenure, redistribution and/or restitution to land claimants. The focus of the programme in Endumeni is primarily linked to agricultural land reform and as such, the intention is to manage uncontrolled growth within the agricultural hinterland in order to protect and enhance the system of development nodes and to support the protection of agricultural production in the region, and therefore agricultural livelihoods.

5. ENVIRONMENTAL SERVICES SYSTEM

The broad level open space system can be achieved if its defined and protected, based on a specific range of biophysical and spatial planning needs. A nonnegotiable core open space system must be protected in the interest of maintaining ecosystem services such as storm water management, soil maintenance and microclimatic amelioration, whilst an additional 'amenity' or buffer areas are created in-between the core system as open spaces with a more social and recreational function.

The open space system has to satisfy two criteria - it must be allowed to function as an integrated system in order to ensure the optimal protection of biodiversity, and it must be sufficient for an adequate sustainable supply of ecological goods and services. This requires a careful combination of system elements in the form of nodes and corridors, as well as 'buffer' areas (see **Error! Reference source not found.**).

5.1 Nodes and Corridors

A common approach to open space system planning is to identify conservation cores and link them via corridors, but best practice planning requires a more refined ecological solution. In Endumeni area three open space areas dominate - the Wasbank River and associated wetlands in the South, and the extensive surface water bodies around the Buffels and Blood Rivers in the north. By applying specific conservation planning considerations on how habitat fragments and linear features should be included in an open space system; these two systems can be included in spatial planning in the following manner:

Primary cores for Endumeni are:

- ♦ Buffels River
- ♦ Blood River
- ♦ Wasbank River
- ♦ Alden Lloyd Nature Reserve
- ♦ Ilanga Game Ranch
- ♦ Botha Group Game Ranch

Supportive corridors to be protected are:

ENDUMENI MUNICIPAL FINAL IDP 2012/13 TO 2016/17

-
- ◆ Sterkstroom River
 - ◆ Mzinyashana River
 - ◆ Nsuze River
 - ◆ Sandspruit River

5.2 Amenity Areas

It is preferable where possible to extend the open space asset outwards from the core to incorporate other types of open space that enhance and diversify the services that the open spaces provide. These areas should be retained as open space such that they can provide enhanced social and environmental amenity including:

- ◆ Recreational amenity (urban greenways for walking, jogging, cycling, picnicking, golf)
 - ◆ Visual amenity (attractive green spaces for houses and offices to look onto)
 - ◆ Cultural amenity (sacred spaces for people to worship, pray and practise traditions)
 - ◆ Ecological amenity (spaces for nature education, for animals, birds and reptiles to shelter)
 - ◆ Risk management (additional areas to buffer people from the increasing risks of global warming, storm seas and flooding)
- Amenity areas should be delineated to include:
- ◆ Human movement corridors along and between open space open space cores
 - ◆ Seepage, drainage or potentially flooded zones not included in the core system that are not ideal for residential use but that can be used for agriculture, development of natural assets for human enjoyment and economic gain (e.g. wetlands for birding)
 - ◆ Over steep or unstable areas that are not ideal for development but can play a positive role in the landscape as amenity areas
 - ◆ Areas of high agricultural potential (mainly for subsistence farming)
 - ◆ Areas of particular scenic beauty that provide amenity that adds value to transport routes or developed areas

The amenity areas differ from core conservation areas in that certain types of development may take place without being detrimental to the role that it plays in providing amenity services to people. For example, some parts of the amenity area may be developed for agriculture, or low intensity forms of development that does not detract from - or may contribute to - the role that the amenity area plays. For example, developments such as nature centres, rustic bush lodges and sports clubs may be considered appropriate in certain amenity areas.

6. IMPLICATIONS FOR THE SDF FOR ENDUMENI

- ◆ promote a more compact urban form by focusing on and densifying existing urban nodes;
- ◆ promote a more efficient use of infrastructure
- ◆ nurture and protecting higher potential agricultural land;

-
- ♦ ensuring the appropriate level of protection to environmentally sensitive areas;
 - ♦ promote, in appropriate localities, economic opportunities, including LED and tourism; and
 - ♦ ensure that land use within the municipal area will be able to be managed in a balanced and integrated manner
 - ♦ promote opportunities for land reform
 - ♦ accommodate new housing areas

7. LAND USE MANAGEMENT SYSTEM

The fulfilment of the SDF as illustrated above gives objective to the Endumeni LUMS to promote the integrated and sustainable management and use of land in the long-term interests of all stakeholders.

LUMS Strategies

- ♦ Establish a detailed land information system for the entire Municipal area [LIMS].
- ♦ Establish an integrated land use management system for the entire Municipal area [LUMS].
- ♦ Ensure the incorporation of integrated environmental principles and policy into the land use management system.
- ♦ Ensure the appropriate institutional capacity to manage, implement and monitor land use throughout the Local Authority area.
- ♦ Formulate appropriate land use-related policies in support of the Spatial Development Frameworks.
- ♦ Ensure an appropriate level of community consultation and participation in relation to any proposed changes of land use.

Proposed LUMS Projects

Formulate and implement a land use management system or LUMS, based on an updated land information system or LIMS, incrementally across the entire municipal area as and when it is legally competent for Council to do so, starting with the existing scheme area, then extending the scheme/system to include the rural areas, before finally extending it to include Sibongile and Sithembile, whilst in the interim managing land use within these latter two areas in terms of the existing applicable land use control legislation.

This LUMS shall be based on the Spatial Development Frameworks as detailed in this report.

8. Capital Investment Framework

The determination of a capital investment framework for a municipality is primarily the function of the IDP and /or associated Financial Plan to be illustrated spatially within the SDF of the municipality.

The SDF notes which areas within Endumeni are prioritised for municipal investment. The concept of the Endumeni SDF is to direct investment into a system of node and corridors and to consolidate development within existing areas in order to maximise the efficiency of service delivery. lists the projects planned for Endumeni for 2011-2015. The location of the project can be derived from it's project name.

9. Further Planning Required

It is proposed that more detailed planning is undertaken for the following areas:

- ◆ Glencoe/Dundee Activity Corridor Precinct Plan
- ◆ Local Area Plans for Dundee and Glencoe
- ◆ Precinct Development/Human Settlement Plans for
 - Wasbank
 - KwaTelaphi
 - Tayside
 - De Jagersdrif
 - Vegkop
- ◆ Strategic Environmental Assessment

E - SECTOR INVOLVEMENT



SECTION F: SECTOR INVOLVEMENT

Endumeni Local Municipality along with the other locals in the district came together with the UMzinyathi District Municipality to do an IDP/LED Planning Sessions with Sector Departments. The sessions ensured maximum alignment in terms of future projects between the municipalities and sector departments. The 1st session sat on the 01-02 November 2011 and the 2nd on the 28th February 2012. This ensures priorities and project funding are reflected on the 2012/2016 IDP Projects list for the Municipal area.

The aim of the session was to:

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

The session was a success and the municipality managed to obtain most of the programmes and projects from the sector department which will be implemented within Umzinyathi District Municipality. The sector departments that were present are as follows:

STAKEHOLDERS PRESENT
<ul style="list-style-type: none">• Department of Agriculture, Environment Affairs and Rural Development• Department of Economic Development and Tourism• Department of Rural Development and Land Reform• Department of Economic Development• Department of Transport• Department of Labour• Department of Environmental Affairs• Department of Home Affairs• Department of Education• Department of Agriculture• Regional Land Claims Commission• Department of Co-operative Governance and Traditional Affairs• Eskom• The District and its Locals

Programmes and projects to be implemented by the sector departments within Umzinyathi District Municipality for the next Medium Expenditure Framework, are as follows:

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

Programme	Project	Budget Amount	Comments
SBD	SMME training & capacity Building	R634 600.00	Awaiting Exco confirmation
SBD	Royal Show	R165 680.00	Awaiting Exco confirmation
SBD	Pre-Finance Training	R150 000.00	Awaiting Exco confirmation
SBD	Status of Small Enterprises	R184 636.00	Awaiting Exco confirmation
O-OPS	Feasibility study on coop academy by UNIZULU	To be obtained	To be obtained
O-OPS	UNIZULU equips coops members on cooperatives ACT 14 of 2005 and cooperative governance	To be obtained	To be obtained
O-OPS	Mentorship on school nutrition and bakeries coops	To be obtained	To be obtained
O-OPS	Coastal college provides all kinds of training as per coop's needs	To be obtained	To be obtained
O-OPS	FET skills' training	To be obtained	To be obtained
RLED	Technical Assistance	R 1 500 000.00	Continuation
DEDT	LCF II	To be obtained	Depend on applications
DEDT	UKZN LED Programme	To be obtained	Depend on applications
DEDT	Incubator Feasibility	To be obtained	Depend on applications
DEDT	Access to Funding	To be obtained	Depend on applications

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM (Regional Office)

NAME OF THE PROJECT	LOCAL MUNICIPALITY	TYPE OF PROJECT	ESTIMATED BUDGET
Thokoza	Endumeni	RECAP	R 1,000,000
<u>Totals budget R1, 000, 000.00</u>			

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM (National Office)

The department has also mapped the following areas:

- Gazetted and settled claims
- Transferred redistribution projects

ENDUMENI MUNICIPAL FINAL IDP 2012/13 TO 2016/17

DEPARTMENT OF AGRICULTURE

NAME OF THE PROJECT	PROJECT DESCRIPTION	LOCAL MUNICIPALITY	ESTIMATED BUDGET
Veterinary- functions	Veterinary Services: <ul style="list-style-type: none"> • Animal disease control • Prevention of zoonotic diseases • Inspection Service • Primary Health Care Service • Dipping Programme 	<u>ENDUMENI</u> Sibongile area	R450 000
ENVIRO - Projects / Programs	<ul style="list-style-type: none"> • District IWMP review • Environmental Education & Awareness • Greening / Tree Planting 	To be obtained	R300 000
			R120 000

DEPARTMENT OF TRANSPORT

Name of the Project	Local Municipality	<u>KM</u>	Location / Beneficiary	Estimated Budget
Construction of Fankomo Road	Endumeni	3.5	Fankomo Community	R 1,467,000

- Special infrastructure projects being implemented by the department relate to the following:

Name of the Project	Local Municipality	Location	Project Description
P272	ENDUMENI	Dundee to Nyanyadu	Reseal

DEPARTMENT OF HEALTH

Name of the Project	<u>Area</u>	Project Description	Estimated Budget
ENDUMENI	Alva/Mozane Glencoe CHC	To be obtained	To be obtained
To be obtained	Dundee Hospital	Additional staff accommodation. Ward partitioning	To be obtained

DEPARTMENT OF ENVIRONMENTAL AFFAIRS

ENDUMENI MUNICIPAL FINAL IDP 2012/13 TO 2016/17

Name of the Project	Project Description	Focus Areas	Estimated Budget
2x Regional Landfill Sites: Northern – Endumeni & Southern - uMvoti	Establishing of regional landfill site for domestic waste. Access road and fencing.	Working on Waste	R15,000,000.00 X2 (each)
Alien Plant Clearing	Clearing of alien/invasive plants along uMzinyathi District	Sustainable Land Based Livelihoods	R4,500,000.00
Total Budget	R34,500,000.00		

DEPARTMENT OF TRADE AND INVESTMENT (KZN)

- Current programmes being implemented by Trade and Investment KwaZulu - Natal for 2011/12 and also for 2012/13 relate to the following areas:
 - Strategic Objective A - Contribute to KZN's economic growth priorities in terms of job creation, spatial development, sector development and BEE;
 - Strategic Objective B - Advocate for a conducive business environment in the KZN province
 - Strategic Objective C - Market the KZN province as a premier business destination.
 - Strategic Objective D - Promote and facilitate new fixed investments in the KZN province
 - Strategic Objective E - Develop and facilitate export opportunities for the KZN province.
 - Strategic Objective F - Facilitate business retention and expansion programmes to ensure sustainability and business growth in the KZN.
- The Trade and Investment KwaZulu - Natal has also identified investment opportunities in the following sectors:
 - Energy Sector;
 - Automotive Sector
 - Tourism Sector;
 - Information, Communication, Business Process Outsourcing;
 - Richards Bay Industrial Development Zone

DEPARTMENT OF EDUCATION:

Programme	Purpose
New Schools	To provide new public primary and secondary school in response to planned development or growth, complete with all supporting learning spaces and facilities.
Upgrades & Additions	To add to or improve existing structures in terms of Learning spaces, water & sanitation facilities, support spaces &/or works (fencing, drainage, etc).
Curriculum Redress	To specifically provide new learning spaces and support the existing ones in response to curriculum requirements.
Water & Sanitation	To specifically provide water & sanitation facilities to those schools where none is currently available. Also to add where there are shortages.
Mobile Classrooms	To provide Temporary learning & support spaces as response to emergency situations until such time as permanent structures can be provided.
Fencing	To provide security boundary so as to improve Security in schools.
Repairs and Renovations	To improve the condition of existing buildings (including replacement) that have deteriorated due to neglect or damage in order to ensure a safe learning & teaching environment.
Emergency Repairs Response	To improve the condition of existing buildings that have been damaged by "weather conditions", within a short space of time, in order to reinstate a safe learning & teaching environment.
Special Projects	To provide special projects on request from the MEC's Office.
Maintenance	To ensure that the condition of existing infrastructure buildings is sustained & not allowed to deteriorate.
Learners with Special Education Needs (LSEN)	To provide appropriate spaces for LSEN.
Early Childhood Development (ECD)	To provide learning spaces and toilets facilities for grade R learners.

- Summary of the projects under implementation as per the above mentioned programmes:
 - Water and sanitation
 - 56 Schools with 1508 toilets and urinals, and 400 basins.
 - Estimated Budget R60,320 000.

-
- There are also 340 toilets in other 25 schools' projects;
 - Total of 1848 toilets in 81 schools.

 - Upgrade and Additions
- 25 schools with the provision of the following rooms:
- 113 standard classrooms;
 - 37 multipurpose, laboratories and specialist rooms;
 - 12 media Centres;
 - 13 computer rooms;
 - 105 offices;
 - 101 Store rooms;
 - 25 strong rooms;
 - 23 SNP Kitchen;
 - 350 Toilets (This includes 33 units for disabled)
 - Estimated Budget R198,264,000.00
- Repairs and Renovation
 - 22 Schools
 - Estimated Budget R44,000,000.00

 - New Schools
 - 01 School
 - Estimated Budget R10,000,000.00

 - Curriculum Redress
 - 07 Schools
 - Estimated Budget R19,200,000.00

 - Learners with Special Education Needs
 - 08 Schools
 - Estimated Budget R48,000,000.00

 - Mobile Classrooms
 - 47 Schools - 292 Units
 - Estimated Budget R18,480,000.00

 - Early Childhood Development
 - 34 Schools
 - Estimated Budget R30,600,000.00

Proper specifications such as projects descriptions, ward number / local municipality and estimated budget couldn't be provided to the municipality.

ESKOM:

Name of the Project	Project Description	Local Municipality	ESTIMATED BUDGET
Bloedrivier Craigside 88kV Line 1	Copper Replacement on Dundee Tee-off	Endumeni	To be obtained
Bloedrivier Craigside 88kV Line 2 -	Copper Replacement on Dundee Tee-off	Endumeni	To be obtained
Total Budget	To be obtained		

The estimated budget for implementation of these projects couldn't be provided by Eskom to the municipality.

F - IMPLEMENTATION PLAN



Three Year Capital Implementation Plan

Table 1: Total Municipal Operating Income (2007/2008 – 2013/2014)

Year		Grants and Subsidies	Tariffs, Service Charges etc	Total
2007/2008	Actual	R 8,682,000	R 84,917,797	R 93,599,797
2008/2009	Actual	R 7,662,000	R 101,997,162	R 109,659,162
2009/2010	Actual	R 16,650,000	R 129,256,062	R 145,906,062
2010/2011	Budget	R 12,906,000	R 144,783,374	R 157,689,374
2011/2012	Budget	R 20,487,000	R 173,544,347	R 194,031,347
2012/2013	Forecast	R 29,204,000	R 180,044,915	R 209,248,915
2013/2014	Forecast	R 31,000,000	R 207,454,316	R 238,454,316

Table 2: Grants and Subsidies Received (Including Capital & Operating Grants)

Name of organ of state	Grant Name	2011/2012 (Budget)	2012/2013 (Budget)	2013/2014 (Budget)
Government & Provincial Grants & Subsidies		R 36,224,874	R 41,713,242	R 46,894,001

Table 2: Grants and Subsidies Budgeted (Including Operating Grants)

Name of organ of state	Grant Name	2011/2012 (Budget)	2012/2013 (Budget)	2013/2014 (Budget)
National Government	Equitable Share	R 27,416,000	R 30,369,000	R 32,368,000
	Subsidy NPA	R 338,000	R 360,000	R 368,000
	MIG	R 0	R 0	R 0
National Treasury	Local Government Financial Management Grant	R 1,200,000	R 1,450,000	R 1,500,000
Provincial Government	Municipal Systems Improvement Programme Grant	R 750,000	R 790,000	R 804,000
	Clinic	R 2,077,000	R 2,077,000	R 2,077,000
	DOT	R 3,082,874	R 5,237,242	R 7,000,000
	Other	R 1,361,000	R 1,430,000	R 2,777,001
TOTAL		R 36,224,874	R 41,713,242	R 46,894,001

Note - the MIG has not been included in the budget above

Table 3: Operating Income

	2010/2011 (Budget)	2011/2012 (Budget)	2012/2013 (Forecast)	2013/2014 (Forecast)
Rates & General	R 46,728,355	R 49,408,526	R 54,256,678	R 59,677,648

Refuse	R 16,117,828	R 15,471,603	R 15,218,076	R 16,739,674
Housing Services	R 527,457	R 527,457	R 527,457	R 527,457
Rates Housing	R 201,125	R 201,125	R 201,125	R 213,193
Electricity Services	R 68,947,858	R 79,378,091	R 89,093,714	R 107,208,254
Other	R 25,166,751	R 49,044,545	R 49,987,865	R 54,088,090
TOTAL	R 157,689,374	R 194,031,347	R 209,284,915	R 238,454,316

Table 4: Operating and Capital Expenditure

	2010/2011 (Budget)	2011/2012 (Budget)	2012/2013 (Forecast)	2013/2014 (Forecast)
Salaries and Allowances	R 60,447,826	R 63,666,445	R 67,130,366	R 71,104,379
General Expenditure	R 84,098,788	R 95,101,358	R 110,253,858	R 131,183,291
Repairs & Maintenance	R 5,736,339	R 5,649,240	R 5,718,232	R 6,078,509
Capital Charges	R 4,013,680	R 1,658,981	R 2,922,692	R 2,922,692
Contribution to provisions	R 895,076	R 6,513,796	R 7,037,224	R 7,608,495
Contra Credits	(R 10,552,941)	(R 11,584,934)	(R 12,138,422)	(R 12,747,370)
Contra Debits	R 9,879,440	R 10,997,433	R 12,314,343	R 13,771,821
Capital Expenditure (excluding ex revenue)	R 22,059,221	R 34,856,724	R 35,856,724	R 36,856,724
TOTAL	R176,577,429	R195,861,610	R229,095,017	R256,778,541

Table 5: Operating Expenditure - Contributions to assets

	2010/2011 (Budget)	2011/2012 (Budget)	2012/2013 (Forecast)	2013/2014 (Forecast)
Land				
Building				
Roads & Stormwater				
Other Infrastructure	R 1,393,800	R 1,528,000	R 2,183,000	R 2,183,000
Other fixed assets				
TOTAL	R 1,393,800	R 1,528,000	R 2,183,000	R 2,183,000

Table 6: External Loans

Type of Loan	Interest rate	30 June 2009 (Actual)	30 June 2010 (Actual)	30 June 2011 (Actual)
Local Registered Stock	between 9.0% to 16.9%	R 7,984,243	R 3,915,200	R 15,200
Annuity Loans	between 6.75% to 17%	R 15,619,321	R15,065,280	R13,727,209
TOTAL		R 23,603,564	R 18,980,480	R 13,742,409

Table 7: Assets & Liabilities

<i>Description</i>	<i>2008/2009 (Actual)</i>	<i>2009/2010 (Actual)</i>	<i>2010/2011 (Actual)</i>
Net fixed assets	R 117,970,123	R 129,011,411	R 142,186,924
Long Term Investments	R 7,061,259	R 7,061,259	R 11,887,166
Long Term Debtors	R 1,462,834	R 1,357,972	R 485,392
Current assets & liabilities			
Current assets	R 52,289,836	R 63,315,435	R 56,859,255
Stock	R 22,759,543	R 21,961,545	R 3,521,657
Debtors	R 12,917,282	R 23,871,792	R 28,587,541
Cash	R 2,308,860	R 4,713,519	R 1,356,155
Investments	R 14,206,193	R 12,664,692	R 23,293,714
Current portion of receivables	R 97,957	R 103,887	R 100,188
Current liabilities	R 27,972,177	R 40,609,042	R 33,067,379
Creditors	R 17,940,266	R 27,723,574	R 22,869,602
Consumer deposits	R2,194,090	R2,335,909	R2,428,842
Unspent grants	R 5,467,914	R 5,102,618	R 4,568,572
VAT	R1,367,100	R1,383,911	R1,808,545
Current portion non-current liabilities	R1,002,807	R4,063,030	R1,391,818
Net current assets/ liabilities	R 24,317,659	R 22,706,393	R 23,791,876
NET ASSETS	R 170,259,959	R 192,326,846	R 198,612,212

Table 8: Capital Investment Programme per GFS Classification

	2010/2011 (Budget)	2011/2012 (Budget)	2012/2013 (Forecast)	2013/2014 (Forecast)
Municipal Manager		R 8,200		
Corporate Services		R 97,785	R 0	R 0
Civic Centre	R 6,800	R 0	R 0	R 0
Civic Centre - Dundee		R 2,715,000	R 0	R 0
Corporate Services	R 11,000	R 0	R33,000	R24,000
Dundee Library	R 18,000		R 23,000	R 515,000
Glencoe Admin	R 8,000	R 0	R 0	
Glencoe Library	R 90,825	R1,000	R 40,000	R 50,000
Glencoe Townhall		R 0	R 0	
Glenridge Hall	R 2,355	R 0	R 0	
Health Services Dundee Clinic	R 36,500		R 0	R 0
Health Services Glenridge Clinic	R 15,050		R 0	R 0
Health Services Sibongile Clinic	R 38,180		R 0	R 0
Health Services Sithembile Clinic	R 21,850		R 0	R 0
Health Public Conve Glencoe		R 0		
Mc Kenzie Street Hall	R 10,000	R 25,000	R 32,000	R0
Moth Hall	R 20,000			
Museum	R 30,000	R 14,000	R0	R 0
Printing	R 34,000	R 0	R 85,000	R 90,000
Sibongile Hall	R 900	R 1,600	R 2,000	R4,000
Sibongile Library	R 10,000	R 8,500	R 15,500	R 30,000
Sithembile Hall		R 0	R 0	R 0
Hostel Sibongile			R100,000	R20,000
Testing Station		R 0		
Traffic	R 80,000	R 13,500	R 0	R 0
Wasbank Library		R 0	R 30,000	
Disaster Management and Fire		R 3,000,000		
War Memorial Hall		R 21,000		R30,000
Social Development		R 0	R 0	R 0
Council				
Council General Expenses		R 1,800,000	R0	R0
Technical Services				
Electricity Streetlights	R 100,000	R 0	R200,000	R200,000
Electricity Admin	R 2,200,000	R 5,000,000	R 3,215,000	R 1,735,000
Mechanical Workshop	R 1,750	R 35,000	R 50,800	R 10,000
Parks and Gardens	R 500,000	R 512,220	R538,556	R711,613
Refuse Removal		R 881,500	R 0	R 0
Cemetery Dundee		R 33,800	R 44,945	R 347,100
Roads	R 13,976,200	R 19,354,969	R 0	R 0
Cemetery Glencoe			R 0	R 0
Cemetery Wasbank			R 0	R0
Stormwater	R 640,000			
Swimming Bath Sibongile		R 24,000		
Street Cleaning		R 0		

Table 10: Capital Investment Programme per Funding Source

Funding Source	2010/2011 (Budget)	2011/2012 (Budget)	2012/2013 (Forecast)	2013/2014 (Forecast)
Revenue	R 1,393,800	R 1,528,005	R 971,691	R 971,691
CRR	R 6,660,547	R 0	R 1,473,400	R 1,473,400
External Loans	R 1,100,000	R 5,211,500	R 1,060,000	R 1,060,000
INEP	R 1,300,000	R 5,000,000	R 1,700,000	R 1,700,000
MIG	R 8,522,000	R 10,249,977	R12,522,000	R12,522,000
DOT	R 3,082,874	R 5,237,242	R 4,200,000	R 4,200,000
Accumulated Surplus		R7,630,000		
TOTAL	R 22,059,221	R 34,856,724	R 21,927,091	R 21,927,091

Town Engineer		R 5,700		
Town Engineer Kerbs		R 3,000	R 0	R 0
Town Engineer Mech Yard		R 3,050		
Health Pest Control			R 1,060	R 1,123

Treasury				
Main Income Office	R 1,650			
Salary/ Creditors Officer	R 4,900			
Vehicle Licencing Dundee		R 0		
Vehicle Licencing Glencoe		R 0		
Stores		R 2,300		
Town Treasurer		R 18,100		
TOTAL	R 22,059,221	R 34,856,724	R 4,409,801	R 3,766,713

Table 9: Capital Investment Programme per Category

	2010/2011 (Budget)	2011/2012 (Budget)	2012/2013 (Forecast)	2012/2013 (Forecast)
INFRASTRUCTURE				
Land & Buildings	R 0	R 0	R 0	R 0
Housing	R 129,433	R 139,433	R 149,433	R 149,433
Roads, pavements, bridges and stormwater	R 14,910,621	R 25,808,974	R 0	R 367,222
Electricity reticulation	R 2,200,000	R 5,000,000	R 3,215,000	R 1,735,000
Street Lighting	R 100,000	R 0	R 0	R 0
TOTAL INFRASTRUCTURE ASSETS	R17,340,054	R 30,948,407	R 3,364,433	R 2,251,655
OTHER ASSETS				
Other motor vehicles	R 2,866,400	R 2,900,000	R 325,310	R 795,000
Plant & Equipment	R 950,000	R 600,000	R 391,955	R 391,955
Office equipment	R 902,767	R 408,317	R 328,103	R 328,103
TOTAL OTHER ASSETS	R 4,719,167	R 3,908,317	R 1,045,368	R 1,515,058
SPECIALISED VEHICLES				
Refuse	R 0	R 0	R 0	R 0
TOTAL SPECIALISED VEHICLES	R 0	R 0	R 0	R 0
TOTAL	R 22,059,221	R 34,856,724	R 4,409,801	R 3,766,713

Table 11: Financial Strategy – Operating Budget

Budget Projections - Status Quo							
Budget	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	R	R	R	R	R	R	R
Expenditure							
Salaries & wages	67,130,365	71,104,379	73,843,402	75,857,312	77,871,223	79,885,134	81,899,045
General expenditure	110,253,858	131,183,291	121,279,244	124,586,860	127,894,475	131,202,091	134,509,707
Repairs and maintenance	5,718,232	6,078,509	6,290,055	6,461,602	6,633,149	6,804,696	6,976,243
Capital charges	2,922,692	2,922,692	3,214,961	3,302,642	3,390,323	3,478,003	3,565,684
Contribution to provisions	7,037,224	7,608,495	7,740,946	7,952,063	8,163,180	8,374,297	8,585,413
Capital employed	-	-	-	-	-	-	-
Contra debits	12,314,343	13,771,821	13,545,777	13,915,208	14,284,638	14,654,068	15,023,498
Contra credits	-12,139,422	-12,747,370	-13,353,364	-13,717,547	-14,081,730	-14,445,912	-14,810,095
Project operating costs	-	-	-	-	-	-	-
Total expenditure	193,237,292	219,921,817	212,561,021	218,358,140	224,155,259	229,952,377	235,749,496
Income							
Equitable share	30,369,000	32,368,000	33,102,210	34,316,970	35,228,040	36,139,110	37,050,180
Grants & subsidies	1,790,000	2,777,369	1,951,100	2,022,700	2,076,400	2,130,100	2,183,800
Assessment rates	54,256,678	59,677,648	59,139,779	61,310,046	62,937,746	64,565,447	66,193,147
Electricity	101,946,214	120,479,754	111,121,373	115,199,222	118,257,608	121,315,995	124,374,381
Refuse removal	15,218,076	16,739,674	16,587,703	17,196,426	17,652,968	18,109,510	18,566,053
Cemeteries	104,800	106,300	114,232	118,424	121,568	124,712	127,856
Licencing	1,070,000	1,085,000	1,166,300	1,209,100	1,241,200	1,273,300	1,305,400
Traffic fines	673,000	703,200	733,570	760,490	780,680	800,870	821,060
Testing grounds	2,039,460	2,028,360	2,223,011	2,304,590	2,365,774	2,426,957	2,488,141
Rentals	1,100,129	1,101,579	1,199,141	1,243,146	1,276,150	1,309,154	1,342,157
Other	717,558	1,387,432	1,512,301	810,841	832,367	853,894	875,421
Total Income	209,284,915	238,454,316	228,850,720	236,491,954	242,770,501	249,049,049	255,327,596
Surplus/(Deficit)	16,047,623	18,532,499	16,289,699	18,133,814	18,615,243	19,096,671	19,578,100
Tariff Ratio	7.67%	7.77%	7.12%	7.67%	7.67%	7.67%	7.67%

Table 12: Capital Investment Plan by KPA

Key Priority Area		2012	2013	2014	2015	2016	2017	Total
		000	000	000	000	000	000	000
1.	Service Delivery & Infrastructure	504,979	77,331	42,404	42,835	300	350	668,199
2.	Sustainable Economic Growth , Development & LED	48,834	29,522	17,547	1,340	200	0	97,443
3.	Institutional Arrangements	1,500	0	0	0	0	0	1,500
4.	Governance & Organisational Arrangements	935	0	0	0	0	0	935
5.	Financial Viability	7,482	0	0	0	0	0	7,482
6.	Spatial Development Framework	0	100	0	0	0	0	100

Table 13: Capital Investment Plan by Funding Source

Key Priority Area		Total 000	Internal 000	External 000
1.	Service Delivery & Infrastructure	668,199	76,490	591,709
2.	Sustainable Economic Growth , Development & LED	97,443	13,979	83,464
3.	Institutional Arrangements	1,500	1,500	0
4.	Governance & Organisational Arrangements	935	0	935
5.	Financial Viability	7,482	7,482	0
6.	Spatial Development Framework	100	0	100

G - PROJECTS



H - FINANCIAL PLAN AND SDBIP



ENDUMENI MUNICIPALITY

FINANCIAL PLAN 2013 - 2018

1. Introduction

The Endumeni Municipality has a challenging task of carrying out its mandate of facilitating development, managing competing priorities within budgetary constraints and delivering the numerous projects identified by the community in the IDP.

The Endumeni Municipality has recognised that to be successful the IDP must be linked to a workable financial plan, which includes a multi-year budget developed using financial modelling. 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 5 year period
- Financial issues
- Detailed 5 year financial action plan
- Capital and investment program
- Multi-year budgets

In addition to other strategies identified the Council is embarking on implementing a turnaround strategy and have identified the following key focus areas:

1. Compile a System of written Delegations in terms of Section 79 and 82 of MFMA (Act 56 of 2003)
2. Develop a Revenue Enhancement Strategy and Policy and implementation thereof
3. Capacitating and training of relevant Finance Staff in:
 - Annual Financial Statements
 - SDBIP
 - Budgets
 - Asset Management
 - GRAP Reporting
 - GRAP Compliance
 - Risk Assessment
4. Develop and implement a Communication Strategy

The details of these strategies are outlined in the financial action plan that follows this section.

2. Financial Strategies

The financial strategies adopted by Council 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 council's social responsibility. These include Council's indigent policy and recognising that certain sections of the community do not have to pay for these services. A further aspect of social responsibility will focus on transformation and empowerment, for example in Council's procurement policy.

2.1.2. Engendering investor and consumer confidence

Council 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 individuals' resident or operating within the jurisdiction of the Endumeni 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. It is intended that the business plan of the finance department will address these factors. 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
- Ring fenced statutory funds - housing
- Capital market
- Public/ private partnerships
- Disposal of un-utilised assets

Operational expenditure:

- Normal revenue streams
- Short term borrowings:

2.1.4. Revenue raising

The Endumeni Municipality's significant sources of revenue are: rates, electricity, refuse and grants. The contribution of the various streams to revenue will be subject to review. Whilst the issue of tariffs forms part of this financial plan, it is anticipated that the affected departments will be responsible for investigatory work.

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. Although directly related to revenue

raising it is appropriate to include the monitoring of rental income and policies with the asset management programme. This aspect of asset management will ensure that Council is receiving economic rentals from Council owned land and buildings which are rented out.

Housing is a specialised field and will be considered separately from this financial plan.

2.1.6. Financial management

The Endumeni Municipality has a strong finance department and has established an external audit committee responsible for monitoring financial and other controls. In addition, 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 has disappeared, Council will put in place policies, which will maintain sufficient contributions to similar funds established in terms of GRAP. 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 policies with emphasis on minimum debtors
- Credit risk management
- Investment policies
- Management reporting
- Supply chain policies
- Stock levels for consumer stores
- 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 (e.g. housing)
- National and provincial government funding for medium term and long term projects
- International funding for medium 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 bringing in 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 obtain savings where services could be provided to a number of municipalities and possibly entities in the private sector.

DETAILED FINANCIAL ACTION PLAN

1. The financial action plan identifies the most feasible strategies to increase efficiency and cost effectiveness within the Municipality.
2. The financial action plan incorporates strategies covering a period of 5 years.
3. The implementation of the financial 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 Issues - Endumeni Local Municipality

The key financial issues affecting the Endumeni Local Municipality are listed below.

1. The total debt and the current debt are increasing per annum.
2. The tampering of meters and theft of electricity is a major concern for the municipality.
3. The expenditure on salaries and wages has increased to 39.31% of the budget and will need to be reduced further considering the industry norm is approximately 33%.
4. There is insufficient provision for doubtful debts.
5. Training and capacitating of Finance staff is required.
6. Accurate and timely cash flow management and monitoring is required.
7. Financial reporting by the EM needs to be streamlined in line with GRAP.
8. The strategies emanating from the revenue enhancement programme that is currently being undertaken will have to be implemented.

FINANCIAL STRATEGIES AND ACTION PLAN – 2013/2018

FINANCIAL STRATEGIES AND ACTION PLAN – 2013/2018

<i>FINANCIAL STRATEGIES</i>	<i>REDUCE COSTS</i>	<i>INCREASE REVENUE</i>	<i>ACTION REQUIRED</i>	<i>By whom</i>	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Capital financing strategy	Reduce capital charges on external loans		<ul style="list-style-type: none"> Identify, establish, maintain and update database of all grant funders Approach prospective funders with IDP and Financial plan for funding 	CFO	2%	2%	2%	2%	2%	2%
Asset management strategy	Reduce rental stock		<ul style="list-style-type: none"> Determine market value of houses Dispose of rental housing stock Update the asset register. 	CFO	100%					
Financial management	Improve financial management	Improve financial management	<ul style="list-style-type: none"> Review the policy on the use of telephones Monitor and control the use of electricity by residents living in hostels Review all financial policies and procedures as per GRAP and document flow Determine operational costs of new capital projects Implement new PABX system Increase the provision for 	CFO	6%	6%	4%	6%	6%	6%

<i>FINANCIAL STRATEGIES</i>	<i>REDUCE COSTS</i>	<i>INCREASE REVENUE</i>	<i>ACTION REQUIRED</i>	<i>By whom</i>	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
			doubtful debts. <ul style="list-style-type: none"> • Make adequate provision for leave. • Implement controls for overtime • Implement a fraud prevention plan • Implement the revenue enhancement strategies to address the growing debt problem. 							
Rates & Tariffs		Restructure rating and service charges	<ul style="list-style-type: none"> • Implement rating and service charges that are affordable to all households • Implement existing rating and service charges of industries and farms • Establish Land Use Management System (LUMS) and conduct a land audit 	CFO	4%	4%	5%	5%	6%	5%
Credit control & debt collection		Improve debt collection and collect arrear debt	<ul style="list-style-type: none"> • Conduct a debt awareness campaign with councillors, staff and community • Implement debt collection strategies 	CFO	20%	20%	15%	5%	5%	5%
Cost Effectiveness	Conduct a cost benefit analysis of functions		<ul style="list-style-type: none"> • Conduct cost benefit analysis of all services • Freeze all non essential posts • Reduce the Expenditure on Salaries from 	CFO	2%	2%	2%	1%	1%	1%

<i>FINANCIAL STRATEGIES</i>	<i>REDUCE COSTS</i>	<i>INCREASE REVENUE</i>	<i>ACTION REQUIRED</i>	<i>By whom</i>	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
			39.31% of budget to 33% which is the industry norm <ul style="list-style-type: none"> • Establish convenient pay points for electricity • Establish a shared service centre with other municipalities for billing • Establish a consumer help desk 							
Implement a turnaround strategy		Develop and implement revenue enhancement strategy	<ul style="list-style-type: none"> • Prioritise revenue enhancement strategies • Compile roll out and implementation plan 	CFO						
		Develop and implement revenue management policies	<ul style="list-style-type: none"> • Implement revenue enhancement strategies 	CFO						
		Reduce tampering and theft of electricity	<ul style="list-style-type: none"> • Perform meter audits to identify tampering • Implement punitive measures against offenders 	CFO						
		Build capacity in finance departments	Capacitate and train relevant Finance Staff in: <ul style="list-style-type: none"> • Financial Statements • SDBIP • Budgets • Asset Management • GRAP Reporting • GRAP Compliance • Risk Assessment 	CFO						

<i>FINANCIAL STRATEGIES</i>	<i>REDUCE COSTS</i>	<i>INCREASE REVENUE</i>	<i>ACTION REQUIRED</i>	<i>By whom</i>	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
		Develop and implement a communication strategy	<ul style="list-style-type: none"> • Secure funding from National Treasury • Call for public tenders • Appoint service provider 	Director Planning						
		Compile a System of written Delegations in terms of Section 79 and 82 of MFMA (Act 56 of 2003)	<ul style="list-style-type: none"> • The municipality will develop the delegations in-house 	CFO						

CAPITAL AND INVESTMENT PROGRAMMES

The capital and investment programmes are set on Section G of the main IDP document.

MULTIYEAR BUDGET (Financial Projections)

Financial projections have been developed using a financial model developed for the Endumeni Municipality. A summary of the financial modeling process and assumptions produced by management are set out below:

Financial Projections

- The financial projections are based on a financial model developed for the Endumeni Municipality
- The model is used to assess the financial feasibility of those capital projects outlined in the IDP
- The financial model is dependant on the 2012/13 operating budget and the forecasted 2013/14 budgets,
- The critical financial inputs are existing loans, new loans, sources of funding, costs and terms of borrowing
- The critical outputs as illustrated in (figure 1a) are:
 - Two scenarios
 - a) The Status quo
 - b) Scenario 1: Implementation of the financial strategies for a period of 5 years
 - Each scenario includes:
 - a) A five year projection of the operating and capital budget reflecting the projected revenue increases
 - Financial resources required for capital projects

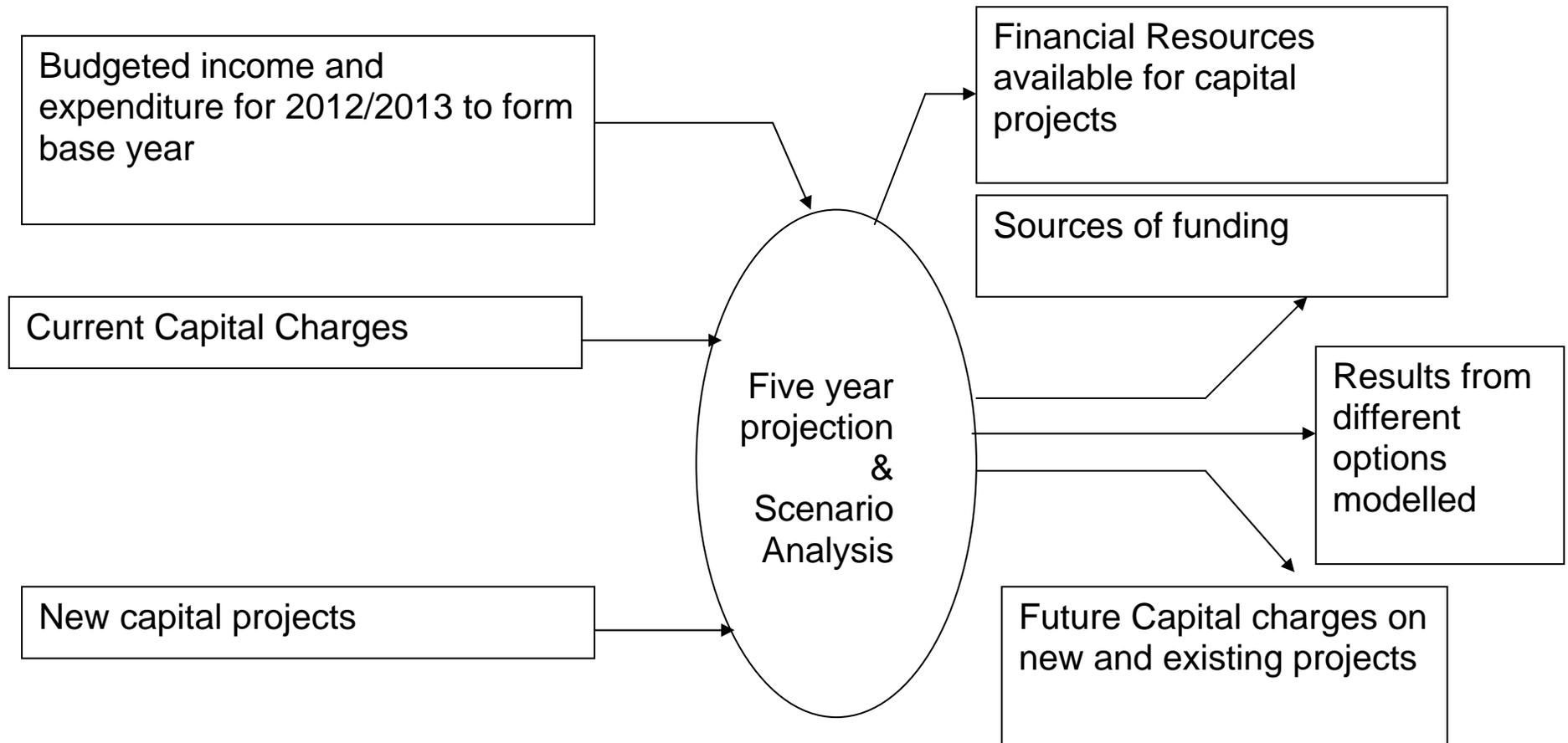
Assumptions

The following assumptions were made when developing the model based on information provided by the Chief Financial Officer:

- Inflation for the period 2012/13 to 2017/18 is based on the Financial Sectors forecasts
- Revenue amounts included assume a 80% collection rate
- External interest rate depends on various institutions
 - a) As a result of the substantial capital requirements required to implement the IDP projects external borrowing of loans is not affordable.
 - b) The implementation of the IDP creates a need for funds for operational expenditure the future impact of which has been considered.
- In scenario 1: Implementation of the financial strategies
 - a) The positive impact of implementing the financial strategies is reflected.
 - b) The projected surplus as a result of implementing the strategies may be used to raise external loans to deliver some of the projects in the IDP.
 - c) The implementation of the financial strategies will have the following effect on the financial position of the municipality:
 - Restructuring of the rates base will increase income over the next 5years
 - Outstanding debt will be reduced by 50% over the next 5 years
 - The salaries budget will be reduced by a further 7% over the next 5 years
 - Improved financial management will result in reduced expenditure of 6% per annum over the next 5 years.
 - Capital charges will be reduced at 2% per annum
 - Housing stock will be sold off over the next 1year.
 - Interest income is calculated on collection of outstanding debt annually
- The Municipality will have to source grant funding for the remainder of the projects listed in the IDP as a result of shortage of funds

Principles of Financial Model

(Figure 1a)



Budget Projections - Status Quo							
Budget	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Expenditure	R	R	R	R	R	R	R
Salaries & wages	67,130,365	71,104,379	73,843,402	75,857,312	77,871,223	79,885,134	81,899,045
General expenditure	110,253,858	131,183,291	121,279,244	124,586,860	127,894,475	131,202,091	134,509,707
Repairs and maintenance	5,718,232	6,078,509	6,290,055	6,461,602	6,633,149	6,804,696	6,976,243
Capital charges	2,922,692	2,922,692	3,214,961	3,302,642	3,390,323	3,478,003	3,565,684
Contribution to provisions	7,037,224	7,608,495	7,740,946	7,952,063	8,163,180	8,374,297	8,585,413
Capital employed	-	-	-	-	-	-	-
Contra debits	12,314,343	13,771,821	13,545,777	13,915,208	14,284,638	14,654,068	15,023,498
Contra credits	-12,139,422	-12,747,370	-13,353,364	-13,717,547	-14,081,730	-14,445,912	-14,810,095
Project operating costs	-	-	-	-	-	-	-
Total expenditure	193,237,292	219,921,817	212,561,021	218,358,140	224,155,259	229,952,377	235,749,496
Income							
Equitable share	30,369,000	32,368,000	33,102,210	34,316,970	35,228,040	36,139,110	37,050,180
Grants & subsidies	1,790,000	2,777,369	1,951,100	2,022,700	2,076,400	2,130,100	2,183,800
Assessment rates	54,256,678	59,677,648	59,139,779	61,310,046	62,937,746	64,565,447	66,193,147
Electricity	101,946,214	120,479,754	111,121,373	115,199,222	118,257,608	121,315,995	124,374,381
Refuse removal	15,218,076	16,739,674	16,587,703	17,196,426	17,652,968	18,109,510	18,566,053
Cemeteries	104,800	106,300	114,232	118,424	121,568	124,712	127,856
Licencing	1,070,000	1,085,000	1,166,300	1,209,100	1,241,200	1,273,300	1,305,400
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Surplus/(Deficit)	16,047,623	18,532,499	16,289,699	18,133,814	18,615,243	19,096,671	19,578,100
Tariff Ratio	7.67%	7.77%	7.12%	7.67%	7.67%	7.67%	7.67%

The table above reflects the current financial situation of the municipality excluding the impact of the IDP projects.

- Inflationary increases of approximately 5% have been considered in projecting the future year's expenditure.

ENDUMENI MUNICIPALITY



SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR 2012/2013

INDEX

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1. Introduction
2. Legislative Framework
3. Vision, Mission, Core Values and Development Strategies
4. Vote Structure
5. Monthly Projections of Revenue (Appendix 1)
6. Monthly Projections of Expenditure (Operating and Capital) and Revenue for Each Vote (Appendix 2)
7. Quarterly Projections of Service Delivery Targets and Performance Indicators for Each Vote (Appendix 3)
8. Quarterly Projections of Service Delivery Targets and Performance Indicators for Section 57 Managers (Appendix 4)
9. Conclusion

1. INTRODUCTION

- 1.1 The purpose of this plan is to provide a management implementation and monitoring tool that will assist the Endumeni Mayor, Councillors, Municipal Manager, other Senior Managers and the community in monitoring service delivery. It should help to ensure that appropriate information is available to monitor:
- The execution of the budget;
 - The performance of managers;
 - Reporting by responsible officials and
 - The performance of the municipality as a whole.
- 1.2 This plan should be read with the 2012/2013 multi-year budget and the 2012/2013 Integrated Development Plan (IDP).

2. LEGISLATIVE FRAMEWORK

- 2.1 The Municipal Finance Management Act No. 56 of 2003 (MFMA) is geared towards ensuring effective and efficient financial management and budgeting as a way of promoting transparency, participation and accountability of municipalities.
- 2.2 The MFMA requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their Integrated Development Plans.
- 2.3 The National Treasury has issued a circular identifying the key components of any SDBIP as:
- Monthly projections of revenue to be collected for each source;
 - Monthly projections of expenditure (operating and capital) and revenue for each vote;
 - Quarterly projections of service delivery targets and performance indicators for each vote;
 - Ward information for expenditure and service delivery; and
 - Detailed capital works plan broken down by ward over three years.

3. VISION, MISSION, CORE VALUES AND DEVELOPMENT STRATEGIES

- 3.1 The following is a short overview of the Endumeni Municipality's vision, mission and development strategies as set out in its IDP.

VISION

"ENDUMENI, BEING AT THE HEART OF THE KWAZULU-NATAL BATTLEFIELDS, STRIVES TO BE A DYNAMIC MUNICIPALITY PARTICIPATING WITH ITS ENTIRE PEOPLE FOR THE PROMOTION OF SUSTAINABLE AND HARMONIOUS DEVELOPMENT WITHIN ITS URBAN AND RURAL COMMUNITIES."

Endumeni:

- **Strives:** strives to be the best in strategic development
- **Dynamic:** It's a community with rich history that has led to a dynamic community
- **Participating:** ensure public participation through a long tradition of reconciliation between our dynamic community
- **Sustainable:** Endumeni has ensure sustainable economies in various sectors contributing to a positive gross domestic product
- **Harmonious:** providing services in the best interest of all communities

MISSION STATEMENT

"To provide an effective and transparent system of good governance aimed at addressing the challenges of our municipality in a manner benefiting our core values;"

- **Effective:** to ensure effective services delivery in the shortest turnaround time
- **Transparent:** to publicly account and participate the communities in all programs
- **Good governance:**

CORE VALUES

- **T**ransparency
- **H**umanism/ Ubuntu
- **E**nthusiasm;
- **R**esponsiveness;
- **E**xcellence;

PRIORITIES

These priorities were extracted from ward meetings and agreed upon at the Strategic Planning Session:

• **EDUCATION**

Endumeni and the district as a whole have one of the highest levels of illiterate members of the community in the province. The focus is to establish strong literacy levels from early childhood education to tertiary. With Dundee already being the administrative hub of the district, focus is now channeled to establish Dundee as the hub for Skills Development through Amajuba FET.

• **EMPLOYMENT**

Endumeni and the district as a whole have one of the highest levels of unemployment in the province. It's now the Local Municipality's

objectives to ensure that all strategies and programs are implemented as prescribed by the PGDS and other policies on creating jobs.

- **HUMAN SETTLEMENT**

Endumeni is to ensure that it creates human settlements that are densified and conducive to sustainable outcomes:

- **Water and Sanitation**

The shortage of water and sanitation needs to be effectively managed, pursuant to the provision of section 84 of Municipal Structures Act 117, of 1998. This is especially with all related projects having been blocked for the past 5 years.

- **Housing**

The provision of houses has been blocked because the Water and sanitation impasse labelled above for the past 5 years.

- **Community Facilities**

Existing municipal facilities have been out grown by the population growth and they have not been extended because of shortage of land in the locality. And new ones have not been built because of the memorandum by the water service provider for the past 5 years on new buildings.

- **LED**

Endumeni is to create conducive environments that enhance on local amenities for economic spin offs to take place in order to have a sustainable gross product.

- **Tourism**

To unlock business opportunities to the previously disadvantaged of the rich historical battlefields and other tourism spheres.

- **Agriculture/Mining**

Endumeni to ensure it avails its agricultural land to emerging farmers together with the necessary programs to ensure sustainable and productive use of land.

Endumeni to conduct an audit of mineral resources together with the department of mineral and energy affairs in order to promote mineral beneficiary.

- **SMME's/Business**

Endumeni is to ensure growth and development of small business through taking advantage of existing opportunities in economic active sectors.

- **TRANSPORTATION**

The rehabilitation of Provincial Roads within the Dundee CBD by means of initiative undertaken by KZN Department of Transport and Endumeni Municipality in order to rehabilitate requisite transportation infrastructure, contribute to the amenity of the town in order to further amplify the gross domestic product of the Endumeni area.

4. VOTE STRUCTURE

4.1 The council has agreed to adopt the National Treasury’s suggested format for votes, i.e. at function level, thus providing a more strategic level at which to monitor and report, linking service delivery to the approved budget.

5. MONTHLY PROJECTIONS OF REVENUE TO BE COLLECTED FOR EACH SOURCE (APPENDIX 1)

5.1 This is one of the most important and basic priorities of the municipality, as failure to collect revenue will undermine the ability of the municipality to deliver on services.

5.2 The municipality’s main sources of revenue are:-

Property rates
Property rates - penalties imposed and collection charges
Electricity tariff billings
Refuse removal tariff billing
Grants
Interest and investment income
Rent of facilities and equipment
Traffic
Testing grounds

5.3 Appendix 1 reflects the Council’s monthly projections of revenue to be collected by source for each of the months of 2012/2013.

6. MONTHLY PROJECTIONS OF EXPENDITURE (OPERATING AND CAPITAL) AND REVENUE FOR EACH VOTE (APPENDIX 2)

6.1 The monthly projections of expenditure as per Appendix 2 are made on a cash flow basis, taking into account experience and the council’s policy regarding supplier payments. Each department is responsible for monitoring payments against vote and this will be monitored on a monthly basis in accordance with section 71 of the MFMA.

Operational Budget

- 6.2 The operational budget of the municipality has been aligned with that of the National Treasury format or structure of votes and complements the operational structure within the municipality. Each senior manager will have the responsibility to monitor performance, spending and revenue patterns against those estimated by them at the start of the year.

Capital Budget

- 6.3 The cash flow of the capital budget has also been estimated by each department and will act as one of the benchmarks for assessing performance on projects. Currently capital projects are funded from revenue, internal sources and from the government. The grant funded projects in the form of MIG are also reported to the Department of Provisional and Local Government (DPLG) and performance is measured against the cash flows set per project and approved by the department.

7. QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE (APPENDIX 3)

- 7.1 Appendix 3 reflects the performance indicators and service delivery targets of the Endumeni Municipality for 2012/2013. Performance against the said measures will be measured per quarter and reported to the Executive Committee of Council with external Performance Audit Committee.

8. QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR SECTION 57 MANAGERS (APPENDIX 4)

- 8.1 Appendix 4 reflects the performance indicators and service delivery targets of the Endumeni Municipality for 2012/2013. Performance against the said measures will be measured per quarter and reported to the Executive Committee of the Council in conjunction with external Performance Audit Committee.

9. CONCLUSION

- 9.1 The SDBIP brings together a number of strategic plans and documents to give high level analysis of key deliverables against which there is assigned accountability and responsibility.
- 9.2 The SDBIP provides a basis for performance appraisal for the municipality as a whole, for departments and for senior managers. It also provides staff with a clear sense of purpose of the Municipal goals.

**ENDUMENI MUNICIPALITY
CASHFLOW STATEMENT**

MONTHLY PROJECTION OF REVENUE BY SOURCE	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	
	R	R	R	R	R	R	R	R	R	R	R	R	
Property Rates	2761404	3920400	3890600	3921700	3919852	3911900	3920300	3921500	3919600	3918700	3864178	5168100	47038234
Property Rates Penalties and Collection Charges	498612	508400	510621	509167	509400	510100	500400	505610	516990	509900	508700	522100	6110000
Electricity Billings	9162600	8864310	8520800	6861800	6161200	6010400	6026000	5916400	5946100	6694173	8564200	9049600	87777583
Refuse Billings	1105600	1105200	1105500	1104224	1106000	1105300	1105490	1106800	1104900	1105600	1106100	1105200	13265914
Grants	12600000	1500000	4100000	800000	12100000	7000000	4200000	4134000	7655000	0	0	0	54089000
Interest on Investments	151800	153200	149400	150300	160200	150010	149300	148900	137490	149600	148600	151200	1800000
Facilities and Housing Rent	141200	140300	139153	140600	140400	140100	139500	139800	140700	140600	141200	139900	1683453
Fines	33100	31950	32350	32800	32550	32300	32500	31800	32500	32600	31900	32450	388800
Testing Station	201400	202800	202600	202100	202800	201800	197600	198400	207300	202800	199800	201600	2421000
Vehicle Registration	108900	100600	101200	101400	101600	101000	99500	88900	100900	99000	109600	97400	1210000
Subsidies	0	1436000	321000	0	0	0	0	0	0	0	0	0	1757000
Other	10000	9000	11000	11500	8500	16279	9000	11200	9400	10800	11200	10100	127979
TOTAL	26774616	17972160	19084224	13835591	24442502	19179189	16379590	16203310	19770880	12863773	14685478	16477650	217668963

MONTHLY PROJECTION OF REVENUE AND EXPENDITURE BY VOTE	JULY 2012			AUGUST 2012			SEPTEMBER 2012		
	OPEX	CAPEX	REVENUE	OPEX	CAPEX	REVENUE	OPEX	CAPEX	REVENUE
MUNICIPAL MANAGER									
Council	1270200	0	13210800	1267100	22442	6200	1268300	30100	
Municipal Manager	340100	0	0	339200	10000	0	346800	0	0
CORPORATE SERVICES									
Disaster Management & Fire	434020	0	0	101200	0	0	102400	0	0
Administration	618000	0	2900	621000	12500	3100	616400	34000	2700
Libraries	251000	0	1234000	247600	25000	24100	249100	0	23800
Municipal Halls & Buildings	269000	1000000	555	271100	1000000	5600	267400	800000	4740
Museum	151000	0	6100	148600	0	321000	144900	0	17500
Social Development	196900	0	0	194200	0	0	197100	20000	0
Traffic	474600	0	33100	474700	80000	31950	475100	0	32350
Testing Station	176400	0	201400	175133	0	202800	175100	0	202600
Hostels	4500	0	7600	4855	0	7700	4600	0	7500
TECHNICAL SERVICES									
Aerodome	13100	0	100	12920	0	150	13200	0	280
Cemetries	156000	0	7000	158200	25000	7500	153200	20000	8980
Health - Public Conveniences	19400	0	0	19300	0	0	19693	0	0
Parks and Gardens	494000	0	5100	493100	80000	4800	495600	64000	4600
Refuse Removal	1317000	0	1105600	1311600	0	1105200	1312400	250000	1105500
Street Cleaning	102600	0	0	101400	0	0	102300	0	0

Swimming Pools	27000	0	0	27316	0	0	26000	0	0
Town Engineer	578000	0	16400	580000	5000	16200	56900	55000	16150
Electricity	9821600	0	9162600	9611400	200000	8864310	8712500	400000	
Electricity - Street Lights	177100	0	0	177900	0	0	186100	0	8520800
Communications	107100	0	0	107200	0	0	121400	3000	0
Roads	769500	14650	0	771400	1746000	1130700	761200	1749000	1140600
FINANCIAL SERVICES									
Assessment Rates	483600	0	3260016	483500	0	4428800	483610	0	
Commonage	900	0	111000	1200	0	0	400	0	4401221
Computer	60200	0	0	59800	2400	0	59900	0	0
Grants-in-Aid	0	0	0	0	0	0	0	0	0
Staff Housing	5600	0	46000	5400	0	45500	5500	0	0
Vehicle Licensing	72700	0	108900	72800	0	100600	72600	0	47000
Stores	-28000	0	0	-28500	0	0	-27000	0	101200
Town Treasurer	694000	0	1800000	715000	8600	15000	686200	0	0
Housing Schemes	28800	0	28464	28700	0	28600	28600	0	170000
									28400

MONTHLY PROJECTION OF REVENUE AND EXPENDITURE BY VOTE	JULY 2012			AUGUST 2012			SEPTEMBER 2012		
	OPEX	CAPEX	REVENUE	OPEX	CAPEX	REVENUE	OPEX	CAPEX	REVENUE
MUNICIPAL MANAGER									
Council	1269100	0	6120	1267400	0	13320600	1268800	0	5010
Municipal Manager	310400	0	0	309200	0	0	362500	0	0
CORPORATE SERVICES									
Disaster Management & Fire	431600	0	0	99600	0	0	106400	0	0
Administration	622830	5000	2600	618200	0	2700	617600	0	2900
Libraries	252250	0	24400	250200	1000	20600	251400	0	21500
Municipal Halls & Buildings	268600	28000	5400	261800	0	5450	278713	21500	5520
Museum	156100	0	17700	151200	0	17600	145400	0	17800
Social Development	202945	0	0	196800	20000	0	196800	20000	0
Traffic	477251	4000	32800	473900	0	32550	475800	0	32300
Testing Station	175200	0	202100	174600	0	202800	174900	0	201800
Hostels	4400	0	8130	4380	0	7900	4500	0	7600
TECHNICAL SERVICES									
Aerodome	13000	0	160	13100	0	160	13300	0	160
Cemetries	153859	0	7400	154800	50000	7800	155200	150000	7700
Health - Public Conveniences	19410	0	0	19280	0	0	19300	0	0
Parks and Gardens	491800	64000	4600	494100	70000	5400	494200	0	6800
Refuse Removal	1318100	160000	1104224	1316900	0	1106000	1317800	0	1105300
Street Cleaning	101100	0	0	99800	0	0	102400	0	0

Swimming Pools	25000	0	690	2700	0	320	26000	0	350
Town Engineer	594200	0	16300	583200	0	16200	582100	0	16150
Electricity	7316300	300000	6861800	3180889	300000	6161200	8510600	200000	6010400
Electricity - Street Lights	179900	0	0	180100	0	0	172100	0	0
Communications	98400	0	0	96200	0	0	121800	0	0
Roads	771200	1740800	1140200	764200	1801200	1310000	786702	1750200	1240000
FINANCIAL SERVICES									
Assessment Rates	483550	0	4430867	483620	0	4429252	483610	0	4422000
Commonage	500	0	111000	300	0	0	700	0	0
Computer	60100	0	0	59033	0	0	60200	0	0
Grants-in-Aid	0	0	0	570000	0	0	0	0	0
Staff Housing	5700	0	44800	5600	0	47000	5490	0	46000
Vehicle Licensing	73286	0	101400	72850	0	101600	73000	0	101000
Stores	-26000	0	0	-28715	0	0	-25800	0	0
Town Treasurer	692100	0	150000	699000	0	140000	689000	0	125000
Housing Schemes	28800	0	28600	290743	0	28700	28600	0	28650

MONTHLY PROJECTION OF REVENUE AND EXPENDITURE BY VOTE	JULY 2012			AUGUST 2012			SEPTEMBER 2012		
	OPEX	CAPEX	REVENUE	OPEX	CAPEX	REVENUE	OPEX	CAPEX	REVENUE
MUNICIPAL MANAGER									
Council	1271522	0	4860	1268400	0	2161100	1267400	0	3140
Municipal Manager	369200	0	0	332727	0	0	340500	0	0
CORPORATE SERVICES									
Disaster Management & Fire	432200	0	0	103100	0	0	102900	0	0
Administration	618200	0	2800	619800	0	2870	616700		2710
Libraries	254600	0	39175	239800	0	23100	252200	0	24600
Municipal Halls & Buildings	271400	0	5560	268800	0	5600	269300	0	5490
Museum	148600	0	18100	1481000	0	18200	150200	0	17900
Social Development	197200	0	0	198100	0	0	194100	0	0
Traffic	474800	0	32500	476100	0	31800	472400	0	32500
Testing Station	174800	0	197600	176100	0	198400	174600	0	207300
Hostels	4600	0	7700	4100	0	7500	4300	0	7450
TECHNICAL SERVICES									
Aerodome	13050	0	90	13150	0	80	12982	0	70
Cemetries	156300	45000	7800	154600	0	7600	155700	0	7700
Health - Public Conveniences	19410	0	0	19350	0	0	19390	0	0
Parks and Gardens	494300	0	5500	494200	0	5100	494600	0	4000
Refuse Removal	1317600	0	1105490	1319236	0	1106800	1316900	1700000	1104900
Street Cleaning	103747	0	0	161900	0	0	101200	0	0

Swimming Pools	28000	0	260	29000	0	270	27000	0	250
Town Engineer	576200	0	16300	578100	0	16350	577800	0	16100
Electricity	6481600	1500	6026000	8716200	0	5916400	8872600	0	5946100
Electricity - Street Lights	174600	0	0	175200	0	0	176800	0	0
Communications	106400	0	0	95611	0	0	110600	0	0
Roads	765800	1741800	1190000	773400	1742200	1461200	769100	1751200	1389000
FINANCIAL SERVICES									
Assessment Rates	483520	0	4420700	483620	0	4427110	483560	0	4436590
Commonage	610	0	111000	650	0	0	600	0	0
Computer	60150	0	0	60200	0	0	60200	0	0
Grants-in-Aid	0	0	0	0	0	0	0	0	0
Staff Housing	5590	0	45500	5600	0	45900	5550	0	45500
Vehicle Licensing	72600	0	99500	72700	0	88900	72600	0	100900
Stores	-26500	0	0	-28000	0	0	-27500	0	0
Town Treasurer	669274	0	178000	691000	0	169000	693000	0	171600
Housing Schemes	28750	0	28620	28790	0	28690	28720	0	28700

MONTHLY PROJECTION OF REVENUE AND EXPENDITURE BY VOTE	JULY 2012			AUGUST 2012			SEPTEMBER 2012		
	OPEX	CAPEX	REVENUE	OPEX	CAPEX	REVENUE	OPEX	CAPEX	REVENUE
MUNICIPAL MANAGER									
Council	1267900	0	3180	1268200	0	3640	1264800	0	501483
Municipal Manager	336500	0	0	355400	0	0	338300	0	0
CORPORATE SERVICES									
Disaster Management & Fire	421800	0	0	63215	0	0	101100	0	0
Administration	619400	0	2820	618600	0	2910	619100	0	2820
Libraries	251100	0	22600	250680	0	21400	248900	0	20800
Municipal Halls & Buildings	268800	0	5860	267300	0	5890	271300	0	5840
Museum	155731	0	18200	148400	0	18100	147600	0	17800
Social Development	195600	0	0	196300	0	0	196800	0	0
Traffic	473900	0	32600	474900	0	31900	474800	0	32450
Testing Station	174200	0	202800	176100	0	199800	175200	0	201600
Hostels	4500	0	7700	4250	0	7650	4600	0	7550
TECHNICAL SERVICES									
Aerodome	13140	0	100	13200	0	100	13120	0	100
Cemetries	155800	0	7800	160100	0	7850	153600	0	7770
Health - Public Conveniences	19380	0	0	19400	0	0	19410	0	0
Parks and Gardens	494100	0	5100	494600	0	3800	493173	0	5200
Refuse Removal	1317800	0	1105600	1317600	0	1106100	1317100	0	1105200

Street Cleaning	101300	0	0	99900	0	0	101400	0	0
Swimming Pools	26500	0	310	27100	0	0	26800	0	0
Town Engineer	580620	0	16250	578300	0	16800	577200	0	16300
Electricity	6160700	0	6694173	8481200	0	8564200	8910400	0	9049600
Electricity - Street Lights	175400	0	0	175800	0	0	175476	0	0
Communications	101200	0	0	101800	0	0	106400	0	0
Roads	769900	1749200	990000	764200	1747200	1310300	768100	3419863	135000
FINANCIAL SERVICES									
Assessment Rates	483196	0	4428600	483550	0	4372878	483510	0	5690200
Commonage	590	0	113500	700	0	0	850	0	0
Computer	59900	0	0	59700	0	0	61200	0	0
Grants-in-Aid	0	0	0	0	0	0	0	0	0
Staff Housing	5610	0	46900	5540	0	44900	5520	0	45000
Vehicle Licensing	72800	0	99000	72650	0	109600	72710	0	97400
Stores	-27200	0	0	-28100	0	0	-27400	0	0
Town Treasurer	688400	0	156000	689400	0	208900	702200	0	149500
Housing Schemes	28760	0	28710	28720	0	28680	28780	0	28640

I - Organisational Performance Management System (OPMS)





PERFORMANCE MANAGEMENT SYSTEM

FOR THE

ENDUMENI MUNICIPALITY
2012/2013

1. **INTRODUCTION**

The Endumeni Municipality has developed a fully - fledged Performance Management System (PMS) in terms of Chapter 6 of the Municipal Systems Act 32 of 2000. It involves an extensive process to ensure that the system complies with legislative and policy requirements and a wide range of role players from outside as well as inside the Endumeni Municipality.

2. **LEGISLATIVE REQUIREMENTS FOR PERFORMANCE MANAGEMENT**

The Legislative and policy framework for PMS includes the Constitution, The Municipal Systems Act, The Municipal Finance Management Act, Municipal Planning and Performance Management Regulations, The White Paper on Local Government and the Batho Pele Principles.

3. **THE WHITE PAPER ON LOCAL GOVERNMENT (1998)**

The White Paper on local Government (1998) suggested that local government should introduce the idea of Performance Management systems. The White Paper noted that ,

“Involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query, others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back o communities on performance accountability is increased, and public trust in the local government system enhanced “(The White Paper on Local Government, 1998)”

a. **Batho Pele (1998)**

Similarly, the White Paper on Transforming Public Service Delivery (Batho Pele) puts eight principles for good public service:

Consultation: Citizens should be consulted about the level and quality of public service they receive and, where possible should be given a choice about the services which are provided.

Service Standards: Citizens should know what standard of service to expect.

Access: All citizens should have equal access to the services to which they are entitled.

Courtesy: Citizens should be treated with courtesy and consideration.

Information: Citizens should be given full and accurate information about the public services they are entitled to receive

Openness and transparency: Citizens should know how departments are run, how resources are spent, and who is in charge of particular services.

Redress: If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy, and when complaints are made citizens should receive a sympathetic, positive response.

Value for Money: Public Services should be provided economically and efficiently in order to give citizens the best possible value for money.

‘Importantly, the Batho Pele White Paper notes that the development of a service - oriented culture requires the active participation of the wider community. Municipalities need constant feedback from service users if they are to improve their operations. Local partners can be mobilized to assist in building a service culture. For example: local businesses or non governmental organizations may assist with funding a helpline, providing information about specific services, identifying service gaps or conducting a customer survey. - **The White Paper on Local Government (1998)**

b. The Municipal Systems Act (2000)

Government has taken this idea forward in the Municipal Systems Act (2000), which requires all municipalities to:

- Develop a performance management system
- Set targets, monitor and review performance based on indicators linked to their IDP
- Publish an Annual Performance Report on performance for the Councillors, staff, the public and other spheres of government.
- Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government.
- Conduct an internal audit on performance before tabling the report.
- Have their annual performance report audited by the Auditor General
- Involve the community in setting indicators and targets and reviewing municipal performance.

4. MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS (2001)

The Municipal Planning and performance Management Regulations set out in detail the requirements for Municipal PM systems. The regulations state that any PMS must entail a Framework that describes a represent how the Municipality's cycle and process of performance management including measurement, review, reporting and improvement, will be conducted. The system must also comply with the requirements of The Systems Act, relates to the municipality's employee performance management processes and be inked to the Municipality's IDP

In terms of the Regulation a municipality must:

- Set key performance indicators (KPI's) including input, output and outcome indicators in consultation with communities.
- For each financial year set performance targets
- Measure and report on 9 nationally prescribed KPI's
- Report on performance to Council at least twice a year
- As part of its internal audit process audit the results of performance measurement
- Annually appoint a performance audit committee
- Provide secretarial support to the said audit committee

5. MUNICIPAL FINANCE MANAGEMENT ACT

The Municipal Finance Management Act contains various important provisions related to performance management. It requires all municipalities to:

- Annually adopt a service delivery and budget implementation plan with service delivery targets and performance indicators.
- When considering and approving the annual budget set measurable performance targets for revenue from each source and for each vote in the budget.
- Compile an annual report, which must amongst others include a Municipality's performance report compiled in terms of the Systems Act

6. PMS PROCESS PLAN

The PMS was developed in terms of a formal process plan adopted by the Endumeni Municipal Council. The Draft 2012/2013 Process Plan sets out the phases and action steps to be followed in developing and refining the system. The Draft IDP, Budget and PMS Review Process Plan is appended as per **annexure "A"**.

The deliverables for each of the phases are as follows:

PHASE 1: Starting the process of developing a performance management system

DELIVERABLES FROM THIS PHASE

- Detailed project charter with timeframes
- Delegated responsibilities to the Municipal Manager
- Institutional arrangements to facilitate the development of a PMS

PHASE 2: Developing an organisational performance management system

DELIVERABLES FROM THIS PHASE

- Detailed situational analysis
- Public participation plan and structure to facilitate community involvement in developing the PMS.
- Workshop for Councillors and senior Management on performance management
- Departmental key performance indicators and targets set out in Departmental Scorecards
- Detailed performance management framework setting out inter alia how the Municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted and managed.
- Approved organisational Performance Management system

PHASE 3: Performance agreements for top management

DELIVERABLES FROM THIS PHASE

- Written performance agreements for the Municipal Manager and all Heads of Department

PHASE 4: develop an employee performance appraisal system

DELIVERABLES FROM THIS PHASE

- Individual Performance Management Policy and Procedure Manual
- Workshop for senior managers to enable them to enable them to implement the said manual

PHASE 5: Conclude and sign off the project

DELIVERABLES FROM THIS PHASE

- Project charter signed off as complete

7. CONCLUSION

The PMS System also sets out the generally accepted principles which will be applied in developing a system for the Endumeni Municipality and clarifies the roles and responsibilities of the various role-players during the process. Copies of the said plan are available upon request.

In terms of the progress made in developing the PMS the following has been finalised to date:

- The delegation of responsibilities to the Manager
- Setting up institutional arrangements to facilitate the process
- The compilation of performance agreements and plans for the Municipal Manager and Heads of Departments
- The compilation of a manual to evaluate the performance of all Managers
- Conducting a PMS capacity building workshop for Councillors and Senior Managers
- The legislative framework for PMS
- PMS at various levels
- Objectives of the Endumeni PMS
- Principles informing the development of the PMS
- Preferred performance management for Endumeni
- The process of managing performance and development
- The auditing of performance levels of key performance indicators
- General issues related to performance management
- An audit committee has been established and training completed
- The Organisational Performance Management System 2011/2012 was advertised and formally adopted by the Endumeni Municipality per resolution C01/13/05/11.
- The Organisational Performance Management System for 2012/2013 to 2016/2017 will be advertised with the IDP and adopted in due course.

The Organisational Performance Management System 2010/2011 consists of the following documents appended.

1. Performance Management Framework
2. Endumeni Institutional Scorecards
3. Departmental Scorecards: Finance, Corporate Services and Technical Services

The Organisational Scorecards were subjected to a 100% audit by GOBODO PTY (LTD) and submitted on a quarterly basis to the External Audit Committee. The Audit Report issued by the Auditor General pertaining to the Endumeni Municipality 2010/2011 was unqualified in all material respects pertaining to Organizational PMS and Section 57 and 56 Management Contracts.

The information is contained in the Annual Report and was tabled for the consideration of the Endumeni Council 2010/2011 during January 2012 and is currently in the process of being considered by the Oversight Committee.